



# 2022 Annual General Meeting

27 April 2022

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# Agenda

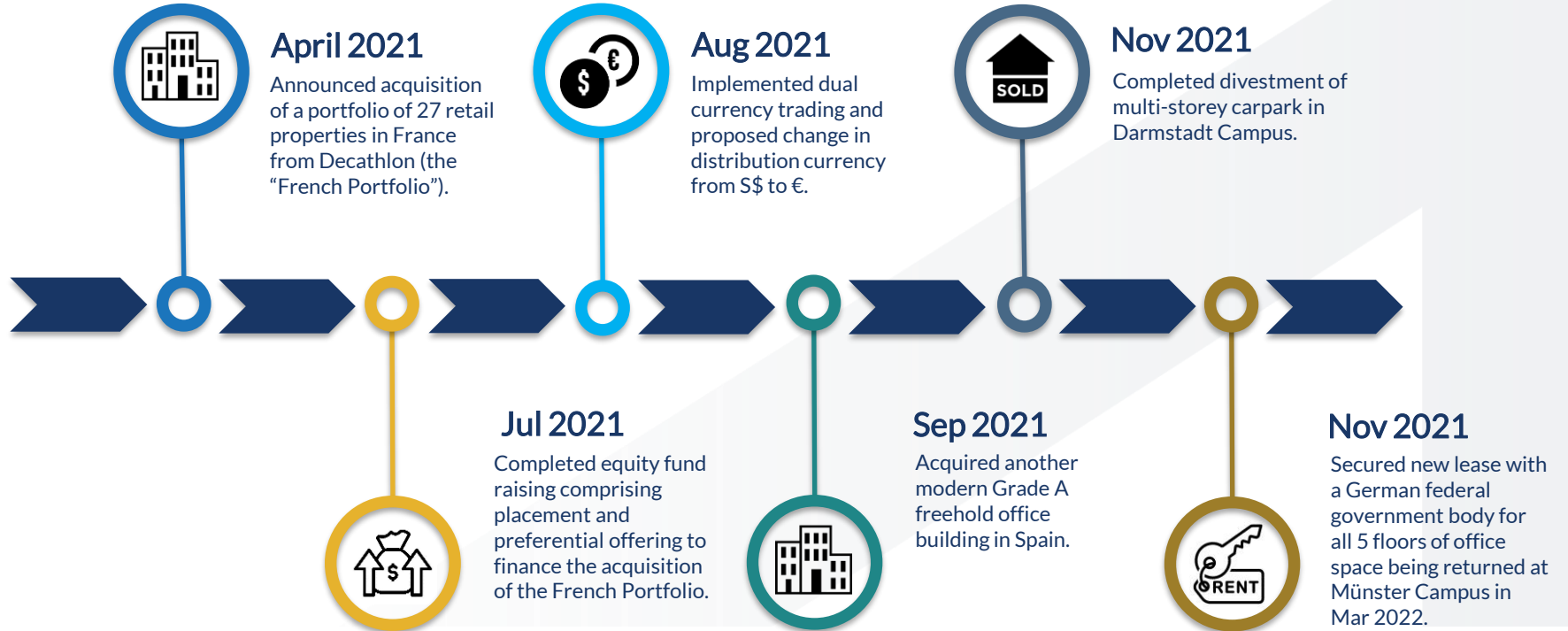
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*Berlin Campus*

