







# Contents

H1 2019 Update	5
Key Highlights	6
Portfolio Overview	8
Portfolio Valuation	16
Capital Structure	18
Key Financial Metrics	22
Subsequent Events	23
Interim Consolidated Accounts	24
Definitions	47



# H1 2019 Update

## Portfolio

- Continued portfolio growth and diversification with a GAV of €4.4 billion as of 30 June 2019
  - 349 high-quality, well-located assets across six countries
  - Diversified across the logistics, residential and office sectors
- Operating metrics remain strong with 97% occupancy and a four-year WALL
- Rents are 18% below market on average, offering attractive downside protection and income growth potential over time
- Expanded into the Dutch residential sector with the acquisition of 521 residential units for an all-in cost of €279 million
  - Prime portfolio located in Amsterdam (81% of value) and Rotterdam (19% of value)
  - Exceptionally well-located, with virtually all properties situated within a 15-minute bicycle ride of historic city centres
- Sold two long-leased logistics properties in Poland for €129 million, which represented a 5% premium to their carrying value<sup>1</sup> as of 31 December 2018
- Post 30 June 2019, signed agreements to acquire 21 logistics assets in France for €606 million
  - Grade-A warehouses totalling 833k square meters concentrated in France's major distribution markets, including Paris, Lyon, Lille, and Marseille
  - Closings expected between September and October 2019

## Capital Structure

- Successfully issued €500 million of unsecured notes due 2024 at an interest rate of 2.0% in February 2019
  - Proceeds were used to repay our original secured acquisition facility in full
- Improved debt profile with 95% unsecured debt and 83% fixed rate debt<sup>2</sup>
- Upsized our revolving credit facility from €180 million to €280 million, further enhancing our liquidity position
- Net LTV as of 30 June 2019 stood at 47%, within our target range of 45-50%

Note: All BPPEH metrics in this Half Year Report are calculated at 100% share (including the portion attributable to minority owners). See definitions on page 47.

1. On a fair value basis.
2. Includes debt that has been swapped from floating to fixed rate.



# Key Highlights



Large, Diversified Portfolio	Stable Cash Flows with Operational Upside	Strong Credit Profile	Blackstone's European Management Platform
6 Countries	97% Occupancy	47% Net LTV	€72B Real estate portfolio
€4.4B GAV	4-Year WALL	1.8% Weighted average interest rate	2,900+ Employees <sup>2</sup>
349 Assets	18% Below market rents	83% Fixed rate debt <sup>1</sup>	22 Years of investing experience in Europe

1. Includes debt that has been swapped from floating to fixed rate.  
2. Includes Blackstone's operating partners and portfolio companies.



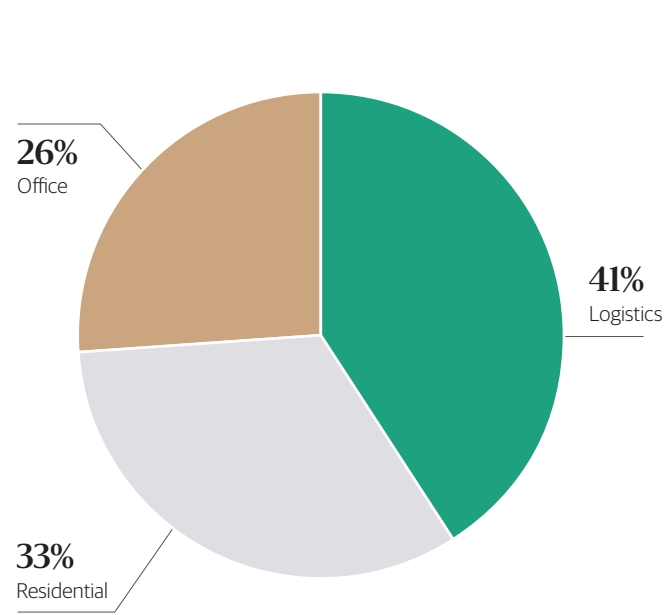
# Portfolio Overview

BPPEH owns a diversified portfolio of high-quality, well-located properties in the logistics, residential, and office sectors. The portfolio consists of 349 assets spanning 2.4 million square metres across six countries, with a GAV of €4.4 billion as of 30 June 2019.



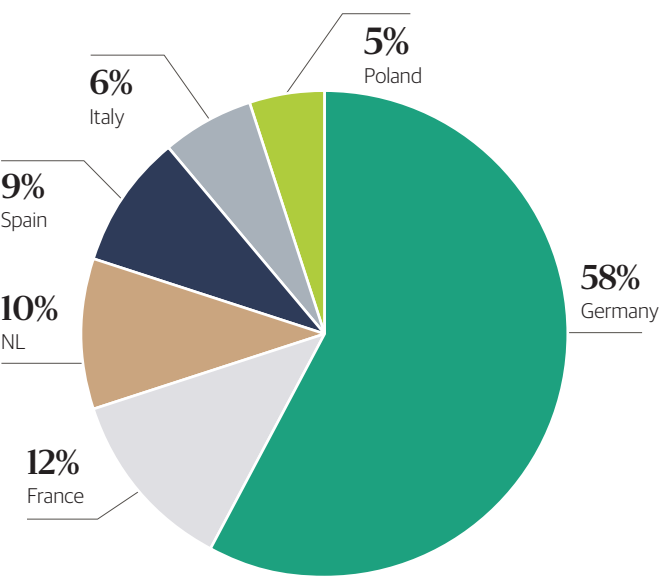
## Sector Allocation

(% of GAV)

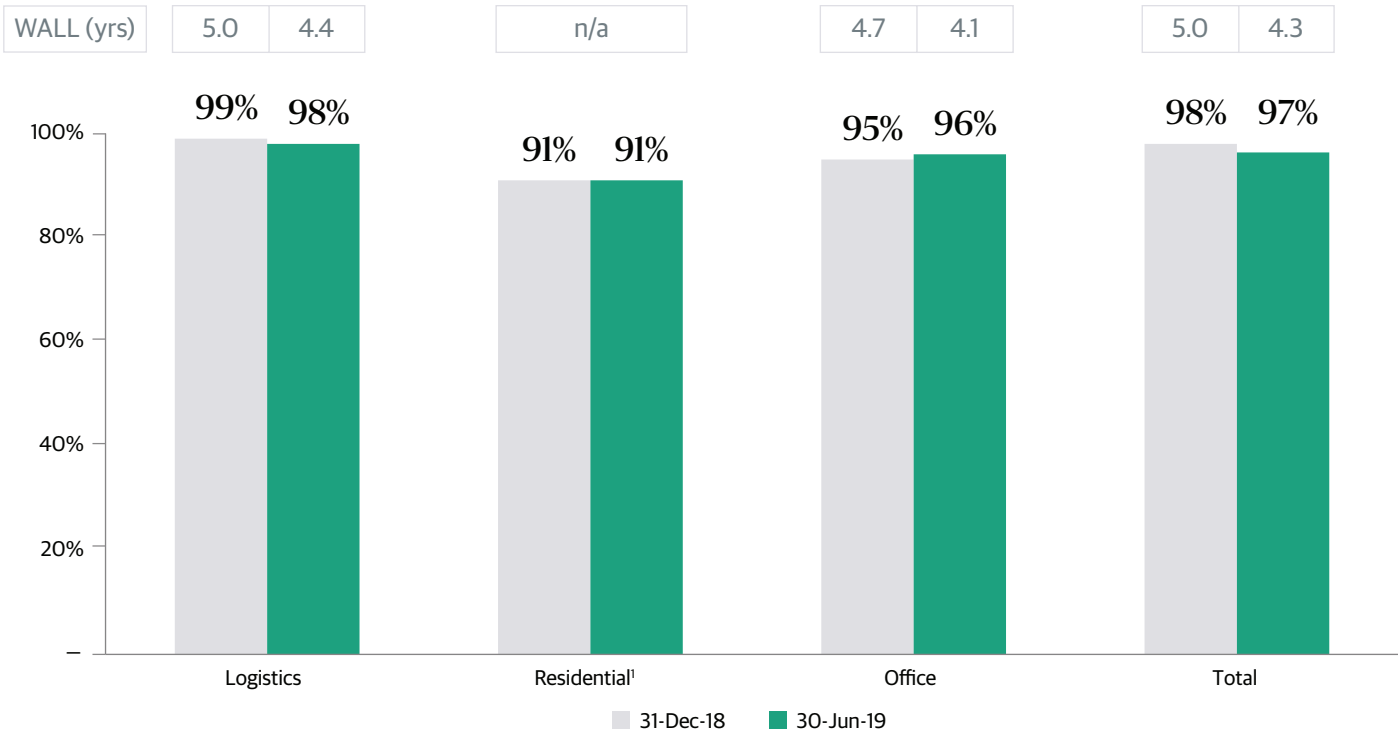


## Geographic Allocation

(% of GAV)



## 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 H1 2019, BPPEH completed its first Dutch residential investment, acquiring 521 residential units for an all-in cost of €279 million. The portfolio, well-located in central Amsterdam and central Rotterdam, was acquired on an off-market basis.

## Dispositions

In May 2019, BPPEH disposed of two long-leased logistics properties in Poland, comprising 163k square metres, for €129 million, representing a 5% premium to their carrying value<sup>2</sup> as of 31 December 2018. The assets, located in Wroclaw and Lodz, were 100% leased on an 11-year WALL, thus offering only moderate growth potential over the medium term.

1. Represents occupancy of residential units only. Adjusting for vacancy due to refurbishment, average residential occupancy would be 96% as of 30 June 2019.  
2. On a fair value basis.



# Logistics

BPPEH owns a high-quality €1.8 billion pan-European logistics portfolio located in key distribution corridors. The portfolio consists of 53 properties comprising 1.9 million square metres across six countries. The portfolio is 98% occupied on a 4.4-year WALL.

