



# 1H2024 Results Presentation

6 August 2024

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# Pure Play Western Europe-Focused REIT

Investing in real estate used primarily for office, retail and industrial (including logistics) purposes

**Joint Sponsors:** Tikehau Capital, City Developments Limited

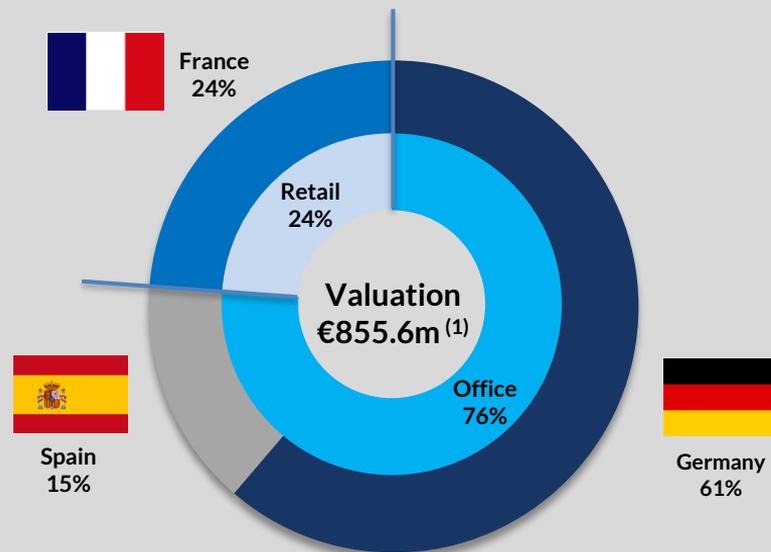
**Portfolio:** Germany: 5 office properties  
France: 44 retail properties  
Spain: 4 office properties

**Awards and Accolades in 2023:**

Platinum Award for “Best Office REIT (Singapore)”<sup>(2)</sup>

Gold Award for “Best Investor Relations”<sup>(2)</sup>

Winner for **Growth in Profit after Tax over 3 years**<sup>(3)</sup>



(1) Based on fair valuation as at 30 Jun 2024

(2) Mar 2023: 8th Edition REITs Asia Pacific 'Best of the Breeds' REITs Awards 2023 (less than US\$1bn market cap)

(3) Nov 2023: Edge Singapore Centurion Club 2023 Awards for S-REITs category (under S\$1bn Market Cap)

# Unique S-REIT focusing on Western Europe



**€855.6m**  
Portfolio Valuation



**53**  
Properties



**425,116 sqm**  
Lettable area



**107**  
Leases



**89.8%**  
Occupancy Rate

## Germany



Berlin Campus



Bonn Campus



Darmstadt Campus (Greater Frankfurt)



Münster Campus

## Spain



Delta Nova IV (Madrid)



Delta Nova VI (Madrid)



Sant Cugat Green (Barcelona)



Parc Cugat Green (Barcelona)

## France



Cergy



Claye-Souilly



Evreux



Tours (Saint-Cyr-sur-Loire)

# Agenda

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*Berlin Campus*

## Key Highlights

# Firm 1H2024 Performance

Continued focus on maintaining portfolio resilience and healthy balance sheet



€27.0m

Net Property Income

+22.8% YoY

- Due mainly to contribution from B&M Portfolio, Darmstadt Campus, and dilapidation cost paid by main tenant at Berlin Campus.



4.9 years

Weighted Average Lease Expiry

4.9 years as at 31 Mar 2024

- Stable since 3Q2023 on the back of new leases, lease extensions and acquisitions.



37.2%

Aggregate Leverage

37.0% as at 31 Mar 2024

- Remained at healthy levels, lower than S-REITs sector average of 39.1% <sup>(1)</sup>.
- Improvement from 37.9% gearing as at 31 Dec 2023.



