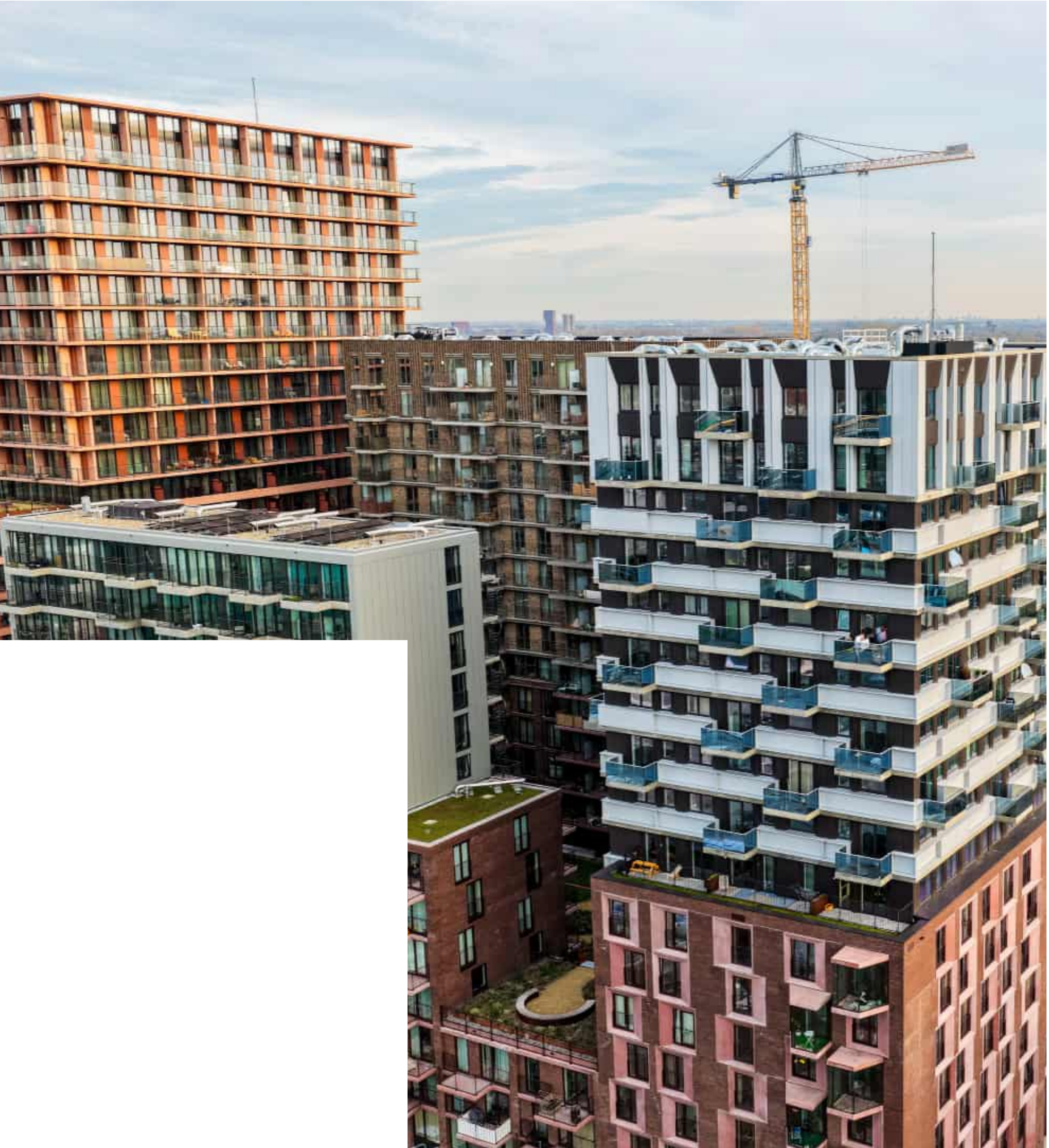
For Professional Investors only

M&G Investments

M&G European Property Fund SICAV-FIS

Annual report and Consolidated Financial Statements (audited) for the year ended 31 December 2025

An open-ended investment fund incorporated in Luxembourg as a société d'investissement à capital variable–fonds d'investissement spécialisé (SICAV–FIS)



Ernst & Young
Société anonyme

35E, Avenue John F. Kennedy
L-1855 Luxembourg
Tél : +352 42 124 1
www.ey.com/en_lu

B.P. 780
L-2017 Luxembourg
R.C.S. Luxembourg B47771
TVA LU 16063074

Autorisations d'établissement :
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Independent auditor's report

To the Shareholders of
M&G European Property Fund SICAV-FIS
16 boulevard Royal
L-2449 Luxembourg
Grand Duchy of Luxembourg.

Opinion

We have audited the consolidated financial statements of M&G European Property Fund SICAV-FIS (the "Fund") and its subsidiaries (together the "Group"), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated income statement, the consolidated statement of comprehensive income, the statement of changes in the number of shares issued, the consolidated statement of changes in equity, consolidated statement of cash flows and the consolidated statement of investment properties for the year then ended, and the notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "responsibilities of the "réviseur d'entreprises agréé" for the audit of the consolidated financial statements" section of our report. We are also independent of the Fund in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Other information

The Board of Directors of the Fund is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our report of the "réviseur d'entreprises agréé" thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors of the Fund and those charged with governance for the consolidated financial statements

The Board of Directors of the Fund is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRS as adopted by the European Union, and for such internal control as the Board of Directors of the Fund determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Responsibilities of the "réviseur d'entreprises agréé" for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

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

Ernst & Young
Société anonyme
Cabinet de révision agréé

Robert White

Luxembourg, 21 April 2026

Consolidated statement of financial position

As at 31 December 2025

Unless otherwise stated, amounts are expressed in thousands of EUR.

	Notes	As at 31 December 2025	As at 31 December 2024
Assets			
Non-current assets			
Investment properties	2.3, 6, 7	3,961,984	3,528,190
Lease incentives	2.17, 7	41,503	43,282
Investments in joint ventures	2.2, 8	107,210	100,901
Loans to joint ventures	9	36,787	34,984
Derivative financial instruments	2.16, 20	–	1,640
		4,147,484	**3,708,997**
Current assets			
Accounts receivable	2.6, 4	16,354	20,410
VAT receivable	11	13,173	12,170
Loans receivable	2.7, 13	–	104,806
Current portion of derivative financial instruments	2.16,20	651	-
Other current assets	12	53,700	47,940
Cash and cash equivalents	2.8, 14	583,697	390,936
		667,575	**576,262**
Non-current assets classified as held-for-sale	2.21, 31	–	307,592
Total assets		**4,815,059**	**4,592,851**
Equity			
Equity attributable to Shareholders of the Fund			
Share capital	2.9, 15	4,327,284	4,193,479
Cumulative foreign currency translation reserve	2.19, 17	(30,644)	(66,155)
Net retained earnings		507,472	416,483
Profit for the year		152,603	90,989
Accumulated dividends	2.10, 16	(744,741)	(654,289)
Equity attributable to Shareholders of the Fund		**4,211,974**	**3,980,507**
Non-controlling interests in subsidiaries		**8,943**	**8,481**
Total equity		**4,220,917**	**3,988,988**
Liabilities			
Non-current liabilities			
Interest bearing bank loans and borrowings, net of current portion	2.11, 18	26,339	170,500
Lease liability, net of current portion	22	764	761
Deferred tax liabilities, net of current portion	2.20, 21	136,314	129,493
Payable to related parties	27	–	362
Security deposits due to tenants	2.12, 4	11,073	11,236
		174,490	**312,352**

The accompanying notes are an integral part of these Consolidated Financial Statements.

Consolidated statement of financial position

As at 31 December 2025

Unless otherwise stated, amounts are expressed in thousands of EUR.

	Notes	As at 31 December 2025	As at 31 December 2024
Current liabilities			
Current portion of interest bearing bank loans and borrowings	2.11, 18	157,161	60,749
Current portion of lease liability	22	34	87,374
Current portion of deferred tax liabilities	2.20, 21	–	7,199
Current portion of security deposits due to tenants	2.12, 4	1,009	1,400
Accounts payable	2.13	4,180	5,631
Current portion of payable to related parties	27	8,085	8,427
Income and other taxes payable	2.20, 21	19,046	14,090
Subscriptions received in advance	32	177,105	50,881
Accrued expenses and other current liabilities	19	37,105	38,464
Dividend payable	2.10	–	1,489
Deferred income	2.15	15,927	15,807
		419,652	**291,511**
Total liabilities		**594,142**	**603,863**
Total equity and liabilities		**4,815,059**	**4,592,851**

The accompanying notes are an integral part of these Consolidated Financial Statements.

Consolidated income statement

For the year ended 31 December 2025

Unless otherwise stated, amounts are expressed in thousands of EUR.

	Notes	Year ended 31 December 2025	Year ended 31 December 2024
Rental income	2.17	203,270	199,721
Other property income	2.17	40,468	36,225
Total revenue	6	**243,738**	**235,946**
Property management fees		(5,426)	(4,654)
Other property related expenses	23	(55,903)	(55,053)
Property operating expenses	2.18	**(61,329)**	**(59,707)**
Gross profit		**182,409**	**176,239**
Annual management fee	27	(19,928)	(18,565)
Asset management fees	27	(9,978)	(9,691)
Depositary fees		(308)	(308)
Other fund expenses	24	(10,162)	(10,049)
Fund operating expenses		**(40,376)**	**(38,613)**
Gain/(loss) from fair value adjustments on investment properties	2.3,7	27,046	(24,694)
Gain from fair value adjustments on non-current asset held-for-sale	31	11,118	123
(Loss)/gain from disposal of investment properties	2.17, 10	(5,335)	6,670
Result from investment activity		**32,829**	**(17,901)**
Operating profit		**174,862**	**119,725**
Finance income	2.17, 25	10,572	16,552
Finance costs	2.18, 25	(15,816)	(12,069)
Gain/(loss) from fair value adjustments on loans	13	6,101	(6,796)
Share of profit of joint ventures	8	6,195	3,215
Profit before tax		**181,914**	**120,627**
Current tax expense	2.20, 21	(9,043)	(11,187)
Deferred tax expense	2.20, 21	(20,448)	(17,827)
Profit for the year		**152,423**	**91,613**
Profit attributable to:			
Shareholders of the Fund		152,603	90,989
Non-controlling interests		(180)	624
		152,423	**91,613**

	Notes	Year ended 31 December 2025	Year ended 31 December 2024
Profit per Share (basic and diluted)	26		
Class ‘C’ Income Shares		3.33	1.79
Class ‘C’ Accumulation Shares		3.33	1.79
Class ‘E’ Income Shares		3.67	2.22
Class ‘E’ Accumulation Shares		3.67	2.22
Class ‘F’ Income Shares		3.73	2.26
Class ‘F’ Accumulation Shares		3.73	2.26
Class ‘G’ Income Shares		3.75	2.28
Class ‘G’ Accumulation Shares		3.75	2.28
Class ‘X’ Income Shares		3.56	2.08
Class ‘X’ Accumulation Shares		3.56	2.08

The Fund is not exposed to potentially dilutive effects and as such the diluted earnings per Share equal the basic earnings per Share.

The accompanying notes are an integral part of these Consolidated Financial Statements.

Consolidated statement of comprehensive income

For the year ended 31 December 2025

Unless otherwise stated, amounts are expressed in thousands of EUR.

	Notes	Year ended 31 December 2025	Year ended 31 December 2024
Profit for the year		**152,423**	**91,613**
Profit attributable to:			
Shareholders of the Fund		152,603	90,989
Non-controlling interests		(180)	624
		152,423	**91,613**
Other comprehensive income/(loss) that may be reclassified to income statement in subsequent periods			
Foreign currency translation	2.19, 17	35,511	(10,246)
Other comprehensive income/(loss) for the year		**35,511**	**(10,246)**
Total comprehensive income for the year		**187,934**	**81,367**
Total comprehensive income attributable to:			
Shareholders of the Fund		188,114	80,743
Non-controlling interests		(180)	624
		187,934	**81,367**

The accompanying notes are an integral part of these Consolidated Financial Statements.

Statement of changes in the number of shares issued

For the year ended 31 December 2025

		Year ended 31 December 2025	Year ended 31 December 2024
Number of Shares outstanding at the beginning of the year			
Class 'C'	Income Shares	304,312.840	232,820.215
	Accumulation Shares	159,490.027	159,490.027
Class 'E'	Income Shares	3,262,732.232	3,244,857.948
	Accumulation Shares	132,700.006	132,700.006
Class 'F'	Income Shares	11,263,458.835	13,153,631.587
	Accumulation Shares	2,658,551.931	1,937,533.070
Class 'G'	Income Shares	11,754,060.939	11,754,060.939
	Accumulation Shares	4,301,375.929	3,803,255.714
Class 'X'	Income Shares	5,344,767.295	5,344,767.295
	Accumulation Shares	1,386,048.377	1,403,688.514
Number of Shares issued during the year			
Class 'C'	Income Shares	29,449.043	71,492.625
	Accumulation Shares	62,472.668	–
Class 'E'	Income Shares	4,997.240	17,874.284
	Accumulation Shares	–	–
Class 'F'	Income Shares	732,061.866	98,005.573
	Accumulation Shares	163,145.967	43,357.572
Class 'G'	Income Shares	–	–
	Accumulation Shares	197,784.781	498,120.215
Class 'X'	Income Shares	57,971.014	–
	Accumulation Shares	–	25,266.869
Number of Shares redeemed during the year			
Class 'C'	Income Shares	–	–
	Accumulation Shares	–	–
Class 'E'	Income Shares	–	–
	Accumulation Shares	–	–
Class 'F'	Income Shares	–	(767,489.310)
	Accumulation Shares	–	(23,237.512)
Class 'G'	Income Shares	–	–
	Accumulation Shares	–	–
Class 'X'	Income Shares	(25,206.854)	–
	Accumulation Shares	(23,202.892)	–
Number of Shares converted during the year			
Class 'C'	Income Shares	157,317.001	–
	Accumulation Shares	(89,115.970)	–
Class 'E'	Income Shares	(290,545.095)	–
	Accumulation Shares	231,691.068	–
Class 'F'	Income Shares	1,708,597.246	(1,220,689.015)
	Accumulation Shares	–	700,898.801
Class 'G'	Income Shares	–	–
	Accumulation Shares	–	–
Class 'X'	Income Shares	(1,212,720.793)	–
	Accumulation Shares	(341,406.698)	(42,907.006)

The accompanying notes are an integral part of these Consolidated Financial Statements.

Statement of changes in the number of shares issued

For the year ended 31 December 2025

		Year ended 31 December 2025	Year ended 31 December 2024
Number of Shares in issue at the end of the year			
Class 'C'	Income Shares	491,078.884	304,312.840
	Accumulation Shares	132,846.725	159,490.027
Class 'E'	Income Shares	2,977,184.377	3,262,732.232
	Accumulation Shares	364,391.074	132,700.006
Class 'F'	Income Shares	13,704,117.947	11,263,458.835
	Accumulation Shares	2,821,697.898	2,658,551.931
Class 'G'	Income Shares	11,754,060.939	11,754,060.939
	Accumulation Shares	4,499,160.710	4,301,375.929
Class 'X'	Income Shares	4,164,810.662	5,344,767.295
	Accumulation Shares	1,021,438.787	1,386,048.377

The accompanying notes are an integral part of these Consolidated Financial Statements.

Consolidated statement of changes in equity

For the year ended 31 December 2025
Unless otherwise stated, amounts are expressed in thousands of EUR.

	Notes	Share capital	Retained earnings	Profit/(loss) for the year	Accumulated dividends	Foreign currency translation reserve	Total	Non-controlling interests	Total equity
Balance as at 31 December 2023		**4,154,062**	**746,893**	**(330,410)**	**(560,591)**	**(55,909)**	**3,954,045**	**5,548**	**3,959,593**
Share subscription	15	104,870	–	–	–	–	104,870	–	104,870
Share redemption	15	(65,453)	–	–	–	–	(65,453)	–	(65,453)
Dividend	16	–	–	–	(93,698)	–	(93,698)	–	(93,698)
Non-controlling interests arising on acquisition of a subsidiary		–	–	–	–	–	–	2,309	2,309
Allocation of prior year's loss		–	(330,410)	330,410	–	–	–	–	–
Profit for the year		–	–	90,989	–	–	90,989	624	91,613
Other comprehensive loss for the year		–	–	–	–	(10,246)	(10,246)	–	(10,246)
Total comprehensive income for the year		–	–	90,989	–	(10,246)	80,743	624	81,367
Balance as at 31 December 2024		**4,193,479**	**416,483**	**90,989**	**(654,289)**	**(66,155)**	**3,980,507**	**8,481**	**3,988,988**
Share subscription	15	139,562	–	–	–	–	139,562	–	139,562
Share redemption	15	(5,757)	–	–	–	–	(5,757)	–	(5,757)
Dividend	16	–	–	–	(90,452)	–	(90,452)	–	(90,452)
Non-controlling interests arising on acquisition of a subsidiary		–	–	–	–	–	–	642	642
Allocation of prior year's profit		–	90,989	(90,989)	–	–	–	–	–
Profit for the year		–	–	152,603	–	–	152,603	(180)	152,423
Other comprehensive income for the year		–	–	–	–	35,511	35,511	–	35,511
Total comprehensive income for the year		–	–	152,603	–	35,511	188,114	(180)	187,934
Balance as at 31 December 2025		**4,327,284**	**507,472**	**152,603**	**(744,741)**	**(30,644)**	**4,211,974**	**8,943**	**4,220,917**

The accompanying notes are an integral part of these Consolidated Financial Statements.

Consolidated statement of cash flows

For the year ended 31 December 2025

Unless otherwise stated, amounts are expressed in thousands of EUR.

	Notes	Year ended 31 December 2025	Year ended 31 December 2024
Cash flows from operating activities			
Profit before tax		181,914	120,627
Adjustments for non-cash items			
Net (gain)/loss from fair value adjustments on investment properties	7	(27,046)	24,694
Gain from fair value adjustments on non-current asset held-for-sale	31	(11,118)	(123)
(Gain)/loss from fair value adjustments on loans	13	(6,101)	6,796
Loss/(gain) from disposal of investment property	7, 10	5,335	(6,670)
Unrealised loss on caps	25	989	1,975
Share of profit of joint ventures	8	(6,195)	(3,215)
Interest income	25	(7,158)	(14,240)
Interest expense	25	6,438	8,552
Amortisation of debt costs	18, 25	536	585
Bad debt reversal	23	(396)	(377)
Unrealised exchange losses	25	3,923	34
Net cash flows before change in working capital		**141,121**	**138,638**
Decrease in receivables and other assets		15,253	2,892
Decrease in payables and other liabilities		(12,734)	(7,311)
Income taxes paid	21	(5,215)	(11,176)
Net cash provided by operating activities		**138,425**	**123,043**
Cash flows from investing activities			
Acquisitions of investment properties	7	(330,492)	(105,121)
Proceeds from disposal of subsidiaries and investment properties	10	35,008	98,405
Proceeds from disposal of non-current assets held-for-sale	10, 31	241,139	119,971
Capital expenditure	7	(42,093)	(38,859)
Payments on deposits	12	(19,983)	–
Acquisitions of investment in joint ventures	8	(114)	(9,205)
Interest received	9, 25	3,344	3,598
Issued loans	13	(3,501)	(25,505)
Proceeds from loans collected	13	59,886	–
Increase in loans to joint ventures	9	–	(3,366)
Net cash (used in)/provided by investing activities		**(56,806)**	**39,918**

The accompanying notes are an integral part of these Consolidated Financial Statements.

