

Media Release

IREIT achieves 5.4% uplift in FY2023 gross revenue supported by acquisition and leasing initiatives

- Gross revenue and net property income rose by 5.4% and 2.3% respectively year-on-year
- Portfolio occupancy improved to 90.4% as at 31 December 2023 from 88.3% a year ago, while weighted average lease expiry was stable at 4.9 years from 5.0 years a year ago
- 2024 performance is likely to benefit from positive rental escalations, end of rent-free periods granted to tenants and full-year contribution from B&M Portfolio
- Key focus is to improve portfolio occupancy rate and to reposition Berlin Campus if main tenant decides to leave at end-2024

SINGAPORE | 22 FEBRUARY 2024

For immediate release

IREIT Global (“IREIT”), a Europe-focused real estate investment trust managed by IREIT Global Group Pte. Ltd. (the “Manager”), is pleased to report the financial results for the second half year and financial year ended 31 December 2023 (“2H2023” and “FY2023”, respectively).

	Half Year Ended 31 December			Financial Year Ended 31 December		
	2H2023 Actual	2H2022 Actual	Variance (%)	FY2023 Actual	FY2022 Actual	Variance (%)
Gross revenue (€ '000)	36,549	31,580	15.7	64,977	61,650	5.4
Net property income (€ '000)	27,931	24,362	14.6	49,896	48,797	2.3
Income to be distributed to Unitholders (€ '000) ⁽¹⁾	12,771	14,772	(13.5)	25,190	31,182	(19.2)

(1) Income to be distributed to Unitholders was after retention of 10% of distributable income for working capital and capital expenditure.

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Distribution per Unit	2H2023	2H2022	Variance (%)	FY2023	FY2022	Variance (%)
- Based on total issued Units as of 31 December 2023 (€ cents)	0.94 ⁽²⁾	1.28 ⁽³⁾	(26.6)	1.87 ⁽²⁾	2.69 ⁽³⁾	(30.5)
- Based on enlarged Units following Preferential Offering on 19 July 2023 and Acquisition fees paid in Units on 27 September 2023 (€ cents)	0.94	1.09 ⁽⁴⁾	(13.8)	1.87	2.31 ⁽⁴⁾	(19.0)

Gross revenue for 2H2023 rose by 15.7% year-on-year to €36.5 million, while net property income increased by 14.6% to €27.9 million over the same period. The increase was mainly due to contribution from the acquisition of 17 B&M retail properties in France (“**B&M Portfolio**”) starting from September 2023 and higher other income from the recognition of dilapidation cost payable by the main tenant at Berlin Campus.⁽⁵⁾ Income to be distributed for 2H2023 amounted to €12.8 million, representing a decline of 13.5% year-on-year, while distribution per unit (“**DPU**”) stood at 0.94 € cents, down 26.6% year-on-year due mainly to retention of the dilapidation cost payable to finance the repositioning of Berlin Campus, rent-free granted to tenants at Bonn Campus and Darmstadt Campus, and an enlarged unit base following the Preferential Offering completed in July 2023 and acquisition fees paid in Units in September 2023.

For FY2023, gross revenue came in at €65.0 million, up 5.4% year-on-year, while net property income rose 2.3% year-on-year to €49.9 million. Income to be distributed stood at €25.2 million, representing a 19.2% decrease year-on-year, while DPU for the full year registered 1.87 € cents, representing an 30.5% decrease year-on-year due similarly to lower distributable income and the enlarged unit base in 2H2023. If FY2022 DPU was restated to reflect the effects of the enlarged unit base, FY2023 DPU would have declined by a lower 19.0% year-on-year.

(2) 2H2023 DPU of 0.94 € cents and FY2023 DPU of 1.87 € cents were computed based on income to be distributed to Unitholders over the total issued Units of 1,344,837,568.

(3) Total issued Units as at 31 December 2022 was 1,155,891,421.

(4) 2H2022 and FY2022 DPU of 1.09 € cents and 2.31 € cents were restated to reflect the effects of the Preferential Offering of 186,098,518 Units issued on 19 July 2023 and acquisition fees paid in Units issued on 27 September 2023.

(5) A renewal agreement was signed with tenant in June 2023 to extend the lease term to December 2024, which included the dilapidation payment. The dilapidation cost payable was recognised as other income on a straight-line basis over the remaining lease term from June 2023 and will be paid in June 2024 by the tenant.

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As at 31 December 2023, portfolio occupancy was higher at 90.4%, as compared to 88.3% as at 31 December 2022, driven by the addition of the B&M Portfolio which was 100% occupied, as well as the signing of the 15-year new lease with German federal government body for 25% of Darmstadt Campus in April 2023.

During the year, the Manager was also successful in securing a few new leases at its Spanish Portfolio and an early lease extension at Berlin Campus at approximately 45% higher office rent than the current office rent starting from July 2024. In 4Q2023, the Manager's efforts in fostering a stronger relationship with B&M Group has culminated in the tenant agreeing to extend its leases at the B&M Portfolio by 3.8 years on average, bringing the weighted average lease expiry ("**WALE**") of the B&M Portfolio to 7.7 years. Underpinned by these leases, IREIT's overall portfolio WALE remained stable at 4.9 years as at 31 December 2023 from 5.0 years a year ago, notwithstanding the passage of time.

