



Sirius Real Estate Ltd

# Half Year Results - 30 September 2019





## Industrial Business Parks Sirius Assets

We provide flexible and conventional  
workspace to companies across Germany

# Highlights

€79.7m

Six month PBT

€170.0m

Net proceeds generated through  
Titanium, financing and asset recycling

16.3% & 7.3%

FFO growth

LFL portfolio  
value increase

€86.5m & €10.1m

Assets acquired  
or notarised

Assets notarised  
for sale

- » Total profit before tax of €79.7 million (Sept 2018: €78.2m)
- » Funds from operations increased by 16.3% to €27.1 million (Sept 2018: €23.3 million)
- » Interim dividend increased 8.6% to 1.77c per share (Sept 18: 1.63c)
- » Like-for-like portfolio book value increase of 7.3% or €70.7 million (Sept 2018: 7.6%); total portfolio book value €1,064.8 million
- » Completion of Titanium Venture with AXA IM – Real Assets, generating €70.0 million of funds for acquisitions
- » Agreed €115.4 million extension of existing loan facility, generating €90.0 million of funds for acquisitions & reducing average cost of debt to 1.49%
- » €86.5 million of acquisitions completed or notarised, €10.1m office building notarised for sale

# Financials – Income Statement

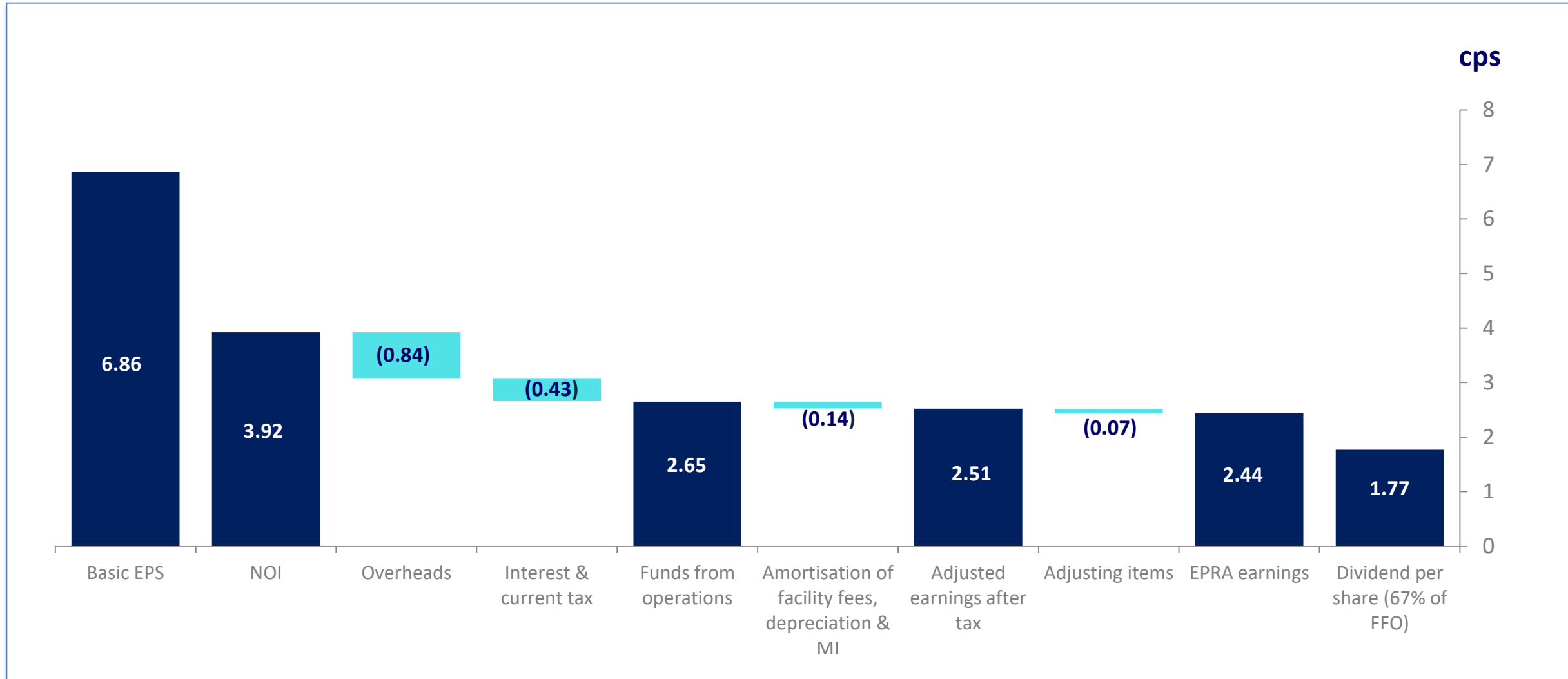
	As at Sep 19 €m	As at Sep 18 €m	Movement €m
<b>Rental and other income *</b>	43.9	40.4	3.5
Service charge irrecoverable costs	(2.7)	(3.3)	0.6
Non-recoverable maintenance	(1.1)	(0.8)	(0.3)
<b>Net Operating Income</b>	40.1	36.3	3.8
Corporate costs and overheads	(8.5)	(9.0)	0.5
<b>Adjusted EBITDA</b>	31.6	27.3	4.3
Bank interest	(4.0)	(3.9)	(0.1)
Current tax	(0.5)	(0.1)	(0.4)
<b>FFO</b>	27.1	23.3	3.8
Amortisation of financing fees	(0.7)	(0.6)	(0.1)
Depreciation	(0.7)	(0.7)	-
Add back current taxes	0.5	0.1	0.4
<b>Adjusted profit before tax</b>	26.2	22.1	4.1
Adjusting items	(10.0)**	(0.1)	(9.9)
Surplus on revaluation of investment properties	58.2	56.2	2.0
Gain on disposal of investment properties	6.3	0.1	6.2
Change in fair value of derivative financial instruments	(1.1)	(0.1)	(1.0)
Share of profit from investment in associate	0.1***	-	0.1
<b>Profit Before Tax</b>	<b>79.7</b>	<b>78.2</b>	<b>1.5</b>

\* Includes rental and other income from operating and management agreements including Titanium venture

\*\* Adjusting items include expected selling costs relating to assets held for sale, restructuring costs and costs relating to share incentives

\*\*\* Share of profit relating to investment in associate not included in FFO

# Earnings Per Share

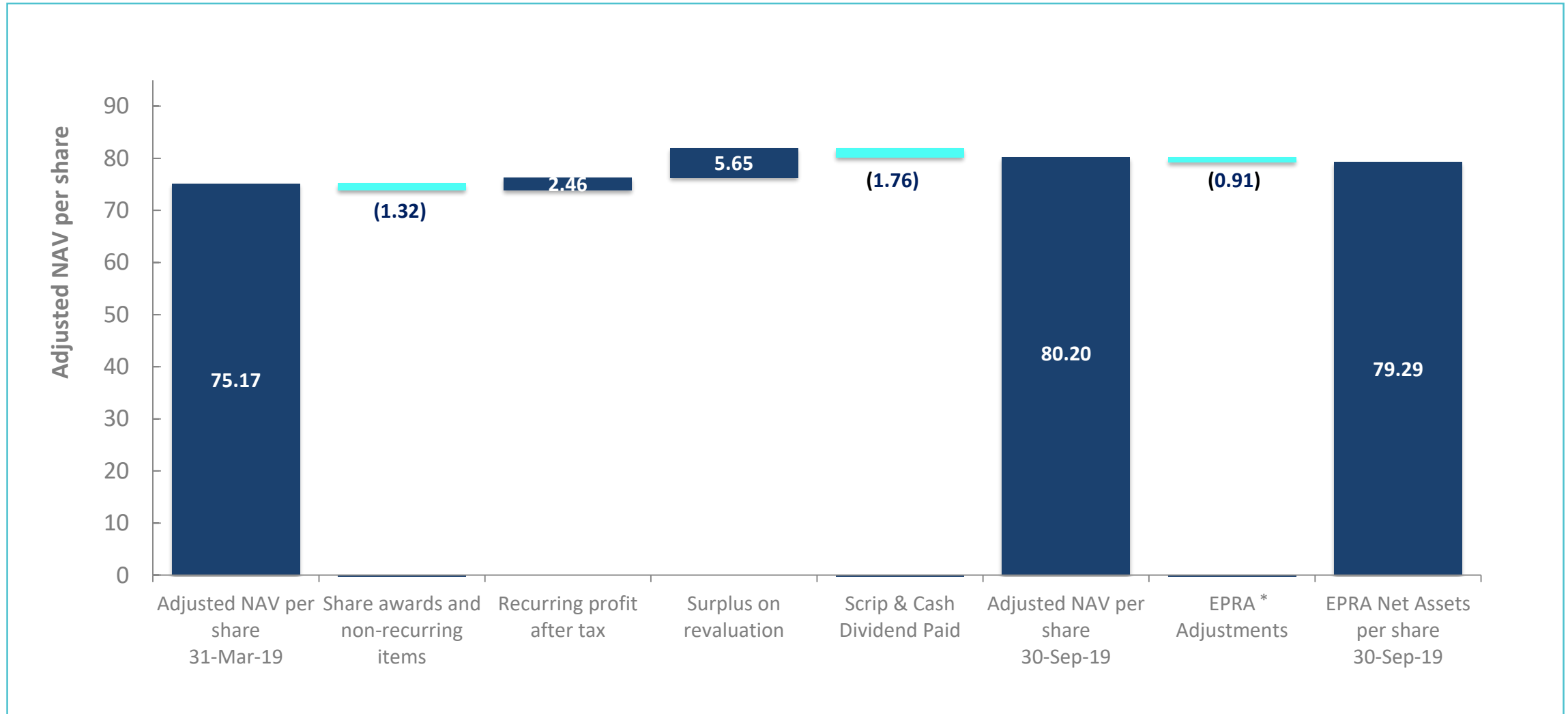


Note: All items in the chart above are calculated on the weighted average number of shares in issue during the period

