

Blackstone

# Blackstone Property Partners Europe Holdings Investor Presentation

SEPTEMBER 2022

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All metrics in this presentation are as of June 30, 2022, unless otherwise indicated. Further, all BPPEH metrics are at 100% share (including the portion attributable to minority shareholders). By attending this presentation, you are agreeing to be bound by the foregoing limitations.

# **BPPEH Highlights**

# BPPEH invests in high-quality, well-located Core+ real estate assets across Europe

## Highlights

€13.6B

GAV

801

Assets

14

countries

- Focused on large, high-quality, substantially stabilised assets in major European markets and key gateway cities
  - Primary sectors include logistics, residential and office
  - Long-term buy and hold strategy complemented by selective asset rotation and capital recycling
- Gross asset value of €13.6B as of 30-Jun-22
- 100% owned by Blackstone Property Partners Europe (“BPPE”)<sup>(1)</sup>, a European Core+ real estate fund with near-permanent capital
- Managed by Blackstone, the largest owner of commercial real estate globally<sup>(2)</sup>, with a \$577 billion<sup>(3)</sup> global portfolio, and a €118 billion portfolio across 23 countries in Europe, providing proprietary information and global connectivity

Note: All metrics in this presentation are as of 30-Jun-2022, unless otherwise indicated. All BPPEH metrics in this presentation are calculated at 100% share (including the portion attributable to minority owners). Throughout this Investor Presentation, forward funded assets are excluded from operational metrics but included in GAV and number of properties. There can be no assurance that BPPEH, BPPE, or any other Blackstone fund or investment will achieve its objectives or avoid substantial losses. See “Important Disclose Information” including “Blackstone Proprietary Data”, “Certain Fund Definitions”, “Estimates/Targets” and “Logos”.

(1) Includes co-investments from third parties through vehicles typically controlled by Blackstone affiliates and minority investments by a fund vehicle affiliated with BPPE.

(2) As of June 30, 2022. Largest owner based on estimated market value per Real Capital Analytics and excludes governmental entities and religious organisations.

(3) Represents the total real estate value of all drawn, closed and committed investments in our BREP, Core+ and BREDs strategies plus uncalled capital. There can be no assurance that committed but not yet closed transactions will close as expected or at all.

## SELECTED BPPEH ASSETS



*Dublin, Ireland*



*Stockholm, Sweden*



*Milan, Italy*



*Milan, Italy*



*Émerainville, France*

Note: See “Important Disclosure Information” including “Logos”.



## KEY HIGHLIGHTS

### Large, High-Quality, Diversified Portfolio

- High-quality €13.6B portfolio primarily concentrated in the logistics, residential and office sectors
- Well-located assets in markets with strong fundamentals (74% in the UK, Germany, France and Italy)
- Selective acquisitions complemented by portfolio rotation during H1 2022, focusing the portfolio on our highest conviction investment themes

### Stable Cash Flows with Operational Upside Potential

- Substantially stabilised portfolio - 93% occupied with a 6-year WALL
- Embedded growth potential with rents 16% below market on average<sup>(1)</sup>
- Well-positioned to withstand market uncertainty and an inflationary environment - 90%+ of leases either linked to inflation or with regular rent reviews<sup>(2)</sup>

### Strong Credit Profile

- Prudent financial policy including 45%-50% net LTV target, with net LTV at 47% as of 30-Jun-22
- Primarily unsecured capital structure with long-dated, fixed-rate debt and staggered maturities
- Near-permanent equity with strong access to growth capital underpinned by high-quality institutional investor base

### Blackstone Management Platform

- Managed by Blackstone, which has an established track record in real estate and manages a €118B European real estate portfolio
- Globally integrated platform with proprietary insight and knowledge
- Committed to being a responsible investor and enhancing our Real Estate ESG programme

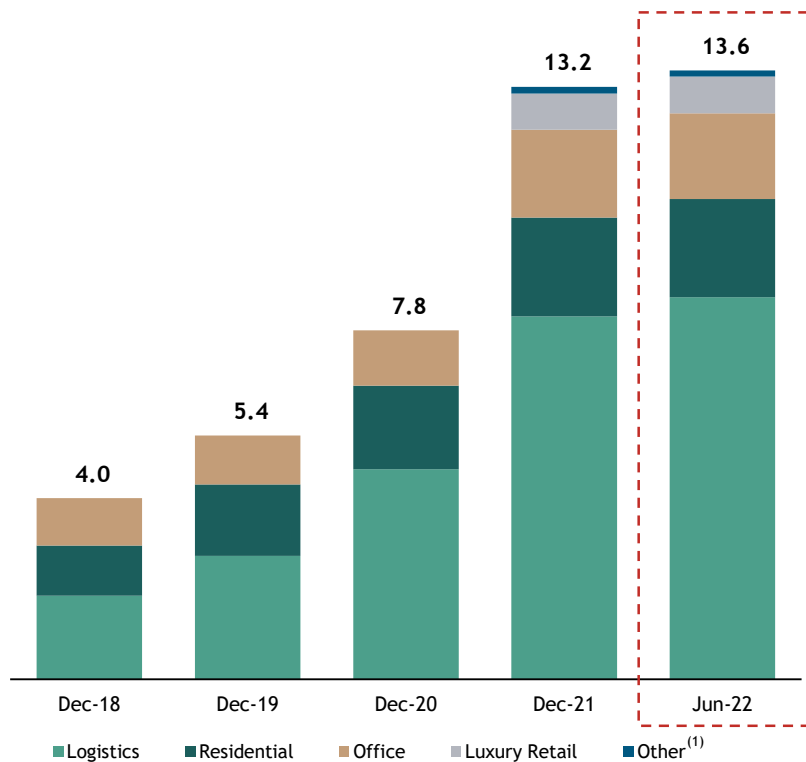
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(1) Blackstone Proprietary Data.

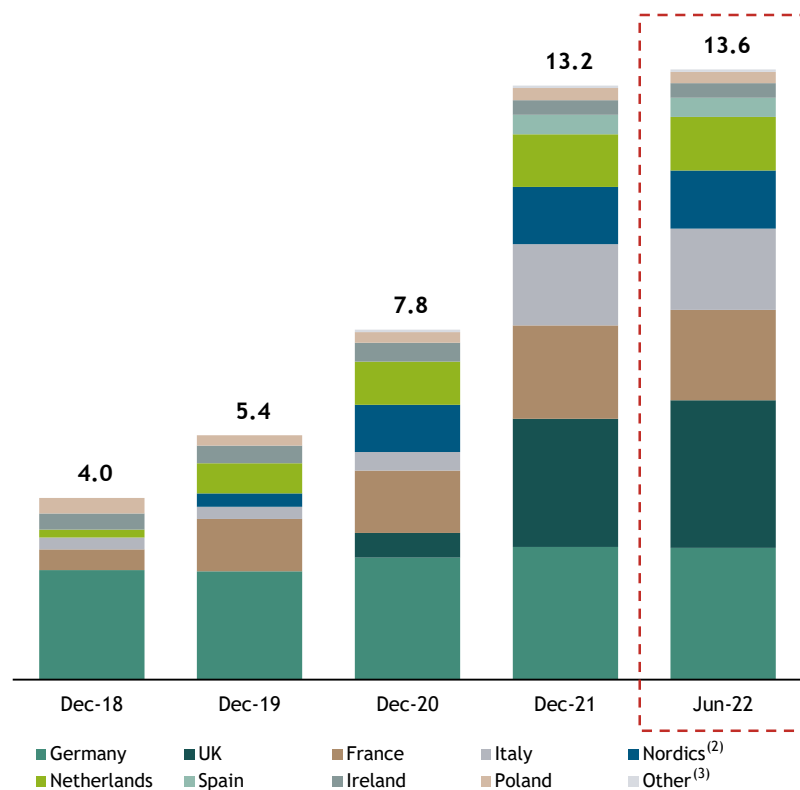
(2) As of March 31, 2022.

# BPPEH's portfolio has substantial scale & diversification

## GAV by Sector (€'B)



## GAV by Country (€'B)



Note: Represents BPPEH's view of the current market environment as of the date appearing in this material only. There can be no assurance that BPPEH, BPPE, or any other Blackstone fund or investment will achieve its objectives or avoid substantial losses. Diversification does not ensure a profit or protect against losses. See "Important Disclosure Information" including "Blackstone Proprietary Data" and "Trends".

(1) Other includes one leasehold interest in a 5-star hotel in central Milan, one mixed-use asset in central Turin and one development asset in central Milan.

(2) Nordics includes Sweden, Denmark, Norway and Finland.

(3) Other includes Switzerland and Greece.



## Selective acquisitions and dispositions

**€382M**

acquisitions<sup>(1)</sup>

**€142M**

dispositions



## Stable cash flows with operational upside

**93%**

occupancy

**€367M**

run-rate EBITDA<sup>(2)</sup>

**6Y**

WALL<sup>(3)</sup>

**16%**

below market rents<sup>(4)</sup>

## Proactive capital structure management

**47%**

net LTV

**Jul-22s**

successfully refinanced

**€600M**

unsecured bank  
facility committed<sup>(5)</sup>

**€1.3B**

liquidity (undrawn RCF  
and unrestricted cash)<sup>(6)</sup>

Note: Represents BPPEH's view of the current market environment as of the date appearing in this material only. There can be no assurance that BPPEH, BPPE, or any other Blackstone fund or investment will achieve its objectives or avoid substantial losses. See "Important Disclosure Information" including "Blackstone Proprietary Data", "Embedded Growth" and "Trends".

(1) Represents all-in cost; excludes acquisition of a 19% stake in the trophy Milan city centre portfolio and additional two sites as part of the residential aggregation strategy in the UK.

