

## Media Release

# IREIT reports distribution per unit of 0.93 € cents, while maintaining a healthy aggregate leverage of 33.1%

- 1H2023 income to be distributed fell by 24.3% on higher portfolio vacancy, one-off rent-free period, higher property operating expenses, higher finance and tax costs
- Proposed acquisition of a portfolio of 17 retail properties located across France to further diversify into the resilient Retail Parks (Out-of-Town) asset class, and enhance IREIT’s portfolio lease profile and income resiliency
- Oversubscription in IREIT’s preferential offering intended for partially funding the proposed acquisition showcases the support and confidence from all Unitholders
- Portfolio performance to improve after the temporary effects from rent-free period and higher portfolio vacancy, and with completion of proposed acquisition

## SINGAPORE | 3 AUGUST 2023

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 first half year ended 30 June 2023 (“**1H2023**”).

	Half Year Ended 30 June 2023		
	1H2023	1H2022	Variance (%)
Gross revenue (€ '000)	28,428	30,070	(5.5)
Net property income (€ '000)	21,965	24,435	(10.1)
Income to be distributed to Unitholders (€ '000) <sup>(1)</sup>	12,419	16,410	(24.3)

(1) The income to be distributed to Unitholders has taken into account the retention of 10% of income for working capital and capital expenditure.

## Media Release

Distribution per Unit	1H2023	1H2022	Variance (%)
- Based on total issued Units as at 30 June 2023 (€ cents)	1.07 <sup>(2)</sup>	1.41 <sup>(2)</sup>	(24.1)
- Based on total enlarged Units following the Preferential Offering on 19 July 2023 (€ cents)	0.93 <sup>(3)</sup>	1.22 <sup>(4)</sup>	(23.8)

Gross revenue for 1H2023 decreased by 5.5% year-on-year to €28.4 million, mainly due to the decrease in rental income and carpark income from the vacancy in Darmstadt Campus, and one-off rent-free period in Bonn Campus, Münster Campus and Sant Cugat Green, partially offset by the increase in CPI indexation. Net property income was impacted by higher property operating expenses, while income to be distributed to Unitholders was lower due to higher finance costs and tax expenses. As a result, net property income and income to be distributed to Unitholders for 1H2023 decreased by 10.1% and 24.3% year-on-year to €22.0 million and €12.4 million, respectively. The full vacancy at Darmstadt Campus and rent-free period, both of which were temporary in nature, had caused an impact of €3.4 million and €1.4 million, respectively, to the income to be distributed to Unitholders. Distribution per unit (“DPU”) was in turn down by 23.8% year-on-year to 0.93 € cents. <sup>(5)</sup> Based on the closing unit price of S\$0.44 as at 30 June 2022, 1H2023 DPU translates to an annualised distribution yield of 6.2%. <sup>(6)</sup>

With high inflation rates, tighter lending conditions and uncertain macroeconomic conditions continuing to impact the European real estate market and capitalisation rates, IREIT’s properties saw a broad-based decline in their independent valuations, resulting in a 2.9% decline in the portfolio valuation to €922.7 million as at 30 June 2023 from €950.5 million as at 31 December 2022. On a positive note, the valuations of Sant Cugat Green and Darmstadt Campus increased over the period, supported by the 12-year new lease signed with a data

(2) DPU of 1.07 € cents for 1H 2023 and 1.41 € cents for 1H2022 was computed based on the total issued Units as at 30 June 2023 and 30 June 2022 of 1,155,891,421.

(3) 1H2023 DPU of 0.93 € cents payable to Unitholders on 31 August 2023, was computed based on income to be distributed to Unitholders for 1H2023 over the total issued Units of 1,341,989,939, which was an aggregate of 1,155,891,421 Units issued as at 30 June 2023 and new Units of 186,098,518 in relation to the Preferential Offering announced on 19 June 2023. The Preferential Offering Units were issued and listed on 19 July 2023.

(4) 1H2022 DPU of 1.22 € cents were restated to reflect the effects of the new Preferential Offering Units.

(5) 1H2023 DPU of 0.93 € cents payable to Unitholders on 31 August 2023, was computed based on income to be distributed to Unitholders for 1H2023 over the total issued Units of 1,341,989,939, which was an aggregate of 1,155,891,421 Units issued as at 30 June 2023 and new Units of 186,098,518 in relation to the Preferential Offering announced on 19 June 2023. The Preferential Offering Units were issued and listed on 19 July 2023. 1H2022 DPU of 1.22 € cents were restated to reflect the effects of the new Preferential Offering Units.