# Financials – Statement of Financial Position

	As at Sep 19 €m	As at Mar 19 €m	Movement €m
<b>Assets</b>			
Investment properties	1,064.8	1,132.5	(67.7)
Prepayments for investment properties	2.3	0.4	1.9
Plant and equipment	4.1	3.4	0.7
Goodwill	3.7	3.7	-
Right of use assets IFRS 16	21.1	-	21.1
Investment in associate	26.3	-	26.3
Trade and other receivables	17.8	13.6	4.2
Cash and cash equivalents	81.0	40.3	40.7
<b>Total Assets</b>	<b>1,221.1</b>	<b>1,193.9</b>	<b>27.2</b>
<b>Liabilities</b>			
Trade and other payables	(37.8)	(44.4)	6.6
Interest bearing bank loans	(335.3)	(380.1)	44.8
Lease liabilities IFRS 16	(21.3)	-	(21.3)
Current & deferred tax liabilities	(40.3)	(42.2)	1.9
Derivative financial instruments	(2.0)	(1.2)	(0.8)
<b>Total Liabilities</b>	<b>(436.7)</b>	<b>(467.9)</b>	<b>31.2</b>
<b>Net Assets</b>	<b>784.4</b>	<b>726.0</b>	<b>58.4</b>
<b>NAV per share</b>	<b>76.18c</b>	<b>71.01c</b>	
<b>Adjusted NAV per share</b>	<b>80.20c</b>	<b>75.17c</b>	
<b>EPRA NAV per share</b>	<b>79.29c</b>	<b>74.82c</b>	

# NAV Growth Sep 19



\* EPRA adjustments include the effect of the grant of share awards, all other items based on number of share in issue at the end of the period

# Available Resources for Acquisitions

**€21.9m**

Three acquisitions  
completed in H1

**€64.6m**

Two acquisitions notarised  
for completion in H2

**€57.7m**

Acquisitions in exclusivity

	€m
<b>Sources</b>	
Disposals*	10.0
Titanium venture**	70.0
Berlin Hyp extension***	90.0
<b>Total available</b>	<b>170.0</b>
<b>Acquisitions</b>	
Teningen (completed)	6.5
Buxtehude (completed)	8.7
Bochum II (completed)	6.7
Alzenau (notarised)	44.4
Hallbergmoos (notarised)	20.2
Deals in exclusivity	57.7
<b>Total</b>	<b>144</b>
<b>Remaining resources</b>	<b>25.8</b>

\* Proceeds from prior year disposals

\*\* Proceeds net of breakage and other related costs

\*\*\* Proceeds net of repayment of K-Bonds facility including related breakage costs



# Completed & Notarised Acquisitions

**€86.5m**

Total cost of five acquisitions completed or notarised

**33%**

Vacancy (44k sqm)

**54%**

Potential increase in NOI

Site	Date acquired/ notarised	Total investment €m	Cost psm	Annualised acquisition rental income €m	Annualised acquisition NOI €m	Acquisition occupancy	EPRA net initial yield
<b>Completed:</b>							
Teningen	Jun-19	6.5	324	0.8	0.5	88%	8.3%
Buxtehude	May-19	8.7	305	-	(0.5)	-	(5.5)%
Bochum II	Sep-19	6.7	1,580	0.4	0.4	100%	5.5%
<b>Total</b>		<b>21.9</b>	<b>414</b>	<b>1.2</b>	<b>0.4</b>	<b>41%</b>	<b>2.0%</b>
<b>Notarised:</b>							
Alzenau	Jul-19	44.4	742	4.1	3.5	94%	7.8%
Hallbergmoos	Sep-19	20.2	1,134	1.0	0.7	55%	3.4%
<b>Total</b>		<b>64.6</b>	<b>831</b>	<b>5.1</b>	<b>4.2</b>	<b>84%</b>	<b>6.4%</b>
<b>TOTAL</b>		<b>86.5</b>	<b>662</b>	<b>6.3</b>	<b>4.6</b>	<b>67%</b>	<b>5.3%</b>

# Completed & Notarised Acquisitions



Teningen



Buxtehude



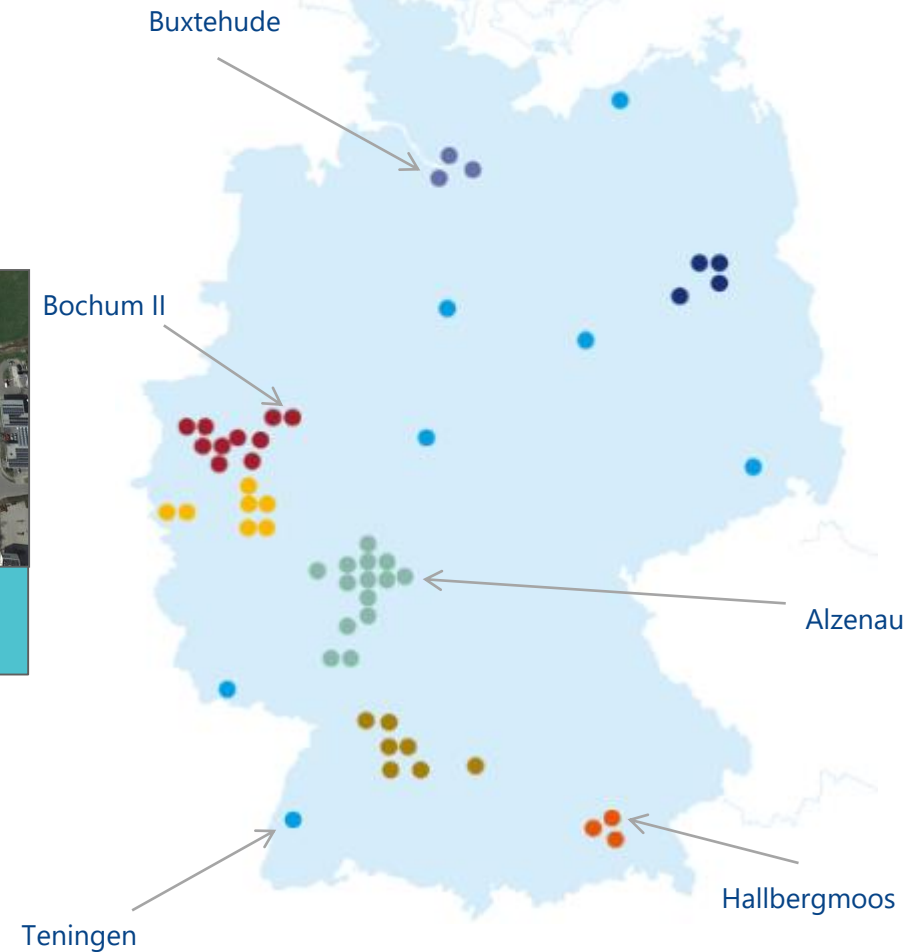
Bochum II



Alzenau \*



Hallbergmoos \*



\* Notarised in the period

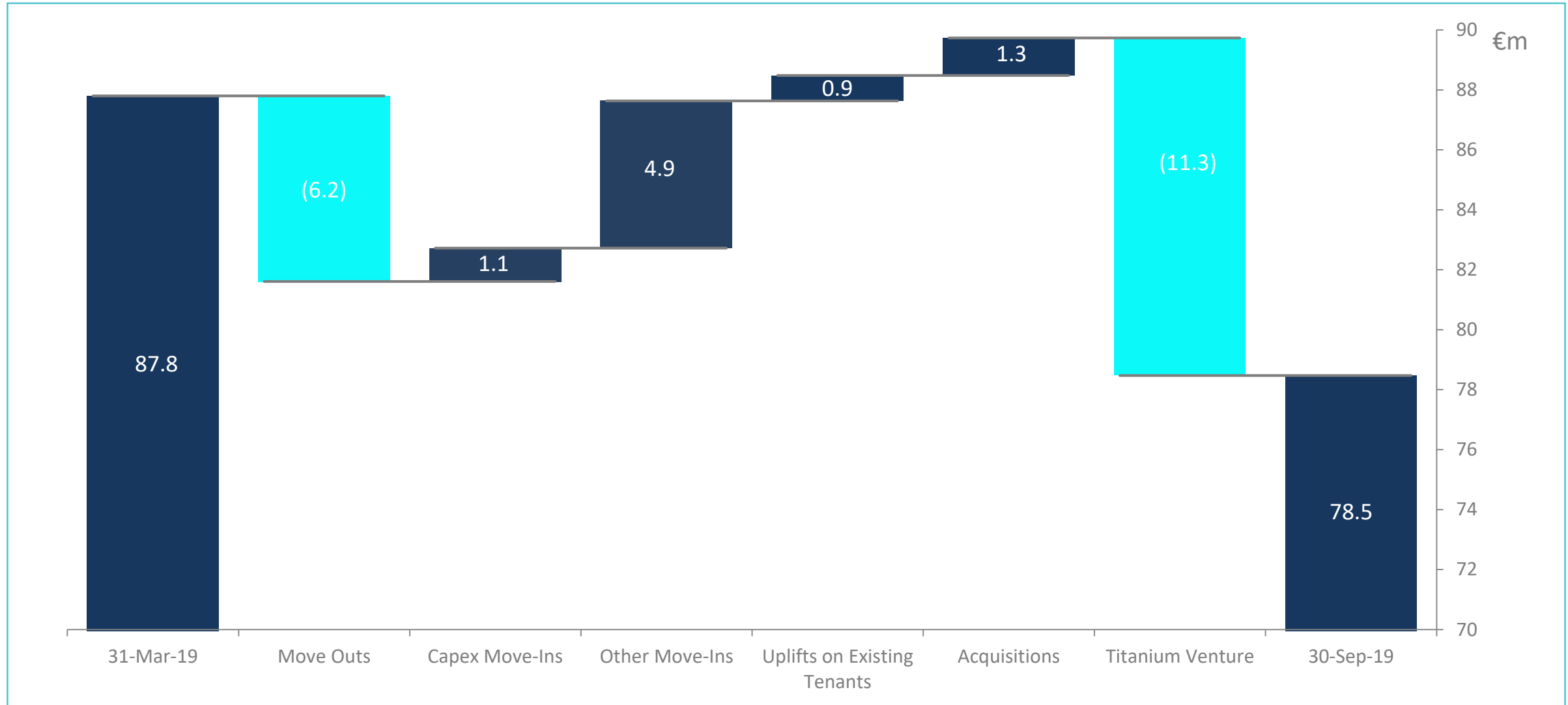
# Organic Growth – Rental Income Analysis

Site	Sep-19	Mar-19	Sep-18	Change	
Rent Roll	€78.5m	€87.8m	€82.0m	↓	(10.6)%
Rent Roll (Disposals)	€(11.3)m*	€(3.0)m	-	-	-
Rent Roll (Acquisitions)	€1.3m	€5.8m	-	-	-
Rent Roll (LFL)	€77.2m	€76.5m	€73.6m**	↑	0.9%
Occupancy (LFL)	84.7%	85.2%	83.0%**	↓	(0.5)%
Occupancy	83.0%	86.1%	81.2%	↓	(3.1)%
Rate psm (LFL)	€5.92	€5.83	€5.75**	↑	1.6%
Rate psm	€5.90	€5.78	€5.74	↑	2.1%
New Lettings***	79,681sqm	170,866sqm	75,462sqm	↑	5.6%
New Letting Rate psm***	€6.41	€6.79	€6.87	↓	(6.7)%
Move-Outs Rate psm***	€5.47	€6.88	€5.89	↓	(7.1)%
Move-Outs***	94,339sqm	143,048sqm	82,631qm	↑	14.2%

