



# Welcome

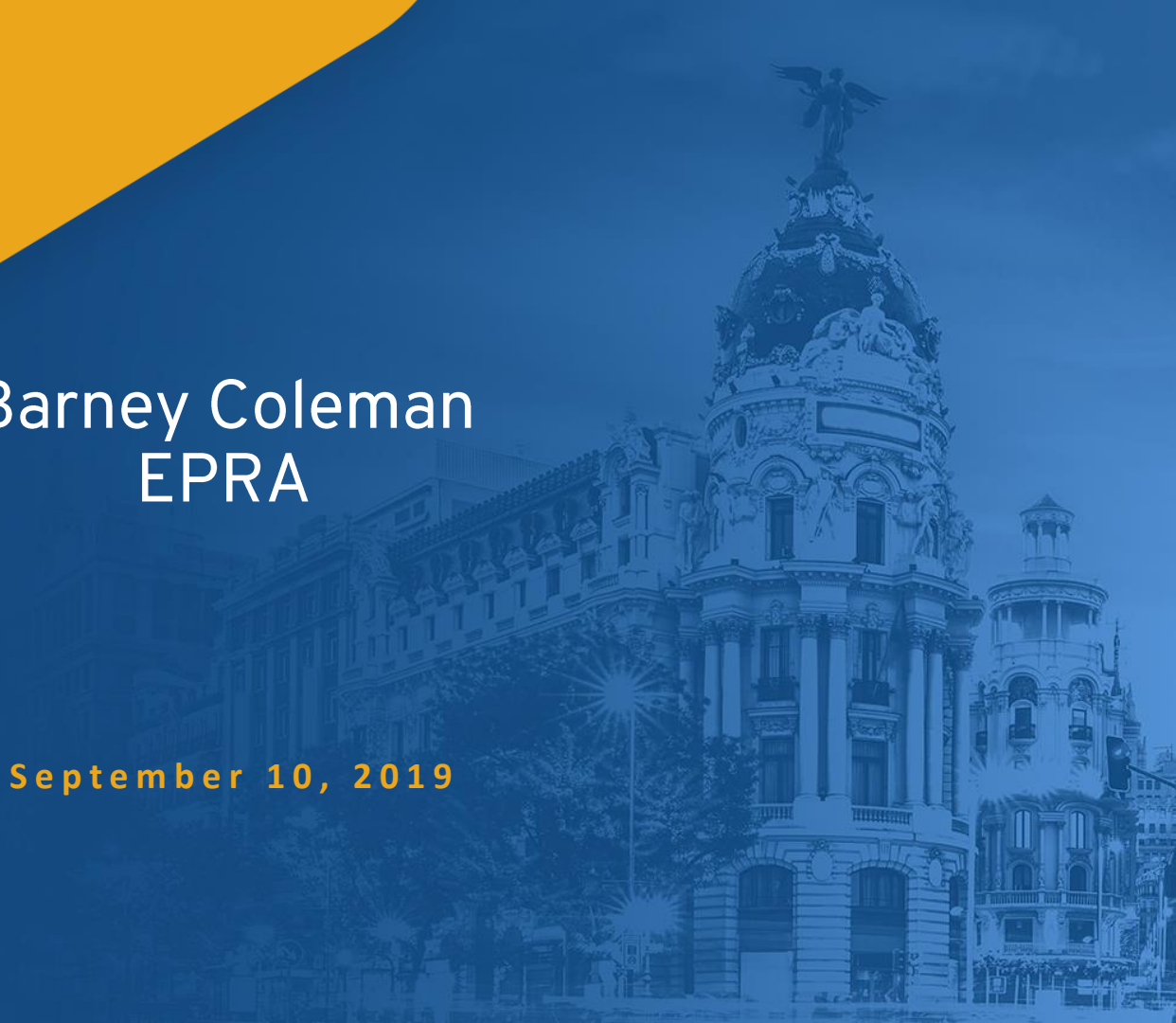
September 10, 2019





# Barney Coleman EPRA

September 10, 2019







# Max Nimmo Kempen

September 10, 2019



# EPRA Conference Madrid 2019

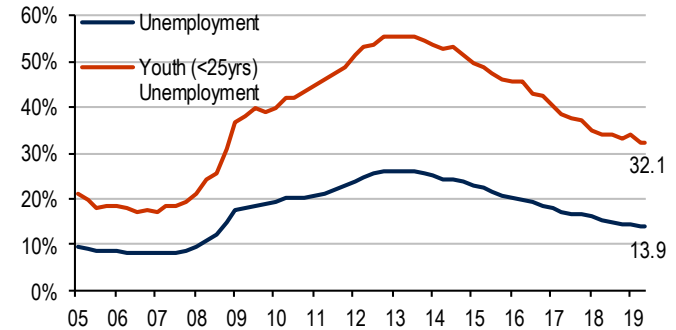
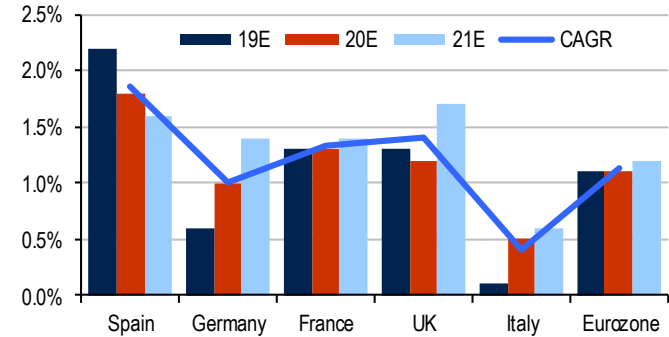
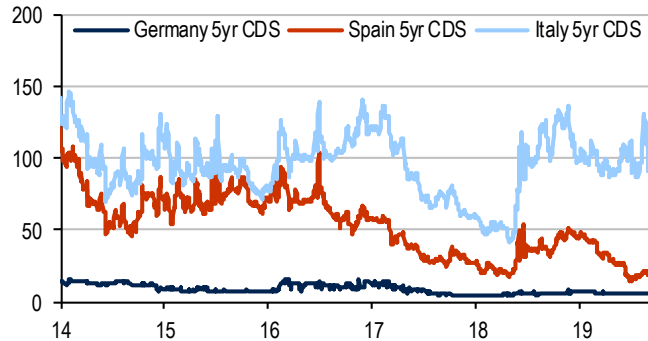
Kempen



10 SEPTEMBER 2019

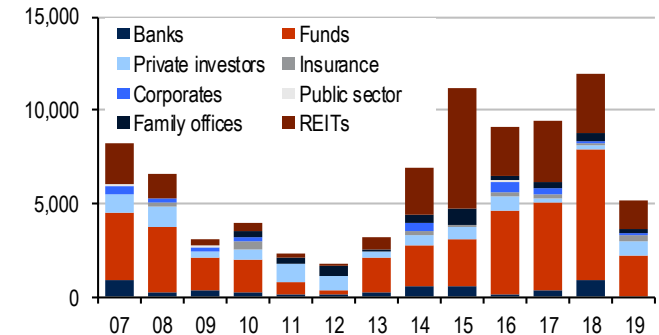
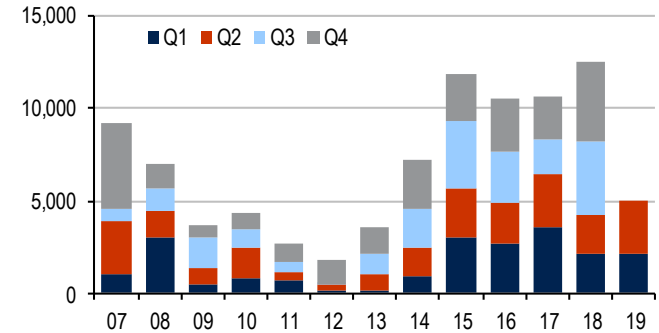
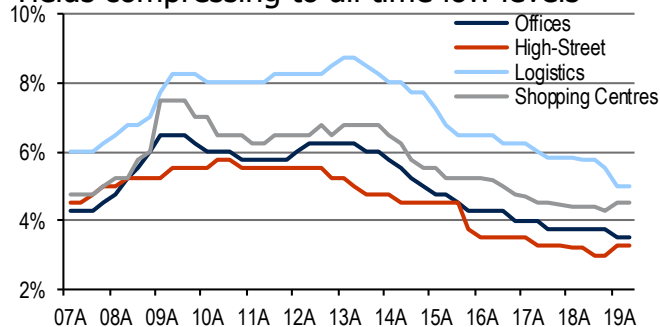
# Spain – Positive Macro Environment

- Real GDP growth normalizing, but still one of the highest growth economies in Western Europe
- Unemployment making great strides – North v South, Young vs Old
- CDS spreads (ie. country risk) starting to decouple from Southern Europe
- Political risk remains but more stable now



# Real Estate Markets

- Strong fundamentals have driven high levels of investment into the sector
- 2018 the highest level of investment for >10 yrs
- Socimis have been particularly active in the space, as well as the funds
- Outside of the Spanish, the USA & UK have driven much of this investment
- Yields compressing to all time low levels

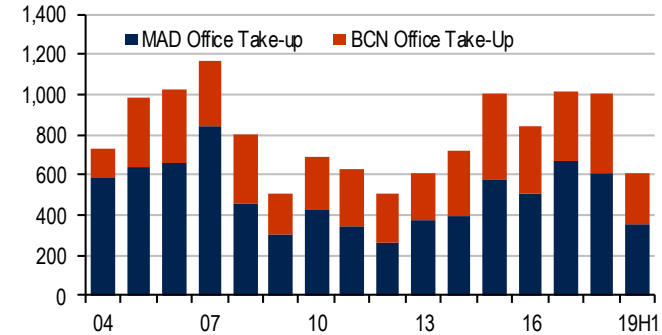
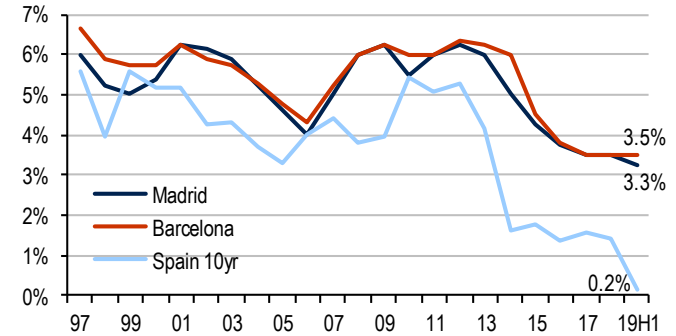
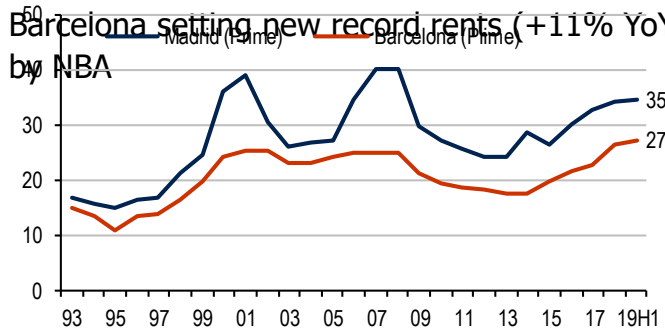


Source: CBRE, BNPRE, Savills Aguirre Newman, Kempen

# Office

- Yields continue to tighten but still >300bps spread vs 10yr bonds
- Rents continue to grow (+c.6% YoY). New Business Areas flourishing
- But are still relatively inexpensive on a European context and still well below the last peak

- Barcelona setting new record rents (+11% YoY), driven by NBA

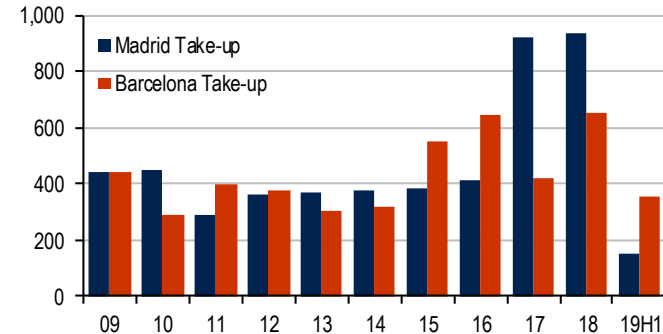
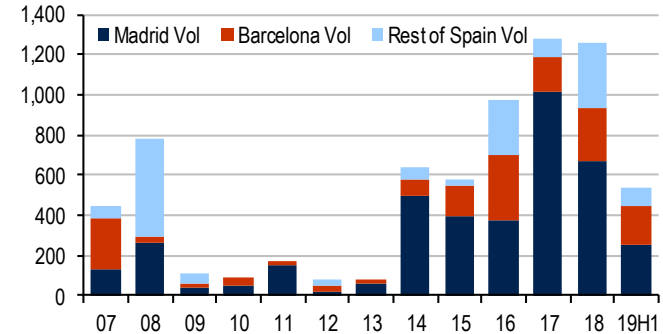
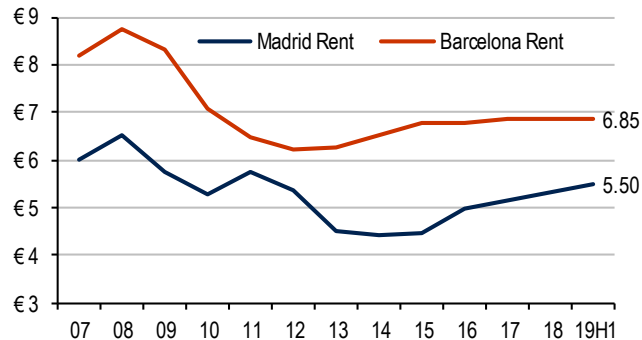


Source: C&W, JLL, INE, Bloomberg, Kempen



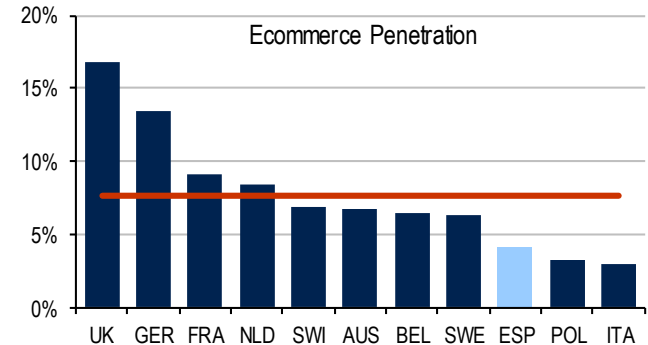
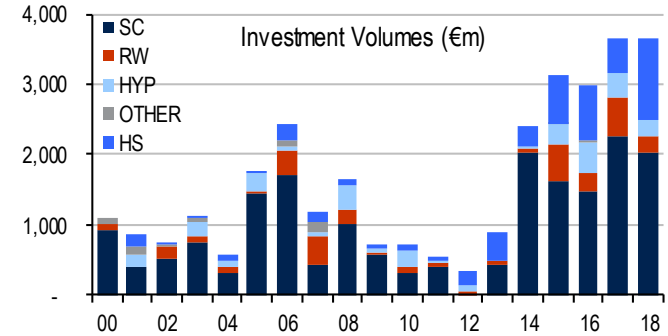
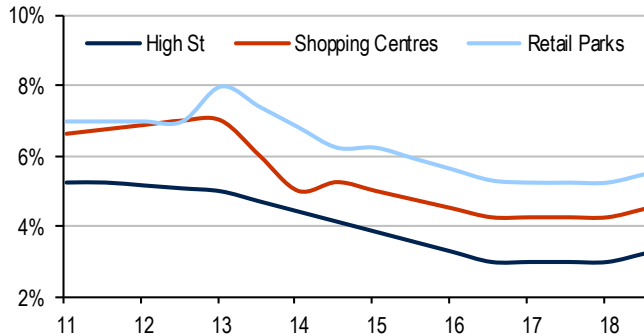
# Logistics

- Logistics has seen some of the highest levels of investment volumes (€m) on record
- Take-up has been exceptionally strong as ecommerce grows from a low base (c.4% penetration rates).
- Yields still have room to compress further vs rest of Europe (5-5.25%)
- Supply increasing, but pre-letting more common

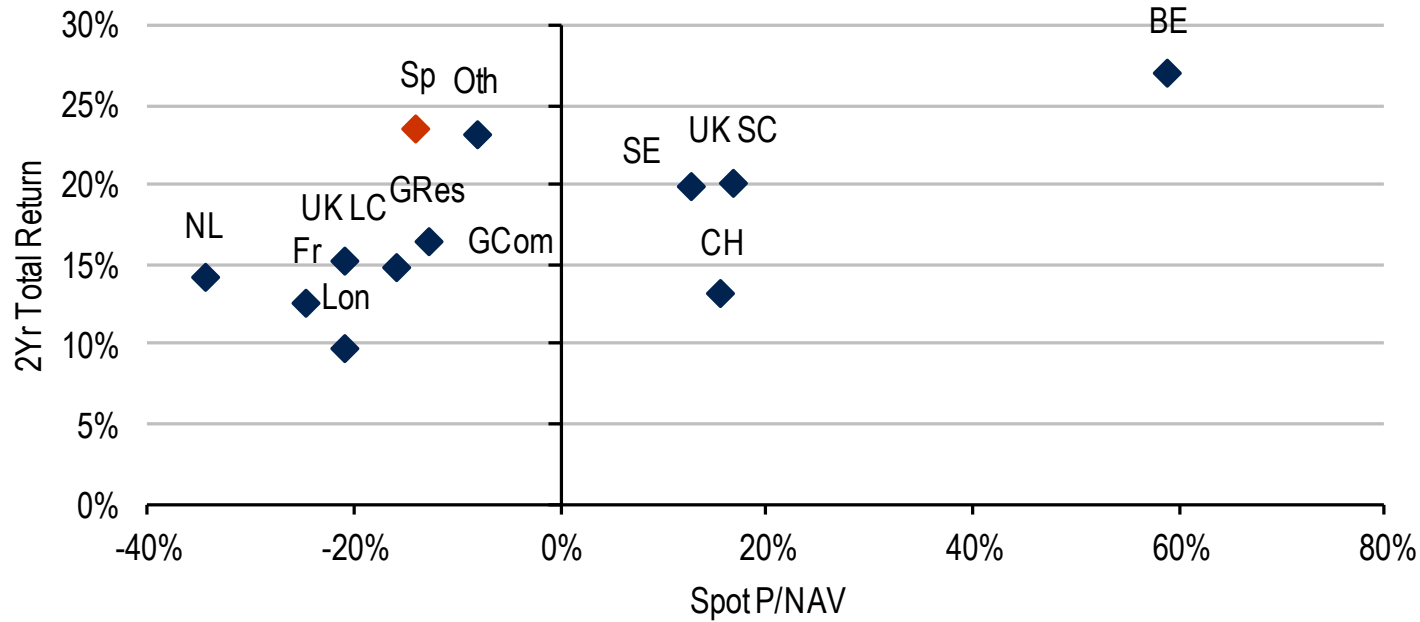


# Retail

- Retail continued to see heavy investment through 2018...but 2019 lower liquidity
- Positive macro backdrop still driving sales/footfall growth
- Ecommerce penetration low (c.4%) but growing at c.30% YoY
- BUT...retail yields not immune from wider European trends



## Listed Sector - Growth at a Discount



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# Colonial

September 10, 2019





Colonial



Colonial –  
Setting the benchmark in prime offices



EPRA CONFERENCE  
September 2019



## GROUP KEY PORTFOLIO METRICS

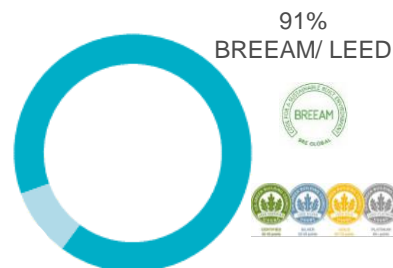
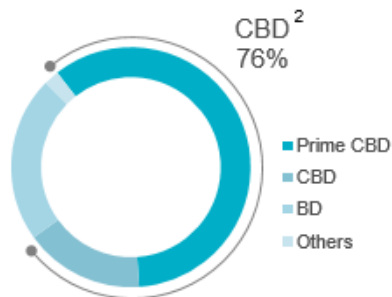
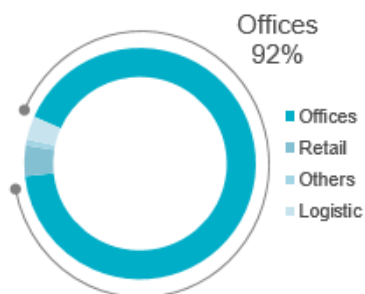
GAV Group 6/19	€11,798m	+9% LFL <sup>3</sup>
# of office assets 6/19	65 Spain 20 France	
Surface above ground 1H 2019	1,711,703 sq m	
EPRA Vacancy 1H 2019	4%	

## CAPITAL STRUCTURE METRICS

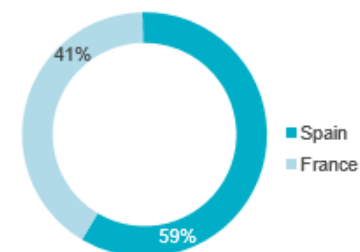
Market Cap <sup>1</sup> / Net Profit 1H 2019	€5.3bn	€338m
Total Shareholder Return <sup>4</sup>	+18%	
LTV Group 6/19	37.9%	
Rating Investment Grade	STANDARD & POORS MOODY'S	BBB+ Stable Outlook Baa2 Stable Outlook

## A HIGH QUALITY OFFICE PORTFOLIO

### GAV GROUP



### EQUITY VALUE EXPOSURE



(1) As of 2 September 2019

(2) Office portfolio. Barcelona CBD, includes the assets in the 22@ market segment

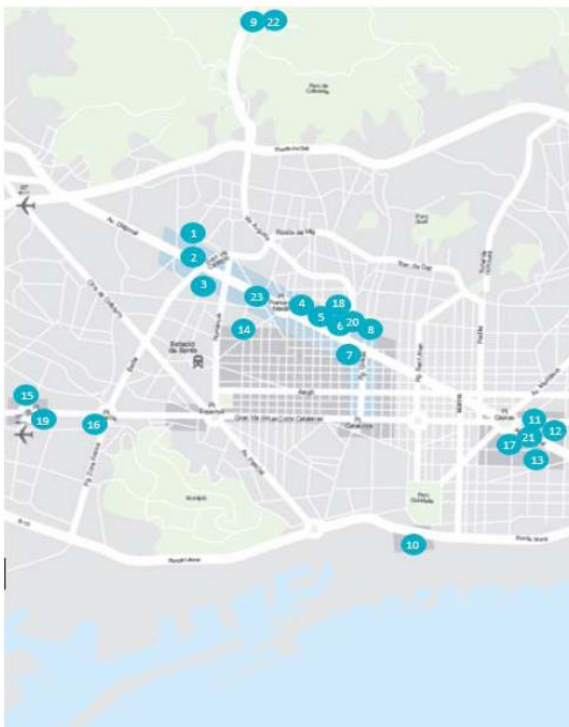
(3) 06/2019 year-on-year LFL

(4) 1H/2019 Total Shareholder Return YoY (Total Shareholder Return = YoY NAV per share growth + DPS paid to shareholders)

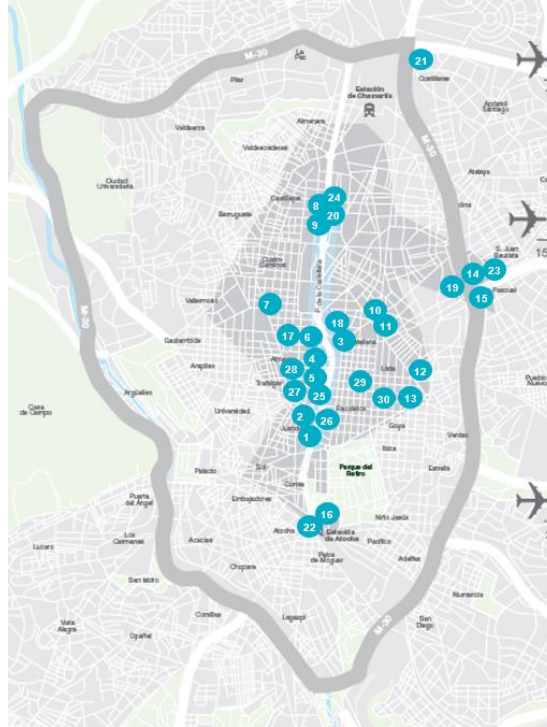
#### Colonial as largest property owner in offices in the City Center of Madrid, Barcelona and Paris

- > Strong market share increases negotiation power
- > Colonial best positioned to capture the rental cycle in its markets

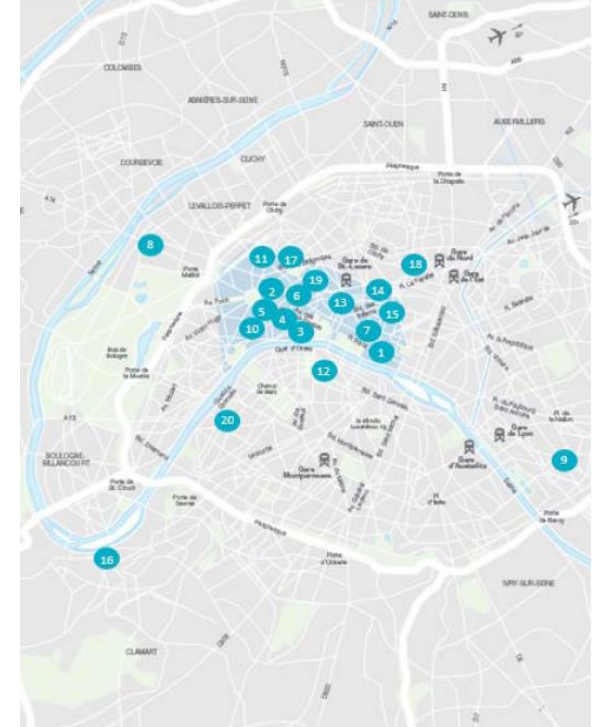
##### BARCELONA



##### MADRID

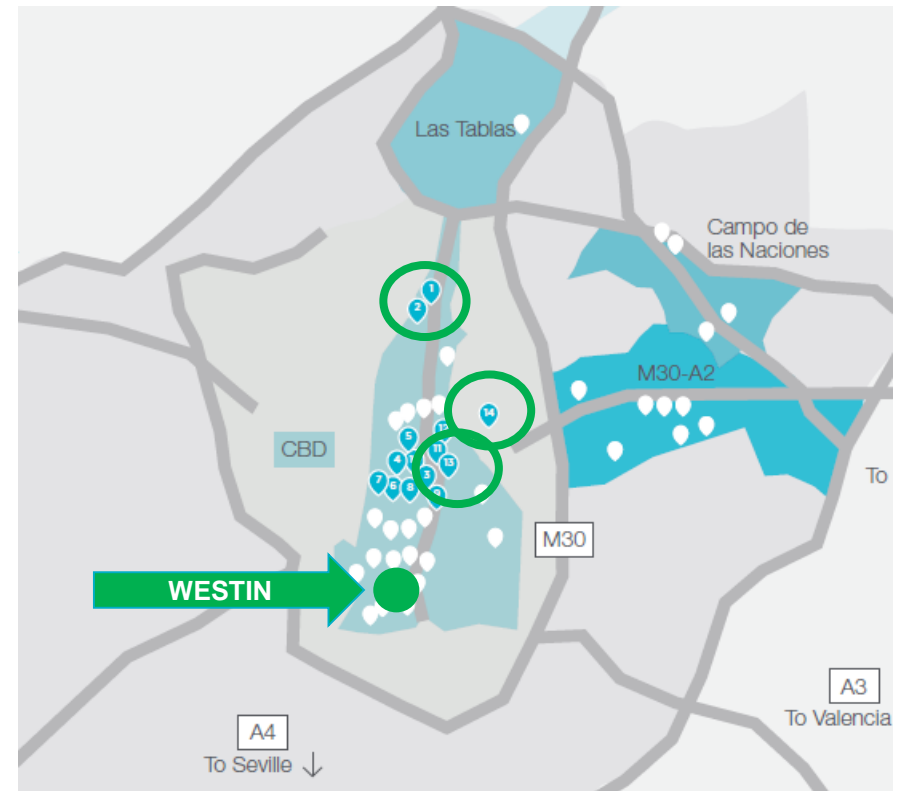


##### PARIS



## CBD Asset Tour

1	Discovery Building	VISIT
2	Castellana 163	VISIT
3	Miguel Ángel 23	
4	Miguel Ángel 11	
5	Almagro 9	
6	Sagasta 31-33	
7	Sagasta 27	
8	Génova 17	
9	Recoletos 37	
10	Castellana 43	
11	Castellana 52	VISIT
12	Serrano 73	
13	Velázquez	
14	The Window Building	VISIT & COFEE BREAK





Colonial



[www.inmocolonial.com](http://www.inmocolonial.com)

© Colonial







# Merlin

September 10, 2019



# EPRA Conference 2019 Property Tour visit Madrid



September 10<sup>th</sup>, 2019

### Onsite visit



- 1 Adequa from Torre Chamartín**  
18,295 sqm



- 2 Arturo Soria Plaza**  
6,069 sqm



- 3 P. de Vergara 187**  
10,732 sqm



- 4 Castellana 85**  
15,254 sqm



- 5 LOOM Salamanca**  
1,930 sqm

### Aerial view

- 1 Plaza Ruiz Picasso**  
31,576 sqm



- 2 Adequa**  
123,830 sqm



- 3 Vía Norte**  
37,224 sqm



- 4 Aquamarina**  
10,685 sqm



### Drive by

- 1 Castellana 93**  
11,650 sqm



- 2 Castellana 278**  
14,468 sqm



- 3 Castellana 280**  
16,918 sqm



- 4 Castellana 259**  
53,190 sqm



- 5 Arturo Soria 343**  
6,615 sqm



- 6 Alvento**  
32,928 sqm



- 7 P. de las Naciones**  
39,150 sqm



- 8 R. del Loira 60**  
54,960 sqm



- 9 Partenon 12**  
19,609 sqm



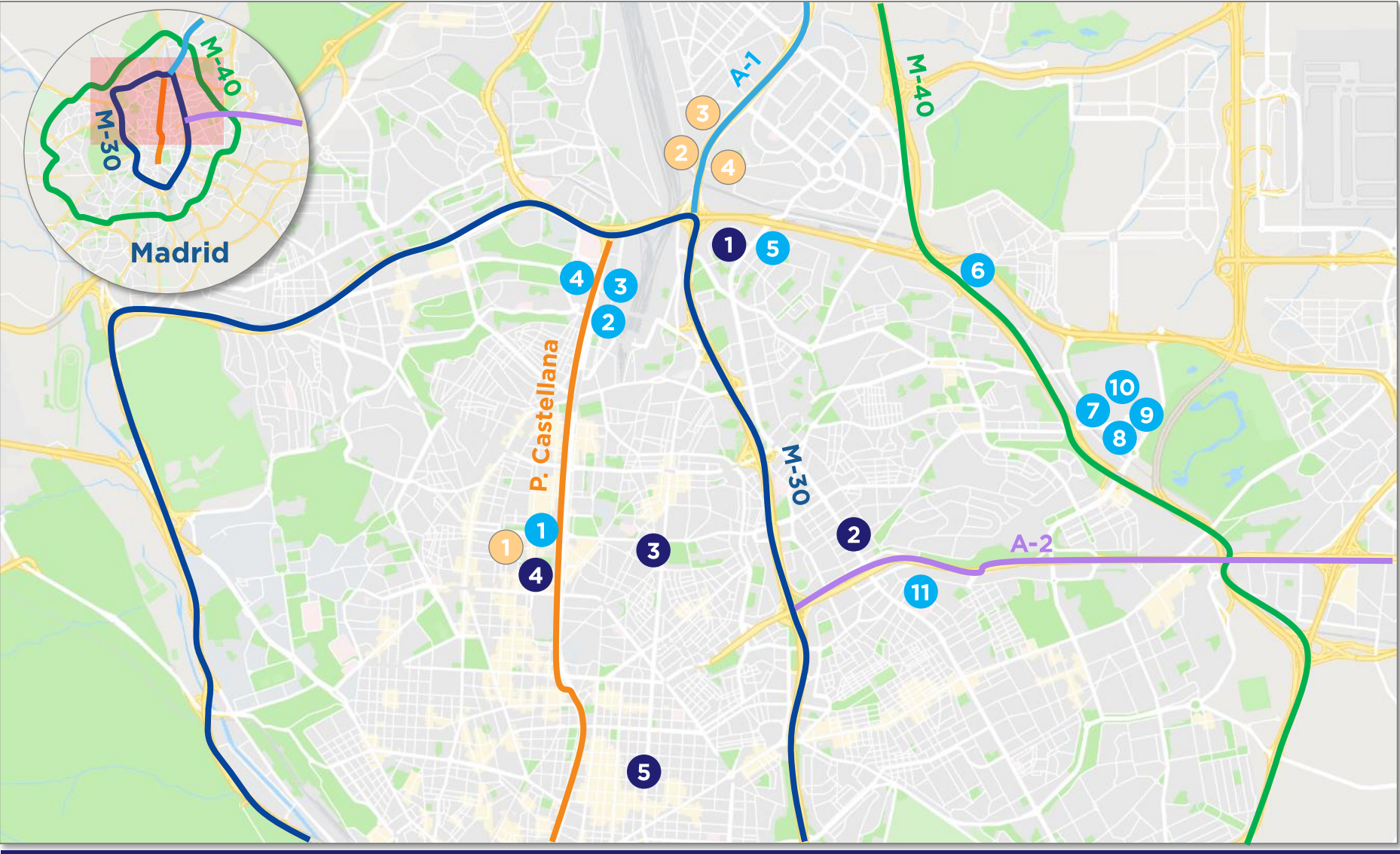
- 10 Partenon 16**  
18,343 sqm



- 11 Josefa Valcárcel 48**  
19,893 sqm









# ADEQUA BUSINESS PARK

Avenida de Burgos 89, Madrid

**GLA (sqm): 123,830** (including excess buildability)

**Parking slots (#): ~3,000**

**Tenants (#): 12**

**Large class A business park with the closest location to Madrid CBD**, strategically nestled within the best tranche of the A-1 corridor, one the most consolidated office markets in Madrid

The asset, one of the largest of its kind in Spain, benefits from an excellent visibility from both A-1 and M-30, main accesses to the north of the metropolitan area and to the airport

It is composed of six class-A office buildings (two pending development) and one service building with an aggregate GLA of >120,000 sqm

It serves as Técnicas Reunidas HQ; leading multinational company specialized in turnkey project for the Oil and Gas industry, and holds one of the largest Audi's dealerships



Paseo de la Castellana, 257  
28046 Madrid  
+34 91 769 19 00  
info@merlinprop.com  
[www.merlinproperties.com](http://www.merlinproperties.com)





# ARTURO SORIA PLAZA

Arturo Soria 126, Madrid

**GLA (sqm): ~7,000 (~6,000 MERLIN)**

**Parking slots (#): 550**

**Retail units (#): 79**

**Prime urban shopping center in Arturo Soria, high-end residential area**, and excellent connections to the A2 and the busy M30/M40 highways

This 79 retail units asset, which enjoys a 100% occupancy rate, is a Spanish leader in terms of retail sales per square foot

The asset has just experienced a deep re-do of common areas and accesses, including a total makeover of the terrace and parking, further boosting tenant sales

The focus point of this intervention is the outstanding terrace, which has been provided of a top-notch dining area, rapidly becoming a meeting point for the affluent neighborhood



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# PRÍNCIPE DE VERGARA 187

Príncipe de Vergara 187, Madrid

**GLA (sqm): 10,732**

**Parking slots (#): 165**

**Tenants (#): 1**

**Prime office building**, with Ground Floor + 12 located in **Madrid CBD**, next to the Paseo de la Castellana. The building therefore benefits from excellent communications by road and access to the city's public transport system

The asset, designed by Eleuterio Población and refurbished by Rafael de la Hoz stands out thanks to its aesthetics and outstanding views

The building was built in 1984 as Endesa's HQ, Spanish national power company. When, after two decades occupying the building, Endesa announced their intention to move to a 5x larger facility, the premises were immediately rented to the most prestigious Spanish law firm and #6 firm in Continental Europe by revenue (Uría Menendez)

 Location



Paseo de la Castellana, 257  
28046 Madrid  
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info@merlinprop.com  
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# CASTELLANA 85

Paseo de la Castellana 83-85, Madrid

GLA (sqm) 15,254

Parking slots (#) 271

Tenants (#) n.a.

**Prime office building** with ground floor + 11 and two underground parking levels located in Azca, in the Nuevos Ministerios area, **at the heart of Madrid business district**

The property benefits from outstanding connections including three Metro lines, the airport express, local trains and bus routes

It has been the historical headquarters of Sacyr, a Spanish leading engineering and building company

The asset has recently been vacated in order to carry out the Landmark I value creation plan which aims to transform Class B buildings in A locations into Class A buildings. Castellana 85 is currently under refurbishment with expected delivery in 2020

 Location



Paseo de la Castellana, 257  
28046 Madrid  
+34 91 769 19 00  
[info@merlinprop.com](mailto:info@merlinprop.com)  
[www.merlinproperties.com](http://www.merlinproperties.com)





# LOOM SALAMANCA

Don Ramón de la Cruz 38, Madrid

GLA (sqm): 1,930

Desks (#): 270

Tenants (#): n.a

Salamanca, the sixth flex-space solution provided by **MERLIN's co-working subsidiary**, is poised to become LOOM's flagship upon its opening in September 2019

Centrally located within the Salamanca neighborhood, **the city's most affluent residential district**; this asset is the first and only flex-space in the area built in a historical industrial facility. The premises will include a state-of-the-art events area, unique in the district, with versatile solutions and capacity to host 250 pax, as well as 270 dedicated desks and 6 meeting rooms

Besides, it will be the first sensorised flex-space with PoE technology (Power over Ethernet) a result of the partnership between MERLIN, Signify (Phillips Lighting), Cisco, Pownet and Comscore



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MERLIN

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PROPERTIES



VGP

September 10, 2019





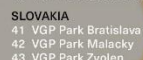
**VGP**

**We are a leading pan-European developer, manager and owner of high-quality logistics and semi-industrial real estate**

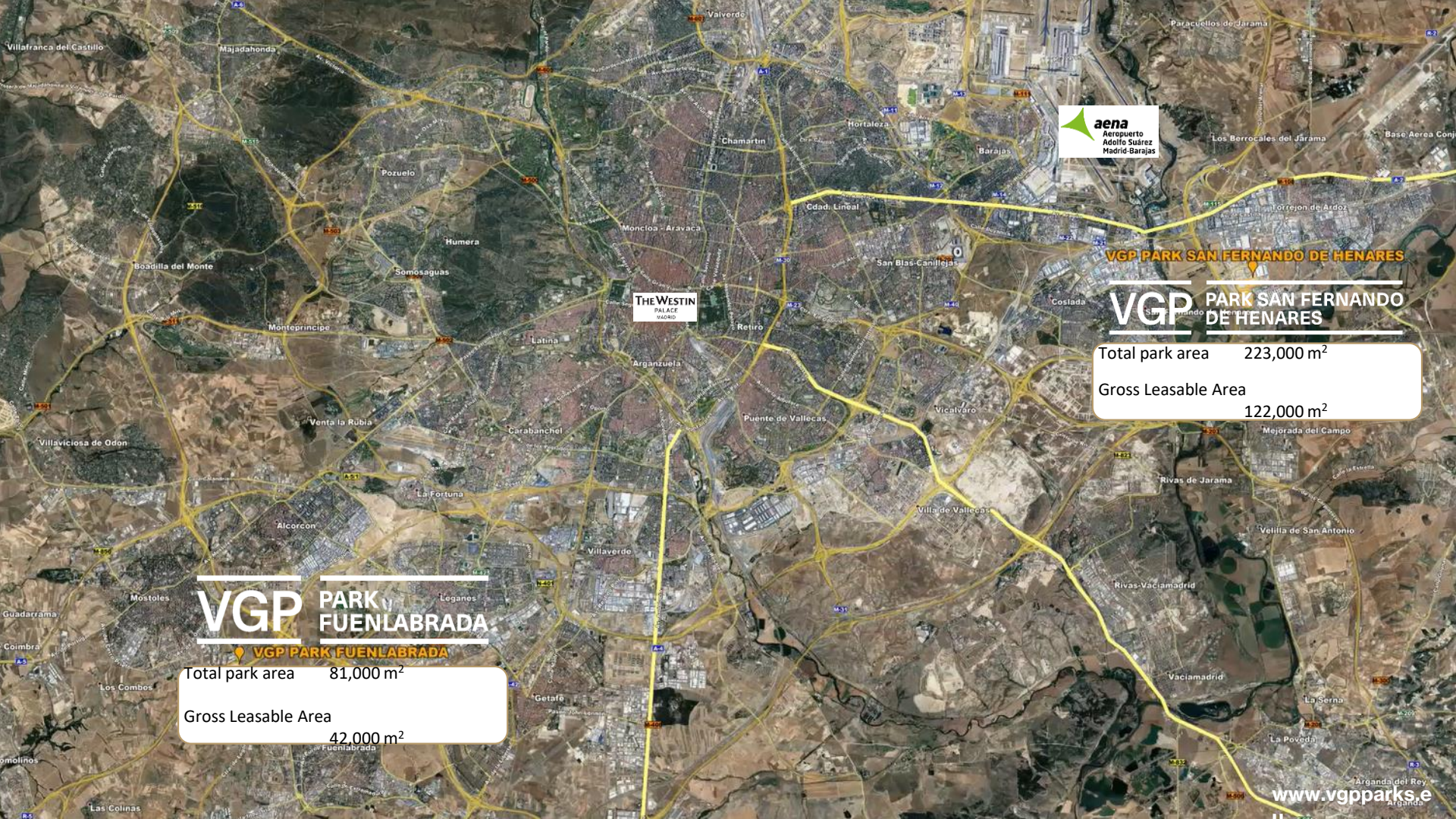
Founded: 1998  
Employees : c. 190  
Head office: Antwerp

Listing: Brussels and Prague

Logistics parks: 61  
Annualized leases: €129M  
Completed + U/C GLA: 2.28M M<sup>2</sup>  
Land bank: 6.07M M<sup>2</sup>







# VGP PARK FUENLABRADA

Total park area 81,000 m<sup>2</sup>  
Gross Leasable Area 42,000 m<sup>2</sup>

# VGP PARK SAN FERNANDO DE HENARES

Total park area 223,000 m<sup>2</sup>  
Gross Leasable Area 122,000 m<sup>2</sup>





Building	Land plot	Total GLA	Status
ESPSFH - A	39,655 m <sup>2</sup>	22,962 m <sup>2</sup>	Completed
ESPSFH - B1	39,298 m <sup>2</sup>	19,664 m <sup>2</sup>	Completed
ESPSFH - B2	24,358 m <sup>2</sup>	12,225 m <sup>2</sup>	Under Construction
ESPSFH - C1	13,472 m <sup>2</sup>	8,251 m <sup>2</sup>	Under Construction
ESPSFH - C2	9,110 m <sup>2</sup>	5,165 m <sup>2</sup>	Under Construction
ESPSFH - D1	33,526 m <sup>2</sup>	20,602 m <sup>2</sup>	Development land
ESPSFH - D2	33,526 m <sup>2</sup>	20,602 m <sup>2</sup>	Development land
ESPSFH - E	29,765 m <sup>2</sup>	12,176 m <sup>2</sup>	Completed
<b>TOTAL</b>	<b>222,707 m<sup>2</sup></b>	<b>121,447 m<sup>2</sup></b>	



