



Sirius Real Estate Ltd

# Year End Presentation - 31 March 2019





## Industrial Business Parks

# Sirius Assets

We provide flexible and conventional workspace to companies across Germany

# Highlights

**61.5%**

**Increase in PBT**

**19.3%**

**Total Shareholder  
Accounting Return**

**16.6%**

**EPRA NAV Per  
Share Increase**

**7.1%**

**LFL Organic  
Rental Growth**

**&**

**13.3%**

**LFL Book  
Value Increase**

**€116.4m**

**Assets Acquired  
or Notarised**

**&**

**€27.4m**

**Assets Sold<sup>^</sup>**

## Highlights

- » Total profit before tax increased by 61.5% to €144.7 million (2018: €89.6m)
- » Continued strong organic growth in like-for-like annualised rent roll with an increase of 7.1% (2018: 6.2%), total annualised rent roll increased to €87.8 million (2018: €79.5 million)
- » Funds from operations grew by 26% to €48.4 million (2018: €38.4 million)
- » Like-for-like book value increase of 13.3% or €128.2 million (2018: 11.6%), total portfolio book value increased to €1,132.5 million (2018: €931.2 million)
- » Final dividend of 1.73c per share declared giving total dividend for year of 3.36c (based on 70% of FFO payout) an increase of 6.3% on the 3.16c total dividend for the year ended 31 March 2018 (based on 75% of FFO payout)
- » Total shareholder accounting return based on adjusted NAV and dividends paid of 19.3% (2018: 17.0%)
- » Asset Recycling programme progressing well: sold three non-core assets located in Bremen generating €25.6 million, acquired six new assets for €101.2 million\* and notarised two further acquisitions\*\* totalling €15.2 million
- » Established new Joint Venture with AXA Investment Management – Real Assets\*\*\*; five assets acquired from Sirius at an implied property value of €168 million (last reported book value €141.1m)

\* Including two assets totalling €36.1 million that were prepaid at 31 March 2018

\*\* Completed post year end

\*\*\* Expected to complete in July 2019

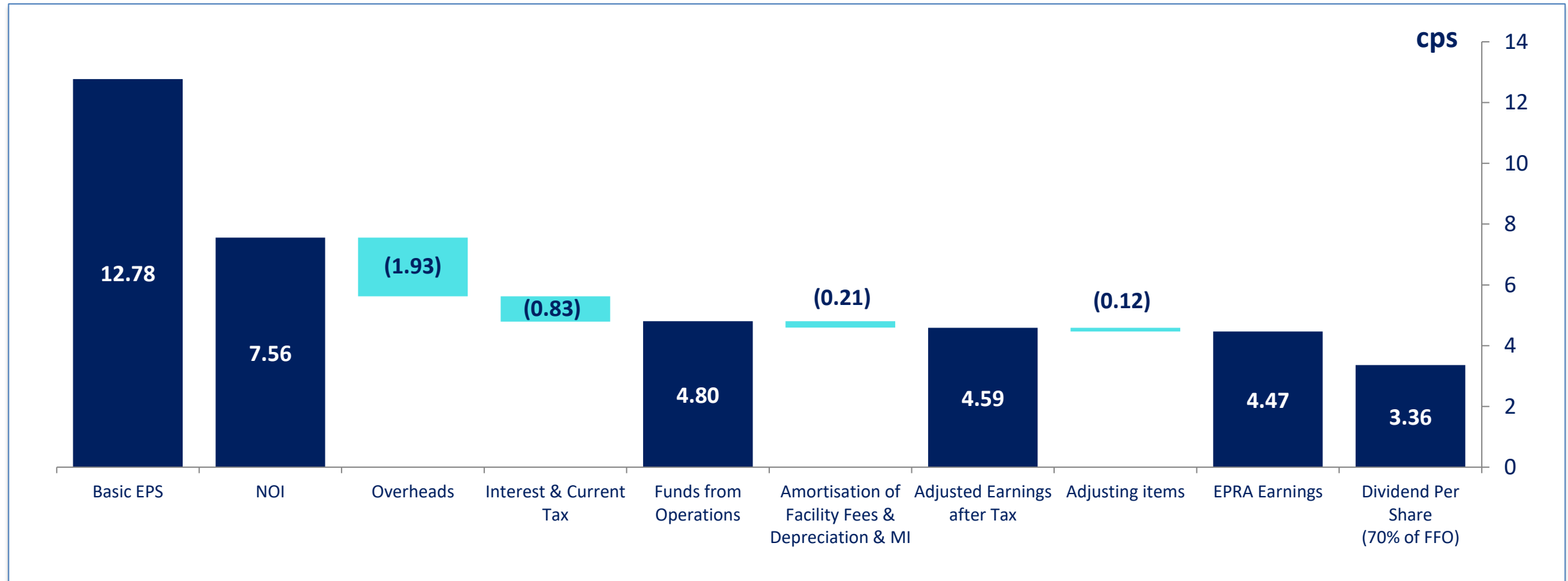
<sup>^</sup> Two non-core assets €19.3m, a non-income producing piece of land €1.2m, a vacant residential building €0.63m & a further €6.3m asset located in a non-core location

# Financials – Income Statement

	As at Mar 19 €m	As at Mar 18 €m	Movement €m
<b>Rental income</b>	<b>83.6</b>	<b>71.1</b>	<b>12.5</b>
Service charge irrecoverable costs	(5.3)	(5.7)	0.4
Non-recoverable maintenance	(2.3)	(1.9)	(0.4)
<b>Net Operating Income</b>	<b>76.0</b>	<b>63.5</b>	<b>12.6</b>
Corporate costs and overheads	(19.4)	(17.6)	(1.8)
<b>Adjusted EBITDA</b>	<b>56.6</b>	<b>45.9</b>	<b>10.7</b>
Bank interest	(7.7)	(6.9)	(0.8)
Current tax (excluding tax on disposals)	(0.5)	(0.6)	0.1
<b>FFO</b>	<b>48.4</b>	<b>38.4</b>	<b>10.0</b>
Amortisation of financing fees	(1.4)	(1.2)	(0.2)
Depreciation	(1.4)	(1.1)	(0.3)
Add back current taxes (excluding tax on disposals)	0.5	0.6	(0.1)
<b>Adjusted profit before tax</b>	<b>46.1</b>	<b>36.7</b>	<b>9.4</b>
Adjusting items	(0.4)*	(8.1)	7.7
Surplus/Deficit on revaluation of investment properties	99.9	63.4	36.5
(Loss)/Gain on disposal of investment properties	0.6	(2.5)	3.1
Change in fair value of derivative financial instruments	(1.5)	0.1	(1.6)
<b>Profit Before Tax</b>	<b>144.7</b>	<b>89.6</b>	<b>55.1</b>

\* Adjusting items include non recurring items and expense relating to share incentives

# Earnings Per Share

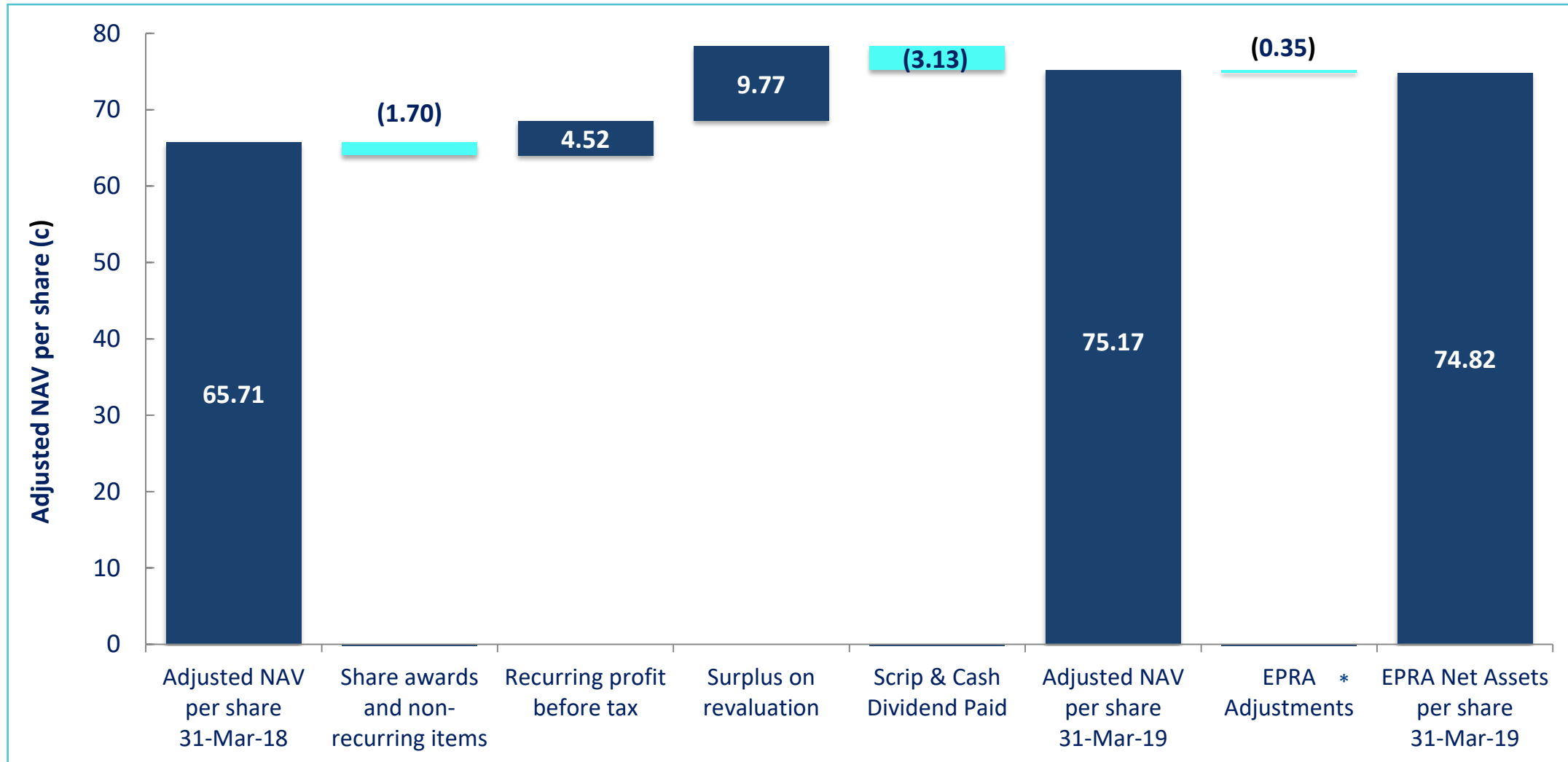


Note: All items in the chart above are calculated on the weighted average number of shares in issue during the period

# Financials – Statement of Financial Position

	As at Mar 2019 €m	As at Mar 2018 €m	Movement €m
<b>Assets</b>			
Investment properties (including assets held for sale)	1,132.5	931.2	201.3
Prepayments for investment properties	0.4	35.6	(35.2)
Plant and equipment	3.4	3.1	0.3
Goodwill	3.7	3.7	-
Deferred tax asset	0	0.8	(0.8)
Trade and other receivables	13.6	9.5	4.1
Cash and cash equivalents	40.3	79.6	(39.3)
<b>Total Assets</b>	<b>1,193.9</b>	<b>1,063.5</b>	<b>130.4</b>
<b>Liabilities</b>			
Trade and other payables	(44.4)	(41.0)	(3.4)
Interest bearing bank loans	(380.1)	(367.1)	(13.0)
Current & Deferred tax liabilities	(42.2)	(29.5)	(12.7)
Derivative financial instruments	(1.2)	(0.3)	(0.9)
<b>Total Liabilities</b>	<b>(467.9)</b>	<b>(437.9)</b>	<b>(30.0)</b>
<b>Net Assets</b>	<b>726.0</b>	<b>625.6</b>	<b>100.4</b>
NAV per share	71.01c	63.09c	
ADJUSTED NAV per share	75.17c	65.71c	
EPRA NAV per share	74.82c	64.18c	

# NAV Growth March 2019



\* EPRA adjustments includes the effect of the grant of LTIP shares that occurred in the period

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

# Completed & Notarised Acquisitions

**€116.4m**

Total Cost of 8 Acquisitions  
Completed or Notarised

**29%**

Vacancy (64k sqm)

**40%**

Potential Increase in NOI

Site	Date Acquired/ Notarised	Total Investment €m	Cost per sqm €	Annualised Acquisition Rental Income €m	Annualised Acquisition NOI €m	Acquisition Occupancy	EPRA Net Initial Yield
<b>Completed:</b>							
Saarbrücken	Apr-18	28.0	593	3.1	2.5	65%	9.0%
Düsseldorf II	Apr-18	8.1	932	0.6	0.5	80%	6.6%
Friedrichsdorf	Aug-18	17.7	1,023	1.4	1.3	92%	7.1%
Fellbach	Aug-18	12.1	475	1.0	0.9	79%	7.3%
Mannheim II	Oct-18	9.6	639	0.8	0.6	69%	6.0%
Bochum *	Mar-19	25.7	462	2.6	2.3	95%	8.9%
<b>Total</b>		<b>101.2</b>	<b>598</b>	<b>9.5</b>	<b>8.1</b>	<b>81%</b>	<b>8.0%</b>
<b>Notarised:**</b>							
Teningen	Mar-19	6.5	324	0.8	0.5	88%	8.3%
Buxtehude	Mar-19	8.7	305	0.0	(0.4)	0%	(5.5)%
<b>Total</b>		<b>15.2</b>	<b>313</b>	<b>0.8</b>	<b>0.1</b>	<b>36%</b>	<b>0.4%</b>
<b>TOTAL</b>		<b>116.4</b>	<b>534</b>	<b>10.3</b>	<b>8.2</b>	<b>71%</b>	<b>7.0%</b>