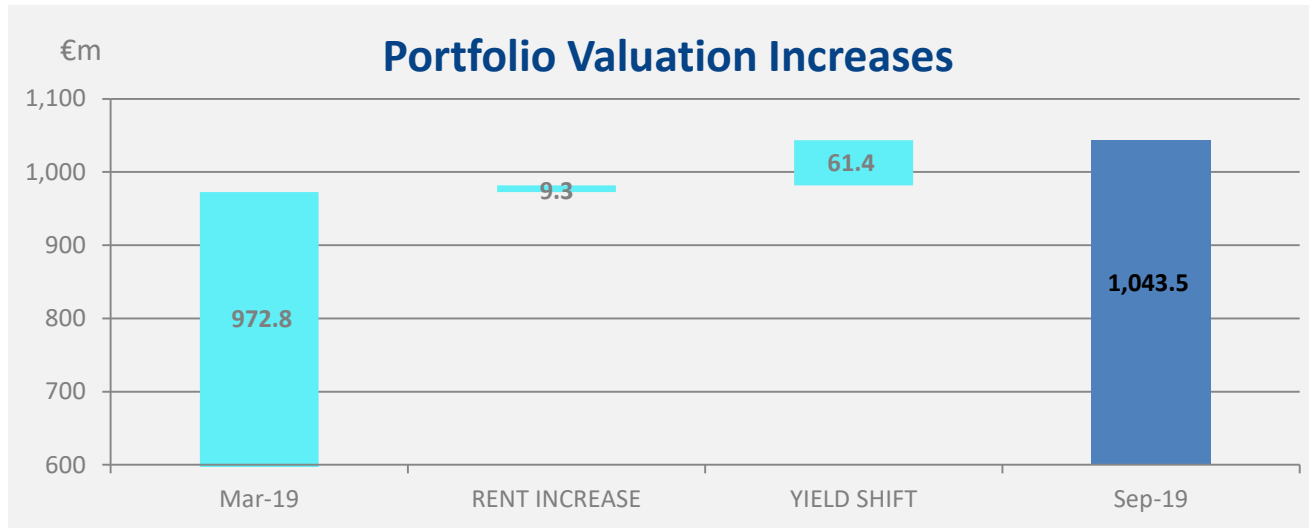


\* Titanium venture assets  
\*\* Mannheim II & Bochum as per business plan  
\*\*\* Excluding disposals

# Organic Growth – Rental Movement Analysis



# Like-for-Like Valuation Movement



## EXISTING PORTFOLIO\*

As at 31 Mar 2019:

Gross Yield = 7.9%

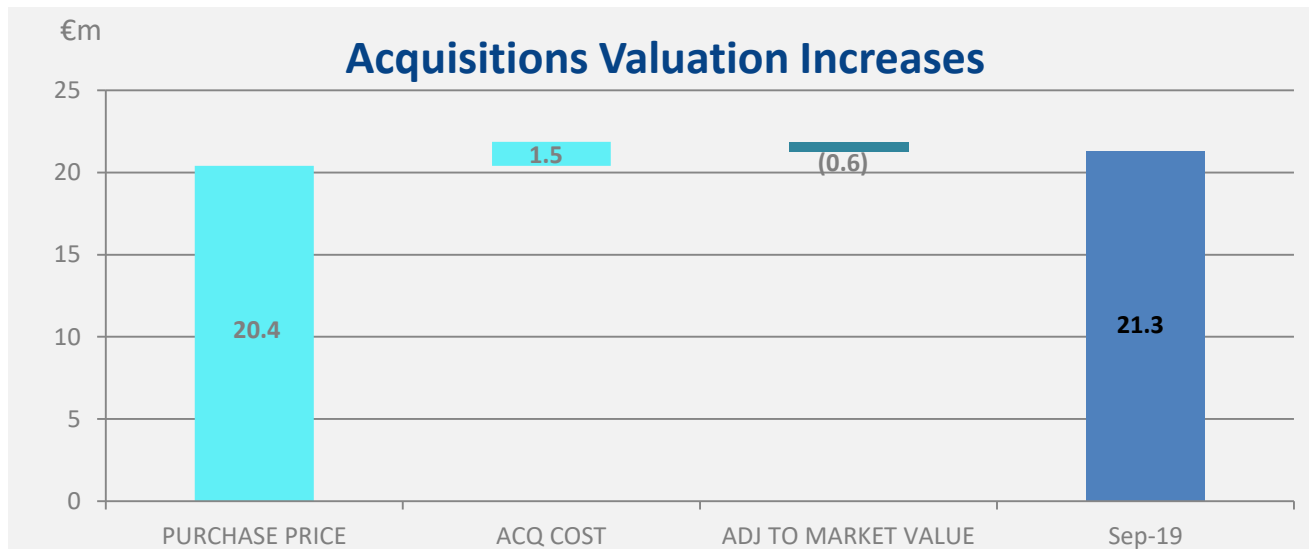
Net Yield = 7.0%

As at 30 Sep 2019:

Gross Yield = 7.4%

Net Yield = 6.5%

**Gross Yield shift of (47) bps**



## ACQUISITIONS\*\*

As at Acquisition:

Gross Yield = 6.1%

Net Yield = 2.1%

As at 30 Sep 2019:

Gross Yield = 5.9%

Net Yield = 3.0%

**Gross Yield shift of (15) bps**

	Book Value Sept 19 - €m
Existing Portfolio *	1,043.5
Acquisitions	21.3
<b>Total</b>	<b>1,064.8</b>



\* Including Assets held for sale

\*\* Calculated on purchase price excluding acquisition costs



# Value-Add Portfolio Split

Mar-19 *	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%	683	79.0%	5.98	170,993
Mature	398.4	30.3	28.4	7.6%	7.1%	814	95.8%	5.62	19,547
Other	-	-	(1.8)	-	-	-			
<b>TOTAL</b>	<b>972.9</b>	<b>76.5</b>	<b>66.1</b>	<b>7.9%</b>	<b>6.8%</b>	<b>731</b>	<b>85.2%</b>	<b>5.83</b>	<b>190,540</b>

Sept-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	623.0	46.6	40.2	7.5%	6.5%	737	78.5%	6.10	175,144
Mature	420.5	30.6	27.9	7.3%	6.6%	867	95.6%	5.68	20,444
Other	-	-	(1.3)	-	-	-			
<b>TOTAL</b>	<b>1,043.5</b>	<b>77.2</b>	<b>66.8</b>	<b>7.4%</b>	<b>6.4%</b>	<b>784</b>	<b>84.7%</b>	<b>5.92</b>	<b>195,588</b>

Sept-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	485.5	37.6	31.4	7.8%	6.5%	662	72.7%	6.08	193,738
Mature	579.3	40.9	37.3	7.1%	6.4%	890	94.7%	5.75	33,222
Other	-	-	(1.3)	-	-	-			
<b>TOTAL</b>	<b>1,064.8</b>	<b>78.5</b>	<b>67.4</b>	<b>7.4%</b>	<b>6.3%</b>	<b>769</b>	<b>83.0%</b>	<b>5.90</b>	<b>226,960</b>

\* Restated for assets sold into the Titanium venture

\*\* Bochum I, Neuaußing & Frankfurt II moved from Value-Add as at Mar-19 to Mature

# Value-Add – Vacant Space Analysis

Sep-19 Ending Position

Total space – sqm		1.3m	Occupancy	83%
Occupied space – sqm		1.1m		
Vacant space - sqm		0.2m		
	Sep 19			
<u>Sub optimal space</u>  Original major capex programme New acquisition capex programme <i>Flexilager Vacancy</i> Total sub-optimal space   Structural vacancy  <u>Lettable vacancy</u> Smart space Other vacancy *  TOTAL LETTABLE SPACE	% of Total space	Sqm	Capex €m	ERV (post invest) €m
		5,497	1.0	0.2
		76,238	18.2	7.4
		4,131		0.3
	6%	85,866	19.2	7.9
	2%	22,387		
		18,171		1.5
		100,536	6.5	6.9
	9%	118,708		
TOTAL	17%	226,960	25.7	16.3

\* Includes 24,230sqm vacancy of space just transformed within the new acquisition capex investment program with €2.6m ERV

# Original Capex Programme

Completed in period

**4.1k sqm**

**€0.3m**

**51%**

Vacant space refurbished in period

Invested in period

Return on cost

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	199,504	25.5	128	11.1	5.69	81%	23.9	120	12.2	6.43	79%
In progress	3,608	0.8	225	0.2	4.60	85%	0.5	137	0.1	-	-
To commence in next financial yr.	1,889	0.8	400	0.1	5.19	86%	-	-	-	-	-
<b>Total</b>	<b>205,001</b>	<b>27.1</b>	<b>132</b>	<b>11.4</b>	<b>5.67</b>	<b>81%</b>	<b>24.4</b>	<b>119</b>	<b>12.3</b>	<b>-</b>	<b>79%</b>

Still to Come:

**5.5k sqm**

**€1.1m**

**€0.3m**

Vacant space still to be refurbished

Further investment

Further annualised rental income



# New Acquisition Capex Programme

Completed in Period

**20.1k sqm**

**€1.9m**

**€0.8m**

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	73,241	14.3	196	5.6	7.43	86%	12.4	169	4.1	7.52	62%
In progress	28,802	13.5	469	2.5	8.25	89%	1.6	57	-	-	-
To commence in next financial yr.	47,437	5.5	117	2.3	4.99	80%	-	-	-	-	-
<b>Total</b>	<b>149,480</b>	<b>33.3</b>	<b>223</b>	<b>10.4</b>	<b>6.86</b>	<b>85%</b>	<b>14.0</b>	<b>94</b>	<b>4.1</b>	<b>-</b>	<b>62%</b>

Still to Come:

**76.2k sqm**

**€18.2m**

**€6.3m**

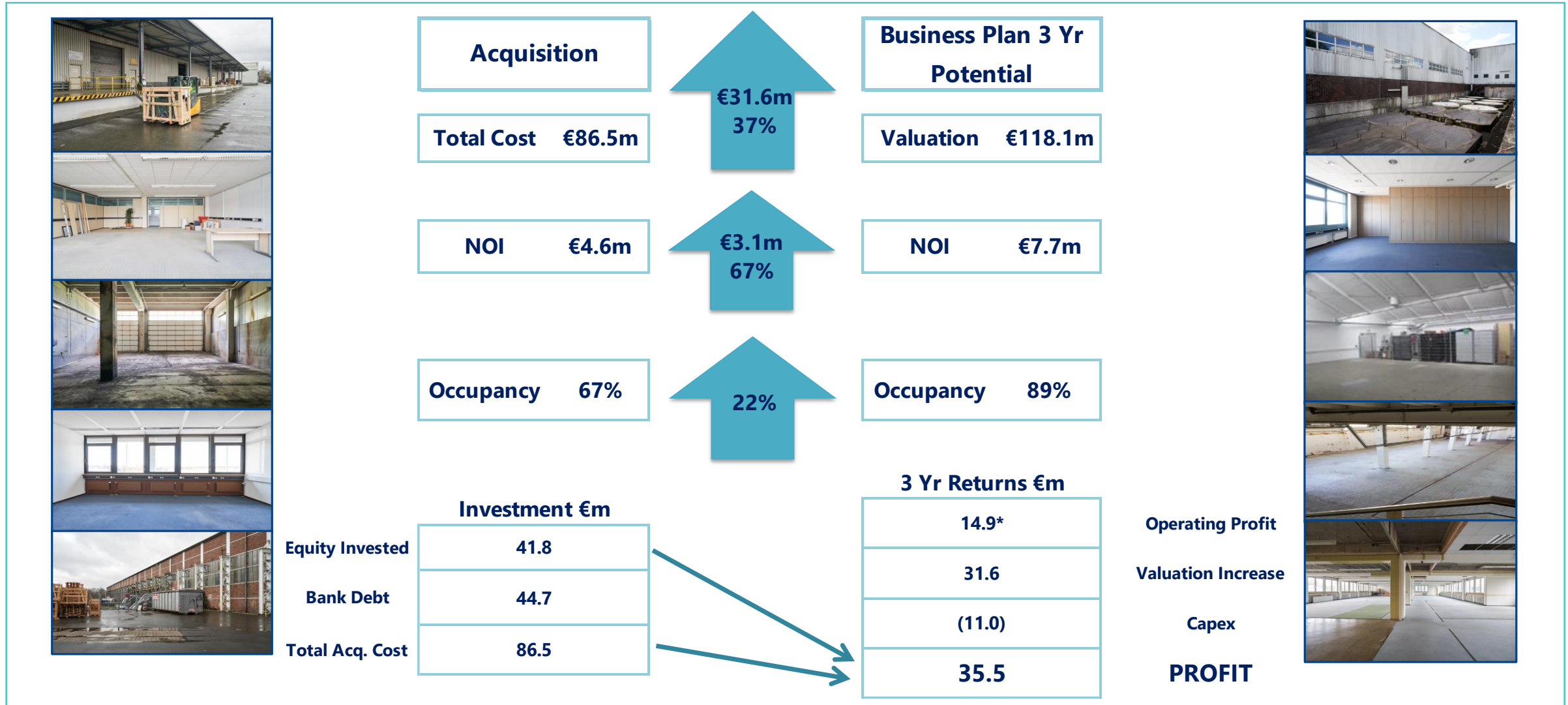
Vacant space still to be refurbished

Further investment

Further annualised rental income \*

\* At 85% occupancy

# Potential of FY 19/20 Acquisitions



\* NOI less bank interest



# Banking – Transactions\*

€68.9m

## Net additional lending

	Outstanding debt Mar 19 €'000	Interest Rate	Annual Interest €'000	Movement in period €'000	Outstanding debt Sep 19 €'000	Interest Rate	Annual Interest €'000
<b>K-Bonds I</b>	47,000	4.00%	1,880	(47,000)	-	-	-
<b>Deutsche Genossenschafts-Hypothekenbank AG</b>	14,040	1.59%	223	(14,040)	-	-	-
<b>Berlin Hyp AG/Deutsche Pfandbriefbank AG</b>	81,554	1.66%	1,354	(18,087)	63,467	1.66%	1,054
<b>Berlin Hyp AG extension*</b>	-	-	-	115,400	115,400	0.90%	1,039
<b>Deutsche Pfandbriefbank AG</b>	22,114	1.81%	401	33,326	55,440	1.81%	1,005
<b>Saarbrücken Sparkasse</b>	17,274	1.53%	264	(367)	16,908	1.53%	259
<b>SEB AG III</b>	37,240	1.58%	588	(380)	36,860	1.58%	582
<b>SEB AG II</b>	22,701	2.56%	582	1,771	24,472	2.56%	627
<b>SEB AG</b>	54,870	1.84%	1,010	(591)	54,279	1.84%	999
<b>Berlin Hyp AG</b>	65,697	1.48%	972	(909)	64,788	1.48%	959
<b>Bayerische Landesbank</b>	23,606	1.66%	392	(254)	23,351	1.66%	388
<b>TOTAL</b>	<b>386,096</b>	<b>2.00%</b>	<b>7,666</b>	<b>68,869</b>	<b>454,965</b>	<b>1.49%</b>	<b>6,912</b>

1.49 %

## Weighted average interest rate

€0.8m

## Reduction in annual interest

0.9 %

## Latest fixed rate facility with Berlin Hyp

\* Information presented post drawdown of the Berlin Hyp AG extension of €115.4 million that occurred in October 2019

# Banking

3.9 Yrs

Weighted average debt expiry

1.7%

Average cost of debt reduced to  
1.5% post drawdown of new lending in Oct 19

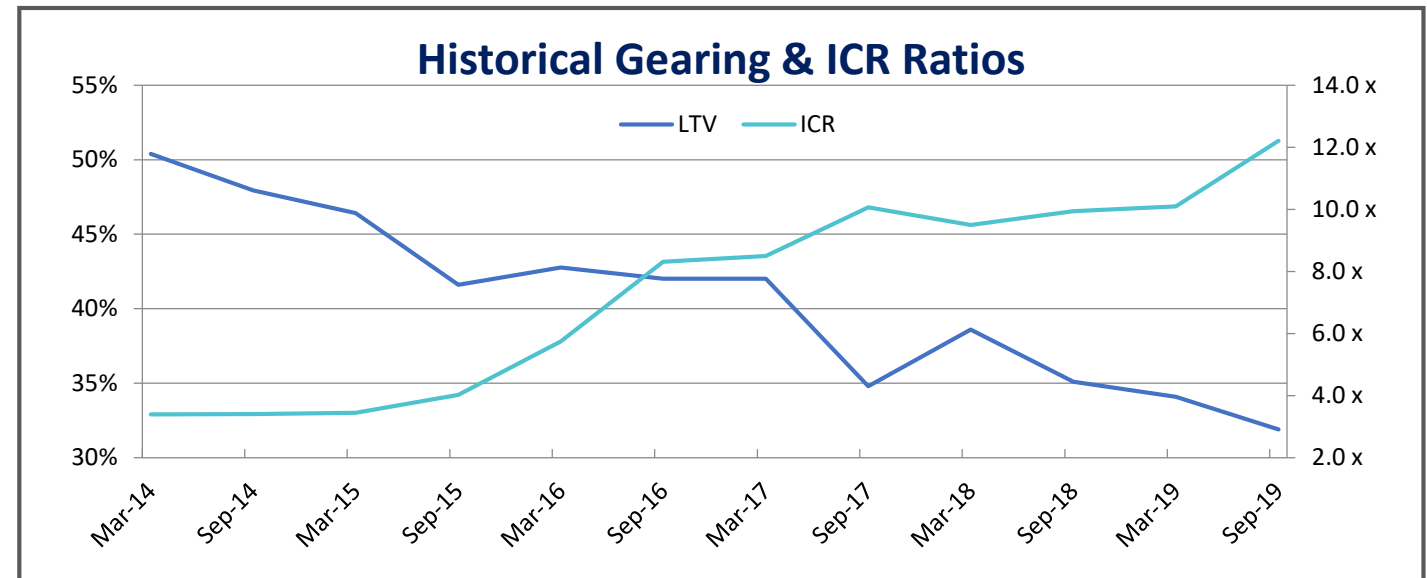
12.2x

Interest cover from NOI

<40% LTV

Expected LTV post drawdown  
of new lending

	Pro-forma Sep 19 **	Sep 19	Mar 19
Bank borrowings	€455.0m	€339.6m	€386.1m
Net LTV *	38.0%	30.6%	32.4%
Gross LTV	39.4%	31.9%	34.1%
Weighted average interest rate	1.5%	1.7%	2.0%
NOI interest cover	11.2x	12.2x	10.1x
Weighted average debt expiry	4.0 Years	3.9 Years	4.3 Years
No. of unencumbered assets	15	11	7
Book value of unencumbered assets	€172.3m	€82.3m	€51.7m



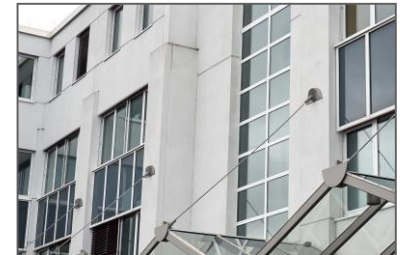
\* Ratio of gross debt less cash excluding restricted cash to the aggregate value of investment property

\*\* Sep 19 adjusted for €115.4m of additional lending from Berlin Hyp AG which was drawdown in October 19 and expected to fund four unencumbered assets totalling €90.0m

# Conclusion



- » Well on track for another year of greater than 15% Total Accounting Return
- » Financing deal agreed in the period which will be highly accretive when funds are invested
- » Positive organic annualised rent roll growth despite impact of expected move outs
- » Substantial portfolio valuation increases continue as yields are compressing further
- » Completed Titanium venture with AXA IM Real Assets generating net proceeds of €70.0m
- » Good progress on investing funds from asset recycling, Titanium venture and additional lending with €86.5m of acquisitions completed or notarised and €80.0m of remaining funds for acquisitions
- » Strong lettings and acquisition pipeline to fuel second half of the financial year
- » Interim dividend per share of 1.77c based on a 67% pay-out ratio





