

**PAN-EUROPEAN LOGISTICS PROPERTY
HOLDINGS LIMITED**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2024**

PAN-EUROPEAN LOGISTICS PROPERTY HOLDINGS LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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PAN-EUROPEAN LOGISTICS PROPERTY HOLDINGS LIMITED

COMPANY INFORMATION

		Date of appointment	Date of resignation
DIRECTORS	:		
		24 February 2020	-
		14 August 2020	-
		05 July 2021	19 August 2024
		19 August 2024	-

COMPANY SECRETARY: Intercontinental Trust Limited
Level 3, Alexander House
35 Cybercity
Ebène 72201
Republic of Mauritius

REGISTERED OFFICE : C/o Intercontinental Trust Limited
Level 3, Alexander House
35 Cybercity
Ebène 72201
Republic of Mauritius

AUDITOR : PricewaterhouseCoopers
PwC Centre
Avenue de Telfair
Telfair 80829
Moka
Republic of Mauritius

BANK : Investec Bank (Mauritius) Limited
6th Floor
Dias Pier Building
Le Caudan Waterfront
Caudan
Port-Louis
Republic of Mauritius

PAN-EUROPEAN LOGISTICS PROPERTY HOLDINGS LIMITED

DIRECTORS' REPORT

The directors are pleased to present their report and the audited financial statements of **PAN-EUROPEAN LOGISTICS PROPERTY HOLDINGS LIMITED** (the "Company"), for the year ended 31 March 2024.

PRINCIPAL ACTIVITY

The principal activity of the Company is that of investment holding. The Company holds an interest in a company located in Luxembourg, which has exposure to industrial and logistics properties in Europe.

RESULTS AND DIVIDENDS

The results for the year are shown in the statement of profit or loss and other comprehensive income on page 11.

The directors have paid dividend of **EUR 1,777,439** (2023: EUR 1,423,550) for the year under review.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year which present fairly the financial position, financial performance and cash flows of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether IFRS Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritian Companies Act 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors have confirmed that they have complied with the above requirements in preparing the financial statements. The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead.

AUDITOR

The auditor, PricewaterhouseCoopers, has been appointed as the auditor's of the Company. The fees payable to the auditor of the Company for audit services for the year ended 31 March 2024 are **EUR 47,638** (2023: EUR 55,487). A resolution concerning the re-appointment will be proposed in the next Annual meeting of the shareholders in accordance with Section 200 of the Mauritian Companies Act 2001.

PAN-EUROPEAN LOGISTICS PROPERTY HOLDINGS LIMITED

SECRETARY'S CERTIFICATE UNDER SECTION 166 (D) OF THE COMPANIES ACT 2001

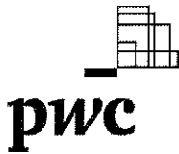
We certify to the best of our knowledge and belief that PAN-EUROPEAN LOGISTICS PROPERTY HOLDINGS LIMITED (the "Company") has filed with the Registrar of Companies, all such returns as are required of the Company under Section 166 (d) of the Companies Act 2001 for the year ended 31 March 2024.

DocuSigned by:
Diya Fuller
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.....
Intercontinental Trust Limited
Company Secretary

Date: 29-Nov-2024 | 4:35 PM ARBST

Level 3
Alexander House
35 Cybercity
Ebène 72201
Republic of Mauritius



Independent Auditor's Report

To the Shareholders of
Pan-European Logistics Property Holdings Limited

Report on the Audit of the Financial Statements

Our Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Pan-European Logistics Property Holdings Limited (the "Company") as at 31 March 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards and in compliance with the Mauritian Companies Act 2001.

What we have audited

The financial statements of Pan-European Logistics Property Holdings Limited set out on pages 11 to 35 comprise:

- the statement of financial position as at 31 March 2024;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include material accounting policy information and other explanatory information.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report.

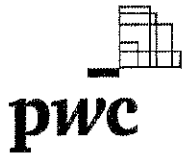
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the "IESBA Code"). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

PricewaterhouseCoopers, PwC Centre, Avenue de Telfair, Telfair 80829, Moka, Republic of Mauritius
Tel: +230 404 5000, Fax: +230 404 5088, www.pwc.com/mu
Business Registration Number : F07000530

PricewaterhouseCoopers is a member firm of PricewaterhouseCoopers International Limited, each member firm of which is a separate legal entity.



Independent Auditor’s Report

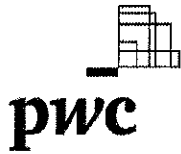
To the Shareholders of
Pan-European Logistics Property Holdings Limited (Continued)

Report on the Audit of the Financial Statements (Continued)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Valuation of investments in equity and debt instruments at fair value through profit or loss</p> <p>As at 31 March 2024, the Company had investments in equity instruments of EUR 17.0m and Profit Participating Loan (“PPL”) of EUR 21.0m issued to Burstone Lux 2 S.à.r.l. (previously known as IPF Lux 2 S.à.r.l.). The equity instruments and PPL have been measured at fair value through profit or loss and make up 43% and 53% of total assets respectively, at 31 March 2024.</p> <p>The equity instruments and PPL have been fair valued based on the price of a recent transaction where Burstone Luxembourg Investment Holdings S.À R.L. has acquired the stake of the Company in Burstone Lux 2 S.à.r.l.</p> <p>This transaction was concluded in November 2024 following a strategic partnership entered into in September 2024 between Burstone Group Limited and Blackstone.Inc to acquire the majority investment holding in the Pan-European Logistics portfolio.</p> <p>The directors considered this methodology as a best estimate to approximate the fair value of the Company’s investments.</p>	<p>Given the investments have been valued based on the price of a recent transaction, and the limited subjectivity involved, we have not engaged internal valuation experts to assist us in our audit of this area.</p> <p><i>Obtain and review transaction documents</i> We have obtained the transaction agreement and the board minutes in relation to the disposal of the investment to understand the terms of the transaction, the price agreed upon, the structure of the deal, and any conditions attached to the transaction that may affect the price.</p> <p><i>Review of the terms of the acquisition and computation of offer price</i> We have computed the offer price based on the terms of the purchase agreement and assessed that the investment has been correctly valued and stated in the financial statements in accordance with the terms defined in the agreement.</p> <p><i>Independence of the buyer</i> We have evaluated the independence of Burstone Luxembourg Investment Holdings S.À R.L. in relation to the Company and assessed whether the transaction was conducted at arm’s length. We considered</p>



