

**GLP Pte Limited**

**Management's Discussion &  
Analysis**

**Year Ended 31 December 2023**



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## **Presentation of financial and other information**

The financial statements of the Company and its subsidiaries (the “Group”) are presented on a consolidated basis and are prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”). SFRS(I) is equivalent to International Financial Reporting Standards (“IFRS”). For further information in respect of the convergence of SFRS(I) to IFRS refer to: [https://www.acra.gov.sg/docs/default-source/default-document-library/accountancy/accounting-standards/pronouncements/sfrs-1-part-1/table\\_of\\_sfrs\(i\)s\\_and\\_ifrs\\_standards\\_1\\_jan\\_2024.pdf](https://www.acra.gov.sg/docs/default-source/default-document-library/accountancy/accounting-standards/pronouncements/sfrs-1-part-1/table_of_sfrs(i)s_and_ifrs_standards_1_jan_2024.pdf)

## PERFORMANCE SUMMARY

### Resilient and growing business

- Core Underlying EBITDA for the year ended 31 December 2023 remains strong at US\$2.1 billion, 2023 revenue up 27% at US\$2.4 billion
- Stable Group lease ratio (92%) and WALE (3.5 years) demonstrate resiliency of the Group's operations
- Continued strong leasing demand driven by e-commerce – 31 million sqm new and renewal leases signed, up 4% year-over-year
- US\$6 billion<sup>1</sup> of asset monetizations achieved since the beginning of FY2023 as part of regular programmatic asset recycling activities

### Continued success of GCP provides the platform for sustainable AUM growth

- Global AUM of US\$128 billion<sup>2</sup>
- Successfully raised ~US\$6 billion of capital<sup>3</sup> from existing and new funds across strategies and geographies against a challenging backdrop in 2023, generating US\$13.4 billion<sup>4</sup> of dry powder
- Fundraising momentum remains positive, as evidenced by a number of landmark fund raises

### Healthy balance sheet and modest leverage

- Cash on hand of US\$2.2 billion
- Met our key financial metrics in line with publicly stated financial targets
  - Net leverage: 27%
  - Net debt / Core Underlying EBITDA: 5.3x
  - Core Underlying EBITDA / interest paid: 2.5x
- In compliance with all financial covenants

Notes: Operating stats include both balance sheet and fund-level real assets

1. Includes completed and signed monetizations from January 2023 to March 2024

2. AUM figure as of 31 December 2023

3. Total capital raised includes listed funds (GLP J-REIT, GLP C-REIT) and private equity funds (Hidden Hill and Monoful VC); amount including GLP's commitment

4. Dry powder is defined as third party committed but uncalled capital

## SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following tables set forth selected consolidated financial information of the Group as at and for the periods indicated. The selected audited consolidated financial information of the Group as of and for the financial years ended 31 December 2023 and 2022 has been derived from the Audited Financial Statements of the Group and should be read together with the Audited Financial Statements and the notes thereto.

### INCOME STATEMENT

For the year ended 31 December (US\$'m)	2023	2022	%
Revenue	2,431	1,911	27 %
Other income	108	(8)	1450 %
Direct expenses	(711)	(632)	(13)%
Other expenses	(1,423)	(947)	(50)%
Share of results from equity accounted investments (net of tax expense)	175	154	14 %
<b>Profit from operating activities after share of results of equity accounted investments</b>	<b>580</b>	<b>478</b>	<b>21 %</b>
Net finance costs	(758)	(781)	3 %
Other net gains	383	716	(47)%
<b>Profit before changes in fair value of investment properties held by consolidated vehicles</b>	<b>206</b>	<b>413</b>	<b>(50)%</b>
Changes in fair value of investment properties	342	890	(62)%
<b>Profit before tax</b>	<b>547</b>	<b>1,303</b>	<b>(58)%</b>
Tax expense	(314)	(769)	59 %
<b>Profit for the year</b>	<b>233</b>	<b>534</b>	<b>(56)%</b>
<b>EBITDA</b>	<b>1,539</b>	<b>2,204</b>	<b>(30)%</b>
<b>Core Underlying EBITDA</b>	<b>2,088</b>	<b>2,443</b>	<b>(15)%</b>

### STATEMENT OF FINANCIAL POSITION

As at 31 December (US\$'m)	2023	2022	%
<b>Assets</b>			
Investment properties	13,964	15,309	(9)%
Equity accounted investments	8,222	8,079	2 %
Property, plant and equipment	1,981	1,472	35 %
Other investments	2,955	2,864	3 %
Cash and cash equivalents	2,164	2,589	(16)%
Assets classified as held for sale	2,223	6,644	(67)%
Trade and other receivables	7,159	8,585	(17)%
Other non-current assets	3,041	3,437	(12)%
Other assets	2,054	2,069	(1)%
<b>Total Assets</b>	<b>43,763</b>	<b>51,048</b>	<b>(14)%</b>
<b>Liabilities</b>			
Loans and Borrowings	11,324	12,194	(7)%
Trade and other payables	3,683	3,563	3 %
Liabilities classified as held for sale	884	4,236	(12)%
Deferred Tax Liabilities	1,393	1,589	(12)%
Other Liabilities	5,272	4,757	11 %
<b>Total Liabilities</b>	<b>22,556</b>	<b>26,339</b>	<b>(14)%</b>
<b>Equity</b>			
Share capital	5,539	5,539	— %
Perpetual securities	1,128	1,130	— %
Reserves	5,038	5,497	(8)%
Non-controlling interests	9,502	12,543	(24)%
<b>Total Equity</b>	<b>21,208</b>	<b>24,709</b>	<b>(14)%</b>

## 1. BUSINESS & STRATEGY

### a. ABOUT THE BUSINESS

The Group is a leading global investment manager, business builder, investor, developer and operator of logistics, digital infrastructure, renewable energy and related technologies. These business activities, combined with the Group's size and scale, creates "Network Effect" synergies and recycles capital for the best possible returns and provides the best solutions for its customers, allowing customers to seamlessly expand and optimise their distribution network in convenient warehouse locations.

As of 31 December 2023, GLP owns, manages and leases an extensive network of approximately 3,300 completed properties across 293 cities and 17 countries, including China, Japan, U.S., Europe, Brazil, India, and Vietnam, with a combined GFA and GLA of approximately 64.8 million square metres. The Group also has interests in an additional 19.5 million square metres of land held for future development, under development or under land reserve.

The following diagram summarises the geographical locations of the Group's portfolio of real assets as of 31 December 2023:

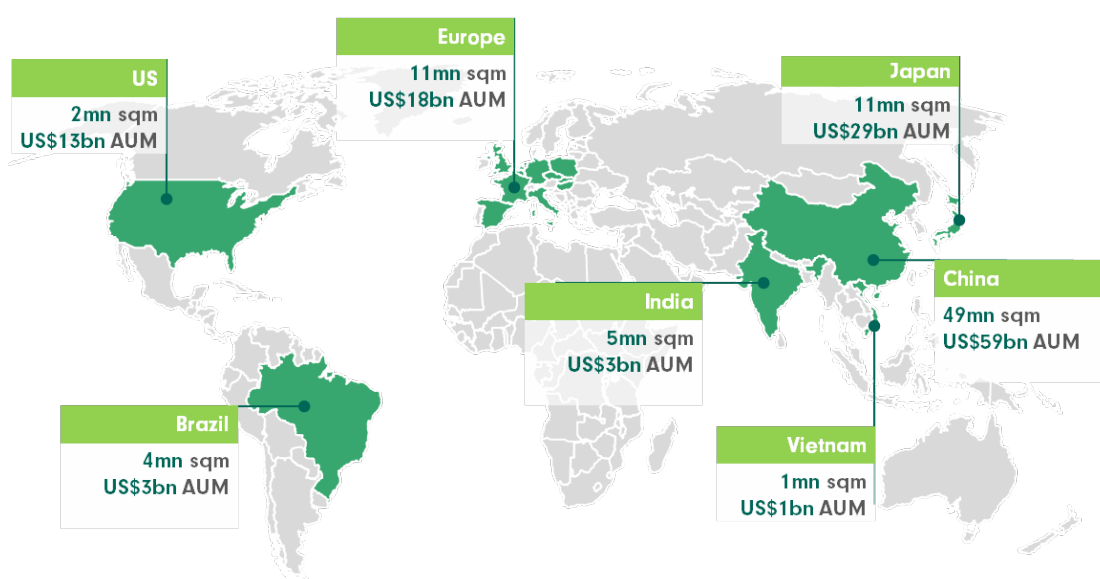


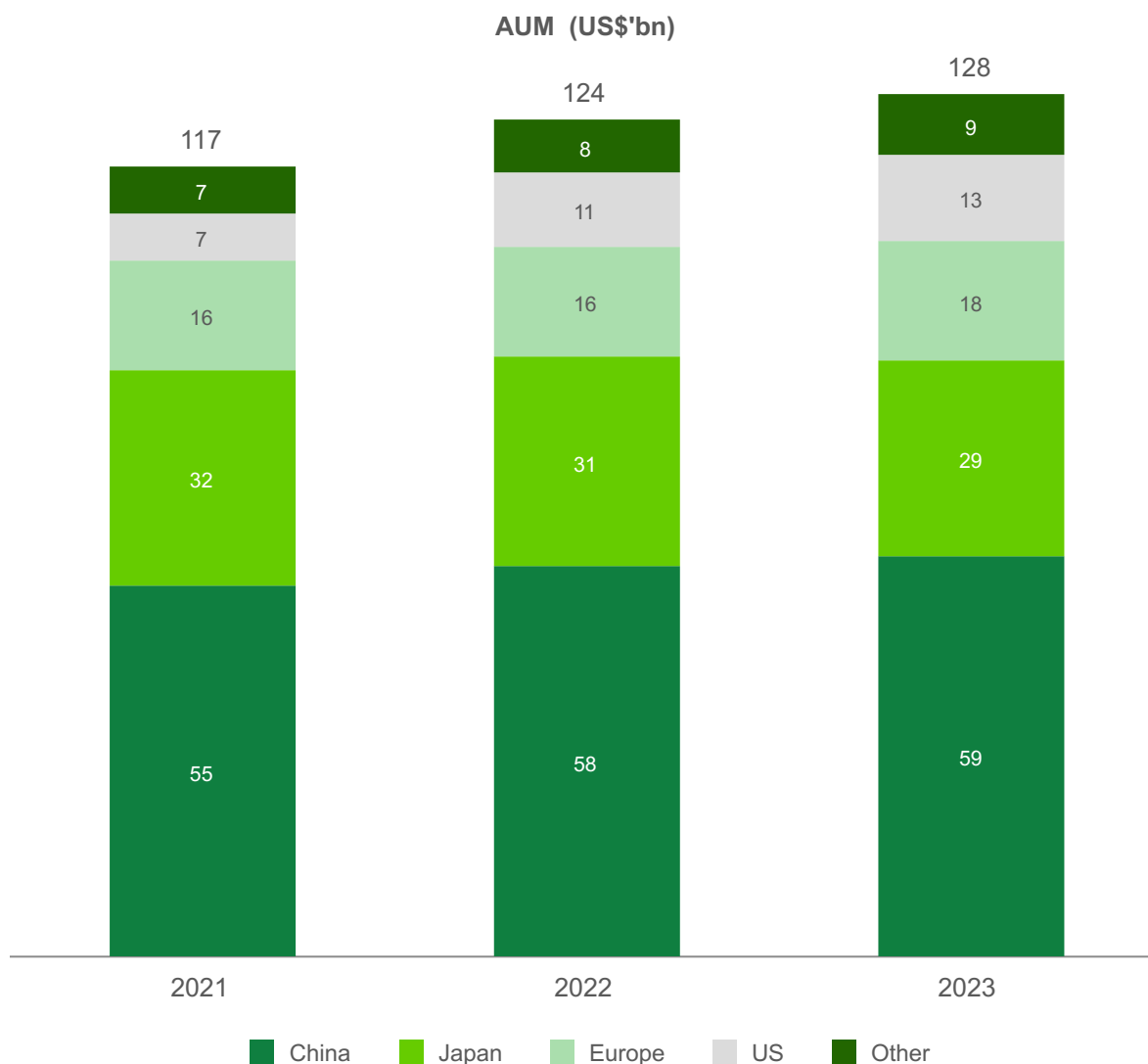
Figure 1: Real Assets AUM by geography

The Group has built a high quality and superior logistics real estate and fund management platform by focusing on its commitment to provide its customers with best-in-class, state-of-the-art distribution facilities. The Group also intends to continue to invest in innovative logistics technology that will create more efficient modern logistics ecosystems. These investments will enable the Group to continue to enhance and support customers with high quality and best-in-class logistics and warehousing facilities supported by technology-led solutions and provide a differentiated service offering.

For example, the Group is focused on data analytics, robotics, artificial intelligence, Internet of Things (IoT), telematics and sensor technology. The Group is also committed to developing intelligent, energy efficient and environmentally friendly facilities, with features such as energy efficient lighting and equipment, waste water management systems and expansive green areas.

At 31 December 2023, the Group's portfolio covers approximately 84 million square metres and has the ability to serve markets that comprise approximately 54% of the world's population and 77% of global GDP.

The Group, through GCP's fund management business, manages US\$128 billion<sup>1</sup> of total AUM across 61 funds, which included real assets and private equity around the world, as of 31 December 2023.



*Figure 2: AUM growth*

The Group's investment vehicles are backed by a global and diverse investor base, including public and corporate pension funds, sovereign wealth funds, insurance companies and other institutional asset managers. GCP has long-standing relationships with investors across Asia Pacific, North America, Europe and EMEA and continues to introduce new partners to its fund management platform.

1. Includes country-level funds and multi-geography AUM

## **b. STRENGTHS**

The Group believes that it has the following competitive strengths as a leading global investment manager, business builder, investor, developer and operator of logistics, digital infrastructure, renewable energy and related technologies. These strengths drive its success and differentiate it from its peers.

The Group builds businesses and scales dedicated operating platforms in new economy sectors which are supported by global macro-economic and secular trends, including the sustained growth of globalised commerce, widespread adoption of e-commerce, increased demand from data storage/processing and worldwide focus on sustainable energy. The Group's track record of success in logistics real estate has helped it to establish and grow other platforms, including digital infrastructure and renewable energy. This, combined with its global platform, provides a runway for sustained growth as the Group creates value for its customers and stakeholders. Capitalising on its strong local expertise and track record in Asia, Europe and the Americas, the Group plans to accelerate its market leadership and growth trajectory by continuing to take a disciplined and data driven approach.

### **Disciplined investor with proven track record of growing organically and via acquisitions**

GLP has a proven track record of executing a full spectrum of transactions ranging from international mergers and acquisitions to ground-up development. The Group also forms strategic partnerships with companies that can bring about more opportunities and synergies with its core logistics real estate business globally and expand the Group's investment scope further into adjacent segments. This includes the strategic joint venture with IndoSpace in 2018, acquisition of a 50 per cent. equity interest in China Merchants Capital ("CMC") through an investment partnership with China Merchants Group ("CMG"), and the privatisation of Li & Fung in 2020. Globally, the Group has also completed several large-portfolio transactions since 2015, including the acquisition of the US\$8.1 billion IndCor portfolio (U.S., 2015), US\$4.6 billion Industrial Income Trust (U.S., 2015), US\$2.8 billion Gazeley portfolio (Europe, 2017), US\$1.1 billion Goodman Group's Central and Eastern Europe logistics real estate portfolio (Europe, 2020), and the remaining 50% interest in the Group's existing fund management joint venture in Vietnam (Vietnam, 2022).

### **GLP Capital Partners is a global alternative asset manager with a track record of raising capital and strong, long-term relationships with capital partners**

Our global fund manager, GCP partners with leading institutional investors around the world, including some of the world's largest sovereign wealth funds, pension funds and property and insurance companies with the objective of delivering sustainable risk-adjusted returns.

As a leading global alternative asset manager, GCP focuses on high-growth, new economy investment themes, including logistics, digital infrastructure and energy transition. Within its logistics real estate strategies, GCP strategically invests across the entire risk spectrum, encompassing development, value-add and income-generating opportunities and has raised significant capital across multiple geographies.

GCP's investment funds are backed by a global and diverse investor base, including public and corporate pension funds, sovereign wealth funds, insurance companies and other institutional asset managers. The Group has long-standing relationships with investors across Asia Pacific, North America, Europe and EMEA and continues to introduce new partners to its fund management platform. GCP is an industry leader on the capital raising front and is consistently ranked in PERE's top real estate fund managers in Asia Pacific and globally.

### **Healthy balance sheet and modest leverage**

The Group has standing financial management policies that have enabled it to maintain a healthy balance sheet and modest leverage.

The Group benefits from access to diversified and multi-channel financing sources, including but not limited to, bilateral loans, syndicated loans, the capital markets, funds, and other borrowings and equity. The Group constantly monitors its current and expected liquidity requirements and compliance with borrowing covenants. The Group has long-standing relationships with its commercial lenders, which include the largest commercial banks worldwide, including, amongst others, Bank of China, Bank of Communications, China Merchants Bank, Citibank, Mizuho Bank and United Overseas Bank.

In addition, compared to other property types, the inherent characteristics of the modern logistics and warehousing facility sector, coupled with the Group's efficient development practices, result in shorter gestation and cash conversion cycles. As such, the Group is able to realise its cash returns, and these recurring cash flows can be re-invested to accelerate growth in the business. This lowers the risk exposure of the Group's business to exogenous factors such as economic cycles. A shorter cash conversion cycle also provides the Group with the advantage of being able to be adequately funded and have the flexibility to adjust its operations according to demand conditions.

### **Rental and fund management provides high margins and recurring, growing income**

The Group's investment and asset management teams are located around the world and have extensive knowledge of local markets that drive strong fund and asset-level performance. The Group leverages its fund management platform, GCP, as a channel to recycle capital from stabilised, income-producing assets, using the proceeds to fund growth.

The Group continues to grow its fund management business through GCP. GCP's investment and asset management teams drive value creation to maximise the investment performance through all phases of the investment cycle. The Group's fund management platform is based on the Group's longstanding relationships with numerous global institutional investors and its senior management's extensive years of experience in private capital management. The Group's partnership with leading investors allows it to de-risk its development and investment activities through pre-commitments and diversification of capital partners.

The Group, through GCP, intends to continue to raise funds with third party investors to build its fee-based income and recycle capital from mature assets, using proceeds to fund growth. The Group seeks to generate long-term, stable income with low volatility by developing and investing in properties that are of institutional quality and design, well-located and substantially leased. The fund management business is also high margin and revenues are expected to grow as GCP forms new partnerships.