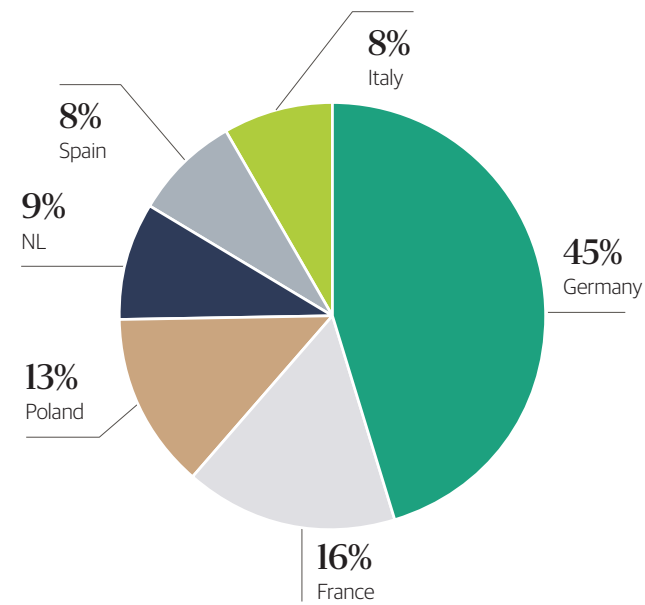
Our logistics portfolio delivered strong operating results during H1 2019, with physical occupancy increasing by 278 bps to 97% and passing rent increasing by 0.7% on a like-for-like basis. While economic occupancy declined due to the expiration of certain rental guarantees, we have seen strong leasing momentum for the vacant space.

During H1 2019, we signed lease agreements amounting to 185k square metres, including 125k square metres of new leases and 60k square metres of renewals. BPPEH achieved an average releasing spread of 5% across all renewals.

In addition, we reduced our exposure to CEE countries 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.

## Geographic Allocation

(% of GAV)



Key Metrics	31-Dec-18	30-Jun-19	LfL Change
GAV (€m)	1,864	1,789	+2.8%
GLA ('000s)	2,071	1,910	-
Economic Occupancy	99%	98%	(101) bps
Physical Occupancy	95%	97%	+278 bps
WALL (years)	5.0	4.4	(0.2) years
Passing Rent (€/sqm/year)	50	50	+0.7%

Note: Pie chart totals may not sum due to rounding.







# Residential

BPPEH owns a €1.4 billion portfolio of high-quality residential properties in Germany and the Netherlands. The portfolio consists of 287 properties with 5.1k residential units.



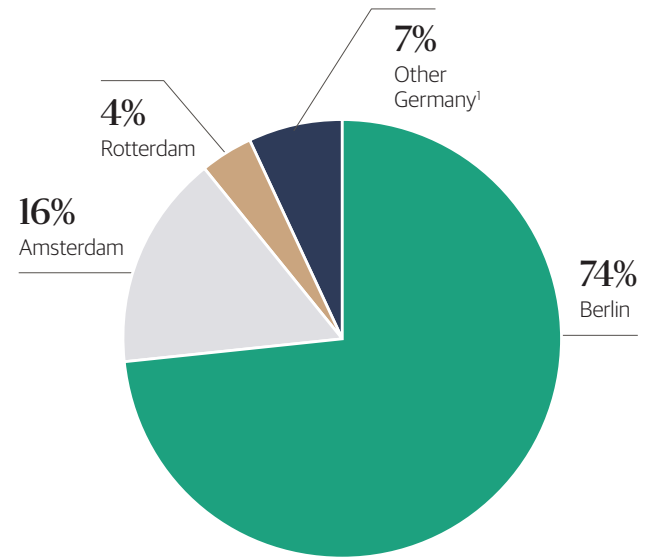
During H1 2019, we expanded our residential footprint by acquiring a prime 521-unit Dutch residential portfolio for an all-in cost of €279 million. The portfolio is located in central Amsterdam (81% of value) and central Rotterdam (19% of value) and was 92% occupied as of 30 June 2019 with in-place rents meaningfully below market levels.

Our residential portfolio is now concentrated in Berlin, Amsterdam and Rotterdam, which together represent 93% of our residential GAV. Our residential portfolio performed well during H1 2019. Passing rent increased by 3.2% on a like-for-like basis, while occupancy remained stable at 91%.

Potential changes to rent regulations are currently under consideration by the Berlin senate. While we continue to monitor the regulatory environment in Berlin closely, it is too early to accurately assess the impact of the potential new regulations on our portfolio and strategy.

## Geographic Allocation

(% of GAV)



Key Metrics	31-Dec-18	30-Jun-19	LfL Change
GAV (€m)	1,125	1,448	+3.1%
Number of Residential Units	4,591	5,105	-
Occupancy <sup>2</sup>	91%	91%	(62) bps
Passing Rent (€/sqm/month)	7.7	8.6	+3.2%

Note: Pie chart totals may not sum due to rounding.

1. Includes Brandenburg, Dresden, Magdeburg, and Potsdam.

2. Represents occupancy of residential units only. Adjusting for vacancy due to refurbishment, average residential occupancy would be 96% as of 30 June 2019.



# Office

BPPEH owns a €1.1 billion portfolio of nine high-quality office properties located in Berlin, Barcelona, Paris, Munich, and Rome. The portfolio is 96% occupied on a 4.1-year WALL at rents on average 31% below market.

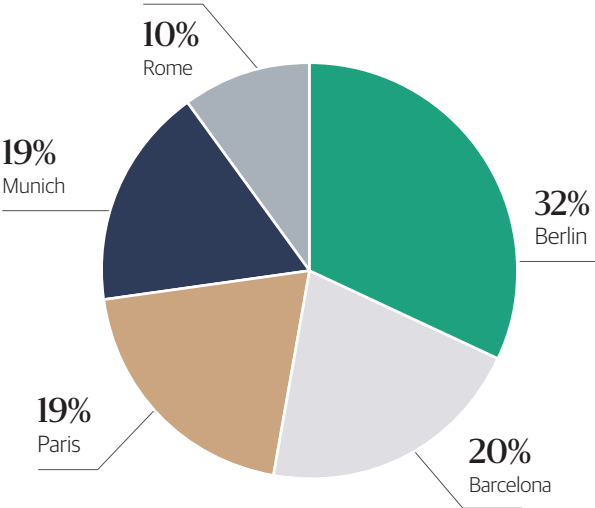
Our office portfolio was well-leased as of 30 June 2019. Occupancy increased 41 bps during H1 2019 to 96%, while WALL decreased due to a value-accretive early lease surrender (described further below). Passing rent increased by 1.0%. In-place rents are 31% below market, offering meaningful embedded NOI growth over time.

At Leipziger Strasse in Berlin, we successfully signed an early lease surrender with our main tenant on attractive terms. The tenant vacated in July 2019 and agreed to pay a six-month rent penalty. We are in active negotiations with several potential tenants to release the asset at a releasing spread in excess of 80%. The early lease surrender coupled with strong tenant demand has resulted in a meaningful value uplift for this property.

At our Barcelona property, Avenida Diagonal, we recently initiated an €8 million capex programme which includes a renovation of the entrance and lobby as well as improvement of the rooftops and facade.

## Geographic Allocation

(% of GAV)



Key Metrics	31-Dec-18	30-Jun-19	LfL Change
GAV (€m)	1,052	1,140	+8.4%
GLA ('000s)	148	148	-
Occupancy	95%	96%	+41 bps
WALL (years)	4.7	4.1	(0.6) years
Passing Rent (€/sqm/year)	261	263	+1.0%





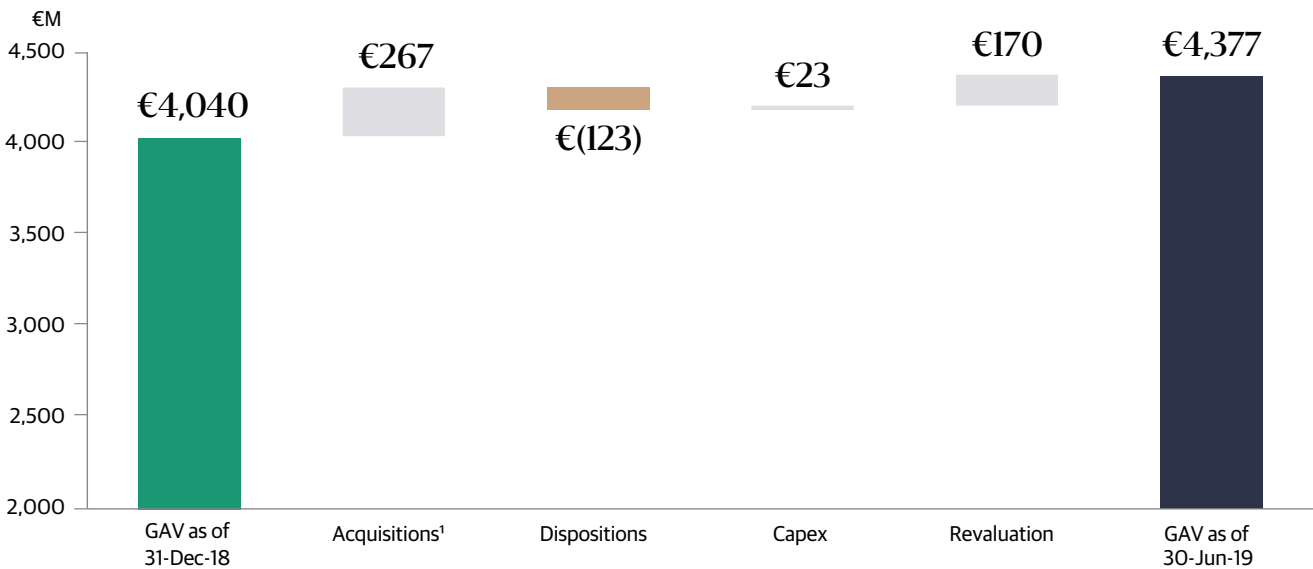
# Portfolio Valuation

BPPEH’s portfolio had a total value of €4.4 billion as of 30 June 2019, representing a weighted average NOI yield of 3.6%.