Independent Auditor's Report

To the Shareholders of
Pan-European Logistics Property Holdings Limited (Continued)

Report on the Audit of the Financial Statements (Continued)

Key Audit Matters (Continued)

Key audit matter (Continued)	How our audit addressed the key audit matter (Continued)
<p>Valuation of investments in equity and debt instruments at fair value through profit or loss (Continued)</p> <p>The disclosures are set out in the financial statements in note 4(d) in accordance with IFRS 9, Financial Instruments and IFRS 13, Fair Value Measurement.</p>	<p><i>Independence of the buyer (Continued)</i> all public information and announcement made on the transactions.</p> <p><i>Review of subsequent events</i> We have reviewed all events that occurred between the reporting date and the date of approval of the financial statements and the signing of the auditor's report that would impact the valuation of the investments held by the Company as at 31 March 2024.</p> <p><i>Financial statement presentation and disclosure</i> We assessed whether appropriate presentation and disclosure regarding the financial assets held at fair value through profit or loss were made by management in the financial statements, including critical accounting estimates.</p>



Independent Auditor's Report

To the Shareholders of
Pan-European Logistics Property Holdings Limited (Continued)

Report on the Audit of the Financial Statements (Continued)

Other Information

The directors are responsible for the other information. The other information comprises the company information, the directors' report and the secretary's certificate but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards and in compliance with the Mauritian Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the financial reporting process.



Independent Auditor's Report

To the Shareholders of
Pan-European Logistics Property Holdings Limited (Continued)

Report on the Audit of the Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



Independent Auditor's Report

To the Shareholders of
Pan-European Logistics Property Holdings Limited (Continued)

Report on the Audit of the Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Independent Auditor's Report

To the Shareholders of
Pan-European Logistics Property Holdings Limited (Continued)

Report on Other Legal and Regulatory Requirements

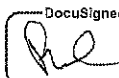
Mauritian Companies Act 2001

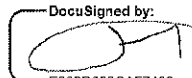
The Mauritian Companies Act 2001 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- (a) we have no relationship with or interests in the Company other than in our capacity as auditor;
- (b) we have obtained all the information and explanations we have required; and
- (c) in our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's shareholders, as a body, in accordance with Section 205 of the Mauritian Companies Act 2001 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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PricewaterhouseCoopers

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29 November 2024

PAN-EUROPEAN LOGISTICS PROPERTY HOLDINGS LIMITED

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2024**

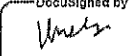
	Notes	2024 EUR	2023 EUR
INCOME			
Interest income	7	1,060,660	619,439
Performance based income		280,000	280,000
Other income		37	40,877
Realised exchange gain		80	63
Net change in financial assets at fair value through profit or loss	6	(3,166,968)	(5,008,229)
Distribution income		-	593,100
Total income		<u>(1,826,191)</u>	<u>(3,474,750)</u>
EXPENSES			
Accounting and secretarial fees		(31,333)	(20,391)
Licence fees		(2,317)	(2,295)
Directors' fees		(2,856)	(2,757)
Organisational expenses		(2,500)	(2,500)
Professional fees	17	233,561	(617,109)
Audit fees		(33,849)	(87,342)
Bank charges		(1,802)	(1,750)
Interest expense		(69,696)	(17,079)
Penalty fees		(480)	(890)
Performance fees		-	1,073,360
Total expenses		<u>88,728</u>	<u>321,247</u>
Loss before tax		<u>(1,737,463)</u>	<u>(3,153,503)</u>
Income tax expense	11	(64,500)	(69,217)
Loss for the year		<u>(1,801,963)</u>	<u>(3,222,720)</u>
Other comprehensive income		-	-
Total comprehensive loss for the year		<u>(1,801,963)</u>	<u>(3,222,720)</u>
Basic and diluted loss per share	13	<u>(0.0449)</u>	<u>(0.0804)</u>

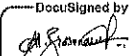
The notes set out on pages 15 to 35 are an integral part of these financial statements.

PAN-EUROPEAN LOGISTICS PROPERTY HOLDINGS LIMITED
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

	Notes	2024 EUR	2023 EUR
ASSETS			
Non-current assets			
Financial assets at fair value through profit or loss	6	-	44,026,551
Current assets			
Financial assets at fair value through profit or loss	6	38,736,771	-
Other receivables and prepayments	8	845,932	622,864
Current tax asset	11	165,344	151,719
Cash and cash equivalents	5	362,337	106,221
Total current assets		40,110,384	880,804
Total assets		40,110,384	44,907,355
EQUITY			
Share capital	9	40,100,000	40,100,000
Retained earnings		(549,802)	3,029,600
Total equity		39,550,198	43,129,600
LIABILITIES			
Non-current liability			
Loan payable	12	463,065	1,054,403
Current liabilities			
Accruals and payables	10	97,121	723,352
Total liabilities		560,186	1,777,755
Total equity and liabilities		40,110,384	44,907,355

Approved and authorised for issue by the Board of directors on and signed on its behalf by:

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 29-Nov-2024 14:51 PM ARBST
 Smittha Algoo-Bissonauth
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The notes set out on pages 15 to 35 are an integral part of these financial statements.

PAN-EUROPEAN LOGISTICS PROPERTY HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

	Share capital EUR	Retained earnings EUR	Total Equity EUR
At 1 April 2023	40,100,000	3,029,600	43,129,600
<i>Transactions with owners:</i>			
Dividend paid	-	(1,777,439)	(1,777,439)
<i>Comprehensive income:</i>			
Loss for the year	-	(1,801,963)	(1,801,963)
At 31 March 2024	<u>40,100,000</u>	<u>(549,802)</u>	<u>39,550,198</u>

	Share Capital EUR	Retained earnings EUR	Total equity EUR
At 1 April 2022	40,100,000	7,675,870	47,775,870
<i>Transactions with owners:</i>			
Dividend paid	-	(1,423,550)	(1,423,550)
<i>Comprehensive income:</i>			
Loss for the year	-	(3,222,720)	(3,222,720)
At 31 March 2023	<u>40,100,000</u>	<u>3,029,600</u>	<u>43,129,600</u>

The notes set out on pages 15 to 35 are an integral part of these financial statements.