### **Strong corporate governance framework, experienced management team, strong shareholder base, and a strong commitment to ESG**

The Group has high standards of corporate governance in place and operates in accordance with global logistics and warehousing, digital infrastructure and renewable energy and related technology best practices, with a well-governed platform based on transparency and with consideration for environmental, social and corporate responsibilities to its shareholders, investors, employees, customers and communities. For further information on the Group's ESG practices, see "Environmental, Social and Governance best practices" below.

As the Group believes that effective corporate governance is critical to its success, it has established robust principles, processes and standard operating procedures to guide all of the Group's operations while remaining transparent and accountable to its investment partners and other stakeholders. Wherever possible, the Group minimises conflicts of interest through



the use of both technology and independent third parties to maintain strong reporting and disclosure standards. The Group has instilled a culture of corporate governance amongst all of its employees globally, with its top-down focus and emphasis on this pillar of behaviour. The Board of Directors is chaired by Mr. Ang Kong Hua, an independent director who has helmed several of Singapore's biggest companies, bringing years of experience spanning the manufacturing, services and financial sectors. In addition, the audit committee of the Board of Directors is chaired by Mr. Steven Lim Kok Hoong, an independent director who brings over 30 years of audit and financial consulting experience. In addition to the audit committee, the Board of Directors also has sub-committees for risk management, human resources and compensation.

The Executive Committee of the Group is led by Ming Z. Mei and is comprised of individuals with a well-established track record, a commitment to excellence and knowledge of local markets and industry best practices.

### **Diverse talent pool with an entrepreneurial culture**

The Group believes that people and culture are key elements to achieving global success. The Group is deeply invested in nurturing the right talents who have big visions, and who have what it takes to challenge convention to push businesses and industries forward. The Group's leadership empowers its employees at all levels to think beyond the bounds of their roles and its industry, sharing new ideas and working as a team to push each other to succeed. By doing so, the Group believe in pooling together different skill sets and mindsets that lead to better outcomes and decisions that add the most value.

The Group's ability to think globally and act locally differentiates the Group from others. As a global business with offices and talents around the world, the Group can capitalise on the opportunities to transfer knowledge and share insights from different markets to build a stronger, more resilient global business and create value for the Group's investors and customers. The Group strives to create an inclusive environment with embraces diversity and fosters inclusion. It sees value in, and is committed to, having a well-rounded inclusive workplace. The Group strives to attract, develop, retain and promote the best talent - people from diverse backgrounds with unique knowledge bases, interests, cultural identities and skill sets. The Group believes that valuing diversity and inclusiveness enables it to achieve its vision to create value for its investors, customers, employees, shareholders and the communities in which it works. Its recruitment, training programs and talent development platform gives its employees opportunities to expand their roles and responsibilities and prepare them for leadership roles.

## c. STRATEGY

The Group focuses on high-growth, new economy investment themes, including logistics, digital infrastructure and energy transition, which are supported by global macro-economic trends, including the sustained growth of globalised commerce, widespread adoption of e-commerce, increased demand for data storage/processing and worldwide focus on sustainable energy. The Group's strategic pillars are:

	Logistics	Digital Infrastructure	Energy Transition	Fund Management
<b>Description</b>	<ul style="list-style-type: none"> <li>Core pillar of the business relates to the investment, development, and operation of logistics real estate and technologies globally</li> </ul>	<ul style="list-style-type: none"> <li>Serving the digital infrastructure needs of hyperscale companies and large global enterprises</li> </ul>	<ul style="list-style-type: none"> <li>Leverages network and leadership position in key markets to pursue renewable energy development</li> <li>Aims to build out the use of clean energy in logistics and transportation</li> </ul>	<ul style="list-style-type: none"> <li>Leading global alternative asset manager specialising in real assets and private equity investing</li> <li>Partners with leading global investors including sovereign wealth funds, pension funds, property and insurance companies</li> </ul>
<b>Highlights</b>	<ul style="list-style-type: none"> <li>Network of approximately 3,300 completed properties with a GFA of 64.8 million sqm</li> </ul>	<ul style="list-style-type: none"> <li>Land and assets of over 2GW IT capacity across APAC, Europe and the Americas</li> </ul>	<ul style="list-style-type: none"> <li>More than 890MW of installed renewable energy capacity globally</li> <li>Progressing the development of a multi-gigawatt renewables portfolio across distributed and ground-mounted solar, wind, and battery storage solutions</li> </ul>	<ul style="list-style-type: none"> <li>~US\$128 billion<sup>1</sup> of AUM across real assets and private equity</li> </ul>

1. Includes country-level funds and multi-geography AUM

*Figure 3: The Group's strategic pillars*

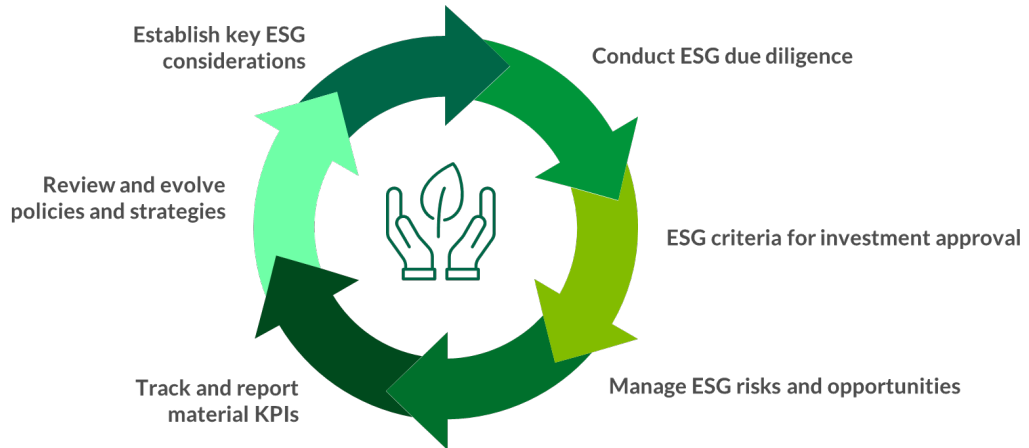
The Group's advantage in these areas is grounded in its ability to recognise new economy sectors and trends early in their growth cycle, utilise its deep global industry and sector expertise combined with its local presence and connectivity. By developing expertise and credibility in growing sectors early, the Group believes it is able to identify high-quality investment and business opportunities. It has a long track record of success with this approach across multiple strategies and sectors. This, combined with its global platform, provides a runway for sustained growth of its business as the new economy sectors continue to expand worldwide.

With a focus on the expansion the Group's global and national network through demand and research-based investment, road-mapping and discipline, the Group intends to implement the following principal strategies to support the further development of its business:

- Strengthen the Group's leadership position in logistics real estate
- Expand product offerings in existing and new business segments in high growth and new economy adjacent sectors
- Leverage the Group's investment and operational expertise to build high-quality businesses, enhance asset values and scale fund management platform
- Develop sector expertise and talent by building great teams which specialise across individual sectors, while retaining and fostering an entrepreneurial vision.

#### d. ENVIRONMENTAL, SOCIAL AND GOVERNANCE BEST PRACTICES

The Group is committed to a broad range of ESG initiatives that it believes elevate its business, create value for its investors, support its employees and customers, and have a meaningful impact on the local communities in which it operates. The Group is focused on the embedded alignment between sustainable outcomes and investment returns.



*Figure 4: ESG initiative embedded in the Group's business model*

#### The Group's ESG governance

The Group has established a strong governance structure and a responsible investment policy to embed ESG practices into its investment processes. Its management team has overall responsibility and accountability for ESG strategic direction and alignment on ESG commitments, and receives regular updates from the global ESG Council, which includes members from every region in which we operate. The Board of Directors receives information on ESG matters from the management team regularly.

Beyond aligning with the industry's associations and utilising their respective benchmarks, the Group has a robust policy and framework to govern its investment process. For each investment decision, the Group will consider environmental and social risks, resource use, labour and working conditions, the well-being of end users, its contribution to resilient communities, climate action, and/or ethics and governance. To ensure that the Group adheres to these considerations, the Group has structured a governance process, which includes a global ESG Council, country ESG Committees, and dedicated professionals accountable for ESG factors.

The Group endorses industry ESG standards and frameworks and have adopted a number of best practices. It became a signatory to the PRI in 2021. The Group aims to increase the number of funds it submits to GRESB annually, of which it became a member in 2013, and the number of funds that receive a GRESB Green Star designation. Its annual sustainability report is prepared with reference to the Global Reporting Initiative (GRI) Universal Standards 2021 and it is a member of the U.S. Green Building Council (USGBC). The Group is committed to incorporating ESG best practices across its portfolio and organisation.

#### The Group's focus on responsible investment

As a signatory for the PRI, the Group has embedded ESG into its investment and decision-making processes to identify and mitigate ESG-related risks and completes climate risk assessments and scenario analysis in alignment with Taskforce for Climate-related Financial Disclosures (TCFD) recommendations across our regions, to understand how climate risks and opportunities may impact its assets and operations. The Group has a track record of

replacing fossil fuels with renewable energy sources and creating efficiencies to reduce energy, water and waste consumption across portfolio assets. The Group has increased the percentage of green-certified properties in its funds every year and committed to building 100 percent of new logistics real estate developments to globally recognised green certification standards in China, Japan, Brazil, Europe and the U.S. and 50 per cent. in Vietnam. It is an industry leader in solar installation with over 850 MW of rooftop mounted solar energy capacity installed across its real estate portfolio and third-party buildings as of 31 December 2023 and the Group was one of the pioneers in APAC in sponsorship of sustainability-linked loans and green bonds.

