

PELF UK Limited

Annual Report and Consolidated Financial Statements

FOR THE PERIOD FROM 1 JANUARY 2022 TO 31 DECEMBER 2022

Prologis House
Blythe Gate
Blythe Valley Park
Solihull, West Midlands, United Kingdom B90 8AH
Registered Number: 14320005



Annual Report

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Directors' report

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2023

The directors present their annual report on the affairs of PELF UK Limited (the Company) and with its consolidating subsidiaries (the Group), together with the audited financial statements and the auditor's report for the period ended 31 December 2023.

Directors of the company

The directors who served throughout the period from 26 August 2022 (Inception) to 31 December 2023 and up until the date of signing are as follows:

Paul Weston (effective from 26 August 2022)

Nicholas Smith (effective from 26 August 2022)

Gerit J. Meerkerk (effective from 7 November 2022)

Principal activities

The principal activity of the Group is the acquisition, operation and disposal of interests in the United Kingdom (the "UK") and/or foreign companies and undertakings which own directly or indirectly logistics facilities in the UK, as well as the administration, development and management of such interests.

Business review

A detailed business review of the Group is presented in the Strategic Report.

Streamlined energy and carbon reporting guidance

The Group falls within the purview of the Streamlined Energy and Carbon Reporting (SECR) regulations, as the organisation meets the prescribed size criteria - namely a turnover of £35 million and a balance sheet total of £18 million. However, there is an exemption for entities that produce less than 40MWh per year of Scope 1 & 2 emissions. As the Group merely holds the assets without active involvement and does not directly generate emissions, this production is attributable to its tenants (occupancy rate as at 31 December 2023: 97.8%) or developers. This exemption has been taken by PELF UK Limited.

Results and dividends

The net operating income of the Group for the period amounted to £170.9 million as presented in the Statement of profit and loss and other comprehensive income on page 11, driven by rental revenue. The net loss of the Group amounted to £674.6 million, driven by unrealised losses on property valuations. The Directors do not recommend the payment of dividend for the period ended 31 December 2023.

Going concern

As stated in note 7 of the consolidated financial statements, the directors believe that the Company will have sufficient funds through its operations to meet its liabilities as they fall due 12 months after the date of approval of the accounts. Consequently, the directors are confident that the Company will have sufficient funds to continue its business and therefore have prepared the financial statements on a going concern basis.

Political contributions

The Group made no political contributions during the current period.

Financial Instrument

Disclosures of financial risk management objectives and policies and exposure to financial risks are included in note 16 to the financial statements. The engagement with supplier, customers and others in a business relationship is disclosed in the Section 172 statement in Strategic report.

Post balance sheet event

Details of events after the reporting date are disclosed in note 20 of the consolidated financial statements.

Indemnity provision

Directors' insurance cover has been established for all directors to provide appropriate cover for their reasonable actions on behalf of the Company.

Directors' report

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2023

Auditor

Each of the persons who are directors at the time when this Directors' report is approved have confirmed that

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Pursuant to section 486 of the Companies Act 2006, the auditor will be deemed to be appointed and KPMG LLP will therefore continue in office.

This report was approved by the board and signed on its behalf by:



DIRECTOR

Nicholas Smith

Date: 22 March 2024

Prologis House
Blythe Gate
Blythe Valley Park
Solihull, West Midlands, United Kingdom B90 8AH
Registered Number: 14320005

Strategic report

STRATEGIC REPORT FOR THE PERIOD ENDED 31 DECEMBER 2023

Venture Restructuring

The Group commenced activities on 16 November 2022, with the acquisition of 99 properties in the United Kingdom ("UK"), from Prologis European Logistics Fund, FCP-F 5 ("PELF"). The Group benefits from UK Real Estate Investment Trust ("REIT") status and will manage the core portfolio of logistics assets for long term investment purposes.

Market Overview

The UK market in 2022 was characterised by two very distinct periods. The strong performance seen in 2021 continued into the first half of the year, fuelled by continued customer demand, historically low vacancy rates, a lack of development land and a shortage of construction materials, which contributed to rising rents and values. However, the momentum reversed sharply from Q3 onwards. The significant correction in the public markets in late April created a denominator effect within many investment portfolios, leading to investors being over-allocated to real estate and the logistics sector in particular, reducing investor demand. In addition, the adverse impact of high inflation, rising cost of debt, uncertainty due to the war in Ukraine and political turmoil within the UK led to a significant drop in values. The macro headwinds that emerged in 2022 persisted into 2023, albeit not at the same magnitude, but once again impacting wider market activity. Navigating the capital markets was challenging, with volatility punctuated by brief periods of stability. The portfolio value loss for the period ended 31 December 2023 was £803.7 million of which £752 million occurred in the last quarter of 2022.

Changes to the Portfolio

During the last quarter of 2023, the Group acquired a 1.7 million square foot portfolio from the Prologis group with a total acquisition price of £313.9 million. The acquisition was integrated into an existing adjacent PELF UK assets in Beddington, Ditch, Ryton and Northern Pineham logistics parks.

As at 31 December 2023, the Group owned 106 investment properties (excluding one redevelopment property).

Financial Highlights

The net operating income of the Group for the period amounted to £170.9 million as presented in the Statement of Comprehensive Income on page 11, driven by rental revenue. The net loss of the Group amounted to £674.6 million, driven by unrealised losses on property valuations.

Operating performance

As at 31 December 2023 the period end occupancy of the real estate portfolio is 97.8% with a weighted average lease term of 7.4 years.

Outlook, Principal Risks and Uncertainties

The PELF 2024 Business Plan forecasts a stable occupancy level and an increase in rent backed by comprehensive leasing plans for the UK portfolio. In addition, the Group will evaluate further acquisition and disposal opportunities as they arise.

The Management continues to monitor the various financial risks the Group is exposed to as described in note 16 of the consolidated financial statements.

Strategic report

STRATEGIC REPORT FOR THE PERIOD ENDED 31 DECEMBER 2023

Section S172(1) statement

Section 172 of The Companies Act 2006 ("the Act") states that a director of a Company must act in the way it considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- the likely consequences of any decision in the long term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Company.

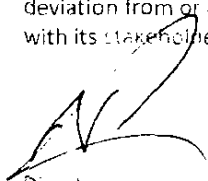
The Directors consider that, in conducting the business of the Company over the course of the period ended 31 December 2023 and to the date of this report, they have complied with Section 172(1) of the Companies Act 2006 ("the Act").

The business is externally managed and the Group has no employees.

The Board is of the opinion that its conduct and that of its external management team culminated in decisions made in good faith to promote the success of the Company for the benefit of all of its members, having regard to the impact of those decisions on the following matters:

- business relationships with suppliers, customers, and other counterparties, where engagement is managed by the Company's Directors, with a view to fostering good two-way communication with respect for all staff and respecting supplier payment terms;
- the community, building long-lasting relationships with the communities close to our Prologis Parks;
- the environment, increasing the Group's pool of assets with sustainability certificates
- the reputation of the Company for high standards of business conduct
- fair treatment as between all members of the Company where the Directors make themselves available for meetings as appropriate, seeking to respond to any shareholder feedback in a constructive and open way; and
- the likely long-term consequences of decisions made by the Board on all stakeholders.

The strategy of the Company was initially laid out in the Limited Partnership Agreement executed on 8 November 2022. Any material deviation from or amendment of that strategy is subject to Board and, if necessary, shareholder approval. Through regular engagement with its stakeholders, the Board aims to gain a rounded and balanced understanding of the impact of its decisions.



