



FY2023 Results Presentation

22 February 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

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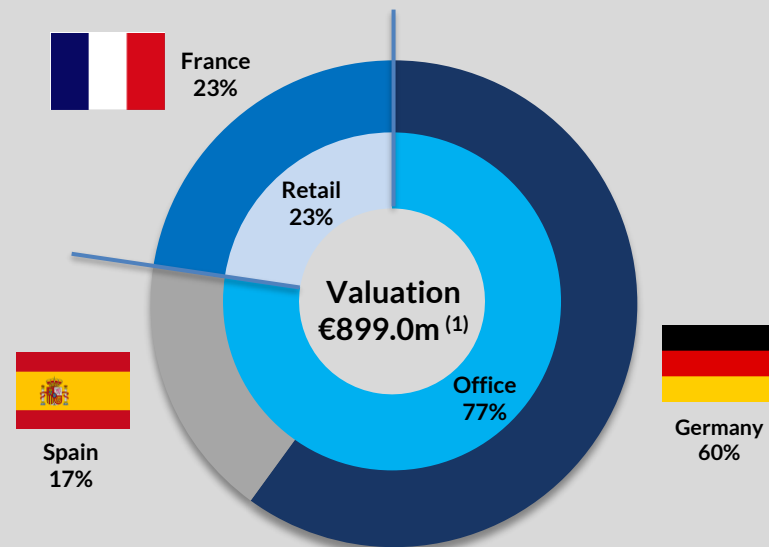
Portfolio: Germany: 5 office properties
France: 44 retail properties
Spain: 5 office properties ⁽¹⁾

Awards and Accolades in 2023:

Platinum Award for “Best Office REIT (Singapore)” ⁽²⁾

Gold Award for “Best Investor Relations” ⁽²⁾

Winner for **Growth in Profit after Tax over 3 years** ⁽³⁾



Unique S-REIT focusing on Western Europe (1)



€899.0m
Portfolio Valuation



54
Properties



446,038 sqm
Lettable area



117
Leases



90.4%
Occupancy Rate

Germany



Berlin Campus



Bonn Campus



Darmstadt Campus (Greater Frankfurt)



Münster Campus

Spain



Delta Nova IV (Madrid)



Delta Nova VI (Madrid)



Il-lumina (Barcelona)



Sant Cugat Green (Barcelona)

France



Cergy



Claye-Souilly



Evreux



Tours (Saint-Cyr-sur-Loire)

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Berlin Campus

Key Highlights

Stable FY2023 Performance

Continued focus on maintaining portfolio resilience and healthy balance sheet



€49.9m

Net Property Income

+2.3% YoY

- Due mainly to addition of B&M Portfolio and other income from dilapidation cost payable by tenant.



90.4%

Portfolio Occupancy

88.3% as at 31 Dec 2022

- Stable occupancy supported by addition of B&M Portfolio (100% occupied).



37.9%

Aggregate Leverage

32.0% as at 31 Dec 2022

- Due mainly to 5.4% YoY decline in portfolio valuation to €899.0m ⁽¹⁾ as at 31 Dec 2023.



1.9%

Weighted Average Interest Rate

1.8% as at 31 Dec 2022

- No debt maturity until Jan 2026.
- 96.5% of all bank borrowings hedged.

Acquisition and Divestment

Sharpening portfolio resilience with acquisitions and capital recycling activities



- Completed acquisition of 17 retail properties in France occupied by leading European discount retailer B&M Group (“**B&M Portfolio**”) on 5 Sep 2023 at purchase consideration of €76.8m. ⁽¹⁾
- Further diversification into the resilient Retail Parks (Out-of-Town) asset class and addition of a blue-chip tenant.
- Completed divestment of Il-lumina, a Spanish office building, on 31 Jan 2024 at sale price of €24.5m, 6.1% above independent valuation as at 31 Dec 2023. ⁽²⁾
- Net proceeds intended to be used for financing higher yielding assets or refurbishment of existing assets.



