



3Q 2017 and 9M 2017 Results Presentation

9 November 2017



Agenda

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- **Key Results Highlights**
- **Portfolio Summary**
- **Economy & Real Estate Review**
- **Looking Ahead**
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About
IREIT
Global



About IREIT Global

First S-REIT with Europe-focused Mandate

- First Singapore-listed real estate investment trust with the investment strategy of principally investing, 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

Quality Freehold Assets, Long-term Stable Income

- Current portfolio comprises five freehold properties strategically located in the key German cities of Berlin, Bonn, Darmstadt, Münster and Munich

Leveraging on the Strengths of Tikehau Capital

- Managed by IREIT Global Group Pte. Ltd., a 80%-owned subsidiary of pan-European asset management and investment firm Tikehau Capital



Key
Results
Highlights

3Q 2017 Key Highlights

- **Gross revenue for 3Q 2017 rose 1.7% y-o-y to €8.7 million; net property income for 3Q 2017 rose 2.3% to €7.9 million**
 - ✓ Sturdy contribution from its portfolio of five quality office assets in Germany
- **High occupancy as at 30 September 2017**
 - ✓ 98.3% portfolio occupancy rate, stable from 98.7% as at 30 June 2017
 - ✓ No lease expiry in 4Q 2017 and FY2018; WALE of 5.3 years as at 30 September 2017
- **DPU of S\$1.42 cents (€0.92 cents) for 3Q 2017**
 - ✓ In line with distribution policy of at least 90% of IREIT's annual distributable income
- **Amortisation of loan facilities provided by HSH Nordbank AG**
 - ✓ €23.6 million loan restructured whereby four quarterly loan repayments of €1.275 million each to be made starting from August 2017, with balance repayable in July 2018
 - ✓ First quarterly repayment made in August 2017, thereby reducing loan-to-value on assets
- **Hedging undertaken for FY2018; formal hedging policy established**
 - ✓ FY2018 average hedge rate at ~S\$1.63 per Euro (FY2017: ~S\$1.55 per Euro)
 - ✓ Starting from 2019, IREIT will use currency forwards on a quarterly basis to hedge ~80% of estimated EUR-denominated income to be repatriated, one year in advance

Operating & Financial Performance

(€'000)	3Q 2017	3Q 2016	VARIANCE (%)	9M 2017	9M 2016	VARIANCE (%)
Gross Revenue	8,692	8,543	1.7	26,266	25,815	1.7
Property Operating Expenses	(841)	(865)	(2.8)	(2,683)	(2,881)	(6.9)
Net Property Income	7,851	7,678	2.3	23,583	22,934	2.8
Income Available for Distribution	6,443	6,344	1.6	19,389	19,163	1.2
Income to be Distributed to Unitholders	5,799	6,344	(8.6)	17,450	19,163	(8.9)

- 3Q 2017 and 9M 2017
 - ✓ Gross revenue increased marginally due to higher contribution from Bonn Campus as a result of a 10% CPI-linked increase in rents from December 2016, partially offset by lower rental income from Münster South Building as the floor returned by the tenant in April 2017 remains vacant
 - ✓ 9M 2017 property operating expenses were lower due mainly to a decrease in recoverable property operating expenses, as well as a one-time adjustment of prior year land tax expenses for Darmstadt Campus. Given that these expenses were fully recoverable from the tenants, the impact on the net property income was minimal

Distribution Per Unit

Distribution per Unit	3Q 2017	3Q 2016	VARIANCE (%)	9M 2017	9M 2016	VARIANCE (%)
Before Retention						
- € cents	1.03	1.03	-	3.10	3.11	(0.3)
- S\$ cents ¹	1.60	1.57	1.9	4.81	4.75	1.3
After Retention						
- € cents	0.92	1.03	(10.7)	2.78	3.11	(10.6)
- S\$ cents ¹	1.42	1.57	(9.6)	4.31	4.75	(9.3)

- 3Q 2017 and 9M 2017
 - ✓ Level of distribution is in line with the distribution policy of a payout of at least 90% of IREIT's annual distributable income
 - ✓ 9M 2017 DPU translates to an attractive annualised yield of approximately 7.5%²

¹ The DPU was computed after taking into consideration the forward foreign currency exchange contracts that IREIT has entered into to hedge the currency risk for distribution to Unitholders