Director:

Nicholas Smith

Date: 22 March 2024

Statement of Directors' responsibilities in respect of the Directors' report, the strategic report and the financial statements

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE PERIOD ENDED 31 DECEMBER 2023

The directors are responsible for preparing the Strategic Report, the Directors' Report and the Group and parent Company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and parent Company financial statements for each financial year. Under that law they have elected to prepare the Group financial statements in accordance with UK-adopted international accounting standards and applicable law and have elected to prepare the parent Company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent Company and of the Group's profit or loss for that period. In preparing each of the Group and parent Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant, reliable and prudent;
- for the Group financial statements, state whether they have been prepared in accordance with UK-adopted international accounting standards;
- for the parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Independent auditor's report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PELF UK LIMITED

Opinion

We have audited the financial statements of PELF UK Limited ("the Company") for the period ended 31 December 2023 which comprise the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated and Company Statement of Financial Position, Consolidated and Company Statement of Changes in Equity, and the Consolidated Statement of Cash flows and related notes, including the accounting policies in note 2.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2023 and of the Group's profit for the period then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent Company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- the Group's and Parent Company's financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group and Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

Independent auditor's report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PELF UK LIMITED

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board Meeting Minutes of those charged with governance.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risk factors throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as Investment Property Valuations.

On this audit we do not believe there is a fraud risk related to revenue recognition because the group's income primarily arises from operating lease contracts with fixed, or highly predictable, and periodic payments.

We did not identify any fraud risks.

We also performed procedures including identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included all material post-closing journals and Journal entries posted to unusual accounts.

Our procedure to detect fraud in investment property valuations included:

- the use of our specialist valuers to challenge the methods and assumptions used in the valuation;
- obtaining both confirmatory and non-confirmatory evidence to assess the key inputs into the valuations.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the Consolidated financial statements from our general commercial and sector experience, and through discussion with the management (as required by auditing standards), and from inspection of the Group's regulatory and legal correspondence and discussed with management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: Property Laws and Building Regulation, health and safety, anti-bribery, employment law, other worker laws recognizing the nature of the Group's activities.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Independent auditor's report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PELF UK LIMITED

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. *Based solely on that work:*

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial period is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 6, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent 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 they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

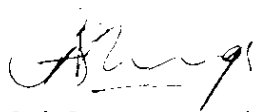
Independent auditor's report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PELF UK LIMITED

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed



**Craig Steven-Jennings (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants

15 Canada Square

London

E14 5GL

Date: 22 March 2024

PELF UK Limited Consolidated financial statements

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME


		For the period from 26 August 2022 (Inception) to 31 December 2023
	Notes	£000s
Revenue	12	186,654
Property management fees	12, 31	(2,833)
Other property operating expenses	12	(2,881)
Cost of materials		(13,218)
Net operating income	3	117,852
Asset management fees	15	(1,821)
Other company expenses	12	(1,841)
Company expenses		(1,461)
Investment property finance income	4	(803,681)
Cost before financial costs and tax		(640,251)
Foreign currency exchange loss		(61)
Finance income		(142)
Finance cost		(70,181)
Net finance cost	14	(69,764)
Cost before tax		(669,061)
Taxation	10	8,345
Loss for the financial period		(674,617)
Other comprehensive income for the period		—
Total comprehensive loss for the period		(674,617)
Total comprehensive loss attributable to:		
Shareholders		(674,617)
Non-controlling interests		—
Total comprehensive loss for the period		(674,617)

PELF UK Limited consolidated financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 December 2023 £000s
ASSETS		
Non-current assets		
Investment property	4	3,469,143
		3,469,143
Current assets		
Trade and other receivables	5	38,836
Due from related parties	15	94,370
Cash and cash equivalents	7	25,494
Other current assets	6	44,029
		202,729
Total assets		3,671,872
EQUITY AND LIABILITIES		
Equity attributable to Shareholders		
Share capital	8	402
Share premium	8	2,248,921
Retained earnings		(674,617)
Total equity		1,574,706
Non-current liabilities		
Loan from related parties	15	1,878,256
Interest bearing borrowings	9	69,280
		1,947,536
Current liabilities		
Loan from related parties	15	67,040
Due to related parties	15	14,190
Accounts payable		1,763
Income tax payables	10	993
Accrued expenses and other current liabilities	11	36,143
Deferred income		29,501
		149,630
Total liabilities		2,097,166
Total equity and liabilities		3,671,872

The financial statements were approved by the Board of Directors of the Group and were signed on its behalf by:


 Director
 Nick Jones Smith
 Date: 22 March 2024

PELF UK Limited consolidated financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period from 26 August 2022 (Inception) to 31 December 2023	Share capital £000s	Share premium £000s	Retained earnings £000s	Total equity £000s
Balance at 26 August 2022 (Inception)	-	-	-	-
Loss for the period	-	-	(674,617)	(674,617)
Total comprehensive loss for the period	-	-	(674,617)	(674,617)
Issuance of share capital (Note 8)	402	-	-	402
Contribution of share premium (Note 8)	-	2,248,921	-	2,248,921
Redemption (Note 8)	-	(16,500)	-	(16,500)
Total transactions with Shareholders	402	2,248,921	-	2,249,323
Balance at 31 December 2023	402	2,248,921	(674,617)	1,574,706

PELF UK Limited consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

		For the period from 26 August 2022 (inception) to 31 December 2023 £000s
	Notes	
Cash flows from operating activities		
Loss before tax		(681,062)
Adjustments for:		
Investment property fair value movements	4	803,681
Rent levelling adjustments	12	(11,314)
Finance cost	14	33,185
Finance income	14	(2,420)
Foreign currency exchange loss		16
Net impairment losses on trade and other receivables	5	374
Changes in assets and liabilities:		
Trade and other receivables		(38,462)
Other current assets		(45,443)
Due from related parties		(94,370)
Due to related parties		14,190
Accounts payable		1,753
Accrued expenses and other current liabilities		36,143
Deferred income		29,501
Cash from operations		44,782
Taxes paid		(7,484)
Net cash used in operating activities		37,298
Cash flows from investing activities		
Cash acquired (PELF UK Portfolio Acquisition)	15	46,622
Acquisition of property from Prologis	4	(96,928)
Investment property under construction	4	(1,398)
Capital expenditure on completed investment property	4	(8,673)
Net cash generated from investing activities		(60,377)
Cash flows from financing activities		
Proceeds from share capital	8	402
Share premium repayments	8	(16,500)
Proceed from loan from related parties	15	87,293
Repayment of loan from related parties	15	(92,622)
Proceeds from interest bearing borrowings	9	70,000
Net cash used in financing activities		48,573
Net increase in cash and cash equivalents		25,494
Cash and cash equivalents at the beginning of the period		
Cash and cash equivalents at the end of the period		25,494

PELF UK Limited consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. General information

Company

PELF UK Limited ("PELF UK" or the "Company" and together with its consolidating subsidiaries as listed in Note 7 of the Company financial statements "the Group") was incorporated on 26 August 2022 under the laws of England and Wales with an initial share capital of £2.

The Company is a private company limited by shares incorporated in England and Wales under the Companies Act 2006 on 26 August 2022 with company registration number 14320005. The Company is managed and controlled and tax resident in the UK.

The Company is the holding company of the Group and was established as part of a structure formed for the purpose of acquiring a portfolio of UK industrial and logistics real estate assets and becoming a UK REIT. The address of the registered office can be found on cover page.

The Company's sole shareholder is PELF UK LP (registered office address: Prologis House Blythe Gate, Blythe Valley Park, Solihull, West Midlands, United Kingdom, B90 8AH) acting by its general partner PLD International LP. The limited partners of PELF UK LP are indirectly wholly owned by Prologis European Logistics Fund, FCP-FIS. The group financial statements for Prologis European Logistics Fund FCP-FIS are available on request at 34-38, Avenue de la Liberté L-1930, Luxembourg.

Prologis, Inc. and its consolidated subsidiaries, including PLD International LP and Prologis UK Limited, as Manager, are herein referred to as "Prologis".

