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# 3Q2024 Business Update

12 November 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**

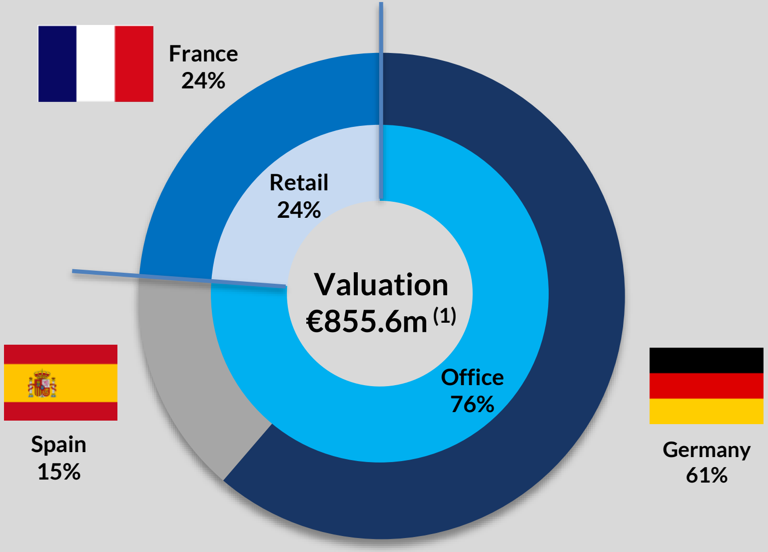
**Portfolio:**
**Germany:** 5 office properties
**France:** 44 retail properties
**Spain:** 4 office properties

**Awards and Accolades:**

Platinum Award for "**Best Office REIT (Singapore)**" (2)

Platinum and Silver Awards for "**Best Investor Relations**" (2), (3)

Winner for **Growth in Profit after Tax over 3 years** (4)

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(1) Based on fair valuation as at 30 Jun 2024
(2) Oct 2024: 9th Annual REITs Asia Pacific 'Best of the Breeds' REITs Awards 2024 (less than US$500m market cap)
(3) Aug 2024: Singapore Corporate Awards (REITs and Business Trusts category)
(4) 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

**106**
Leases

**89.6%**
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)

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# Agenda



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Berlin Campus

# Key Highlights

# Stable 3Q2024 Performance

Continued focus on maintaining portfolio resilience and healthy balance sheet

## 89.6%

**Portfolio Occupancy**

89.8% as at 30 Jun 2024

- Marginally lower due mainly to lower occupancy rate at Spanish portfolio.

## 4.6 years [1]

**Weighted Average Lease Expiry**

4.9 years as at 30 Jun 2024

- Remained relatively stable due to new leases signed within IREIT's portfolio.

## 37.7%

**Aggregate Leverage**

37.2% as at 30 Jun 2024

- Lower than S-REITs office subsector average of 43.6% and overall S-REITs sector average of 39.4% [2].

## 1.9%

**Weighted Average Interest Rate**

1.9% as at 30 Jun 2024

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

(1) Based on gross rental income as at 30 Sep 2024 (excluding c.45% increase in rent at Berlin Campus from Jul 2024 to Dec 2024)
(2) Based on OCBC Investment Research Weekly S-REITs Tracker (4 Nov 2024).

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# Portfolio and Asset Management

*Bonn Campus*

# Diversified Portfolio in Key European Markets

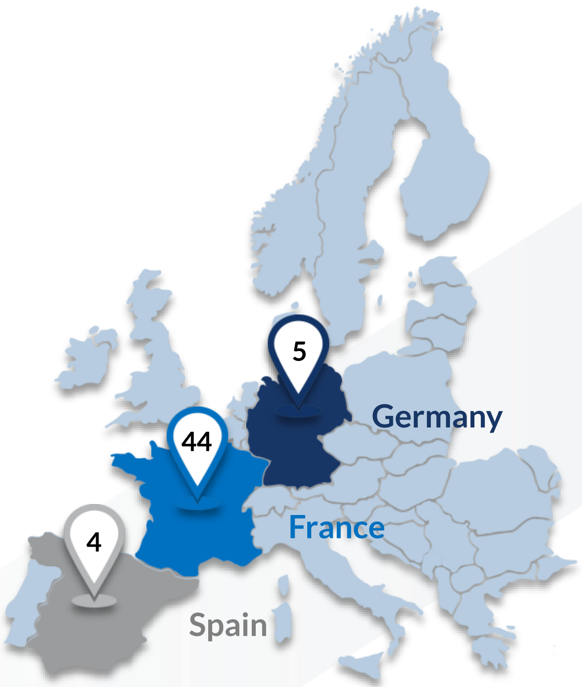
**53**
Properties

**425,116 sqm**
Lettable Area

**€855.6m**
Valuation (1)
€855.6m as at 30 Jun 2024

**89.6%**
Occupancy Rate
89.8% as at 30 Jun 2024

**4.6 years**
WALE (2)
4.9 years as at 30 Jun 2024




| 5 German Properties | |
|---|---|
| Lettable Area (sqm) | 201,103 |
| Valuation (€ m) (1) | 524.4 |
| % of Portfolio | 61.3% |
| Occupancy (%) | 88.0% |
| WALE (years) (2) | 2.9 |

