



Sirius Real Estate Ltd

Year End Presentation 31 March 2018



Industrial Business Parks Sirius Assets

What We Do

We provide flexible and conventional
workspace to companies across Germany

Highlights

17.0%

Total Shareholder Return

6.2%

LFL Organic Rental Growth

€163.7m

&

€103.0m

Assets Acquired

Assets Sold

11.6%

LFL Book Value Increase

Acquisition & asset recycling progressing well

- » Completed the disposal of €103.0m of mature assets with limited further upside
- » Completed €25m equity raise in Aug 2017 & €40m equity raise in Mar 2018
- » Completed on €163.7m* of acquisitions up to Mar 18 with average occupancy of 58%
- » €30.6m of acquisitions notarised or in exclusivity
- » Disposal of non-core sites progressing well (Bremen Brinkmann sale completed post period leaving one last non-core site to be disposed).

Continued organic growth

- » LFL annualised rent roll growth of 6.2% to €67.9m (31 March 2017: €64.0m) inc. acquisitions was €79.5m
- » Capex programme continuing to deliver strong returns
- » LFL occupancy increased to 82.5% from 79.8% (occupancy including acquisitions 79.2%)

Strong shareholder returns

- » Total shareholder return of 17.0% (2017: 15.3%)**
- » Total profit before tax increased by 17% to €89.6m (2017: €76.4m)
- » 11.6% LFL book value increase of €84.4m in period; total portfolio book value is €967.3m*
- » FFO of €38.4m and 4.20c per share^^ (2017: €37.1m & 4.50c)
- » EPRA NAV^ +11% to 64.18c per share (31 March 2017: 57.84c)
- » Dividend pay-out temporarily increased to 75% of FFO to maintain positive income growth and offset the impact on earnings whilst the proceeds of mature high-income producing assets are reinvested
- » Total dividend for the full year up 8.2% to 3.16c (2017: 2.92c)

* Including acquisition costs and 2 transactions that completed 1st April 2018

** Based on adjusted NAV per share and including dividends paid in the period

^ Excluding provisions for deferred tax and financial derivatives and adjusted for shares expected to be issued in July 2018 for the management LTIP scheme

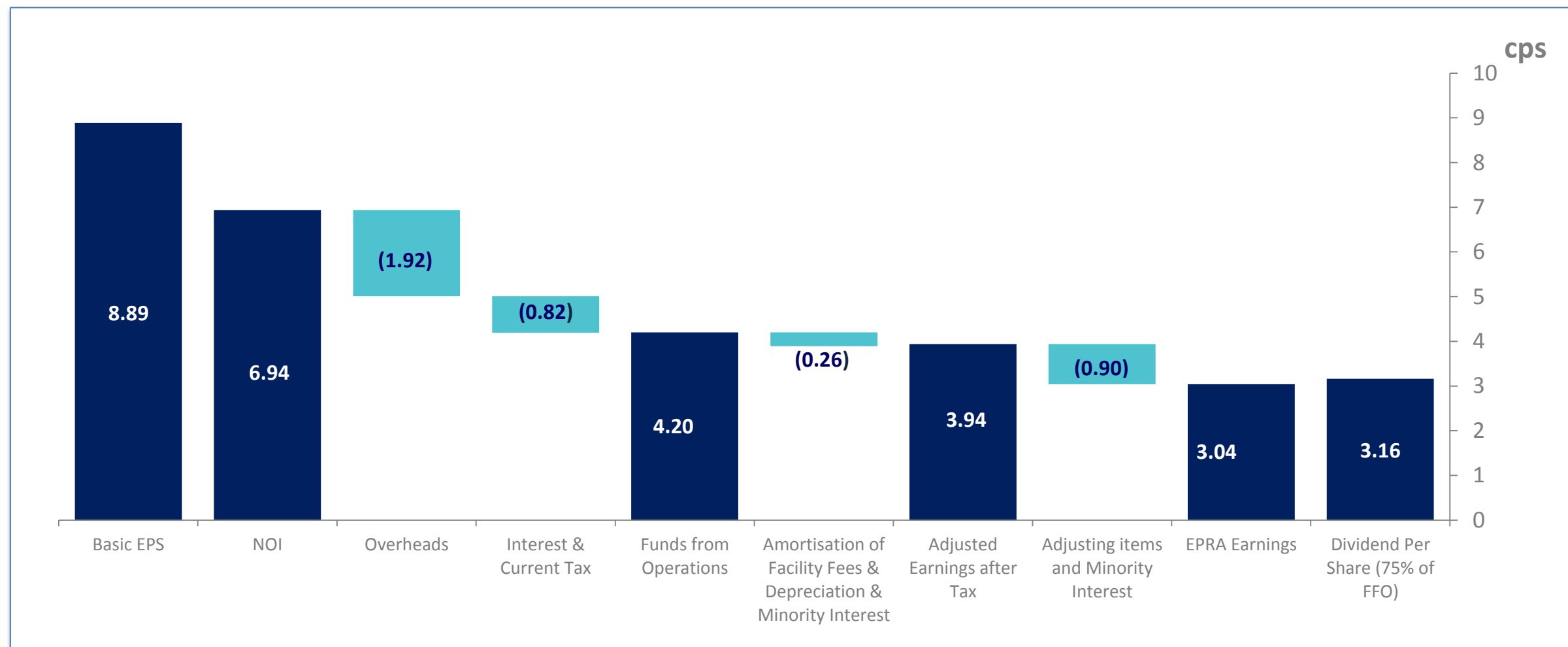
^^ Adjusted profit before tax adjusted for depreciation, amortisation of financing fees and current tax receivable/incurred and calculated using the weighted average number of shares.

Financials – Income Statement

	As at Mar 18 €m	As at Mar 17 €m	Movement €m
Rental income	71.1	67.9	3.2
Service charge irrecoverable costs	(5.7)	(5.7)	-
Non-recoverable maintenance	(1.9)	(1.7)	(0.2)
Net Operating Income	63.5	60.5	3.0
Corporate costs and overheads	(17.6)	(15.9)	(1.7)
Adjusted EBITDA	45.9	44.6	1.3
Bank interest	(6.9)	(7.3)	0.4
Current tax (excluding tax on disposals)	(0.6)	(0.3)	(0.3)
FFO	38.4	37.0	1.4
Amortisation of financing fees	(1.2)	(1.2)	-
Depreciation	(1.1)	(0.9)	(0.2)
Add back current taxes (excluding tax on disposals & PY adjustments)	0.6	0.3	0.3
Adjusted profit before tax	36.7	35.3	1.5
Adjusting items	(8.1)*	(8.9)	0.8
Surplus/Deficit on revaluation of investment properties	63.4	49.8	13.6
(Loss)/Gain on disposal of investment properties	(2.5)	0.1	(2.6)
Change in fair value of derivative financial instruments	0.1	0.1	—
Profit before tax	89.6	76.4	13.2

* Adjusting items include expenses relating to share incentive plans, restructuring costs and other non recurring items

Earnings Per Share

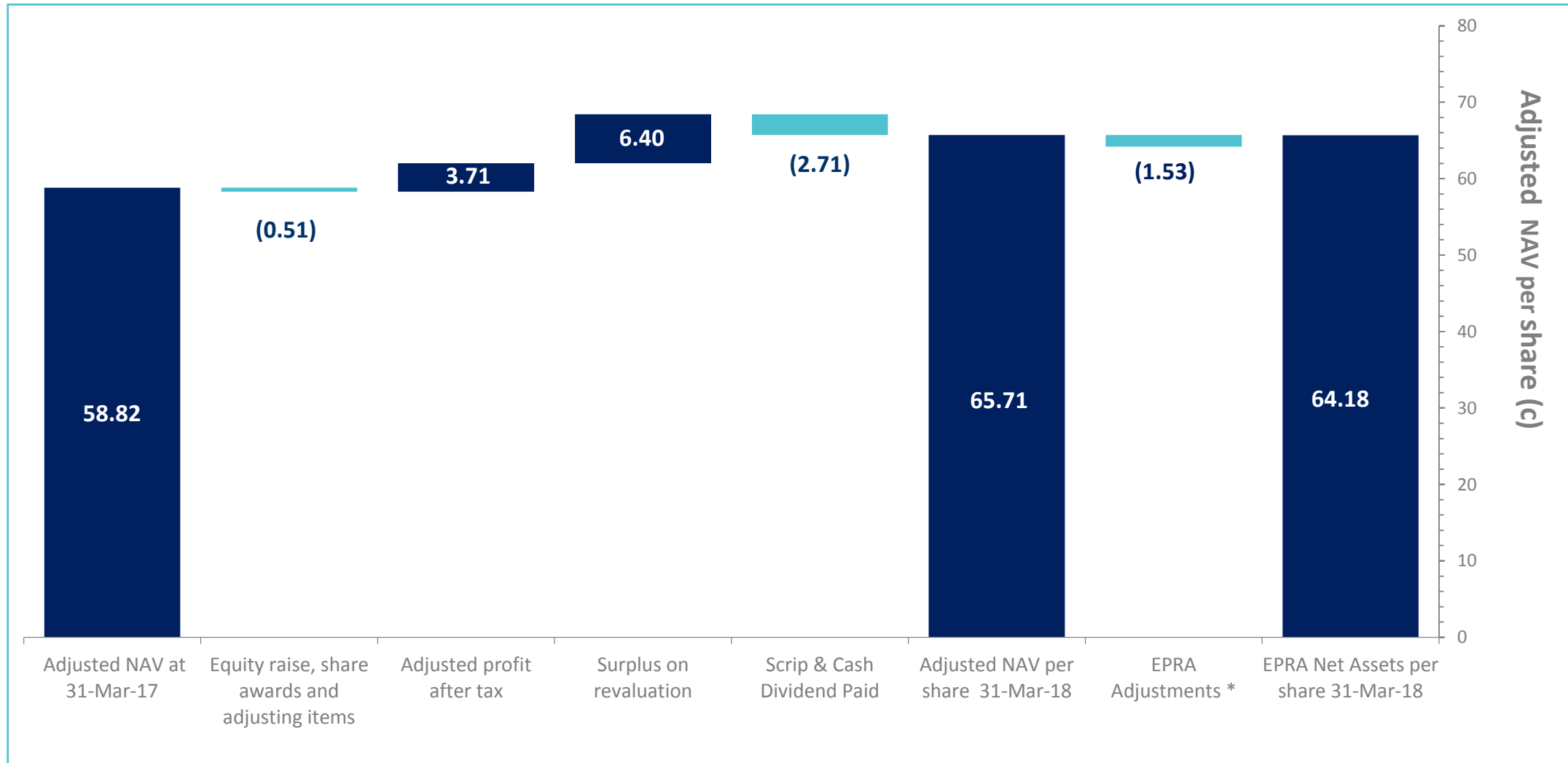


Note: All items in the chart above are calculated on the weighted average number of shares in issue during the period