1.9%

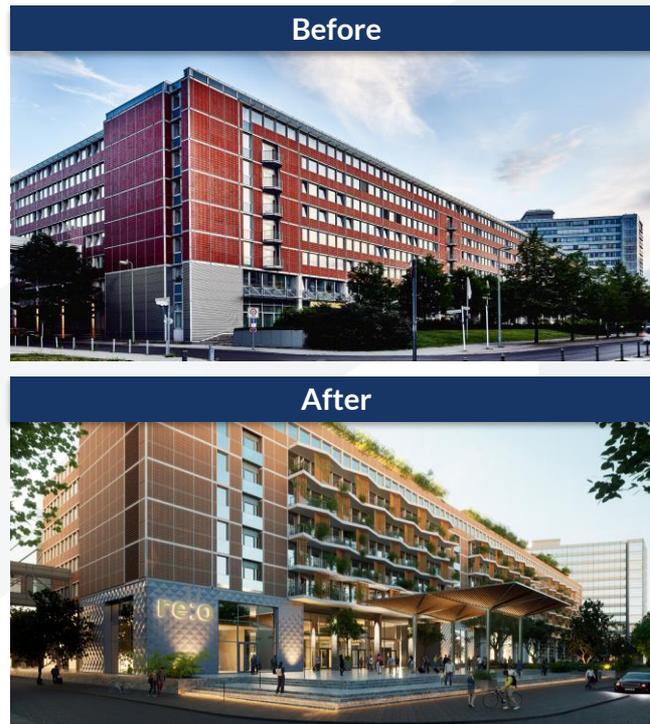
Weighted Average Interest Rate

1.9% as at 31 Mar 2024

- No debt maturity until Jan 2026.
- 97.1% of all bank borrowings hedged.

# Repositioning of Berlin Campus (1)

- Main tenant at Berlin Campus provided formal notice in Jun 2024 that it will not be extending its lease when it expires on 31 Dec 2024.
  - ✓ Lump-sum of €15.5m, equivalent to over 16 months of its total current rent, paid by tenant as dilapidation cost in Jun 2024.
- Repositioning of the property into a multi-let, mixed-use asset once it is vacated.
  - ✓ Already in advanced stages to enter into 20-year lease agreements with 2 hospitality operators (short and long-term stays) for c.9,500 sqm each.
  - ✓ Another lease agreement is expected to be concluded with a federal government agency for c.4,000 sqm of office space.



(1) Subject to changes and relevant regulatory and internal approvals and the final plan may be different from that as set out above.



*Bonn Campus*

# Financial Performance

# Operating & Financial Performance

(€ '000)	1H2024	1H2023	Variance (%)
Gross Revenue	36,629	28,428	28.8
Property Operating Expenses	(9,657)	(6,463)	49.4
Net Property Income	26,972	21,965	22.8
Net change in Fair Value of Investment Properties	(19,361)	(34,116)	(43.2)
Income to be Distributed to Unitholders <sup>(1)</sup>	12,907	12,419	3.9

- Gross revenue for 1H2024 was 28.8% higher than that of 1H2023, mainly due to:
  - ✓ contribution from B&M Portfolio in France following completion of acquisition in Sep 2023; and
  - ✓ recognition of dilapidation cost paid by main tenant at Berlin Campus and rental income from Darmstadt Campus.
- Income to be distributed to Unitholders for 1H2024 was 3.9% higher YoY mainly due to higher net property income with full contribution from B&M Portfolio and no rent-free in 1H2024 compared to 1H2023, partially offset by the retention of the dilapidation cost.

(1) The income to be distributed to Unitholders was after the retention of 10% of income for working capital and capital expenditure. The dilapidation cost of €5.2m recognised as other income on a straight-lined basis from Jan 2024 to Jun 2024 was retained for the repositioning of Berlin Campus.

# Distribution Per Unit

	1H2024	1H2023	Variance (%)
Distribution Per Unit (€ cents) <sup>(1)</sup>	0.96	0.93	3.2

(1) DPU of €0.96 cents for 1H2024 was computed based on the total issued Units as at 30 Jun 2024 of 1,344,837,568 Units which had included acquisition fees paid in the form of Units of 2,847,629 Units issued on 27 Sep 2023. DPU of €0.93 cents for 1H2023 was computed based on the enlarged number of Units following the Preferential Offering on 19 Jul 2023 of 1,341,989,939 Units.