Consolidated statement of cash flows

For the year ended 31 December 2025

Unless otherwise stated, amounts are expressed in thousands of EUR.

	Notes	Year ended 31 December 2025	Year ended 31 December 2024
Cash flows from financing activities			
Loan transaction costs	18	(1,743)	–
Loans repaid during the current year	18	(119,080)	(121,370)
Proceeds of loans and borrowings	18	72,500	–
Lease payments	22	(34)	(2,045)
Proceeds from subscription of Shares	15	75,936	97,309
Monies received on subscription pending settlement	32	177,105	50,881
Payments on redemption of Shares	15	(5,757)	(65,453)
Dividend payment	16	(78,554)	(82,339)
Net interest paid	25	(6,306)	(8,158)
Net cash provided by/(used in) financing activities		**114,067**	**(131,175)**
Net increase in cash and cash equivalents		**195,686**	**31,786**
Cash and cash equivalents at the beginning of the year		390,936	359,731
Exchange loss on cash and cash equivalents		(2,925)	(581)
Cash and cash equivalents at the end of the year	14	**583,697**	**390,936**

The accompanying notes are an integral part of these Consolidated Financial Statements.

Consolidated statement of investment properties

For the year ended 31 December 2025

Unless otherwise stated, amounts are expressed in thousands of EUR.

	Notes	Year ended 31 December 2025	Year ended 31 December 2024
Historic cost			
Cost at the beginning of the year		3,861,364	4,011,689
Asset acquisitions by way of share deal acquisitions	7	200,173	50,723
Asset additions by way of direct property acquisitions	7	189,082	54,833
Capital expenditure	7	42,308	39,917
Asset disposal by way of direct property disposal	7, 10	(39,385)	(99,047)
Transfer to assets held-for-sale	7, 31	–	(186,753)
Effect of unrealised currency movements	7	9,772	(9,998)
Cost at the end of the year		**4,263,314**	**3,861,364**
Net unrealised losses related to property			
Net unrealised losses at the beginning of the year		(333,968)	(278,544)
Disposals	7, 10	4,798	488
Transfer to assets held-for-sale	7, 31	–	(32,284)
Net valuation gains/(losses) on investment property during the year	7	27,042	(23,628)
Net unrealised losses at the end of the year		**(302,128)**	**(333,968)**
Carrying value at the end of the year		**3,961,186**	**3,527,396**
Right-of-use asset	7	794	48,129
Lease modification adjustment	7	–	42,370
Net gain/(loss) from fair value adjustments on right-of-use	7	4	(1,066)
Net currency movement on right-of-use	7	–	(1,298)
Transfer to assets held-for-sale	7, 31	–	(87,341)
Total investment properties at the end of the year		**3,961,984**	**3,528,190**
Lease incentives	7	41,503	43,282
Fair value at the end of the year		**4,003,487**	**3,571,472**
Fair value at the beginning of the year		**3,571,472**	**3,823,152**
Appraised market value as a percentage of net assets		**95%**	**90%**
Appraised gross property value subject to security		**383,150**	**542,199**
Insured value of investment properties	7	**5,235,749**	**4,207,206**
Insured value of investment properties of joint ventures (on basis of a 50% share (2024: 50%))		**101,965**	**111,165**
Insured value of investment properties held-for-sale		**–**	**207,718**

During the year ended 31 December 2025, there were seven acquisitions of investment properties:

- On 31 March 2025, the Fund completed the forward funded student accommodation development in The Hague for €60.7m by acquiring shares in The Rock B.V. (excluding acquisition costs);
- On 1 April 2025, the Fund acquired an office property for a value of €51m (SEK 550m) by acquiring Skravel Property AB shares (excluding acquisition costs);
- On 28 April 2025, the Fund acquired logistics asset in Groß-Gerau for €73.2m through the incorporated entity Gross Gerau S.à r.l. (excluding acquisition costs);

The accompanying notes are an integral part of these Consolidated Financial Statements.

Consolidated statement of investment properties

For the year ended 31 December 2025

Unless otherwise stated, amounts are expressed in thousands of EUR.

- On 17 December 2025, the Fund acquired logistics asset in Almere for €38.4m through the incorporated entity Almere Logistics S.à r.l. (excluding acquisition costs);
- On 17 December 2025, the Fund acquired logistics asset in Utrecht for €31m through the incorporated entity Utrecht Logistics S.à r.l. (excluding acquisition costs);
- On 17 December 2025, the Fund acquired logistics asset in Aalsmeer for €30.6m through the incorporated entity Schiphol Logistics S.à r.l. (excluding acquisition costs); and
- On 4 December 2025, the Fund acquired three logistics properties in Milan, Novara and Biandrate for a value of €84.9m by acquiring MEP Italy SICAF S.p.A. shares (excluding acquisition costs).

During the year ended 31 December 2025, there were two disposals of investment properties:

- On 1 April 2025, the Fund disposed of the entity Klara Strand Property AB for €242.0m (SEK2,610m excluding transaction costs), for which the investment property was classified as held for sale as at 31 December 2024; and
- On 3 July 2025, the Fund disposed of a property owned by Nauberg SCI for €35.0m (excluding transaction costs).

During the year ended 31 December 2024, there were three acquisitions of investment properties:

- On 28 November 2024, the Fund acquired an additional property, the Vescovana Logistic Building, in Padova for €12.8m through its existing entity, Padova S.r.l. (excluding acquisition costs);
- On 20 December 2024, the Fund entered into forward funding agreements to acquire two developments in France through its existing entity, LLD Logistics SNC, for €9.7m (excluding acquisition costs). Initial payments of 20% of the total price were paid in December 2024; and
- On 17 December 2024, the Fund acquired a PRS Complex in Valencia for a property value of €80.0m by acquiring Marina Living, S.L.U. Two properties were acquired by share deal of €51.5m and one property by asset deal of €28.5m (excluding acquisition costs).

During the year ended 31 December 2024, there were six disposals of investment properties:

- On 25 January 2024, the Fund disposed of the entity Toison d'Or S.A. for €40.9m (excluding transaction costs), for which the investment property was classified as held for sale as at 31 December 2023;
- On 1 July 2024, the Fund disposed of a property owned by Kloesterstraede 1 ApS for €2.3m (excluding transaction costs), for which the investment property was classified as held for sale as at 31 December 2023;
- On 1 July 2024, the Fund disposed of a property owned by MEP Industrial Centre K/S (Nordager 1-3, 6000 Kolding) for €44.2m (excluding transaction costs);
- On 1 July 2024, the Fund disposed of a property owned by Kalvebod Brygge 47 K/S for €80.6m (excluding transaction costs), for which the investment property was classified as held for sale as at 31 December 2023;
- On 17 July 2024, the Fund disposed of a property owned by Frederiksplein 42 S.à r.l. for €17.0m (excluding transaction costs); and
- On 30 December 2024, the Fund disposed of a property owned by Ridlerstrasse S.à r.l. for €37.0m (excluding transaction costs).

The accompanying notes are an integral part of these Consolidated Financial Statements.

Consolidated statement of investment properties

For the year ended 31 December 2025
Unless otherwise stated, amounts are expressed in thousands of EUR.

For details related to disposals refer to Note 10.

As at 31 December 2024, the asset related to the entity Klara Strand Property AB is presented as 'non-current asset classified as held-for-sale'. On 1 April 2025, the Fund completed the sale of Klara Strand Property AB for an agreed disposal price of €242.0m (SEK2,610m).

For details related to non-current assets classified as held-for-sale refer to Note 31.

The estimated equivalent yields used by the Valuation Advisers to value the investment properties as at 31 December 2025 and 31 December 2024 were as follows per country:

Country	31 December 2025	31 December 2024
Belgium	5.30%	5.02%
Denmark	4.40%-6.80%	4.40%-7.00%
Finland	4.25%-7.00%	4.25%-6.60%
France	4.00%-7.36%	4.05%-7.31%
Germany	3.70%-7.40%	3.70%-7.30%
Italy	4.10%-6.78%	4.30%-6.58%
Luxembourg	6.81%	6.75%
the Netherlands	3.91%-7.10%	4.21%-7.33%
Poland	6.38%-7.01%	6.35%-6.80%
Portugal	5.67%-6.23%	5.68%-6.23%
Spain	4.26%-5.76%	4.35%-5.73%
Sweden	3.80%-6.40%	4.50%-6.40%

[a] Estimated equivalent yields include properties at MCF S.r.l. and Elle 14 S.r.l.

The accompanying notes are an integral part of these Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
Unless otherwise stated, amounts are expressed in thousands of EUR.

1 General information

M&G European Property Fund SICAV-FIS (the 'Fund'), is a public limited company (société anonyme or SA) qualifying as a specialised investment fund with variable share capital (société d'investissement à capital variable – fonds d'investissement spécialisé). The Fund was initially established in 2006 under Part II of the 2002 Law, as an umbrella SICAV, Specialist Investment Funds (2), with a single compartment or sub-fund, being the M&G European Property sub-fund. At an extraordinary general meeting of Shareholders held on 28 May 2010, it was decided that, with effect from 2 June 2010:

- the regulatory regime be changed from Part II of the 2002 Law to the Specialised Investment Funds Law of 2007 (the 'SIF Regime'); and
- the umbrella SICAV and M&G European Property sub-fund be merged into a single fund SICAV structure, under the denomination M&G European Property Fund SICAV-FIS.

The investment objective of the Fund is to invest in European markets to optimise long-term total return (the combination of income and growth of capital), through investment mainly in real estate investments.

The Fund's financial year runs from January 1 to December 31 of each year. The reporting year presented in these Consolidated Financial Statements is from 1 January 2025 through 31 December 2025.

These Consolidated Financial Statements for the year ended 31 December 2025 have been authorised for issue by the Board on 21 April 2026.

2 Summary of material accounting policies

2.1 Basis of preparation

The Consolidated Financial Statements have been prepared on a historical cost basis, except for investment properties, loans receivable and derivative financial instruments which are stated at fair value.

The Consolidated Financial Statements are presented in Euro (EUR or €) and all values are rounded to the nearest thousand (EUR '000) except where otherwise indicated.

Statement of compliance

The Consolidated Financial Statements of the Fund have been prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union ('EU').

Going concern assessment

As at 31 December, the Fund had an undealt capital queue of €674.8m. The cash balance amounted to €583.7m, out of which €195.4m was held in the Fund level bank accounts and €388.3m was held in the bank accounts of the Fund's subsidiaries. As at 31 December 2025, the interest bearing bank loans (including interest) amounted to €183.5m, of which €170.0m will be due for repayment during the year 2026.

Rent collection for the year was 97.2%, although this is still below the historic rate of ~98%, this has improved markedly on recent years. Historically, the volume of redemption requests has been small. The Fund paid €5.8m of redemptions in 2025, the Fund has since not had any further indications of any further redemptions. If significant redemptions were to be received in the next 12 months, the sources of liquidity would (in order of priority) be existing accessible cash in the Fund, drawdowns from the capital queue, and asset sales. In the event that asset sales were required to be completed to fund redemptions, it is possible that redemption requests would be deferred. Redemption requests may be deferred for up to 18 months.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
Unless otherwise stated, amounts are expressed in thousands of EUR.

Given the size of the Fund's NAV, adequate cash to meet short term requirements through use of the capital queue, combined with no outstanding redemption requests, and the deferral mechanism in place, together with low vacancy rates and a strong income base, we believe it is appropriate for the Fund's Consolidated Financial Statements for the year ended 31 December 2025 to be prepared on a going concern basis.

New and amended standards and interpretations adopted by the Fund

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended IFRS and International Financial Reporting Interpretations Committee ('IFRIC') interpretations effective as of 1 January 2025, these exclude standards which, in the opinion of the Board, are not relevant to the Fund.

Amendments to IAS 21 – The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability

In August 2023, the IASB issued amendments to IAS 21 Lack of Exchangeability. The amendment to IAS 21 specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments note that an entity can use an observable exchange rate without adjustment or another estimation technique.

When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, it discloses information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

These amendments have been endorsed by the EU on 13 November 2024. The adoption and interpretation of this standard does not have a material impact on the Fund's Consolidated Financial Statements.

New and amended standards and interpretations issued but not effective for the financial year beginning 1 January 2025 and not early adopted

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Fund's Consolidated Financial Statements are disclosed below, except for those standards which, in the opinion of the Board, are not relevant to the Fund. The Fund intends to adopt these standards, if applicable, when they become effective. The Fund's assessment of the impact of these new standards and interpretations are set out below:

Amendments to IFRS 9 – Financial Instruments and IFRS 7 – Financial Instruments: Disclosures

On 30 May 2024, the International Accounting Standard Board ('IASB') issued amendments to the classification and measurement of financial instruments to address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 - Financial Instruments. The amendments include guidance on the classification of financial assets, including those with contingent features. Companies will be required to provide additional disclosures on financial assets and financial liabilities that have certain contingent features. The amendments are effective for reporting periods beginning on or after 1 January 2026. These amendments have been endorsed by the EU on 28 May 2025.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
Unless otherwise stated, amounts are expressed in thousands of EUR.

IFRS 18 – Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Consolidated Financial Statements. IFRS 18 introduces new requirements for presentation within the Consolidated income statement , including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the Consolidated income statement into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary Consolidated Financial Statements and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, will be effective for reporting periods beginning on or after 1 January 2027 with earlier application permitted, but will need to be disclosed. IFRS 18 must be applied retrospectively.

The Board is currently assessing the implications of applying the new standard on the Fund's Consolidated Financial Statements. The Fund will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with IFRS 18. These amendments have been endorsed by the EU on 13 February 2026.

IFRS 19 – Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements on other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares Consolidated Financial Statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will be effective for reporting periods beginning on or after 1 January 2027 with earlier application permitted. IFRS 19 is not expected to have a material impact on the Fund's Consolidated Financial Statements. These amendments have not been endorsed by the EU.

Annual Improvement cycle:
The following annual improvements to IFRS Accounting Standards are effective for reporting periods beginning on or after 1 January 2026:

- IFRS 1 First-time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IFRS 10 Consolidated Financial Statements; and
- IAS 7 Statement of Cash flows.

These amendments have been endorsed by the EU on 10 July 2025.

No other new standards, amendments to standards, or interpretations issued but not yet effective for the financial year beginning on 1 January 2025 are expected by management to have a material impact on the Fund's Consolidated Financial Statements.

2.2 Basis of consolidation

The financial statements are presented on a consolidated basis including all the activities of the Fund and of its direct and indirect subsidiaries as at 31 December 2025. The financial statements of the Fund and those of its subsidiaries are prepared for the same reporting period using consistent accounting policies.

Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Fund has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Fund controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Fund. When the Fund loses control over a subsidiary, it derecognises the related assets (including any goodwill previously recognised), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss recognised in the Consolidated income statement.

A list of consolidated entities is included in Note 28.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Fund.

Transactions with non-controlling interests

The Fund treats transactions with non-controlling interests as transactions with equity owners of the Fund. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Business combinations and goodwill

The acquisition method of accounting is used to account for business combinations by the Fund. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Fund. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Fund recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The Fund will consider on a transaction-by-transaction basis the optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. This test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. If the test is met, the set of activities and assets is determined not to be a business and no further assessment is needed.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
Unless otherwise stated, amounts are expressed in thousands of EUR.

The Fund measures goodwill at the acquisition date as the excess of:

- the consideration transferred, plus
- the amount of any non-controlled interest in the acquiree, plus
- the fair value at acquisition date of any previous equity interest in the acquiree, less
- the fair value of the Fund's share of identifiable net assets acquired.

If this calculated balance is negative in the case of a bargain purchase, it is recognised directly in the Consolidated Statement of comprehensive income.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. For the year ended 31 December 2025, the Fund did not have business combinations or goodwill.

Investments in joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining joint control are similar to those necessary to determine control over subsidiaries.

The Fund's investments in joint ventures are accounted for using the equity method.

Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Fund's share of the net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The Consolidated income statement reflects the Fund's share of the results of operations of the joint ventures. Any change in other comprehensive income ('OCI') of those investees is presented as part of the Fund's OCI. In addition, when there has been a change recognised directly in the equity of the joint ventures, the Fund recognises its share of any changes, when applicable, in the Consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Fund and the joint ventures are eliminated to the extent of the interest in the joint ventures.

The share of profit of the joint ventures is shown on the face of the Consolidated income statement and represents profit or loss after tax and non-controlling interests in the subsidiaries of the joint venture.

After application of the equity method, the Fund determines whether it is necessary to recognise an additional impairment loss on the Fund's investment in the joint venture. The Fund determines at the end of each reporting period whether there is any objective evidence that the investment in the joint venture is impaired. If this is the case the Fund calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value and recognises the amount in the Consolidated income statement.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
Unless otherwise stated, amounts are expressed in thousands of EUR.

2.3 Investment properties
Investment properties mainly comprise investments in land and buildings in the form of offices, industrial, retail or residential properties which are not used in the operation of the Fund, nor for sale in the ordinary course of business, but are held primarily to earn rentals by leasing to third parties under long term operating leases or for capital appreciation or both. As at the reporting date the Fund held assets in Belgium, Denmark, Finland, France, Germany, Italy, the Netherlands, Poland, Portugal, Luxembourg, Spain and Sweden.

Investment properties are initially recorded at cost including any costs directly attributable to the purchase, such as property transfer taxes and professional fees for legal services to bring the property to the condition necessary for it to operate in the manner intended by the Fund. Subsequent expenditure on renovation and development of investment properties is capitalised at cost. Day-to-day servicing cost of an investment property is expensed.

After initial recognition investment properties are revalued to fair value on an annual basis as determined by the independent valuers (the 'Valuation Advisers'). A full valuation is performed on an annual basis at year end. A desktop valuation is performed by the Valuation Advisers on a quarterly basis. CBRE Limited ('CBRE'), Jones Lang LaSalle Expertises ('JLL') and Colliers Valuation Italy S.r.l. ('Colliers') have been appointed as the Valuation Advisers and have acquired significant experience in the real estate segment targeted by the Fund.

Any gains or losses arising from a change in the fair value of investment properties are included in the Consolidated income statement in the year in which they arise under 'Gain/(loss) from fair value adjustments on investment properties'. For the purposes of these Consolidated Financial Statements, in order to avoid 'double counting', the assessed fair value is reduced by the carrying amount of any accrued income resulting from the spreading of lease incentives and leasing commissions and/or minimum lease payments.