**13.10** Departure to VGP Park San Fernando de Henares

Bus tour: GLS, TNT, Amazon, Logipoint

**14.15** DSV, ThyssenKrupp, Rhenus, Logwin  
(by foot)

**15.00** Reception at Logwin

**15.30** Bus back to The Westin Palace

**16.00** Back at The Westin Palace Hotel,  
Madrid

07

08

09

10

11

12



# Covivio

September 10, 2019





# COVIVIO

**ASSET TOUR**

**MADRID HOTEL  
PORTFOLIO**

**EPRA CONFERENCE 2019**

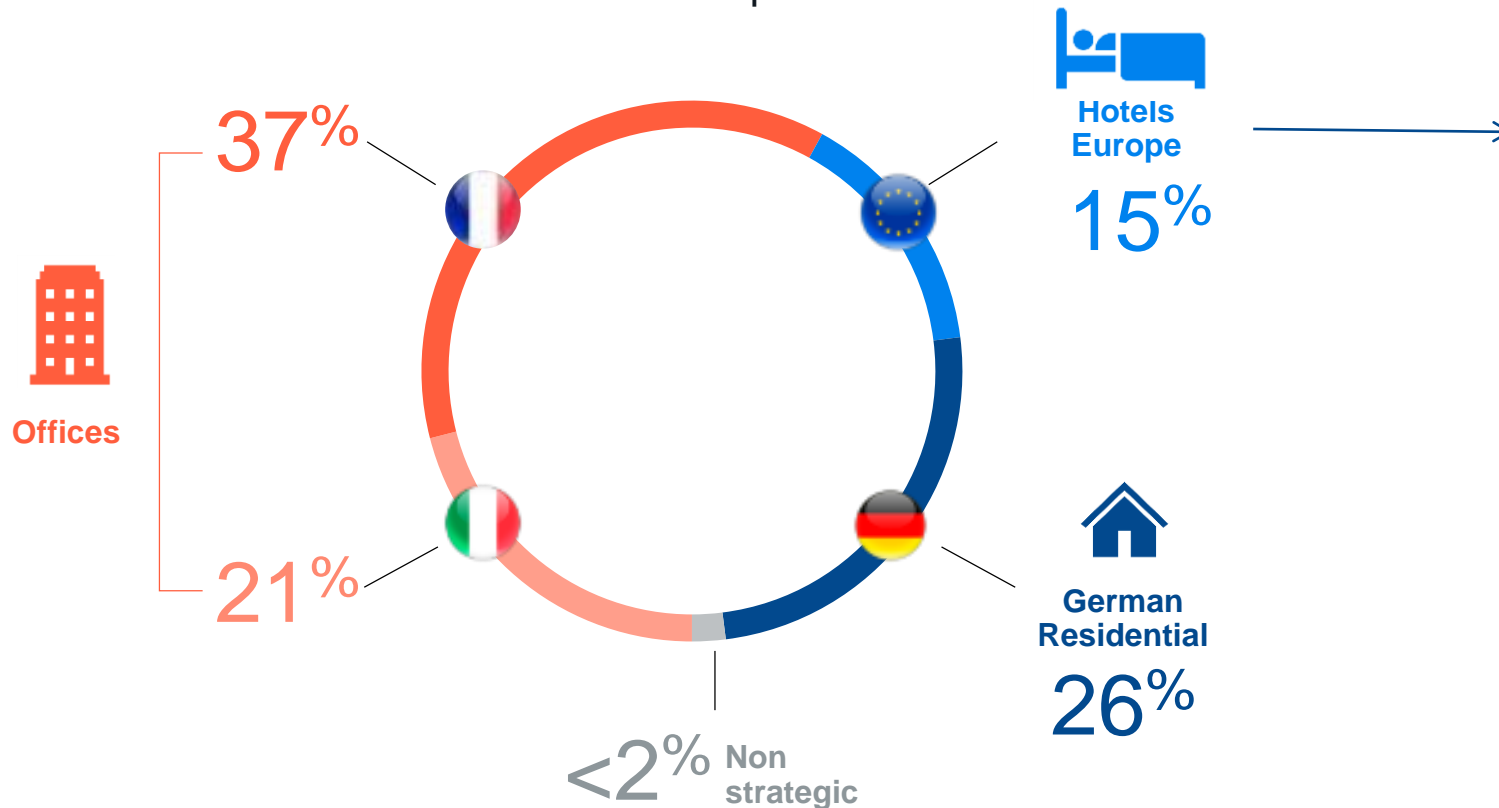


# HOTELS IN EUROPE / A PILLAR OF COVIVIO'S STRATEGY

## COVIVIO

€23 bn portfolio in Europe

€16 bn Group share



**€5.7 bn of Hotels**

(€2.3 bn Group share)

owned through Covivio Hotels subsidiary at 43% of Covivio

**50,000 rooms**

**diversified in 7 countries**

**with 18 hotel operators partners**

# COVIVIO HOTEL PORTFOLIO IN SPAIN



**20**  
**HOTELS**

MOSTLY HIGH-QUALITY 4\* AND 5\* HOTELS

3,700 ROOMS

**€643 m**  
VALUE AT H1 2019  
(€278 m Group share)

12% OF COVIVIO HOTEL PORTFOLIO IN EUROPE

80% LOCATED IN MADRID AND BARCELONA

**100%**  
**LET**

MAJOR SPANISH OPERATORS



ACCOMPANY THE DEVELOPMENT  
OF OUR OPERATORS PARTNERS





# TWO HOTELS IN MADRID ILLUSTRATING OUR STRATEGY

## BARCELO TORRE DE MADRID



Prime location in Plaza de España



## PASEO DEL ARTE



Prime location close to the Prado Museum



# Welcome

September 11, 2019







# Moderator Prof. Greg Clark CBE

September 11, 2019



## DIAMOND SPONSORS

3



## PLATINUM SPONSORS



## SILVER SPONSORS







Rolf Buch, EPRA Chairman  
Dominique Moerenhout, EPRA CEO



# EPRA sBPR DATABASE GOES LIVE!

5

Check the first publicly available ESG dataset  
[www.epra.com/sustainability/sbpr-database](http://www.epra.com/sustainability/sbpr-database)

## SCOPE



68\*

LISTED REAL  
ESTATE COMPANIES



€249 Billion

MARKET  
CAPITALISATION \*



6,400

ASSETS OWNED \*\*



144 Million

OF SQM \*\*



13

COUNTRIES  
COVERED \*\*



8

REPORTING YEARS -  
FROM 2011 TO 2018

(\*) as of 31 / 03 / 2019

(\*\*) as of FY 2018



Place holder for 20 year video





# Stephanie Flanders

## Senior Executive Editor at Bloomberg and Head of Bloomberg Economics







Yanis Varoufakis  
Economics professor, former Greek Minister of Finance.  
Keynote speech





José Manuel Barroso

Goldman Sachs International non-Executive Chairman,  
former President of the European Commission,  
Keynote speech





# CEOs' response to populism, moderated by Stephanie Flanders

Pere Vinolas Serra, Colonial  
Meka Brunel, Gecina  
Helen Gordon, Grainger  
Rolf Buch, Vonovia







Placeholder video





LUNCH



# HELLO!

I AM ANTONY SLUMBERS

Real Estate & Technology Strategy

You can find me at [antonymslumbers.com](https://antonymslumbers.com)

@antonymslumbers

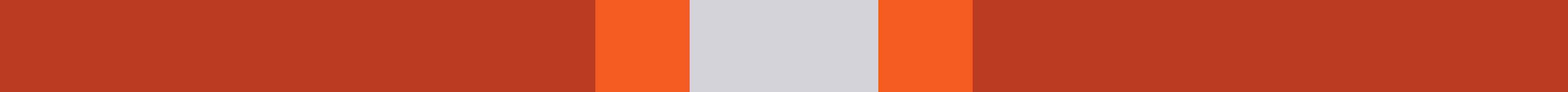
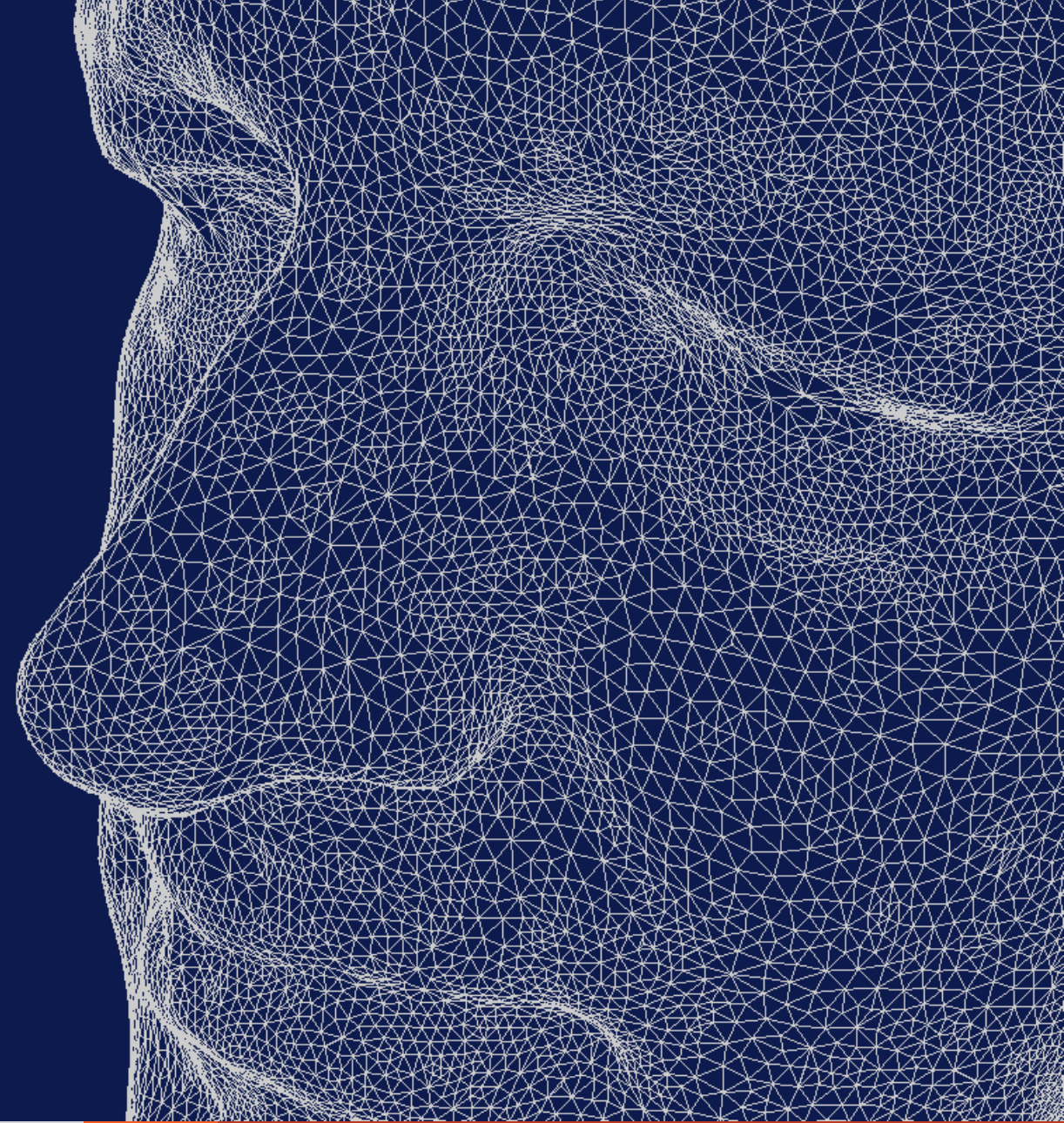




# **Why Tech Matters: The New Reality of Real Estate**

“Any sufficiently advanced  
technology is  
indistinguishable from **magic**”

Arthur C Clarke  
Profiles of the Future (1962)



“Say okay, I have had enough,  
What else can  
you show me?”

Bob Dylan  
It's Alright, Ma (I'm Only Bleeding) (1965)





# TECHNOLOGY DOESN'T SLEEP



Moore's Law and more ....



**100,000**

1980



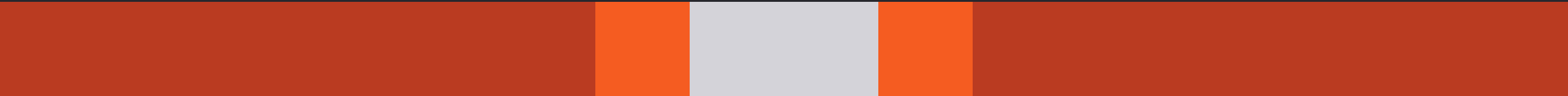
**100,000,000**

2000

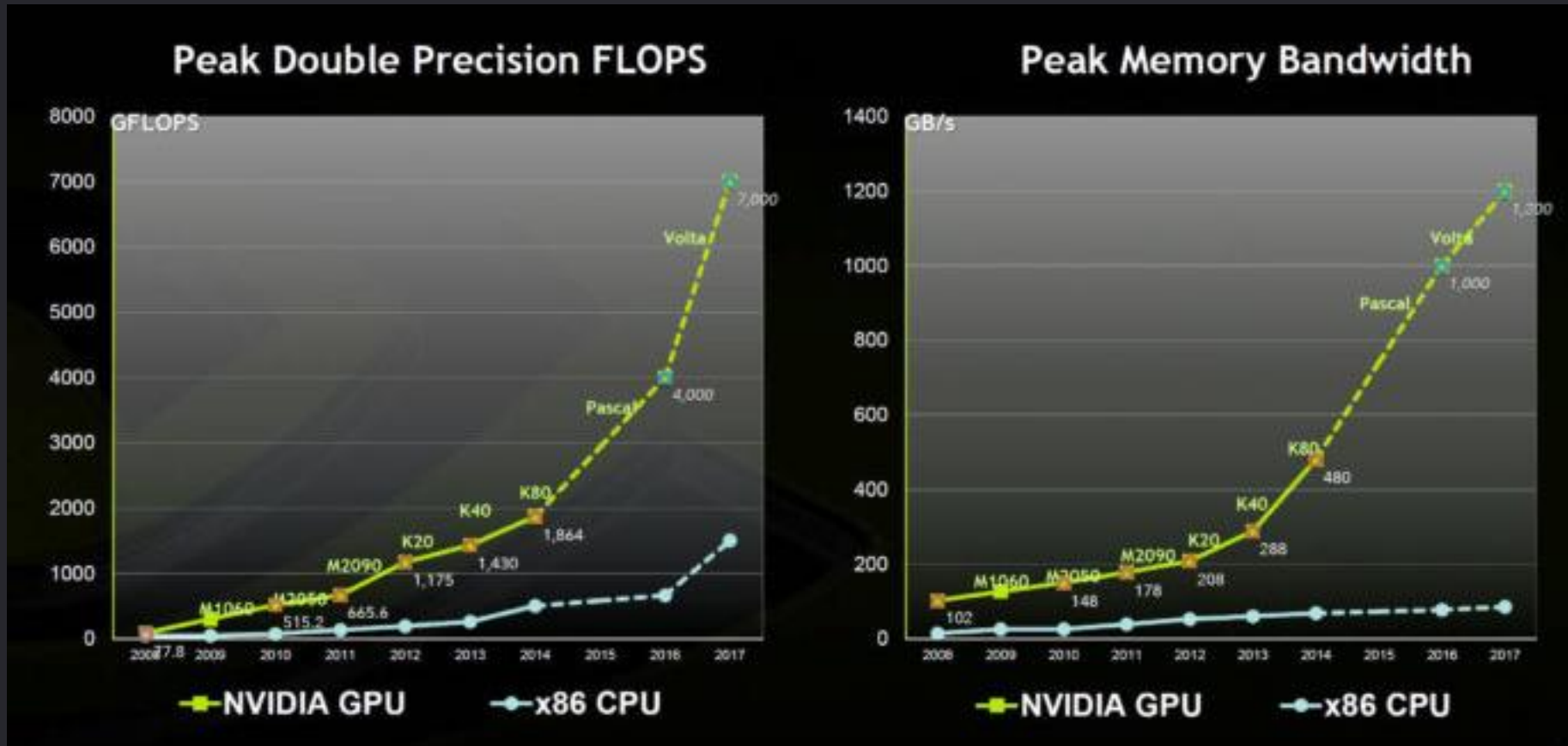


**10,000,000,000**

2016



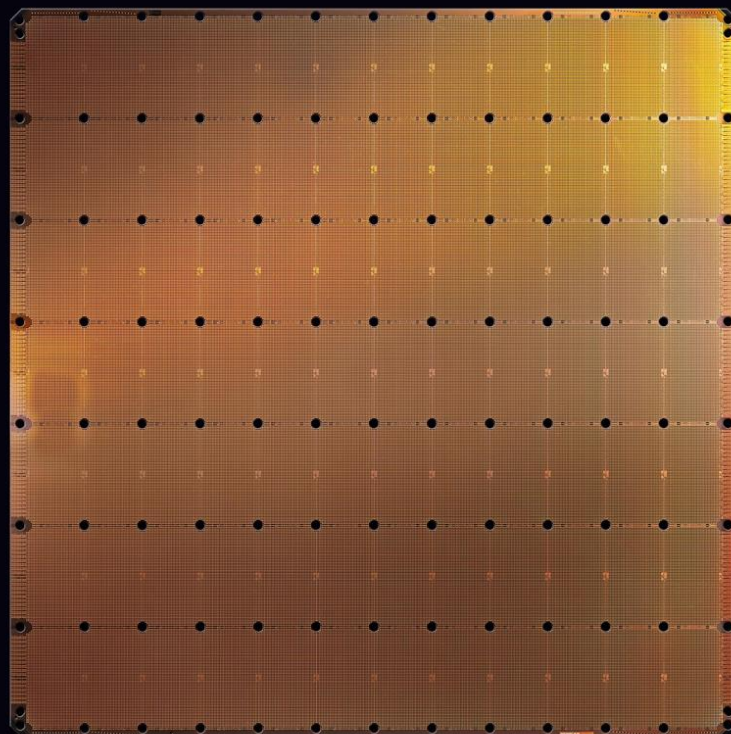
# GPU's massively outpacing CPU's





1,200,000,000,000

2019



Cerebras WSE



Largest GPU

**1 unit of compute**

2012



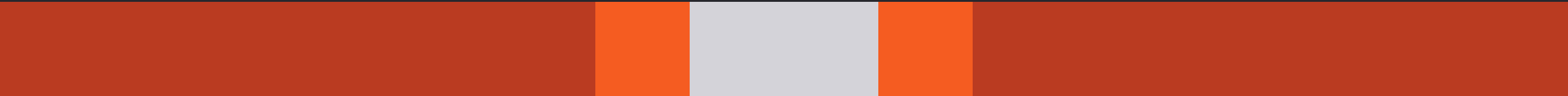
**18 to 3.5**

Months to double



**300,000 units of compute**

2018



## THE TRINITY OF TRANSFORMATION

---

A Venn diagram consisting of three overlapping circles. The left circle is solid orange and contains the text 'HUGE INCREASE IN DATA'. The middle circle is dashed orange and contains the text 'HUGE INCREASE IN COMPUTING POWER'. The right circle is solid orange and contains the text 'HUGE ADVANCE IN ALGORITHMS DEEP LEARNING'. The circles overlap in a way that all three central areas intersect.

**HUGE INCREASE  
IN DATA**

**HUGE INCREASE  
IN COMPUTING  
POWER**

**HUGE ADVANCE  
IN ALGORITHMS  
DEEP LEARNING**



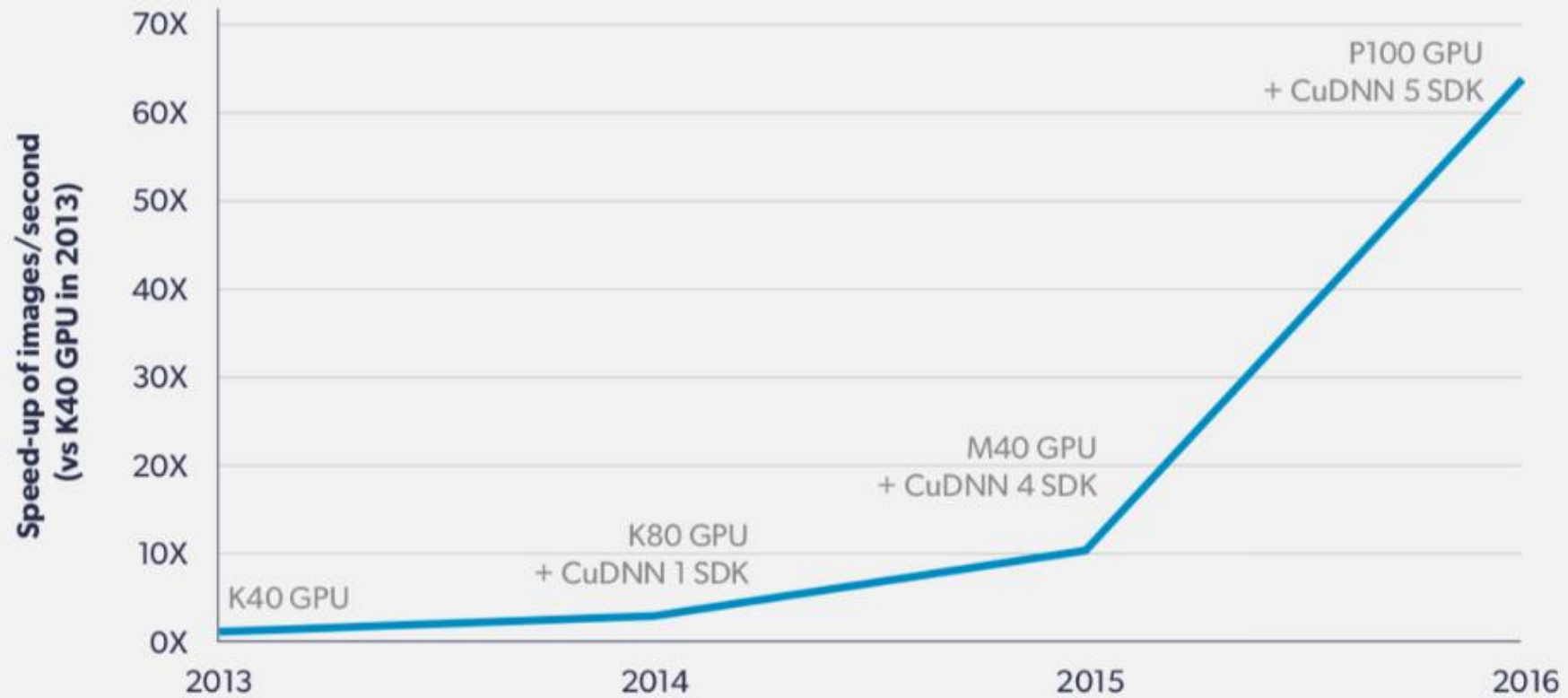
# CONSEQUENCES



The 'So what?' of speed ....

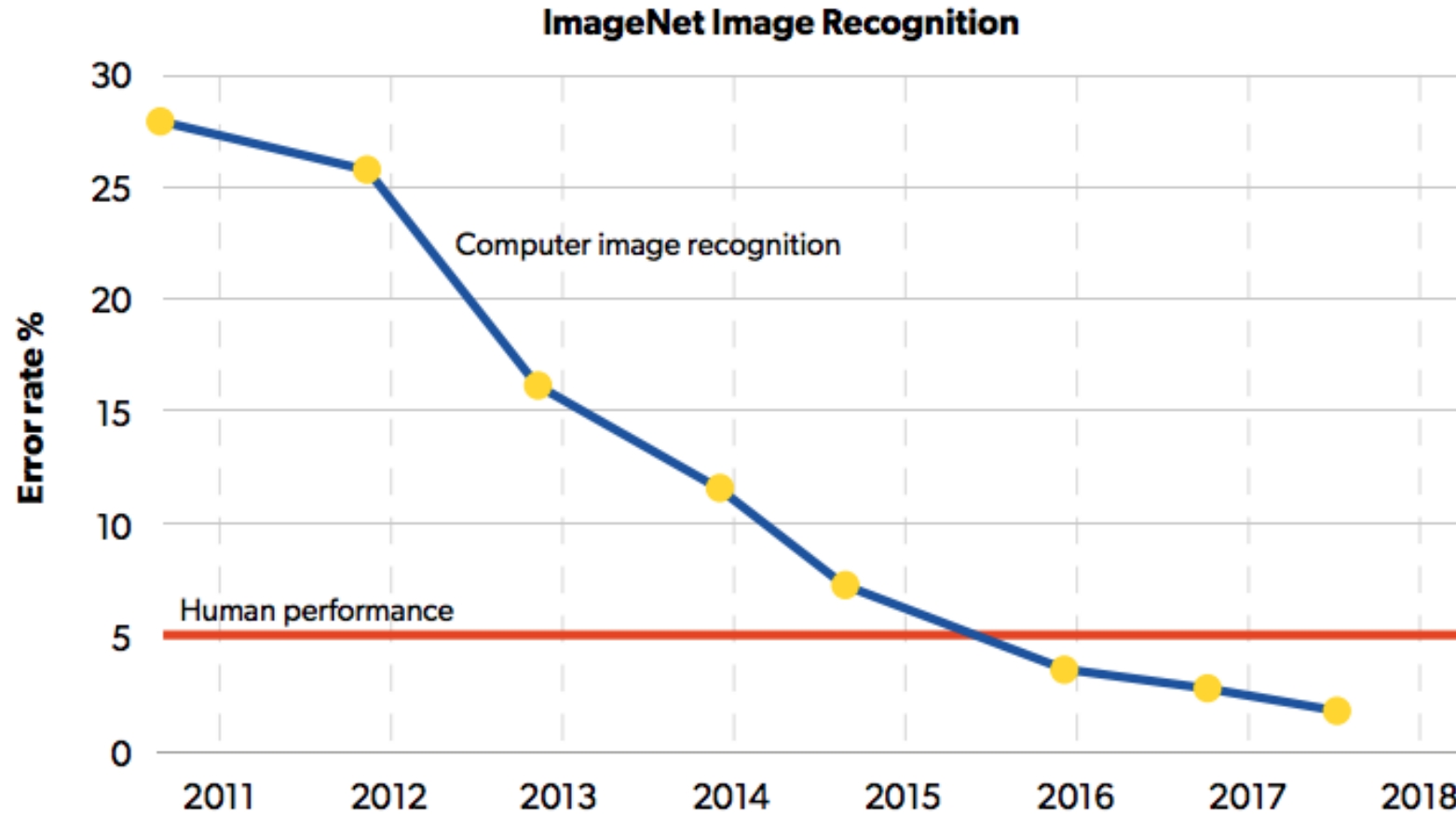


# Neural network training - 60X in 3 years



Source: NVIDIA, MMC Ventures

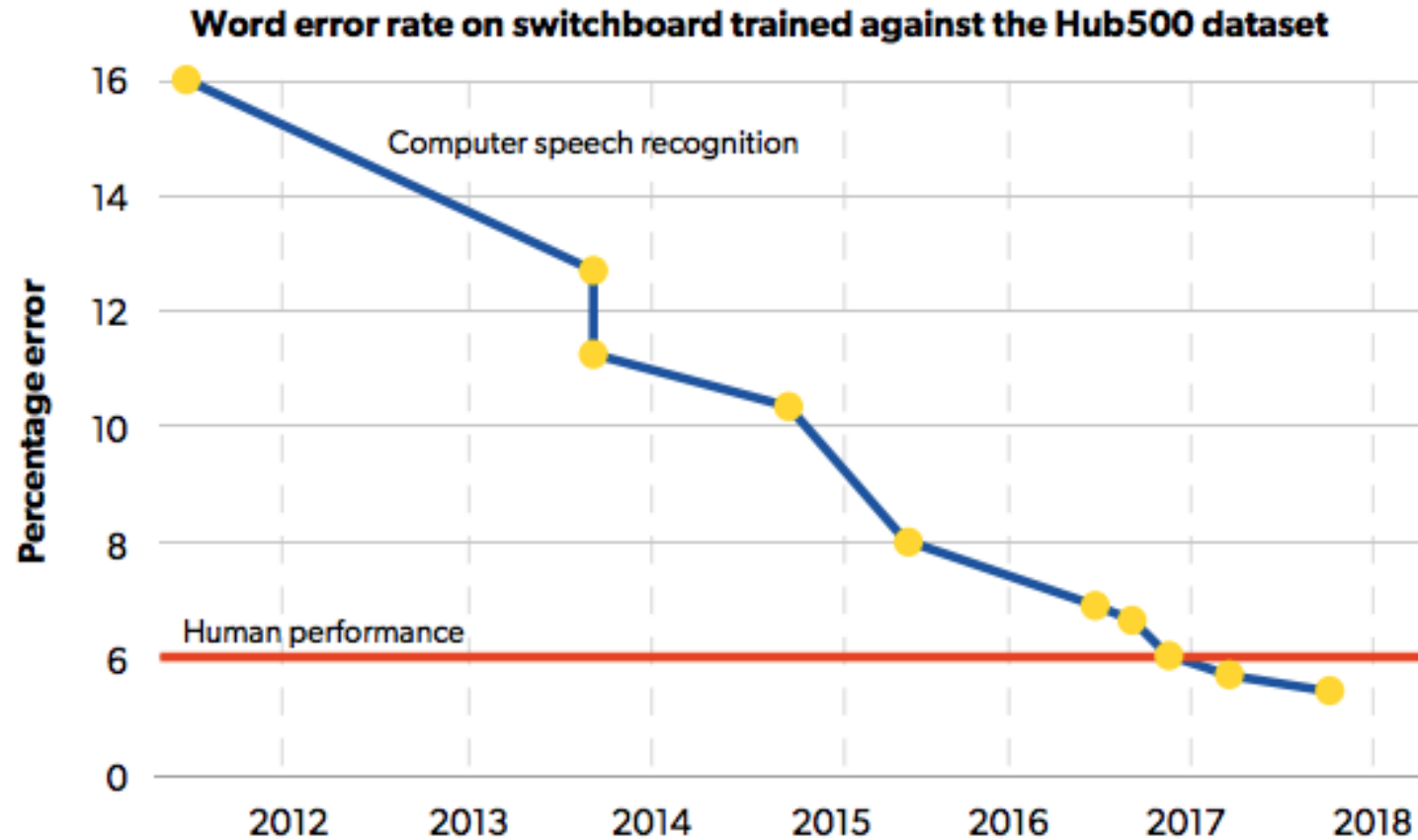
## ImageNet (2010-2018) : Computer Vision - from useless to utility



Source: <https://www.eff.org/ai>



# Speech recognition - from useless to utility

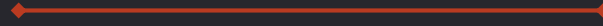


Source: <https://www.eff.org/ai>

## Voice = New Search Interface



# 'Fake News' from just ONE image



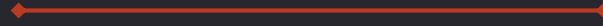
Living portraits



Living portraits



“



*Overall, we estimate that **49 percent** of the activities that people are **paid to do** in the global economy have the potential to be **automated** by adapting **currently demonstrated** technology.*

McKinsey - January 2017



“



*AI algorithms will be to many white collar workers what tractors were to farm hands: a technology that dramatically increases the productivity of each worker and shrinks the total number of employees required.*

Kai Fu-Lee - AI Superpowers - September 2018

# AI EVERYWHERE



A General Purpose Technology ....



“



*Artificial intelligence, especially machine learning, is the most important general-purpose technology of our era.*

Erik Brynjolfsson & Andrew McAfee (Harvard Business Review, 2017)

## AI HAS FIVE KEY CAPABILITIES

---

- **Perception** - Understanding the world based on sensory input
- **Communication** - Natural Language Processing, Speech Recognition
- **Knowledge** - Aggregating, synthesising multiple datasets or streams
- **Reasoning** - The application of logic : deductive, inductive, abductive
- **Planning** - Setting goals and how to achieve them



## WHICH MEANS ALL BUSINESSES CAN NOW EXPLOIT 6 CAPABILITIES

---

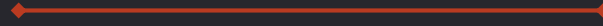
- Understand people using language
- Automate processes
- Optimise complex systems
- Understand what is happening in pictures and videos
- Create content
- Make predictions

## 17 REAL ESTATE BUSINESS WORKFLOWS IN CROSSHAIRS

---

- **Investment strategy**
- Portfolio construction
- Risk management
- Client service
- **Asset Monitoring**
- Discovery & due diligence
- Compliance
- Predictive maintenance
- Asset performance
- Customer segmentation
- **Customer churn prediction**
- Content personalisation
- Customer experience
- **Price optimisation**
- Infrastructure optimisation
- Demand optimisation
- Security

“



*If you think you can let the technology develop  
and then be a successful  
fast follower, think again.*

McKinsey - April 2018

# IMPACT ON REAL ESTATE



All change, all change ....





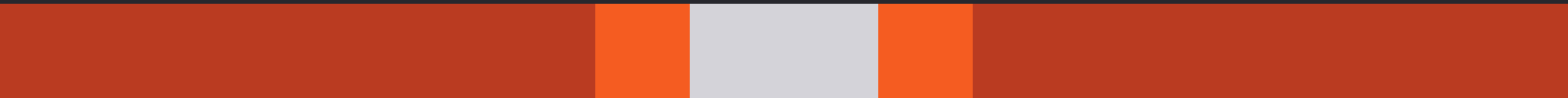
The Nature of 'Work' is Changing

Structured, Repeatable, Predictable\*

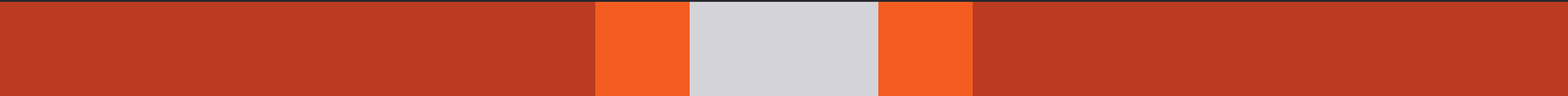
=

Automated

\*The 49% of ALL tasks

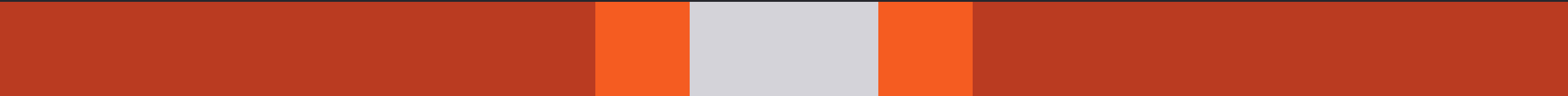


And as 'Work' changes  
so *will* CRE demand

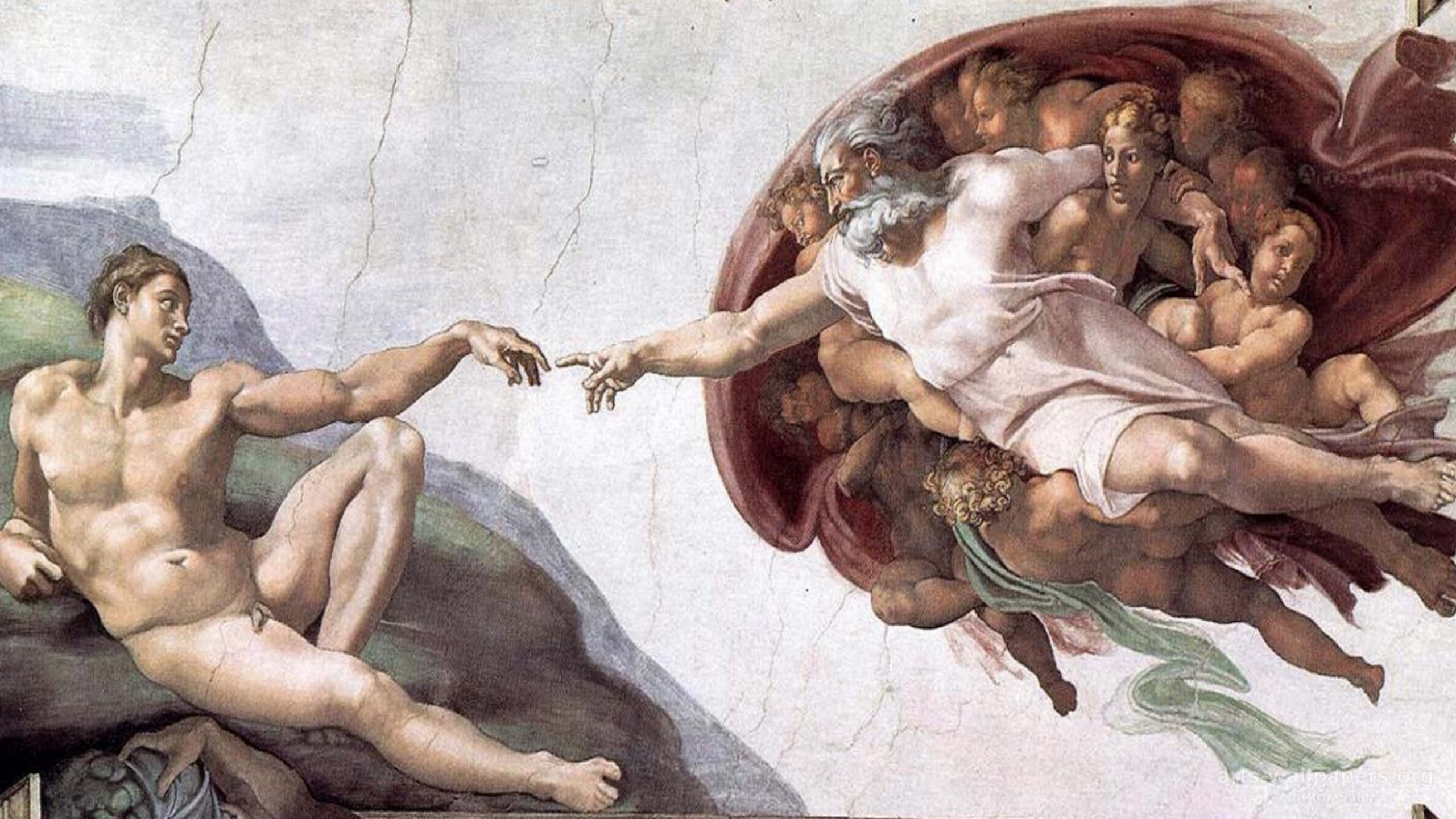


Have you noticed what is missing from  
'Structured, Repeatable, Predictable'

???









"Computers are useless. They can only give you answers."



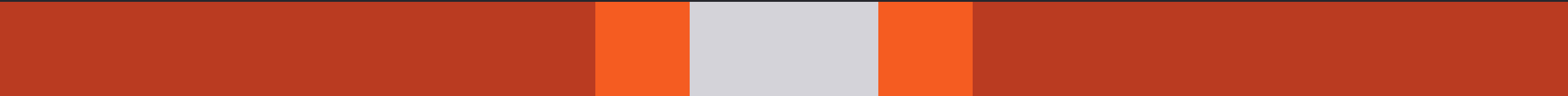
Structured, Repeatable, Predictable  
= Automated = Old Work

BUT

New Work = Design, Imagination, Inspiration, Creation, Empathy, Intuition,  
Innovation, Abstract & Critical Thinking, Collaboration, Social intelligence,  
Judgement

An office that is designed around 'old' work is,  
or shortly will be, obsolete

The future proof office HAS to be designed  
for 'new' work. 'Offices' that catalyse human skills.



*'we shape our buildings  
and afterwards  
our buildings shape us.'*

Winston Churchill, 1942



# #SPACEASERVICE



We are living in an on-demand world ....



From 'ownership to access' & 'product to service'



## City of London: Big & Small

Big Buildings are deceptive

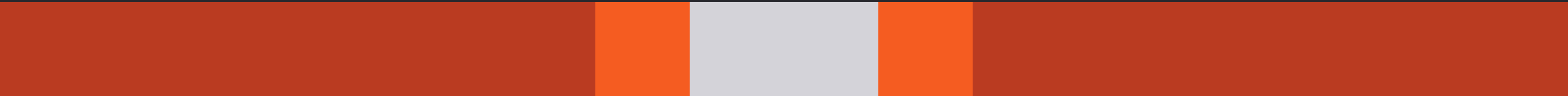
72% of occupied units less than  
10,000 sq ft

50% less than 5,000 sq ft



Demand is changing  
because of technology

Supply will follow

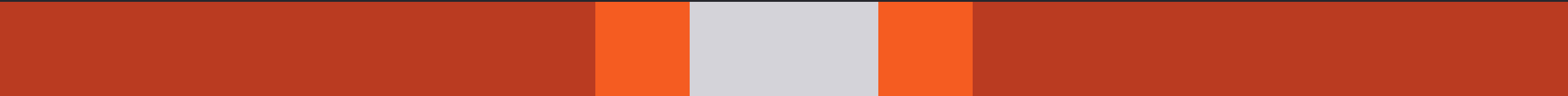




“Flexible working will be the defining characteristic of the future workplace.

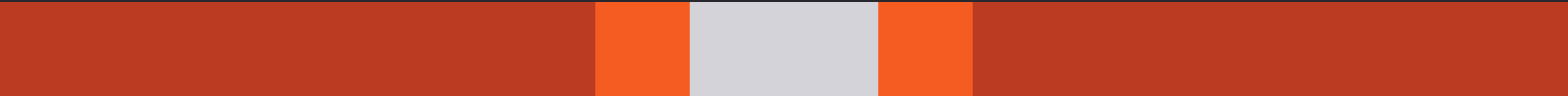
...among organisations with headcount of 6,000+ ... up from 10% today to **66% in 2018**”

Google, Workplace 2020 - Published 2015



**“56% of Asia’s top 200 occupiers are already using flexible workplaces in some capacity, and 91% are considering using them”**

MingTiandi March 1st, 2018

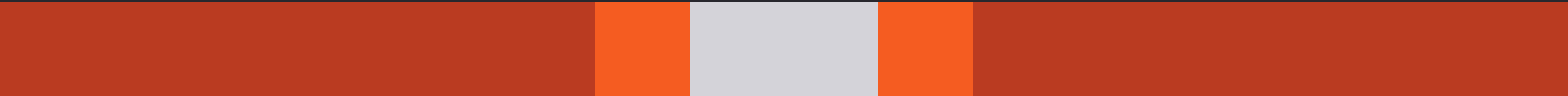


“How did you go bankrupt?

Two ways.

Gradually, then suddenly”

Ernest Hemingway, *The Sun Also Rises*, 1926



The Real Estate industry  
Is no longer  
about Real Estate\*



Businesses don't want an office,  
they want a productive workforce

## So how are we doing?

According to the Leesman Index not so well:

Only 57% say their workplace  
enables them to be productive

Average desk utilisation? circa 40%

User Experience? A double #Fail

From double #Fail to #Success

From Zero to Hero

When user experience matters who creates it matters

New skills, New people, New mindset

Becoming a Hero = Human + Machine in action.....

- Real Estate Expert
  - IoT specialist
  - Data Scientist
  - Workplace Expert
  - Hospitality Expert
  - HR Expert
- = Creator & Curator of the UX



## ALL BUILT ON REALTIME DATA

---

### ABOUT YOUR BUILDING

Temperature  
Air Quality  
Lighting  
Noise

### ABOUT ITS USE

Desire paths  
Occupancy  
Utilisation  
Footfall

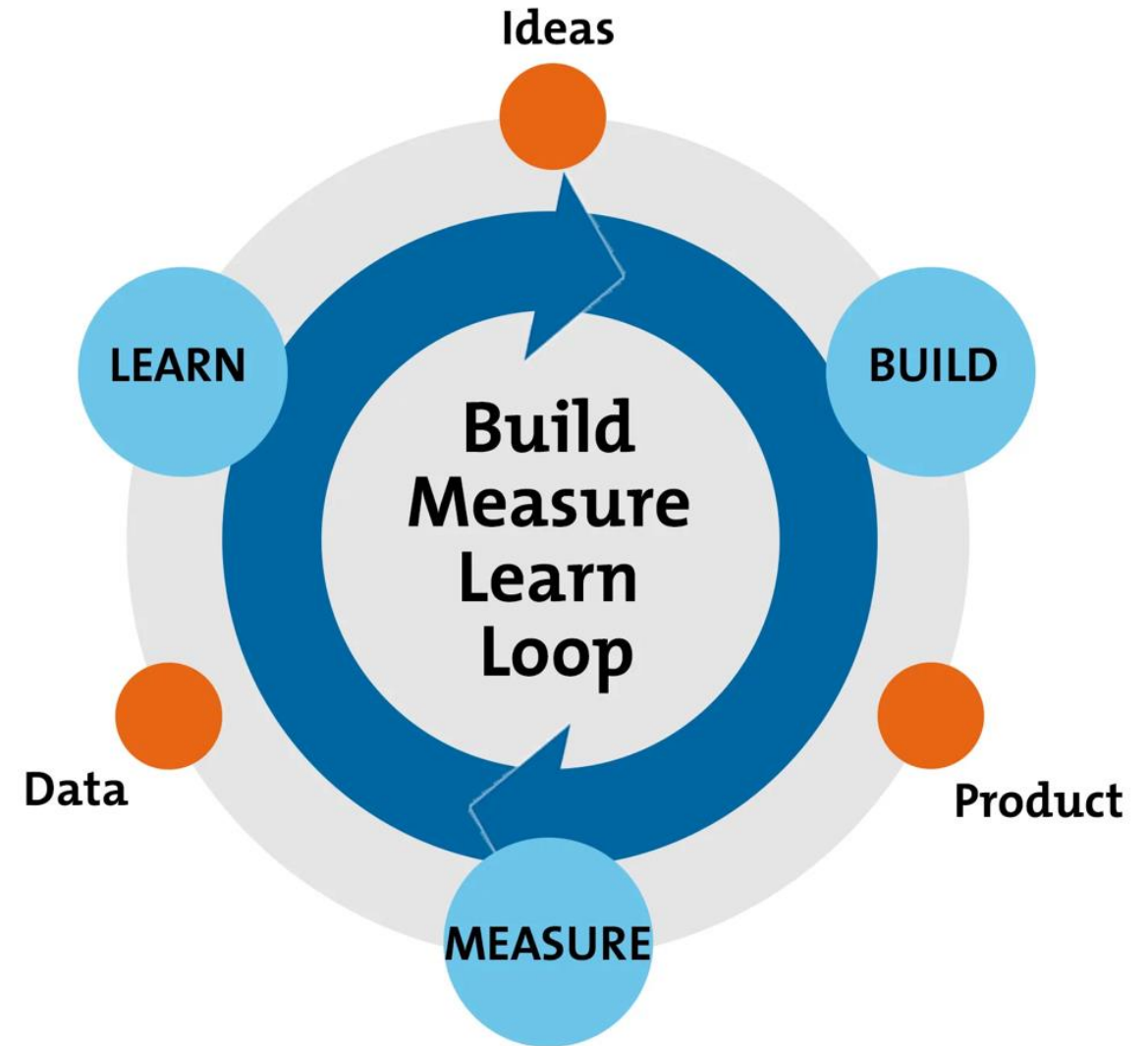
### ABOUT YOUR CUSTOMERS

Jobs to be done  
Wants  
Needs  
Desires

## Workplace as Software

Build, Measure, Learn  
is the default in tech

In real estate  
we stop at Build



# OTHER ASSET CLASSES



Tech matters across every asset class ....