Bonn Campus

Financial Performance

Operating & Financial Performance

(€ '000)	2H2023	2H2022	Variance (%)	FY2023	FY2022	Variance (%)
Gross Revenue	36,549	31,580	15.7	64,977	61,650	5.4
Property Operating Expenses	(8,618)	(7,218)	19.4	(15,081)	(12,853)	17.3
Net Property Income	27,931	24,362	14.6	49,896	48,797	2.3
Income to be Distributed to Unitholders ⁽¹⁾	12,771	14,772	(13.5)	25,190	31,182	(19.2)

- Gross revenue for 2H2023 and FY2023 registered an increase of 15.7% and 5.4% YoY respectively, mainly due to:
 - ✓ Contribution from acquisition of B&M Portfolio in France starting from Sep 2023
 - ✓ Dilapidation cost payable by main tenant at Berlin Campus ⁽²⁾
- Income to be distributed for 2H2023 and FY2023 decreased by 13.5% and 19.2% YoY respectively, mainly due to:
 - ✓ Retention of dilapidation cost payable by main tenant at Berlin Campus to finance the repositioning of Berlin Campus
 - ✓ Rent-free of €0.4m and €2.5m in 2H2023 and FY2023 respectively, granted to tenants at Bonn Campus and Darmstadt Campus

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

(2) A renewal agreement was signed with tenant in Jun 2023 to extend the lease term to Dec 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 Jun 2023 and will be paid in Jun 2024 by the tenant.

Distribution Per Unit

Distribution Per Unit	2H2023	2H2022	Variance (%)	FY2023	FY2022	Variance (%)
- Based on total issued Units as of 31 Dec 2023 (€ cents)	0.94 ⁽¹⁾	1.28 ⁽²⁾	(26.6)	1.87 ⁽¹⁾	2.69 ⁽²⁾	(30.5)
- Based on enlarged Units following Preferential Offering on 19 Jul 2023 and Acquisition fees paid in Units on 27 Sep 2023 (€ cents)	0.94	1.09 ⁽³⁾	(13.8)	1.87	2.31 ⁽³⁾	(19.0)

- Enlarged Units following Preferential Offering and Acquisition fees paid in Units in relation to acquisition of the B&M Portfolio led to the lower DPU.
- Total issued Units at 1,344,837,568 as at 31 Dec 2023 (31 Dec 2022: 1,155,891,421).

(1) 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.

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

(3) 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 Jul 2023 and acquisition fees paid in Units issued on 27 Sep 2023.

Distribution Details

Distribution Period	1 Jul 2023 to 31 Dec 2023
Distribution per Unit (“DPU”)	0.94 € cents
Ex-Date	29 Feb 2024 (Thursday)
Record Date	1 Mar 2024 (Friday)
Distribution Payment Date	21 Mar 2024 (Thursday)

- Distributions will be in € and Unitholders who are direct account holders of CDP with active Direct Crediting Service (“DCS”) bank accounts will still continue to 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 31 Dec 2023	As at 31 Dec 2022	Variance (%)
Investment Properties	880,843	950,500	(7.3)
Assets Held for Sale	24,698 ⁽¹⁾	-	N.M.
Total Assets	992,076	1,039,140	(4.5)
Borrowings	371,411	329,694	12.7
Total Liabilities	446,456	414,437	7.7
Net Assets Attributable to Unitholders	545,620	624,703	(12.7)
NAV per Unit (€/unit) ⁽²⁾	0.41	0.54	(24.1)
NAV per Unit (\$/unit) ⁽³⁾	0.60	0.77	(22.1)

- NAV in S\$ terms was at S\$0.60 per Unit as at 31 Dec 2023, 22.1% lower than that of NAV as at 31 Dec 2022 due mainly to:
 - ✓ decrease in valuation of the investment properties and enlarged number of units, partially offset by stronger €/S\$ currency exchange rates.
- Based on closing unit price of S\$0.405 as at 31 Dec 2023, IREIT is trading at 32.5% discount to its NAV of S\$0.60 per Unit.