Investment properties are derecognised, either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal or withdrawal from use. Any gains or losses from the discontinuation or disposal of an investment property are recognised in the Consolidated income statement in the year of retirement or disposal.

Realised gains and losses on the disposal of investment properties are determined as the difference between net disposal proceeds and the carrying value of the asset and are included in the Consolidated income statement in the year in which they arise under 'Gain from disposal of investment properties'.

A breakdown of the Fund's current investment properties is included under Note 7 and Note 29.

Leasehold assets
In accordance with IFRS 16, the Fund accounts for all leases under a single on-balance sheet model.

At the commencement date of a lease, the Fund as lessee, will recognise a liability to make lease payments (ie, the lease liability) and a corresponding asset representing the right to use the underlying asset during the lease term (ie, the right-of-use asset). The right-of-use asset is subsequently revalued in accordance with IAS 40, due to the right-of-use asset meeting the definition of Investment Property.

The fair value of investment property held by a lessee as a right-of-use asset reflects expected cash flows (including variable lease payments that are expected to become payable). Accordingly, if a valuation obtained for the underlying property is net of all payments expected to be made, it will be necessary to add back any recognised lease liability, to arrive at the consolidated carrying amount of the investment property using the fair value model. Changes in fair value are recognised in the Consolidated income statement within Gain/(loss) from fair value adjustment on investment properties.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
Unless otherwise stated, amounts are expressed in thousands of EUR.

The Fund will recognise a lease liability at the date of initial application measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application. The Fund will apply the available practical expedients wherein it will use a single discount rate to a portfolio of leases with reasonably similar characteristics.

The lease payments included in the measurement of the lease liability compromise fixed payments through to the end of the lease and variable lease payments that depend on an increase in the fixed sum (ie, periodic doubling of the rent). After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The Fund will remeasure the lease liability upon the occurrence of certain events (eg, a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The Fund will recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Right-of-use asset is presented as part of Investment properties in the Consolidated statement of financial position. The lease liability is presented in the Consolidated statement of financial position split between current and non current liability accordingly.

Leasing commissions

Leasing commissions incurred subsequent to the acquisition of a real estate asset in negotiating a new or renewed operating lease are capitalised and amortised over the leasing term.

Valuation methodologies

Market Value is estimated through application of valuation methods and procedures that reflect the nature of the property and the circumstances under which the given property would most likely trade in the market. The most common methods used to estimate Market Value include the sales/direct comparison approach and the income capitalisation approach, including discounted cash flow analysis. The most common method used to estimate the Market Value of investment properties under construction is the residual value method, combined with either the sales comparison approach, or the income capitalisation approach.

a. Sales/direct comparison approach

This comparative approach considers the sales of similar or substitute properties and related market data, and establishes a value estimate by processes involving comparison. In general, a property being valued (a subject property) is compared with sales of similar properties that have been transacted in the market. Listings and offerings may also be considered.

This approach establishes limits on the Market Value for real property by examining the prices commonly paid for properties that compete with the subject property for buyers. Sales are investigated to ensure that the parties to the transaction were typically motivated.

b. Income capitalisation approach

This approach considers income and expense data relating to the property being valued and estimates value through a capitalisation process. Capitalisation relates income (usually a net income figure) and a defined value type by converting an income amount into a value estimate. This process may consider direct relationships (known as capitalisation rates), yield or discount rates (reflecting measures of return on investment), or both.

The income capitalisation approach is particularly important for properties that are purchased and sold on the basis of their earnings capabilities and characteristics and in situations where there is market evidence to support the various elements incorporated into the analysis. The income capitalisation approach is based on the same principles that apply to other valuation approaches. In particular, it perceives value as created by the expectation of future benefits (income streams). Income capitalisation employs processes that consider the present value of anticipated future income benefits.

c. Discounted cash flow analysis ('DCF')
DCF is a financial modelling technique based on explicit assumptions regarding the prospective cash flow to a property or business. As an accepted methodology within the income approach to valuation, DCF analysis involves the projection of a series of periodic cash flows either to an operating property, a development property, or a business. An appropriate, market-derived discount rate is applied to this projected cash flow series to establish an indication of the present value of the income stream associated with the property or business. In the case of operating real estate properties, periodic cash flow is typically estimated as gross income less vacancy and collection losses and less operating expenses/outgoings. The series of periodic net operating incomes, along with an estimate of the reversion/ terminal value, anticipated at the end of the projection period, is then discounted. The most widely used applications of DCF analysis are the Internal Rate of Return ('IRR') and Net Present Value ('NPV').

As with all other components of DCF analysis, the discount rate should also reflect market data, ie, other market derived discount rates. Discount rates should be selected from comparable properties or businesses in the market. In order for these properties to be comparable, the revenue, expenses, risk, inflation, real rates of return, and income projections for the properties must be similar to those of the subject property. Present value calculations of cash flows are most often calculated using appropriate discount rates for each class of cash flows. A reversion/terminal value is capitalised at a terminal capitalisation rate, or reversion yield, and discounted to present value at an appropriate discount rate. In many instances, a single discount rate is used for all cash flows.

d. Residual value method
For the investment properties under construction, market value has been determined using the residual value method. As part of this process the Valuation Advisers initially assess the gross development value of the respective property based on the estimated rental value ('ERV') that they assume for each asset upon completion and an equivalent yield that would be appropriate for the subject property. Various costs such as the estimates of capital outlay, construction costs and developer's profit then have to be deducted in order to arrive at the value of the property to the Fund. In determining such costs the Fund's contractual commitments are taken into account. The total gain is apportioned with respect to the total percentage spend to date and added to the total spend to date to calculate the investment value at the valuation date, any losses are recognised in full.

The Fund's preferred valuation methodology used for completed investment properties is the income capitalisation approach, with reference to the sales/direct comparison approach to analyse the rate per square metre of similar properties transacted in the market. The residual value method is used for investment properties under construction. The timing and quantum of the Fund's contractually committed development costs are taken into account in the application of this method.

2.4 Financial assets and liabilities

Recognition of financial assets

Initial recognition and measurement
Financial assets within the scope of IFRS 9, are classified at initial recognition, and subsequently measured at amortised cost, fair value through OCI, and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Fund's business model for managing them. With the exception of accounts receivable that do not contain a significant financing component, or for which the Fund has applied the practical expedient, the Fund 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, transaction costs. As the Fund's rent and other accounts receivable do not contain significant financing components, they are measured at the transaction price.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
Unless otherwise stated, amounts are expressed in thousands of EUR.

The Fund's financial assets include loans receivable, loans to joint ventures, derivative financial instruments, trade and other receivables and cash and short-term deposits.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are solely payments of principal and interest ('SPPI') on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Fund's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Financial assets at amortised cost

The Fund measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest, on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Since the Fund's financial assets (loans to joint ventures, rent and other accounts receivable, contract assets, cash and short-term deposits) meet these conditions, they are subsequently measured at amortised cost. These are non derivative financial instruments with fixed or determinable payments and are therefore subsequently measured at amortised cost and subject to impairment. IFRS 9 requires the Fund to record expected credit losses ('ECLs') on all of loans and accounts receivable not held at fair value through profit or loss.

Loans to joint ventures are assessed on an annual basis to determine whether any allowance for ECLs is required. ECLs are based on the difference between the contractual cash flows due in accordance with the loan agreement and all the cash flows that the Fund expects to receive, discounted at the effective interest rate. Any impairment is recognised in the Consolidated statement of comprehensive income.

Under IFRS 9 an impairment of a receivable measured at amortised cost is recognised using forward looking information incorporating an estimation of estimated lifetime future credit losses. The standard results in earlier recognition of losses than previously recognised under IAS 39 where an 'incurred loss' model was used. Practical expedients are available and the Fund has elected to use the 'simplified model' as most of the receivables are short term in nature without any significant financing component. For more information in relation to ECLs, refer to Notes 3 and 4.

Accounts receivable are written off when there is no reasonable expectation of recovery, or when an insolvency event has been declared.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. The Board has assessed that the derivative financial instruments and loans receivable, have met the above criteria and are therefore held at fair value through profit or loss. Financial assets at fair value through profit or loss are carried in the Consolidated statement of financial position at fair value, with changes in fair value recognised in the Consolidated income statement.

Recognition of financial liabilities

Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, payables or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Fund determines the classification of its financial liabilities at initial recognition.

The Fund's financial liabilities include trade and other payables, loans and borrowings and derivative financial instruments. They are initially recognised at fair value minus, in the case of a financial liability not at fair value through profit or loss, transaction costs. Financial liabilities are subsequently measured at amortised cost with gains and losses recognised through the Consolidated income statement, except for derivative financial instruments which are held at fair value through profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Fund retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Fund has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same counterparty on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Consolidated statement of comprehensive income.

2.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the Consolidated income statement in the year in which they are incurred.

2.6 Accounts receivable

Accounts receivable generally have 30-90 days payment terms. For accounts receivable recognition and measurement, refer to details disclosed in Note 2.4. Impaired debts are derecognised when they are assessed as uncollectible.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
Unless otherwise stated, amounts are expressed in thousands of EUR.

2.7 Loans receivable

The Fund has entered into development loan agreements with third party developers in relation to residential property development schemes. These are presented as loans receivable in the Consolidated statement of financial position. This funding, where drawn down by the developer, is classified as loan receivable at fair value through profit or loss. Interest earned by the Fund on the funding provided is recognised in finance income. Financial assets at fair value through profit or loss are carried in the Consolidated statement of financial position at fair value, with changes in fair value recognised in the Consolidated income statement.

Interest is charged under the terms detailed in the development agreement and taken to the Consolidated income statement in the year in which it relates.

2.8 Cash and cash equivalents

Cash includes cash on hand and cash with banks. Cash equivalents are short-term, highly liquid investments 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 change in value. For the purposes of the Consolidated statement of cash flows, bank overdrafts that are repayable on demand form an integral part of the Fund's cash management and are included as a component of cash and cash equivalents.

2.9 Share capital

Ordinary shares are classified as equity and are stated at nominal value of cash received, or in the case of shares issued by way of contributions in kind at the agreed value for the assets received as part of the contribution.

2.10 Dividends

Dividends to be paid to Shareholders are recognised in the Consolidated Financial Statements as a liability in the year in which the Board approves the distribution and are carried at nominal value.

Dividends to be received are recognised when the Fund's right to receive the payments is established.

In line with the provisions of IAS 37 the Board has determined that the dividend approved subsequent to year end does not meet the definition of a liability as at year end. However, as this distribution is calculated and declared as part of the normal NAV calculation process the Board has deemed it appropriate to provide for this in the 31 December NAV as illustrated in the NAV reconciliation in Note 34.

2.11 Interest bearing loans and borrowings

Interest bearing loans and borrowings are bank/external loans and are carried on the Consolidated statement of financial position at the fair value of the initial proceeds less the unamortised portion of discounts and transaction costs incurred to acquire them. Discounts and transaction costs are amortised through interest expense using the effective interest method over the life of the related debt.

Transaction costs include fees and commissions paid to agents, advisors, brokers and dealers, levies by regulatory agencies and transfer taxes and duties. Transaction costs do not include internal administrative or holding costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in the Consolidated income statement when the liabilities are derecognised as well as through the amortisation process.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
Unless otherwise stated, amounts are expressed in thousands of EUR.

2.12 Security deposits due to tenants

These represent the nominal value of cash deposits paid by the tenant at the commencement of a lease and are held by way of a guarantee to ensure the satisfactory discharge of the responsibilities of the tenant under the lease. The deposit is due to be repaid upon the satisfactory discharge of those liabilities.

2.13 Accounts payable

Accounts payable represent the nominal value of amounts payable to third parties, who are not related parties.

2.14 Provisions and contingencies

A provision is recognised when, and only when, the Fund has a present obligation (legal or constructive) as a result of a past event and it is probable (ie, 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 the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision will reflect the present value of the expenditures expected to be required to settle the obligation.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Fund has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

No provision is made for cyclical refurbishment costs.

Contingencies are not recognised in the Consolidated Financial Statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the Consolidated Financial Statements but disclosed when an inflow of economic benefit is possible.

2.15 Deferred income

Deferred income represents rental income which has been billed to tenants as at the end of the reporting period but which relates to future periods.

2.16 Derivative financial instruments and hedge accounting

Derivative financial instruments comprise instruments held for hedging purposes which are measured at fair value.

The Fund may use derivative financial instruments such as forward currency contracts and interest rate swaps to hedge its risks associated with interest rate and foreign currency fluctuations. Such derivative financial instruments will initially be recognised at fair value at the date at which a derivative contract is entered into and will be subsequently remeasured at fair value. Derivatives will be carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of interest rate swap contracts is determined by reference to market values of similar instruments.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment; or
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment; or
- Hedges of a net investment in a foreign operation.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
Unless otherwise stated, amounts are expressed in thousands of EUR.

At the inception of a hedge relationship, the Fund will formally designate and document the hedge relationship to which the Fund wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Fund will assess whether the hedging relationship meets the hedge effectiveness requirements.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Fair value hedges

The change in the fair value of a hedging instrument would be recognised in the Consolidated income statement. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the Consolidated income statement.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through the Consolidated income statement over the remaining term of the hedge. The amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged. If the hedged item is derecognised, the unamortised fair value is recognised immediately in the Consolidated income statement.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in the Consolidated statement of comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the Consolidated income statement. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The amounts accumulated in equity are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. For any other cash flow hedges, the amount taken to equity is reclassified to the Consolidated income statement as a reclassification adjustment in the same year or years during which the hedged cash flows affect the Consolidated income statement.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in equity must remain in equity if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to the Consolidated income statement as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in equity must be accounted for depending on the nature of the underlying transaction as described above.

Economic hedging

The Fund also uses financial instruments that represent an economic hedge but for which no hedge accounting is applied, either because the criteria to qualify for hedge accounting defined in IFRS 9 are not met or because the Board has chosen not to apply hedge accounting. Any gains or losses arising from changes in fair value of derivatives for which no hedge accounting is applied will be taken directly to the Consolidated income statement.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
Unless otherwise stated, amounts are expressed in thousands of EUR.

2.17 Revenue recognition

Rental income

Rental income from investment properties leased out under operating leases represents rents charged to tenants and is recognised in the Consolidated income statement on a straight-line basis over the lease term of ongoing leases, net of sales taxes except where the sales tax incurred on a purchase of goods and services is not receivable from the taxation authority. Lease incentives, including rent-free periods and reimbursement of relocation or other costs are recognised as an integral part of the lease payments and are also recognised in the Consolidated income statement on a straight-line basis.

Other property income

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

Property management fees and property operating expenses recharged to tenants are recognised as income on an accruals basis in the year to which the expense can be contractually recovered.

Property disposals

Revenue from the sale of investment properties is recognised in the Consolidated income statement on completion of the property transaction being when the significant risks and rewards of ownership have been transferred to the buyer.

Finance income

Income is recognised in the Consolidated income statement as interest accrues (using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the life of the financial asset to the net carrying amount of the financial asset).

2.18 Expense recognition

General principle

Expenses are accounted for on an accrual basis. Expenses are charged to the Consolidated income statement, except for those which are related to the raising of equity, the raising of debt (see Note 2.11) or incurred in the acquisition of an investment which are capitalised as part of the cost of the investment. Expenses arising on the disposal of investments are deducted from the disposal proceeds.

Finance costs

Finance costs include:

- Interest costs related to secured notes and long term and short term debt, which are recognised on an accrual basis;
- The effect of the unrealised change in fair value of interest rate hedges related to the financing activities for the year;
- The effect of the foreign currency gains and losses on monetary assets and liabilities arising in the year; and
- The amortisation of loan transaction costs.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

Unless otherwise stated, amounts are expressed in thousands of EUR.

2.19 Foreign currency

Functional and presentation currency

The functional and presentation currency of the Fund and subsidiaries is the Euro ('EUR' or €). Each subsidiary of the Fund determines its own functional currency and items included in the Consolidated Financial Statements of each entity are measured using that functional currency. The functional currency of a subsidiary is determined as the currency of the primary economic environment in which the subsidiary generates and expends cash.

Transactions in foreign currencies

Transactions in currencies other than the functional currency of the Fund are recorded at the average exchange rate during the month in which the transaction took place. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. All differences are recognised in the income statement of the respective entity.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the exchange rate at the date when the fair value was determined.

The cumulative exchange differences arising on the settlement of cash transactions are classified as realised gains and losses in the Consolidated income statement in the year in which they are settled. Exchange differences on transactions not yet settled in cash are recognised as unrealised gains and losses in the Consolidated income statement under 'Finance costs'.

Translation to the presentation currency

Where the functional currency of a subsidiary is different from the presentation currency of the Fund the assets and liabilities of the subsidiary are translated at the rate of exchange ruling at the end of the reporting year. The income statement of such subsidiaries is translated at the average exchange rate for the year. The foreign exchange differences arising on the currency translation are recorded as a separate component of reserves in equity, under the heading of 'Cumulative foreign currency translation reserve'. Exchange differences arising on monetary items, which in substance form part of the Fund's net investment in a foreign operation, are recorded as part of the 'Cumulative foreign currency translation reserve'. At year end, the Fund owned sixteen subsidiaries with a functional currency other than the Euro, that being eight in Swedish Krona and eight in Danish Krone.

The movement in the cumulative foreign currency translation reserve is recorded as 'Other comprehensive income' in the Consolidated statement of comprehensive income.

On the disposal of such a subsidiary, accumulated foreign currency translation differences are recognised in the Consolidated income statement as a component of the 'Gain or loss on disposal of subsidiaries'.

Fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the acquired company and are recorded at the exchange rate at the date of the transaction.

2.20 Taxation

The Fund entities are subject to taxation in the countries in which they operate. Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the Consolidated income statement except to the extent that it relates to items recognised directly in equity (in which case it is recognised in equity).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
Unless otherwise stated, amounts are expressed in thousands of EUR.

a) Current tax
Current tax is the expected tax payable on the taxable income for the year, using tax rates and tax laws that have been enacted or substantially enacted at the end of the reporting period. Current tax for current and prior period, to the extent unpaid, is recognised as a liability.

b) Deferred taxation
Deferred income tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of the assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry forward of unused tax credits and unused tax losses can be utilised, except:

- Where the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor the taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year in which they are realised, based on tax rates and tax laws that have been enacted or substantially enacted at the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

The Fund measures deferred tax liabilities for investment properties measured at fair value by applying the consequence of recovering the economic benefits of the investment properties entirely through sale, unless the presumption can be rebutted.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
Unless otherwise stated, amounts are expressed in thousands of EUR.

2.21 Non-current assets held-for-sale
Investment property is transferred to non-current assets held-for-sale when it is expected that the carrying amount will be recovered principally through sale rather than from continuing use. For this to be the case the property must be available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such property and its sale must be highly probable.

For the sale to be highly probable:

- The Board must be committed to plan to sell the property and an active programme to locate a buyer and complete the plan must have been initiated;
- The property is actively marketed for sale at a price that is reasonable in relation to its current fair value; and
- The sale should be expected to qualify for recognition as a completed sale within one year from the date of classification.