## WHAT ABOUT ... RETAIL?

---

- It's not just (or even primarily) about shopping
  - a. Be a 'destination'
  - b. Or a fulfilment centre
  - c. Or 'tuned' to local particularities
  - d. Or cheap and for everyday purchases
  - e. And data rich
- Less but better. Obsolescence abounds.....

## WHAT ABOUT ... RETAIL?

---

- Localisation
  - KYC: Demographic, Psychographic, Socio-Economic
  - Mobile data, Transaction data + other non RE data sources
  - Geospatial + Retailer data?
- Personalised Product Recommendations
- Assortment Optimisation
- Pricing Optimisation



WHAT ABOUT ... RETAIL?

---

The New Reality?

Physical Shops are a ...

# Customer Acquisition Cost

Inspire Offline - Service Online - One Platform

“

*If you want to see the future of retail, you don't need a time machine or a multi-million dollar research initiative.*

***You just need airfare to Shanghai  
and a week to explore***

M Zakkour - A G Dudarenok - New Retail: Born in China, Going Global

# New Retail : “making it easy to do business everywhere.” Jack Ma



New Retail:

Merging of Online & Offline

Commerce, Digital, Media, Logistics -  
in a perpetual feedback loop

Shops - 'but not as we know them'

Where does Real Estate fit in?

Image: Michael Zakkour

## AND THAT IS JUST OFFICES: WHAT ABOUT INDUSTRIAL?

---

- 'Sheds no more' - Bring on the robots
- All about same day delivery - last mile logistics, 'logistics as a Service'
- Think vertical, not horizontal - Urban Farming, Dark Kitchens
- Repatriated Manufacturing - on-demand 3D Printing
- Even the biggest REIT is small, Network & Ecosystem Data critical to value
- And .... solar roofs

## WHAT ABOUT ... RESIDENTIAL?

---

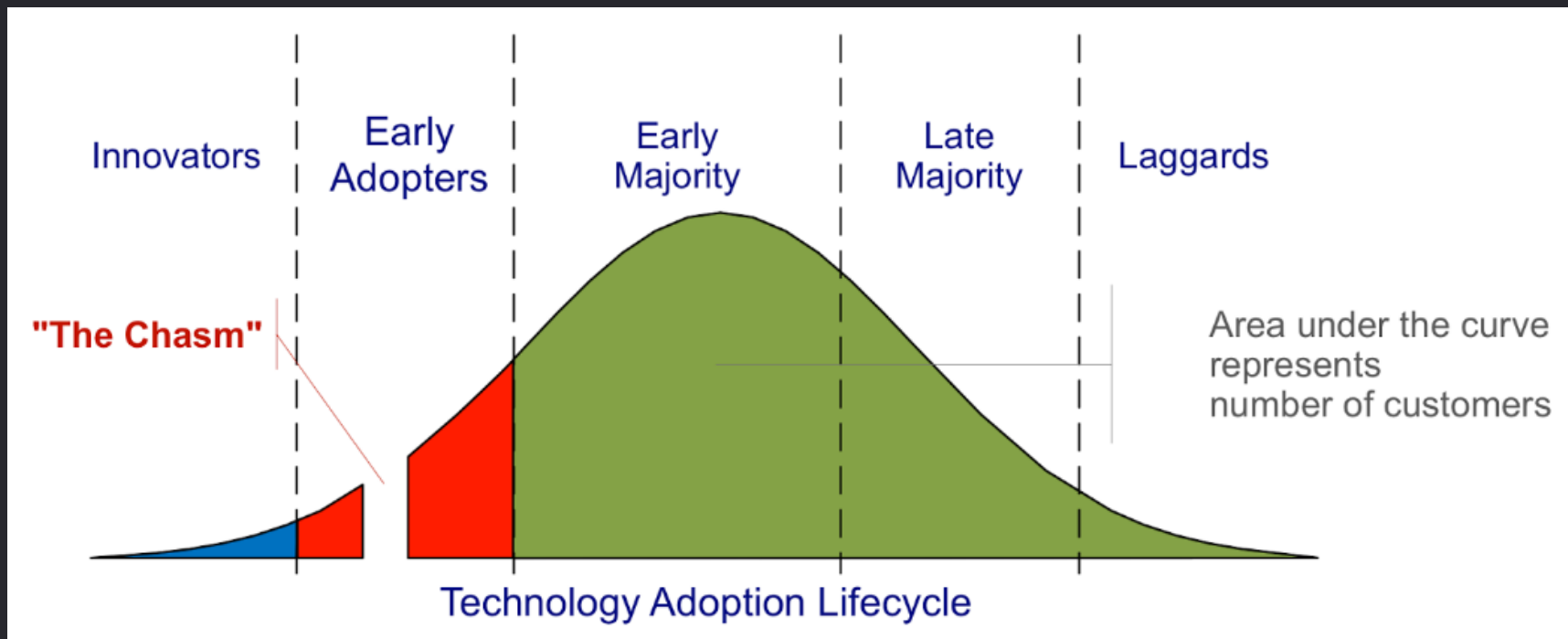
- B2R (the new Prime Office?) - the most 'Bond' like asset class?
- Co-living, Community
- Mixed use / Work, Rest and Play
- New Business Models: 'Bundling & Unbundling' - KYC & Customise
- Is there any area of residential that tech could not improve?



## WHAT ABOUT ... THE FUTURE?

“The future is already here - it's just not very evenly distributed”

William Gibson, 1993



## WHAT ABOUT ... TECHNOLOGY?

---

- Design: Computational & Generative / Autodesk-Toronto
- Digital Twins - virtual simulations of real estate
- Virtual & Augmented reality - augmenting humans
- Modular Construction - place your bets
- Drones - from delivery to inspection
- Micro Mobility - redefining how people move, and where to
- Autonomous vehicles - BIG impact, but when?

## FUTURE PROOFING YOUR PORTFOLIO - NEW KPIs

---

- Connectivity (physical / digital / intellectual)
- Modernity requires Density
- Flexibility
- Productivity / Pleasure
- Wellbeing
- Sustainability

# TO CONCLUDE



Tech Matters



## Tech Matters - like never before

---

- Tech is developing at ever increasing speed - an AI first world
- Tech is changing the nature of demand - supply will/HAS to follow
- Tech is changing RE from being about selling a Product to delivering a Service
- Tech is, paradoxically, refocusing the industry around people
- Tech is changing what it means to be 'in Real Estate'
- Tech is the innovators friend - and tends towards monopoly





'The only  
way round  
is through'

Robert Frost  
1915

Hokusai  
The Great Wave off Kanagawa / 1830

# THANK YOU!

ANY QUESTIONS?

You can find me at:

- @antonyslumbers
- antonyslumbers.com

# Why tech matters

*Matthew Richards*  
*JLL, CEO Capital Markets, EMEA*

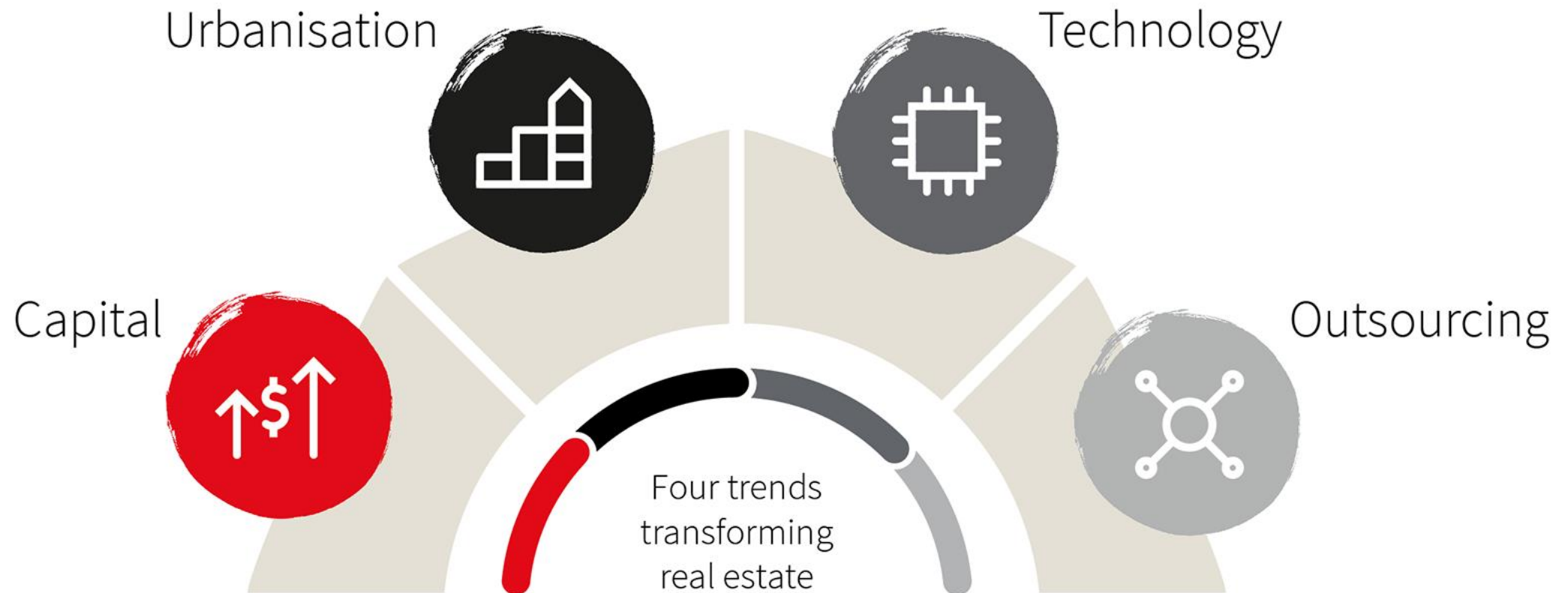


**EPRA**  
EUROPEAN PUBLIC  
REAL ESTATE ASSOCIATION

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# Four secular trends defining how we live, work and play



# Our approach to technology

## Building



## Investing **JLLSpark**



## Partnering





# Proptech has exploded

*And is playing a key role*

## Property Management

### Facilities / Building Management



### Tenant Experience



## Listings

### Long-term



### Long & Short-term



### Short-term



### Coworking



## Data

### Aggregators



### Appraisal



### Comps



### Predictive Analytics



## Sales

### Productivity/ Sales Tools



### Online Transactions



### Visualization Tools



### Construction





*Tech  
Startups*

**JLLSpark**

*Investors  
Occupiers  
Service  
Providers*



Wow



A silver-toned wristwatch with a white dial and black leather strap is the central focus. The watch face has black hour markers and hands. The word "Value" is written in a large, white, serif font across the center of the watch face. The watch is surrounded by several tall stacks of coins, some of which are blurred in the background, suggesting a sense of depth and abundance. The entire scene is set against a light, neutral background.

Value



The background of the slide is a grayscale photograph of a large number of robotic arms, likely JLL's mobile service robots, arranged in a grid-like pattern on a tiled floor. The robots are white with red accents and are positioned in a way that creates a sense of depth and scale.

# Scale





# Fund 1 portfolio = 13 companies

## Investor Tech



## Investor + Occupier Tech



## Occupier Tech







# Thank you



*Matthew Richards*  
*JLL, CEO Capital Markets, EMEA*



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# Antony Slumbers and Matt Richards

## Q & A Session





# Spain as an economic model for real estate recovery

Ignacio de la Torre  
Chief Economist at Arcano Partners





# Spain as an economic model for real estate recovery

Panel discussion moderated by Greg Clark CBE

Ignacio de la Torre, Arcano Partners

Ismael Clemente, CEO, Merlin Properties

Jose Luis Moreno, Economy Managing Director Madrid City Hall

David Martinez Garcia, 22@Committee Directot Barcelan Town Hall





COFFEE

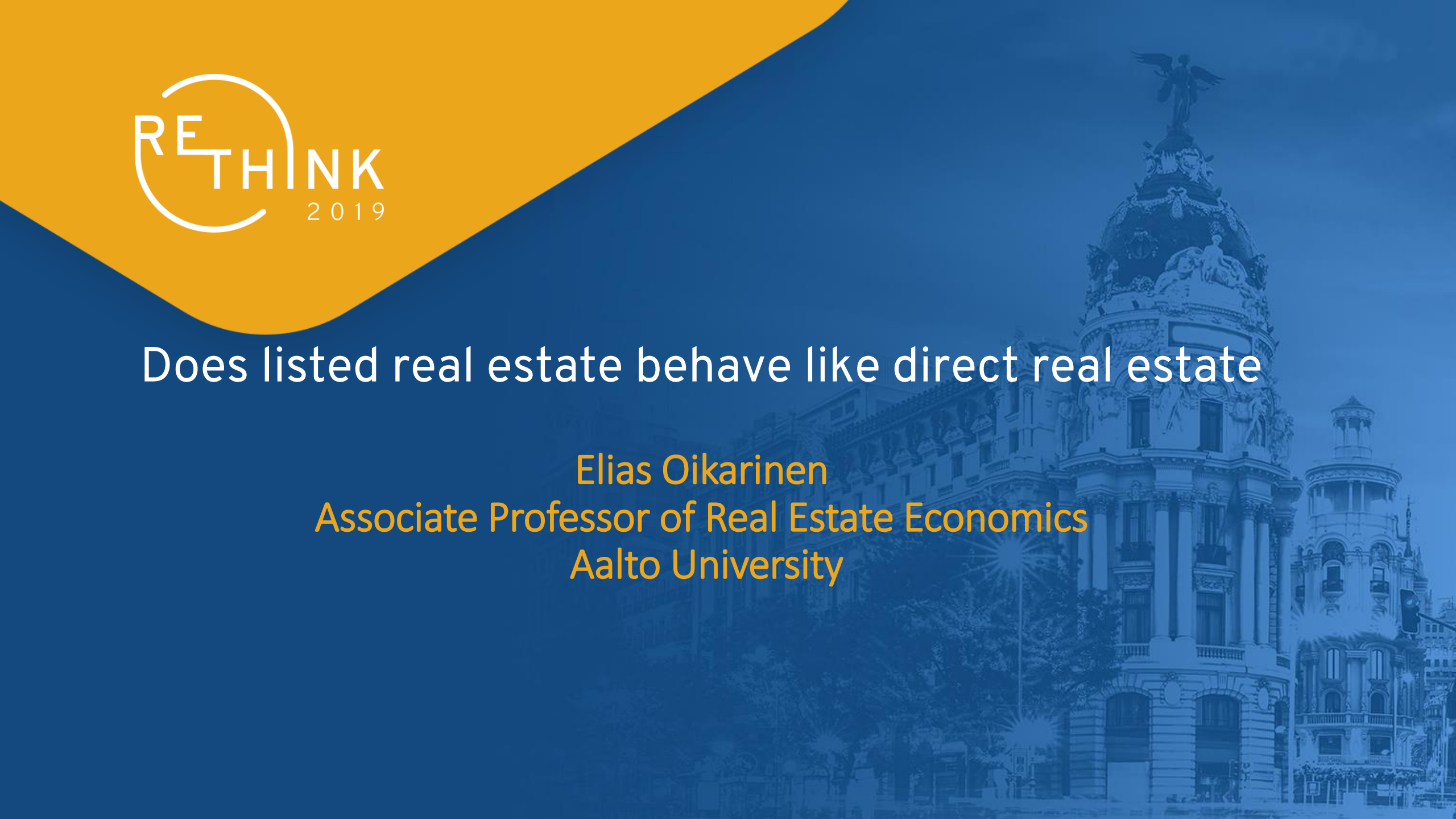






# Does listed real estate behave like direct real estate

Elias Oikarinen  
Associate Professor of Real Estate Economics  
Aalto University



# Does Listed Real Estate Behave Like Direct Real Estate: Updated and Broader Evidence

Martin Hoesli

University of Geneva, Switzerland and University of Aberdeen, U.K.  
and

Elias Oikarinen

Aalto University and University of Turku, Finland

The 2019 EPRA Conference

Madrid, Spain

September 11, 2019

# Background

- Empirical evidence generally supports the equality of public (typically REITs) and private real estate returns over the mid to long horizon when controlling the effects of leverage and property type (e.g. Pagliari *et al.*, 2005; Hoesli & Oikarinen, 2016)
- Including the reactions to various economic shocks (Hoesli & Oikarinen, 2012)
- Also volatility has been similar
- Practical implication: REITs can be used as reasonable substitutes for private real estate investments *in a given property type and market*

# Motivation and Aim

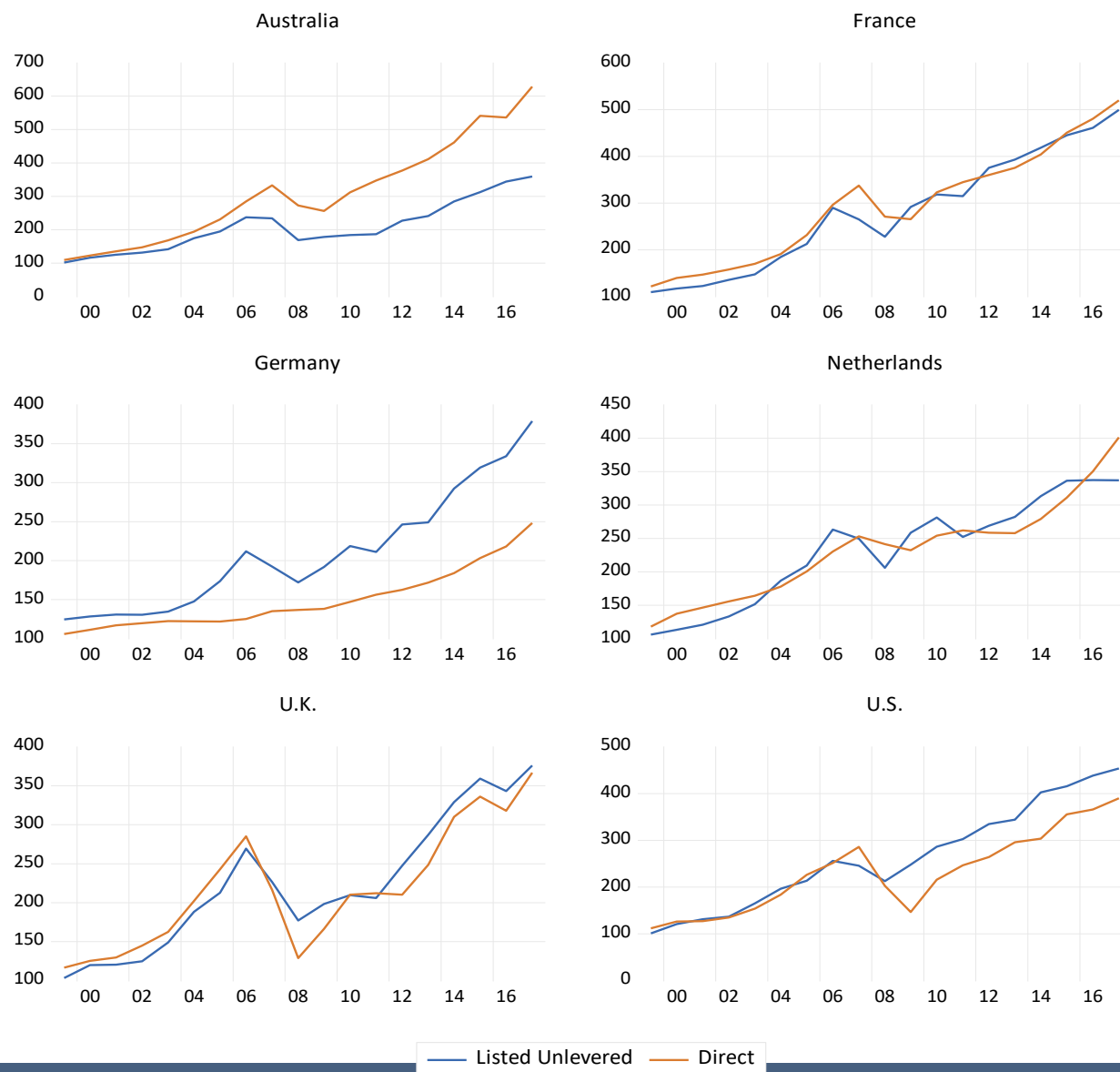
- Tendency in the literature to move to more and more narrowly defined “categories” when comparing the return characteristics
- In contrast, we ask: do the *broad* REIT index return characteristics generally reflect those of the *broad* direct markets
- If the answer is yes → an investor does not necessarily need to concentrate on the geographic and sectoral mixes in order to tract broad private market performance by REITs



# Data

- Listed data from EPRA/NAREIT and direct data from MSCI/IPD
- Focus on six countries (U.S., Australia, U.K., France, Germany and Netherlands); Overall return indices
- The countries account for over 70% of free float of market capitalization of REITs in developed countries (“broad view”)
- Time period 1998-2017; Annual data
- We unlever listed returns using LTV ratios of constituent companies
- We do not control for sector

# Unlevered Listed vs. Direct



# Method

- Less than 20 obs per country → we use various panel data methods to reach more reliable results
  - Also brings broad international (multi-country) evidence; Equal portfolio weights for each country
- We test for the equality of means
- We look at the effect of time horizon on return correlations
- We test for tight long-run relations between listed and direct real estate; Panel regressions have several advantages over typical simple comparison of means

# Return & Risk Equality

- Mean and volatility of unlevered listed and direct investments not statistically different at the panel level

Mean return direct = 7.41%

Mean return unlevered listed = 7.25%

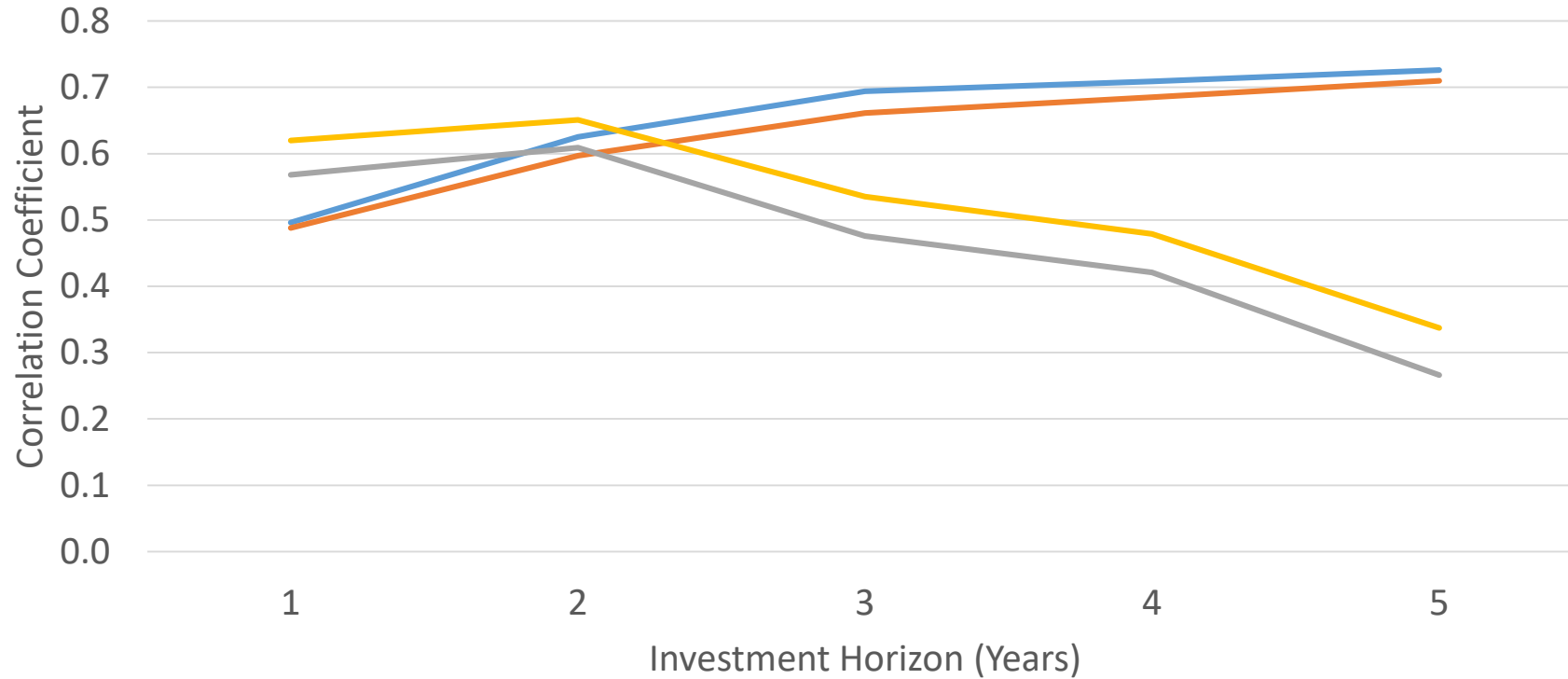
STDEV direct = 11.91%

STDEV unlevered listed = 10.50%

- Co-integration tests support the existence of tight long-run relationship; Cannot reject the hypothesis of a 1-1 long-run relationship between direct and unlevered listed returns
- This (panel level) is of main importance for the “broad view” of substitutability (equal portfolio shares across countries)
- But some differences at country level



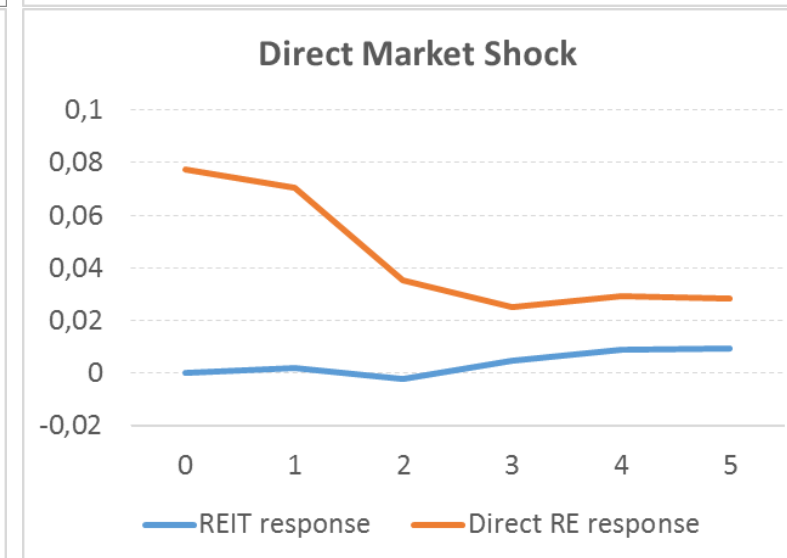
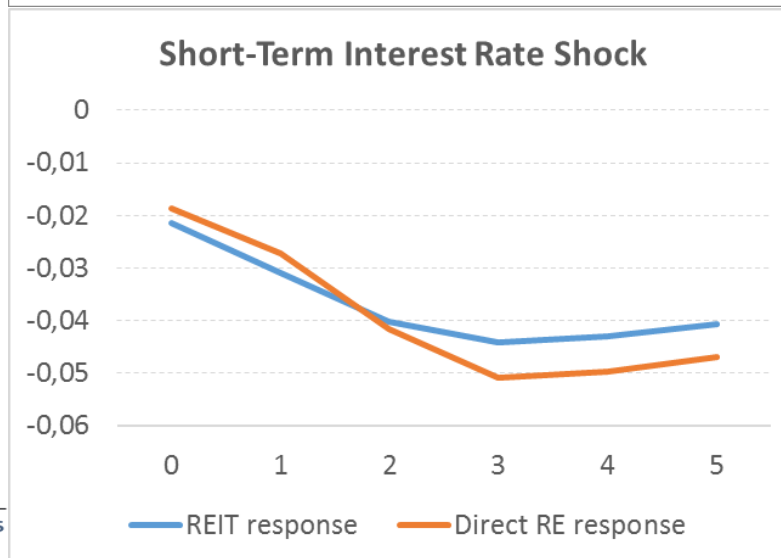
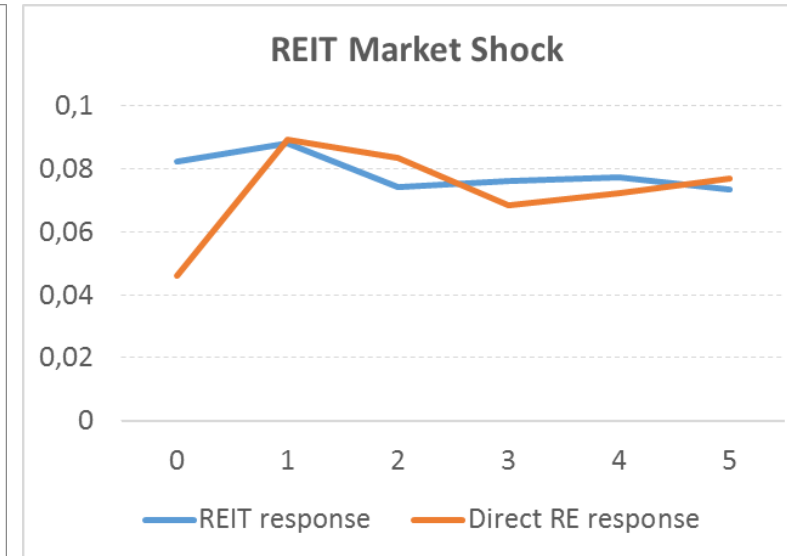
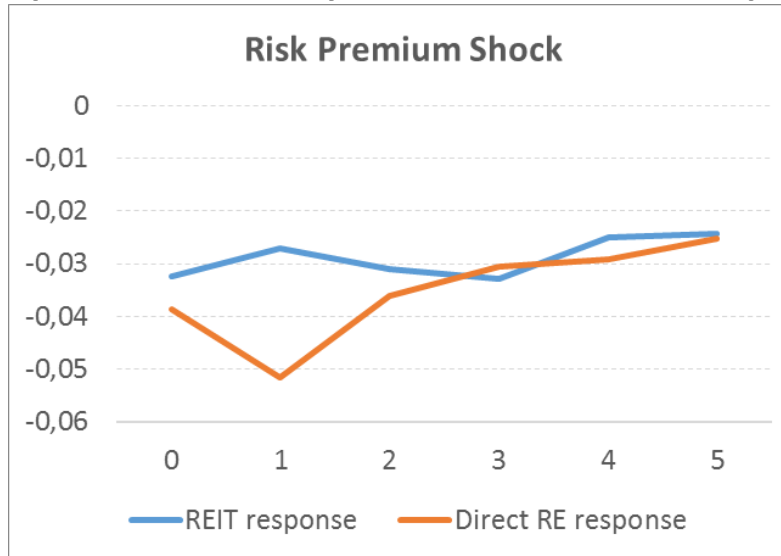
# Correlations and Time Horizon



— Direct vs. Unlevered REITs    — Direct vs. Levered REITs  
 — Unlevered REITs vs. Stocks    — Levered REITs vs. Stocks

# Reactions to Shocks

(preliminary result from a panel SVAR; one st.dev. shocks)



# Conclusions

- Drawing on data for six countries and panel methods (i.e. “broad evidence”) unlevered REITs and direct real estate appear to be comparable
  - At least over the mid to long horizon
  - Similar returns and volatilities
  - High correlation (the handling of leverage has only tiny influence on correlation structures)
  - Similar reactions to various shocks

# Conclusions

- The broad picture: Investing in REIT index would reflect the (MSCI/IPD) direct market exposure
- No adjustment by sector is generally needed for this
- However, large differences in the sectoral mixes can cause dissimilarity of returns and volatilities within a single market (e.g. Germany)
- The portfolio implication is that REITs are useful in gaining exposure to real estate (also hedging implications)
- More on the results, implications, and research methods: a forthcoming (late 2019 / early 2020) research report



# To REIT or not to REIT

Cedrik Lachance  
Director real estate research  
Green Street Advisors







# To REIT or not to REIT

Panel discussion moderated by

Cedrik Lachance, Green Street Advisors

Karim Bohn, CFO, Patrizia AG

Steve Buller, Portfolio Manager, Fidelity

Patrick Kanters, Managing Director Global Real Estate, APG

Stefan Krausch, Managing Director Real Estate, MEAG

Jeremy Plummer, Global CIO, CBRE Global Investors



# COCKTAILS





# Investors' Day

## Welcome







Max Nimmo  
Kempen

Iberian panel



# Iberian Panel

EPRA Conference Madrid 2019

Kempen

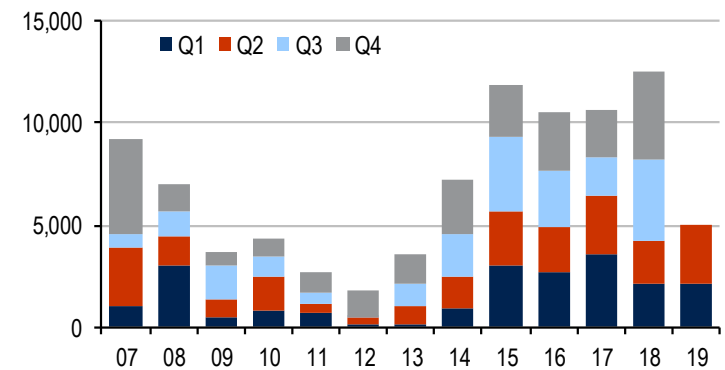
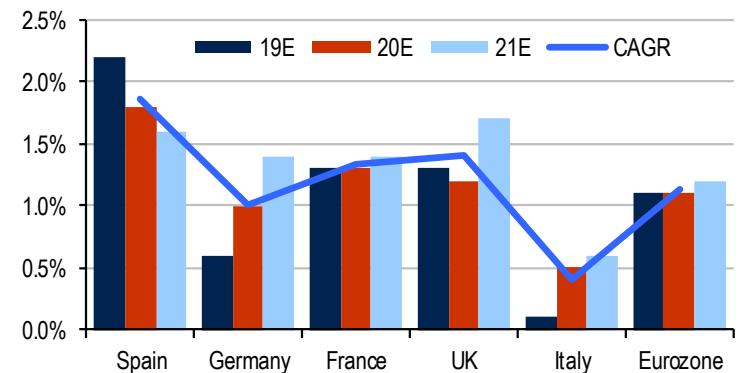
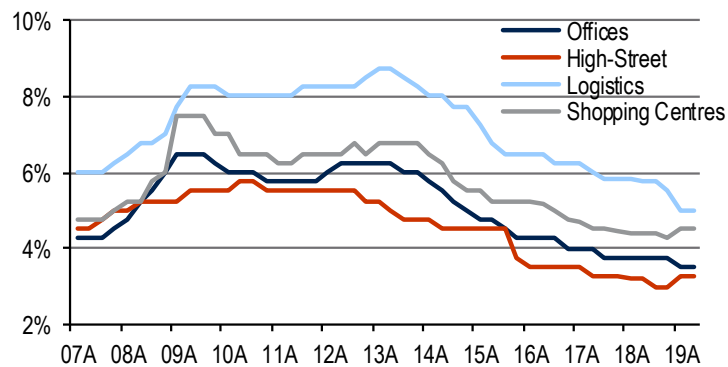


12 SEPTEMBER 2019



# Real Estate Markets

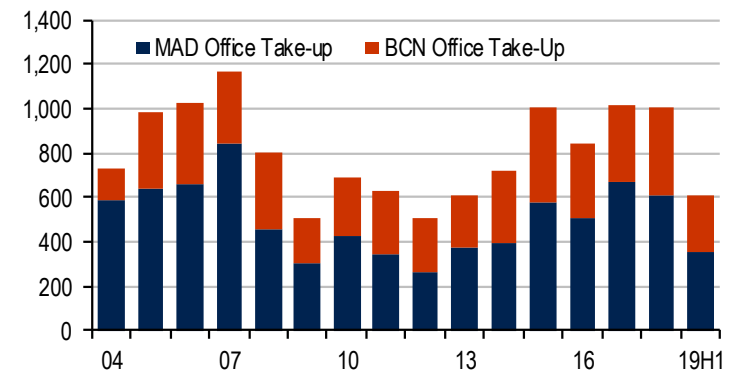
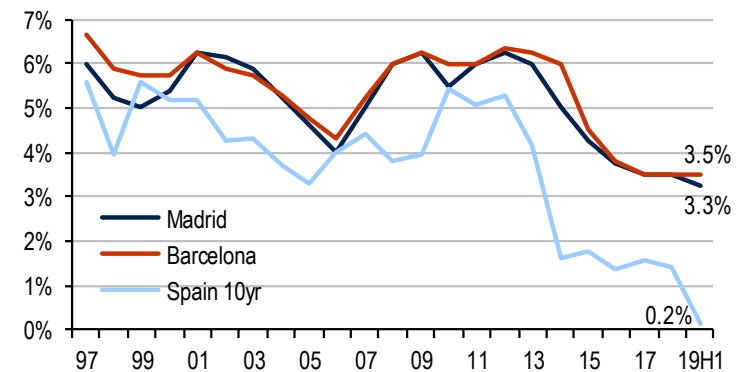
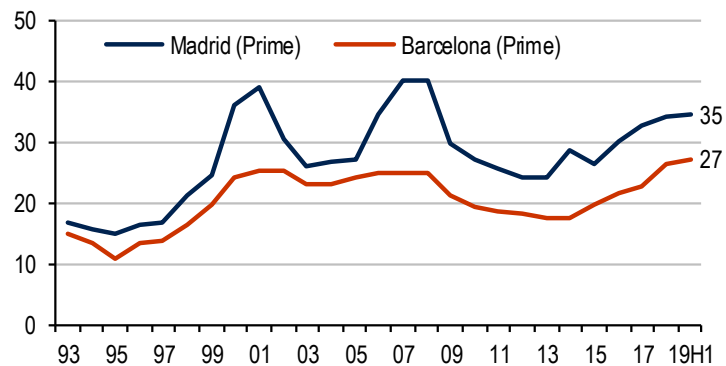
- Positive macro backdrop and strong fundamentals fuelling the real estate performance
- 2018 the highest level of investment for >10 years - driving yields ever lower.
- Country risk (CDS spreads) de-coupling from rest of southern Europe
- Socimis have been very active, as have domestic/international funds



Source: CBRE, BNPRE, Savills Aguirre Newman, Kempen

# Office

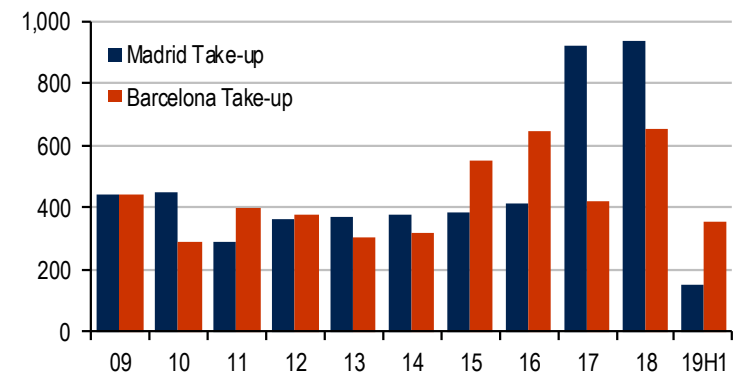
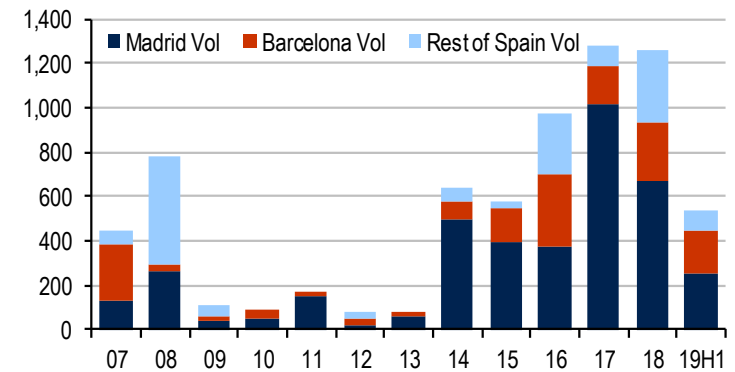
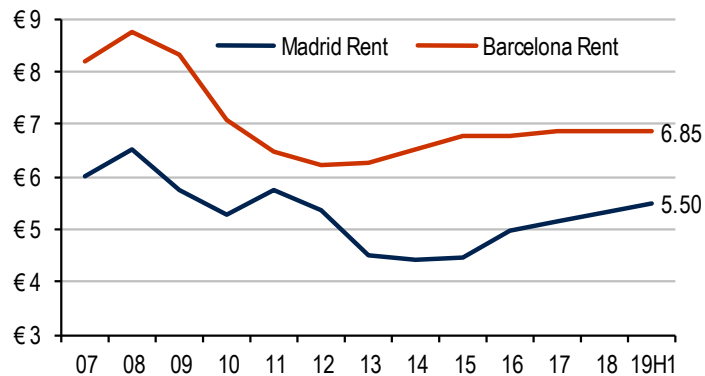
- Yields continue to tighten but still >300bps spread vs 10yr bonds
- Rents continue to grow (+6% YoY). New Business Areas flourishing
- But are still relatively inexpensive on a European context and still well below the last peak
- Barcelona setting new record rents (+11% YoY), driven by NBA



Source: C&W, JLL, INE, Bloomberg, Kempen

# Logistics

- Logistics has seen some of the highest levels of investment volumes (€m) on record
- Take-up has been exceptionally strong as ecommerce grows from a low base (c.4% penetration rates).
- Yields still have room to compress (5-5.25%), further vs rest of Europe
- Supply increasing, but pre-letting more common

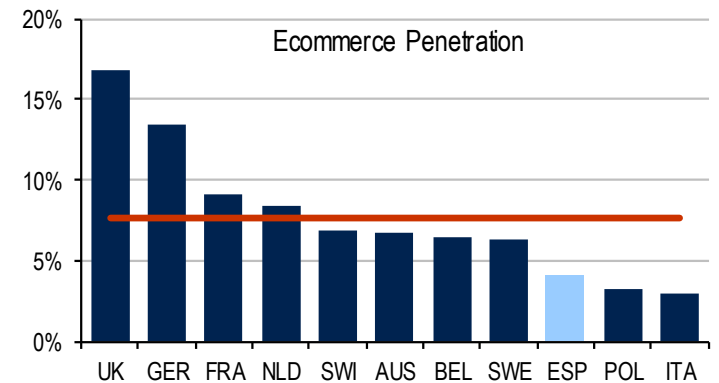
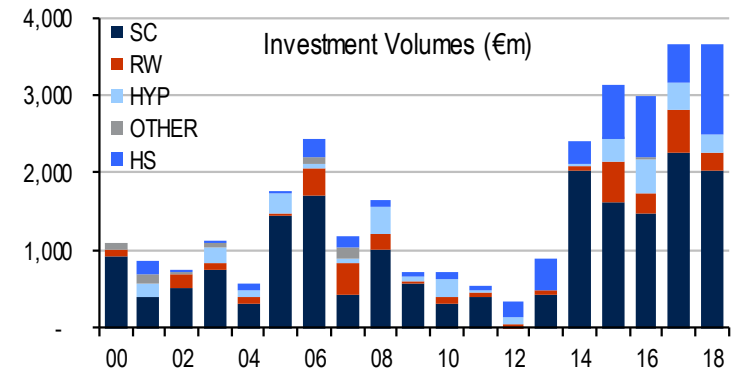