The Group has elected to be taxed as a real estate investment trust in the United Kingdom ("UK REIT") commencing 16 November 2022 under Part 12 of the Corporate Tax Act 2010 with its taxable period ended 31 December 2023, and believes its current organisation and method of operation will enable it to maintain its status as a UK REIT.

Investment strategy

The investment strategy of the Group is the acquisition and disposal of interests in the United Kingdom (the "UK") and/or foreign companies and undertakings which own directly or indirectly logistics facilities in the UK, as well as the administration, development and management of such interests.

The purpose of the Group is to acquire, own, renovate, expand, finance and ultimately dispose directly or indirectly industrial properties in the UK. The Group commenced operations on 26 August 2022.

The Group may take any measures and carry out any commercial, industrial or financial operation which it may deem useful in the accomplishment or development of its investment strategy and purpose remaining always however within the limits established by the Companies Act 2006 as subsequently amended from time to time and its accounting policies.

As at and for the period from 26 August 2022 (Inception) to 31 December 2023, the Group had no employees.

These consolidated financial statements of the Group were approved by the Board of Directors and authorised for issue on 22 March 2024.

PELF UK Limited consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. Accounting policies

Statement of compliance

The Group financial statements consolidate those of the company and its subsidiaries. The parent company financial statements present information about the company as a separate entity and not about its group.

The consolidated financial statements of the Group have been prepared and approved by the directors in accordance with UK-adopted International Accounting Standards ("UK-Adopted IFRSs").

The Company has elected to prepare its parent company financial statements in accordance with FRS 102; these are presented on pages 33 to 37.

The preparation of these consolidated financial statements requires Management to make use of estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the financial period. Actual results could differ from those estimates. Critical accounting estimates and assumptions are described in Note 3.

The material accounting policies applied by the Group in the preparation of these consolidated financial statements are as follows:

Basis of preparation and going concern assessment

The consolidated financial statements of the Group have been prepared on a going concern basis and are presented on a historical cost basis, except for the measurement of investment property, which is presented at fair value.

Management has a reasonable expectation that the Group will have adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of the Financial Statements. As at 31 December 2023, the Group held cash of £25.5 million and available facilities from related parties of £92 million. This provides significant liquidity to meet the Group's operational requirements and capital investments for the foreseeable future.

Based on the above, the Directors believe it remains appropriate to prepare the financial statements on a going concern basis.

These consolidated financial statements are presented in thousands of pounds sterling ("GBP"), which is the Group's functional and presentation currency.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these Group financial statements.

(a) Basis of consolidation

The consolidated financial statements include all activities of the Company and its subsidiaries.

Subsidiaries

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Company and are deconsolidated from the date on which control ceases. The accounting principles of the Company may differ from those applied in other countries. Where necessary, the accounts of the underlying entities have been adjusted or reclassified upon consolidation to ensure their results are prepared in a manner which is consistent with the accounting principles of the Company. Acquired companies are included in the consolidated financial statements using the acquisition method of accounting when, and only when the transaction can be identified as a business combination. When determining whether an acquisition qualifies as a business combination, management considers if the targeted transaction includes the acquisition of supporting infrastructure, employees, service provider agreements and major input and output processes, as well as active lease agreements.

For business combinations, the consolidated income or loss and consolidated statement of cash flows include the results and cash flows of acquired companies for the period from their dates of acquisition to the period end. The cost of acquisition is measured as the

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aggregate of the consideration transferred, measured at the acquisition date fair value, and the amount of non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs are expensed as incurred.

When the transaction has not been identified as a business combination, it is accounted for as an acquisition of individual assets and liabilities with the initial purchase consideration allocated to the separable assets and liabilities acquired based on their relative fair values. Such transactions or events do not give rise to goodwill.

The cost of investment in a subsidiary is eliminated against the Company's share in the net assets of that subsidiary at the date of acquisition. All intercompany receivables, payables, income and expenses are eliminated.

Where the Company (either directly or indirectly) holds a controlling interest in a subsidiary but does not have 100% ownership of that subsidiary, the value of the interest not held by the Company is recorded as non-controlling interest in the consolidated statement of financial position.

When the Company loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests, and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

The UK registered subsidiary undertakings listed in Note 7 of the Company financial statements and marked with "*" are exempt from the Companies Act 2006 requirements relating to the audit of their individual accounts, by virtue of Section 474A of the Act as this company has guaranteed the subsidiary company under Section 879C of the Act.

Related parties

The primary related parties of the Group are entities either directly or indirectly controlled, managed or owned by the ultimate parent entities of Prologis. Furthermore, the Directors of the Company are considered to be related parties.

(b) Investment property

Investment property mainly comprises the investment in land and buildings in the form of logistic facilities which are not occupied substantially for use by, or in the operations of the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation by leasing to third parties under long-term operating leases.

Investment property is measured initially at cost including related transaction costs and where applicable borrowing costs. Expenditure on renovation and development of investment properties and leasing commissions are initially capitalised at cost.

After initial recognition, investment property is measured at fair value as determined by third party independent valuers (the "Valuers"), see Notes 3 and 4. The gain or loss arising from a change in the fair value of the investment property, is included in profit or loss under "Investment property fair value movement" in the period in which it arises.

Gains on the disposal of investment property are recorded at the time title is transferred which corresponds to the time when control is passed on to the buyer. Realised gains and losses on the disposal of investment properties are determined as a difference between disposal proceeds and carrying value at the prior quarter end and are included in profit or loss under "Result on disposal of investment property" in the period in which they arise.

(c) Foreign currency translation

The presentation and functional currency of the Company and the presentation currency of the Group is the British Pound (£ "£").

Subsidiaries in all jurisdictions use the British Pound as their functional currency.

Transactions in currencies other than the functional currency of an entity are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in such currencies are translated at the rate of exchange prevailing at the reporting date. All differences are recognised in profit or loss under the caption "Foreign currency exchange gain/loss".

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(d) Financial instruments

Financial assets: initial recognition and measurement

Financial assets are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument. Other financial assets are recognised on the date they are originated.

Financial assets are classified, at initial recognition, either at amortised cost, fair value through profit or loss or fair value through other comprehensive income. The Group does not currently own instruments measured at fair value.

In order for a financial asset to be classified and measured at amortised cost, two conditions must be met

- the objective of the entity's business model is to hold the financial asset to collect the contractual cash flows, and
- the financial asset gives rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

The Group's financial assets at amortised cost include trade and other receivables due from related parties, other current asset and cash and cash equivalent per consolidated statement of financial position.

The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transactions costs that are directly attributable to its acquisition or issue.

Financial assets: subsequent measurement

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment.

Financial assets: derecognition

A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated statement of financial position) when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial asset that is created or retained by the Group is recognised as a separate asset or liability.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses for financial instruments at amortised cost. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. Financial instruments subject to impairment are mainly trade and other receivables.

Financial instruments subject to impairment are mainly trade and other receivables

The Group recognises an allowance for expected credit losses for trade and other receivables. The Group applies a simplified approach in calculating expected credit losses. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date (i.e. a loss allowance for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default). The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment. While all other financial assets (e.g. cash and cash equivalents, amounts due from related parties) are also subject to the impairment requirements of IFRS 9, the identified impairment loss is immaterial. The Management considers a financial asset in default when contractual payments are 90 days past due. The Management may also consider a financial asset to be in default where there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy or financial reorganisation proceedings, and default or delinquency in payments are considered indicators that the trade and other receivables are impaired. The amount of the loss is the difference between the asset's carrying amount and the present value of future estimated cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within "Other property operating expenses". When a trade or other receivable is uncollectable, it is written off against the allowance account for trade and other

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receivables. Subsequent recoveries of amounts previously written off are credited against "Other property operating expenses" in profit or loss. Amounts recognised are not material and therefore not separately disclosed on the face of consolidated statement of profit and loss.

Financial liabilities

The Group recognises a financial liability when it first becomes a party to the contractual rights and obligations in the contract. All financial liabilities are initially recognised on the trade date at fair value less attributable transaction costs and subsequently measured at amortised cost.