On re-classification, the property that is measured at fair value continues to be so measured.

Liabilities directly associated with non-current assets classified as held-for-sale are shown separately as current items on the Consolidated statement of financial position.

2.22 Events after the reporting period
Events after the reporting period that provide additional information about the Fund's position at the end of the reporting period (adjusting events) are reflected in the Consolidated Financial Statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material.

3 Significant accounting judgements, estimates and assumptions

The preparation of Consolidated Financial Statements in conformity with IFRS requires the Board to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, revenues and expenses. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or the liability affected in future years.

In the process of applying the Fund's accounting policies, the Board has made the following significant judgements, estimates and assumptions:

a) Judgements
Determining whether the Fund meets the definition of an investment entity according to IFRS 10:

To meet the definition of an investment entity, the following criteria must be met:

- An entity obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity measures and evaluates the performance of substantially all of its investments on a fair value basis.

The Fund reports its investments at fair value under 'IAS 40 Investment Properties' in the Consolidated Financial Statements. However, the entity's key management personnel do not rely solely on fair value of the properties as the primary attribute to evaluate the performance of substantially all its investments and to make investment decisions. Instead, other indicators are used to evaluate performance and make investment decisions which comprise of prospective leases, occupancy rate, lease term, future rents, property yield, property location, net property income, tenant quality/profile and many other variables and market conditions.

The Board has therefore concluded that the Fund does not meet the definition of an investment entity and therefore is not exempted from consolidating its controlled entities.

Business combinations

Significant judgement is required when determining the appropriate method of accounting for acquisitions of shares of a company owning property (ie, business combination versus asset deal). In the opinion of the Board, the special purpose vehicles which themselves own the investment property may not always qualify as businesses under the definition of IFRS 3 in case they do not represent 'an integrated set of activities and assets'. In the case where the acquisition of properties does not represent a business combination under the definition of IFRS 3, the purchase price of the assets and liabilities acquired is allocated based upon their relative fair values, and no goodwill is recognised.

Consolidation and joint arrangements

The Fund is a part owner of two investments in which it has a 50% ownership interest in each. The Fund has determined that it has joint control over the investees and the control is shared with the other 50% owner. These investments are a joint arrangement.

The Fund has, after considering the structure and form of the arrangement, the terms agreed by the parties in the contractual arrangement and the Fund's rights and obligations arising from the arrangement, classified its interests as a joint venture under IFRS 11 Joint arrangements. As a consequence it accounts for its investment using the equity method.

Lease modification

Management is required to assess whether or not these rent concessions meet the definition of a lease modification under the scope of IFRS 16. A lease modification is defined in IFRS 16 as a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease. In assessing whether there has been a change in the scope of a lease, the Fund considers whether there has been a change in the right-of-use conveyed to the lessee by the contract. In assessing whether there has been a change in the consideration for a lease, the Fund considers the overall effect of any change in the lease payments. When it is assessed the rent concession meets the definition of a lease modification, the Fund accounts for a modification to an operating lease as a new lease from the effective date of the modification considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

Principal versus agent considerations – services to tenants

The Fund arranges for certain services provided to tenants of investment property included in the contract the Fund enters into as a lessor, to be provided by third parties. The Fund has determined that it controls the services before they are transferred to tenants, because it has the ability to direct the use of these services and obtain the benefits from them. In making this determination, the Fund has considered that it is primarily responsible for fulfilling the promise to provide these specified services because it directly deals with tenants' complaints and it is primarily responsible for the quality or suitability of the services. In addition, the Fund has discretion in establishing the price that it charges to the tenants for the specified services. Therefore, the Fund has concluded that it is the principal in these contracts. In addition, the Fund has concluded that it transfers control of these services over time, as services are rendered by the third-party service providers, because this is when tenants receive and, at the same time, consume the benefits from these services.

Notes to the Consolidated Financial Statements

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Unless otherwise stated, amounts are expressed in thousands of EUR.

Segment reporting
The Board has assessed that the sole operating segment is the Fund itself considering that all decisions and the assessment of the performance are made on the basis of the operating results of the Fund; a consolidated approach to assess performance and allocate resources (Note 6).

b) Estimates and assumptions

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

Fair value of investment properties
Investment properties are stated at fair value, which has been determined based on valuations performed by CBRE, JLL and Colliers in their capacity as an accredited independent valuers, as at 31 December 2025. CBRE, JLL and Colliers have acquired significant expertise in valuing these types of investment properties.

The Market Value is the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. Transaction costs normally borne by the seller are not deducted prior to arriving at Market Value.

Fair value is derived by deduction of those costs normally borne by the purchaser from the Market Value.

The Valuation Advisers derive the Market Value by applying the methodology and valuation guidelines as set out in the practice statements of the current RICS Valuation-Professional Standards' (the 'Red Book'), and the requirements of IAS 40.

The determined Market Value of the investment properties is most sensitive to the estimated yield as well as the long term vacancy rate.

The valuations of investment properties are based upon estimates and subjective judgements that may vary from the actual values and sales prices that may be realised by the Fund upon ultimate disposal.

As at 31 December 2025, the Fund's Valuation Advisers have provided a Market Conditions disclosure. The wording used by CBRE is quoted below:

There are numerous geopolitical tensions across the world at present, the outcomes of which are uncertain. There is the potential for rapid escalation which could produce a significant impact on global trade, economies and property values.

Experience has shown that consumer and investor behaviour can quickly change during fluctuating market conditions. It is important to note that the conclusions set out in this report are valid as at the valuation date only. Where appropriate, we recommend that the valuation is closely monitored, as we continue to track how markets respond to the current environment.

The wording used by JLL is quoted below:

Macro events such as geopolitical disputes, wars or acts of aggression, and restrictions on trade have the potential for escalation and cause market conditions to change quickly thereby impacting real estate values. In recognition of this, we highlight the importance of the valuation date and confirm the conclusions in our report are valid at that date only. We advise you to keep the valuation under regular review.

Notes to the Consolidated Financial Statements

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Unless otherwise stated, amounts are expressed in thousands of EUR.

For the avoidance of doubt, due to the functioning nature of the market, our valuation is NOT reported as being subject to 'material valuation uncertainty' as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards.

French situation on property tax: The draft law on simplifying economic life adopted by the French National Assembly on 17 June 2025, provides some changes related to real estate including that lessors of commercial leases are prohibited from passing the property taxes they pay on to lessees. This provision, which would constitute a change in established practice, must still be examined by a joint committee before its final adoption.

As at the valuation date and the date of this report, there is no certainty this provision will come into force or what its impact will be. To avoid any ambiguity, we have not changed our opinions of Market Value as at the date of this report.

Recognition and measurement of income and deferred taxes

The Fund is subject to income and capital gains taxes in numerous jurisdictions. Significant judgement is required in determining the total provision for income and deferred taxes. There are many transactions and calculations for which the ultimate tax determination and timing of payment is uncertain during the ordinary course of business. The Fund recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income and deferred tax provisions in the year in which the determination is made.

Estimating the incremental borrowing rate

The Fund cannot readily determine the interest rate implicit in leases where it is the lessee, therefore, it uses its incremental borrowing rate ('IBR') to measure lease liabilities. The IBR is the rate of interest that the Fund would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Fund 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease. The Fund estimates the IBR using observable inputs such as market interest rates when available and is required to make certain entity-specific estimates such as the subsidiary's stand-alone credit rating. The IBR used by the Fund as at 31 December 2025 was 3.70% for Asunto Oy Tampereen Rehtori (31 December 2024 was 2.005% for Klara Strand Property AB and 3.70% for Asunto Oy Tampereen Rehtori).

Provision for expected credit losses of accounts receivables and contract assets

The Fund uses a provision matrix to calculate ECLs for accounts receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns such as by geography, property type, customer type and rating, and coverage by credit insurance.

The provision matrix is initially based on the Fund's historical observed default rates. The Fund will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Fund's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Notes to the Consolidated Financial Statements

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Unless otherwise stated, amounts are expressed in thousands of EUR.

4 Financial risk management

Objective and policies

The Fund's principal financial liabilities comprise bank loans. The main purpose of these financial liabilities is to raise finance for the Fund's operations. The Fund has various financial assets such as loan receivables, accounts receivable and cash and short term deposits, which arise directly from operations. The Fund may also enter into derivatives transactions, primarily interest rate swaps and forward currency contracts.

The main financial risks to which the Fund is exposed are real estate valuation risk, interest rate risk, liquidity risk, foreign currency risk and credit risk. Apart from financial risk, the operational risks which arise in the course of business are risks related to investment property and Fund operations. The Board reviews and agrees policies for managing each of these risks which are summarised below.

Risks related to investment property

Real estate values can be affected by a number of factors including changes to global or local economic conditions, local market conditions, the financial conditions of tenants, the availability of debt financing, changes in interest rates, real estate tax rates and other operational expenses, environmental laws and regulations, planning laws and other governmental legislation, energy prices, the relative attractiveness of real estate types or locations and other factors which are beyond the control of the Board or the AIFM. In addition, real estate is subject to long-term cyclical trends that give rise to significant volatility in values.

Although it is anticipated that rental growth will take place, this is not guaranteed. Rent default could have an adverse impact on the performance of the Fund. Real estate values are affected by the ability of the property and asset managers to provide maintenance and to maintain the recoverability of service charge and other expenditure and to control these and other costs.

The nature of real estate acquisitions and disposals may mean that considerable costs are incurred without the completion of an acquisition, disposal, financing or leasing of real estate. These costs are not recoverable and the Fund will be liable for them, reducing potential investor returns as a consequence.

The value of the real estate assets is determined by the opinion of the Valuation Advisers and is therefore subjective. No assurance can be given that any given real estate asset could be sold at a price equal to the fair value ascribed to it.

Investors should be aware that the construction, redevelopment or repositioning of properties carries a number of attendant risks. Suitable tenants may not be found for the properties which could lead to the Fund owning vacant properties which do not produce sufficient income to meet expenses and provide a suitable return to the Fund. Other risks associated with construction, redevelopment or repositioning include the risk of delays in the construction timetable resulting in a property not reaching a stage where it is reasonably fit for occupancy or causing the project costs to exceed budgeted costs, and the risk of bad craftsmanship by contractors. Similarly, there may be planning risks arising from difficulties in obtaining planning consents and licences which delay the construction timetable.

The Fund has entered into forward funding developments whereby it makes available development funding from which the developer can request drawdowns based on the development costs incurred. The Fund's total commitment to the development is capped. The developer agrees to carry out and complete the development and as such takes on the associated development risks. The risks to the Fund, including failure of the developer, are mitigated by back-ending fee payments to the developer (with appropriate incentives), step-in rights for the Fund, and a guarantee from the developer's parent company, if required. Additionally, the Fund has clear controls over the release of its funds over the course of the development. Risk is also mitigated by the fact that the total cost of the development, including the land, at the time of building is forecast to be lower than the value of the completed development. There can be no assurance, however that losses will not be incurred.

The Fund may be liable for the costs of removal or remediation of hazardous or toxic substances located on or in a property held by it. The presence of such substances may also adversely affect the ability of the Fund to sell or lease the property or to borrow using the property as collateral. Generally, the Asset Manager will perform market practice environmental due diligence of all of the properties that would be acquired. There can be no assurance, however, that such due diligence will reveal the environmental liabilities relating to such properties.

The Fund will maintain comprehensive insurance cover on its real estate assets in amounts sufficient to permit replacement in the event of loss, subject to availability of insurance on commercially reasonable terms and conditions. However, certain types of losses (generally of a catastrophic nature such as earthquakes, floods, hurricanes and terrorism) may be uninsurable or not economically insurable.

Risks related to the Fund
If the Fund suffers significant redemptions, the Portfolio Manager may be forced to recommend the disposal of real estate assets more quickly than would otherwise be advisable. Sales of this nature may result in a less than favourable price being obtained in the market.

The Fund depends significantly on the Portfolio Manager. The replacement of the Portfolio Manager would cause disruption to the Fund.

Although the Portfolio Manager will monitor the performance of each real estate asset, it will be primarily the responsibility of the Asset Manager and the local property managers to operate the Fund investments on a day-to-day basis.

In accordance with its Investment Policy, the Fund will seek to invest in a diversified portfolio of commercial real estate assets in Europe. However, there is no guarantee that the Fund will always be able to maintain a broadly diversified portfolio by sector and geographic area. The relative concentration of investments in one sector or geographic area could make the Fund more susceptible to a single economic, political, social or other event adversely affecting several investments than would be the case if the real estate assets were more diversified. It is possible that the Fund will make a limited number of investments and, as a consequence, the aggregate return of the Fund may be substantially affected by the unfavourable performance of a single investment.

If an investor fails (for whatever reason) to pay to the Fund sums requested following the issue of a drawdown notice, it may be difficult for the Fund to make up the shortfall from other sources. This may affect the Fund's ability to complete a planned investment and therefore affect the performance of the Fund.

Investors will not have an opportunity to evaluate the real estate investments made by the Fund. The investment discretion of the Fund will be managed by the Board and the relevant subsidiaries (acting on the advice of the Portfolio Manager) and accordingly the Fund and the relevant subsidiaries will have full discretion in managing the Fund's real estate investments. The rights and obligations of investors are set out in the Prospectus and, except for the rights reserved to them in the Prospectus and applicable law, investors will have no part in the management and control of the Fund.

The AIFM, the Portfolio Manager and the Asset Manager and their affiliates and employees may have various interests in (and may serve in different capacities as regards) the Fund, including the following: direct and indirect shareholdings in the Fund, and being a provider of certain Advisory services (for which a fee will be paid).

In particular, such persons may be a party to, or interested in, any transaction or arrangement with the Fund, including the contribution of the Seed Portfolio which was contributed to the Fund by The Prudential Assurance Company Limited, an affiliate of the AIFM and the Portfolio Manager.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
Unless otherwise stated, amounts are expressed in thousands of EUR.

There may be constraints when redeeming Shares in the Fund as real estate assets are relatively illiquid compared to bonds and equities. Liquidity is a measure of how easily an investment can be traded.

Although Shares are freely transferable, it is possible that no market in relation to the Shares will develop. The ability of Shareholders to find a buyer for their Shares in the market, and the price at which they trade, will depend on market sentiment. Shares may trade at a discount to NAV and it may be difficult for a Shareholder to dispose of all or part of his Shares at any particular time or at an appropriate price.

Currency risk

The value, in Euro terms, of any of the Fund's real estate assets that are not denominated in Euro may rise or fall purely on account of exchange rate fluctuations, which will have a related effect on the value of the Shares. During the year, the Fund owned assets and liabilities denominated in Swedish Krona (SEK), Danish Krone (DKK) and Polish Zloty (PLN). In the case of Poland, the rents are denominated in Euros, and the market practice for core assets is to price in Euros, so the currency risk is not deemed material. According to the nature of the asset or liability the result of the exposure to the Swedish Krona and the Danish Krone is recorded against the 'Cumulative foreign currency translation reserve' in the Consolidated statement of financial position or in the Consolidated statement of comprehensive income.

The Fund's exposure to foreign currency risk is illustrated, based on notional amounts, by the following table, which demonstrates the sensitivity to an estimated change in exchange rates, with all other variables held constant, of the Fund's equity.

	As at 31 December 2025		As at 31 December 2024	
	SEK (+15%)	**SEK (-15%)**	**SEK (+15%)**	**SEK (-15%)**
Investment properties	34,350	(34,350)	25,018	(25,018)
Non-current assets classified as held-for-sale	–	–	46,139	(46,139)
Cash and cash equivalents	3,161	(3,161)	3,241	(3,241)
Other assets	2,985	(2,985)	3,604	(3,604)
Borrowings	–	–	(296)	296
Lease liability	–	–	(13,101)	13,101
Other liabilities	(2,535)	2,535	(3,979)	3,979
Net effect on the Fund's equity	**37,961**	**(37,961)**	**60,626**	**(60,626)**

	As at 31 December 2025		As at 31 December 2024	
	DKK (+15%)	**DKK (-15%)**	**DKK (+15%)**	**DKK (-15%)**
Investment properties	34,316	(34,316)	33,883	(33,883)
Cash and cash equivalents	5,441	(5,441)	6,427	(6,427)
Other assets	2,493	(2,493)	2,370	(2,370)
Borrowings	(4,413)	4,413	(13,239)	13,239
Other liabilities	(1,930)	1,930	(2,686)	2,686
Net effect on the Fund's equity	**35,907**	**(35,907)**	**26,755**	**(26,755)**

The exposure to non-Euro currencies as at 31 December 2025 is 10.23% of GAV (31 December 2024: 12.68%). The Fund's current strategy in relation to currency exposure is that, whilst the exposure to non-Euro currencies (excluding those that are closely pegged to the Euro) remains below 15% of GAV, there is no intention to hedge. At exposures in excess of 15% of GAV the Board will consider putting hedging in place if economic to do so.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
Unless otherwise stated, amounts are expressed in thousands of EUR.

Credit risk

The Fund's earnings, distributable cash flow and NAV could be adversely affected if a significant number of its tenants are unable to meet their lease obligations.

To ensure that tenants continue to be able to meet their credit terms, their financial viability is kept under review.

Credit risk, or the risk of counterparties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. Where appropriate the Fund obtains collateral in the form of bank deposits and/or bank guarantees.

The Fund applied ECLs to its lease receivables in accordance with IFRS 9. The Fund uses a provision matrix based on historical collection rates and accounts for forward looking information. At each reporting date the assumptions will be updated for observed default rates and estimates analysed. The percentage provisions applied to amounts outstanding is aligned with the Fund risk management system which is maintained in the day-to-day operations of the Fund.

Accounts receivable are stated net of any provisions, and without any set off of deposits or guarantees. The Fund's maximum exposure to credit risk is represented by the balance disclosed in the Consolidated statement of financial position.

	As at 31 December 2025	As at 31 December 2024
Cash and cash equivalents	583,697	390,936
Accounts receivable	19,188	23,782
Provision for expected credit losses	(2,834)	(3,372)
Loans receivable	–	104,806
Other assets	53,700	47,940
Loans to joint ventures	36,787	34,984
Total	**690,538**	**599,076**

The ageing analysis of accounts receivable is as follows:

	Accounts receivable						
		Past due					
31 December 2025	**Not yet due**	**<30 days**	**30-60 days**	**60-90 days**	**90-120 days**	**>120 days**	**Total**
Carrying amount	12,460	1,926	169	694	622	3,317	19,188
Expected credit loss	(1,989)	(66)	(29)	(59)	234	(925)	(2,834)
Net amount	**10,471**	**1,860**	**140**	**635**	**856**	**2,392**	**16,354**

	Accounts receivable						
		Past due					
31 December 2024	**Not yet due**	**<30 days**	**30-60 days**	**60-90 days**	**90-120 days**	**>120 days**	**Total**
Carrying amount	15,165	2,843	898	323	1,283	3,270	23,782
Expected credit loss	(217)	(96)	(848)	2	(166)	(2,047)	(3,372)
Net amount	**14,948**	**2,747**	**50**	**325**	**1,117**	**1,223**	**20,410**

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
Unless otherwise stated, amounts are expressed in thousands of EUR.