PAN-EUROPEAN LOGISTICS PROPERTY HOLDINGS LIMITED**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024**

	2024 EUR	2023 EUR
	Note	
Cash flows generated from operating activities		
Loss before income tax	(1,737,463)	(3,153,503)
Adjustments for:		
Interest income	(1,060,660)	(619,439)
Net change in financial assets at fair value through profit or loss	3,166,968	5,008,229
Interest expense	69,696	17,079
Reversal of over-provision for distributor fees	(502,942)	-
Accrual for performance fees	-	(1,073,360)
	<u>(64,401)</u>	<u>179,006</u>
<i>Working capital adjustments:</i>		
Increase in other receivables and prepayments	(1,990)	(352)
(Decrease)/ Increase in accruals and payables	(123,289)	342,437
Cash (used in)/ generated from operations	<u>(189,680)</u>	<u>521,091</u>
Interest received	605,351	-
Tax refunded	469	-
Tax paid	(78,594)	(114,389)
Net cash flows generated from operating activities	<u>337,546</u>	<u>406,702</u>
Cash flow from investing activity		
Proceeds from repayment of investment	4(d) <u>1,319,719</u>	-
Net cash flow from investing activities	<u>1,319,719</u>	-
Cash flows from financing activities		
Proceeds from borrowings	12(ii) <u>376,290</u>	1,037,324
Dividend paid	15 <u>(1,777,439)</u>	(1,423,550)
Net cash flows used in financing activities	<u>(1,401,149)</u>	<u>(386,226)</u>
Net increase in cash and cash equivalents	<u>256,116</u>	<u>20,476</u>
Cash and cash equivalents at beginning of the year	<u>106,221</u>	<u>85,745</u>
Cash and cash equivalents at end of the year	<u>362,337</u>	<u>106,221</u>

During the year under review, the following non-cash transaction took place:

- The Company received non-cash distribution totalling EUR 1,380,454 which were allocated against the repayment of the PPL loan. The amount has been excluded from line item "Proceeds from repayment of investment".
- Loan payable to Burstone Luxembourg Investment Holdings S.à.r.l amounting to EUR 1,037,324 has been offset against an equivalent loan receivable from Burstone Lux 2 S.à.r.l. The amount has been excluded from line item "Proceeds from borrowings".

The notes set out on pages 15 to 35 are an integral part of these financial statements.

PAN-EUROPEAN LOGISTICS PROPERTY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1 GENERAL INFORMATION

PAN-EUROPEAN LOGISTICS PROPERTY HOLDINGS LIMITED (the “Company”) was registered as a public company limited by shares and domiciled in the Republic of Mauritius on 24 February 2020. The Company was granted a Global Business Licence on 24 February 2020. The Company has its registered office at Level 3, Alexander House, 35 Cybercity, Ebene 72201, Republic of Mauritius. On 14 August 2020, the directors approved the listing of the Company’s shares on the Bermuda Stock Exchange.

The principal activity of the Company is that of investment holding. The Company holds an interest in a company located in Luxembourg, which has exposure to industrial and logistics properties in Europe.

Since the Company operates in an international environment and conducts most of its transactions in foreign currencies, it has chosen to retain the Euro (“EUR”) as its reporting currency.

These financial statements were authorised for issue by the directors on **29 November 2024**.

2 BASIS OF PREPARATION

The financial statements of the Company are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”). The financial statements have been prepared under the historical cost convention, as modified by the fair valuation of financial assets at fair value through profit or loss and other financial assets and liabilities are measured at amortised cost.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgement in the process of applying the Company’s accounting policies, as disclosed in note 2.2 (a).

The financial statements are presented in EUR and all values are rounded to the nearest euro, except when otherwise indicated.

The directors have made an assessment of the Company’s ability to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead.

PAN-EUROPEAN LOGISTICS PROPERTY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

2.1 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

(a) Foreign currency translation

Functional and presentation currency

The primary objective of the Company is to generate returns and capital growth in EUR for the benefit of its shareholders. The assets and liabilities of the Company and the cash flows are predominantly Euro denominated. The Company's performance is evaluated in Euro. Therefore, the Board of Directors considers the Euro as the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. Therefore, the Company's functional and presentation currency is the EUR.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Monetary assets and liabilities expressed in foreign currencies are translated into EUR at the market rate ruling at the end of the reporting year.

(b) Revenue recognition

Dividend and investment income are recognised when the rights to receive payments are established. Interest is recognised on a time-proportionate basis using the effective interest method. Realised and unrealised gains and losses on investments are recognised in profit or loss. Realised gains and losses on investments sold are determined on the basis of specific identification of the cost of investments sold. Interest from financial assets at fair value through profit or loss includes interest from debt securities. Performance based fee income relate to the fees receivable by the Company if aggregate distribution for the repayment of debts and interest is less than an amount equal to Eur 2,759,227. The maximum shortfall receivable amounts to Eur 280,000.

(c) Cash and cash equivalents

Cash equivalents are short-term (maturity of three months or less), highly liquid investments that are readily convertible to known amounts of cash which are subject to an insignificant risk of change in value. Cash and cash equivalents consist of cash at bank.

(d) Share capital

Ordinary shares are classified as equity.

(e) Expense recognition

All expenses are accounted for in the statement of profit or loss and other comprehensive income on the accrual basis.

PAN-EUROPEAN LOGISTICS PROPERTY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

2.1 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f) Current and deferred income tax

The tax expense for the year is recognised in the statement of profit or loss and other comprehensive income. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting year. The directors periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises 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 or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

(g) Related Party Transaction

A related party transaction is a transfer of resources, services, or obligations between related parties (including the Company Secretary), regardless of whether a price is charged. The objective of IAS 24 is to ensure that an entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and profit or loss may have been affected by the existence of related parties and by transactions and outstanding balances with such parties. If there have been transactions between related parties, the Company is required to disclose the nature of the related party relationship as well as information about the transactions and outstanding balances necessary for an understanding of the potential effect of the relationship on the financial statements. These disclosures would be made separately for each category of related parties and would include:

- the amount of the transactions;
- the amount of outstanding balances, including terms and conditions and guarantees;
- provisions for doubtful debts related to the amount of outstanding balances; and
- expense recognized during the year in respect of bad or doubtful debts in respect of amounts due from related parties.