The Group plans to continually evolve its ESG policies and processes to identify and protect key stakeholder interests. The Group's responsible investment policy currently sets out its approach to ESG integration for all of its real assets portfolio. The current ESG integration covers pre-acquisition screening and due diligence, as well as management and monitoring of ESG performance during its ownership period.

The Group's ESG screening and due diligence process allows it to review material ESG factors for each investment opportunity, and mitigate and address matters that arise. Recommendations from its pre-investment due diligence and post-transaction action plans for continuous improvement are included in investment committee memos.

### **ESG in the Group's operations**

The Group's people are crucial to the success of its business, and the Group seeks to attract, develop and retain a talented, diverse group of employees. The Group promotes a diverse and inclusive workforce and have a dedicated learning platform with programs and courses on diversity and inclusion.

The Group supports local initiatives across its geographies in order to give back to its communities and help its employees create positive impact.

The Group integrates ESG across the full lifecycle of its investment and ownership process, including screening, due diligence, portfolio management, and realisation. The Group identifies ESG risks and opportunities based on its ESG due diligence toolkit, which customises the scope of due diligence based on identified risks. The Group collects ESG data on its fund investments on a regular basis and takes action to show continual improvement. At least every two years, the Group reviews and suggests improvements to its ESG policy commitments, which the Board of Directors will ultimately approve.

### **ESG impact on the Group's investors and customers**

The Group's ESG programs are designed to deliver positive outcomes for the Group's investors and customers while having a positive impact on the communities in which it operates. The Group is committed to investing responsibly and consider relevant ESG factors including health, safety, environmental and social considerations in its investment and decision making processes. The Group supports its customers' ESG goals by offering sustainable space and opportunities to partner with it on social impact initiatives. It creates sustainable building guides specific to its different markets. For properties in the Group's real estate funds, the Group incorporates ESG elements including increase insulation, LED lighting, water reuse systems, solar and renewable energy, biodiversity and green fields surrounding buildings, and exterior colors harmonised with landscapes.

### **Climate change resilience**

The Group is focused on the transition to a low-carbon economy throughout its business, including in its investment criteria, asset management, construction standards and growth of its renewable energy business. The Group recognises the importance of taking action to address climate change and are committed to transitioning to align with the TCFD. The Group

works to identify and measure the physical and energy transition risks of its investments, and intends to conduct scenario analysis to understand and quantify the physical and transition risks and uncertainties it may face in the future and to better understand its climate resilience.

### **The Group's investment and asset management process**

The Group has developed a disciplined investment process that it believes allows it to successfully identify attractive opportunities that fit the investment criteria of its funds. The Group's investment process capitalises on its global scale and leverages its local knowledge in the geographies in which it operates. By pairing consistent and rigorous underwriting with deep sector and market expertise, the Group believes it can effectively investigate and analyse investment opportunities to make selective and informed decisions.

The Group utilises a comprehensive process across all of its geographies and strategies, ensuring that all new investments are subject to appropriately high standards. The Group believes one of its distinct investing advantages is its entrenched local presence, in the form of both investment and operating professionals, in all of the regions in which it operates. The Group is vertically integrated and has a commitment to building and maintaining deep, on-the-ground teams with sector specialisation. This approach generates investment opportunities and differentiated data to evaluate these opportunities that other managers may lack. The Group's investment teams leverage an extensive network of relationships, at both the local market and global levels. From the Group's various sourcing channels and broad access to real-time data, the Group believes it gains meaningful insight into markets and prospective investment opportunities that it carefully analyses and underwrites.

Investment opportunities that advance beyond a preliminary review stage undergo further extensive underwriting and due diligence, including the involvement of internal specialists that are assembled to rigorously evaluate the opportunity and execute diligence and analysis processes. The Group's internal teams - which, depending on the opportunity and sector it is evaluating, may include specialists in capital markets, supply chain and data center technology, property operations and development - provide insight and expertise that the Group believes is a competitive advantage and is additive to its risk management processes. In addition, the Group believes its commitment to the same new economy sectors across both of its business strategies creates enhanced knowledge and processes within those sectors. For example, by utilizing the insight and data generated from management of its logistics real estate funds, the Group has a differentiated perspective in evaluating investment opportunities in supply chain technology companies within its corporate private equity and growth equity strategies.

The Group applies the same rigour and comprehensive approach to asset management that it utilises in its investment process. The Group's vertically integrated platforms include professionals specialising in areas that span the lifecycle of an investment, allowing it to focus on protecting and enhancing the value of each of its investments. While specific asset management plans vary by business strategy and each fund's objectives, the Group consistently adopts a proactive approach to regularly monitor assets and capital markets to maximise return on invested capital. It implements strategic review processes to evaluate and define investment exit strategies, which may include single investment dispositions, structured transactions and recapitalisations, public listings and private sales. Throughout the Group's asset management process, it adopts a data-oriented approach, often utilising proprietary technology tools, to enhance and create value.

## 2. BUSINESS PERFORMANCE REVIEW

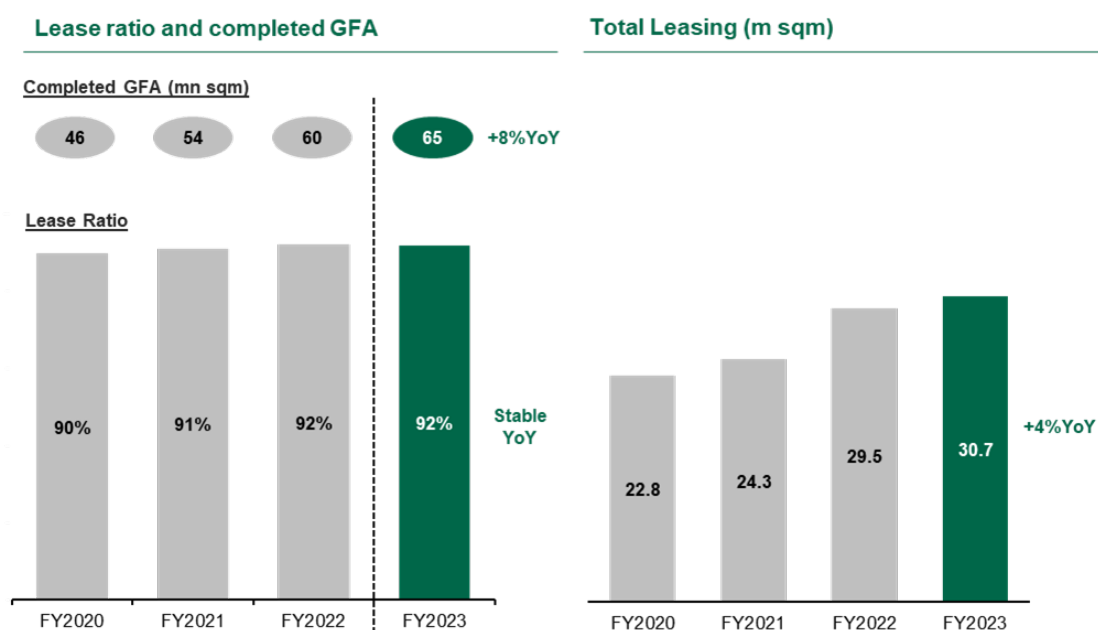
### a. LOGISTICS REAL ESTATE

#### OVERVIEW

The Group owns, manages and operates a global network of logistics properties strategically located in key logistics hubs, industrial zones and urban distribution centres. In 2023, logistics real estate fundamentals remained resilient as demand for modern logistics facilities increased, driven by global supply chain shifts and growing domestic consumption.

In 2023, the Group completed 6.4 million square metres of developments and commenced 4.2 million square metres of new developments, bringing its total logistics real estate footprint to approximately 84 million square metres as of 31 December 2023, a 1 per cent. increase year-over-year.

The Group has also continued to develop and build its logistics supply chain ecosystem through scaling its cold storage business. In China, GLP is one of the largest end-to-end cold chain logistics operators, managing over 1.6 million square metres of cold storage space across 36 cities and serving more than 600 customers. In Japan, GLP broke ground on two purpose-built cold storage logistics facilities, GLP Kobe Sumiyoshihama and GLP Rokko V, which will provide 55,000 square metres of refrigerated space in total.



Note: Operating statistics include both owned and managed real assets

Figure 5: Logistics operating statistics

Over the year, the Group delivered strong operational performance, with a lease ratio of 92 per cent and Weighted Average Lease Expiry (WALE) of 3.5 years as of 31 December 2023. For the year ended 31 December 2023, the Group signed leases covering 30.7 million square metres, representing an increase of 4 per cent. year-on-year. The Group also recorded achieved same-property NOI growth of 2.5 per cent. for the year, which was largely driven by China and partially lifted by top-tier markets in Europe and the U.S., where the Group's high-quality asset base and asset management and leasing capabilities have optimised performance.

**i. CHINA**

Operational performance remained resilient, with a lease ratio of 89 per cent. as of 31 December 2023. During the period, the Group signed 26.2 million square metres of total leases. The portfolio also generated same-property NOI growth of 2.3 per cent. for the year.

Due to the growth that is anticipated in the Chinese logistics and warehousing facilities market, leases in China are generally shorter than other markets. Leases typically have one to 10-year terms. Leases under build-to-suit arrangements generally having longer terms, and include a rental premium for the specific customisation requested by the customer. The WALE of the China portfolio was 1.8 years as of 31 December 2023.