(2) EBITDA annualised and adjusted to exclude non-recurring items. Investments sold during the period are excluded and investments acquired during the period are included. See "Definitions".

(3) Excludes residential assets.

(4) Blackstone Proprietary Data.













(5) Completed in July 2022.

(6) Liquidity as of June 30, 2022. In July 2022, the RCF maturity was extended by 2 years to May 2027.

# A premier portfolio positioned to perform in today's environment

## What Investors Want

## What BPPEH Offers

 High-quality portfolio	 Purposefully-built portfolio - best assets in best markets
 Inflation-linked leases	 90%+ of leases either linked to inflation or with regular rent reviews <sup>(1)</sup>
 Rising rental rates	 21% logistics market rent growth in Blackstone's European Core+ Funds' markets <sup>(2)</sup>
 Limited labor / input costs	 Majority of commercial leases double or triple net
 Strong cash flow growth potential	 16% below market rents <sup>(3)</sup>
 Fixed-rate liabilities	 96% fixed-rate debt and a well-staggered maturity profile

Note: Represents Blackstone's view of the current market environment as of the date appearing in this material only. **Past performance is not necessarily indicative of future results.** There can be no assurance that any Blackstone fund or investment will achieve its objectives or avoid substantial losses. See "Important Disclosure Information", including "Blackstone Proprietary Data", "Embedded Growth" and "Trends".

(1) As of March 31, 2022.

(2) Represents 1-year growth rate from Q2'21 to Q2'22. CBRE, market rent growth is based on country-level prime rent (France, UK, Germany, Spain, Netherlands, Italy) weighted by rentable value (as calculated by CBRE) and weighted by logistics exposure in Blackstone's open-ended European Core+ funds (based on sqm owned).

(3) Blackstone Proprietary Data.

# Creating value through proactive asset management

## Logistics



**239k sqm**

leases signed

**10%**

releasing spread

## Residential



**+5%**

LfL rent psm change

**+3 p.p.**

LfL occupancy change

## Office



**5k sqm**

leases signed

**45%**

releasing spread

## Luxury Retail



New flagship store  
at rent **12x**  
previous rent<sup>(1)</sup>

Note: There can be no assurance that BPPEH, BPPE, or any other Blackstone fund or investment will achieve its objectives or avoid substantial losses. See “Important Disclosure Information” including “Blackstone Proprietary Data”.

(1) Signed in July 2022.

# Enhancing value through ESG initiatives

## Logistics

**7 MW**

of on-site installed solar capacity, equivalent to powering 1.2k+ homes per year<sup>(1)</sup> and 2 MW of renewable energy pipeline

**100%**

planned adoption of Schneider Electric systems, increasing energy usage tracking and efficiency

## Office

**96%**

of office portfolio has obtained green building certifications, up from 88% as of 31 December 2021<sup>(2)</sup>

**100%**

target green building certifications for the office portfolio<sup>(3)</sup>

## Residential

**23%**

of Dutch residential units have achieved an A or B energy label rating

**100%**

target tenant engagement across residential portfolio

Note: There can be no assurance that BPPEH, BPPE, or any Blackstone fund or investment will achieve its objectives or avoid substantial losses or that these ESG initiatives will be available or be successful in the future. While Blackstone believes ESG factors can enhance long-term value, the BPPEH does not pursue an ESG-based investment strategy or limit its investments to those that meet specific ESG criteria. Such considerations do not qualify Blackstone's objectives to seek to maximize risk adjusted returns. These ESG initiatives may not apply to the BPPEH's investments, and none are binding aspects of the management of the assets of the Fund. There can be no assurance that these ESG initiatives will continue or be successful.

See "Important Disclosure Information" including "Blackstone Proprietary Data", "ESG", "Service Providers", "Estimates / Targets" and "Trends".

(1) Reflects estimated average number of U.S. homes powered by solar, assuming 1 MW powers 190 homes. SEIA.org.

(2) By GAV.

(3) BPPEH will aim to obtain certifications within two years of acquisition.

# **Blackstone Management Platform**

# Blackstone is the largest owner of commercial real estate globally

## BREP

Global opportunistic real estate



**\$123B**  
investor capital

**1991**  
inception year

## Core+

Income-producing, substantially stabilised, global real estate



**\$143B**  
investor capital

**2013**  
inception year

## BREDS

Global performing real estate debt and securities

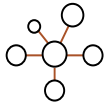


**\$54B**  
investor capital

**2009**  
inception year

Note: Largest owner based on estimated market value per Real Capital Analytics and excludes governmental entities and religious organisations. “Investor capital” includes co-investments and Blackstone’s GP and side-by-side commitments, as applicable. Past performance is not necessarily indicative of future results. There can be no assurance that any Blackstone fund or investment will achieve its objectives or avoid substantial losses. See “Important Disclosure Information”, including “Epidemics/Pandemics” and “Fund Definitions”.

## BPPEH benefits from Blackstone's competitive advantages



Powerful information advantage and network effect



High conviction thematic investment approach



Extraordinary team and unrivaled scale of capital



Exceptional ability to create value at companies and assets

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Note: There can be no assurance that any Blackstone fund or investment will achieve its objectives or avoid substantial losses. “Unrivalled scale of capital” due to Blackstone’s position as largest owner of commercial real estate, based on estimated market value per Real Capital Analytics, as of June 30, 2022. Excludes governmental entities and religious organisations. See “Important Disclosure Information”.



# Portfolio companies and real-time data insights are key strategic advantages

**Our €118B European RE platform  
+ captive portfolio companies**

Logistics

**432M**  
square feet

**Mileway**

**LOGICOR**

Residential

**99k**  
units



Office

**44M**  
square feet

**OFFICEFIRST**

**... provides proprietary  
insight & drives AM initiatives**

**10%**

H1'22 average re-leasing spreads for  
BPPEH's logistics portfolio

**+342bps / 4.8%**

H1'22 occupancy / passing rent LfL growth  
for BPPEH's residential portfolio

**45%**

H1'22 re-leasing spreads for  
BPPEH's office portfolio

Note: There can be no assurance that any Blackstone fund or investment will achieve its objectives or avoid substantial losses. See "Important Disclosure Information", including "Blackstone Proprietary Data", "Logos" and "Operating Metrics".

# Portfolio Overview

# Large, diversified portfolio focused on logistics, residential and office assets in Europe's key markets

## Key Metrics

**€13.6B**

GAV

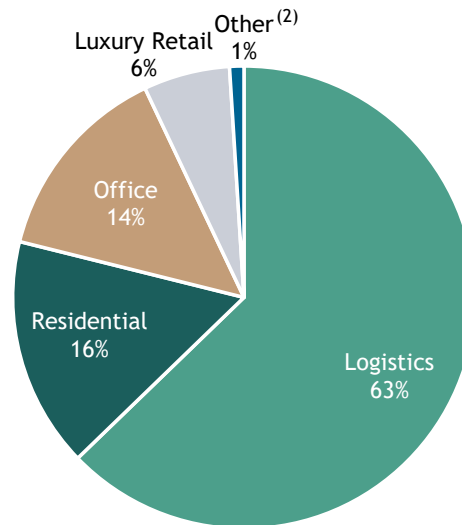
**93%**

occupancy

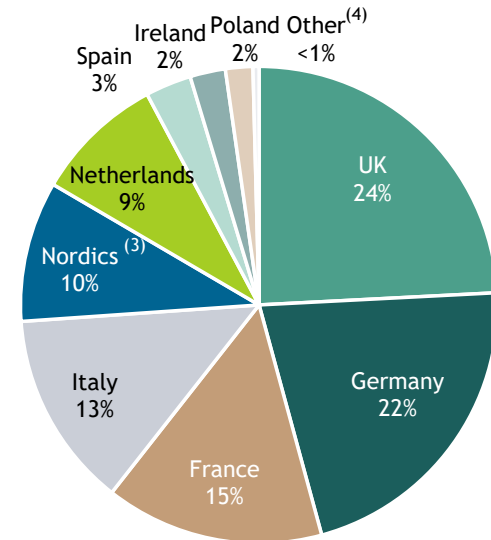
**6Y**

WALL<sup>(1)</sup>

## Sector Allocation



## Geographic Allocation



Note: Geographic and sector allocations based on GAV. There can be no assurance that BPPEH, BPPE, or any other Blackstone fund or investment will achieve its objectives or avoid substantial losses. Totals may not sum due to rounding. Diversification does not ensure a profit or protect against losses. See "Important Disclosure Information" including "Blackstone Proprietary Data".

(1) Excludes residential assets.

(2) Other includes one leasehold interest in a 5-star hotel in central Milan, one mixed-use asset in central Turin and one development asset in central Milan.

(3) Nordics includes Sweden (6%), Denmark (3%), Norway (<1%) and Finland (<1%).

(4) Other includes Switzerland (<1%) and Greece (<1%).

