2019 ANNUAL REPORT

Blackstone Property Partners Europe Holdings S.à r.l.

Blackstone

Contents

Management Statement

Dear Investors,

First and foremost, we hope you and your families stay healthy as the COVID-19 situation continues to evolve globally.

Over the past two years, we have assembled on behalf of Blackstone Property Partners Europe Holdings S.à r.l ("BPPEH") a diversified portfolio of high-quality logistics, residential, and office properties across major European markets, with a total GAV of €5.4 billion as of 31 December 2019. Taking into account acquisitions closed after year end, our portfolio currently stands at over €6 billion of total GAV.

Although today's investment environment is challenging, we are confident that BPPEH is well-positioned to withstand the near-term uncertainty. This is in large part due to our concentration in more resilient sectors and geographic markets, the strength and flexibility of our balance sheet, and our access to equity capital from institutional investors. We also benefit from the scale and expertise of Blackstone's $163 billion global real estate platform in all aspects of our business.

2019 was a productive year for BPPEH, as we continued to grow and further diversify our portfolio. Our most recent acquisitions have been focused on high-quality logistics assets in Europe's key distribution corridors and prime residential assets in the city centres of Amsterdam and Rotterdam in the Netherlands.

As of 31 December 2019, our portfolio comprised 461 assets spanning nine countries. Operating performance across our asset base has been strong, with our portfolio 94% leased on a four-year WALL (excluding residential) as of 31 December 2019. On a like-for-like basis, occupancy in our portfolio increased by 125 basis points, while passing rent per square metre increased by 2.9%. Meanwhile, we selectively disposed of assets that we believe offered only moderate growth potential over the medium term. During 2019, we disposed of three properties for €292 million at a 25% blended premium to their latest carrying value.

As our portfolio has grown in scale, we have maintained a conservative debt profile. Our net LTV as of 31 December 2019 stood at 46%, within our target range of 45-50%. We continued to access the capital markets in a disciplined manner during the last year, issuing €500 million of unsecured notes under our EMTN programme in February 2019 followed by a €1.1 billion issuance in September 2019. The proceeds were primarily used to repay existing bank debt, which resulted in a more flexible, longer duration, and lower cost capital structure. As of 31 December 2019, our debt had a weighted average interest rate of 1.6% and weighted average maturity of 5.0 years, and consisted almost entirely of fixed rate unsecured notes.

In addition, BPPEH's credit rating was upgraded to BBB with a stable outlook by Standard & Poor's, which cited BPPEH's increased scale and diversification along with its high-quality portfolio as rationale for the upgrade. We also enhanced our funding flexibility by refinancing our revolving credit facility subsequent to year-end. Our new €600 million facility carries a lower interest rate and has a longer maturity than our previous facility.

We are proud of the performance BPPEH has delivered to date, and we thank you for your continued support.

Frank Cohen
Global Head of
Core+ Real Estate
Blackstone

Wesley LePatner
Global COO of
Core+ Real Estate
Blackstone

James Seppala
Head of
Real Estate Europe
Blackstone

Jean-Francois Bossy
Board Member
BPPEH

Diana Hoffmann
Board Member
BPPEH

Business Overview & Strategy

BPPEH seeks to acquire high-quality, substantially stabilised real estate assets across Europe. Investments are concentrated in the logistics, residential, and office sectors, with a focus on major European markets and key gateway cities. BPPEH is 100% owned by Blackstone Property Partners Europe, an open-ended core+ real estate fund managed by Blackstone.

Blackstone is the largest real estate asset manager in the world, with $163 billion of equity under management as of 31 December 2019. In addition, Blackstone is one of the largest owners of real estate in Europe, managing a €77 billion portfolio across 24 countries.

Blackstone's access to proprietary information from its global portfolio coupled with the breadth and expertise of its team enable BPPEH to identify attractive investment themes on which it can execute in scale.

The Blackstone platform allows BPPEH to source and evaluate investment opportunities that others may not be able to pursue. Blackstone has developed an unrivalled network of relationships with real estate owners, operating partners, and agents, which provide BPPEH with access to off-market transactions. In addition, we target opportunities where our ability to navigate complexity and transact quickly allows us to invest at an attractive basis.

BPPEH is focused on value creation through active asset management, including leasing, physical renovations, and expense management. This is driven by Blackstone's dedicated asset management professionals and over 3,000 employees within Blackstone's portfolio companies and operating partners across Europe who have a deep-rooted expertise in all our major markets.

BPPEH seeks to finance its investments with moderate leverage, targeting 45-50% LTV. BPPEH aims to have a principally unsecured capital structure with fixed interest rates and a staggered debt maturity profile. Combined with BPPEH's focus on a high-quality, diversified asset base, we believe our financing strategy results in an attractive, low-risk investment profile.

Key Highlights

Large, Diversified Portfolio

9 Countries

€5.4B GAV

461 Assets

Stable Cash Flows with Operational Upside

94% Occupancy

4-Year WALL

15% Below market rents

Strong Credit Profile

46% Net LTV

1.6% Weighted average interest rate

100% Fixed rate debt[1]

Blackstone's European Management Platform

€77B Real estate portfolio

3,000+ Employees[2]

23 Years of investing experience in Europe

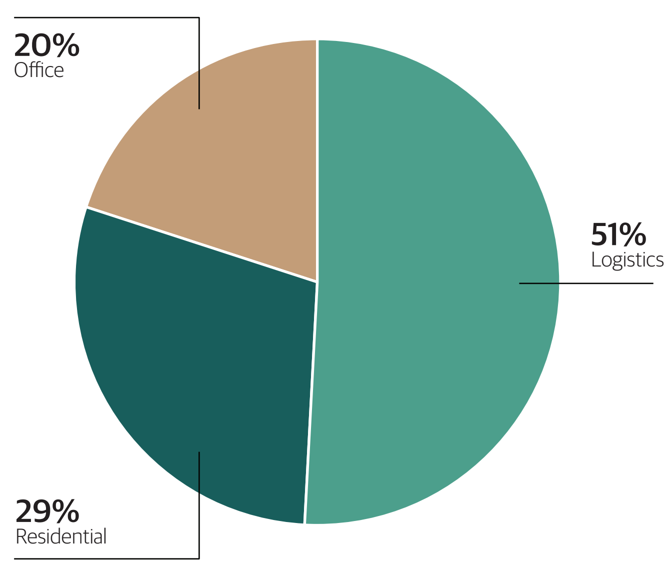
Note: All BPPEH metrics in this Annual Report are calculated at 100% share (including the portion attributable to minority owners). See definitions on page 82.
1. Includes debt that has been swapped from floating to fixed rate. Floating rate debt represented 0.2% of BPPEH's total debt as of 31 December 2019.
2. Includes Blackstone's operating partners and portfolio companies.

Portfolio Overview

BPPEH owns a diversified portfolio of high-quality, well-located properties in the logistics, residential, and office sectors. The portfolio consists of 461 assets spanning 3.5 million square metres across nine countries, with a GAV of €5.4 billion as of 31 December 2019.

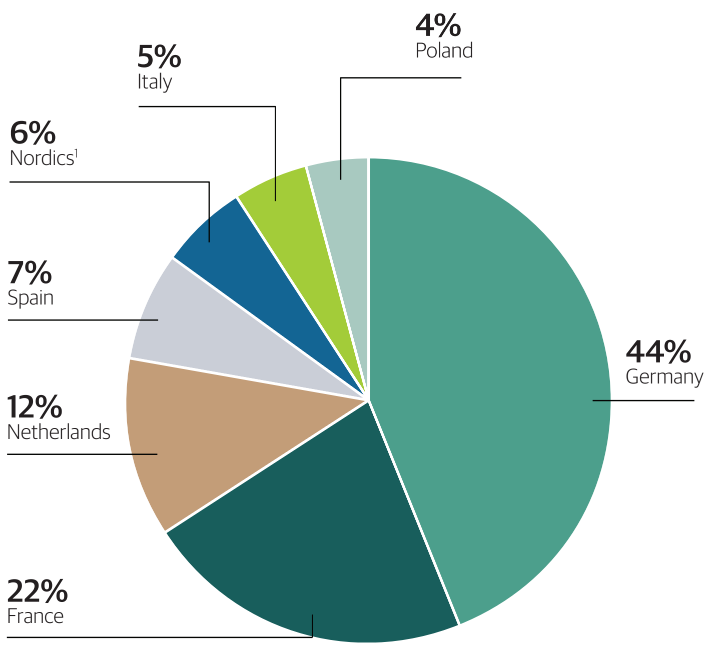
Sector Allocation

(% of GAV)



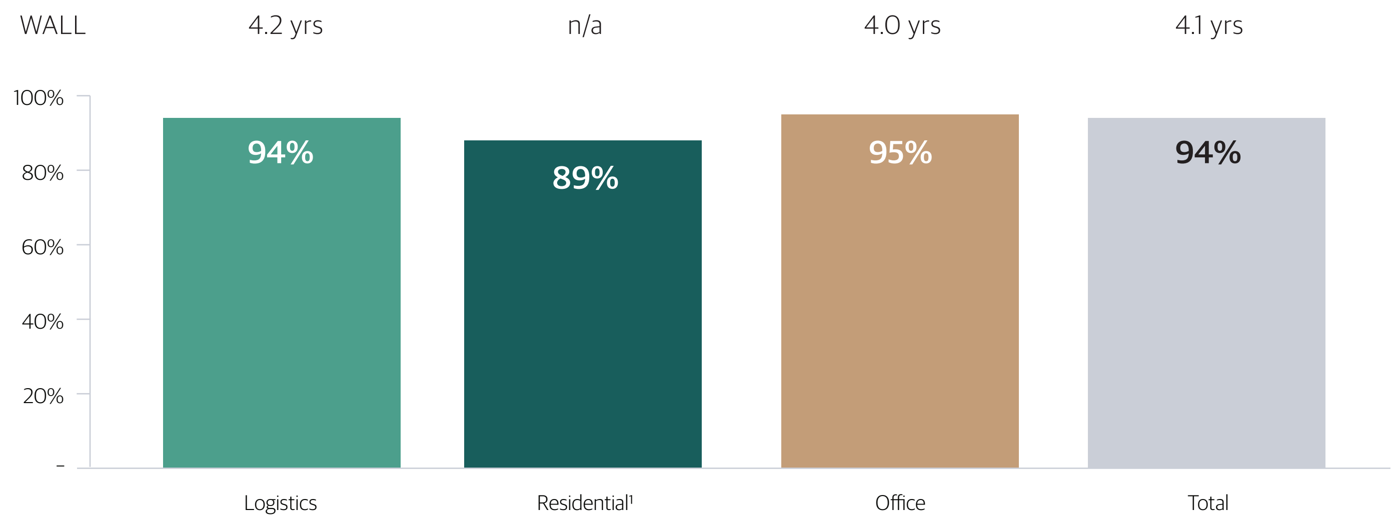
Geographic Allocation

(% of GAV)



1. Includes Sweden (4%), Denmark (1%), and Finland (1%).

Occupancy and WALL by Sector



Acquisitions

BPPEH follows a disciplined investment approach, with a focus on acquiring high-quality assets in growth markets at attractive pricing. During 2019, BPPEH acquired well-located logistics and residential assets for an all-in cost of €1.4 billion, as outlined below.

Logistics: During 2019, BPPEH acquired 21 logistics assets in France and 12 logistics assets in the Nordics for an all-in cost of €902 million. The French portfolio, totalling 831k square metres, is concentrated in France's major logistics markets, including Paris, Lyon, Lille, and Marseille. The Nordic portfolio, totalling 218k square metres, is concentrated in the Nordic Trade Triangle (Stockholm, Oslo, and Copenhagen), with two-thirds of portfolio value in last-mile properties.

Residential: BPPEH expanded into the Dutch residential sector during 2019, with the acquisition of 1,025 residential units for an all-in cost of €488 million. The portfolio, well-located in central Amsterdam and central Rotterdam, was acquired through multiple transactions, the majority of which were on an off-market basis.

Dispositions

To maximise the value of its portfolio, BPPEH may seek to selectively dispose of assets that we deem to be non-core or that we believe offer only moderate growth potential over the medium term.

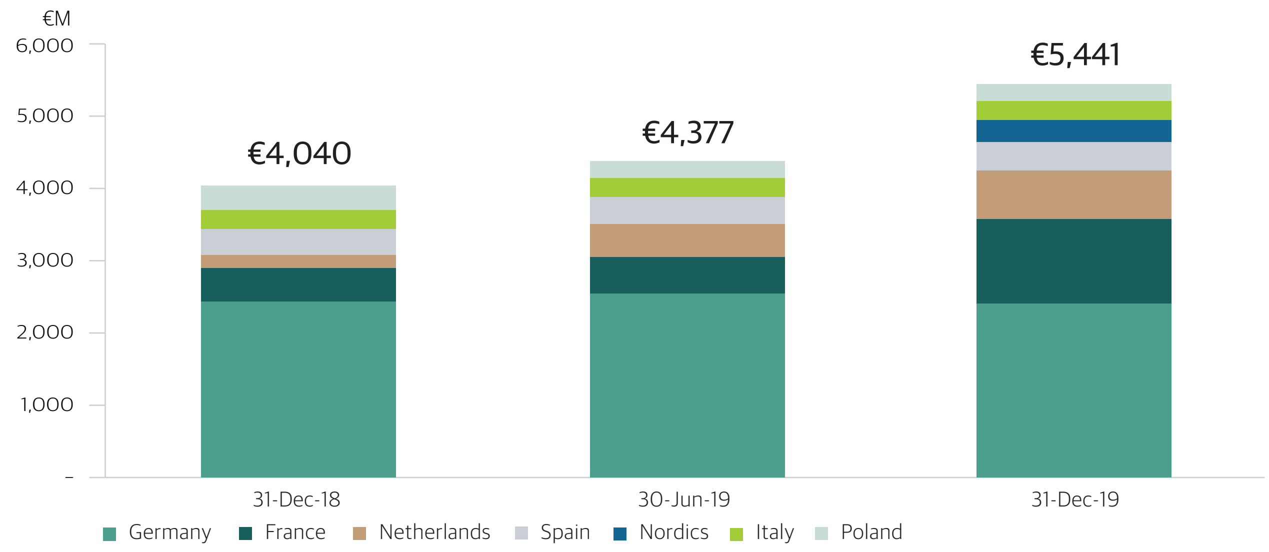
In May 2019, BPPEH disposed of two long-leased logistics assets in Poland, comprising 163k square metres, for €129 million, representing a 5% premium to thier carrying value[2] as of 31 December 2018. The properties, located in Wroclaw and Lodz, were 100% leased on an 11-year WALL.

In December 2019, BPPEH disposed of an office asset on Leipziger Strasse in Berlin for €163 million, representing a 48% premium to its carrying value[2] as of 30 June 2019. The property, comprising 10k square metres, was sold after successfully negotiating an early lease surrender with our main tenant and signing a 15-year lease with the German government on 100% of the commercial space at a 115% releasing spread.

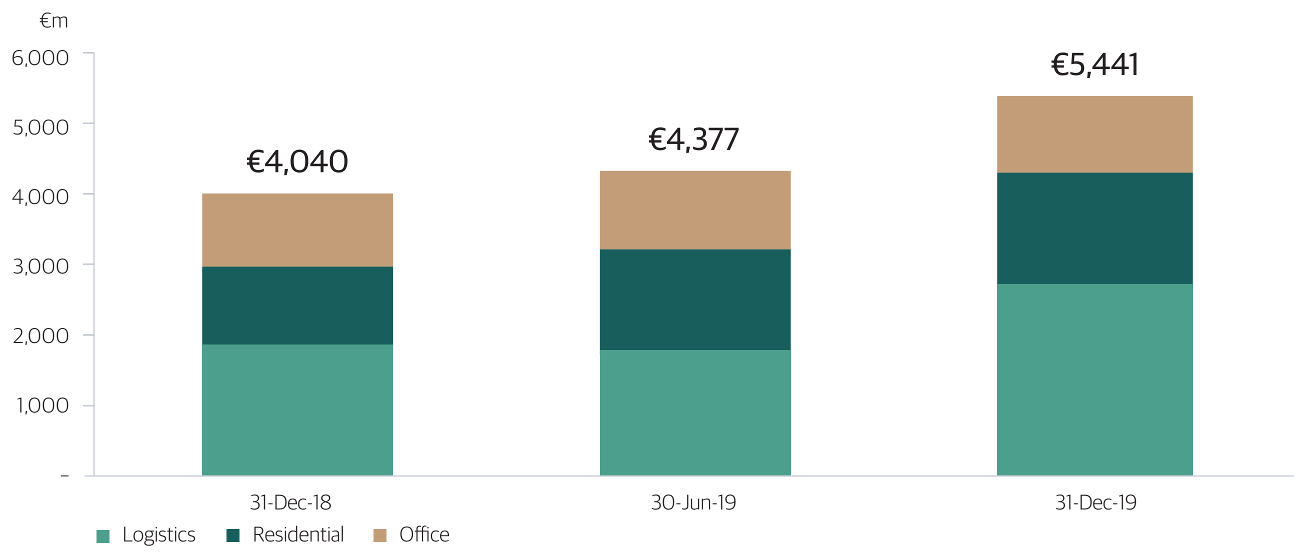
1. Represents occupancy of residential units only. Adjusting for vacancy due to refurbishment, average residential occupancy would be 95%.
2. On a fair value basis.

Portfolio Update

GAV by Country



GAV by Sector



Logistics

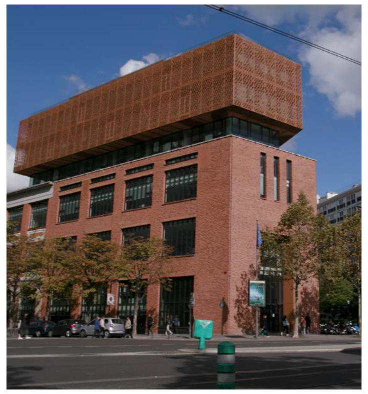
Key Metrics	31-Dec-19	31-Dec-18	LfL Change
GAV (€m)	2,752	1,864	+4.0%
GLA ('000s)	2,958	2,071	–
Occupancy (%)	94%	95%	+181 bps
WALL (years)	4.2	5.0	(0.3) years
Passing Rent (€/sqm/year)	50	50	+1.2%

Residential

Key Metrics	31-Dec-19	31-Dec-18	LfL Change
GAV (€m)	1,599	1,125	(2.7)%
Number of Residential Units	5,610	4,591	–
Occupancy[1] (%)	89%	91%	(164) bps
Passing Rent (€/sqm/month)	9.4	7.7	+5.9%

Office

Key Metrics	31-Dec-19	31-Dec-18	LfL Change
GAV (€m)	1,090	1,052	+13.0%
GLA ('000s)	137	148	–
Occupancy	95%	95%	(41) bps
WALL (years)	4.0	4.7	(0.9) years
Passing Rent (€/sqm/year)	269	261	+2.8%



Note: "LfL Change" represents the change in each metric for our like-for-like portfolio, which is comprised of assets owned throughout 2019 (i.e., excludes assets acquired or sold during 2019). All like-for-like changes in area and number of units in this Annual Report exclude the impact of remeasurement and combination/division of existing units.
1. Represents occupancy of residential units only. Adjusting for vacancy due to refurbishment, average residential occupancy would be 95% as of 31 December 2019.

Logistics

BPPEH owns a high-quality €2.8 billion pan-European logistics portfolio located in key distribution corridors. The portfolio consists of 86 properties comprising 3.0 million square metres across nine countries. The portfolio is 94% occupied on a 4.2-year WALL.

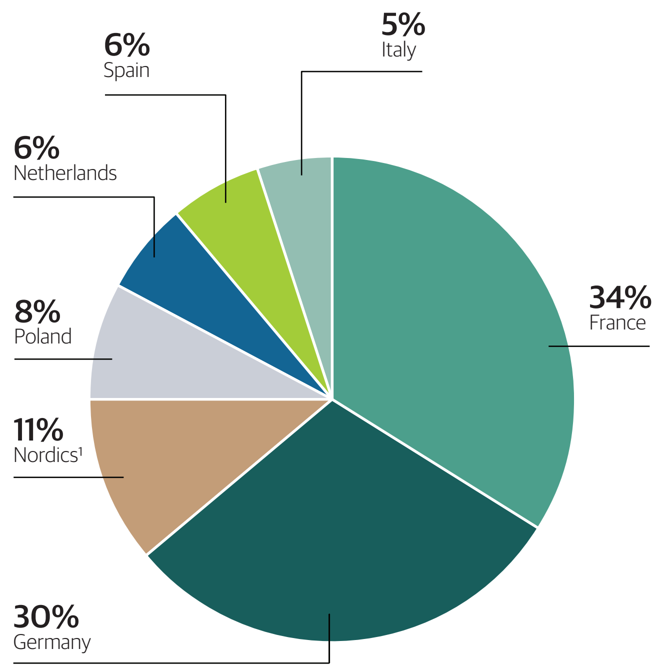
GAV
€2.8B

Square Metres
3.0M

Occupancy
94%

WALL
4.2 Years

Geographic Allocation
(% of GAV)



1. Includes Sweden (8%), Denmark (2%), and Finland (1%).

Logistics Portfolio Summary

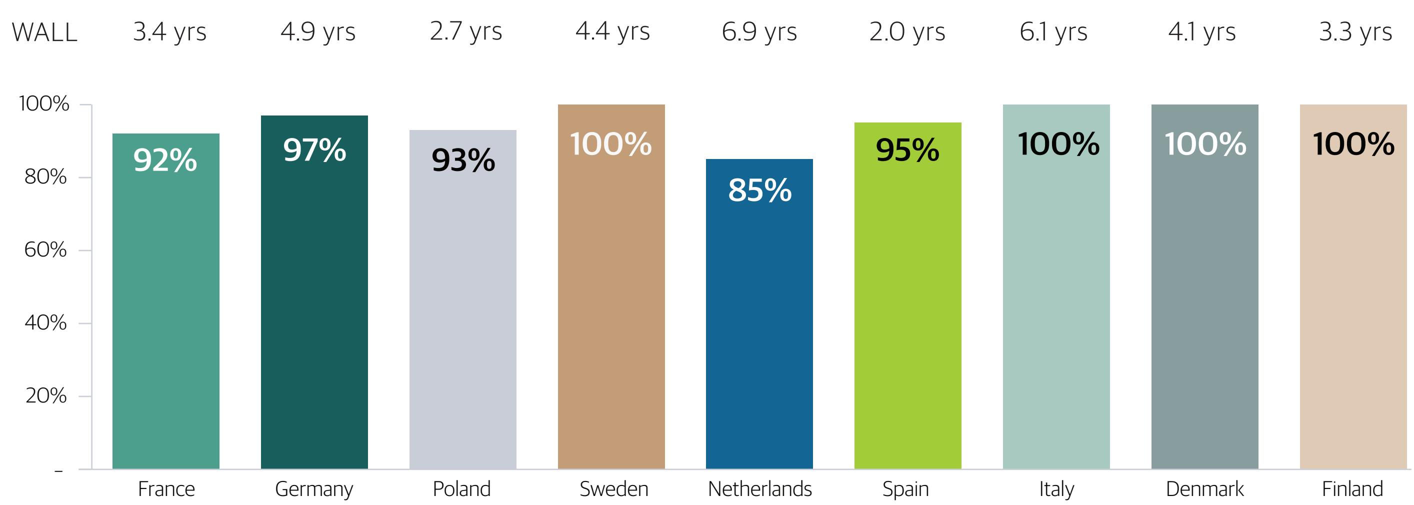
Logistics assets represent approximately 51% of BPPEH's GAV as of 31 December 2019. We continue to see strong fundamentals in the logistics space, driven by positive e-commerce trends combined with limited new supply. Increased demand has caused vacancy across our key markets to drop below 4.5%, resulting in accelerating rental growth. Our logistics portfolio is well-positioned to capitalise on these trends given the strong locations and high quality of our properties.