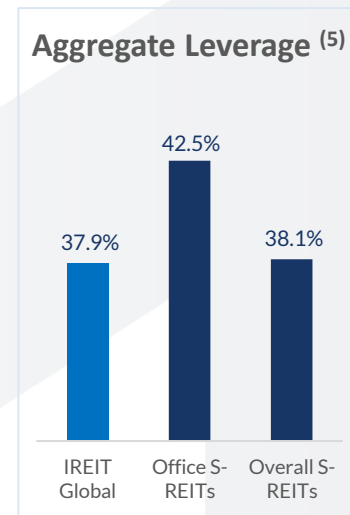
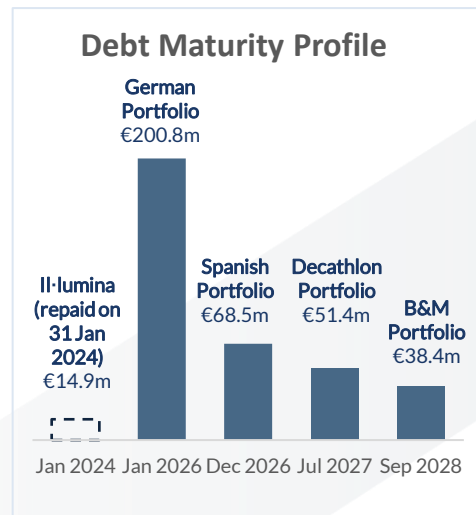
(1) Refers to assets associated with Il-lumina held for sale and had been reassigned to the buyer upon completion on 31 Jan 2024.

(2) The NAV per Unit was computed based on the net assets attributable to Unitholders (after distribution payable) as at 31 Dec 2023 and 31 Dec 2022 over the Units in issue and to be issued as at 31 Dec 2023 of 1,344,837,568 (31 Dec 2022: 1,155,891,421).

(3) Based on S\$1.4590 as at 29 Dec 2023 and S\$1.4331 per € as at 30 Dec 2022 as extracted from MAS website.

Healthy Gearing with Limited Impact from Rate Hikes

	As at 31 Dec 2023	As at 31 Dec 2022
Gross Borrowings Outstanding (€'m)	374.0	332.7
Aggregate Leverage ^{(1), (2)}	37.9% ⁽³⁾	32.0%
Weighted Average Interest Rate ⁽⁴⁾	1.9%	1.8%
Interest Coverage Ratio ⁽¹⁾	7.0x	7.9x
Weighted Average Debt Maturity	2.8 years	3.5 years



- Aggregate leverage increased to 37.9% due to drawdown of new borrowings for capex and acquisition of B&M Portfolio and lower valuation of investment properties.
 - ✓ 96.5% of the bank borrowings have been hedged with interest rate swaps and interest rate caps.
 - ✓ No near-term refinancing needs as all existing borrowings will mature only in 2026 and beyond.

(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.

(2) Computed based on total borrowings (excluding lease liabilities arising from land rent) divided by total assets (excluding right of use assets).

(3) Borrowings relating to II-lumina was repaid on 31 Jan 2024. Accordingly, aggregate leverage would be 37.4%.

(4) Effective interest rate computed over the tenor of the borrowings including amortisation of upfront transaction costs.

(5) Based on OCBC Investment Research Weekly S-REITs Tracker (13 Feb 2024).