The Group's financial liabilities include the loan from related parties, accrued interest on the loan from related parties, due to related parties and accounts payable.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group has a legally enforceable right to offset the amounts and intends either to settle them on net basis or to realise the asset or settle the liability simultaneously. There was no offsetting of financial instruments applied as of 31 December 2023 in the Consolidated Statement of Financial Position.

(E) Amounts due between related parties

Amounts due from or to related parties, including the loans from related parties, are stated at amortised cost. The loans from related parties have maturity between 6 months and 1 year.

(f) Current assets and liabilities

The fair value of other current assets and liabilities due within one year approximate the carrying value disclosed in the consolidated statement of financial position, given the short time in which these transactions are settled. Current assets and liabilities are initially measured at fair value.

(g) Cash and cash equivalents

Cash includes only cash with banks. Cash equivalents are short term, highly liquid financial assets that are readily convertible to known amounts of cash with original maturities of three months or less and that are subject to an insignificant risk of value change.

(h) Share capital

Share capital represents the amount of share capital in issue to Shareholders as at the consolidated statement of financial position date and is measured at cost. Incremental costs directly attributable to the issuance of new shares are shown in equity as a deduction from the underlying proceeds.

(i) Distributions

Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when paid. In the case of final dividends, this is when approved by the shareholders at an annual general meeting.

(j) Taxation

Polines presented below describes income tax calculation prescribed by IFRS. The Group has a REIT status and thus minimal exposure to income tax.

Current income tax

The Company and its consolidated subsidiaries are subject to taxation in the countries in which they operate. Current taxation is provided for at the applicable current rates on the respective taxable profits. Current taxation is recognised in the consolidated statement of profit or loss and other comprehensive income except to the extent that it relates to items recognized directly in other comprehensive income or equity.

(k) Other

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Deferred income tax

PELF UK is a Real Estate Investment Trust (REIT) and does not pay tax on its UK property income or gains on property sales, therefore does not recognize any deferred tax assets or liabilities.

(k) Provisions

A provision is recognised when, and only when, the Group has a present obligation (legal or constructive) as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each consolidated statement of financial position date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(l) Deferred income

Deferred income represents rental income which has been billed to customers as at the consolidated statement of financial position date but which relates to future periods and to non-refundable deposits on assets held for sale that are received by the Group.

(m) Revenue

The Group leases its buildings to customers under agreements that are classified as operating leases. Rental income represents rents charged to customers and is recognised on a straight line basis taking account of any rent-free periods and other lease incentives, net of any sales taxes, over the lease period to the first break option ('rent levelling'). The rent levelling asset is included in investment property.

The Group offers certain services to tenants comprising the overall property management, including common area maintenance services such as cleaning, security, landscaping, snow removal, as well as other administrative and support services. These services are specified in the lease agreements and separately invoiced. Service charge income are composed of service charges billed to tenants and are recognised in the accounting period in which the services are rendered. The Group has concluded that these services represent a series of daily services that are individually satisfied over time and will apply a time elapsed measure of progress.

Other property income represents income derived from property sources other than rental income from customers, and is recognised on an accruals basis in the period to which it contractually relates, net of any taxes.

(n) Expense recognition

Expenses are accounted for on an accruals basis and are charged to profit or loss. Expenses arising on the disposal of investments are deducted from the disposal proceeds. The Group acts as principal in respect of the recovery of maintenance, utilities and similar expenses and therefore they are presented gross in Note 12.

(o) Finance income

Finance income includes:

- interest income on the loans from related parties;
- interest income on in-house bank.

Finance income is recorded using the effective interest rate for all financial instruments measured at amortised cost. Finance income includes interest income received during the period.

(p) Finance cost

Finance cost includes:

- interest expenses on the loans from related parties;
- interest expenses on the external loans;
- amortisation of transaction costs which are part of the effective interest rate;

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Finance cost is recorded in profit or loss using the effective interest rate for all financial instruments measured at amortised cost. Interest paid is presented within operating cash flows in the consolidated statements of cash flows, because this most appropriately reflects the Group's business activities.

(q) Subsequent events

Events occurring subsequent to the consolidated statement of financial position date that provide additional information about the Group's position at the consolidated statement of financial position date (adjusting events) are reflected in the consolidated statement of financial position. Significant events that are not considered adjusting events are disclosed in a note to the consolidated financial statements.

(r) Contingencies

Contingent liabilities are not recognised in the consolidated statement of financial position. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. The Group recognises a provision for the part of the obligation for which an outflow of resources embodying economic benefits is probable.

A contingent asset is not recognised in the consolidated statement of financial position but disclosed when an inflow of economic benefits is probable.

(s) Non-current assets held for sale

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell unless the assets are investment properties measured at fair value or financial assets in the scope of IFRS 9, in which case they are measured in accordance with those standards. As at 31 December 2023, the Company has no non-current assets held for sale.

(t) New standards and interpretations

A number of new standards and amendments to standards and interpretations that are relevant for the Group and effective for annual periods beginning on 1 January 2023, are listed below:

- Reference to the conceptual framework (Amendments to IFRS 3)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2). The amendments to AS 1 requires entities to disclose their material accounting policy (maybe material because of nature, even if the related amounts are immaterial) information instead of significant accounting policies.
- Definition of Accounting Estimates (Amendments to IAS 8)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

The adoption of the above standards and interpretations did not have a material impact on the Group's consolidated financial statements.

Below is a list of standards/interpretations that have been issued as at 31 December 2023, but are not yet effective, and are not early adopted by the Group:

- Classification of Liabilities as Current or Non-current (Amendments to AS 1, effective from 1 January 2024)
- Non-current liabilities with Covenants (Amendments to IAS 1, effective from 1 January 2024)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) (effective from 1 January 2024)

Management estimates that the adoption of the above standards and interpretations will not have a material impact on the Group's consolidated financial statements.

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3. Critical accounting estimates and judgements

The Group makes use of estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions 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.

Given the nature of the business in which the Group operates and the materiality of each element in the consolidated statement of financial position and statement of profit or loss and other comprehensive income, Management considers that the valuation of investment property is the main item subject to critical estimates and assumptions.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Investment property

The Group accounts for the value of its investment property using the fair value model under IFRS 13. The definition of Fair Value (Market Value) has been settled by the International Valuation Standards Council (IVSC) as “the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date”. Fair value is not intended to represent the sales value of the investment property, which would be dependent upon the price negotiated at the time of sale less any associated selling costs.

The Group uses professionally qualified, independent external valuers and arranges for the valuation of each asset every quarter. The last valuation exercise by the independent external valuers was performed at 31 December 2023. The independent external valuers currently appointed are Jones Lang LaSalle Limited, Cushman & Wakefield and CBRE Ltd. Valuations are prepared in accordance with the appropriate sections of the United Kingdom Practice Statements (UKPS) contained within the Royal Institution of Chartered Surveyors (RICS) Valuation – Global Standards 2020 and they comply with the definition of fair value per IFRS 13. Each independent external valuer is remunerated on a fixed fee per property basis. For all investment properties, their current use equates to the highest and best use.

At each valuation date, management reviews the latest independent valuations by verifying major inputs to valuation and discussing with the Independent External Valuers to ensure that all pertinent information has been accurately and fairly reflected.

Fair values are predominantly undertaken via the income capitalisation approach using comparable recent market transactions on arm's length terms. Fair values are based on various assumptions as to tenure, letting, town planning, the condition and repair of buildings and sites – including ground and groundwater contamination, as well as the best estimates of applicable Net Operating Income (“NOI”), reversionary rents, leasing periods, purchasers' costs, etc. Significant estimates and the sensitivity of the fair value of investment property to changes in yields are presented in Note 4.