\* Main tenant with annualised rental income of €996k will vacate the site on 31 May 2019

\*\* Completed post period end



# Completed Acquisitions



Friedrichsdorf



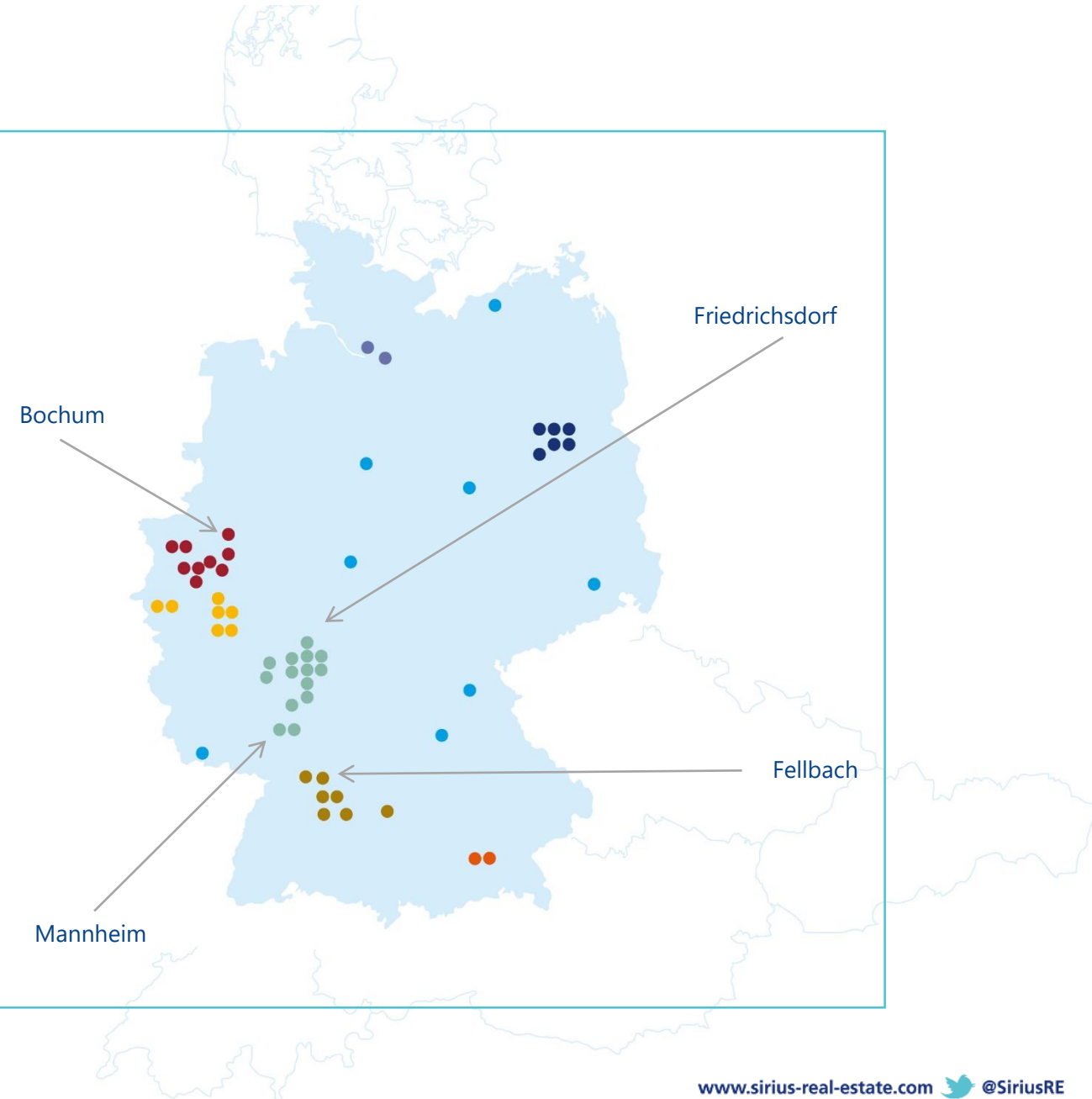
Fellbach



Mannheim



Bochum



# Completed & Notarised Acquisitions



Saarbrücken



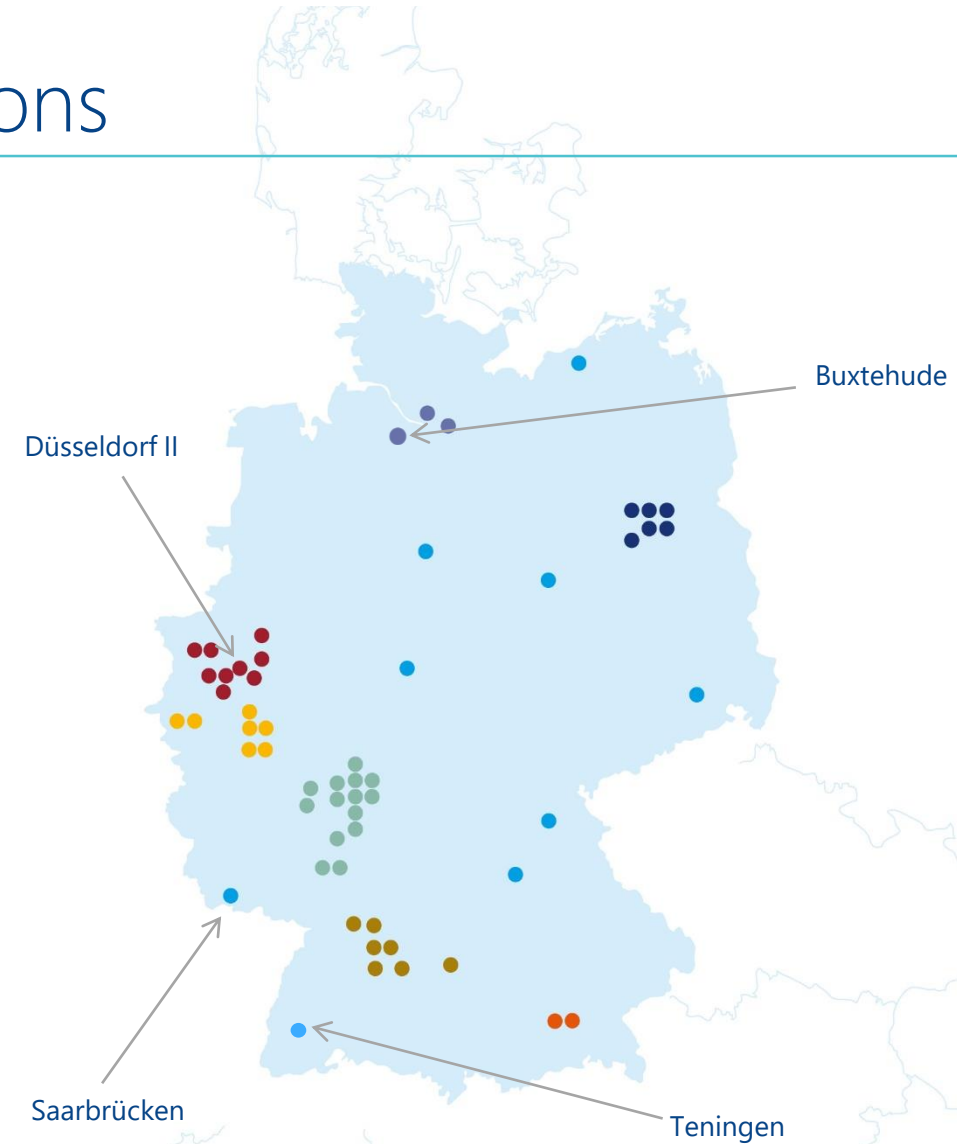
Düsseldorf II



Buxtehude\*



Teningen\*



\* Notarised in the period, completed post period



# Organic Growth – Rental Income Analysis

Site	Mar-19	Mar-18	Change	
Rent Roll	€87.8m	€79.5m	↑	10.4%
Rent Roll (Disposals) *	(€3.0m)	-		-
Rent Roll (Acquisitions) **	€5.8m	-		-
Rent Roll (LFL) ***	€82.0m	€76.5m	↑	7.1%
Occupancy (LFL) ***	85.8%	83.7%	↑	2.1%
Occupancy	86.1%	79.2%	↑	6.9%
Rate psm (LFL) ***	€5.88	€5.63	↑	4.4%
Rate psm	€5.78	€5.46	↑	5.9%
New Lettings ****	170,866sqm	160,133sqm	↑	6.7%
New Letting Rate psm ****	€6.79	€6.01	↑	13.0%
Move-Outs Rate psm ****	€6.88	€5.40	↑	27.4%
Move-Outs ****	143,048sqm	142,164sqm	↑	0.6%

In all March18 numbers, Saarbrücken & Düsseldorf are included if not otherwise stated

\* Bremen Brinkmann, Bremen HAG & Bremen Doetlinger

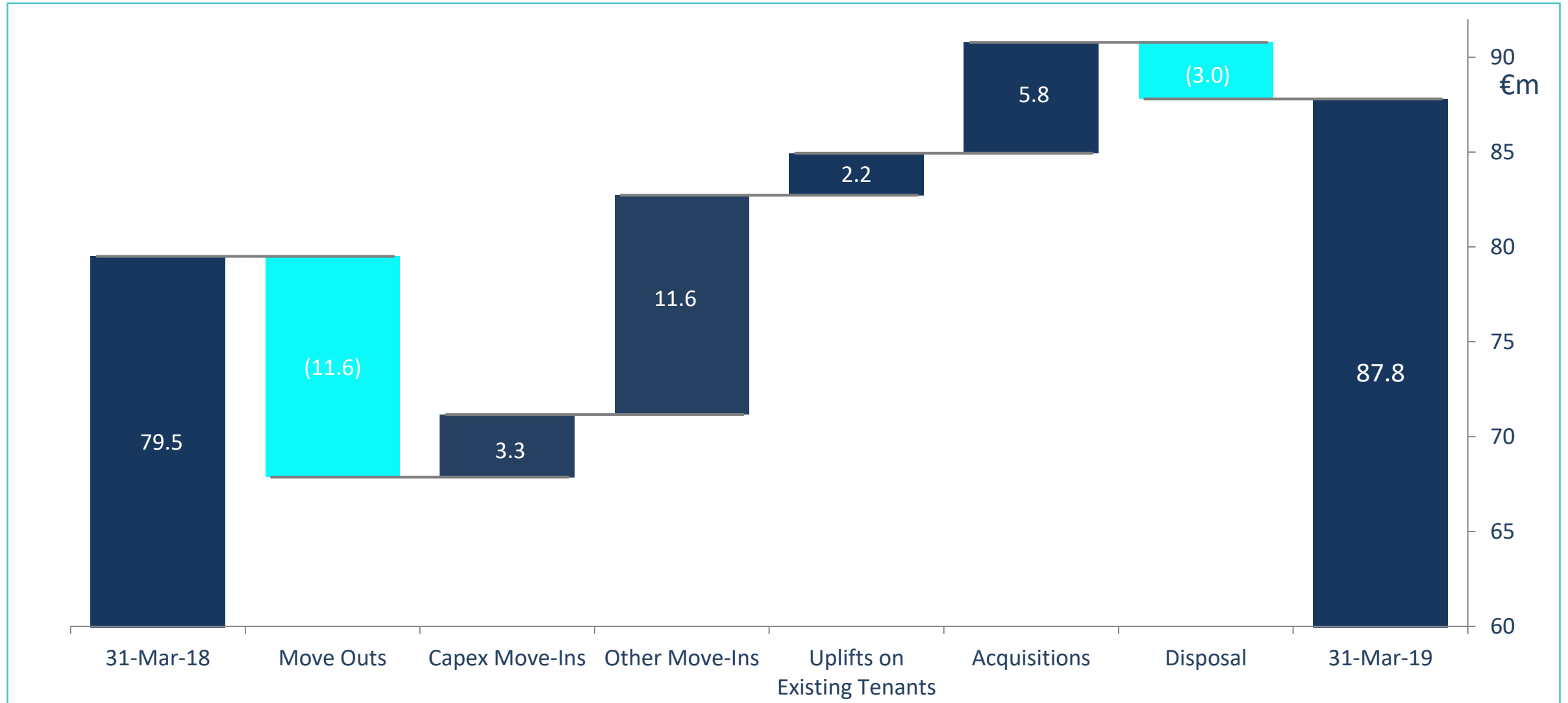
\*\* Fellbach, Friedrichsdorf, Mannheim II and Bochum

\*\*\* Excluding Disposals Brinkmann, HAG and Doetlinger and excluding acquisitions Fellbach, Friedrichsdorf, Mannheim II and Bochum