With respect to credit risk arising from other financial assets of the Fund, which comprise cash and cash equivalents and certain derivatives instruments, the Fund's exposure to credit risk arises from default of the counterparty, with the maximum exposure equal to the carrying amount of these instruments.

Cash balances and short-term cash deposits are held and derivatives are entered into only with financial institutions with a high credit rating. The Fund has policies and controls in place to monitor the amount of credit exposure to any financial institution.

Cash balances and short-term cash deposits are held with various banks in order to minimise the concentration of credit risk.

At 31 December 2025, the Fund had no short-term deposits (2024: none).

Interest rate risk

The Fund's exposure to the risk of changes in market interest rates relates primarily to the Fund's long-term debt obligations with changing interest rates. The Fund manages its exposure to interest rate risk mainly by borrowing long term fixed interest senior debt secured against investment properties. As at 31 December 2025 and 31 December 2024, the Fund was not exposed to any significant extent to interest rate fluctuations.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, the availability of funding through appropriate and adequate credit lines and the ability of customers to settle obligations within normal terms of credit.

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the date of the Consolidated statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	As at 31 December 2025					
Liabilities	**On demand**	**<3 mths**	**3-12 mths**	**1-5 years**	**>5 years**	**Total**
Interest bearing loans	–	74,036	86,319	10,513	27,147	198,015
Principal	–	72,670	84,398	6,435	21,920	185,423
Interest	–	1,366	1,921	4,078	5,227	12,592
Security deposits due to tenants	145	163	701	7,020	4,053	12,082
Lease liability	–	–	34	137	1,674	1,845
Accounts payable	–	4,180	–	–	–	4,180
Payable due to related parties	–	8,085	–	–	–	8,085
Income and other taxes payable	–	–	19,046	–	–	19,046
Subscriptions received in advance	–	177,105	–	–	–	177,105
Accrued expenses and other current liabilities	–	37,105	–	–	–	37,105
Total	**145**	**300,674**	**106,100**	**17,670**	**32,874**	**457,463**

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
Unless otherwise stated, amounts are expressed in thousands of EUR.

	As at 31 December 2024					
Liabilities	**On demand**	**<3 mths**	**3-12 mths**	**1-5 years**	**>5 years**	**Total**
Interest bearing loans	–	41,687	24,663	163,010	15,934	245,294
Principal	–	40,250	20,500	158,595	12,704	232,049
Interest	–	1,437	4,163	4,415	3,230	13,245
Security deposits due to tenants	437	122	841	6,452	4,784	12,636
Lease liability	–	–	117,108	136	1,690	118,934
Accounts payable	–	5,631	–	–	–	5,631
Payable due to related parties	–	8,427	–	–	362	8,789
Income and other taxes payable	–	–	14,090	–	–	14,090
Subscriptions received in advance	–	50,881	–	–	–	50,881
Accrued expenses and other current liabilities	–	38,464	–	–	–	38,464
Total	**437**	**145,212**	**156,702**	**169,598**	**22,770**	**494,719**

Capital risk management

The Fund manages its capital to ensure that entities in the Fund will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Fund's overall strategy remains unchanged from last year.

According to the Prospectus, the total secured borrowing of the Fund is ordinarily limited to a maximum permitted level of 40% of the GAV. As at 31 December 2025, the Fund's secured borrowing was 3.81% (31 December 2024: 5.03%) of GAV.

Subject to the limits set out above, the Fund may utilise unsecured short term borrowing facilities from time to time to finance asset purchases in advance of drawing down capital commitments from investors, and/or to meet redemption requests, subject to an overall total borrowing limit (secured and unsecured) of 40% of GAV.

The capital structure of the Fund consists of net debt (borrowings as detailed in Note 18 offset by cash and cash equivalents) and equity of the Fund (comprising share capital, reserves, retained earnings and non-controlling interests).

The gearing ratios at the end of the reporting periods were as follows:

	As at 31 December 2025	**As at 31 December 2024**
Debt (net of transaction costs)	(183,500)	(231,249)
Cash and cash equivalents balance	583,697	390,936
Net debt	**400,197**	**159,687**
Equity	4,220,917	3,988,988
Net debt to equity ratio[a]	**9.48%**	**4.00%**

[a] The effective negative net debt to equity ratio results from cash and cash equivalents exceeding total debt obligations.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
Unless otherwise stated, amounts are expressed in thousands of EUR.

Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the Consolidated Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest input that is significant to the fair value measurement as a whole:

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

For assets and liabilities that are recognised in the Consolidated Financial Statements on a recurring basis, the Fund determines whether transfers have occurred between the levels in the fair value hierarchy by reassessing categorisation at the end of each reporting period.

The following table analyses within the fair value hierarchy the Fund's assets and liabilities measured at fair value at 31 December 2025 and 31 December 2024:

Assets measured at fair value as at 31 December 2025	**Level 1**	**Level 2**	**Level 3**	**Total**
Investment properties:				
Retail	–	–	852,442	852,442
Logistics	–	–	1,103,183	1,103,183
Office	–	–	1,414,316	1,414,316
Residential	–	–	592,043	592,043
	–	**–**	**3,961,984**	**3,961,984**
Derivative financial instruments	–	651	–	651

Assets measured at fair value as at 31 December 2024	**Level 1**	**Level 2**	**Level 3**	**Total**
Investment properties:				
Retail	–	–	849,988	849,988
Logistics	–	–	825,363	825,363
Office	–	–	1,337,870	1,337,870
Residential	–	–	514,969	514,969
	–	**–**	**3,528,190**	**3,528,190**
Non-current assets classified as held-for-sale	–	–	307,592	307,592
Loans receivable	–	–	104,806	104,806
Derivative financial instruments	–	1,640	–	1,640

Investment properties are classified as level 3, as the valuation methods use inputs that are not based on observable market data. Market Value is estimated through the application of valuation methods and procedures that reflect the nature of the property and the circumstances under which the given property would most likely trade in the market, as further disclosed in Note 2.3.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
Unless otherwise stated, amounts are expressed in thousands of EUR.

5 Basis of Net Asset Value calculation

The Board has concluded that whereas the Consolidated Financial Statements of the Fund have been prepared in accordance with IFRS, compliance with certain requirements of IFRS conflicts with the objective of balancing investors' interests over time.

The Board believes that the NAV of the Fund, which is used for calculating the subscription and redemption price of Shares, should balance investors' interests over time and represent the best estimate of fair value based on the latest available information and on a basis consistent with accepted industry best practice. The adjustments considered by the Board to adjust the equity attributable to Shareholders of the Fund derived from IFRS, are listed below.

Deferred tax

The Board has made a best estimate of an adjustment to reflect the fair value of deferred tax liabilities related to the difference between the fair value of investment property and its tax book value or acquisition cost as applicable. This adjustment is necessary to take account of the likely method and timing of disposals of investment property through share deals, or otherwise under market conditions, or the timing of income tax payments for properties held in the portfolio. Such fair value adjustments have not been taken into account in the calculation of deferred tax liabilities under IFRS. On an asset by asset basis an estimate is made, taking into account the advice of the Valuation Advisers, of the proportion of the latent capital gains tax liability that would be attributable to the seller in a share sale. As at 31 December 2025, the assumed proportion of the latent capital gains tax that the Fund is assumed to suffer ranges from 0% to 100% (31 December 2024: 0% to 100%), and the weighted average for the 55 assets in the portfolio with latent capital gains are 70.26% (31 December 2024: 66.45%).

Investment properties

The Board has estimated that a portion of real estate transfer taxes ('RETT') should be added back to the valuation as determined by the Valuation Advisers for those assets where it is considered that such RETT will not be suffered taking into account the likely method of disposal. The extent to which RETT should be added back will be determined by the Board in accordance with current market practice. As at 31 December 2025, the assumed proportions range from 0% to 100% (31 December 2024: 0% to 100%), and the weighted average for the portfolio is 84.65% (31 December 2024: 81.40%).

Adjustment of debt obligations and instruments to fair value

The Board has made a best estimate of an adjustment to reflect the fair value of debt obligations and instruments.

Adjustment to reflect year end dividend

The Board has made an adjustment to reflect the dividend payable to Shareholders as at 31 December 2025. Whilst this dividend has not been approved as at 31 December, and therefore does not constitute a liability as prescribed by IFRS, the Board is of the view that this should be provided for in the 31 December NAV as it is calculated as part of the normal NAV calculation process.

Timing differences and other reconciling items

These adjustments relate to the late receipt of information after the publication of the NAV at the financial year end but having an impact on the net asset position at the balance sheet date.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
Unless otherwise stated, amounts are expressed in thousands of EUR.

6 Segment information

The Board has assessed that the sole operating segment is the Fund itself considering that all decisions and the assessment of the performance are made on the basis of the operating results of the Fund; a consolidated approach to assess performance and allocate resources.

Information on the revenue is disclosed attributing revenues from external customers to individual countries. Investment properties and investments in joint ventures are disclosed by the located country where the subsidiaries hold the investments.

i. Revenue from investment properties split by geographic area

Revenues from investment properties	Year ended 31 December 2025	Year ended 31 December 2024
Germany	55,620	52,561
France	56,891	50,544
Sweden	18,189	22,864
Denmark	16,667	20,421
Spain	23,115	18,651
Finland	15,206	16,582
Italy	12,879	12,052
Poland	11,964	11,596
the Netherlands	13,925	11,216
Portugal	11,612	11,130
Luxembourg	4,788	4,866
Belgium	2,882	3,463
Total	**243,738**	**235,946**

The revenue referred to above is based on the location of the real estate asset.

Revenues are derived from a large number of tenants and no single tenant or group under common control contributes more than 10% of the Fund's revenues, for the year ended 31 December 2025 and 31 December 2024.

ii. Carrying amount of investment properties split by geographic area

Carrying amount of investment properties included in non-current assets	As at 31 December 2025	As at 31 December 2024
France	933,479	908,655
Germany	814,643	738,738
Spain	462,023	444,797
Finland[a]	250,450	256,420
Italy	342,185	245,040
Denmark	228,770	225,885
the Netherlands	354,774	188,457
Sweden[b]	228,998	167,580
Portugal	161,900	158,780
Poland	112,261	110,372
Luxembourg	49,480	56,169
Belgium	23,021	27,297
Total	**3,961,984**	**3,528,190**

[a] The total of the Finnish property balance includes €0.8 related to the right-of-use asset in 2025 (31 December 2024: €0.8m).

[b] As at 31 December 2024, the asset related to the entity Klara Strand Property AB was presented as `Non-current asset classified as held-for-sale' following the Fund's intention to sell.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
Unless otherwise stated, amounts are expressed in thousands of EUR.

iii. Carrying amount of investments in joint ventures and loans to joint ventures

Carrying amount of investments in joint ventures and loans to joint ventures	As at 31 December 2025	As at 31 December 2024
Italy	143,997	135,885
Total	**143,997**	**135,885**

7 Investment properties

A breakdown of the portfolio of investment properties by sector is shown in the table below:

	Retail	Logistics	Office	Residential	Total
Carrying value as at 31 December 2023	**857,156**	**831,120**	**1,668,048**	**424,950**	**3,781,274**
Additions	–	24,940	(55)	80,671	105,556
Capital expenditure	2,251	12,667	7,085	17,914	39,917
Disposals	–	(44,282)	(54,277)	–	(98,559)
Net currency movement	(67)	(3,476)	(6,455)	–	(9,998)
Transfer to assets held-for-sale (Note 31)	–	–	(219,037)	–	(219,037)
Net loss from fair value adjustments	(9,352)	4,394	(10,084)	(8,586)	(23,628)
Right-of-use (Note 22)					
Lease modification adjustment	–	–	42,370	–	42,370
Transfer to assets held-for-sale (Note 31)	–	–	(87,341)	–	(87,341)
Net loss from fair value adjustments on right-of-use	–	–	(1,086)	20	(1,066)
Net currency movement on right-of-use	–	–	(1,298)	–	(1,298)
Carrying value of investment properties as at 31 December 2024	**849,988**	**825,363**	**1,337,870**	**514,969**	**3,528,190**
Lease incentives and commissions	7,363	7,915	27,067	937	43,282
Fair value as at 31 December 2024	**857,351**	**833,278**	**1,364,937**	**515,906**	**3,571,472**
Cost as at 31 December 2024	967,189	760,834	1,524,939	608,402	3,861,364
Insured value as at 31 December 2024	**881,708**	**1,302,071**	**1,457,454**	**565,973**	**4,207,206**
Insured value of investment properties held-for-sale as at 31 December 2024	**–**	**–**	**207,718**	**–**	**207,718**

Unless otherwise stated, amounts are expressed in thousands of EUR.

	Retail	Logistics	Office	Residential	Total
Carrying value as at 31 December 2024	**849,988**	**825,363**	**1,337,870**	**514,969**	**3,528,190**
Additions	–	276,787	51,895	60,573	389,255
Capital expenditure	1,450	25,416	11,973	3,469	42,308
Disposals	–	(34,587)	–	–	(34,587)
Net currency movement	(292)	7,305	2,759	–	9,772
Net gain from fair value adjustments	1,296	2,899	10,613	12,234	27,042
Right-of-use (Note 22)					
Transfer between sectors	–	–	(794)	794	–
Net gain from fair value adjustments on right-of-use	–	–	–	4	4
Carrying value of investment properties as at 31 December 2025	**852,442**	**1,103,183**	**1,414,316**	**592,043**	**3,961,984**
Lease incentives and commissions	8,040	7,919	24,709	835	41,503
Fair value as at 31 December 2025	**860,482**	**1,111,102**	**1,439,025**	**592,878**	**4,003,487**
Cost as at 31 December 2025	968,346	1,030,957	1,591,567	672,444	4,263,314
Insured value as at 31 December 2025	**996,557**	**1,743,652**	**1,700,294**	**795,246**	**5,235,749**
Insured value of investment properties held-for-sale as at 31 December 2025	**–**	**–**	**–**	**–**	**–**

Included within the carrying value of the investment properties line is €30.5m of investment property under construction (31 December 2024: €9.9m).

For the year ended 31 December 2025, expenditure on the investment properties is related mainly to LLD Logistics SNC assets (assets under development) for €21m, 3 Avenue Hoche SCI asset for €7m, Objektgesellschaft Baseler Strasse Oval GmbH asset for €1.1m, MEP Industrial Centre Getafe S.à r.l. asset for €1m and Radlkoferstrasse 2 S.à r.l. asset for €0.9m. (31 December 2024: Boreales Living SCI asset (asset development was completed in January 2024) for €11.8m, MEP Industrial Centre Getafe S.à r.l asset for €4.4m, MEP Industrial Centre Lódz Sp. z o.o. asset for €3.9m, Rue du Mars Clichy SCI asset for €3.1m, Aix-en- Provence SCI asset for €3.0m, MEP Industrial Centre Sosnowiec Sp. z o.o. asset for €1.8m, Dreieich S.à r.l. asset for €1.5m and LLD Logistics SNC asset (asset development was completed in January 2024, two properties under construction were acquired in December 2024) for €1.3m).

Acquisitions of investment properties as per the Consolidated statement of cash flows comprises investment property acquisitions reduced by the non-controlling interests contribution.

For information on disposals of investment properties refer to Note 10.

Unless otherwise stated, amounts are expressed in thousands of EUR.

A quantitative sensitivity analysis showing the impact on the directly held properties of ERV moving by +/-10%, together with a +/-0.5% movement in equivalent yield on valuation provided by CBRE is shown below:

	ERV -10%	ERV	ERV +10%
Equivalent yield -0.5%	2,020,077	2,210,424	2,398,715
Equivalent yield	1,877,233	2,051,799	2,224,463
Equivalent yield +0.5%	1,689,263	1,844,596	1,997,458

Amounts considered in the above CBRE sensitivity analysis table includes investment properties at MCF S.r.l. and Elle 14 S.r.l. at 50%, Badensche S.à r.l. at 89.98% and Düsseldorf Friedrichstraße 56 GmbH & Co. KG at 94.9%, in line with the percentage of control as per Note 28.

A quantitative sensitivity analysis showing the impact on the directly held properties of ERV moving by +/-10%, together with a +/-0.5% movement in equivalent yield on valuation provided by JLL is shown below:

	ERV -10%	ERV	ERV +10%
Equivalent yield -0.5%	2,065,830	2,240,580	2,415,520
Equivalent yield	1,855,680	2,008,370	2,161,500
Equivalent yield +0.5%	1,683,680	1,818,840	1,954,460

A quantitative sensitivity analysis showing the impact on the directly held properties of ERV moving by +/-10%, together with a +/-0.5% movement in equivalent yield on valuation provided by Colliers is shown below:

	ERV -10%	ERV	ERV +10%
Equivalent yield -0.5%	83,200	93,300	100,060
Equivalent yield	79,560	85,450	91,580
Equivalent yield +0.5%	73,420	78,780	84,090

8 Investments in joint ventures

On 11 June 2024, the Fund increased its stake in MCF S.r.l. and Elle 14 S.r.l. by acquiring an additional 5% from EP European Holding S.à r.l.

The Fund controls 50% (2024: 50%) of MCF S.r.l. and Elle 14 S.r.l. which own properties located in Fiumicino, Rome, Italy.

The Fund's interest in the joint ventures is accounted for using the equity method in the Consolidated Financial Statements.

Summarised financial information of the joint ventures and a reconciliation with the carrying amount of the investments in the Consolidated Financial Statements are set out below:

	As at 31 December 2025	As at 31 December 2024
Historic cost		
At the beginning of the year	63,707	54,502
Investment	114	9,205
At the end of the year	**63,821**	**63,707**
Net unrealised gains related to investments in joint ventures		
At the beginning of the year	37,194	33,979
Share of profit of joint ventures	6,195	3,215
At the end of the year	**43,389**	**37,194**
Share of equity at the end of the year	**107,210**	**100,901**

Unless otherwise stated, amounts are expressed in thousands of EUR.

MCF S.r.l. revenues, profit, aggregated assets and liabilities are as follows:

	Year ended 31 December 2025	Year ended 31 December 2024
Revenue	21,300	19,046
Other operating expenses	(5,342)	(8,187)
Unrealised loss on derivatives	(192)	(500)
Loss from fair value adjustments on investment property	(186)	(259)
Operating profit	**15,580**	**10,100**
Interest expense	(3,149)	(2,911)
Profit before tax	**12,431**	**7,189**
Current tax expense	(1,482)	(1,282)
Profit for the year	**10,949**	**5,907**

	As at 31 December 2025	As at 31 December 2024
Assets		
Non-current assets	244,889	243,280
Current assets	27,603	17,141
	272,492	**260,421**
Liabilities		
Non-current liabilities[a]	82,926	81,819
Current liabilities	5,400	5,385
	88,326	**87,204**
Net assets	**184,166**	**173,217**

[a] The Italian Government issued the Italian law decree 104/2020, known as 'Decreto Agosto', which introduced an option for the accounting and tax step-up of tangible asset value. This allowed MCF S.r.l. to re-evaluate its investment property by paying a substitution tax of 3% on the re-evaluated asset. The re-evaluated asset ('fair value reserve') would be liable to corporate income tax if the fair value reserve is distributed. However, since the Board of Directors does not intend to dispose of MCF S.r.l., deferred tax liability on the revaluation reserve is not recognised as at 31 December 2025.