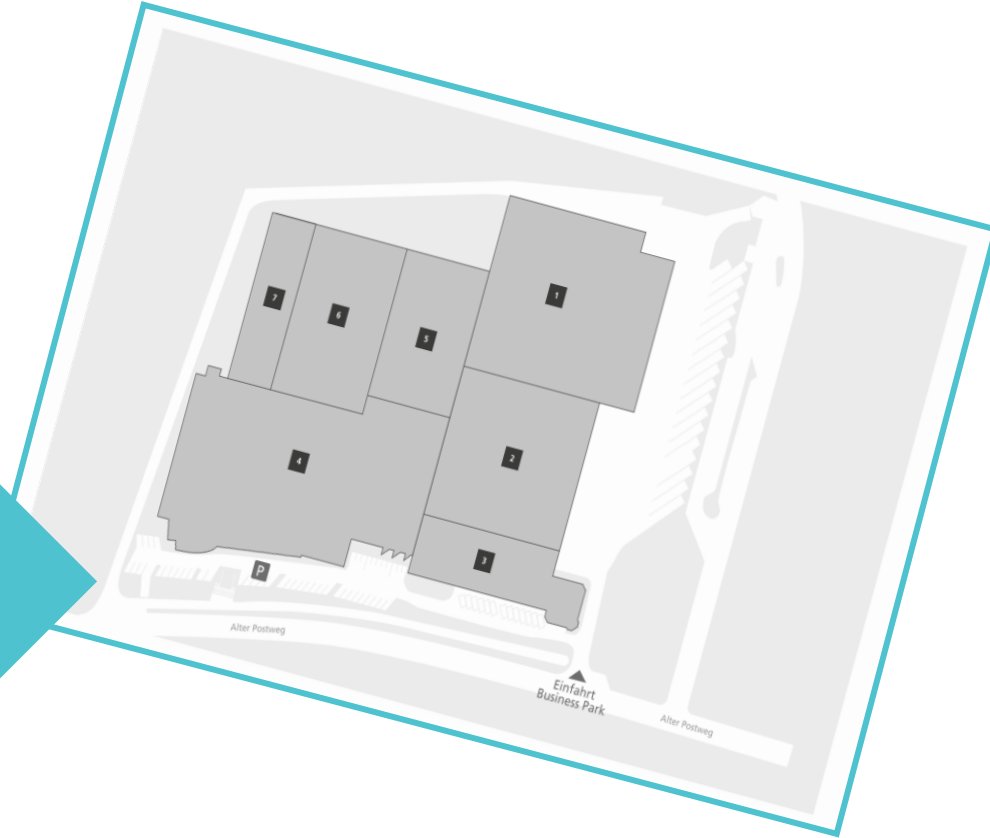
# Appendices – Case Studies & Property Stats





## Case Study 1 – Buxtehude

# Site Plan & Impression





## Case Study 1 – Buxtehude

# Property Overview

- » Former headquarters of multinational drinks manufacturing business located in the strong Hamburg market that Sirius knows well
- » Asset acquired on an unencumbered basis however financing will be considered once sufficient asset management progress made
- » Key in-house asset management initiatives to bring site to maturity are:
  - » Perform detailed analysis to understand micro market dynamics
  - » Determine most suitable products to develop on site
  - » Upgrade quality of space available and let up vacancy within three years
  - » Reduce service charge leakage by procuring services centrally and implementing sophisticated cost measurement and allocation techniques
- » Attractive ungeared return approaching 20% expected based on business plan



## Case Study 1 – Buxtehude

# Financials & Returns To Date

	At	Business Plan Target	Total Expected Improvement
<b>May-19</b>	<b>Acquisition</b>	<b>To Mar 22</b>	
<b>Total Cost/Valuation</b>	<b>€ 8.7m</b>	<b>€ 17.7m</b>	<b>€ 9.0m</b>
<b>Total SQM</b>	<b>28,673</b>	<b>28,673</b>	<b>-</b>
Value psm	€ 303	€ 659	€ 356
Invested Equity	€ 4.3m	-	-
Annualised Rent Roll	-	€ 1.4m	€ 1.4m
Annualised NOI	€ (0.5)m	€ 1.3m	€ 1.8m
Vacant Space sqm	28,532	-	(28,532)
Occupancy	-	100%	100%
<b>Gross Yield ***</b>	<b>0%</b>	<b>8.0%</b>	<b>8.0%</b>
EPRA Net Yield *	(5.5)%	7.0%	12.5%
<b>Capex Invested</b>	<b>-</b>	<b>€(3.5)m</b>	<b>-</b>
<b>Expected 5 Year Returns</b>			
Geared IRR			<b>30%</b>
Ungeared IRR			<b>19%</b>

Return Analysis	Expected 2.5 year Return to Mar 22 €m
Retained Profit **	1.3
Valuation Increase	9.0
Capex	(3.5)
Total Return	6.8



\* Purchaser acquisition costs estimated

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

\*\*\* Excluding acquisition costs



## Case Study 2 – Bochum

# Site Plan & Impression



## Case Study 2 – Bochum

# Property Overview

- » Asset acquired at 8.9% net initial yield due to impending move out of the anchor tenant occupying 25,898 sqm of space and paying €3.18 per sqm
- » Increased annualised rent roll in first six months of ownership by €150k, mostly by replacing the anchor tenant (with minimal void period and investment), with three tenants occupying a total of 25,878 sqm, paying a blended rate of €3.41 per sqm
- » Well located asset in close proximity to existing Sirius assets providing opportunity for operational synergies
- » Financed by 5 year facility with Deutsche Pfandbriefbank AG charged at an all in fixed interest rate of 1.25%
- » Occupancy expected to remain stable with key asset management focus the re-gearing of existing leases
- » Expected 3 year geared return of 27% based on business plan





## Case Study 2 – Bochum

# Financials & Returns To Date

	At	Business Plan Target	Total Expected Improvement
<b>Acquired Mar-19</b>	<b>Acquisition</b>	<b>To Mar 22</b>	
<b>Total Cost/Valuation</b>	<b>€ 25.7m</b>	<b>€ 31.8m</b>	<b>€ 6.1m</b>
<b>Total SQM</b>	<b>55,671</b>	<b>55,671</b>	<b>-</b>
Value psm	€ 462	€ 609	€ 147
Invested Equity **	€ 10.9m	-	-
Annualised Rent Roll	€ 2.6m	€ 2.8m	€ 0.2m
Annualised NOI	€ 2.3m	€ 2.5m	€ 0.2m
Vacant Space sqm	2,676	2,676	0
Occupancy	95%	95%	0%
<b>Gross Yield ***</b>	<b>10.8%</b>	<b>8.7%</b>	<b>(2.1)%</b>
EPRA Net Yield *	8.9%	7.5%	(1.4)%
<b>Capex Invested</b>	<b>-</b>	<b>€(1.7)m</b>	<b>-</b>
<b>Expected 3 Year Returns</b>			
Geared IRR			<b>27%</b>
Ungeared IRR			<b>13%</b>

Returns Analysis	Expected 2.5 year Return to Mar 22 €m
Retained Profit **	6.5
Valuation Increase	6.1
Capex	(1.7)
Total Return	10.9



\* Purchaser acquisition costs estimated

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

\*\*\* Excluding acquisition costs



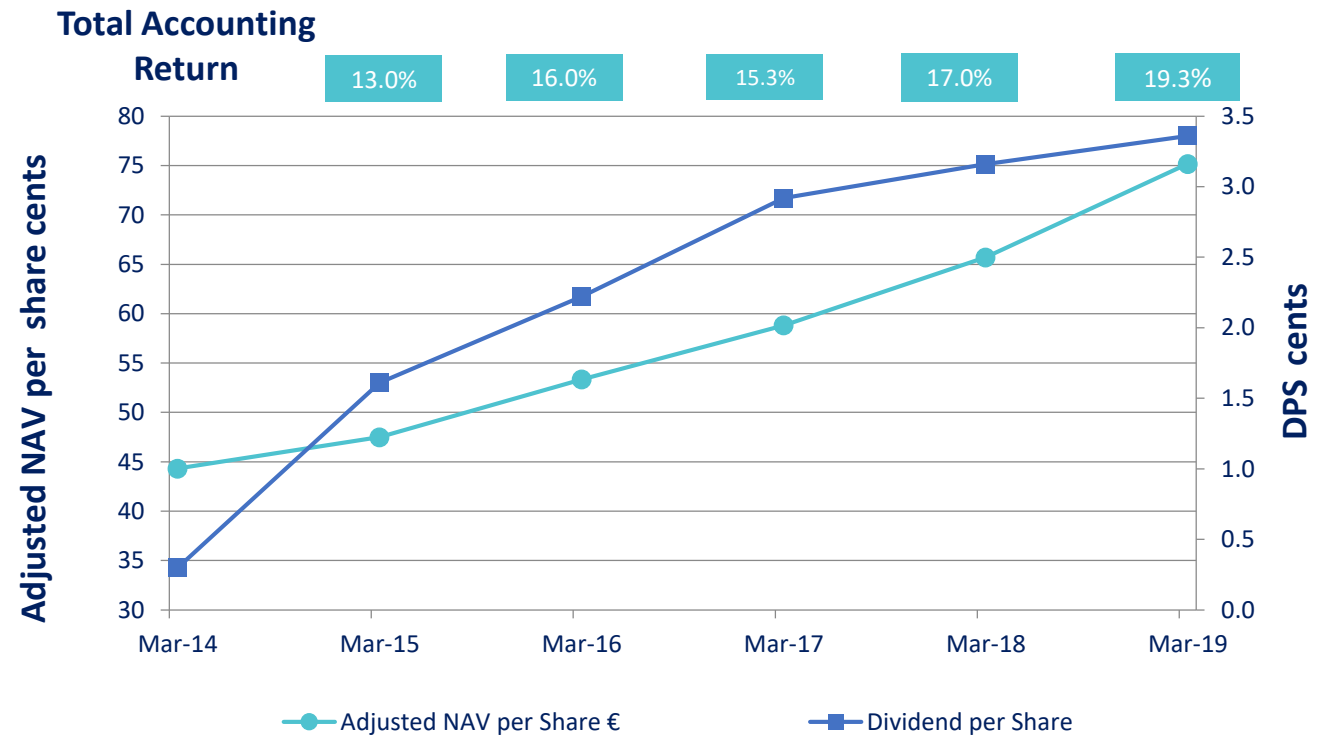
# SRE – Key Metrics Development

	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Sep-19
Portfolio book valuation (€m)	441.1	545.6	687.4	823.3	967.3	1,132.5	1,064.8
Rent roll (€m)	41.5	50	60.5	71	79.5	87.8	78.5
Gross yield (%)	9.4	9.2	8.8	8.6	8.2	7.8	7.4
Like-for-like rent roll increase (%)	5.1	5.2	5.9	5.1	6.2	7.1	0.9
Like-for-like valuation increase (%)	6.4	6.4	10.9	8.5	11.6	13.3	7.3
Occupancy (%)	76	79	80	80.5	79.2	86.1	83.0
<b>Rate € per sqm</b>	<b>4.5</b>	<b>4.8</b>	<b>5.1</b>	<b>5.3</b>	<b>5.5</b>	<b>5.8</b>	<b>5.9</b>

- » Like for like increase in valuation primarily driven by increase in income and yield shift
- » Assets with vacancy being acquired to fuel capex investment programmes

# SRE - NAV and DPS Development (to Mar-19)

- » Consistent double digit accounting returns
- » Progressive dividends paid semi annually
- » Dividends policy to pay out 65% of FFO
- » Total accounting return typically generated 1/3 through dividend and 2/3 through NAV



# Property Transactions Jan-12 to Sep -19

## Core Disposals (20) \*

Value €288.2m

Disposal Price €325.0m

Gross Yield 7.1%

Uplift 13%

Total Sqm 401k

Occupancy 85%

## Land Package Disposals (9)

Value €10.6m

Disposal Price €14.1m

Total Sqm 122k

Uplift 33%

## Acquisitions (35)

Total Cost €454.9m

Gross Yield 8.9%\*\*

Rent Roll €37.8m

Occupancy 70%

Total Sqm 766k

## Sep-19

Valuation €603.6m

Gross Yield 7.7%

Rent Roll €41.5m

Occupancy 79%

Uplift 33%

Movement (2.2)%

Uplift 10%

Movement 9%

» More than 60 property transactions over seven years consisting €339m of disposals & €455m of acquisitions which are now worth more than €600m

\* Excluding two non-core asset disposals in Bremen sold for €19.3m with more than 50% vacancy

\*\* Gross yield based on €424.7m purchase price

# Acquisitions Owned >1yr – Returns Achieved

30

Assets acquired & owned for > 1 year

3.0 yrs.