# Below market rents provide an opportunity to capture reversionary potential

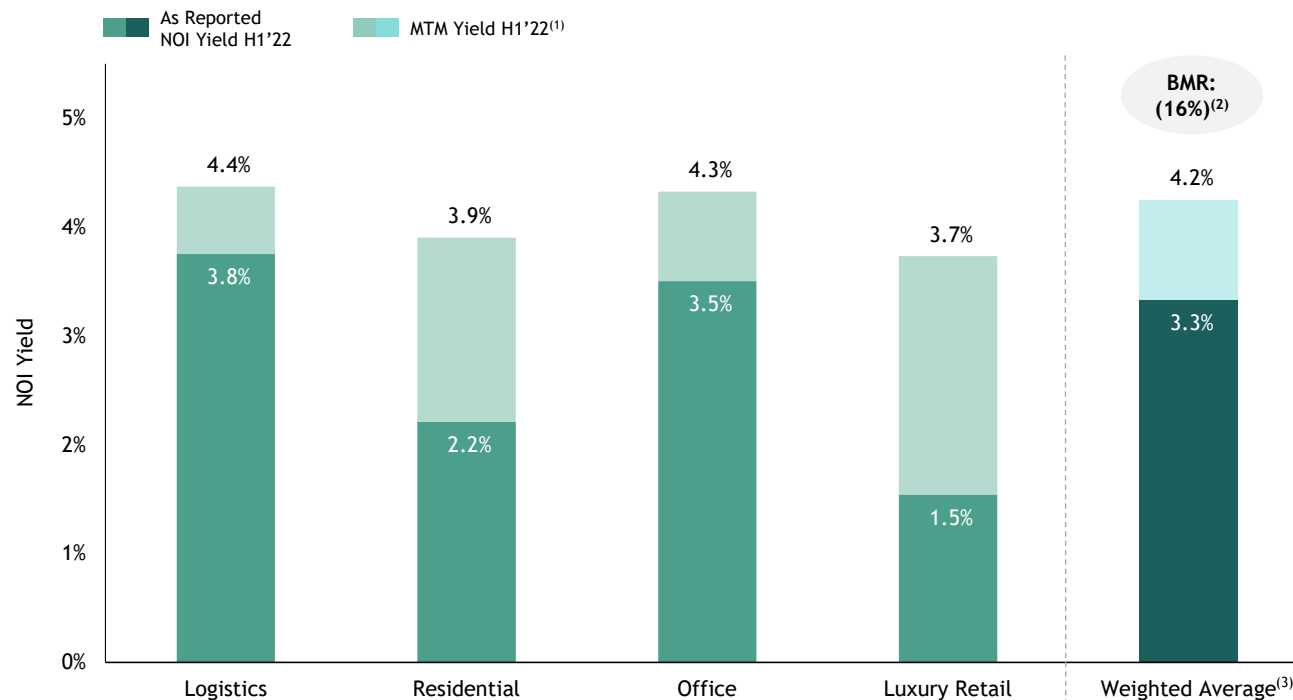
## Highlights

**4.2%**

W.A. MTM yield<sup>(1)</sup>

**16%**

below market rents<sup>(2)</sup>



**Note: Past performance is not necessarily indicative of future results.** There can be no assurance that any Blackstone fund or investment will achieve its objectives or avoid substantial losses. There can be no assurance that BPPEH, BPPE, or any other Blackstone fund or investment will achieve its objectives or avoid substantial losses. See “Important Disclosure Information” including “Blackstone Proprietary Data”, “Embedded Growth”.

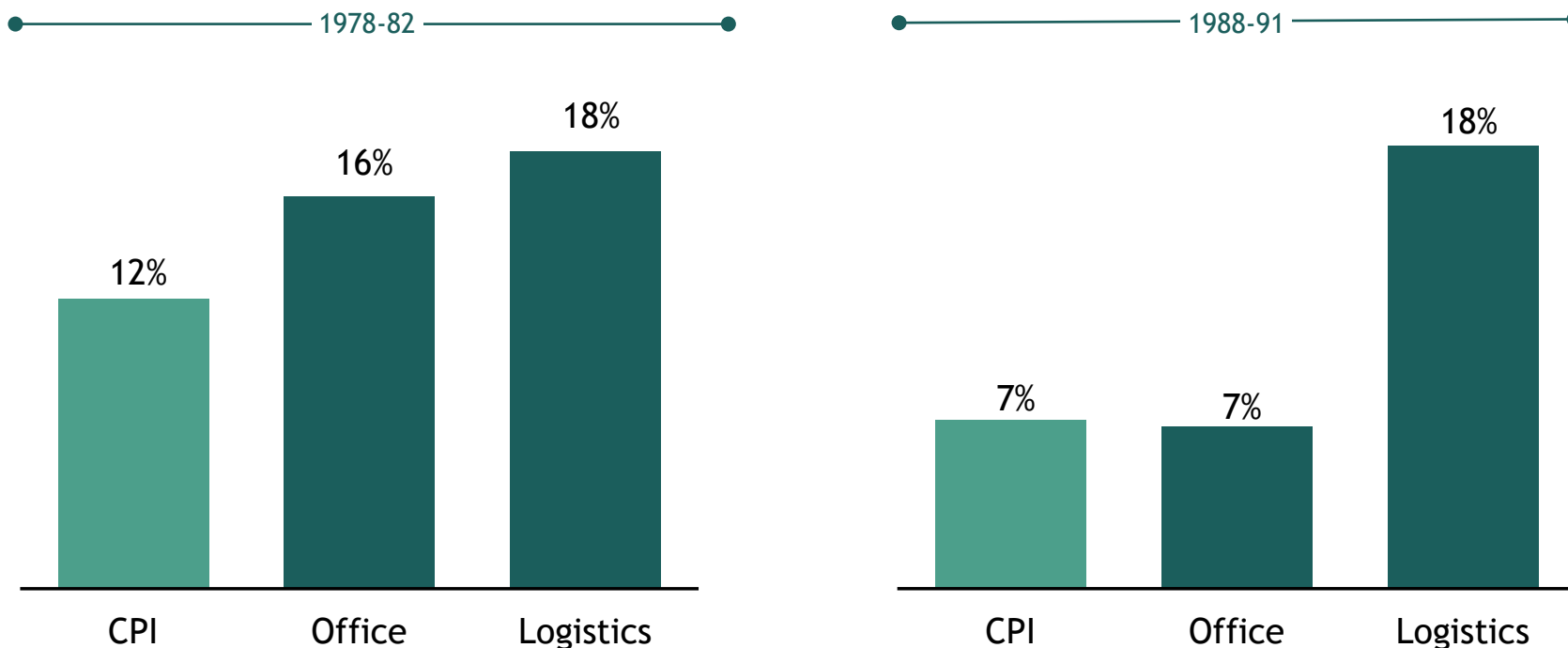
(1) MTM yield presented above is an illustrative number arrived on the basis of certain assumptions and forward-looking estimates made by us. These illustrative metrics are inherently uncertain and there are or may be important factors that could cause actual outcomes or results to differ materially. See “Important Disclosure Information” and “Definitions”.

(2) Blackstone Proprietary Data.

(3) Includes assets classified as Other.

# Real Estate has historically outpaced inflation during inflationary periods

U.K. Real Estate Average Total Returns<sup>(1)</sup>

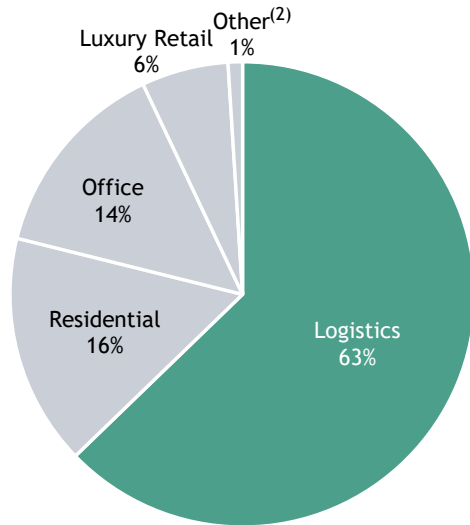


Note: Represents BPPEH's view of the current market environment as of the date appearing in this material only. See "Important Disclosure Information".

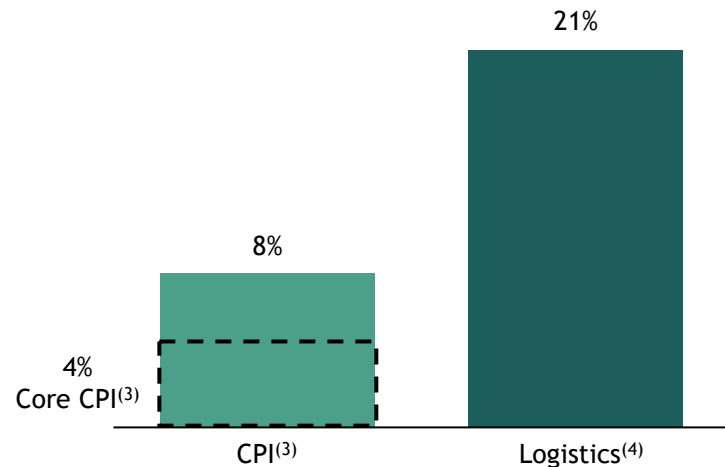
(1) Based on BPPEH's analysis of third-party industry sources. CPI represents U.K. average CPI over the period. Note: In 1978, interest rates increased 5.5%, office total return was 22.6% and logistics total return was 28.6%; in 1979, rates increased 4.5%, office total return was 20.3% and logistics total return was 27.3%; in 1988, rates increased 4.5%, office total return was 31.1%, logistics total return was 39.3%; in 1989, rates increased 2.0%, office total return was 16.5% and logistics total return was 28.7%.

# Logistics exposure should power BPPEH's growth

## Sector Overview



## YoY Logistics Market Rental Growth Outpaced Inflation<sup>(1)</sup>



Note: Sector allocation based on GAV. Represents BPPEH's view of the current market environment as of the date appearing in this material only. There can be no assurance that any Blackstone fund or investment will achieve its objectives or avoid substantial losses. See "Important Disclosure Information", including "Blackstone Proprietary Data" and "Trends".

(1) Represents 1-year growth rate from Q2'21 to Q2'22.

(2) Other includes one leasehold interest in a 5-star hotel in central Milan, one mixed-use asset in central Turin and one development asset in central Milan.

(3) Based on BPPEH's analysis of third-party industry sources. CPI weighting based on UK / Eurozone logistics exposure in Blackstone's open-ended European Core+ funds (based on sqm owned). Core CPI for UK excludes energy and food. Core HICP index for Eurozone excludes energy, food, alcohol & tobacco.

