



# European Logistics Investment

Platform Presentation  
Prepared for  
Redefine's Polish Asset Tour



Strictly private and confidential  
June 2023



Gdańsk (LPP)



## THE LEADING INVESTMENT AND ASSET MANAGER

The most active and innovative investor  
in private equity and real estate in CEE

# EUR 8+ BN

gross asset value across 16 platforms

### ACTIVELY MANAGED INVESTMENT PLATFORMS

### STRATEGIC INVESTORS

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investment



**MURAPOL**



**LifeSpot**

**Student Depot**

**EUROPEAN LOGISTICS  
Investment**

**IIPROP** INTERNATIONAL  
INDUSTRIAL  
PROPERTIES



**TRADEMARC**

**BEPP**

**HORSE**



**PAD | RES**

**Hymon**



**PIMCO**





# EUROPEAN LOGISTICS Investment

## EUROPEAN LOGISTICS INVESTMENT („ELI”)

Dynamically developing logistics platform;

Fully focused on the Polish market;

Delivering high-quality facilities in the most sought-after locations;

86% of stading assets (&100% of newly built) already BREEAM certified;

Established in 2018, formed in partnership with Panattoni, a leading developer of industrial real estate;

Includes 30 logistics projects within 10 logistics hubs throughout Poland;

The total GLA amounts to 1.2 million sqm, including:

- almost 915,000 sqm of standing assets,
- 85,000 sqm of space under construction, and
- a secured pipeline of 245,000 sqm.

Owned by:

- Redefine Properties – 48.5%,
- Madison International Realty – 46.5%, and
- Griffin Capital Partners – 5%.

# European Logistics Investment

## Key stakeholders



JV Partner | 48.5% shareholding



JV Partner | 46.5% shareholding



JV Partner | 5% shareholding



Asset SPV's

**PANATTONI EUROPE**

Development Manager

Shareholder in selected projects



# 1 Platform overview



Kraków Grencell

# Portfolio Overview

## Summary

### Portfolio overview summary

	Total GLA [sqm]  at 100%	Pro-forma NOI [€m]  at 100%	Warehouse rent [€psqm/ month]  Contracted + Spec/vacant ERV	Occupancy / Pre-let  %	WAULT  years	GAV [€m] at 5.92% <sup>(1)</sup>  at 100%	Capital value [€psqm]  at 100%
Standing assets	914,027	50.0	4.13	92%	6.0	834	912
Under construction	85,212	5.0	4.17	100%	17.9	90	1,059
<b>Subtotal – standing + UC</b>	<b>999,240</b>	<b>55.0</b>	<b>4.13</b>	<b>92.4%</b>	<b>7.0</b>	<b>924</b>	<b>925</b>
Land acquired	245,901	16.4	5.22	-	-	282	1,147
<b>Total</b>	<b>1,245,141</b>	<b>71.4</b>	<b>4.35</b>	<b>-</b>	<b>-</b>	<b>1,206</b>	<b>969</b>

### Portfolio KPIs

Occupancy –  
Standing & stabilised assets:

**95%** | 42k sqm vacant space

WAULT –  
standing assets:

**6.0** years

Estimated GAV upon completion  
(standing, UC, landbank):

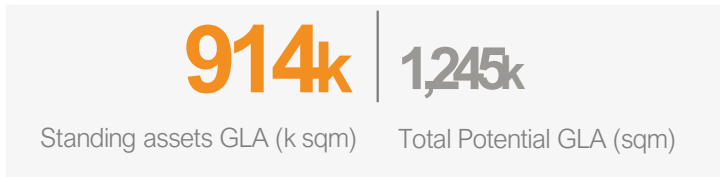
**€1,206m** | €969 psqm

(1) Portfolio cap rate: 6.00% with special assumption on BTS Polish Post 5.25%.