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4. Investment property

Investment property movements consist for the period ended 31 December 2023 of the following

	For the period from 26 August 2022 (Inception) to 31 December 2023
	£000s
Historic cost	
Cost at the beginning of the period	-
Acquisition of properties from Prolife European Logistics Fund (PEP FIS)	3,937,580
Acquisition of properties from related parties	313,859
Investment property under construction	1,358
Capital expenditures on completed investment property	8,673
Rent levelling adjustment	11,214
Cost at the end of the period	4,272,824
Net unrealised losses related to investment property	
Net unrealised gains/(losses) at the beginning of the period	-
Investment property fair value movements	(803,681)
Net unrealised losses at the end of the period	(803,681)
Fair Value	3,469,143
Fair value of investment property subject to secured bank loans	194,000

The total number of properties owned at 31 December 2023 were 106 (excluding one Investment property under construction).

The objective of fair value is to determine the price that would be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (the exit price). The Group estimates fair value using available market information and valuation methodologies that are appropriate for these purposes. Considerable judgement and a high degree of subjectivity are involved in developing these estimates, and accordingly, they are not necessarily indicative of amounts that the Group would realise upon disposition.

Fair value hierarchy

Fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date

Level 2: Inputs other than quoted prices within level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

If the inputs used to measure the fair value of an asset or a liability are based on different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the lowest level of the hierarchy.

The Group recognises transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. As at 31 December 2023, there have been no transfers between levels of the fair value hierarchy.

The table below shows investment property carried at fair value by measurement method for the period ended 31 December 2023

	Level 1	Level 2	Level 3	Total fair value
As at 31 December 2023				
£000s				
Investment property	-	-	3,469,143	3,469,143

As at 31 December 2023, all of the investment properties carried at fair value were measured using unobservable inputs (Level 3)

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Information regarding the fair value measurement of investment property using significant unobservable inputs was as follows as at 31 December 2023:

Fair value as at 31 December 2023 £000s	Valuation techniques	Unobservable inputs	Weighted average
3,459,143	Yield methodology	Annual rent per sqm Net initial yield	£84.92 4.05%

Yield movements are important in the context of property valuation. An increase in the yields applied will reflect the risk profile and property characteristics of the underlying asset and market in which it is located, resulting in lower property values. Conversely, lower yields will reflect a reduced risk profile and result in higher property values. Therefore, any change in the yields applied directly impacts the value of the properties.

The table below provides a summary of the sensitivity of the fair value of investment property to a 20 basis points ("bps") change in net portfolio yields as at 31 December 2023:

Fair Value £000s	Effect on investment property fair value	
	+20 bps £000s	-20 bps £000s
3,469,143	(177,583)	165,132

5. Trade and other receivables

Trade and other receivables included the following as at 31 December 2023:

	31 December 2023 £000s
Accounts receivable from tenants	37,163
Allowance for impairment of accounts receivable from tenants	(582)
Net accounts receivable from tenants	36,281
Unbilled recoveries of property expenses	167
Other receivables	2,388
Total trade and other receivables	38,836

The aging analysis of trade receivables from tenants before deducting the allowance for impairment of trade receivables is as follows:

	Total	< 30 days	30–60 days	61–90 days	> 90 days
	£000s	£000s	£000s	£000s	£000s
2023	37,163	34,049	588	—	2,526

The balance of trade receivables from tenants varies due to timing of the issuance of invoices and receipt of those monies in succeeding periods. The estimated fair value of trade and other receivables is the estimated discounted future cash flows expected to be received and approximates the carrying amount due to its short term nature.

The allowance for impairment of trade receivables from tenants during the period ended 31 December 2023 was as follows:

	31 December 2023 £000s
Accumulated allowance for impairment of accounts receivable at the beginning of the period	—
Allowance for impairment acquired from restructuring of PELF UK Portfolio	(971)
Write-off of unrecoverable amounts	463
Additional impairment of accounts receivables recognised during the period	(374)
Accumulated allowance for impairment of accounts receivable at the end of the period	(882)

6. Other current assets

Other current assets included the following as at 31 December 2023

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31 December 2023

£000s

Prepayments	21,361
Restricted cash	19,821
Other current assets	2,847
Total other current assets	44,029

Restricted cash mainly comprised cash which, under the terms of rental agreements, is subject to certain restrictions.

7. Cash and cash equivalents

31 December 2023

£000s

Bank balances	25,494
Total cash and cash equivalents	25,494

Credit rating of banks are disclosed in note 16

8. Share capital

As at 31 December 2023 the Company's share capital amounts to £402 thousand. Initially the Company had authorised and issued 2 thousands fully paid, non-redeemable, ordinary shares with a par value of £1 each, with identical economic and voting rights. During the last quarter of 2023 the Company issued new shares for total amount of £400 thousand, with a par value of £1 each, due to the contribution in kind. There was no significant cost associated with the issuance of share capital.

Following the initial share capital issued at incorporation as described in general information on the Company in Note 1, the Company received a contribution of share premium of £2.2 billion in exchange for the investment property acquired from PELF. During the last quarter of 2023 the Company received a share premium contribution for total amount of £99.5 million due to the contribution in kind (note 15).

The share premium reserve was partially repaid in June 2023 for a value of £16.5 million. During the period ended 31 December 2023, no distribution has been declared. First distribution is planned in 2024.

9. Interest bearing borrowings

Set out below are the terms and conditions of interest bearing borrowings. Information about the Group's exposure to interest rate and liquidity risk is included in note 16.

	Maturity	Currency	Interest rate	31 December 2023 £000s
Secured borrowings				
Deutsche Pfandbriefbank A.G.	Nov 2028	GBP	5.81% (Fixed)	70,000
Less debt raising costs				(720)
Total interest bearing borrowings				69,280

Summary of drawn and available debt facilities (excluding debt raising costs and other premiums or discounts) are below

	Total £000s	Drawn £000s	31 December 2023 Available £000s
Secured borrowings	70,000	70,000	—

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An analysis of debt facilities and the movements in debt facilities are set out below.

	2023 £000s
Balance due at the beginning of the period	--
<i>Cash flow</i>	
Proceed from borrowing	70,000
Loan repayments	--
Transaction costs	(754)
<i>Non-cash changes</i>	
Movement in transaction cost	34
Balance due at 31 December	69,280

As at 31 December 2023 the fair value of investment property subject to secured bank loans amounts to £194.0 million (note 4)

10. Taxation

PELF UK is a Real Estate Investment Trust (REIT) and does not pay tax on its UK property income or gains on property sales, provided that at least 90 percent of the Group's UK property income is distributed as a dividend to Shareholders, which becomes taxable in their hands. In addition, the Group has to meet certain conditions such as ensuring its worldwide property rental business represents more than 75 percent of total profits and assets. Any potential or proposed changes to the REIT legislation are monitored and discussed with HMRC. It is management's intention that the Group will continue as a REIT for the foreseeable future.

For the period ended 31 December 2023, the Group recorded current income tax benefit of £6.5 million, primarily relating to income generated prior to obtaining REIT status.

Since the Group is not subject to income tax or capital gain tax in the United Kingdom, there is no deferred tax asset or liability as at 31 December 2023.

11. Accrued expenses and other current liabilities

Accrued expenses and other current liabilities included the following as at 31 December 2023

	31 December 2023 £000s
Security deposits	22,780
VAT payable	7,376
Accrued building costs	4,710
Professional fee	842
Interest payable	435
Total accrued expenses and other current liabilities	36,143

12. Net operating income

The Group leases its investment property to tenants under operating leases. Leases are subject to periodic reviews or automatic inflationary adjustments as appropriate. Operating expenses, where applicable, are recharged to customers either by way of direct charge or monthly service charges.