**ii. JAPAN**

The lease ratio for GLP Japan's property portfolio remained stable at 100 per cent. at 31 December 2023 and retained 74 per cent. of its customers. 2.1 million square metres of total leases were signed during the year, which generated effective rent growth of 8.4 per cent..

Leases for the properties in the Japan portfolio typically run for a fixed term of three to five years for multi-tenant facilities and for 10 years or more for build-to-suit arrangements. Some of the Group's leases contain provisions for rental adjustments every three years based on the corresponding change in the consumer price index. As of 31 December 2023, the Japan portfolio had a WALE of 5.3 years.

**iii. BRAZIL**

The lease ratio for the Brazil portfolio was 92 per cent. as of 31 December 2023, with same-property NOI growth of 4.4 per cent. and 335,000 square metres of new and renewal leases signed in the year ended 31 December 2023.

Leases for properties in Brazil generally run for a fixed term of five years for typical contracts and multi-tenant facilities; and for 10 years or more for built-to-suit or similar arrangements. The Brazil portfolio had WALE of 6.3 years as of 31 December 2023.

**iv. EUROPE**

GLP Europe operates a total portfolio of 11.4 million square metres across 11 countries as of 31 December 2023. The Europe portfolio was 98 per cent. leased as of 31 December 2023. For the year ended 31 December 2023, the Group signed 1.1 million square metres of new and renewal leases, and retained 46 per cent. of its customers. Same-property NOI growth for the year was 8.1 per cent.

Leases for the properties in Europe typically depend on the country's market characteristics, although longer leases are typical for built-to-suit developments across all markets. In France, leases are generally for nine years (with break options at the third and sixth year); in Germany, leases range between five to fifteen years for standing assets with an average unexpired lease term of 6.8 years; in Belgium leases tend to be between five to nine years with an average unexpired lease term of 7.4 years; in the Netherlands leases tend to be between five to ten years but can vary, the average unexpired lease term is 4.2 years; whereas in the UK most leases range between ten to fifteen years, the average unexpired lease term being 10.3 years. In Spain leases typically range from five to twelve years whereas leases in Central and Eastern Europe are between five to ten years with an average unexpired lease term of 3.6 years. As of 31 December 2023, the WALE was 6.7 years across the Europe portfolio.



**v. US**

As of 31 December 2023, the U.S. portfolio comprised 2.2 million square metres of completed assets and 0.3 million square metres of properties under development and land held for future development. The portfolio was 95 per cent. leased with a WALE of 5.0 years as of 31 December 2023.

**vi. VIETNAM**

As of 31 December 2023, the Vietnam portfolio comprised 0.4 million square metres of completed assets and 0.7 million square metres of properties under development and land held for future development, focusing on Vietnam's two largest markets, Greater Hanoi and Greater Ho Chi Minh City. As of 31 December 2023, the portfolio was 76 per cent. leased.

**CUSTOMERS**

The Group leases its facilities to a broad range of Fortune Global 500 firms, large and mid-sized, multinational and domestic customers who need logistics and distribution facilities, including e-commerce companies, third party logistics providers, retailers, manufacturers, importers/exporters and others. The Group continues to expand its global customer base, partnering with customers to support their cross-border expansion plans as they enter and grow in new markets. The Group has a diversified customer base with approximately 3,200 customers globally, driven by e-commerce penetration. As of 31 December 2023, the top 10 customers in the portfolio occupied approximately 17 per cent. of the Group's total leased area. Approximately 60 per cent. of the total leased area is let to industry leading third-party logistics players and online retailers which benefit from global secular tailwinds.

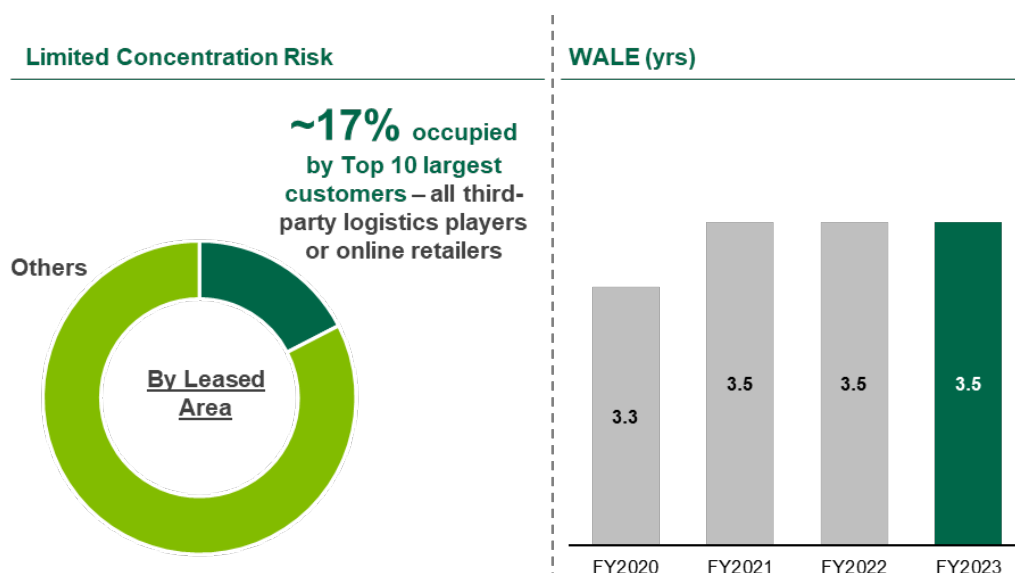


Figure 6: Global customer base profile



## LOGISTICS PORTFOLIO SUMMARY

The Group's property interests are held through a combination of direct holdings and equity-accounted investment vehicles. The following table summarises the Group's portfolio of logistics and warehousing assets as of 31 December 2023.

	Total Area million sqm <sup>(1)</sup>	Pro-rata Area million sqm <sup>(2)</sup>	Pro-rata Valuation US\$ Millions <sup>(2)</sup>
<b>China</b>			
Completed and stabilized.....	37.33	9.09	8,233
Completed and pre-stabilized.....	2.34	0.72	537
Other facilities <sup>(3)</sup> .....	0.68	0.17	55
Properties under development or being repositioned <sup>(4)</sup> .....	4.88	1.68	1,448
Land held for future development <sup>(5)</sup> .....	3.58	1.61	745
<b>China total</b> .....	<b>48.81</b>	<b>13.28</b>	<b>11,017</b>
<b>Japan</b>			
Completed and stabilized (GLP-owned).....	3.62	0.20	486
Completed and stabilized (GLP J-REIT owned).....	3.94	0.13	274
Completed and pre-stabilized.....	0.09	0.01	14
Properties under development or being repositioned <sup>(4)</sup> .....	1.19	0.15	157
Land held for future development <sup>(5)</sup> .....	2.01	0.33	215
<b>Japan total</b> .....	<b>10.86</b>	<b>0.82</b>	<b>1,146</b>
<b>US</b>			
Completed and stabilized.....	2.04	0.12	244
Completed and pre-stabilized.....	0.11	0.01	6
Properties under development or being repositioned <sup>(4)</sup> .....	0.30	0.01	35
Land held for future development <sup>(5)</sup> .....	—	—	—
<b>US total</b> .....	<b>2.45</b>	<b>0.14</b>	<b>285</b>
<b>Vietnam</b>			
Completed and stabilized.....	0.10	0.02	12
Completed and pre-stabilized.....	0.32	0.06	37
Properties under development or being repositioned <sup>(4)</sup> .....	0.10	0.02	3
Land held for future development <sup>(5)</sup> .....	0.58	0.11	15
<b>Vietnam total</b> .....	<b>1.11</b>	<b>0.20</b>	<b>66</b>
<b>Brazil</b>			
Completed and stabilized.....	2.58	0.90	723
Completed and pre-stabilized.....	0.13	0.03	28
Properties under development or being repositioned <sup>(4)</sup> .....	0.30	0.09	36
Land held for future development <sup>(5)</sup> .....	1.06	0.53	168
<b>Brazil total</b> .....	<b>4.07</b>	<b>1.54</b>	<b>955</b>
<b>Europe</b>			
Completed and stabilized.....	8.41	0.90	1,189
Completed and pre-stabilized.....	0.47	0.15	232
Properties under development or being repositioned <sup>(4)</sup> .....	0.85	0.11	98
Land held for future development <sup>(5)</sup> .....	1.65	0.50	575
<b>Europe total</b> .....	<b>11.38</b>	<b>1.67</b>	<b>2,094</b>
<b>India</b>			
Completed and stabilized.....	2.44	0.07	40
Completed and pre-stabilized.....	0.22	0.00	1
Properties under development or being repositioned <sup>(4)</sup> .....	0.52	0.01	4
Land held for future development <sup>(5)</sup> .....	1.74	0.04	7
<b>India total</b> .....	<b>4.93</b>	<b>0.13</b>	<b>53</b>
<b>Total</b> .....	<b>83.59</b>	<b>17.78</b>	<b>15,616</b>

Notes:

(1) Total area is based on GFA in China, Japan, Europe, India, US, Vietnam, and GLA in Brazil. There is an additional 1 million sqm of land reserves in China that is not included within the table above.