(4) CBRE, YoY market rent growth is based on country-level prime rent weighted by rentable value (as calculated by CBRE) and weighted by logistics exposure in Blackstone's open-ended European Core+ funds (based on sqm owned).



*Waldlaubersheim, Germany*



*Warrington, UK*



*Émerainville, France*



*Warrington, UK*



*Bedfont, UK*

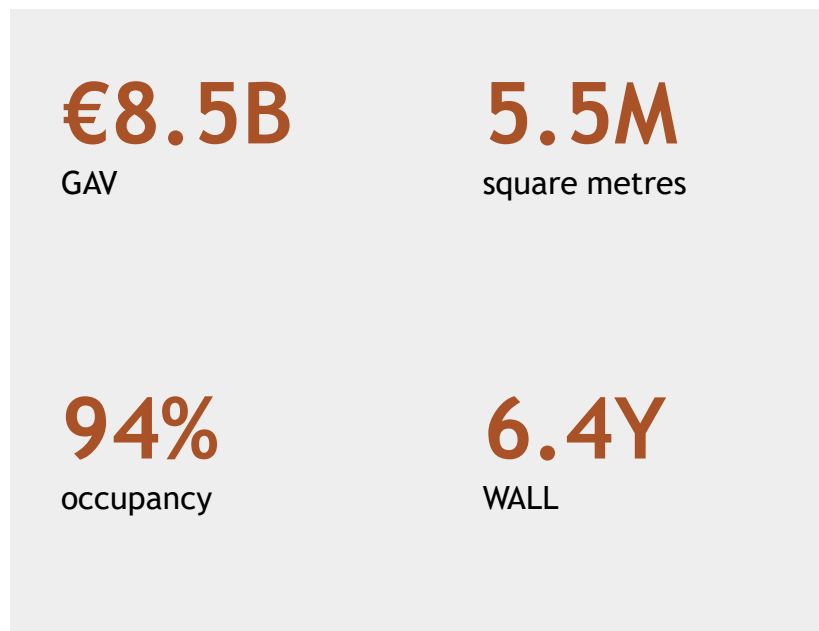
Note: See “Important Disclosure Information” including “Logos”.

Blackstone Property Partners Europe Holdings

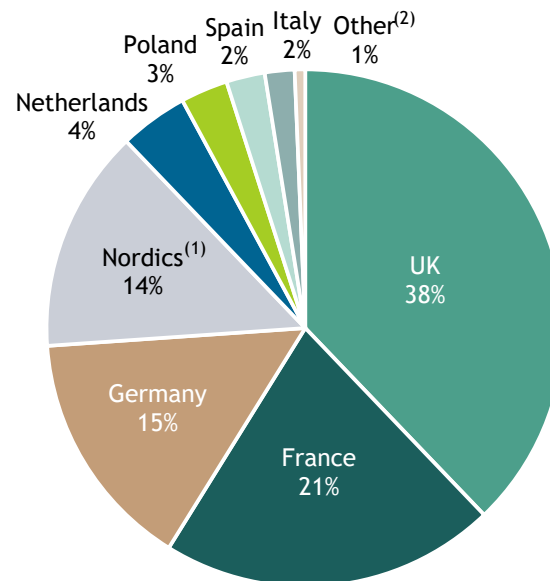


# High-quality logistics portfolio comprising 239 properties across 13 countries

## Key Metrics



## Geographic Allocation



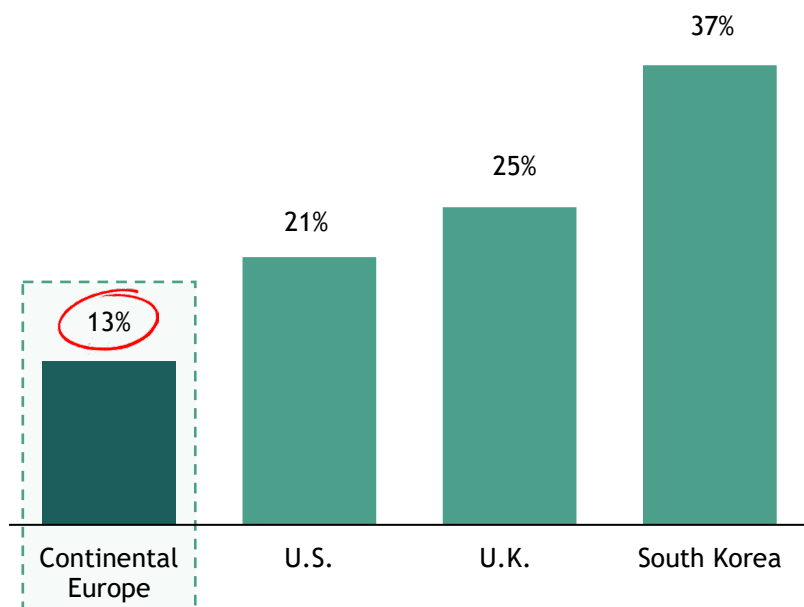
Note: Geographic allocation based on GAV. Totals may not sum due to rounding. There can be no assurance that BPPEH, BPPE, or any other Blackstone fund or investment will achieve its objectives or avoid substantial losses. Totals may not sum due to rounding. See “Important Disclosure Information” including “Blackstone Proprietary Data”.

(1) Nordics includes Sweden (8%), Denmark (5%), Norway (1%) and Finland (<1%).

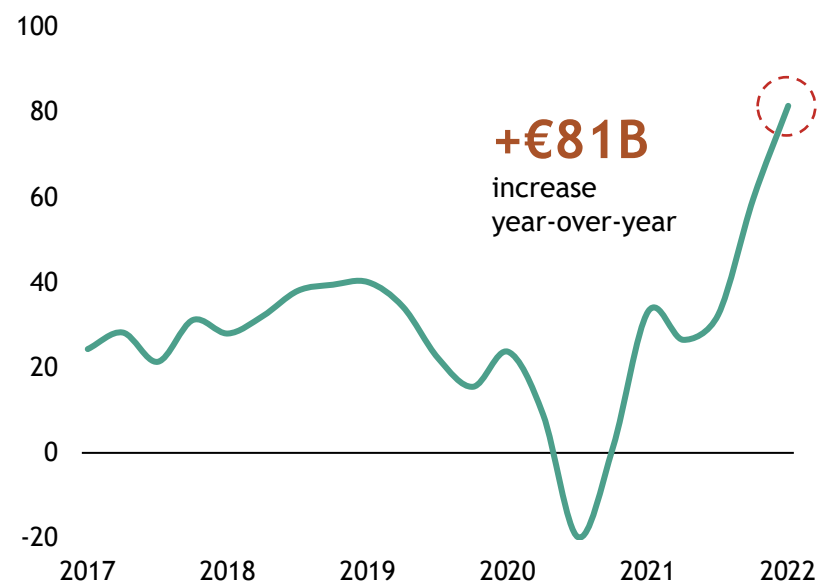
(2) Other includes Switzerland (1%) and Greece (<1%).

# Capitalizing on e-commerce growth and increasing inventory levels

## 2022 E-Commerce Penetration<sup>(1)</sup>



## Record European Inventory Increase<sup>(2)</sup> (year-over-year change)



Note: Represents BPPEH's view of the current market environment as of the date appearing in this material only. See "Important Disclosure Information".

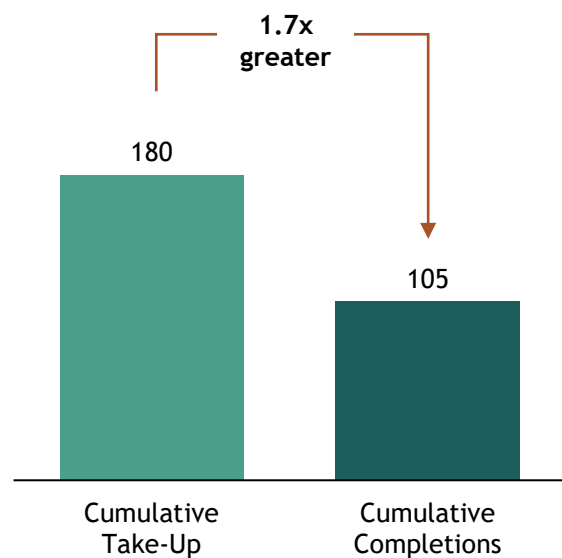
(1) Continental Europe and UK: GlobalData, as of June 2022. Continental Europe represents the weighted average of e-commerce penetration based on retail sales for Germany, the Netherlands, France, Spain and Italy. U.S.: U.S. Census Bureau, as of March 2022 and represents sales of share of total retail sales excluding auto, gas and food services. South Korea: KOSIS, as of June 2022. E-commerce penetration reflects a trailing 12-month period.

(2) Based on BPPEH's analysis of third-party industry sources. Refers to the year-over-year ("YoY") European Union change in inventories less disposals of valuables at seasonably adjusted current prices.