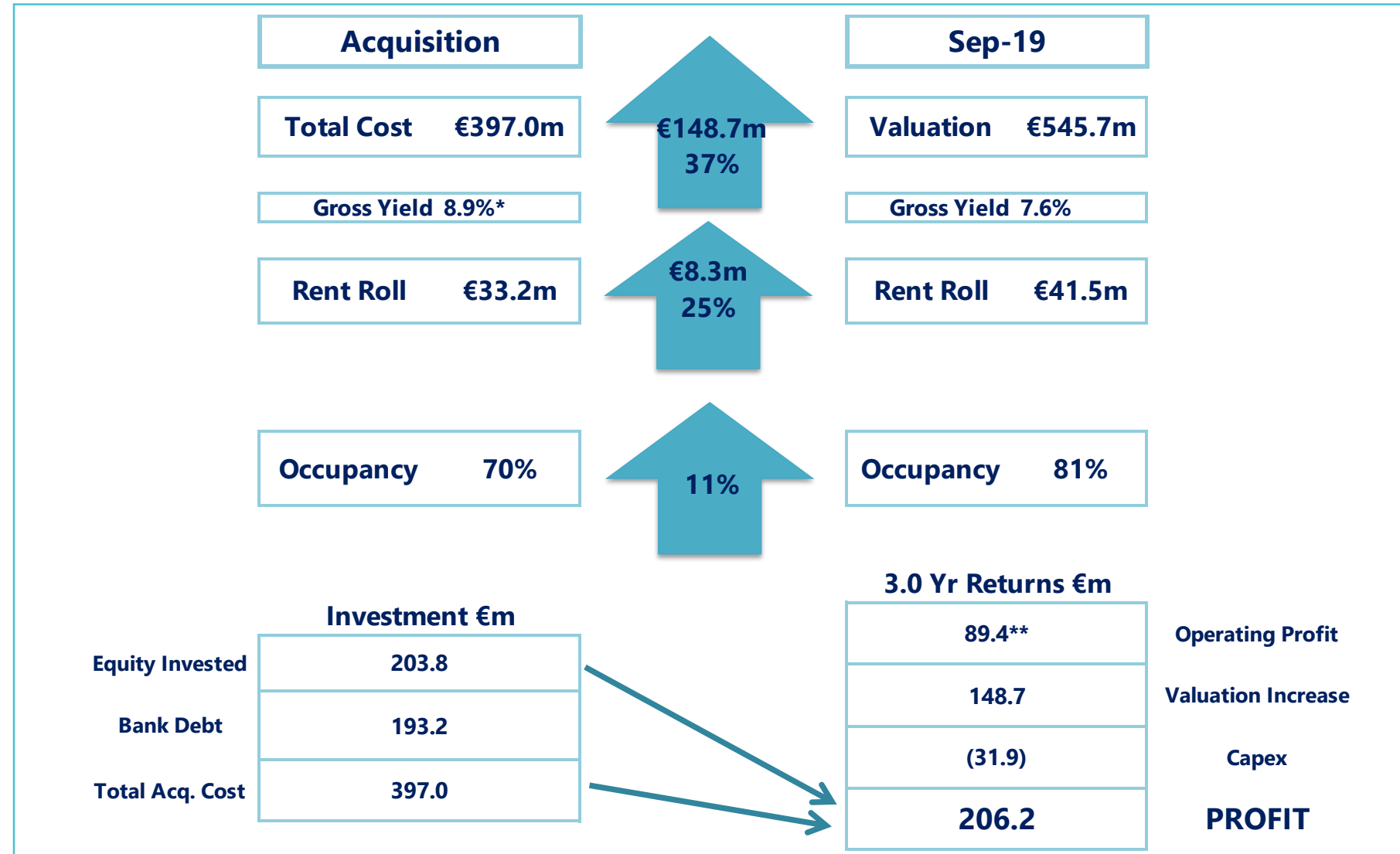
Weighted average time asset owned

€206.2m

3.0 Year returns

\* Based on a purchase price of €371.4m

\*\* NOI less bank interest





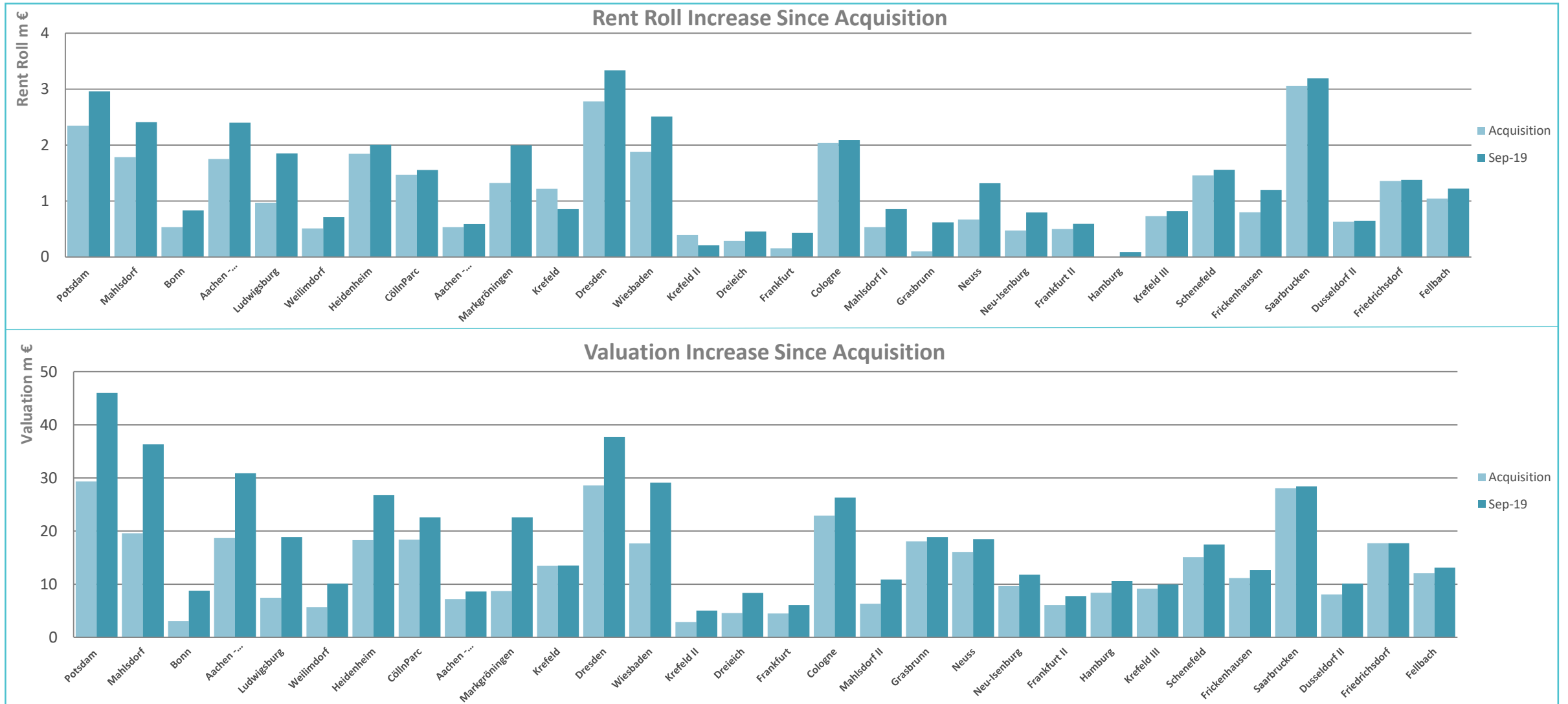
# Acquisitions Owned >1yr – Valuation & Rent Roll