Source: Knight Frank, Savills Aguirre Newman, Kempen

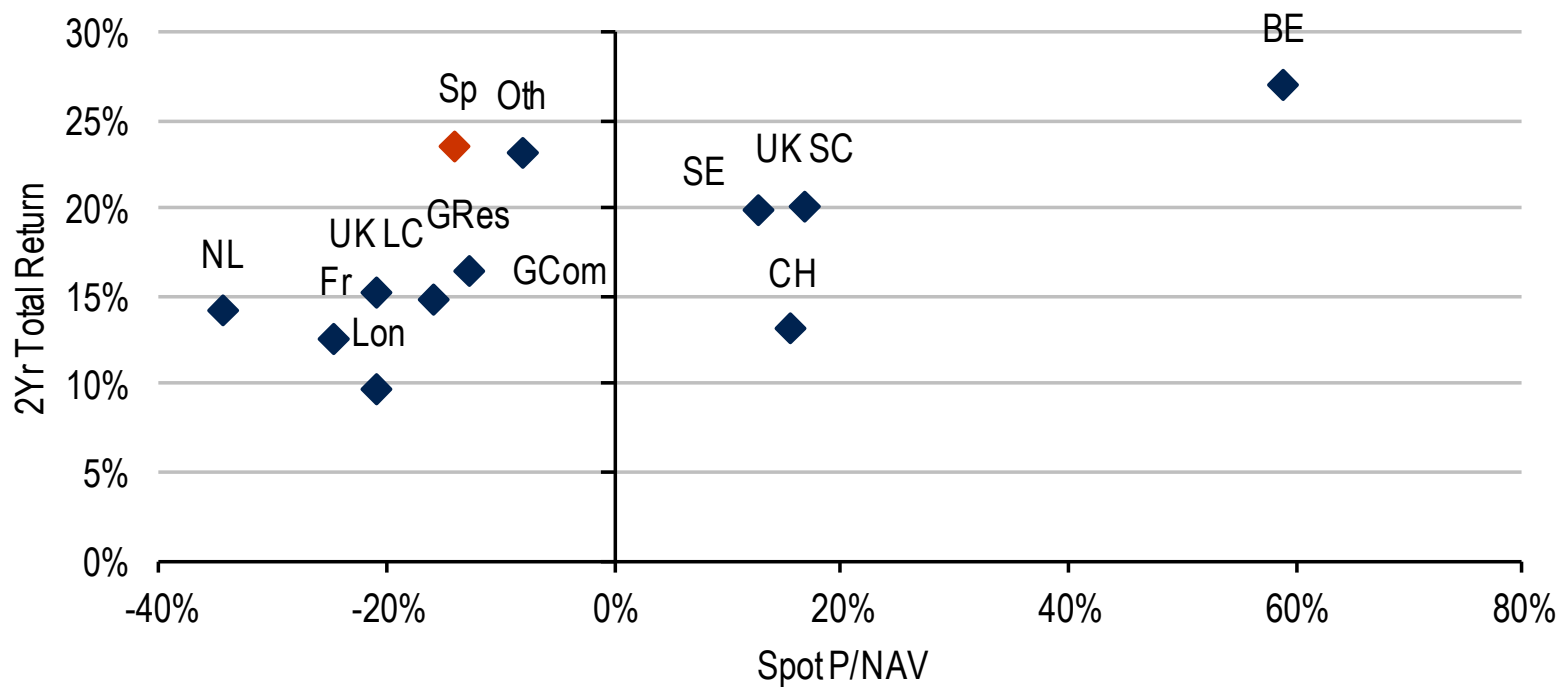
SECURITIES \ 3

# Retail

- Retail continued to see heavy investment through 2018...but 2019 lower liquidity
- Positive macro backdrop still driving sales/footfall growth
- Ecommerce penetration low (c.4%) but growing at c.30% YoY
- BUT...retail yields not immune from wider European trends



## Listed Sector - Growth at a Discount





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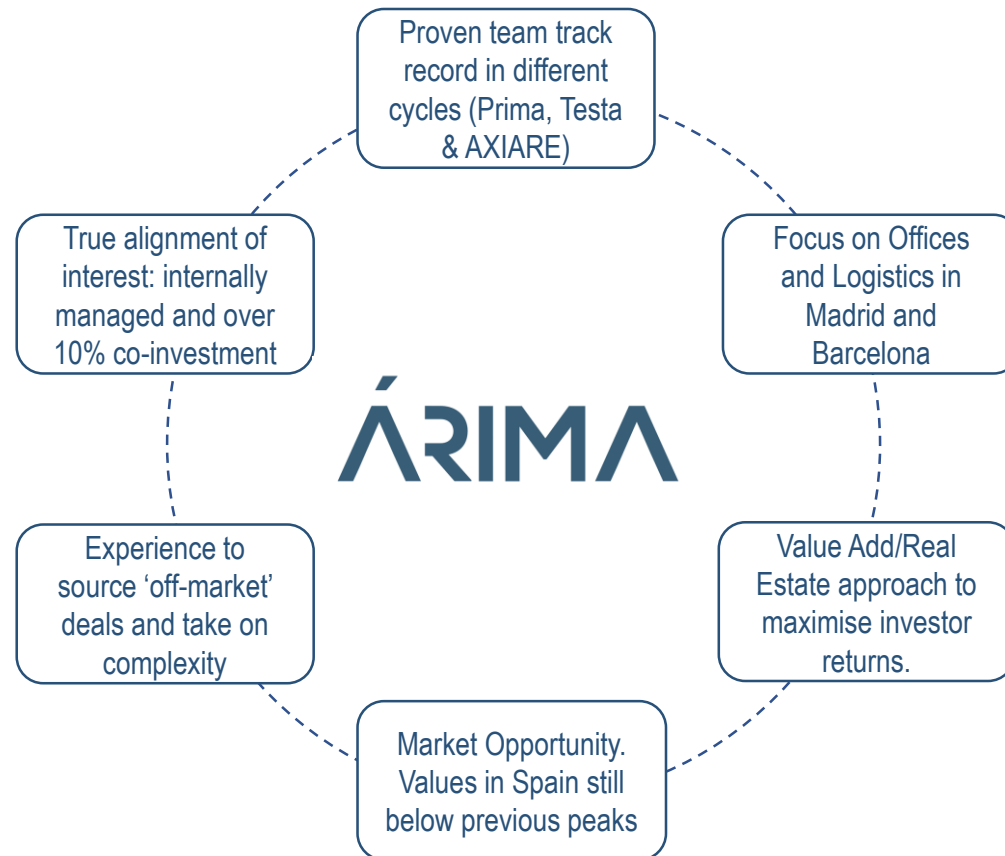
ÁRIMA

EPRA CONFERENCE  
MADRID

SEPTEMBER 2019

**Investors' Day**  
Thursday 12 September

RETHINK  
2019



## SUSTAINABILITY & CORPORATE RESPONSIBILITY

### SUSTAINABILITY

- ^ Committed to designing and managing our buildings in the most sustainable means possible
- ^ By the same token, our tenants are increasingly focused on a sustainable and healthy working environments
- ^ Objective to satisfy these requirements and play our own part in the struggle against climate change
- ^ 42% of portfolio already has environmental certifications with the rest in analysis

### CORPORATE RESPONSIBILITY

- ^ Árima is accredited by the Royal Institution of Chartered Surveyors (RICS), the world's leading body for professional and ethical standards in the real estate and construction sector
- ^ 70% of Árima's management team RICS-accredited, the team has demonstrated the steadfast commitment to excellence, transparency and professional integrity towards the market and our main stakeholders, incorporating the international RICS regulatory framework and corporate code of conduct into the management model







# CASTELLANA PROPERTIES

A story of success in the retail market  
EPRA Conference. 12.09.2019



# A successful story

*Castellana Properties is a REIT specialized in retail, internally managed, listed on the Spanish Stock Exchange (MAB)*



\* Transaction costs not included

# A safe bet

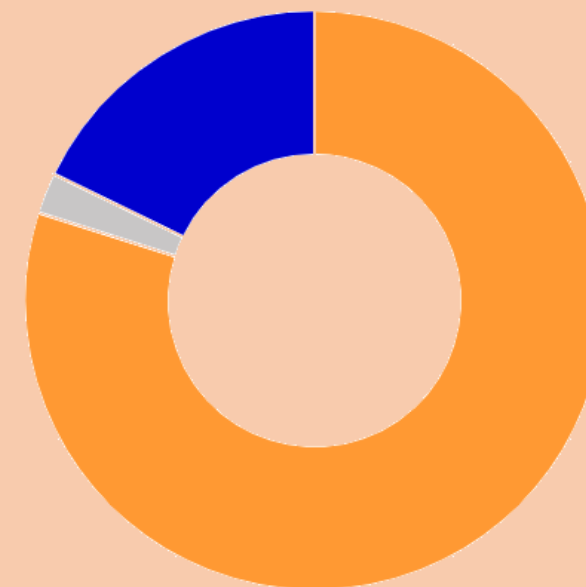
*Castellana Properties is specialist in the acquisition, management and refurbishment of retail real estate assets*



\* Annual Financial Results at 31st March 2019



## Shareholding structure



VUKILE PROPERTY FUND LIMITED	79.91%
MORZE EUROPEAN REAL ESTATE VENTURES	17.80%
OTHERS	2.29%

# Building future

*Focus on generating long-term, predictable, sustainable and growing income for shareholders*



## Studying new opportunities

- Reach + €1,500M in portfolio value
- Analysing assets for a total value of €2,500M



## Focus on Active Asset Management

- Internally managed local team with strong operational focus
- Assuring to maintain dominance in catchment areas
- Keep stability and predictability of income streams



## Long Term vision

- Investing in our assets to add long term value
- Embracing the latest retail trends.
- Empowering sustainability and supporting our local communities

***The firm does not aspire to be the biggest specialised Socimi in the industry, but the most profitable***

# Committed to the highest values

*Castellana Properties is establishing an ambitious ESG (Environment, Social and Governance) strategy and aspires to give a step forward to be a reference in the sector creating stronger relationships with customers and communities*

## Our ESG approach:



### Environmental

- We support all those improvements in our buildings that can help reduce carbon footprint and combat climate change
- Examples: Implementation of LED lights, waste management, consumption savings, etc...



### Social

- We are committed with the communities in which we operate. Work hand in hand with local authorities and stakeholders to grow together. We want to create the healthiest human system in our industry
- Example: charitable actions in our SCs, diversity and training programs for employees, etc...



### Governance

- We introduce the highest standards of governance in all our projects and have the best in class experienced BoD
- Committed with the highest level of honesty, transparency and integrity
- Example: implementation of international REIT best practices







# EPRA

Thursday, September 12, 2019





# History |



## FIVE INTENSE YEARS TO POSITION MERLIN AS THE LEADING SPANISH REIT AND AMONG THE TOP 10 EUROPEAN REITS







#1 REIT ACROSS ALL ASSET CATEGORIES WHERE MERLIN OPERATES

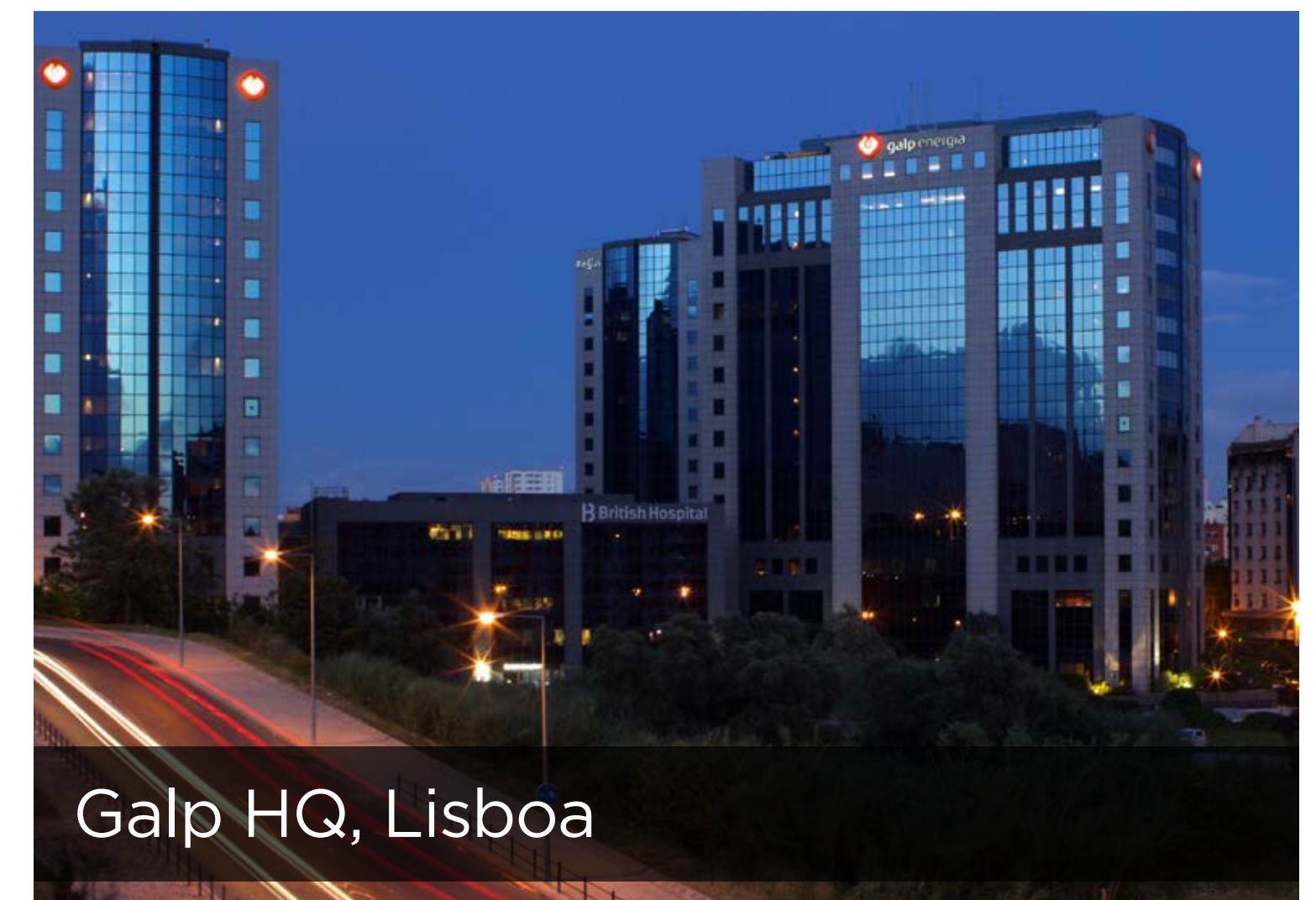
FULLY CONSOLIDATED					MINORITY STAKES <sup>(1)</sup>
Image	Asset Category	Key Facts	Assets	Value	
	#1 Offices	<ul style="list-style-type: none"><li>Flexibility to offer multitenant or headquarter buildings</li><li>Capacity to adapt to the needs of the tenant</li></ul>	148 ASSETS 1,434 K SQM € 6.1 BN GAV € 243 M GRI		
	#1 Shopping Centers	<ul style="list-style-type: none"><li>Mainly urban footprint in high GDP/capita areas in Spain</li><li>Reference landlord for top retailers</li><li>Critical mass with retail brands</li></ul>	18 ASSETS 544 K SQM € 2.3 BN GAV € 119 M GRI		TRES AGUAS 50% 1 ASSET 68 K SQM  € 9 M GRI
	#1 Logistics	<ul style="list-style-type: none"><li>“One-stop-shop” solution for logistics operators wishing to operate across Spain</li><li>Big footprint to match the rapid development of 3PL activity</li></ul>	Existing 47 ASSETS 1,087 K SQM € 0.8 BN GAV € 50 M GRI	WIP 14 PROJECTS 1,076 K SQM € 0.7 BN GAV € 48 M GRI	ZAL PORT 48.5% 50 ASSETS 469 K SQM (+258 SQM WIP) € 32 M GRI (+€ 22 M GRI WIP)
	#1 High Street retail	<ul style="list-style-type: none"><li>Excellent conditions of BBVA lease agreement: triple net lease with 1.5x HICP annual uplift</li><li>Optimization of retail space in office buildings</li></ul>	760 ASSETS 396 K SQM € 2.2 BN GAV € 98 M GRI		

<sup>(1)</sup> Data for Minority Stakes is reported for 100% of the subsidiary

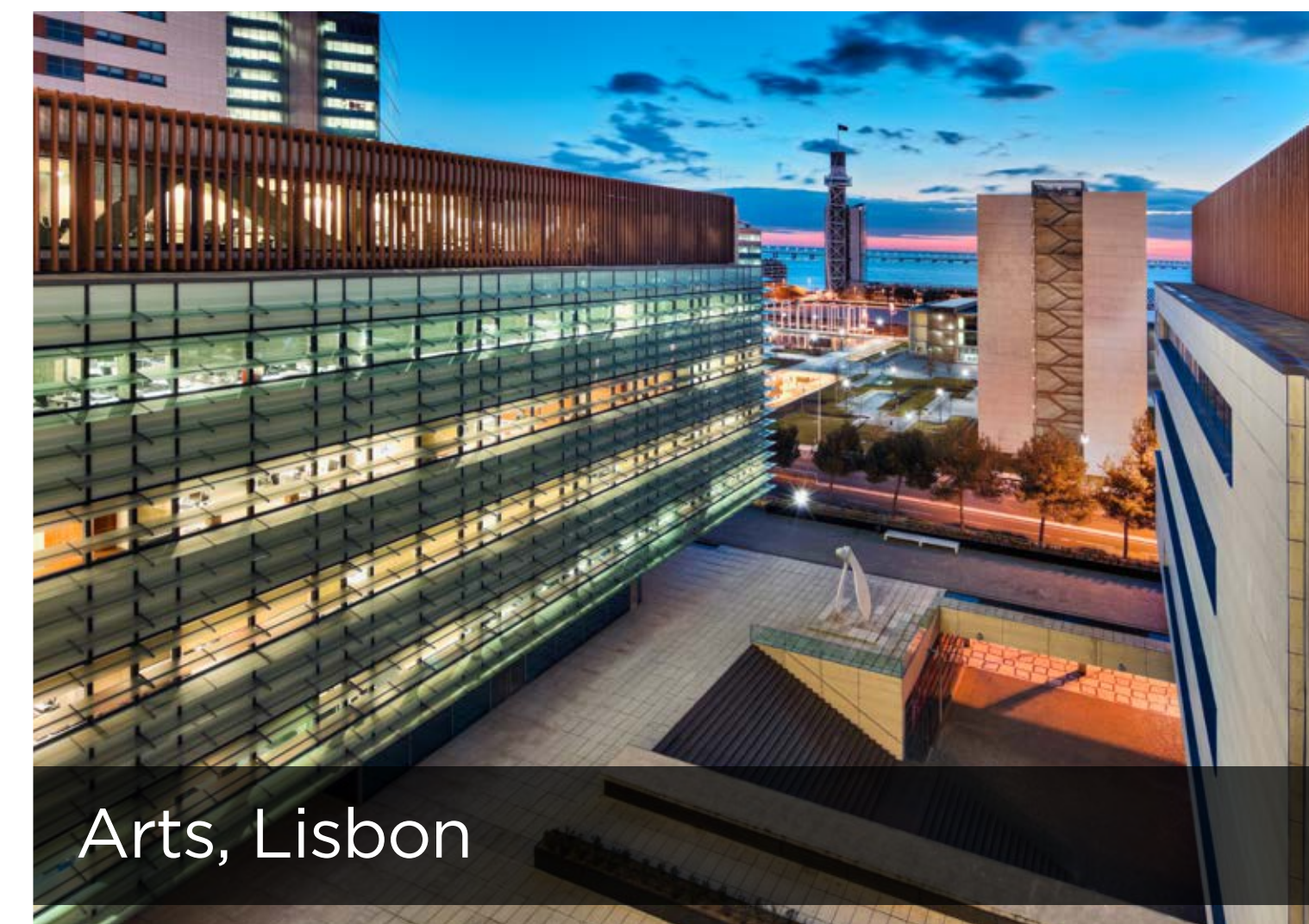
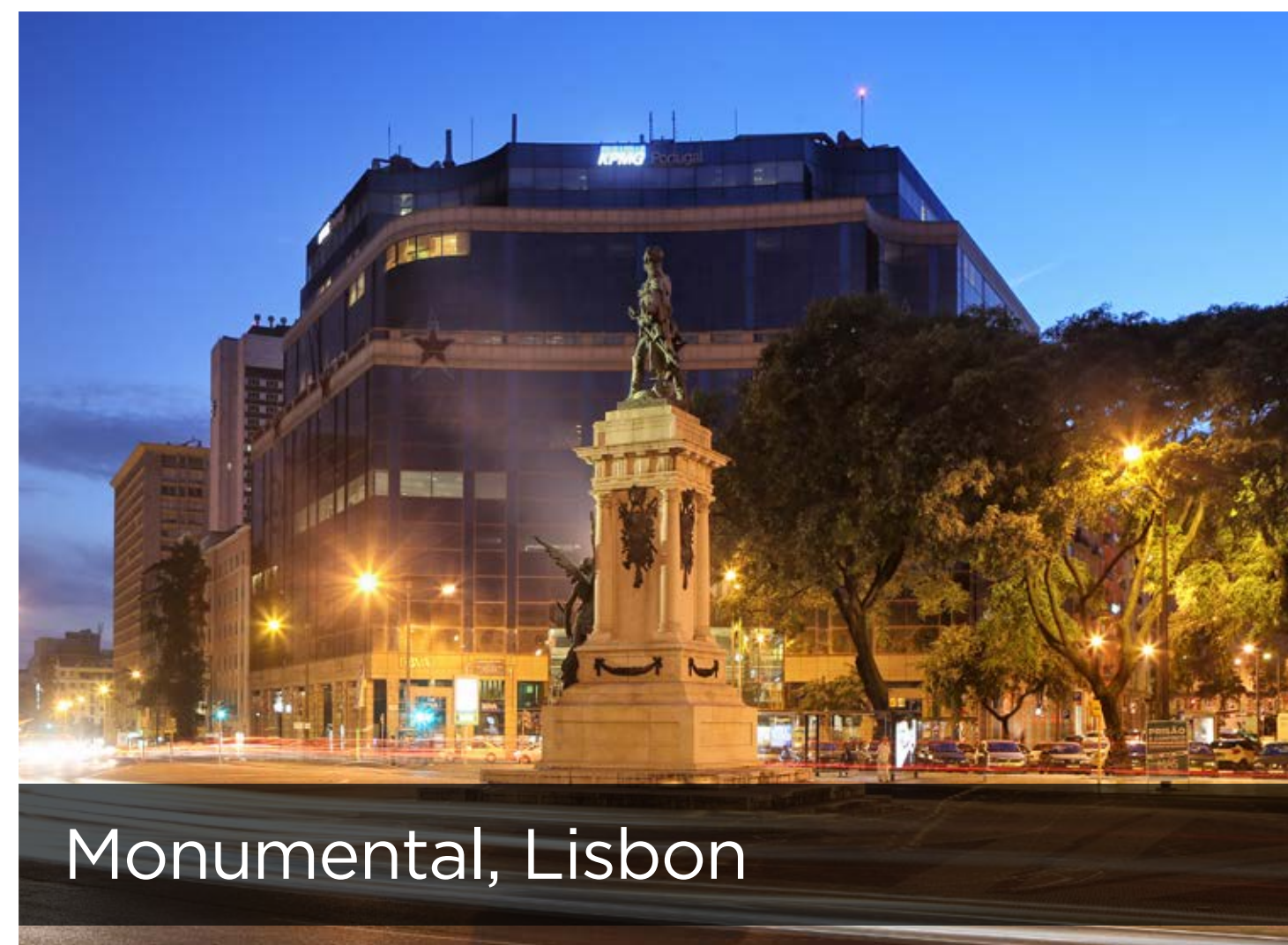
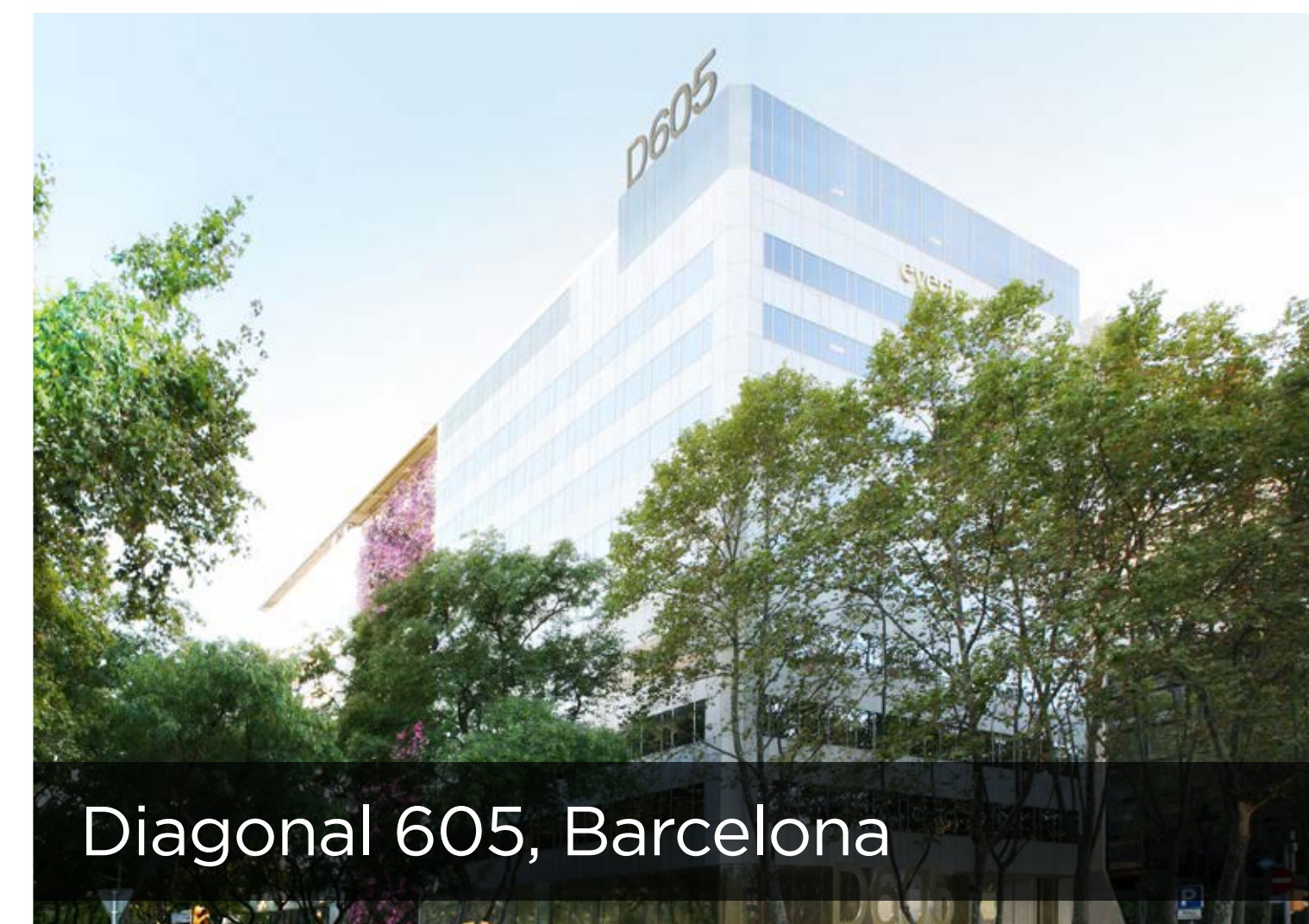
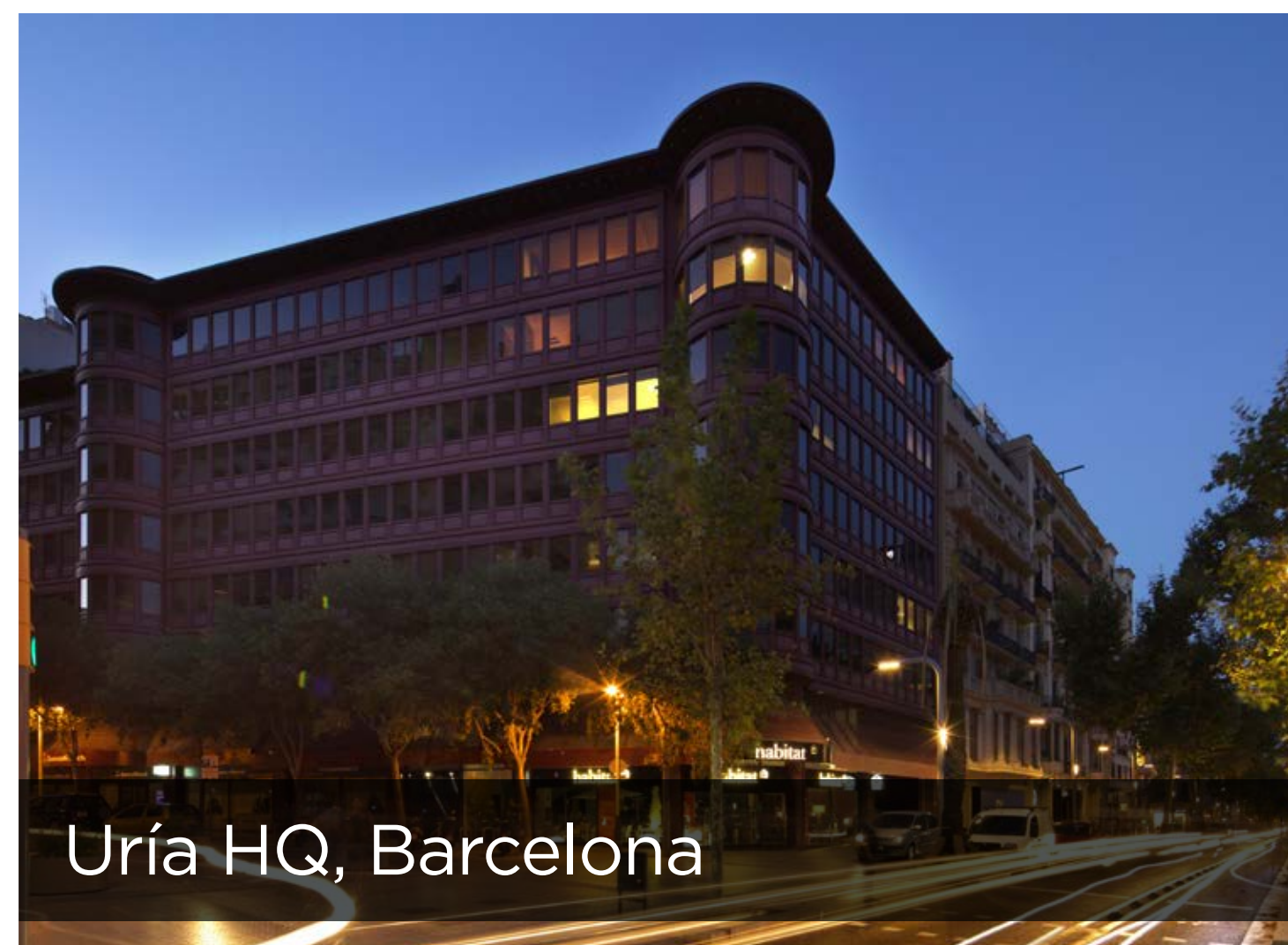
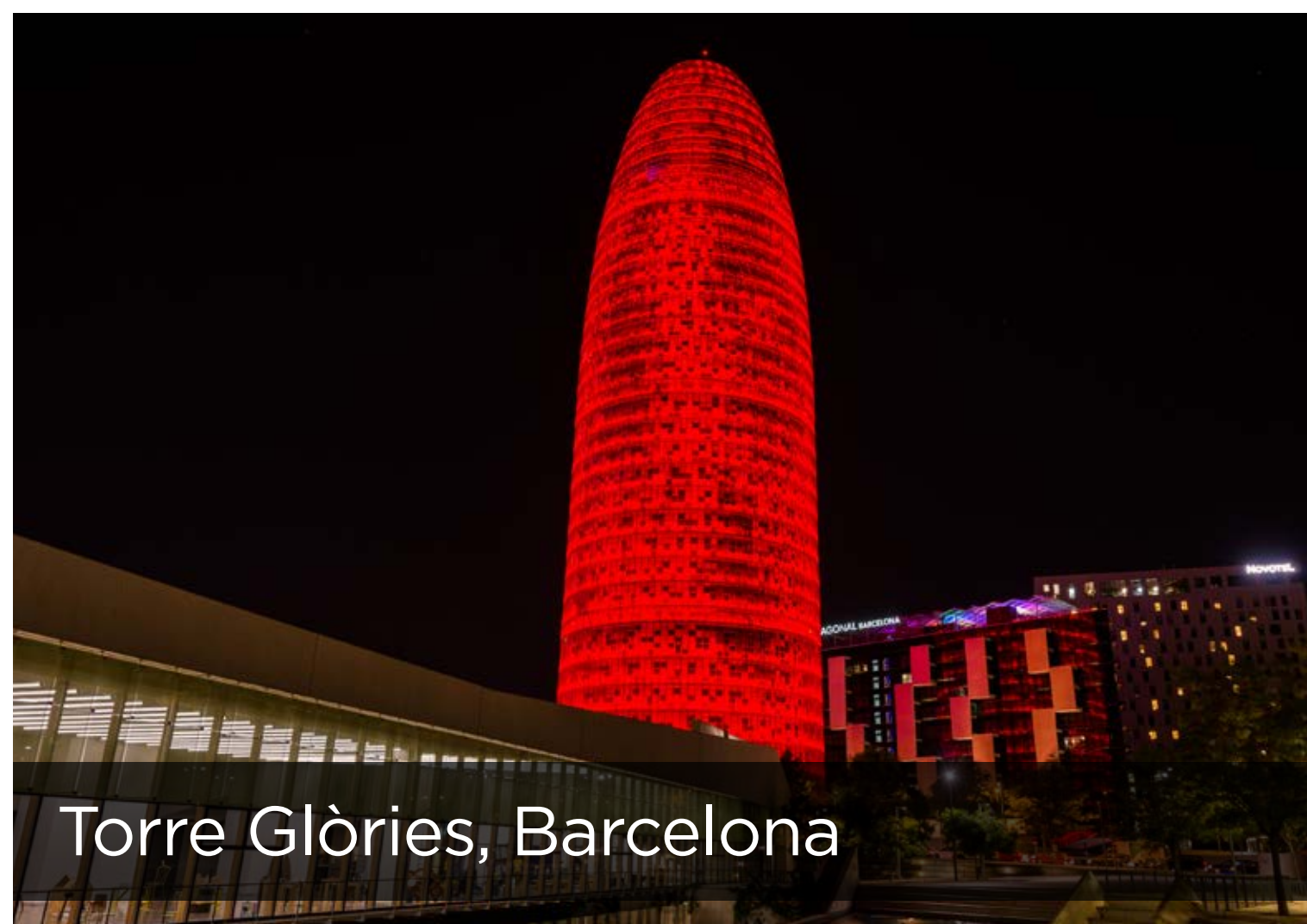




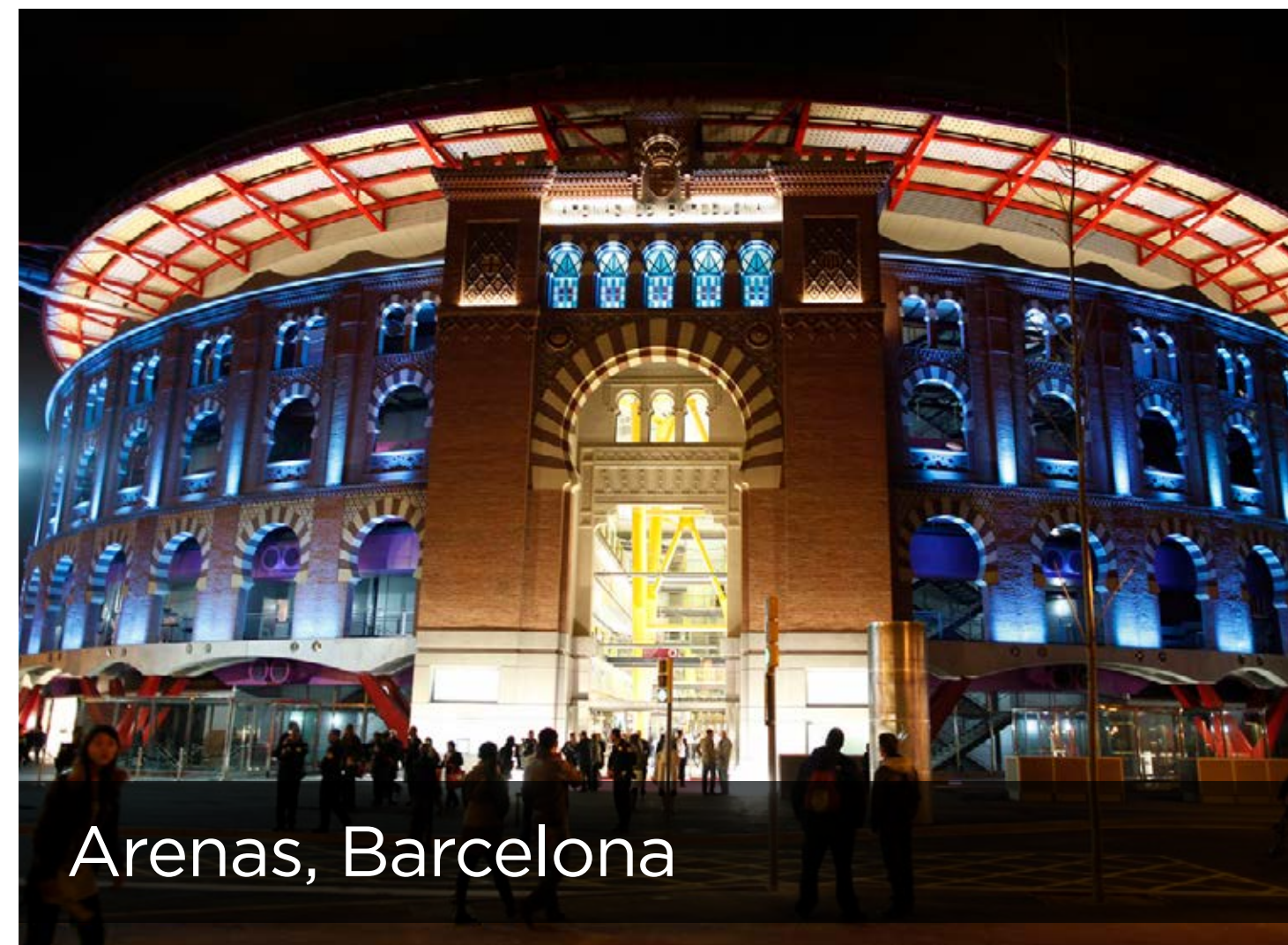
















Arteaga, Bilbao



El Salar, Valencia



Tres Aguas, Madrid



X-Madrid, Madrid





Gavilanes, Guadalajara



Meco II, Madrid



Cabanillas, Guadalajara



Zal Port, Barcelona



Getafe, Madrid



Pinto II, Madrid

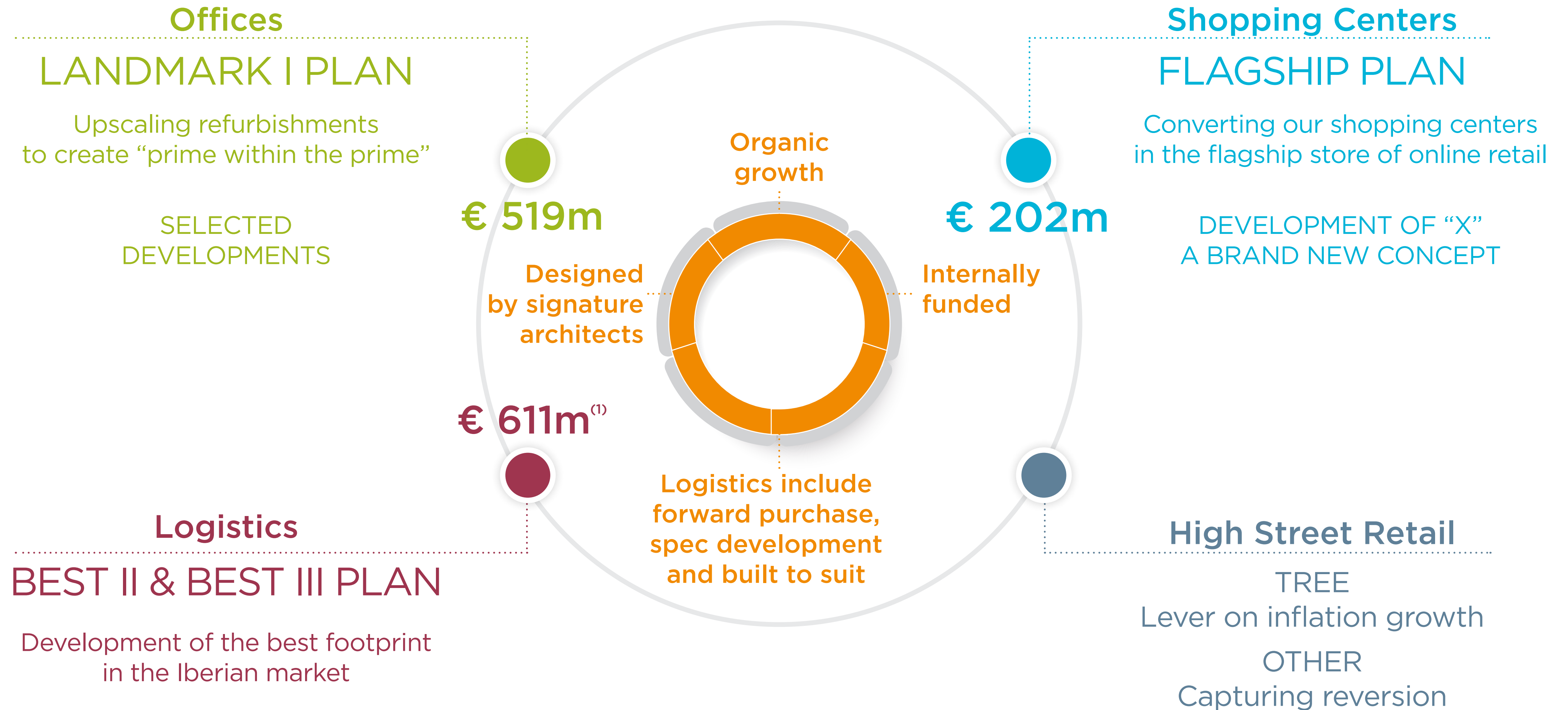


San Fernando I, Madrid



Ribarroja, Valencia





<sup>(1)</sup> Only accounting for Best II and III investment 2019-2022. Total investment amounts to € 635m



Landmark

| Castellana 85, Madrid





Landmark

| Torre Glòries, Barcelona





Landmark

| Adequa, Madrid





Landmark

| Plaza Ruíz Picasso, Madrid





Landmark

| Torre Chamartín, Madrid





Landmark

| Diagonal 605, Barcelona





Landmark

| Monumental, Lisbon





Flagship

Larios, Málaga





Flagship

X-Madrid, Madrid

11





Flagship

| Arturo Soria, Madrid



**P. ALTA**  
ACQUA  
RESTAURACION  
TERRAZAS  
ACCESOS  
Chimenea Principal  
Terraza del Puerto

**P. BAJA** ↓  
ACQUA  
SERVICIOS  
ZONA COMERCIAL  
SUPERMERCADO  
ACCESOS  
Módulo Bule

**P1** ↑/↓  
**P2** ↑/↓

**ARTURO SORIA**  
MADRID



Flagship

| Tres Aguas, Madrid





Flagship

| El Saler, Valencia





Flagship

Porto Pi, Mallorca





Best | Ribarroja, Valencia





Best

Cabanillas Park I F, Guadalajara





Best

| Zal Port, Barcelona







# MERLIN

PROPERTIES

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**[www.merlinproperties.com](http://www.merlinproperties.com)**





Maria Gillholm  
Moody's

Nordics





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# EPRA Investor's Day

Credit Quality in the Nordic Real Estate Sector

September 2019



Presentation

# Credit Quality in the Nordic Real Estate sector

---



**Maria Gillholm**

Vice President - Senior Credit Officer  
Corporate Finance Group  
**Moody's Investors Service**

1

Moody's rated Nordic  
Real Estate  
Companies



# Moody's rates 49 real estate companies in Europe

	Residential	Offices / Diversified			Retail	Logistics / Other	
A1		Land Securities P-1, UK				Akademiska P-1, Sweden	
A2					Unibail-Rodamco France, Europe		
A3	Deutsche Wohnen Germany	PSP Swiss Prop Switzerland	Vasakronan Sweden	Gecina France	Corio (Klépierre) [1] France, Europe	Prologis European Logistics Fund Europe	
Baa1	LEG Germany	Entra ASA Norway			Hammerson UK, Europe	Goodman European Partnership Europe	
	Grand City Germany					Tritax UK	
Baa2	Annington UK	MERLIN Spain	Atrium Ljung. Sweden	Humlegarden Sweden	TLG Immobilien Germany	GlobalSwitch UK, Global	SELP Europe
	Kojamo Finland	CA Immo Austria	CPI Czech	Colonial Spain	Wereldhave NL, Europe	Liberty Living UK	Unite UK
		Dream Global Germany	Castellum Sweden				
Baa3	Balder Nordic	TAG Germany	Globalworth Romania		Atrium European RE Poland	AB Sagax Sweden	
	SATO Oyj Finland	ADO Germany	Fabege Sweden	Kungsleden Sweden	Citycon Finland		
Ba1		Summit Germany			IGD Italy		
Ba2		Fastpartner Sweden	DEMIRE Germany			Pinewood UK	
Ba3	Residomo Czech Republic						
B1						Ei Group UK	
B2							
B3		O1 Properties Group Russia					

Positive Outlook

Stable Outlook

Negative Outlook

Short-term Rating

Ratings Under Review

Source: Moody's Investors Service. As of 5 September 2019. [1] – senior unsecured instrument rating. Note: 'country' represents the region of primary operation. Short-term issuer rating P-1 corresponds to a range of A2 and above.