Mr Louis d'Estienne d'Orves, Chief Executive Officer of the Manager, said, "In the face of sustained global inflationary pressures and uncertainties, we have undertaken proactive measures to rejuvenate IREIT portfolio and enhance its income stability. This includes further diversification of IREIT's portfolio through acquisition, divestment of non-strategic assets, customised leasing strategy and advanced planning for future refurbishment of assets. In 2024, performance is likely to benefit from positive rental escalations, end of rent-free periods granted to tenants within IREIT's portfolio and full-year contribution from B&M Portfolio."

Looking ahead into 2024, the European real estate market is expected to improve but remains fraught with challenges from uncertain geopolitical environment and economic outlook, and potentially protracted periods of high inflation and interest rates. As such, the Manager will continue to execute its strategy on building a diversified portfolio across asset classes and geographies to optimise and deliver sustainable returns for Unitholders.

"Our key focus is to continue to increase the occupancy rate of IREIT's portfolio assets, particularly Darmstadt Campus, and to refurbish and reposition Berlin Campus into a multi-let asset if main tenant leaves in December 2024," added Mr Louis d'Estienne d'Orves.



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ABOUT IREIT GLOBAL

www.ireitglobal.com | SGX Main Board Listing

IREIT Global (SGX-UD1U) which was listed on 13 August 2014, is the first Singapore-listed real estate investment trust with the investment strategy of principally investing, directly or indirectly, in a portfolio of income-producing real estate in Europe which is used primarily for office, retail and industrial (including logistics) purposes, as well as real estate-related assets.

IREIT Global's current portfolio comprises five freehold office properties in Germany, four freehold office properties in Spain and 44 retail properties in France.

IREIT Global is managed by IREIT Global Group Pte. Ltd. (the "**Manager**"), which is jointly owned by Tikehau Capital and City Developments Limited ("**CDL**"). Tikehau Capital is global alternative asset management group listed in France, while CDL is a leading global real estate company listed in Singapore.



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ABOUT TIKEHAU CAPITAL

www.tikehaucapital.com | Paris Euronext, Compartment A Listing

Tikehau Capital is a global alternative asset management group with €43.2 billion of assets under management as at 31 December 2023. Tikehau Capital has developed a wide range of expertise across four asset classes (private debt, real assets, private equity and capital markets strategies) as well as multi-asset and special opportunities strategies. Tikehau Capital is a founder led team with a differentiated business model, a strong balance sheet, proprietary global deal flow and a track record of backing high quality companies and executives.

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Deeply rooted in the real economy, Tikehau Capital provides bespoke and innovative alternative financing solutions to companies it invests in and seeks to create long-term value for its investors, while generating positive impacts on society. Leveraging its strong equity base (€3.1 billion of shareholders' equity as at 30 June 2023), the firm invests its own capital alongside its investor-clients within each of its strategies.

Controlled by its managers alongside leading institutional partners, Tikehau Capital is guided by a strong entrepreneurial spirit and DNA, shared by its 758 employees across its 15 offices in Europe, the Middle East, Asia and North America. Tikehau Capital is listed in compartment A of the regulated Euronext Paris market (ISIN code: FR0013230612; Ticker: TKO.FP).

ABOUT CITY DEVELOPMENTS LIMITED

www.cdl.com.sg | [SGX Main Board Listing](#)

City Developments Limited (“**CDL**”) is a leading global real estate company with a network spanning 143 locations in 28 countries and regions. Listed on the Singapore Exchange, CDL is one of the largest companies by market capitalisation. Its income-stable and geographically diverse portfolio comprises residences, offices, hotels, serviced apartments, student accommodation, retail malls and integrated developments.

With a proven track record of 60 years in real estate development, investment and management, CDL has developed over 50,000 homes and owns around 21 million square feet of gross floor area in residential for lease, commercial and hospitality assets globally.

Along with its wholly-owned hotel subsidiary, Millennium & Copthorne Hotels Limited, CDL has over 150 hotels worldwide, many in key gateway cities.

FOR FURTHER ENQUIRIES

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The value of the Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. The past performance of IREIT is not necessarily indicative of the future performance of IREIT.

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This news release may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income and occupancy, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes

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and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.

This news release is not an offer or sale of the Units in the United States. The Units have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or under the securities laws of any state or other jurisdiction of the United States and may not be offered or sold in the United States absent registration except pursuant to an exemption from, or in a transaction not subject to, the registration requirements under the U.S. Securities Act and in compliance with any applicable state securities laws. Any public offering of the Units to be made in the United States would be by means of a prospectus that may be obtained from an issuer and would contain detailed information about such issuer and its management, as well as financial statements. There will be no public offering of securities of IREIT in the United States.

This news release has not been reviewed by the Monetary Authority of Singapore.