The portfolio is well-leased, with 94% occupancy and a 4.2-year WALL as of 31 December 2019, and delivered strong operating results during the year. Occupancy increased by 181 bps and passing rent per square metre increased by 1.2% on a like-for-like basis. As a result of the strong fundamentals in the sector and the positive operating performance of our assets, the GAV of our logistics portfolio increased by 4.0% on a like-for-like basis.

During the year, we acquired 33 high-quality logistics assets in France and the Nordics, comprising 1.0 million square metres, for an all-in cost of €902 million. In addition, we reduced our exposure to Poland through the sale of two long-leased properties located in Wroclaw and Lodz. The assets, which were 100% occupied on an 11-year WALL, were sold for €129 million.

Country	GAV (€m)	Number of Assets	Area ('000 sqm)	Occupancy	WALL (years)	Passing Rent (€/sqm/year)
France	927	30	1,133	92%	3.4	44
Germany	820	20	789	97%	4.9	51
Poland	230	9	355	93%	2.7	47
Sweden	207	9	154	100%	4.4	61
Netherlands	166	5	155	85%	6.9	68
Spain	160	5	162	95%	2.0	41
Italy	146	5	147	100%	6.1	59
Denmark	60	2	35	100%	4.1	100
Finland	36	1	28	100%	3.3	63
Total / Weighted Avg.	**2,752**	**86**	**2,958**	**94%**	**4.2**	**50**
2018 Total / Weighted Avg.	1,864	55	2,071	95%	5.0	50
LfL Change	**+4.0%**	**–**	**–**	**+181 bps**	**(0.3) years**	**+1.2%**

Occupancy and WALL by Country



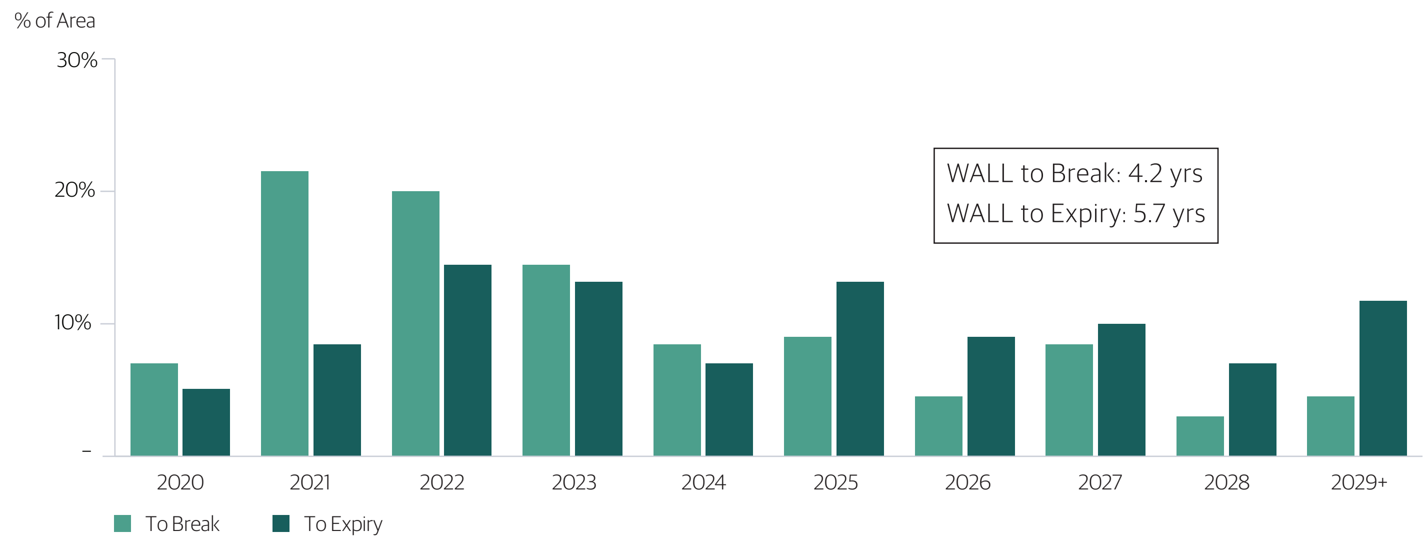
Tenant Overview

BPPEH's logistics portfolio benefits from a high-quality, diversified tenant base comprised primarily of large corporates and major third party logistics providers. As of 31 December 2019, the top ten tenants represented 45% of passing rent. Major tenants include:

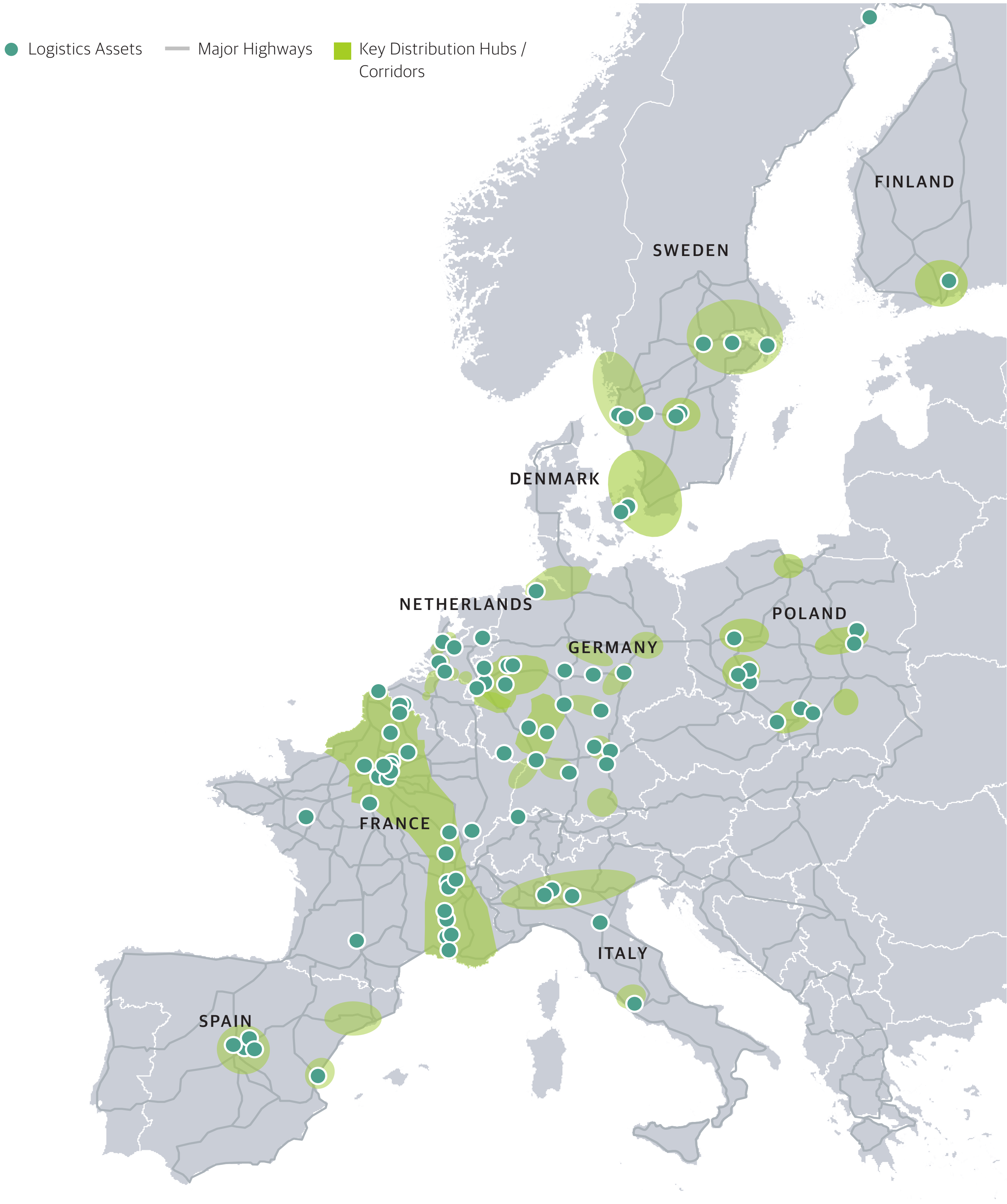
Leasing Activity

In 2019, we signed lease agreements amounting to 282k square metres across our logistics portfolio, including 150k square metres of new leases and 132k square metres of renewals. BPPEH achieved an average releasing spread of 4% for all leases on previously occupied space. Leases with break options or expiries during the year totalled 211k square metres, for which we achieved a retention ratio of 69%.

Lease Maturity Profile



Logistics Portfolio Map



Logistics Asset List

Asset Name	Country	Area (sqm)	Occupancy
Copenhagen - Greve	Denmark	19,500	100%
Copenhagen - Taastrup	Denmark	15,900	100%
Total Denmark (2)		**35,400**	**100%**
Helsinki - Orimattila	Finland	28,400	100%
Total Finland (1)		**28,400**	**100%**
Amiens	France	12,700	100%
Avignon - Monteux I	France	23,500	73%
Avignon - Monteux II	France	31,200	100%
Dijon - Besancon	France	70,800	100%
Dijon - Longvic	France	38,100	100%
Dunkirk	France	20,900	50%
Lille - Hem	France	50,400	100%
Lille - Noyelles-Godault	France	18,400	35%
Lille - Toufflers	France	40,800	100%
Lyon - Belleville	France	50,500	100%
Lyon - Chalon-sur-Saone	France	108,100	100%
Lyon - Etoile-sur-Rhone	France	34,900	100%
Lyon - Macon-Nord	France	22,200	100%
Lyon - Saint-Pierre-de-Chandieu	France	19,400	100%
Lyon - Saint-Quentin-Fallavier I	France	18,700	100%
Lyon - Saint-Quentin-Fallavier II	France	26,700	100%
Marseille - Salon-de-Provence	France	52,900	100%
Nantes - Angers	France	42,200	100%
Orleans - Ormes	France	51,500	37%
Paris - Combs-la-Ville	France	41,600	100%
Paris - Dammartin-en-Goele	France	19,700	100%
Paris - Ferrieres-en-Brie	France	42,800	100%
Paris - Lagny-le-Sec	France	61,100	98%
Paris - Mitry	France	12,400	100%
Paris - Rosny-sur-Seine	France	19,400	100%
Paris - Soissons	France	37,800	100%
Paris - Villebon-sur-Yvette	France	72,000	100%
Rhone Alpes - Portes de Provence I	France	25,400	100%
Rhone Alpes - Portes de Provence II	France	35,800	100%
Toulouse - Montbartier	France	31,700	–
Total France (30)		**1,133,600**	**92%**

Logistics Asset List (cont'd)

Asset Name	Country	Area (sqm)	Occupancy
Bremerhaven	Germany	20,400	–
Dortmund - Hamm	Germany	45,200	100%
Dortmund - Linderstrasse	Germany	21,600	100%
Dortmund - Werne	Germany	16,900	100%
Duisburg	Germany	62,900	99%
Dusseldorf - Huckelhoven	Germany	123,000	100%
Dusseldorf - Viersen	Germany	10,900	100%
Erfurt	Germany	88,500	100%
Frankfurt - Linsengericht	Germany	21,800	100%
Frankfurt - Waldlaubersheim	Germany	47,000	100%
Hassfurt	Germany	10,400	100%
Karlsrhue	Germany	37,600	100%
Kassel - Bad Hersfeld	Germany	73,300	100%
Kassel - Borken	Germany	40,500	100%
Kassel - Michelsrombach	Germany	38,700	100%
Leipzig - Halle	Germany	27,900	100%
Neunkirchen	Germany	13,000	100%
Nuremberg - Feucht	Germany	19,000	100%
Nuremberg - Rittigfeld	Germany	55,300	100%
Stuttgart - Schwabisch Gmund	Germany	15,100	100%
Total Germany (20)		**789,000**	**97%**
Bologna - Modena	Italy	21,000	100%
Milan - Linate	Italy	10,900	100%
Milan - Pozzuolo	Italy	36,800	100%
Milan - via Dante	Italy	46,100	100%
Rome - Aprilia	Italy	32,300	100%
Total Italy (5)		**147,100**	**100%**
Amsterdam - Schiphol	Netherlands	37,800	100%
Dordrecht	Netherlands	33,600	100%
Tiel	Netherlands	22,600	–
Vianen - Laanakkerweg	Netherlands	37,100	100%
Vianen - Randweg	Netherlands	23,600	100%
Total Netherlands (5)		**154,700**	**85%**

Asset Name	Country	Area (sqm)	Occupancy
Katowice - Bedzin	Poland	54,500	92%
Katowice - Raciborz	Poland	21,800	100%
Katowice - Sosnowiec	Poland	47,100	98%
Poznan	Poland	45,400	63%
Warsaw - Annopol	Poland	35,900	100%
Warsaw - Okecie	Poland	38,800	92%
Wroclaw - Kepinska	Poland	46,300	100%
Wroclaw - Kieczowska	Poland	38,800	100%
Wroclaw - Przedwiosnie	Poland	25,900	100%
Total Poland (9)		**354,500**	**93%**
Madrid - Avenida del Rio Henares I	Spain	84,000	100%
Madrid - Avenida del Rio Henares II	Spain	35,200	100%
Madrid - Avenida la Ballestera	Spain	8,600	–
Madrid - Calle los Corrales	Spain	14,900	100%
Valencia	Spain	19,200	100%
Total Spain (5)		**161,900**	**95%**
Boras	Sweden	22,800	100%
Gothenburg - Landvetter	Sweden	12,900	100%
Gothenburg - Ostergarde	Sweden	18,800	100%
Jonkoping I	Sweden	40,500	100%
Jonkoping II	Sweden	18,400	100%
Lulea	Sweden	7,900	100%
Orebro	Sweden	8,000	100%
Stockholm - Skogas	Sweden	13,300	100%
Stockholm - Eskilstuna	Sweden	11,200	100%
Total Sweden (9)		**153,800**	**100%**
Total BPPEH (86)		**2,958,400**	**94%**

Residential

BPPEH owns a €1.6 billion portfolio of high-quality residential properties in Germany and the Netherlands. The portfolio consists of 367 properties with 5.6k residential units.

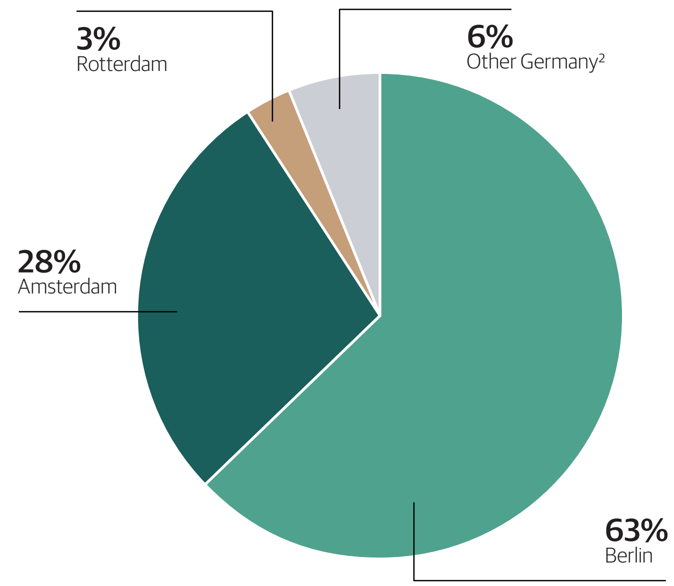
GAV
€1.6B

Residential Units
5.6K

Occupancy[1]
89%

Properties
367

Geographic Allocation
(% of GAV)



1. Represents occupancy of residential units only. Adjusting for vacancy due to refurbishment, average residential occupancy would be 95%.
2. Includes Brandenburg, Dresden, Magdeburg, and Potsdam.

Residential Portfolio Summary

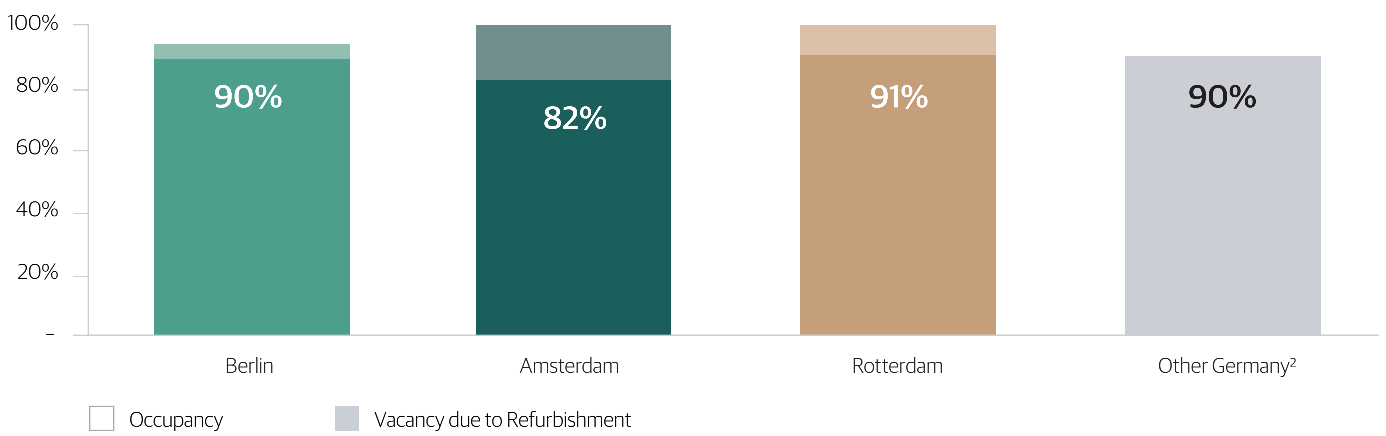
Residential assets represent approximately 29% of BPPEH's GAV as of 31 December 2019. Our residential portfolio is concentrated in Berlin, Amsterdam, and Rotterdam, which together represent 94% of our residential GAV. Each of these markets has strong supply / demand dynamics, with residential vacancy at frictional levels today.

Our residential portfolio performed well during 2019, with passing rent per square metre increasing by 5.9% on a like-for-like basis. Occupancy declined by 164 bps on a like-for-like basis, driven by the ongoing refurbishment of units. Adjusting for vacancy due to refurbishment, BPPEH's average residential occupancy as of 31 December 2019 would be 95%.

Our portfolio is reversionary, with in-place rents considerably below market levels. We are focused on selectively upgrading and maintaining the units in our portfolio to a high standard. We refurbished and released 324 units and invested €29 million of capex into our portfolio during 2019.

			Number of Units				
City	GAV (€m)	Number of Assets	Residential	Commercial	Total	Occupancy[1]	Passing Rent (€/sqm/mo)
Berlin	1,004	129	3,714	289	4,003	90%	8.5
Amsterdam	453	148	808	78	886	82%	16.8
Rotterdam	52	43	217	27	244	91%	9.1
Other Germany[2]	91	47	871	61	932	90%	6.9
Total / Weighted Avg.	**1,599**	**367**	**5,610**	**455**	**6,065**	**89%**	**9.4**
2018 Total / Weighted Avg.	1,125	176	4,591	356	4,947	91%	7.7
LfL Change	**(2.7)%**	**–**	**–**	**–**	**–**	**(164) bps**	**+5.9%**

Occupancy by City



1. Represents occupancy of residential units only. Adjusting for vacancy due to refurbishment, average residential occupancy would be 95% as of 31 December 2019.
2. Includes Brandenburg, Dresden, Magdeburg, and Potsdam.