(2) Pro-rata area and pro-rata valuation refer to the area and valuation of properties in the GLP portfolio and pro-rated based on GLP's interest in these investment vehicles

(3) "Other facilities" includes container yards and parking lot facilities

(4) "Properties under development or being repositioned" consists of five sub-categories of properties: (i) properties that the Group has commenced development; (ii) logistics and warehousing facilities which are being converted from bonded logistics and warehousing facilities to non-bonded logistics and warehousing facilities; (iii) a logistics and warehousing facility which will be upgraded into a standard logistics and warehousing facility; (iv) a logistic facility which is waiting for heating and power supply from government and (v) logistics and warehousing facilities which are undergoing more than three months of major renovation.

(5) "Land held for future development" refers to land which the Group has signed the land grant contract and/or the Group has obtained the land certificate.

## **b. DIGITAL INFRASTRUCTURE**

The growth of the digital economy and AI revolution are creating unprecedented demand for data centers, particularly in the hyperscale end of the industry. The Group's digital infrastructure business has land and assets that can provide in excess of two GW of IT capacity. This includes 12 operational projects in China with 320 MW of in-service capacity and further development in-flight across Greater Tokyo, Greater Osaka and London's Docklands. In the third quarter of 2023, the Group broke ground on the first of three buildings at its Tokyo West 1 data centre campus in Japan.

## **c. RENEWABLE ENERGY**

Investors and customers are increasingly prioritizing renewable energy as part of their commitments to decarbonize their supply chain and the Group's ability to source renewable energy for its logistics and data centre customers continues to be a key differentiator. GLP is progressing the development of a multi-gigawatt renewables portfolio and as of 31 December 2023, has installed more than 890 MW of renewable energy capacity globally. In China, the Group has delivered its first two wind power project totaling 40 MW in Shanxi Province and established a RMB4 billion energy transition fund in 2023 to invest across wind, solar and energy storage solutions.

Through its private equity investment vehicles, the Group has also successfully invested in electric vehicle ("EV") infrastructure including EV car manufacturers, battery manufacturers, charge-point operators as well as energy-as-a-service software providers.

## **d. FUND MANAGEMENT**

The Group, through its subsidiary, GCP, partners with leading institutional investors around the world including some of the world's largest sovereign wealth funds, pension funds and property and insurance companies with the objective of delivering sustainable risk-adjusted returns. The Group's operating capabilities and global expertise across regions as an owner and developer of high-quality logistics, digital infrastructure and renewable energy assets continues to provide GCP with a competitive advantage in the alternative asset management sector.

The Group, through its subsidiary, GCP, managed US\$128 billion<sup>1</sup> of total AUM across 61 funds which included real assets and private equity around the world, as of 31 December 2023. Fund management revenue in the financial years ended 31 December 2021, 2022 and 2023 was US\$421.3 million, US\$544.7 million and US\$979.5 million, respectively. During the financial year ended 31 December 2023, the Group, through the GCP brand, raised approximately US\$6 billion of new equity commitments globally across real estate, digital

infrastructure, energy transition and private equity strategies. The Group holds a portfolio of assets on its balance sheet and manages a broad range of funds and investment vehicles across the real estate and private equity segments. GCP is one of the largest alternative asset management platforms in the world and continues to be an important source of growth and vehicle for capital recycling for the Group.

The Group's investment vehicles are backed by a global and diverse investor base, including public and corporate pension funds, sovereign wealth funds, insurance companies and other institutional asset managers. The Group has long-standing relationships with investors across Asia Pacific, North America, Europe and EMEA and continues to introduce new partners to its fund management platform. GCP is an industry leader on the capital raising front and is consistently ranked in PERE's top real estate fund managers in Asia Pacific and globally.

### 3. CONSOLIDATED FINANCIAL RESULTS REVIEW

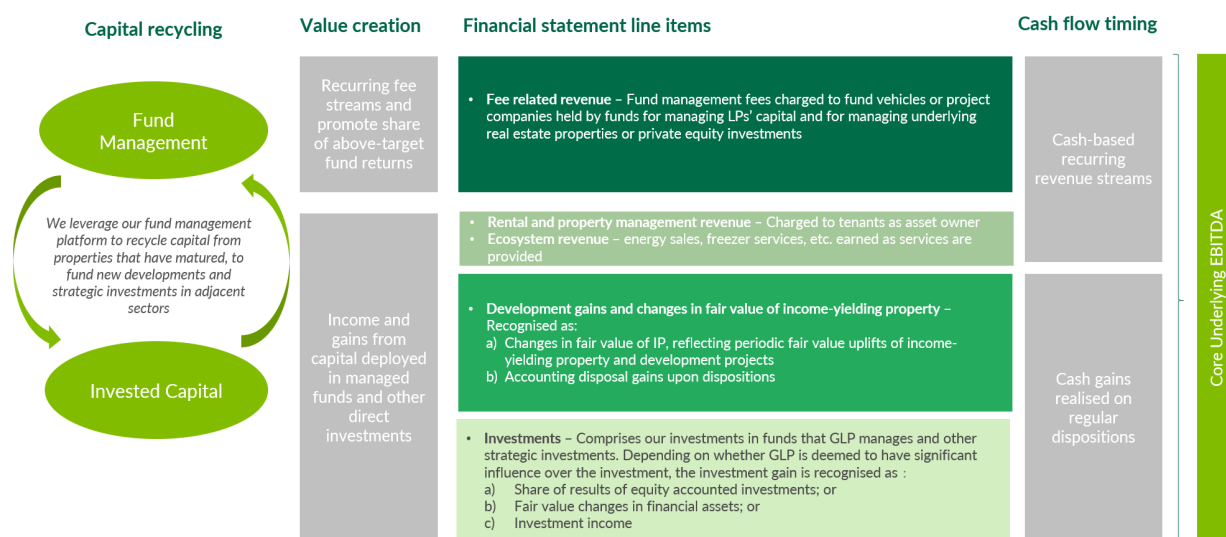
The Group generates returns on its capital primarily through rental income, management fees and performance revenues earned as an investment manager, as well as distributions or dividends earned from its capital invested in managed entities, and through performance of the Group's financial asset investments and other platforms. In addition, the Group's owned investment properties and investments are held at fair value with any changes in carrying value recognised as unrealised fair value changes in our consolidated income statement which become realised on disposal.

The Group generally invests capital alongside our investors and partners, which, in addition to GCP's customary management fees and incentive fees, means that we also earn meaningful returns as an investor.

This combination can result in certain vehicles being consolidated in our financial statements. As a result, we include 100% of these entities' revenues and expenses in our consolidated income statement. Similarly, we include all of the assets, liabilities, including non-recourse borrowings, of these entities in our consolidated statement of financial position, and include the portion of equity held by others as non-controlling interests. The Group's remaining capital invested in GCP managed funds is equity accounted for due to our significant influence or joint control over the vehicles and is reflected as income from equity accounted investments.

Accounting disposal gains generally arise as we recycle capital from owned assets into managed funds, or to third parties, based on the difference between the asset's carrying value and the transaction price.

This business model results in the value created by the Group being reflected across different line items in our consolidated income statement:



*Our ecosystem provides us with a healthy mix of cash-based recurring revenue and transactional gains*

Figure 7: GLP's business model and linkage to financial performance

In order to assess underlying performance and report profitability on a realised basis, the Group uses GLP Pte Ltd's Core Underlying EBITDA as a key performance indicator.

# **CONSOLIDATED INCOME STATEMENT**

**For the year ended 31 December**

	<b>2023</b>	<b>2022</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>Revenue</b>	<b>2,431,127</b>	<b>1,910,673</b>
Rental and related income	883,595	935,897
Management fees	1,081,405	579,368
Energy sales	152,715	170,940
Freezer services	124,185	93,201
Sales of goods	16,314	27,719
Data center service income	135,389	45,393
Distributions from investments	37,524	58,155
<b>Other income /(losses)</b>	<b>107,713</b>	<b>(7,937)</b>
Changes in fair value of equity investments held at fair value through profit or loss	(4,844)	(60,960)
Government subsidies and others	112,557	53,023
<b>Direct expenses</b>	<b>(710,836)</b>	<b>(631,942)</b>
Property-related expenses	(581,543)	(459,438)
Cost of goods and energy sold	(129,293)	(172,504)
<b>Other expenses</b>	<b>(1,422,990)</b>	<b>(946,550)</b>
Employee compensation	(785,996)	(452,100)
Depreciation and amortization	(147,140)	(81,799)
General, administrative and other operating expenses	(489,854)	(412,651)
<b>Share of results from equity accounted investments (net of tax expense)</b>	<b>175,222</b>	<b>154,086</b>
<b>Profit from operating activities after share of results of equity accounted investments</b>	<b>580,236</b>	<b>478,330</b>
<b>Net finance costs</b>	<b>(757,780)</b>	<b>(781,401)</b>
<b>Other net gains/(losses)</b>	<b>383,247</b>	<b>715,848</b>
Gain on disposal of subsidiaries	62,964	140,765
Gain on disposal of equity accounted investments	—	262,104
Gain on disposal of investment properties	80,743	45,888
Gain on disposal of assets and liabilities classified as held for sale	251,054	242,524
Others	(11,514)	24,567
<b>Profit before changes in fair value of investment properties held by consolidated vehicles</b>	<b>205,703</b>	<b>412,777</b>
<b>Changes in fair value of investment properties</b>	<b>341,670</b>	<b>890,418</b>
<b>Profit before tax</b>	<b>547,373</b>	<b>1,303,195</b>
<b>Tax expense</b>	<b>(314,093)</b>	<b>(769,175)</b>
<b>Profit for the year</b>	<b>233,280</b>	<b>534,020</b>
<b>(Loss)/profit attributable to</b>		
<b>Equity owners of the Company</b>	<b>(85,679)</b>	<b>100,630</b>
<b>Non-controlling interests</b>	<b>318,959</b>	<b>433,390</b>
	<b>233,280</b>	<b>534,020</b>

## INCOME STATEMENT ANALYSIS

In the year ended 31 December 2023, the business continued to perform well operationally, and revenue for the year increased 27 per cent to US\$2,431 million, primarily due to:

- increases in fund management revenue as a result of higher performance fees and from growth in existing AUM, together with new fund launches; and
- growth of our data center and cold chain platforms

Driven by the strong performance of the fund management business and our monetised fair value gains, the Group achieved Core Underlying EBITDA of US\$2,088 million, for the year, although net profit continued to be impacted by several non-cash items.