² Based on IREIT's closing unit price of S\$0.765 as at 30 September 2017

Financial Position

€ '000	AS AT 30 SEPTEMBER 2017	AS AT 31 DECEMBER 2016
Investment Properties	455,800	453,000
Total Assets	473,635	477,580
Borrowings	196,672	197,731
Total Liabilities	211,488	217,705
Net Assets Attributable to Unitholders	262,147	259,875
NAV per Unit (€/unit) ¹	0.42	0.42

¹ The NAV per Unit was computed based on net assets attributable to Unitholders as at 30 September 2017 and 31 December 2016, and the Units in issue and to be issued as at 30 September 2017 of 626.7 million (31 December 2016: 622.6 million)

Capital Management

- ~88.7% of borrowings at fixed interest rates – mitigates volatility from potential fluctuations in borrowing costs
- €23.63 million short term loan restructured
 - ✓ Amortisation of €5.1 million (€2.55 million in 2017 and €2.55 million in 2018)
 - ✓ Remaining principal amount (€18.52 million) due in July 2018

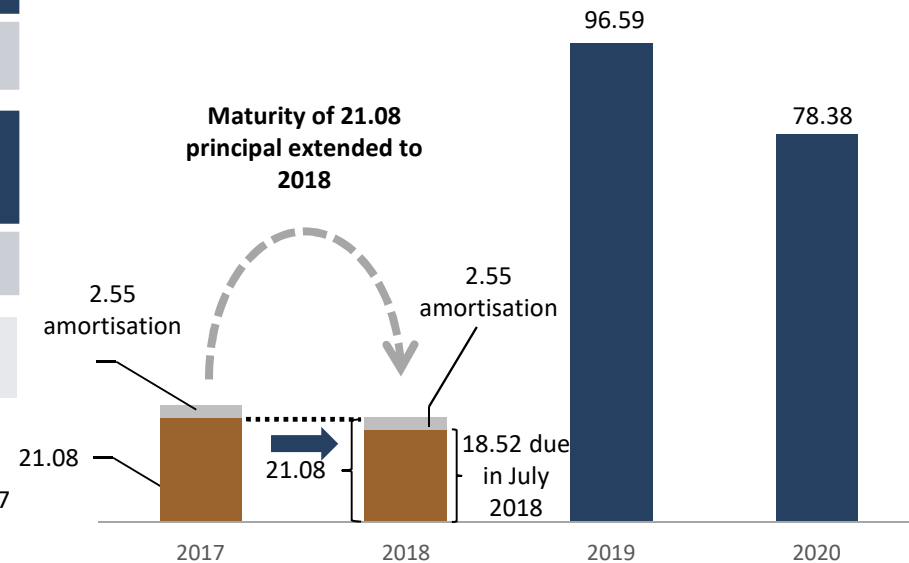
As at 30 September 2017	
Aggregate Leverage¹	Total Borrowings Outstanding
41.7%	€197.3 million
Effective Interest Rate²	Interest Coverage Ratio³
2.0% per annum	8.5 times
Average Weighted Debt Maturity: 2.1 years	

¹ Based on total debt over deposited properties as at 30 September 2017

² Effective interest rate computed over the tenure of the borrowings

³ Based on net property income over interest expense for 3Q 2017

Debt Maturity Profile
€'million



Forex Risk Management

- Use of EUR denominated borrowings acts as a natural hedge to match the currency of assets and cashflows at the property level
- Distributable income in EUR will be paid out in SGD. The expected income for FY2017 and FY2018 has been hedged as follows:

Fiscal Year	% Hedged	Average Hedge Rate
FY2017	100% of FY2017 estimated distributable income	~S\$1.55 per Euro
FY2018	~80% of FY2017 annualised income distribution ¹	~S\$1.63 per Euro

- In order to better manage its foreign currency risk exposure and provide more clarity to unitholders, a formal hedging policy has also been established:
 - ✓ Starting from FY2019, the Manager will use currency forwards on a quarterly basis to hedge ~80% of the estimated EUR-denominated income to be repatriated, one year in advance

¹ Annualised income distribution for FY2017 is derived by extrapolating on a straight-line basis the income to be distributed of €17.45 million for the three quarters ended 30 September 2017 to the full four quarters of 2017



Portfolio Summary

Portfolio Summary

	BERLIN CAMPUS	BONN CAMPUS	DARMSTADT CAMPUS	MÜNSTER CAMPUS	CONCOR PARK	TOTAL
Location	Berlin	Bonn	Darmstadt	Münster	Munich	
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	99.20%	100%	100%	92.70%	100%	98.30%
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	6.7	5.5	5.1	3.4	3.4	5.3
Independent Appraisal ³ (€ m)	159.8	101.4	83.1	47.7	63.8	455.8