2

## Nordic Real Estate Outlook



# Nordic Real Estate

NEGATIVE

STABLE

POSITIVE

What could negatively impact sector conditions:

- » Reduction in construction and household indebtedness negatively impacting consumption and thus affecting demand primarily for retail and logistics asset classes
- » A faster and greater decline in GDP than expected impacting ultimately offices
- » Refinancing risks and push upwards on risk premiums or interest rates in connection to the Central Banks reducing QE, also negative impacting liquidity
- » This will raise yield requirements, reduce property values, and inhibit companies' ability refinancing in less favorable market conditions and leverage will increase and deteriorate credit quality in the sector

Current conditions characterized by:

- » Strong macro performance albeit slowing
- » Low interest rate environment to persist, potential interest hikes from central bank Sweden, Norway
- » Stabilizing yields and slower growth in rents
- » Sentiment for property market is softening
- » Good appetite from banks and bond market
- » Improving leverage, EBITDA interest coverage, unencumbered asset and liquidity
- » Outlook for real estate deemed stable in the short-term

What could positively impact sector conditions:

- » Resilient rental growth and vacancy rates even amidst moderating economic growth and rising interest rates
- » A controlled softening on the market
- » Limited supply
- » Good liquidity and access to banks and bond market
- » Reduced overall leverage and more conservative financial policies
- » Financial flexibility through dividends and unencumbered assets
- » Real estate companies will better positioned within their ratings

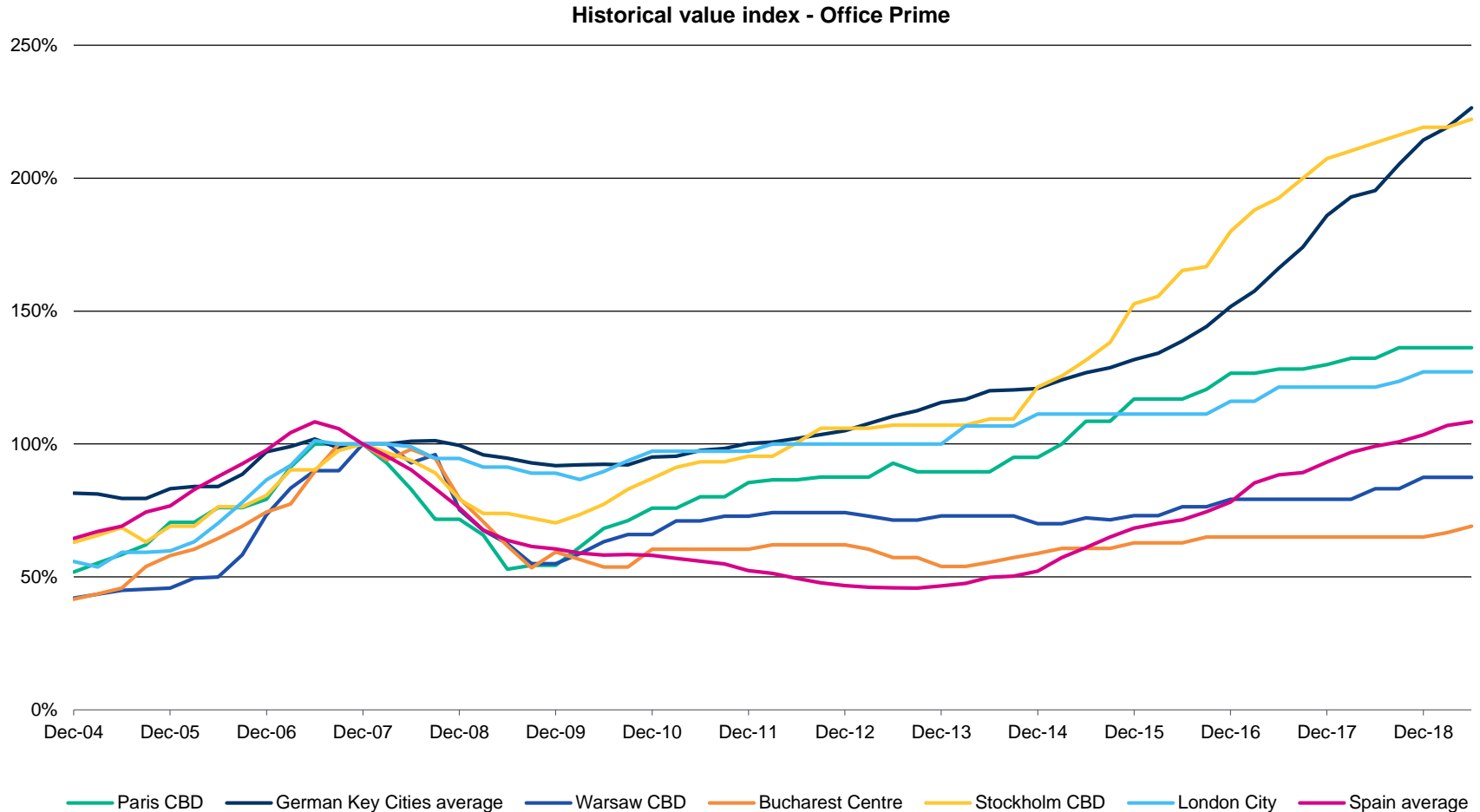
3

Moody's Real Estate  
Downside cases



# Current CRE Peak is well above last one

The drop in capital values may be more severe than the last time



# Downside cases

Most important; leverage, covenants and refinancing

- » The risk of a sharp correction in property values has reduced, credit quality unlikely to come under sustained pressure in the next 12-18 months.
- » Most yield widening and value declines into 2020 or 2021 and values will not fall uniformly across asset classes and countries.
- » Structural drivers will dominate country-specific drivers in determining the direction of property values and the retail property sector will remain more vulnerable.
- » In the event of more severe value stress scenarios that meaningfully changes debt to asset ratios in the sector - no concerned about covenant breaches. Also, companies have built up cushions to withstand value declines.
- » Additionally, companies can partly offset increasing leverage through divesting properties, reduce or cut dividend, reduce or stop of project developments or raise equity.



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## AMERICAS



Best CLO Rating Agency:  
2016–2017



#1 US Credit  
Rating Agency:  
2012–2017



#1 US Rating Agency:  
1997–2017

## EMEA



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including best rating  
agency categories:  
2015–2017



Best Rating Agency:  
2017

## ASIA PACIFIC



Market Leadership Award,  
Islamic Finance Intelligence &  
Ratings: 2016–2017  
Best Islamic Finance Rating  
Agency: 2015



Australia's Rating  
Agency of the Year:  
2014–2016



Multi-Award Winner,  
Including Best Ratings  
Agency: 2016



Most Influential  
Credit Rating Agency:  
2013–2016



#1 Asia Credit  
Rating Agency:  
2012–2016

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Daily goods  
properties with  
strong tenants  
provide  
dependable  
income to our  
shareholders





# What is Cibus?

## Portfolio diversification

### Single asset / Portfolio of 2-5 assets

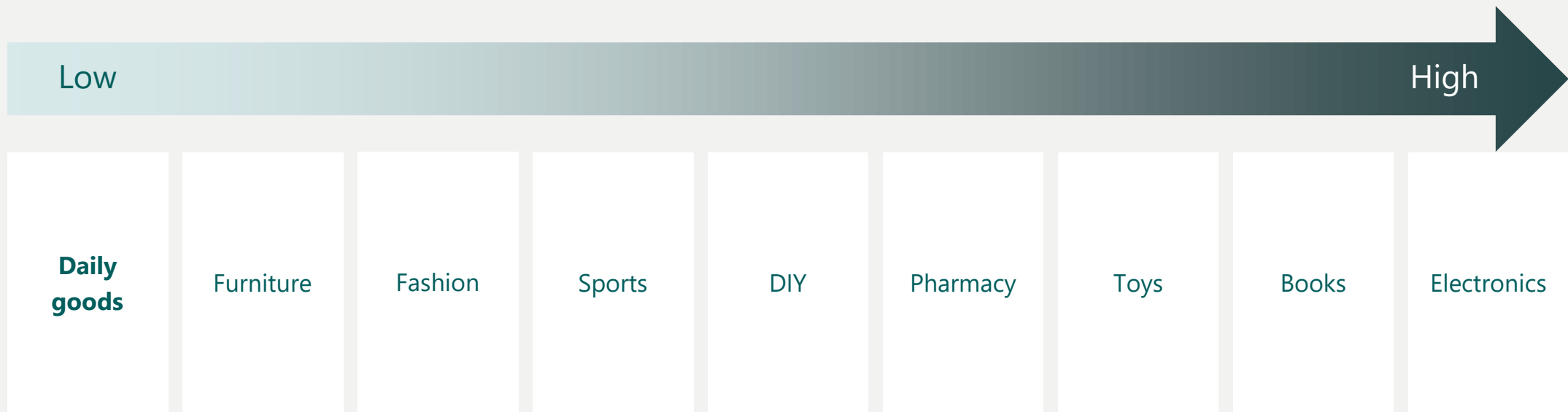
- High risk concentration
- Weak negotiation position with tenants
- Low bankability
- High risk / high return

### Large Portfolio

**Cibus**

- Diversified risk, with low concentration
- Active co-operation with tenants
- High bankability
- Low risk / same return as for single assets

# Amazon's effect on different types of retail



Source: Handelsrådet Sverige,  
HUI Research



# What sets Cibus apart?

## Resilience towards e-commerce

### Negligible negative effect

- Total volume of daily-goods market in Finland: ~€ 17 billion
- Total volume of daily-goods sold on-line: ~€ 50 million
- Share of on-line trade: <0.5%
- Very few operators worldwide make profit on online food sales

### Notable positive effect

- Existing stores work as a natural distribution network
- Non-daily goods purchased online can be delivered to supermarkets
- Strong trend
- E.g. Post offices, pharmacies, courier pick-up sites, banking services

# Primary reasons to invest in the Cibus share

## High and stable yield

- Since listing, dividend yield has been about 7%

## Quarterly dividends that increase gradually

- Decided dividends Q2: 0.20 Q3: 0.21 Q4: 0.21 Q1: 0.22

## Potential for favourable value growth

- We can buy single assets or small portfolios to a higher yield than existing portfolio
- Planned yearly investments of around 50 MEUR

## A segment with long-term resilience and stability

- The grocery and daily-goods industry has experienced stable, non cyclical growth over time.



# Our properties Q2 2019

139

Properties

862

MEUR property value

11.3

EUR NAV per share

6.9%

Dividend yield share price

49.9

Current earnings capacity

499,000

SQM



# Julian Livingston-Booth RBC Capital Markets







AZRIELGROUP

# AZRIEL GROUP

## EPRA Conference Presentation

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September 12, 2019



# Azrieli Group // Business Card

Traded on the capital market since 2010, the **5<sup>th</sup> largest company<sup>(1)</sup>** on the Tel Aviv Stock Exchange

Market cap of **NIS 31 billion<sup>(1)</sup>** (~ € 8 billion).

Listed in all leading **indices**: TA-35, TA-125, TA-Real Estate

The only Israeli company included in the **EPRA** Index

The Company owns income-producing properties with a total GLA of **1,208,000 m<sup>2</sup>**, **11 additional projects under construction** and **6 projects under renovation and extension totaling ~970,000 m<sup>2</sup>**.

Average **occupancy rate** in Israel of **98%<sup>(2)</sup>**

**92%** of the value of investment and income-producing properties is attributed to real estate **in Israel**

**Rating: AA+ (S&P); Aa1 (Moody's)**

**Leverage ratio** of only **27%**, and equity to assets ratio of **53%**

**The largest and leading developer of commercial properties in Israel**

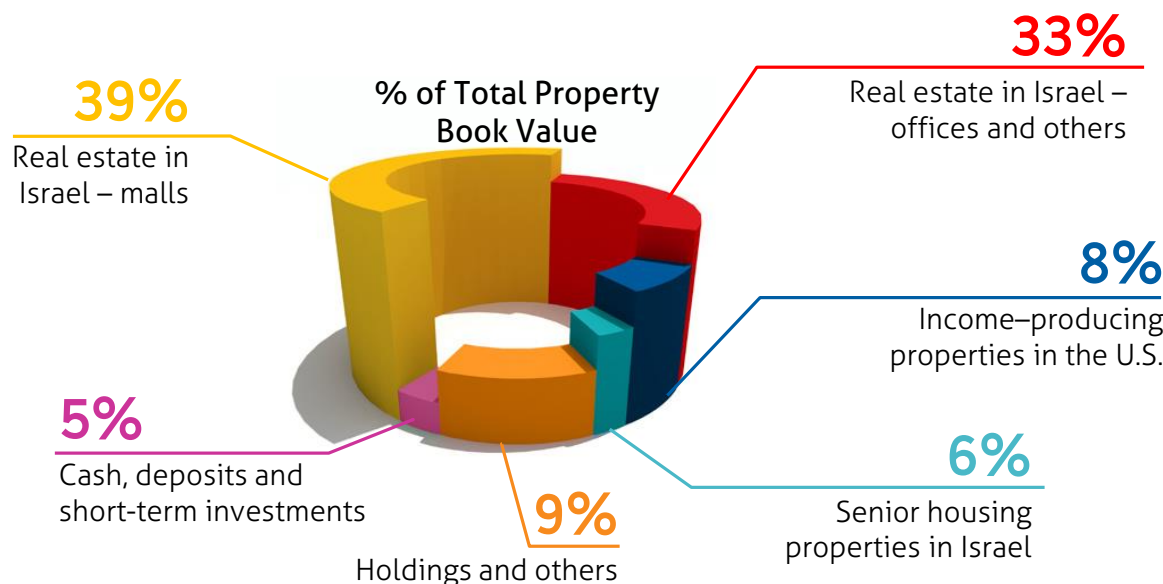


(1) As of September 4, 2019

(2) Excluding completed properties in the first stages of occupancy.



# Azrieli Group // Breakdown of Properties<sup>(1)</sup>



17 malls, 337,000 m<sup>2</sup>

Malls and Retail Centers

14 office properties, 549,000 m<sup>2</sup>

Offices

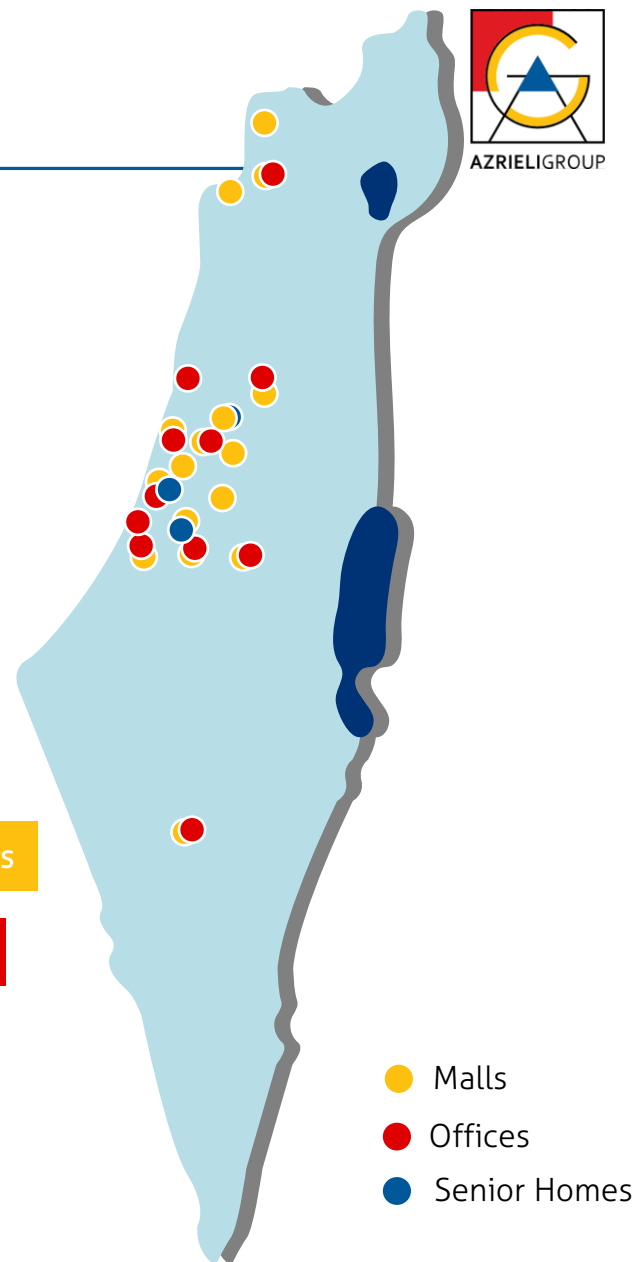
3 senior homes, 76,000 m<sup>2</sup> 794 residential units

Senior Homes

8 office properties overseas, 246,000 m<sup>2</sup>

Assets Overseas

Total 1,208,000 m<sup>2</sup>



(1) On an extended standalone basis, as of June 30, 2019. For details regarding the Company's structure, see Section 1.2.1 of Chapter A of the Financial Report.

Mainly in Israel

Mainly income-producing  
real estate

Mainly shopping centers,  
offices and senior housing

Mainly development

Long-term holding and  
management





# Azrieli Group Malls // Turnover and Rent to Turnover Ratio

Total Increase in  
Azrieli Group Malls Turnover

Total Increase in Azrieli Group Malls  
Turnover – Same properties

1-6/2019 vs. 1-6/2018

+ 2.3%



+ 2.2%

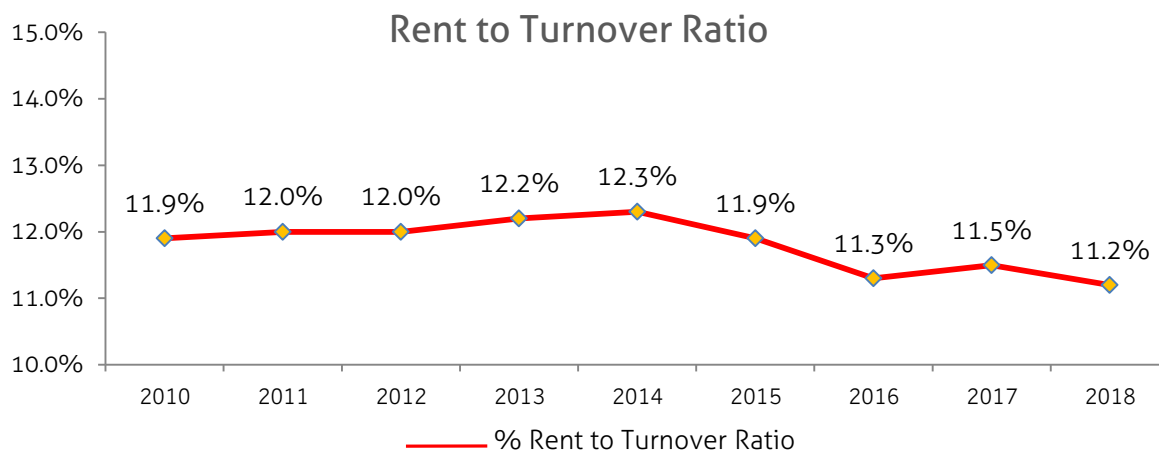


2018 vs. 2017

+ 3.3%



+ 2.3%



# Azrieli Group Offices // Sarona Tower Case Study

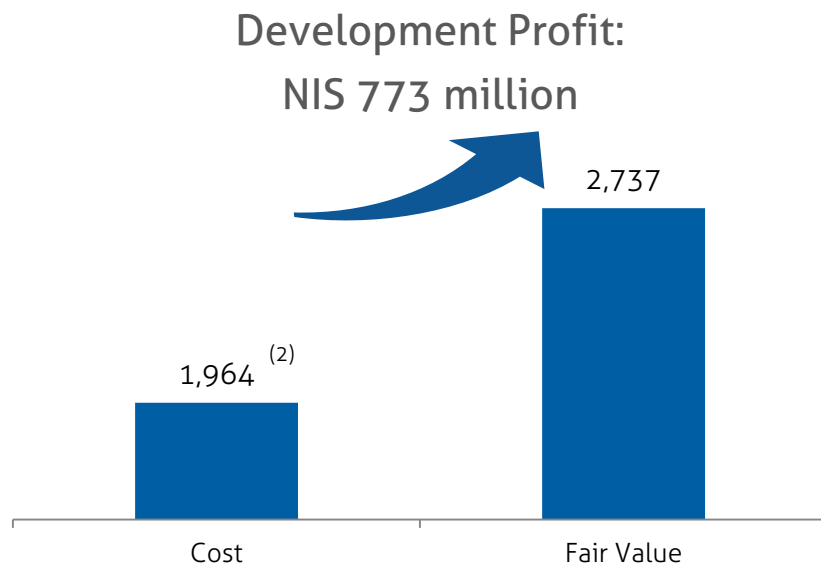
## Project Summary

Land area - 9,400 m<sup>2</sup>

GLA - 119,000 m<sup>2</sup> of office space  
10,500 m<sup>2</sup> of retail space  
1,247 parking spaces

Projected NOI - NIS 200-210 million<sup>(1)</sup>

The office space is fully leased<sup>(2)</sup> and 117,000 m<sup>2</sup> are occupied.



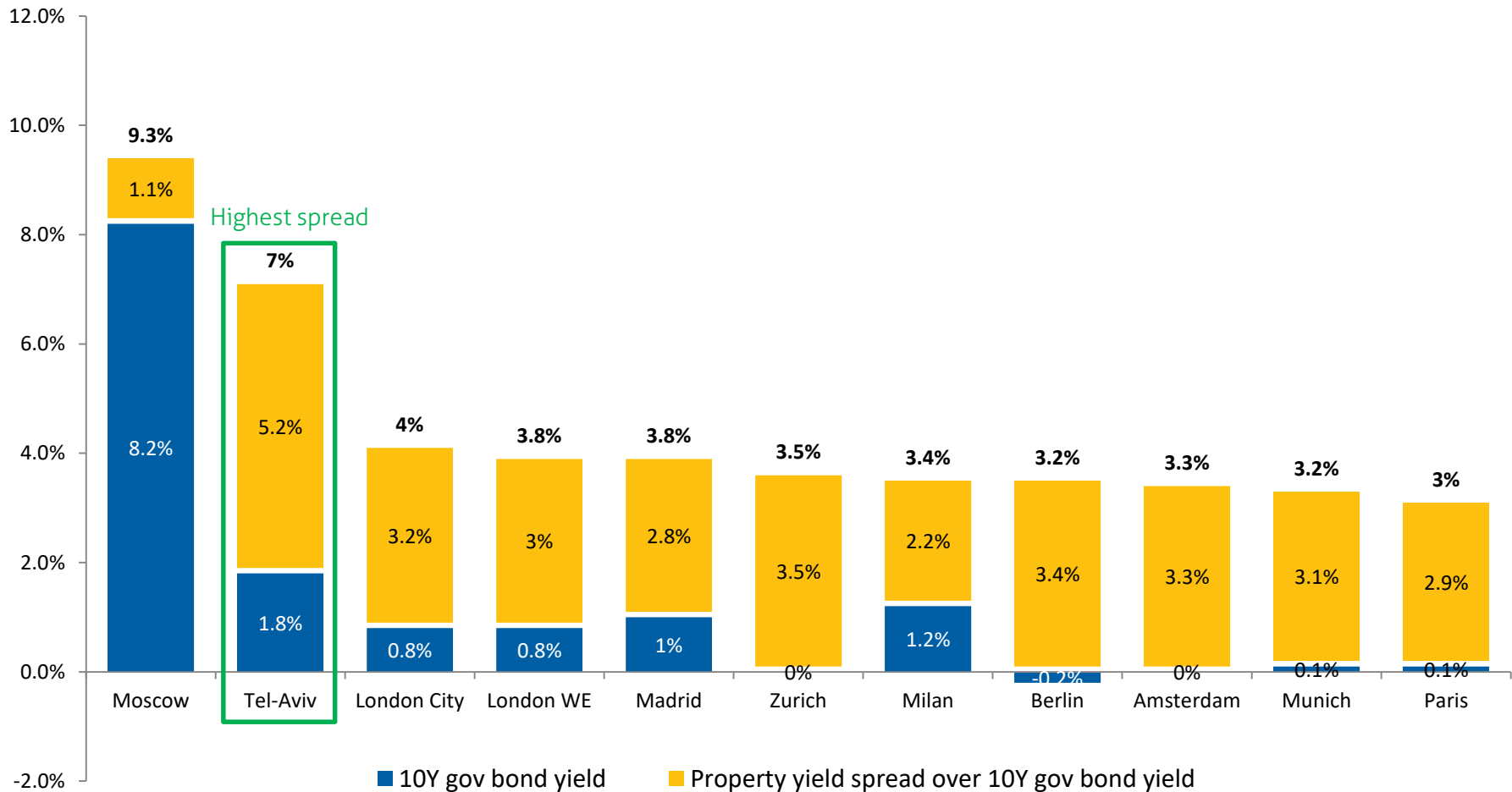
(1) Construction cost and estimated NOI reflect additional investments of NIS 200 million in TI.

(2) Including options of present major tenants that will expire at the end of 2019 and assuming that areas with respect to which binding agreements have not yet been signed will be occupied.



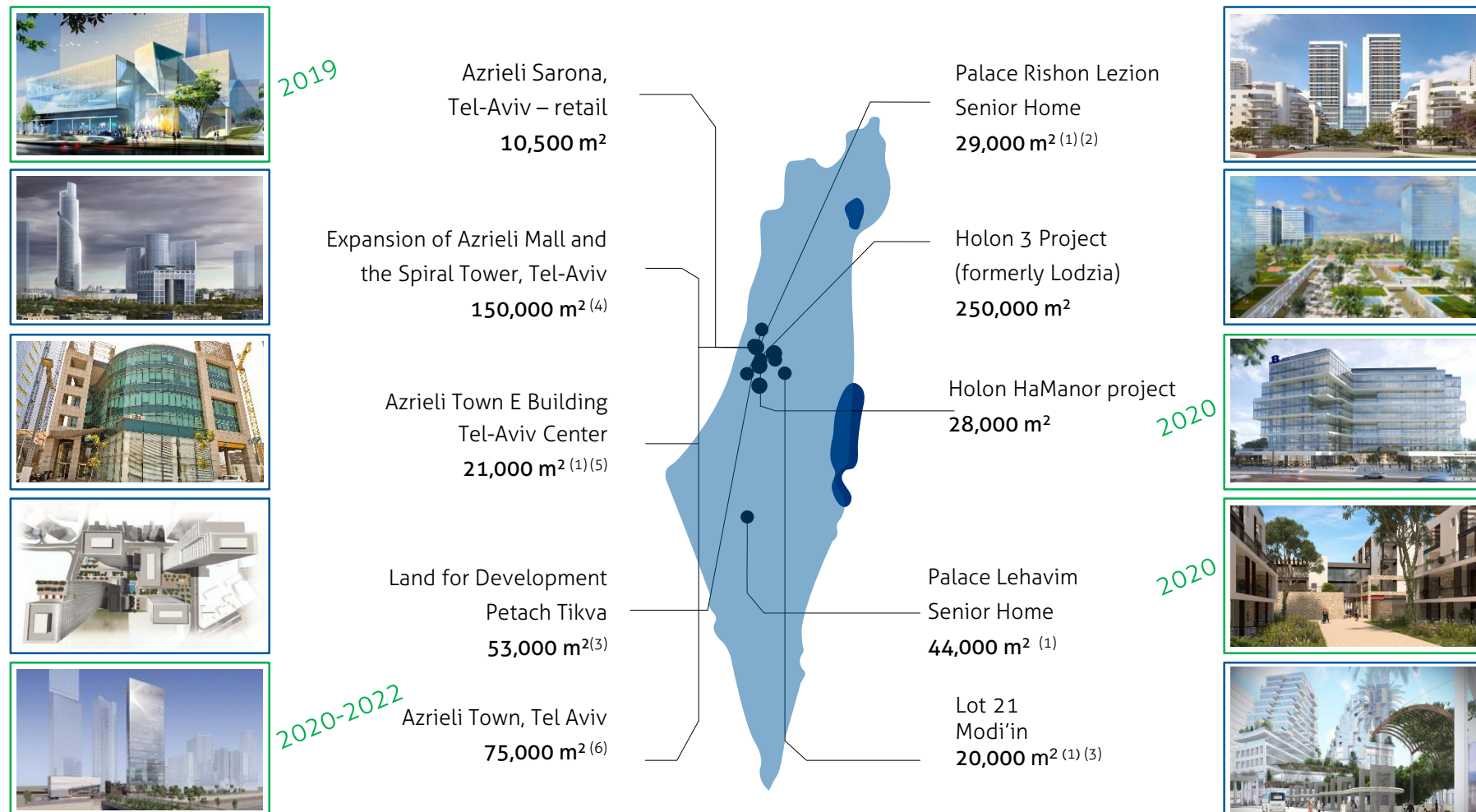
# Property Yields vs. 10Y Government Bond Yields

## Major European Cities



# Azrieli Group // Development Pipeline of 0.7 million m<sup>2</sup>

Short term construction projects – 167,500 m<sup>2</sup>; Construction cost NIS 2.1-2.2 billion



(1) Building rights in sqm | (2) The Company is in the process of increasing the building rights in the project to approx. 61,000 sqm (above and below ground) | (3) The Company is working to increase the building rights in Petach Tikva and to 28,000 sqm in Modi'in. | (4) A plan was published and validated. | (5) Rights for additional construction purchased in May 2018 in the context of acquisition of the income-producing property Mivney Gazit. | (6) The Company is acting to increase the building rights in the project to approx. 99,000 sqm.



# Azrieli Group // The CBD of Tel-Aviv







# **CROMWELL EUROPEAN REIT**

## **RE-THINK 2019**

EPRA Conference  
Madrid, Spain

12 September 2019



**CROMWELL**  
EUROPEAN REIT



# Disclaimer

This presentation shall be read only in conjunction with Cromwell European Real Estate Investment Trust's ("**CEREIT**") financial results announcement dated 8 August 2019 published on SGXNet.

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Goldman Sachs (Singapore) Pte. and UBS AG, Singapore Branch were the joint issue managers for the initial public offering of CEREIT (the "**IPO**"). DBS Bank Ltd., Goldman Sachs (Singapore) Pte., and UBS AG, Singapore Branch were the joint global coordinators for the IPO. DBS Bank Ltd., Goldman Sachs (Singapore) Pte., UBS AG, Singapore Branch, Daiwa Capital Markets Singapore Limited and CLSA Singapore Pte Ltd were the joint bookrunners and underwriters for the IPO. The joint issue managers, joint global coordinators and joint underwriters of the IPO assume no responsibility for the contents of this announcement.

Note: All figures in this presentation are as at 30 June 2019 and stated in Euro ("**EUR**" or "**€**"), unless otherwise stated

# Who is Cromwell European REIT

**Our Purpose is to Deliver Stable and Growing Distributions and Asset Value for all Unitholders**

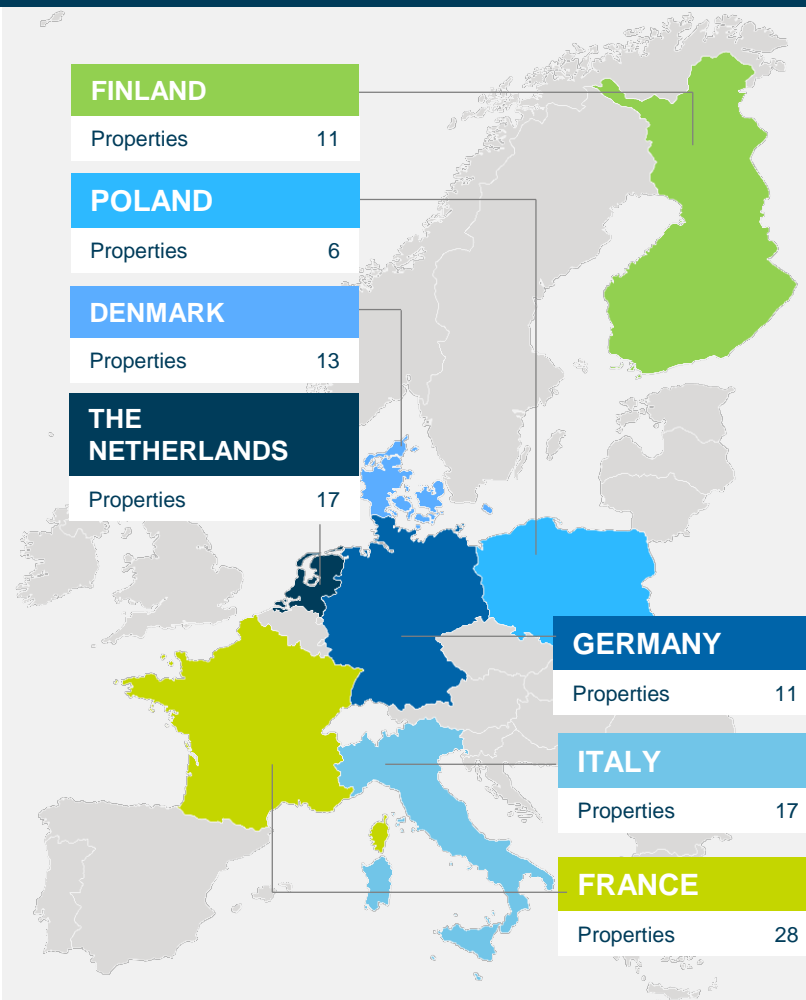
- Principal investment strategy – Pan-European, Core Plus, predominantly in city office and last-mile logistics real estate
- Backed by a committed EPRA-NAREIT Index-included sponsor Cromwell Property Group (“CMW”), which owns a 31% stake in CEREIT
- CMW is an integrated asset manager with 20 offices across Europe
- C2019E DPU Yield of 7.9%<sup>1</sup> compares favorably to other global yield investment alternatives
- The largest REIT IPO in Singapore over the last 7 years

 **€2.08 BILLION<sup>2</sup>**  
DIVERSIFIED PORTFOLIO

 **103<sup>3</sup>**  
PRIMARILY FREEHOLD PROPERTIES

 **7**  
EUROPEAN COUNTRIES

 **1.5m SQM<sup>2</sup>**  
NET LETTABLE AREA





# A Selection of CEREIT's Properties



Haagse Poort  
The Hague, The Netherlands



De Ruijterkade  
Amsterdam, The Netherlands



Plaza Vivace  
Helsinki, Poland



Bischofsheim (An der Steinlach)  
Frankfurt, Germany



Parc Des Grésillons  
Paris, France



Naverland 7-11  
Copenhagen, Denmark



Milano Piazza Affari  
Lombardy, Italy



Naverland 8  
Copenhagen, Denmark



Parc Delizy  
Paris, France



Central Plaza  
Rotterdam, The Netherlands



Koningskade  
The Hague, The Netherlands



Bischofsheim (An der Kreuzlache)  
Frankfurt, Germany



Roma Amba Aradam  
Lazio, Italy



Hamburg (Moorfleeter Strasse)  
Hamburg, Germany



Parc Des Docks  
Paris, France



Riverside  
Warsaw, Poland



Herstedvang 2-4  
Copenhagen, Denmark



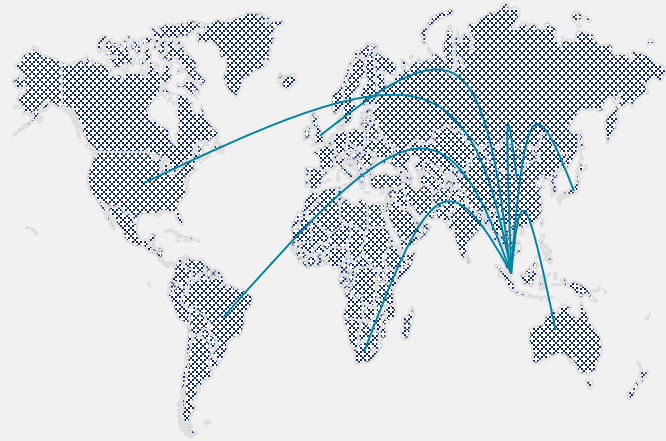
Parc Acticlub  
Paris, France

# Why Singapore?

Singapore is a Top-Tier International Business and Financial Hub and a Magnet for Asian and Global Wealth

























Singapore's strength lies in its **connectivity** and **efficiency**

Half of the world's population is in close proximity (Southeast Asia + India + China)



## Top Asian City in Knight Frank City Wealth Index 2019<sup>1</sup>

The below shows Asian cities' prominence across the index's four categories: Overall rank; Investment; Wealth; and Lifestyle.

SINGAPORE			
	 4 <sup>th</sup>	 9 <sup>th</sup>	
	 5 <sup>th</sup>	 1 <sup>st</sup>	
HONG KONG			
	 3 <sup>rd</sup>	 3 <sup>rd</sup>	
	 3 <sup>rd</sup>	 4 <sup>th</sup>	
SHANGHAI			
	 7 <sup>th</sup>	 23 <sup>rd</sup>	
	 8 <sup>th</sup>	 15 <sup>th</sup>	
TOKYO			
	 9 <sup>th</sup>	 19 <sup>th</sup>	
	 28 <sup>th</sup>	 5 <sup>th</sup>	
SEOUL			
	 14 <sup>th</sup>	 35 <sup>th</sup>	
	 7 <sup>th</sup>	 18 <sup>th</sup>	

## World's Best Business Environment 2018-22 by EIU

### Fitch affirms AAA Rating



in Asia for intellectual property protection

The World Economic Forum's Global Competitiveness Report 2018



in the world for doing business

The World Bank's Doing Business survey 2018 measures trading across borders, enforcing contracts, getting credit and paying taxes, etc.

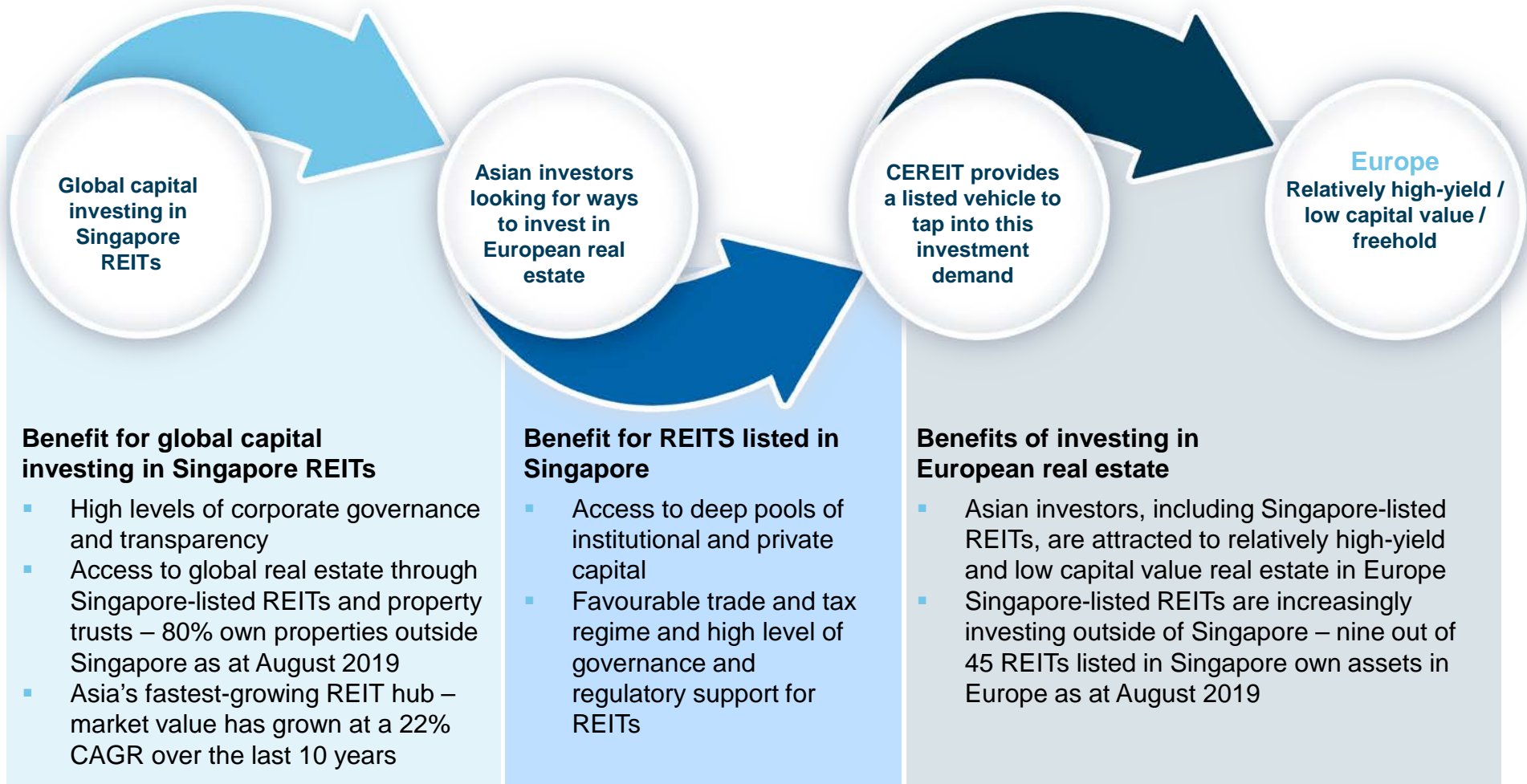
## Robust Regulatory Framework for REITs

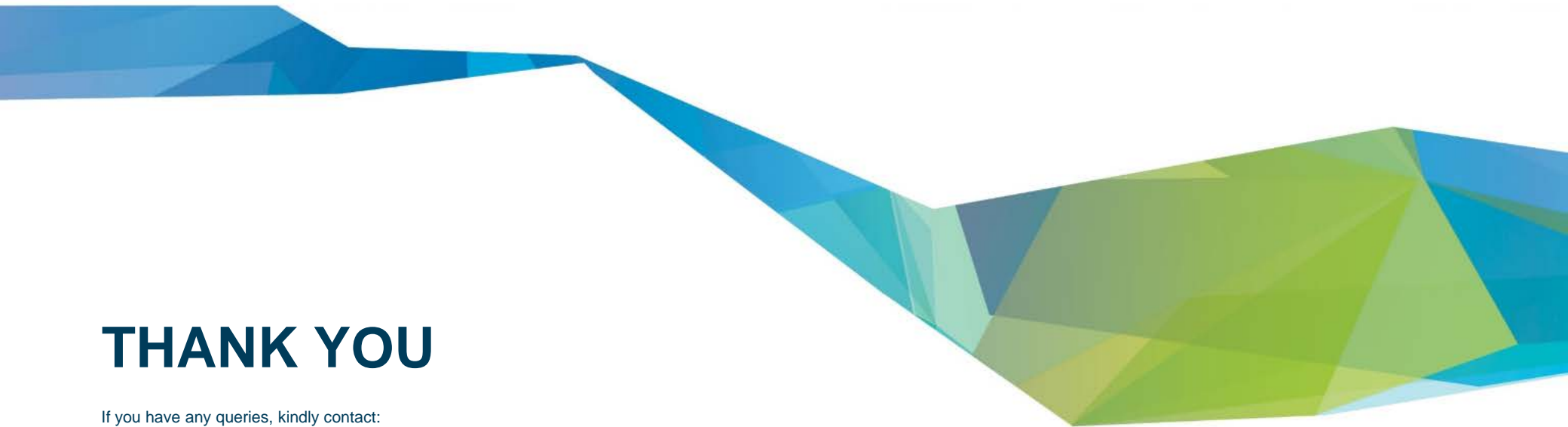
Monetary Authority of Singapore ("MAS")  
Property Funds Appendix governs S-REITs



# Why List European Real Estate in Singapore

Connecting Deep Pools of Asian-Based Global Capital with Attractive-Yielding Real Estate in Europe





If you have any queries, kindly contact:  
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or Newgate Communications at [creit@newgatecomms.com.sg](mailto:creit@newgatecomms.com.sg).

If you have any queries, kindly contact:  
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# Investor Presentation

EPRA 2019 Conference – Investors' Day  
September 2019

designed to perform





Grit is the leading pan-African (ex South Africa) **real estate company** focused on investing in and actively managing a diversified portfolio of assets underpinned by predominantly **US\$ and Euro** long-term leases with high quality **multi-national tenants**

Grit has a **full suite of on-the-ground capabilities** and has a proven ability to generate **attractive African returns** for a **sound risk profile** given the quality of tenants and security of cash flows

## MAIN MARKET LISTINGS



**London**  
Stock Exchange

LSE - GR1T:LN



JSE - GTR:SJ

## SECONDARY LISTING



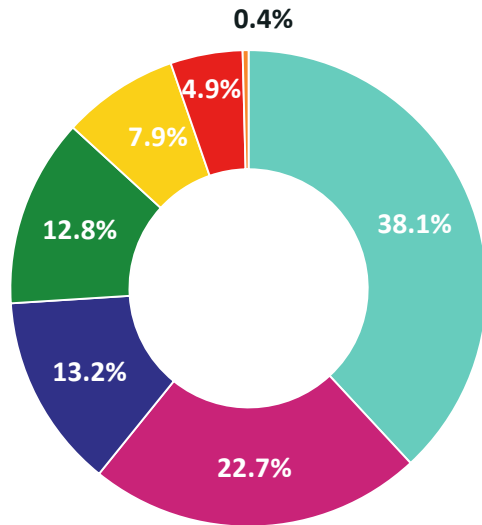
Stock Exchange of Mauritius

SEM - DEL.N0000



# Grit Real Estate Income Group at a glance

December 2018 - Geographic



■ Mozambique ■ Mauritius\* ■ Morocco\*  
■ Zambia ■ Ghana ■ Kenya



## Dedicated to high-quality real estate assets underpinned by counterparty strength on long-term leases

Since the Group's inception in 2014, Grit has grown its portfolio from 2 assets with a portfolio value of c.US\$140m to 25 assets valued at US\$700m+. The portfolio is anchored by blue-chip, multinational tenants on long-term hard currency leases, and is well-diversified across sectors & carefully selected African geographies.