| 44 French Properties | |
|---|---|
| Lettable Area (sqm) | 157,256 |
| Valuation (€ m) (1) | 202.6 |
| % of Portfolio | 23.7% |
| Occupancy | 100% |
| WALE (years) (2) | 6.9 |

| 4 Spanish Properties | |
|---|---|
| Lettable Area (sqm) | 66,758 |
| Valuation (€ m) (1) | 129.0 |
| % of Portfolio | 15.0% |
| Occupancy (%) | 70.1% |
| WALE (years) (2) | 6.6 |

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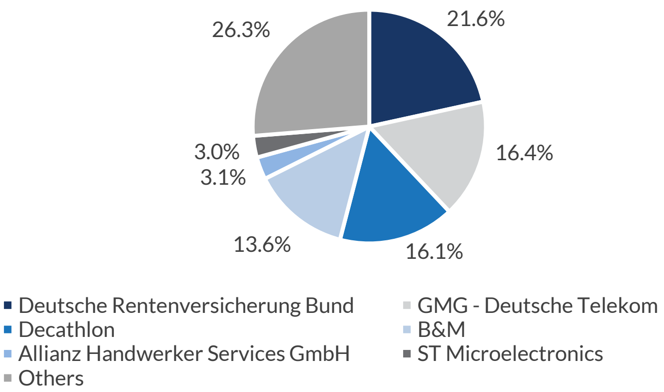
(1) Based on fair valuations as at 30 Jun 2024
(2) Based on gross rental income as at 30 Sep 2024 (excluding c.45% increase in rent at Berlin Campus from Jul 2024 to Dec 2024)

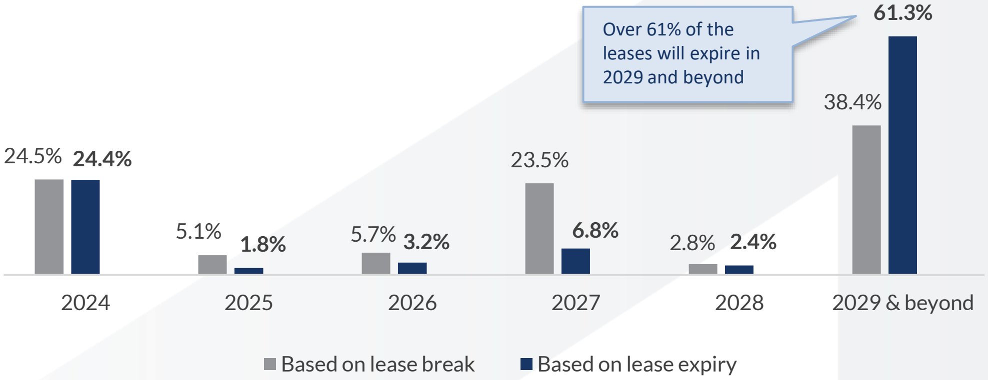
# Well-Staggered Leases with Blue-Chip Tenants

## Key Tenants (1)




## Lease Break and Expiry Profile (1)

**Weighted Average Lease Expiry: 4.6 years**




| Deutsche Rentenversicherung Bund | Deutsche Telekom | Decathlon | B&M | ST | Allianz |
|---|---|---|---|---|---|
| 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 Sep 2024 (excluding c.45% increase in rent at Berlin Campus from Jul 2024 to Dec 2024)

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# Active Asset Management to Optimise Portfolio

**c.4,300 sqm**
New Lease Take-Up

**3.4 Years**
New Lease Weighted Average Unexpired Lease Term
3.6 years as at 30 Jun 2024

**5.8%**
Existing Portfolio Rental Escalation YTD [(1)]

**100%**
Rents Paid

## 3Q2024 Key Updates

**German Portfolio:**

- **Darmstadt Campus**: 3 new leases, totalling 3,100 sqm, secured with well-established tenants in 1H2024. Occupancy rate expected to reach 45% this year with the signing of a lease for c.2,300 sqm. Additionally, 2 leases are in pipeline, which would further increase occupancy above 66% if signed.
- **Berlin Campus**: 20-year lease agreements with 2 hospitality operators (short and long-term stays) for c.17,000 sqm targeted to be signed by 1Q2025. Building permit application was submitted in Sep 2024 with building permit expected to be obtained by 2Q2025, subject to changes and relevant regulatory and internal approvals.
- **Münster Campus**: c.5,000 sqm vacated by one tenant on 1 Nov 2024. Advanced negotiation with 2 potential tenants to lease up c.3,500 sqm by 1Q2025.