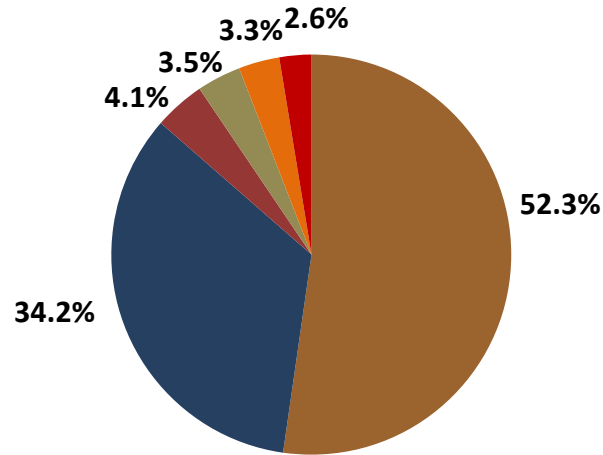
¹ Based on all current leases in respect of the properties as at 30 September 2017

² Based on gross rental income as at 30 September 2017

³ Based on independent valuations as at 30 June 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. 165 mil mobile customers, c. 30 mil fixed-network lines and c. 18.7 mil 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.

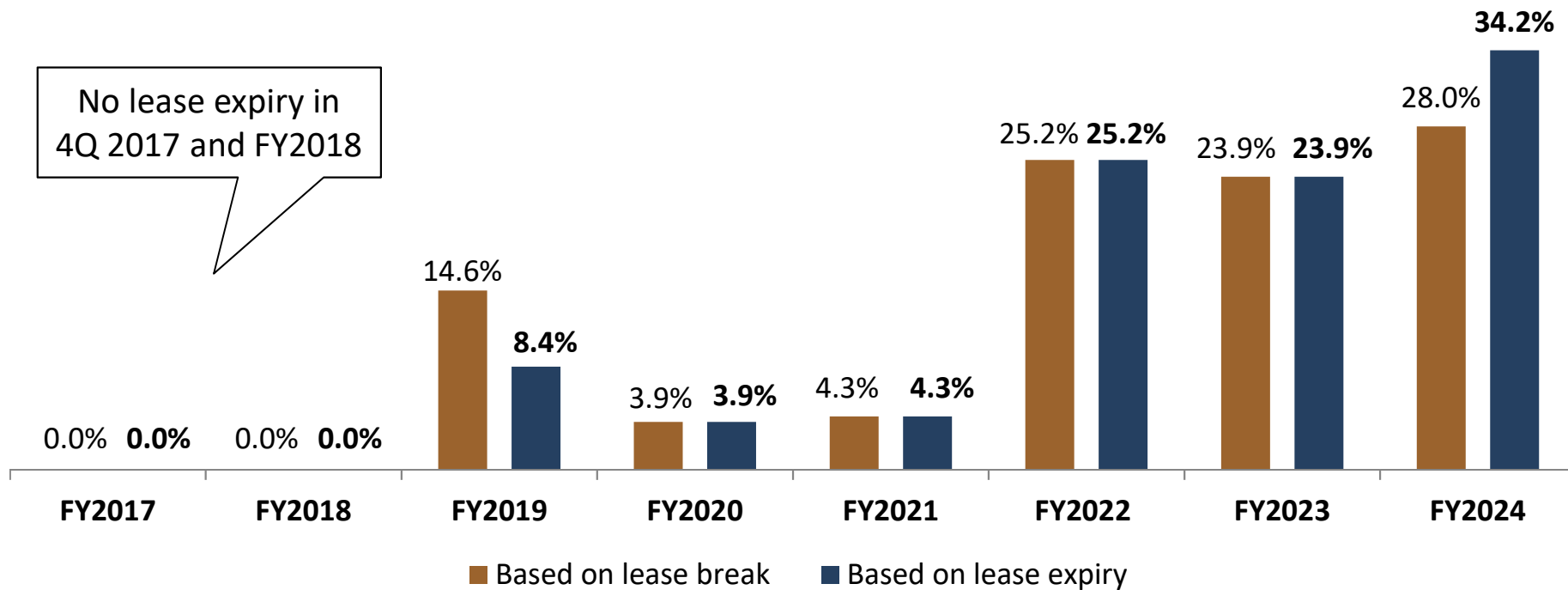


ebase GmbH is part of the Commerzbank Group. As a B2B direct bank, ebase is a full service partner for financial service providers, insurance companies, banks, asset managers and capital management companies.