Il·lumina

Portfolio and Asset Management

Diversified Portfolio in Key European Markets

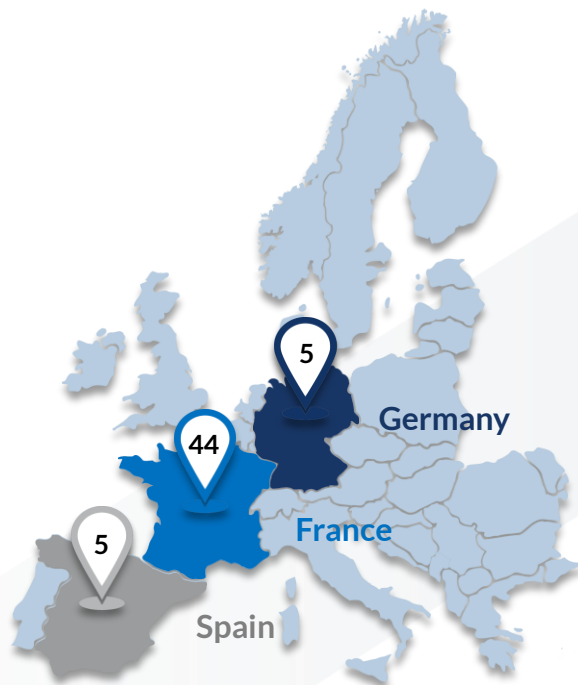
 **54**
Properties

 **446,038 sqm**
Lettable Area

 **€899.0m**
Valuation ⁽¹⁾
€999.5m as at 30 Sep 2023

 **90.4%**
Occupancy Rate
90.4% as at 30 Sep 2023

 **4.9 years**
WALE ⁽²⁾
4.9 years as at 30 Sep 2023



5 German Properties

Lettable Area (sqm)	201,103
Valuation (€ m) ⁽¹⁾	539.5
% of Portfolio	60.0%
Occupancy (%)	87.7%
WALE (years) ⁽²⁾	3.4

44 French Properties

Lettable Area (sqm)	157,256
Valuation ⁽¹⁾ (€ m)	203.0
% of Portfolio	22.6%
Occupancy	100%
WALE (years) ⁽²⁾	7.6

5 Spanish Properties

Lettable Area (sqm)	87,679
Valuation (€ m) ⁽¹⁾	156.5
% of Portfolio	17.4%
Occupancy (%)	79.7%
WALE (years) ⁽²⁾	5.1

(1) Based on fair valuation as at 31 Dec 2023 (including sale consideration of II-lumina, which was subsequently divested on 31 Jan 2024)

(2) Based on gross rental income as at 31 Dec 2023

Portfolio Valuation

Portfolio Location	Independent Valuation (€ m)		Purchase Consideration (€ m)	12-month Change (%)	Change vs Purchase (%)	Net Initial Yield ⁽³⁾ (%)
	As at 31 Dec 2023	As at 31 Dec 2022				
Germany	539.50	659.70	427.30	-18.2%	+26.3%	4.5% ⁽⁴⁾
Spain	156.54 ⁽¹⁾	164.30	161.00	-4.7%	-2.8%	6.1%
France	202.95 ⁽²⁾	126.50	187.33	+60.4%	+8.3%	6.5%
Total	898.99	950.50	775.63	-5.4%	+15.9%	5.2%

- IREIT saw a YoY decline in its portfolio valuation done by independent valuer, Savills Advisory Services Limited, driven mainly by Germany which was one of the weakest performing major economies in 2023.
- Aggregate value of French Portfolio was boosted by acquisition of B&M Portfolio in Sep 2023.

(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.

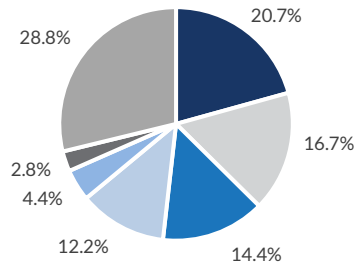
(2) B&M portfolio consisting of 17 retail properties in France was acquired on 5 Sep 2023 at a purchase consideration of €76.8m

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

(4) Excluding Berlin Campus and Darmstadt Campus: 5.80%

Well-Staggered Leases with Blue-Chip Tenants

Key Tenants (1)



- Deutsche Rentenversicherung Bund
- Decathlon
- DCX Technology
- Others
- GMG - Deutsche Telekom
- B&M
- Allianz Handwerker Services GmbH



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.248m mobile customers, c.26m 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 60 countries. 2021 sales turnover of €13.8bn and S&P's short-term rating of A-2.