# Distribution Details

Distribution Period	1 Jan 2024 to 30 Jun 2024
Distribution per Unit (“DPU”)	€0.96 cents
Ex-Date	14 Aug 2024 (Wednesday)
Record Date	15 Aug 2024 (Thursday)
Distribution Payment Date	28 Aug 2024 (Wednesday)

- Distributions will be in € and Unitholders who are direct account holders of CDP with active Direct Crediting Service (“DCS”) bank accounts will receive their distributions in S\$ equivalent of the € distributions via CDP’s Currency Conversion Service (“CCY”) in their active DCS bank accounts, unless they opt out of the CCY.
- The S\$ payments are expected to be credited in their DCS bank accounts by the third business day, after the payout date of the € distributions.

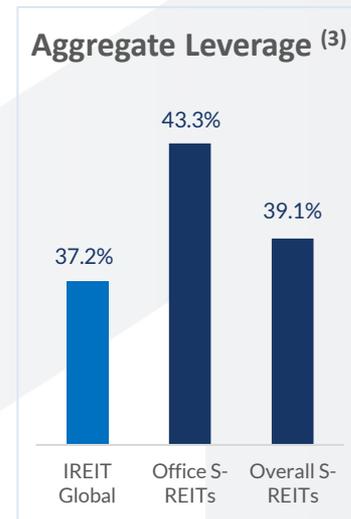
# Financial Position

(€ '000)	As at 30 Jun 2024	As at 31 Dec 2023	Variance (%)
Investment Properties <sup>(1)</sup>	861,816	880,843	(2.2)
Assets Held for Sale	-	24,698 <sup>(2)</sup>	N.M.
Total Assets	972,202	992,076	(2.0)
Borrowings <sup>(3)</sup>	357,117	371,411	(3.8)
Total Liabilities	439,285	446,456	(1.6)
Net Assets Attributable to Unitholders	532,917	545,620	(2.3)
NAV per Unit (€/unit)	0.40	0.41	(2.4)
NAV per Unit (S\$/unit) <sup>(4)</sup>	0.58	0.60	(3.3)

- NAV in S\$ terms was at S\$0.58 per Unit as at 30 Jun 2024, 3.3% lower than that of NAV as at 31 Dec 2023 due mainly to:
  - ✓ decrease in valuation of the investment properties and weaker €/S\$ currency exchange rates.
- Based on closing unit price of S\$0.28 as at 30 Jun 2024, IREIT is trading at 51.7% discount to its NAV of S\$0.58 per Unit.

# Healthy Gearing with Limited Impact from Rate Hikes

	As at 30 Jun 2024	As at 31 Dec 2023
Gross Borrowings Outstanding (€'m)	359.2	374.0
Aggregate Leverage <sup>(1)</sup>	37.2%	37.9%
Weighted Average Interest Rate <sup>(2)</sup>	1.9%	1.9%
Interest Coverage Ratio <sup>(1)</sup>	7.4x	7.0x
Weighted Average Debt Maturity	2.2 years	2.6 years



- Aggregate leverage improved to 37.2% due to repayment of existing borrowings in relation to divestment of Il·lumina.
  - ✓ 97.1% of the bank borrowings have been hedged with interest rate swaps and interest rate caps.
  - ✓ Ongoing negotiations for the debt refinancing of the German Portfolio as part of the repositioning of Berlin Campus.

(1) Aggregate leverage and interest coverage ratio are calculated based on the respective definitions under MAS' Code on Collective Investment Schemes, Property Funds Appendix 6. Aggregate leverage is computed based on total borrowings (excluding lease liabilities arising from land rent) divided by total assets (excluding right of use assets).  
 (2) Includes amortised upfront transaction costs.  
 (3) Based on OCBC Investment Research Weekly S-REITs Tracker (29 Jul 2024).