PAN-EUROPEAN LOGISTICS PROPERTY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

2.1 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(h) Financial instruments

In accordance with IFRS 9, the Company classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below. In applying that classification, a financial asset or financial liability is considered to be held for trading if:

- a) It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or;
- b) On initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which, there is evidence of a recent actual pattern of short-term profit-taking or; and
- c) It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Financial assets – Debt instruments

The Company classifies its debt instruments as subsequently measured at amortised cost or measured at FVPL on the basis of both:

- the entity's business model for managing the financial assets and;
- the contractual cash flow characteristics of the financial asset.

A debt instrument is measured at FVPL if:

- 1) its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest ("SPPI") on the principal amount outstanding; or;
- 2) it is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell or;
- 3) at initial recognition, it is designated as measured at FVPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Contractual cash flows are considered to be SPPI if the contractual terms of the financial asset only give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates (i.e., the contractual cash flows are consistent with a basic lending arrangement). A debt instrument that meets the cash flow characteristics test and is not designated at FVTPL under the fair value option must be measured at FVTOCI if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and sell financial assets. Since the contractual cash flows are linked to changes in equity/ commodity prices, they did not pass the SPPI test because they introduced exposure to risks or volatility that are unrelated to a basic lending arrangement. The Company's debt instrument comprises of profit participating loan.

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows (rather than to sell the assets prior to their contractual maturity to realise changes in fair value) and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding. The Company includes in this category financial asset at fair value through profit or loss, cash and cash equivalents and other receivables.

PAN-EUROPEAN LOGISTICS PROPERTY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

2.1 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(h) Financial instruments (continued)

Financial assets – Equity instruments

All equity investments in scope of IFRS 9 are measured at fair value in the statement of financial position, with value changes recognised in profit or loss, except for those equity investments for which the entity has elected to present value changes in other comprehensive income. The option to designate an equity instrument at FVTOCI is available at initial recognition and is irrevocable. This designation results in all gains and losses being presented in OCI except dividend income which is recognised in profit or loss.

Classification and measurement

The Company classifies its financial assets on the basis of both the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Company is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Company has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. The collection of contractual cash flows is only incidental to achieving the Company's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

Recognition and de-recognition

Regular way purchases and sales of financial assets are recognised on trade date, the date on which the Company commits to purchase or sell the asset. Financial assets at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all the risks and rewards of ownership.

Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in profit or loss within other net changes in fair value of financial assets at fair value through profit or loss in the year in which they arise. Dividend/ distribution income from financial assets at fair value through profit or loss is recognised in profit or loss within dividend/ distribution income when the Company's right to receive payments is established. Interest on debt securities at fair value through profit or loss is recognised in profit or loss.

Financial liabilities

Financial liabilities measured at amortised cost

This category includes all financial liabilities, other than those measured at fair value through profit or loss. The Company includes in this category its accruals and payables.

PAN-EUROPEAN LOGISTICS PROPERTY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

2.2 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires the directors to make judgements, estimates and assumptions that affect the reported amounts at the end of the reporting year. However, uncertainty about these accompanying disclosures, the assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future years.

(a) Judgements

In the process of applying the Company's accounting policies, the directors made the following judgements, which have the most significant effect in the amounts recognised in the financial statements:

Determination of functional currency

The determination of the functional currency is critical since the way in which every transaction is recorded and whether exchange differences arising are dependent on the functional currency selected. In making this judgement, the directors have considered the currency of the country whose competitive forces and regulations matter, the currencies in which the Company generates and expends cash. The directors have determined that the functional currency of the Company as being the Euro ("EUR").

(b) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Fair value of financial assets not quoted in an active market

At 31 March 2024, the Company had unquoted investments in Burstone Lux 2 S.à.r.l (previously known as IPF LUX 2 S.à.r.l). The aim is to provide an opportunity for investors to gain exposure to the industrial and logistics property sector in Europe through an indirect investment in the Hexagon Group via a subscription of shares in the company. Hexagon Group is a group of companies that has been established to house a portfolio of industrial and logistics property assets across major European geographies within recognised logistics nodes.

The Hexagon Group comprises of Hexagon HoldCo S.à.r.l and Hexagon HoldCo 2 S.à.r.l 2 (collectively "Hexagon Group") including any subsidiaries, joint ventures, associates and related affiliates that holds the assets of the existing portfolio of European industrial and logistics assets currently owned by the Hexagon Group. The existing portfolio currently comprises 47 properties (including land plots and development assets) across 7 geographies (Germany, France, Netherlands, Italy, Spain, Poland and Belgium) with a current asset value of €1,055 million (including costs) and a GLA of 1,124,555m². The intention is to build this into a platform of meaningful scale in the short to medium term.

PAN-EUROPEAN LOGISTICS PROPERTY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

2.2 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

(b) Estimates and assumptions (Continued)

Fair value of financial assets not quoted in an active market (continued)

The Company has 10% indirect interest in the Hexagon Group, following the Company's acquisition of a 13.33% interest in the form of equity and debt in Burstone Lux 2 S.à.r.l, a Luxembourg private company incorporated in Luxembourg. Burstone Lux 2 S.à.r.l is used as a holding company in the structure, which acquired 75% interest in the Hexagon Group, alongside the Equity Partner, which holds 25% interest. Burstone Lux 2 S.à.r.l's interest in Hexagon Group is also through a combination of equity and debt.

The valuation of investment properties is inherently judgmental which is further compounded by the uncertain market conditions. The lack of observable liquid market inputs makes determining the appropriate valuations highly judgmental due to the uncertainty relating to the key assumptions noted above further compounded by the uncertain market conditions. The disclosures are set out in note 6, in accordance with IFRS 9, Financial Instruments and IFRS 13, Fair Value Measurement. The financial assets held at fair value through profit or loss have been fair valued using the price of recent transaction. Refer to Note 4(d) for further elaboration over the fair value estimation.

3 ACCOUNTING POLICIES

Standards and amendments to existing standards effective for annual periods beginning on 01 April 2023:

New standards	Effective date
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	1 January 2023
Definition of Accounting Estimates (Amendments to IAS 8)	1 January 2023
Deferred tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	1 January 2023

Standards and amendments to existing standards issued but not effective as at 01 April 2023:

A number of new standards, amendments to standards and interpretations were in issue but not yet effective for annual period beginning on 01 April 2023. These have not been earlier adopted in preparing the financial statements nor these are expected to have a material effect on the Company's financial statements.