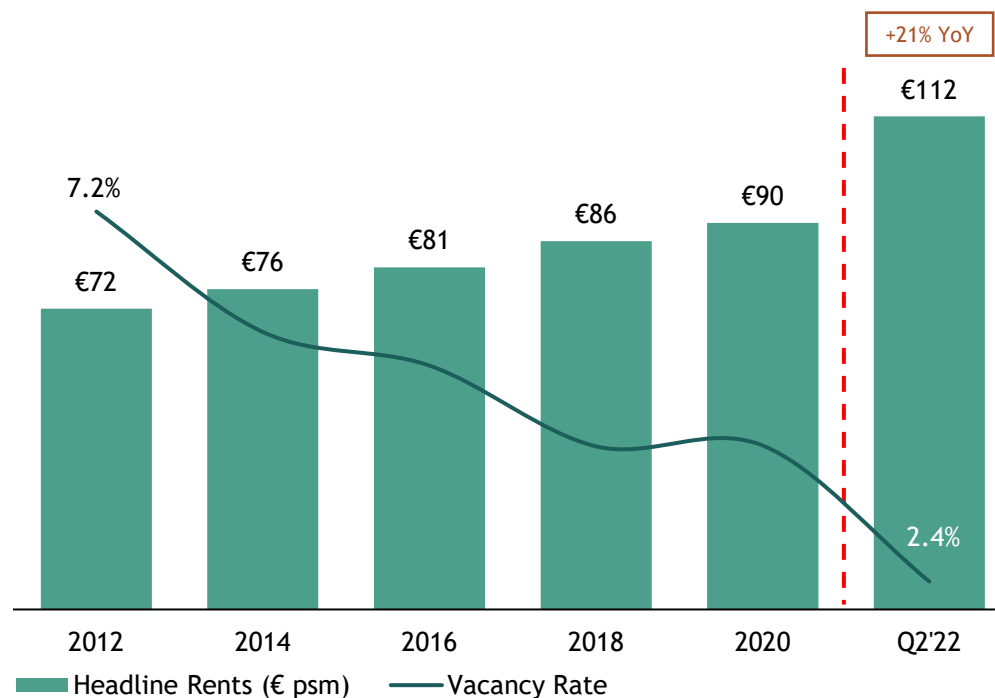
# Logistics fundamentals are exceptionally strong

## Cumulative Demand vs. Supply<sup>(1)</sup>

(sqm in millions)



## Rental Growth vs. Vacancy<sup>(2)</sup>



Note: Represents BPPEH's view of the current market environment as of the date appearing in this material only. See "Important Disclosure Information" including "Trends".

(1) CBRE. By total take-up and completion in France, Germany, Italy, the Netherlands, Spain and the UK between Q4'12 and Q2'22.

(2) CBRE. Includes countries in which Blackstone's open-ended European Core+ funds own logistics assets and where data is available (France, UK, Germany, Spain, Netherlands, Italy). Headline rents based on country-level prime rent, weighted by rentable value. Vacancy rate and rents weighted by logistics exposure in Blackstone's open-ended European Core+ funds (based on sqm owned).



## RESIDENTIAL PORTFOLIO



*Milan, Italy*



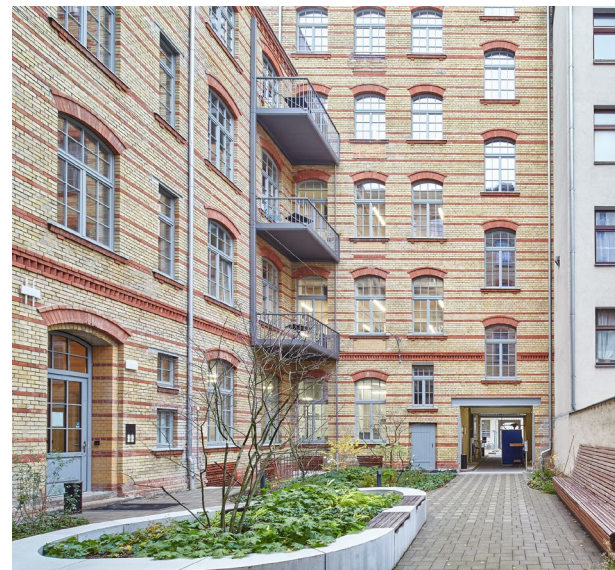
*Amsterdam, Netherlands*



*Berlin, Germany*



*Amsterdam, Netherlands*



*Berlin, Germany*

Note: See “Important Disclosure Information” including “Logos”.

Blackstone Property Partners Europe Holdings

# Prime residential portfolio concentrated in Berlin and Amsterdam

## Key Metrics<sup>(1)</sup>

**€2.2B**

GAV

**6.5K**

residential units

**89% /**

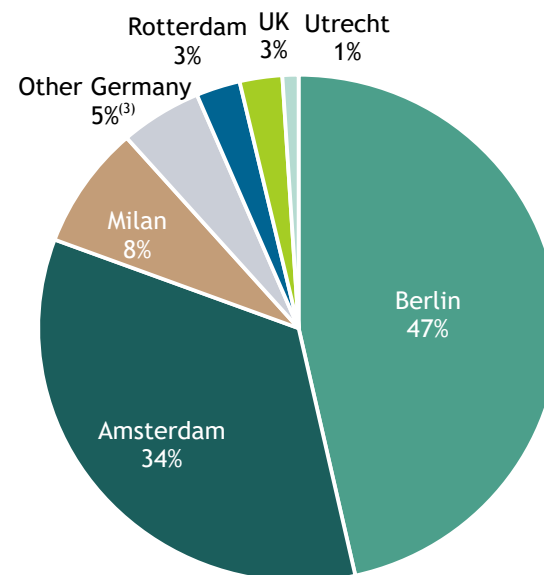
**99%**

occupancy<sup>(2)</sup> /  
adjusted occupancy<sup>(2)</sup>

**543**

properties

## Geographic Allocation



Note: Geographic allocation based on GAV. Totals may not sum due to rounding. There can be no assurance that BPPEH, BPPE, or any other Blackstone fund or investment will achieve its objectives or avoid substantial losses. See “Important Disclosure Information” including “Blackstone Proprietary Data”.

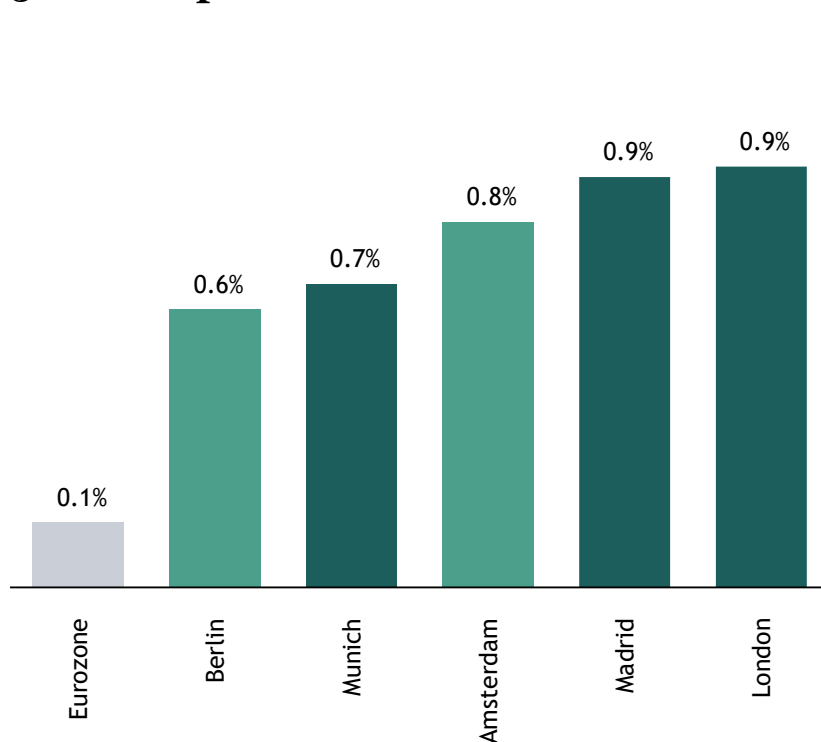
(1) Metrics as of June 30, 2022 reflect the reclassification of one development asset in central Milan from “Residential” to “Other”.

(2) Represents occupancy of residential units only. Adjusted occupancy is adjusted for vacancy due to refurbishment.

(3) Includes Brandenburg, Dresden, Magdeburg and Potsdam.

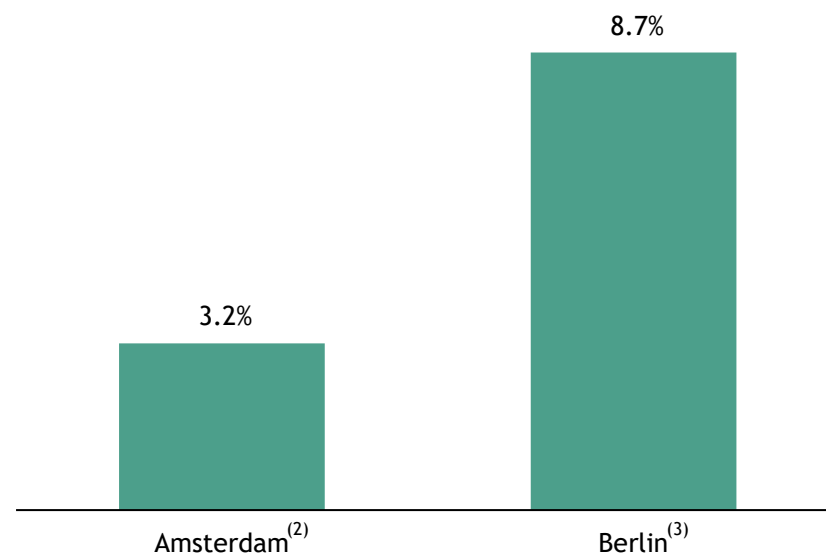
# Solid demographic trends in Amsterdam and Berlin driving underlying rental growth

## 5-Year Population CAGR<sup>(1)</sup>



## Rental Growth

(CAGR, 2016 - H1 2022)



Note: Represents BPPEH's view of the current market environment as of the date appearing in this material only. See "Important Disclosure Information" including "Trends".

(1) Population CAGR from 2017 to 2022. Eurostat and Oxford Economics, as of September 2022.

(2) Third party industry sources, as of June 2022.

(3) CBRE based on data from Value AG, as of June 2022.



## OFFICE PORTFOLIO



*Stockholm, Sweden*



*Milan, Italy*



*Dublin, Ireland*



*Dublin, Ireland*

Note: See “Important Disclosure Information” including “Logos”.