As at 31 July 2017, Natixis and ING granted a loan to MCF S.r.l. of €29.55m each (total €59.10m), which bears interest of 3 month EURIBOR plus a margin of 1.80%, and repayment date of 8 August 2021. The loan was renewed in 2021 for a period of 5 years, bearing interest of 6 month EURIBOR plus a margin of 2%, and repayment date of 5 August 2026. Bayerische Landesbank has replaced Natixis in the new bank syndication. The loan facility is 80% hedged via an interest rate cap, providing protection against EURIBOR fluctuations during the term of the facility.

The Fund's share 50% (45% from 1 January 2024 to 11 June 2024 and 50% from 12 June 2024 to 31 December 2024) of MCF S.r.l. revenue, profit and net assets are as follows:

	Year ended 31 December 2025	Year ended 31 December 2024
Revenues	10,650	9,103
Profit for the year	5,475	2,822
Other reconciling items	62	62
Net assets	92,083	86,609

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

Unless otherwise stated, amounts are expressed in thousands of EUR.

Elle 14 S.r.l. revenues, profit, aggregated assets and liabilities are as follows:

	Year ended 31 December 2025	Year ended 31 December 2024
Revenue	6,815	6,779
Other operating expenses	(2,046)	(2,106)
Gain/(loss) from fair value adjustments on investment property	305	(844)
Operating profit	**5,074**	**3,829**
Interest expense	(2,508)	(2,465)
Profit before tax	**2,566**	**1,364**
Current tax expense	(613)	(534)
Deferred tax expense	(511)	(180)
Profit for the year	**1,442**	**650**

	As at 31 December 2025	As at 31 December 2024
Assets		
Non-current assets	76,800	76,400
Current assets	11,971	8,911
	88,771	**85,311**
Liabilities		
Non-current liabilities	49,034	48,373
Current liabilities	7,407	6,049
	56,441	**54,422**
Net assets	**32,330**	**30,889**

The Fund's share 50% (45% from 1 January 2024 to 11 June 2024 and 50% from 12 June 2024 to 31 December 2024) of Elle 14 S.r.l. revenue profit and net assets are as follows:

	Year ended 31 December 2025	Year ended 31 December 2024
Revenues	3,407	3,239
Profit for the year	721	306
Other reconciling items	563	450
Net assets	16,165	15,444

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
Unless otherwise stated, amounts are expressed in thousands of EUR.

9 Loans to joint ventures

On 1 August 2016, the Fund granted a loan to MCF S.r.l., its joint venture investment, of €16,862,538 bearing interest of 4% per annum, and the repayment date of 1 August 2021. On 30 July 2021, the loan was renewed for the same amount and the repayment date extended until 5 September 2026, bearing an interest of 4.25%. During the year 2023, MCF S.r.l. repaid €6,300,000 of its loan and the total outstanding loan at year end is €10,382,538. On 11 June 2024, there was a loan assignment from EP European Holding S.à r.l. to M&G European Property Holding Company S.à r.l. of €1,173,615 and total outstanding at the year end is €11,736,153.

On 15 November 2021, the Fund has granted a loan to Elle 14 S.r.l., another joint venture investment, of €19,734,629 which bears interest of 5.95% and the repayment date of 5 September 2026. On 11 June 2024, there was a loan assignment from EP European Holding S.à r.l. to M&G European Property Holding Company S.à r.l. of €2,192,737 and total outstanding at the year end is €21,927,366.

A reconciliation with the carrying amount of the investment in the Consolidated Financial Statements is set out below:

	Year ended 31 December 2025	Year ended 31 December 2024
Balance at the beginning of the year	34,984	30,746
Additions	–	3,366
Interest repayments	–	(852)
Interest income	1,803	1,724
Balance at the end of the year	**36,787**	**34,984**

As at 31 December 2025, the carrying amount of the loans to joint ventures approximates the fair value (Level 3).

10 Disposal of subsidiaries and investment properties

During the year ended 31 December 2025, there were two disposals of investment properties:

- On 1 April 2025, the Fund disposed of the entity Klara Strand Property AB for €242.0m (SEK2,610m excluding transaction costs), for which the investment property was classified as held-for-sale as at 31 December 2024; and
- On 3 July 2025, the Fund disposed of a property owned by Nauberg SCI for €35.0m (excluding transaction costs).

	Klara Strand Property AB	Nauberg SCI	Prior year disposal adjustments[a]	Total
Assets				
Investment properties	244,223	35,000	–	279,223
Other current assets	6,308	–	–	6,308
Total assets	**250,531**	**35,000**	**–**	**285,531**
Liabilities				
Current liabilities	(4,390)	–	–	(4,390)
Total liabilities	**(4,390)**	**–**	**–**	**(4,390)**
Net assets	**246,141**	**35,000**	**–**	**281,141**
Transaction costs	1,063	110	–	1,173
Disposal price excluding non-controlling interest	**241,971**	**35,000**	**–**	**276,971**
Loss on disposal	**(5,233)**	**(110)**	**8**	**(5,335)**

[a] Prior year disposal relates to disposal cost adjustments in the current financial year for entities disposed in prior years as follows: Frederiksplein 42 S.à r.l. for €27k, Ridlerstrasse S.à r.l. for -€18k and Kalvebod Brygge 47 K/S for EUR -€1k.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
Unless otherwise stated, amounts are expressed in thousands of EUR.

During the year ended 31 December 2024, there were six disposals of investment properties:

- On 25 January 2024, the Fund disposed of the entity Toison d'Or S.A. for €40.9m (excluding transaction costs), for which the investment property was classified as held-for-sale as at 31 December 2023;
- On 1 July 2024, the Fund disposed of a property owned by Kloesterstraede 1 ApS for €2.3m (excluding transaction costs), for which the investment property was classified as held-for-sale as at 31 December 2023;
- On 1 July 2024, the Fund disposed of a property owned by MEP Industrial Centre K/S (Nordager 1-3, 6000 Kolding) for €44.2m (excluding transaction costs);
- On 1 July 2024, the Fund disposed of a property owned by Kalvebod Brygge 47 K/S for €80.6m (excluding transaction costs), for which the investment property was classified as held-for-sale as at 31 December 2023;
- On 17 July 2024, the Fund disposed of a property owned by Frederiksplein 42 S.à r.l. for € 17.0m (excluding transaction costs); and
- On 30 December 2024, the Fund disposed of a property owned by Ridlerstrasse S.à r.l. for €37.0m (excluding transaction costs).

	Toison d'Or S.A.	Kloesterstraede 1 ApS	MEP Industrial Centre K/S	Kalvebod Brygge 47 K/S	Frederiksplein 42 S.à r.l.	Ridlerstrasse S.à r.l.	Prior year disposal adjustments[a]	Total
Assets								
Investment properties	36,500	2,213	44,247	75,092	16,950	37,000	–	212,002
Cash and cash equivalents	3,241	–	–	–	–	–	–	3,241
Other current assets	505	–	–	–	–	–	–	505
Total assets	**40,246**	**2,213**	**44,247**	**75,092**	**16,950**	**37,000**	**–**	**215,748**
Liabilities								
Current liabilities	(1,925)	–	–	–	–	–	–	(1,925)
Total liabilities	**(1,925)**	**–**	**–**	**–**	**–**	**–**	**–**	**(1,925)**
Net assets	**38,321**	**2,213**	**44,247**	**75,092**	**16,950**	**37,000**	**–**	**213,823**
Transaction costs	430	100	82	108	189	363	–	1,272
Disposal price excluding non-controlling interest	**40,904**	**2,279**	**44,247**	**80,584**	**16,950**	**37,000**	**–**	**221,964**
Gain/(loss) on disposal	**2,153**	**(34)**	**(82)**	**5,384**	**(189)**	**(363)**	**(199)**	**6,670**

[a] Prior year disposal relates to purchase price and disposal cost adjustments in the current financial year for entities disposed in prior years as follows: Cortenberg 71 S.A. for -€55.5k, Hantverkaregaten 32 Malmo AB for -€116.4k and Investabroad 5, S.A. for -€27.5k.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
Unless otherwise stated, amounts are expressed in thousands of EUR.

11 VAT receivable

	As at 31 December 2025	As at 31 December 2024
VAT receivable[a]	13,173	12,170
Total	**13,173**	**12,170**

[a] The VAT balance as at 31 December 2025 principally comprises VAT receivable in respect of the current financial year's operations. The majority of VAT receivable recognised in the prior financial year has been recovered from the relevant tax authorities during the year.

12 Other current assets

	As at 31 December 2025	As at 31 December 2024
Accrued income[a]	9,324	7,644
Other receivables[b]	10,026	26,226
Cash guarantees and deposits	3,495	3,902
Pre-paid costs[c]	30,855	10,168
Total	**53,700**	**47,940**

[a] During the year 2025, increase in accrued income is mainly driven by service charge provisions of €1.1m at Dreieich S.à r.l. and €0.4m at Gross Gerau S.à r.l.

[b] The balance consists principally of net withholding tax of €7.0m (31 December 2024: €8.8m) and other receivables of €3.0m (31 December 2024: €17.4m).

[c] The increase mainly relates to pre-paid acquisition costs and deposit payment at MEP Valdebebas S.L. for €11.9m, a notary deposit payment of €6.6m at M&G European Property Holding Company S.à r.l. relating to the Porta Diagonal project and deposit payments of €3.0m at German Living S.à r.l.

13 Loans receivable

	As at 31 December 2025	As at 31 December 2024
Forward funding	–	110,907
Net loss from fair value adjustments	–	(6,101)
Total	**–**	**104,806**
Less current portion of loan receivable	**–**	**(104,806)**
Net book value of non-current loan receivable	**–**	**–**

As at 31 December 2025 and 2024, the loans receivable consists of the following forward funding:

	As at 31 December 2025	As at 31 December 2024
Bologna	–	59,887
The Rock	–	51,020
Total forward funding	**–**	**110,907**

On 29 October 2020, the Fund committed to forward fund a student accommodation development in Bologna for €62.1m ('Bologna'). In 2022, the forward funding commitment was increased to €63.1m. On 4 March 2025, the Fund received repayment of €63.9m following Bologna deal exit.

On 13 April 2022, the Fund committed to forward fund a student accommodation development in The Hague for €60.7m ('The Rock'). The shares in the entity owning the asset was acquired following the practical completion on 31 March 2025.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
Unless otherwise stated, amounts are expressed in thousands of EUR.

14 Cash and cash equivalents

	As at 31 December 2025	As at 31 December 2024
Cash at bank	583,697	390,936
Total	**583,697**	**390,936**

The fair value of cash and cash equivalents is €583,697,419 (31 December 2024: €390,935,870).

15 Ownership of the Fund

Share subscriptions during the year ended 31 December 2025 were €139,561,860 (31 December 2024: €104,869,930).

During the year ended 31 December 2025, the following shares were issued by reinvestment of dividends:

- Class 'E' Income Shares 4,997.240 (31 December 2024: 17,874.284) issued by reinvestment of dividends totalling €427,503 (31 December 2024: €1,531,545); and
- Class 'F' Income Shares 151,139.361 (31 December 2024: 98,005.573) issued by reinvestment of dividends totalling €12,959,127 (31 December 2024: €8,338,385);

The holders of Income Shares receive a cash dividend on a quarterly basis; the Net Distributable Income attributable to Accumulation Shares is accumulated and reflected in the respective NAV per Share.

Share redemptions during the year ended 31 December 2025 were €5,757,267 (31 December 2024: €65,453,069).

Each Share, irrespective of Class and type, is entitled to one vote at meetings of Shareholders. Shares may be redeemed according to the provisions of the Prospectus.

16 Dividends

Accumulated dividends per Income Share since inception	As at 31 December 2025	As at 31 December 2024
Class 'A' Income Shares	2,605	2,605
Class 'B' Income Shares	157	157
Class 'C' Income Shares	153,225	152,227
Class 'E' Income Shares	40,461	31,812
Class 'F' Income Shares	233,218	200,503
Class 'G' Income Shares	160,262	126,383
Class 'X' Income Shares	154,813	140,602
	744,741	**654,289**

	Year ended 31 December 2025	Year ended 31 December 2024
Weighted average dividend per Income Share issued		
Class 'A' Income Shares	–	–
Class 'C' Income Shares	2.21	2.35
Class 'E' Income Shares	2.84	2.78
Class 'F' Income Shares	2.70	2.99
Class 'G' Income Shares	2.88	2.90
Class 'X' Income Shares	2.86	2.72

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
Unless otherwise stated, amounts are expressed in thousands of EUR.

17 Foreign currency translation reserve

	Year ended 31 December 2025	Year ended 31 December 2024
Balance at the beginning of the year	(66,155)	(55,909)
Arising during the year	35,511	(10,246)
Balance at the end of the year	**(30,644)**	**(66,155)**

The gain in the reserve during the year ended 31 December 2025 is due to the change in the EUR to SEK exchange rate from 11.4415 at 31 December 2024 to 10.827 at 31 December 2025. The change in the EUR to DKK exchange rate from 7.4573 at 31 December 2024 to 7.469 at 31 December 2025.

18 Interest bearing long-term bank loans

	As at 31 December 2025	As at 31 December 2024
Balance at the beginning of the year	**232,049**	**353,457**
Long term bank loans repaid[a]	(119,080)	(121,370)
New borrowings during the year[b]	72,500	–
Foreign exchange impact	(46)	(38)
Balance at the end of the year	**185,423**	**232,049**

[a] During the year ended 31 December 2025, the Fund repaid loans related to Big Shopping PropCo ApS for €58.3m (DKK 435.0m), Kiinteistö Oy Alvar Aallonkatu 3 for €40.3, Dreieich S.à r.l. for €20.0 and partially repaid loan related to Vimmelskaftet 32-34 K/S for €0.5m (DKK 3.7m) (31 December 2024: Rennes 135 SCI for €30.5m, Republique 27/31 SCI for €19.0m, Klosterstrade 1 ApS for €1.2m, Kalvebod Brygge 47 K/S for €37.1m and Radlkoferstrasse 2 S.à r.l. for €33.6m).

[b] On 11 December 2025, the Fund entered into revolving credit facility agreement with ABN AMRO Bank N.V., Banco Bilbao Vizcaya Argentaria S.A., HSBC Continental Europe and ING bank N.V. for €300m. The first utilisation request was completed on 16 December 2025 for €72.5m.

	As at 31 December 2025	As at 31 December 2024
Loan transaction costs		
Balance at the beginning of the year	(2,675)	(3,951)
Additions during the year	(1,743)	–
Costs in relation to loan expired and repaid during the year	542	1,276
Balance at the end of the year	**(3,876)**	**(2,675)**
Amortisation		
Balance at the beginning of the year	1,876	2,567
Amortisation shown in interest expense (Note 25)	536	585
Amortisation in relation to loans expired and repaid during the year	(552)	(1,276)
Balance at the end of the year	**1,860**	**1,876**
Net book value of loan transaction costs	**(2,016)**	**(799)**
Net book value of proceeds from bank loans	**183,407**	**231,250**
Interest payable at the end of the year	93	(1)
Less current portion of bank loans	(157,161)	(60,749)
Net book value of non-current bank loans	**26,339**	**170,500**

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

Unless otherwise stated, amounts are expressed in thousands of EUR.

Used and unused portions of these facilities are analysed as follows:

	As at 31 December 2025	As at 31 December 2024
Available facilities		
Secured loans	185,423	232,049
Unsecured loans	–	–
	185,423	**232,049**
Amounts drawn		
Secured loans	185,423	232,049
Unsecured loans	–	–
	185,423	**232,049**
Investment property	383,150	542,199
	383,150	**542,199**

The breakdown of the bank loans by maturity is shown in the table below:

	As at 31 December 2025	As at 31 December 2024
Bank loans maturing within 1 year	157,068	60,750
Bank loans maturing between 1 and 5 years	6,435	158,595
Bank loans maturing beyond 5 years	21,920	12,704
	185,423	**232,049**

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
Unless otherwise stated, amounts are expressed in thousands of EUR.

Summary of facilities

Lender: ABN AMRO Bank N.V., Banco Bilbao Vizcaya Argentaria S.A., HSBC Continental Europe and ING bank N.V.	
Principal borrower:	M&G European Property Fund SICAV-FIS
First drawdown	December 2025
Repayment date	March 2026
Gross interest margin	3M EURIBOR + 0.85%
Interest payment	Quarterly
Funding base	Floating
Lender: Danske Bank	
Principal borrower:	Vimmelskaftet 32-34 K/S
First drawdown	April 2015
Repayment date	March 2045
Gross interest margin	0.95%[a]
Interest payment	Quarterly
Funding base	Fixed
Lender: Danske Bank	
Principal borrowers:	Vimmelskaftet 30 ApS
First drawdown	March 2016
Repayment date	March 2046
Gross interest margin	0.85%[b]
Interest payment	Quarterly
Funding base	Fixed
Lender: Caixa Bank S.A.	
Principal borrower:	Rios Rosas S.à r.l.
First drawdown	September 2021
Repayment date	September 2026
Gross interest margin	3M EURIBOR+1.10%
Interest payment	Quarterly
Funding base	Floating with interest rate CAP

[a] As per the Agreement, the gross margin is 0.95% until 1 April 2028 when it will be re-set again.

[b] As per the Agreement, the gross interest rate is 0.85% until 1 April 2026 when it will be re-set again.

The fair value of the interest bearing bank loans, together with the carrying amounts shown in the Consolidated statement of financial position are as follows:

	As at 31 December 2025		As at 31 December 2024	
	Carrying value	**Fair value**	**Carrying value**	**Fair value**
Interest bearing bank loans	183,500	183,535	231,249	231,041

The fair value of interest bearing loans is calculated using the comparable bond approach by reference to prevailing market data and the yield on comparable bonds. Interest bearing loans are classified as level 2 in the fair value hierarchy as the valuation method uses inputs that are based on observable market data.

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For the year ended 31 December 2025
Unless otherwise stated, amounts are expressed in thousands of EUR.

19 Accrued expenses and other current liabilities

	As at 31 December 2025	As at 31 December 2024
Accrued acquisition costs	4,859	3,688
Accrued property taxes	882	2,411
Tenant prepayments	4,790	4,455
Other operating activity	19,389	20,342
VAT payable	7,185	7,568
Total	**37,105**	**38,464**

20 Financial instruments

a) Interest rate caps

Interest rate cap agreements are classified as level 2 in the fair value hierarchy (refer to Note 4), as the valuation method uses inputs that are based on observable market data.