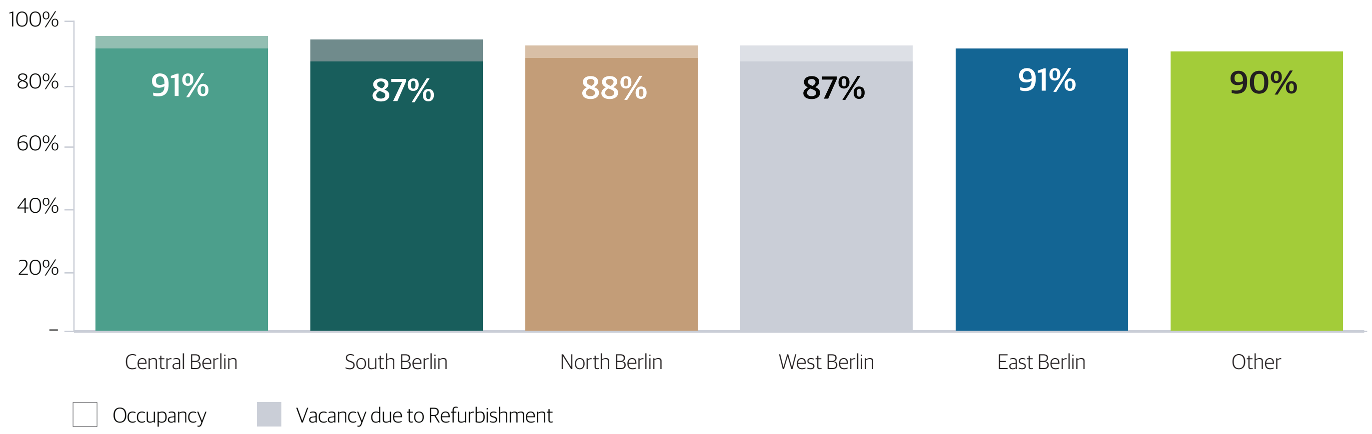
German Residential Portfolio Summary

BPPEH owns a high-quality, well-located portfolio of residential assets in Germany. Over half of our German residential portfolio is located in the prime districts of Mitte, Charlottenburg-Wilmersdorf, and Friedrichshain-Kreuzberg in Berlin, with the remainder concentrated in attractive neighbourhoods with strong demographic and economic fundamentals. Our Berlin portfolio has an average Walk Score of 83 (out of 100), illustrating our properties' strong micro-locations. Altbau[1] properties account for 75% of GAV. In addition, our portfolio is highly granular, with 26 residential units per asset on average.

While we continue to believe in the long term fundamentals of the Berlin residential market, there remains considerable uncertainty given the recently approved rental regulations. As a result, the value of our German residential portfolio declined by 2.7% on a like-for-like basis. As of 31 December 2019, our Berlin residential portfolio represented 18% of BPPEH's GAV and 12% of BPPEH's rental income. Given we are no longer actively acquiring residential assets in Berlin, we expect our exposure to this sector to continue to decline relative to our broader portfolio.

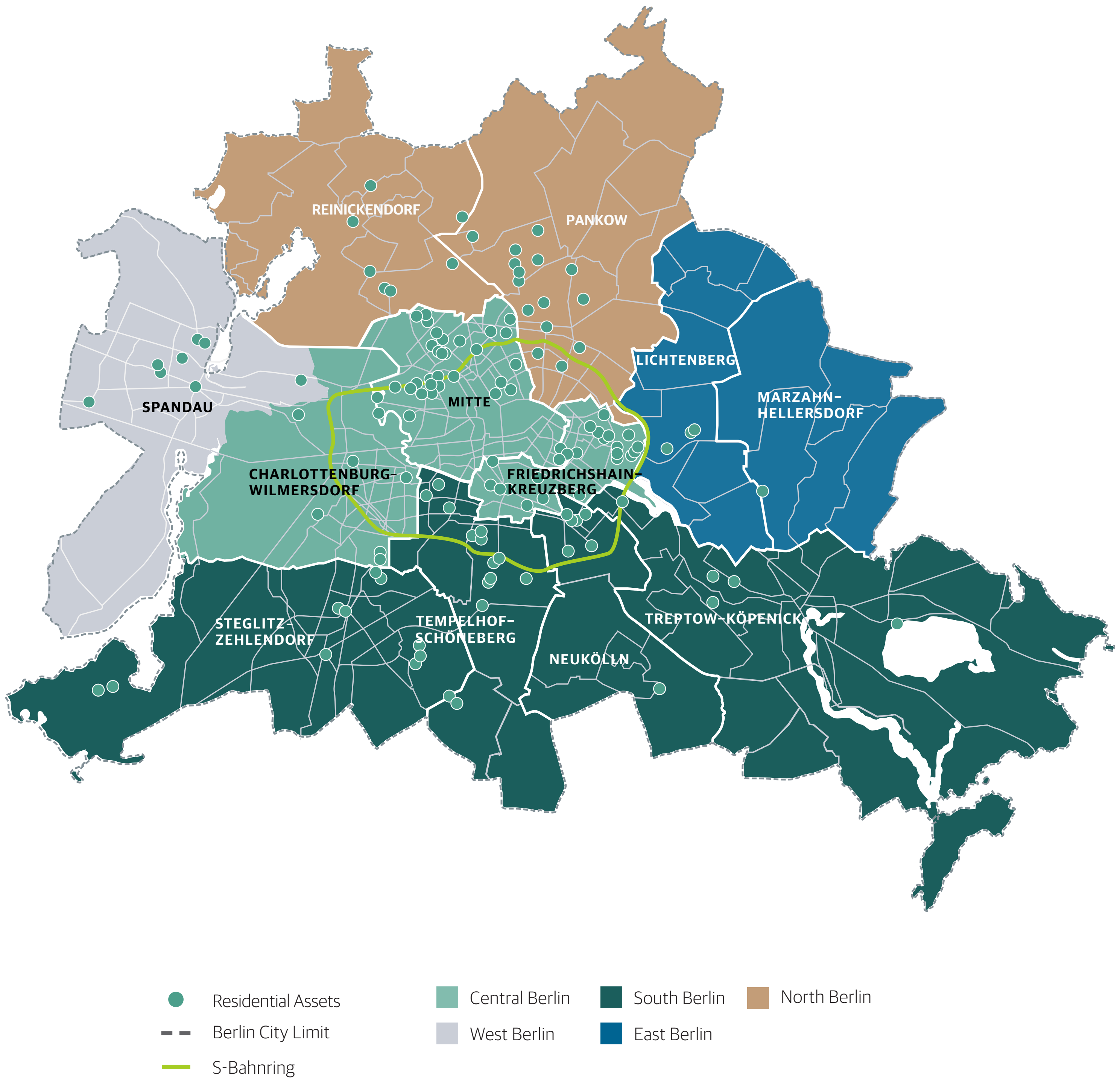
			Number of Units				
Submarket	GAV (€m)	Number of Assets	Residential	Commercial	Total	Occupancy[2]	Passing Rent (€/sqm/mo)
Central Berlin	558	58	2,162	129	2,291	91%	8.5
South Berlin	249	37	853	94	947	87%	8.4
North Berlin	152	22	484	43	527	88%	9.0
West Berlin	28	8	132	20	152	87%	7.2
East Berlin	16	4	83	3	86	91%	9.0
Other[3]	91	47	871	61	932	90%	6.9
Total / Weighted Avg.	**1,094**	**176**	**4,585**	**350**	**4,935**	**90%**	**8.2**
2018 Total / Weighted Avg.	1,125	176	4,591	356	4,947	91%	7.7
LfL Change	**(2.7)%**	**–**	**–**	**–**	**–**	**(164) bps**	**+5.9%**

Occupancy by Submarket



1. Altbau refers to properties built before 1930.
2. Represents occupancy of residential units only. Adjusting for vacancy due to refurbishment, average residential occupancy would be 94% as of 31 December 2019.
3. Includes Brandenburg, Dresden, Magdeburg, and Potsdam.

Berlin Residential Portfolio Map



Dutch Residential Portfolio Summary

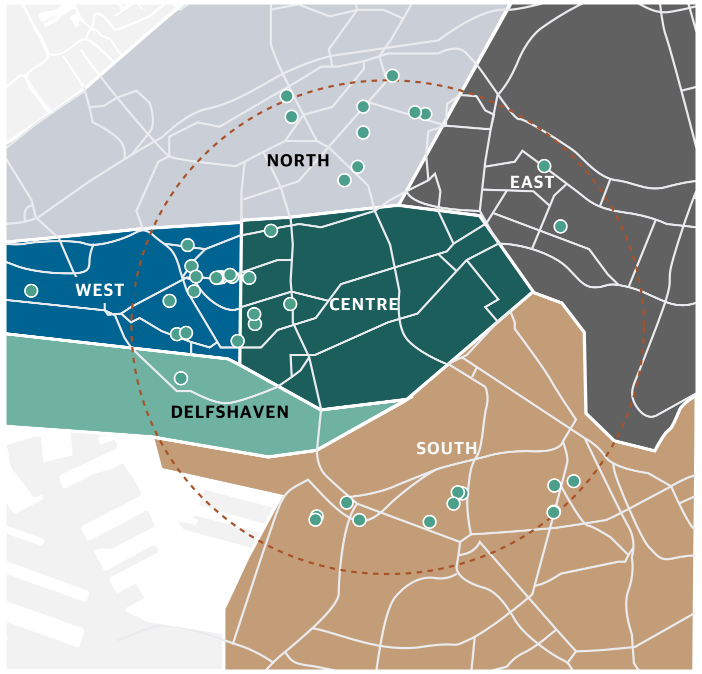
During 2019, we expanded our residential footprint by assembling a prime Dutch residential portfolio through multiple primarily off-market transactions. The portfolio, comprised of 1,025 residential units, is exceptionally well-located in Amsterdam and Rotterdam. Virtually all properties are located within a 15-minute bicycle ride of the historic city centres.

While we have held the portfolio for less than a year, initial operating performance has been positive with strong leasing momentum across both markets. Additionally, we have established sustainable capex programmes aimed at improving the quality of our assets and adding supply through attic conversions and renovation of previously unlettable units.

			Number of Units				
Submarket	GAV (€m)	Number of Assets	Residential	Commercial	Total	Occupancy[1]	Passing Rent (€/sqm/mo)
Amsterdam	453	148	808	78	886	82%	16.8
Rotterdam	52	43	217	27	244	91%	9.1
Total / Weighted Avg.	**504**	**191**	**1,025**	**105**	**1,130**	**84%**	**15.0**
2018 Total / Weighted Avg.	-	-	-	-	-	-	-

Amsterdam

Rotterdam



Residential Assets

15-minute cycle to City Centre

1. Represents occupancy of residential units only. Adjusting for vacancy due to refurbishment, average residential occupancy would be 99% as of 31 December 2019.

Office

BPPEH owns a €1.1 billion portfolio of eight high-quality office properties located in Berlin, Paris, Barcelona, Munich, and Rome. The portfolio is 95% occupied on a 4.0-year WALL at rents that are 30% below market on average.

GAV

€1.1B

Square Metres

137K

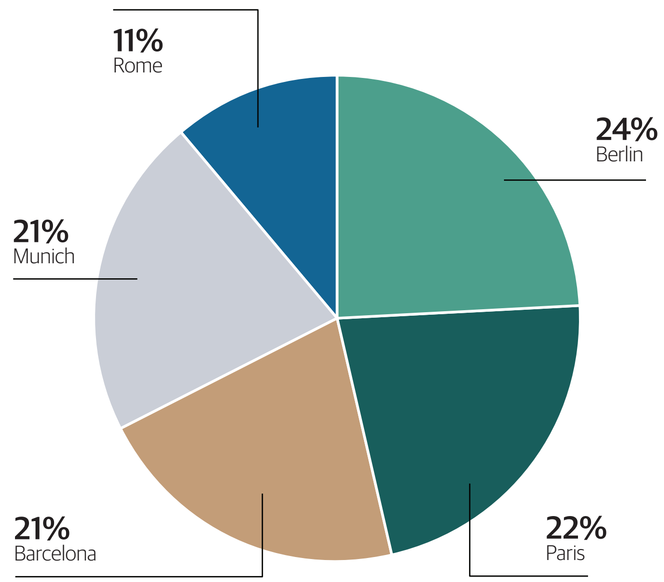
Occupancy

95%

WALL

4.0 Years

Geographic Allocation
(% of GAV)



Office Asset List

Pariser Platz
Berlin, Germany: 9k sqm

Leibniz Kolonnaden
Berlin, Germany: 14k sqm

Arabella
Munich, Germany: 44k sqm

Avenida Diagonal
Barcelona, Spain: 28k sqm

Ilot Panhard
Paris, France: 22k sqm

Palazzo Luigi Sturzo
Rome, Italy: 10k sqm

Quirinale
Rome, Italy: 9k sqm

Quattro Fontane
Rome, Italy: 2k sqm

Office Portfolio Summary

Office assets represent approximately 20% of BPPEH's GAV as of 31 December 2019. We are focused on acquiring high-quality office assets located in dynamic, innovation-focused cities across Europe, which are benefitting from attractive fundamentals and favourable urbanisation trends.

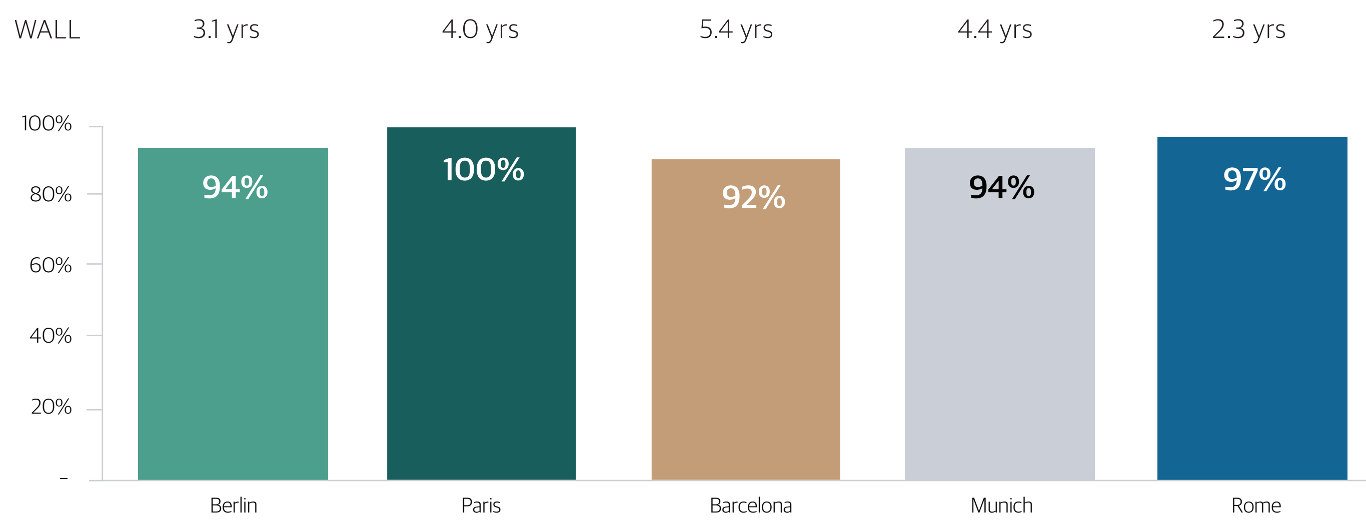
Approximately one-quarter of our office portfolio is located in Berlin, where we own two prime assets in trophy locations on Pariser Platz and Leibnizstrasse just off of Kurfürstendamm. We also own high-quality assets located in Paris' 13th arrondissement, on Avenida Diagonal in Barcelona, in the Arabella submarket of Munich, and in Rome's CBD and EUR submarkets.

Our office portfolio was 95% occupied on a 4.0-year WALL as of 31 December 2019. In-place rents are 30% below market, offering meaningful embedded NOI growth potential over time. During 2019, the passing rent per square metre of our office portfolio increased by almost 3% on a like-for-like basis despite limited lease rollover, while like-for-like GAV increased by 13% driven largely by strong fundamentals in the portfolio's submarkets.

In December 2019, BPPEH disposed of an office asset on Leipziger Strasse in Berlin for €163 million. The property, comprising 10k square metres, was sold after successfully negotiating an early lease surrender with our main tenant and signing a 15-year lease with the German government on 100% of the commercial space at a 115% releasing spread.

City	GAV (€m)	Number of Assets	Area ('000 sqm)	Occupancy	WALL (years)	Passing Rent (€/sqm/year)
Berlin	266	2	23	94%	3.1	251
Paris	244	1	22	100%	4.0	374
Barcelona	233	1	28	92%	5.4	293
Munich	227	1	44	94%	4.4	187
Rome	120	3	21	97%	2.3	258
Total / Weighted Avg.	**1,090**	**8**	**137**	**95%**	**4.0**	**269**
2018 Total / Weighted Avg.	1,052	9	148	95%	4.7	261
LfL Change	**+13.0%**	**–**	**–**	**(41) bps**	**(0.9) years**	**+2.8%**

Occupancy and WALL by City



Tenant Overview

BPPEH's office portfolio is comprised of institutional grade occupiers. As of 31 December 2019, the top five tenants represented 52% of passing rent and had a WALL of five years. Major tenants include:

AREP[1]

Bloomberg

Grupo Planeta

IVASS ISTITUTO PER LA VIGILANZA SULLE ASSICURAZIONI

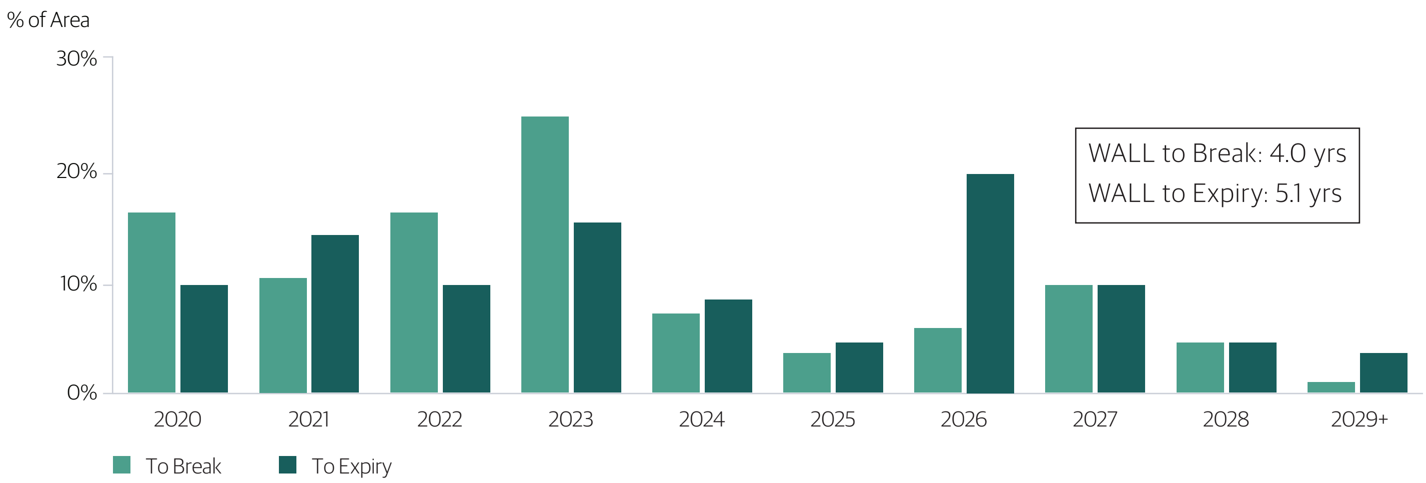
PULS

REWE

Leasing Activity

In 2019, we signed lease agreements amounting to 15k square metres across our office portfolio and achieved an average releasing spread of 85% for all leases on previously occupied space. The strong releasing spread was primarily driven by the new lease signed at our office asset on Leipziger Strasse in Berlin, which was agreed at a 115% premium to prior in-place rents. Leases with break options or expiries during the year totalled 10k square metres, for which we achieved a retention ratio of 76%.

Lease Maturity Profile



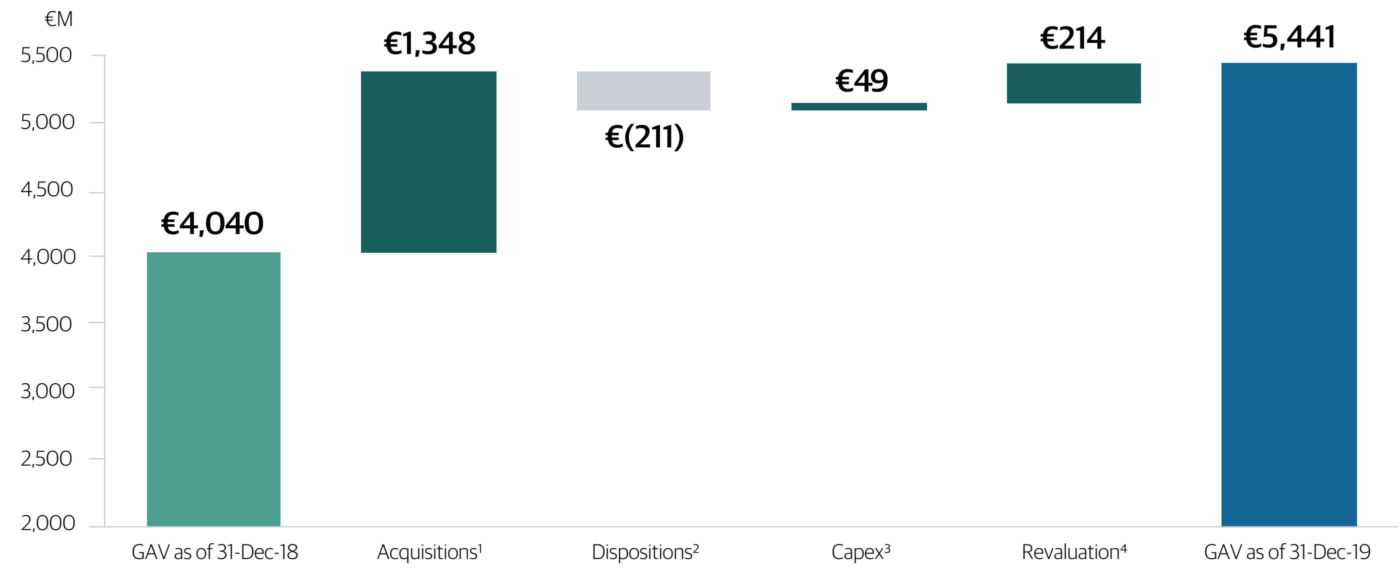
1. AREP is a subsidiary of SNCF Gares & Connexions, the French government-owned national railway owner / operator.

Portfolio Valuation

BPPEH's portfolio had a total value of €5.4 billion as of 31 December 2019, representing a weighted average NOI yield of 3.7%.

GAV Bridge

BPPEH's GAV increased by €1.4 billion during the year to €5.4 billion as of 31 December 2019. This was largely driven by our acquisition of the Dutch residential portfolio and the French and Nordic logistics portfolios, offset by the sale of our office asset on Leipziger Strasse in Berlin and two long-leased logistics properties in Poland. The revaluation of €214 million represents a 3.1% increase on a like-for-like basis. In addition, we invested approximately €49 million of capex into our current portfolio during 2019, predominantly in our residential and logistics assets.