**Spanish Portfolio:**

- 3 new tenants secured at properties in Madrid for c.2,200 sqm with a weighted average unexpired lease term of c.7 years and one tenant renewal for c.2,500 sqm secured with a weighted average unexpired lease term of 5 years. This will increase occupancy rate of the Spanish Portfolio to c.73%.
- c.1,200 sqm were vacated in Parc Cugat Green in 2Q2024. Advanced negotiations with 3 other potential tenants to lease up currently vacant space in Sant Cugat Green and Madrid properties could further increase occupancy rate of the Spanish Portfolio to over c.77%.

**French Portfolio:**

- 2 development projects currently ongoing in 2 selected properties within the B&M portfolio which will create value for Unitholders.

*Darmstadt Campus (Greater Frankfurt)*

*Sant Cugat Green (Greater Barcelona)*

(1) Calculated as a percentage with the numerator being the new headline rent of all step rents or indexed leases over the relevant period and denominator being the last passing rent of the areas subject to step rents or indexation over the relevant period (excluding c.45% increase in rent at Berlin Campus from Jul 2024 to Dec 2024).

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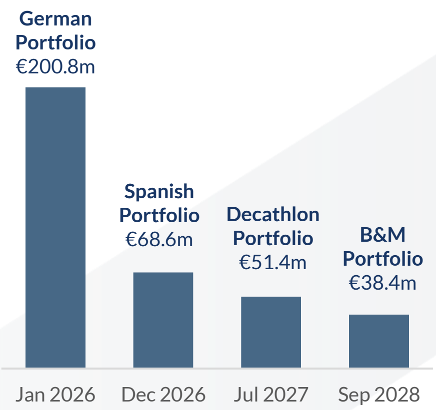
Sables d'Olonne

# Capital and Currency Management

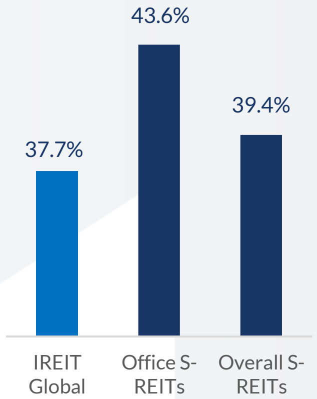
# Healthy Gearing with Limited Impact from Rate Hikes

| | As at 30 Sep 2024 | As at 31 Dec 2023 |
|---|---|---|
| Gross Borrowings Outstanding (€'m) | 359.2 | 374.0 |
| Aggregate Leverage (1) | 37.7% | 37.9% |
| Weighted Average Interest Rate (2) | 1.9% | 1.9% |
| Interest Coverage Ratio (1) | 8.1x | 7.0x |
| Weighted Average Debt Maturity | 2.0 years | 2.6 years |

Debt Maturity Profile




Aggregate Leverage (3)




- Aggregate leverage improved to 37.7% 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 (4 Nov 2024).

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

# Looking Ahead

# Looking Ahead

**Macro**

- European real estate investment market appears to have bottomed out and is showing first signs of growth.
- Office letting gaining momentum with volume increasing YoY for second straight quarter in 3Q2024. However, there is increased polarisation towards newer and prime assets which are ESG compliant and located in CBDs.
- The retail market showing uptick in demand for space with retailers viewing physical retail as key to strategy for consumer engagement.

**Portfolio**

- New lease covering c.2,300 sqm at Darmstadt Campus expected to be signed soon and this will increase the occupancy at the property from c.36% to c.45%.
- Proposed repositioning of Berlin Campus into a multi-let, mixed-use asset to commence in 2025.
  - ✓ 20-year lease agreements with 2 hospitality operators (short and long-term stays) for c.17,000 sqm targeted to be signed by 1Q2025.
  - ✓ Building permit application submitted in Sep 2024 with building permit expected to be obtained by 2Q2025, subject to changes and relevant regulatory and internal approvals.

**Strategy**

- 2025 distribution should be impacted due to absence of income from Berlin Campus.
- Manager to secure new leases and lease renewals and improve IREIT's portfolio occupancy rate.
- Continue focusing on building a diversified portfolio across asset classes and western European countries to deliver sustainable returns for Unitholders.
- To maintain healthy financial position and debt profile, as well as broaden IREIT's funding sources and flexibility.

Concor Park

# Thank You

For enquiries, please contact:

**Mr Kevin Tan**
Head of Investor Relations and Capital Markets

Tel: (65) 6718 0593
Email: kevin.tan@ireitglobal.com

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