Financials – Statement of Financial Position

	As at Mar 2018 €m	As at Mar 2017 €m	Movement €m
Assets			
Investment properties (including assets held for sale)	931.2	823.3	107.9
Prepayments for investment properties	35.6	7.0	28.6
Plant and equipment	3.1	2.6	0.5
Goodwill	3.7	3.7	-
Deferred tax asset	0.8	0.2	0.6
Trade and other receivables	9.5	7.3	2.2
Cash and cash equivalents	79.6	48.7	30.9
Total Assets	1,063.5	892.8	170.7
Liabilities			
Trade and other payables	(41.0)	(34.0)	(7.0)
Interest bearing bank loans	(367.1)	(341.8)	(25.3)
Current & Deferred tax liabilities	(29.5)	(21.5)	(8.0)
Derivative financial instruments	(0.3)	(0.3)	-
Total Liabilities	(437.9)	(397.6)	(40.3)
Net Assets	625.6	495.2	130.4
NAV per share	63.09c	56.41c	
ADJUSTED NAV per share	65.71c	58.82c	
EPRA NAV per share	64.18c	57.84c	

NAV Growth March 2018



* EPRA adjustments relate to the deferred tax asset relating to the management LTIP and the inclusion of the maximum number of shares that can be awarded in relation to the management LTIP expected to be awarded in June 2018

Note: All items except EPRA NAV per share in the chart above are calculated on the period end number of shares in issue

Completed Acquisitions

€163.7m

Total Cost of 13 Acquisitions

42%

Vacancy

92%

Potential Increase in NOI

Site	Date Acquired	Total Investment €m	Cost psm	Annualised Acquisition Rental Income €m	Annualised Acquisition NOI €m	Acquisition Occupancy	EPRA Net Initial Yield
Frankfurt	Apr-17	4.5	1,107	0.2	0.0	28%	1.0%
Cologne	Jun-17	22.9	1,126	2.0	1.8	100%	8.1%
Grasbrunn	Jul-17	18.1	1,222	0.1	(0.2)	4%	(1.3)%
Mahlsdorf II	Jul-17	6.4	499	0.5	0.4	62%	6.1%
Neuss	Sep-17	16.1	881	0.7	0.4	38%	2.2%
Neu-Isenburg	Sep-17	9.6	1,205	0.5	0.3	41%	3.6%
Frankfurt II	Sep-17	6.1	1,207	0.5	0.4	87%	7.3%
Hamburg	Dec-17	8.4	750	-	(0.2)	-	(2.6)%
Krefeld III	Jan-18	9.2	881	0.7	0.6	72%	6.7%
Schenefeld	Mar-18	15.1	358	1.5	1.2	71%	7.8%
Frickenhausen	Mar-18	11.1	390	0.8	0.5	50%	4.0%
Total		127.5	726	7.4	5.2	55%	4.1%
Saarbrücken	Apr-18	28.1	593	3.1	2.5	65%	9.0%
Düsseldorf II	Apr-18	8.1	932	0.6	0.5	80%	6.6%
Total		163.7	645	11.1	8.3	58%	5.1%