\*\*\*\* Excluding Disposals

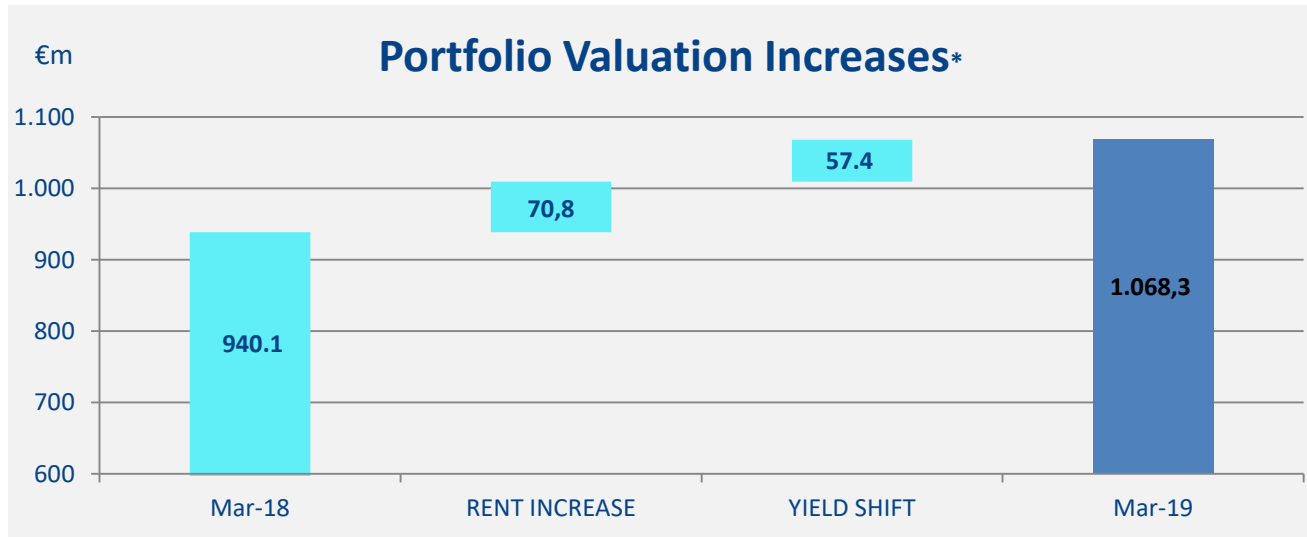


# Organic Growth – Rental Movement Analysis





# Like-for-Like Valuation Movement



## EXISTING PORTFOLIO

As at 31 Mar 2018:

Gross Yield = 8.1%

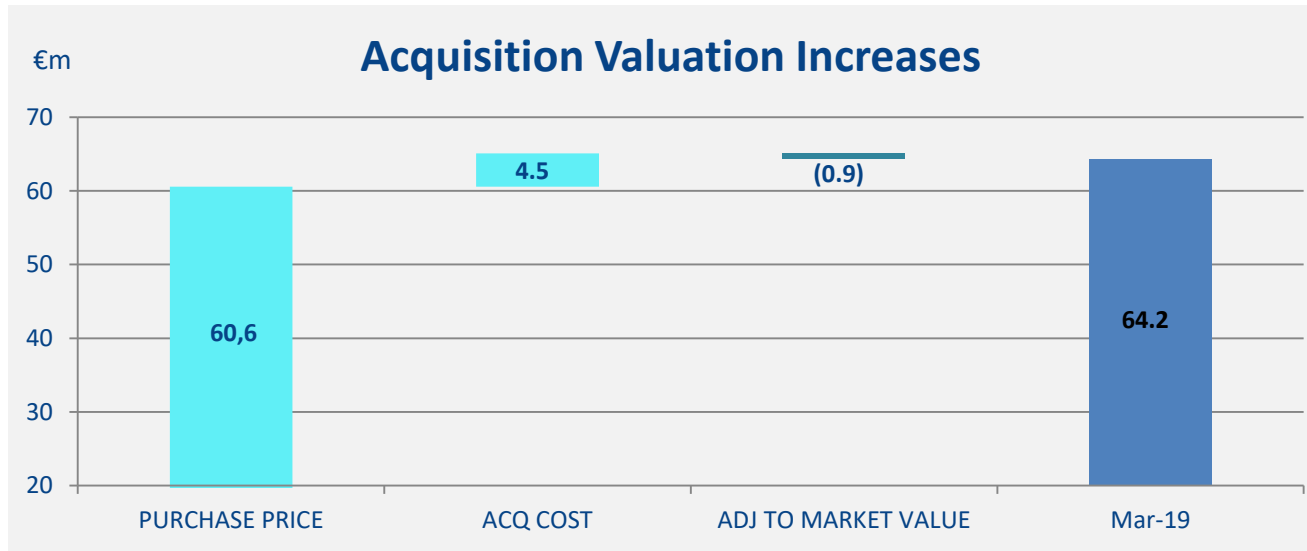
Net Yield = 7.4%

As at 31 Mar 2019:

Gross Yield = 7.7%

Net Yield = 6.9%

**Gross Yield shift of (39) bps**



## ACQUISITIONS\*\*

As at Acquisition:

Gross Yield = 9.6%

Net Yield = 8.3%

As at 31 Mar 2019:

Gross Yield = 9.1%

Net Yield = 7.9%

**Gross Yield shift of (46) bps**

	Book Value Mar 19 - €m
Existing Portfolio	1,068.3
Acquisitions	64.2
<b>Total</b>	<b>1,132.5</b>



\* Including Assets held for sale

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

# Value-Add Portfolio Split

Mar-18 *	Book Value €m	Rent Roll €m	NOI €m	Gross Yield	Net Yield	Capital Value psm €	Occupancy	Rate psm €	Vacant Space sqm
Value-Add	523.2	43.3	37.6	8.3%	7.2%	570	76.5%	5.71	194,384
Mature	416.9	33.2	32.2	8.0%	7.7%	764	95.1%	5.52	25,681
Other	-	-	(1.8)	-	-	-			
<b>TOTAL</b>	<b>940.1</b>	<b>76.5</b>	<b>68.0</b>	<b>8.1%</b>	<b>7.2%</b>	<b>642</b>	<b>83.7%</b>	<b>5.63</b>	<b>220,065</b>

Mar-19 LFL	Book Value €m	Rent Roll €m	NOI €m	Gross Yield	Net Yield	Capital Value psm €	Occupancy	Rate psm €	Vacant Space sqm
Value-Add	593.6	47.6	41.2	8.0%	6.9%	648	80.0%	6.00	165,635
Mature	474.7	34.4	32.2	7.2%	6.8%	869	95.0%	5.72	26,091
Other	-	-	(1.7)	-	-	-			
<b>TOTAL</b>	<b>1,068.3</b>	<b>82.0</b>	<b>71.7</b>	<b>7.7%</b>	<b>6.7%</b>	<b>731</b>	<b>85.8%</b>	<b>5.88</b>	<b>191,726</b>

Mar-19 ALL **	Book Value €m	Rent Roll €m	NOI €m	Gross Yield	Net Yield	Capital Value psm €	Occupancy	Rate psm €	Vacant Space sqm
Value-Add	574.5	46.2	39.5	8.0%	6.9%	637	79.0%	5.98	170,993
Mature	558.0	41.6	38.9	7.5%	7.0%	823	95.0%	5.58	32,923
Other	-	-	(1.7)	-	-	-			
<b>TOTAL</b>	<b>1,132.5</b>	<b>87.8</b>	<b>76.7</b>	<b>7.8%</b>	<b>6.8%</b>	<b>717</b>	<b>86.1%</b>	<b>5.78</b>	<b>203,916</b>

\* Restated for disposals & including Saarbrücken & Düsseldorf II completed 1<sup>st</sup> April 2018

\*\* Berlin-Tempelhof, Ludwigsburg & Markgröningen moved from Value-Add as at Mar-18 to Mature

# Value-Add – Vacant Space Analysis

Mar-19 Ending Position

Total Space – sqm		1.5m	Occupancy *	86%	
Occupied Space - sqm		1.3m			
Vacant Space - sqm		0.2m			
	Mar-19				
<u>Sub Optimal Space</u>	% of Total Space	Sqm	Capex €m	ERV (post invest) €m	
	Original Major Capex Programme	9,493	1.8	0.4	
	New Acquisition Capex Programme	69,021	18.1	6.0	
	<i>Flexilager Vacancy</i>	4,607		0.3	
	Total Sub-Optimal Space	6%	83,121	19.9	6.7
	Structural Vacancy	2%	29,033		
	<u>Lettable Vacancy</u>				
	Smart Space	16,817		1.3	
	Other Vacancy	74,946	3.9	5.2	
TOTAL LETTABLE SPACE	6%	91,763			
TOTAL	14%	203,917	23.8	13.2	

\* Vacancy reduces to less than 10% when Capex Programme completed and 80% occupied.

# Major Moveouts - Acquisition sites

Impact of moveouts FY 18/19			At Acquisition			Re-let at Mar 19			
Tenant	Site	Move Out Date	Sqm	Rent €m	Rate €	Sqm	Rent €m	Rate €	Capex €
Dräger Safety AG & Co. KGaA	Krefeld I	Apr 18	4,760	0.6	9.80	3,422	0.2	5.01	33,692
Toshiba TEC Europe Retail	Krefeld II	Apr 18	6,229	0.4	5.07	4,478	0.3	5.51	113,585
Galeria Kaufhof GmbH	Cologne II	May 18	4,651	0.4	7.67	3,991	0.4	8.32	92,631
Total			15,640	1.4	7.28	11,891	0.9	6.31	239,908

Impact of moveouts FY 19/20			At Acquisition			Forecast Re-let Mar20			
Tenant	Site	Date of Moveout	Sqm	Rent	Rate	Sqm	Rent	Rate	Capex
Pilkington Automotive	Bochum	Jun19	25,898	988,161	3.18	25,898	1,111,929	3.58	161,583
Deutsche Postbank AG	Saarbrücken	Sep19	10,159	901,166	7.39	10,159	791,884	6.50	732,887
Total			36,057	1,889,328	4.37	36,057	1,903,814	4.40	894,470

- » Part of investment strategy is to acquire assets with vacating major tenants on higher yields
- » Short term reduction on LFL rent roll when these tenants leave
- » Significant increases in value and rent roll when vacated space is upgraded and re-let



# Original Capex Programme

Completed in Period



**8.8k sqm**

**€5.1m**

**€1.7m**

**Vacant Space Refurbished in Period**

**Invested in Period**

**Annualised Rental Income Increase**

Capex Investment Programme Progress	Sqm	Budget					Achieved to date				
		Investment €m	Invest psm €	Rent Improvement €m	Rate €	Occupancy	Investment €m	Invest psm €	Rent Improvement €m	Rate €	Occupancy
Completed	195,415	25.2	129	10.8	5.70	81%	23.7	121.0	12.6	6.50	83%
In Progress	6,630	1.4	206	0.4	5.39	88%	0.5	71.0	0.1	-	-
To Commence in Next Financial Yr	2,863	0.5	157	0.1	5.13	84%	-	-	-	-	-
<b>Total</b>	<b>204,908</b>	<b>27.1</b>	<b>132</b>	<b>11.3</b>	<b>5.68</b>	<b>81%</b>	<b>24.2</b>	<b>118.0</b>	<b>12.7</b>	<b>-</b>	<b>83%</b>

Still to Come:

**9.5k sqm**

**€1.8m**

**€0.5m**

**Vacant Space Still to be Refurbished**

**Further Investment**

**Further Annualised Rental Income**

# New Acquisition Capex Programme

Completed in Period

**28.8k sqm**

**€9.1m**

**€1.6m**

**Vacant Space Refurbished in Period**

**Invested in Period**

**Annualised Rental Income Increase**

Capex Investment Programme Progress	Sqm	Budget					Achieved to date				
		Investment €m	Invest psm €	Rent Improvement €m	Rate €	Occupancy	Investment €m	Invest psm €	Rent Improvement €m	Rate €	Occupancy
Completed	53,148	10.7	202	4.2	7.91	84%	9.7	183.0	2.6	7.48	54%
In Progress	26,716	12.5	469	2.4	8.07	91%	2.3	87.0	0.8	-	-
To Commence in Next Financial Yr	42,304	7.8	185	2.8	6.63	82%	-	-	-	-	-
<b>Total</b>	<b>122,168</b>	<b>31.0</b>	<b>254</b>	<b>9.4</b>	<b>7.52</b>	<b>85%</b>	<b>12.0</b>	<b>99.0</b>	<b>3.4</b>	<b>-</b>	<b>54%</b>

Still to Come:

**69.0k sqm**

**€18.0m**

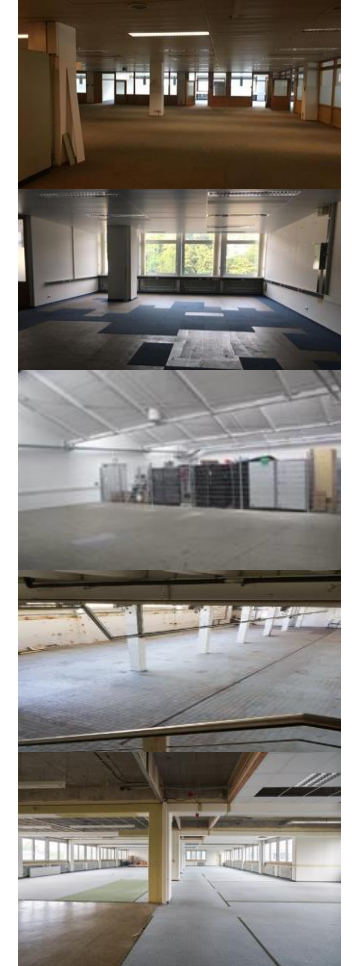
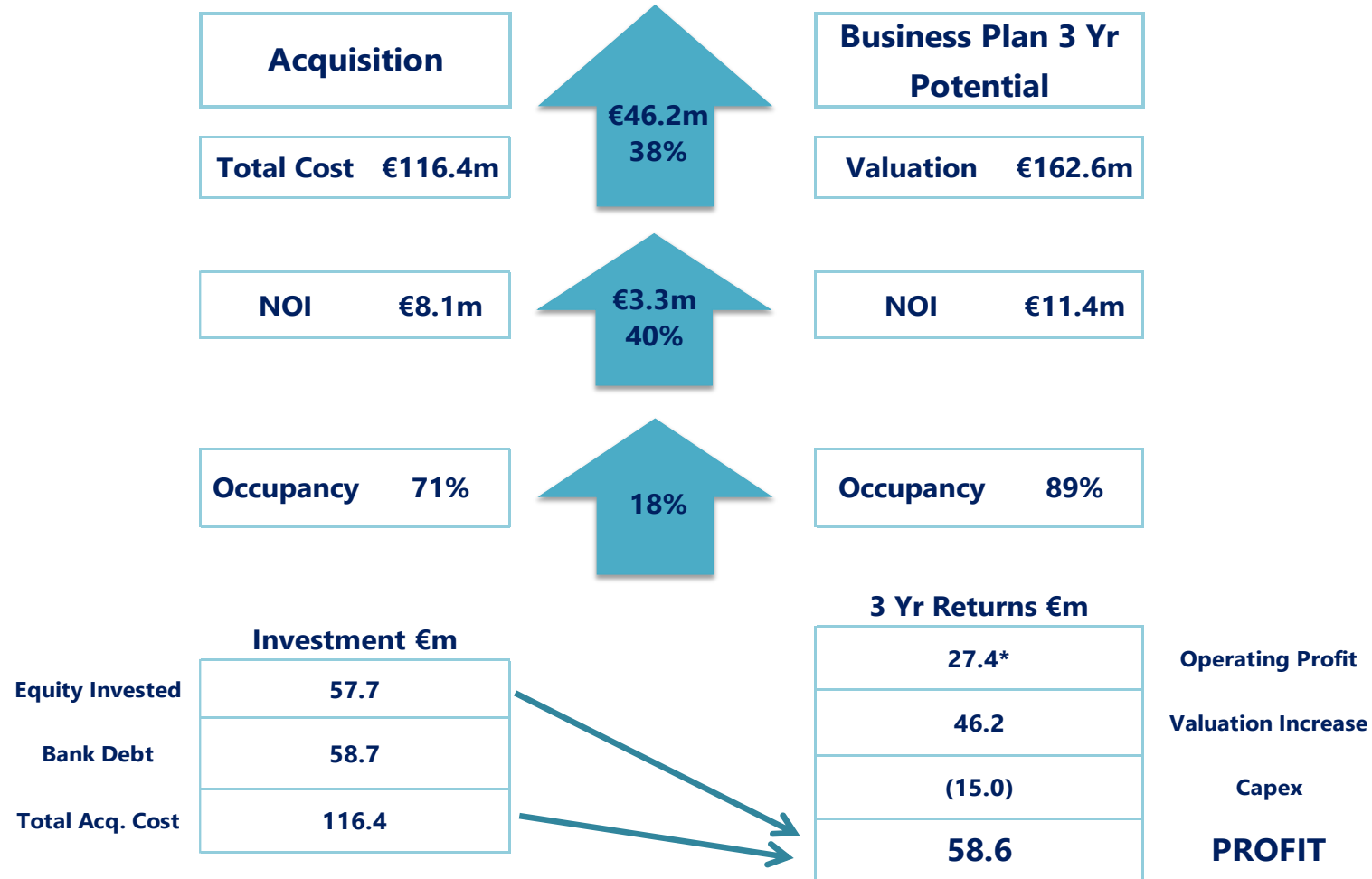
**€6.0m**

**Vacant Space Still to be Refurbished**

**Further Investment**

**Further Annualised Rental Income**

# Potential of FY 18/19 Acquisitions



\* NOI less bank interest

# Banking

4.3 Yrs

Weighted Average Debt Expiry

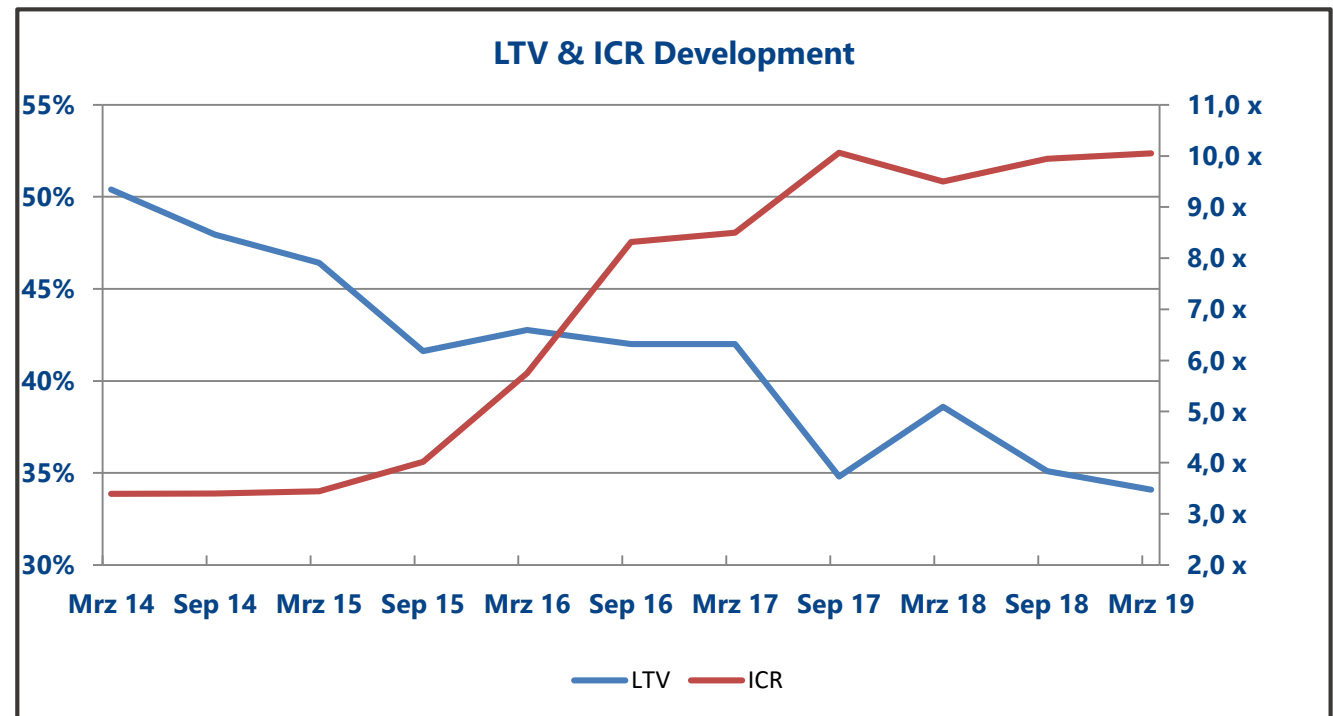
2.0%

Average Cost Of Debt

10.1x

Interest Cover from NOI

	Mar-19	Mar-18
Bank borrowings	€386.1m	€373.1m
Net LTV*	32.4%	31.9%
Gross LTV	34.1%	38.6%
Weighted average interest rate	2.0%	2.0%
NOI interest cover	10.1x	9.5x
Weighted average debt expiry	4.3 Years	5.2 Years



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



## Joint Venture – Summarised

Selective process of identifying partner	Sirius continues to operate and manage the assets
Sale of 65% interest in five SPVs and new Joint Venture agreement created	65% of 5 assets sold with implied value of €168m and gross yield of 6.2%
€70m of proceeds generated for SRE to reinvest into new assets	Positive impact on NAV (book value €141.1m)
Accretive to earnings when proceeds reinvested	Mature assets sold and assets with greater opportunity will be acquired

# Conclusion



- » Total shareholder accounting return of 19.3% for the period
- » Strong organic annualised rent roll growth of 7.1%
- » Significant valuation increase from organic growth & yield compression
- » Portfolio valued on a defensive 7.8% gross yield
- » FFO per share increased by 14.3%
- » Agreed the sale of five mature assets into a new venture with AXA IM-Real Assets at a premium to last reported book value
- » Asset recycling progressing well and more to follow in new year
- » Final dividend per share of 1.73c based on a 70% pay-out ratio
- » Total dividend per share for the year of 3.36c



