

SIRIUS REAL ESTATE LIMITED
(Incorporated in Guernsey)
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9 October 2023

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

Trading Update for the six months ended 30 September 2023

7.7%* increase in like for like rent roll and trading in line with expectations

Sirius Real Estate, the leading owner and operator of branded business and industrial parks providing conventional space and flexible workspace in Germany and the UK, provides an update on trading for the six months ended 30 September 2023.

Against a backdrop of negative headlines referencing challenging economic conditions in both Germany and the UK, the Group is pleased to report continued strong trading in line with expectations, with like-for-like rent roll growth compared to the prior year of 7.7%*.

In Germany, occupancy remains stable and we continue to achieve rental rate growth ahead of inflation as we utilise our proprietary asset management platform to maximise the value of our space. The sale of Kassel at above book value, which we announced on 3 October 2023, together with strong trading across the German portfolio, underpins our expectation that valuations for the period end will again outrun any negative yield expansion.

In the UK we continue to focus on driving value from BizSpace. Rent roll growth is ahead of our German operations reflecting the ongoing demand for our affordable, well located space and the higher inflationary backdrop in the UK. Occupancy in the UK was higher than six months prior and it is particularly pleasing to report UK rent roll has exceeded £50 million for the first time, buoyed by a record new business sales month in September.

The Group's balance sheet remains robust with cash reserves of €112 million of which €88 million is unrestricted. During the period the Group re-financed its Deutsche Pfandbriefbank (PBB) loan facility, seven months in advance of it falling due on 31 December 2023. The new facility, amounting to €58.3 million, has a term of seven years at a fixed interest rate of 4.25%. The Group further paid down its expiring Schuldschein debt of €20 million in the period. From the commencement of the new PBB facility at the end of December 2023, the Group will have a weighted average cost of debt of 2.1% and a weighted average debt expiry of 4.2 years.

The Group remains active on acquisitions and disposals, with two UK acquisitions in the period running at a 9.6% net initial yield ("NIY") (total acquisition costs) and a disposal in Germany at a 6.0% NIY. Our disposals strategy remains opportunistic and focused on non-core or mature assets with little upside, where we have continued to achieve returns in excess of book value. We remain disciplined in our approach to acquisitions and continue to see a healthy pipeline of potential opportunities across Germany and the UK.

During the period we were pleased to welcome Chris Bowman to the Group as CFO. Following a handover period Chris has assumed all CFO responsibilities from Alistair Marks, who had been acting as interim CFO.

Alistair Marks, who stepped down from the Sirius board in July 2023, will be leaving the Group at the end of March 2024 having been with Sirius since inception in 2007, becoming CFO in 2012, following internalisation and more recently as CIO. Alistair's contribution to the Group has been absolutely invaluable, helping to ensure the Group emerged from the global financial crisis and then prospered in the years following, growing from a small AIM company into the FTSE250 company it is today. Succession plans are well advanced through internal promotion to ensure Alistair's CIO responsibilities are seamlessly taken forward. The management team wishes Alistair and his family well in their new life abroad.

Commenting on trading during the period, Andrew Coombs, Chief Executive Officer of Sirius Real Estate, said: *"I firstly want to thank Alistair Marks for his contribution to the success of Sirius. Alistair and I have worked together for the last 13 years and I would like to recognise Alistair's contribution to so much of what we have achieved as a management team over the last decade. I'm also pleased to say the success of Sirius has allowed us to attract the talent required to continue the Group's growth and I look ahead with confidence. Our performance in the first half, trading in line with expectations against the backdrop of challenging conditions in both our markets, demonstrates the strength of the Sirius platform and our people."*

Full Year Results

Sirius will announce results for the six months ended 30 September 2023 on Monday, 20 November 2023, at which time there will be an in-person presentation and virtual webinar for analysts and investors.

The financial information on which this trading update is based has not been reviewed or reported on by the Company's external auditors or a reporting accountant.

*Group rent roll has been translated utilising a constant foreign currency exchange rate of GBP:EUR 1.1566, being the closing exchange rate as at 30 September 2023.

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NOTES TO EDITORS

About Sirius Real Estate

Sirius is a property company listed on the main and premium market of the London Stock Exchange and the main board of the JSE Limited. It is a leading owner and operator of branded business and industrial parks providing conventional space and flexible workspace in Germany and the UK. As of 31 March 2023, the Group's portfolio comprised 140 assets let to 9,201 tenants with a total book value of over €2 billion, generating a total annualised rent roll of €178.3 million. Sirius also holds a 35% stake in Titanium, its €350+ million German-focused joint venture with clients of AXA IM Alts.

The Company's strategy centres on acquiring business parks at attractive yields and integrating them into its network of sites - both under the Sirius and BizSpace names and alongside a range of branded products. The business then seeks to reconfigure and upgrade existing and vacant space to appeal to the local market via intensive asset management and investment and may then choose to refinance or dispose of assets selectively once they meet maturity, to release capital for new investment. This active approach allows the Company to generate attractive returns for shareholders through growing rental income, improving cost recoveries and capital values, and enhancing returns through securing efficient financing terms.

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