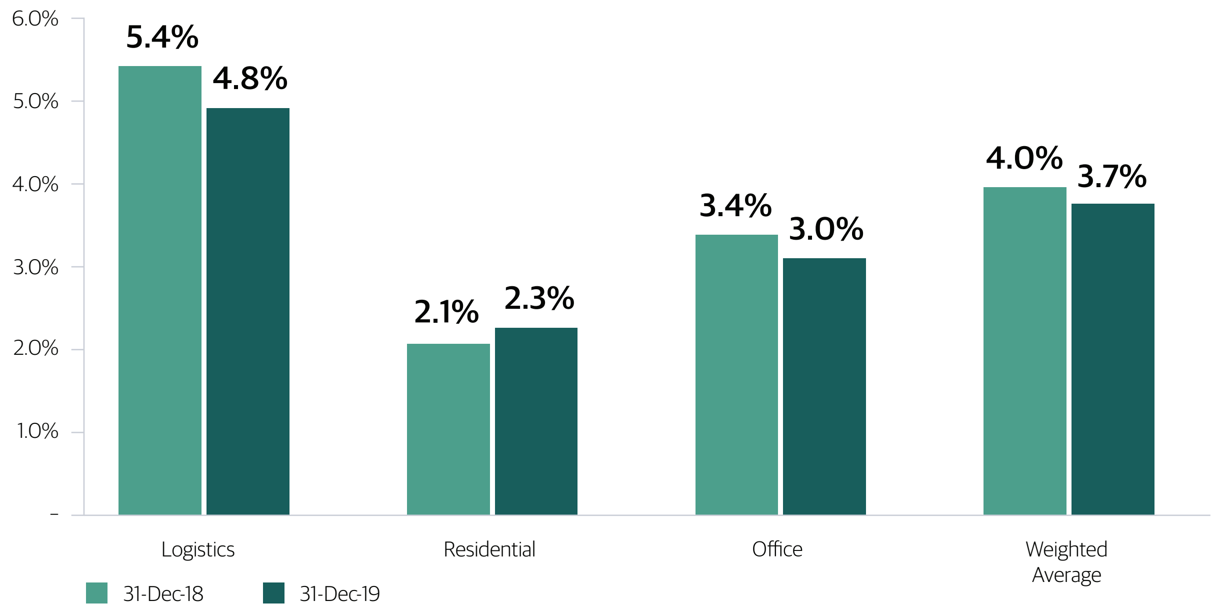


Note: "GAV" calculated at 100% share (including the portion attributable to minority owners). See definitions on page 82.
1. Investment cost adjusted for any latent capital gains tax liability. Excludes transaction costs.
2. Reflects carrying value as of 31 December 2018.
3. Excludes capital expenditure in respect of assets that were sold during the period.
4. Includes FX movements.

Portfolio Valuation

NOI Yields

BPPEH's portfolio had an NOI yield of 3.7% as of 31 December 2019. Overall, yields for our logistics and office portfolios tightened during 2019, while our residential yields increased. The yield compression in our logistics portfolio is a reflection of the increasingly favourable operational and investment market trends in the European logistics sector. In our office portfolio, the yield compression is attributable to active asset management, particularly in Berlin and Munich, as well as positive market fundamentals across many of our submarkets. Our residential yields increased due to the impact of the new rent regulation in Berlin and the acquisition of the Dutch residential portfolio during 2019 at a higher yield than that of our German residential portfolio.



Note: "NOI Yield" calculated as Adjusted NOI divided by GAV. See definitions on page 82.

Capital Structure

BPPEH has a robust capital structure, with primarily unsecured debt and a staggered maturity profile. During 2019, BPPEH was upgraged to BBB by Standard & Poor's and issued an additional €1.6 billion of unsecured notes, bringing the total amount outstanding under its EMTN programme to €2.85 billion.

Net LTV

46%

S&P Credit Rating

BBB
(Stable Outlook)

Weighted Average Interest Rate

1.6%

Weighted Average Maturity

5.0 Years

Overview

BPPEH employs a prudent financial policy, including a target LTV of 45-50%. As of 31 December 2019, BPPEH had €2.9 billion of debt outstanding at a weighted average interest rate of 1.6% and a weighted average maturity of 5.0 years. Net debt totaled €2.5 billion, implying a net LTV of 46%.

BPPEH has access to diversified debt financing sources and currently employs a mix of unsecured notes, bank facilities, and limited secured debt. The bank facilities we have put in place enable us to continue our growth while accessing the bond markets in a disciplined manner.

BPPEH has a staggered debt maturity profile, with no maturities until December 2020 and only €72 million (2% of total debt) maturing through 2021. In addition, BPPEH has a robust liquidity position with total available funds of €709 million as of 31 December 2019. This was comprised of €435 million of unrestricted cash and €275 million of availability under BPPEH's revolving credit facility. The refinancing of BPPEH's revolving credit facility subsequent to year-end, which increased the size of the facility from €280 million to €600 million, has resulted in additional liquidity for BPPEH.

As a wholly-owned subsidiary of BPPE, Blackstone's open-ended European core+ real estate fund, BPPEH benefits from excellent access to new growth capital. The fund is supported by a strong institutional investor base and expects to continue to have quarterly closings going forward. Importantly, there is no legal obligation for BPPE to sell assets to meet any redemption requests. In addition, neither BPPE nor BPPEH have any pre-defined dividend commitments, providing further financial flexibility.

Debt Financing Sources

Unsecured Notes

BPPEH established an EMTN programme on 21 June 2018. On 15 February 2019, BPPEH issued €500 million 5-year unsecured notes with an annual coupon of 2.00%. On 12 September 2019, BPPEH issued €500 million 4-year unsecured notes with an annual coupon of 0.50% and €600 million 9.5-year unsecured notes with an annual coupon of 1.75%, bringing the toal amount outstanding under its EMTN programme to €2.85 billion. Net proceeds from these offerings were used to repay existing bank facilities and for general corporate purposes.

BPPEH's unsecured notes have robust financial covenant requirements[1], including:

- Total debt to total assets < 60%
- Secured debt to total assets < 40%
- Interest coverage ratio > 1.5x
- Unencumbered assets to unsecured debt > 150%

BPPEH was in compliance with all of its financial covenants as of 31 December 2019.

Acquisition Facilities

BPPEH generally finances acquisitions with borrowings under an acquisition facility at closing. As of 31 December 2019, the Company had €1.5 billion of soft commitments from a group of banks to provide unsecured term loans on new acquisitions at up to 50% loan-to-cost. Subsequent to year-end, the soft commitments to the acquisition facilities increased to €1.8 billion. The acquisition facilities have an interest rate of Euribor + 1.40% and a maturity of three years without prepayment limitations.[2]

Acquisition facilities allow BPPEH the flexibility to close on investments quickly while maintaining a prudent capital structure. BPPEH intends to repay these facilities periodically with proceeds from additional issuances under its EMTN programme. The medium term maturity of the acquisition facilities provides BPPEH the ability to access the bond markets in an orderly manner.

BPPEH did not have any borrowings outstanding under its acquisition facilities as of 31 December 2019. BPPEH's previous acquisition facility, which was secured by share pledges, was fully repaid in February 2019.

Revolving Credit Facility

As of 31 December 2019, BPPEH had a €280 million revolving credit facility, of which €5 million was drawn. The facility carried an interest rate of Euribor + 1.05% and had two years of remaining term.

Subsequent to year-end, BPPEH refinanced its existing revolving credit facility. The new facility was upsized to €600 million, providing BPPEH with greater liquidity. In addition, the interest rate was reduced to Euribor + 1.00% and the maturity was extended to five years, with two one-year extention options subject to lenders' consent.

Mortgage Loans

While BPPEH intends to primarily utilise unsecured debt going forward, there may be certain instances where we use mortgage financing. As of 31 December 2019, BPPEH had mortgage loans totalling €66 million that were assumed as part of our acquisition of the underlying property. Our intention is to refinance these loans with unsecured debt upon their maturity.

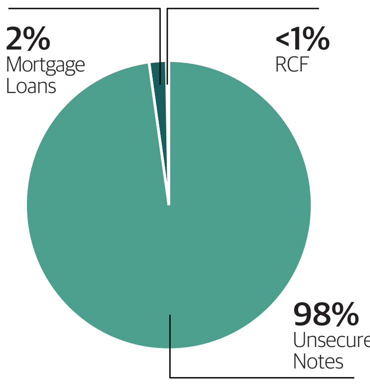
During 2019, BPPEH repaid a €51 million mortgage loan in connection with the sale of our office asset on Leipziger Strasse in Berlin.

1. BPPEH's acquisition and revolving credit facilities are subject to the same requirements.
2. Interest rate steps up to Euribor + 1.65% in year 2 and Euribor + 1.90% in year 3.

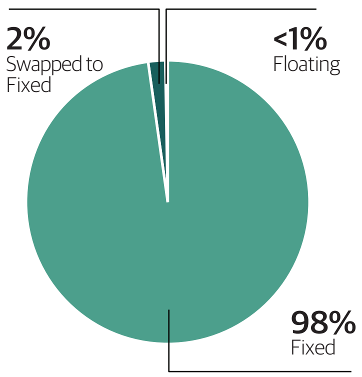
Debt Summary

As of 31 December 2019, BPPEH's debt consisted almost entirely of fixed rate unsecured notes.

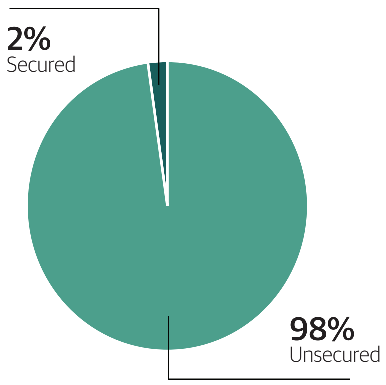
Debt by Type



Fixed vs. Floating

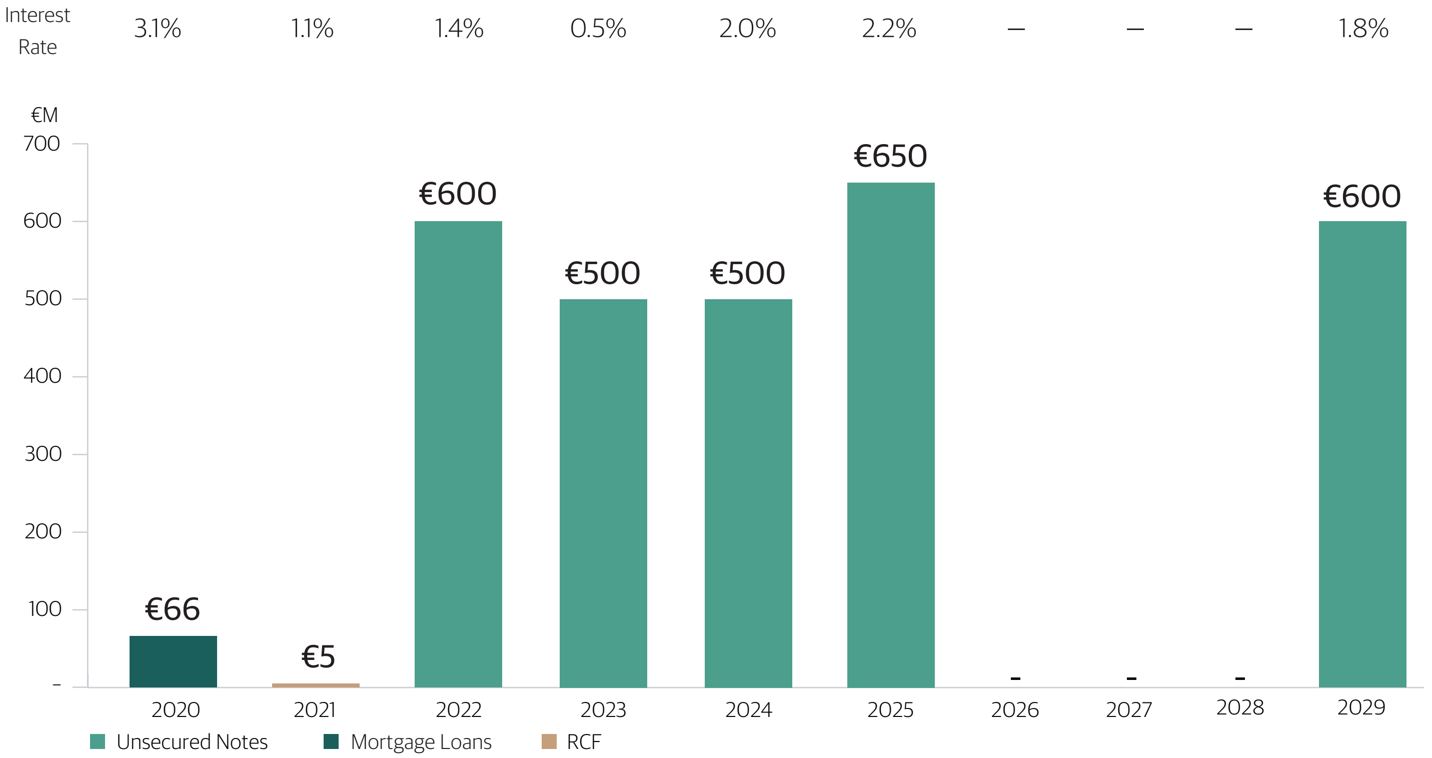


Secured vs. Unsecured



Debt Maturity Profile[1]

As of 31 December 2019, BPPEH's debt had a 5.0-year weighted average maturity, with no debt maturities until December 2020. BPPEH's weighted average interest rate was 1.6%.



1. Debt maturity profile excludes principal amortisation. Interest rate represents weighted average all-in interest rate.

Capital Structure Summary

	As of 31 December 2019			As of 31 December 2018		
	€m	Interest Rate[1]	WAM[2] (years)	€m	Interest Rate[1]	WAM[2] (years)
Unsecured Notes	€2,850	1.6%	5.1	€1,250	1.8%	5.1
Mortgage Loans[3]	66	3.1%	1.0	119	2.8%	4.5
Revolving Credit Facility	5	1.1%	1.9	2	1.1%	2.9
Acquisition Facilities	–	–	–	831	1.5%	2.5
Total Debt	**€2,922**	**1.6%**	**5.0**	**€2,202**	**1.7%**	**4.1**
Less: Cash	(440)			(269)		
Net Debt	**€2,482**			**€1,933**		
GAV	**€5,441**			**€4,040**		
Net LTV	**46%**			**48%**		
% Unsecured Debt	98%			66%		
% Fixed Rate Debt[4]	100%			62%		
Available Liquidity	€709			€437		

1. Weighted average all-in interest rate.
2. Weighted average debt maturity.
3. Mortgage loan interest rate as of 31 December 2018 restated to incorporate interest rate swap.
4. Includes debt that has been swapped from floating to fixed rate. Floating rate debt represented 0.2% of BPPEH's total debt as of 31 December 2019.

Key Financial Metrics

KPIs

Number of Assets	461
GLA	3.5m sqm
Occupancy	94%
WALL	4 years
Below Market Rents	15%

Balance Sheet Highlights

	€m
GAV	5,441
Total Debt	2,922
Cash	440
Net Debt	2,482
LTV	46%

Profit & Loss Summary by Sector

€m	Logistics	Residential	Office	Total
Net Turnover	**99.6**	**37.8**	**34.6**	**172.0**
- Net Operating Expenses	(1.9)	(7.4)	(0.9)	(10.2)
- Straight Line Rent Adjustment	(6.0)	(0.1)	(1.7)	(7.8)
NOI	**91.7**	**30.3**	**32.0**	**154.0**
- Other Expenses				(30.3)
+ Straight Line Rent Adjustment				7.8
EBITDA				**131.5**

Profit & Loss Summary by Country

€m	Germany	France	Poland	Spain	NL	Italy	Sweden	Denmark	Finland	Total
Net Turnover	**84.4**	**26.4**	**16.9**	**14.2**	**13.6**	**13.4**	**2.0**	**0.7**	**0.4**	**172.0**
- Net Operating Expenses	(6.1)	0.5	(0.7)	(0.5)	(1.9)	(1.4)	(0.1)	(0.0)	(0.0)	(10.2)
- Straight Line Rent Adjustment	(0.7)	(3.2)	(2.0)	(0.1)	(1.7)	(0.1)	–	(0.0)	–	(7.8)
NOI	**77.6**	**23.7**	**14.2**	**13.6**	**10.0**	**11.9**	**1.9**	**0.7**	**0.4**	**154.0**
- Other Expenses										(30.3)
+ Straight Line Rent Adjustment										7.8
EBITDA										**131.5**

Note: KPIs and balance sheet data as of 31 December 2019. Profit & loss data for the year ended 31 December 2019. See definitions on page 82.
Luxembourg GAAP Disclosure: During 2019, the Company did not carry out any research and development, buy back any of its own shares, or have any branches.

Subsequent Events

Since 31 December 2019, BPPEH has acquired 16 logistics properties located primarily in Germany and the Nordics for a gross purchase price of €572 million. The acquisitions are consistent with BPPEH's focus on acquiring high-quality logistics assets in key European distribution hubs. The portfolio is comprised of Grade-A warehouses totalling 471,000 square metres and is concentrated in major distribution markets in Germany and the Nordic Trade Triangle (Copenhagen, Stockholm, and Oslo). The portfolio is currently 99% leased on a 4-year WALL to a diversified tenant roster comprising global and domestic third-party logistics companies and government-owned companies.

In addition, BPPEH has acquired 159 residential units in Amsterdam for a gross purchase price of €60 million, further expanding its Dutch residential platform.

In March 2020, BPPEH refinanced its existing revolving credit facility. The new facility was upsized to €600 million, providing BPPEH with greater liquidity. In addition, the interest rate was reduced to Euribor + 1.00% and the maturity was extended to five years, with two one-year extension options subject to lenders' consent. Furthermore, BPPEH increased the soft commitments to its acquisition facilities from €1.5 billion to €1.8 billion. As of 31 March 2020, BPPEH had €20 million drawn under its revolving credit facility and €212 million outstanding under its acquisition facilities.

We continue to monitor the novel coronavirus (COVID-19) outbreak and its impact on economic and market conditions. The rapid development and fluidity of this situation precludes any prediction as to the future ultimate impact on BPPEH's performance and financial results. There have been no subsequent events relating to COVID-19 requiring adjustments to BPPEH's consolidated annual accounts for the year ended 31 December 2019.

Responsible Investing

Blackstone Responsible Investing Policy

Our commitment to corporate responsibility is embedded into every investment decision we make.

For over 35 years, Blackstone has been committed to being a responsible investor. This commitment is affirmed across the organisation and guides our approach to investing. We believe that adequate consideration of environmental, social, and governance ("ESG") factors for each potential investment enhances our assessment of risk and also helps us identify opportunities for transformation at each company where we invest. Consequently, we believe that a comprehensive ESG programme, aside from being the right thing, drives value and enhances returns. We also believe that understanding ESG factors helps us understand trends and how they will shape demand and markets in years to come. Our framework applies to all investment opportunities, though the exact application of that framework varies by asset class, investment objective, and the unique characteristics of each investment.

Objectives:

- Integration: Consider environmental, social, and governance issues when evaluating investment opportunities and when managing/monitoring portfolios and assets. Pursue high-quality sources of ESG data and intelligence; where appropriate, integrate that data into our research process and also use that data to enhance our understanding of markets and consumer trends. Actively use ESG considerations to transform our portfolio companies in ways that both manage risk and are value accretive for our investment portfolios. In addition, integrate ESG considerations into our business practices outside of the investment process.
- Engagement: Work together with our portfolio entities, managers, transaction partners, peers, and other partners to advance principles of responsible investment and corporate social responsibility. Share our ESG philosophy broadly and use our leadership position to influence others and advance the dialogue of the importance of ESG integration in finance and for corporate actors generally.
- Reporting: Be transparent with our limited partners, unit holders, and other stakeholders about Blackstone's responsible investing initiatives, successes, and goals.

Approach and Responsibilities:

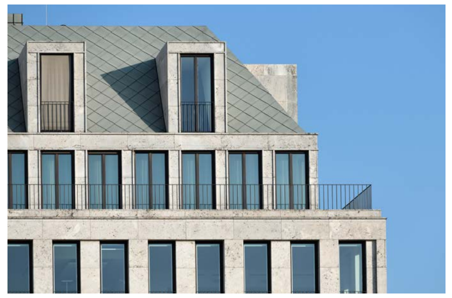
- Across all of Blackstone's businesses, ESG is core to what we do. Our approach includes an evaluation of ESG considerations (pre- and post-investment decision making) as a standard part of the investment and the asset/portfolio management process. Primary responsibility lies with our investment teams because these considerations support investment decisions. Together with Portfolio Operations and our asset management teams, the investment teams are also expected to continue to keep these issues front of mind through the life of the investment.
- The firm's Chief Sustainability Officer supports the investment and asset management teams by driving initiatives that are aimed at improving operational and environmental performance across the portfolio. Other functional experts within Portfolio Operations (including Talent Management, Procurement, and Healthcare Cost Containment) are expected to consider ESG insights in delivering operating intervention capabilities across the portfolio.
- The Global Head of ESG coordinates ESG initiatives across the firm to ensure consistency in approach and, with the assistance of the Legal & Compliance department, compliance with this policy. The Global Head of ESG is also responsible for establishing and/or revising this Policy in consultation with the firm's ESG Steering Committee which is comprised of professionals from across the firm's business units and functional groups, investor reporting, and also for reporting on ESG integration across the firm to Blackstone's President and Chief Operating Officer.

BPPEH ESG Initiatives

BPPEH is committed to being a responsible investor, and we look forward to advancing our important ESG initiatives in the year ahead.

Office ESG Highlights

- Conducting sustainability audit with the aim of obtaining green certification for BPPEH's Berlin office assets, Pariser Platz and Leibniz Kolonnaden



Logistics ESG Highlights

- Collaborating with Sunrock, a leading solar developer in the Netherlands, to assess the feasibility of solar rooftop systems at select logistics assets

Residential ESG Highlights

- Implementing energy-saving into renovation plans for Dutch residential portfolio, with a goal to achieve A or B energy label certificates post renovation

Risk Factors

Risk Factors

The following are certain risk factors that could affect our business, net assets, financial condition, cash flows, and results of operations. For further details of some of these risk factors and for additional risk factors that relate to us, please refer to the offering circular dated 20 August 2019 as most recently supplemented on 29 August 2019 (the "Offering Circular").