## GAV Bridge

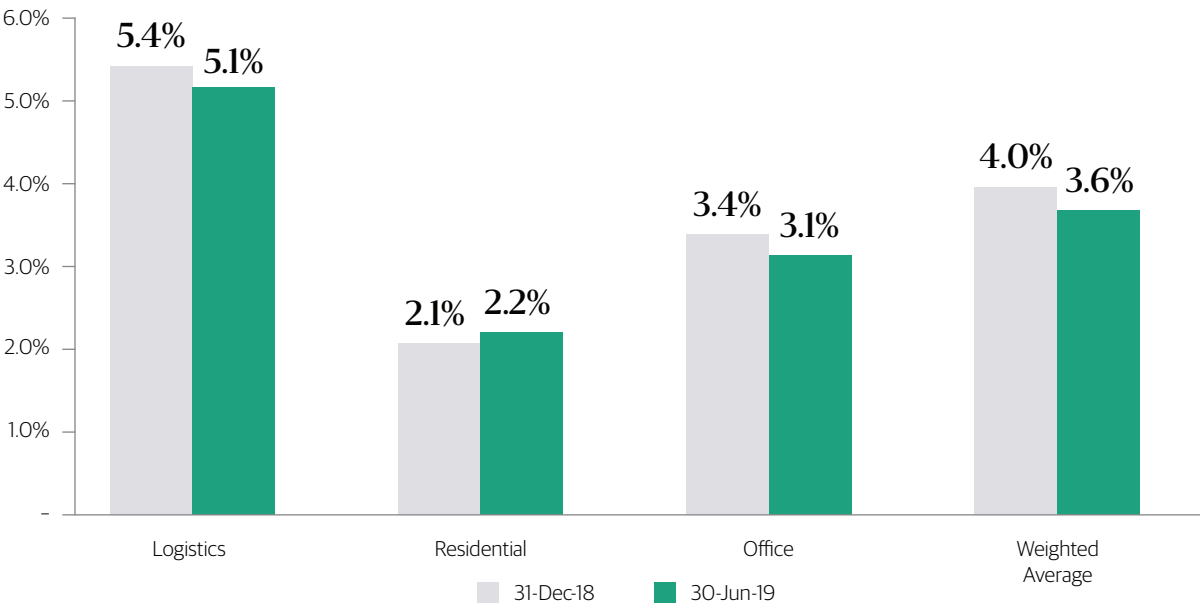
BPPEH’s GAV increased by €337 million to €4.4 billion as of 30 June 2019. This was largely driven by our acquisition of the Dutch residential portfolio, offset by the sale of two long-leased logistics properties in Poland. The revaluation of €170 million represents a 3.9% increase on a like-for-like basis. In addition, we invested approximately €23 million of capex during H1 2019, predominantly in our residential assets.



1. Investment cost adjusted for any latent capital gains tax liability.

## NOI Yields

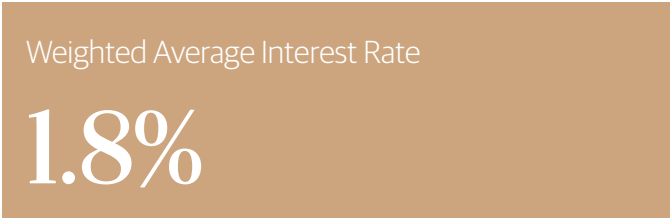
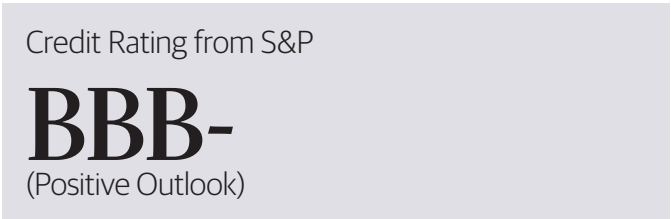
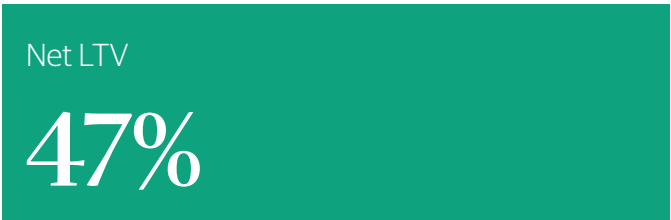
BPPEH’s portfolio had an NOI yield of 3.6% as of 30 June 2019. Overall, yields for our logistics and office portfolios tightened during H1 2019, while our residential yields increased slightly. The yield compression in our logistics portfolio is a reflection of the increasingly favourable operational 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, Germany’s best performing office markets, resulting in meaningful value uplifts. Our residential yields increased slightly due to NOI growth achieved across the German residential portfolio and the acquisition of the Dutch residential portfolio during H1 2019 at a higher yield than that of our German residential portfolio.





# Capital Structure

BPPEH has a robust capital structure, with primarily unsecured debt and a staggered maturity profile. During H1 2019, BPPEH issued an additional €500 million of unsecured notes, bringing the total amount outstanding under its EMTN programme to €1.75 billion.



## Overview

BPPEH employs a prudent financial policy, including a target LTV of 45-50%. As of 30 June 2019, BPPEH had €2.2 billion of debt outstanding at a weighted average interest rate of 1.8% and a weighted average maturity of 4.2 years. Net debt totaled €2.0 billion, implying a net LTV of 47%.

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 in 2019 and only €67 million (3% of total debt) maturing through 2020. In addition, BPPEH has a robust liquidity position with total available funds of €467 million as of 30 June 2019. This is comprised of €199 million of unrestricted cash and €268 million of availability under BPPEH’s revolving credit facility.

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 2.0%, bringing the total amount outstanding under its EMTN programme to €1.75 billion. Net proceeds from this offering were used to repay existing bank facilities and for general corporate purposes.

BPPEH’s unsecured notes have robust financial covenant requirements<sup>1</sup>, 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 30 June 2019.

### Acquisition Facilities

BPPEH generally finances acquisitions with borrowings under an acquisition facility at closing. The company has secured soft commitments from a group of banks to provide €1.5 billion of unsecured term loans in order to finance new acquisitions at up to 50% loan-to-cost. The unsecured acquisition facilities have an interest rate of Euribor + 1.40% and a maturity of three years without prepayment limitations.

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 had €366 million outstanding under its unsecured acquisition facilities as of 30 June 2019. The company’s previous acquisition facility, which was secured by share pledges, was fully repaid during H1 2019.

### Revolving Credit Facility

BPPEH entered into a revolving credit facility agreement on 9 October 2018. The facility was upsized by €100 million during H1 2019 to a total size of €280 million. The facility bears an interest rate of Euribor + 1.05% and has an initial maturity in 2021, with two one-year extension options subject to lenders’ consent. BPPEH had €12 million outstanding under its RCF as of 30 June 2019.

### Mortgage Loans

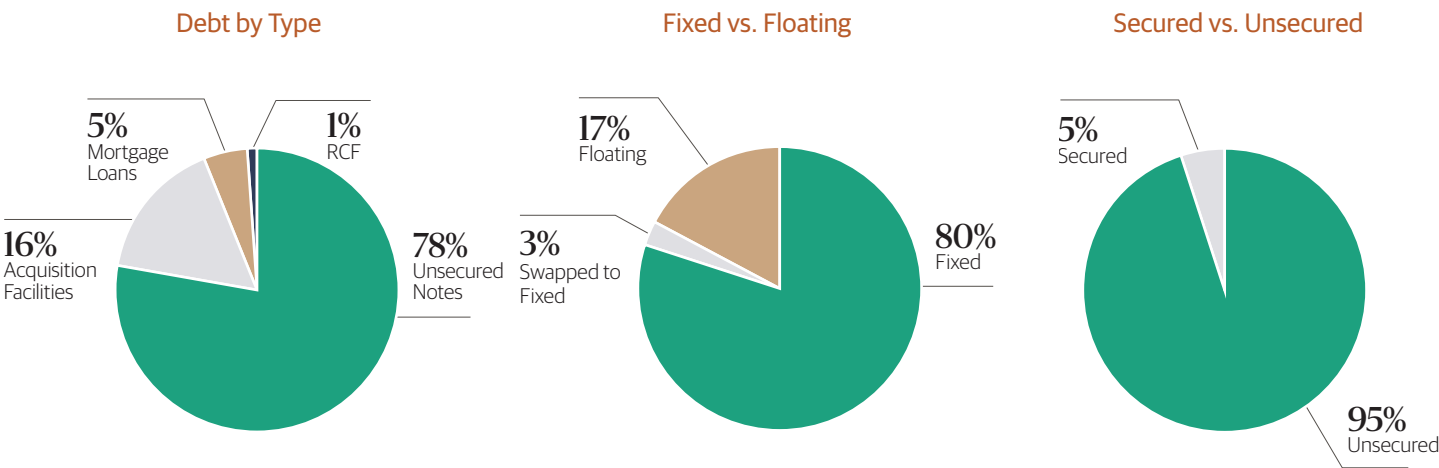
While BPPEH intends to primarily utilise unsecured debt going forward, there may be certain instances where we use mortgage financing. As of 30 June 2019, BPPEH had mortgage loans totalling €118 million that were assumed as part of the acquisitions of the underlying properties. Our intention is to refinance these loans with unsecured debt upon their maturity.