Completed Acquisitions I - Pictures



Frankfurt I



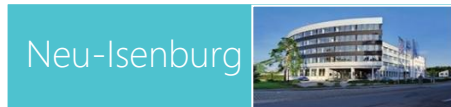
Cologne



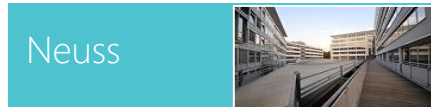
Grasbrunn



Mahlsdorf II



Neu-Isenburg



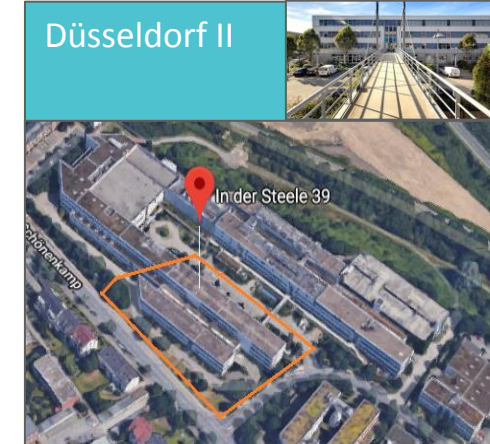
Neuss



Frankfurt II



Completed Acquisitions II - Pictures



Acquisitions Completed & Owned >1yr – Returns Achieved

16

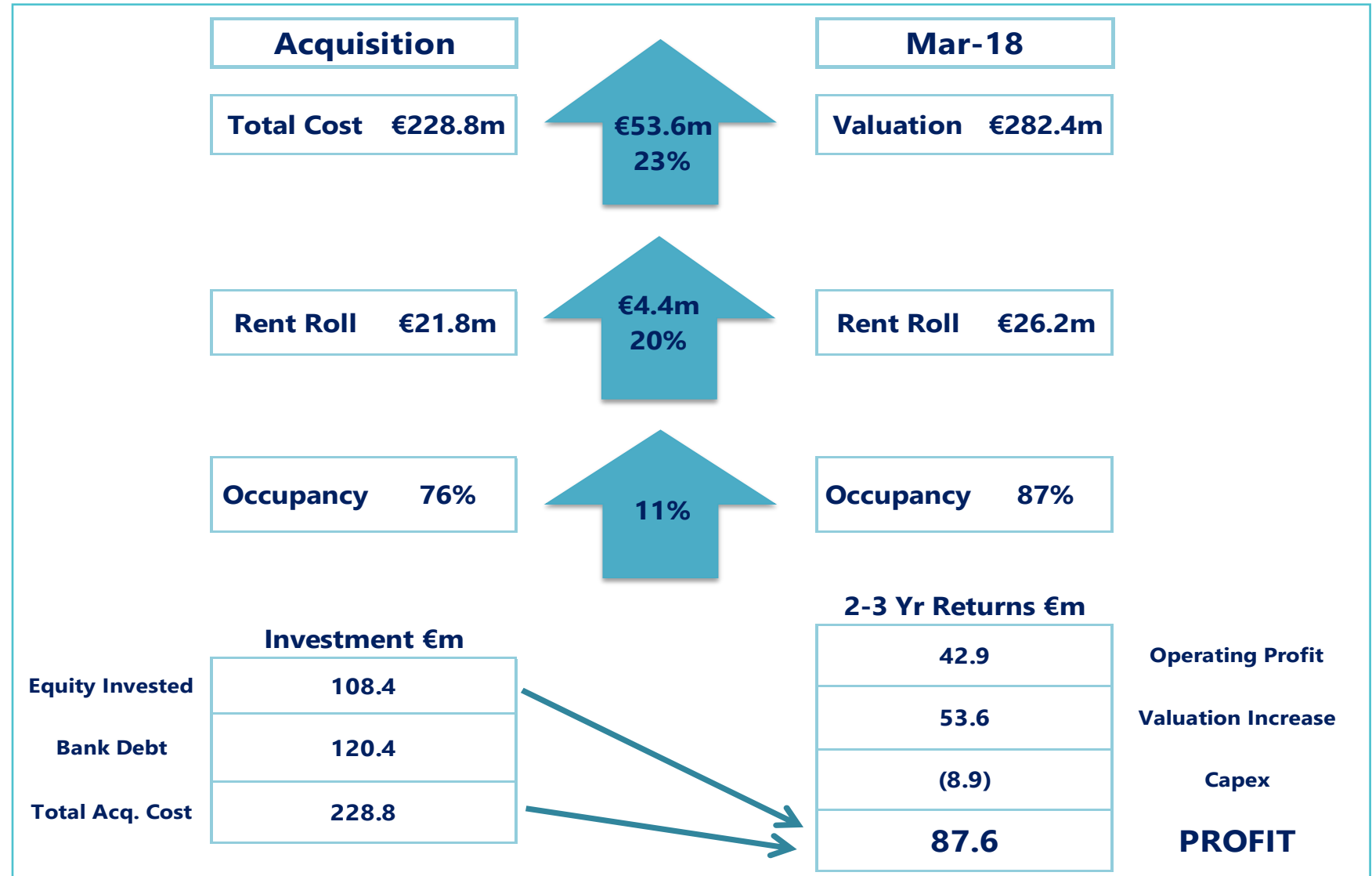
Assets Acquired and Owned for > 1 year

2.3yrs

Weighted Average Time Asset Owned

€87.6m

2.3 Year Returns



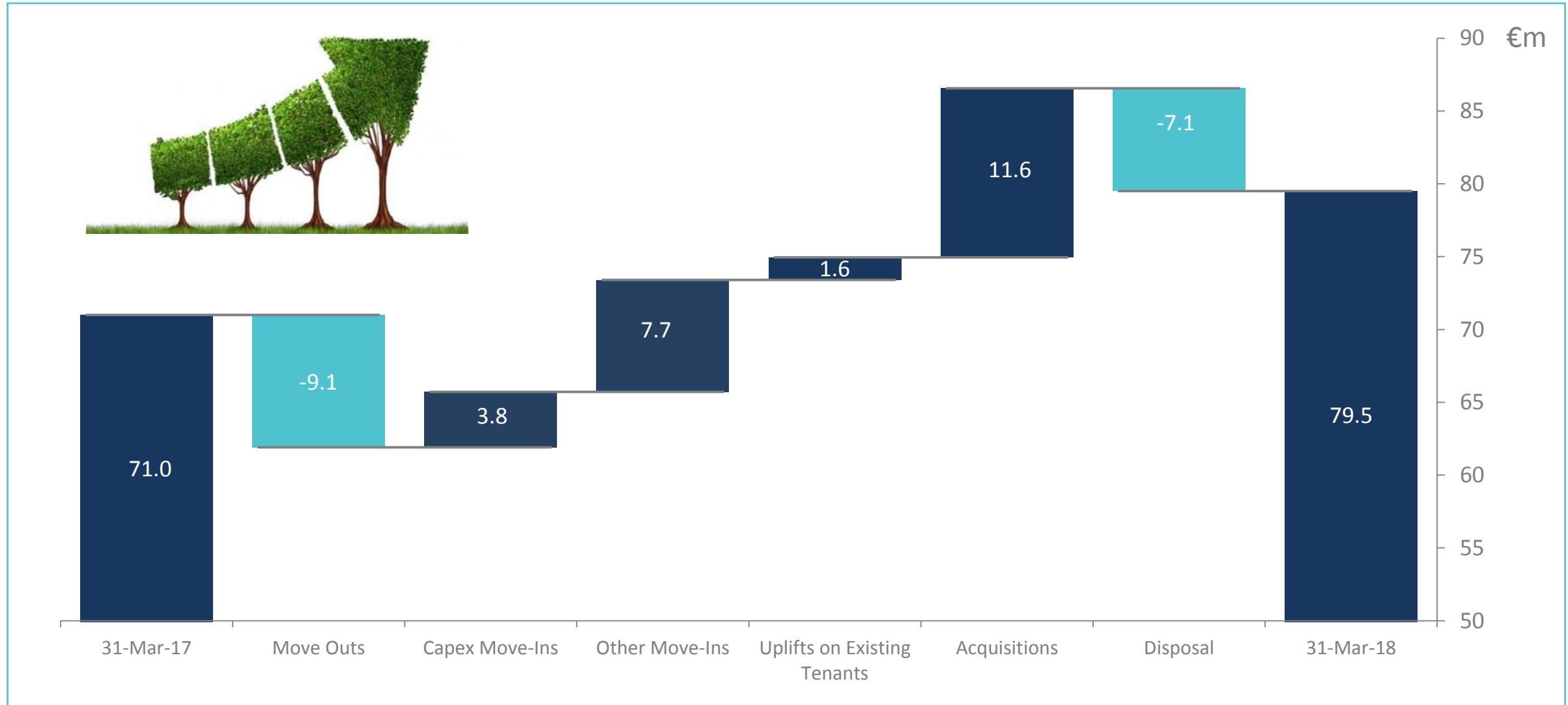
Organic Growth – Rental Income Analysis

Site	Mar-18	Mar-17	Change	
Rent Roll *	€79.5m	€71.0m	↑	12.0%
Rent Roll (Disposals)	-€7.1m	-	-	-
Rent Roll (Acquisitions)	€11.6m	-	-	-
Rent Roll (LFL)	€67.9m	€64.0m	↑	6.2%
Occupancy (LFL)	82.5%	79.8%	↑	2.7%
Occupancy *	79.2%	80.5%	↓	(1.3%)
Rate psm (LFL)	€5.26	€5.11	↑	2.9%
Rate psm *	€5.46	€5.27	↑	3.6%
New Lettings	160,133sqm	151,320sqm	↑	5.8%
New Letting Rate psm	€6.01	€5.60	↑	7.3%
Move-Outs Rate psm	€5.40	€5.54	↓	(2.0%)
Move-Outs	142,164sqm	128,211sqm	↑	10.9%

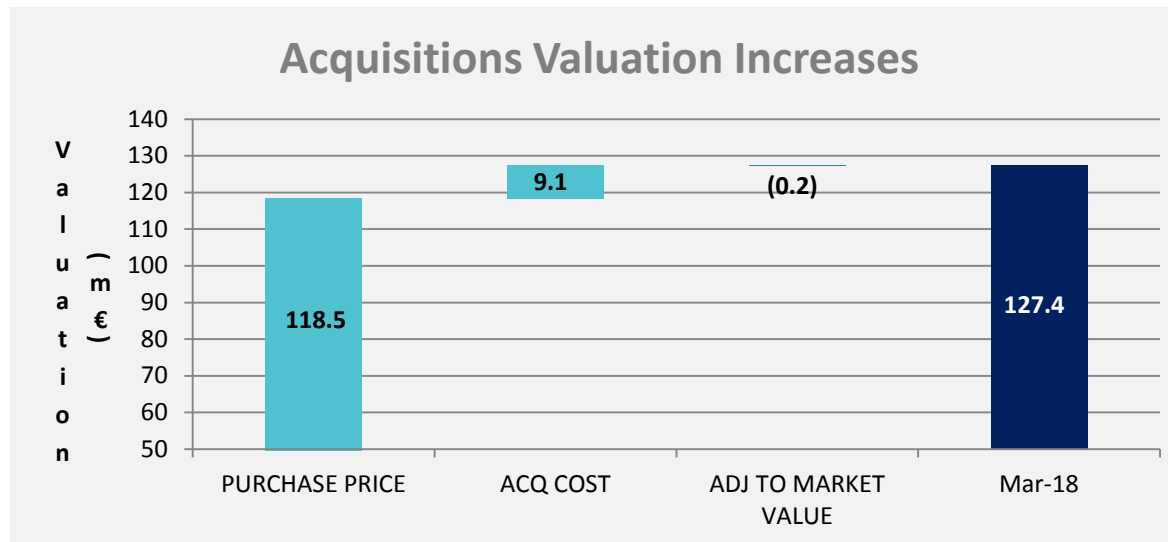
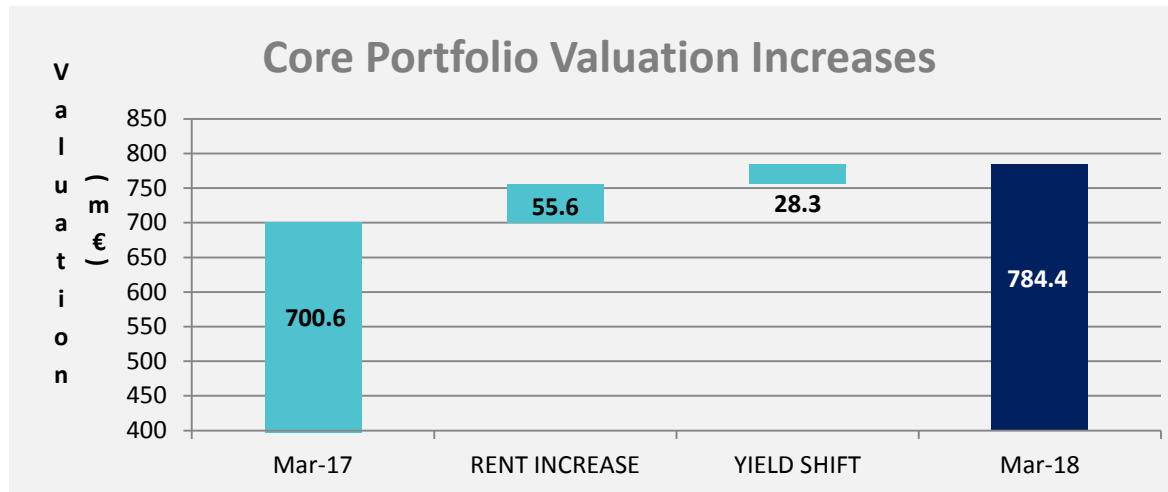


* Mar 18 including Saarbrücken and Düsseldorf II

Organic Growth – Rental Movement Analysis



Like-for-Like Valuation Movement



CORE PORTFOLIO

As at 31 March 2017:

Gross Yield = 8.7%

Net Yield = 7.8%

As at 31 March 2018:

Gross Yield = 8.4%

Net Yield = 7.6%

Gross Yield shift of (37)bps

Book Value - Mar 18 - €m

Core	784.4
Acquisitions	127.4
Non-Core	19.4
Total	931.2

ACQUISITIONS *

As at Acquisition:

Gross Yield = 6.3%

Net Yield = 4.4%

As at 31 March 2018:

Gross Yield = 6.2%

Net Yield = 4.5%

Gross Yield shift of (7) bps

* Calculated on purchase price excluding acquisition costs & excluding Saarbrücken & Düsseldorf II

Value-Add Portfolio Split

Mar-17 *	Book Value €m	Rent Roll €m	NOI €m	Gross Yield	Net Yield	Capital Value psm €	Occupancy	Rate psm €	Vacant Space sqm
Core Value-Add	434.9	38.4	33.2	8.8%	7.6%	568	78.9%	5.49	155,390
Core Mature	265.6	22.6	21.4	8.5%	8.0%	638	93.3%	5.03	26,792
Non-core **	19.0	3.0	1.5	15.9%	7.9%	105	51.2%	2.92	82,171
Other	-	-	-1.5	-	-	-	-	-	-
TOTAL	719.5	64.0	54.6	8.9%	7.6%	528	79.8%	5.11	264,353

Mar-18 LFL	Book Value €m	Rent Roll €m	NOI €m	Gross Yield	Net Yield	Capital Value psm €	Occupancy	Rate psm €	Vacant Space sqm
Core Value-Add	492.5	42.5	39.2	8.6%	8.0%	643	85.5%	5.64	106,479
Core Mature	292.0	23.1	22.4	7.9%	7.7%	701	93.7%	5.12	25,427
Non-core **	19.4	2.3	0.8	12.0%	4.1%	107	43.0%	2.67	96,279
Other	-	-	-1.8	-	-	-	-	-	-
TOTAL	803.9	67.9	60.6	8.4%	7.5%	590	82.5%	5.26	228,185

Mar-18 ALL ***	Book Value €m	Rent Roll €m	NOI €m	Gross Yield	Net Yield	Capital Value psm €	Occupancy	Rate psm €	Vacant Space sqm
Core Value-Add	450.1	36.3	31.5	8.1%	7.0%	545	75.7%	5.55	193,136
Core Mature	461.7	37.2	35.9	8.0%	7.8%	785	94.9%	5.73	28,794
Non-core **	19.4	2.3	0.8	12.0%	4.1%	107	43.0%	2.67	96,279
Other	-	-	-1.8	-	-	-	-	-	-
TOTAL	931.2	75.8	66.4	8.1%	7.1%	584	79.2%	5.46	318,209

* Restated for disposals

** Bremen Brinkmann, Bremen HAG

*** Potsdam, Maintal Mahlsdorf I, Aachen I, Mainz moved from Value-Add to Core-Mature; Krefeld II moved from Core-Mature to Core Value-Add



Value-Add – Vacant Space Analysis

Mar-18 Ending Position - Including Saarbrücken & Düsseldorf II

Total Space - sqm	1,531,774	Occupancy *	79%	
Occupied Space - sqm	1,213,565			
Vacant Space - sqm	318,209			
	Mar-18			
<u>Sub Optimal Space</u>	% of Total Space	Sqm	Capex	ERV (post invest)
Subject to Major Capex Programme		16,574	3,197,870	1,240,711
New Acquisition Vacancy		92,922	22,017,000	6,210,000
<i>Flexilager Vacancy</i>		7,219	106,467	225,749
Total Sub-Optimal Space	8%	116,715	25,321,337	7,676,460
Non-Core Sites	6%	93,433		
Structural Vacancy Core Sites	2%	25,749		
<u>Lettable Vacancy</u>				
Smart Space		18,321		1,345,978
Other Vacancy		63,991	3,708,269	3,443,658
TOTAL LETTABLE SPACE	5%	82,312		
TOTAL	21%	318,209	29,029,606	12,466,096

* Vacancy reduces to 10% when non-core assets are disposed of and Capex Programme completed.