Site	Total Acq. Cost €	Sep 19 Valuation €	Valuation Movement	Acq. Rental Income €	Sep 19 Rental Income €	Rental Income Movement €	Acq. Occupancy	Sep 19 Occupancy	Occupancy Movement	Capex Since Acq. €m
Potsdam	29.4	46.0	16.6	2.3	3.0	0.7*	87%	97%	10%	0.6
Mahlsdorf	19.6	36.3	16.7	1.8	2.4	0.6	85%	98%	13%	0.5
Bonn II	3.1	8.8	5.7	0.5	0.8	0.3*	76%	88%	11%	0.8
Aachen - Würselen	18.7	30.9	12.2	1.8	2.4	0.6	73%	96%	23%	2.0
Ludwigsburg	7.4	18.9	11.5	1.0	1.9	0.9	76%	94%	18%	2.5
Weilimdorf	5.7	10.1	4.4	0.5	0.7	0.2*	100%	100%	0%	0.2
Heidenheim	18.3	26.8	8.5	1.8	2.0	0.2	83%	86%	3%	1.2
CöllnParc	18.4	22.6	4.2	1.5	1.6	0.1	90%	96%	7%	0.4
Aachen - Würselen II	7.2	8.6	1.4	0.5	0.6	0.1	97%	97%	0%	0.3
Markgröningen	8.7	22.6	13.9	1.3	2.0	0.7	67%	93%	26%	3.4
Krefeld I	13.5	13.5	0.0	1.2	0.9	(0.3)**	94%	68%	(26)%	0.2
Dresden	28.6	37.7	9.1	2.8	3.3	0.5	66%	73%	7%	5.1
Wiesbaden	17.7	29.1	11.4	1.9	2.5	0.6	65%	86%	21%	2.1
Krefeld II	2.9	5.0	2.1	0.4	0.2	(0.2)**	100%	41%	(59)%	0.5
Dreieich	4.6	8.4	3.8	0.3	0.5	0.2	29%	39%	9%	0.9
Frankfurt I	4.5	6.1	1.6	0.2	0.4	0.2	28%	89%	61%	0.7
Cologne	22.9	26.3	3.4	2.0	2.1	0.1**	100%	93%	(7)%	0.4
Mahlsdorf II	6.3	10.9	4.6	0.5	0.9	0.4	62%	84%	22%	2.1
Grasbrunn	18.1	18.9	0.8	0.1	0.6	0.5	4%	36%	32%	2.5
Neuss	16.1	18.5	2.4	0.7	1.3	0.6	38%	59%	21%	2.3
Neu-Isenburg	9.6	11.8	2.2	0.5	0.8	0.3	41%	74%	33%	0.6
Frankfurt II	6.1	7.8	1.7	0.5	0.6	0.1**	87%	96%	10%	0.4
Hamburg	8.4	10.6	2.2	0.0	0.1	0.1	0%	6%	6%	0.3
Krefeld III	9.2	10.0	0.8	0.7	0.8	0.1	72%	86%	13%	0.2
Schenefeld	15.1	17.5	2.4	1.5	1.6	0.1	71%	75%	4%	0.1
Frickenhausen	11.1	12.7	1.6	0.8	1.2	0.4	50%	75%	26%	0.5
Saarbrücken	28.1	28.4	0.3	3.1	3.2	0.1	65%	66%	1%	0.8
Düsseldorf II	8.1	10.1	2.0	0.6	0.6	0.0	80%	83%	2%	0.0
Friedrichsdorf	17.7	17.7	0.0	1.4	1.4	0.0	92%	98%	6%	0.2
Fellbach	12.1	13.1	1.0	1.0	1.2	0.2	79%	82%	3%	0.1
<b>Total</b>	<b>397.0</b>	<b>545.7</b>	<b>148.7</b>	<b>33.2</b>	<b>41.5</b>	<b>8.3</b>	<b>70%</b>	<b>81%</b>	<b>11%</b>	<b>31.9</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 Owned >1yr – Valuation & Rent Roll



# Property Valuations & Book Value as at 30 Sep 19

Sept-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	1,064.8	78.5	68.7	7.4%	6.5%	769	83.0%	5.90	226,960
Other	-	-	(1.3)	-	-	-			
<b>TOTAL</b>	<b>1,064.8</b>	<b>78.5</b>	<b>67.4</b>	<b>7.4%</b>	<b>6.3%</b>	<b>769</b>	<b>83.0%</b>	<b>5.90</b>	<b>226,960</b>

Valuation Movement in Year	€m	% Change
Book Value @ 31 Mar 19 *	1,132.5	
Additions	22.3	2.0%
Titanium venture	(159.7)	(14.1)%
Surplus on revaluation above Capex	58.4	5.2%
Capex & Other	11.3	1.0%
<b>Book Value @ 30 Sep 19</b>	<b>1,064.8</b>	<b>(5.9)%</b>

Valuation Reconciliation to Book Value	€m
Cushman & Wakefield **	1,068.2
Adjustment relating to lease incentives	(3.4)
<b>Book Value @ 30 Sep 19</b>	<b>1,064.8</b>

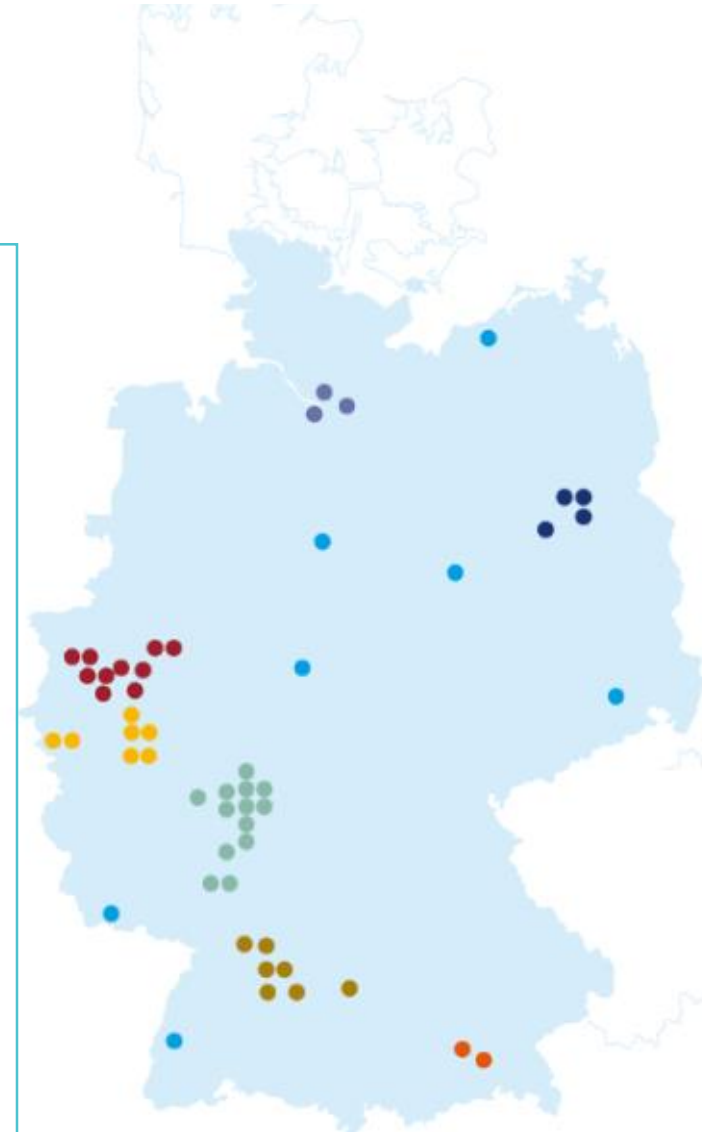
\* Including assets held for sale

\*\* After full provision of purchasers costs

## Properties

# Portfolio at a glance - Sep 19

Sep-19	No. of Properties	Total Sqm m	Occupancy	Rate psm €	Annualised Rent €m	% of Portfolio By Rent	Book Value €m	Gross Yield
Frankfurt	13	302.6	87.7%	5.88	18.0	23%	235.6	7.7%
Berlin	4	106.7	95.5%	6.92	8.2	10%	122.8	6.7%
Stuttgart	7	268.0	89.3%	4.80	13.2	17%	165.4	8.0%
Cologne	7	130.9	89.7%	7.30	10.0	13%	132.4	7.5%
Munich	2	113.4	81.7%	6.92	7.1	9%	136.6	5.2%
Düsseldorf	10	167.8	84.6%	5.38	8.9	11%	115.9	7.7%
Hamburg	3	81.2	39.0%	4.45	1.6	2%	36.6	4.5%
Other	7	214.4	74.5%	6.10	11.3	14%	119.5	9.4%
<b>TOTAL</b>	<b>53</b>	<b>1,385.1</b>	<b>83.0%</b>	<b>5.90</b>	<b>78.5</b>	<b>100%</b>	<b>1,064.8</b>	<b>7.4%</b>





## Properties

# Total Portfolio Rental Analysis – 30 Sep 19

2.6Yrs

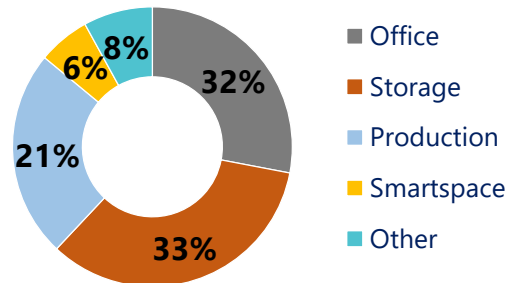
Portfolio WALT

Historical rental movement (Ex. acquired since 2014)	Annual rent €m	CAGR
Year:		
Mar-10	22.4	
Mar-19	32.1	4.1%

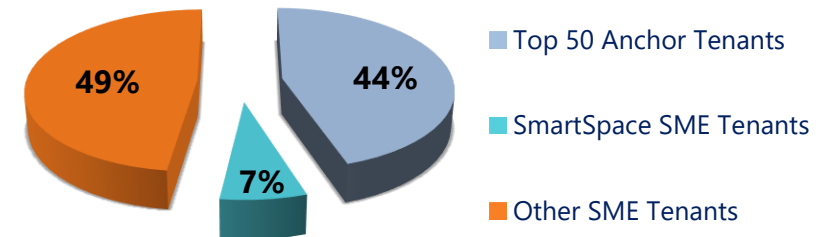
4,603

No. of tenants

### Usage split



### Tenant split by revenue

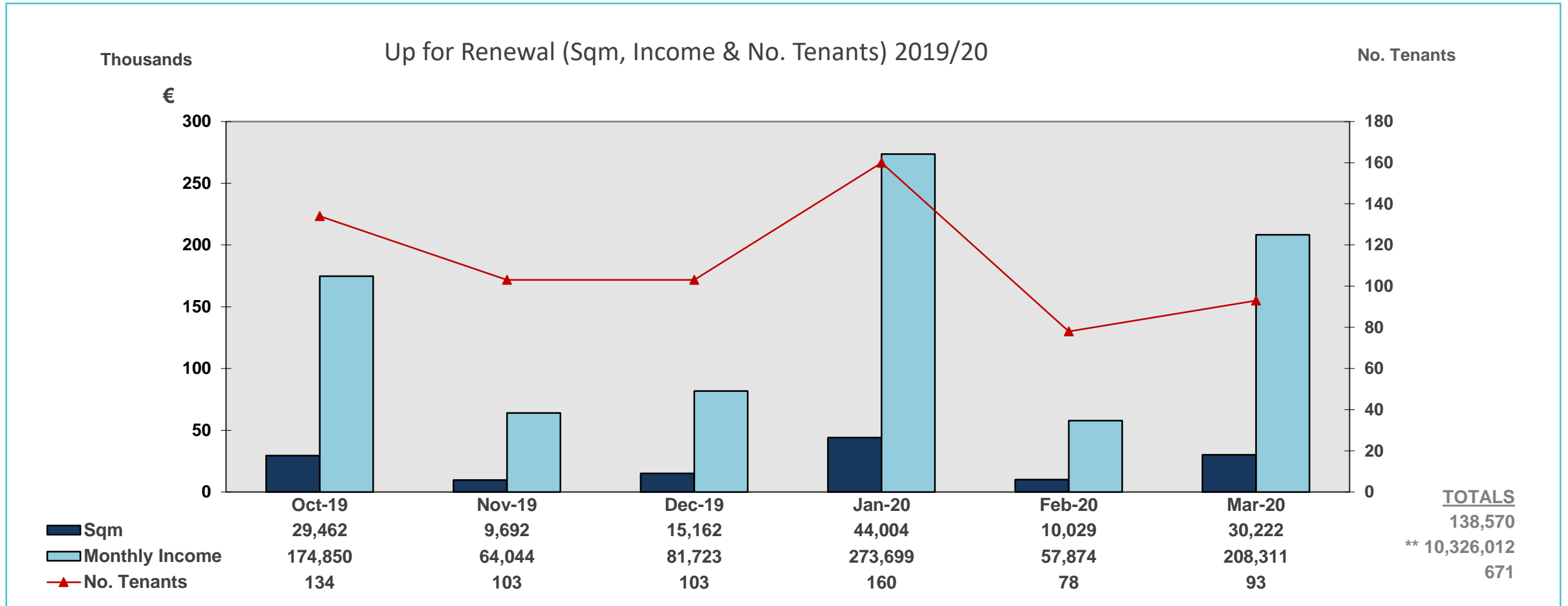


Type of tenant	No. of tenants as at 30 Sep 19	Occupied Sqm	Annualised rent roll €m	Rate psm €
Top anchor tenants	50	509,519	34.3	5.61
SmartSpace SME tenants	2,294	55,348	5.2	7.73
Other SME tenants	2,259	543,190	39.0	5.98
<b>Total</b>	<b>4,603</b>	<b>1,108,057</b>	<b>78.5</b>	<b>5.90</b>