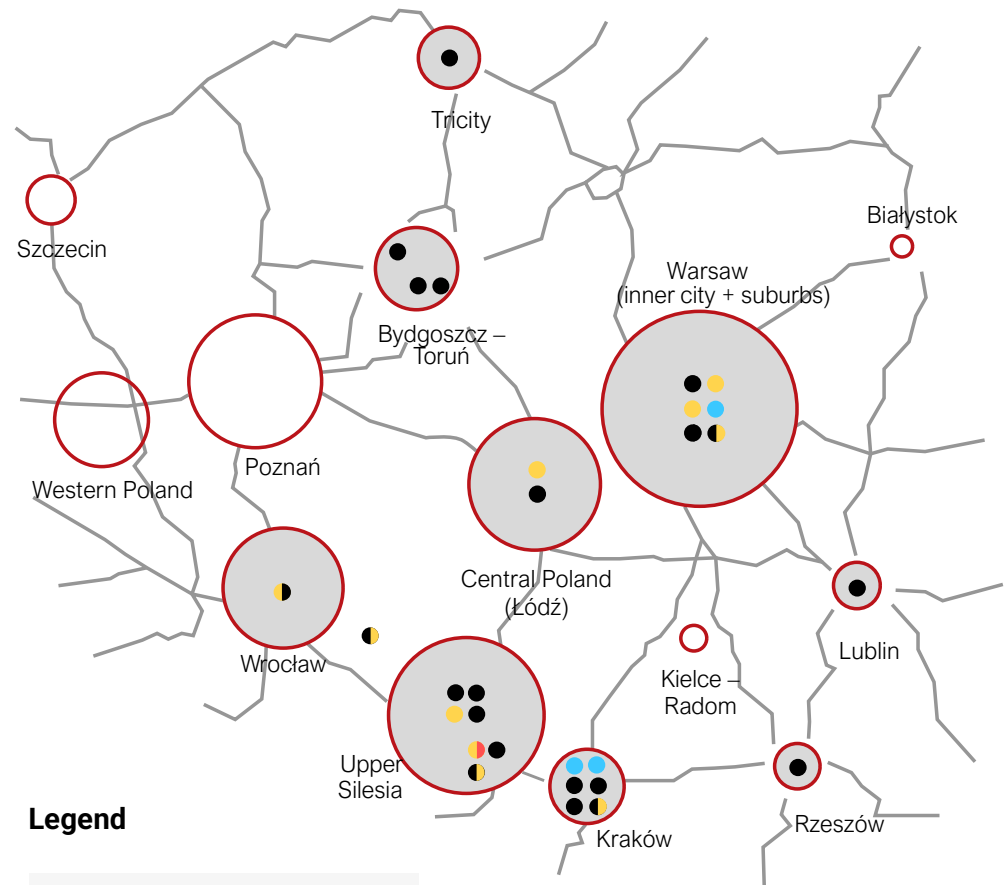
# Portfolio overview

ELI portfolio aligned with key logistics hubs

## Selected KPIs



## Portfolio overview



### Legend

- Standing asset
- Under construction
- Land acquired
- Future pipeline

**3.4%**  
 ELI standing assets & UC market share  
**83%**  
 of total GLA within core submarkets<sup>(1)</sup>

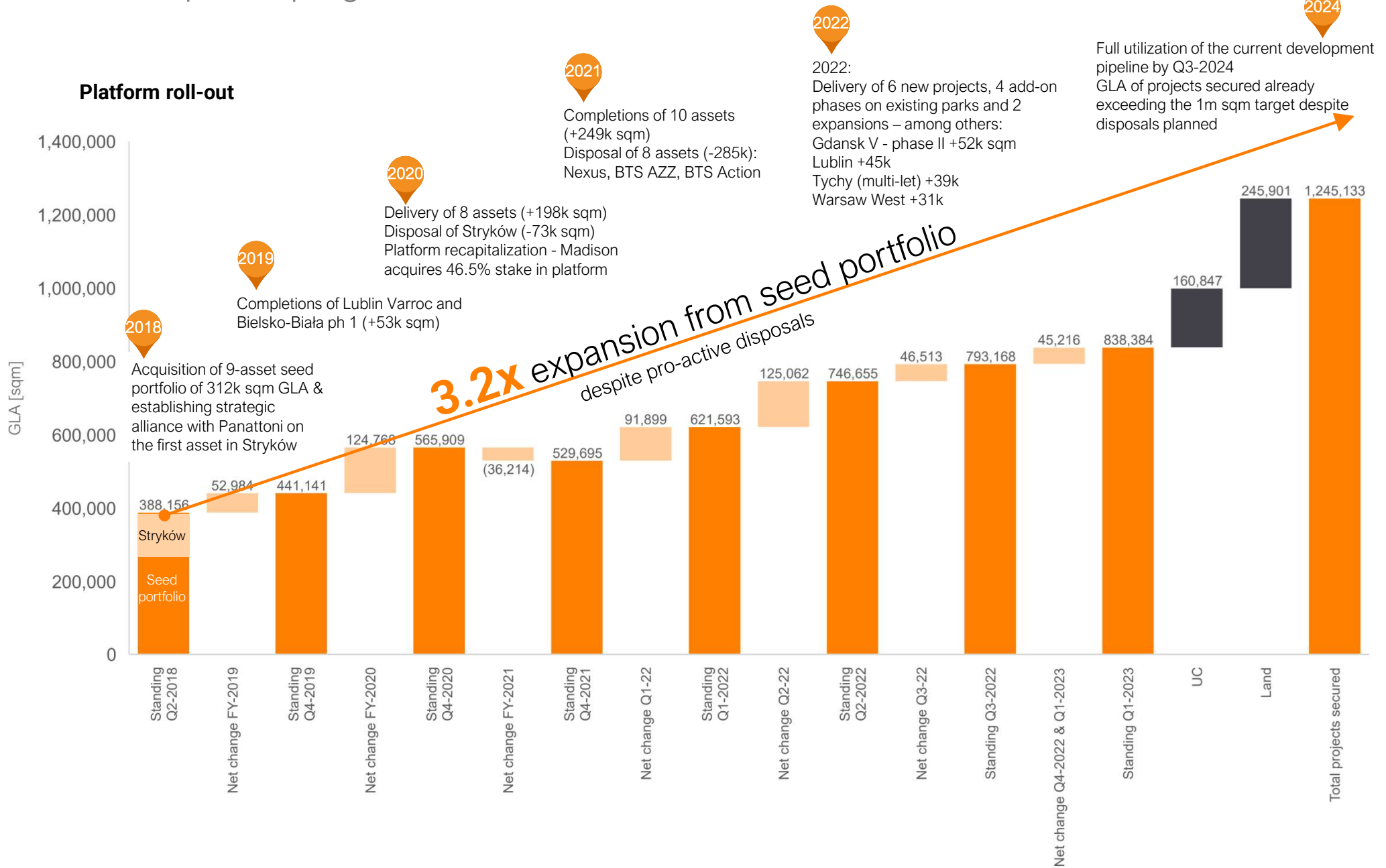
**29.3m** | Existing Stock Poland  
 (as of Q4-22)

**1.3m** | ELI Total Potential GLA  
 (as of May-23)

(1) Core markets: Warsaw, Upper Silesia, Central Poland (Łódź), Poznań, Wrocław, Tri-city, Kraków.

# ELI platform

## Development progress since establishment





# BREEAM®

**Sustainable development**  
for the Planet, People, Business

**86%** of standing GLA in ELI's portfolio are BREEAM certified \*

**100%** of new buildings – under construction or in the pipeline – are to be BREEAM certified \*



European Logistics Investment's BREEAM certified buildings receive high scores in categories such as:

### Water

– which assesses water consumption and is aimed at reducing the consumption of potable water for sanitary use in new buildings from all sources using water efficient components and water recycling systems

### Energy

– which calculates the energy performance of the building with the purpose of recognizing and encouraging buildings that minimize their operational energy consumption through good design

### Land Use and Ecology

– which measures the ecological value of the building and encourages development on land of limited value to wildlife and to protect existing ecological features from substantial damage during site preparation and the completion of construction works