Original Capex Programme

Completed in Period



28.0k sqm

€4.1m

€2.2m

Vacant Space Refurbished in Period

Invested in Period

Annualised Rental Income Increase

Capex Investment Programme Progress	Sqm	Budget					Achieved to date				
		Investment €	Invest psm €	Rent Improvement	Rate	Occupancy	Investment €	Invest psm €	Rent Improvement	Rate	Occupancy
Completed	186,621	22,496,321	121	9,854,509	5.50	80%	18,792,940	101	10,895,304	5.95	82%
In Progress	9,134	2,444,939	268	882,716	8.95	90%	189,405	21	10,764	-	-
To Commence in Next Financial Yr	8,266	1,010,989	122	375,484	4.73	80%	68,653	8	6,726	-	-
Total	204,021	25,952,249	127	11,112,709	5.64	81%	19,050,998	93	10,912,794	-	75%

Still to Come:

17.4k sqm

€4.4m

€1.2m

Vacant Space Still to be Refurbished

Further Investment

Further Annualised Rental Income

Acquisition Capex Programme *

121k sqm

Sub-Optimal Space to be Refurbished

€26.1m

To be Invested

€8.2m

Budgeted Rent Roll Increase

Site	Total Vacant Sqm	Suboptimal Vacancy (for Capex Plan) sqm	Budgeted Investment €m	Budgeted Rent roll Increase €m	Budgeted Occupancy
Markgröningen	19,091	13,162	0.8	0.6	90%
Krefeld	730	208	0.0	0.0	80%
Dresden	21,120	12,836	8.2	1.0	81%
Wiesbaden	6,123	5,812	3.0	0.7	89%
Dreieich	9,352	9,351	0.8	0.7	80%
Frankfurt I	2,978	2,795	0.8	0.3	80%
Mahlsdorf II	4,756	4,533	0.7	0.3	82%
Grasbrunn	13,750	13,502	2.6	1.2	80%
Neu-Isenburg	4,767	4,575	0.9	0.4	80%
Neuss	11,843	11,663	3.0	0.9	80%
Frankfurt II	693	673	0.2	0.1	80%
Hamburg	10,422	10,282	1.9	0.8	86%
Krefeld III	2,650	2,529	0.3	0.1	80%
Hamburg - Schenefeld	10,843	10,349	0.1	0.0	3%
Frickenhausen	12,787	9,678	1.1	0.5	80%
Saarbrücken	16,744	7,413	1.3	0.5	80%
Düsseldorf II	1,704	1,704	0.4	0.1	80%

Total	150,353	121,065	26.1	8.2	76%
Completed	-	24,382	2.0	1.7	59%

* On all assets acquired from April 2016

Asset Recycling



Diposals

Site	Date Disposed	Total Proceeds €m	Price psm	Annualised Disposal Rental Income €m	Annualised Disposal NOI €m	Disposal Occupancy	EPRA Net Initial Yield *
Munich RMS	May-17	85.0	1,184	5.4	5.3	88%	5.9%
Düsseldorf	Jun-17	11.0	663	0.9	0.8	96%	7.2%
Kiel	Sep-17	7.0	693	0.6	0.6	90%	7.4%
Total		103.0	1,047	6.9	6.7	90%	6.2%

Acquisitions

Site	Date Acquired	Total Investment €m	Cost psm	Annualised Acquisition Rental Income €m	Annualised Acquisition NOI €m	Acquisition Occupancy	EPRA Net Initial Yield
Frankfurt II	Sep-17	6.1	1,207	0.5	0.5	87%	7.3%
Cologne	Jun-17	22.9	1,126	2.0	1.8	100%	8.1%
Krefeld III	Jan-18	9.2	881	0.7	0.6	72%	6.7%
Hamburg	Dec-17	8.4	750	-	(0.2)	-	(2.6%)
Schenefeld	Mar-18	15.1	358	1.5	1.2	71%	7.8%
Frickenhausen	Mar-18	11.1	390	0.8	0.5	50%	4.0%
Düsseldorf II	Apr-18	8.1	932	0.6	0.5	80%	6.6%
Saarbrücken	Apr-18	28.1	593	3.1	2.5	65%	9.0%
Total		109.0	627	9.2	7.6	66%	6.8%

Repay Debt & Breakage Costs

48.0

New SEB & Saarbrücken Loan **

(54.9)

NET INVESTMENT SURPLUS

0.9

* Purchasers Costs Estimated

** Net of fees estimated at 2%

Sparkasse

SEB III

Investment from Equity Raises

» Investment of €15m (Mar-17) & €25m (Aug-17) placements - COMPLETED

Acquisitions

Site	Date Acquired	Total Investment €m	Cost psm	Annualised Acquisition Rental Income €m	Annualised Acquisition NOI €m	Acquisition Occupancy	EPRA Net Initial Yield
Frankfurt	Apr-17	4.5	1,107	0.2	0.0	28%	1.0%
Mahlsdorf II	Jul-17	6.4	499	0.5	0.4	62%	6.1%
Grasbrunn	Jul-17	18.1	1,222	0.1	(0.2)	4%	(1.3)%
Neuss	Sep-17	16.1	881	0.7	0.4	38%	2.2%
Neu-Isenburg	Sep-17	9.6	1,205	0.5	0.3	41%	3.6%
TOTAL		54.7	944	2.0	0.9	34%	1.6%
New SEB Loan*		(22.5)					
Add Fees & Tax on disposals**		2.7					
NEW EQUITY		37.2					

» Remaining Fire Power



Portfolio Funding	€m
Mar-18 Equity Raise Funds	39.1
Disposal Proceeds	17.3
New Debt	65.0
Less Fees	(1.6)
Total	119.8

* Net of fees estimated at 2%

** Includes €1.9m of Capital gains tax paid on Munich RMS disposal

Potential of Acquisitions



Site	Annualised Acquisition NOI €m	Business Plan 3 yr Potential NOI €m	Improvement NOI €m
Cologne	1.8	2.0	0.1
Grasbrunn	(0.2)	1.7	1.9
Mahlsdorf II	0.4	0.7	0.3
Neuss	0.4	1.6	1.3
Neu-Isenburg	0.3	1.0	0.6
Frankfurt	0.0	0.5	0.4
Frankfurt II	0.4	0.5	0.1
Krefeld III	0.6	0.9	0.2
Hamburg	(0.2)	0.9	1.1
Schenefeld	1.2	1.5	0.3
Frickenhausen	0.5	1.1	0.7
Saarbrücken	2.5	2.8	0.3
Düsseldorf II	0.5	0.8	0.2
Total	8.3	15.9	7.6
Occupancy	58%	87%	29%
Potential NOI Improvement	-	-	92%

Banking

INCOME/CASH FLOWS AS AT 31 MARCH 2018										
	Portfolio Book Value *	Loan Amount	Rental Income *	NOI *	Annual Interest		Scheduled Annual Amortisation		Cash Contribution (after debt service) €m	Loan Expiry Date
	€m	€m	€m	€m	€m	%	€	%		
Deutsche Genossenschafts-Hypothekenbank AG (DG Hyp)	30.2	14.4	2.6	2.4	0.2	1.59%	0.3	2.2%	1.9	March 2021
Bayerische Landesbank	62.8	24.1	5.6	5.1	0.4	1.66%	0.5	2.1%	4.2	October 2020
SEB AG	138.9	56.1	11.1	10.5	1.0	1.84%	1.2	2.1%	8.3	September 2022
SEB AG II	44.4	22.9	1.5	0.7	0.6	2.58%	0.2	1.0%	(0.1)	October 2024
SEB AG III	73.3	38.0	5.7	4.5	0.6	1.58%	0.8	2.0%	3.1	March 2025
Berlin Hy AG/Deutsche Pfandbriefbank AG (BH PBB)	264.3	84.1	20.6	19.2	1.4	1.66%	2.6	3.0%	15.2	April 2023
Berlin Hyp AG (BH Amber)	151.7	67.5	13.1	12.5	1.0	1.48%	1.8	2.7%	9.7	October 2023
K-Bonds I	109.7	48.0	8.8	8.4	2.0	4.13%	1.0	2.1%	5.5	July 2020 & July 2023
Saarbrücken Sparkasse	28.1	18.0	3.1	2.5	0.3	1.53%	0.7	4.0%	1.5	February 2025
Unencumbered properties	64.2	0.0	7.7	5.4	n/a	n/a	n/a	n/a	5.4	n/a
Other				(1.8)						
Total *	967.3	373.1	79.5	69.4	7.5	2.01%	9.1	2.4%	54.7	

COVENANTS AS AT 31 MARCH 2018								
	Actual				Covenant			
	ICR	DSCR	DYR	LTV	ICR	DSCR	DYR	LTV
Deutsche Genossenschafts-Hypothekenbank AG (DG Hyp)	10.66 x	4.44 x	n/a	47.6%	n/a	1.25x	n/a	68.0%
Bayerische Landesbank	12.73 x	5.61 x	n/a	38.4%	n/a	2.50x	n/a	65.0%
SEB AG	10.17 x	4.74 x	n/a	40.3%	5.90x	n/a	n/a	57.5%
SEB AG II	1.21 x	0.87 x	3.11 x	51.6%	n/a	n/a	1.70x	61.5%
SEB AG III	7.47 x	3.30 x	11.80 x	51.9%	n/a	n/a	7.50x	60.0%
Berlin Hy AG/Deutsche Pfandbriefbank AG (BH PBB)	13.74 x	4.86 x	n/a	31.8%	1.50x	n/a	n/a	62.5%
Berlin Hyp AG (BH Amber)	12.54 x	4.48 x	n/a	44.5%	1.40x	n/a	n/a	65.0%
K-Bonds I	4.26 x	2.83 x	n/a	43.8%	2.50x	n/a	n/a	n/a
Saarbrücken Sparkasse	9.16 x	2.52 x	n/a	64.1%	n/a	2.00x	n/a	n/a
Average	9.50 x	4.19 x	18.62 x	38.6%				

* Including Saarbrücken and Düsseldorf II assets completed 1st April 2018

Banking

5.2 Yrs

Weighted Average Debt Expiry

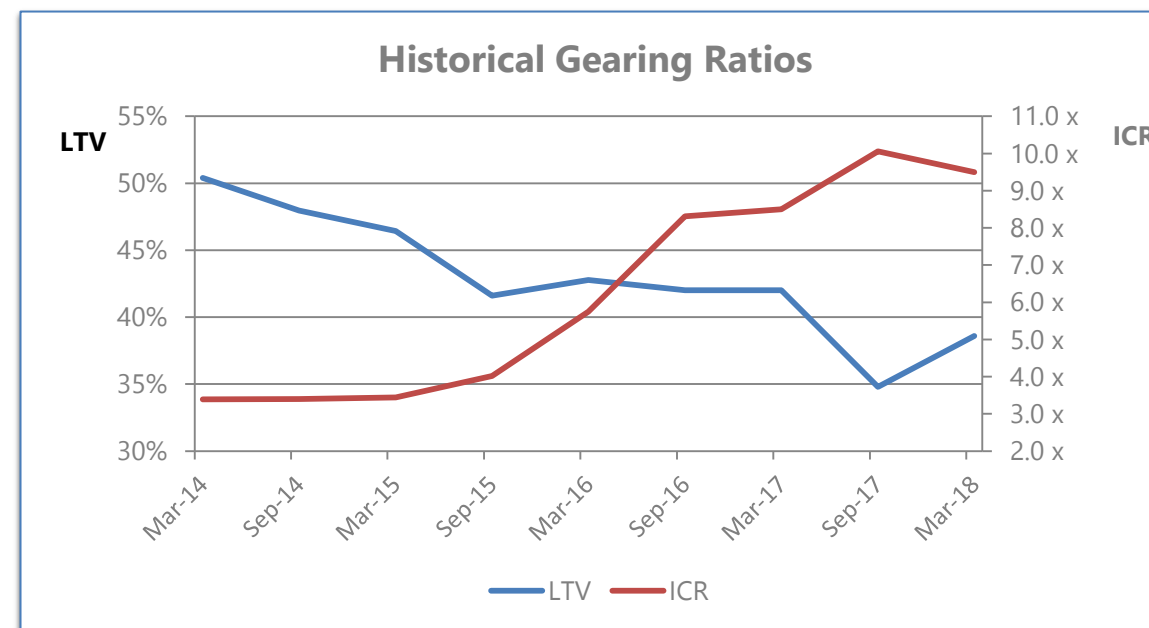
2.0%

Average Cost Of Debt

9.5x

Interest Cover from NOI

	Mar-18	Mar-17
Bank borrowings	€373.1m	€348.6m
Net LTV*	31.9%	38.0%
Gross LTV**	38.6%	42.3%
Weighted average interest rate	2.0%	2.0%
NOI interest cover	9.5x	8.5x
Weighted average debt expiry	5.2 years	5.8 years