PAN-EUROPEAN LOGISTICS PROPERTY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

Risk management objectives and policies

The Company's activities expose it to a variety of financial risks: market risk (including foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's risk management is carried out under policies approved by the Board of directors and focuses on securing the Company's short to medium term cash flows by minimizing the exposure to financial risks.

(a) Market risk

Market risk is risk that the fair value of future cash flows fluctuates because of changes in market prices. Market risk comprises three types of risks: foreign currency risk, fair value interest rate risk and price risk.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is not affected significantly by foreign currency risk as most of the transactions are held in its functional currency only.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows will fluctuate because of changes in market interest rates. Interest rate risk primarily results from exposure to the volatility of interest rates. As at 31 March 2024, the Company had profit participating loan of **EUR 21,730,876** (2023: EUR 18,698,118) which bear interest at a fixed rate and provide variable returns to the Company based on the underlying profits from the investment properties of Hexagon Group.

As at 31 March 2024, the Company is exposed to variable interest rate risk on the loan from Burstone Luxembourg Investment Holdings S.à.r.l which bear EURIBOR interest +2.5% amounting to **EUR 69,696** during the year and an outstanding principal amount of **EUR 376,290**. If the interest rate changed by 1% higher/ lower, the profit/ loss for the year would have been **EUR 697** lower/ higher and **EUR 697** higher/ lower respectively.

(iii) Other price risk

Other price risk is the risk that the value of the instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting the instruments traded in the market. The Company is exposed to equity securities price risk because of investments held by the Company and classified as financial assets at fair value through profit or loss, for which prices in the future are uncertain. The relevant investments are those classified at level 3 (see note 4 (d) for details). The appropriateness of the valuation model inputs is considered by the directors, as well as the valuation result, using various valuation methods and techniques generally recognised as standard within the industry.

If the price of equity securities not traded in an active market by the Company at 31 March 2024 increased/ decreased by **5%** with all other variables held constant and including the impact of changes in foreign exchange, this would increase/decrease the net assets respectively by **EUR 850,295** (2023: EUR 1,266,422).

PAN-EUROPEAN LOGISTICS PROPERTY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

Risk management objectives and policies (continued)

(b) Credit risk

Credit risk is the risk that one party will be unable to pay amounts in full when due. At 31 March 2024, the Company's exposure to credit risk was:

	2024	2023
	EUR	EUR
Cash and cash equivalents	362,337	106,221
Other receivables	840,516	619,439
	<u>1,202,853</u>	<u>725,660</u>

There is no significant credit risk associated with the cash and cash equivalents since the Company maintains its bank accounts with a reputable financial institution. The Company's banker is Investec Bank (Mauritius) Limited and the credit rating of Investec Bank (Mauritius) Limited by Moody's in 2024 is **Ba2**. The identical impairment loss is therefore immaterial.

Other receivables consist of interest and amount receivable from Burstone Lux 2 S.à.r.l. We have assessed the repayment capacity of the latter and confirms that the company has the ability to repay its due. As at 31 March 2024, the Company had no significant risks relating to the recoverability of the receivable balance from Burstone Lux 2 S.à.r.l as the balance was settled post year end.

(c) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its payment obligations, associated with its financial liabilities when they fall due. At 31 March 2024, the Company was exposed to liquidity risk in respect of its financial liabilities. The following table analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date.

At 31 March 2024	1-3 months	3-12 months	1-2 years	2-5 years	Total
Financial liabilities	EUR	EUR	EUR	EUR	EUR
Accruals and payables	97,121	-	-	-	97,121
Loan payable	-	-	507,571	-	507,571
	<u>97,121</u>	<u>-</u>	<u>507,571</u>	<u>-</u>	<u>604,692</u>

PAN-EUROPEAN LOGISTICS PROPERTY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

Risk management objectives and policies (continued)

(c) Liquidity risk (continued)

As at 31 March 2023	1-3 months	3-12 months	1-2 years	2-5 years	Total
Financial liabilities	EUR	EUR	EUR	EUR	EUR
Accruals and payables	723,352	-	-	-	723,352
Loan payable	-	-	-	1,642,987	1,642,987
	<u>723,352</u>	<u>-</u>	<u>-</u>	<u>1,642,987</u>	<u>2,366,339</u>

Liquidity risk is managed by having enough cash at bank. The liquidity risk of the Company is considered to be low.

(d) Fair value estimation

The carrying value of all the financial assets and financial liabilities of the Company approximate their fair values.

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation on technique:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Financial assets held at fair value

This note explains the judgements and estimates made in determining the fair values of the financial assets that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the of the inputs used in determining fair value, the Company has classified its financial assets into the three levels prescribed under the accounting standards.

PAN-EUROPEAN LOGISTICS PROPERTY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

Risk management objectives and policies (continued)

(d) Fair value estimation (continued)

	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total EUR
2024				
Financial assets at fair value through profit or loss	-	-	38,736,771	38,736,771
	-	-	38,736,771	38,736,771
2023				
Financial assets at fair value through profit or loss	-	-	44,026,551	44,026,551
	-	-	44,026,551	44,026,551

Valuation techniques used to derive level 3 fair value

Following the Company's acquisition of a 13.33% interest in the form of equity and debt in Burstone Lux 2 S.à.r.l, the Company also acquired 10% indirect interest in the Hexagon Group. Burstone Lux 2 S.à.r.l is used as a holding company in the structure, which holds 75% interest in the Hexagon Group, alongside the Equity Partner, which holds 25% interest. The fair value of the investment is based on the price of recent transaction as detailed below:

Equity Shares and Profit Participating Loans

The equity and debt instruments have been fair valued based on price of recent transaction where Burstone Luxembourg Investments Holdings S.À R.L ("Burstone") has acquired the stake of the Company in Burstone Lux 2 S.à.r.l. This transaction was concluded in November 2024 for an agreed price of EUR 38,736,771 comprising of both the equity and debt portion of the Company's holdings following a strategic partnership entered in September 2024 between Burstone and Blackstone Inc. The directors consider this methodology as a best estimate to approximate the fair value of the Company's investment.