1. BPPEH’s acquisition and revolving credit facilities are subject to the same requirements.



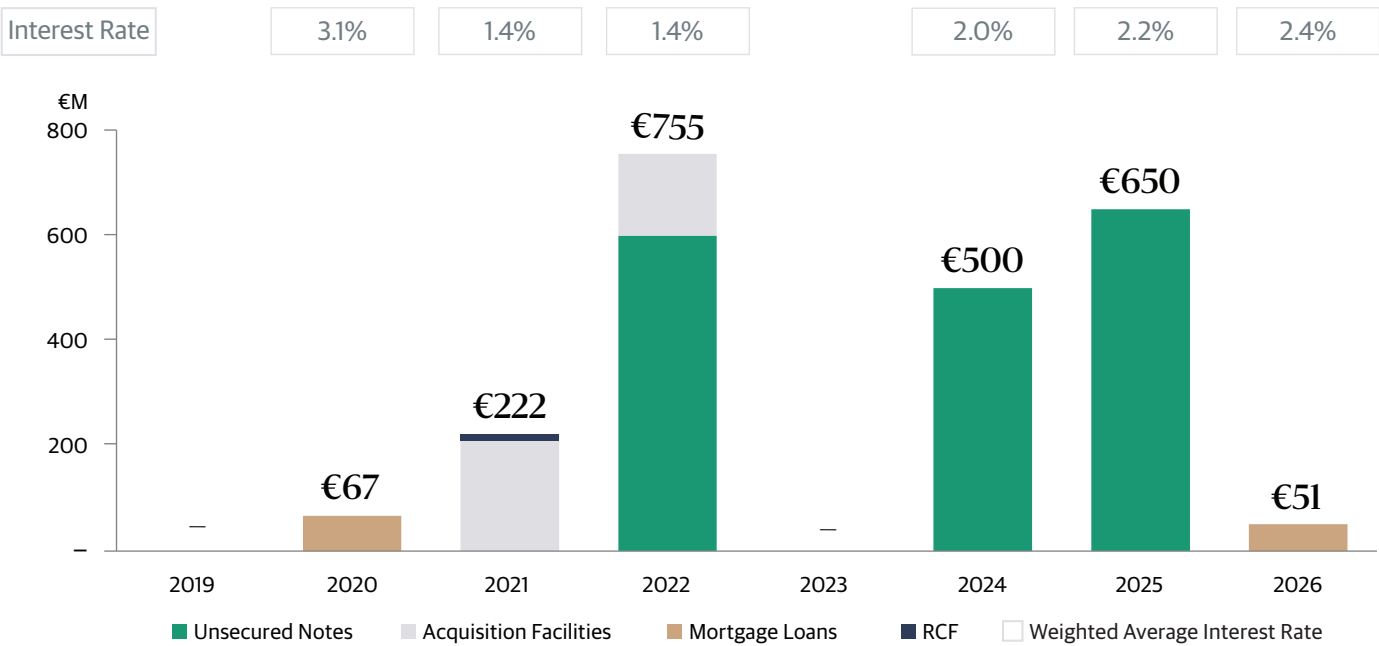
Debt Summary

As of 30 June 2019, BPPEH’s debt consisted primarily of unsecured notes and acquisition facilities, with approximately 83% fixed rate debt (taking into account interest rate swaps) and only 5% secured debt.



Debt Maturity Profile<sup>1</sup>

As of 30 June 2019, BPPEH’s debt had a 4.2-year weighted average maturity, with no debt maturities until December 2020. BPPEH’s weighted average interest rate was 1.8%.



1. Debt maturity profile reflects fully-extended maturity dates and excludes principal amortisation.

Capital Structure Summary

	As of 30 June 2019			As of 31 December 2018		
	€m	Interest Rate <sup>1</sup>	WAM <sup>2</sup> (years)	€m	Interest Rate <sup>1</sup>	WAM <sup>2</sup> (years)
Unsecured Notes	€1,750	1.9%	4.6	€1,250	1.8%	5.1
Acquisition Facilities	366	1.4%	2.6	831	1.5%	2.5
Mortgage Loans <sup>3</sup>	118	2.8%	4.0	119	2.8%	4.5
Revolving Credit Facility	12	1.1%	2.4	2	1.1%	2.9
<b>Total Debt</b>	<b>€2,246</b>	<b>1.8%</b>	<b>4.2</b>	<b>€2,202</b>	<b>1.7%</b>	<b>4.1</b>
Less: Cash	(208)			(269)		
<b>Net Debt</b>	<b>€2,038</b>			<b>€1,933</b>		
<b>GAV</b>	<b>€4,377</b>			<b>€4,040</b>		
<b>Net LTV</b>	<b>47%</b>			<b>48%</b>		
% Unsecured Debt	95%			66%		
% Fixed Rate Debt <sup>4</sup>	83%			62%		
Available Liquidity	€467			€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.



# Key Financial Metrics

## KPIs

Number of Assets	349
GLA	2.4m sqm
Occupancy	97%
WALL	4.3 years
Below Market Rents	18%

## Balance Sheet Highlights

	€m
GAV	4,377
Total Debt	2,246
Cash	208
Net Debt	2,038
Net LTV	47%

## Profit & Loss Summary by Sector

€m	Logistics	Office	Residential	Total
Net Turnover	46.5	17.8	17.2	81.5
- Net Operating Expenses	(0.1)	0.1	(3.0)	(3.0)
- Straight Line Rent Adjustment	(3.7)	0.5	-	(3.2)
NOI	42.7	18.4	14.2	75.3
- Other Expenses				(14.9)
+ Straight Line Rent Adjustment				3.2
EBITDA				63.6

## Profit & Loss Summary by Country

€m	Germany	France	Poland	Spain	Italy	Netherlands	Total
Net Turnover	42.6	10.4	10.0	7.0	6.6	4.9	81.5
- Net Operating Expenses	(2.6)	1.3	(0.2)	(0.2)	(0.6)	(0.7)	(3.0)
- Straight Line Rent Adjustment	(0.9)	(0.7)	(0.5)	0.1	-	(1.2)	(3.2)
NOI	39.1	11.0	9.3	6.9	6.0	3.0	75.3
- Other Expenses							(14.9)
+ Straight Line Rent Adjustment							3.2
EBITDA							63.6

Note: KPIs and balance sheet data as of 30 June 2019. Profit & loss data for the period from 1 January 2019 to 30 June 2019. See definitions on page 47.

# Subsequent Events

Since 30 June 2019, BPPEH has signed definitive agreements to acquire 21 logistics assets in France for a gross purchase price of €606 million. The acquisitions are consistent with BPPEH’s focus on acquiring high-quality logistics assets in key European distribution corridors. The portfolio is comprised of Grade-A warehouses totalling 833k square meters and is concentrated in France’s major distribution markets, including Paris, Lyon, Lille, and Marseille. The portfolio is currently 91% occupied on a 3.4-year WALL to a diversified tenant roster comprising international corporations and third party logistics companies. Closings are expected between September and October 2019.

In addition, BPPEH completed the acquisition of additional residential units in Amsterdam for a gross purchase price of €44 million, further expanding its Dutch residential platform.





# Interim Consolidated Accounts





# Interim Consolidated Balance Sheet (Unaudited)

As at 30 June 2019

Assets

	Notes	€m
<b>Fixed assets</b>	4	<b>3,880.1</b>
<b>Tangible fixed assets</b>		3,880.1
Land and buildings		3,880.1
<b>Current assets</b>		<b>502.1</b>
<b>Debtors</b>	5	294.2
Trade debtors	5.1	16.2
becoming due and payable within one year		16.2
Amounts owed by affiliated undertakings	5.2	250.2
becoming due and payable after more than one year		103.8
becoming due and payable within one year		146.4
Other debtors	5.3	27.8
becoming due and payable within one year		27.8
<b>Cash at bank and in hand</b>	6	207.9
<b>Prepayments</b>	7	<b>27.6</b>
<b>Total assets</b>		<b>4,409.8</b>

Note: The accompanying notes on pages 30 to 46 form an integral part of these interim consolidated accounts.

Capital, Reserves and Liabilities

	Notes	€m
<b>Capital and reserves</b>	8	<b>809.6</b>
Subscribed capital	8.1	1.4
Share premium account	8.2	694.0
Accumulated deficit		(37.7)
Non-controlling interests	8.4	151.9
<b>Provisions</b>	9	<b>0.9</b>
Provisions for taxation	9.2	0.9
<b>Creditors</b>	10	<b>3,591.1</b>
Bonds	10.1	1,775.4
becoming due and payable after more than one year		1,750.0
becoming due and payable within one year		25.4
Amounts owed to credit institutions	10.2 / 10.4	499.1
becoming due and payable after more than one year		495.6
becoming due and payable within one year		3.5
Trade creditors		33.1
becoming due and payable within one year		33.1
Amounts owed to affiliated undertakings	10.3	1,245.4
becoming due and payable after more than one year		1,219.6
becoming due and payable within one year		25.8
Other creditors	10.5	38.1
tax authorities		19.7
becoming due and payable within one year		18.4
<b>Deferred income</b>	11	<b>8.2</b>
<b>Total capital, reserves and liabilities</b>		<b>4,409.8</b>

Note: The accompanying notes on pages 30 to 46 form an integral part of these interim consolidated accounts.



## Interim Consolidated Profit & Loss Account (Unaudited)

For the period from 1 January 2019 to 30 June 2019

	Notes	€m
Net turnover	12	81.5
Other operating income	13	28.7
Raw materials and consumables and other external expenses		(8.6)
Other external expenses	14	(8.6)
Staff costs	15	(0.9)
Wages and salaries		(0.9)
Value adjustments		(39.1)
in respect of formation expenses and of tangible and intangible fixed assets	4	(40.0)
in respect of current assets	5.1	0.9
Other operating expenses	16	(30.3)
Other interest receivable and similar income		1.1
other interest and similar income		0.2
derived from affiliated undertakings		0.9
Interest payable and similar expenses	17	(44.8)
other interest and similar expenses		(25.6)
concerning affiliated undertakings		(19.2)
Tax on profit or loss		(1.8)
Loss after taxation		(14.2)
Other taxes not included in the previous captions		(0.9)
Loss for the period		(15.1)
Loss attributable to:		
Owners of BPPEH		(10.2)
Non-controlling interests		(4.9)

Note: The accompanying notes on pages 30 to 46 form an integral part of these interim consolidated accounts.

## Interim Consolidated Statement of Cash Flows (Unaudited)

For the period from 1 January 2019 to 30 June 2019

	Notes	€m
<b>Cash flows from operating activities</b>		
Loss before tax		(12.4)
<i>Adjustments for:</i>		
Gain on disposal inventories - net	13	(7.6)
Interest expense	17	44.8
Depreciation and amortisation	4	40.0
Unrealised gain on derivative financial instruments	10.4	(0.1)
Provision for allowance for bad debts	5.1	(0.9)
Interest income		(1.0)
<i>Changes in working capital</i>		
Decrease in trade debtors	5.1	4.2
Increase in other debtors	5.3	(6.1)
Increase in prepayments	7	(6.1)
Decrease in trade creditors		(2.1)
Decrease in other creditors	10.5	(28.4)
Increase in deferred income	11	3.3
<b>Net cash generated from operations</b>		<b>27.6</b>
Interest paid		(7.1)
Tax paid		(1.8)
<b>Net cash inflow from operating activities</b>		<b>18.7</b>
<b>Cash flows from investing activities</b>		
Additions to tangible fixed assets	4	(279.0)
Capitalised expenditures on tangible fixed assets	4	(22.4)
Proceeds from sale of inventories	13	124.9
Loans to affiliated undertakings	5.2	(66.7)
Interest received		1.5
<b>Net cash outflow from investing activities</b>		<b>(241.7)</b>
<b>Cash flows from financing activities</b>		
<i>Contributions from:</i>		
Share premium and capital contribution	8	63.0
Non-controlling interests	8	1.1
<i>Distributions to:</i>		
Owners of the group	8	(1.9)
Non-controlling interests	8	(1.7)
<i>Proceeds from:</i>		
Bonds (unsecured notes issuance)	10.1	500.0
Bank loans	10.2	304.3
Repayment of bank loans	10.2	(731.6)
Loans from affiliated undertakings	10.3	102.4
Repayment to affiliated undertakings	10.3	(74.1)
<b>Net cash inflow from financing activities</b>		<b>161.5</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(61.5)</b>
Cash and cash equivalents at beginning of period		269.4
<b>Cash and cash equivalents at end of period</b>		<b>207.9</b>

Note: The accompanying notes on pages 30 to 46 form an integral part of these interim consolidated accounts.