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Revenues and cost of rental activities

The Group generates income primarily from rental contracts with tenants. Net rental income related to rental contracts from tenants included the following:

	For the period ended 31 December 2023 £000s
Rental income from leases	170,439
Rent levelling adjustment	11,314
Service charge income	4,553
Other property income	378
Revenue	186,684
Property management fees (note 15)	(2,933)
Service charges expenses	(8,208)
Non recoverable expenses	(4,303)
Impairment loss allowance	(374)
Cost of rental activities	(15,818)
Net operating income	170,866

Rental income is accounted for in accordance with IFRS 16, and service charges recoveries are accounted for in accordance with IFRS 15 (see Note 2.m). Cost of rental activities arising from investment property that did not generate rental income are considered immaterial due to the high occupancy level. The total portfolio occupancy as of 31 December 2023 was 97.8%.

Minimum future lease payments receivable from non-cancellable leases are shown below. For the purposes of this note, it is conservatively assumed that a lease expires on the date of its first break option. Future aggregate minimum rental receivables as at 31 December 2023 were as follows:

	Amount receivable £000s	Percentage of total lease commitment
Within 1 year	153,240	13%
Between 1 and 2 years	143,090	12%
Between 2 and 3 years	131,352	11%
Between 3 and 4 years	111,023	9%
Between 4 and 5 years	89,953	7%
5 years and more	577,843	48%
Total future rental receivables	1,206,511	100%

13. Other company expenses

Other company expenses included the following for the period ended 31 December 2023

	For the period ended 31 December 2023 £000s
Tax consultancy and compliance fees	1,045
Legal and administration fees	959
Professional fees	740
Appraisal costs	395
Bank fees	51
REIT administration fees	36
Other expenses	417
Total other company expense	3,643

The auditors' remuneration in respect to the audit of the Company and Group for the period was £0.7 million.

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14. Finance income/(cost)

Finance income/(cost) included the following for the period ended 31 December 2023

	For the period ended 31 December 2023
	£000s
Interest expense on loan from related parties	(31,423)
Interest expense on external debt	(437)
Interest income	2,420
Amortisation of transaction costs relating to borrowing	(34)
Other finance cost	(1,291)
Net finance cost	(30,765)

15. Transactions with related parties

Prologis was appointed as the Manager of PELF and is required to manage certain of the Group's financial, development and operating activities. In exchange for providing research, strategic planning, investment analysis, asset management, leasing, legal and accounting services, and general management of the operations, Prologis can earn various fees and receive reimbursement for certain expenditures. Fees with related parties are conducted at arm's length.

(a) Acquisition of assets from Prologis European Logistics Fund, FCP-FIS ("PELF UK Portfolio Acquisition").

Effective 1 October 2022, PELF UK acquired all 99 UK properties previously owned by Prologis European Logistics Fund ("PELF"). PELF's existing UK portfolio of assets totaling 1.6 million square meters was contributed by the Shareholders in exchange £2.2 billion of share premium. The PELF UK Portfolio Acquisition was accounted for as an asset acquisition. Formation costs of £1.5 million were expensed to Other Company Expenses.

The purchase consideration for the portfolio acquisition was based on the 30 September 2022 fair value of the investment properties and allocated as follows:

Portfolio items	Amounts acquired £000s
Investment properties	3,937,580
Cash	46,622
Loan from related parties	(1,702,271)
Net working capital	(115,967)
Total purchase consideration	2,165,964

During the last quarter of 2023, the Group acquired further £313.9 million of investment properties from Prologis related parties.

(b) Due from related parties

As at 31 December 2023 the balance due from related parties is amount of £92 million related to the outstanding position with Prologis Europe Finance IV B.V. which acts as in-house bank entity for the PELF group, and £2.4 million related to GBP loans to Prologis Finance UK V B.V.

(c) Due to related parties

As at 31 December 2023 the balance due to related parties was £14.2 million and it mainly relates to accrued asset management fees for the last quarter of the year (£2.8 million) and short term positions to be settled in relation to the share deal acquisitions occurred during the period.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(d) Loans from related parties

As at 31 December 2023, the Group had a loan position and interest payable as follows

	Loan principal £000s	Accrued interest on Loan from related parties £000s
GBP loans from Prologis Finance UK V B V	1,910,163	-
Other related parties loans	35,133	-
Balance due at 31 December	1,945,296	-
<i>Less current portion</i>	<i>67,040</i>	-
Balance due at 31 December net of current portion	1,878,256	-

The loans from related parties have maturity between 6 months and 5 years.

The loans from related parties carry an average interest rate of 2.6%.

An analysis of the movements in the loans from related parties is set out below for the period ended 31 December 2023

	2023 £000s
Balance due at 1 January	-
<i>Cash flow</i>	
Proceeds from borrowing	87,293
Loan repayments	(92,622)
<i>Non-cash changes</i>	
Transfer of GBP Loan from PELF	1,702,271
Loan transfer in relation of contribution	216,931
Interest on related parties loan included in principal amount	31,423
Balance due at 31 December	1,945,296

(e) Fees Earned and Payable to Prologis

The fees earned by Prologis are specified as follows for the period ended 31 December 2023

Transactions with Prologis and affiliates	For the period ended 31 December 2023 £000s
Asset management fees	13,823
REIT administration fees	36
Property management fees	2,933
Capital expenditure oversight fees	395
Leasing fees	27

Asset management fees

PELF UK pays Prologis an asset management fee based on the fair value of the Group's investment property multiplied by fixed percentages, calculated on a quarterly basis.

REIT administration fee

PELF UK pays Prologis a REIT administration fee based on the Shareholders' Agreement.

Property management fees

PELF UK pays Prologis a monthly property management fee based on rates applicable in the markets in which the properties are located

PELF UK Limited consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Capital expenditure oversight fee

In respect of a project involving tenant improvements and capital expenditure, a fee shall be considered by the Company and agreed upon as part of the proposal to commit to such works.

Leasing fees

Where an external broker is not involved in negotiating the terms of lease on behalf of the Group, PELF UK pays Prologis a commission calculated as a percentage of the first year's rental income, capped at the rate set out annually in the Annual Plan. For lease renewals, the commission payable shall not exceed 50% of the applicable rate.

(f) Insurance

Prologis has, on behalf of the Company, entered into an insurance contract under which the first US\$1 million of any claim is settled by a related party. The remainder of any claim is met by a syndicate of insurers who are not related parties. All investment properties are insured at the full replacement cost value.

(g) One Portfolio Policy

The Group may enter into two different types of leasing arrangements with Prologis. The first type is a normal operating lease where Prologis occupies the building and conducts local market operations. For the period ended 31 December 2023, Prologis did not lease any space with the Group under this type of arrangement.

The second type of lease is one that is assigned when (a) a customer is moved from a PELF UK building to another building owned by Prologis or an affiliate, or (b) when a customer is moved into a PELF UK building from another building owned by Prologis or an affiliate. Under scenario (a), Prologis will reimburse the Group rents and recoveries under the vacating customer lease until the space is re-leased or until the maturity of the original lease. Under scenario (b), the Group will reimburse Prologis rents and recoveries under the vacating customer lease until the space is re-leased or until the maturity of the original lease. There were no leases under scenario (a) or (b) for the period ended 31 December 2023.

16. Financial risk management

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

(b) Investment property risk

Investment property is subject to varying degrees of risk. The main factors that affect the value of the investment property include but are not limited to:

- i. Changes in general economic climate;
- ii. Local conditions, such as an oversupply of distribution space or a reduction in demand for distribution space;
- iii. The relative attractiveness of the Group's distribution facilities to potential customers;
- iv. Government regulations, including zoning, usage, environmental and tax laws;
- v. Competition from other available distribution facilities, including those owned by, and under management of, affiliates of Prologis and Prologis related parties;
- vi. The Group's ability to provide adequate maintenance of, and insurance on, the distribution facilities;
- vii. The Group's ability to achieve optimal rental growth and control operating costs, including energy costs;
- viii. Potential liability under, and changes in, environmental, zoning and other laws;
- ix. Greater uncertainty regarding market values given recent market stagnation and the volatility of property prices; and
- x. The relative illiquidity of investment property compared with other types of assets, which may affect the Group's ability to react promptly to changes in economic or other conditions.