PAN-EUROPEAN LOGISTICS PROPERTY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

Risk management objectives and policies (continued)

(d) *Fair value estimation (continued)*

i. *Equity Shares and Profit Participating Loans (continued)*

Reconciliation of recurring fair value measurements of Level 3 financial instruments

The Company carries financial assets at fair value through profit or loss. A reconciliation of the beginning and closing balances including movements of investment in equity classified as Level 3 within the fair value hierarchy is summarised below:

	2024 EUR	2023 EUR
Financial assets at fair value through profit or loss		
At beginning of the year	25,328,433	23,990,764
Net change in financial assets at fair value through profit or loss (Note 6)	(8,885,236)	1,337,669
Reclassification from interest income	577,361	-
Cash repayment made during the year	(14,663)	-
At end of year	<u>17,005,895</u>	<u>25,328,433</u>

Sensitivity to change in unobservable inputs

The table below summarises the sensitivity of the Company's net assets to equity price movements as at 31 March 2024:

Description	Fair value at 31 Mar 2024 (EUR'000)	Valuation technique	Unobservable inputs	Reasonable possible shift	Change in valuation (EUR'000)
Ordinary shares and alphabet shares	17,006	Price of recent transaction	N/A	N/A	N/A

Description	Fair value at 31 Mar 2023 (EUR'000)	Valuation technique	Unobservable inputs	Reasonable possible shift	Change in valuation (EUR'000)
Ordinary shares and alphabet shares	25,328	Net Asset Value	Net Asset Value	+/-1%	2,532/ (2,532)

PAN-EUROPEAN LOGISTICS PROPERTY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

Risk management objectives and policies (continued)

(d) Fair value estimation (continued)

Reconciliation of recurring fair value measurements of Level 3 financial instruments of the profit participating loans

The Company carries financial assets at fair value through profit or loss. A reconciliation of the beginning and closing balances including movements of investment in profit participating loans classified as Level 3 within the fair value hierarchy is summarised below:

	2024 EUR	2023 EUR
Financial assets at fair value through profit or loss		
At beginning of the year	18,698,118	25,044,016
Net change in financial assets at fair value through profit or loss (Note 6)	5,718,268	(6,345,898)
Cash repayment made during the year	(1,305,056)	-
Non-cash repayment made during the year	(1,380,454)	-
At end of year	<u>21,730,876</u>	<u>18,698,118</u>

The following sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. The sensitivity of the valuation of the profit participating loans to changes in the principal assumptions is as follows:

Description	Fair value at 31 Mar 2024 (EUR'000)	Valuation technique	Unobservable inputs	Inputs	Reasonable possible shift	Change in valuation (EUR'000)
Profit participating loans ("PPL")	21,731	Price of recent transaction	Discount rate	N/A	N/A	N/A
			Annual growth rate	N/A	N/A	N/A

Description	Fair value at 31 Mar 2023 (EUR'000)	Valuation technique	Unobservable inputs	Inputs	Reasonable possible shift	Change in valuation (EUR'000)
Profit participating loans ("PPL")	18,698	Discounted cash flows	Discount rate	6.92%	+/-1%	(1,144)/ 1,065
			Annual growth rate	2%	+/-1%	(106)/ 110

PAN-EUROPEAN LOGISTICS PROPERTY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

Risk management objectives and policies (continued)

(d) Financial instruments by category

<i>Categories of financial instruments</i>	2024	2023
	EUR	EUR
Financial assets		
<i>Financial assets at fair value through profit or loss:</i>		
Financial assets at fair value through profit or loss (Note 6)	38,736,771	44,026,551
<i>Financial assets at amortised cost:</i>		
Other receivables	840,516	619,439
Cash and cash equivalents	362,337	106,221
	<u>39,939,624</u>	<u>44,752,211</u>
Financial liabilities		
<i>Financial liabilities at amortised cost:</i>		
Accruals and payables	97,121	723,352
Loan from Burstone Luxembourg Investment Holdings S.à.r.l	463,065	1,054,403
	<u>560,186</u>	<u>1,777,755</u>

(e) Capital risk management

The capital of the Company is currently represented by the total equity. The Company manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. The Company's objectives when managing capital are to safeguard the Company's ability to pay its debt as they fall due in order to continue as a going concern and to provide returns for the shareholders.

5 CASH AND CASH EQUIVALENTS

	2024	2023
	EUR	EUR
Cash at bank	<u>362,337</u>	<u>106,221</u>

PAN-EUROPEAN LOGISTICS PROPERTY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

6 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

As at 31 March 2024, the following financial assets were carried at fair value in the statement of financial position:

2024				
Investment	Principal place of business/ Nature of activity	% holding	Instruments held	Fair value (EUR)
Burstone Lux 2 S.à.r.l (previously known as IPF Lux 2 S.à.r.l)	Luxembourg (Real Estate)	13.33%	Ordinary Shares, alphabet shares and profit participating loan	38,736,771
				38,736,771
2023				
IPF Lux 2 S.à.r.l.	Luxembourg (Real Estate)	13.33%	Ordinary Shares, alphabet shares and profit participating loan	44,026,551
				44,026,551

The Company's investment in **Burstone Lux 2 S.à.r.l.** comprises of investments in ordinary and alphabet shares of **EUR 17,005,895** (2023: EUR 25,328,433) and an interest-bearing profit participating loan of **EUR 21,730,876** (2023: EUR 18,698,118). The loss on the equity investment at fair value through profit or loss is **EUR 8,885,236** (2023: gain of EUR 1,337,669) and the gain on the profit participating loan at fair value through profit or loss is **EUR 5,718,268** (2023: loss of EUR 6,345,898). The interest income from the PPL for the year is **EUR 1,060,660** (2023: EUR 619,439).

	2024	2023
	EUR	EUR
Non-current asset	-	44,026,551
Current asset	38,736,771	-
	38,736,771	44,026,551

During November 2024, the Company disposed its entire stake in Burstone Lux 2 S.à.r.l to Burstone Luxembourg Investment Holdings S.à.r.l. The agreed sales price of the transaction amounted to EUR 38,736,771.

7 INTEREST INCOME

	2024	2023
	EUR	EUR
Interest income from profit participating loan	1,060,660	619,439
	1,060,660	619,439

Interest income is derived from the PPL. The PPL consists of two Tranches, namely Tranche A and Tranche B. The Tranche A and Tranche B of the PPL bear a mandatory fixed interest rate of 0.5% per annum on the nominal amount invested, calculated based on the actual number of days elapsed.