Direct expenses were US\$711 million, an increase of 12 per cent compared to the prior year period, primarily due higher property-related expenses from the expansion of our data center and cold chain businesses.

Other expenses were US\$1,423 million, for the year. On a like-for-like basis, having adjusted for the non-cash impacts of the Group's legacy share-based payment scheme in 2022, other expenses increased by 19% compared to the prior year period. This was due to higher non-cash impairment charges combined with increases in staff costs from business growth and additional depreciation and amortisation expenses in the current year.

Net finance costs were US\$758 million for the year, a decrease of 3 per cent compared to the prior year period. This was primarily due to US\$34 million of non-cash foreign exchange gains during the year, compared to a loss in the prior year period. This was offset by higher interest expenses due to increasing interest rates and the drawdown of short-term borrowings.

The Group recorded lower fair value changes on investment properties of US\$342 million during the period, a decrease of 62 per cent compared to the prior year. This was primarily driven by a one-off fair value uplift on maturity of a consolidated fund in the prior year period, together with higher NOI growth and development profits in China in the prior year.

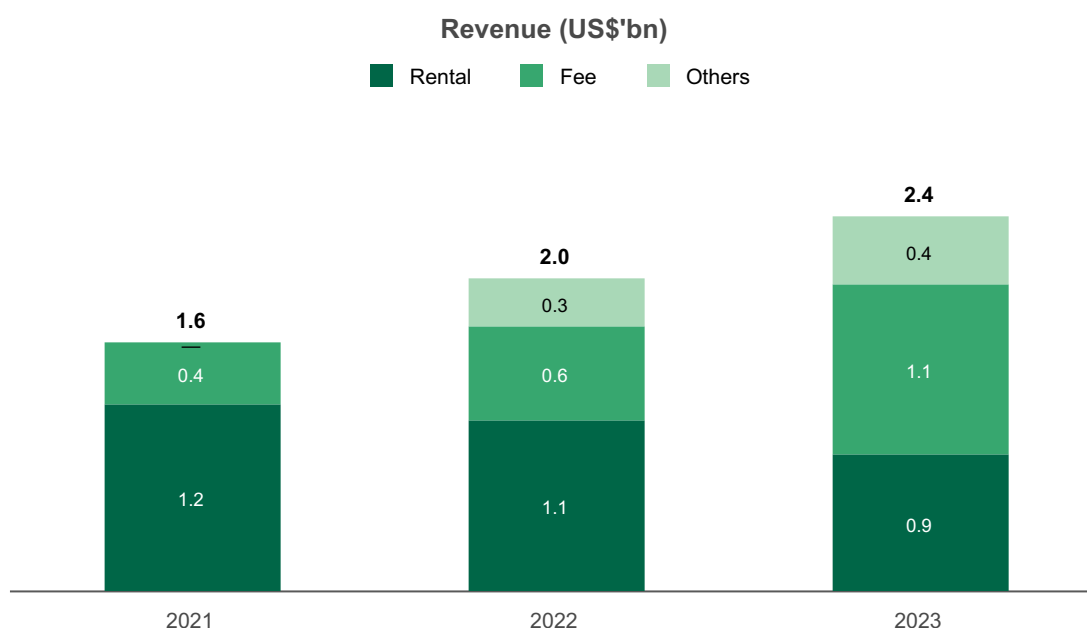


Figure 8: Revenue

1. Fee revenue comprises fund management and other management fees

## SUMMARY OF RESULTS BY COUNTRY

### i. CHINA

For the year ended 31 December 2023, revenue in China was up 21 per cent compared to the prior year period at US\$1,553 million, largely due to the continued business expansion of the Group's data centre and cold chain operations, and higher fund management revenue from growth in AUM and development.

Cap rates remained stable during the period. The comparative period benefited from the maturity of a fund which generated US\$488 million of gains on asset disposals. The Group generated US\$158 million of gains from development in 2023, with no funds maturing during the year. Overall, this resulted in a lower net profit of US\$376 million in 2023 as compared to a net profit of US\$512 million in the prior year.

### ii. JAPAN

Revenue increased by 41% per cent to US\$659 million, primarily due to higher fund management revenue from higher performance fees, growth in AUM, continued development and higher revenue from energy sales following the acquisition of the energy trading platform in April 2022.

The higher net profit of US\$536 million for the year was also largely driven by higher fair value gains from development completions at the Nagareyama site held by JDV II, a fund which was jointly controlled by the Group during the period.

### iii. BRAZIL

Revenue in Brazil increased 4% per cent. to US\$15 million, driven by higher management fee revenue as more capital was deployed within managed funds. There were adverse non-cash fair value changes in investment properties owned and within funds of US\$26 million during the year driven by cap rate expansion, which resulted in a lower net profit of US\$4 million for the period.

### iv. EUROPE

Revenue increased by 18 per cent. to US\$121 million. There were adverse non-cash fair value changes during the period across owned investment properties and those within funds due to the impact of increasing interest rates on cap rates. This resulted in a net loss of US\$74 million for the year.

### v. US

Revenue in the US increased by 88 per cent. to US\$77 million, largely due to the contribution from the US GCP fund management business that was acquired in Q3 2022. Due to business expansion and the full year effect, other expenses increased by US\$57 million. Fair value gains on owned investment properties increased by US\$94 million during the year, which resulted in a higher net profit of US\$138 million for the year.

## CORE UNDERLYING EBITDA

We use Underlying EBITDA and Core Underlying EBITDA to assess our performance as an asset manager and separately as an investor in our assets. Core Underlying EBITDA includes the fees that we earn from managing capital as well as revenues earned and costs incurred within our operations. Core Underlying EBITDA also includes other cash costs incurred to operate our business. We include regular Monetised Fair Value Gains within Core Underlying EBITDA in order to provide additional insight regarding the performance of investments on a cumulative realised basis, and believe it is useful to investors to better understand variances between reporting periods. Unrealised fair value changes are excluded from Core Underlying EBITDA until the period in which the asset is sold.

US\$m	Note	2023	2022
<b>PBT</b>		<b>547</b>	<b>1,303</b>
(+) Net finance cost	(1)	758	781
(+) Depreciation and amortisation	(2)	234	120
<b>EBITDA</b>		<b>1,539</b>	<b>2,204</b>
<b>Adjustments in respect of investment properties</b>			
(-) Changes in fair value of investment properties	(3)	(342)	(890)
(-) Changes in fair value of investment properties held by JCEs	(4)	(194)	(36)
(-) Changes in fair value of investment properties in associates	(4)	(23)	(59)
(-) (Gain)/Loss on disposal of investment properties	(5)	(81)	(46)
(+) <b>Other non-cash adjustments</b>	(6)		
(+) Impairment losses		165	95
(+) Share-based payment expense/(credit)		251	(103)
<b>Non-recurring accounting impact of dispositions &amp; FV changes</b>			
(-) (Gain)/Loss on disposal of subsidiaries	(7)	(63)	(141)
(-) (Gain)/Loss on disposal of equity accounted investments	(8)	0	(262)
(-) FV changes on equity investments loss/(gain)	(9)	5	61
(+) FV changes on equity investments loss/(gain) within JCE/associates	(10)	33	(81)
(-) (Gain)/Loss on disposal of assets and liabilities held for sale	(11)	(251)	(240)
(-) Other gains/losses		13	(27)
(+) GLP Pte Ltd Monetised Fair Value Gains	(12)	1,035	1,968
<b>Core Underlying EBITDA</b>		<b>2,088</b>	<b>2,443</b>

### Notes:

- (1) This represents net finance cost incurred during the year (and does not add back the finance costs recorded within joint ventures and associates).
- (2) This represents depreciation and amortisation incurred during the year.
- (3) This represents the net valuation movements of consolidated investment properties recognised during the year.
- (4) This represents Group's share of net valuation movements in investment property in joint ventures and associates, net of tax.
- (5) This represents the net gain/(loss) of disposal of investment properties recognised during the year.
- (6) This represents non-cash expenses such as impairments and share-based compensation.
- (7) This represents the gain/(loss) on disposal of subsidiaries recognised during the year.
- (8) This represents accounting gains recorded on disposal of equity accounted investments recognised during the year.
- (9) This represents fair value changes of the Group's equity investments recognised during the year.
- (10) This represents fair value changes of the Group's equity investments within equity accounted investments recognised during the year.
- (11) This represents accounting gains and losses on the disposal of assets and liabilities classified as held for sale and bargain purchase gain on acquisition of subsidiaries and equity accounted investments.
- (12) GLP Pte Ltd Monetised Fair Value Gains represents the Group's pre-tax profits on the realisation of investment properties, available-for-sale financial assets, and share of profits in interests in equity accounted investments, through asset divestments or equity syndications.