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The above factors may also affect the Group's results from operations and net cash flow.

There have been no changes to the assessment of investment property risk or the policies and procedures in place for managing the risk by management during the period. Yields and other significant inputs that impact directly the investment property fair values are disclosed in the Note 4.

(c) Interest rate risk

The Group is not exposed to interest rate risk as there are no external loans with floating rates outstanding as at 31 December 2023 and the loan from related parties carry fixed interest rates (note 9). The exposure on cash and cash equivalents is not significant.

(d) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Group's earnings, distributable cash flow and its financial position could be adversely affected if a significant number of its customers are unable to meet their lease obligations. Credit risks, or the risk of counterparties defaulting, are controlled by the application of credit approvals, limits and monitoring procedures. Where appropriate, the Group obtains collateral in the form of bank deposits and/or parent or parent company guarantees.

The Group applies a simplified approach in calculating expected credit losses.

To ensure that tenants continue to meet their credit terms, their financial viability is kept under review especially when negotiations to renew leases take place.

As at 31 December 2023 the top five customers represent 31.8% of the rental income of the Group. The Group mitigates concentration risk by diversifying the industry, range of tenants and establishing appropriate collaterals.

The Group's maximum exposure to credit risk is represented by the balance of trade receivables (as reduced by the effects of any netting arrangements with counterparties (e.g. tenant security deposits)) and the balance of financial instruments included in other current assets disclosed in the consolidated statement of financial position (mainly vendor deposits).

Cash and cash equivalents are majorly held within one bank with a Standard & Poor's credit rating of A+/Stable.

There have been no changes to the assessment of credit risk or the policies and procedures in place for managing the risk by Management during 2023.

(e) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of appropriate and adequate credit lines and the ability of tenants to settle obligations within normal terms of credit. The Group has no significant concentrations of liquidity risk.

The Group ensures, through the forecasting and budgeting of cash needs, that it maintains sufficient short-term liquidity to meet its immediate payment requirements. As at 31 December 2023 the Group receivable outstanding position with Prologis Europe Finance IV B.V. (which acts as on-house bank entity for the PELF group) amounts to £92 million.

PELF UK Limited consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The table below summarises the maturity profile of the Group's total debt based on contractual undiscounted cash flows.

	On demand £000s	Less than 6 months £000s	6 to 12 months £000s	1 to 2 years £000s	2 to 5 years £000s	More than 5 years £000s	Total £000s	Carrying amount
As at 31 December 2023								
Loan from related parties	—	66,992	—	516,724	1,361,580	—	1,945,296	1,945,296
Interest payable on related parties loan	—	24,916	23,165	41,158	75,821	—	165,060	—
Interest bearing borrowings	—	—	—	—	70,000	—	70,000	70,000
Interest payable on interest bearing borrowings	—	2,029	2,051	4,068	11,837	—	19,985	435
Other financial liabilities	—	44,285	—	—	—	—	44,285	44,285

Management believes that the Group has adequate liquidity sources for the foreseeable future. The loans from related parties have been fully granted by PELF entities for a total amount of £1.9 billion. As at 31 December 2023, the Group has 77 loans with Prologis UK Finance V.B.V. with a weighted average interest rate of 2.6% and a weighted maturity term of 2.9 years. On these loans the Group may at any time prepay the whole or part of the outstanding balance, while the quarterly interest payments are compounded at the end of each quarter if not paid.

The following table sets out the carrying value and fair value of the Group's financial instruments as at 31 December 2023

	Carrying value £000s	2023 Fair value £000s
Financial assets measured at amortised cost (current assets)	153,027	153,027
Financial liabilities measured at amortised costs (loans and borrowings)	(2,014,576)	(2,017,733)
Financial liabilities measured at amortised costs (current liabilities)	(44,720)	(44,720)
Total	(1,906,269)	(1,909,426)

17. Capital risk management

The Group has borrowed loans from related parties to finance its activities (see Note 15). The Company is not subject to any significant externally imposed capital requirements.

The Group's objective when managing its capital is to exclusively use any cash proceeds from the issuance of a loan from related parties for the purpose of financing its subsidiaries and their operations. In order to maintain an adequate capital structure available for the Group, the Group's policy ensures that the loans held by related parties represent the same percentage as to their ownership percentage in the Company.

18. Contingencies and commitments

The Group has no significant contingent liabilities or material commitments as at 31 December 2023

19. Ultimate parent company

The Group ultimate parent company and controlling party is Prologis European Logistics Fund, FCP-FIS, which indirectly owns 100% of PELF UK Limited.

20. Subsequent events

There are no subsequent events which require an additional adjustment or disclosure in the consolidated financial statements as at 31 December 2023.


Company financial statements

STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 December 2023 £000s
ASSETS		
Fixed assets		
Investment in subsidiary undertakings	4	1,445,641
		1,445,641
Current assets		
Due from related parties		45
Other current assets		1
Cash and cash equivalents		5
		51
Creditors: amounts falling due within one year		
Due to related parties		1,269
Other current liabilities		4
Accruals		329
		1,602
Total assets less current liabilities		1,444,090
Net assets		1,444,090
CAPITAL		
Equity attributable to Shareholders		
Share capital	5	402
Share premium and similar premiums		2,248,921
Retained earnings		(805,233)
Shareholders' funds		1,444,090

The Company has taken advantage of the exemption within section 408 of the Companies Act 2006 not to present its own profit and loss account

The financial statements were approved by the Board of Directors of the Group and were signed on its behalf by:


 Director
 Nicholas Smith
 Date: 22 March 2024

Company financial statements

STATEMENT OF CHANGES IN EQUITY

	Share capital £000s	Share premium and similar premiums £000s	Retained earnings £000s	Total equity £000s
For the period from 26 August 2022 (Inception) to 31 December 2023				
Balance at 26 August 2022 (Inception)	—	—	—	—
Comprehensive loss				
Loss for the period	—	—	(805,233)	(805,233)
Total comprehensive loss for the period	—	—	(805,233)	(805,233)
Transactions with Shareholders				
Issuance of share capital	402	—	—	402
Contribution of share premium	—	2,248,921	—	2,248,921
Redemptions	—	(16,500)	—	(16,500)
Distributions	—	—	—	—
Total transactions with Shareholders	402	2,248,921	—	2,249,323
Balance as at 31 December 2023	402	2,248,921	(805,233)	1,444,090

Company financial statements

NOTES TO FINANCIAL STATEMENTS

1. Basis of preparation

The financial statements of the Company have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom.

The principal accounting policy relevant to these financial statements is

- Investments in subsidiaries are stated at cost less provision for impairment

In preparing these financial statements, advantage has been taken of the following disclosure exemptions available in FRS 102:

- no cash flow statement has been presented;
- disclosures in respect of the Company's financial instruments have not been presented as equivalent disclosure have been provided in the Consolidated Financial Statements;

2. Loss for the period

The loss for the period from 26 August 2022 (Inception) to 31 December 2023 was £805.2 million. The Directors did not declare any dividend. The Company did not receive any dividend from subsidiaries.

3. Auditors' remuneration

The auditors' remuneration in respect to the audit of the Company and the Group for the period was £0.7 million

4. Investment in subsidiary undertakings

The Company's main direct subsidiary, PELF UK Holdco Limited, is incorporated and operating in England. The full list of subsidiary entities indirectly owned by the Company is disclosed in note 7. The movement in the period from 26 August 2022 (Inception) to 31 December 2023 was as follows:

At the start of the period	
Contribution of share capital and premium	2,249,322
Impairment	(803,681)
At the end of the period	1,445,641

The impairment reflected the impact of investment property valuation decreases during the period on the carrying value of subsidiaries. For the purpose of the impairment review, the manner for recovering the investment in subsidiary undertakings is assumed to be through the sale of the investment properties indirectly held by the subsidiaries. Investment properties are held at fair value at each reporting date. Therefore, the net asset value of the subsidiaries is considered to be a reasonable approximation of the available assets that could be realised to recover the investment. The impairment reflects the impact of investment property valuation falls during the period.