Blackstone Property Partners Europe Holdings



# 15 high-quality office assets located in eight dynamic, innovation-focused cities across Europe

## Key Metrics

**€1.9B**

GAV

**242K**

square metres

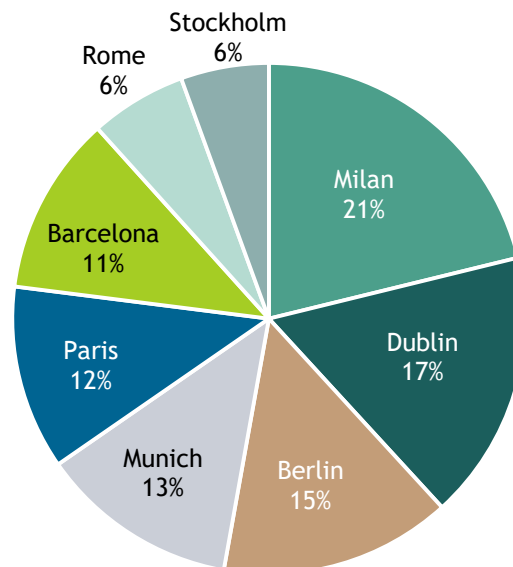
**91%**

occupancy

**4.5Y**

WALL

## Geographic Allocation

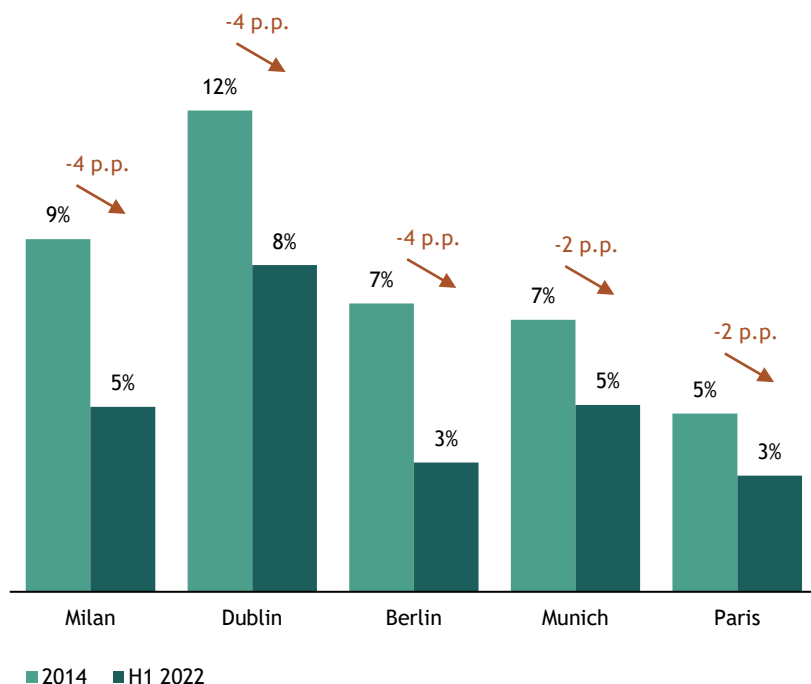


Note: Geographic allocation based on GAV. Totals may not sum due to rounding. There can be no assurance that BPPEH, BPPE, or any other Blackstone fund or investment will achieve its objectives or avoid substantial losses. See “Important Disclosure Information” including “Blackstone Proprietary Data”.

# Vacancy rates and rental growth remained attractive relative to historical levels

## Vacancy Rate<sup>(1)</sup>

## Prime Rents<sup>(1)</sup>

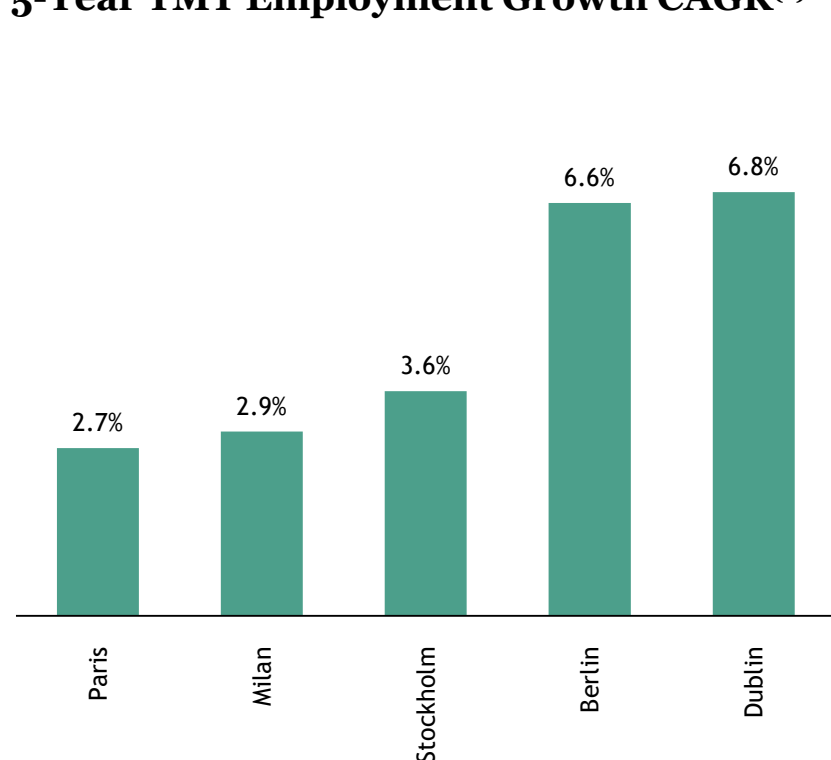


Note: Represents BPPEH's view of the current market environment as of the date appearing in this material only. See "Important Disclosure Information" including "Trends".

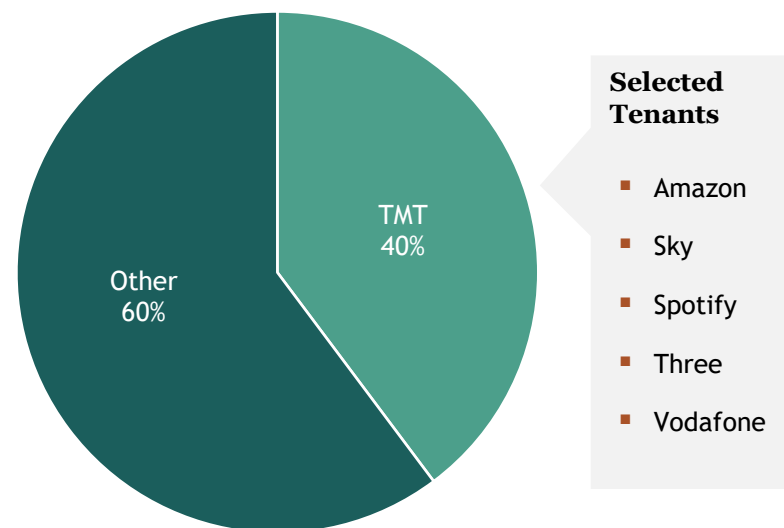
(1) Underlying data from CBRE ERIX, as of June 30, 2022. Milan and Paris data based on a subset of city submarkets.

# TMT tenants represent 40% of BPPEH's office rental income

## 5-Year TMT Employment Growth CAGR<sup>(1)</sup>



## Office Tenants by Sector (% of total office rental income)



Note: Represents BPPEH's view of the current market environment as of the date appearing in this material only. There can be no assurance that BPPEH, BPPE, or any other Blackstone fund or investment will achieve its objectives or avoid substantial losses. See "Important Disclosure Information" including "Blackstone Proprietary Data", "Trends" and "Logos".

(1) Underlying data from Oxford Economics, as of August 2022.

# Trophy asset on Via Montenapoleone, Milan's iconic luxury retail high street

## Key Metrics

**€820M**

GAV

**3K**

square metres<sup>(1)</sup>

**94%**

occupancy

**4.6Y**

WALL

## Location



Note: Geographic allocation based on GAV. There can be no assurance that BPPEH, BPPE, or any other Blackstone fund or investment will achieve its objectives or avoid substantial losses. See “Important Disclosure Information” including “Blackstone Proprietary Data”.

(1) Area excludes office and residential units.

# Capital Structure Summary

# Robust capital structure consisting primarily of unsecured notes

## Key Metrics

**47%**

net LTV

**BBB**

(stable outlook)  
S&P credit rating

**1.8%**

interest rate<sup>(1)</sup>

**4.8Y**

WAM<sup>(2)</sup>

## Capital Structure Summary<sup>(3)</sup>

	€M	Interest Rate <sup>(1)</sup>	WAM (years) <sup>(2)</sup>
Unsecured Notes	6,778	1.8%	4.8
Unsecured Bank Facilities	99	2.4%	2.9
Revolving Credit Facility	77	1.0%	2.9
Mortgage Loans <sup>(4)</sup>	260	2.2%	6.0
<b>Total Debt</b>	<b>7,213</b>	<b>1.8%</b>	<b>4.8</b>
Less: Cash	(780)		
<b>Net Debt</b>	<b>6,433</b>		
<b>GAV</b>	<b>13,583</b>		
<b>Net LTV</b>	<b>47%</b>		

Note: There can be no assurance that BPPEH, BPPE, or any other Blackstone fund or investment will achieve its objectives or avoid substantial losses. See “Important Disclosure Information” including “Blackstone Proprietary Data”.

(1) Weighted average all-in interest rate.

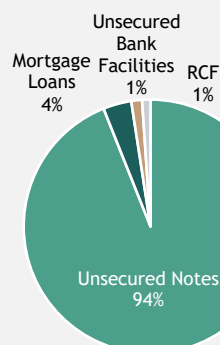
(2) Weighted average fully extended debt maturity.