* Includes assets that completed 1 April 2018 and related borrowings

** Ratio of gross debt less cash excluding restricted cash to the aggregate value of investment property

Conclusion



- » Total shareholder return of 17.0% despite loss of income from recycling
- » Proceeds from disposals & August 17 equity raise fully invested
- » €120m* of firepower to acquire new assets
- » Strong organic growth on rental income
- » Capex programme continuing to deliver high returns and opportunity has been significantly enhanced through acquisitions
- » Valuations continue to increase from organic growth & yield compression
- » Dividend pay-out ratio temporarily increased

* Includes proceeds from March 18 equity raise, disposal of 2 non-core assets and new banking facilities

Appendices



Case Study 1 – Mannheim Business Park Site Plan & Impression



Case Study 1 – Mannheim Business Park

Property Overview

- » Traditional industrial business park totalling 68,722sqm acquired in 2007 and originally built for an owner occupier
- » Site currently financed by seven-year fixed rate facility at 1.66% interest rate until maturity in April 2023
- » Anchored by two tenants on long leases who between them generate 73% of the total annualised rental income
- » Large initial irrecoverable service charge costs as most of the 22,000sqm of vacancy was structural and unlettable without significant investment
- » Developed structural vacancy and let as conventional, SmartSpace offices/Storage, large hardware store and a number of other SME tenants. Site is almost fully occupied
- » Significantly improved service charge recovery due to implementation of advanced measurement and allocation techniques
- » Site is valued at €47.7m and generating annual NOI of €3.4m after a total investment of €25m (acquisition costs and capex)
- » This represents a 13.6% running NOI yield and a €22.7m valuation gain.



Case Study 1 – Mannheim Business Park

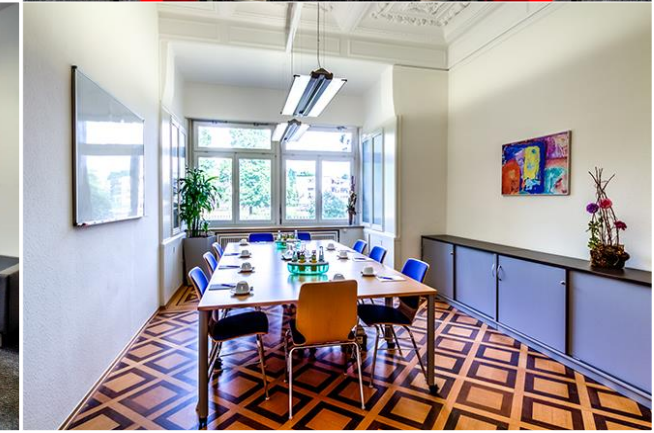
Financials & Returns

	At	Actual	Total Improvement at
Acquired July 2007	Acquisition	Mar-18	Mar-18
Total Cost/Valuation	€ 14.3m	€ 47.7m	€ 33.4m
Total sqm	68,772	68,772	-
Value psm	€ 203	€ 694	€ 491
Invested Equity	€ 7.1m	-	-
Annualised Rental Income	€ 2.1m	€ 3.5m	67%
Annualised NOI	€ 1.6m	€ 3.4m	€113%
Vacant Space sqm	22,007	4,088	(17,919)
Occupancy	68%	94%	26%
Gross Yield	14.8%	6.8%	(8.0)%
EPRA Net Yield*	11.4%	6.7%	(4.7)%
Capex Invested		€ 10.7m	
Return Analysis	Total Investment - €m		Valuation Profit - €m
Total Acquisition Cost	14.3		22.7
Capex	10.7		
Funded From Bank	(16)		
Total Equity Invested	9.0		

* Purchaser acquisition costs estimated



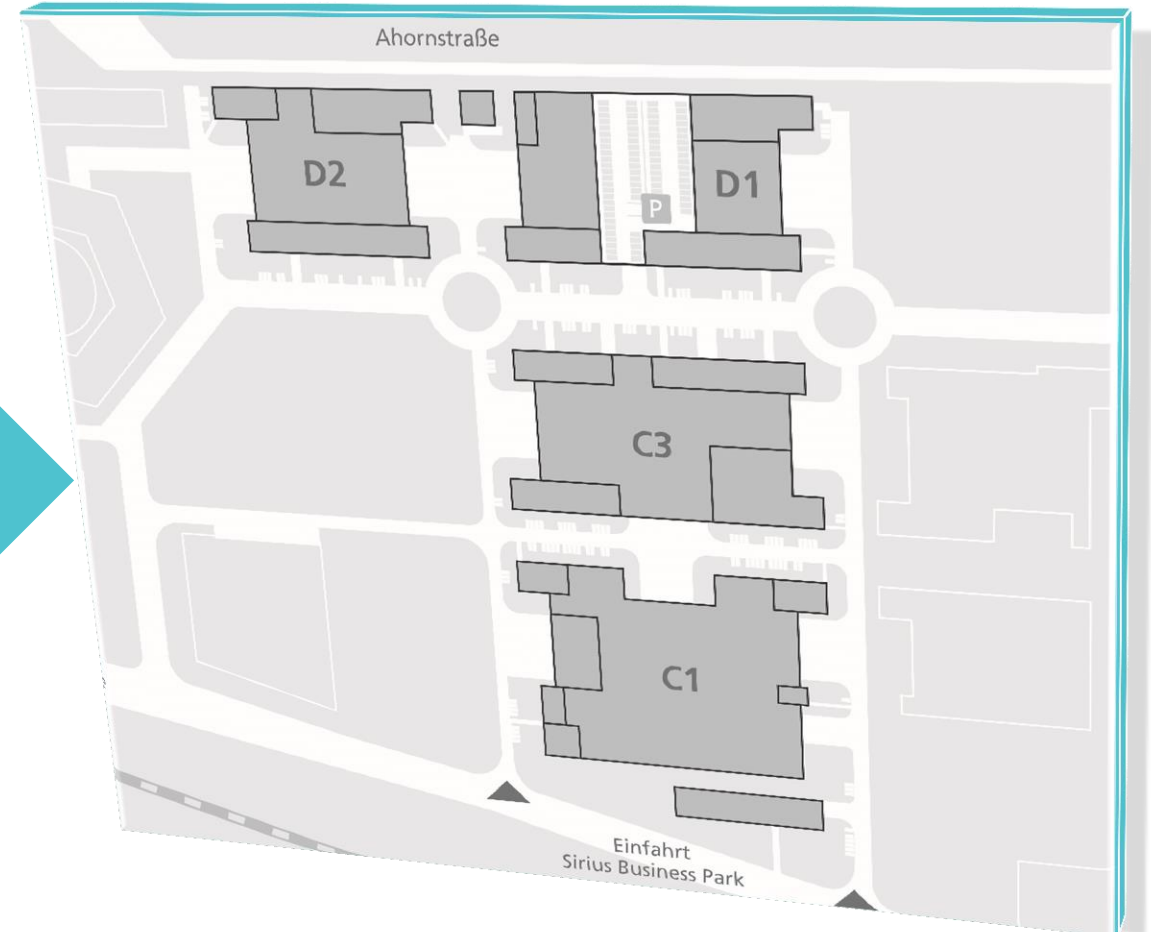
Case Study 1 – Mannheim Business Park



Before

After

Case Study 2 – Potsdam Business Park Site Plan & Impression



Case Study 2 – Potsdam Business Park

Property Overview

- » Modern post-unification business park with 35,719sqm acquired on attractive net initial yield with value-add potential due to significant structural vacancy and expected major tenant move-out
- » Financed by seven-year fixed rate facility at 1.48% interest rate until maturity in October 2023
- » €0.6m capex investment into structural vacancy to create SmartSpace and conventional offices and smaller business units (e.g. laboratory space)
- » Replaced major tenant (€247k annual rent on 2,264sqm) within 4 months with three tenants for a similar rent
- » Site fully occupied and increased annualised rental income by 26.1%
- » Shareholder return of €14.7m on invested equity of €13.5m in three years equating to a 31.2% geared IRR
- » Site is valued at €38.0m and generating annual NOI of €2.8m after a total investment of €30m (acquisition costs and capex)
- » This represents a 9.3% running NOI yield and a €8.0m valuation gain.



Case Study 2 – Potsdam Business Park

Financials & 3 Year Returns

	At	Actual	Total
Acquired December 2014	Acquisition	Mar-18	Improvement at Mar-18
Total Cost/Valuation	€ 29.4m	€ 38.0m	€ 8.6m
Total SQM	35,931	35,719	-
Value psm	€ 773	€ 1,064	€ 291
Invested Equity ***	€ 13.5m	€ 19.2	€5.7
Annualised Rental Income	€ 2.3m	€ 2.9m	23%
Annualised NOI	€ 2.2m	€ 2.8m	€26%
Vacant Space	5,434	318	(5,116)
Occupancy	85%	99%	14%
Gross Yield	8.5%***	7.6%	(0.9)%
EPRA Net Yield*	7.5%	6.8%	(0.7)%
Capex Invested		€ 0.6m	

Return Analysis	3 Years to Mar-18 €m
Retained Profit **	6.7
Valuation Increase	8.6
Capex	(0.6)
Cumulative Total Shareholder Return	14.7



* Purchaser acquisition costs estimated

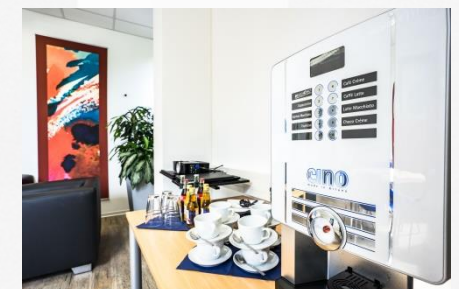
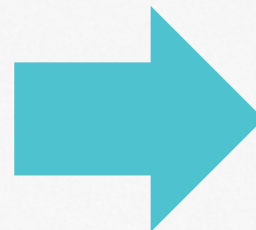
** Retained profit calculated as net operating income less bank interest