In addition to the risk factors presented below and in the Offering Circular, risks and uncertainties that are not presently known to us or are currently deemed to be immaterial may also have a material adverse effect on our business, financial condition, and results of operations in the future. Although we have attempted to identify some of the significant risks and factors that could cause actual actions, events or results to differ materially from those described in or implied by our forward-looking statements, other factors and risks may cause actions, events or results to differ materially from those anticipated, estimated or intended.

The order in which the risks are presented is not an indication of the likelihood of the risks actually materialising, or the significance or degree of the risks or the scope of any potential harm to our business, net assets, financial condition, cash flows or results of operations. The risks mentioned herein may materialise individually or cumulatively.

Risks Related to the Market

- The recent coronavirus (COVID-19) outbreak has adversely impacted social life and global commercial activity, and has contributed to significant volatility in financial markets. While the effects of the outbreak are uncertain and cannot be predicted at this time, the persistence of the outbreak and the resulting business closures, travel restrictions and quarantine requirements could have a continued adverse impact on market conditions and trigger a period of global economic slowdown. Such a slowdown, especially in the European market, may have adverse impacts on our financial performance, liquidity and profitability. In particular, our rental income may decline due to lower rent collection rates and default by our tenants, as well as rent reductions or deferrals, which we may agree with our tenants.
- Our operating results will be affected by economic and regulatory changes that impact the real estate market in general, including market risks generally attributable to the ownership of real property.
- Uncertainty regarding the economic condition in Europe due to a number of factors, such as the continuing impact and repercussions of the sovereign debt crises and the economic uncertainty following the exit of the United Kingdom from the European Union, may result in economic instability.
- The current economic environment is characterised by low interest rates, and any rise in interest rates could place upward pressure on real estate capitalisation rates and decrease interest in real estate investments, thereby having a material adverse effect on asset valuations, the real estate market, and on us.
- Higher vacancy rates and our inability to charge rents at expected levels or on favourable terms could have a material adverse effect on our business, net assets, financial condition, cash flows, and results of operations.
- Our portfolio may be concentrated in a limited number of geographies or sectors and as a result our portfolio may become more susceptible to fluctuations in value resulting from adverse economic or business conditions affecting that particular sector or geography.
- We depend on tenants for our revenue, and therefore our revenue is dependent on the success and economic viability of our tenants. Further, our reliance on single or significant tenants in certain buildings may decrease our ability to lease vacated space, as these buildings may be suited to the particular or unique needs of such tenants.
- Competition in the real estate market, including competition from similar properties in the same market, and in case of our residential assets, competitive housing alternatives, may adversely affect our financial performance.
- Consistent increases in rents and strong market fundamentals may increase development of new assets in the logistics sector and expose us to heightened competition for tenant demand.
- We may be adversely affected by trends in the office real estate industry, such as possible reduction in office space requirements due to employee telecommuting, flexible work schedules, and open workplaces.
- Short-term leases associated with our residential properties may expose us to the potential impact of declining market rent.

Risks Related to Our Investment Strategy and Business

- We face risks associated with property acquisitions, such as risk that the acquired properties may fail to perform as expected or that we may be unable to quickly and efficiently integrate new acquisitions.
- Competition in acquiring properties may result in an increase in purchase prices and reduce yields, thereby reducing our profitability.
- Certain properties may require an expedited transaction, which may result in limited information being available before we decide to purchase an asset.
- In our due diligence review of potential investments, we may rely on third-party consultants and advisors and representations made by sellers of potential portfolio properties, and we may not identify all relevant facts that may be necessary or helpful in evaluating potential investments.
- There can be no assurance that Blackstone will be able to detect or prevent irregular accounting, employee misconduct or other fraudulent practices during the due diligence phase or during our efforts to monitor the investment on an ongoing basis or that any risk management procedures implemented by us will be adequate.
- Acquisitions of properties may expose us to undisclosed defects and obligations, resulting in additional costs, and could have a material adverse effect on the rental income and proceeds from sales of the relevant properties.
- We may have difficulty selling our properties, including on account of adverse conditions in the state of the investment markets and market liquidity, which may limit our flexibility and ability to service our debt.
- We have assets in European jurisdictions with currency other than the Euro and are exposed to risks associated with fluctuations in currency exchange rates.
- We rely on property managers to operate our properties and leasing agents to lease vacancies in our properties, and as a result our ability to direct and control how our properties are managed on a day-to-day basis may be limited.
- We depend on the availability of public utilities and services, especially for water and electric power. Any reduction, interruption or cancellation of these services may adversely affect us.
- We may incur significant capital expenditures and other fixed costs, including property taxes, maintenance costs, insurance costs, and related charges, which we may not be able to pass on to our tenants.
- We may experience material losses or damage related to our properties arising from natural disasters, vandalism or other crime, faulty construction or accidents, fire, war, acts of terrorism or other catastrophes, and such losses may not be covered by insurance.
- We will face risks in effecting operating improvements and in any failure to do so, could affect the profitability of certain of our investments.
- Our information technology systems could malfunction or become impaired, resulting in delays or interruptions in our business processes.
- Operational risks, including the risk of cyberattacks, in relation to our operations or in relation to the operations at Blackstone's headquarters in New York City, may disrupt our business, result in losses or limit our growth.
- Property valuation is inherently subjective and uncertain and is based on assumptions which may prove to be inaccurate or affected by factors outside of our control.

Risks Related to Our Organisational Structure

- As we are a holding company, our cash flows are dependent on the distributable capital and annual profit and profitability of our subsidiaries.
- Blackstone manages our portfolio pursuant to broad investment guidelines and there can be no assurance that Blackstone will be successful in applying any strategy or discretionary approach to our investment activities.
- We depend on Blackstone and its employees for their services in relation to managing our business, and do not have control of the staff employed by them.

Risk Factors

Risk Factors (cont'd)

- We may enter into various types of investment arrangements such as joint ventures, including with Blackstone affiliates, which could be adversely affected by our lack of sole decision-making authority and our reliance on the financial condition of third parties as well as disputes between us and such third parties.
- Insolvency proceedings with respect to BPPEH would be subject to Luxembourg insolvency rules, which may not be favourable and comparable to creditors' interests in other jurisdictions.

Legal and Regulatory Risks

- We may face legal risks, including the risk of dispute over interpretation or enforceability of legal documents and contracts, when making investments.
- The acquisition and disposition of real properties carry certain legal and contractual risks that may reduce our profitability. These include risks of litigation in relation to activities that took place prior to our acquisition of a property and indemnification claims against us in relation to sold properties.
- Certain of our investments may be in the form of ground leases, which provide limited rights to the underlying property, and we may be exposed to the possibility of losing the property upon termination, or an earlier breach by us, of the ground lease.
- Certain properties may require permits or licenses and there can be no guarantee of when and if such a license or permit will be obtained.
- We could become subject to liability in the form of fines or damages for non-compliance with environmental laws and regulations in the jurisdictions where our properties are located, regardless of whether we caused such violations.
- Changes in government regulations governing the ownership and leasing of real property, employment standards, environmental matters, taxes, and other matters may affect our investments.
- Regulatory requirements may limit a future change of use for some properties and this may therefore inhibit our ability to re-let vacant space to subsequent tenants or may adversely affect our ability to sell the affected properties.
- Increased rent restrictions, such as the new rent regulation in Berlin, could adversely affect our results of operations.
- Our business is subject to the general tax environment in the jurisdictions where our properties are located and also to possible future changes in the taxation of enterprises which may change to our detriment.
- Changes in international tax rules in the European Union, for instance, an increase in withholding taxes on dividends or interest, may adversely affect our cash flows and financial condition.
- Our properties are, and any properties we acquire in the future will be, subject to property taxes that may increase in the future, which could adversely affect our cash flow.
- We could be required to pay additional taxes, for instance in relation to the non-deductibility of intragroup payments for services or loans or interest and/or requalification of intragroup payments for services or loans, following tax audits.
- BPPEH and some of the guarantors under the EMTN programme established by us may qualify as an alternative investment fund, which imposes additional requirements, among others, relating to risk management, minimum capital requirements, the provision of information, governance, and compliance requirements, with consequent increase in governance and administration expenses.

Risks Related to Conflicts of Interest

- We depend on Blackstone to select our investments and otherwise conduct our business, and any material adverse change in its financial condition or our relationship with Blackstone could have a material adverse effect on our business, net assets, financial condition, cash flows, and results of operations, and our ability to achieve our investment objectives.
- We may purchase assets from or sell assets to Blackstone and its affiliates or their clients, and even though negotiated in good faith and on an arm's length basis, such transactions may cause conflicts of interest.
- Certain principals and employees of Blackstone may be involved in and have a greater financial interest in the performance of other Blackstone funds or accounts, and such activities may create conflicts of interest in managing our investments.
- Blackstone's relationships with third-party corporations or portfolio companies may reduce the opportunities available to us as Blackstone is under no obligation to decline any engagements or investments in order to make an investment opportunity available to us.
- Blackstone may raise and/or manage other investment funds, real estate investment trusts, vehicles, accounts, products and/or other similar arrangements, which could result in the reallocation of Blackstone personnel and the direction of potential investments from us to such other Blackstone accounts.
- Blackstone's potential involvement in financing a third-party's purchase of assets from us could lead to potential or actual conflicts of interest.
- Blackstone may face conflicts of interest in choosing our service providers (including accountants, administrators, lenders, bankers, brokers, attorneys, consultants, title agents, property managers, and investment or commercial banking firms), and certain service providers may provide services to Blackstone on more favourable terms than those payable by us.

Although we have attempted to identify important risks and factors that could cause actual actions, events or results to differ materially from those described in or implied by our forward-looking statements, other factors and risks may cause actions, events or results to differ materially from those anticipated, estimated or intended.

Consolidated Annual Accounts

To the sole Shareholder of
Blackstone Property Partners Europe Holdings S.à r.l.
2-4, rue Eugène Ruppert
L-2453 Luxembourg

Report of the Réviseur d'Entreprises Agréé

Opinion

We have audited the consolidated annual accounts of Blackstone Property Partners Europe Holdings S.à r.l. (the "Company") and its subsidiaries (together - "the Group"), which comprise the consolidated balance sheet as at 31 December 2019, the consolidated profit and loss account, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and the notes to the consolidated annual accounts, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated annual accounts, in all material aspects, give a true and fair view of the consolidated financial position of Blackstone Property Partners Europe Holdings S.à r.l. as at 31 December 2019, and of the consolidated results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the consolidated annual accounts.

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 "Réviseur d'Entreprises Agréé" for the Audit of the Consolidated Annual Accounts" section of our report. We are also independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated annual accounts, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Managers is responsible for the other information. The other information comprises the information stated in the management report but does not include the consolidated annual accounts and our report of the "Réviseur d'Entreprises Agréé" thereon.

Our opinion on the consolidated annual accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated annual accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated annual accounts 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 this fact. We have nothing to report in this regard.

Report on Other Legal and Regulatory Requirements

The consolidated management report is consistent with the consolidated annual accounts and has been prepared in accordance with applicable legal requirements.

Responsibilities of the Board of Managers

The Board of Managers is responsible for the preparation and fair presentation of these consolidated annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the consolidated annual accounts, and for such internal control as the Board of Managers determines is necessary to enable the preparation of consolidated annual accounts that are free from material misstatement, whether due to fraud or error.

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

Consolidated Annual Accounts

Responsibilities of the "Réviseur d'Entreprises Agréé" for the Audit of the Consolidated Annual Accounts

The objectives of our audit are to obtain reasonable assurance about whether the consolidated annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "Réviseur d'Entreprises Agréé" 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these consolidated annual accounts.

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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Managers.
- Conclude on the appropriateness of the Board of Managers' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "Réviseur d'Entreprises Agréé" to the related disclosures in the consolidated annual accounts 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 report of the "Réviseur d'Entreprises Agréé". However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated annual accounts, including the disclosures, and whether the consolidated annual accounts 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 Group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

/s/ Deloitte Audit S.à r.l., *Cabinet de Révision Agréé*

Christian van Dartel, *Réviseur d'Entreprises Agréé*
Partner

9 April 2020

Consolidated Balance Sheet

Assets

€m	Notes	As at 31 December 2019	As at 31 December 2018
Fixed assets		**4,901.1**	**3,618.7**
Tangible fixed assets	4	**4,897.6**	**3,618.7**
Land and buildings		4,897.6	3,618.7
Intangible assets	3.12	**3.5**	**–**
Current assets		**763.7**	**610.7**
Inventories	5	**–**	**117.3**
Land and buildings held for resale		–	117.3
Debtors	6	**323.6**	**224.0**
Trade debtors	6.1	**27.6**	**19.5**
becoming due and payable within one year		27.6	19.5
Amounts owed by affiliated undertakings	6.2	**257.6**	**184.1**
becoming due and payable after more than one year		133.9	70.9
becoming due and payable within one year		123.7	113.2
Other debtors	6.3	**38.4**	**20.4**
becoming due and payable within one year		38.4	20.4
Cash at bank and in hand	7	**440.1**	**269.4**
Prepayments	8	**53.8**	**25.4**
Total assets		**5,718.6**	**4,254.8**

Note: The accompanying notes on pages 60 to 81 form an integral part of these consolidated annual accounts.

Capital, Reserves and Liabilities

€m	Notes	As at 31 December 2019	As at 31 December 2018
Capital and reserves	9	**1,060.7**	**682.1**
Subscribed capital	9.1	1.4	1.4
Share premium	9.2	874.1	550.8
Reserves	9.3	1.7	–
Profit/(loss) brought forward		(27.5)	–
Profit/(loss) for the financial year/period		16.5	(27.5)
Interim dividends	9.4	(40.7)	–
Non-controlling interests	9.5	235.2	157.4
Provisions	10	**2.8**	**0.5**
Provisions for taxation	10.1	2.8	0.5
Creditors	11	**4,635.5**	**3,567.3**
Unsecured notes	11.1	**2,873.1**	**1,260.4**
becoming due and payable after more than one year		2,850.0	1,250.0
becoming due and payable within one year		23.1	10.4
Amounts owed to credit institutions	11.2	**73.4**	**926.9**
becoming due and payable after more than one year		5.4	331.6
becoming due and payable within one year		68.0	595.3
Trade creditors	11.3	**44.5**	**35.2**
becoming due and payable within one year		44.5	35.2
Amounts owed to affiliated undertakings	11.4	**1,585.4**	**1,280.0**
becoming due and payable after more than one year		1,454.4	1,180.9
becoming due and payable within one year		131.0	99.1
Other creditors	11.5	**59.1**	**64.8**
tax authorities		34.2	12.8
becoming due and payable after more than one year		3.5	–
becoming due and payable within one year		21.4	52.0
Deferred income	12	**19.6**	**4.9**
Total capital, reserves and liabilities		**5,718.6**	**4,254.8**

Note: The accompanying notes on pages 60 to 81 form an integral part of these consolidated annual accounts.

Consolidated Profit and Loss Account

€m	Notes	For the year ended 31 December 2019	For the period from 7 December 2017 (inception) to 31 December 2018
Net turnover	13	**172.0**	**79.8**
Other operating income	14	**105.1**	**19.3**
Raw materials and consumables and other external expenses		**(21.1)**	**(13.2)**
Other external expenses	15	(21.1)	(13.2)
Value adjustments		**(85.0)**	**(41.8)**
in respect of formation expenses and of tangible and intangible fixed assets	4	(85.9)	(39.9)
in respect of current assets		0.9	(1.9)
Other operating expenses	17	**(62.4)**	**(32.2)**
Other interest receivable and similar income		**3.3**	**0.6**
other interest and similar income		1.2	0.1
derived from affiliated undertakings		2.1	0.5
Interest payable and similar expenses	18	**(95.3)**	**(49.7)**
other interest and similar expenses		(54.8)	(29.7)
concerning affiliated undertakings		(40.5)	(20.0)
Tax on profit or loss	19	**(7.0)**	**(2.3)**
Profit/(loss) after taxation		**9.6**	**(39.5)**
Other taxes not included in the previous captions		**(5.6)**	**(1.0)**
Profit/(loss) for the financial year/period		**4.0**	**(40.5)**
Profit/(loss) attributable to:			
owners of BPPEH		16.5	(27.5)
non-controlling interests		(12.5)	(13.0)
		4.0	**(40.5)**

Note: The accompanying notes on pages 60 to 81 form an integral part of these consolidated annual accounts.

Consolidated Statement of Changes in Equity

	Attributable to the owners of BPPEH						
€m	Subscribed capital	Share premium	Reserves	Retained earnings/ (accumulated deficit)	Total equity attributable to owners of BPPEH	Non-controlling interests	Total equity
Balance at 7 December 2017 (inception)	–	–	–	–	–	–	–
Profit/(loss) for the financial period	–	–	–	(27.5)	**(27.5)**	(13.0)	**(40.5)**
Contributions	1.4	550.8	–	–	**552.2**	170.4	**722.6**
Balance at 31 December 2018	**1.4**	**550.8**	**–**	**(27.5)**	**524.7**	**157.4**	**682.1**
Profit/(loss) for the financial year	–	–	–	16.5	**16.5**	(12.5)	**4.0**
Currency translation adjustment	–	–	1.7	–	**1.7**	1.6	**3.3**
Contributions	–	437.3	–	–	**437.3**	103.3	**540.6**
Conversion of equity	–	(78.9)	–	–	**(78.9)**	(10.9)	**(89.8)**
Distributions	–	(35.1)	–	(40.7)	**(75.8)**	(3.7)	**(79.5)**
Balance at 31 December 2019	**1.4**	**874.1**	**1.7**	**(51.7)**	**825.5**	**235.2**	**1,060.7**

Note: The accompanying notes on pages 60 to 81 form an integral part of these consolidated annual accounts.

Consolidated Statement of Cash Flows

€m	Notes	For the year ended 31 December 2019	For the period from 7 December 2017 (inception) to 31 December 2018
Cash flows from operating activities			
Profit/(loss) before tax		16.6	(37.2)
Adjustments for:			
Interest expense	18	95.3	47.5
Interest income		(2.3)	(0.6)
Depreciation and amortisation	4	85.9	39.9
Unrealised (gain)/loss on derivative financial instruments	11	(1.0)	2.2
Provision for allowance for bad debts	6.1	(0.8)	1.9
Net gain on disposal of inventories	14	(6.9)	–
Net gain on disposal of tangible fixed assets	14	(56.2)	–
Changes in working capital:			
(Increase)/decrease in trade debtors		1.8	(27.6)
(Increase)/decrease in other debtors		(15.1)	(21.6)
(Increase)/decrease in prepayments		(6.9)	(2.4)
Increase/(decrease) in trade creditors		(4.4)	17.1
Increase/(decrease) in other creditors		14.4	24.4
Increase/(decrease) in deferred income		7.1	4.3
Net cash generated from operations		**127.5**	**47.9**
Interest paid		(35.7)	(13.6)
Tax paid		(2.8)	(2.3)
Net cash flow from operating activities		**89.0**	**32.0**
Cash flows from investing activities			
Additions to tangible fixed assets		(936.7)	(2,816.1)
Additions to intangible assets		(3.5)	–
Capitalised expenditures on tangible fixed assets		(45.4)	(15.7)
Deposit payments for future acquisitions	8	(16.6)	–
Proceeds from sale of inventories		124.0	–
Proceeds from sale of tangible fixed assets		78.7	–
Loans to affiliated undertakings		(66.7)	(297.4)
Interest income received from affiliated undertakings		2.3	0.6
Net cash flow from investing activities		**(863.9)**	**(3,128.6)**

Note: The accompanying notes on pages 60 to 81 form an integral part of these consolidated annual accounts.

Consolidated Annual Accounts

€m	Notes	For the year ended 31 December 2019	For the period from 7 December 2017 (inception) to 31 December 2018
Cash flows from financing activities			
Contributions from:			
Owners of BPPEH	9.2	355.2	525.2
Non-controlling interests		101.3	140.0
Distributions to:			
Owners of BPPEH		(72.7)	–
Non-controlling interests		(6.4)	–
Proceeds from:			
Unsecured notes issuance	11	1,600.0	1,250.0
Bank loans	11	422.3	1,340.0
Repayment of bank loans	11	(1,537.0)	(1,134.1)
Deferred financing fees	11	(12.4)	(17.5)
Loans from affiliated undertakings		382.8	1,315.3
Repayment to affiliated undertakings		(287.5)	(52.9)
Net cash flow from financing activities		**945.6**	**3,366.0**
Net increase in cash and cash equivalents		**170.7**	**269.4**
Cash and cash equivalents at beginning of year/period		269.4	–
Cash and cash equivalents at end of year/period		**440.1**	**269.4**

Note: The accompanying notes on pages 60 to 81 form an integral part of these consolidated annual accounts.

Notes to the Consolidated Annual Accounts

Note 1 – General information

1.1. Corporate matters

Blackstone Property Partners Europe Holdings S.à r.l. ("BPPEH") was incorporated on 7 December 2017 ("inception") as a "Société à responsabilité limitée" in accordance with the Luxembourg Law of 10 August 1915, as subsequently amended. The registered office of BPPEH is established at 2-4, rue Eugène Ruppert, L-2453 Luxembourg. BPPEH is registered with the "Registre de Commerce et des Sociétés" under R.C.S. B 220.526. BPPEH's immediate parent is Master Unsecured Topco S.à r.l.

1.2 Nature of the business

The primary business objective of BPPEH and its direct and indirect consolidated subsidiaries (collectively the "Group") is to acquire and manage high-quality substantially stabilised real estate assets across Europe with a focus on major European markets and key gateway cities.

1.3 Financial year

BPPEH's financial year begins on 1 January and ends on 31 December of each year, except for the first financial period, which covered the extended period from 7 December 2017 (inception) to 31 December 2018.

1.4 Change in comparatives amounts

Certain prior period amounts were reclassified in the consolidated annual accounts to conform to current period presentation.