¹ Based on gross rental income as at 30 September 2017

Stable Long Leases

Lease Break & Expiry Profile



Weighted Average Lease Expiry: 5.3 years¹



Economy and Real Estate Review

German Economy & Real Estate Review

- Positive business climate, ongoing low interest rates and underlying strength of the German economy continue to support demand for German real estate market

- Economy
 - ✓ GDP grew by 0.6% in 2Q 2017, marking the 12th consecutive quarter of growth¹
 - ✓ Unemployment rate hit a record low of 5.6% in September 2017²
 - ✓ Consumer price index rose by 1.8% y-o-y in September 2017¹

- Real Estate
 - ✓ Commercial property investment volume reached €38.6bn in 9M 2017, 18% higher y-o-y, on the back of lively participation from foreign investors³
 - ✓ Office – Office property investments continue to dominate the overall transaction volume, due to positive trends in the office rents and business activity
 - ✓ Retail – Despite the short supply and fiercer pricing, keen interest from investors led to renewed momentum in the retail investment market in 3Q 2017
 - ✓ Industrial/Logistics – Industrial/Logistics properties remained the fastest growing asset class in terms of transaction volume, boosted by several large portfolio sales

¹ Federal Statistical Office of Germany, 2017

² Bloomberg News, 2017

³ CBRE Research, 2017

Europe Economy & Real Estate Review

- Outlook for European real estate market is expected to remain positive due to sustained economic growth, decreasing vacancy rates and attractive yield spreads

- Economy
 - ✓ GDP for euro area grew by 0.6% q-o-q and 2.2% y-o-y in 2Q 2017¹
 - ✓ Euro area annual inflation rate at 1.5% in September 2017
 - ✓ 10-year AAA euro area central government bond yield at 0.44%

- Real Estate
 - ✓ Europe saw €130bn in investments in 1H 2017, up 13% y-o-y, driven largely by strong trading activity in UK and Germany²
 - ✓ Subdued development pipeline and declining vacancies are exacerbating supply constraints in the European office market
 - ✓ In the European retail sector, high street rental growth has continued to gain pace for the third consecutive quarter in 2Q 2017
 - ✓ Strong investment activity was seen in the industrial and logistics sectors across France, Germany, Italy, Spain and the UK
 - ✓ The European market is expected to see further yield compression across most asset types

¹ Eurostat, 2017

² CBRE Research, 2017



Looking
Ahead

Looking Ahead

- Sustained economic growth, healthy employment and favourable business prospects have continued to support the office sector in Germany, both in terms of leasing and investment
- During the quarter, one of IREIT's key tenants at Concor Park has exercised its prolongation option to extend its lease for another three years, one year ahead of its lease expiry
- The gradual reduction in debt via loan amortisation will improve the loan-to-value of IREIT's assets and strengthen its balance sheet
- Looking ahead, IREIT will continue to seek to enhance its long-term income by investing in income-producing quality assets in Europe. It intends to execute a growth strategy based on four pillars, namely seeking diversification, taking a long-term approach, achieving economies of scale, and having a local presence

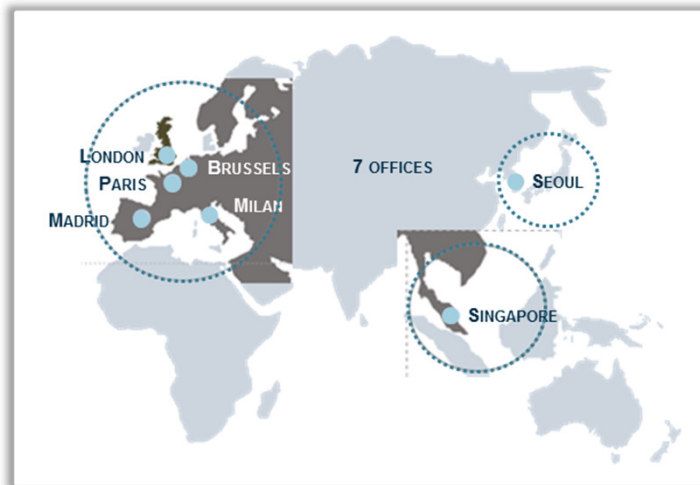


Appendix

Overview of Tikehau Capital

- Pan-European diversified asset management and investment firm founded in 2004, with offices in Paris, London, Brussels, Madrid, Milan, Seoul and Singapore
 - ✓ €11.1bn of AuM, of which €1.9bn is for real estate¹
 - ✓ c.175 employees and partners
 - ✓ Established track record in private and public markets
 - ✓ Pioneer and leader in alternative financing for SMEs in Europe
 - ✓ Listed on Euronext Paris (market value €2.26bn)²
 - ✓ Recently raised €702mn of additional shareholders' equity, the largest capital increase for a European Alternative Asset Manager³