# Gross Asset Value looking back

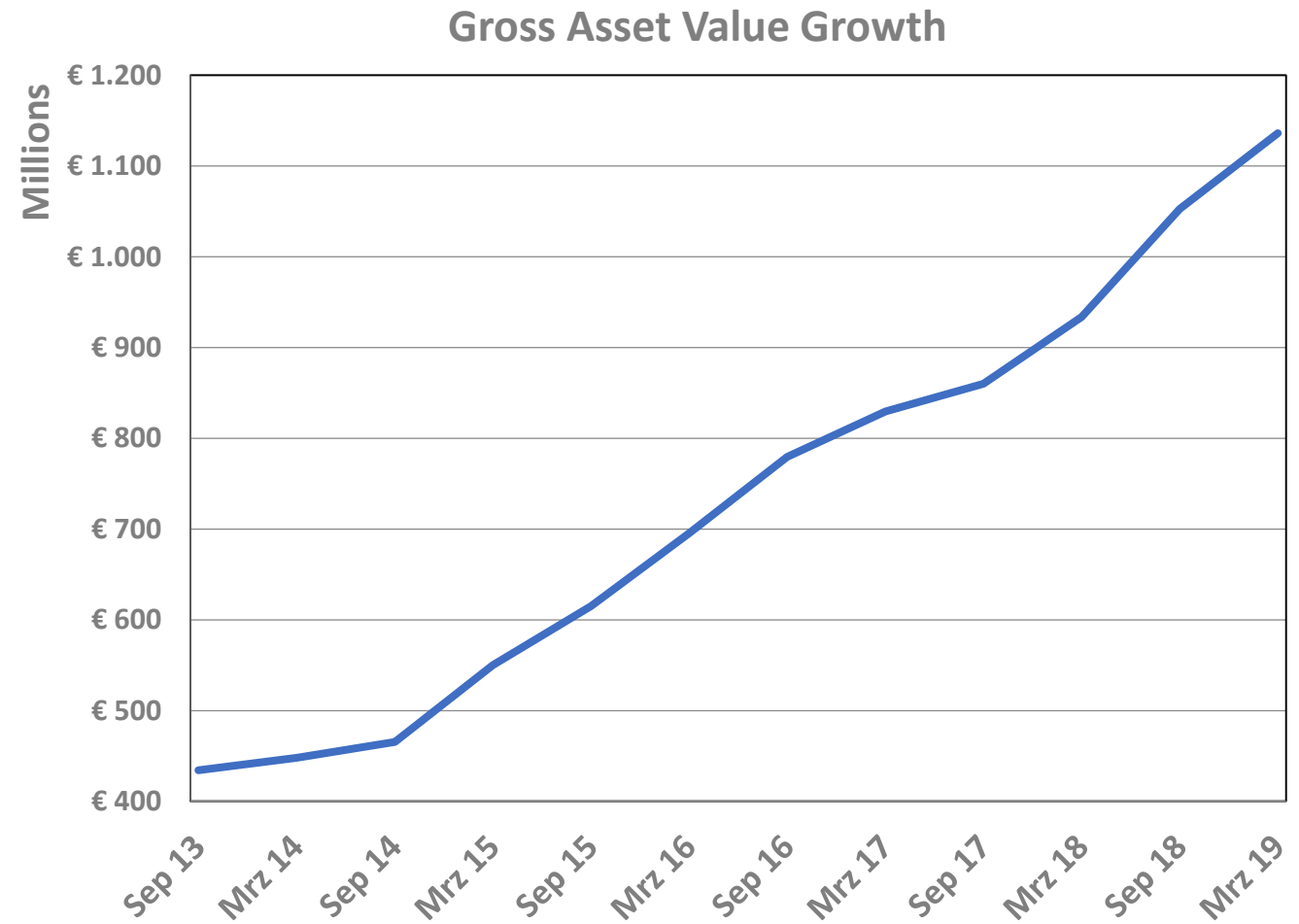
» Sept 13 – Gross Asset Value

**€434.3m**

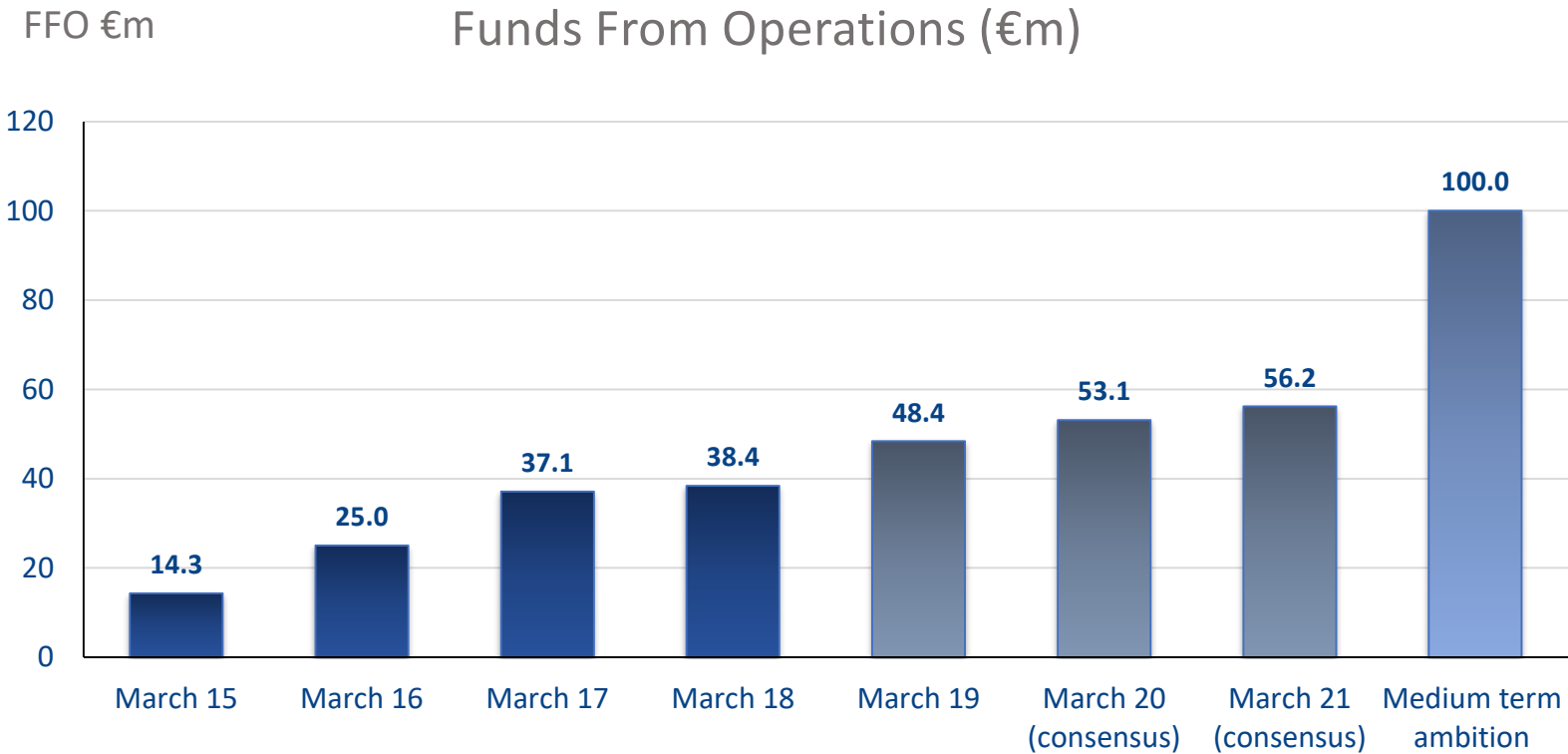
» Mar 19 – Gross Asset Value

**€1,136.2m**

» What next?.....



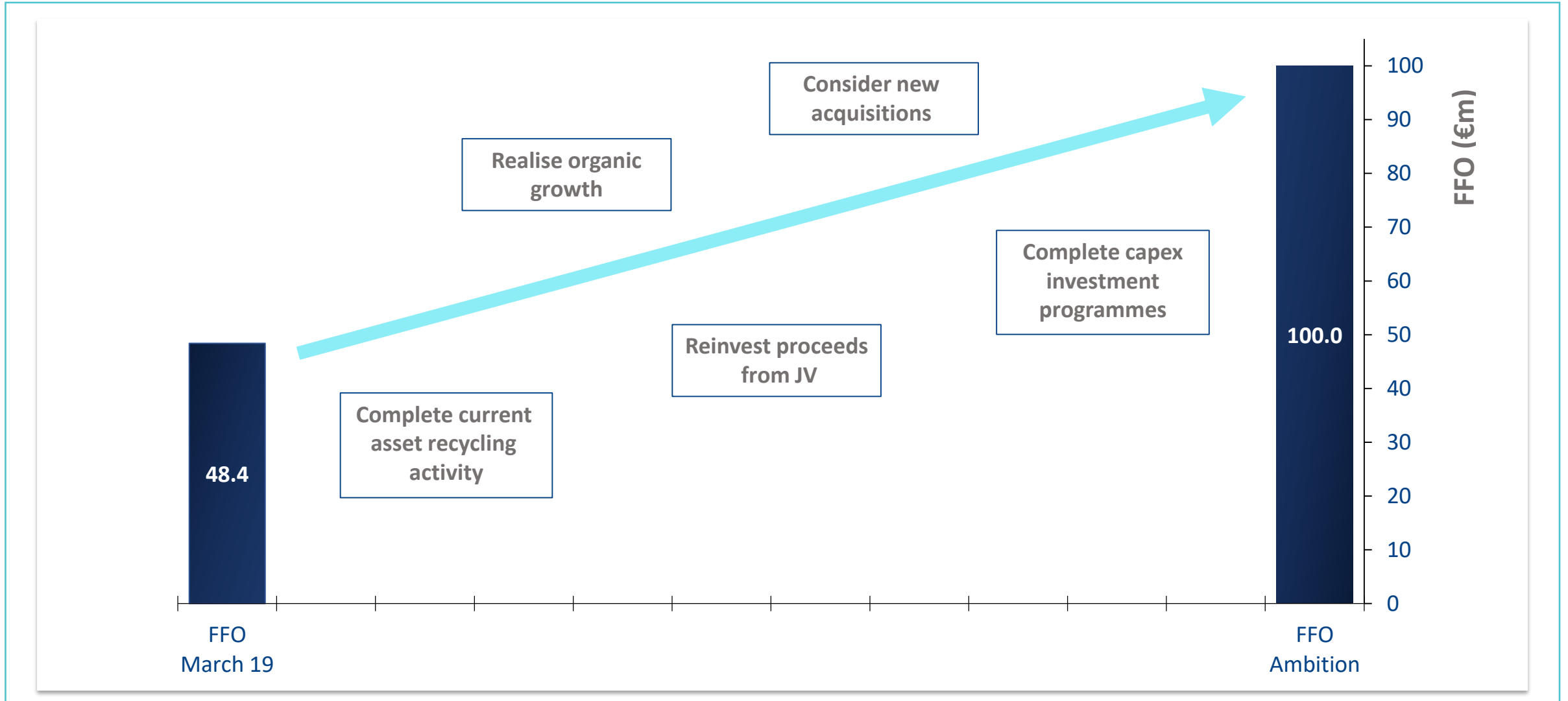
# FFO Looking forward



- » Medium term ambition €100m
- » Reinvestment of JV proceeds
- » Share of profit & fee income
- » Impact of capex investment programmes over next three years
- » Further FFO through potential acquisition activity



# FFO Looking forward – the Building Blocks

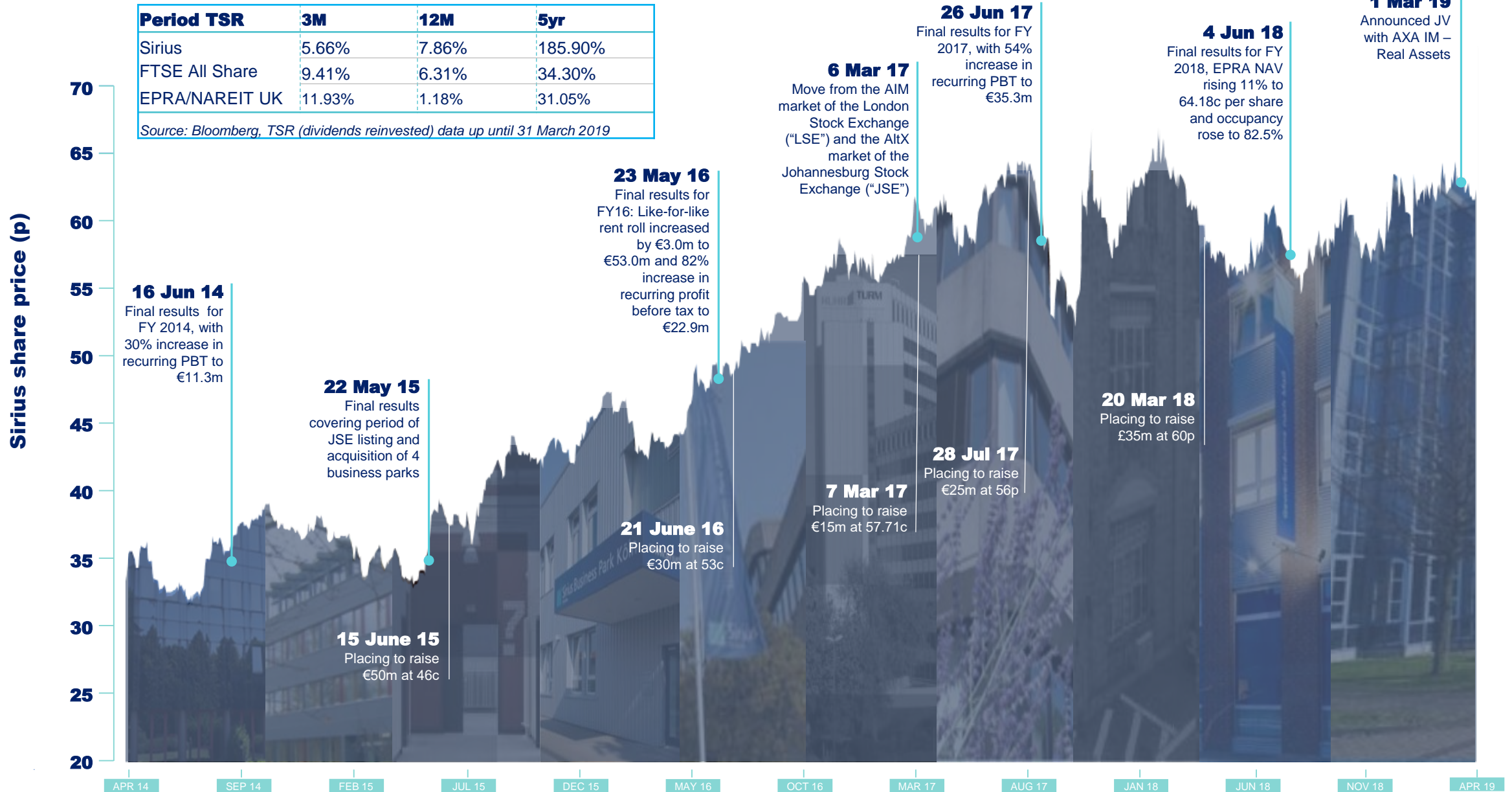




# Appendices







Source: FactSet data up to 30 Apr 2019

## Site Plan & Impression





## Case Study 1 – Dresden

# Property Overview – to update

- » The business park in Dresden, acquired in September 16, provides 58,000 sqm of office and warehouse space spread across 19 buildings, with land available for further development
- » Financed by a seven year fixed rate facility at 1.48% interest rate until maturity in October 2023
- » Vacancy is being converted into conventional office space
- » As at 31 March 2019 occupancy had increased to 72% with annualised rent roll increasing to €3.3 million from €2.8 million at acquisition
- » Reduction in service charge cost leakage through implementation of advanced measurement and allocation techniques
- » Expected five year geared IRR in excess of 22% based on business plan



## Case Study 1 – Dresden

# Financials & Returns To Date

	At	Actual	Business Plan Target	Total Expected Improvement
<b>Acquired Sept-16</b>	<b>Acquisition</b>	<b>As At Mar 19</b>	<b>To Sept 21</b>	
<b>Total Cost/Valuation</b>	<b>€ 28.6m</b>	<b>€ 37.3m</b>	<b>€ 48.8m</b>	<b>€ 20.2m</b>
<b>Total SQM</b>	<b>53,200</b>	<b>58,159</b>	<b>58,159</b>	<b>4,959</b>
Value psm	€ 538	€ 641	€ 839	€ 301
Invested Equity	€ 12.6m	-	-	-
Annualised Rent Roll	€ 2.8m	€ 3.3m	€ 3.9m	39.8%
Annualised NOI	€ 2.4m	€ 3.0m	€ 3.7m	54.2%
Vacant Space sqm	18,222	16,102	10,444	(5,225)
Occupancy	66%	72%	82%	12%
<b>Gross Yield ***</b>	<b>10.4%</b>	<b>9.3%</b>	<b>8.0%</b>	<b>(2.4)%</b>
EPRA Net Yield*	8.3%	8.0%	7.0%	(1.3)%
<b>Capex Invested</b>	<b>-</b>	<b>€(3.8)m</b>	<b>€(7.5)m</b>	<b>-</b>
<b>Expected 5 Year Returns</b>				
Geared IRR				<b>22%</b>
Ungearred IRR				<b>12%</b>