	As at 31 December 2025	As at 31 December 2024
Derivative financial instruments assets fair value of the swap (economic hedge)		
Balance at the beginning of the year	1,640	3,615
Movement in fair value	(989)	(1,975)
Balance at the end of the year	**651**	**1,640**
Less current portion of derivative financial instruments	**651**	–
Derivative financial instruments, net of current portion	–	1,640

The effect of changes in fair value has been included in 'Finance income and finance costs' (Note 25).

Cap agreement

Buyer:	Rios Rosas S.à r.l.
Effective date	29 September 2021
Termination date	30 September 2026
Notional amount	EUR 83,500,000
Seller:	Caixabank, S.A.
Cap-Rate	1.0% pa
Base-Rate	EURIBOR 3 month

Unless otherwise stated, amounts are expressed in thousands of EUR.

b) Financial instruments by measurement categories (IFRS 9)

The carrying amounts of the Fund's current financial assets and liabilities measured at amortised cost approximate their fair value due to their short-term nature. For non-current financial assets and liabilities carried at amortised cost, the carrying amount approximates fair value as the instruments bear interest at rates that reflect current market conditions.

Financial assets as at 31 December 2025	Balance	Financial assets at fair value through profit or loss	Financial assets at amortised cost (including cash and cash equivalents)
Non-current assets			
Loans to joint ventures	36,787	–	36,787
Current assets			
Accounts receivable	16,354	–	16,354
Derivative financial instruments	651	651	–
Other current assets (Note 12)			
– Other receivables	10,026	–	10,026
– Cash guarantees and deposits	3,495	–	3,495
Cash and cash equivalents	583,697	–	583,697

Financial liabilities as at 31 December 2025	Balance	Financial liabilities at fair value through profit or loss	Other financial liabilities (measured at amortised cost)
Non-current liabilities			
Interest bearing bank loans	26,339	–	26,339
Security deposits due to tenants	11,073	–	11,073
Current liabilities			
Current portion of interest bearing bank loans and borrowings	157,161	–	157,161
Security deposits due to tenants	1,009	–	1,009
Accounts payable	4,180	–	4,180
Current portion of payable to related parties	8,085	–	8,085
Subscriptions received in advance	177,105	–	177,105
Accrued expenses and other current liabilities (Note 19)	29,920	–	29,920

Financial assets as at 31 December 2024	Balance	Financial assets at fair value through profit or loss	Financial assets at amortised cost (including cash and cash equivalents)
Non-current assets			
Loans to joint ventures	34,984	–	34,984
Derivative financial instruments	1,640	1,640	–
Current assets			
Accounts receivable	20,410	–	20,410
Loans receivable	104,806	104,806	–
Other current assets (Note 12)			
– Other receivables	26,226	–	26,226
– Cash guarantees and deposits	3,902	–	3,902
Cash and cash equivalents	390,936	–	390,936

Unless otherwise stated, amounts are expressed in thousands of EUR.

Financial liabilities as at 31 December 2024	Balance	Financial liabilities at fair value through profit or loss	Other financial liabilities (measured at amortised cost)
Non-current liabilities			
Interest bearing bank loans	170,500	–	170,500
Payable to related parties	362	–	362
Security deposits due to tenants	11,236	–	11,236
Current liabilities			
Current portion of interest bearing bank loans and borrowings	60,749	–	60,749
Security deposits due to tenants	1,400	–	1,400
Accounts payable	5,631	–	5,631
Current portion of payable to related parties	8,427	–	8,427
Subscriptions received in advance	50,881	–	50,881
Accrued expenses and other current liabilities (Note 19)	30,896	–	30,896

21 Taxation

According to legislation presently in force, the Fund is not subject to corporate income or capital gains taxes in Luxembourg. It is, however, liable to an annual subscription tax based on the NAV of the Fund, payable quarterly, and assessed on the last day of each quarter. As the Fund is regulated under the SIF law, the rate is 0.01% per annum. This tax is reflected under 'Other Fund expenses' in the Consolidated income statement.

Real estate revenues, or capital gains derived thereon, may be subject to taxes by assessment, withholding or otherwise in the countries where the real estate is situated. This tax is reflected under 'Current tax expense' in the Consolidated income statement.

The Fund's subsidiaries amortise and depreciate their historical property cost according to applicable tax regulations. Such amortisation and depreciation is not reflected in the accompanying Consolidated Financial Statements, except to the extent that current taxable income has been reduced.

The taxation income/expense is shown in the following table and recognises that revenue and expense items may affect the Consolidated Financial Statements and tax returns in different years (timing differences).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
Unless otherwise stated, amounts are expressed in thousands of EUR.

	As at 31 December 2025	As at 31 December 2024
Deferred tax liability relating to the difference between the tax base and fair market value		
Opening balance	**136,692**	**119,875**
Effect of revaluation of properties to fair value post acquisition	20,448	17,827
Effect of foreign currency translation	1,024	(291)
Effect of disposal by way of asset deal	(11,861)	–
Effect of disposal by way of share deal	(9,989)	(719)
Closing balance	**136,314**	**136,692**
Income and other current taxes payable		
Income tax payable	15,895	12,067
Other current taxes payable	3,151	2,023
Total Income and other current taxes payable	**19,046**	**14,090**
Income tax payable		
Balance brought forward	12,067	12,056
Income tax expense	9,043	11,187
Tax paid	(5,215)	(11,176)
Closing balance	**15,895**	**12,067**

	Year ended 31 December 2025	Year ended 31 December 2024
Current tax expense		
Income taxes	9,043	11,187
Deferred tax expense		
Arising from assets	20,448	17,827
Total tax expense reported in the Consolidated income statement	**29,491**	**29,014**

A reconciliation between tax expense and the product of accounting profit multiplied by Luxembourg's tax rate for year ended 31 December 2025 and 31 December 2024 is as follows:

	Year ended 31 December 2025	Year ended 31 December 2024
Income tax reconciliation		
Profit Before Tax	**181,914**	**120,627**
At Luxembourg's statutory tax rate of 23.87% (2024; 24.94%)	43,423	30,084
Tax impact of:		
Tax exempt income	(18,498)	(21,562)
Non-deductible expenses	18,848	30,062
Recognition of previously unrecognised deductible temporary differences	(26,413)	(17,069)
Losses for which deferred tax assets have not been recognised	6,585	12,339
Utilisation of previously unrecognised tax losses	(5,758)	(7,461)
Effect of different effective tax rates in other countries	10,589	3,417
Adjustments in respect of current income tax of previous years	(764)	(1,599)
Share of results of an associate and joint ventures	1,479	803
Total tax expense reported in the Consolidated income statement	**29,491**	**29,014**

Unless otherwise stated, amounts are expressed in thousands of EUR.

At the year end, the Fund had tax losses of approximately €997,414,172 (31 December 2024: €1,141,609,932) that are available for set-off against future taxable profits of the subsidiaries in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

31 December 2025	< 1 year	1 - 5 years	> 5 years	Total
Carry forward losses available to set-off against future taxable profits	4,632	5,673	987,109	997,414

31 December 2024	< 1 year	1 - 5 years	> 5 years	Total
Carry forward losses available to set-off against future taxable profits	842	6,270	1,134,498	1,141,610

22 Rental leases

Fund as a lessor

The Fund leases out its investment property under operating leases. The terms of the leases are in line with normal practice in each market and are reviewed or subject to automatic inflationary increases as appropriate. Operating expenses, where applicable, are recharged to tenants either by way of direct charge or monthly service charges.

Future minimum rentals receivable under non-cancellable operating leases according to current rental agreements and market rates as at 31 December 2025 and 31 December 2024 are as follows:

	31 December 2025		31 December 2024	
	Amount receivable	%	Amount receivable	%
Within 1 year	192,868	18.85%	198,605	20.21
Between 1 and 2 years	160,881	15.72%	165,648	16.85
Between 2 and 3 years	134,613	13.16%	131,125	13.34
Between 3 and 4 years	111,396	10.89%	102,002	10.38
Between 4 and 5 years	94,092	9.20%	79,252	8.06
5 years and more	329,389	32.18%	306,193	31.16
Total undiscounted lease payments	**1,023,239**	**100.00%**	**982,825**	**100.00**

Fund as a lessee

The Fund holds one leasehold property that is classified as investment property (31 December 2024: 1). The property of Asunto Oy Tampereen Rehtori has a remaining lease term of 54 years. The lease term can be extended. The right-of-use asset has been classified within the same line as the underlying leasehold property in ‘Investment Property’.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	As at 31 December 2025	As at 31 December 2024
Right-of-use asset		
At the beginning of the year	794	48,129
Net valuation loss on right-of-use asset during the year	4	(1,066)
Net currency movement	–	(1,298)
Lease modification adjustment	–	42,370
Transfer to assets held-for-sale	–	(87,341)
Carrying value at the end of the year	**798**	**794**

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
Unless otherwise stated, amounts are expressed in thousands of EUR.

The undiscounted lease maturity analysis of lease liabilities as at 31 December 2025 and 31 December 2024 are as follows:

	As at 31 December 2025	As at 31 December 2024
Less than one year	34	117,108
One to five years	137	136
More than five years	1,674	1,690
Total undiscounted lease liabilities at the end of the year	**1,845**	**118,934**
Lease liabilities included in the statement of financial position		
At the beginning of the year	88,135	48,129
Interest expense on lease liability	38	979
Lease payment	(34)	(2,045)
Net currency movement	–	(1,298)
Lease modification adjustment[a]	–	42,370
Disposal of subsidiary[b]	(87,341)	–
At the end of the year	**798**	**88,135**
Current	**34**	**87,374**
Non-current	**764**	**761**

[a] During the year ended 31 December 2024, the rent for the leased asset at Klara Strand Property AB was reviewed and increased from €2.0m (SEK23m) to €3.9m (SEK44.5m), effective retrospectively from Q4 2023, as per the contract signed in December 2024. As the right-of-use asset is measured at the present value of future lease payments, this rent increase resulted in an upward adjustment of €42.4m (SEK484m) to both the right-of-use asset and the corresponding lease liability.

[b] During the year, the lease liability of €87.3m was derecognised following the disposal of Klara Strand Property AB on 1 April 2025.

23 Other property related expenses

	Year ended 31 December 2025	Year ended 31 December 2024
Maintenance and utilities[a]	36,897	39,152
Insurance costs[b]	1,243	2,537
Professional fees	540	545
Bad debts	(396)	(377)
Land tax[c]	17,619	13,196
Total	**55,903**	**55,053**

[a] During the year ended 31 December 2025, the decrease in maintenance and utilities fees is principally driven by a €2.4m reduction in property-related costs at Klara Strand Property AB, consequent to the disposal of the entity on 1 April 2025.

[b] During the year ended 31 December 2025, the decrease in insurance costs is primarily attributable to a €1.1m insurance compensation received by PB Le Grand Lievre (Holdings) S.à r.l. from its insurer in relation to slab defects, following the conclusion of ten years of legal proceedings.

[c] During the year ended 31 December 2025, the increase in land tax relates to several entities, with the main drivers being: a non-recurring €1.4m property tax refund received by Rios Rosas S.à r.l. in 2024 following a favorable High Court of Madrid ruling; a €2.7m variance at Klara Strand Property AB, disposed of in April 2025; and a €0.3m increase at LLD Logistics SNC.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
Unless otherwise stated, amounts are expressed in thousands of EUR.

24 Other Fund expenses

	Year ended 31 December 2025	Year ended 31 December 2024
Directors' fees[a]	663	228
Valuation fees	516	642
Other professional fees	2,445	2,645
Audit fees	1,722	1,799
Fund domiciliation and administration fees	3,629	3,473
Subscription tax	413	387
Other general and administrative expenses	774	875
Total	**10,162**	**10,049**

[a] With effect from 1 January 2025, through the formalisation of a director services agreement entered into between the Fund's holding company and M&G Luxembourg S.A., all relevant SPV's within the Fund are now being charged a directors fee, this has been approved by the Board of Directors. This explains the increase year-on-year.

25 Finance income and finance costs

	Year ended 31 December 2025	Year ended 31 December 2024
Interest income on loans to joint ventures	1,803	1,724
Interest income on loans[a]	864	4,071
Other interest income[b]	4,529	9,424
Unrealised exchange gains[c]	3,376	441
Other finance income	–	892
Total finance income	**10,572**	**16,552**

[a] During the year ended 31 December 2025, the decrease in interest income on loans is mainly attributable to the completion of The Rock B.V. and Bologna deal exit in March 2025.

[b] During the year ended 31 December 2025, the decrease in other interest income is mainly attributable to lower bank interest income of €3.7m across multiple entities, combined with a lower interest income of €1.3m at Rios Rosas S.à r.l. arising from the cap agreement.

[c] During the year ended 31 December 2025, the increase in unrealised exchange gains is mainly attributable to foreign currency movements on SEK-denominated bank balances held by the M&G European Property Holding Company S.à r.l. entity.

	Year ended 31 December 2025	Year ended 31 December 2024
Interest payable brought forward	1	(584)
Interest paid	6,306	8,158
Lease liability interest expense (Note 22)	38	979
Payable carried forward	93	(1)
Interest expense	6,438	8,552
Other finance costs	60	123
Unrealised exchange loss	7,299	475
Amortisation of debt transaction costs (Note 18)	536	585
Realised exchange losses	494	359
Unrealised profit on caps	989	1,975
Total finance costs	**15,816**	**12,069**

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

Unless otherwise stated, amounts are expressed in thousands of EUR.

26 Earnings per Share

Basic earnings per Share are calculated by dividing net profit for the year attributable to each Class of Share in issue during the year, by the equivalent weighted average number of Shares issued during the year.

Diluted earnings per Share are calculated by dividing the net profit attributable to each Class of Share by the total number of each Class of Share as if fully issued during the year.

	Year ended 31 December 2025	Year ended 31 December 2024
Net profit per Share Class		
Class 'C' Income Shares	1,503,244	511,762
Class 'C' Accumulation Shares	433,267	284,901
Class 'E' Income Shares	11,196,890	7,230,911
Class 'E' Accumulation Shares	1,051,541	294,303
Class 'F' Income Shares	45,253,418	26,665,662
Class 'F' Accumulation Shares	10,520,755	5,652,674
Class 'G' Income Shares	44,079,206	26,821,185
Class 'G' Accumulation Shares	16,700,443	9,531,779
Class 'X' Income Shares	17,656,460	11,123,939
Class 'X' Accumulation Shares	4,207,776	2,871,884

	Year ended 31 December 2025	Year ended 31 December 2024
Weighted average number of Shares in issue		
Class 'C' Income Shares	452,101	286,489
Class 'C' Accumulation Shares	130,305	159,490
Class 'E' Income Shares	3,048,389	3,260,402
Class 'E' Accumulation Shares	286,285	132,700
Class 'F' Income Shares	12,135,173	11,797,767
Class 'F' Accumulation Shares	2,821,250	2,500,929
Class 'G' Income Shares	11,754,061	11,754,061
Class 'G' Accumulation Shares	4,453,302	4,177,187
Class 'X' Income Shares	4,964,279	5,344,767
Class 'X' Accumulation Shares	1,183,056	1,379,866

	Year ended 31 December 2025	Year ended 31 December 2024
Profit per Share net		
Class 'C' Income Shares	3.33	1.79
Class 'C' Accumulation Shares	3.33	1.79
Class 'E' Income Shares	3.67	2.22
Class 'E' Accumulation Shares	3.67	2.22
Class 'F' Income Shares	3.73	2.26
Class 'F' Accumulation Shares	3.73	2.26
Class 'G' Income Shares	3.75	2.28
Class 'G' Accumulation Shares	3.75	2.28
Class 'X' Income Shares	3.56	2.08
Class 'X' Accumulation Shares	3.56	2.08

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
Unless otherwise stated, amounts are expressed in thousands of EUR.

27 Transactions with related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

M&G plc is the ultimate parent company of the AIFM, the Portfolio Manager and the Asset Manager.

During the year, the Fund and its consolidated entities entered into several transactions with related parties. The related balances at 31 December and the transactions in the year then ended are presented below.

Annual Management Fee

The Annual Management fee is calculated as follows:

1.100% of the NAV attributable to Class 'C' Shares and Class 'D' Shares
0.800% of the NAV attributable to Class 'E' Shares and Class 'V' Shares
0.700% of the NAV attributable to Class 'F' Shares and Class 'W' Shares
0.650% of the NAV attributable to Class 'G' Shares and Class 'Z' Shares
0.875% of the NAV attributable to Class 'X' Shares and Class 'Y' Shares

and is reduced by the aggregate amount of fees paid directly by the local SPVs to the Asset Manager, including the Fund's share of fees paid to a third party asset manager in respect of services provided to a Co-Investment Entity.

	Year ended 31 December 2025	Year ended 31 December 2024
The AIFM	19,928	18,565

The Annual Management fee payable by the Fund as at 31 December 2025 amounts to €4,985,293 (31 December 2024: €4,758,493).

Domiciliation and administration fees

The Fund and its Luxembourg domiciled consolidated entities receive domiciliation and administration services from the AIFM, for which a fee is payable.

	Year ended 31 December 2025	Year ended 31 December 2024
The AIFM	552	570

The domiciliation and administration fees payable to the AIFM as at 31 December 2025 is €167,254 (31 December 2024: €259,426).

Portfolio management fees

Portfolio Management fees are borne by the AIFM.

Unless otherwise stated, amounts are expressed in thousands of EUR.

Asset management fees

The Asset management fees are accrued and recognised on a quarterly basis. The fees are calculated using the fair value of the Investment Properties at the end of each quarter, at an annual rate of 0.25% (or 0.0625% per quarter).

Asset management activities were delegated to M&G Real Estate which is a related party. The Asset Management fees due to related parties of €9,977,608 (31 December 2024: €9,690,689) is broken down as follows:

	Year ended 31 December 2025	Year ended 31 December 2024
M&G Real Estate	1,633	1,344
M&G Real Estate Paris branch	2,631	2,556
M&G Real Estate Stockholm branch	1,891	2,321
M&G Real Estate Frankfurt branch	2,113	2,093
M&G Luxembourg S.A. the Netherlands branch	772	517
M&G Real Estate Polish branch	288	266
M&G Luxembourg S.A. Italy branch	650	594

The Asset Management fee payable to related parties of €2,892,859 (31 December 2024: €3,373,183) is broken down as follows:

	As at 31 December 2025	As at 31 December 2024
M&G Real Estate	467	659
M&G Real Estate Paris branch	875	1,118
M&G Real Estate Stockholm branch	433	555
M&G Real Estate Frankfurt branch	724	766
M&G Luxembourg S.A. the Netherlands branch	211	124
M&G Luxembourg S.A. Italy branch	183	151

Other transactions with related parties

On 26 November 2025, the Fund repaid the loan in the amount of €362,000 (31 December 2024: €397,766) to the minority shareholder of Badensche S.à r.l., The Prudential Assurance Company Limited. The loan payable balance to related parties relates to outstanding interest of €39,464 (31 December 2024:€35,766).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
Unless otherwise stated, amounts are expressed in thousands of EUR.