### Waste

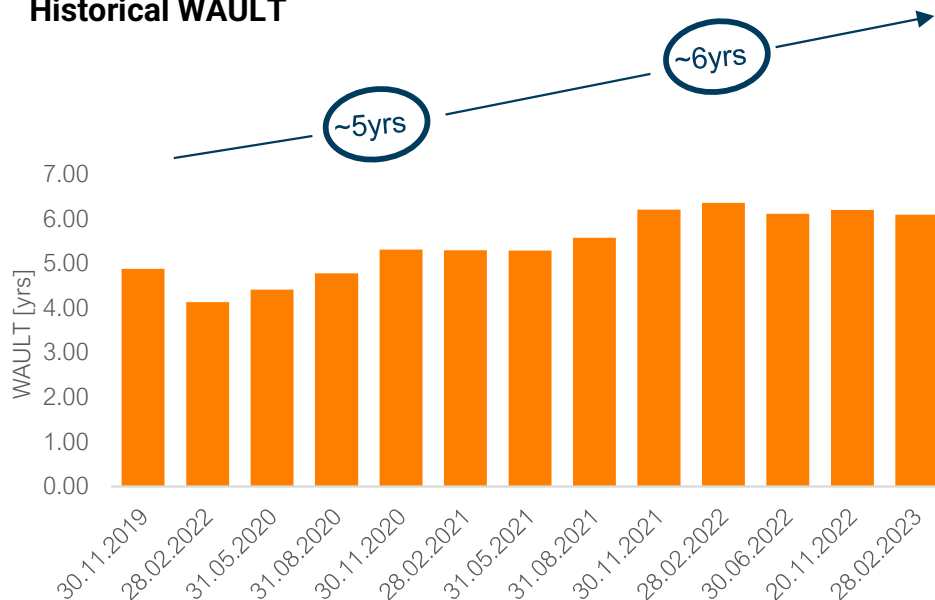
– which assesses construction resource efficiency and the diversion of resources from landfill to promote resource efficiency via the effective management and reduction of construction waste

\* the buildings have received or are in the process of receiving.

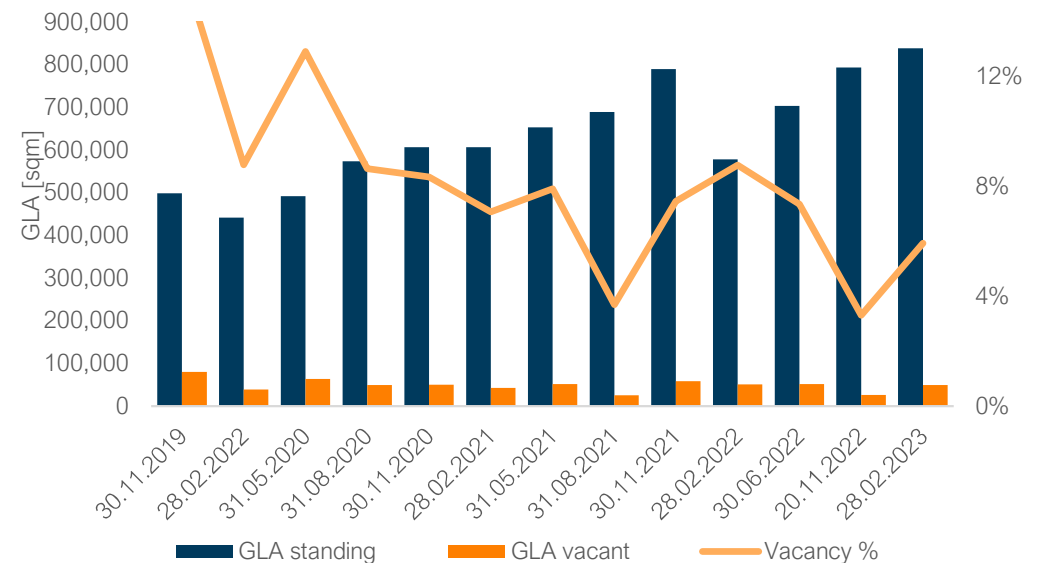
# Asset Management – Top Trends

- Robust tenant demand – 2022 record high of 32 leases signed for over 320,000 sqm of GLA and €17.1m NOI (approx. one third of the entire portfolio GLA).
- Strong rental growth of over 20% - Average signed warehouse rent above €4.00 in 2022 – with €4.93 average signing in Q4-22.
- Shrinking incentive package – approx. 10%-15% of total rent (vs. 20-30% average incentive package as a standard in the market in the past).
- Very low vacancy level despite of constantly growing portfolio (approx. 5% in 2023) and high retention of the tenants resulting in increasing WAULT.
- Green certification and green energy is commonly seen as new standard – already 86% of the whole ELI portfolio (and 100% of newly built) is BREEAM certified (with remainder under certification) and green energy initiatives including PV panels are in early implementation phase.