Top ten tenants	% of Rent Roll
GKN Aerospace Deutschland GmbH	3.0%
Landesbetrieb Bau und Immobilien Hessen	2.3%
Daimler AG	2.3%
TDK Electronics AG	2.0%
VAG GmbH	2.0%
Trans-Logo-Tech (TLT) GmbH	1.8%
MBFC GmbH	1.6%
Der Grüne Punkt	1.5%
Bopp & Reuther Valves GmbH	1.3%
Dematic GmbH	1.2%
<b>Total</b>	<b>19.0%</b>

## Properties

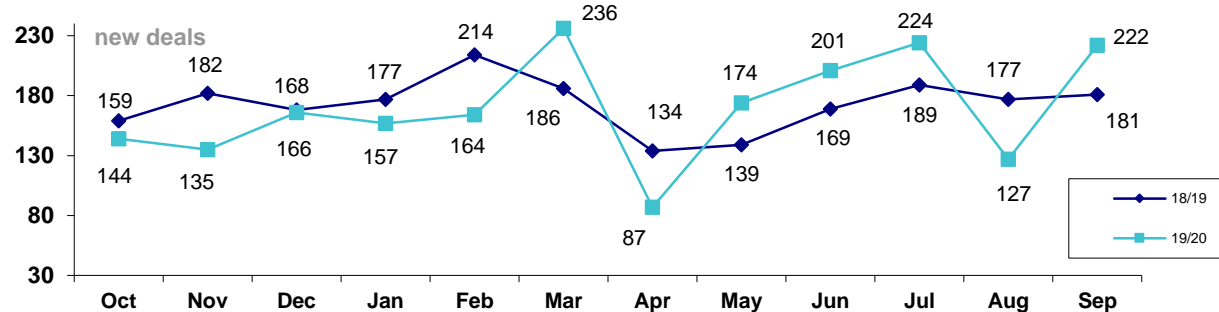
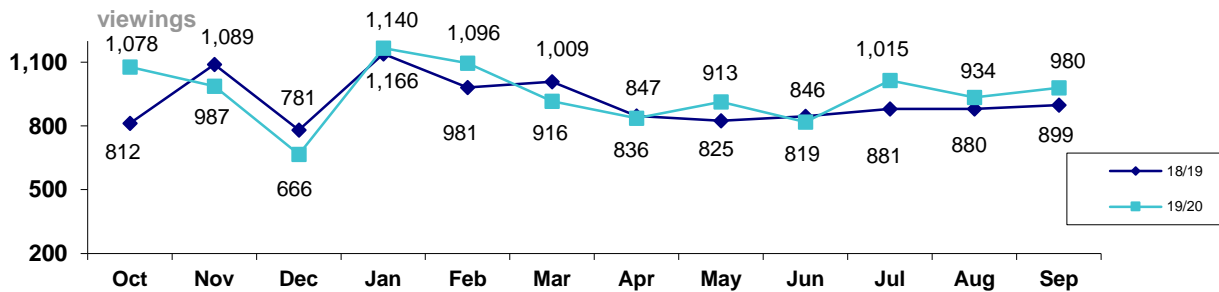
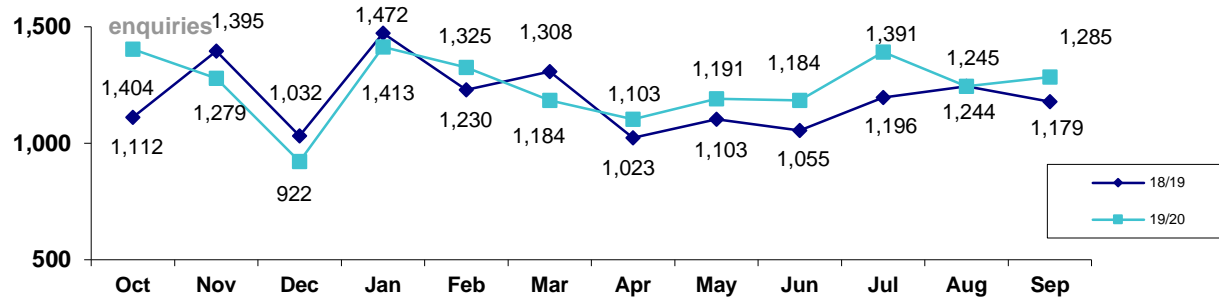
# Portfolio Renewals Analysis to Mar 20\*



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

\*\* Annualised total

# Enquiries/Viewings/Sales



## Average per Month

Twelve months to Sep 19

**1,244**

## ENQUIRIES

## Average per Month

Twelve months to Sep 19

**948**

## VIEWINGS

### Conversion

Enquiries ➡ Viewings

**76 %**

## Average per Month

Twelve months to Sep 19

**170**

## SALES

### Conversion

Enquiries ➡ Sales

**14 %**

# SmartSpace (SmSp) Products



SmartSpace product type	Total sqm	Occupied sqm	Occupancy %	Annualised rent roll (ex. service charge) €'000	% of total annualised SmSp rent roll	Rate per sqm (excl. service charge) €
First Choice Office	2,677	1,649	62%	396	8%	20.01
SMSP Office	28,364	21,539	76%	2,217	43%	8.58
SMSP Workbox	5,866	5,332	91%	344	7%	5.38
SMSP Storage	33,388	23,959	72%	1,957	38%	6.81
SMSP Subtotal	70,295	52,479	75%	4,914	96%	7.80
SMSP Flexilager *	6,999	2,868	41%	222	4%	6.45
SMSP TOTAL	77,294	55,347	72%	5,136	100%	7.73

During the period a further 323sqm of SmartSpace Office and 5,296sqm of SmartSpace Storage were created from vacant sub-optimal space and Flexilager

\* Not adjusted for common areas



# Banking



**Berlin Hyp**



	Covenants as at 30 Sep 19							
	Actual				Covenant			
	ICR	DSCR	DYR	LTV	ICR	DSCR	DYR	LTV
<b>Bayerische Landesbank</b>	14.47 x	6.27 x	n/a	29.8%	n/a	2.50x	n/a	65.0%
<b>SEB AG I</b>	10.56 x	4.84 x	n/a	36.2%	6.20x	n/a	n/a	55.0%
<b>SEB AG II</b>	3.43 x	1.97 x	8.6%	50.0%	n/a	n/a	1.9%	61.5%
<b>SEB AG III</b>	8.72 x	3.78 x	13.8%	42.4%	n/a	n/a	7.5%	60.0%
<b>Berlin Hyp AG/Deutsche Pfandbriefbank AG</b>	15.85 x	4.23 x	n/a	22.7%	1.50x	n/a	n/a	62.5%
<b>Berlin Hyp AG</b>	14.11 x	4.83 x	n/a	34.4%	1.40x	n/a	n/a	65.0%
<b>Saarbrücken Sparkasse</b>	10.30 x	2.66 x	n/a	59.5%	n/a	2.00x	n/a	n/a
<b>Deutsche Pfandbriefbank AG</b>	5.79 x	2.56 x	9.2%	81.8%	n/a	n/a	6.5%	60.0%
<b>TOTAL</b>	<b>12.21 x</b>	<b>4.51 x</b>	<b>20.25 x</b>	<b>31.9%</b>				

	Income/Cash flows as at 30 Sep 19									Loan expiry date
	Portfolio value	Loan amount	Rental income	NOI	Scheduled annual interest		Scheduled annual amortisation		Cash contribution	
	€m	€m	€m	€m	€	%	€	%	(after debt service)	
<b>Bayerische Landesbank</b>	78.2	23.4	6.1	5.6	0.4	1.66%	0.5	2.2%	4.7	October 2020
<b>SEB AG I</b>	149.8	54.3	11.2	10.5	1.0	1.84%	1.2	2.2%	8.4	September 2022
<b>SEB AG II</b>	49.0	24.5	2.7	2.1	0.6	2.52%	0.5	1.9%	1.0	October 2024
<b>SEB AG III</b>	87.0	36.9	6.4	5.1	0.6	1.58%	0.8	2.1%	3.7	March 2025
<b>Berlin Hy AG/Deutsche Pfandbriefbank AG (BH PBB)</b>	279.0	63.5	18.6	16.7	1.1	1.66%	2.9	4.6%	12.8	April 2023
<b>Berlin Hyp AG (BH Amber)</b>	188.4	64.8	14.2	13.5	1.0	1.48%	1.8	2.8%	10.7	October 2023
<b>Saarbrücken Sparkasse</b>	28.4	16.9	3.2	2.7	0.3	1.53%	0.7	4.4%	1.7	February 2025
<b>Deutsche Pfandbriefbank AG</b>	67.7	55.4	6.2	5.1	0.9	1.60%	1.1	2.0%	3.1	December 2023
<b>Unencumbered properties</b>	137.2	0.0	9.9	7.4	n/a	n/a	n/a	n/a	8.7	n/a
<b>Other</b>				(1.3)						
<b>TOTAL</b>	<b>1,064.8</b>	<b>339.6</b>	<b>78.5</b>	<b>67.4</b>	<b>5.7</b>	<b>1.7%</b>	<b>9.5</b>	<b>2.8%</b>	<b>54.9</b>	

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