

Media release/ Marketing notification

Scope affirms AA+ asset management rating for Real I.S.

Munich, Germany, 19 October 2023 – Real I.S. AG has once again received AA+ asset management rating (AMR) from Scope Analysis GmbH (Scope). This represents Scope's continuing recognition of the very good quality and the high level of expertise in asset management at Real I.S.

“The consistently positive rating from Scope confirms the resilience of Real I.S. against the backdrop of the changing general conditions in the market. We have assets under management of nearly 13 billion euros and are active in many areas of the market, from Finland to Portugal and in Australia. So we are well positioned. We will continue to expand our portfolio. In Ireland, we have recently established a branch office. We mostly invest in ‘core’ and ‘core plus’ real estate in very good or good locations. At 97.3 percent, the occupancy rate of our properties is pleasingly high, thanks to our intensive asset management activities,” sums up Jochen Schenk, Chief Executive Officer of Real I.S. AG.

The AA+ rating is based on Scope's assessment of a very high sector expertise of the company's Management Board and the second management level, as well as the managers' length of service, which is above average. The rating agency also praised the very high level of quality of the investment processes based on in-house research and the institutionalised risk management of Real I.S. The above-average performance of asset management, in particular, is one of the key factors that enable a consistently high occupancy rate, according to Scope.

The rating agency also highlighted the very stable revenue base and high fixed cost coverage, as well as the consistently positive trend in key financial ratios over many years, such as return on equity and return on sales and the cost/income ratio.

Special recognition was also given to Real I.S.'s commitment to environmental, social and corporate governance (ESG) principles. 75 percent of the aggregate portfolio was classified as a financial product under Article 8 of the EU Sustainable Finance Disclosure Regulation (SFDR) as at 31 August 2023. Scope is of the opinion that the excellent access to German savings banks and the many years of experience in the Australian business are unique selling points of Real I.S. Group.

The rating agency wrote: “The commitment is of particular importance given the interest rate

trend and the challenging environment for indirect property investments, especially for institutional investors.”

The average internal rate of return (IRR) after taxes of the eleven institutional investment vehicles of Real I.S. stood at 5.5 percent at the end of 2022. On account of this background, Scope saw the financial year 2022 as a positive year for Real I.S. AG, despite a challenging market environment: “Return on equity increased from 58.5 percent to 68.9 percent and return on sales grew by 6.0 percentage points to 41.1 percent. The cost/income ratio improved from 67.6 percent to 65.0 percent,” wrote Scope.

Moreover Real I.S. managed to increase its assets under management from 12.4 billion in 2021 to 13.1 billion euros in 2022. Real I.S. was able to raise the occupancy rate from 96.7 percent to a ‘very convincing’ percentage of 97.3 percent. The weighted average unexpired lease term (WAULT) was 6.4 years as at 31 December 2022.

Overall performance to date (average distribution after tax) of all 49 retail real estate funds, including liquidated investment funds, launched by Real I.S. in Germany and other countries stood at 3.86 percent per year at the end of 2022, which represents a decline of 0.15 percentage points year on year. The average of all individual mandates and club deals in 2022 was 5.0 percent. Scope considered the recently reduced performance to be sound within the context of the investment strategy of Real I.S. The rating agency highlighted the fact that Real I.S. invests predominantly in ‘core’ and ‘core-plus’ properties in good or very good locations, which could have a stabilising effect in the current market conditions.

About the Real I.S. Group

The Real I.S. Group has a track record of more than 30 years as BayernLB’s fund provider specialised in real estate investment. As a member company of the Sparkassen-Finanzgruppe (German savings banks group, Land central banks and associated companies), the Group ranks among the leading asset managers in the German market. Along with alternative investment funds (specialised institutional AIFs and closed-ended retail AIFs) and an open-ended retail real estate investment fund, the range of products and services comprises customised investment fund solutions, club deals, joint ventures and asset management mandates for institutional clients. More than 75 percent of the aggregate portfolio is classified as a financial product under Article 8 of the EU Sustainable Finance Disclosure Regulation. Real I.S. Property Management GmbH completes the range of services. The company has assets of around EUR 13 billion under management. The Real I.S. Group has two licensed investment management companies (KVG) established under the German Investment Code (KAGB) and offices in France, Ireland, Luxembourg, the Netherlands, Spain and in Australia. More information is available on the company's websites at www.realisag.de or www.realis-australia.com.au

Your contact:

Real I.S. AG
Innere Wiener Strasse 17
81667 München
Germany

Dirk Böckenhoff

phone +49 (0)89 489082 283
fax +49 (0)89 489082 295
email dirk.boeckenhoff@realisag.de

Birgit Lehmann-Schraut

phone +49 (0)89 489082 226
fax +49 (0)89 489082 295
email birgit.lehmann-schraut@realisag.de