Historical WAULT



Standing GLA and vacant space



# 2 Market overview

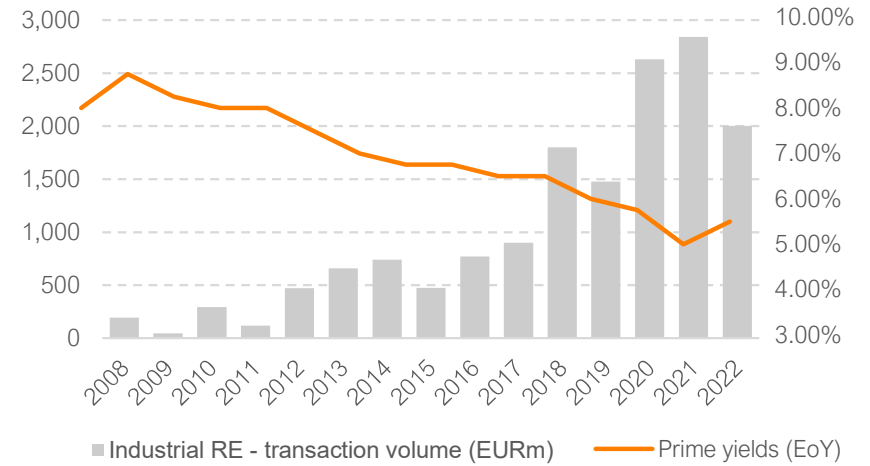


Central Silesia III

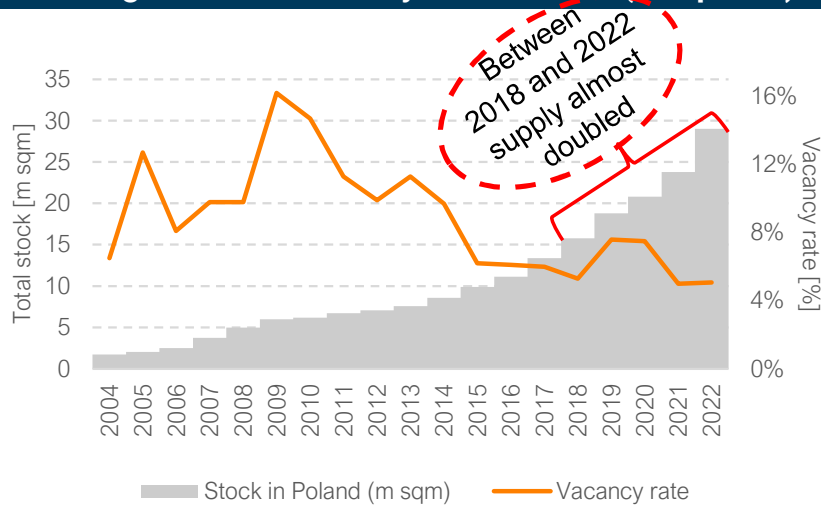
## Comment

- Robust macro in Poland over years combined with improving connectivity of Polish cities and integration into European transit corridors has created a great environment for rapid growth of stock.
- All new stock delivered to the market has been fully absorbed by tenants implying a downward pressure on vacancy rates.
- Polish tight leasing market with low vacancy levels, coupled with slowdown in development activity, created an upward rental pressure in 2022.
- Development activity is expected to come down by 30% YoY in 2022 in response to cooling down demand and elevated construction costs.
- Industrial investment volume in Poland in Q1-23 amounted to ca. €401m, representing 62% share in total transaction volume.

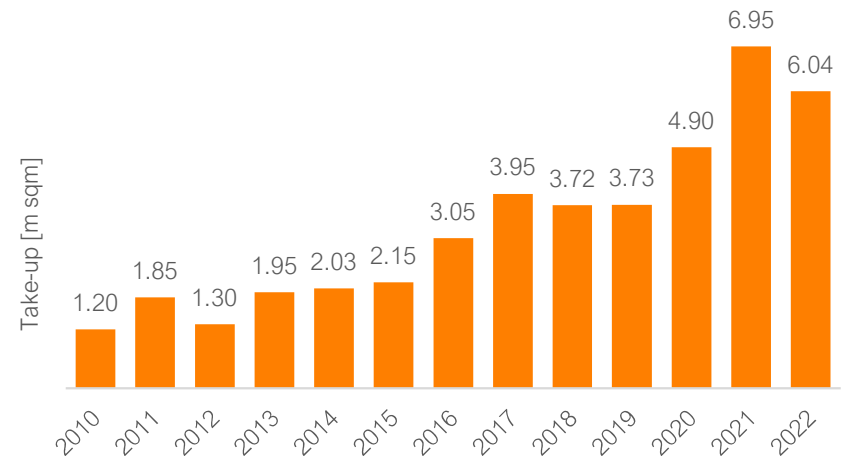
## Investment volume and prime yield – Poland (€m / %)