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

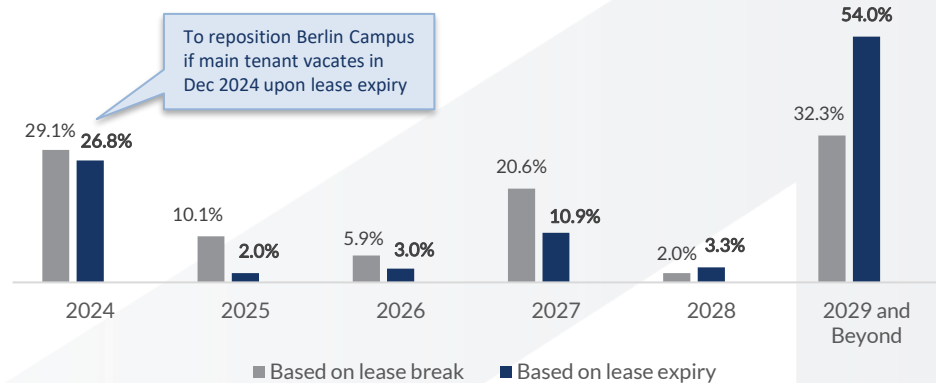


Fortune 500 company and investment grade IT services company listed on the NYSE. Represented in the S&P 500 Index.



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

Lease Break and Expiry Profile (1)
Weighted Average Lease Expiry: 4.9 years



(1) Based on gross rental income as at 31 Dec 2023

Active Asset Management to Optimise Portfolio



c. 3,750 sqm
4Q2023 New Lease Take-Up



0.5%
Rental Reversion YTD ⁽¹⁾



4.6%
Rental Escalation YTD ⁽²⁾



100%
Rents Paid

4Q2023 Key Updates

German Portfolio:

- New 10-year lease signed with major provider of mobile roof antenna in Germany for two office floors (c.3,500 sqm) at Münster North building
- Federal tenant at Darmstadt Campus started paying rent from Nov 2023 onwards after end of rent-free period

Spanish Portfolio:

- Divestment of Il-lumina, completed on 31 Jan 2024 at 6.1% above valuation as at 31 Dec 2023
- Contribution from Sant Cugat Green to increase as tenant operating the data centre at property will start paying rent from Jul 2024

French Portfolio:

- Leases at all B&M properties extended by 3.8 years on average, bringing property WALE to 7.7 years and adding over €22m of stable cash flows
- Indexation on entire French Portfolio (Decathlon and B&M properties) at 1 Jan 2024 will increase rental income by an additional €0.7m



Münster Campus



B&M Rouen / Saint-Étienne-du-Rouvray



Market Review

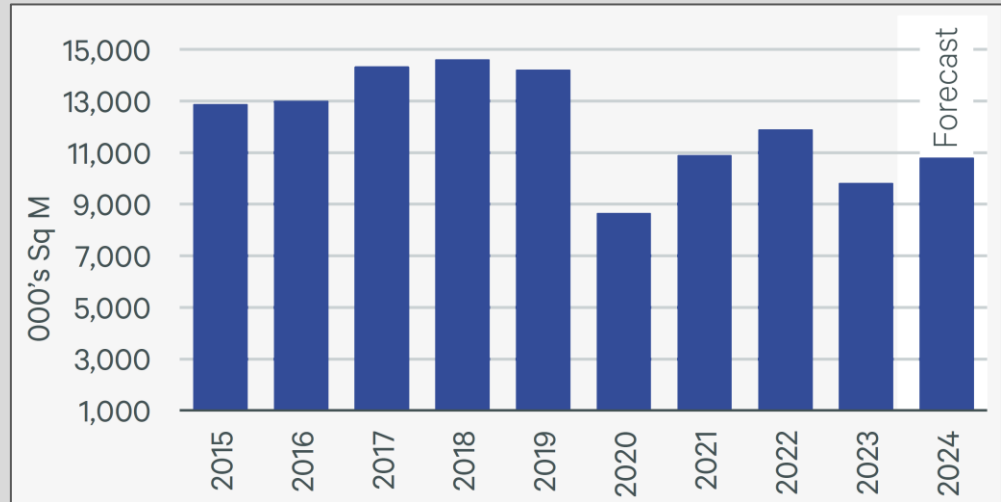
Sables d'Olonne

European Office Market (1)