TKO
LISTED
 EURONEXT



Private Debt	45% of AuM¹
Real Estate	17% of AuM¹
Private Equity	15% of AuM¹
Liquid Strategies	23% of AuM¹

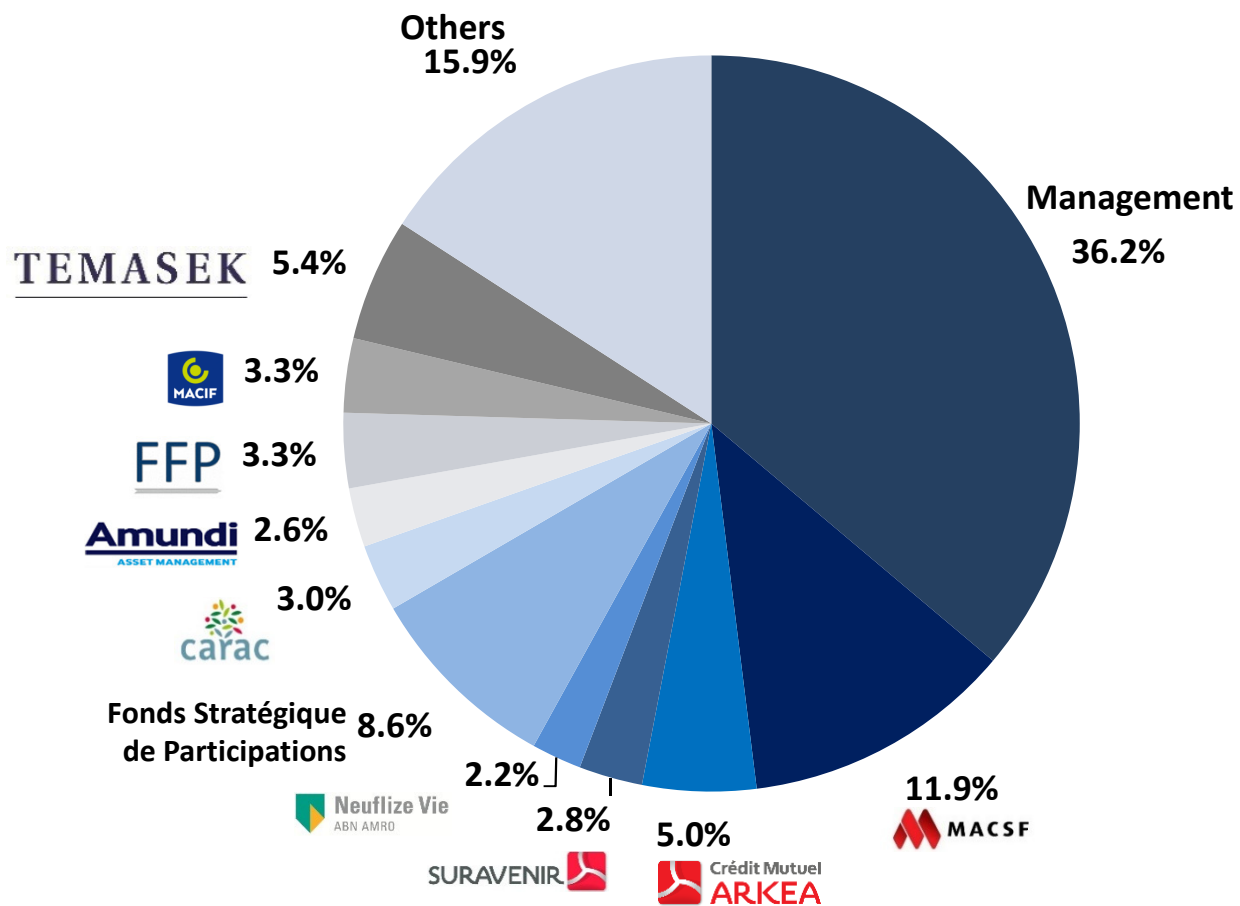
¹ As at 30 June 2017

² As at 31 October 2017

³ Announcement on 24 July 2017

First-Tier Institutional Shareholders

Tikehau Capital's Shareholder Structure¹



¹ As at 31 August 2017

Recent Milestones in Real Estate Business

2014 investments



Industrial
France
22 sites
March / June 2014



Retail parks
France
37 sites
December 2014

2015 investments



Retail parks
France
35 sites
October 2015



Shopping center
France
25,200m²
October 2015

2016 investments



Shopping center
Italy
27,900m²