*Il·lumina*

# Portfolio and Asset Management

# Diversified Portfolio in Key European Markets

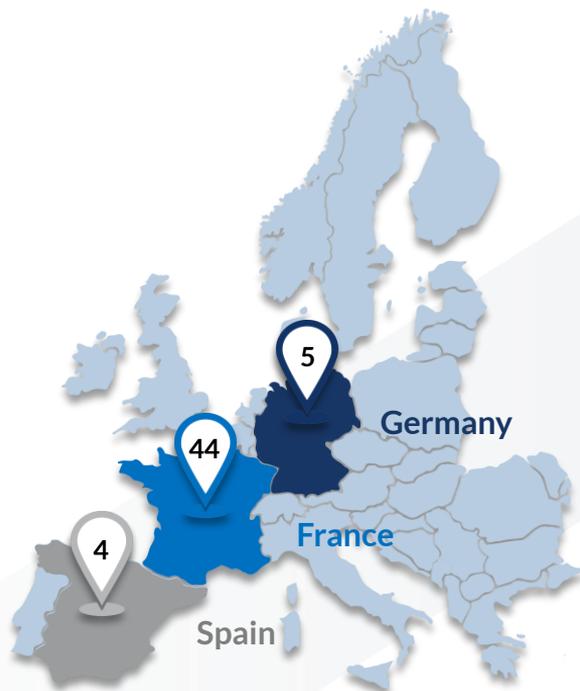
**53**  
Properties

**425,116 sqm**  
Lettable Area

**€855.6m**  
Valuation <sup>(1)</sup>  
€874.5m as at 31 Mar 2024

**89.8%**  
Occupancy Rate  
91.5% as at 31 Mar 2024

**4.9 years**  
WALE <sup>(2)</sup>  
4.9 years as at 31 Mar 2024



## 5 German Properties

Lettable Area (sqm)	201,103
Valuation (€ m) <sup>(1)</sup>	524.4
% of Portfolio	61.3%
Occupancy (%)	88.0%
WALE (years) <sup>(2)</sup>	3.1

## 44 French Properties

Lettable Area (sqm)	157,256
Valuation (€ m) <sup>(1)</sup>	202.6
% of Portfolio	23.7%
Occupancy	100%
WALE (years) <sup>(2)</sup>	7.2

## 4 Spanish Properties

Lettable Area (sqm)	66,758
Valuation (€ m) <sup>(1)</sup>	129.0
% of Portfolio	15.0%
Occupancy (%)	71.3%
WALE (years) <sup>(2)</sup>	6.8

(1) Based on fair valuations as at 30 Jun 2024  
(2) Based on gross rental income as at 30 Jun 2024

# Portfolio Valuation

Portfolio Location	Independent Valuation (€ m)		Purchase Consideration (€ m)	6-month Change (%)	Change vs Purchase (%)	Net Initial Yield <sup>(3)</sup> (%)
	As at 30 Jun 2024	As at 31 Dec 2023				
Germany	524.40	539.50	427.30	(2.8)	22.7	5.9%
Spain	128.59	156.54 <sup>(1)</sup>	161.00	(17.9)	(20.1)	5.3%
France	202.58	202.95 <sup>(2)</sup>	187.33	(0.2)	8.1	6.8%
Total	855.57	898.99	775.63	(4.8)	10.3	6.0%

- IREIT saw a YoY decline in its portfolio valuation primarily due to fair value losses and divestment of Il·lumina within the Spanish Portfolio on 31 Jan 2024.
  - On a like-for-like comparison without Il·lumina, the Spanish Portfolio would have decreased by 2.6% over the same period.

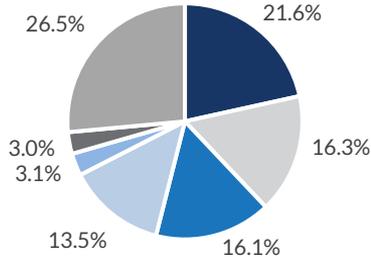
(1) Includes €24.5m sale consideration of Il·lumina, which was subsequently divested on 31 Jan 2024. Independent valuation as at 31 Dec 2023 was €23.1m.

(2) B&M portfolio consisting of 17 retail properties in France was acquired on 5 Sep 2023 at a purchase consideration of €76.8m.