In the consolidated annual accounts for the period ended 31 December 2018, €7.3 million of tenant security deposits payable and €2.1 million of tenant security deposits receivable were presented as "Other creditors becoming due and payable after more than one year" and "Other debtors becoming due and payable after more than one year", respectively. In the current year, these comparative figures were reclassified to "Other creditors becoming due and payable within one year" and "Other debtors becoming due and payable within one year", respectively, as in management's view these deposits may become redeemable upon tenants' vacancy.

In the consolidated annual accounts for the period ended 31 December 2018, €0.7 million of employee expenses were presented as "Staff costs", while related reimbursements of €0.5 million were presented within "Other operating income". In the current year, these comparative figures are presented on a net basis within "Other external expenses".

Note 2 – Basis of preparation, scope of consolidation and consolidation policies

2.1 Basis of preparation

The consolidated annual accounts are prepared on a going concern basis, using the historical cost method, unless otherwise noted in significant accounting policies (see Note 3), in accordance with the laws and regulations of the Grand Duchy of Luxembourg and with generally accepted accounting principles in Luxembourg according to the Law of 19 December 2002, as subsequently amended.

The preparation of consolidated annual accounts requires the use of certain critical accounting estimates. It also requires the Board of Managers to exercise its judgment in applying the accounting policies. Changes in assumptions may have a significant impact on the consolidated annual accounts in the year in which the assumptions changed. Management believes that the underlying assumptions are appropriate and that the consolidated annual accounts therefore present the financial position and results fairly.

BPPEH makes estimates and assumptions that affect the reported amounts of assets and liabilities. 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.

2.2 Scope of consolidation

The consolidated annual accounts of BPPEH for the year ended 31 December 2019 include its stand-alone accounts and those of all directly or indirectly majority owned subsidiaries adjusted for non-controlling interests. Subsidiaries are all entities over which BPPEH exercises control, which is defined as the direct or indirect power to govern the financial and operating policies so as to obtain benefits from activities. The existence and effect of potential voting rights of other entities is considered when assessing whether BPPEH controls another entity. Subsidiaries, and their profit and losses, are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date that control is lost. The Group and non-controlling interests' share of profit and losses or changes in the net equity of subsidiaries are generally determined based on existing ownership interests, without considering the effects of securities that are exercisable or convertible into ownership interests.

Entities included in the scope of consolidation of the Group are disclosed in Note 23.

2.3 Consolidation policies

2.3.1 General

The consolidated annual accounts include the consolidated balance sheet, consolidated profit and loss account, consolidated statement of changes in equity and consolidated statement of cash flows of the Group, as well as the present accompanying notes.

The accounts of the Group entities are adjusted when necessary in order to comply with the Group's accounting policies.

2.3.2 Consolidation method

All investments in subsidiaries are fully consolidated.

2.3.3 Transactions eliminated in consolidation

All intra-group balances and transactions are eliminated.

2.3.4 Foreign currency

Items included in the annual accounts of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). This may be different to the local currency of the country of incorporation or the country where the entity conducts its operations. The consolidated annual accounts are presented in Euro, which is BPPEH's functional and presentation currency.

Foreign currency – transactions

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rate prevailing at the date of the transaction. At any subsequent reporting date, monetary assets and liabilities denominated in foreign currencies are revalued at the exchange rate as of the reporting date, with any unrealised foreign exchange gains recognised in the consolidated balance sheet under "Deferred income" and any unrealised foreign exchange losses recognised in the consolidated profit and loss account within "Interest payable and similar expenses". Any realised foreign exchange differences are recognised in the consolidated profit and loss account. Non-monetary items denominated in foreign currencies are recorded using the exchange rate as at the date of the initial recognition.

Foreign currency – operations

The assets and liabilities of the Group's foreign operations which have a functional currency different from BPPEH's presentation currency are translated at the exchange rate as of the reporting date. Capital transactions are translated in the presentation currency at the exchange rate prevailing at the date of the transaction and are not subsequently adjusted. Income and expense items are translated at the average exchange rate for the period. Exchange differences arising are presented in the consolidated balance sheet under "Capital and reserves" and recognised in the Group's foreign currency translation reserve. Upon disposal, the entity's currency translation reserve is released through its profit and losses.

The following exchange rates were used to translate foreign currency denominated amounts to €1:

	As at 31 December 2019	As at 31 December 2018
Danish Krone (DKK)	7.47	n.a.
Swedish Krona (SEK)	10.50	n.a.

	For the year ended 31 December 2019	For the period from 7 December 2017 (inception) to 31 December 2018
Danish Krone (DKK)	7.47	n.a.
Swedish Krona (SEK)	10.60	n.a.

2.3.5 Non-controlling interests

At the date of acquisition, the Group recognises any non-controlling interest ("NCI") in the acquiree on an acquisition-by-acquisition basis, at the NCI's proportionate share of the acquiree's identifiable net assets. Subsequent to such acquisition, the carrying amount of any NCI is the amount of those interests at initial recognition plus the NCI's share of subsequent changes in equity.

The share of NCI shareholders in the net equity and in the profit/(loss) for the year/period of subsidiaries is presented separately in the consolidated balance sheet and consolidated profit and loss account, respectively.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

2.3.6 Asset acquisitions and business combinations

Management considers the substance of the assets and activities of the acquired entity in determining whether the acquisition represents an acquisition of a business.

Business combinations are accounted for using the acquisition method. Applying the acquisition method requires the (a) determination whether BPPEH will be identified as the acquirer, (b) determination of the acquisition date, (c) recognition and measurement of the identifiable assets acquired, liabilities assumed and any NCI in the acquiree and (d) recognition and measurement of goodwill.

The initial purchase price is measured as the aggregate fair value of the consideration transferred plus the amount of any NCI in the acquiree. For each business combination, BPPEH measures the NCI in the acquiree at the proportionate share of the acquiree's identifiable net assets. Acquisition costs are expensed as incurred.

Asset acquisitions are not treated as business combinations. The initial purchase consideration is allocated among identifiable assets and liabilities of the entity acquired at the acquisition date. Accordingly, no goodwill or additional deferred taxes arise and acquisition costs are capitalised and are amortised, if applicable, over the life of the property acquired.

All of BPPEH's acquisitions were deemed to be asset acquisitions.

Note 3 – Significant accounting policies

3.1 Formation expenses

Entity formation expenses are charged to the profit and loss account in the period in which they are incurred.

3.2 Tangible fixed assets

Tangible fixed assets are investment properties held for long-term income or for capital appreciation or both, which are not occupied by the Group and are classified as "Land and buildings" in the consolidated balance sheet. Tangible fixed assets may also include properties under construction or developed for future use,

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building, land and tenant improvements, and other fixtures and fittings. Tangible fixed assets are carried at cost, including related transaction costs (unless acquired in a business combination), less any accumulated depreciation, accumulated amortisation and accumulated impairment in value.

Properties are considered acquired when the Group assumes the significant risks and rewards of ownership. Properties are treated as disposed when the significant risks and rewards of ownership are transferred to the buyer. Typically, this will either occur on unconditional exchange or on completion. Where completion is expected to occur significantly after exchange, or where the Group continues to have significant outstanding obligations after exchange, the risks and rewards will not usually transfer to the buyer until completion.

The initial purchase price, including the related transaction costs, of the acquired investment property is allocated between land and building upon acquisition based on a preliminary split and is finalised within one year in accordance with the Group's accounting policies. Once the final split between land and building components of the purchase price is established, the related transaction costs, depreciation and amortisation are trued-up.

Depreciation and amortisation is calculated on a straight-line basis over the estimated useful lives of the investment properties as summarised in the table below (land is not depreciated):

	Useful lives
Office buildings	40 years
Residential buildings	40 years
Logistics buildings	30 years
Building improvements[1]	10 - 20 years
Other fixtures and fittings	5 years
Tenant improvements	Remaining term of the lease
Leasing commissions[2]	Remaining term of the lease

1) Shorter of useful life or remaining life of the building.
2) Direct and indirect leasing costs to originate and renew operating leases, such as leasing commissions or legal fees, are included within tangible fixed assets and amortised over the related lease term. Direct leasing costs for residential leases are amortised over the average turnover period of three years.

Construction costs incurred are capitalised and included in tangible fixed assets. This includes cost of construction, property and equipment, and other direct costs as well as interest on borrowed funds incurred during the construction period. Construction in progress is not depreciated until the development is substantially completed.

Ordinary repair and maintenance costs are expensed as incurred. Costs relating to major replacements and improvements, which improve or extend the life of the asset, are capitalised and depreciated over their estimated useful lives.

Where the Group considers that a tangible fixed asset suffered a decline in value in excess of the accumulated depreciation recognised, an additional write-down is recorded to reflect this impairment. These value adjustments are reversed if the reasons for which the value adjustments were made no longer apply.

Tangible fixed assets are derecognised on disposal or when no future economic benefits are expected from their use or disposal. The realised gain or loss on the disposal of tangible fixed assets is determined as the difference between disposal proceeds and carrying value at the date of disposal, less any transaction costs, and is included in the consolidated profit and loss account in the period of disposition.

3.3 Inventories

Tangible fixed assets which are under an active disposition plan or programme are considered to be held for sale and are separately presented in the consolidated balance sheet within "Inventories". Such assets are recorded at the lower of their carrying value or estimated fair value less the cost to sell. Once an investment property is determined to be held for sale, depreciation is no longer recorded.

3.4 Borrowing costs

Borrowing costs are capitalised as part of the cost of the asset if they are directly attributable to the acquisition or construction of a qualifying asset under development. Capitalisation of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially ready for their intended use and when it is probable that the assets will result in future economic benefits to the Group. All other borrowing costs are expensed as incurred.

3.5 Tenant security deposits

Tenant security deposits are measured at cost and represent rental security deposits received from the lessee upon inception of the respective lease contract. At the termination of the lease contracts, the deposits held by the Group are returned to tenants, reduced by unpaid rental fees, expense recoveries, penalties and/or deductions for damages and repairs, if any. Tenant security deposits may become redeemable upon a tenant's vacancy and are presented in the consolidated balance sheet within "Other creditors becoming due and payable within one year". Tenant security deposits in the form of bank guarantees are not disclosed because they are unlikely to result in an economic benefit to the Group.

3.6 Debtors

Debtors' balances are carried at their nominal value and stated net of allowances for doubtful accounts. When there is an indication that the Group will not be able to collect all amounts due according to the original terms of the receivable, the amount is recorded in the allowance for doubtful accounts presented in the consolidated profit and loss account within "Value adjustments in respect of current assets". These value adjustments are reversed in the period in which the reasons for the value adjustments cease to apply.

Debtors' balances include rent billed in advance related to non-cancellable contractual periods. The related liability is presented in the consolidated balance sheet under "Deferred income".

3.7 Cash at bank and in hand

Cash includes cash on hand and money held on demand in banks and other financial institutions with maturities of three months or less that are subject to an insignificant risk of change in value.

Restricted cash primarily consists of amounts related to operating real estate such as escrows for taxes, insurance, tenant security deposits, and payments required under certain lease and borrowing arrangements of the Group.

3.8 Prepayments

Prepayments are carried at their nominal value and represent expenditures incurred for the benefit of future periods and are amortised over such period.

3.9 Provisions

Provisions are intended to cover losses or debts, the nature of which is clearly defined and which, at the date of the balance sheet, are either likely to be incurred or certain to be incurred but uncertain as to their amount or as to the date on which they will arise.

Provisions may also be created to cover charges that originated in the financial year under review or in a previous financial year, the nature of which is clearly defined and which, at the date of the balance sheet, are either likely to be incurred or certain to be incurred but uncertain as to their amount or as to the date on which they will arise.

3.10 Provisions for taxation

Current tax provision

The provision corresponding to the tax liability estimated by the Group for the financial year is recorded under the caption "Other creditors – Tax authorities" in the consolidated balance sheet. The advance payments for tax are presented as an asset in the consolidated balance sheet under "Other debtors".

Deferred tax provision

Deferred tax assets and/or liabilities are recognised on temporary differences arising between the tax basis of assets and liabilities and their carrying amount in the consolidated annual accounts.

Deferred tax liabilities are generally recognised for all taxable temporary differences while deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is determined using tax rates and laws that have been enacted or substantially enacted by the date of the consolidated balance sheet and are expected to apply when the deferred tax asset and/or liability is settled.

Deferred tax is not recognised at the moment of initial recognition of the asset or liability in any transaction other than a business combination (see Note 2.3.6).

3.11 Debts

Debts are recorded at their reimbursement value. Loan arrangement fees and other debt issue costs are capitalised and subsequently amortised over the term of the related borrowings using the effective interest or straight-line method, depending on the nature of the debt, and are presented as an asset in the consolidated balance sheet under "Prepayments". Early repayments of debt result in write-offs of capitalised fees and costs related to such debts.

3.12 Leases – Group as a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, plus any initial direct costs. The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The lease liability is initially measured at the present value of the future lease payments, discounted using the Group's incremental borrowing rate. Thereafter, the lease liability is measured at amortised cost using the effective interest method and is remeasured upon a change in future lease payments.

The Group presents right-of-use assets as part of "Intangible assets" and presents lease liabilities as part of "Other creditors" in the consolidated balance sheet.

The Group does not recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets.

3.13 Deferred income

Income received during the reporting period but relating to a subsequent reporting period represents a liability of the Group.

3.14 Subscribed capital, share premium and legal reserves

Subscribed capital is stated at nominal value for all shares issued. The difference between the proceeds and the nominal value of the shares issued is presented in the consolidated balance sheet under "Share premium". Shares issued for consideration other than cash are measured at fair value of the consideration received. In case shares are issued to extinguish or settle a liability of BPPEH, the shares shall be measured either at fair value of the shares issued or fair value of the liability settled, whichever is more determinable.

Legal reserves are recognised in accordance with the local legal requirements and are generally not distributable.

Notes to the Consolidated Annual Accounts (cont'd)

Luxembourg companies are required to transfer a minimum of 5% of annual net income, after deducting any losses brought forward, to the legal reserve until this reserve equals 10% of subscribed capital. This reserve may not be distributed in the form of cash dividends, or otherwise, except upon liquidation of an entity.

3.15 Net turnover and other operating income

Net turnover – Rental income

Net turnover includes rental income from investment properties. Rental income from logistics and office investment properties is recognised as revenue on a straight-line basis over the term of the lease. Lease incentives offered to occupiers to enter into a lease, such as an initial rent-free period or a cash contribution, are recognised as a reduction of rental income on a straight-line basis over the term of the lease.

Rental income from residential investment properties is derived from short-term lease agreements and is recognised when earned. This policy effectively results in income recognition on the straight-line method over the related terms of the leases.

Other operating income – Service charge and other income

Service charge income relates to any service charges recoverable from tenants, recorded in "Other operating expenses". Other income includes lease termination and other tenant related revenues that are not contractual rent.

Other operating income – Net gain/(loss) on disposals

Any realised gain or loss on disposals is recognised in the period of disposition. The net gain or loss is determined as the difference between disposal proceeds and carrying value at the date of disposal, less any transaction costs.

3.16 Interest income and interest expenses

Interest income and interest expenses are accrued at the nominal interest rate applicable.

3.17 Expenses

Expenses are recognised in the period they are incurred.

3.18 Promote payments

Promote payments payable to third-party operating partners are recognised in accordance with the governing documents when the payment amount can be readily and reliably estimated. Promote payments are determined based on the performance of the investment vehicles subject to the achievement of minimum return hurdles. As at 31 December 2019, promote payments were triggered. No promote payments were triggered as at 31 December 2018.

3.19 Derivative financial instruments

BPPEH may enter into derivative financial instruments such as options, swaps, futures or foreign exchange contracts. Derivative financial instruments are recognised at fair value at the origination date and subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in the consolidated profit and loss account.

A derivative financial instrument with a positive fair value is recognised as a financial asset whereas a derivative financial instrument with a negative fair value is recognised as a financial liability. A derivative financial instrument is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months.

The fair value of financial instruments that are not traded on an active market is determined by using valuation techniques taking into account market conditions existing at the end of each reporting period.

3.20 Contingencies

Contingent liabilities are disclosed in the consolidated annual accounts unless the possibility of economic loss is remote. Contingent assets are not recognised in the consolidated annual accounts but are disclosed in the notes to the consolidated annual accounts when economic benefits are probable.

3.21 Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individual or corporate entities.

3.22 Subsequent events

Material post year end events that would result in a significant change of the Group's financial position at the end of the reporting year (adjusting events) are reflected in the consolidated annual accounts. Post year end events that are not adjusting events are disclosed in the notes to the consolidated annual accounts, when material.

Note 4 – Tangible fixed assets

The following table reconciles the gross book value of tangible fixed assets, including related transaction costs, to the net book value for the period from 7 December 2017 (inception) to 31 December 2018 and for the year ended 31 December 2019:

€m	Land	Buildings	Total
Gross book value - 7 December 2017 (inception)	**–**	**–**	**–**
Acquisitions	1,209.1	2,551.0	**3,760.1**
Capital expenditures	–	15.8	**15.8**
Transfers to inventories (Note 5)	(17.8)	(101.8)	**(119.6)**
Gross book value - 31 December 2018	**1,191.3**	**2,465.0**	**3,656.3**
Final purchase price allocation[1]	(20.3)	16.8	**(3.5)**
Acquisitions	389.0	1,001.0	**1,390.0**
Capital expenditures	–	52.0	**52.0**
Currency translation	1.8	4.5	**6.3**
Disposals[2]	(24.9)	(58.0)	**(82.9)**
Gross book value - 31 December 2019	**1,536.9**	**3,481.3**	**5,018.2**
Accumulated value adjustments - 7 December 2017 (inception)	**–**	**–**	**–**
Depreciation and amortisation	–	(39.9)	**(39.9)**
Transfers to inventories (Note 5)	–	2.3	**2.3**
Accumulated value adjustments - 31 December 2018	**–**	**(37.6)**	**(37.6)**
Depreciation and amortisation	–	(85.9)	**(85.9)**
Disposals[2]	–	2.9	**2.9**
Accumulated value adjustments - 31 December 2019	**–**	**(120.6)**	**(120.6)**
Net book value - 31 December 2018	**1,191.3**	**2,427.4**	**3,618.7**
Net book value - 31 December 2019	**1,536.9**	**3,360.7**	**4,897.6**

1) Represents the finalisation of the initial purchase price allocation, including transaction costs.
2) Excludes disposal of inventories (see Note 5).

There were no impairment adjustments triggered with respect to tangible fixed assets as at 31 December 2019.

Note 5 – Inventories

There were no inventories as at 31 December 2019 (2018: €117.3 million).

Notes to the Consolidated Annual Accounts (cont'd)

Note 6 – Debtors

6.1 Trade debtors

The following table summarises trade debtors amounts, net of allowance for bad debts:

€m	As at 31 December 2019	As at 31 December 2018
Rental income and service charges - billed	23.6	17.5
Rental income and service charges - accrued	5.3	4.1
Allowance for bad debts	(1.3)	(2.1)
Total	**27.6**	**19.5**

6.2 Amounts owed by affiliated undertakings

The following table summarises amounts owed by affiliated undertakings, including BPPEH's parent entity and NCI shareholders:

	As at 31 December 2019			As at 31 December 2018		
€m	Interest rate	Term/ maturity	Amount	Interest rate	Term/ maturity	Amount
Becoming due and payable after more than one year						
Related party loans receivable[1]	1.05% - 4.50%	2021 - 2033	133.9	1.05% - 1.82%	2022 - 2025	70.9
			133.9			**70.9**
Becoming due and payable within one year						
Related party loans receivable - interest free	–	2020	88.4	–	2019	81.3
Other amounts receivable	–	2020	35.3	–	2019	31.9
			123.7			**113.2**
Total			**257.6**			**184.1**

1) There were no impairment indicators as at 31 December 2019.

6.3 Other debtors

The following table summarises other debtors amounts:

€m	As at 31 December 2019	As at 31 December 2018
VAT receivables	24.6	12.8
Tenant security deposits receivable	5.4	5.1
Tax receivables	3.8	0.1
Other receivables	4.6	2.4
Total	**38.4**	**20.4**

Note 7 – Cash at bank and in hand

The table below represents cash at bank and in hand. Restricted cash primarily relates to tenant security deposits held in the Group's bank accounts.

€m	As at 31 December 2019	As at 31 December 2018
Cash at bank and in hand	434.6	259.4
Restricted cash	5.5	10.0
Total	**440.1**	**269.4**

Note 8 – Prepayments

Prepayments are comprised of the following amounts:

€m	As at 31 December 2019	As at 31 December 2018
Deferred financing fees - net	20.1	15.7
Deposit payments for future acquisitions	16.6	–
Straight-line rent adjustments	15.2	7.4
Other prepayments	1.9	2.3
Total	**53.8**	**25.4**

Deferred financing fees were related to the unsecured notes and amounts owed to credit institutions (see Notes 11.1 and 11.2). Other prepayments include insurance, real property taxes and other prepaid expenses.

Note 9 – Capital and reserves

9.1 Subscribed capital

In 2018, BPPEH issued 1.4 million shares with a nominal value of €1 each. The subscribed capital was paid in full and amounted to €1.4 million. No new shares were issued during the year ended 31 December 2019.

9.2 Share premium

For the year ended 31 December 2019, BPPEH's parent entity invested €355.2 million (2018: €524.1 million) in cash and €82.1 million (2018: €26.7 million) as a contribution in kind to the share premium of BPPEH.

During 2019, the Group distributed €35.1 million (2018: nil) of share premium to BPPEH's parent entity and converted €78.9 million (2018: nil) of share premium into related party loans from BPPEH's parent entity.

9.3 Reserves

Legal reserve

There were no material allocations to this reserve as of 31 December 2019 (2018: nil).

Other reserves

Other reserves represent the effect of the foreign currency translation of €1.7 million (2018: nil), which relates to the Swedish and Danish subsidiaries of the Group.

9.4 Interim dividends

In 2019, the Group distributed dividends of €40.7 million (2018: nil) to its parent.

9.5 Non-controlling interests

During 2019, NCI shareholders invested €103.3 million (2018: €170.4 million) into certain subsidiaries of the Group, converted €10.9 million (2018: nil) of share premium into related party loans and received distributions of €3.7 million (2018: nil), including certain promote payment allocations (see Note 3.18).

As at 31 December 2019, currency translation reserve of €1.6 million (2018: nil) was attributable to NCI shareholders.