## Portfolio Highlights

**\$796.4m**  
portfolio

**92.6%**  
multinational  
tenants

**93.2%**  
income hard  
currency

**96.0%**  
EPRA  
Occupancy

**6.5  
years**  
WALE/WAULT

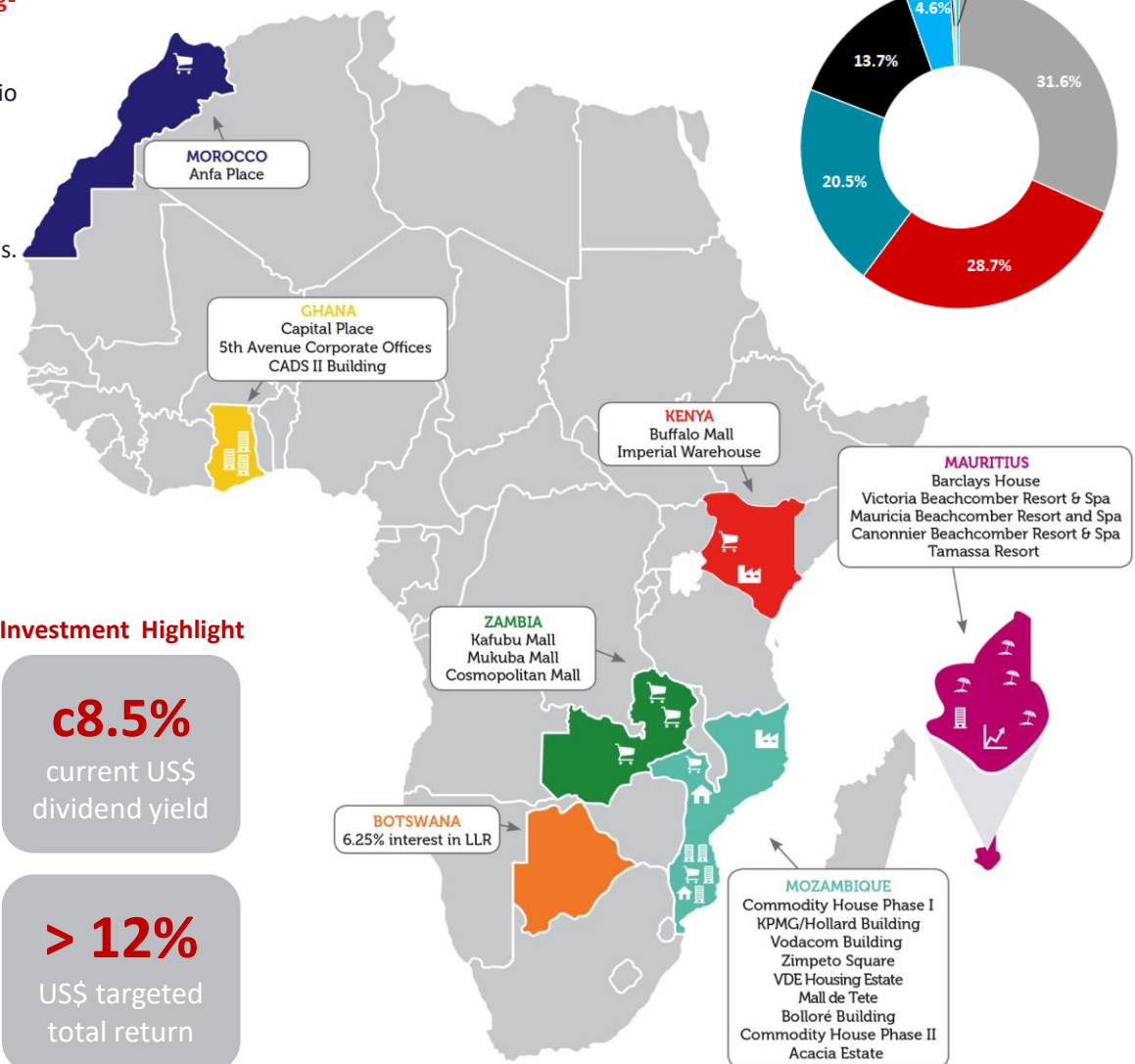
**3.1%**  
weighted average  
lease escalation

## Investment Highlight

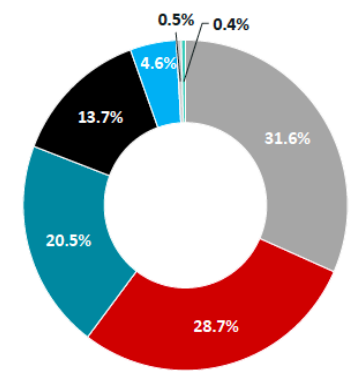
**c8.5%**  
current US\$  
dividend yield

**> 12%**  
US\$ targeted  
total return

■ Retail  
■ Hospitality  
■ Light Industrial  
■ Other Investment  
■ Office  
■ Corporate Accommodation  
■ Property Held for Development



December 2018 - Sectoral



# Acacia Estate / US Embassy (Mozambique)

Acquisition Date	No. of Units/GLA	Latest Valuation (Dec '18)	Latest Cap Rate
August 2018	76 units/18 400m <sup>2</sup>	US\$64.7m (100%)	9.00%





# Commodity House Phase 1 & 2 / Anadarko & Exxon Mobil (Moz)

Acquisition Date	No. of Units/GLA	Latest Valuation (Dec '18)	Latest Cap Rate
July 2014	7 528m <sup>2</sup>	US\$49.0m	8.00%

Acquisition Date	No. of Units/GLA	Latest Valuation (Dec '18)	Latest Cap Rate
July 2014	3 168m <sup>2</sup>	US\$15.5m	8.00%



## Environmental Focus



## Transformation Pillars

Socio-  
economic  
Transformation

Employment  
Equity

Diversity  
Management

Skills  
Development

## Corporate Governance

UK Corporate  
Governance Code

King IV Report  
(South Africa)

National Code of  
Corporate  
Governance for  
Mauritius 2016







# Peter Van den Tol MN Services

## ESG





**Ensure financial future of 2 mio people**

**Manage over € 130 billion globally**

**Focus on people & environment**

**Provide pension, social schemes & insurance**



Impact **Investments** on our **World**

Impact **World** on our **Investments**





# ESDG focus areas



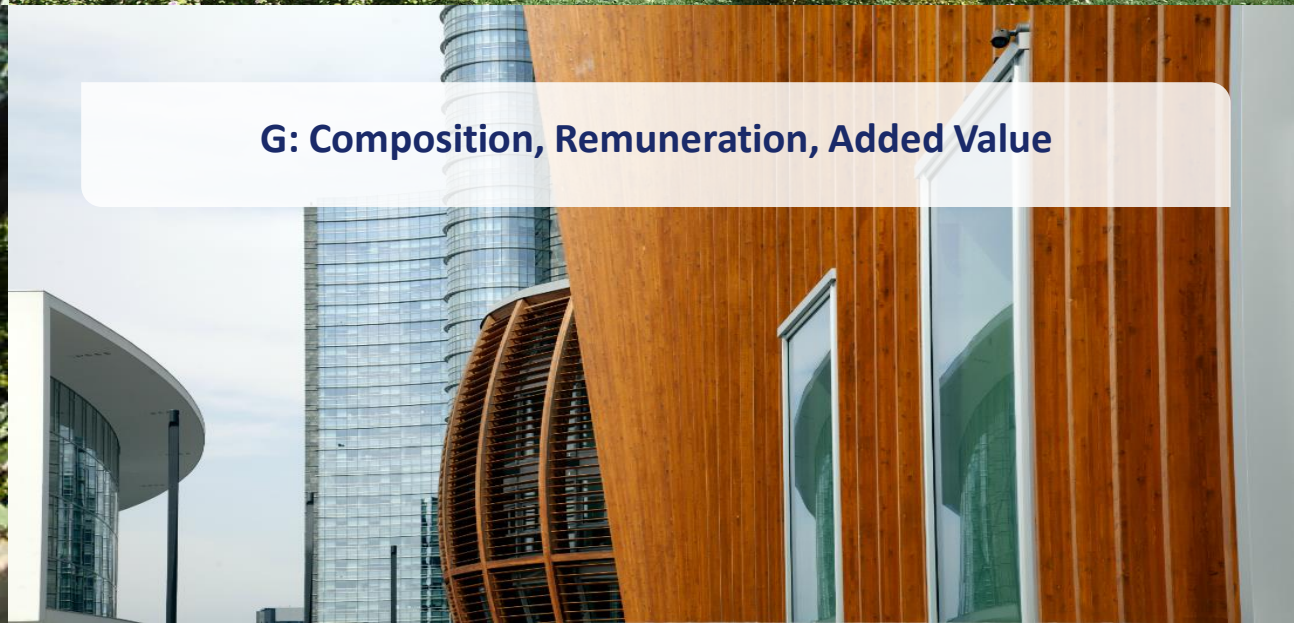
**E: Transition Risk, Footprint, Actions,**



**S: Affordability, Equality, Engagement**



**D: Physical Risk, Durability, Circularity**



**G: Composition, Remuneration, Added Value**



# We build on – continuously improving – standards



# ESDG Portfolio Integration



## Challenges

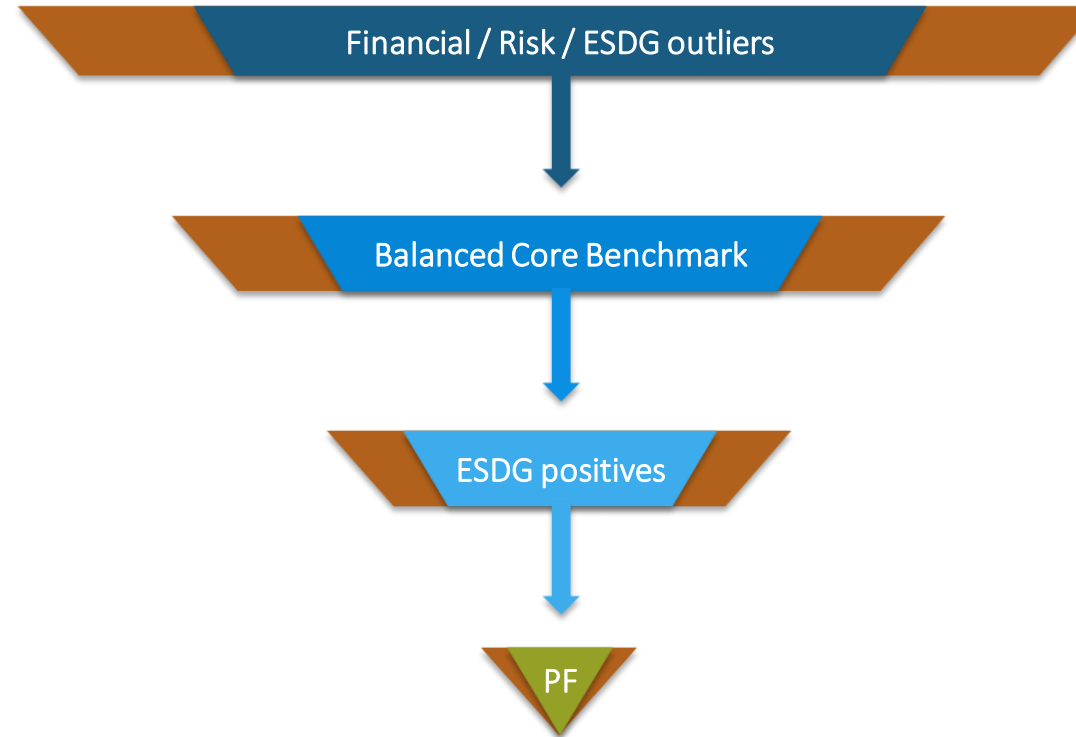
Quality versus Quantity

Heterogeneity & Comparability

Data Strength & Availability

Policy versus Concrete measures

Negative versus positive screening



## Mas Apreciado

Physical & concrete actions

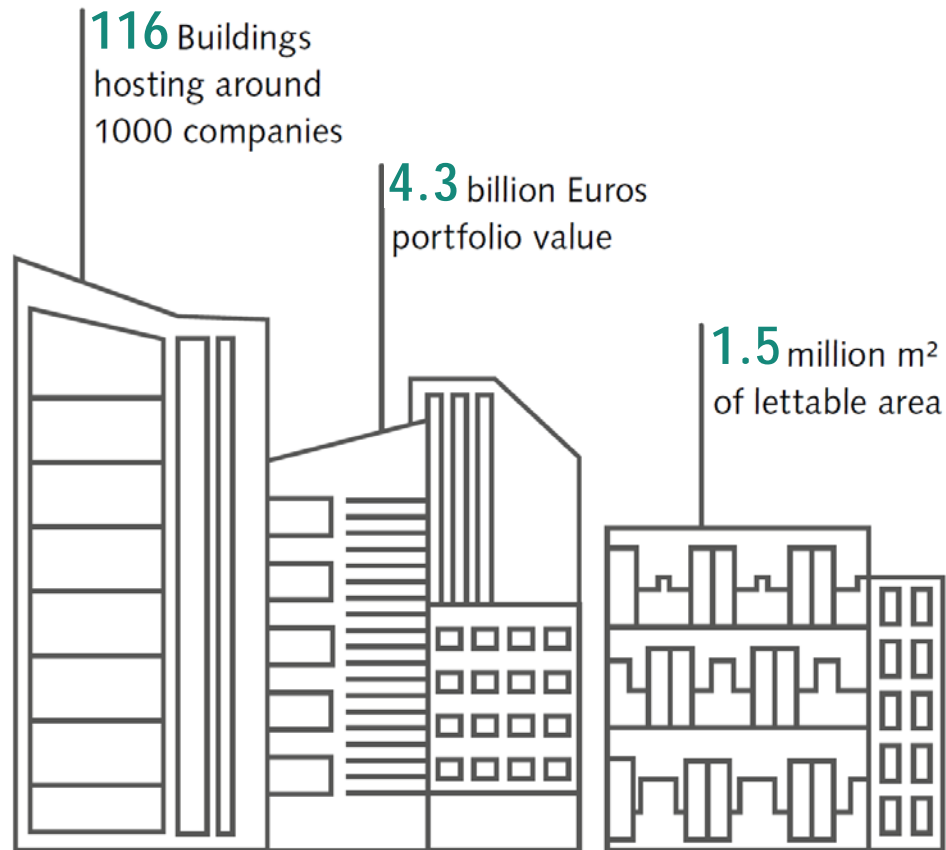
Building Management Systems

Affordability

Management Value Added

Transparency





Pure play German offices

Fully integrated value chain

153 employees

## climate challenges in real estate

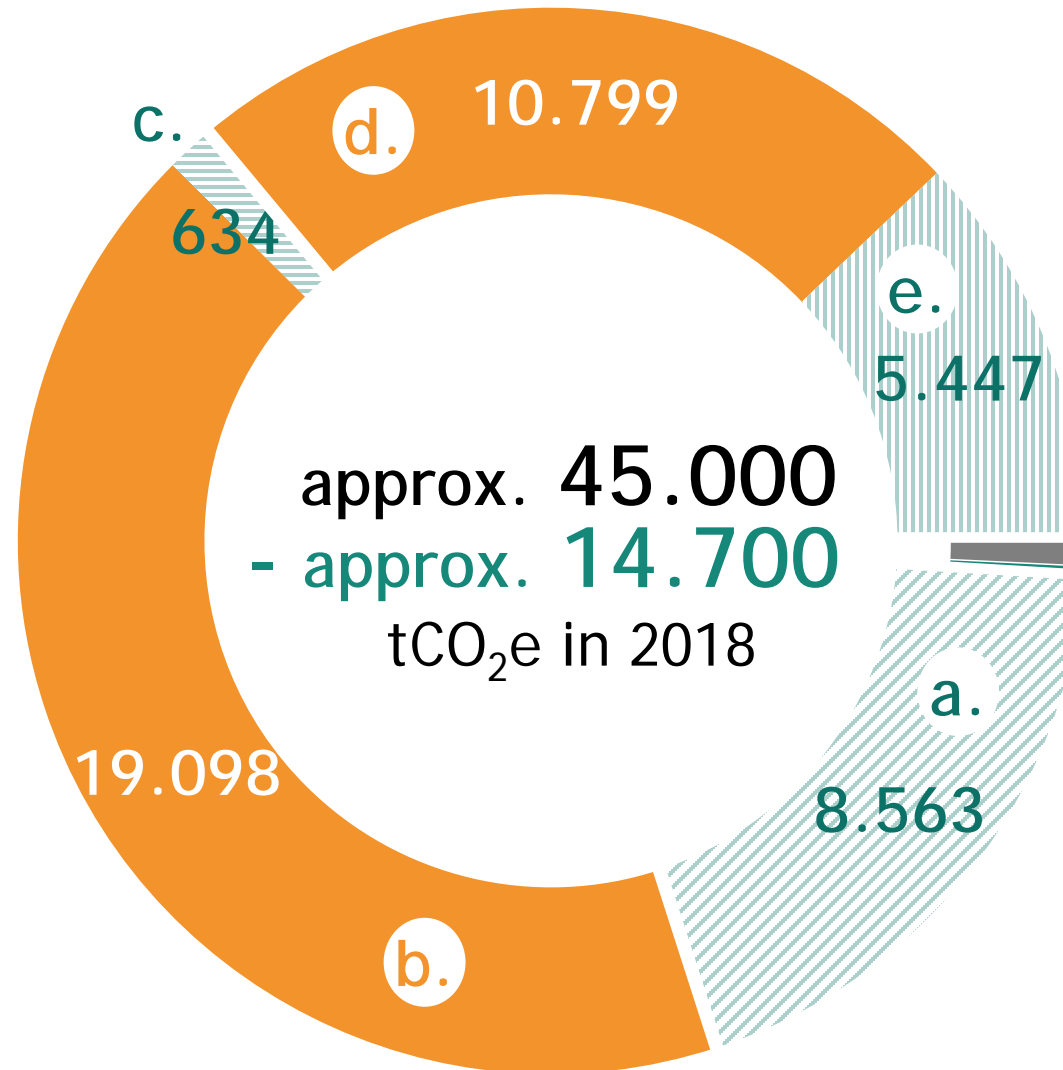
1. Data collection of building stock
2. Decarbonization of built environment
3. Investment in retrofit (short/long-term)

# operational carbon emissions

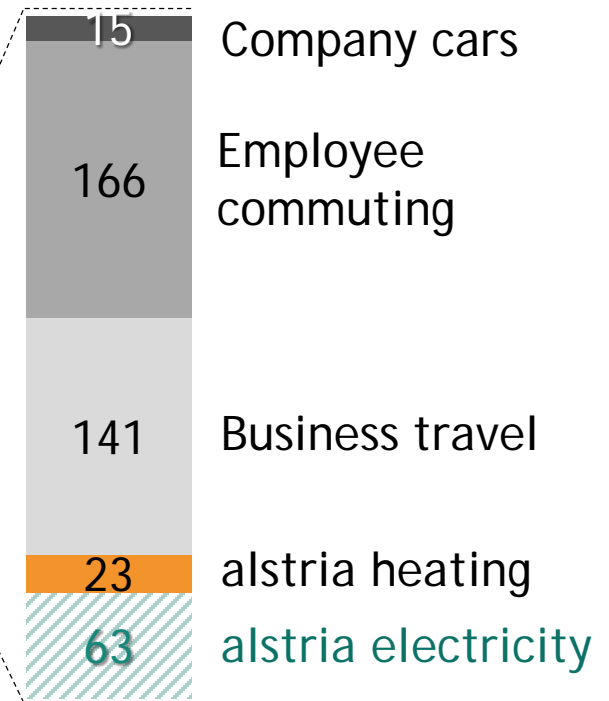


## Building portfolio

- a. Electricity alstria shared services, renewable
- b. Electricity tenants
- c. Electricity tenants, renewable
- d. Heating tenants
- e. Heating tenants, carbon neutral



## Company

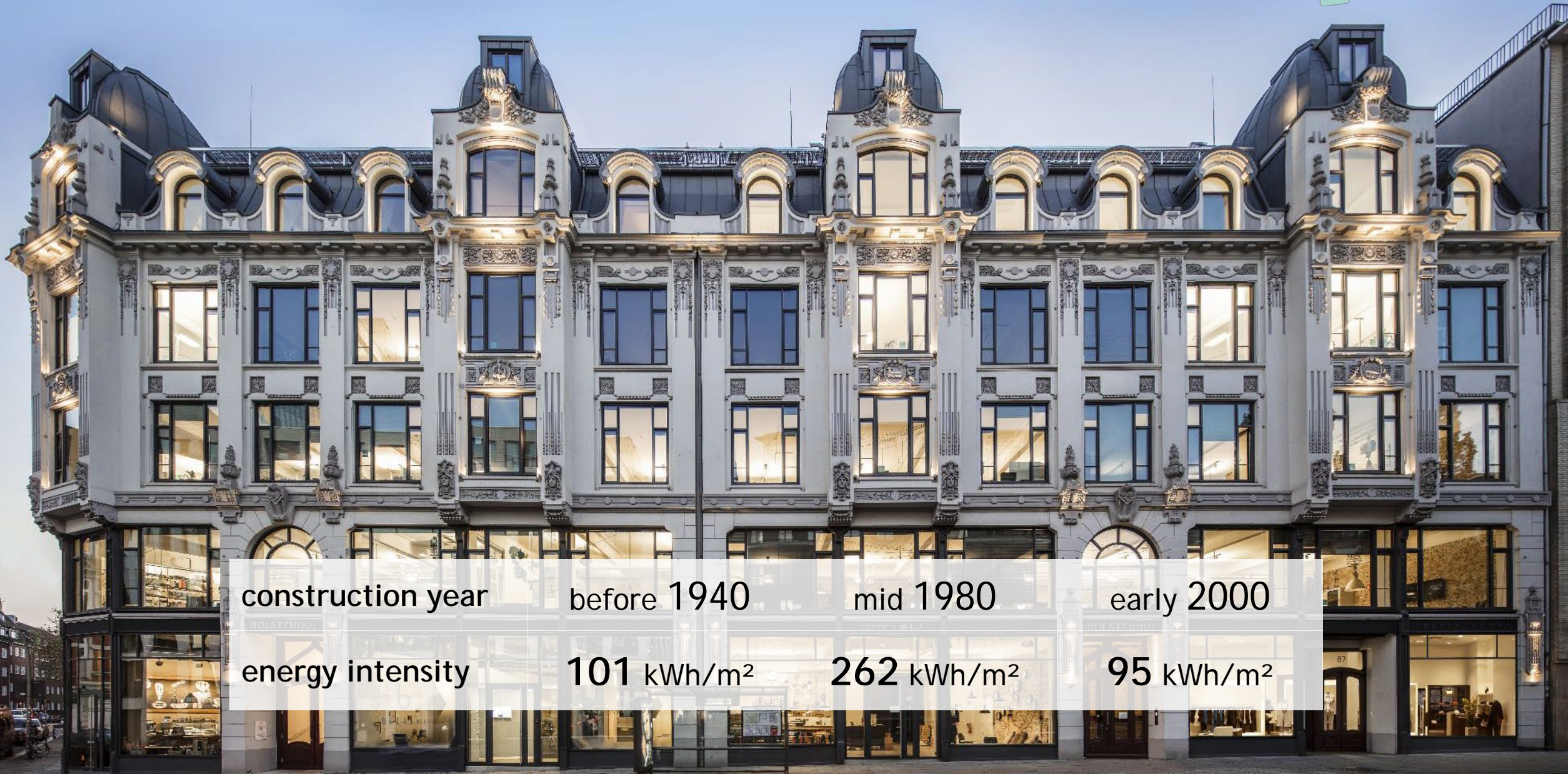


> 99%

< 1%



# embodied carbon emissions



construction year

before 1940

mid 1980

early 2000

energy intensity

101 kWh/m<sup>2</sup>

262 kWh/m<sup>2</sup>

95 kWh/m<sup>2</sup>



# alstria's low carb cookbook

## STARTERS

Real-time measuring

Renewable procurement

## MAIN DISH

Improve efficiency (active/passive)

Decarb road-map (LCA)

a. Easy & cheap retrofit

b. Complex & expensive retrofit

Energy production & storage

Wellbeing of tenants

## DESERT

Embodied carbon

Digital twin

Guide tenants

Self-sufficiency - decarb the grid



Colonial



Colonial –  
Setting the benchmark in prime offices



EPRA CONFERENCE  
September 2019

MSCI



European Property  
Investment Awards  
**WINNER 2019**

IBEX<sup>35</sup>



## GROUP KEY PORTFOLIO METRICS

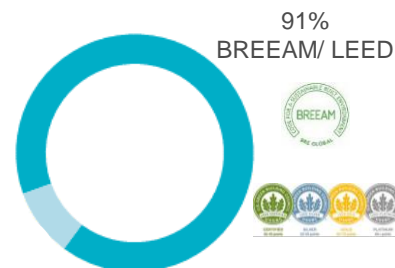
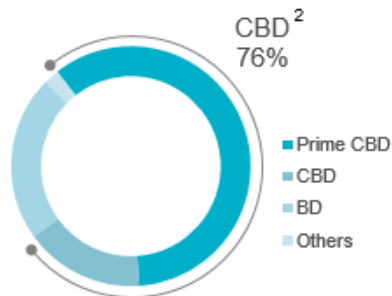
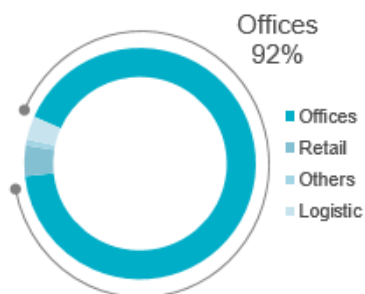
GAV Group 6/19	€11,798m	+9% LFL <sup>3</sup>
# of office assets 6/19	65 Spain 20 France	
Surface above ground 1H 2019	1,711,703 sq m	
EPRA Vacancy 1H 2019	4%	

## CAPITAL STRUCTURE METRICS

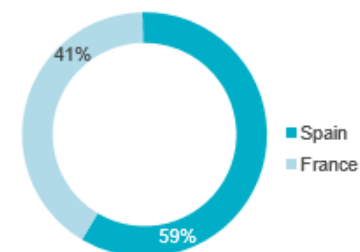
Market Cap <sup>1</sup> / Net Profit 1H 2019	€5.3bn	€338m
Total Shareholder Return <sup>4</sup>	+18%	
LTV Group 6/19	37.9%	
Rating Investment Grade	STANDARD & POORS MOODY'S	BBB+ Stable Outlook Baa2 Stable Outlook

## A HIGH QUALITY OFFICE PORTFOLIO

### GAV GROUP



### EQUITY VALUE EXPOSURE



(1) As of 2 September 2019

(2) Office portfolio. Barcelona CBD, includes the assets in the 22@ market segment

(3) 06/2019 year-on-year LFL

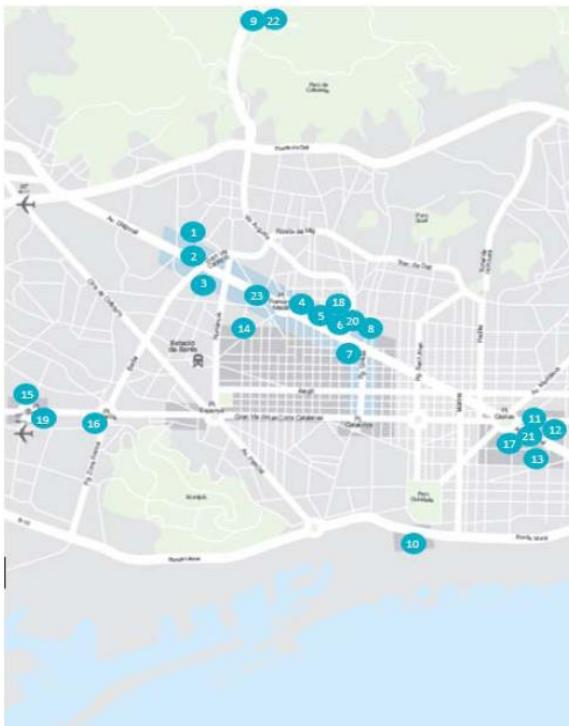
(4) 1H/2019 Total Shareholder Return YoY (Total Shareholder Return = YoY NAV per share growth + DPS paid to shareholders)



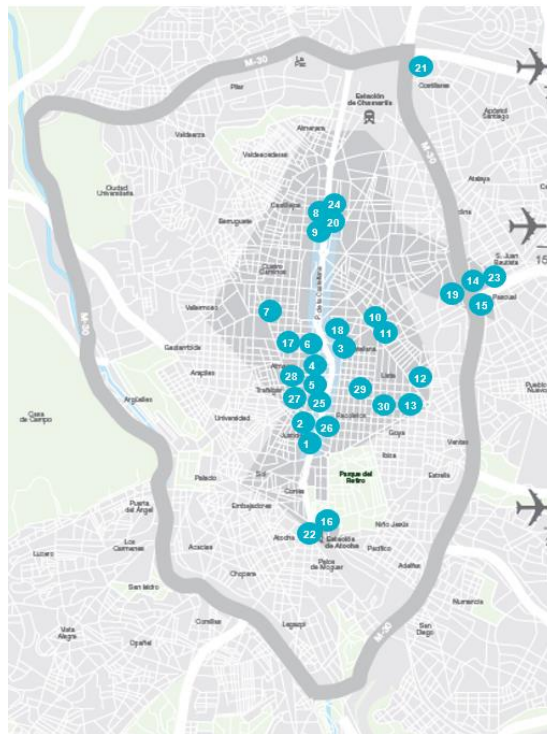
**Colonial as largest property owner in offices in the City Center of Madrid, Barcelona and Paris**

- > Strong market share increases negotiation power
- > Colonial best positioned to capture the rental cycle in its markets

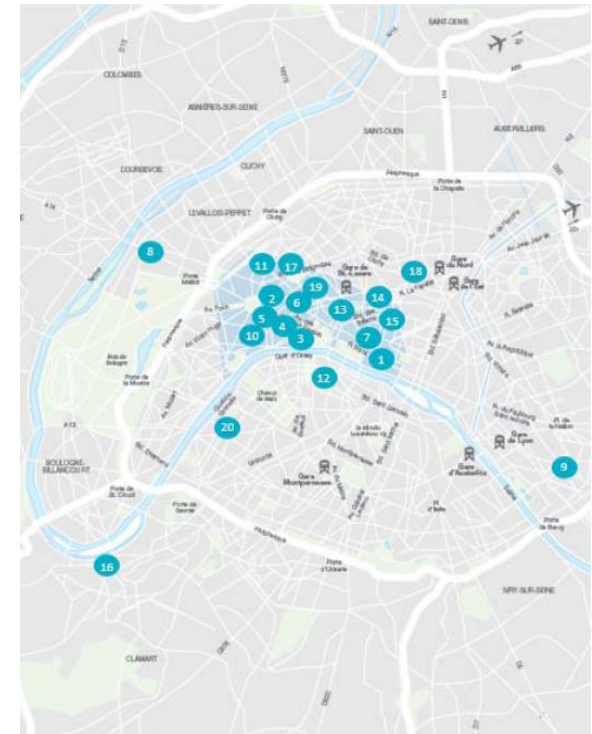
**BARCELONA**



**MADRID**



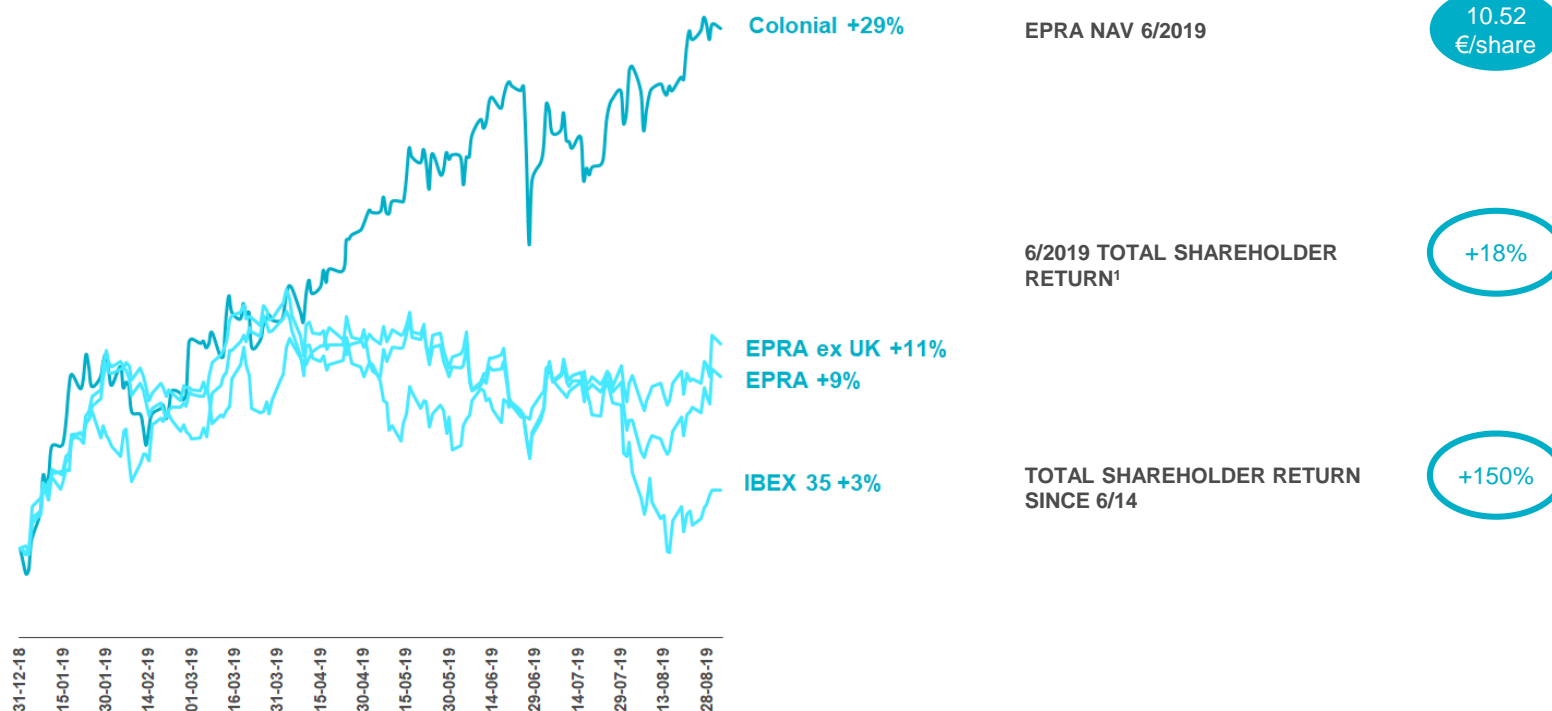
**PARIS**



## Solid share price performance

- > High quality long term oriented shareholder base
- > Colonial shares offer a “flight to quality” play with attractive returns and good liquidity

### COLONIAL VERSUS BENCHMARKS – 2019 YTD<sup>2</sup>



(1) Annualized Total Return (Total Shareholder Return = YoY NAV per share growth + DPS paid to shareholders)

(2) Share price YTD as of 2/09/2019

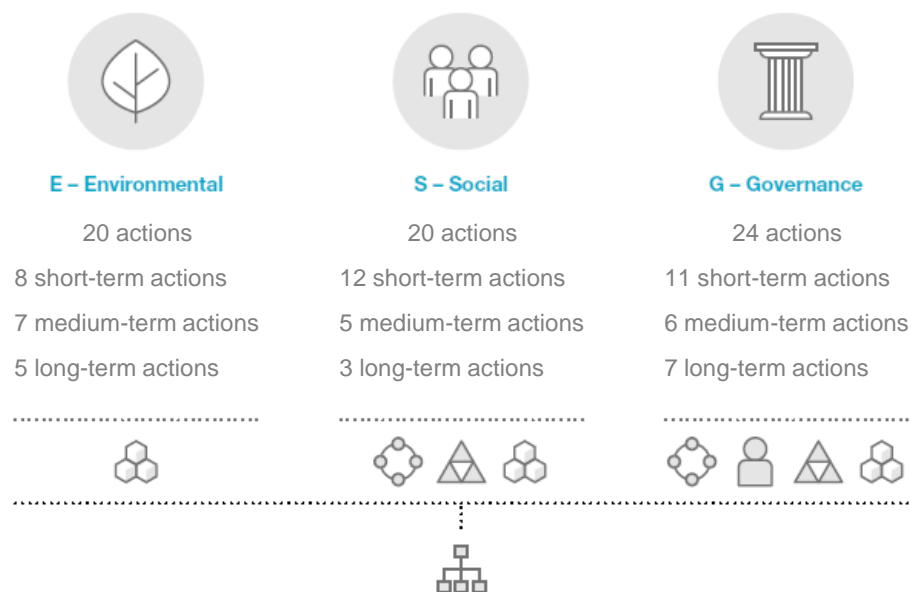


## Colonial with strong commitment on ESG

- > Providing added value to clients through efficient buildings
- > ESG guarantees long-term sustainable returns

### 2018 – A BUSY YEAR ON ESG IMPROVEMENTS

#### ESG Strategic Plan



### STRONG CORPORATE RATINGS ON ESG

#### LARGEST 10 INDUSTRY PEERS (REAL ESTATE MANAGEMENT & SERVICES)

	RATING AND TREND	
SWIRE PROPERTIES LIMITED	AAA	↑
Inmobiliaria Colonial, SOCIMI, S.A.	AA	↑
PROLOGIS, INC.	AA	↔
WHARF REAL ESTATE INVESTMENT COMPANY LIMITED	A	↔
VENTAS, INC.	BBB	↑
Vonovia SE	BBB	↔
WELLTOWER INC.	BBB	↔
SIMON PROPERTY GROUP, INC.	BBB	↑
AVALONBAY COMMUNITIES, INC.	BB	↔
EQUITY RESIDENTIAL	BB	↔
PUBLIC STORAGE	B	↔

### 1<sup>ST</sup> MOVER ON ESG COMPLIANT LOANS IN SPAIN

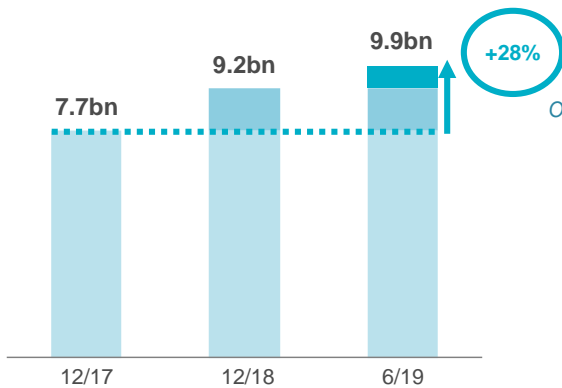
- > €150M OF SUSTAINABLE LOANS
- > 2 ESG COMPLIANT LOANS IN 1H 2019



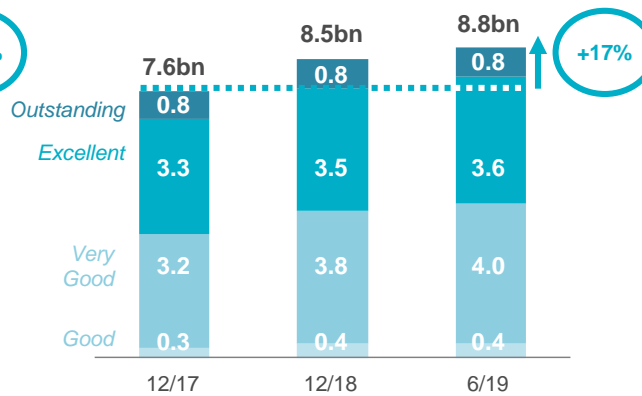
## Leader in energy certificates in the Large Portfolio Category in Europe

- > 91% of portfolio with Breeam/Leed certificates
- > €9bn of assets with Breeam and €2bn with Leed

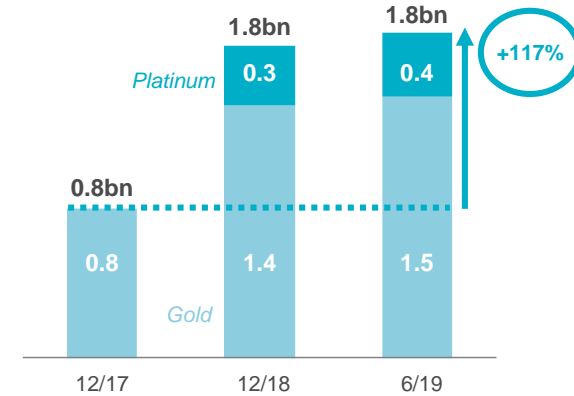
Portfolio with Leed / Breeam<sup>1</sup> - Value



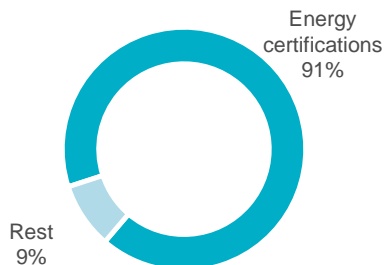
Breeam Certificates - Value



Leed Certificates - Value



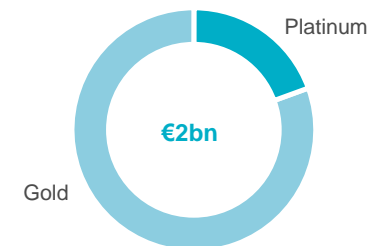
Portfolio with Leed / Breeam<sup>1</sup> - Value



Breeam – Value breakdown



Leed – Value breakdown



(1) Portfolio in operation



- > GRESB / BREEAM 2019 Award for Responsible Real Estate Investment
- > #1 Portfolio for Responsible Real Estate Investment in Europe
- > ESG excellence at the Core of Strategy

BENCHMARK / INDEX

ACHIEVEMENT / RATING



- > **GRESB / BREEAM 2019 Award for Responsible Real Estate Investment**
- > #1 in the Large Portfolio Category (more than €1bn)
- > 91% of portfolio with highest energy standards



- > **AA Rating**
- > One of the highest ratings in Europe
- > Strong scoring on Governance



- > **Gold 4th year in a row**
- > Gold since 2016
- > First mover in Spain



- > **Green Star level**
- > Strong performance on building certificates
- > Gresb member



FTSE4Good

- > **“Good practice” rating**
- > Index inclusion 2018
- > Strong performance on Governance & Supply Chain