February 2016



Bercy 2 – add-on
France
2,000m²
April 2016



Logistic park
France
28,800m²
July 2016



Singapore listed REIT
Office portfolio
200,673m²
November 2016



Mixed use portfolio
France
130 sites
December 2016

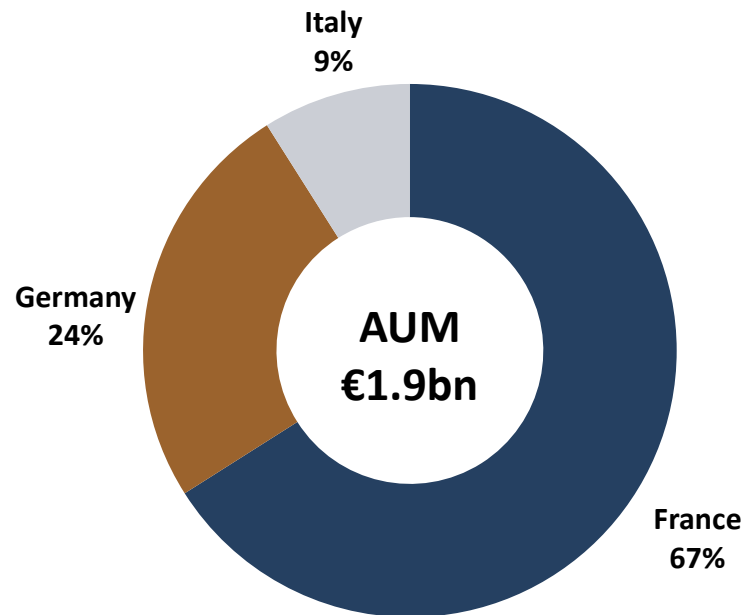
2017 investments



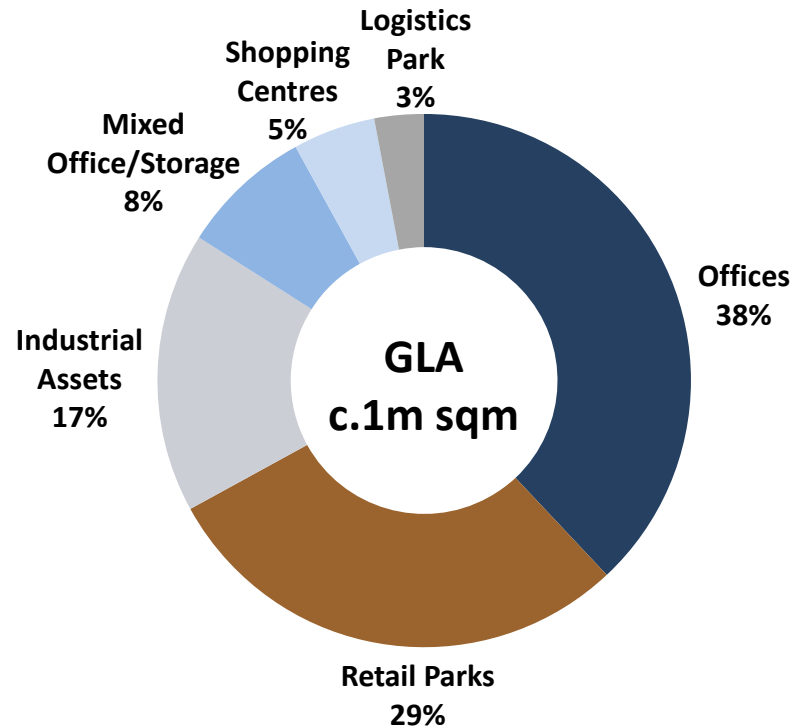
Shopping center
Italy
21,000m²
May 2017

Overview of Tikehau's Real Estate Portfolio

AUM by Country



Area by Asset Category



Highly diversified portfolio under management generating a rental income of €111m
232 assets under management with c.258 tenants as at 30 June 2017



Thank You



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