Note 10 – Provisions

10.1 Provisions for taxation

The Group is subject to corporate income tax in numerous jurisdictions. The Group recognises liabilities for anticipated corporate income tax based on estimates of the amounts that will eventually be due, less corporate income tax already paid. Where the final tax charge is different from the amounts that were initially provisioned, such differences will be treated as prior year adjustments in the current tax charge of the following year.

Notes to the Consolidated Annual Accounts (cont'd)

The Group had recognised a deferred tax liability as at 31 December 2019 of €2.8 million (2018: €0.5 million). The related deferred tax charge for the year of €2.3 million (2018: €0.5 million) was recognised in the consolidated profit and loss account within "Tax on profit or loss" (see Note 19).

Note 11 – Creditors

The following table summarises the movement in the amounts owed to credit institutions and unsecured notes for the period from 7 December 2017 (inception) to 31 December 2018 and for the year ended 31 December 2019:

€m	Amounts owed to credit institutions	Unsecured notes	Total
Principal balance - 7 December 2017 (inception)	–	–	–
Proceeds from borrowings / issuance of notes	1,340.0	1,250.0	**2,590.0**
Acquired debt	717.0	–	**717.0**
Repayments	(1,134.1)	–	**(1,134.1)**
Fair valuation of derivative financial instruments	2.2	–	**2.2**
Principal balance - 31 December 2018	**925.1**	**1,250.0**	**2,175.1**
Proceeds from borrowings/ issuance of notes	422.3	1,600.0	**2,022.3**
Acquired debt	314.4	–	**314.4**
Repayments	(1,537.0)	–	**(1,537.0)**
Disposal of debt	(50.7)	–	**(50.7)**
Fair valuation of derivative financial instruments	(1.0)	–	**(1.0)**
Principal balance - 31 December 2019	**73.1**	**2,850.0**	**2,923.1**
Deferred financing fees - 7 December 2017 (inception)	–	–	–
Capitalisation of financing fees	7.6	9.9	**17.5**
Amortisation of deferred financing fees	(1.4)	(0.4)	**(1.8)**
Deferred financing fees - 31 December 2018	**6.2**	**9.5**	**15.7**
Capitalisation of financing fees	0.4	12.0	**12.4**
Amortisation of deferred financing fees	(1.4)	(2.1)	**(3.5)**
Write-off of deferred financing fees	(4.5)	–	**(4.5)**
Deferred financing fees - 31 December 2019	**0.7**	**19.4**	**20.1**

11.1 Unsecured notes

On 21 June 2018, BPPEH established its €5 billion Euro Medium Term Note Programme ("EMTN Programme"), listed on The International Stock Exchange ("TISE") in Guernsey, Channel Islands. During 2018, BPPEH issued two series of unsecured notes totalling €1.25 billion.

During 2019, pursuant to the EMTN Programme, BPPEH issued three additional series of unsecured notes for €1.6 billion, bringing the total amount of notes issued to €2.85 billion.

The notes are redeemable at the option of BPPEH, subject to certain limitations, and are fully and unconditionally guaranteed, jointly and severally, by certain subsidiaries of BPPEH. The notes are pari passu with the Group's other unsecured indebtedness and are subordinated to any secured indebtedness of the Group and/or other secured liabilities.

The following table summarises the key terms of the unsecured notes outstanding as at 31 December 2019:

€m	Interest rate	Maturity	Payable within one year	Payable after one year and within five years	Payable after more than five years	Total principal	Accrued interest payable
Series 1	1.40%	06-Jul-22	4.1	600.0	–	600.0	4.1
Series 2	2.20%	24-Jul-25	6.3	–	650.0	650.0	6.3
Series 3	2.00%	15-Feb-24	8.7	500.0	–	500.0	8.7
Series 4	0.50%	12-Sep-23	0.8	500.0	–	500.0	0.8
Series 5	1.75%	12-Mar-29	3.2	–	600.0	600.0	3.2
Total			**23.1**	**1,600.0**	**1,250.0**	**2,850.0**	**23.1**

The following table summarises the key terms of the unsecured notes outstanding as at 31 December 2018:

€m	Interest rate	Maturity	Payable within one year	Payable after one year and within five years	Payable after more than five years	Total principal	Accrued interest payable
Series 1	1.40%	06-Jul-22	4.1	600.0	–	600.0	4.1
Series 2	2.20%	24-Jul-25	6.3	–	650.0	650.0	6.3
Total			**10.4**	**600.0**	**650.0**	**1,250.0**	**10.4**

11.2 Amounts owed to credit institutions

The following table summarises the key terms of the amounts owed to credit institutions as at 31 December 2019:

€m	Interest rate	Maturity	Payable within one year	Payable after one year and within five years	Payable after more than five years	Total principal	Accrued interest payable
Mortgage loans	1.29% - 1.52%	Dec-2020	66.7	–	–	66.4	0.3
Revolving credit facility	1.05%	15-Nov-21	–	5.4	–	5.4	–
Derivative financial instrument	1.41%	30-Dec-20	1.3	–	–	1.3	–
Total			**68.0**	**5.4**	**–**	**73.1**	**0.3**

The following table summarises the key terms of the amounts owed to credit institutions as at 31 December 2018:

€m	Interest rate	Maturity[1]	Payable within one year	Payable after one year and within five years	Payable after more than five years	Total principal	Accrued interest payable
Acquisition facility I	1.50%	15-May-21	592.6	–	–	591.5	1.1
Acquisition facility II	1.40%	15-Nov-21	0.3	210.4	–	210.4	0.3
Mortgage loans	1.37% - 2.39%	2020 - 2026	2.2	57.3	59.7	119.0	0.2
Revolving credit facility	1.05%	15-Nov-21	–	2.0	–	2.0	–
Derivative financial instrument	1.41%	30-Dec-20	0.2	2.2	–	2.2	0.2
Total			**595.3**	**271.9**	**59.7**	**925.1**	**1.8**

1) Represents extended maturity dates.

Notes to the Consolidated Annual Accounts (cont'd)

Acquisition Facility I

On 8 March 2018, Azurite Topco S.à r.l., a subsidiary of BPPEH, entered into Acquisition Facility I with Bank of America and Morgan Stanley Bank. Acquisition Facility I was secured by pledges of shares of certain subsidiaries of BPPEH.

Acquisition Facility I was fully repaid and terminated on 15 February 2019.

Acquisition Facility II

On 25 October 2018, BPPEH entered into Acquisition Facility II, an unsecured borrowing arrangement with Royal Bank of Canada, Crédit Agricole Corporate & Investment Bank, HSBC France and Société Générale. Subsequently, Banco Santander acceded to Acquisition Facility II as a lender in 2019. Borrowings under Acquisition Facility II have an initial maturity of one year, subject to two one-year extension options, and an interest rate of Euribor + 1.4% per annum.

Acquisition Facility II had no amounts outstanding as of 31 December 2019.

Revolving Credit Facility ("RCF")

On 9 October 2018, BPPEH entered into a senior revolving credit facility agreement with Royal Bank of Canada. Subsequently, Crédit Agricole Corporate & Investment Bank, HSBC France, Société Générale, Banco Santander and Bank of America Merrill Lynch made additional commitments to the RCF. As at 31 December 2019, the total size of the RCF was €280.0 million (2018: €180.0 million) of which €5.4 million was drawn (2018: €2.0 million).

The RCF has an initial maturity date of 15 November 2021, subject to two one-year extension options upon lenders' consent, and an interest rate of Euribor + 1.05%.

Mortgage Loans

As at 31 December 2019, the Group had mortgage loans totalling €66.4 million (2018: €119.0 million) outstanding. In 2019, in connection with the disposal of an office investment property in Germany, the Group fully repaid the related mortgage loan, which had a principal balance of €50.7 million as of the disposition date (see Note 14).

Covenants

As at 31 December 2019 and 2018, the Group was in compliance with all of its financial covenants.

11.3 Trade creditors

The following table summarises trade creditors amounts:

€m	As at 31 December 2019	As at 31 December 2018
Transaction costs	16.8	12.8
Trade payables	8.3	10.5
Capital expenditures	7.7	1.3
Professional fees	6.3	7.7
Service charges	4.1	2.6
Other accruals	1.3	0.3
Total	**44.5**	**35.2**

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11.4 Amounts owed to affiliated undertakings

Amounts owed to affiliated undertakings are subordinated to unsecured notes as well as amounts owed to credit institutions. The following table summarises the key terms of the amounts owed to affiliated undertakings, including BPPEH's parent entity and NCI shareholders, as at 31 December 2019:

€m	Interest rate	Term/ maturity	Payable within one year	Payable after one year and within five years	Payable after more than five years	Total principal	Accrued interest payable
Related party loans payable	1.00% - 7.93%	2021 - 2034	25.3	0.4	1,454.0	1,454.6	25.1
Related party loans payable - interest free	–	2020	68.4	–	–	68.4	–
Other amounts payable	–	–	37.3	–	–	37.3	–
Total			**131.0**	**0.4**	**1,454.0**	**1,560.3**	**25.1**

The following table summarises the key terms of the amounts owed to affiliated undertakings, including BPPEH's parent entity and NCI shareholders, as at 31 December 2018:

€m	Interest rate	Term/ maturity	Payable within one year	Payable after one year and within five years	Payable after more than five years	Total principal	Accrued interest payable
Related party loans payable	1.00% - 7.93%	2020 - 2033	12.0	25.2	1,155.1	1,180.3	12.0
Related party loans payable - interest free	–	2019	82.2	–	–	82.2	–
Other amounts payable	–	–	4.9	0.6	–	5.5	–
Total			**99.1**	**25.8**	**1,155.1**	**1,268.0**	**12.0**

11.5 Other creditors

The following table summarises amounts owed to other creditors as at 31 December 2019:

€m	Tax authorities	Becoming due and payable within one year	Becoming due and payable after more than one year	Total
Other payables[1]	34.2	1.7	3.5	39.4
Tenant security deposits payable	–	17.1	–	17.1
Acquisition of tangible fixed assets[2]	–	2.6	–	2.6
Total	**34.2**	**21.4**	**3.5**	**59.1**

The following table summarises amounts owed to other creditors as at 31 December 2018:

€m	Tax authorities	Becoming due and payable within one year	Becoming due and payable after more than one year	Total
Acquisition of tangible fixed assets[2]	–	37.5	–	37.5
Other payables[1]	12.8	2.7	–	15.5
Tenant security deposits payable	–	11.8	–	11.8
Total	**12.8**	**52.0**	**–**	**64.8**

1) Mainly represents VAT payable of €26.1 million (2018: €10.1 million), corporate income tax of €5.6 million (2018: €1.7 million) and ground lease liability of €3.5 million (2018: nil).
2) Represents amount payable to the seller related to investment properties acquired during the year.

Notes to the Consolidated Annual Accounts (cont'd)

Note 12 – Deferred income

As at 31 December 2019, deferred income included rent and service charges paid in advance by tenants, as well as advance rent and service charge billings of €16.3 million (2018: €4.9 million). In addition, during 2019, the Group recognised unrealised foreign exchange gains in the amount of €3.3 million (2018: nil).

Note 13 – Net turnover

The following table reflects net turnover of the Group's investment properties summarised by asset class and country for the year ended 31 December 2019:

€m	Logistics	Residential	Office	Total
Germany	38.2	31.0	15.2	**84.4**
France	19.4	–	7.0	**26.4**
Poland	16.9	–	–	**16.9**
Spain	6.6	–	7.6	**14.2**
Netherlands	6.8	6.8	–	**13.6**
Italy	8.6	–	4.8	**13.4**
Sweden	2.0	–	–	**2.0**
Denmark	0.7	–	–	**0.7**
Finland	0.4	–	–	**0.4**
Total	**99.6**	**37.8**	**34.6**	**172.0**

The following table reflects net turnover of the Group's investment properties summarised by asset class and country for the period from 7 December 2017 (inception) to 31 December 2018:

€m	Logistics	Residential	Office	Total
Germany	17.4	21.3	7.9	**46.6**
France	6.8	–	4.9	**11.7**
Spain	2.9	–	3.2	**6.1**
Italy	5.9	–	0.1	**6.0**
Poland	5.8	–	–	**5.8**
Netherlands	3.6	–	–	**3.6**
Total	**42.4**	**21.3**	**16.1**	**79.8**

Note 14 – Other operating income

Other operating income of the Group consists of the following:

€m	For the year ended 31 December 2019	For the period from 7 December 2017 (inception) to 31 December 2018
Net gain on disposals	63.1	–
Service charge income	37.0	18.7
Other income	5.0	0.6
Total	**105.1**	**19.3**

On 22 May 2019, the Group completed the disposition of two logistics investment properties in Poland, previously presented in the consolidated balance sheet within "Inventories", for gross proceeds of €129.3 million and recognised a €6.9 million gain on disposal (net of transaction costs).

On 19 December 2019, the Group disposed of an office investment property in Germany for gross proceeds of €163.0 million, subject to certain guaranteed obligations, and recognised a €56.2 million gain on disposal (net of transaction costs).

Note 15 – Other external expenses

The following table summarises other external expenses comprised of general and administrative expenses, audit, legal and advisory fees, and other corporate costs incurred by the Group:

€m	For the year ended 31 December 2019	For the period from 7 December 2017 (inception) to 31 December 2018
Administrative expenses	8.2	5.3
Advisory fees	3.5	2.2
Legal fees	3.0	2.3
Accounting fees	1.8	1.1
Audit fees	1.8	1.5
Other fees	2.8	0.8
Total	**21.1**	**13.2**

Note 16 – Employees

As at 31 December 2019, the Group had 43 (2018: 19) full-time employees. Employee expenses are presented in the consolidated profit and loss account within "Other external expenses". No loans or incentives were provided to the management of the Group.

Note 17 – Other operating expenses

The following table summarises other operating expenses which primarily consist of service charge expenses and asset management fees incurred in connection with the operations of the Group's investment properties:

€m	For the year ended 31 December 2019	For the period from 7 December 2017 (inception) to 31 December 2018
Service charges and other expenses	50.9	26.9
Asset management fees	11.5	5.3
Total	**62.4**	**32.2**

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Notes to the Consolidated Annual Accounts (cont'd)

Note 18 – Interest payable and similar expenses

The following table summarises interest expense incurred in connection with the Group's external and affiliated borrowings as well as amortisation of deferred financing fees related to originating such borrowings (see Notes 8 and 11):

€m	For the year ended 31 December 2019	For the period from 7 December 2017 (inception) to 31 December 2018
Other interest and similar expenses		
Interest on unsecured notes	35.2	10.3
Interest on amounts owed to credit institutions	8.1	9.8
Other financial expenses and bank fees	3.5	5.6
Amortisation of deferred financing fees[1]	3.5	1.8
Write-off of deferred financing fees	4.5	–
Unrealised loss on derivative financial instrument	–	2.2
	54.8	**29.7**
Concerning affiliated undertakings		
Interest on amounts owed to affiliated undertakings	40.5	20.0
	40.5	**20.0**
Total	**95.3**	**49.7**

1) Includes the effective interest rate adjustments.

Note 19 – Tax on profit or loss

The "Tax on profit or loss" comprises a current tax charge of €4.7 million (2018: €1.8 million) and a deferred tax charge of €2.3 million (2018: €0.5 million) (see Note 10).

Note 20 – Related party transactions

A number of German residential and office investment properties were asset managed by related parties as at 31 December 2019. During the year ended 31 December 2019, the Group incurred €2.1 million (2018: €1.1 million) of related party asset management fees and €0.4 million (2018: €0.3 million) of accounting fees.

During 2019 and 2018, the Group earned an immaterial amount of income from recharges to a related party.

Note 21 – Off balance sheet commitments and contingencies

Litigation and claims

The Group may be involved in litigation and claims in the ordinary course of business. As at 31 December 2019 and 2018, the Group was not involved in any legal proceedings that are expected to have a material adverse effect on the Group's operations, financial position or liquidity.

The Group has contingent liabilities in respect of legal claims, guarantees and warranties arising in the ordinary course of business. It is not anticipated that any material obligations will arise from these contingent liabilities.

Note 22 – Subsequent events

The recent outbreak of the novel coronavirus in many countries continues to adversely impact global commercial activity and has contributed to significant volatility in financial markets. The global impact of the outbreak has been rapidly evolving, and as cases of the virus have continued to be identified in additional countries, many countries have reacted by instituting quarantines and restrictions on travel. Such actions are creating disruption in global supply chains and adversely impacting a number of industries, such as transportation, hospitality and entertainment. The outbreak could have a continued adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate adverse impact of the novel coronavirus. Nevertheless, the novel coronavirus presents material uncertainty and risk with respect to the Group's performance and financial results. In addition to the factors described above, other factors described herein that may affect market, economic and geopolitical conditions, and thereby adversely affect the Group include, without limitation, economic slowdown in Europe and internationally, changes in interest rates and/or a lack of availability of credit in Europe and internationally, commodity price volatility and changes in law and/or regulation, and uncertainty regarding government and regulatory policy. Please refer to the Risk Factors section in the accompanying management report for further assessment.

The novel coronavirus outbreak has not been recognised as a subsequent event requiring adjustment of the consolidated annual accounts for the year ended 31 December 2019. Based on management's assessment of the situation, the consolidated annual accounts for the year ended 31 December 2019 have been prepared on going concern basis.

New acquisitions

Since 31 December 2019, BPPEH has acquired 16 logistics properties located primarily in Germany and the Nordics for a gross purchase price of €572 million. In addition, BPPEH has acquired 159 residential units in Amsterdam for a gross purchase price of €60 million, further expanding its Dutch residential platform.

Financing

On 20 March 2020, BPPEH put in place a new revolving credit facility with a total size of €600 million. The new facility has an initial maturity of five years, with two one-year extension options upon lenders' consent, and an interest rate of Euribor + 1.00% per annum. Borrowings under the previous revolving credit facility were repaid in full, and the facility was cancelled effective 27 March 2020.

Consolidated Annual Accounts

Notes to the Consolidated Annual Accounts (cont'd)

Note 23 – List of consolidated entities

No.	Name	Effective ownership 31 December 2019	Effective ownership 31 December 2018	Country of incorporation	Consolidation method
1	Blackstone Property Partners Europe Holdings S.à r.l.	N/A	N/A	Luxembourg	Parent company
2	LZ German Super Topco S.à r.l.	100.00%	100.00%	Luxembourg	Full consolidation
3	Alpha German Super Topco S.à r.l.	55.96%	55.96%	Luxembourg	Full consolidation
4	Alpha German Topco S.à r.l.	55.96%	55.96%	Luxembourg	Full consolidation
5	SF German Master Topco S.à r.l.	100.00%	100.00%	Luxembourg	Full consolidation
6	Azurite Master Topco S.à r.l.	52.81%	52.81%	Luxembourg	Full consolidation
7	Azurite Topco S.à r.l.	52.81%	52.81%	Luxembourg	Full consolidation
8	Azurite Unsecured Topco S.à r.l.	100.00%	100.00%	Luxembourg	Full consolidation
9	German Unsecured Topco S.à r.l.	100.00%	100.00%	Luxembourg	Full consolidation
10	Azurite German Majority Topco S.à r.l.	58.68%	58.68%	Luxembourg	Full consolidation
11	Azurite German Majority Midco S.à r.l.	58.68%	58.68%	Luxembourg	Full consolidation
12	Azurite German Majority Holdco S.à r.l.	58.68%	58.68%	Luxembourg	Full consolidation
13	Gemini Unsecured Topco S.à r.l.	100.00%	100.00%	Luxembourg	Full consolidation
14	Gemini Master Topco S.à r.l.	100.00%	100.00%	Luxembourg	Full consolidation
15	Gemini Topco S.à r.l.	100.00%	100.00%	Luxembourg	Full consolidation
16	Thesaurus Pledgeco S.à r.l.	100.00%	100.00%	Luxembourg	Full consolidation
17	Thesaurus Investment S.à r.l.	100.00%	100.00%	Luxembourg	Full consolidation
18	Polaris Master Topco S.à r.l.	50.52%	0.00%	Luxembourg	Full consolidation
19	Polaris Finco S.à r.l.	50.52%	0.00%	Luxembourg	Full consolidation
20	BPPE Finco S.à r.l.	100.00%	0.00%	Luxembourg	Full consolidation
21	Azurite Non-German Finco S.à r.l.	52.81%	0.00%	Luxembourg	Full consolidation
22	German Resi Finco S.à r.l.	100.00%	0.00%	Luxembourg	Full consolidation
23	Azurite German Finco S.à r.l.	100.00%	0.00%	Luxembourg	Full consolidation
24	Alpha German Pledgeco S.à r.l.	50.37%	50.37%	Luxembourg	Full consolidation
25	Alpha German Holdco S.à r.l.	50.37%	50.37%	Luxembourg	Full consolidation
26	KC Chris GmbH	50.37%	50.37%	Germany	Full consolidation
27	KC Valentina GmbH	50.37%	50.37%	Germany	Full consolidation
28	KC Isabella GmbH	50.37%	50.37%	Germany	Full consolidation
29	KC Carolina GmbH	50.37%	50.37%	Germany	Full consolidation
30	KC Louise GmbH	50.37%	50.37%	Germany	Full consolidation
31	KC Berlin 1 GmbH	50.37%	50.37%	Germany	Full consolidation
32	KC Berlin 2 GmbH	50.37%	50.37%	Germany	Full consolidation
33	KC Berlin 3 GmbH	50.37%	50.37%	Germany	Full consolidation
34	KC Berlin 4 GmbH	50.37%	50.37%	Germany	Full consolidation
35	LZ German Topco S.à r.l.	99.38%	84.00%	Luxembourg	Full consolidation
36	LZ German Holdco S.à r.l.	99.38%	84.00%	Luxembourg	Full consolidation
37	Leipziger Strasse S.à r.l.	0.00%	75.60%	Luxembourg	Sold as at 19-Dec-19
38	Peninsula Bidco BV	100.00%	100.00%	Netherlands	Full consolidation
39	Peninsula Pledgeco BV	100.00%	100.00%	Netherlands	Full consolidation