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December	2023	2022
	US\$'000	US\$'000
<b>Non-current assets</b>		
Investment properties	13,964,421	15,308,591
Equity accounted investments	8,222,333	8,079,060
Deferred tax assets	126,020	85,457
Property, plant and equipment	1,980,842	1,471,970
Goodwill	1,532,887	1,476,410
Intangible assets	393,103	506,998
Financial derivative assets	393	694
Other investments	2,954,807	2,863,794
Other non-current assets	3,040,648	3,436,701
	<u>32,215,454</u>	<u>33,229,675</u>
<b>Current assets</b>		
Trade and other receivables	7,159,341	8,585,065
Financial derivative assets	1,168	—
Cash and cash equivalents	2,164,387	2,589,267
Assets classified as held for sale	2,222,897	6,644,094
	<u>11,547,793</u>	<u>17,818,426</u>
<b>Total assets</b>	<b><u>43,763,247</u></b>	<b><u>51,048,101</u></b>
<b>Equity</b>		
Share capital	5,538,589	5,538,589
Reserves	5,038,172	5,496,729
<b>Equity attributable to shareholders of the Company</b>	<u>10,576,761</u>	<u>11,035,318</u>
Perpetual securities	1,128,439	1,130,103
<b>Non-controlling interests</b>	<u>9,502,407</u>	<u>12,543,343</u>
<b>Total equity</b>	<b><u>21,207,607</u></b>	<b><u>24,708,764</u></b>
<b>Non-current liabilities</b>		
Loans and borrowings	5,426,322	8,581,839
Non-recourse borrowings of managed entities	1,777,599	1,585,298
Financial derivative liabilities	601	—
Deferred tax liabilities	1,393,160	1,588,515
Other non-current liabilities	2,921,323	2,546,465
	<u>11,519,005</u>	<u>14,302,117</u>
<b>Current liabilities</b>		
Loans and borrowings	5,898,173	3,612,393
Non-recourse borrowings of managed entities	215,637	164,424
Trade and other payables	3,682,501	3,563,266
Deferred tax liabilities	—	—
Current tax payable	356,106	461,324
Liabilities classified as held for sale	884,218	4,235,813
	<u>11,036,635</u>	<u>12,037,220</u>
<b>Total liabilities</b>	<b><u>22,555,640</u></b>	<b><u>26,339,337</u></b>
<b>Total equity and liabilities</b>	<b><u>43,763,247</u></b>	<b><u>51,048,101</u></b>

## BALANCE SHEET & LIQUIDITY

Total assets as of 31 December 2023 were US\$43,763 million as compared to US\$51,048 million as of 31 December 2022. The movement was primarily driven by an expected decrease in investment properties and assets held for sale by US\$4,421 million compared to the prior year period due to seed asset dispositions into funds and adverse translation impacts as a result of the appreciation of USD against other currencies.

Property, plant and equipment increased to US\$1,981 million as of 31 December 2023 mainly due to the growth of our data center business in China.

Total liabilities as of 31 December 2023 were US\$22,556 million, compared with US\$26,339 million in the prior year period. Total loans and borrowings, including those within managed entities, were US\$13,317 million, a decrease of 4.5 per cent. compared to 31 December 2022, mainly due to bond repayments, partially offset by an increase in corporate loans for working capital.

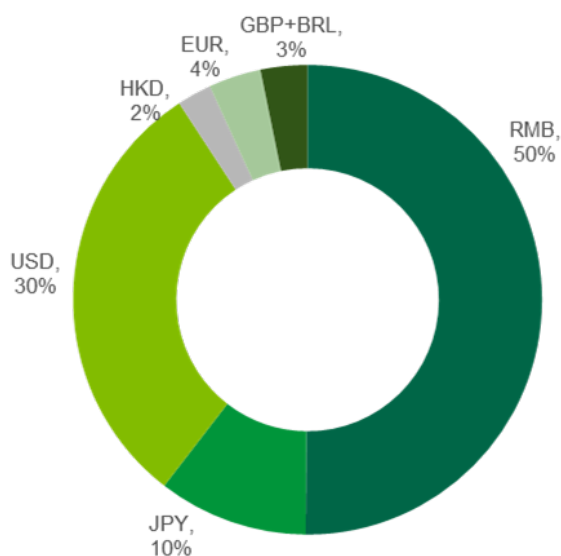
The Group had a weighted average interest cost of 4.9 per cent. for the quarter ended December 2023, with weighted average debt maturity of 2.5 years. Approximately 46 per cent. of the Group's debts are due as of end December 2024, 18 per cent. as of December 2025, and the remaining in 2026 and beyond.

A further US\$1.7 billion of bonds were repaid subsequent to 31 December 2023. The Group will fund its debt maturities with repayment sources including but not limited to cash on hand, operational cash flow, as well as proceeds from asset monetizations.

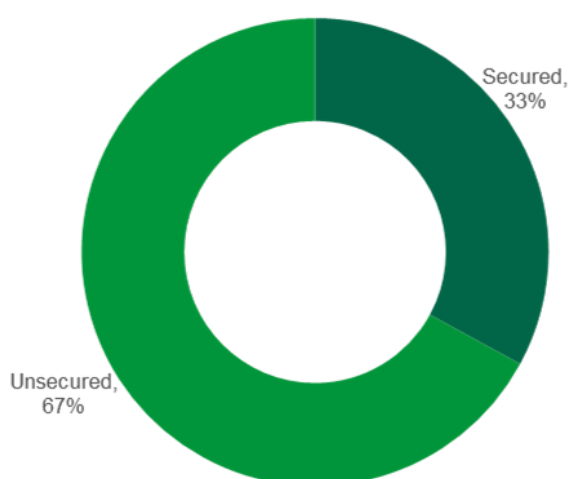
Assets and liabilities classified as held for sale primarily comprise investment properties and borrowings which the Group plans to seed into funds over the next 12 months.

As of 31 December 2023, the Group had US\$2,164 million in cash and cash equivalents with net debt (expressed as the difference between total loans and borrowings and cash and cash equivalents) as of 31 December 2023 of US\$11,153 million. The Group's net leverage ratio (expressed as a percentage of net debt over total assets less cash) as of 31 December 2023 was 27 per cent.

**Total debt by currency**



**Secured vs unsecured debt**



Note: As of 31 December 2023, loans and borrowings of US\$13.3 billion

*Figure 9: Analysis of loans and borrowings*

## 2. NOTES & DEFINITIONS

**Assets Under Management (“AUM”).** Refers to assets of funds, partnerships and accounts which the Group provides investment management services. AUM is calculated as the sum of the gross asset value and available financing capacity for real estate funds and is calculated as the sum of the fair value of investments, uncalled capital and uninvested cash for private equity funds.

**Underlying EBITDA and Core Underlying EBITDA.** We use Underlying EBITDA and Core Underlying EBITDA, non-GAAP financial measures, as a measure of our operating performance. The most directly comparable GAAP measure to Core Underlying EBITDA is profit before tax.

We calculate Underlying EBITDA by beginning with profit before tax and removing the effect of: net finance costs, depreciation and amortisation, gains or losses from the revaluation of investment properties and equity investments, accounting gains and losses arising on disposition transactions and other non-cash expenses. We include GLP Pte Ltd Monetised Fair Value Gains (see below) in Core Underlying EBITDA which reflects our share of realised pre-tax profits on asset sales. Our definition of Core Underlying EBITDA therefore excludes non-cash unrealised fair value changes on investment properties and equity investments and includes realised gains on asset disposals in order to provide additional insight regarding the performance of our investments on a cumulative realised basis when the asset is sold and the profit available for redeployment.

We believe Underlying EBITDA and Core Underlying EBITDA provides relevant and useful information because it permits stakeholders to view our operating performance and analyse our ability to meet interest payment obligations on an unleveraged basis before the effects of income tax, depreciation and amortisation expense, non-cash fair value changes in investment properties and equity investments held in consolidated and unconsolidated investment vehicles, accounting gains and losses on dispositions and other items (outlined above), that affect comparability. While all items are not infrequent or unusual in nature, these items may result from market fluctuations that can have inconsistent effects on our results of operations. The economics underlying these items reflect market and financing conditions in the short-term but can obscure our performance and the value of our long-term investment decisions and strategies.

While we believe Underlying EBITDA and Core Underlying EBITDA are an important measures, they should not be used alone because they exclude significant components of net earnings, such as our historical cash expenditures or future cash requirements for working capital, capital expenditures, distribution requirements, contractual commitments or interest and principal payments on our outstanding debt and is therefore limited as an analytical tool.

**GLP Pte Ltd Monetised Fair Value Gains (“GLP Pte Ltd MFVG”).** Monetised fair value gains is a performance indicator used to measure our share of pre-tax earnings realised upon the sale of an asset, and is calculated based on the difference between the selling price to related companies and third parties and the historical cost of the asset. We calculate our Monetised Fair Value Gains based on the total gains from consolidated ventures and our proportionate ownership share of our unconsolidated ventures. We reflect our share of our Monetised Fair Value Gains for unconsolidated ventures by applying our average ownership percentage for the period to the applicable reconciling items on an entity by entity basis.

Our computation of Underlying EBITDA and Core Underlying EBITDA may not be comparable to EBITDA reported by other companies in both the real estate industry and other industries. We compensate for the limitations of Underlying EBITDA and Core Underlying EBITDA by providing investors with financial statements prepared in accordance with prevailing accounting standards and a reconciliation to Underlying EBITDA and Core Underlying EBITDA from profit before tax.