# Key Developments

# Key Developments



# Executing IREIT Strategy

## No. of Properties

37

9 properties as at 31 Dec 2020

## Valuation <sup>(1)</sup>

€974.9m

+35.5% since 31 Dec 2020

## Occupancy

95.7%

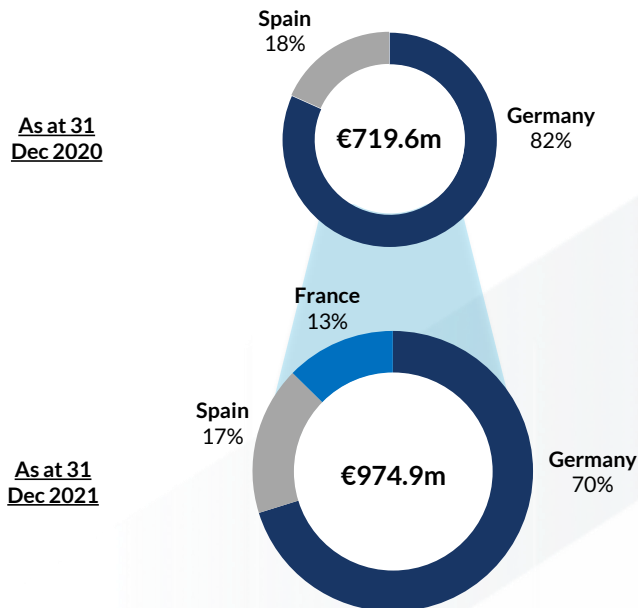
95.8% as at 31 Dec 2020

## WALE <sup>(1)</sup>

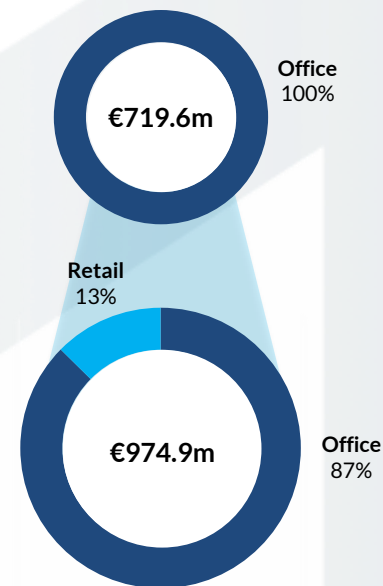
3.8 years

3.5 years as at 31 Dec 2020

## Portfolio Valuation by Country <sup>(1)</sup>



## Portfolio Valuation by Asset Class <sup>(1)</sup>



(1) Based on the fair valuation and gross rental income as at the end of the respective periods





*Il·lumina*

# Portfolio Overview

# Quality Assets Across Europe

## Germany



Berlin Campus



Bonn Campus



Darmstadt Campus



Münster Campus



Concor Park

## Spain



Delta Nova IV



Delta Nova VI



Il-lumina



Sant Cugat Green



Parc Cugat

## France (1)



Cergy



Châteauroux



Evreux



Mâcon



Laval

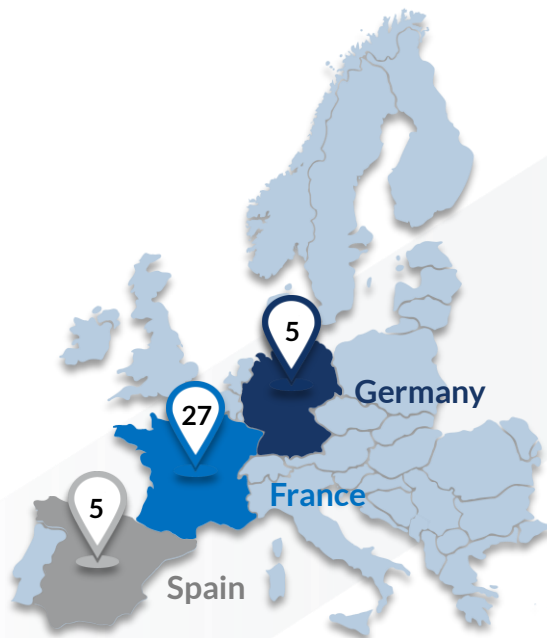


# Portfolio Overview

## Diversified Portfolio Across Key Developed Markets in Europe

Overall Portfolio	
Properties	37
Lettable Area (sqm)	384,282
Valuation (€ m) <sup>(1)</sup>	974.9
Occupancy (%)	95.7%
WALE (years) <sup>(2)</sup>	3.8

France	
Properties	27
Lettable Area (sqm)	95,500
Valuation <sup>(1)</sup> (€ m)	123.4
% of Portfolio	12.7%
Occupancy	100%
WALE (years) <sup>(2)</sup>	9.6



Germany	
Properties	5
Lettable Area (sqm)	201,103
Valuation (€ m) <sup>(1)</sup>	684.3
% of Portfolio	70.2%
Occupancy (%)	99.8%
WALE (years) <sup>(2)</sup>	2.4

Spain	
Properties	5
Lettable Area (sqm)	87,679
Valuation (€ m) <sup>(1)</sup>	167.2
% of Portfolio	17.2%
Occupancy (%)	81.8%
WALE (years) <sup>(2)</sup>	4.3

# Independent Portfolio Valuation

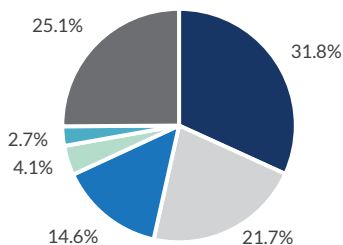
Independent Valuation (€ m)	As at 31 Dec 2021	As at 31 Dec 2020	Variance (%)
<b>German Portfolio</b>	<b>684.3</b>	<b>587.9</b>	<b>16.4</b>
Berlin Campus	323.2	226.1	42.9
Bonn Campus	121.8	113.7	7.1
Darmstadt Campus	71.5	90.4	-21.0 <sup>(1)</sup>
Münster Campus	69.9	64.4	8.5
Concor Park	97.9	93.3	4.9
<b>Spanish Portfolio</b>	<b>167.2</b>	<b>131.7</b>	<b>27.0</b>
Delta Nova IV	30.9	28.4	8.8
Delta Nova VI	40.6	38.6	5.2
Il·lumina	25.5	25.4	0.4
Sant Cugat Green	41.6	39.3	5.9
Parc Cugat <sup>(2)</sup>	28.6	-	-
<b>French Portfolio <sup>(2)</sup></b>	<b>123.4</b>	<b>-</b>	<b>-</b>
<b>IREIT Portfolio</b>	<b>974.9</b>	<b>719.6</b>	<b>35.5</b>

