



1Q2018 Results Presentation

10 May 2018

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About
IREIT
Global

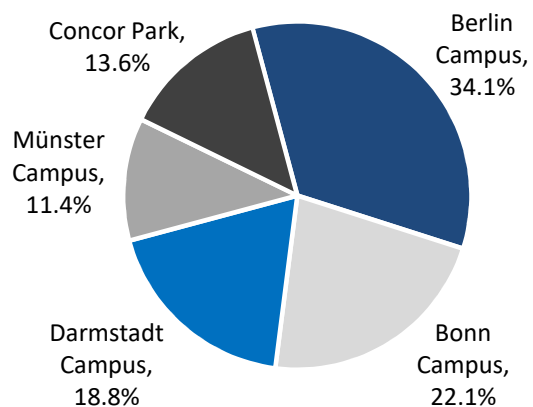


About IREIT Global

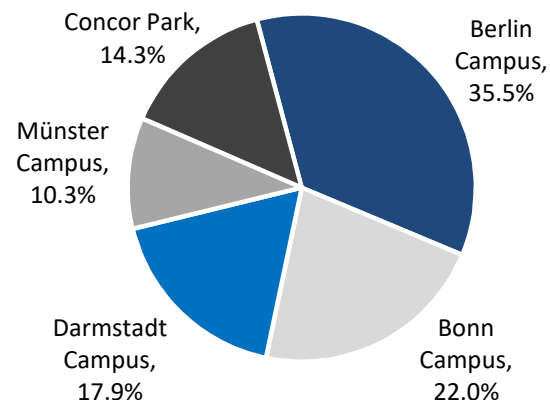
First Singapore-listed REIT with Europe-focused Mandate

Investment Mandate:	Principally invests, directly or indirectly, in a portfolio of income-producing real estate in Europe which is used primarily for office, retail and industrial (including logistics) purposes, as well as real estate-related assets
Current Portfolio:	5 freehold office assets in Germany, with total NLA of c.200,700 sqm and valuation of €463.1m
Manager:	IREIT Global Group Pte. Ltd., an 80%-owned subsidiary of pan-European asset management and investment group Tikehau Capital
Distribution Policy:	At least 90% of annual distributable income; distributions to be made on a semi-annual basis

2017 Gross Rental Income by Property



Valuation as at 31 December 2017





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Key
Highlights
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Key Highlights

- **Gross revenue for 1Q2018 decreased 2.0% y-o-y to €8.6m; net property income decreased 1.9% y-o-y to €7.7m**
 - ✓ Due mainly to lower rental income from Münster South Building following vacation of one floor with effect from Apr 2017, finalisation of prior year's service charge reconciliation, and increase in non-recoverable repair and maintenance expenses
- **1Q2018 DPU at 1.46 Singapore cents, 1.4% higher y-o-y**
 - ✓ In line with distribution policy of at least 90% of IREIT's annual distributable income
 - ✓ Lifted by more favourable average foreign currency exchange rates
- **Sound portfolio metrics**
 - ✓ Portfolio occupancy rate remained unchanged q-o-q at 98.3%
 - ✓ Supported by a long WALE of 4.8 years as at 31 Mar 2018
- **Healthy aggregate leverage of 40.5%**
 - ✓ IREIT made the third quarterly partial loan repayment of €1.275m in Feb 2018, leaving last scheduled partial repayment due in May 2018
 - ✓ The remaining principal of €18.5m after the full debt amortisation schedule has been extended by two years to Aug 2020

Operating & Financial Performance

(€ '000)	1Q2018	1Q2017	VARIANCE (%)
Gross Revenue	8,579	8,758	(2.0)
Property Operating Expenses	(852)	(878)	(3.0)
Net Property Income	7,727	7,880	(1.9)
Income Available for Distribution	6,316	6,503	(2.9)
Income to be Distributed to Unitholders	5,684	5,852	(2.9)

- Gross revenue and distributable income decreased marginally due mainly to lower rental income from Münster South Building as a result of the vacant floor with effect from Apr 2017, finalisation of prior year's service charge reconciliation, and increase in non-recoverable repair and maintenance expenses for the upkeep of one of the properties