5. Share capital

Details of the share capital of the Company are disclosed in note 8 to the Consolidated Financial Statements.

6. Related party transactions

Details of the related party transactions are disclosed in note 15 to the Consolidated Financial Statements

Company financial statements

NOTES TO FINANCIAL STATEMENTS

7. List of consolidated entities

All of the consolidated entities are effectively 100% owned by the Company and holds all voting rights as at 31 December 2023

Registered Address:

Prologis House, Blythe House, Blythe Valley Park, Solihull, West Midlands, United Kingdom B90 8AH

United Kingdom	Registration number	% equity	United Kingdom	Registration number	% equity
PELF UK Limited	14320005	100.00%	Prologis UK 77 Limited*	14321092	100.00%
PELF UK Holdco Limited*	14320102	100.00%	Prologis UK 78 Limited*	14321096	100.00%
Horton Road Limited*	03795377	100.00%	Prologis UK 79 Limited*	14321098	100.00%
Prologis (Cube Building) Limited*	06242429	100.00%	Prologis UK 80 Limited*	14321113	100.00%
Prologis (Cube Building) Holdings Limited*	10480452	100.00%	Prologis UK 81 Limited*	14322429	100.00%
PELF Holdco 2 Limited*	14410008	100.00%	Prologis UK 82 Limited*	14322411	100.00%
PELF Holdco 3 Limited*	14410007	100.00%	Prologis UK 83 Limited*	14322434	100.00%
Prologis UK 47 Limited*	14320423	100.00%	Prologis UK 84 Limited*	14322397	100.00%
Prologis UK 48 Limited*	14320974	100.00%	Prologis UK 85 Limited*	14322423	100.00%
Prologis UK 49 Limited*	14320969	100.00%	Prologis UK 87 Limited*	14322459	100.00%
Prologis UK 50 Limited*	14320615	100.00%	Prologis UK 88 Limited*	14322439	100.00%
Prologis UK 51 Limited*	14320744	100.00%	Prologis UK 89 Limited*	14321033	100.00%
Prologis UK 52 Limited*	14320824	100.00%	Prologis UK 90 Limited*	14321061	100.00%
Prologis UK 53 Limited*	14320802	100.00%	Prologis UK 91 Limited*	14321072	100.00%
Prologis UK 54 Limited*	14320810	100.00%	Prologis UK 92 Limited*	14321094	100.00%
Prologis UK 55 Limited*	14320805	100.00%	Prologis UK 93 Limited*	14322432	100.00%
Prologis UK 56 Limited*	14320808	100.00%	Prologis UK 95 Limited*	14321123	100.00%
Prologis UK 57 Limited*	14322400	100.00%	Prologis UK 96 Limited*	14322412	100.00%
Prologis UK 58 Limited*	14320858	100.00%	Prologis UK 97 Limited*	14322424	100.00%
Prologis UK 59 Limited*	14320866	100.00%	Prologis UK 98 Limited*	14322426	100.00%
Prologis UK 60 Limited*	14321029	100.00%	Prologis UK 100 Limited*	14322436	100.00%
Prologis UK 61 Limited*	14321049	100.00%	Prologis UK 101 Limited*	14322448	100.00%
Prologis UK 62 Limited*	14321158	100.00%	Prologis UK 102 Limited*	14322461	100.00%
Prologis UK 63 Limited*	14321038	100.00%	Prologis UK 103 Limited*	14322466	100.00%
Prologis UK 64 Limited*	14321157	100.00%	Prologis UK 104 Limited*	14322428	100.00%
Prologis UK 65 Limited*	14321160	100.00%	Prologis UK 105 Limited*	14322471	100.00%
Prologis UK 66 Limited*	14321161	100.00%	Prologis UK 113 Limited**	15177028	100.00%
Prologis UK 67 Limited*	14321159	100.00%	Prologis UK 114 Limited**	15177561	100.00%
Prologis UK 68 Limited*	14320547	100.00%	Prologis UK 115 Limited**	15177008	100.00%
Prologis UK 69 Limited*	14320681	100.00%	Prologis UK 116 Limited**	15176789	100.00%
Prologis UK 70 Limited*	14320806	100.00%	Prologis UK Central Park Limited*	14213354	100.00%
Prologis UK 71 Limited*	14320877	100.00%	Prologis UK Watford Limited*	14213792	100.00%
Prologis UK 72 Limited*	14320958	100.00%	Prologis UK Frith Limited*	14214946	100.00%
Prologis UK 73 Limited*	14320923	100.00%	Prologis UK Croydon Limited*	14214947	100.00%
Prologis UK 74 Limited*	14321027	100.00%	Swallowdale Lane (Hemel Hempstead) (No.1) Limited	04163847	100.00%
Prologis UK 75 Limited*	14321023	100.00%	Swallowdale Lane (Hemel Hempstead) (No.2) Limited	04163753	100.00%
Prologis UK 76 Limited*	14321028	100.00%			

*The entities will take exemption by virtue of Section 479A of the Companies Act 2006.

** These entities are 100% owned subs as at year-end but not consolidated as their first period of accounts will be 31 December 2024

Company financial statements

NOTES TO FINANCIAL STATEMENTS

Registered Address

34-38 Avenue de la Liberté, Luxembourg 1930, Luxembourg

Luxembourg	% equity	Luxembourg	% equity
Prologis European Finance XXIII S.à r.l.	100.00%	Prologis JK CCCIV S.à r.l.	100.00%
Prologis European Holdings XXV(1) S.à r.l. (in liquidation)	100.00%	Prologis UK CCCVII S.à r.l. (in liquidation)	100.00%
Prologis European Finance XIV S.à r.l. (in liquidation)	100.00%	Prologis UK CCCXV S.à r.l. (in liquidation)	100.00%
Prologis JK CCXXVII S.à r.l. (in liquidation)	100.00%	Prologis JK CCCX S.à r.l. (in liquidation)	100.00%
Prologis LK CCXXIX S.à r.l. (in liquidation)	100.00%	Prologis UK CCCXXI S.à r.l.	100.00%
Prologis JK CCXXXV S.à r.l. (in liquidation)	100.00%	Prologis UK CCXXVII S.à r.l.	100.00%
Prologis JK CCXLII S.à r.l. (in liquidation)	100.00%	Prologis JK CCCXXXIX S.à r.l. (in liquidation)	100.00%
Prologis LK CCXLIV S.à r.l. (in liquidation)	100.00%	Prologis UK CCCXIX S.à r.l.	100.00%
Prologis JK CCXLV S.à r.l. (in liquidation)	100.00%	Prologis JK CCCIV S.à r.l. (in liquidation)	100.00%
Prologis UK CCCIII S.à r.l. (in liquidation)	100.00%		

Registered Address

Symphony Offices, Gustav Mahlerplein 17-21, Amsterdam, 1082 MS, Netherlands

Netherlands	% equity	Netherlands	% equity
Prologis UK Holding JV (A) B.V.	100.00%	Prologis UK (A) B.V.	100.00%
Prologis UK Holding VII (A) B.V.	100.00%	Prologis UK Holding VI B.V.	100.00%

Registered Address

Fifth Floor, 37 Esplanade, St. Helier, Jersey, JE1 1JR

Jersey	% equity	Jersey	% equity
Prologis Solar Way Limited	100.00%	Prologis East London DC1 Property Unit Trust	100.00%
Prologis East London DC2 Property Unit Trust	100.00%		

8. Subsequent events

There are no subsequent events which require an additional adjustment or disclosure in the financial statements as at 31 December 2023.