*** Excluding acquisition costs

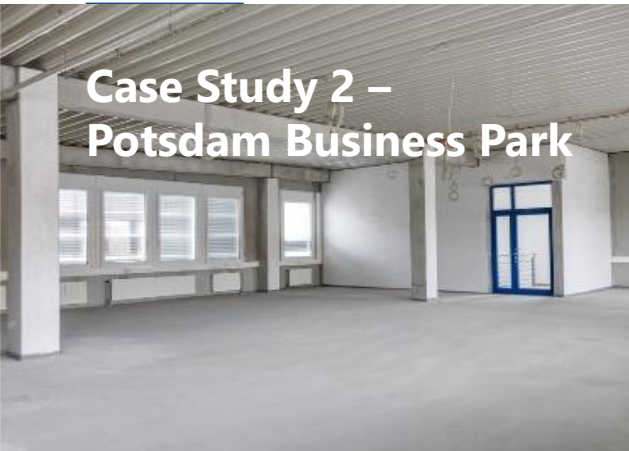
Case Study 2 – Potsdam Business Park

Valuation Analysis

	Lettable Space sqm	Rental Income €m	Capex €m	Purchase Price/Valuation €m	Gross Yield
Acquisition (Occupied)	30,497	2.4	0	27.8	8.5%
Development of Sub-Optimal Space	3,360	0.33	0.5	3.9	8.5%
Replacement of Major Tenant Move-Out	(2,264)	(0.25)		(2.9)	8.5%
	2,264	0.24	0	2.8	8.5%
Other		0.2	0.1		
Yield Shift				6.4	(0.9%)
Actual 3 Year Position		2.9	0.6	38	7.6%



Case Study 2 – Potsdam Business Park



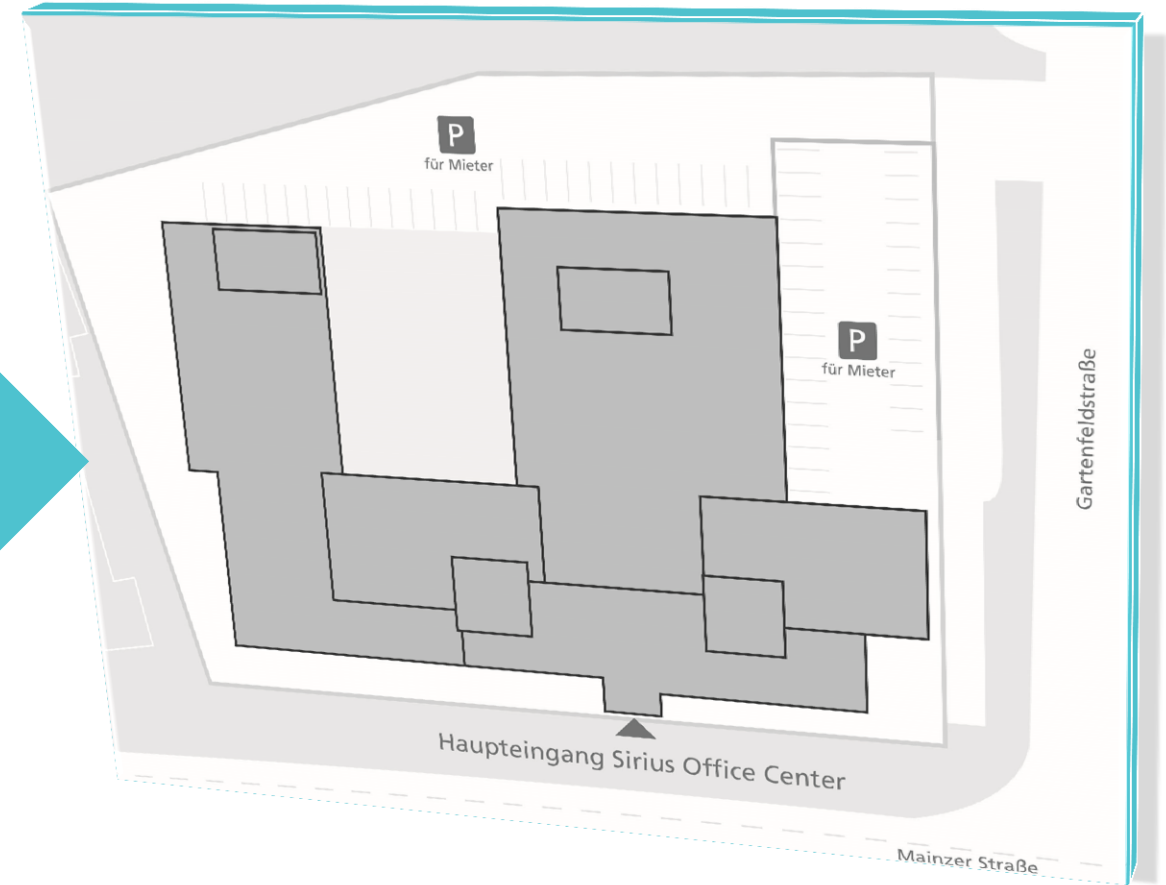
Before



After

Case Study 3 – Wiesbaden

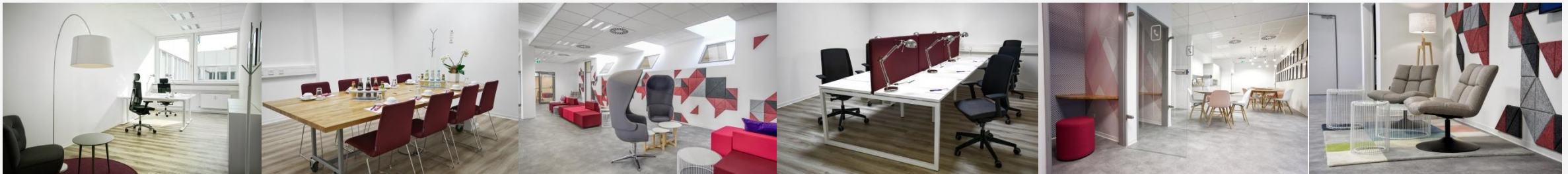
Site Plan & Impression



Case Study 3 – Wiesbaden

Property Overview

- » Office building of 18,889sqm acquired at attractive net initial yield of 9.1% with only 65% occupancy and two tenants on a WALT of 2.3 years.
- » Financed by a seven-year fixed rate facility at 1.48% interest rate until maturity in October 2023
- » All of the vacancy was structural vacancy in poor condition within a very difficult floorplate on the basement, ground and first floors
- » One of the two original tenants will vacate but the space is expected to be re-let quickly.
- » Structural vacancy is being converted into a combination of a high quality business centre (completed), a fitness studio (signed and awaiting permissions), a laboratory (still in negotiations) and SmartSpace storage (in progress)
- » Expected three-year geared IRR in excess of 35.6% based on business plan
- » Site is expected to be valued at €32.6m while generating annual NOI of €2.4m after a total investment of €20.7m (acquisition costs and capex)
- » This represents a 11.6% running NOI yield within a 3 year period with a potential €11.9m valuation gain.



Case Study 3 – Wiesbaden

Financials & 3 Year Returns

	At	Actual	Business Plan	Total Expected Improvement
Acquired Nov-16	Acquisition	17 months progress to Mar-18	Target to Sept-19	
Total Cost/Valuation	€ 17.7m	€ 21.3m	€32.6	€ 14.9m
Total SQM	19,602	18,889	18,889	-
Value psm	€ 829	€ 1,217	€1,727	€ 898
Invested Equity	€ 11.7m	-	-	-
Annualised Rental Income	€ 1.9m	€ 2.1m	€ 2.5m	31.6%
Annualised NOI	€ 1.6m	€ 1.9m	€ 2.5m	€50.0%
Vacant Space	6,939	2,550	1,114	(5,116)
Occupancy	64.6%	86.5%	94.1%	29.5%
Gross Yield	11.6%***	9.9%	7.7%	(3.9)%
EPRA Net Yield *	9.1%	8.1%	7.0%	(2.4)%
Capex Invested		€ (0.9)m	€(3.1)m	

Return Analysis	Expected 3 Yr Return €m
Retained Profit **	5.7
Valuation Increase	14.9
Capex	(3.1)
Cumulative Total Shareholder Return	17.5



* Purchaser acquisition costs estimated

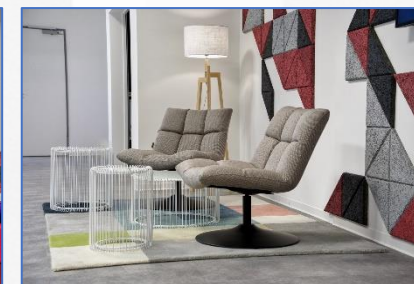
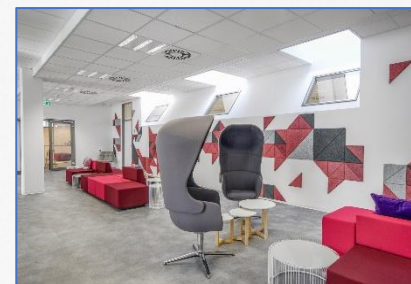
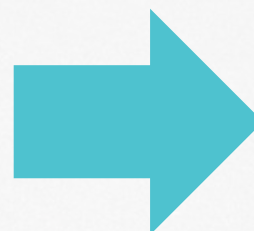
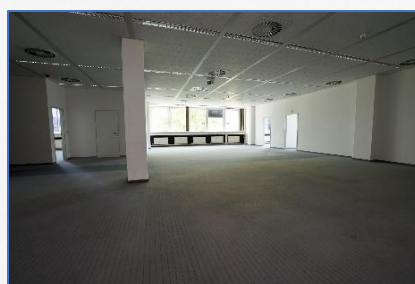
** Retained profit calculated as net operating income less bank interest

*** Excluding acquisition costs

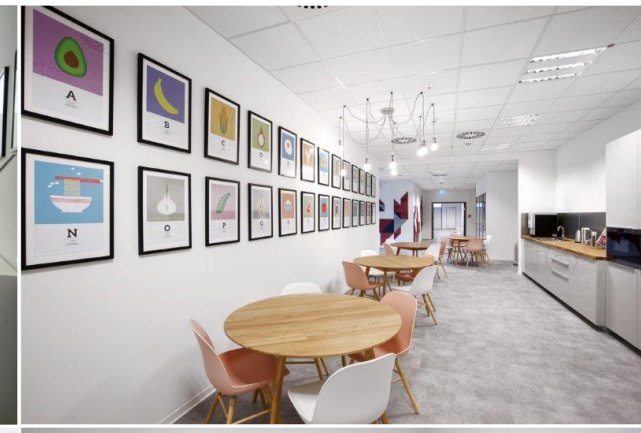
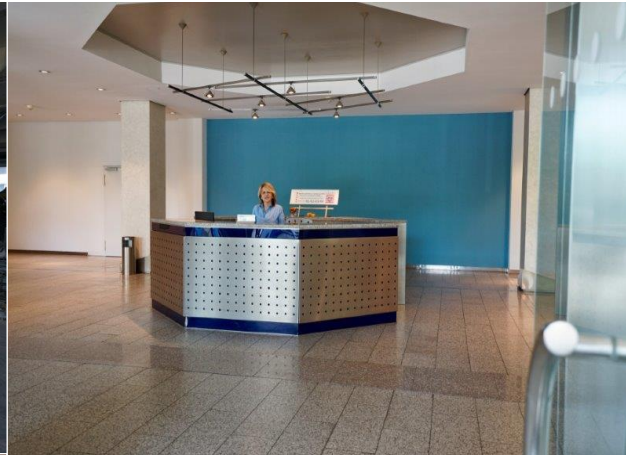
Case Study 3 – Wiesbaden

