

SIRIUS REAL ESTATE LIMITED

(Incorporated in Guernsey)

Company Number: 46442

JSE Share Code: SRE

LSE (EUR) Share Code: ESRE

LSE (GBP) Share Code: SRE

ISIN Code: ISIN GG00B1W3VF54

("Sirius Real Estate", "Sirius" or the "Company")

RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020 AND DIVIDEND DECLARATION

1. SALIENT FEATURES

- 7.4% growth in funds from operations to €29.1 million (H1 2019: €27.1 million)
- 97.3% cash (rent and service charge) collection rate with €1.9 million outstanding for the period and similar collection rates already seen in the second half
- Profit before tax of €62.2 million (H1 2019: €79.7 million) which when adjusted for valuation gains of €33.5 million (H1 2019: €58.2 million) shows a 33.4% increase in underlying profitability
- 2.8%* increase in 1.5x covered dividend per share to 1.82c (H1 2019: 1.77c)
- 4.3% increase in investment property valuation and book value of €1,229.7 million (31 March 2020: €1,179.4 million)
- 5.0% growth in NAV per share to 81.18c (31 March 2020: 77.35c)
- Total enquiries up 17.4% on H1 2019 with strong momentum carried into the second half. Sales conversion rate remained robust at 13.4%
- Acquisition of industrial and office park in Norderstedt for €9.1 million agreed in September and due to complete in December 2020
- Net LTV** of 31.6% (31 March 2020: 32.8%) following the draw down of the last tranche of the €50.0 million unsecured Schuldschein debt which has a blended interest rate of 1.60%, an average maturity of 3.2 years and no amortisation
- Total cash balances of €128.4 million including €112.4 million of which is unrestricted providing significant firepower for strong pipeline of acquisitions
- Awarded AA MSCI ESG Rating in October 2020
- Basic earnings per share decreased 20.6% to 5.45c (H1 2019: 6.86c)
- Headline earnings per share increased 87.6% to 2.72c (H1 2019: 1.45c)

* Interim dividend representing 65% of FFO (H1 2019: 67% of FFO).

** Includes unrestricted cash balances.

Andrew Coombs, Chief Executive Officer of Sirius Real Estate, said: “In what has been an unprecedented year with the COVID-19 pandemic causing widespread disruption to businesses the world over, Sirius’ strong first half results are all the more impressive. A combination of the quality and appeal of our assets to tenants, the ongoing operational excellence of our team and its fast response to the crisis, as well as business confidence in the robust and efficient way in which the German government has dealt with the pandemic, have allowed us to deliver year-on-year growth across our key operating metrics and maintain high cash collection rates. However, while the recent news of the potential vaccine has provided some much needed light at the end of the tunnel, we are not out of the woods yet and much uncertainty about the speed of any recovery remains. Nevertheless, I take great confidence from the fact that the wide range of competitively priced flexible and traditional office, storage as well as industrial and manufacturing spaces we offer will continue to appeal to our growing customer base and drive income growth.”

“Looking ahead we have a strong cash position and other liquid resources available to deploy into our healthy pipeline of opportunities as the investment markets begin to open up. Additionally, they allow us to continue to execute our disciplined capital expenditure and asset management programmes, which have delivered highly attractive returns over the years, in order to unlock the potential of our value add assets which comprise just over half of our €1.2 billion portfolio. Through organic and acquisitive growth we believe there is an opportunity to grow our funds from operations over the next few years, which should support a growing dividend.”

2. DIVIDEND

The Board has authorised and declared a dividend in respect of the six months ended 30 September 2020 of 1.82c per share representing 65% of FFO, an increase of 2.8% on the dividend for the comparable period of last year, which represented 67% of FFO. The Board remains committed to its stated pay-out ratio target of 65% of FFO. The Group has not received any direct state financial assistance in connection with the Covid-19 crisis.

It is expected that, for the dividend authorised in respect of the six month period ended 30 September 2020, the ex-dividend date will be 15 December 2020 for shareholders on the South African register and 17 December 2020 for shareholders on the UK register. It is further expected that for shareholders on both registers the record date will be 18 December 2020 and the dividend will be paid on 21 January 2021. A detailed dividend announcement will be made on 30 November 2020, including details of a scrip dividend alternative.

3. SHORT-FORM ANNOUNCEMENT

This short-form announcement is the responsibility of the directors of the Company. It contains only a summary of the information in the full announcement (“Full Announcement”) and does not contain full or complete details. The Full Announcement can be found at:

<https://senspdf.jse.co.za/documents/2020/JSE/ISSE/SREE/Interims21.pdf>

Copies of the Full Announcement is also available for viewing on the Company's website at <https://www.sirius-real-estate.com/news/regulatory-news/> or may be requested in person, at the Company's registered office or the office of the sponsor, at no charge, during office hours.

Any investment decisions by investors and/or shareholders should be based on consideration of the Full Announcement, as a whole.

These interim results have been reviewed by the Company's auditors, Ernst & Young LLP, which issued an unmodified review opinion on the interim results. The review opinion is included in the Full Announcement.

23 November 2020

Sponsor

PSG Capital



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