PAN-EUROPEAN LOGISTICS PROPERTY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

7 INTEREST INCOME (CONTINUED)

In addition, the Tranche A of the PPL bears a variable interest equal to the lower rate of, 85% of the Tranche A adjusted net accounting profit or an arm's length return determined by a transfer study, after deduction of the Tranche A's fixed interest.

For the Tranche B of the PPL, it bears a variable interest equal to the Tranche B adjusted net accounting profit after deduction of the Tranche B's fixed interest and remuneration relating to the economic activities of the Company pertaining to the Tranche B Investments, as determined by a transfer pricing expert.

8 OTHER RECEIVABLES AND PREPAYMENTS

	2024	2023
	EUR	EUR
Prepaid expenses	5,416	3,425
Receivable from Burstone Lux 2 S.à.r.l.(Note 12 (i))	840,516	619,439
	<u>845,932</u>	<u>622,864</u>

9 SHARE CAPITAL

Ordinary shares of EUR 1,000 each	2024		2023	
	Number of shares	EUR	Number of shares	EUR
<i>Issued and fully paid:</i>				
At 31 March	<u>40,100</u>	<u>40,100,000</u>	<u>40,100</u>	<u>40,100,000</u>

The Company's share capital is made up of ordinary shares, with each ordinary share having one vote per share and having equal rights on distribution of income and capital.

10 ACCRUALS AND PAYABLES

	2024	2023
	EUR	EUR
Payable to related parties (Note 12 (ii))	49,461	645,654
Audit fees payable (Note 10(a))	47,660	77,698
	<u>97,121</u>	<u>723,352</u>
Note 10(a)		
At start of year	77,698	40,950
Charge during the year	47,638	55,488
Overstatement in prior years	(14,489)	31,855
Payment during the year	<u>(63,187)</u>	<u>(50,595)</u>
At end of year	<u>47,660</u>	<u>77,698</u>

The amounts due are interest free, unsecured and repayable within one year.

PAN-EUROPEAN LOGISTICS PROPERTY HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024****11 INCOME TAX**

The Company is subject to 15% income tax in Mauritius according to the provisions of the Income Tax Act 1995. The Income Tax (Foreign Tax Credit) Regulations 1996 provides for setting off any qualifying underlying tax, withholding tax or tax sparing credit against the 15% tax. Alternatively, and subject to meeting the necessary substance requirements as required under the Financial Services Act 2007 (as amended by the Finance Act 2018), and such guidelines issued by the Financial Services Commission (FSC), the Company is also entitled to an exemption of 80% of some of the income derived, including but not limited to foreign source dividends or interest income.

Further, the Company is exempted from income tax in Mauritius on profits or gains arising from sale of securities. In addition, there is no withholding tax payable in Mauritius in respect of payments of dividends to shareholders or in respect of redemptions or exchanges of shares.

The Company monitors proposed and issued tax laws, regulations and cases to determine the impact on uncertain tax positions.

A numerical reconciliation between the profit for the year and the income tax charge is as follows:

	2024 EUR	2023 EUR
Loss before tax	<u>(1,737,463)</u>	<u>(3,153,503)</u>
Applicable income tax at tax rate of 15%	(260,619)	(473,026)
<i>Impact of:</i>		
Non-taxable income	(933,182)	(167,135)
Exempt income	(127,279)	(145,505)
Non-allowable expenses	<u>1,385,580</u>	<u>854,883</u>
Income tax charge	<u>64,500</u>	<u>69,217</u>

At 31 March 2024, the current tax asset of the Company is as follows:

	2024 EUR	2023 EUR
Beginning of the year	(151,719)	(106,547)
Tax paid during the year	(78,594)	(114,389)
Refund during the year	469	-
Tax charge for the year	<u>64,500</u>	<u>69,217</u>
Net tax asset for the year	<u>(165,344)</u>	<u>(151,719)</u>

As at 31 March 2024, the Company has a tax asset of **EUR 165,344** (2023: EUR 151,719).

PAN-EUROPEAN LOGISTICS PROPERTY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

11 INCOME TAX (CONTINUED)

Event after the reporting period

On 26 July 2024, the Finance (Miscellaneous Provisions) Act 2024 was enacted and the the Company are required to pay a Corporate Climate Responsibility Levy ("CCR") equivalent to 2% of its chargeable income given the company has turnover of more than MUR 50 million (approximately EUR 975,500 at reporting date's exchange rate) for the year. The financial statements for the year ended 31 March 2024 do not reflect the effect of the CCR as the change in the tax law was enacted after 30 June 2024.

Recognising a CCR Levy would have resulted in an increase in income tax expense recognised in the statement of profit or loss and other comprehensive income and a decrease in the current tax asset recognised in the statement of financial position of EUR 8,600 as at 31 March 2024.

12 RELATED PARTY DISCLOSURES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. The following transactions were carried out with related parties during the year ended 31 March 2024.

	2024	2023
	EUR	EUR
<i>(i) Amount receivable</i>		
Receivable from Investee (Burstone Lux 2 S.à.r.l)		
Balance at beginning of the year	619,439	-
Interest income	1,060,660	619,439
Performance based income	280,000	280,000
Receipts from interest during the year	(605,351)	-
Receipts from performance based income	(280,000)	(280,000)
Reclassification to fair value	(577,361)	-
Distribution income	-	593,100
Receipts from distribution income	-	(593,100)
Proceeds receivable during the year	1,380,453	-
Amount offset against loan payable (Note 12(ii))	(1,037,324)	-
Balance receivable at 31 March (Note 8)	<u>840,516</u>	<u>619,439</u>
<i>(ii) Amount payable</i>		
Payable to Administrator and Company Secretary (Intercontinental Trust Limited)		
Balance at beginning of the year	6,601	14,022
Fees attributable for the year	31,333	20,391
Fees paid during the year	(27,304)	(27,812)
Balance payable at 31 March	<u>10,630</u>	<u>6,601</u>

PAN-EUROPEAN LOGISTICS PROPERTY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