Distribution Per Unit

Distribution per Unit	1Q2018	1Q2017	VARIANCE (%)
Before Retention			
- € cents	1.00	1.04	(3.8)
- S\$ cents ¹	1.63	1.61	1.2
After Retention			
- € cents	0.90	0.93	(3.2)
- S\$ cents ¹	1.46	1.44	1.4

- DPU in S\$ terms was lifted mainly by more favourable average foreign currency exchange rates between the € and S\$¹
- 1Q2018 DPU translates to an annualised distribution yield of approximately 7.4%²

¹ The DPU in S\$ was computed after taking into consideration the forward foreign currency exchange contracts entered into to hedge the currency risk for distribution to Unitholders and is for illustrative purpose only. IREIT makes distributions on a semi-annual basis based on its half-yearly results and the next distribution will be for the period from 1 Jan 2018 to 30 Jun 2018

² Based on IREIT's closing unit price of S\$0.79 as at 29 Mar 2018 (last trading day of Mar 2018)

Financial Position

€ '000	AS AT 31 MAR 2018	AS AT 31 DEC 2017
Investment Properties	463,100	463,100
Total Assets	480,468	486,755
Borrowings	194,287	195,476
Total Liabilities	211,258	218,064
Net Assets Attributable to Unitholders	269,210	268,691
NAV per Unit (€/unit) ¹	0.43	0.43

¹ The NAV per Unit was computed based on net assets attributable to Unitholders as at 31 Mar 2018 and 31 Dec 2017, and the Units in issue and to be issued as at 31 Mar 2018 of 629.3m (31 Dec 2017: 628.0m)

Capital Management

- ~89.8% of borrowings at fixed interest rates – mitigates volatility from potential fluctuations in borrowing costs
- Last partial repayment of €1.275m relating to short-term loan facility by HSH Nordbank due in May 2018

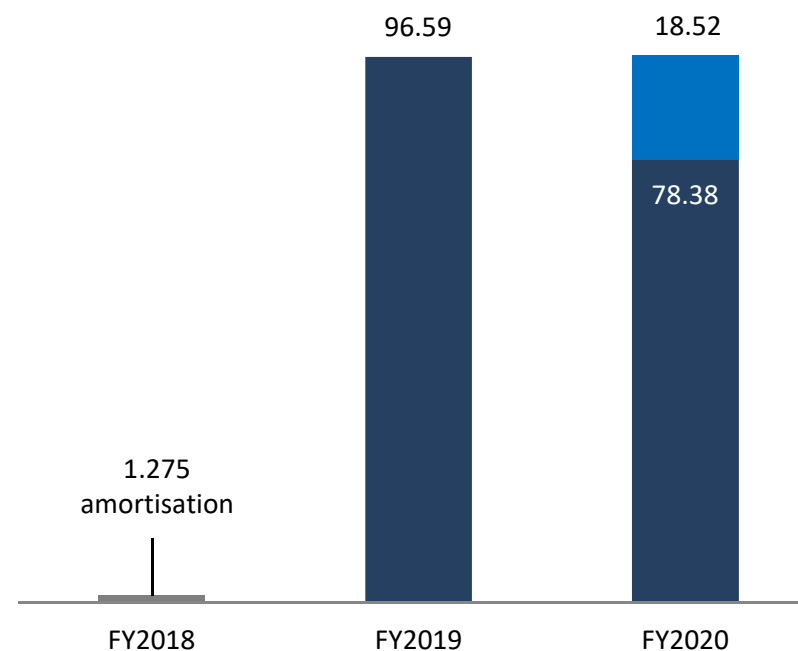
As at 31 Mar 2018	
Aggregate Leverage¹	Gross Borrowings Outstanding
40.5%	€194.8 million
Effective Interest Rate²	Interest Coverage Ratio³
2.0% per annum	8.5 times
Average Weighted Debt Maturity: 1.8 years	

¹ Based on total debt over deposited properties as at 31 Mar 2018

² Effective interest rate computed over the tenure of the borrowings

³ Based on net property income over interest expense for 1Q2018

Debt Maturity Profile
€'million



Forex Risk Management

- Use of €-denominated borrowings acts as a natural hedge to match the currency of assets and cashflows at the property level
- Distributable income in € will be paid out in S\$. Hedging for FY2018 has been undertaken as follows:

Fiscal Year	Amount Hedged	Average Hedge Rate
FY2018	Equivalent to ~80% of FY2017 income distribution	~S\$1.63 per €