**EPRA Conference 2019**  
**ESG Panel**  
10-09-2019



# Fast changing world requires agile business approach

NSI is taking advantage of three global trends

1

**Urbanisation**

Focus on  
economic growth  
cities



2

**Changes in way  
we work**

Adding services  
and flexibility



3

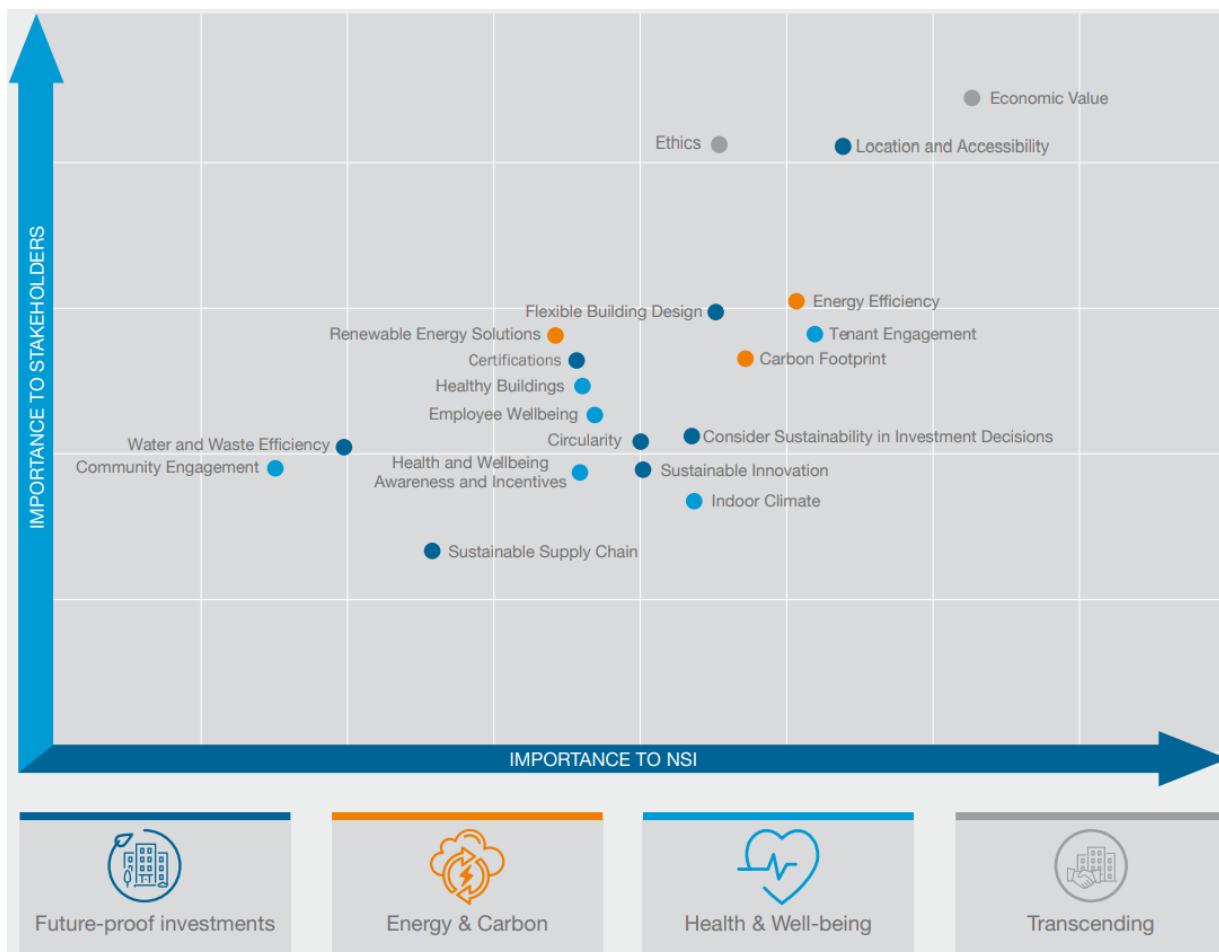
**Low interest rates  
and yields**

Total return has to  
come from value  
add



# ESG becoming important part of NSI's strategy and culture

Sustainability Materiality Matrix<sup>1</sup>



NSI 1st GRESB score<sup>2</sup>



PAN EU REIT Think Tank



<sup>1</sup>. Survey done in November 2018

<sup>2</sup>. Peer group Western Europe | Office | Listed

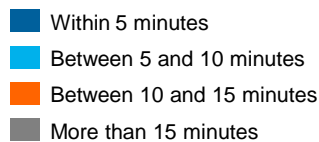
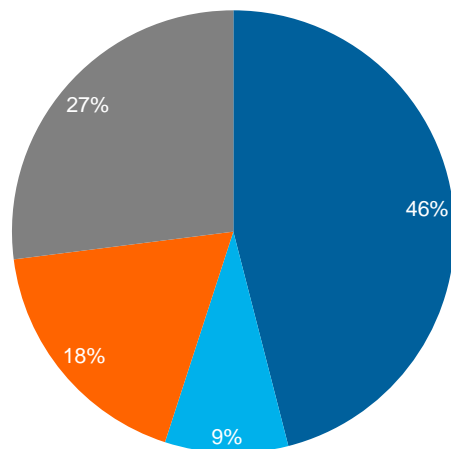


# NSI's ESG ambition

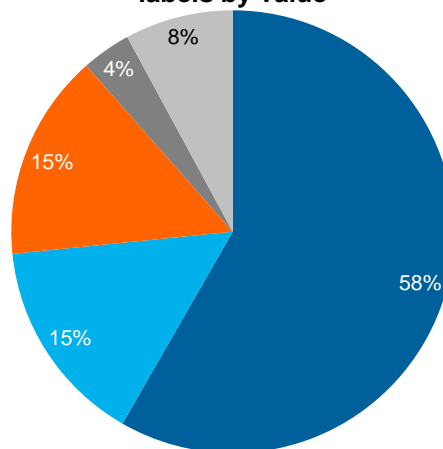
**Minimize our carbon footprint**  
**Facilitate our tenants with healthy and future-proof investments**  
**Ensure a healthy way of working for our employees and customers**



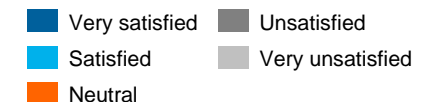
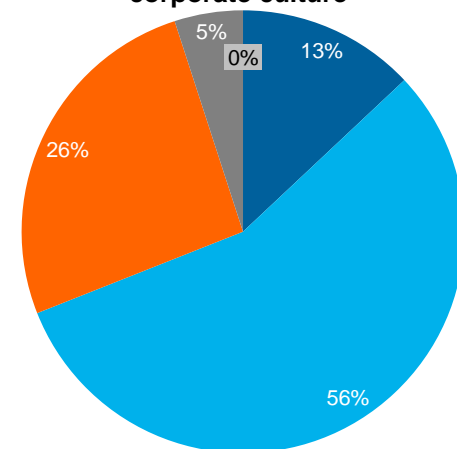
**Proximity to major train station**



**Portfolio breakdown of energy labels by value**



**% NSI employees satisfied with corporate culture<sup>1</sup>**



<sup>1</sup> Employee satisfaction survey 2018

# Potential € 850m Development Pipeline over next decade

## Substantial value add potential

8	Projects
€ 150m	June 2019 asset value
€ 700m	Capital Expenditure
€ 850m	All-up costs

### Proximity to major train station

88% Within 5 minutes

8% Between 5 and 10 minutes

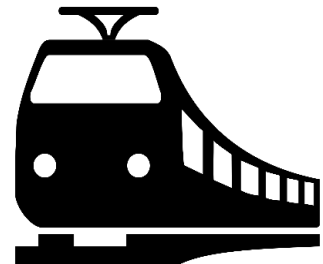
4% Between 10 and 15 minutes



**BREEAM excellent**



**Locations in close proximity to major train station**



**Advance tenant experience and comfort**





# Bentinck Huis

## Substantially improving the energy efficiency

- Upgrading from energy D to A label and targeting BREEAM in use excellent
- Planned capex € 7.6 m of which 8% relating to energy improvements



Increase natural light ingress by 42%

New AC system with highest energy performance

Solar panels

Ventilation, temperature and lighting controllable via app

Thermal energy storage system

Smart sensors

LED-lighting with control system





Ben Richford  
Credit Suisse

Alternatives







# EPRA PRESENTATION

---

September 2019



# ICADE AT A GLANCE: ONE OF THE LEADING FRENCH LISTED REITS



## OFFICE INVESTMENT:

Icade, the leading real estate player in Greater Paris

- Portfolio as of 06/30/2019 : **9.3bn** (100%)
- **€2.0 bn** development pipeline (350,000 sq.m)
- **900,000 sq.m** land bank



## HEALTHCARE INVESTMENT:

Icade, leading player in France

- Portfolio as of 06/30/2019 : **4.5bn** (100%)
- Dedicated subsidiary with minority shareholders - all French life insurance companies (43%)
- **115** healthcare facilities (90% short, medium care)



## DEVELOPMENT: 5<sup>th</sup> French developer

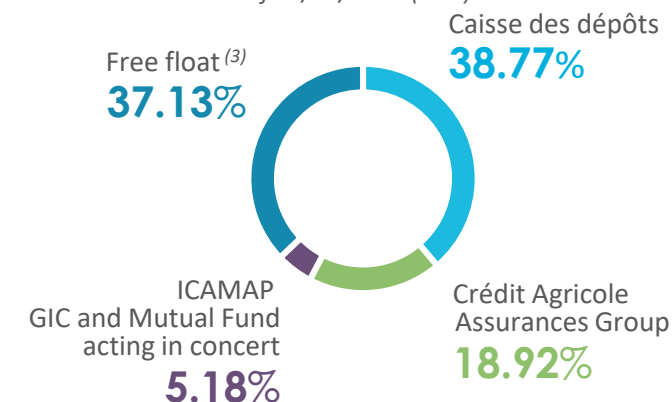
- Limited and profitable exposure (less than **10%** of Group equity <sup>(1)</sup>)
- A full-service developer (offices, homes, etc.) with extensive national coverage (**21** regional offices)
- 2018 FY economic revenue: **€1,251m**; ROE : **15%**

**€11,7bn property portfolio**  
(as of 06/30/2019, excluding duties, group share)



## Icade shareholding structure

as of 06/30/2019 (in %)



Notes: (1) Property Development equity attributable to the Group (before restatement of investments in subsidiaries / Consolidated equity attributable to the Group)

(2) Economic revenue: revenue including entities accounted for using the equity method

(3) Including 0.27% for Icade's "FCPE" employee-shareholding fund and 0.85% of treasury shares



# A CLEAR STRATEGY

---

## A 2019 – 2022 AMBITIOUS PLAN

1

Leading player in the **office** market in the Greater Paris region & major cities outside Paris

2

Listed European leader in **healthcare real estate** in 2 to 3 years' time

3

Key player in **property development**

4

**Best-in-class CSR innovation and new real estate services**

## SUPPORTING OUR VALUE-CREATING BUSINESS MODEL

# ATTRACTIVE FUNDAMENTALS FOR THE ICADE SHARE

Market capitalisation:

**€6.0bn** <sup>(1)</sup>

Free float: **37%**

Average daily  
trading volume <sup>(2)</sup>:

**~ €11m**

Dividend yield:

**c 6%**

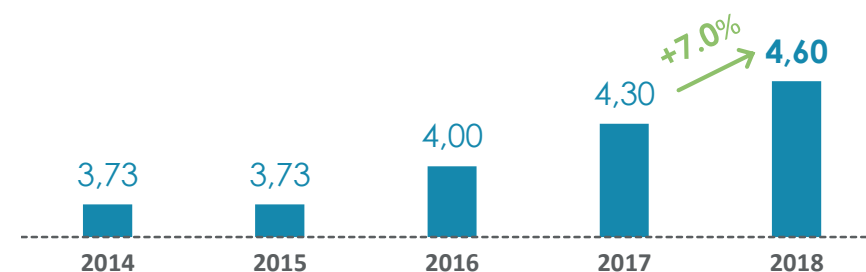
Strong financial structure:

**LTV ratio of around 40%**

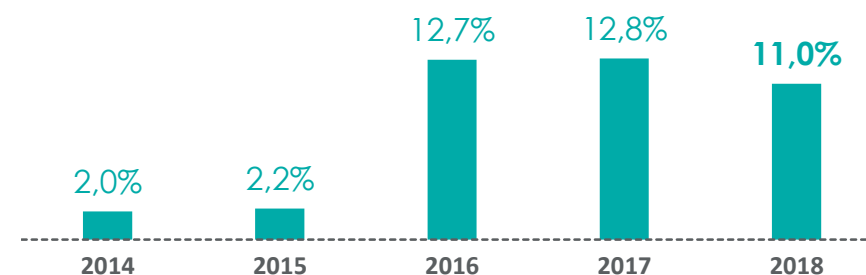
**BBB+ S&P rating**

**Strong 2016/2018  
performance and TSR**

Dividend history (in €)



NAV TSR (in %)



(1) As of June 30, 2019

(2) 6-month average daily trading volume as of June 30, 2019



# A VERY BUSY FIRST PART OF THE YEAR

New and strengthened governance

Continued momentum for Property Investment *(with a +3,1% GRI growth LFL)*

Positive H1 2019 results *(EPRA NAV : +2.7%; NCCF : +4.5%)*

**Acceleration in the implementation of Icade's 2019-2022 strategic plan:**  
Disposal of mature assets from the Office property Investment division by €1,1bn <sup>(1)</sup> and reinvestment in healthcare assets (portfolio of 12 healthcare facilities in France for €191m)

FY 2019 guidance confirmed: NCCF stable excluding 2019 disposals – dividend: c. +4.5%

**(1)** sale of 49% of the Egho Tower for €365m and completion of the sale of Crystal for €691m

# 2019 PRIORITY: LOW CARBON



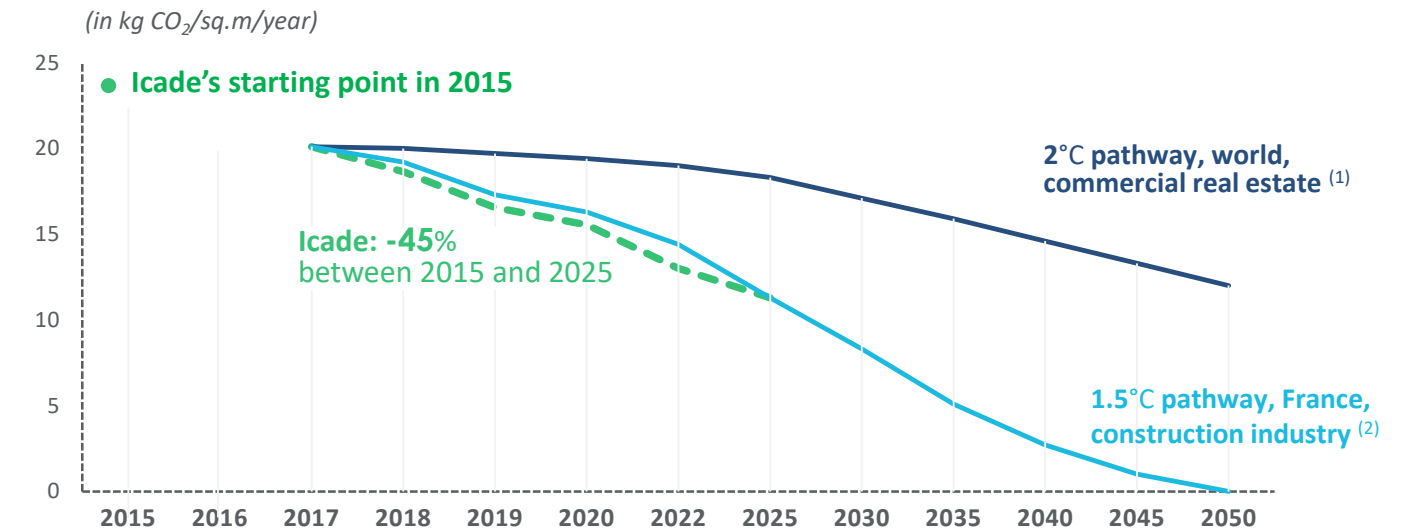
## New low-carbon commitments

- **Office Investment:** **-45%** in CO<sub>2</sub> intensity between 2015 and 2025
- **Property Development:** **100%** of new offices > 5,000 sq.m and **33%** of new homes with the E+C- label by 2022
- **Healthcare Investment:** assisting at least **75%** of healthcare facility operators in optimising their energy performance starting in 2019

## Action plan

- Identifying effective measures for each division (e.g. energy switch, reuse, low-carbon materials, switch to LED lighting)
- Modelling tools for operational teams
- Expanded use of “green” committees

## Office Investment aligned with a 1.5°C pathway



## Icade involved in regulatory discussions

- Energy renovation of office buildings by 2030
- Low-carbon label
- EU taxonomy



# ICADE SHARE : A MUST HAVE IN REITS EUROZONE LANDSCAPE

**Clear strategy** and strong governance

Office develop. pipeline : €2bn (Portfolio: €9.1bn) → **Potential value creation: €0.5bn**

Future value creation through **IPO of Healthcare division**

Appealing dividend yield : c **6%**

ICADE **outperforms** peers on midterm perspective

**Upside potential** due to current discount / NAV : -13 %



**.. IN AN OVER BUOYANT INTEREST RATE ENVIRONMENT**

# A strong platform for value creation

EPRA

12 ▪ 09 ▪ 2019

Pandox





Our business concept

# A flexible specialist

Pandox's core business is to own hotel properties and lease them to strong hotel operators

If these conditions are not in place, Pandox can choose to operate the hotel itself



Clear investment case

# Balanced risk

Good growth opportunities

Strong growth in the tourism and travel market

Low market share in the hotel property market

Strong market position

Pan-European position

Attractive partner in the hotel market

Balanced risk

Ability to act throughout the value chain

Diversified portfolio provides resilience



Strategic position

# A well-diversified portfolio



\*Per 30 June 2019, including recent acquisition in Germany and excluding planned divestment of Hotell Hasselbacken in Sweden at announced values (rounded percentages)



Sustainability

# Pandox Fair Play



Green  
Properties



Responsible  
Business



Guest  
Experience



Green  
Operations



Sustainable  
supply chains



Attractive  
Workplace



Contribution to  
local communities



# For presentations [www.pandox.se](http://www.pandox.se)

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Org.nr. 556030-7885



Growing

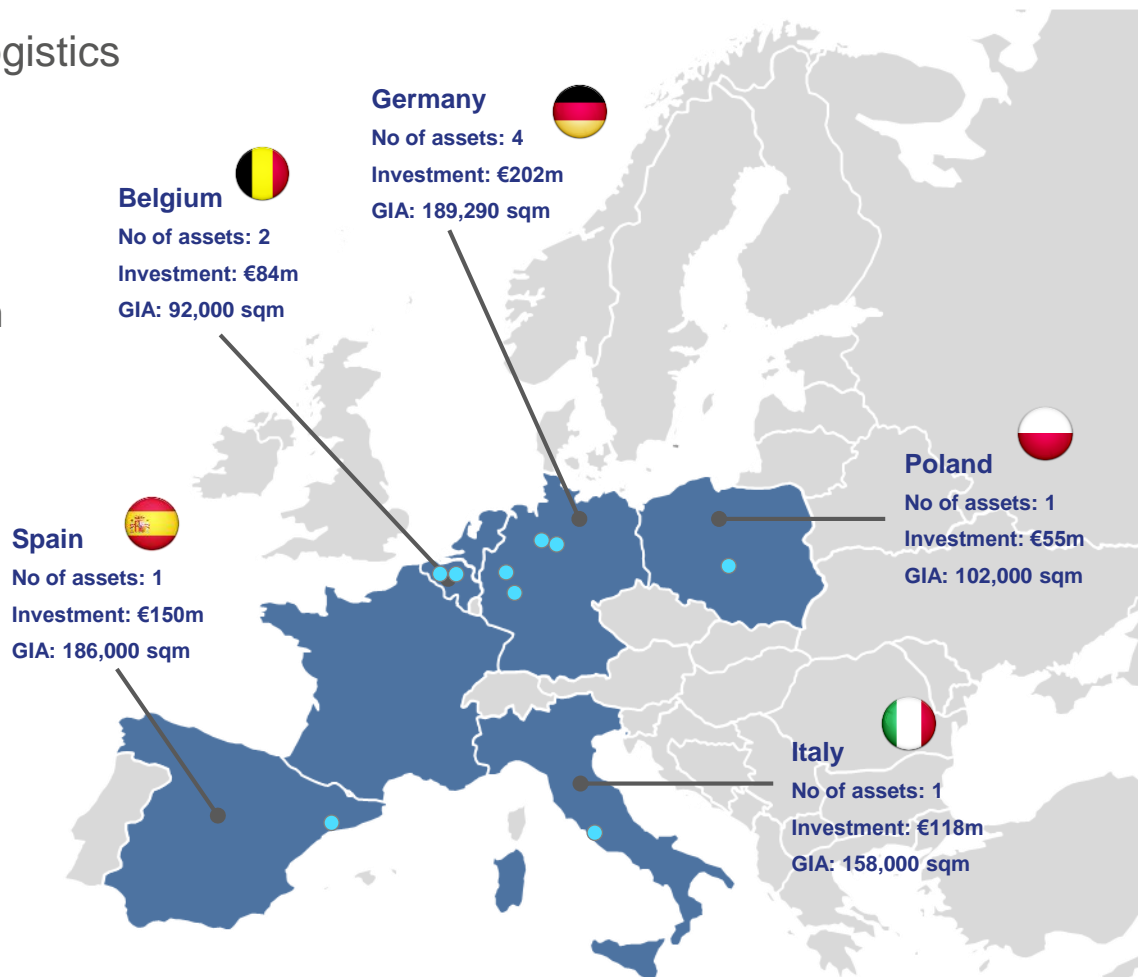
EPRA 2019



# Introduction



- We invest in the largest, best located logistics assets
- A focus on western Continental Europe
- Specialist managers, sector focus
- Sustainability is central to our approach
- Long term, resilient, growing income





# Why Big Box Logistics?



# Our Market

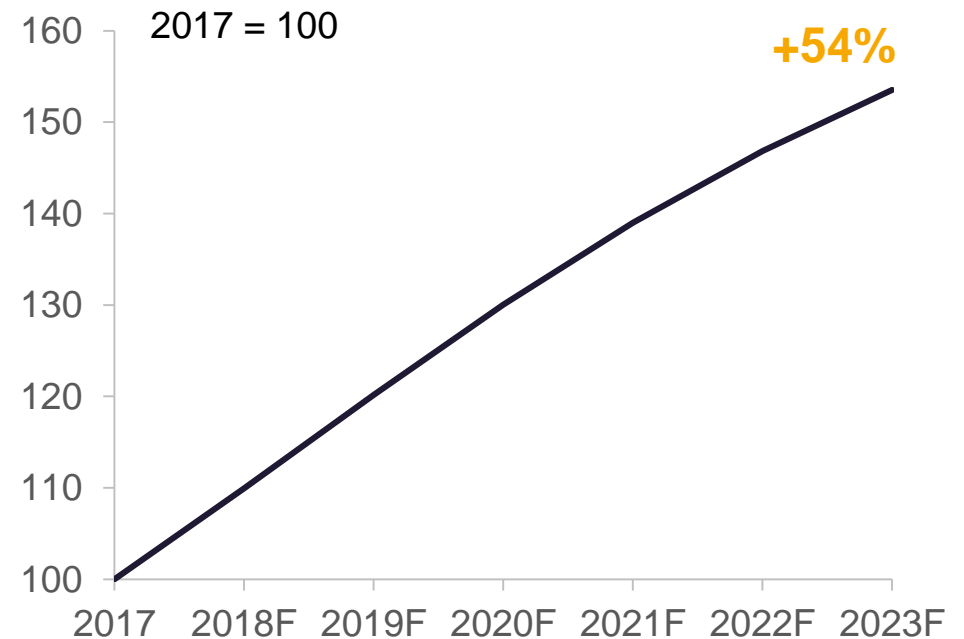
- Logistics is transforming
- Driven by online retailing
- Attractive supply/demand fundamentals
- Rents are growing



**3x** as much Big Box space is required for **online fulfilment** compared with store-based fulfilment

## E-Commerce Sales Western Europe

2017-2023 Forecast European E-Commerce Revenue Growth













# Sustainability



# Our sustainability approach

---



- We acquire and develop modern, sustainable assets
- We improve older assets
- These assets are integral to our tenants businesses
  - Improve energy efficiency
  - Provide attractive workspace for staff
  - Positive impact on community
- Minimise environmental footprint





Where are we today?



## Robust Capital Structure

€330m

IPO July 2018

€325m

Unsecured debt

€135m

Capital raise May 2019

## Delivering Performance

- Exploiting structural change
- Value from Tritax pan-European platform
- Strong asset management opportunities
- Positioned for scale
- Long term, high-quality income streams

## High Quality Portfolio

+ 9 assets

Acquired since IPO

€609 m

Portfolio value

5.1%

Portfolio average  
acquisition yield

100%

Income producing

727,000 sqm

Of large, well located  
logistics space

67%

Acquired off market







# Cedrik Lachance Green Street Advisors

## Retail





# 19

**DEMIRE Deutsche Mittelstand Real Estate AG**

**Company Presentation**

*EPRA Conference September 2019*



# Disclaimer

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Certain information in this document is based on management estimates. Such estimates have been made in good faith and represent the current beliefs of management. Management believes that such estimates are founded on reasonable grounds. However, by their nature, estimates may not be correct or complete. Accordingly, no representation or warranty (express or implied) is given that such estimates are correct or complete.

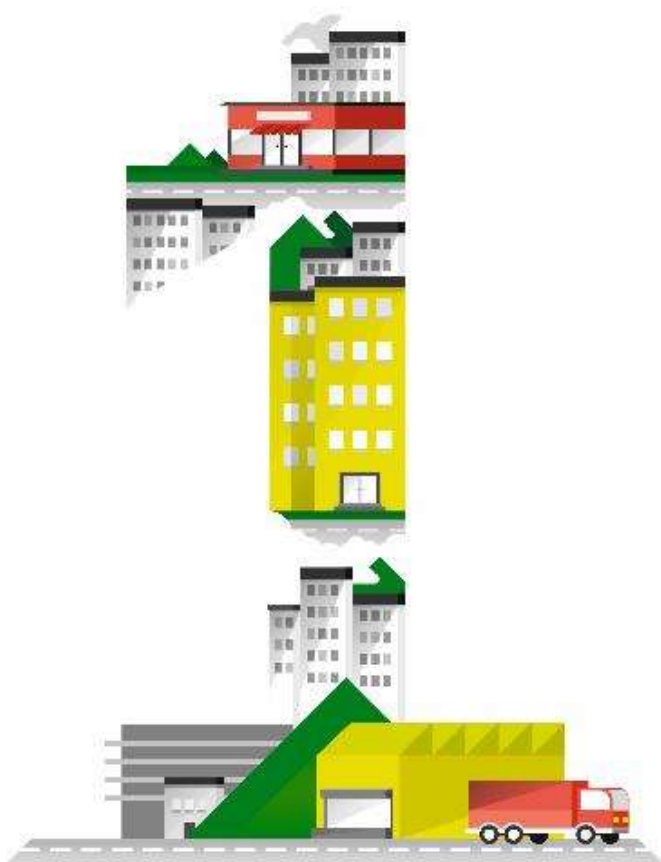
This document includes 'forward-looking statements'. Forward-looking statements are all statements which do not describe facts of the past but contain the words "believe", "estimate", "expect", "anticipate", "assume", "plan", "intend", "could", and words of similar meaning. These forward-looking statements are subject to inherent risks and uncertainties since they relate to future events and are based on current assumptions and estimates of the Company, which might not occur at all or occur not as assumed. They therefore do not constitute a guarantee for the occurrence of future results or performances of the Company. The actual financial position and the actual results of the Company as well as the overall economic development and the regulatory environment may differ materially from the expectations which are assumed explicitly or implicitly in the forward-looking statements and do not comply to them. Therefore, investors are warned to base their investment decisions with respect to the Company on the forward-looking statements mentioned in this document.



# DEMIRE at a Glance

## Applying the ABBA-Approach\*

DEMIRE is a leading German public real estate firm focused on office, retail and logistics properties across Germany generally in secondary locations (ABBA).



Sizeable € 1.4bn German commercial portfolio consisting of 92 assets

€ 87.4m contractual rent representing attractive 6.3% Gross yield

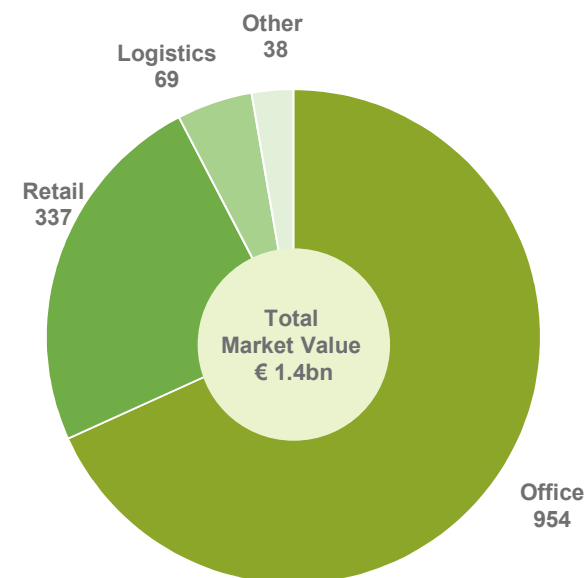
Potential and tenant focused active asset management approach

EPRA Vacancy rate at 10.3%, high quality tenant roster with 4.8 years WALT

Credit Ratings (BB/Ba2) from S&P and Moody's

### Diversified portfolio with office overweight

by Market Value in €m



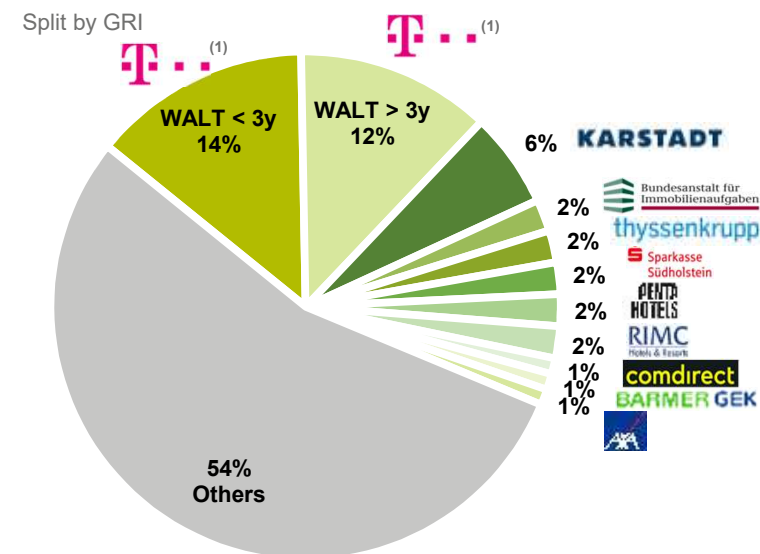
# Attractive € 1.4bn Commercial Portfolio

## Highly diversified Portfolio

### Diversified Portfolio in Densely Populated Regions

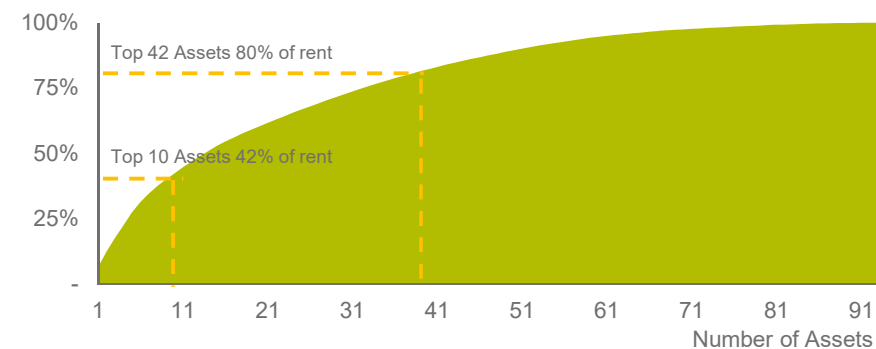


### Distribution by Tenant



### No Dependency on an Individual Asset

#### Rent Distributed Across Assets



(1) Lease contracts distributed over 17 properties incl. strategic assets like Telekom Campus in Bonn & Ulm

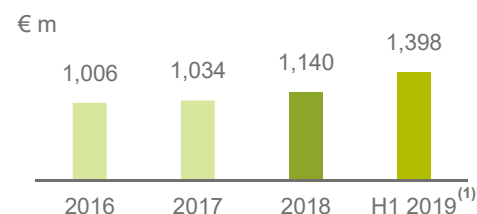


# Positive Development Across KPI's

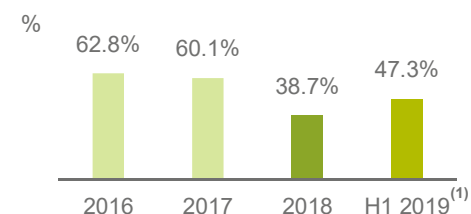
More Equity / Lower LTV / Higher Profitability

## Balance Sheet

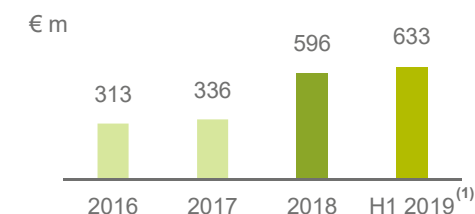
### Gross Asset Value



### Net-LTV

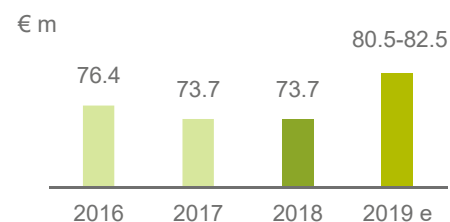


### EPRA Net Asset Value<sup>(1)</sup>

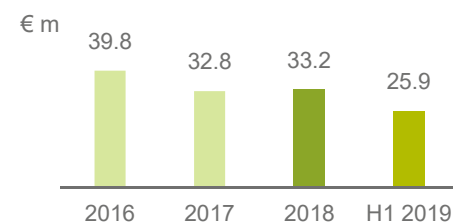


## P & L

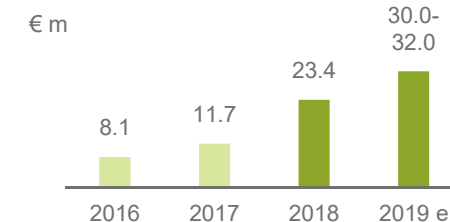
### Rental Income



### Adjusted EBITDA<sup>(2)</sup>

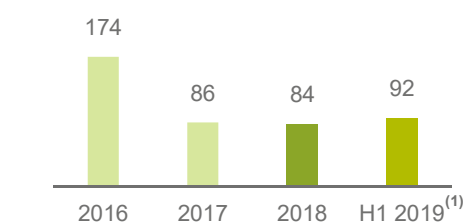


### FFO I<sup>(4)</sup>

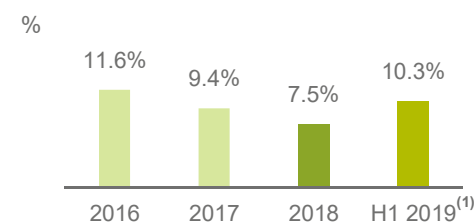


## Portfolio

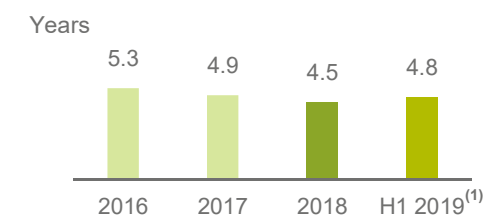
### Number of Assets



### EPRA Vacancy



### WALT



(1) As of H1 2019 pro forma incl. karstadt portfolio

(2) Diluted

(3) Excludes revaluations and sales, but includes majority of TIs which run through P&L

(4) After tax, before minorities

# Selected Retail Assets

## Kassel, Celle & Eisenhüttenstadt



### Kurfürstengalerie, Kassel

- » Shopping center located on a highly frequented area in the city center
- » Diversified tenant structure with a hotel, medical practices, food services and a casino complementing the shopping center

Acquisition date	May 2015
Market Value	€ 62.2m
Market Value per sqm	€ 2,892
GRI per sqm per month	€ 14.00
GRI yield	5.8%
Vacancy	9.5%
WALT	7.0 years



### Bergstraße 1, Celle

- » Only large department store in Celle
- » Located at the preferred shopping area in the center of the city
- » Secures long term cash flow due to long WALT and full occupancy

Acquisition date	July 2019
Market Value	€ 20.5m
Market Value per sqm	€ 1,157
GRI per sqm per month	€ 7.10
GRI yield	7.3%
Vacancy	0.0%
WALT	14.1 years



### Nordpassage 1, Eisenhüttenstadt

- » Biggest shopping mall in Eisenhüttenstadt, located in the city center
- » Revitalisation in 2016/17 accompanied by long term rental contracts for several tenants which leads to an excellent tenant structure

Acquisition date	Sep 1992
Market Value	€ 28.5m
Market Value per sqm	€ 977
GRI per sqm per month	€ 6.11
GRI yield	7.5%
Vacancy	35.8%
WALT	6.1 years



The background of the slide features a pattern of diagonal stripes in two shades of green and yellow. Overlaid on this is a white shape that resembles a sheet of paper with its top-right corner folded over. The word "Appendix" is printed in a bold, yellow-green font on the white surface.

# Appendix

## Recent Acquisition: Retail-Portfolio

Five Department Stores with strong Cashflows and long WALT – Closing effective 1 July 2019

Celle Bergstrasse 1 & 44-46	Goslar Rosentorstrasse 1	Memmingen Königsgraben 3	Offenburg Lindenplatz 3	Trier Simeonstrasse 46
				
Property Value € 20.5m	Property Value € 13.7m	Property Value € 11.8m	Property Value € 17.2m	Property Value € 7.8m
Lettable Area 17,715 sqm	Lettable Area 9,194 sqm	Lettable Area 12,609 sqm	Lettable Area 13,276 sqm	Lettable Area 18,433 sqm
EPRA-Vacancy 0.0%	EPRA-Vacancy 0.0%	EPRA-Vacancy 0.0%	EPRA-Vacancy 0.0%	EPRA-Vacancy 0.0%
GRI € 1.5m	GRI € 0.8m	GRI € 0.6m	GRI € 1.1m	GRI € 1.2m
WALT 13.8 years	WALT 17.0 years	WALT 13.8 years	WALT 13.8 years	WALT 13.8 years

Property Value € 71.0m	Total lettable Area 71,227 sqm	WALT 14.3 years	GRI € 5.3m	EPRA-Vacancy 0.0%
---------------------------	-----------------------------------	--------------------	---------------	----------------------



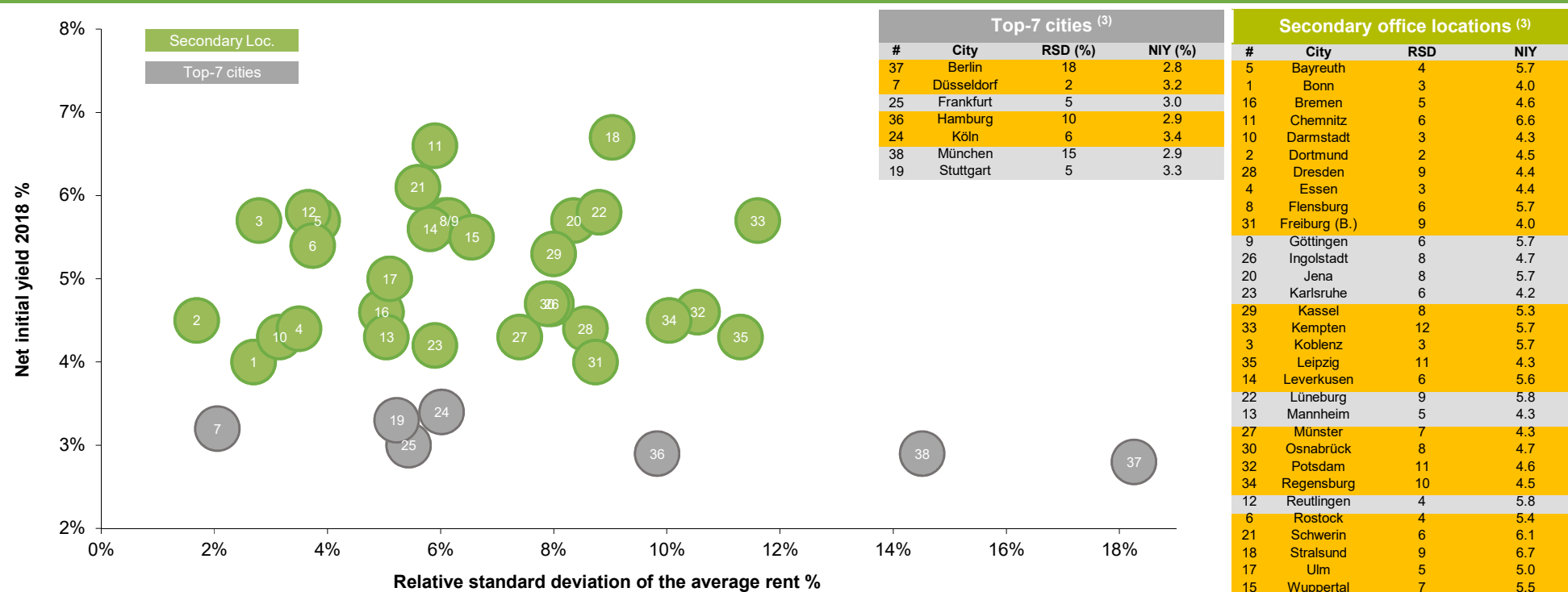
# Updated Risk/Return Profiles 2018

## Better Risk Adjusted Returns of Secondary Cities Compared to Top-7 Cities

### Secondary Office Locations Have Highly Stable Parameters at Higher Yields

- » Compared to Top-7 cities, many Secondary Locations offer significantly higher yield opportunities while their rental levels are no more volatile than the Top-7 cities
- » Secondary locations are generally characterised by little speculative building activity and higher tenant retention
- » Office demand in many of these locations follows a stable or upward trend, driven by increasing office employment and regional tenants with long-term business horizons

### Risk vs Return Representation<sup>(1)</sup>



(1) Indexed to 100, the standard deviation (average rent) refers to the period between 2009 and 2018; Source: Bulwiengesa

(2) Represents average yield for Class B-D cities as defined by Bulwiengesa  
(3) Orange marked cities are part of DEMIRE portfolio

# Highlights H1 2019

## Recent Acquisitions and strong operational Performance lead to Guidance Increase

### FFO & EPRA-NAV

- » **FFO I** (after taxes, before minorities) **significantly increased to € 15.9m** (H1 2018: € 11.4m)
- » **EPRA-NAV per share up to € 5.85** (diluted, +6.3% vs. 31 December 2018)

### PORTFOLIO

- » **€ 0.3bn growth to overall € 1.4bn** during the current year based on two acquisitions with nine assets
- » **Strong letting performance** with letting activities of c. **126,900 sqm** in H1 2019
- » **Increased rental income of € 38.2m** (H1 2018: € 36.6m) mainly due to recently acquired office portfolio
- » **WALT** across portfolio at **4.8 years**, including the recently acquired Karstadt portfolio
- » External portfolio valuation leads to **revaluation gains of c. € 29.1m**
- » **EPRA-Vacancy at 10.3%** incl. Karstadt portfolio
- » **Profit from rental up 13.9% to € 32.0m** due to meaningful operational improvements

### FINANCING

- » **Net-LTV** after refinancing activities at comfortable **44.3%** (31 December 2018: 38.7%) leaves further headroom
- » **Average cost of debt** lowered to **2.78% p.a.<sup>(1)</sup>**

### GUIDANCE

- » **2019 Guidance raised** as a result of a strong first half of the year:
  - » **Rental income € 80.5-82.5m** on current portfolio incl. recently acquired Karstadt portfolio
  - » **FFO I** (after taxes, before minorities) **€ 30.0-32.0m**, primarily related to recent acquisitions, operational improvements and lower financing costs

(1) Based on nominal interest



# Contact Details & Financial Calendar 2019



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Email: [ir@demire.ag](mailto:ir@demire.ag)

Web: [www.demire.ag/en/investor-relations](http://www.demire.ag/en/investor-relations)

## Financial Calendar 2019

03 September	SRC Forum Financials & Real Estate 2019, Frankfurt
23 September	Berenberg & Goldman Sachs German Corporate Conference, Munich
24 September	Baader Investment Conference, Munich
14 November	Interim Results Q3 2019
26 November	Deutsches Eigenkapitalforum 2019, Frankfurt

## Share Information<sup>(1)</sup>

Symbol / Ticker	DMRE
Share Price (XETRA)	€ 4.82
Market Segment	Prime Standard
ISIN	DE000A0XFSF0
Market Capitalisation	€ 519.5m
Free Float <sup>(2)</sup>	11.43%
Shares Outstanding	107,777,324

(1) As of 13 August 2019

(2) Holdings < 3%

# Tim Brückner

CFO



## „Passion for Real Estate“

- » **Since 2019**  
DEMIRE AG, Langen  
CFO
- » **2012-2019**  
Corpus Sireo Real Estate,  
Frankfurt am Main, Luxemburg  
Head of Portfolio Management,  
Managing Director
- » **2007-2012**  
Rothschild GmbH, Frankfurt am Main  
Vice President M&A Advisory
- » **2005-2007**  
HSBC Global Investment Banking,  
London  
Associate Global Advisory, M&A
- » **2003-2005**  
ING Investment Banking /  
ING BHF-BANK, Frankfurt am Main  
Analyst M&A
- » **2000-2002**  
BHF-BANK AG, Frankfurt am Main  
Analyst Mittelstandsberatung
- » **1998-2000**  
BHF-BANK AG, Frankfurt am Main  
Apprenticeship as a banker
- » **2000-2005**  
HfB – Hochschule für Bankwirtschaft /  
Frankfurt School of Finance &  
Management, Frankfurt am Main



# Retail panel

intu properties plc

# An introduction to intu - strong fundamentals



## Best centres in each region we trade

9/20

top UK centres<sup>1</sup>

## Strong footfall

400m

visits per annum

## Full centres

95%

occupancy

## World class service

78

average NPS

## First stop for global tenants



## Market innovator

1st

nationwide online shopping mall

## Loved brand

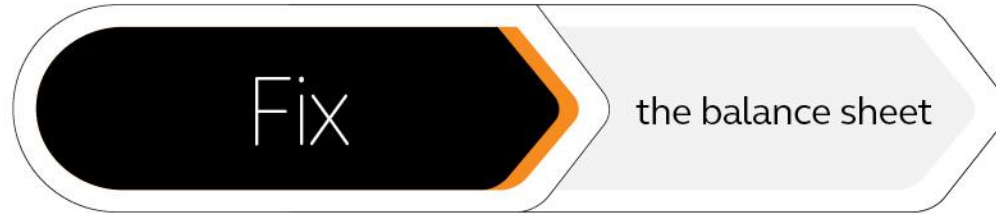
28%

unprompted awareness

1. Includes intu Milton Keynes, adjoined to the centre:mk and shopped as one destination



# intu's five year strategy



Act fast

Be brave

Promote wellbeing

# The store is not dying, it is evolving



## Store sales will grow

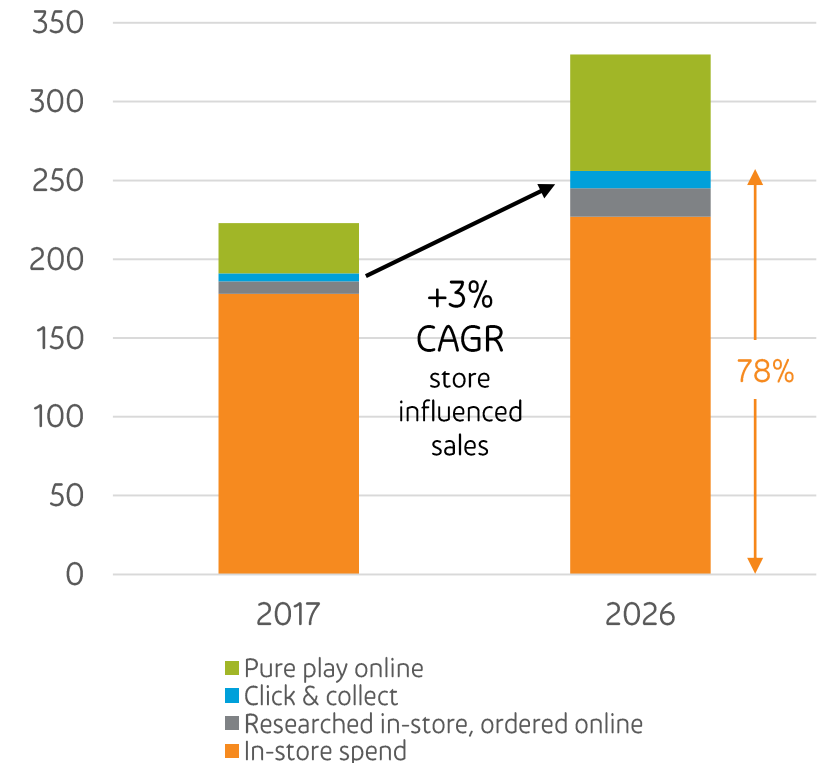
- Sales growth forecast both in-store and online
- Multichannel highlights the importance of the store
- Store consolidation leads to improved productivity

## Relationships will change

- Data will become increasingly important
- Open relationship with tenants is required

## Centres will offer more

- Deliver theatre and world class service
- Increasingly mixed use
- Serving the community and placemaking



Source: Tomorrow's World: Retail on the line (Revo)/Retail Landscape 2019 (CACI).