(3) All debt balances are shown in EUR equivalents. GBP balances converted at June 30, 2022 spot rate.

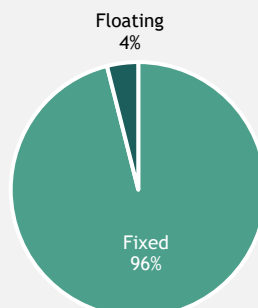
(4) Generally assumed as part of the acquisitions of the underlying properties.

# Strong debt profile consisting primarily of fixed rate unsecured debt

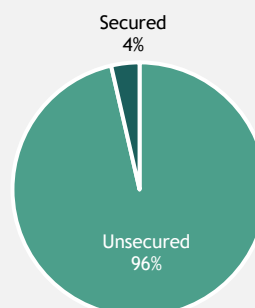
**Debt by Type**



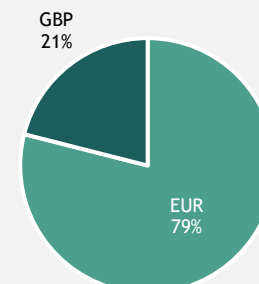
**Fixed vs. Floating**



**Secured vs. Unsecured**



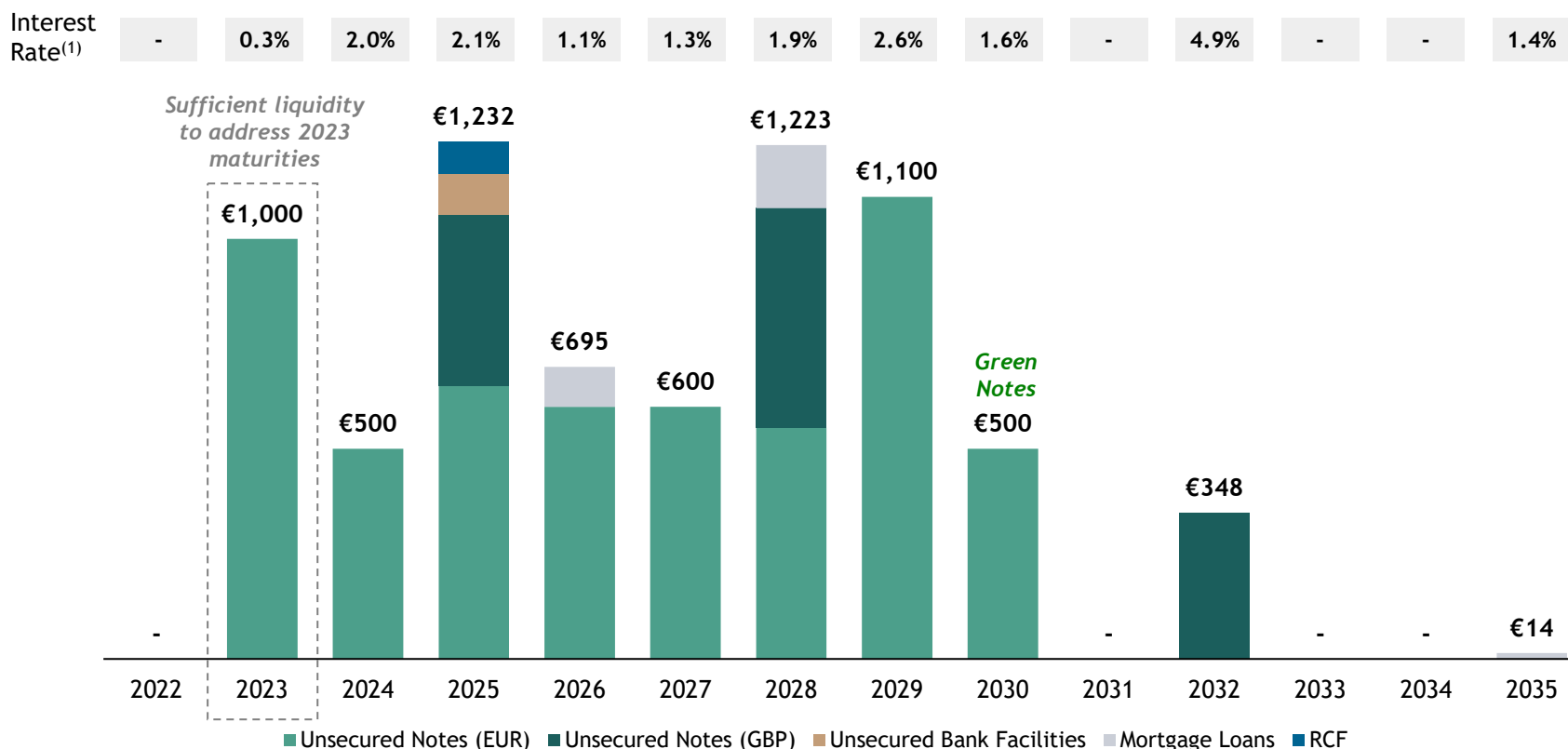
**Debt by Currency**



Note: GBP balances converted at June 30, 2022 spot rate. Totals may not sum due to rounding. There can be no assurance that BPPEH, BPPE, or any other Blackstone fund or investment will achieve its objectives or avoid substantial losses. See “Important Disclosure Information” including “Blackstone Proprietary Data”.



# Staggered debt maturity profile with a weighted average maturity of 4.8 years



Note: Debt maturity profile reflects fully extended maturity dates and excludes principal amortisation. All debt balances are shown in € equivalents. GBP balances converted at June 30, 2022 spot rate. There can be no assurance that BPPEH, BPPE, or any other Blackstone fund or investment will achieve its objectives or avoid substantial losses. See “Important Disclosure Information”.

(1) Weighted average all-in interest rate.

# RCF and unsecured bank facilities provide operational flexibility between bond issuances

	Revolving Credit Facility	Unsecured Bank Facilities
Amount	€600M	€1.8B
Pricing <sup>(1)</sup>	E + 1.00%	E + 1.40% <sup>(2)</sup>
Maturity	May-2027 <sup>(3)</sup>	3 years
Security / Collateral	Unsecured	Unsecured
Commitment	Committed	€600M Committed <sup>(3)</sup>
Incurrence Covenants <sup>(4)</sup>	Substantially similar to BPPEH bonds	Substantially similar to BPPEH bonds
Use of Proceeds	General corporate purposes	Acquisitions and bond repayment

(1) Euribor may be substituted by any other relevant interbank rate for non-Euro denominated draws.

(2) Interest rate steps up to Euribor + 1.65% in year 2 and Euribor + 1.90% in year 3.

(3) In July 2022, RCF maturity was extended by 2 years to May 2027 and €600m of unsecured bank facilities were committed for the purpose of redeeming future debt maturities.

(4) Incurrence covenants on BPPEH bonds include: Total Debt to Total Assets ≤ 60%, Secured Debt to Total Assets ≤ 40%, Interest Coverage Ratio ≥ 1.5x, and Unencumbered Assets to Unsecured Debt ≥ 150%.

# ESG Programme

# Action-oriented global ESG program

## Good Governance & Transparency

### ESG integration

key to building resilient companies

### PRI

signatory

### annual report

delivered to investors



## Diversity

1/3

diverse representation on boards for new portfolio companies<sup>(1)</sup>

### career pathways

launched in 2021 and expanding in 2022

41%

of Blackstone's 2021 global analyst class is female<sup>(2)</sup>

## Decarbonization

15%

carbon emissions reduction target across all new investments<sup>(3)</sup>

405MW+

solar capacity across global Blackstone Real Estate portfolio, equivalent to powering 77k+ U.S. homes per year<sup>(4)</sup>



Note: See “Important Disclosure Information”, including “ESG” and “Logos”. There can be no assurance that these ESG initiatives will be successful or will continue in the future. ESG initiatives described in these materials are aspirational and not binding aspects of the management of the assets of BPPEH. BPPEH does not promote environmental or social characteristics, nor does it have sustainable investments as its objective.

- (1) Blackstone target applicable to new control investments in the U.S. and Europe, beginning 2021. Applicable to real estate portfolio companies with boards comprised of the greater of two or 30% of board seats held by independent directors.
- (2) As of September 1, 2021.
- (3) Applicable where Blackstone controls energy usage. Applies to Scope 1 and 2 carbon emissions and includes implementing energy efficiency initiatives, using renewable energy and leveraging carbon offsets, where needed. Excludes assets under development.
- (4) Represents 193MW of in place on-site capacity and 213 MW of off-site solar capacity. According to Solar Energy Industries Association (“SEIA”), 1 MW of solar capacity powers 190 U.S. homes.

# BPPEH Green Financing Framework Overview



*Sustainalytics issued a positive Second Party Opinion, stating that BPPEH's Green Financing Framework "is credible and impactful and aligns with the four core components of the Green Bond Principles 2018."*

## Use of Proceeds

- Eligible categories for Use of Proceeds are aligned with those recognised by the Green Bond Principles 2018 and the Green Loan Principles 2021
- Sustainalytics considers that the eligible categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDG 7, 9 and 11

## Process for Project Evaluation and Selection

- Eligible projects are evaluated and selected by a Green Finance Committee made up of senior management representatives and professionals of the Company across business units and disciplines
- The Committee meets at least quarterly, and additionally as required

## Management of Proceeds

- Net proceeds to eligible projects will be made under the supervision of the Green Finance Committee; proceeds will be tracked on a portfolio basis
- Pending allocation, all or a portion of the net proceeds may be used for the payment of outstanding indebtedness or other capital management activities

## Reporting

- Reporting on the allocation of net proceeds will be done on an annual basis until full allocation or while financing instruments remain outstanding
- To the extent practicable, we will report on relevant impact metrics such as green building certification level, renewable energy installed capacity and annual energy savings

Note: There can be no assurance that BPPEH, BPPE, or any Blackstone fund or investment will achieve its objectives or avoid substantial losses or that these ESG initiatives will be available or be successful in the future. While Blackstone believes ESG factors can enhance long-term value, Blackstone Real Estate does not pursue an ESG-based investment strategy or limit its investments to those that meet specific ESG criteria or standards. Any reference herein to environmental or social considerations is not intended to qualify our duty to maximise risk-adjusted returns. See "Important Disclosure Information" including "Blackstone Proprietary Data", "ESG", "Service Providers" and "Trends". BPPEH does not promote environmental or social characteristics, nor does it have sustainable investments as its objective.