- Increase in IREIT's portfolio value driven mainly by the acquisition of the French Portfolio and Parc Cugat, as well as a significant increase in the fair value of Berlin Campus.
  - ✓ Recent transaction of a neighbouring property to Berlin Campus resulted in yield compression and proven that higher rental rates are achievable.

# Portfolio Lease Profile

## Well Staggered Lease Expiry Profile with a Blue-Chip Tenant Base

Key Tenants (1)



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



**Deutsche Telekom** is one of the world's leading integrated telcos with around c. 248m mobile customers, c. 26m fixed-network lines and c. 22m broadband lines. S&P's long-term rating stands at BBB.

**Deutsche Rentenversicherung Bund** is Europe's largest statutory pension insurance company with over 57m customers and 'AAA' credit rating.

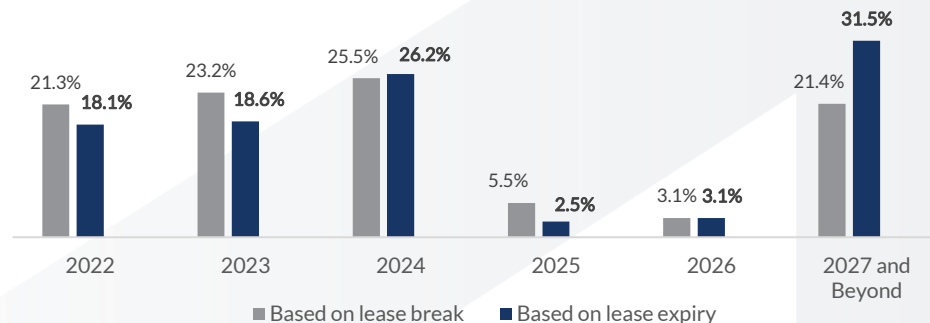
**Decathlon** is one of the world's largest sporting goods retailer with over 1,700 stores across 60 countries. It has a sales turnover of €11.4b in 2020 and its S&P's short-term rating stands at A-2.

**DXC Technology** is a Fortune 500 company and investment grade information technology services company listed on the NYSE. It is represented in the S&P 500 Index.

**Allianz Handwerker Services** is 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: 3.8 years



(1) Based on the gross rental income as at 31 Dec 2021



# **FY2021 Financial Highlights**

*Bonn Campus*

# Key Highlights



## Results

- FY2021 net property income increased by 29.1% YoY to €42.5m.
  - ✓ Due mainly to the full-year consolidation of the operating results of the initial Spanish portfolio, as well as acquisition of the French Portfolio and Parc Cugat.
- Income available for distribution up 25.3% YoY to €34.4m, while DPU came in 11.0% higher at 2.93 € cents.<sup>(1)</sup>

- Occupancy stable at 95.7% as at 31 Dec 2021, while WALE improved to 3.8 years from 3.5 years a year ago.
  - ✓ All tenants continued to pay their rents in FY2021 and no rental rebates or deferrals were requested.
- Portfolio value increased by 35.5% YoY to €974.9m, driven mainly by acquisitions and higher fair valuations.
- Successfully secured new lease with a German federal government body for all five floors of office space being returned at Münster Campus in Mar 2022.
  - ✓ The five-year lease with the new tenant is a reflection of IREIT's good quality assets in well-connected locations and will strengthen IREIT's lease profile and income certainty.



## Portfolio



## Gearing

- Aggregate leverage improved to 32.1% as at 31 Dec 2021 from 34.8% a year ago.
  - ✓ Due mainly to the higher fair valuations of the investment properties.
- Weighted average debt to maturity at 4.5 years, with all borrowings due to mature only in 2026 and beyond.

(1) See page 15 for more details.



# Operating & Financial Performance

(€ '000)	FY2021	FY2020	Variance (%)
Gross Revenue	52,167	37,821	37.9
Property Operating Expenses	(9,685)	(4,927)	96.6
Net Property Income	42,482	32,894	29.1
Income Available for Distribution	34,386	27,434	25.3
Income to be Distributed to Unitholders	30,947	24,691	25.3

- Gross revenue for FY2021 registered an increase of 37.9% compared to that of FY2020, contributing to the increase in net property income of 29.1% over the same period.
  - ✓ Due mainly to the full-year consolidation of the operating results of the initial Spanish portfolio, as well as acquisition of the French Portfolio and Parc Cugat.
- Income available for distribution for FY2021 was in turn higher by 25.3% compared to that of FY2020.