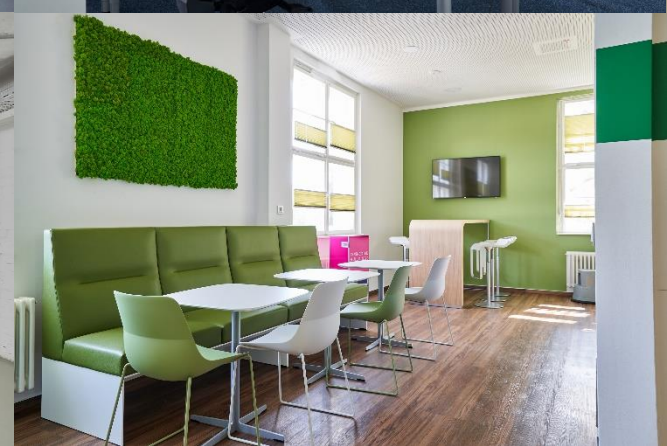
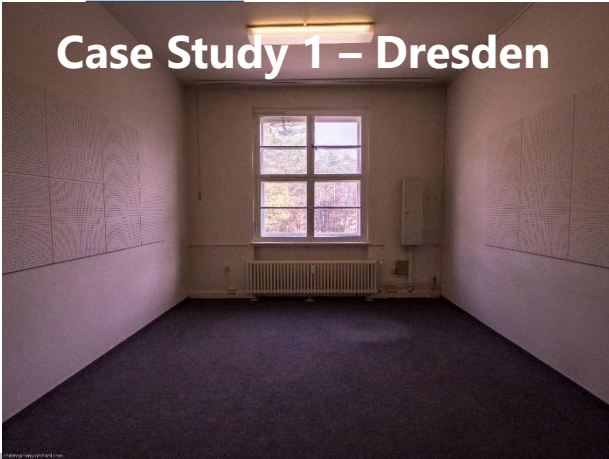
Return Analysis	Expected 5 year Return to Sept 21 €m
Retained Profit **	12.2
Valuation Increase	20.2
Capex	(11.3)
Total Return	21.1



\* Purchaser acquisition costs estimated  
 \*\* Retained profit calculated as net operating income less bank interest  
 \*\*\* Excluding acquisition costs



## Case Study 1 – Dresden



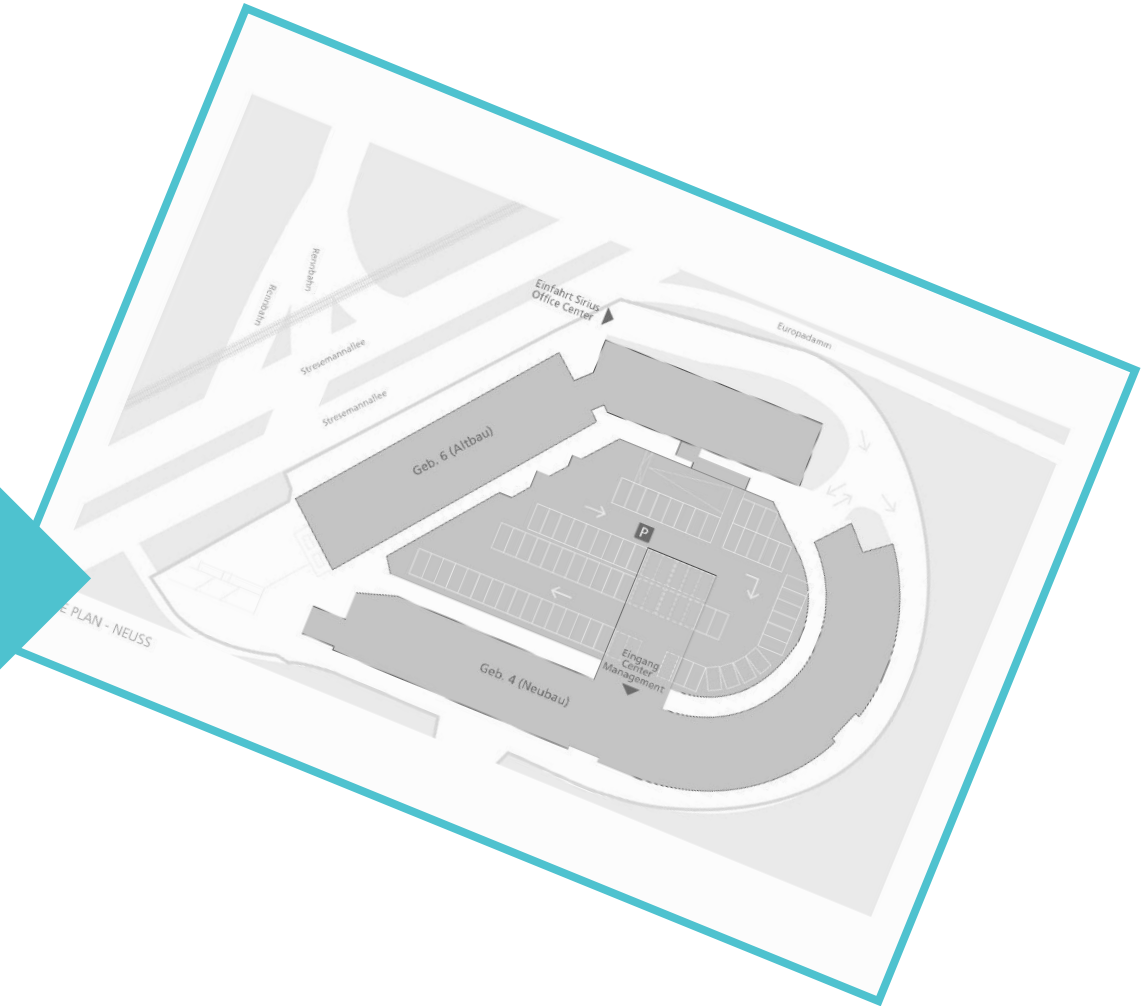
Before

After



## Case Study 2 – Neuss

# Site Plan & Impression



## Case Study 2 – Neuss

# Property Overview

- » Well located office building, acquired in Sept 17, providing 18,000 sqm of lettable space with opportunity to grow occupancy from 38% at acquisition date
- » Financed by a seven year fixed rate facility at 1.48% interest rate until maturity in October 2023
- » Vacancy is being converted into a combination of First Choice Business Centre, SmartSpace office and conventional office space
- » As at 31 March 2019 occupancy had increased to 55% with annualised rent roll increasing to €1.2 million from €0.7 million at acquisition
- » Reduction in service charge cost leakage through implementation of advanced measurement and allocation techniques
- » Expected three year geared IRR in excess of 20% based on business plan





## Case Study 2 – Neuss

# Financials & Returns To Date

	At	Actual	Business Plan Target	Total Expected Improvement
<b>Acquired Sept-17</b>	<b>Acquisition</b>	<b>As At Mar 19</b>	<b>To Sept 20</b>	
<b>Total Cost/Valuation</b>	<b>€ 16.1m</b>	<b>€ 18.0m</b>	<b>€ 24.5m</b>	<b>€ 8.4m</b>
<b>Total SQM</b>	<b>18,258</b>	<b>17,863</b>	<b>17,863</b>	<b>(395)</b>
Value psm	€ 881	€ 1,073	€ 1,458	€ 577
Invested Equity **	€ 8.1m	-	-	-
Annualised Rent Roll	€ 0.7m	€ 1.2m	€ 1.8m	157%
Annualised NOI	€ 0.4m	€ 0.9m	€ 1.6m	300%
Vacant Space sqm	11,344	8,061	2,664	8,680
Occupancy	38%	55%	85%	47%
<b>Gross Yield ***</b>	<b>4.5%</b>	<b>6.5%</b>	<b>7.3%</b>	<b>(2.8)%</b>
EPRA Net Yield *	2.3%	4.9%	6.1%	(3.8)%
<b>Capex Invested</b>	<b>-</b>	<b>€(1.2)m</b>	<b>€(1.8)m</b>	<b>-</b>
<b>Expected 3 Year Returns</b>				
Geared IRR				<b>21%</b>
Ungeared IRR				<b>12%</b>

Returns Analysis	Expected 3 year Return to Sept 20 €m
Retained Profit **	1.8
Valuation Increase	8.4
Capex	(3.0)
Total Return	7.2



\* Purchaser acquisition costs estimated  
 \*\* Retained profit calculated as net operating income less bank interest  
 \*\*\* Excluding acquisition costs