## Existing stock and vacancy rate - Poland (m sqm / %)



## Gross take-up – Poland (m sqm)

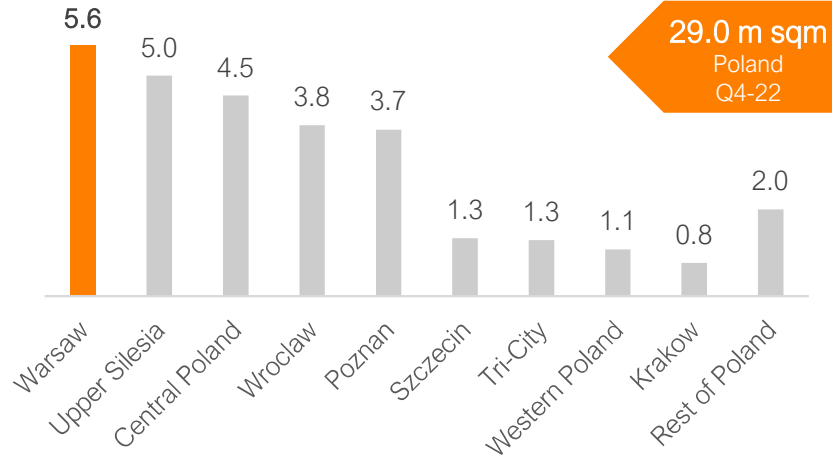


(1) Source: JLL.

# Logistics market - Poland (2/3)

Warsaw as the largest and most established industrial market in Poland

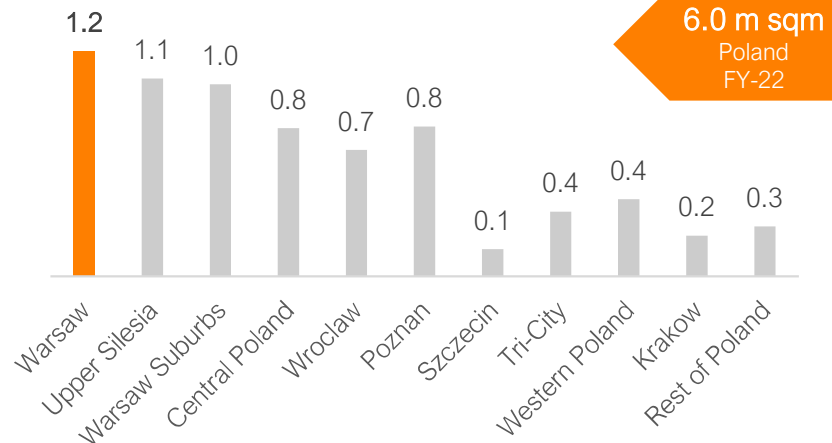
Existing stock (m sqm)



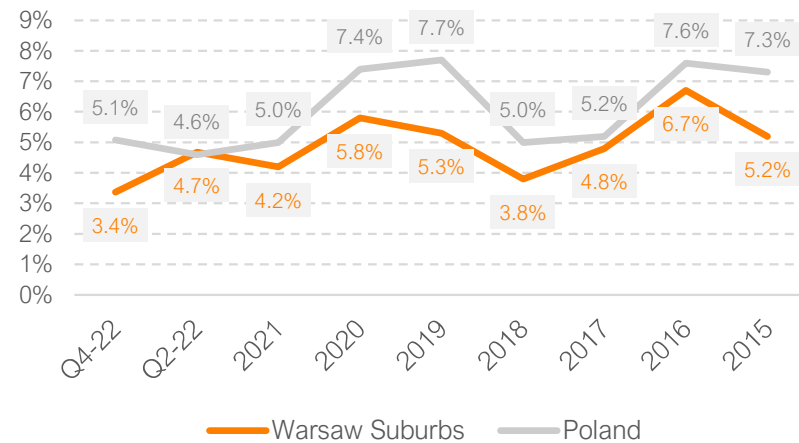
Key logistics submarkets - Poland



Gross take-up (FY-22; m sqm)



Vacancy rate (%)