- From 2019, in accordance with its currency hedging policy, IREIT will be hedging its income to be repatriated from overseas to Singapore on a quarterly basis



Portfolio Summary

Portfolio Summary

	BERLIN CAMPUS	BONN CAMPUS	DARMSTADT CAMPUS	MÜNSTER CAMPUS	CONCOR PARK	TOTAL
Location	Berlin	Bonn	Darmstadt	Münster	Munich	
Completion Year	1994	2008	2007	2007	1978 and fully refurbished in 2011	
Net Lettable Area (sqm)	79,097	32,736	30,371	27,183	31,286	200,673
Car Park Spaces	496	652	1,189	588	516	3,441
Occupancy Rate ¹	99.2%	100.0%	100.0%	93.3%	96.9%	98.3%
No. of Tenants	5	1	1	1	12	18
Key Tenant(s)	Deutsche Rentenversicherung Bund	GMG, a wholly- owned subsidiary of Deutsche Telekom	GMG, a wholly- owned subsidiary of Deutsche Telekom	GMG, a wholly- owned subsidiary of Deutsche Telekom	ST Microelectronics, Allianz, Ebase, Yamaichi	
WALE ²	6.2	5.0	4.6	2.9	3.0	4.8
Independent Appraisal ³ (€ m)	164.4	101.7	82.9	47.8	66.3	463.1

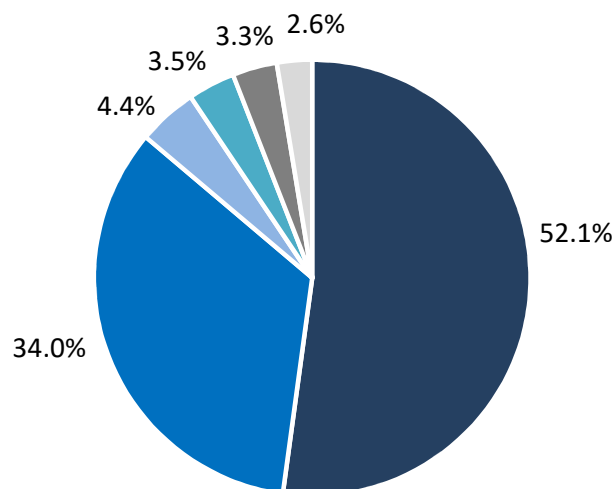
¹ Based on all current leases in respect of the properties as at 31 Mar 2018

² Based on gross rental income as at 31 Mar 2018

³ Based on independent valuations as at 31 Dec 2017

Diversified Blue-Chip Tenant Mix

Top Five Tenants¹



- GMG - Deutsche Telekom
- Deutsche Rentenversicherung Bund
- ST Microelectronics
- Allianz Handwerker Services GmbH
- Ebase
- Others



Deutsche Telekom is one of the world's leading integrated telcos with around c. 168m mobile customers, c. 28m fixed-network lines and c. 19m broadband lines. S&P's long-term rating stands at BBB+.



Deutsche Rentenversicherung Bund is a federal pension fund and the largest of the 16 federal pension institutions in Germany with 'AAA' credit rating.



ST Microelectronics is Europe's largest semiconductor chip maker based on revenue.



Allianz Handwerker Services is a unit of Allianz SE, one of the world's largest insurance companies. S&P's long-term rating stands at AA.