28 List of consolidated entities

The list of consolidated entities under the control of the Fund which are fully integrated in the Consolidated Financial Statements as at 31 December 2025 is as follows:

Company name	% control	Country of incorporation
Avenue des Arts 35 S.A.	100%	Belgium
Big Shopping Holding ApS	100%	Denmark
Herlev - Big Shopping PropCo ApS	100%	Denmark
Kalvebod Brygge 47 K/S	100%	Denmark
Klosterstræde 1 ApS	100%	Denmark
MEP Industrial Centre K/S	100%	Denmark
Vimmelskaftet 30 ApS	100%	Denmark
Vimmelskaftet 30 Holding ApS	100%	Denmark
Vimmelskaftet 32-34 K/S	100%	Denmark
Alvar Aallonkatu GP Oy	100%	Finland
Centaurus Finland KY	100%	Finland
Kiinteistö Oy Alvar Aallonkatu 3	100%	Finland
Kiinteistö Oy Vantaan Valimotie 18	100%	Finland
Kiinteistö Oy Vilhonvuorenkatu 2-4	100%	Finland
Kiinteistö Oy Helsingin Vilhovourenkatu 6	100%	Finland
Kurvi Holding Oy	100%	Finland
Loistotoimistot KY	100%	Finland
Vilhonvuorenkatu 6 Holding Oy	100%	Finland
Asunto Oy Espoon Centaurus	100%	Finland
Asunto Oy Espoon Helavalkea	100%	Finland
Asunto Oy Espoon Loru	100%	Finland
Asunto Oy Kauniaisten Markiisi	100%	Finland
Asunto Oy Kirkkonummen Tolsan Rinne 2	100%	Finland
Asunto Oy Sipoon Ruusunen	100%	Finland
Asunto Oy Nurmijärven Kauranjyvä	100%	Finland
Asunto Oy Tampereen Rehtori	100%	Finland
Asunto Oy Turun Beeta	100%	Finland
Asunto Oy Hämeenlinnan Vaihdepäällikkö	100%	Finland
Asunto Oy Vantaan Suitsu	100%	Finland
Greenwalk SCI	100%	France
ADN Monceau 13 SCI	100%	France
Antibes 90/94 SCI	100%	France
Aurientis Aixen-Provence SCI	100%	France
Boreales Living SCI	100%	France
3 Avenue Hoche SCI	100%	France
Heudebouville SAS	100%	France
97 Jean Jaures SNC	100%	France
L'Aube Troyes SCI	100%	France
LLD Logistics SNC	100%	France
Marseille La Valentine SCI	100%	France
M&G European Property (France) SAS	100%	France
Nauberg SCI	100%	France

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Unless otherwise stated, amounts are expressed in thousands of EUR.

Company name	% control	Country of incorporation
PB Le Grand Lievre SCI	100%	France
Place Rio de Janeiro Paris SCI	100%	France
Republique 27/31 (Holdings) S.à r.l.	100%	France
Republique 27/31 SCI	100%	France
Rennes 135 (Holdings) S.à r.l.[b]	–	France
Rennes 135 SCI	100%	France
Rue du Mars Clichy SCI	100%	France
MEP Logistics SNC[a]	100%	France
Düsseldorf Friedrichstraße 56 GmbH & Co. KG	94.90%	Germany
Baseler Strasse Oval GmbH & Co. KG	94.90%	Germany
Berlin Ringstrasse GmbH & Co. KG	94.90%	Germany
Objektgesellschaft Baseler Strasse Oval GmbH	99.74%	Germany
Objektgesellschaft Berlin Ringstrasse GmbH	99.69%	Germany
Verwaltungsgesellschaft Friedrichstrasse 56 GmbH	100%	Germany
Verwaltungsgesellschaft M&G European Property GmbH	100%	Germany
MEP Italy SICAF S.p.A.[a]	100%	Italy
Padova S.r.l.	100%	Italy
9-11 Via Pola S.r.l.	100%	Italy
Via Torino Due S.r.l.	100%	Italy
Almere Logistics S.à r.l.[a]	100%	Luxembourg
Alvar Aallonkatu 3 S.à r.l.	100%	Luxembourg
Bad Homburg S.à r.l.	100%	Luxembourg
Badensche S.à r.l.[c]	89.98%	Luxembourg
Maresme Barcelona S.à r.l.	100%	Luxembourg
Calle Llull S.à r.l.[b]	–	Luxembourg
Calle Reyes S.à r.l.	100%	Luxembourg
Dreieich S.à r.l.	100%	Luxembourg
Frederiksplein 42 S.à r.l.[b]	–	Luxembourg
Friedrichstrasse 56 S.à r.l.	100%	Luxembourg
German Living S.à r.l.	100%	Luxembourg
Gross Gerau S.à r.l.[a]	100%	Luxembourg
Gran Via S.à r.l.	100%	Luxembourg
Hemmer S.à r.l.	100%	Luxembourg
Hemmer (Holding) S.à r.l.	100%	Luxembourg
Hilststraat 23 S.à r.l.	100%	Luxembourg
Kalvebod Brygge S.à r.l.	100%	Luxembourg
Luisen Forum S.à r.l.	100%	Luxembourg
M&G European Property Finance Company S.à r.l.	100%	Luxembourg
M&G European Property Holding Company S.à r.l.	100%	Luxembourg
M&G European Property GP 1 S.à r.l.	100%	Luxembourg
M&G European Property GP 2 S.à r.l.	100%	Luxembourg
M&G European Property GP 3 S.à r.l.	100%	Luxembourg
MEP Industrial Centre Denmark S.à r.l.	100%	Luxembourg
MEP Industrial Centre Getafe S.à r.l.	100%	Luxembourg
MEP Industrial Centre Kalsruhe S.à r.l.	100%	Luxembourg
MEP Industrial Centre Madrid S.à r.l.	100%	Luxembourg
Neuwied S.à r.l.	100%	Luxembourg

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Company name	% control	Country of incorporation
Radlkoferstrasse 2 S.à r.l.	100%	Luxembourg
Ridlerstrasse S.à r.l.	100%	Luxembourg
Rinteln S.à r.l.	100%	Luxembourg
Rios Rosas S.à r.l.	100%	Luxembourg
Schiphol Logistics S.à r.l.[a]	100%	Luxembourg
Utrecht Logistics S.à r.l.[a]	100%	Luxembourg
Vimmelskaftet S.à r.l.	100%	Luxembourg
Wuppertal S.à r.l.	100%	Luxembourg
Hondsrugweg 74/108 B.V.	100%	the Netherlands
‘s-Heerenberg Logistics B.V.	100%	the Netherlands
Staalsteden 25 B.V.	100%	the Netherlands
The Rock B.V.[a]	100%	the Netherlands
Zuidblokken B.V.	100%	the Netherlands
MEP Industrial Centre Łódź sp. z o.o.	100%	Poland
MEP Industrial Centre Poznań sp. z o.o.	100%	Poland
MEP Industrial Centre Sosnowiec sp. z o.o.	100%	Poland
MEP Industrial Centre Warsaw sp. z o.o.	100%	Poland
Cleekshire Investments S.A.	100%	Portugal
Investabroad 1, S.A.	100%	Portugal
Investabroad 2, S.A.	100%	Portugal
Investabroad 3, S.A.	100%	Portugal
Investabroad 4, S.A.	100%	Portugal
Arendalsvägen Property AB	100%	Sweden
Hantverkaregatan 32 Malmö (Holding) AB[d]	–	Sweden
Herstaberg Logistikcenter AB	100%	Sweden
Lyckobrunnen AB	100%	Sweden
Näringsparadiset (Holding) Company AB	100%	Sweden
Näringsparadiset II AB	100%	Sweden
Klara Strand Property AB[d]	–	Sweden
Skravel Property AB[a]	100%	Sweden
Stora Myrfast AB	100%	Sweden
MEP Industrial Centre Ontigola S.L.U.	100%	Spain
MEP Marina Living S.L.U.	100%	Spain
M&G European Property Spain, S.L.[a]	100%	Spain
MEP Valdebebas S.L.[a]	100%	Spain

[a] Acquired during the year 2025.

[b] Liquidated during the year 2025.

[c] During the year 2025, the Fund increased its ownership to 89.98% (2024: 89%).

[d] Disposed during the year 2025.

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Unless otherwise stated, amounts are expressed in thousands of EUR.

The list of joint ventures accounted for using the equity method is as follows:

Company Name	% Control	Country of Incorporation
MCF S.r.l.	50%	Italy
Elle 14 S.r.l.	50%	Italy

29 Portfolio analysis

	as at 31 December 2025				
Number of properties	**€m 0-19.9**	**€m 20-29.9**	**€m 30-39.9**	**€m 40+**	**Total**
Germany	2	1	1	9	13
France	2	5	3	9	19
Portugal	1	2	1	1	5
Spain	1	3	2	2	8
Denmark	–	4	–	1	5
Sweden	–	1	3	2	6
the Netherlands	–	2	4	3	9
Poland	–	2	2	–	4
Belgium	–	1	–	–	1
Finland	11	3	–	1	15
Italy[a]	2	2	1	4	9
Luxembourg	–	–	–	1	1
Total	**19**	**26**	**17**	**33**	**95**

[a] The number of properties disclosed here includes properties held through MCF S.r.l. and Elle 14 S.r.l.

	as at 31 December 2024				
Number of properties	**€m 0-19.9**	**€m 20-29.9**	**€m 30-39.9**	**€m 40+**	**Total**
Germany	2	1	1	8	12
France	3	4	5	8	20
Portugal	1	2	1	1	5
Spain	2	2	2	2	8
Denmark	1	3	–	1	5
Sweden	1	–	3	2	6
the Netherlands	–	2	2	1	5
Poland	–	2	2	–	4
Belgium	–	1	–	–	1
Finland	11	3	–	1	15
Italy[a]	1	1	1	3	6
Luxembourg	–	–	–	1	1
Total	**22**	**21**	**17**	**28**	**88**

[a] The number of properties disclosed here includes properties held through MCF S.r.l. and Elle 14 S.r.l.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025
Unless otherwise stated, amounts are expressed in thousands of EUR.

30 Contingencies and Commitments

The Fund, through its direct and indirect subsidiaries, may be contingently liable with respect to lawsuits and other matters that arise in the normal course of business. The Board is not aware of any contingencies which would have a material effect on the Fund's financial position and operations.

On 13 December 2024, the Fund entered into forward funding agreements to acquire two developments in France through its existing entity, LLD Logistics SNC, for €48.3m. As at 31 December 2025, the Fund has transferred €30.5m.

On 15 December 2025, the Fund entered into a forward purchase agreement to acquire two apartments in Berlin and Bielefeld, Germany for €74.5m. As at 31 December 2025, the Fund has paid deposits of €1.5m and €1.5m in respect of the Berlin and Bielefeld apartments.

On 22 December 2025, the Fund entered into a share deal agreement to acquire a student accommodation in Barcelona, Spain for €135m. As at 31 December 2025, the Fund has transferred €6.6m deposit.

On 23 December 2025, the Fund entered into a forward purchase agreement to acquire residential asset in Madrid, Spain for €103.8m. As at 31 December 2025, the Fund has transferred €10.4m deposit.

In 2014, PB Le Grand Lievre SCI commenced legal proceedings before the Tribunal Judiciaire of Paris against its construction damage insurer, the warehouse constructors, and their respective insurers, seeking compensation for disorders affecting the warehouse's concrete slab. The total value of repairs and damages claimed amounted to €7,599,278.97. On 13 December 2024, the Tribunal Judiciaire of Paris ruled in favour of the Fund, ordering the defendants to pay a total of €1,872,189.42 (excluding VAT). On 3 February 2025, the Fund filed an appeal against this judgment. The proceedings remain ongoing as at 31 December 2025.

31 Non-current assets classified as held-for-sale

As at 31 December 2024, the asset related to the entity Klara Strand Property AB is presented as 'non-current asset classified as held-for-sale'. Furthermore, the Fund signed a share purchase agreement for the sale of the entity on 25 March 2025. The sale was completed on 1 April 2025 with proceeds from sale amounting to €242.0m (SEK2,610m).

	Retail	Office	Total
Carrying value as at 31 December 2023	**35,294**	**76,533**	**111,827**
Additions	–	219,037	219,037
Revaluation	–	123	123
Lease incentives	–	(123)	(123)
Disposals	(35,294)	(76,503)	(111,797)
Effect of unrealised currency movements	–	(30)	(30)
Carrying value of investment properties as at 31 December 2024	**–**	**219,037**	**219,037**
Right-of-use asset	–	87,341	87,341
Lease incentives and commissions	–	1,214	1,214
Fair value as at 31 December 2024	**–**	**307,592**	**307,592**

As at 31 December 2024	Klara Strand Property AB
Investment properties classified as held-for-sale	219,037
Right-of-use asset	87,341
Lease incentives	1,214
Non-current assets classified as held-for-sale	**307,592**

Unless otherwise stated, amounts are expressed in thousands of EUR.

	Office	Total
Carrying value as at 31 December 2024	**219,037**	**219,037**
Additions	232	232
Revaluation	11,118	11,118
Lease incentives	(223)	(223)
Disposals	(245,169)	(245,169)
Effect of unrealised currency movements	15,005	15,005
Carrying value of investment properties as at 31 December 2025	**–**	**–**
Right-of-use asset	–	–
Lease incentives and commissions	–	–
Fair value as at 31 December 2025	**–**	**–**

32 Subscriptions received in advance

	As at 31 December 2025	As at 31 December 2024
Monies received on subscription pending settlement	177,105	50,881
Total	**177,105**	**50,881**

33 Events after the end of the reporting period

The Board has evaluated post balance sheet events up to 21 April 2026, which is the date the Consolidated Financial Statements were authorised for issue, and have concluded that there are no material events that require disclosure or adjustments other than those listed below.

On 2 January 2026, an amount of €3,374,085 was reinvested in Class ‘F’ Income Shares.

Subscriptions and redemptions on the Dealing Day falling on 2 January 2026 were as follows:

	Subscriptions	Redemptions
2 January 2026	171,804,361	–

On 27 February 2026, the following dividends were paid by the Fund:

	(€ ‘000)	Per Share (€)
Class ‘C’ Income Shares	319	0.6490
Class ‘E’ Income Shares	2,122	0.7126
Class ‘F’ Income Shares	10,038	0.7325
Class ‘G’ Income Shares	8,734	0.7431
Class ‘X’ Income Shares	2,902	0.6967

As at 21 April 2026, the undrawn capital vintage was €426,318,225.

On 12 February 2026, the Fund entered into a forward funding agreement to acquire the existing logistics building with development contract in Montsoult, France for €38.5m. As at 21 April 2026, the Fund has transferred €1.4m deposit.

On 26 February 2026, the Fund acquired logistics asset for a value of €39.9m by acquiring Gilze Logistics S.à r.l. (excluding acquisition costs).

Unless otherwise stated, amounts are expressed in thousands of EUR.

On 2 March 2026, the Fund completed the forward funded logistics development in Meung, France for €25.1m through its existing entity, LLD Logistics SNC (excluding acquisition costs).

On 19 March 2026, the Fund acquired logistics asset in Avignon, France for €46.7m through its existing entity, MEP Logistics SNC (excluding acquisition costs).

On 25 March 2026, the Fund acquired logistics asset in Tilburg, Netherlands for €41.2 through incorporation of new entity, Tilburg Logistics S.à r.l. (excluding acquisition costs).

On 31 March 2026, the Fund acquired hotel asset in Barcelona, Spain for €49.4m by acquiring MEP Poblenou Hospitality S.L. (excluding acquisition costs).

On 31 March 2026, Vimmelskaftet 30 ApS repaid the loan with Danske Bank amounting to €13.2m (DKK98.5m).

34 Statement of published Net Asset Value

	As at 31 December 2025	**As at 31 December 2024**
Equity attributable to Shareholders of the Fund in accordance with IFRS	4,211,973	3,980,507
Adjustment to reflect fair value of purchaser costs deducted in determining the fair value of investment property	26,651	33,903
Adjustment to reflect deferred tax liability at fair value	(16,487)	(19,471)
Adjustment to reflect fair value of fixed rate debt	25	228
Adjustment to reflect unapproved dividends	(24,115)	(23,876)
Other reconciling differences[a]	(16)	699
NAV	**4,198,031**	**3,971,990**

[a] At the date the 31 December 2025 NAV was published, after the reporting period, but prior to the issuance of the annual report, there were some adjustments made for the purposes of the IFRS Consolidated Financial Statements of the Fund to bring it in line with the correct balances. These adjustments include a decrease in current assets by €15,907.

At the date the 31 December 2024 NAV was published, after the reporting period, but prior to the issuance of the annual report, there were some adjustments made for the purposes of the IFRS Consolidated Financial Statements of the Fund to bring it in line with the correct balances. These adjustments include an increase in current assets by €1,744,524 and increase in accrued expenses by €2,442,752.

35 Supplementary statement of INREV compliant Net Asset Value

	As at 31 December 2025	**As at 31 December 2024**
Published NAV	4,198,031	3,971,990
Capitalisation and amortisation of acquisition expenses	31,590	22,584
Adjustment to reflect unpaid dividends	24,115	23,876
Adjustment for estimated sales costs[a]	–	(1,103)
Other reconciling differences[b]	16	(699)
INREV NAV	**4,253,752**	**4,016,648**

[a] In accordance with INREV guidance, an adjustment has been made to recognise non-current assets held-for-sale at its net realisable value. Therefore, an adjustment for the estimated selling costs is disclosed in the statement of INREV compliant NAV as at 31 December 2024, there was one asset classified as non-current assets held-for-sale, with estimated selling costs of €1,102,739.

[b] Refer to Footnote 'a' in Note 34.

The Fund publishes a Redemption Price on a monthly basis. This is estimated based on the expected method of sale and selling costs of the assets in the portfolio. The redemption margin was 1.23% of the published NAV as at 2 January 2026 (2 January 2025: 1.31%). Share redemptions during the period ended 31 December 2025 were €5,757,267 (31 December 2024: €65,453,069).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

Unless otherwise stated, amounts are expressed in thousands of EUR.

36 Supplementary statement of net distributable income (unaudited)

For the year ended 31 December	Notes	Year ended 31 December 2025	Year ended 31 December 2024
Net profit for the year per IFRS		**152,603**	**90,989**
Add back/(deduct):			
Valuation losses on property	7	(27,046)	24,694
Deferred tax expense	21	20,448	17,827
Unrealised (gains)/losses) of joint ventures		196	1,538
Loss on caps	25	989	1,975
Exchange losses		4,417	393
Total		**(996)**	**46,427**
Net distributable income for the year per IFRS		151,607	137,416
Reserve variation[a]		(61,155)	(43,718)
Dividends for the year	**16**	**90,452**	**93,698**
Net distributable income since inception		1,231,939	1,080,332
Cumulative reserve since inception		(487,198)	(426,043)
Accumulated dividends since inception		**744,741**	**654,289**

[a] Represents mainly the distributable income on Accumulation shares and dividend timing difference between IFRS and the published NAV.