Leasing activity to recover gradually as tenants react to weak economic growth and new workplace strategies

- Leasing volume may likely show moderate growth of c.10% in 2024, but still below historical norms, as occupiers continue to adjust to hybrid working.
- Polarisation towards good quality assets to deepen as occupiers become more focused on accessibility, proximity to amenities and sustainability.
- Vacancy rates may likely to peak in 2024 and most office markets to see modest growth in prime rents through 2024.

Office Leasing Volume, Europe, 2015-2024 (1)

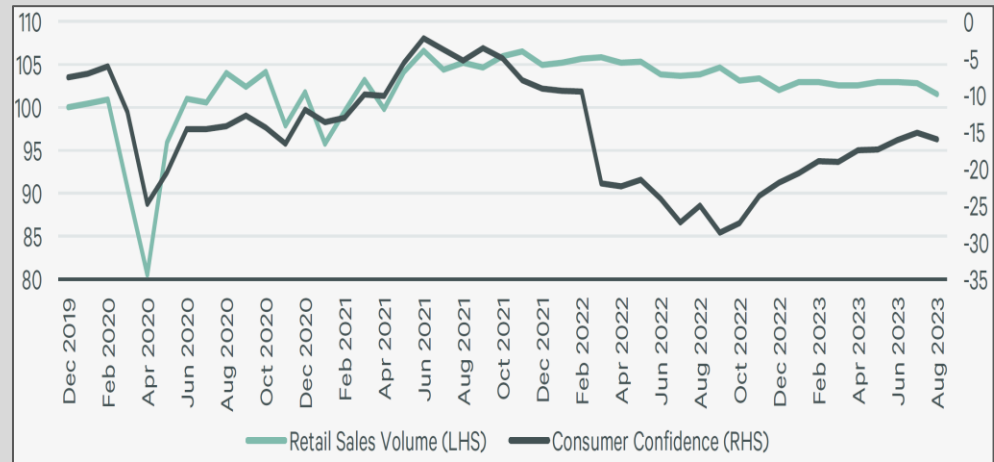


European Retail Market (1)

Better consumer fundamentals to herald improving footfall and sales figures

- Retail sales volume should improve in 2024 as inflation rate eases and real income rises.
- Retail footfall and sales at key retail assets are also expected to continue to recover.
- Continued focus on strong omnichannel experience and convenience retail assets by occupiers.
- Prime rents are expected to grow at c.3% in Europe in 2024.

Europe Retail Sales Volume Index and Consumer Confidence (1)





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

**Looking
Ahead**

Looking Ahead



Macro

- European real estate market is expected to improve in 2024 but remains fraught with challenges from:
 - ✓ Uncertain geopolitical environment and economic outlook, and potentially protracted periods of high inflation and interest rates.
- The repricing of assets may bring about attractive opportunities, allowing IREIT to continue to diversify and strengthen its long-term income streams.

- Manager has undertaken proactive measures to rejuvenate IREIT portfolio and enhance income stability via:
 - ✓ Further diversification through acquisition of quality assets, divestment of non-strategic assets, customised leasing strategy and advanced planning for future refurbishment of assets.
- 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.



Portfolio



Focus

- Manager to continue to increase occupancy rate of portfolio assets, particularly Darmstadt Campus.
- To refurbish and reposition Berlin Campus into a multi-let asset if main tenant leaves in Dec 2024, while minimising asset downtime.
- Manager remains focused on building a diversified portfolio across asset classes and geographies to optimise and deliver sustainable returns for Unitholders.



Thank You

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