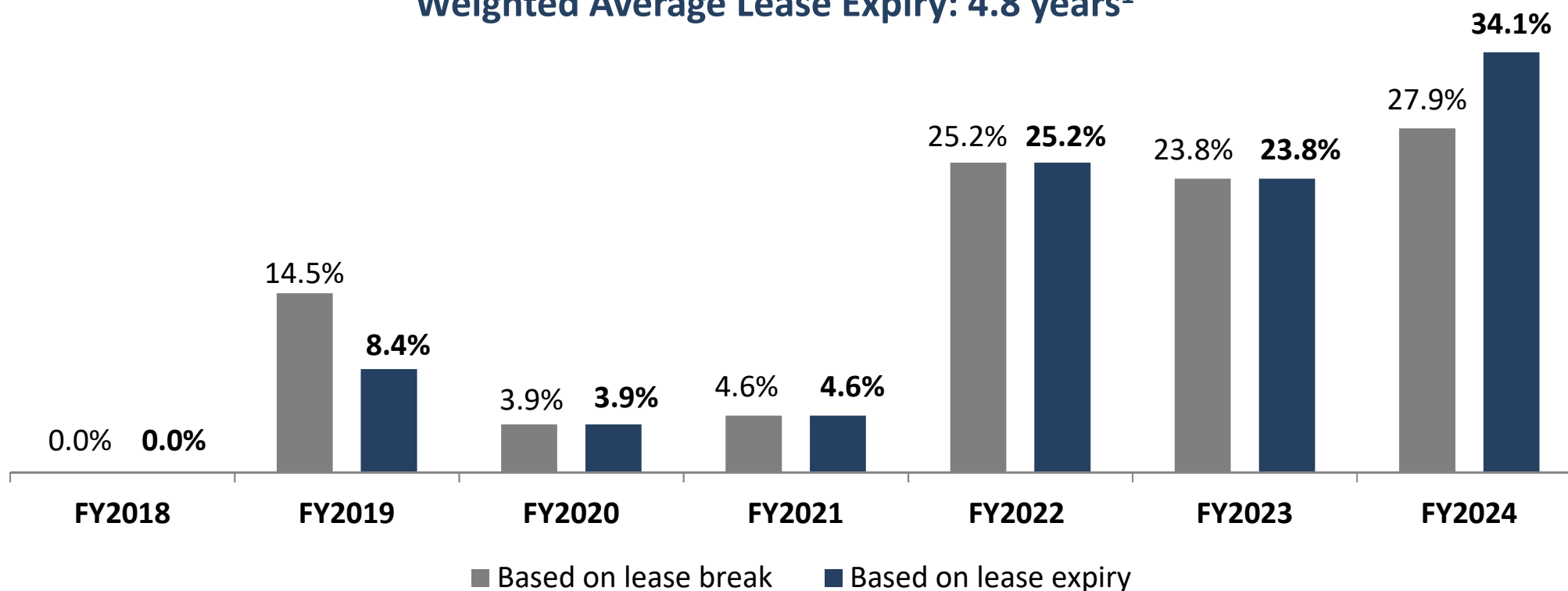
ebase GmbH is part of the Commerzbank Group. As a B2B direct bank, ebase is a full service partner for financial service providers, insurance companies, banks, asset managers and capital management companies.