# Key Highlights



## KEY HIGHLIGHTS

### Large, High-Quality, Diversified Portfolio

- High-quality €13.6B portfolio primarily concentrated in the logistics, residential and office sectors
- Well-located assets in markets with strong fundamentals (74% in the UK, Germany, France and Italy)
- Selective acquisitions complemented by portfolio rotation during H1 2022, focusing the portfolio on our highest conviction investment themes

### Stable Cash Flows with Operational Upside Potential

- Substantially stabilised portfolio - 93% occupied with a 6-year WALL
- Embedded growth potential with rents 16% below market on average<sup>(1)</sup>
- Well-positioned to withstand market uncertainty and an inflationary environment - 90%+ of leases either linked to inflation or with regular rent reviews<sup>(2)</sup>

### Strong Credit Profile

- Prudent financial policy including 45%-50% net LTV target, with net LTV at 47% as of 30-Jun-22
- Primarily unsecured capital structure with long-dated, fixed-rate debt and staggered maturities
- Near-permanent equity with strong access to growth capital underpinned by high-quality institutional investor base

### Blackstone Management Platform

- Managed by Blackstone, which has an established track record in real estate and manages a €118B European real estate portfolio
- Globally integrated platform with proprietary insight and knowledge
- Committed to being a responsible investor and enhancing our Real Estate ESG programme

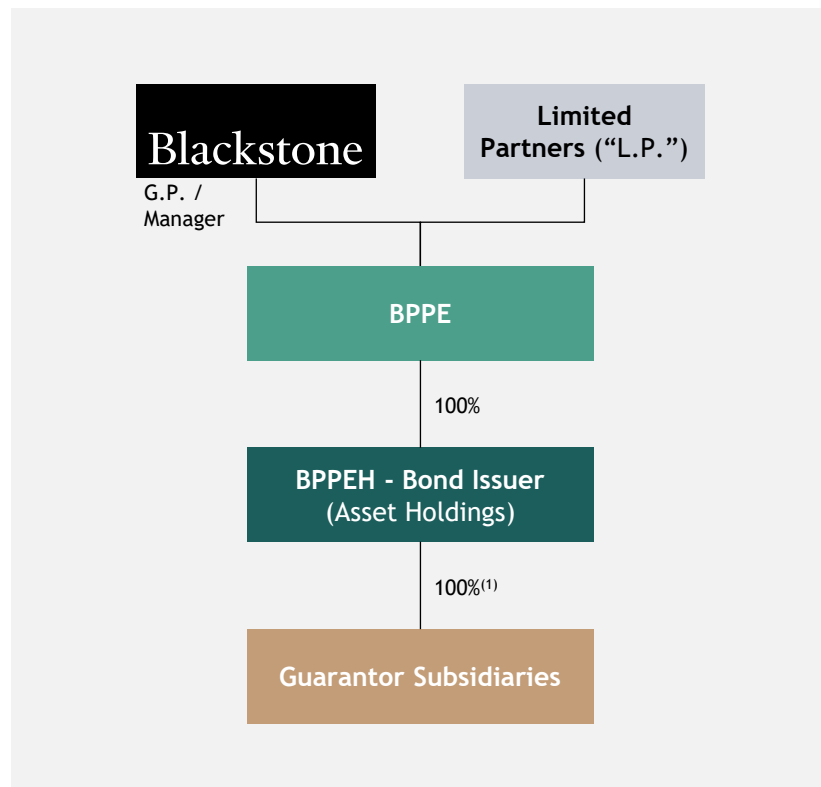
Note: Represents BPPEH's view of the current market environment as of the date appearing in this material only. There can be no assurance that BPPEH, BPPE, or any other Blackstone fund or investment will achieve its objectives or avoid substantial losses. Diversification does not ensure a profit or protect against losses. While Blackstone believes ESG factors can enhance long-term value, the BPPEH does not pursue an ESG-based investment strategy or limit its investments to those that meet specific ESG criteria. Such considerations do not qualify Blackstone's objectives to seek to maximize risk adjusted returns. These ESG initiatives may not apply to the BPPEH's investments, and none are binding aspects of the management of the assets of the Fund. There can be no assurance that these ESG initiatives will continue or be successful. See "Important Disclosure Information" including "Blackstone Proprietary Data", "Embedded Growth", "ESG" and "Trends".

(1) Blackstone Proprietary Data.

(2) As of March 31, 2022.

# **Appendix: Supplemental Materials**

# Wholly owned by BPPE, a perpetual investment vehicle



BPPE

- Open-ended investment vehicle
- Regular closings expected, providing additional growth capital
- Near-permanent capital
  - No legal obligation on behalf of the fund to sell assets to meet redemption requests
- Prudent financial policy
  - Leverage limit of 50%<sup>(2)</sup>
  - No dividend obligation

BPPEH

- Primary investment company for BPPE
- 100% owned and controlled by BPPE
- BPPEH's financial and investment policies are substantially similar to those of BPPE<sup>(3)</sup>
  - Net LTV target of 45%-50%
  - No dividend obligation
  - Investment grade BBB rating by S&P with stable outlook

Note: This structure chart is provided for informational purposes only on a restricted and confidential basis and is subject to further modification, completion and amendment. There can be no assurance that BPPEH, BPPE, or any other Blackstone fund or investment will achieve its objectives or avoid substantial losses. See "Important Disclosure Information".

(1) Includes co-investments from third parties through vehicles typically controlled by Blackstone affiliates and minority investments by a fund vehicle affiliated with BPPE.

(2) Incurrence based covenant. BPPE may incur additional indebtedness provided there is a clear strategy / plan to reduce leverage to 50% or below within 9 months from the date when the leverage ratio initially exceeded 50%.

(3) BPPEH is additionally subject to incurrence covenants under the EMTN programme.

## KEY METRICS

		Logistics	Residential	Office	Luxury Retail	Total / Weighted Avg <sup>(1)</sup>
Number of Assets	#	239	543	15	1	801
GLA	kSQM	5,451	490	242	3	6,222
GAV	€M	8,526	2,188	1,912	820	13,583
Occupancy / Adjusted Occupancy	%	94%	89% / 99% <sup>(2)</sup>	91%	94%	93%
WALL	Years	6.4	n/a	4.5	4.6	6.0 <sup>(3)</sup>
NOI Yield <sup>(4)</sup>	%	3.8%	2.2%	3.5%	1.5%	3.3%
MTM Yield <sup>(5)</sup>	%	4.4%	3.9%	4.3%	3.7%	4.2%

Note: All BPPEH metrics are calculated at 100% share (including the portion attributable to minority owners). There can be no assurance that BPPEH, BPPE, or any other Blackstone fund or investment will achieve its objectives or avoid substantial losses. See “Important Disclosure Information” including “Blackstone Proprietary Data”.

(1) Includes investments classified as Other.

(2) Represents occupancy of residential units only. Adjusted occupancy is adjusted for vacancy due to refurbishment.

(3) Excludes residential assets.

(4) Annualised Adjusted NOI divided by GAV excluding forward funded assets, assets undergoing full redevelopment and vacant land.

(5) MTM yield presented above is an illustrative number arrived on the basis of certain assumptions and forward-looking estimates made by us. These illustrative metrics are inherently uncertain and there are or may be important factors that could cause actual outcomes or results to differ materially. See “Important Disclosure Information” and “Definitions”.

## DEFINITIONS

Term	Definition
Adjusted NOI	NOI annualised and adjusted to exclude annualised rent abatements and non-recurring items and include rental guarantees provided by the sellers. Investments sold during the period are excluded and investments acquired during the period are included
Adjusted Occupancy	Represents occupied GLA divided by available GLA, where available GLA excludes area that is vacant due to refurbishment
Blackstone	Blackstone Inc. or, as the context may require, one or more funds, managed accounts or limited partnerships managed or advised by Blackstone 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 year/period, adjusted to add back net finance costs, taxation, depreciation and amortisation
EBITDA (Run-Rate)	EBITDA annualised and adjusted to exclude non-recurring items. Investments sold during the period are excluded and investments acquired during the period are included
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
Green Financing Framework	The Green Financing Framework (the "GFF") issued March 2021 (as may be subsequently amended) under which BPPEH may issue Green Financing Instruments to finance or refinance Eligible Green Investments
LfL Change	Change in metrics for the like-for-like portfolio, which is comprised of assets owned throughout the period from 31 December 2021 to 30 June 2022 (i.e., excludes assets developed, acquired or sold during H1 2022). All like-for-like changes in area and number of units in this Half Year Report exclude the impact of development, remeasurement and combination/division of existing units
MTM Yield	Represents forward NOI inclusive of lease-up to stabilised occupancy (if not already stabilised) and with leases marked to market rents divided by GAV inclusive of lease-up and stabilisation costs. MTM Yield is an illustrative number arrived on the basis of certain assumptions and forward-looking estimates
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 <sup>(1)</sup>	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, 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. 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)
Sqf	Square feet
Sqm	Square metres
WALL	Weighted average unexpired lease term, based on rent; calculated to first break unless otherwise noted

Note: All BPPEH metrics 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).