# Notes to the Interim Consolidated Accounts (Unaudited)

## 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.

Initially, BPPEH was incorporated under the name of Unsecured Topco S.à r.l., changing its name to BPPE Holdings S.à r.l. on 11 May 2018 and adopting its current name, Blackstone Property Partners Europe Holdings S.à r.l., on 14 June 2018.

### 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 high-quality substantially stabilised real estate assets across Europe with a focus on major European markets and key gateway cities.

### 1.3. Financial period

The reporting period for the interim consolidated accounts is from 1 January 2019 to 30 June 2019. Group entities included in the scope of the interim consolidation are from the earlier of the date of inception, the date of acquisition or the date control was obtained by BPPEH through the earlier of the date that control ceases or the end of the financial period.

## Significant events during the financial period

### Acquisitions

For the six months ended 30 June 2019, BPPEH, through its subsidiaries, completed the acquisition of residential assets in the Netherlands for approximately €279.0 million, including closing costs of approximately €12.2 million.

### Disposals

On 22 May 2019, the Group disposed of two logistics investment properties in Poland for a total price of €129.3 million and recognised a €7.6 million gain on disposal (net of transaction costs) included in “Other operating income” in the interim consolidated profit and loss account (see Note 13).

### Financing and capital transactions

Since inception, BPPEH entered into a number of secured and unsecured financing arrangements of which approximately €2.2 billion was outstanding and payable as at 30 June 2019 (see Note 10).

### Unsecured notes

In February 2019, BPPEH issued its third series of unsecured notes of €500 million. The notes bear a fixed interest rate of 2.0% per annum and mature on 15 February 2024.

### Acquisition facility I

On 15 February 2019, Acquisition Facility I, which had a principal balance of €591.5 million, together with accrued interest and fees, was repaid in full.

### Acquisition facility II

On 27 March 2019, an additional €155.2 million was drawn under Acquisition Facility II. As at 30 June 2019, the total drawn balance under Acquisition Facility II was €365.7 million.

### Revolving credit facility

During the six months ended 30 June 2019, BPPEH secured additional commitments and upsized the revolving credit facility (“RCF”) from €180 million to €230 million on 16 January 2019 and to €280 million on 16 May 2019. As at 30 June 2019, the total drawn balance under the RCF was €11.9 million.

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

### 2.1 Basis of preparation

The interim consolidated accounts are prepared on a going concern basis, using the historical cost method, 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 interim consolidated 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 interim consolidated accounts in the period in which the assumptions changed. Management

believes that the underlying assumptions are appropriate and that the interim consolidated 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 interim consolidated accounts of BPPEH as at 30 June 2019 include its interim 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 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 21.

### 2.3 Consolidation policies

#### 2.3.1 General

The interim consolidated accounts include the interim consolidated balance sheet, interim consolidated profit and loss account and interim 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 translation

Items included in the interim 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”). The functional currency of BPPEH and of the consolidated subsidiaries is Euros.

Transactions in foreign currencies are translated into Euros at the exchange rate prevailing at the date of the transaction.

The assets and liabilities of the Group’s foreign operations are shown in Euro using the exchange rates prevailing at the balance sheet date. Capital transactions are translated in Euros at the exchange rate prevailing at the date of the transaction. Income and expense items are translated at the average exchange rate for the period. Exchange differences arising are presented in “Capital and reserves” and recognised in the Group’s foreign currency translation reserve.

### 2.3.5 Non-controlling interests

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 recognised amounts of the acquiree’s identifiable net assets. Subsequent to acquisition, the carrying amount of 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 net profit for the period of subsidiaries is shown separately in the interim consolidated balance sheet and interim 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.

Acquisition costs are 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



# Notes to the Interim Consolidated Accounts (Unaudited) (cont'd)

NCI in the acquiree at the proportionate share of the acquiree’s identifiable net assets. Acquisition costs incurred are expensed and included in the costs and expenses.

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

All of BPPEH’s acquisitions during the period were determined to be asset acquisitions.

### 2.3.7 Profit and loss account

The figures in the profit and loss account for the acquired companies are reflected on a pro-rata basis to recognise the results of operations from the earlier of the date of inception, the date of acquisition or the date control was obtained by BPPEH through the earlier of the date that control ceases or the end of the financial period.

## Note 3 – Significant accounting policies

### 3.1 Formation expenses

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 interim consolidated balance sheet. Tangible fixed assets may also include properties under construction or developed for future use. Tangible fixed assets are carried at cost, including related transaction costs (unless acquired in a business combination), less accumulated depreciation, amortisation and any 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. Realised gains and losses 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 interim consolidated profit and loss account in the period of disposition.

The initial purchase price of the acquired investment property is allocated between land and building upon acquisition and is finalised within one year in accordance with the Group’s accounting policies. 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 <sup>1</sup>	10 - 20 years
Other fixtures and fittings	5 years
Tenant improvements	Remaining term of the lease
Leasing commissions	Remaining term of the lease

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.

Expenditure on direct leasing costs, such as leasing commissions, is included within tangible fixed assets and amortised over the lease term. Direct leasing costs for residential leases are amortised over the average turnover period of three years.

Ordinary repairs and maintenance are expensed as incurred; 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.

### 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 on the interim 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 it will result in future economic benefits to the Group. All other borrowing costs are expensed as incurred.

### 3.5 Tenants' deposits

Tenants’ 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. The related lease contracts usually have a term of more than twelve months (see Notes 5.3, 6 and 10.5).

### 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 on the interim 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.

### 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.

Deferred lease costs consist of fees incurred to initiate and renew operating leases, which are amortised on a straight-line basis over the remaining term of the lease and are recorded to depreciation and amortisation.

### 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 period 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 Provision for taxation

#### Current tax provision

The provision corresponding to the tax liability estimated by the Group for the financial period is recorded under the caption “Other creditors – Tax authorities” on the interim consolidated balance sheet. The advance payments for tax are shown as an asset on the interim 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 interim consolidated accounts. However, deferred income tax does not arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit and loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the date of the interim consolidated balance sheet and are expected to apply when the deferred income tax asset and/or liability is settled. The Group recognises deferred tax liabilities only, in compliance with the prudence principle, presented on the interim consolidated profit and loss account within “Tax on profit or loss”.

### 3.11 Debts

Debts are recorded at their reimbursement value. Loan arrangement fees and other debt issue costs are capitalised and

1. Shorter of useful life or remaining life of the building.



Notes to the Interim Consolidated Accounts (Unaudited) (cont’d)

subsequently amortised over the term of the related borrowings using the effective interest method and are shown in the assets of the interim consolidated balance sheet under “Prepayments”. Early repayment of debts result in accelerated write-off of capitalised fees and costs related to such debts.

3.12 Lessee leases

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 lease payments that are not paid at the commencement date, discounted using the Group’s incremental borrowing rate. 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 “Tangible fixed assets” and presents lease liabilities as “Other creditors” in the interim 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 and share premium

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 “Share premium” account. Shares issued for consideration other than cash are measured at fair value of the consideration received. In case the 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.

3.15 Net turnover

Net turnover is comprised of rental income from investment property and is recognised as revenue on a straight-line basis over the term of the lease. Lease incentives being 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 arising from short-term leases, such as residential leases, is not recognised on a straight-line basis.

Service charge income is recognised separately from rental income and is presented in the interim consolidated profit and loss account as “Other operating income”. Service charge income relates to any service charge recoverable from tenants, whereas corresponding expenses are recorded in “Other operating expenses”. Service charge income is recognised on an accrual basis and recorded as income in the period in which it is earned.

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 as incurred.

3.18 Promote fees

Promote fees payable to third-party operating partners are recognised in accordance with the governing documents when the fee amount can be readily and reliably estimated. Promote fees are determined based on the performance of the investment vehicles subject to the achievement of minimum return hurdles. As at 30 June 2019, the Group had not triggered any promote fees.

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 profit and loss account.

A derivative financial instrument with a positive fair value is recognised as a financial asset whereas a derivative financial instruments 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 recognised in the interim consolidated accounts unless the possibility of economic loss is remote. Contingent assets are recognised if economic benefits are probable.