¹ Based on gross rental income as at 31 Mar 2018

Stable Long Leases

Lease Break & Expiry Profile

Weighted Average Lease Expiry: 4.8 years¹



83.1% of its leases will be due for renewal only in FY2022 and beyond²

¹ Based on gross rental income as at 31 Mar 2018

² out of which 6.1% are subject to lease break options prior to FY2022



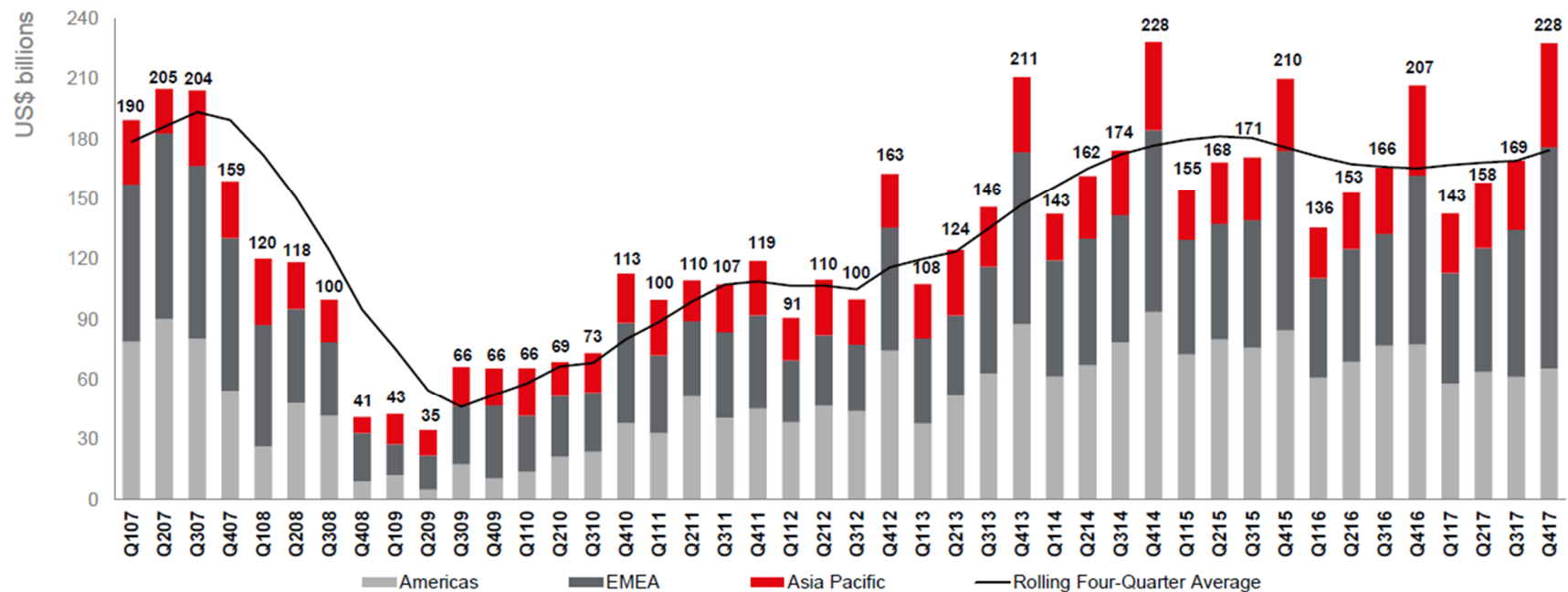
European Market Review

Strong Interest in European Markets

European markets, especially established economies such as Germany, are heavily sought after by both domestic and international investors

- ✓ With the total 2017 investment volumes making up c.43% (US\$300bn) of global real estate transaction volumes¹, the European real estate markets is flushed with ample liquidity
- ✓ The European markets has a strong institutional investor base

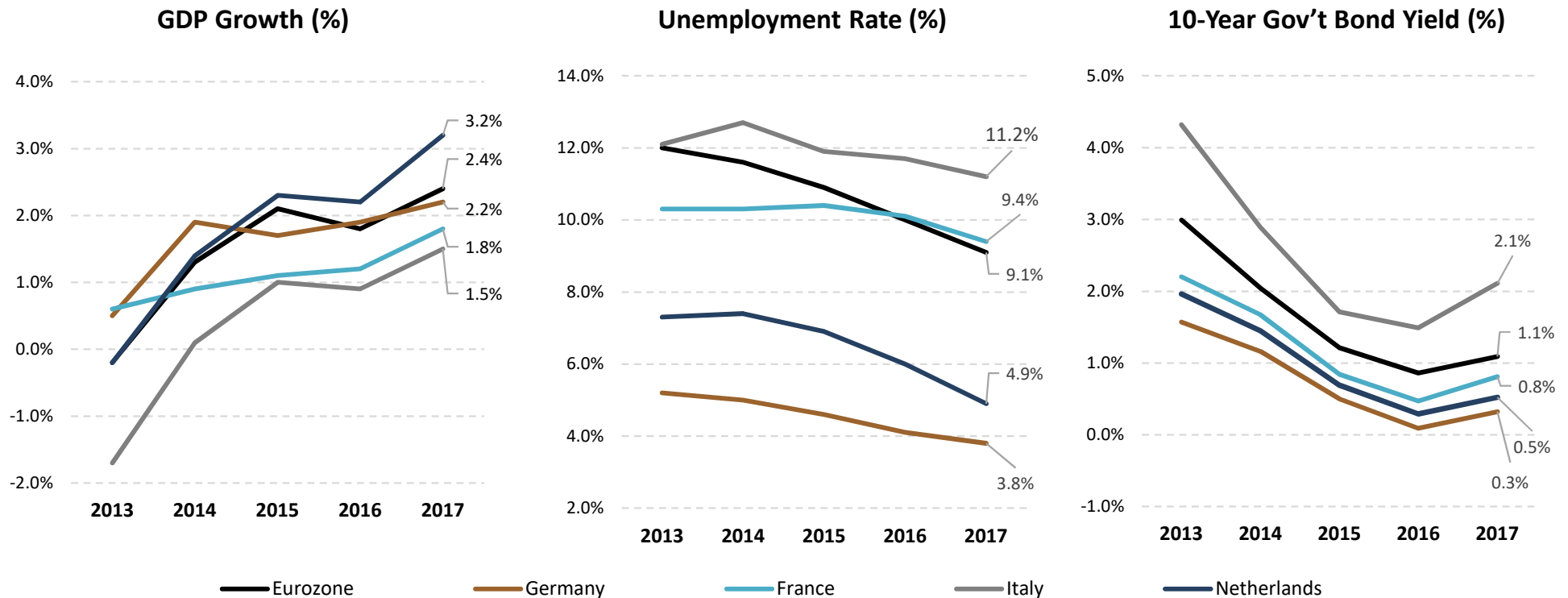
Direct Commercial Real Estate Investment – Quarterly Trends, 2007-2017¹