(3) Defined as net operating income over gross capital value.

# Well-Staggered Leases with Blue-Chip Tenants

Key Tenants (1)



- Deutsche Rentenversicherung Bund
- Decathlon
- Allianz Handwerker Services GmbH
- Others
- GMG - Deutsche Telekom
- B&M
- ST Microelectronics

Lease Break and Expiry Profile (1)

Weighted Average Lease Expiry: 4.9 years



Europe's largest statutory pension insurance company with over 57m customers and 'AAA' credit rating.



One of the world's leading integrated telcos with c.252m mobile customers, c.25m fixed-network lines and c.22m broadband lines. S&P's long-term rating stands at BBB.



One of the world's largest sporting goods retailer with over 1,700 stores across 78 countries. 2023 sales turnover of €15.6bn and S&P's short-term rating of A-2.



Leading discount retailer listed on the London Stock Exchange. Constituent of FTSE100 index.



Largest European semiconductor manufacturing and design company. listed on the New York Stock Exchange and the Euronext Paris.



A unit of Allianz SE, one of the world's largest insurance companies. S&P's long-term rating stands at AA.

(1) Based on gross rental income as at 30 Jun 2024

# Active Asset Management to Optimise Portfolio

## 2Q2024 Key Updates



**c.6,700 sqm**  
New Lease Take-Up <sup>(1)</sup>



**3.6 Years**  
Weighted Average Unexpired  
Lease Term  
3.6 years as at 31 Dec 2023



**5.9%**  
Rental Escalation YTD <sup>(2)</sup>



**100%**  
Rents Paid

### German Portfolio:

- **Darmstadt Campus:** 3 new leases totalling c.3,100 sqm secured with well-established tenants in 1H2024 for a weighted average unexpired lease term of c.10 years to increase occupancy to over 36%. Further initiatives to increase occupancy up to half of the property within the next 6 months.
- **Berlin Campus:** In advanced stages to enter into 20-year lease agreements with 2 hospitality operators (short and long-term stays) for c.9,500 sqm each. Another lease agreement is expected to be concluded with a federal government agency for c.4,000 sqm of office space. Over 28% of the property would be pre-let.

### Spanish Portfolio:

- Completion of refurbishment works in common areas of the 2 office properties in Sant Cugat area (Greater Barcelona). This will position the buildings at the forefront of the market, attracting more tenants.
- Inauguration of the c.6,500 sqm Tier III Data Centre in Sant Cugat Green attended by over 150 guests from various fields including politics, economics, social advocacy, and business across Spain.

### French Portfolio:

- Launch of BREEAM In-Use certification of the B&M properties with the objective to receive certifications by Dec 2025.



Darmstadt Campus  
(Greater Frankfurt)



Sant Cugat Green  
(Greater Barcelona)

(1) Including c.2,500 sqm lease extension signed with one anchor tenant in Parc Cugat Green.

(2) Calculated as a percentage with the numerator being the new headline rent of all indexed leases over the relevant period and denominator being the last passing rent of the areas subject to indexation over the relevant period.



*B&M Tours (Saint-Cyr-sur-Loire)*

**Looking  
Ahead**

# Looking Ahead



## Macro

- European office letting and investment market have now stabilised but remained below the 10-year average.
- The retail market has remained resilient, showing improved retail turnover, footfall and rental payments.
- Lower inflation, rising real wages and further interest rate cuts to support a recovery of the European economy and revitalise the European real estate market.

- Manager secured 3 new leases totalling c.3,100 sqm with well-established tenants at Darmstadt Campus in 1H2024, which will increase the occupancy at the property to over 36%.
- Plans to proceed with proposed repositioning of Berlin Campus into a multi-let, mixed-use asset in 2025.
  - ✓ In advanced stages to enter into 20-year lease agreements with 2 hospitality operators for c.9,500 sqm each.
  - ✓ Another lease agreement expected to be concluded with a federal government agency for c.4,000 sqm of office space.
- To secure new leases and lease renewals and improve IREIT's portfolio occupancy rate.



## Portfolio



# Thank You

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