# Corporate responsibility



## Economic contribution

£4.8bn

gross value added

## Carbon intensity reduction

64%

2020 target<sup>1</sup>: 50%

## Waste diverted from landfill

100%

2020 target<sup>1</sup>: 99%

## Community programmes

1,400

people impacted



2018 EPRA Outstanding Contribution to Society Award winner

1. 2020 targets set against a 2010 baseline.

SEPTEMBER  
2019



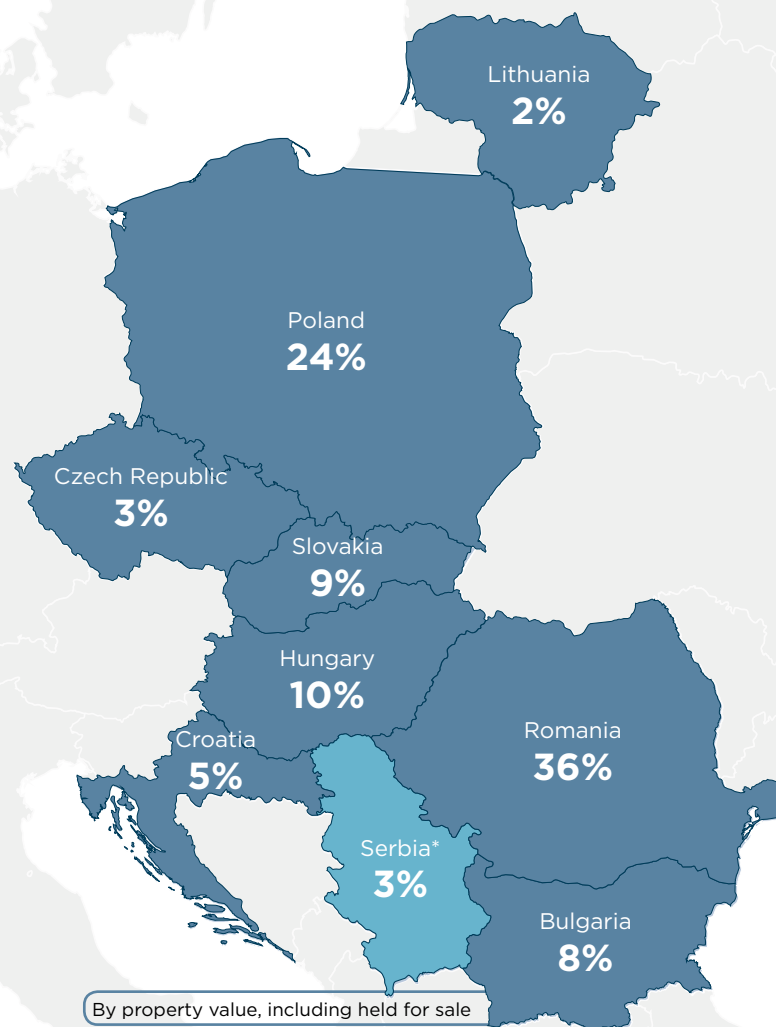
**NEPI  
ROCKCASTLE**



# Dominant portfolio by scale and geographical diversification

97% of the properties are located in EU investment-grade countries

- Premier owner and operator of commercial real estate, well geographically diversified across nine countries in Central and Eastern Europe (CEE) with strong fundamentals
- Investments in high-quality commercial real estate which benefits from strong fundamentals and growth prospects
- Highly experienced management team, operating an integrated platform which includes internalized key functions such as asset management, leasing, investment and development, and finance
- Active management of properties providing investors with sustainable and growing cash flows



Country	Property value (€m)	Rentable space (m²)	EPRA Occupancy rate (%)	Valuation yield (%)
Romania	2 114	885 600	98.8	7.3
Poland	1 378	465 300	94.6	6.1
Hungary	600	121 900	94.8	6.1
Slovakia	536	130 600	98.2	6.4
Bulgaria	483	161 500	97.9	7
Croatia	266	75 200	98.2	6.6
Czech Republic	172	73 900	98.8	5.9
Serbia	174	71 500	98.9	7.7
Lithuania	131	61 800	99.7	7.4
<b>Total</b>	<b>5 854</b>	<b>2 047 300</b>	<b>97.4</b>	<b>6.7</b>

**29.02**

€cents  
distribution per share

\*9.6% GROWTH COMPARED TO H1 2018

**73%**

Unencumbered assets

**€6.1bn**

Investment property value\*\*

**€133m**

Invested in land and  
developments

**32.5%**

Prudent loan-to-value

**2.6%**

EPRA vacancy rate

**2 million**

m2 GLA in 59 properties^

**99.9%**

Collection rate

**€7.26**

EPRA NAV per share

\*The full year guidance remains at 6%, with the higher H1 growth due to timing of accretive events which weigh more heavily during the first six months of the year.

\*\* Includes investment property value of Romanian offices held for sale, excluding carrying value of right-of-use asset related to leased land areas recognized as per IFRS 16

^ Includes Romanian office portfolio held for sale



# Strong performance indicators

Six months ended 30 June 2019



## Operational performance indicators

Net Rental and Related Income (NOI)	€200m
NOI growth (like-for-like)	6.2%
Weighted average remaining lease term	4 years
EPRA occupancy ratio	97.4%
Turnover/m <sup>2</sup> increase (like-for-like)*	7.1%
Tenants turnover growth (like-for-like)*	8.2%
Occupancy cost ratio**	13.4%

\* Like-for-like and exclude hypermarkets' sales, as they don't consistently report turnover data across portfolio.

\*\* Base rent, service charge and marketing contribution, divided by tenant sales; excluding hypermarket sales, which if included would have a decreasing impact.

## Financial performance indicators

Cost of debt	2.4%
Average remaining debt maturity	3.2 years
Long-term interest rate hedge coverage*	92%
EPRA earnings per share (eurocents)	28.69
EPRA net initial yield	6.64
EPRA 'topped up' net initial yield	6.71

\* Excluding revolving facilities.

# Sound Environmental, Social and Governance Approach

## Environmental

- Resource depletion
- Waste management
- Pollution control



## Social

- Local communities
- Employee relations and diversity
- Health and Safety
- Working conditions



## Governance

- Board diversity and structure
- Executive pay
- Compliance with rules and regulations
- Sustainable and responsible stakeholder relations



**ESG Risk** rated as **Low** (16.4/100) by Sustainalytics, a leading independent global provider of ESG ratings (April 2019). The Group is committed to improve its ESG Rating.

**ESG approach** revolves around the following practices:

- strong **focus on corporate governance** through adherence and compliance with King IV Report of the Johannesburg Stock Exchange and the Euronext Amsterdam guidelines
- relevant supporter and developer of the **communities** where it operates
- commitment to achieve the highest standards of **sustainability** and act as a responsible **corporate citizen**
- consistent application and **continuous improvement** of the ESG approach

## CSR campaigns

- **Save the bees. Together!** - children's day event in several shopping centres in Poland;
- **Don't Be Plastic** - aiming to rethink and reduce usage of plastic; and
- **The Empty Shop** - continued the initiative for clothes donation in Promenada Mall, Bucharest, in partnership with Red Cross foundation (62 tones of clothes donated).



More than **50%** of the assets have **BREEAM certification** that confirms they are **resource-efficient**. The company has set a goal of having all of its portfolio green certified by the end of 2022.







# Jan Willem Van Kranenburg Cohen & Steers

## Residential



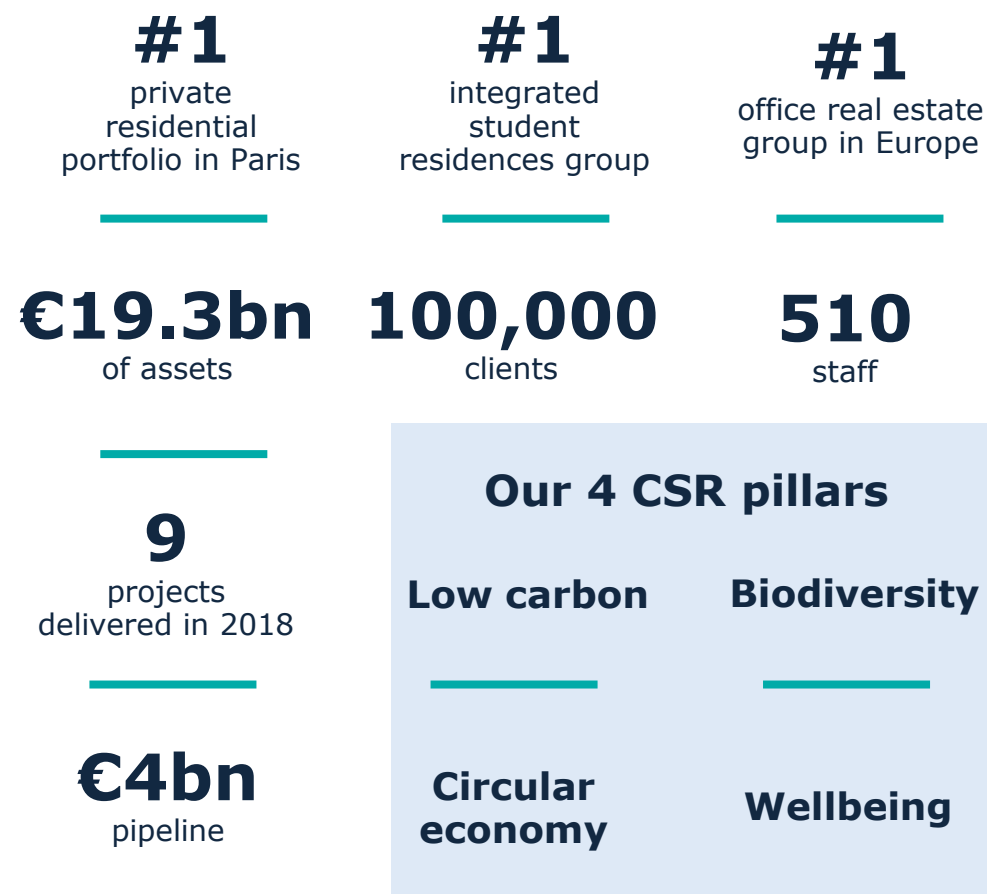




# A French real estate leader

**gec1na**

# Gecina, at the heart of urban life



**For the past 60 years, Gecina has designed, developed and operated** office and residential buildings at **the heart of cities**, closely aligned with **urban lifestyles**.

**Gecina supports all its clients and partners throughout their time in its properties.**



## Our selection of apartments for rent at the heart of the city aimed at middle-income households

**38 in operation (excl. assets to be sold)**

**5,350** apartments, **350,000** sq.m in operation

**€3.36 billion** portfolio  
- Including **€3 billion of traditional  
residential units**

**20,000** residents  
- Our typical resident profile: **young  
worker and family executives under the  
age of 45**

Average length of stay: **8 years**

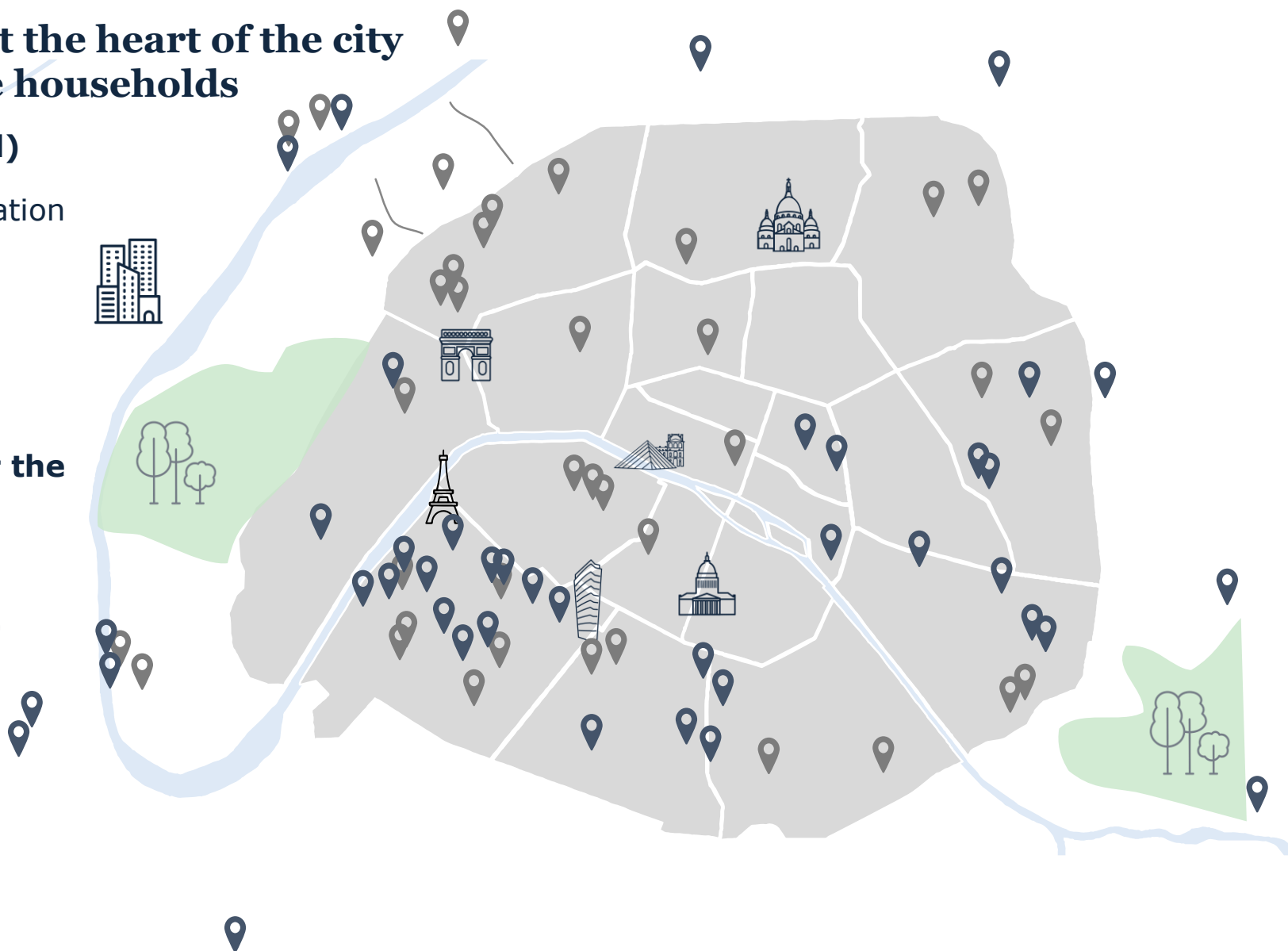
**120** staff (incl. nearly **50** superintendents)

**98%** satisfaction rate

Nearly **€400 million** of CAPEX, with €200  
million over 7 years for **renovation**

**€105m** of rent in 2018, <1% unpaid

**3.3%** net capitalization rate



## — Gecina, engaged in a world on the move



### METROPOLIZATION

Global phenomenon of metropolization, focused on centrality and diverse uses



### DIGITALIZATION

Digital revolution driving lifestyle transformations



### ECOLOGICAL TRANSITION

Energy transition and urgent climate issues to be addressed by everyone

**€22m**

invested in  
innovation  
in 2019

**PARIS&CO**  
**DEAMETER**

**FIFTH | WALL**  
**WILCO**

**HQE**  
BÂTIMENT  
DURABLE  
CERTIFIÉ PAR  
CERTIVEA






## Our residential strategy


### **OUR STRENGTH**

LONG-TERM PRIVATE  
INSTITUTIONAL OWNER AND  
OPERATOR

 We are committed to delivering outstanding service for our residents and our public and private partners


### **OUR CONVICTIONS**

BUILDINGS, CREATING LINKS  
AND EXPERIENCES

 We position human aspects as a core focus to conceive another approach to city living

### **OUR STRATEGY**

NEW RESIDENTIAL RENTAL  
OFFERING

 We continuously adapt our living spaces to lifestyles with very high environmental and service performance levels

— We are fully focused on our residents

**youfirst**



—  
**Proximity**  
**Superintendents**, a dedicated day-to-day contact in each of our residences



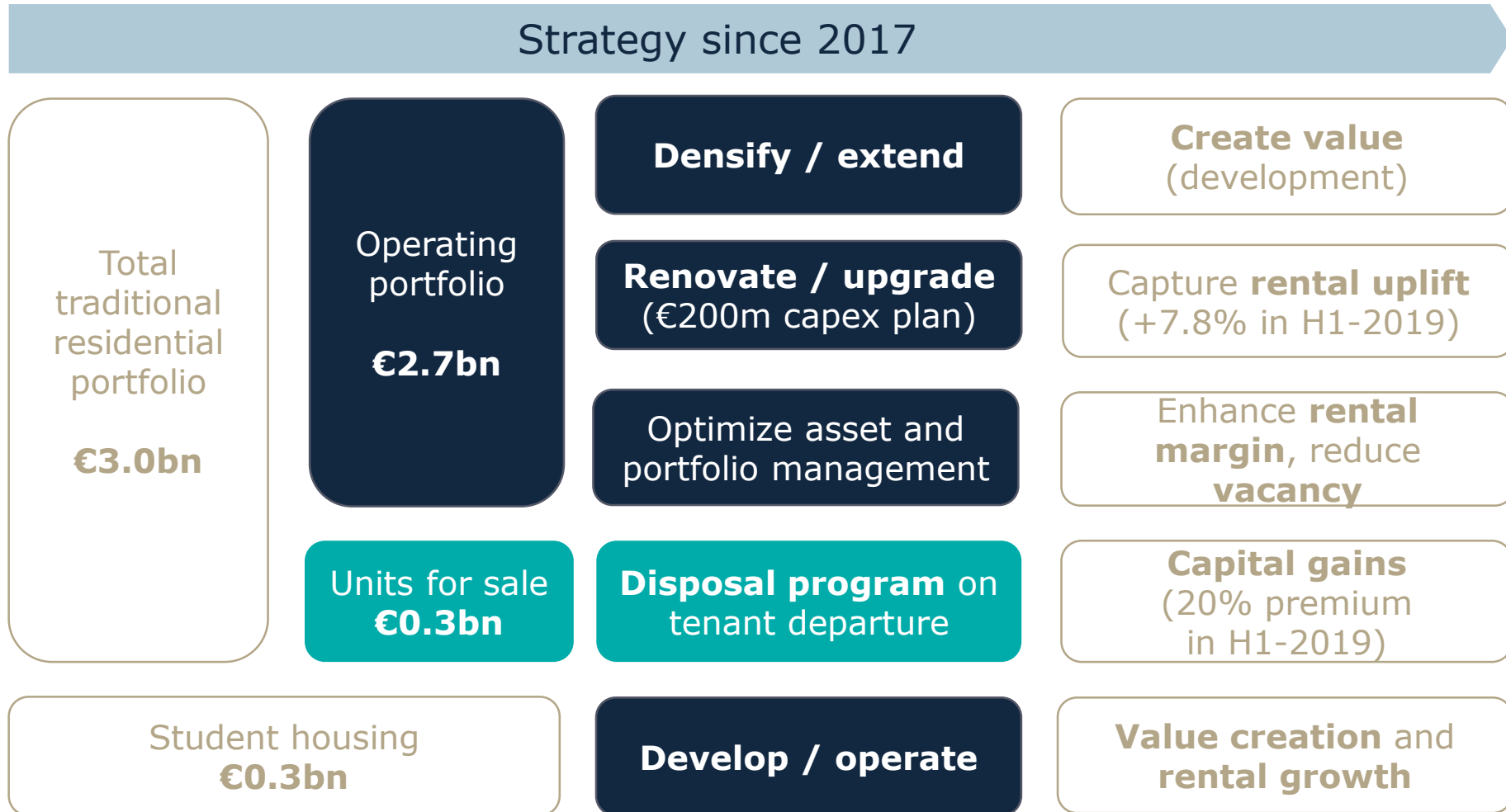
—  
**Quality**  
Living spaces continuously maintained by **our technical teams** and **local providers**



—  
**Simplicity**  
**Range of services** to make day-to-day life easier for our residents: vehicle charge points, breakdown services, events and activities in residences...



## New strategic drivers since 2017





# Kojamo – Largest residential real estate company in Finland

**100%**

residential  
portfolio

**72%**

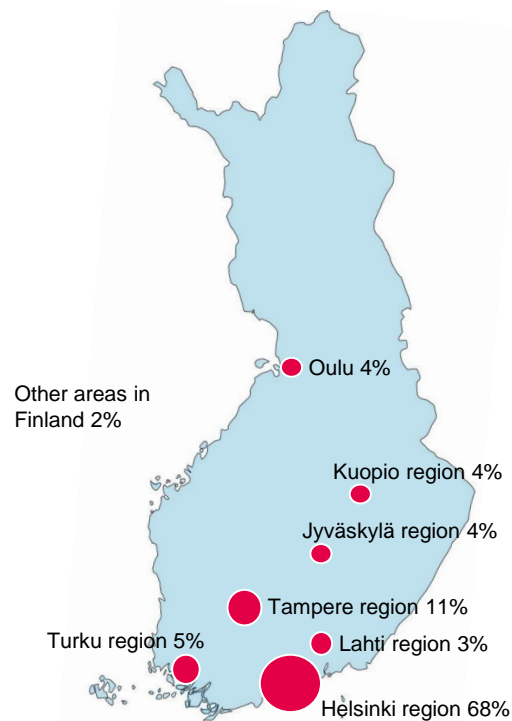
of portfolio  
studios and one-  
bedroom  
apartments

**5.3**

EUR Bn, fair  
value of  
investment  
properties

- Kojamo focuses on the seven Finnish growth centres and high-quality rental apartments, marketed under the Lumo brand
- Target to increase value of the investment portfolio to EUR 6 billion by the end of 2021 by building, converting, renovating and acquiring properties
- Strong role in digital transformation of the housing industry

Kojamo's portfolio as at 30 June 2019



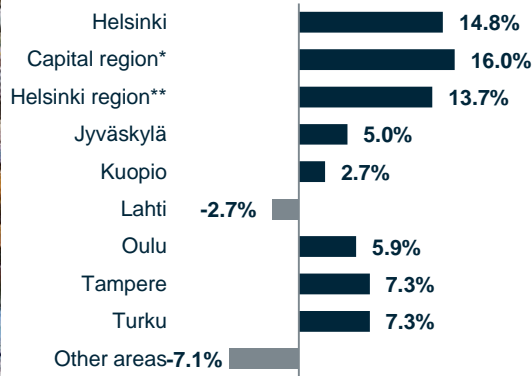




# We respond to the opportunities megatrends create

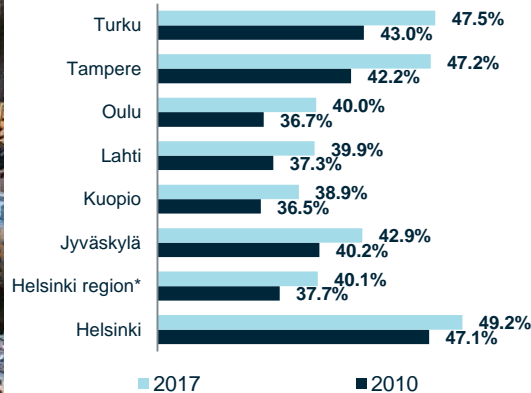
Urbanisation in Finland is lagging behind Western European countries. The population growth is expected to focus in Finnish growth centres.

## Population growth forecast 2017–2030



An increasing number of people choose rental housing of their own accord. Those who move to growth centres increasingly see rental housing as an easier, safer and more flexible choice

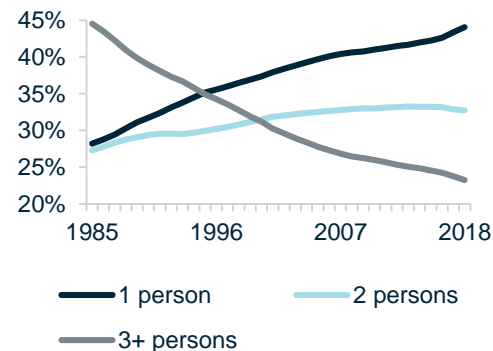
## Development of rental household-dwelling units (% of all households)



The growing demand for services is also reflected in living preferences.

Living-related needs can be increasingly satisfied by services instead of owning

## Development of household sizes (% of all households)





# Lumo builds customer experience in a new way

## Services of a new customer



**Lumo**  
webstore



**Personal open house**

0–  
250 €

**Affordable security deposit**



**Move and installation service**



**Pets are welcome**



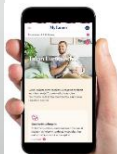
**Broadband included in rent**



**Interior paints for free**

**Key courier service**

## Services during tenancy



**My  
Lumo**

**post**  
SmartPOST

**LEANHEAT**



**Lumo janitors**



**Benefits from partners**



**Personal trainer**



**Car-sharing**



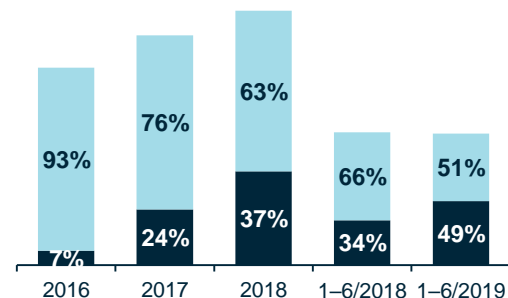
**Customer service center**



**Versatile events for tenants**

**Easy pick up service  
Installation service**

Share of Kojamo's new agreements by channel\*\*



■ Agreements by application

■ Agreements from webstore





# Sustainability is visible in our every day life

**29,000**

apartments' indoor  
temperature controlled by  
Leanheat's IoT solution

**Eco-friendly  
motoring**

– shared cars in use of  
Lumo tenants

**All of**

new construction projects  
utilising own plot reserves  
nearly zero-energy  
buildings in accordance  
with FInZEB concepts and  
guidelines

**Anti-grey  
economy  
models**

exceed legislative  
requirements

**7.5%**

savings targeted to be  
reached by 2025 according  
to Rental Property Energy  
Efficiency Agreement

**2<sup>nd</sup> place**

in the Responsible  
Summer Job competition in  
the category of large  
companies

**All of**

Kojamo's premises  
included or becoming a  
part of WWF Green Office  
network

**Members of**

Climate Leadership  
Coalition that aims at  
carbon neutral operations  
that utilise natural  
resources in a sustainable  
way





# CREATING THE LEADING NORDIC SOCIAL INFRASTRUCTURE PROPERTY COMPANY

EPRA 12 Sep 2019





# COMPANY OVERVIEW

- SBB was founded in 2016 and is a property company with a main strategy to own and manage **low-risk social infrastructure properties** in the Nordics and **rent regulated residential properties** in Sweden
- Business model based on long-term ownership and underpinned by
  - Properties in **macroeconomically solid countries**; Sweden, Finland, Norway and Denmark
  - Strong tenant base** with 91 per cent of rental income coming directly or indirectly from **state and municipality and residential**
  - High occupancy rate** and **long lease durations**
- Officially rated by **S&P (BBB-, CreditWatch Stable)** and **Fitch ratings (BBB-, Rating Watch Stable)**
- Delivering income **from property management, from renovations, from social infrastructure building rights and transactions**



Property value  
SEKbn  
**30.3**

## Norway

Market Value 10%

Area, sqm 82,307

## Denmark

Market Value 1%

Area, sqm 23,616

## Finland

Market Value 5%

Area, sqm 65,174

## Sweden

Market Value 84%

Area, sqm 1,626,340

## KEY RATIOS – 30 June 2019

RENTAL INCOME  
SEKM<sup>2)</sup>

**1,999**

NOI  
SEKM<sup>2)</sup>

**1,362**

CAGR (%),  
growth in EPRA  
NAVps H1-17/  
H1-19

**37.1**

WAULT<sup>3)</sup>  
YEARS

**7**

LTV<sup>4)</sup>  
%

**43**

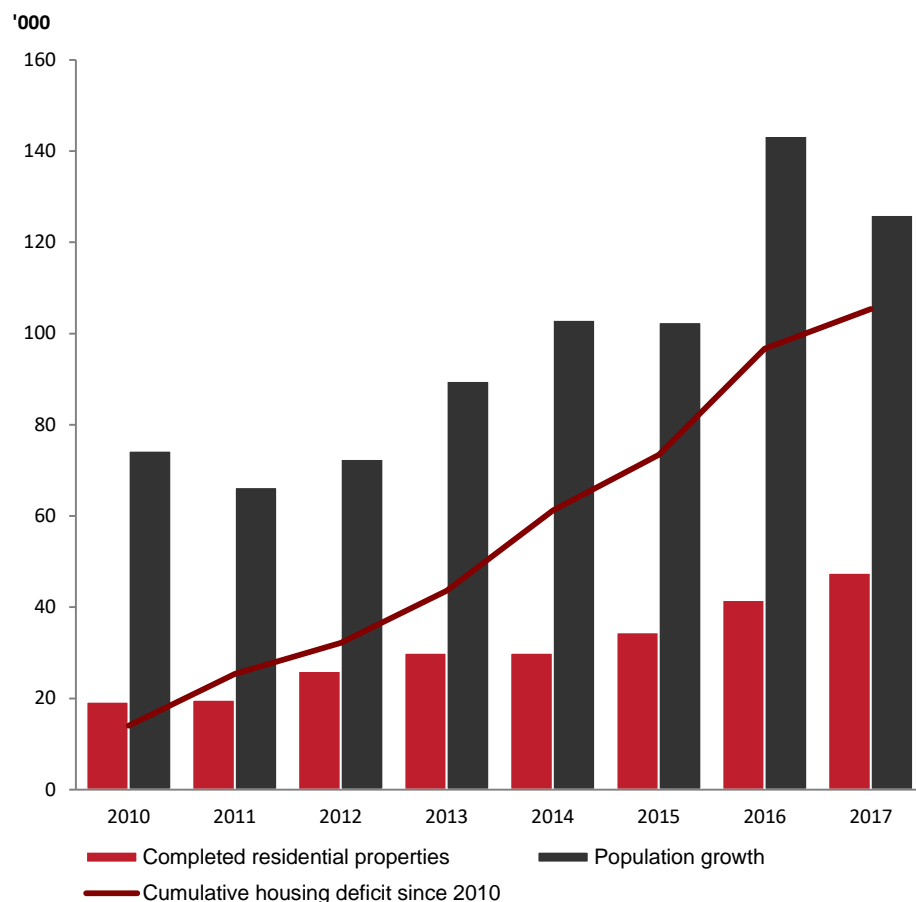
Occupancy rate  
%

**95.4**

• 1) As of 30 June 2019. 2) Current earnings capacity for the Group for 12 months given the real estate portfolio, financial costs, capital structure and organisation. 3) Weighted average unexpired lease term for social infrastructure. 4) Including subordinated hybrid notes. All figures in this presentation are for the Group as of 30 June 2019, if not otherwise stated.

# SBB OPERATES IN THE ATTRACTIVE SWEDISH RESIDENTIAL RENTAL MARKETS

## Growth in Swedish residential properties

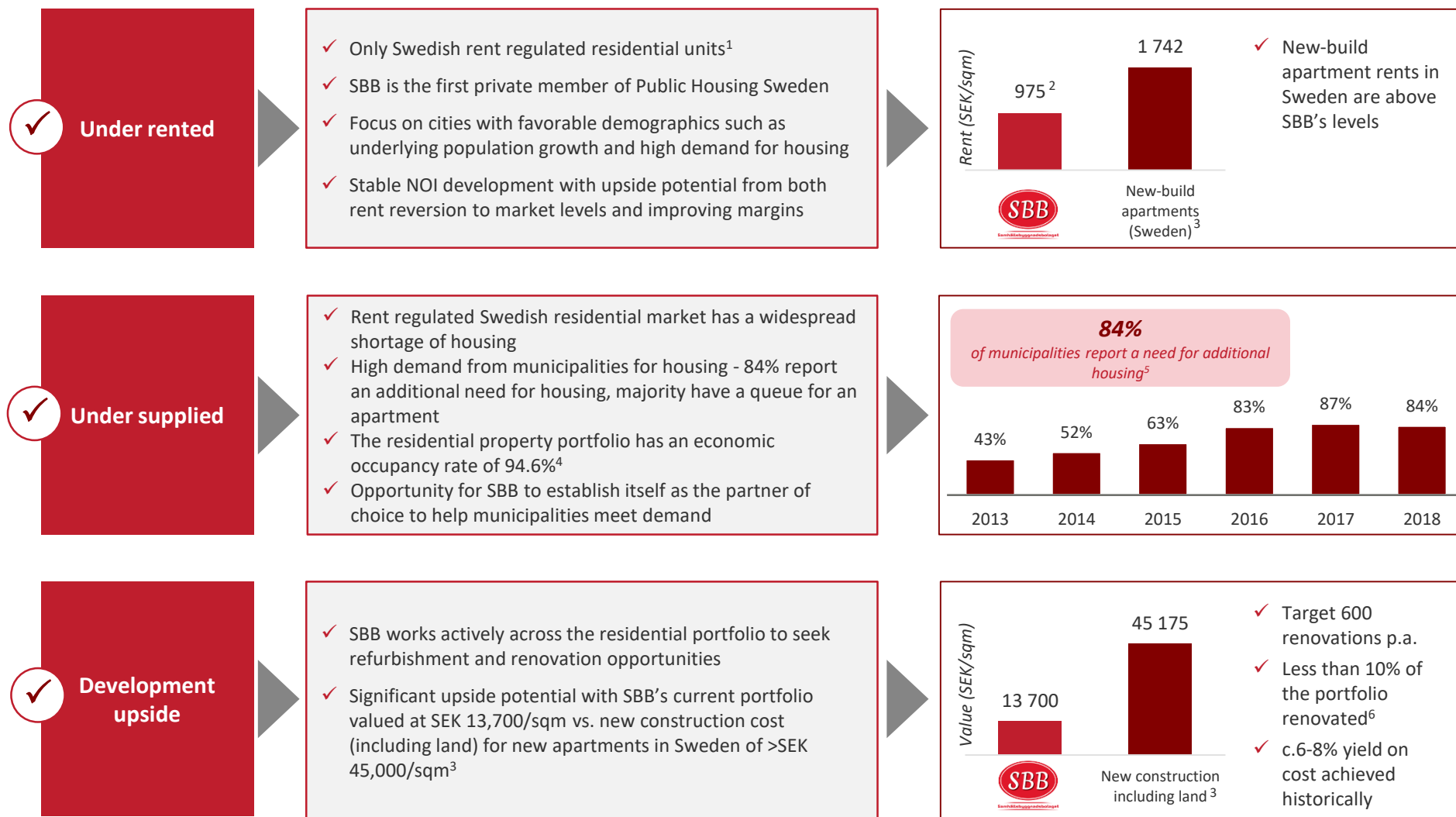


## Regulated Swedish residential market

- Rents in the Swedish residential market are regulated
- It is based on the 'Utility Value System' of the apartment and negotiations between the landlord and a tenancy union
- This means that rental levels are **not able to be freely set**
  - Rental levels are set as a result of the **apartment's standard and equipment**
  - Rent needs to be **set in comparison with similar flats in similar areas**, taking into account proximity to the city centre, shops, schools and transportation
- Rent levels are likely **lower than the level the market would determine** independently and the **actual willingness-to-pay of the tenants**
- The Union of Tenants negotiates rents for most tenants in Sweden
- Due to the regulated market creating queues for housing, the vacancy risk is almost non-existent
  - Demand for housing in Sweden is large and the average queue for a rental apartment in Sweden was c. 3 years in 2014<sup>1</sup>, and c. 10 years in Stockholm
  - At the end of 2018, 640,000 people were in the Stockholm housing queue
- Lagging construction has contributed to the excess demand
- In a survey carried out by the National Board of Housing, Building and Planning in May-18, **243 of the 288** participating **municipalities** assessed that there is **shortage of housing** in their municipality

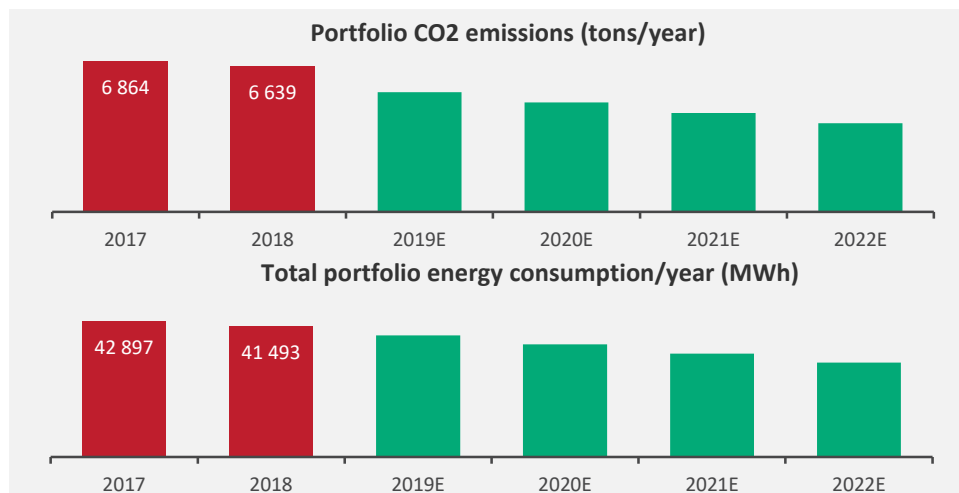


# RESIDENTIAL PORTFOLIO PROVIDES SIGNIFICANT GROWTH AND VALUE ENHANCING OPPORTUNITIES THROUGH A RANGE OF ACTIVE ASSET MANAGEMENT INITIATIVES

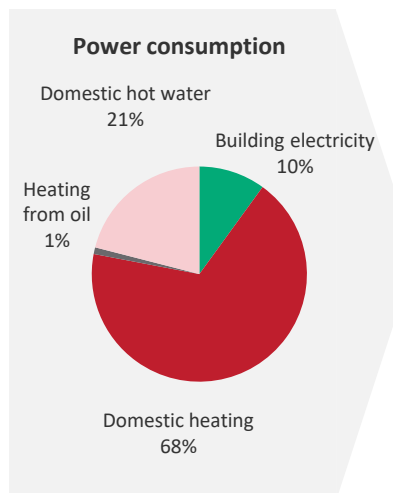


# SUPPORTING THE TRANSITION TOWARDS A MORE SUSTAINABLE WORLD

## Focus on reducing CO<sub>2</sub> within the property portfolio



## Environmental initiatives employed



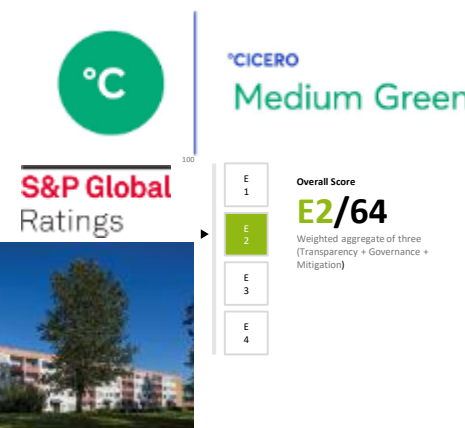
- A definite environmental perspective should permeate all of SBB's properties
- Prioritize real estate development in **best communication nodes** for track based traffic
- In 2017 follow-up, mapping and selection of areas to be able to **reduce CO<sub>2</sub> emissions**
- Core focus to decrease CO<sub>2</sub> emissions by at least **400 tonnes per year between 2018-2023**

## Social engagement

- SBB prioritizes **social efforts for young people**, among others we support different activities for youths with disability, projects for integration through sports and give economic support to some of those that can not afford to participate in sports summer camps.
- The company is offering **summer jobs (~100)** to youths living in SBB's residential areas which connects **all of the dimensions of sustainability**:
  - *Nicer external environments in SBB's residential areas*
  - *Reduce wastage of our shared resources*
  - *Contribute to our long-term operating net profit and creates a link to the youth employment in the market*
- The company is a proud to actively contribute to **Mentor Sverige** 
- **Employees** are SBB's most important assets. It is through the employees' involvement, development and competence that the corporate culture thrives

## Case study – Tellus 1, Motala

- SBB has initiated investments in a unique project that will decrease CO<sub>2</sub> emissions by 75% in a residential area with 476 apartments in Motala, Sweden
  - Expect to achieve a reduction of CO<sub>2</sub> by using heat pumps and heat recovery from exhaust air and wastewater
  - Cooperation with Watts2You<sup>1</sup> to develop solar energy modules that can be used to operate our heat pumps
  - Expect to decrease energy consumption by at least 50%
- Tellus 1, Motala**





# EXAMPLE OF PARTNERSHIP WITH MUNICIPALITIES - SKELLEFTEÅ MUNICIPALITY

Comments
<ul style="list-style-type: none"><li>▪ Established a partnership with the municipality of Skellefteå regarding a new culture house and including a congress hall</li><li>▪ Skellefteå is one of the richest municipalities in Sweden and have decided to invest in a new culture house to improve the quality of the local area</li><li>▪ Over the coming years, the company Northvolt will invest more than SEK 30 billion in the municipality to create the world's greenest battery factory</li><li>▪ Skellefteå will take full responsibility for designing the building as well as for any potential cost overruns in the development</li><li>▪ The municipality decided to dispose of the asset due to their internal debt limitations, which all municipalities have, meaning that the municipality has restrictions on how much of their own balance sheet they can invest</li><li>▪ The building, designed by White architects, will be one the tallest buildings in the world and constructed entirely from wood</li><li>▪ As a part of the partnership a 50 year lease contract has been signed between SBB and the municipality, the contract is fully linked to CPI</li><li>▪ The municipality will take full responsibility for the property management of the property, whilst SBB together with the municipality will produce a maintenance plan for the next five years, which the municipality will follow</li></ul>



Summary	
Number of properties	1
Property name	Skellefteå Perseus 6
Leasable area	Approx. 25 000 sqm
Municipality	Skellefteå
County	Västerbotten



THANK YOU!

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**Samhällsbyggnadsbolaget**

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