Improving Economic Backdrop

Positive economic growth across most of Europe, driven by buoyant business climate, falling unemployment rate and ongoing low interest rates

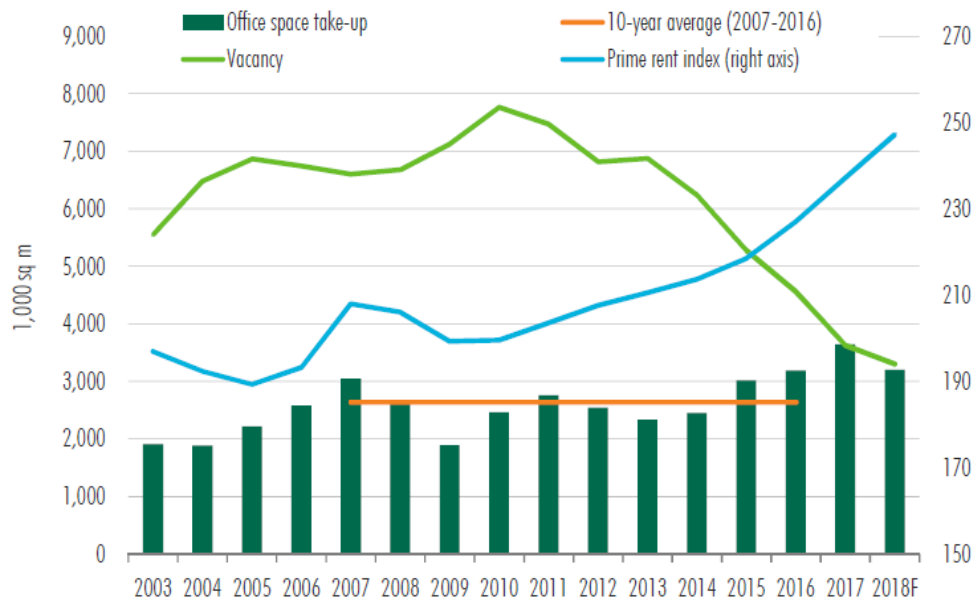
- ✓ In 2017, Eurozone GDP rose by 2.4%, significantly stronger than 2016 GDP growth of 1.8%¹
- ✓ German economic growth also improved from 1.9% in 2016 to 2.2% in 2017