3.21 Subsequent events

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

Note 4 – Tangible fixed assets

The following table reconciles the gross book value of the tangible fixed assets including related transaction costs, to the net carrying value for the six months ended 30 June 2019:

€m	Land	Buildings	Total
<b>Gross book value - opening balance</b>	1,191.3	2,465.0	<b>3,656.3</b>
Final purchase price allocation	(9.1)	9.1	–
Additions	64.2	237.2	<b>301.4</b>
<b>Gross book value - closing balance</b>	<b>1,246.4</b>	<b>2,711.3</b>	<b>3,957.7</b>
<b>Accumulated value adjustments - opening balance</b>	–	(37.6)	<b>(37.6)</b>
Accumulated depreciation and amortisation	–	(40.0)	<b>(40.0)</b>
<b>Accumulated value adjustments - closing balance</b>	–	<b>(77.6)</b>	<b>(77.6)</b>
<b>Net book value - closing balance</b>	<b>1,246.4</b>	<b>2,633.7</b>	<b>3,880.1</b>
<b>Net book value - opening balance</b>	<b>1,191.3</b>	<b>2,427.4</b>	<b>3,618.7</b>

4.1 Gross asset value

The following table presents the gross asset value (“GAV”) of the Group’s investment properties on a fair value basis:

€m	30 June 2019
Logistics	1,789.2
Residential	1,447.5
Office	1,140.3
<b>Total</b>	<b>4,377.0</b>

The Group’s GAV represents 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. Market value refers to the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

Notes to the Interim Consolidated Accounts (Unaudited) (cont’d)

Note 5 – Debtors

5.1 Trade debtors

The following table summarises trade debtors amounts, net:

€m	30 June 2019
Rental income and service charges receivable	12.4
Accrued rental income and service charges	5.0
Allowance for bad debts	(1.2)
<b>Total</b>	<b>16.2</b>

5.2 Amounts owed by affiliated undertakings

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

€m	Interest rate	Term	30 June 2019
<i>Becoming due and payable after more than one year</i>			
Related party loans receivable	1.05% - 4.50%	2021 - 2033	103.8
			<b>103.8</b>
<i>Becoming due and payable within one year</i>			
Related party loans receivable - interest free	–	2019	121.7
Other amounts receivable	–	2019	24.7
			<b>146.4</b>
<b>Total</b>			<b>250.2</b>

5.3 Other debtors

Other debtors is primarily comprised of VAT of €19.3 million and various cash deposits held by third parties on behalf of the Group of €6.5 million.

Note 6 – Cash at bank and in hand

The following table represents cash at bank and in hand including €8.8 million of restricted cash which primarily relates to tenant security deposits held in the Group’s bank accounts:

€m	30 June 2019
Cash at bank and in hand	199.1
Restricted cash	8.8
<b>Total</b>	<b>207.9</b>

Note 7 – Prepayments

Prepayments are comprised of the following amounts:

€m	30 June 2019
Deferred financing fees - net	14.3
Other prepayments and receivables	13.3
<b>Total</b>	<b>27.6</b>

Deferred financing fees are related to the bonds (unsecured notes) and amounts owed to credit institutions (see Notes 10.1 and 10.2). Other prepayments and receivables include insurance, real property taxes and other prepaid expenses.

Note 8 – Capital and reserves

The following table summarises the movement in capital and reserves for the six months ended 30 June 2019:

€m	Attributable to the owners of BPPEH			Non-controlling interests	Total
	Share capital	Share premium and capital contribution	Accumulated deficit		
Opening balance	1.4	550.8	(27.5)	157.4	682.1
Loss for the period	–	–	(10.2)	(4.9)	(15.1)
<b>Total</b>	<b>1.4</b>	<b>550.8</b>	<b>(37.7)</b>	<b>152.5</b>	<b>667.0</b>
Transactions with owners					
Contributions	–	145.1	–	–	145.1
Distributions	–	(1.9)	–	(1.7)	(3.6)
Acquisition on non-controlling interests	–	–	–	1.1	1.1
<b>Closing balance</b>	<b>1.4</b>	<b>694.0</b>	<b>(37.7)</b>	<b>151.9</b>	<b>809.6</b>

8.1 Subscribed capital

No new shares were issued during the six months ended 30 June 2019.

8.2 Share premium

For the six months ended 30 June 2019, Master Unsecured Topco S.à r.l. invested €63.0 million in cash and €82.1 million of contribution in kind into to the share premium of BPPEH. BPPEH distributed €1.9 million of share premium to Master Unsecured Topco S.à r.l.. As at 30 June 2019, the share premium account of BPPEH amounts to €694.0 million.

8.3 Legal reserve

Luxembourg companies are required to transfer a minimum of 5% of the annual net income, after deducting any losses brought forward, to the legal reserve until this reserve equals 10% of the subscribed capital. This reserve may not be distributed in the form of cash dividends, or otherwise, during the life of BPPEH. There was no allocation to this reserve as of 30 June 2019.

8.4 Non-controlling interest

The NCI of the Group is comprised of equity in various investment properties that is owned by affiliates of BPPEH.



Notes to the Interim Consolidated Accounts (Unaudited) (cont’d)

Note 9 – Provisions

9.1 Current taxation

The Group is subject to income taxes in numerous jurisdictions. The Group recognises liabilities for anticipated tax assessments based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current tax and deferred tax provisions.

9.2 Deferred taxation

The deferred tax liability recognised as at 30 June 2019 was €0.9 million.

Note 10 – Creditors

The following table summarises the movement in the amounts owed to credit institutions and bonds (unsecured notes) for the six months ended 30 June 2019:

€m	Amounts owed to credit institutions	Bonds (unsecured notes)	Total
<b>Principal – opening balance</b>	<b>925.1</b>	<b>1,250.0</b>	<b>2,175.1</b>
Proceeds from borrowings	304.3	500.0	<b>804.3</b>
Repayments	(731.6)	–	<b>(731.6)</b>
Fair valuation of derivative financial instruments	(0.1)	–	<b>(0.1)</b>
<b>Principal – closing balance</b>	<b>497.7</b>	<b>1,750.0</b>	<b>2,247.7</b>
<b>Deferred financing fees – opening balance</b>	<b>6.2</b>	<b>9.5</b>	<b>15.7</b>
Capitalised financing fees	0.9	1.7	<b>2.6</b>
Amortisation of deferred financing fees	(0.7)	(0.9)	<b>(1.5)</b>
Deferred financing fees write-off	(2.5)	–	<b>(2.5)</b>
<b>Deferred financing fees – closing balance</b>	<b>3.9</b>	<b>10.4</b>	<b>14.3</b>

10.1 Bonds (unsecured notes)

On 15 February 2019, BPPEH issued a third series of unsecured notes of €500 million, bringing the total amount outstanding under its EMTN Programme to €1.75 billion. The notes are subject to redemption at the option of BPPEH 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 30 June 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
Unsecured notes - Series I	1.40%	6-Jul-22	8.3	600.0	–	600.0	8.3
Unsecured notes - Series II	2.20%	24-Jul-25	13.4	–	650.0	650.0	13.4
Unsecured notes - Series III	2.00%	15-Feb-24	3.7	500.0	–	500.0	3.7
<b>Total</b>			<b>25.4</b>	<b>1,100.0</b>	<b>650.0</b>	<b>1,750.0</b>	<b>25.4</b>

10.2 Amounts owed to credit institutions

The following table summarises the key terms of the amounts owed to credit institutions as at 30 June 2019:

€m	Interest rate	Maturity <sup>1</sup>	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 II	1.40%	2021 - 2022	0.7	365.7	–	365.7	0.7
Mortgage loans	1.38% - 2.39%	2020 - 2026	2.8	68.1	47.9	118.1	0.7
RCF	1.05%	15-Nov-21	–	11.9	–	11.9	–
Derivative financial instruments	1.41%	30-Dec-20	–	2.0	–	2.0	–
<b>Total</b>			<b>3.5</b>	<b>447.7</b>	<b>47.9</b>	<b>497.7</b>	<b>1.4</b>

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’s remaining outstanding principal balance of €591.5 million, together with accrued interest and fees, was repaid in full 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. Borrowings under Acquisition Facility II have an initial maturity of two years, subject to a one-year extension option, and an interest rate of Euribor + 1.4% per annum. As at 30 June 2019, qualifying conditions for extension of maturity were met.

As at 30 June 2019, BPPEH had €365.7 million drawn under Acquisition Facility II. Of the total amount drawn, €210.4 million has an initial maturity date of 15 November 2020 and a final maturity date of 15 November 2021. The remaining €155.3 million has an initial maturity date of 15 May 2021 and a final maturity date of 15 May 2022.

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. BPPEH upsized the facility to €230 million on 16 January 2019 and to €280 million on 16 May 2019. As at 30 June 2019, the total drawn balance under the RCF was €11.9 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 30 June 2019, BPPEH had two mortgage loans, secured by investment properties, totalling €118.1 million and maturing in December 2020 and October 2026.

Covenants

As at 30 June 2019, the Group was in compliance with all of its financial covenants.

1. Represents extended maturity dates.

Notes to the Interim Consolidated Accounts (Unaudited) (cont'd)

10.3 Amounts owed to affiliated undertakings

The following table summarises the key terms of the amounts owed to affiliated undertakings as at 30 June 2019, including BPPEH’s parent entity and NCI shareholders:

€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
Related party loans payable	1.00% - 7.93%	2021 - 2034	22.1	0.2	1,219.4	1,219.6	22.1
Related party loans payable - interest free	–	2019	0.1	–	–	0.1	–
Other amounts payable	–	2019	3.6	–	–	3.6	–
<b>Total</b>			<b>25.8</b>	<b>0.2</b>	<b>1,219.4</b>	<b>1,223.3</b>	<b>22.1</b>

10.4 Derivative financial instruments

In connection with a mortgage loan assumed on acquisition of an investment property, the Group also assumed an interest rate swap contract maturing on 30 December 2020. As at 30 June 2019, the Group recognised €0.1 million of unrealised gains relating to the fair value revaluation of the derivative (see Note 10).

10.5 Other creditors

The following table summarises amounts owed to other creditors as at 30 June 2019:

€m	Tax authorities	Becoming due and payable within one year	Total
Tenant deposits payable	–	13.5	<b>13.5</b>
Acquisition of tangible fixed assets	–	1.7	<b>1.7</b>
Other payables	19.7	3.2	<b>22.9</b>
<b>Total</b>	<b>19.7</b>	<b>18.4</b>	<b>38.1</b>

Note 11 – Deferred income

Deferred income is comprised of rent and service charges paid in advance by tenants.

Note 12 – Net turnover

The following table reflects net turnover of the Group’s investment properties summarised by asset class and country for the six months ended 30 June 2019:

€m	Logistics	Office	Residential	Total
Germany	19.1	8.1	15.4	<b>42.6</b>
France	6.9	3.5	–	<b>10.4</b>
Poland	10.0	–	–	<b>10.0</b>
Spain	3.2	3.8	–	<b>7.0</b>
Italy	4.2	2.4	–	<b>6.6</b>
Netherlands	3.1	–	1.8	<b>4.9</b>
<b>Total</b>	<b>46.5</b>	<b>17.8</b>	<b>17.2</b>	<b>81.5</b>

Note 13 – Other operating income

Other operating income of the Group consists of the following:

€m	For the six months ended 30 June 2019
Service charge income	18.1
Gain on disposal - net	7.6
Other income	3.0
<b>Total</b>	<b>28.7</b>

On 22 May 2019, the Group disposed of two logistics investment properties in Poland for the total price of €129.3 million and recognised a €7.6 million gain on disposal (net of transaction costs) included in “Other operating income” in the interim consolidated profit and loss account.