## Case Study 2 – Neuss



Before

After



# Acquisitions Completed & Owned >1yr – Returns Achieved

27

Assets Acquired and Owned for &gt; 1 year

2.9 yrs

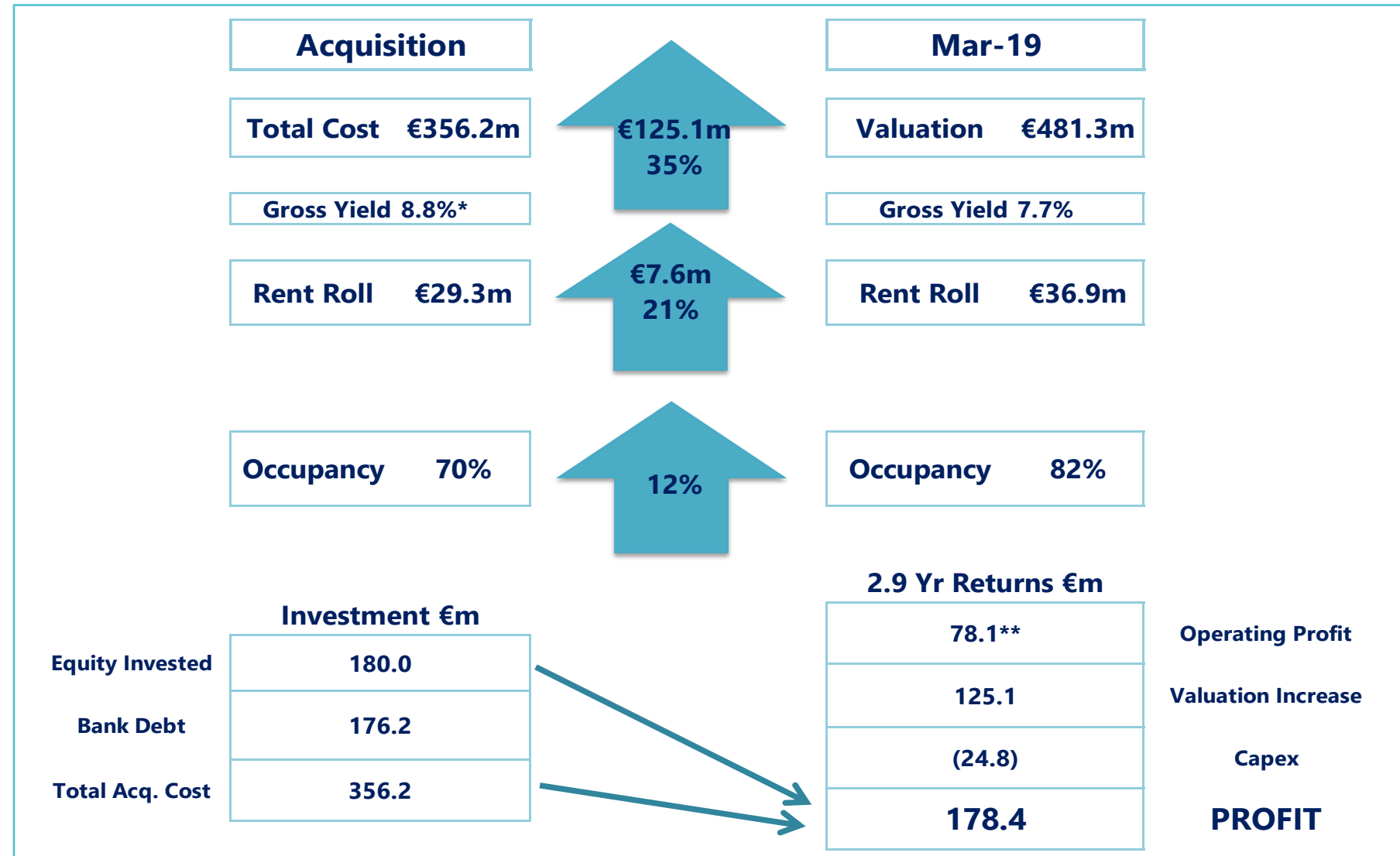
Weighted Average Time Asset Owned

€178.4m

2.9 Yr Returns

\* Based on a purchase price of €333.8m

\*\* NOI less bank interest



# Acquisitions Completed in Prior Years (>1yr) – Valuation & Rent Roll

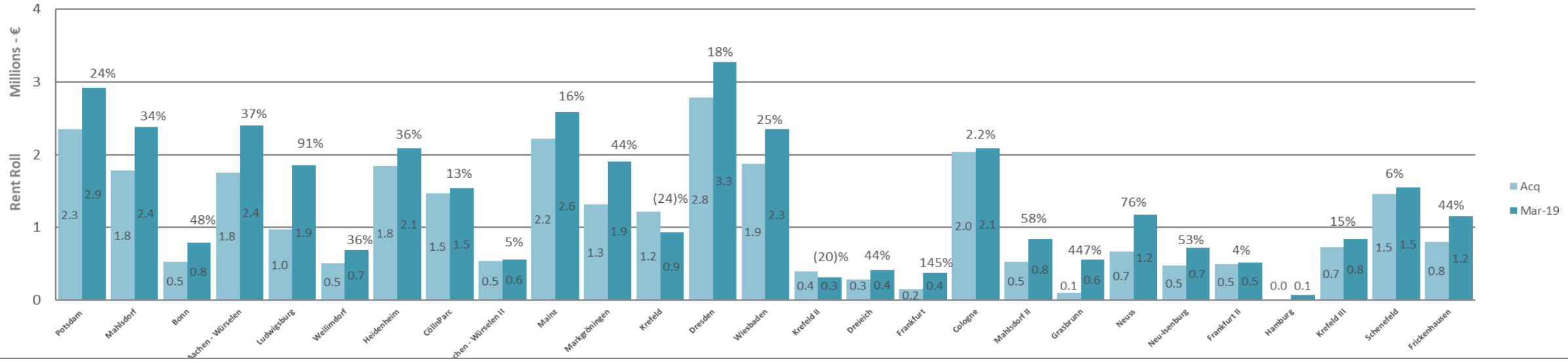
Site	Total Acq. Cost €m	Mar 19 Valuation €m	Valuation Increase €m	Acq. Rent Roll €m	Mar 19 Rent Roll €m	Rent Roll Increase €m	Acq. Occupancy	Mar 19 Occupancy	Occupancy Increase	Capex Since Acq. €m
Potsdam	29.4	43.7	14.3	2.3	2.9	0.6*	87%	98%	11%	0.6
Mahlsdorf	19.6	33.3	13.7	1.8	2.4	0.6	85%	98%	14%	0.5
Bonn	3.1	8.8	5.7	0.5	0.8	0.3*	76%	85%	8%	0.7
Aachen - Würselen	18.7	28.7	10.0	1.8	2.4	0.7	73%	97%	24%	1.7
Ludwigsburg	7.4	17.5	10.1	1.0	1.9	0.9	76%	94%	18%	2.4
Weilimdorf	5.7	9.1	3.4	0.5	0.7	0.2*	100%	100%	0%	0.2
Heidenheim	18.3	25.7	7.4	1.8	2.1	0.2	83%	90%	7%	1.0
CöllnParc	18.4	22.0	3.6	1.5	1.5	0.1	90%	98%	8%	0.4
Aachen - Würselen II	7.2	8.0	0.8	0.5	0.6	0.0	97%	98%	1%	0.2
Mainz	25.1	34.9	9.8	2.2	2.6	0.4	83%	97%	14%	0.9
Markgröningen	8.7	21.3	12.6	1.3	1.9	0.6	67%	94%	27%	2.9
Krefeld I	13.5	13.9	0.4	1.2	0.9	(0.3)**	94%	83%	(11%)	0.2
Dresden	28.6	35.0	6.4	2.8	3.3	0.5	66%	72%	7%	3.8
Wiesbaden	17.7	25.0	7.3	1.9	2.3	0.5	65%	80%	16%	1.9
Krefeld II	2.9	5.2	2.3	0.4	0.3	(0.1)**	100%	75%	(25%)	0.1
Dreieich	4.6	8.1	3.5	0.3	0.4	0.1	29%	36%	7%	0.8
Frankfurt I	4.5	5.7	1.2	0.2	0.4	0.2	28%	81%	53%	0.7
Cologne	22.9	24.4	1.5	2.0	2.1	0.0**	100%	92%	(7%)	0.2
Mahlsdorf II	6.3	9.1	2.8	0.5	0.8	0.3	62%	84%	22%	1.8
Grasbrunn	18.0	18.2	0.1	0.1	0.6	0.5	4%	34%	30%	1.6
Neuss	16.1	18.0	1.8	0.7	1.2	0.5	38%	55%	17%	1.2
Neu-Isenburg	9.6	11.4	1.8	0.5	0.7	0.2	41%	68%	27%	0.4
Frankfurt II	6.1	6.7	0.7	0.5	0.5	0.0**	87%	88%	1%	0.2
Hamburg	8.4	8.9	0.5	0.0	0.1	0.1	0%	6%	6%	0.3
Krefeld III	9.2	9.9	0.8	0.7	0.8	0.1	72%	88%	15%	0.0
Schenefeld	15.1	16.9	1.8	1.5	1.5	0.1	71%	74%	3%	0.0
Frickenhausen	11.1	11.9	0.8	0.8	1.2	0.4	50%	73%	24%	0.1
<b>Total</b>	<b>356.2</b>	<b>481.3</b>	<b>125.1</b>	<b>29.3</b>	<b>36.9</b>	<b>7.6</b>	<b>70%</b>	<b>82%</b>	<b>12%</b>	<b>24.8</b>

\* Acquired site with major tenant vacating & space now re-let

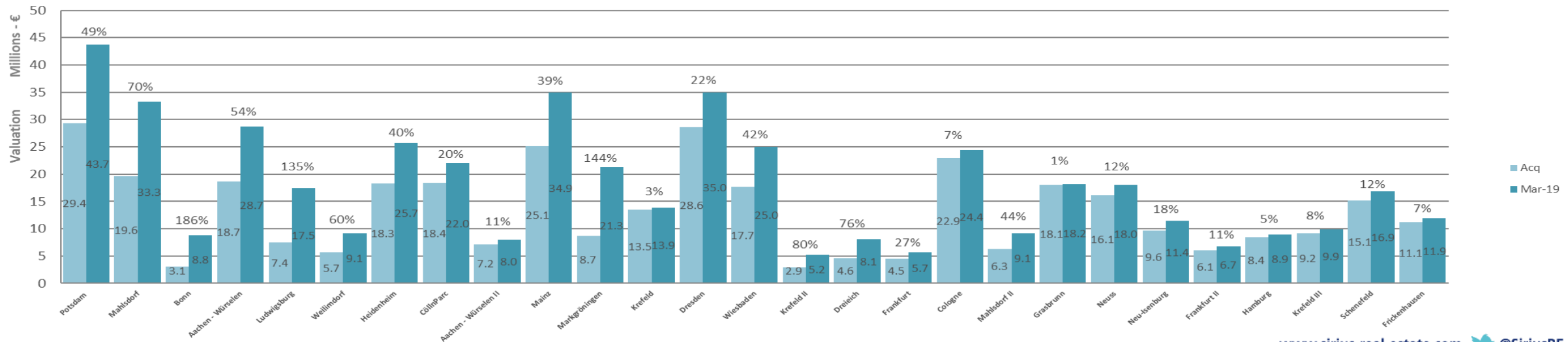
\*\* Acquired site with major tenant vacating & space in process of being re-let

# Acquisitions Completed in Prior Years (>1yr) – Valuation & Rent Roll

## Rent Roll Increase Since Acquisition



## Valuation Increase Since Acquisition



# Property Valuations & Book Value as at 31 March 2019

Mar-19	Book Value €m	Annualised Rent Roll €m	NOI €m	Gross Yield	Net Yield	Capital Value psm €	Occupancy	Rate psm €	Vacant Space sqm
Total Portfolio	1,132.5	87.8	78.4	7.8%	6.9%	717	86.1%	5.78	203,917
Other	-	-	(1.7)	-	-	-			
<b>TOTAL</b>	<b>1,132.5</b>	<b>87.8</b>	<b>76.7</b>	<b>7.8%</b>	<b>6.8%</b>	<b>717</b>	<b>86.1%</b>	<b>5.78</b>	<b>203,917</b>

Valuation Movement in Year	€m	% Change
Book Value @ 31 March 2018*	967.3	
Acquisitions/Disposals	38.2	3.9%
Surplus on revaluation above Capex	100.1	10.3%
Capex & Other	26.9	2.8%
<b>Book Value @ 31 March 2019</b>	<b>1,132.5</b>	<b>17%</b>









Valuation Reconciliation to Book Value	€m
Cushman & Wakefield**	1,136.2
Adjustment relating to lease incentives	(3.7)
<b>Book Value @ 31 Mar 2019</b>	<b>1,132.5</b>

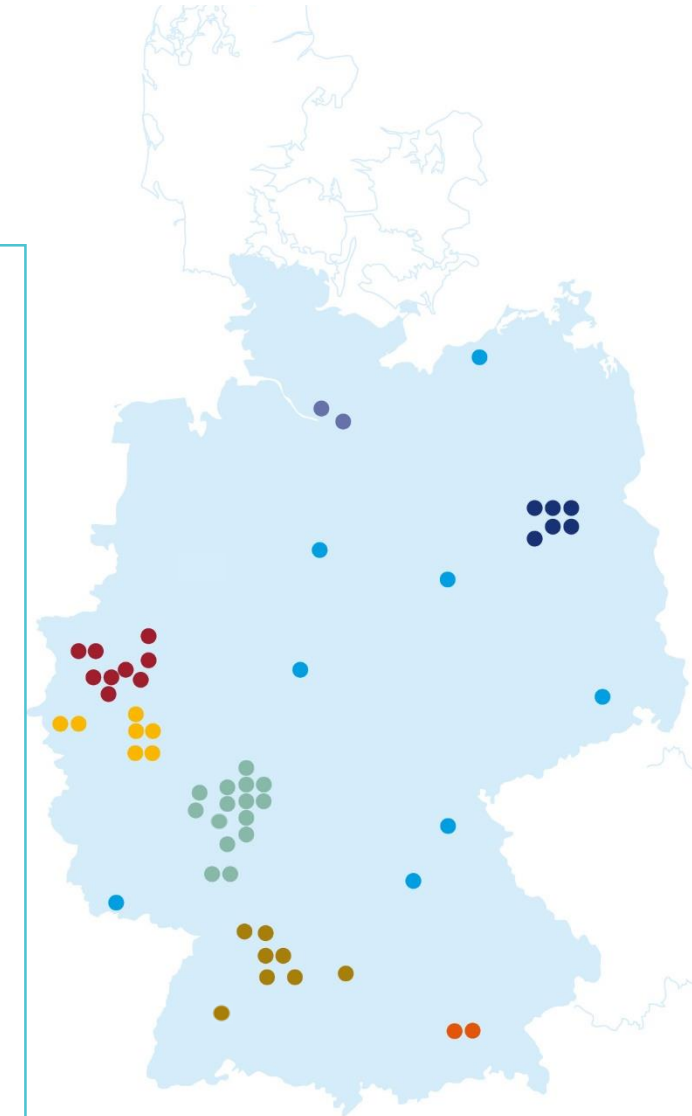
\* Including Saarbrücken and Düsseldorf completed on 1<sup>st</sup> April 2018

\*\* After full provision of purchasers costs

## Properties

# Portfolio at a glance - March 19

Mar-19		No. Of Properties	Total Sqm m	Occupancy	Rate psm €	Annualised Rent Roll €m	% of Portfolio By Rent	Book Value €m	Gross Yield
Frankfurt		14	0.3	87.4%	5.99	20.1	23%	258.8	7.8%
Berlin		6	0.2	93.7%	5.86	13.5	15%	190.8	7.1%
Stuttgart		7	0.3	89.6%	4.70	13.0	15%	154.4	8.4%
Cologne		7	0.1	90.4%	7.16	9.9	11%	125.8	7.9%
Munich		2	0.1	81.6%	6.72	6.9	8%	115.2	6.0%
Düsseldorf		9	0.2	85.2%	5.15	8.4	10%	104.9	8.0%
Hamburg		2	0.1	60.0%	4.43	1.6	2%	25.8	6.3%
Other		8	0.2	80.2%	6.10	14.4	16%	156.8	9.2%
<b>TOTAL</b>		<b>55</b>	<b>1.5</b>	<b>86.1%</b>	<b>5.78</b>	<b>87.8</b>	<b>100%</b>	<b>1,132.5</b>	<b>7.8%</b>





## Properties

# Total Portfolio Rental Analysis – 31 March 2019

2.8Yrs

Portfolio WALT

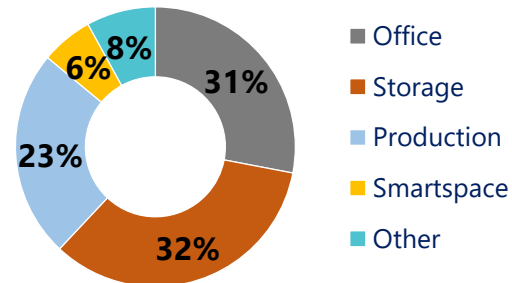
Historical Rental Movement (Ex Acq. since 2014)	Annual Rent €m	CAGR
Year:		
Mar-10	28.7	
Mar-19	41.3	4.1%