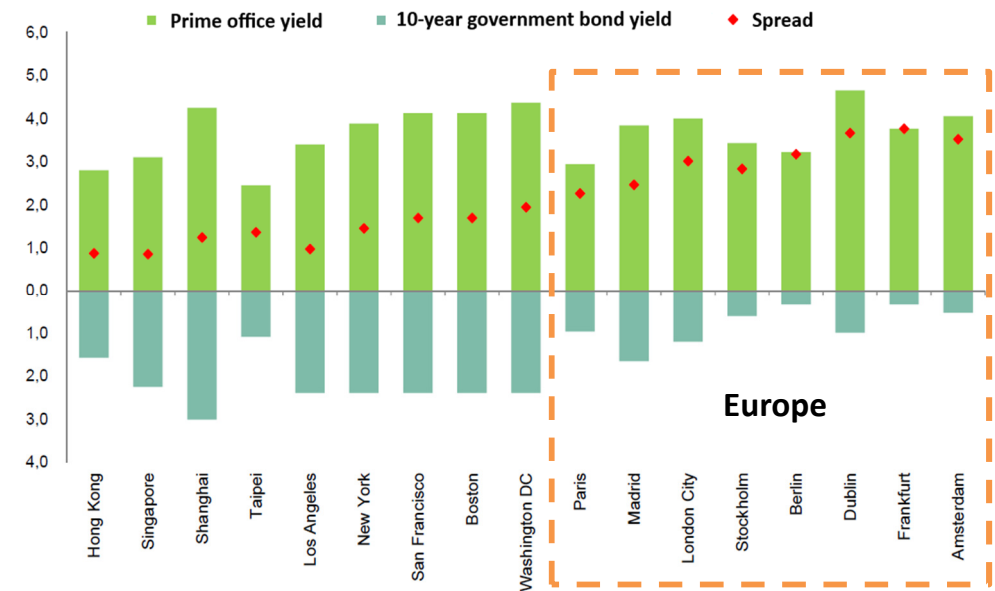
Healthy Real Estate Market

European real estate market has in general experienced rising rents and decreasing vacancy rates whilst maintaining attractive spreads between property yields and government bond yields

Office Space Take-up, Vacancy and Prime Rents in Top 5 German Markets (Berlin, Düsseldorf, Frankfurt, Hamburg and Munich)¹



Office Property Risk Premium Across the World (4Q2017)¹





Looking
Ahead

Looking Ahead

- European real estate market has in general experienced rising rents, decreasing vacancy rates and attractive spreads between property yields and government bond yields
- With a portfolio backed by blue-chip tenant base and none of the leases expiring in 2018, the operating performance of IREIT's existing properties is expected to remain stable
- Ahead of the various lease expiries in 2019, IREIT has started discussions with the existing tenants for a possible extension in lease tenures
- In respect of Berlin Campus, IREIT is expected to be notified by Deutsche Rentenversicherung Bund pertaining to the lease break option around the middle of 2018
- IREIT will make the last partial loan repayment of €1.275m in May 2018 in accordance with the loan amortisation schedule for the short-term loan facility provided by HSH Nordbank
- IREIT will focus its efforts on three key areas, namely acquisitions, upcoming lease expiries and debt maturities, in order to build a sustainable return for Unitholders

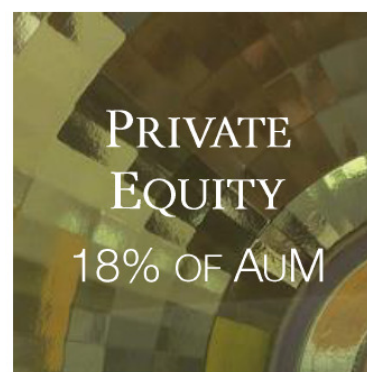
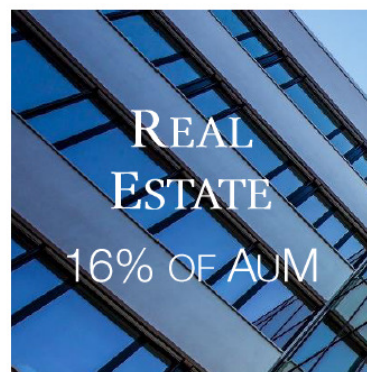
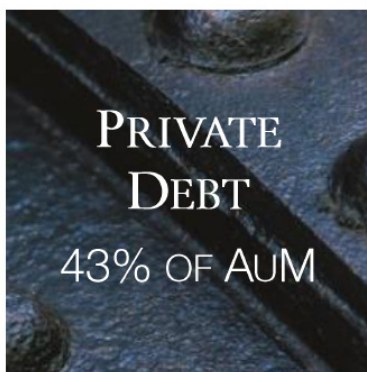


Appendix

Overview of Tikehau Capital

Tikehau Capital is a pan-European diversified asset management and investment group founded in 2004, with offices in Paris, London, Brussels, Madrid, Milan, New York, Seoul and Singapore

- ✓ Listed on Euronext Paris
- ✓ c.200 employees and partners in the 8 offices
- ✓ Strong shareholders' equity of €2.5bn¹, with first-tier institutional investors such as Temasek Holdings
- ✓ €13.8bn of Assets Under Management (AUM), of which €2.2bn is real estate¹
- ✓ Real estate exposure in Germany, France and Italy across office, retail and industrial sectors
- ✓ On track to achieve targeted €20bn of AUM by 2020





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