Note 14 – Other external expenses

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

€m	For the six months ended 30 June 2019
Administrative expenses	3.4
Legal fees	1.7
Advisory fees	1.3
Accounting fees	0.8
Audit fees	0.5
Other fees	0.9
<b>Total</b>	<b>8.6</b>

Note 15 – Staff costs

As at 30 June 2019, the Group had 33 full-time employees. There are no loans or incentives to management of the Group.

Note 16 – 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 six months ended 30 June 2019
Service charges	24.4
Asset management fees	5.9
<b>Total</b>	<b>30.3</b>



Notes to the Interim Consolidated Accounts (Unaudited) (cont’d)

Note 17 – 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 fees related to originating such borrowings:

€m	For the six months ended 30 June 2019
<i>Other interest and similar expenses</i>	
Interest on bonds	14.9
Interest on amounts owed to credit institutions	5.3
Amortisation of deferred financing fees	1.5
Deferred financing fees write-off	2.5
Other financial expenses and bank fees	1.4
	<b>25.6</b>
<i>Concerning affiliated undertakings</i>	
Interest on amounts owed to affiliated undertakings	19.2
	<b>19.2</b>
<b>Total</b>	<b>44.8</b>

Note 18 – Related party transactions

Parties, whether individuals or corporate entities, that (i) have the direct or indirect ability to control or exercise significant influence over the other party in making financial and operating decisions or (ii) are subject to common control are considered related.

The related party transactions are related to financing activities and management fees (see Notes 5.2, 10.3, and 17).

A number of German residential and office investment properties are asset managed by related parties. During the six months ended 30 June 2019, the Group incurred €1.1 million of related party asset management fees.

As at 30 June 2019, the Group earned an immaterial amount of income from general and administrative expense recharged to a related party.

Note 19 – 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 30 June 2019, 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 liabilities will arise from these contingent liabilities.

Note 20 – Subsequent events

*New acquisitions*

Since 30 June 2019, BPPEH has signed definitive agreements to acquire 21 logistics assets in France for a gross purchase price of €606.0 million. Closings are expected between September and October 2019.

In addition, BPPEH completed the acquisition of additional residential units in Amsterdam, the Netherlands. The portfolio was acquired for a gross purchase price of €43.7 million.

Note 21 – List of consolidated entities

Name	Effective ownership as at 30 June 2019	Effective ownership as at 31 December 2018	Country	Consolidation method
Blackstone Property Partners Europe Holdings S.à r.l.	n/a	n/a	Luxembourg	Parent company
LZ German Super Topco S.à r.l.	100.00%	100.00%	Luxembourg	Full consolidation
Alpha German Super Topco S.à r.l.	55.96%	55.96%	Luxembourg	Full consolidation
Alpha German Topco S.à r.l.	55.96%	55.96%	Luxembourg	Full consolidation
SF German Master Topco S.à r.l.	100.00%	100.00%	Luxembourg	Full consolidation
Azurite Master Topco S.à r.l.	52.81%	52.81%	Luxembourg	Full consolidation
Azurite Topco S.à r.l.	52.81%	52.81%	Luxembourg	Full consolidation
Azurite Unsecured Topco S.à r.l.	100.00%	100.00%	Luxembourg	Full consolidation
German Unsecured Topco S.à r.l.	100.00%	100.00%	Luxembourg	Full consolidation
Azurite German Majority Topco S.à r.l.	58.68%	58.68%	Luxembourg	Full consolidation
Azurite German Majority Midco S.à r.l.	58.68%	58.68%	Luxembourg	Full consolidation
Azurite German Majority Holdco S.à r.l.	58.68%	58.68%	Luxembourg	Full consolidation
Gemini Unsecured Topco S.à r.l.	100.00%	100.00%	Luxembourg	Full consolidation
Gemini Master Topco S.à r.l.	100.00%	100.00%	Luxembourg	Full consolidation
Gemini Topco S.à r.l.	100.00%	100.00%	Luxembourg	Full consolidation
Thesaurus Pledgeco S.à r.l.	100.00%	100.00%	Luxembourg	Full consolidation
Thesaurus Investment S.à r.l.	100.00%	100.00%	Luxembourg	Full consolidation
Alpha German Pledgeco S.à r.l.	50.37%	50.37%	Luxembourg	Full consolidation
Alpha German Holdco S.à r.l.	50.37%	50.37%	Luxembourg	Full consolidation
KC Chris GmbH	50.37%	50.37%	Germany	Full consolidation
KC Valentina GmbH	50.37%	50.37%	Germany	Full consolidation
KC Isabella GmbH	50.37%	50.37%	Germany	Full consolidation
KC Carolina GmbH	50.37%	50.37%	Germany	Full consolidation
KC Louise GmbH	50.37%	50.37%	Germany	Full consolidation
KC Berlin 1 GmbH	50.37%	50.37%	Germany	Full consolidation
KC Berlin 2 GmbH	50.37%	50.37%	Germany	Full consolidation
KC Berlin 3 GmbH	50.37%	50.37%	Germany	Full consolidation
KC Berlin 4 GmbH	50.37%	50.37%	Germany	Full consolidation
LZ German Topco S.à r.l.	88.89%	84.00%	Luxembourg	Full consolidation
LZ German Holdco S.à r.l.	88.89%	84.00%	Luxembourg	Full consolidation
Leipziger Strasse S.à r.l.	80.00%	75.60%	Luxembourg	Full consolidation
Peninsula Bidco BV	100.00%	100.00%	Netherlands	Full consolidation
Peninsula Pledgeco BV	100.00%	100.00%	Netherlands	Full consolidation
OPPCI Dyna Sppicav	100.00%	100.00%	France	Full consolidation
Peninsula Topco S.à r.l.	100.00%	100.00%	Luxembourg	Full consolidation
Peninsula Pledgeco S.à r.l.	100.00%	100.00%	Luxembourg	Full consolidation
Peninsula Bidco S.à r.l.	100.00%	100.00%	Luxembourg	Full consolidation
SCI Dynavia SCI	100.00%	100.00%	France	Full consolidation
Perceval Topco S.à r.l.	52.81%	52.81%	Luxembourg	Full consolidation
Perceval Investment S.à r.l.	52.81%	52.81%	Luxembourg	Full consolidation
Ermes Fund	52.81%	52.81%	Italy	Full consolidation

Notes to the Interim Consolidated Accounts (Unaudited) (cont’d)

Name	Effective ownership as at 30 June 2019	Effective ownership as at 31 December 2018	Country	Consolidation method
Logan (Bad Hersfeld) Propco BV	52.81%	52.81%	Netherlands	Full consolidation
Logan (Borken 1) Propco BV	52.81%	52.81%	Netherlands	Full consolidation
Logan (Borken 2) Propco BV	52.81%	52.81%	Netherlands	Full consolidation
Logan (Bremerhaven) Propco BV	52.81%	52.81%	Netherlands	Full consolidation
Logan (Hassfurt) Propco BV	52.81%	52.81%	Netherlands	Full consolidation
Logan (Neunkirchen) Propco BV	52.81%	52.81%	Netherlands	Full consolidation
Jago European Club II S.à r.l.	52.81%	52.81%	Luxembourg	Full consolidation
Tanzanite Topco BV	52.81%	52.81%	Netherlands	Full consolidation
Tanzanite Dordrecht BV	52.81%	52.81%	Netherlands	Full consolidation
Tanzanite Holdco BV	52.81%	52.81%	Netherlands	Full consolidation
Tanzanite Vianen I BV	52.81%	52.81%	Netherlands	Full consolidation
Tanzanite Vianen II BV	52.81%	52.81%	Netherlands	Full consolidation
Tanzanite Schiphol BV	52.81%	52.81%	Netherlands	Full consolidation
Tanzanite Tiel BV	52.81%	52.81%	Netherlands	Full consolidation
Canary Pledgeco S.à r.l.	55.96%	55.96%	Luxembourg	Full consolidation
Canary Holdco S.à r.l.	55.96%	55.96%	Luxembourg	Full consolidation
Taliesin Managing-Partner GmbH	52.61%	52.61%	Germany	Full consolidation
Taliesin I GmbH	50.37%	50.37%	Germany	Full consolidation
Taliesin II GmbH	50.37%	50.37%	Germany	Full consolidation
Phoenix B2 - Glatzerstrasse S.à r.l.	50.37%	50.37%	Luxembourg	Full consolidation
Phoenix D1 - Hohenstaufenstrasse S.à r.l.	50.37%	50.37%	Luxembourg	Full consolidation
Phoenix II Mixed H S.à r.l.	50.37%	50.37%	Luxembourg	Full consolidation
Phoenix II Mixed I S.à r.l.	50.37%	50.37%	Luxembourg	Full consolidation
Phoenix II Mixed J S.à r.l.	50.37%	50.37%	Luxembourg	Full consolidation
Phoenix II Mixed K S.à r.l.	50.37%	50.37%	Luxembourg	Full consolidation
Phoenix II Mixed N S.à r.l.	50.37%	50.37%	Luxembourg	Full consolidation
Phoenix III Mixed O S.à r.l.	50.37%	50.37%	Luxembourg	Full consolidation
Adamma Pledgeco S.à r.l.	100.00%	100.00%	Luxembourg	Full consolidation
Adamma Holdco S.à r.l.	100.00%	100.00%	Luxembourg	Full consolidation
Adamma Home GmbH	90.00%	90.00%	Germany	Full consolidation
Arabella Topco S.à r.l.	100.00%	100.00%	Luxembourg	Full consolidation
Arabella Holdco S.à r.l.	100.00%	100.00%	Luxembourg	Full consolidation
Arabella Propco S.à r.l.	90.00%	90.00%	Luxembourg	Full consolidation
Azurite Mezzco S.à r.l.	52.81%	52.81%	Luxembourg	Full consolidation
Azurite Pledgeco S.à r.l.	52.81%	52.81%	Luxembourg	Full consolidation
Azurite Bidco S.à r.l.	52.81%	52.81%	Luxembourg	Full consolidation
Azurite France Propco I SNC	52.81%	52.81%	France	Full consolidation
Azurite France Bidco SAS	52.81%	52.81%	France	Full consolidation
Azurite France Propco II SNC	52.81%	52.81%	France	Full consolidation
Azurite France Propco III SNC	52.81%	52.81%	France	Full consolidation
Azurite Montélimar (France) SAS	52.81%	52.81%	France	Full consolidation
Azurite Mitry (France) S.à r.l.	52.81%	52.81%	Luxembourg	Full consolidation
Azurite Immobilier EURL	52.81%	52.81%	France	Full consolidation