Valuation Analysis

	Lettable Space sqm	Rental Income €m	Capex €m	Purchase Price/Valuation €m	Gross Yield
Acquisition (Occupied)	12,657	1.9	0	16.2	11.6%
Development of Sub-Optimal Space	3,360	0.7	2.4	6.4	11.6%
Other		(0.1)	0.7		
Yield Shift				10	(3.8)%
Actual 3 Year Position		2.5	3.1	32.6	7.7%



Case Study 3 – Wiesbaden



Before

After



Property Valuations & Book Value as at 31 March 2018

Mar-18	Book Value €m	Rent Roll €m	NOI €m	Gross Yield	Net Yield	Capital Value psm €	Occupancy	Rate psm €	Vacant Space sqm
Core Assets	911.8	73.5	67.4	8.1%	7.4%	645	84.4%	5.55	203,482
Non-Core Assets *	19.4	2.3	0.8	12.0%	4.1%	107	43.0%	2.67	96,279
Other	-	-	-1.8	-	-	-	-	-	-
TOTAL	931.2	75.8	66.4	8.1%	7.1%	584	79.7%	5.37	299,761

Valuation Movement in Year	€m	% Change
Book Value @ 31 March 2017 **	823.3	
Acquisitions/Disposals	23.7	2.8%
Valuation Uplift	63.5	7.7%
Capex	20.7	2.5%
Book Value @ 31 March 2018 **	931.2	13.0%

Valuation Reconciliation to Book Value	€m
Cushman & Wakefield ***	933.7
Adjusted for Rent Free Payments & Stepped Rents	(2.5)
Book Value @ 31 March 2018	931.2

* Bremen Brinkmann & Bremen Hag

** Including Assets held for sale

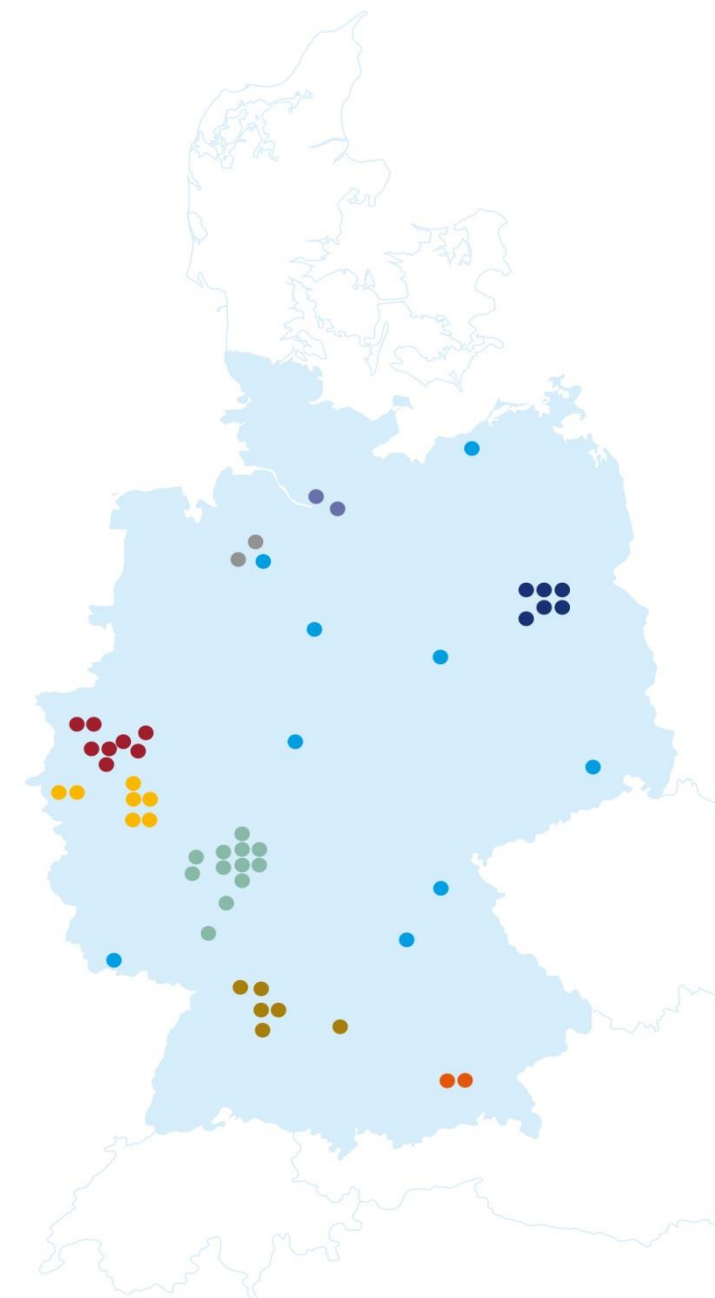
*** After full provision of purchasers costs

Properties

Portfolio at a glance - Mar 18

Mar-18		No. Of Properties	Total Sqm'000	Occupancy	Rate psm €	Annualised Rent €m	% of Portfolio By Rent	Value €m *	Gross Yield
Frankfurt	●	12	286	86.7%	5.89	17.6	22%	210.4	8.3%
Berlin	●	6	204	93.6%	5.57	12.7	16%	156.7	8.1%
Stuttgart	●	6	232	85.8%	4.41	10.5	13%	119.2	8.8%
Cologne	●	7	128	89.0%	6.83	9.3	12%	113.1	8.3%
Munich	●	2	105	74.1%	6.06	5.7	7%	101.5	5.6%
Düsseldorf	●	8	103	77.7%	5.77	5.5	7%	74.2	7.5%
Hamburg	●	2	51	58.1%	4.15	1.5	2%	23.7	6.2%
Non-core	●	2	169	43.0%	2.67	2.3	3%	19.3	12.1%
Other	●	9	254	79.5%	5.92	14.3	18%	151.7	9.4%
TOTAL		54	1,532	79.2%	5.46	79.5	100%	969.8	8.2%

* Cushman & Wakefield Valuation with Saarbrücken & Düsseldorf II included at cost



Properties

Total Portfolio Rental Analysis – 31 March 2018

2.6Yrs

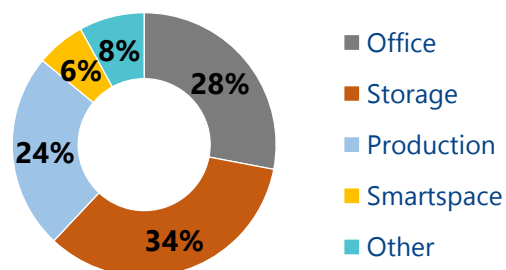
4,432

Portfolio WALT

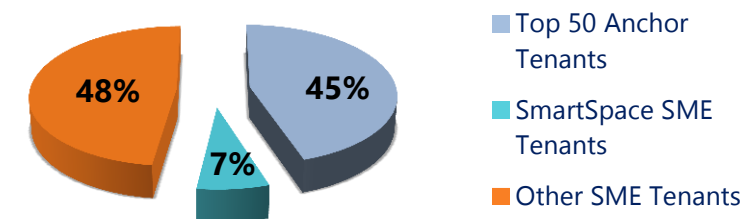
No. Of Tenants

Historical Rental Movement (Ex Acq. since 2014)	Annual Rent €m	CAGR
Year:		
Mar-10	31.6	
Mar-18	41.6	3.5%

Usage Split



Tenant Split by Revenue



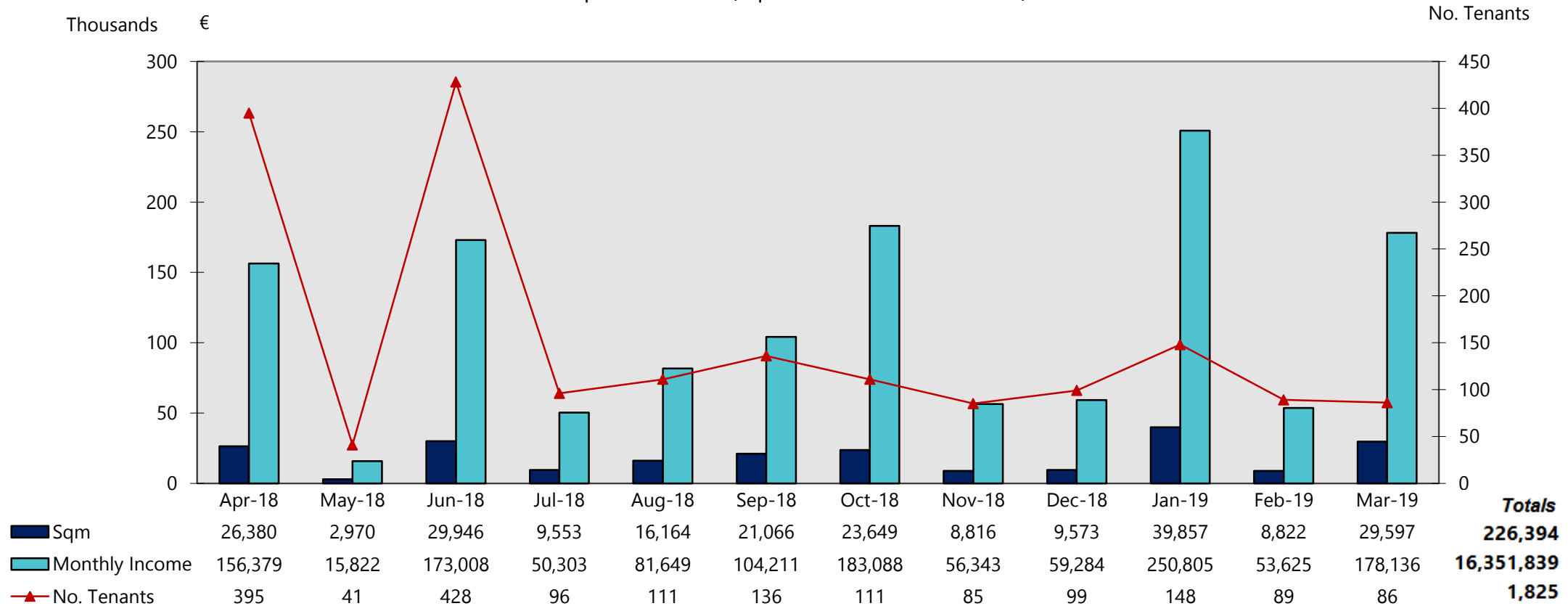
Type of Tenant	No. Of Tenants as at 31 Mar-18	Occupied Sqm	Annual Rent €m	Rate psm €
Top 50 Anchor Tenants	50	544,669	34.3	5.26
SmartSpace SME Tenants	2,163	59,853	5.2	7.19
Other SME Tenants	2,219	571,468	36.3	5.29
Total	4,432	1,175,990	75.8	5.37