4,818

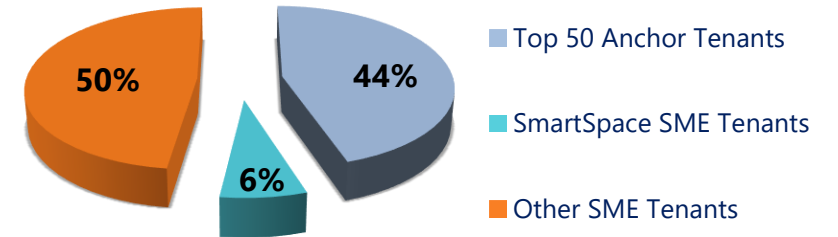
No. Of Tenants

Type of Tenant	No. Of Tenants as at 31 Mar19	Occupied Sqm	Annualised Rent Roll €m	Rate psm €
Top 50 Anchor Tenants	50	584,299	38.3	5.47
SmartSpace SME Tenants	2,310	59,576	5.5	7.70
Other SME Tenants	2,458	621,883	44.0	5.89
Total	4,818	1,265,758	87.8	5.78

### Usage Split



### Tenant Split by Revenue

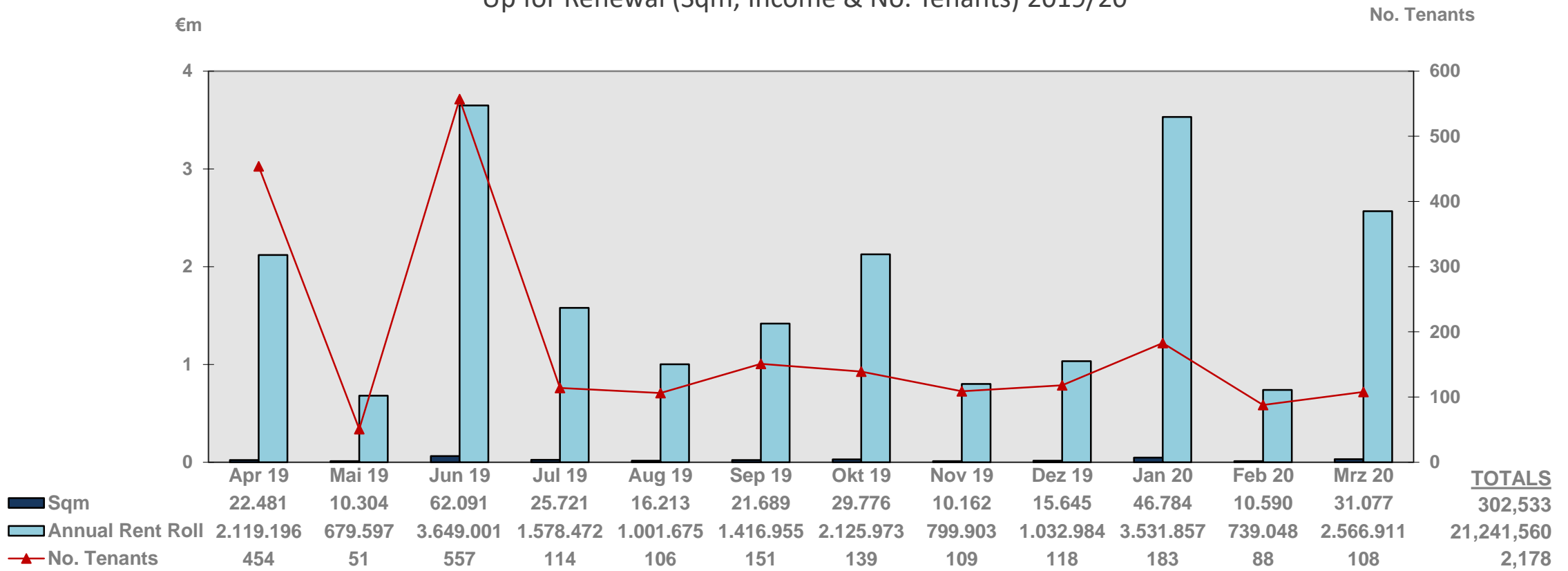


Top Tenants	% of Rent Roll
GKN Aerospace Deutschland GmbH	2.5%
Land Hessen	1.9%
TDK Electronics AG	1.7%
VAG GmbH	1.7%
MAN Energy Solutions SE	1.5%
TLT Holding GmbH	1.4%
Mercedes-Benz Fuel Cell GmbH	1.3%
Der Grüne Punkt	1.3%
Bopp & Reuther Valves GmbH	1.2%
Dematic GmbH	1.1%
Total	15.7%

## Properties

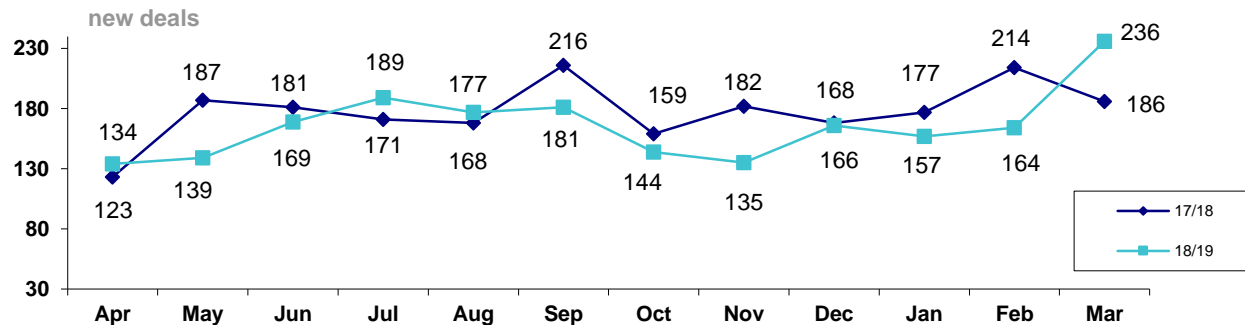
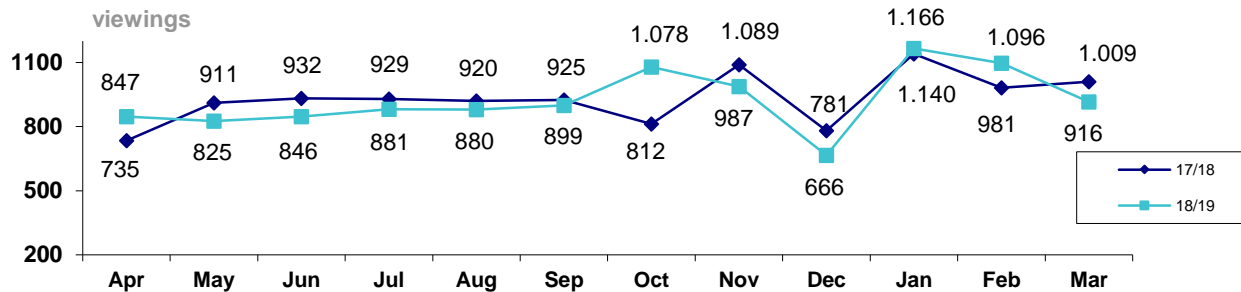
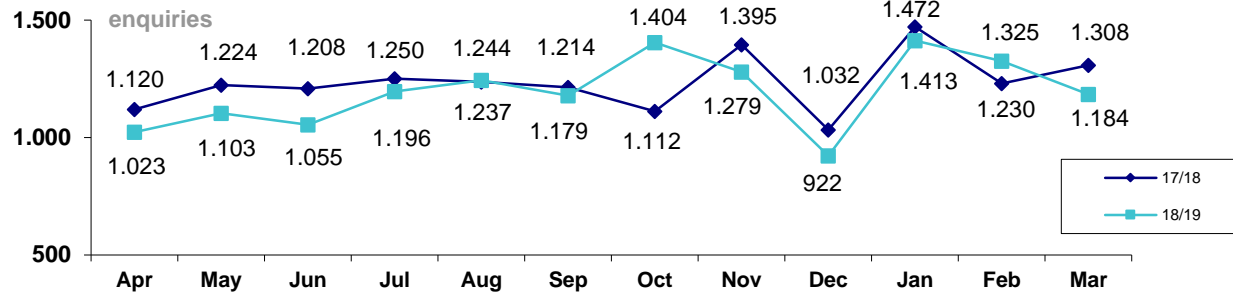
# Portfolio Renewals Analysis to March 2020\*

Up for Renewal (Sqm, Income & No. Tenants) 2019/20



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

# Enquiries/Viewings/Sales



## Average per Month

Twelve months to Mar 19

**1,194**

## ENQUIRIES

## Average per Month

Twelve months to Mar 19

**924**

## VIEWINGS

### Conversion

Enquiries ➡ Viewings

**77 %**

## Average per Month

Twelve months to Mar 19

**166**

## SALES

### Conversion

Enquiries ➡ Sales

**14 %**

# SmartSpace (SmSp) Products



Smartspace Product Type	Total sqm	Occupied sqm	Occupancy %	Annualised Rent Roll (excl. Service Charge) €	% of Total Annualised SmSp Rent Roll	Rate per sqm (excl. Service charge) €
First Choice Office	2,795	1,358	49%	329,000	6%	20.20
SMSP Office	33,331	26,320	79%	2,749,000	50%	8.70
SMSP Workbox	5,964	5,567	93%	342,000	6%	5.12
SMSP Storage	30,702	22,777	74%	1,823,000	33%	6.67
<b>SMSP Subtotal</b>	<b>72,792</b>	<b>56,022</b>	<b>78%</b>	<b>5,243,000</b>	<b>95%</b>	<b>7.80</b>
SMSP Flexilager*	8,162	3,554	44%	263,000	5%	6.17
<b>SMSP TOTAL</b>	<b>80,953</b>	<b>59,576</b>	<b>74%</b>	<b>5,506,000</b>	<b>100%</b>	<b>7.70</b>

During the period a further 1,817sqm of Smartspace Office and 1,894sqm of SmartSpace Workboxes were created from vacant sub-optimal space and Flexilager

\* Not adjusted for common areas

Banking



Berlin Hyp



### INCOME/CASH FLOWS AS AT 31 MARCH 2019

	Portfolio Value	Loan Amount	Annualised Rent Roll	NOI	Annual Interest		Scheduled Annual Amortisation		Cash Contribution (after debt service) €m	Loan Expiry Date
	€m	€m	€m	€m	€m	%	€	%		
Deutsche Genossenschafts-Hypothekenbank AG	34.9	14.0	2.6	2.4	0.2	1.6%	0.3	2.3%	1.9	March 2021
Bayerische Landesbank	74.2	23.6	6.2	5.8	0.4	1.7%	0.5	2.2%	4.9	October 2020
SEB AG	142.6	54.9	10.9	10.1	1.0	1.8%	1.2	2.2%	7.9	September 2022
SEB AG II	47.5	22.7	2.5	1.9	0.6	2.6%	0.5	2.0%	0.9	October 2024
SEB AG III	80.3	37.2	6.3	4.9	0.6	1.6%	0.8	2.0%	3.6	March 2025
Berlin Hyp AG/Deutsche Pfandbriefbank AG	307.8	81.6	22.2	19.9	1.4	1.7%	2.6	3.2%	15.8	April 2023
Berlin Hyp AG	173.5	65.7	13.9	13.3	1.0	1.5%	1.8	2.8%	10.5	October 2023
K-Bonds I	126.7	47.0	9.0	7.9	1.9	4.1%	1.0	2.1%	5.0	Jul 2020 & Jul 2023
Saarbrücken Sparkasse	29.1	17.3	3.2	2.7	0.3	1.5%	0.7	4.3%	1.7	February 2025
Deutsche Pfandbriefbank AG	64.2	22.1	5.8	5.5	0.3	1.4%	0.4	2.0%	4.8	December 2023
Unencumbered properties	51.7	0.0	5.2	3.9	n/a	n/a	n/a	n/a	3.9	n/a
Other				(1.7)						
<b>Total</b>	<b>1,132.5</b>	<b>386.1</b>	<b>87.8</b>	<b>76.7</b>	<b>7.6</b>	<b>2.0%</b>	<b>9.8</b>	<b>2.5%</b>	<b>60.9</b>	

### COVENANTS AS AT 31 MARCH 2019

	Actual				Covenant			
	ICR	DSCR	DYR	LTV	ICR	DSCR	DYR	LTV
Deutsche Genossenschafts-Hypothekenbank AG	10.8 x	4.4 x	n/a	40.3%	n/a	1.3x	n/a	68.0%
Bayerische Landesbank	14.9 x	6.5 x	n/a	31.8%	n/a	2.5x	n/a	65.0%
SEB AG	9.9 x	4.6 x	n/a	38.5%	5.9x	n/a	n/a	55.0%
SEB AG II	3.2 x	1.8 x	8.4%	47.8%	n/a	n/a	1.9%	61.5%
SEB AG III	8.3 x	3.6 x	13.2%	46.4%	n/a	n/a	7.5%	60.0%
Berlin Hyp AG/Deutsche Pfandbriefbank AG	14.7 x	5.0 x	n/a	26.5%	1.5x	n/a	n/a	62.5%
Berlin Hyp AG	13.6 x	4.7 x	n/a	37.9%	1.4x	n/a	n/a	65.0%
K-Bonds I	4.1 x	2.7 x	n/a	37.1%	2.5x	n/a	n/a	n/a
Saarbrücken Sparkasse	10.3 x	2.7 x	n/a	59.4%	n/a	2.0x	n/a	n/a
Deutsche Pfandbriefbank AG	17.9 x	7.4 x	25.0%	34.5%	n/a	n/a	6.5%	60.0%
<b>Average</b>	<b>10.3 x</b>	<b>4.4 x</b>	<b>19.8%</b>	<b>34.1%</b>				



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