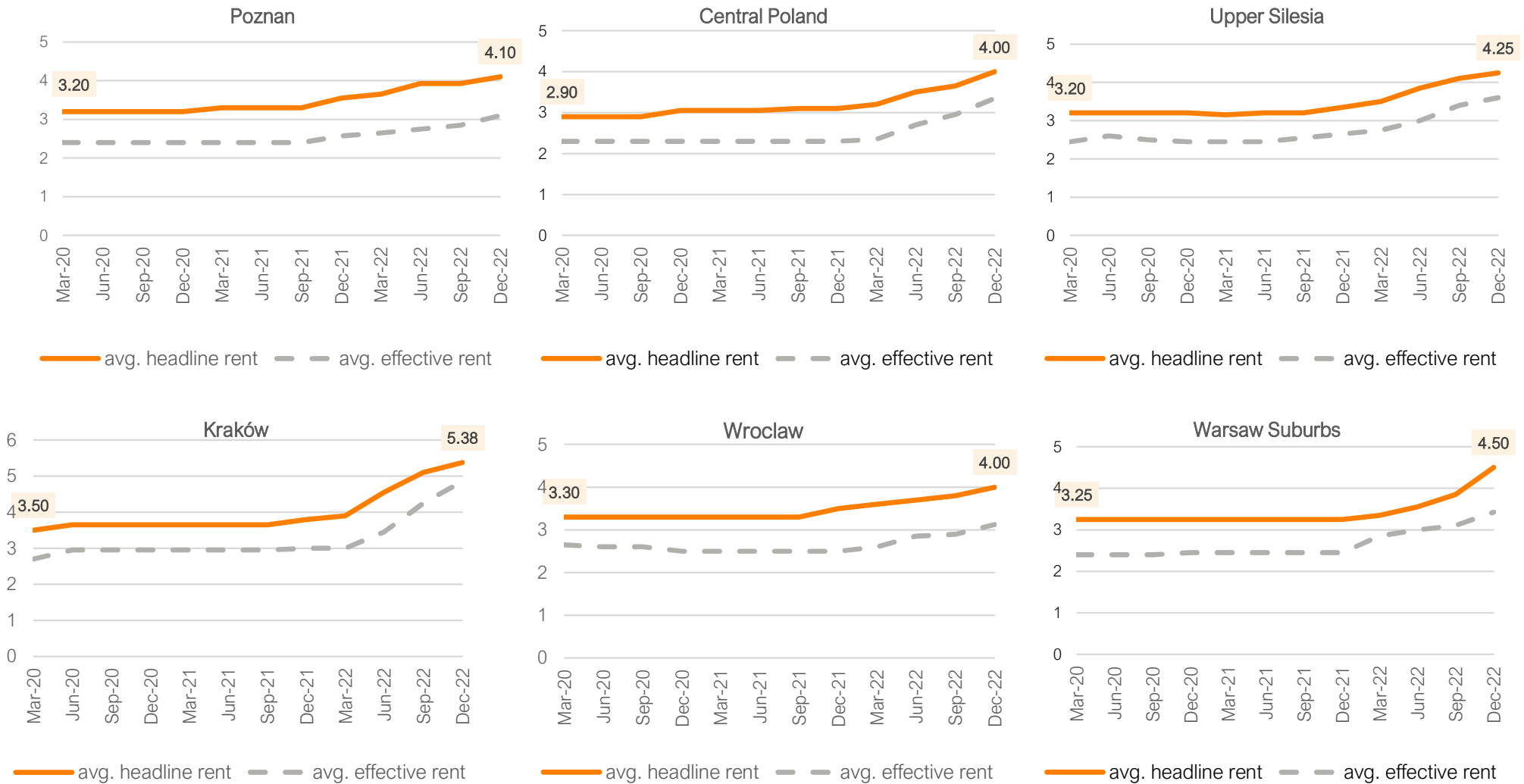
(1) Warsaw = sum of inner city + suburban submarkets.  
 (2) Source: JLL.

# Logistics market – Poland (3/3)

## Average rents development

### Average rents development – major markets in Poland (2020-2022)

- Poland recorded an unprecedented headline rent increase up to ca. **30% y-o-y** as well as headline-effective rental gap decrease by ca. **15 pp** over 2022 to ca. 15%.





**Thank you**

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ELI Investor Presentation

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May 2023