Top Tenants	% of Rent Roll
GKN Aerospace Deutschland GmbH	2.9%
MAN Diesel & Turbo SE	2.2%
EPCOS AG	2.1%
VAG GmbH	2.0%
TLT Holding GmbH	1.7%
NuCellSys GmbH	1.7%
Land Hessen	1.6%
Bundesanstalt für Immobilienaufgaben	1.5%
Der Grüne Punkt	1.5%
Daimler AG	1.4%
Total	18.6%

Properties

Core Portfolio Renewals Analysis to March 2019 *

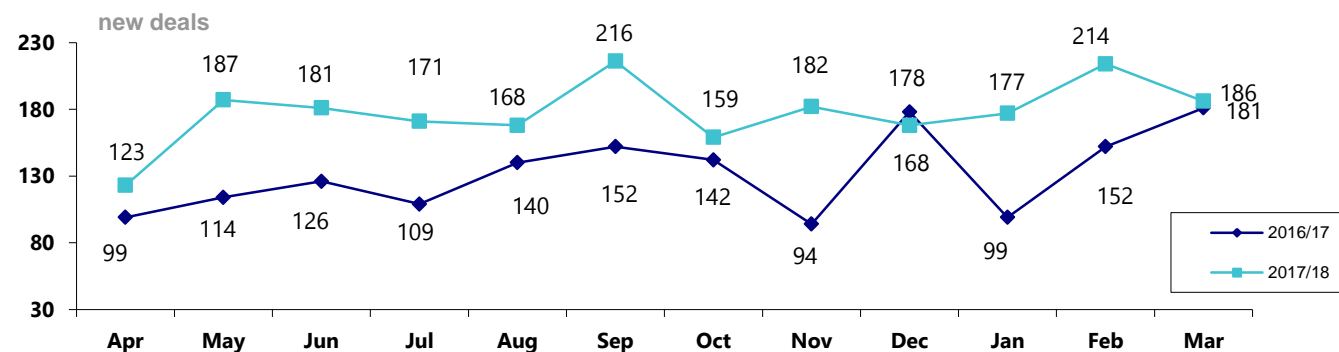
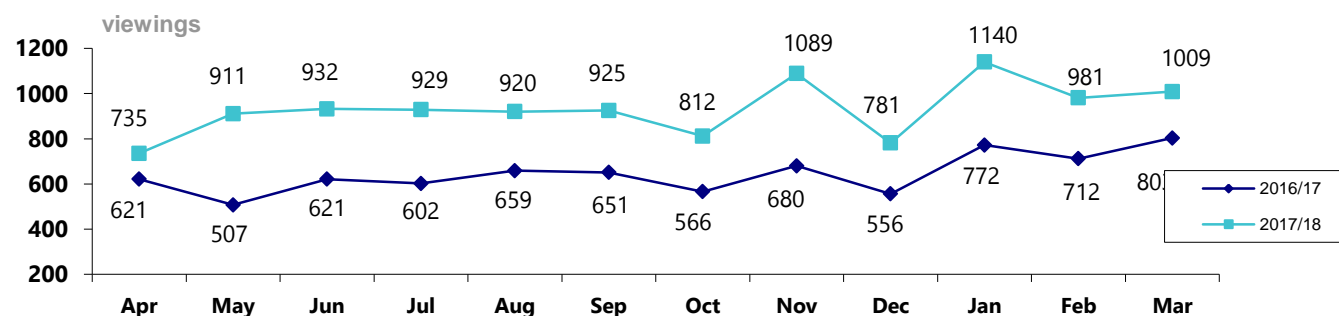
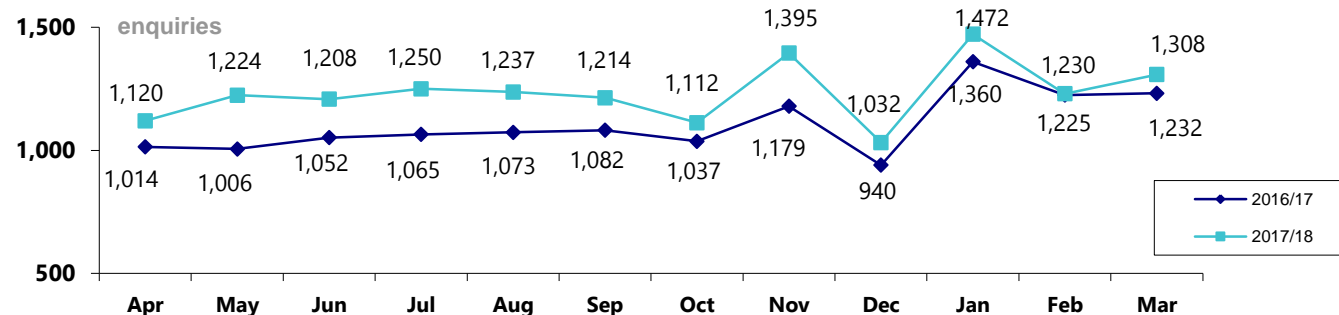
Core Up for Renewal (Sqm, Income & No. Tenants) 2018/19



* Excluding DDS headleases and DDS subleases (DDS contracts with SmartSpace, Flexilager and conferencing clients)

Properties

Enquiries/Viewings/Sales



Average per Month

Twelve months to
Mar 17

1,105

Increase of **12 %**

Twelve months to
Mar 18

1,234

Average per Month

Twelve months to
Mar 17

646

Increase of **44 %**

Twelve months to
Mar 18

930

Conversion (Enquires -> Viewings)

Mar 17

58 %

Mar 18

75 %

Average per Month

Twelve months to
Mar 17

132

Increase of **35 %**

Twelve months to
Mar 18

178

Conversion (Enquiries -> Sales)

Mar 17

12%

Mar 18

14 %

Properties

Smart Space (SmSp) Products



Smartspace Product Type	Total sqm	Occupied sqm	Occupancy %	Annualised Rental Income (excl. Service Charge) €	% of Total Annualised SmSp Rental Income	Rate per sqm (excl. Service charge) €
First Choice Office	1,275	510	40%	176,000	3%	28.81
SMSP Office	33,799	26,437	78%	2,594,000	50%	8.18
SMSP Workbox	6,268	4,840	77%	353,000	7%	6.07
SMSP Storage	32,620	23,880	73%	1,737,000	34%	6.07
SMSP Subtotal	73,962	55,667	75%	4,860,000	94%	7.28
SMSP Flexilager*	11,406	4,187	37%	304,000	6%	6.06
SMSP TOTAL	85,368	59,854	70%	5,164,000	100%	7.19

During the period a further 6,232sqm of Smartspace Office, 510sqm of Smartspace Workbox and 3,624sqm of Smartspace Storage were created from vacant sub-optimal space and Flexilager

* Not adjusted for common areas

Vacant Space – Path to 90% Occupancy

» Dispose of non-core assets & complete 80% of major capex programmes

Total Space - sqm		1,531,774	Occupancy		79%	Total Space – sqm		1,363,002	Occupancy		90%
Occupied Space - sqm		1,213,565				Occupied Space – sqm		1,228,091			
Vacant Space - sqm		318,209				Vacant Space - sqm		134,911			
	Mar-18 *										
<u>Sub Optimal Space</u> Subject to Major Capex Programme New Acquisition Vacancy <i>Flexilager Vacancy</i> Total Sub-Optimal Space - Non-Core Sites Structural Vacancy Core Sites <u>Lettable Vacancy</u> Smart Space Other Vacancy TOTAL LETTABLE SPACE	% of Total Space	SqM	Capex	ERV (post invest)		<u>Sub Optimal Space</u> Subject to Major Capex Programme New Acquisition Vacancy <i>Flexilager Vacancy</i> Total Sub-Optimal Space - Structural Vacancy Core Sites <u>Lettable Vacancy</u> Smart Space Other Vacancy TOTAL LETTABLE SPACE	% of Total Space	SqM	Capex	ERV (post invest)	
		16,574	3,197,870	1,240,711							
		92,922	22,017,000	6,210,000							
		7,218	106,467	225,749				5,615	110,176		
	8%	116,714	25,321,337	7,676,460			0%	5,615			
	6%	93,433					2%	25,749			
	2%	25,749									
		18,321		1,345,978				20,971		1,461,551	
		63,991	3,708,269	3,443,658				82,576	1,847,833	4,685,658	

* Ending Position - Including Saarbrücken & Düsseldorf II

Acquisitions Completed in Prior Years

Site	Total Acq. Cost €m	Mar 18 Valuation €m	Valuation Increase €m	Acq. Rental Income €m	Mar 18 Rental Income €m	Rental Income Increase €m	Acq. Occupancy	Mar 18 Occupancy	Occupancy Increase	Capex Since Acq. €m
Potsdam	29.4	38.0	8.6	2.3	2.9	0.5	87%	99%	12%	0.6
Mahlsdorf	19.6	27.5	7.9	1.8	2.3	0.5	85%	98%	13%	0.4
Bonn	3.1	7.0	4.0	0.5	0.6	0.0	76%	71%	-5%	0.2
Aachen I	18.7	26.5	7.8	1.8	2.3	0.5	73%	95%	22%	1.5
Ludwigsburg	7.4	13.6	6.2	1.0	1.5	0.5	76%	87%	11%	1.7
Weilimdorf	5.7	5.8	0.1	0.5	0.5	0.0	100%	100%	0%	0.0
Heidenheim	18.3	23.5	5.2	1.8	2.1	0.2	83%	87%	4%	0.5
CöllnParc	18.4	20.0	1.6	1.5	1.5	0.0	90%	96%	6%	0.3
Aachen II	7.2	7.4	0.2	0.5	0.5	0.0	97%	96%	0%	0.0
Mainz	25.1	30.2	5.1	2.2	2.6	0.4	83%	94%	11%	0.6
Markgröningen	8.7	16.5	7.8	1.3	1.7	0.3	67%	88%	21%	0.5
Krefeld	13.5	14.0	0.5	1.2	1.3	0.0	94%	92%	-1%	0.1
Dresden	28.6	31.2	2.6	2.8	3.0	0.2	66%	70%	4%	0.9
Wiesbaden	17.7	21.3	3.6	1.9	2.1	0.2	65%	86%	22%	0.9
Krefeld II	2.9	4.0	1.1	0.4	0.2	-0.2	100%	62%	-38%	0.0
Dreieich	4.6	8.0	3.4	0.3	1.3	1.0	29%	75%	46%	0.5
Total	228.8	294.5	65.7	21.8	26.3	4.4	76%	87%	11%	8.9

Acquisitions Completed in Prior Years – Valuation & Rent Roll