# Distribution Per Unit

Distribution Per Unit	FY2021	FY2020	Variance (%)
<b>Before Retention</b>			
- € cents	3.26	2.94	10.9
<b>After Retention</b>			
- € cents	2.93	2.64	11.0

- In FY2021, IREIT issued 11,372,868 new Units at the issue price of S\$0.6155 per Unit (the “Placement Units”) in Jun 2021 and 201,137,870 new Units at the issue price of S\$0.595 per Unit (the “Preferential Offer Units”) in Jul 2021.
- In FY2020, IREIT issued 291,405,597 new Units (the “Rights Units”) pursuant to a renounceable rights issue in Oct 2020. For the purpose of comparison, FY2020 DPU has been restated to reflect the effects of the Rights Units.

# Financial Position

(€ '000)	As at 31 Dec 2021	As at 31 Dec 2020	Variance (%)
Investment Properties	974,870	719,580	35.5
Total Assets	1,035,499	769,029	34.7
Borrowings	328,922	264,628	24.3
Total Liabilities	416,053	327,286	27.1
Net Assets Attributable to Unitholders	619,446	441,743	40.2
NAV per Unit (€/unit) <sup>(1)</sup>	0.54	0.47	14.9

- The increase in the total assets and net assets attributable to Unitholders was mainly due to the acquisition of the French Portfolio and Parc Cugat, as well as the increase in the fair value of the investment properties.
- Based on the closing unit price of S\$0.63 as at 31 Mar 2022, IREIT is trading at a 21.3% discount to its NAV of S\$0.80<sup>(2)</sup> per Unit.

(1) The NAV per Unit was computed based on net assets attributable to Unitholders as at 31 Dec 2021 and 31 Dec 2020, and the Units in issue and to be issued as at 31 Dec 2021 of 1,155.8m (31 Dec 2020: 939.0m)

(2) Based on NAV per Unit of €0.54 as at 31 Dec 2021 and S\$1.4816 per € as at 25 Apr 2022 extracted from MAS website

# Capital and Currency Management

	As at 31 Dec 2021	As at 31 Dec 2020
Gross Borrowings Outstanding (€'m)	332.7	267.7
Aggregate Leverage <sup>(1)</sup>	32.1%	34.8%
Effective Interest Rate per Annum <sup>(2)</sup>	1.8%	1.8%
Interest Coverage Ratio <sup>(1)</sup>	7.7x	7.4x
Weighted Average Debt Maturity	4.5 years	5.3 years

Debt Maturity Profile  
(€ m)



- Additional borrowings were taken up in 3Q2021 to part finance the acquisition of the French Portfolio and Parc Cugat.
  - ✓ Aggregate leverage remains healthy at 32.1% with effective interest rate unchanged at 1.8%.
  - ✓ All of the bank borrowings, which are on floating rates, have been hedged with interest rate swaps and interest rate caps.
- IREIT's distribution currency has been changed from S\$ to € starting with the distribution for the period from 30 Jun 2021 to 31 Dec 2021 onwards.
  - ✓ Time and cost savings as there is no longer a need to hedge for IREIT's future distributions.



*Concor Park*

**Looking  
Ahead**



# Looking Ahead



## Macro

- Office letting activity across the key European cities in 2021 has increased significantly compared to the prior year, with 2H2021 showing signs of normalisation in take-up.
- Coupled with the economic recovery and favourable financing conditions, investor demand for commercial real estate in Europe has also improved over the same period.
- Outbreak of war between Ukraine and Russia has not adversely impacted IREIT's portfolio so far.
  - ✓ Manager is closely assessing the situation and maintaining its vigilance.

- Supported by a blue-chip tenant mix and diversified asset base, IREIT's portfolio has remained resilient.
- During the year, Manager performed environmental audits on selected properties within IREIT's portfolio to pursue green building certifications.
- In 2022, Manager will continue to focus its efforts on asset management to maintain IREIT's portfolio occupancy rate and optimise the long-term attractiveness of the assets through its sustainability initiatives.



## Portfolio



## Focus

- In view of the adoption of flexible working arrangement by companies and evolving demand for office space, Manager will also continue to pursue investment and capital recycling opportunities.
  - ✓ Further diversify IREIT's asset class exposure and strengthen its income streams.
- At the same time, Manager is exploring various funding options to broaden IREIT's financing sources and flexibility.



## Thank You

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