No.	Name	Effective ownership 31 December 2019	Effective ownership 31 December 2018	Country of incorporation	Consolidation method
40	OPPCI Dyna Sppicav	100.00%	100.00%	France	Full consolidation
41	Peninsula Topco S.à r.l.	100.00%	100.00%	Luxembourg	Full consolidation
42	Peninsula Pledgeco S.à r.l.	100.00%	100.00%	Luxembourg	Full consolidation
43	Peninsula Bidco S.à r.l.	100.00%	100.00%	Luxembourg	Full consolidation
44	SCI Dynavia SCI	100.00%	100.00%	France	Full consolidation
45	Perceval Topco S.à r.l.	52.81%	52.81%	Luxembourg	Full consolidation
46	Perceval Investment S.à r.l.	52.81%	52.81%	Luxembourg	Full consolidation
47	Ermes Fund	52.81%	52.81%	Italy	Full consolidation
48	Logan (Bad Hersfeld) Propco BV	52.81%	52.81%	Netherlands	Full consolidation
49	Logan (Borken 1) Propco BV	52.81%	52.81%	Netherlands	Full consolidation
50	Logan (Borken 2) Propco BV	52.81%	52.81%	Netherlands	Full consolidation
51	Logan (Bremerhaven) Propco BV	52.81%	52.81%	Netherlands	Full consolidation
52	Logan (Hassfurt) Propco BV	52.81%	52.81%	Netherlands	Full consolidation
53	Logan (Neunkirchen) Propco BV	52.81%	52.81%	Netherlands	Full consolidation
54	Jago European Club II S.à r.l.	52.81%	52.81%	Luxembourg	Full consolidation
55	Tanzanite Topco BV	52.81%	52.81%	Netherlands	Full consolidation
56	Tanzanite Dordrecht BV	52.81%	52.81%	Netherlands	Full consolidation
57	Tanzanite Holdco BV	52.81%	52.81%	Netherlands	Full consolidation
58	Tanzanite Vianen I BV	52.81%	52.81%	Netherlands	Full consolidation
59	Tanzanite Vianen II BV	52.81%	52.81%	Netherlands	Full consolidation
60	Tanzanite Schiphol BV	52.81%	52.81%	Netherlands	Full consolidation
61	Tanzanite Tiel BV	52.81%	52.81%	Netherlands	Full consolidation
62	Canary Pledgeco S.à r.l.	55.96%	55.96%	Luxembourg	Full consolidation
63	Canary Holdco S.à r.l.	55.96%	55.96%	Luxembourg	Full consolidation
64	Taliesin Managing-Partner GmbH	52.61%	52.61%	Germany	Full consolidation
65	Taliesin I GmbH	50.37%	50.37%	Germany	Full consolidation
66	Phoenix Dutch BV	50.37%	0.00%	Netherlands	Full consolidation
67	Taliesin II GmbH	50.37%	50.37%	Germany	Full consolidation
68	Phoenix B2 -Glatzerstrasse S.à r.l.	50.37%	50.37%	Luxembourg	Full consolidation
69	Phoenix D1 - Hohenstaufenstrasse S.à r.l.	50.37%	50.37%	Luxembourg	Full consolidation
70	Phoenix II Mixed H S.à r.l.	50.37%	50.37%	Luxembourg	Full consolidation
71	Phoenix II Mixed I S.à r.l.	50.37%	50.37%	Luxembourg	Full consolidation
72	Phoenix II Mixed J S.à r.l.	50.37%	50.37%	Luxembourg	Full consolidation
73	Phoenix II Mixed K S.à r.l.	50.37%	50.37%	Luxembourg	Full consolidation
74	Phoenix II Mixed N S.à r.l.	50.37%	50.37%	Luxembourg	Full consolidation
75	Phoenix III Mixed O S.à r.l.	50.37%	50.37%	Luxembourg	Full consolidation
76	Adamma Pledgeco S.à r.l.	100.00%	100.00%	Luxembourg	Full consolidation
77	Adamma Holdco S.à r.l.	100.00%	100.00%	Luxembourg	Full consolidation
78	ADAMMA Home GmbH	90.00%	90.00%	Germany	Full consolidation

Notes to the Consolidated Annual Accounts (cont'd)

No.	Name	Effective ownership 31 December 2019	Effective ownership 31 December 2018	Country of incorporation	Consolidation method
79	Arabella Topco S.à r.l.	99.70%	100.00%	Luxembourg	Full consolidation
80	Arabella Finco S.à r.l.	99.70%	0.00%	Luxembourg	Full consolidation
81	Arabella Holdco S.à r.l.	99.70%	100.00%	Luxembourg	Full consolidation
82	Arabella Propco S.à r.l.	89.73%	90.00%	Luxembourg	Full consolidation
83	Azurite Mezzco S.à r.l.	52.81%	52.81%	Luxembourg	Full consolidation
84	Azurite Pledgeco S.à r.l.	52.81%	52.81%	Luxembourg	Full consolidation
85	Azurite Bidco S.à r.l.	52.81%	52.81%	Luxembourg	Full consolidation
86	Azurite France Propco I SNC	52.81%	52.81%	France	Full consolidation
87	Azurite France Bidco SAS	52.81%	52.81%	France	Full consolidation
88	Azurite France Propco II SNC	52.81%	52.81%	France	Full consolidation
89	Azurite France Propco III SNC	52.81%	52.81%	France	Full consolidation
90	Azurite Montélimar (France) SAS	52.81%	52.81%	France	Full consolidation
91	Azurite Mitry (France) S.à r.l.	52.81%	52.81%	Luxembourg	Full consolidation
92	Azurite Immobilier EURL	52.81%	52.81%	France	Full consolidation
93	Azurite Properties Germany BV	52.81%	52.81%	Netherlands	Full consolidation
94	Azurite Werne Logistics S.à r.l.	52.81%	52.81%	Luxembourg	Full consolidation
95	Azurite Viersen Logistics S.à r.l.	52.81%	52.81%	Luxembourg	Full consolidation
96	Azurite Halle Logistics S.à r.l.	52.81%	52.81%	Luxembourg	Full consolidation
97	Azurite Michelsrombach Logistics S.à r.l.	52.81%	52.81%	Luxembourg	Full consolidation
98	Azurite Hamm Logistics S.à r.l.	52.81%	52.81%	Luxembourg	Full consolidation
99	Azurite Schwäbisch Gmünd Logistics S.à r.l.	52.81%	52.81%	Luxembourg	Full consolidation
100	Azurite Linsengericht Logistics S.à r.l.	52.81%	52.81%	Luxembourg	Full consolidation
101	Azurite Waldlaubersheim Logistics S.à r.l.	52.81%	52.81%	Luxembourg	Full consolidation
102	Azurite Poland Holdco S.à r.l.	52.81%	52.81%	Luxembourg	Full consolidation
103	Azurite Poland Propco I Sp.z o.o.	52.81%	52.81%	Poland	Full consolidation
104	Azurite Poland Propco II Sp.z o.o.	52.81%	52.81%	Poland	Full consolidation
105	Azurite Poland Propco III Sp.z o.o.	0.00%	52.81%	Poland	Sold as at 22-May-19
106	Azurite Poland Propco IV Sp.z o.o.	52.81%	52.81%	Poland	Full consolidation
107	Azurite Poland Propco V Sp.z o.o.	52.81%	52.81%	Poland	Full consolidation
108	Azurite Poland Propco VI Sp.z o.o.	0.00%	52.81%	Poland	Sold as at 22-May-19
109	Gamma Holdco S.à r.l.	100.00%	100.00%	Luxembourg	Full consolidation
110	Gamma Pledgeco S.à r.l.	100.00%	100.00%	Luxembourg	Full consolidation
111	Wackenida GmbH	90.00%	90.00%	Germany	Full consolidation
112	St. Bonifatius Wohnungsbaugesellschaft mbH	90.00%	90.00%	Germany	Full consolidation
113	Speyerer Straße 3 Immobilienverwaltung GmbH	90.00%	90.00%	Germany	Full consolidation
114	Oldenburger Straße Betreuungs GmbH	90.00%	90.00%	Germany	Full consolidation
115	SK 96 - Wohnungsbaukombinat GmbH	90.00%	90.00%	Germany	Full consolidation
116	Richardstraße 60, 61 Berlin-Neukölln GmbH	90.00%	90.00%	Germany	Full consolidation
117	Ravenna Lodging GmbH	90.00%	90.00%	Germany	Full consolidation
118	Wustermarker St. 38/39 Objekt GmbH	90.00%	90.00%	Germany	Full consolidation

No.	Name	Effective ownership 31 December 2019	Effective ownership 31 December 2018	Country of incorporation	Consolidation method
119	Laser Pledgeco S.à r.l.	100.00%	100.00%	Luxembourg	Full consolidation
120	Laser Holdco S.à r.l.	100.00%	100.00%	Luxembourg	Full consolidation
121	Laser (Spain) Holdco, S.L.U.	100.00%	100.00%	Spain	Full consolidation
122	Laser (Spain) Propco II, S.L.U.	100.00%	100.00%	Spain	Full consolidation
123	Laser (Spain) Propco I, S.L.U.	100.00%	100.00%	Spain	Full consolidation
124	Laser (Spain) Propco III S.L.U.	100.00%	100.00%	Spain	Full consolidation
125	Garden Pledgeco S.à r.l.	100.00%	100.00%	Luxembourg	Full consolidation
126	Garden Holdco S.à r.l.	100.00%	100.00%	Luxembourg	Full consolidation
127	Garden (Spain) Holdco S.L.U.	100.00%	100.00%	Spain	Full consolidation
128	Garden (Spain) Propco S.L.U.	100.00%	100.00%	Spain	Full consolidation
129	Pariser Pledgeco S.à r.l.	99.66%	100.00%	Luxembourg	Full consolidation
130	Pariser Holdco S.à r.l.	99.66%	100.00%	Luxembourg	Full consolidation
131	Pariser Platz ZwischenHoldCo GmbH	89.70%	90.00%	Germany	Full consolidation
132	Pariser Platz Propco S.C.S.	89.70%	90.00%	Luxembourg	Full consolidation
133	Pariser Platz (Propco) GP S.à r.l.	89.70%	90.00%	Luxembourg	Full consolidation
134	Gemini Poland Topco S.à r.l.	90.00%	90.00%	Luxembourg	Full consolidation
135	Gemini Poland Holdco S.à r.l.	90.00%	90.00%	Luxembourg	Full consolidation
136	Gemini Finco S.à r.l.	90.00%	0.00%	Luxembourg	Full consolidation
137	Gemini (Poland) Propco I Sp.z o.o.	90.00%	90.00%	Poland	Full consolidation
138	Gemini (Poland) Propco II Sp.z o.o.	90.00%	90.00%	Poland	Full consolidation
139	Gemini (Poland) Propco III Sp.z o.o.	90.00%	90.00%	Poland	Full consolidation
140	Gemini (Poland) Propco IV Sp.z o.o.	90.00%	90.00%	Poland	Full consolidation
141	Gemini (Poland) Propco V Sp.z o.o.	90.00%	90.00%	Poland	Full consolidation
142	Gemini German Majority Midco S.à r.l.	100.00%	100.00%	Luxembourg	Full consolidation
143	Gemini German Majority Topco S.à r.l.	100.00%	100.00%	Luxembourg	Full consolidation
144	Gemini German Majority Holdco S.à r.l.	100.00%	100.00%	Luxembourg	Full consolidation
145	Gemini Forchheim Logistics LLC	90.00%	90.00%	Delaware	Full consolidation
146	Gemini Sulzenbrucker Strasse 7 LLC	90.00%	90.00%	Delaware	Full consolidation
147	Gemini Karlsdorf LLC	90.00%	90.00%	Delaware	Full consolidation
148	Gemini Duisburg LLC	90.00%	90.00%	Delaware	Full consolidation
149	Gemini Nuremburg LLC	90.00%	90.00%	Delaware	Full consolidation
150	Summer Pledgeco S.à r.l.	100.00%	100.00%	Luxembourg	Full consolidation
151	Summer Holdco S.à r.l.	100.00%	100.00%	Luxembourg	Full consolidation
152	Summer Propco 1 GmbH	90.00%	90.00%	Germany	Full consolidation
153	Summer Propco 2 GmbH	90.00%	90.00%	Germany	Full consolidation
154	Leiko Finco S.à r.l.	89.54%	0.00%	Luxembourg	Full consolidation
155	Leiko Investments S.à r.l.	89.54%	90.00%	Luxembourg	Full consolidation
156	Leiko Super Topco S.à r.l.	100.00%	100.00%	Luxembourg	Full consolidation
157	Leiko Topco S.à r.l.	90.05%	90.00%	Luxembourg	Full consolidation
158	Leiko Holdco S.à r.l.	89.54%	90.00%	Luxembourg	Full consolidation

Notes to the Consolidated Annual Accounts (cont'd)

No.	Name	Effective ownership 31 December 2019	Effective ownership 31 December 2018	Country of incorporation	Consolidation method
159	Spring Topco S.à r.l.	90.00%	90.00%	Luxembourg	Full consolidation
160	Spring Pledgeco S.à r.l.	90.00%	90.00%	Luxembourg	Full consolidation
161	Spring Investment S.à r.l.	90.00%	90.00%	Luxembourg	Full consolidation
162	Star Pledgeco S.à r.l.	90.00%	90.00%	Luxembourg	Full consolidation
163	Star Holdco S.à r.l.	90.00%	90.00%	Luxembourg	Full consolidation
164	Projekt Itaca GmbH	90.00%	90.00%	Germany	Full consolidation
165	Thesaurus Fund	100.00%	100.00%	Italy	Full consolidation
166	Honos Fund	100.00%	100.00%	Italy	Full consolidation
167	Rembrandt Topco S.à r.l.	100.00%	0.00%	Luxembourg	Full consolidation
168	Rembrandt Midco S.à r.l.	100.00%	0.00%	Luxembourg	Full consolidation
169	Rembrandt Pledgeco S.à r.l.	100.00%	0.00%	Luxembourg	Full consolidation
170	Rembrandt Holdco BV	100.00%	0.00%	Netherlands	Full consolidation
171	Rembrandt Propco I BV	100.00%	0.00%	Netherlands	Full consolidation
172	Rembrandt Propco II BV	100.00%	0.00%	Netherlands	Full consolidation
173	Rembrandt Propco III BV	100.00%	0.00%	Netherlands	Full consolidation
174	Rembrandt Propco IV BV	100.00%	0.00%	Netherlands	Full consolidation
175	Rembrandt Propco V BV	100.00%	0.00%	Netherlands	Full consolidation
176	Rembrandt Propco VI BV	100.00%	0.00%	Netherlands	Full consolidation
177	Rembrandt Propco VII BV	100.00%	0.00%	Netherlands	Full consolidation
178	Mountain Holdco S.à r.l.	50.52%	0.00%	Luxembourg	Full consolidation
179	Mountain Bidco S.à r.l.	50.52%	0.00%	Luxembourg	Full consolidation
180	Mountain Bidco II SNC	50.52%	0.00%	France	Full consolidation
181	Mountain Bidco I SNC	50.52%	0.00%	France	Full consolidation
182	Mountain Holdco II S.à r.l.	50.52%	0.00%	Luxembourg	Full consolidation
183	Mountain Bidco II S.à r.l.	50.52%	0.00%	Luxembourg	Full consolidation
184	Mountain Angers SCI	50.52%	0.00%	France	Full consolidation
185	Mountain Besançon SCI	50.52%	0.00%	France	Full consolidation
186	Mountain Amiens SCI	50.52%	0.00%	France	Full consolidation
187	Combs SCI	50.52%	0.00%	France	Full consolidation
188	Mountain Etoile SCI	50.52%	0.00%	France	Full consolidation
189	Mountain Hem 1 SCI	50.52%	0.00%	France	Full consolidation
190	Mountain Montbartier SCI	50.52%	0.00%	France	Full consolidation
191	Mountain Monteux 1 SCI	50.52%	0.00%	France	Full consolidation
192	Mountain Monteux 2 SCI	50.52%	0.00%	France	Full consolidation
193	Mountain Noyelles SCI	50.52%	0.00%	France	Full consolidation
194	Mountain Toufflers SCI	50.52%	0.00%	France	Full consolidation
195	Mountain Villebon SCI	50.52%	0.00%	France	Full consolidation
196	Monclair Bidco S.à r.l.	100.00%	0.00%	Luxembourg	Full consolidation
197	Monclair Holdco S.à r.l.	100.00%	0.00%	Luxembourg	Full consolidation
198	Monclair Finco S.à r.l.	100.00%	0.00%	Luxembourg	Full consolidation

No.	Name	Effective ownership 31 December 2019	Effective ownership 31 December 2018	Country of incorporation	Consolidation method
199	Monclair Logistics (Dammartin) SCI	100.00%	0.00%	France	Full consolidation
200	Monclair Logistics (Dunkerque) SCI	100.00%	0.00%	France	Full consolidation
201	Monclair Logistics (Ferrieres) SCI	100.00%	0.00%	France	Full consolidation
202	Monclair Logistics (Ormes) SCI	100.00%	0.00%	France	Full consolidation
203	Monclair Logistics (Saint Pierre) SCI	100.00%	0.00%	France	Full consolidation
204	Monclair Logistics (Salon) SCI	100.00%	0.00%	France	Full consolidation
205	Monclair Logistics (Saint Quentin Fallavier) SCI	100.00%	0.00%	France	Full consolidation
206	Monclair Logistics (SQF 2) SCI	100.00%	0.00%	France	Full consolidation
207	Monclair Logistics (Chalon) SCI	100.00%	0.00%	France	Full consolidation
208	Polaris Holdco S.à r.l.	50.52%	0.00%	Luxembourg	Full consolidation
209	Polaris Bidco S.à r.l.	50.52%	0.00%	Luxembourg	Full consolidation
210	Polaris Bidco (Sweden) AB	50.52%	0.00%	Sweden	Full consolidation
211	Polaris Kommanditdelägare AB	50.52%	0.00%	Sweden	Full consolidation
212	Polaris Komplementär AB	50.52%	0.00%	Sweden	Full consolidation
213	Polaris Propco (Sweden) 1 AB	50.52%	0.00%	Sweden	Full consolidation
214	Polaris Propco (Sweden) 2 AB	50.52%	0.00%	Sweden	Full consolidation
215	Polaris Propco (Sweden) 3 AB	50.52%	0.00%	Sweden	Full consolidation
216	Polaris Propco (Sweden) 4 AB	50.52%	0.00%	Sweden	Full consolidation
217	Polaris Propco (Sweden) 5 AB	50.52%	0.00%	Sweden	Full consolidation
218	Polaris Propco (Sweden) 6 AB	50.52%	0.00%	Sweden	Full consolidation
219	Polaris Propco (Sweden) 7 AB	50.52%	0.00%	Sweden	Full consolidation
220	Polaris Propco (Sweden) 8 KB	50.52%	0.00%	Sweden	Full consolidation
221	Polaris Propco (Sweden) 9 KB	50.52%	0.00%	Sweden	Full consolidation
222	Polaris Holdco (Finland) Oy	50.52%	0.00%	Finland	Full consolidation
223	Polaris Propco (Finland) Oy	50.52%	0.00%	Finland	Full consolidation
224	Polaris Bidco (Denmark) ApS	50.52%	0.00%	Denmark	Full consolidation
225	Polaris Propco Denmark 2 ApS	50.52%	0.00%	Denmark	Full consolidation
226	Polaris Propco Denmark 1 ApS	50.52%	0.00%	Denmark	Full consolidation
227	Light Holdco S.à r.l.	50.52%	0.00%	Luxembourg	Full consolidation
228	Light (Germany) Propco S.à r.l.	50.52%	0.00%	Luxembourg	Full consolidation
229	Neris Investments S.à r.l.	50.52%	0.00%	Luxembourg	Full consolidation
230	Light (Greece) Propco S.A.	50.52%	0.00%	Greece	Full consolidation

Definitions

Adjusted NOI	NOI annualised for investments acquired during the year, adjusted to exclude annualised rent abatements and non-recurring items and include rent top-ups provided by sellers
Blackstone	The Blackstone Group Inc. or, as the context may require, one or more funds, managed accounts or limited partnerships managed or advised by The Blackstone Group Inc. or any of its affiliates or direct or indirect subsidiaries from time to time
BPPE	Blackstone Property Partners Europe, an open-ended fund focused on core+ real estate investments in Europe (Legal entities: Blackstone Property Partners Europe L.P., Blackstone Property Partners Europe F L.P. Blackstone Property Partners Europe (Lux) SCSp, and Blackstone Property Partners Europe (Lux) C SCSp)
BPPEH	Blackstone Property Partners Europe Holdings S.à r.l., a wholly-owned subsidiary of BPPE
EBITDA	The profit/(loss) for the financial period, adjusted to add back net finance costs, taxation, depreciation and amortisation
EMTN Programme	€5,000,000,000 Euro Medium Term Note Programme established by BPPEH
GAV	Gross asset value calculated as the total market value of the properties under management, including the total value of related equity and debt positions as well as joint venture and co-investment ownership positions
GLA	Gross leasable area
LfL Change	Change in metrics for the like-for-like portfolio, which is comprised of assets owned throughout the period from 31 December 2018 to 31 December 2019 (i.e., excludes assets acquired or sold during 2019)
Net LTV	Net loan-to-value ratio, calculated as the principal amount of interest bearing debt (excluding shareholder loans) less cash, divided by GAV, such that the amounts attributable to related equity and debt positions as well as joint venture and co-investment ownership positions are included in the calculation
NOI[1]	Net operating income, calculated as total property and related revenues less property operating expenses
NOI Yield	Adjusted NOI divided by GAV
Occupancy	Occupied GLA divided by total GLA
Passing Rent	The rent at which an asset is rented at a point in time. Passing rent per square metre is calculated based on rent and occupied area attributable to the asset's primary use
RCF	Revolving credit facility
Releasing Spread	Difference between the new rent signed and the old prevailing rent on renewals (same space, same tenant) or new leases (same space, different tenant)
sqm	Square metres
WALL	Weighted average unexpired lease term, based on rent; calculated to first break unless otherwise noted

Note: All BPPEH metrics in this Annual Report are calculated at 100% share (including the portion attributable to minority owners).
1. Total property and related revenues (adjusted for straight line rent, if any) less property operating expenses (excluding, for the avoidance of doubt, general and administrative costs, interest expense, transaction costs, depreciation and amortisation expense, realised gains (losses) from the sale of properties and other capital expenditures and leasing costs necessary to maintain the operating performance of the properties).

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