Name	Effective ownership as at 30 June 2019	Effective ownership as at 31 December 2018	Country	Consolidation method
Azurite Properties Germany BV	52.81%	52.81%	Netherlands	Full consolidation
Azurite Werne Logistics S.à r.l.	52.81%	52.81%	Luxembourg	Full consolidation
Azurite Viersen Logistics S.à r.l.	52.81%	52.81%	Luxembourg	Full consolidation
Azurite Halle Logistics S.à r.l.	52.81%	52.81%	Luxembourg	Full consolidation
Azurite Michelsrombach Logistics S.à r.l.	52.81%	52.81%	Luxembourg	Full consolidation
Azurite Hamm Logistics S.à r.l.	52.81%	52.81%	Luxembourg	Full consolidation
Azurite Schwäbisch Gmünd Logistics S.à r.l.	52.81%	52.81%	Luxembourg	Full consolidation
Azurite Linsengericht Logistics S.à r.l.	52.81%	52.81%	Luxembourg	Full consolidation
Azurite Waldlaubersheim Logistics S.à r.l.	52.81%	52.81%	Luxembourg	Full consolidation
Azurite Poland Holdco S.à r.l.	52.81%	52.81%	Luxembourg	Full consolidation
Azurite Poland Propco I Sp.z o.o.	52.81%	52.81%	Poland	Full consolidation
Azurite Poland Propco II Sp.z o.o.	52.81%	52.81%	Poland	Full consolidation
Azurite Poland Propco III Sp.z o.o.	0.00%	52.81%	Poland	Sold as at 22 May 2019
Azurite Poland Propco IV Sp.z o.o.	52.81%	52.81%	Poland	Full consolidation
Azurite Poland Propco V Sp.z o.o.	52.81%	52.81%	Poland	Full consolidation
Azurite Poland Propco VI Sp.z o.o.	0.00%	52.81%	Poland	Sold as at 22 May 2019
Gamma Holdco S.à r.l.	100.00%	100.00%	Luxembourg	Full consolidation
Gamma Pledgeco S.à r.l.	100.00%	100.00%	Luxembourg	Full consolidation
Wackenida GmbH	90.00%	90.00%	Germany	Full consolidation
St. Bonifatius Wohnungsbaugesellschaft mbH	90.00%	90.00%	Germany	Full consolidation
Speyerer Straße 3 Immobilienverwaltung GmbH	90.00%	90.00%	Germany	Full consolidation
Oldenburger Straße Betreuungs GmbH	90.00%	90.00%	Germany	Full consolidation
SK 96 - Wohnungsbaukombinat GmbH	90.00%	90.00%	Germany	Full consolidation
Richardstraße 60, 61 Berlin-Neukölln GmbH	90.00%	90.00%	Germany	Full consolidation
Ravenna Lodging GmbH	90.00%	90.00%	Germany	Full consolidation
Wustermarker St. 38/39 Objekt GmbH	90.00%	90.00%	Germany	Full consolidation
Laser Pledgeco S.à r.l.	100.00%	100.00%	Luxembourg	Full consolidation
Laser Holdco S.à r.l.	100.00%	100.00%	Luxembourg	Full consolidation
Laser (Spain) Holdco, S.L.U.	100.00%	100.00%	Spain	Full consolidation
Laser (Spain) Propco II, S.L.U.	100.00%	100.00%	Spain	Full consolidation
Laser (Spain) Propco I, S.L.U.	100.00%	100.00%	Spain	Full consolidation
Laser (Spain) Propco III S.L.U.	100.00%	100.00%	Spain	Full consolidation
Garden Pledgeco S.à r.l.	100.00%	100.00%	Luxembourg	Full consolidation
Garden Holdco S.à r.l.	100.00%	100.00%	Luxembourg	Full consolidation
Garden (Spain) Holdco S.L.U.	100.00%	100.00%	Spain	Full consolidation
Garden (Spain) Propco S.L.U.	100.00%	100.00%	Spain	Full consolidation
Pariser Pledgeco S.à r.l.	100.00%	100.00%	Luxembourg	Full consolidation
Pariser Holdco S.à r.l.	100.00%	100.00%	Luxembourg	Full consolidation
Platz Topco S.à r.l.	100.00%	100.00%	Luxembourg	Full consolidation
Pariser Platz ZwischenHoldCo GmbH	90.00%	90.00%	Germany	Full consolidation
Pariser Platz Propco S.C.S	90.00%	90.00%	Luxembourg	Full consolidation
Pariser Platz (Propco) GPS.à r.l.	90.00%	90.00%	Luxembourg	Full consolidation
Gemini Poland Topco S.à r.l.	90.00%	90.00%	Luxembourg	Full consolidation



Notes to the Interim Consolidated Accounts (Unaudited) (cont’d)

Name	Effective ownership as at 30 June 2019	Effective ownership as at 31 December 2018	Country	Consolidation method
Gemini Poland Holdco S.à r.l.	90.00%	90.00%	Luxembourg	Full consolidation
Gemini (Poland) Propco I Sp.z o.o.	90.00%	90.00%	Poland	Full consolidation
Gemini (Poland) Propco II Sp.z o.o.	90.00%	90.00%	Poland	Full consolidation
Gemini (Poland) Propco III Sp.z o.o.	90.00%	90.00%	Poland	Full consolidation
Gemini (Poland) Propco IV Sp.z o.o.	90.00%	90.00%	Poland	Full consolidation
Gemini (Poland) Propco V Sp.z o.o.	90.00%	90.00%	Poland	Full consolidation
Gemini German Majority Midco S.à r.l.	100.00%	100.00%	Luxembourg	Full consolidation
Gemini German Majority Topco S.à r.l.	100.00%	100.00%	Luxembourg	Full consolidation
Gemini German Majority Holdco S.à r.l.	100.00%	100.00%	Luxembourg	Full consolidation
Gemini Forchheim Logistics LLC	90.00%	90.00%	Delaware	Full consolidation
Gemini Sulzenbrucker Strasse 7 LLC	90.00%	90.00%	Delaware	Full consolidation
Gemini Karlsdorf LLC	90.00%	90.00%	Delaware	Full consolidation
Gemini Duisburg LLC	90.00%	90.00%	Delaware	Full consolidation
Gemini Nuremburg LLC	90.00%	90.00%	Delaware	Full consolidation
Summer Pledgeco S.à r.l.	100.00%	100.00%	Luxembourg	Full consolidation
Summer Holdco S.à r.l.	100.00%	100.00%	Luxembourg	Full consolidation
Summer Propco 1 GmbH	90.00%	90.00%	Germany	Full consolidation
Summer Propco 2 GmbH	90.00%	90.00%	Germany	Full consolidation
Leiko Investments S.à r.l.	90.00%	90.00%	Luxembourg	Full consolidation
Leiko Super Topco S.à r.l.	100.00%	100.00%	Luxembourg	Full consolidation
Leiko Topco S.à r.l.	90.00%	90.00%	Luxembourg	Full consolidation
Leiko Holdco S.à r.l.	90.00%	90.00%	Luxembourg	Full consolidation
Spring Topco S.à r.l.	90.00%	90.00%	Luxembourg	Full consolidation
Spring Pledgeco S.à r.l.	90.00%	90.00%	Luxembourg	Full consolidation
Spring Investment S.à r.l.	90.00%	90.00%	Luxembourg	Full consolidation
Star Pledgeco S.à r.l.	90.00%	90.00%	Luxembourg	Full consolidation
Star Holdco S.à r.l.	90.00%	90.00%	Luxembourg	Full consolidation
Projekt Itaca GmbH	90.00%	90.00%	Germany	Full consolidation
Thesaurus Fund	100.00%	100.00%	Italy	Full consolidation
Honos Fund	100.00%	100.00%	Italy	Full consolidation
Rembrandt Topco S.à r.l.	100.00%	0.00%	Luxembourg	Full consolidation
Rembrandt Midco S.à r.l.	100.00%	0.00%	Luxembourg	Full consolidation
Rembrandt Pledgeco S.à r.l.	100.00%	0.00%	Luxembourg	Full consolidation
Rembrandt Holdco BV (Netherlands)	100.00%	0.00%	Netherlands	Full consolidation
Rembrandt Propco I BV (Netherlands)	100.00%	0.00%	Netherlands	Full consolidation
Rembrandt Propco II BV (Netherlands)	100.00%	0.00%	Netherlands	Full consolidation
Rembrandt Propco III BV (Netherlands)	100.00%	0.00%	Netherlands	Full consolidation
Rembrandt Propco IV BV (Netherlands)	100.00%	0.00%	Netherlands	Full consolidation
Highlands Master Topco S.à r.l.	100.00%	0.00%	Luxembourg	Full consolidation
Highlands Holdco S.à r.l.	100.00%	0.00%	Luxembourg	Full consolidation
Highlands Bidco S.à r.l.	100.00%	0.00%	Luxembourg	Full consolidation
Highlands Finco S.à r.l.	100.00%	0.00%	Luxembourg	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 rental guarantees provided by sellers.
Blackstone	The Blackstone Group L.P. or, as the context may require, one or more funds, managed accounts or limited partnerships managed or advised by The Blackstone Group L.P. 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., and Blackstone Property Partners Europe (Lux) 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 30 June 2019 (i.e., excludes assets acquired or sold during H1 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'	Net operating income, calculated as total property and related revenues less property operating expenses
NOI Yield	Adjusted NOI divided by GAV
Occupancy	Occupancy based on GLA, including rental guarantees unless otherwise noted; where specified, economic occupancy includes rental guarantees and physical occupancy excludes rental guarantees
Passing Rent	The rent at which an asset is rented at a point in time
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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