(6) Based on S\$1.4739 per € as at 30 June 2023 as extracted from MAS website.

## Media Release

centre operator in June 2022 and 15-year new lease signed with German federal government body in April 2023, respectively. Due to the latter lease committed at Darmstadt Campus, IREIT's overall occupancy rate improved to 88.7% as at 30 June 2023 from 87.0% in the prior quarter, but was still down from 95.0% a year ago as Darmstadt Campus became vacant since December 2022.

Mr Louis d'Estienne d'Orves, Chief Executive Officer of the Manager, said, "The European real estate market is still expected to remain challenging due to the weak economic environment. The departure of the large single tenant at Darmstadt Campus at end-November 2022 has highlighted the importance of active asset management and diversification in IREIT's portfolio. Despite the weak economic backdrop, we have successfully secured a six-month lease extension in July 2023 with the main tenant, Deutsche Rentenversicherung Bund ("DRV"), at Berlin Campus, bringing its lease expiry to 31 December 2024. In addition, DRV will pay a revised rent that is approximately 45% higher than its current office rent from 1 July 2024 onwards."

In July 2023, the Manager also signed one new lease at Sant Cugat Green and one replacement lease at Parc Cugat. Another new lease is expected to be signed in Delta Nova IV in due course. This would bring the Spanish Portfolio's occupancy rate to 79.7% from 78.7% achieved as at 30 June 2023.

On the investment front, IREIT had announced in June 2023 the proposed acquisition of a portfolio of 17 retail properties located across France that is fully let to B&M Group, a leading discount retailer in Europe ("**B&M Portfolio Acquisition**"). In July 2023, IREIT launched an equity fund raising via preferential offering to raise gross proceeds of approximately S\$75.9 million, which will be mainly used to fund the B&M Portfolio Acquisition. The preferential offering was 134.7% subscribed, showcasing the support and confidence from all Unitholders, including Joint Sponsors Tikehau Capital and City Developments Limited. With Unitholders' approval on the B&M Portfolio Acquisition on 27 July 2023, the transaction is currently expected to be completed by the third quarter of 2023.

"Post the B&M Portfolio Acquisition, IREIT will continue to maintain a healthy aggregate leverage of 34.2% compared to 33.1% as at 30 June 2023. This is well below the aggregate leverage regulatory limit of 50%, providing it with ample debt headroom for future growth opportunities. The enlarged portfolio will also see a diversification into the resilient Retail Parks (Out-of-Town) asset class, thereby enhancing IREIT's portfolio lease profile and income resiliency. Together with the leasing progress made and the end of temporary rent-free

## Media Release

period granted to tenants, our financial performance is set to improve,” added Mr Louis d’Estienne d’Orves.

### **ABOUT IREIT GLOBAL**

---

[www.ireitglobal.com](http://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, five freehold office properties in Spain and 27 freehold 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.

### **ABOUT TIKEHAU CAPITAL**

---

[www.tikehaucapital.com](http://www.tikehaucapital.com) | Paris Euronext, Compartment A Listing

Tikehau Capital is a global alternative asset management group with €40.5 billion of assets under management as at 30 June 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.

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

## Media Release

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 742 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](http://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**

Head of Investor Relations and Capital Markets

Mr Kevin Tan

(65) 6718 0593

[Kevin.Tan@ireitglobal.com](mailto:Kevin.Tan@ireitglobal.com)



**IREIT Global Group Pte. Ltd.**  
(as Manager of IREIT Global)  
1 Wallich Street  
#15-03 Guoco Tower  
Singapore 078881  
Main (65) 6718 0590  
[www.ireitglobal.com](http://www.ireitglobal.com)

## Media Release

### IMPORTANT NOTICE

This news release is not for distribution, directly or indirectly, in or into the United States and is not an offer of securities for sale in the United States or any other jurisdictions.

This news release is for information purposes only and does not constitute an invitation or offer to sell or issue, or any solicitation of any offer to acquire any securities of IREIT in Singapore or any other jurisdiction nor should it or any part of it form the basis of, or be relied upon in connection with, any contract or commitment whatsoever.

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 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



**IREIT Global Group Pte. Ltd.**

(as Manager of IREIT Global)

1 Wallich Street

#15-03 Guoco Tower

Singapore 078881

Main (65) 6718 0590

[www.ireitglobal.com](http://www.ireitglobal.com)

## Media Release

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.

---

Joint Sponsors of IREIT Global:



**CITY  
DEVELOPMENTS  
LIMITED**

**TK** TIKEHAU  
CAPITAL