12 RELATED PARTY DISCLOSURES (CONTINUED)

	2024 EUR	2023 EUR
Payable to the Distributor (Investec Wealth & Investment)		
Balance at beginning of the year	626,133	517,115
Annual fees attributable for the year	230,500	570,746
Annual fees paid during the year	(353,691)	(247,056)
Reversal of over-accrual in prior year	(502,942)	(214,672)
Balance payable at 31 March	<u>-</u>	<u>626,133</u>
Total amount payable (Note 10)	<u>49,461</u>	<u>645,654</u>
Loan payable to Real Estate Service Provider (Burstone Luxembourg Investment Holdings S.à.r.l.)		
At start of year	1,054,403	-
Loan received during the year	376,290	1,037,324
Interest charged during the year	69,696	17,079
Loan offset against amount receivable (Note 12(i))	(1,037,324)	-
Balance payable at 31 March	<u>463,065</u>	<u>1,054,403</u>
Payable to the Real Estate Service Provider (Burstone Luxembourg Investment Holdings S.à.r.l.)		
Balance at beginning of the year	12,920	882,188
Annual fees attributable for the year	25,911	38,831
Annual fees paid during the year	-	(49,411)
Reversal of over-accrual in prior year	-	(858,688)
Balance payable at 31 March	<u>38,831</u>	<u>12,920</u>

Administration, Secretarial and Directors fees

The Company has engaged the services of Intercontinental Trust Limited to provide administrative services (including accounting and secretarial services) for a fee. The total fees for such services for the year amounted to **EUR 31,133** (2023: 20,391), of which **EUR 10,630** (2023: EUR 6,601) was outstanding as at 31 March 2024. The Company's directors Kesaven Moothoosamy and Smitha Algoo-Bissonauth are officers of Intercontinental Trust Limited, the Company's Secretary. Therefore, the directors are deemed to have beneficial interests in the above arrangements.

Cash from Burstone Lux 2 S.à.r.l.

During the year, the Company received cash of **EUR 2,198,516** (2023: EUR 873,100) from Burstone Lux 2 S.à.r.l out of which EUR 280,000 related to performance-based income. The difference was allocated towards the repayment of the PPL loan and interest receivable.

PAN-EUROPEAN LOGISTICS PROPERTY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

12 RELATED PARTY DISCLOSURES (CONTINUED)

Real Estate Service Provider and Distributor Agreements

The Company entered into a Real Estate Service Provider Agreement and a Distributor Agreement on 27 August 2020. The Real Estate Service Provider and the Distributor shall perform duties and obligations as per clause 4 and clause 6 of the respective agreements against an annual fee structured as follows:

- An annual fee (inclusive of value added tax, if applicable) of 0.6% per annum on the total capital raised (less any portion of the capital used to settle once-off Company structure costs as disclosed in the PPM) by the Company, split 16.67% to the Real Estate Service Provider and 83.33% to the Distributor; and
- A performance fee (inclusive of value added tax, if applicable), of 20.0% over an 8.0% hurdle. The 20.0% performance fee is applied over the aggregate returns comprising the fair value gain in excess of the original amount invested, including any interest income and distribution income, when this aggregate return is in excess of an 8.0% hurdle rate. The performance fee is split into 80% to the Real Estate Service Provider and 20% to the Distributor.
- The performance fee is based on the underlying performance of the Hexagon Group. The performance fees are due and payable at the end of the lifetime of the investment, which is more than 12 months.
- An annual fee of 0.5% (inclusive of VAT, if applicable) of the aggregate subscription proceeds received by the Distributor from its clients (less any portion of the capital used to settle once-off Mauritius Company structure costs as disclosed in the PPM) which have been drawn down and invested until the termination date of the Shares (as detailed in the PPM) occurs.

Loan payable to Real Estate Service Provider

On 11 November 2022, the Company received Loan from Burstone Luxembourg Investment Holdings S.à.r.l of **EUR 1,037,324** which bears EURIBOR interest +2.5%. During the year under review, the Company received **EUR 376,290**. Interest accrued as at year ended amounted to **EUR 86,775**. During the year, an amount of **EUR 1,037,324** was offset against loan receivable from Burstone Lux 2 S.à.r.l. The loan will mature earlier of the date falling 5 years after 30 September 2020.

13 BASIC AND DILUTED (LOSS)/ EARNING PER SHARE

	2024	2023
	EUR	EUR
Net loss for the year	(1,801,963)	(3,222,720)
Weighted average number of ordinary shares in issue	40,100,000	40,100,000
Basic and diluted (loss)/earnings per share	(0.0449)	(0.0804)

PAN-EUROPEAN LOGISTICS PROPERTY HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024****14 SHAREHOLDINGS**

The directors consider BLUMEN NOMINEES (PTY) LTD), Torch Nominees Limited, CIDEL Bank & Trust Inc., Hero Nominees Limited and Investec Bank Switzerland (AG) as their custodians. The custodians hold interests in the Company on behalf of several individual shareholders each holding less than 10% stake of the Company.

15 DIVIDEND PER SHARE

The directors have paid dividend of **EUR 1,777,439** (2023: EUR 1,423,550) for the year under review equivalent to **€ 44.3** per share (2023: €35.50).

16 OPERATING SEGMENTS

The Company has only one operating segment. It earns interest income and performance-based income from its investee located in one geographical location, being Luxembourg.

17 PROFESSIONAL FEES

	2024	2023
	EUR	EUR
Charge during the year	270,081	617,109
Reversal of over accruals in prior years	(503,642)	-
	(233,561)	617,109

18 SUBSEQUENT EVENTS**Sales of investment in Burstone Luxembourg Investment Holdings S.à r.l.**

In September 2024, Burstone has entered into a strategic partnership with Blackstone whereby the latter would acquire, through one of its affiliate companies, a stake of 80% in Burstone Lux 2 S.à.r.l. As a minority shareholder, PEL has been given the option to exit Burstone Lux 2 S.à.r.l by selling its stake to Blackstone. During November 2024, Burstone Luxembourg Investment Holdings S.à.r.l. acquired the stake of the Company in Burstone Lux 2 S.à.r.l for an agreed price of EUR 38,736,771 comprising of both the equity and debt portion of the Company's holdings. On 14th November 2024, the Company received EUR 38,265,755 out of the total proceeds. The difference of EUR 471,016 is expected to be received as a cash consideration during financial year ending March 31, 2025.

