INCORPORATED IN SINGAPORE
COMPANY REGISTRATION NO.201331623K

IREIT GLOBAL GROUP PTE. LTD.

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MEDIA RELEASE

IREIT reports firm performance and improved financial position for FY2018

- FY2018 DPU of 5.80 Singapore cents in line with FY2017
- Lease extensions secured in 2018 resulted in over 90% of leases due for renewal only in 2022 and beyond
- Aggregate leverage improved to 36.6%[1] as at 31 Dec 2018 from 40.3% a year ago, supported by increase in portfolio valuation
- New loan facilities with maturity in 2026 and competitive interest rates drawn down on 1 February 2019 to repay existing borrowings

SINGAPORE ♦ 20 FEBRUARY 2019

For immediate release

IREIT Global (IREIT), a Europe-focused real estate investment trust managed by IREIT Global Group Pte. Ltd. (the Manager), is pleased to announce the results for the financial year ended 31 December 2018 (FY2018).

FY2018 gross revenue was 0.4% lower year-on-year at €34.8 million due mainly to the finalisation of prior year's service charge reconciliations. Net property income and distributable income came in 2.8% and 3.2% lower at €30.6 million and €25.1 million, respectively due mainly to lower gross revenue and increase in property operating expenses arising from various initiatives taken during the year to better position the properties for the long term.

However, distribution per unit (DPU) was lifted by more favourable SGD/EUR exchange rates arising from the hedging undertaken to manage the currency risk for distribution to unitholders. As a result, DPU for FY2018 registered 5.80 Singapore cents, in line with that achieved in FY2017. Based on IREIT's closing unit price of S$0.725 as at 31 December 2018, the full-year DPU represents an attractive yield of 8.0%.

[1] Pro-forma aggregate leverage would be 37.8% if refinancing of existing borrowings has taken place on 31 Dec 2018

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Over the past year, the Manager has successfully secured the lease extensions for a few key tenants, leaving the portfolio with no lease expiry for 2019 and over 90% of the leases due for renewal only in 2022 and beyond. Coupled with a further strengthening of the German real estate market during the period, IREIT's portfolio properties experienced a €41.8 million year-on-year increase in valuation to €504.9 million. This contributed primarily to an 11.6% increase in net asset value (NAV) per Unit and a 3.7 percentage-point improvement in the aggregate leverage to 36.6%[2].

Subsequent to the close of the FY2018 results, the Manager has also drawn down the new loan facilities maturing in January 2026 to repay the existing bank borrowings, taking advantage of the current low interest rate environment. In addition, interest rate swaps have been entered into to hedge 100% of the interest of the new loan facilities, resulting in an all-in cost of debt averaging approximately 1.5% per annum over the loan tenure. Including the costs of unwinding the existing borrowings, the all-in cost is approximately 1.7% per annum. These compare favourably with the all-in cost of debt of 2.0% for the existing borrowings despite the significantly longer debt duration.

Looking ahead into 2019, the European economic growth is likely to be moderated compared to 2018, but is still expected to be higher than its 15-year average rate. Coupled with low unemployment rate and muted new development completion, this is expected to herald another year of healthy demand for commercial real estate.[3]

On a cautious note, however, there are mounting risks to the European economy, which may skew growth to the downside. This includes lingering worries over a potential escalation of United States-China trade tensions, a sharp slowdown in Chinese economy and the impact of rising interest rates. In Europe, the possibility of a no-deal Brexit, weakness in the automotive industry in Germany and sovereign risks in Italy have also resulted in uncertainties and poorer market sentiment.

In view of the uncertain business climate and to better position the properties for the long term, the Manager will continue to undertake various initiatives to upkeep the properties as they age. This will involve the incurrence of repair and maintenance costs, as well as appropriate capital expenditure on an ongoing basis. In order to ensure continuity of leases through retaining existing tenants or securing new tenants, the Manager will also consider other initiatives in line with market practices.

[2] Pro-forma aggregate leverage would be 37.8% if refinancing of existing borrowings has taken place on 31 Dec 2018
[3] CBRE EMEA Real Estate Market Outlook 2019

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Mr Aymeric Thibord, the Chief Executive Officer of the Manager, said, "These measures are necessary towards maintaining sustainable long-term income to Unitholders."

Financial Results Summary

	Quarter Ended 31 December			Year Ended 31 December		
	4Q2018 Actual	4Q2017 Actual	Variance (%)	FY2018 Actual	FY2017 Actual	Variance (%)
Gross revenue (€ '000)	8,985	8,693	3.4	34,808	34,959	(0.4)
Net property income (€ '000)	7,480	7,945	(5.9)	30,630	31,528	(2.8)
Income available for distribution (€ '000)	6,180	6,587	(6.2)	25,146	25,976	(3.2)
Income to be distributed to Unitholders (€ '000)	5,562	5,928	(6.2)	22,631	23,378	(3.2)
Distribution per Unit						
- € cents	0.89	0.94	(5.3)	3.59	3.72	(3.5)
- Singapore cents [4]	1.43	1.46	(2.1)	5.80	5.77	0.5

ABOUT IREIT GLOBAL

www.ireitglobal.com ♦ SGX mainboard listing: August 2014

IREIT Global (SGX-UD1U) which was listed on 13 August 2014, is the 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.

IREIT Global's current portfolio comprises five freehold properties strategically located in the German cities of Berlin, Bonn, Darmstadt, Münster and Munich with a total net lettable area of approximately 200,600 sqm and 3,400 car park spaces.

IREIT Global is managed by IREIT Global Group Pte. Ltd., a subsidiary of pan-European asset management and investment group Tikehau Capital.

[4] 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.

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ABOUT TIKEHAU CAPITAL

www.tikehaucapital.com ♦ Paris Euronext, compartment A listing: March 2017

Tikehau Capital is an asset management and investment group with €15.9 billion worth of assets under management as at 30 September 2018 and shareholders' equity of €2.3 billion as at 30 June 2018. The group invests in various classes of assets (private debt, real estate, private equity and liquid strategies), including through its asset management subsidiary Tikehau Investment Management, on behalf of both institutional and private investors. Tikehau Capital is controlled by its managers and leading institutional partners, and employs more than 260 staff in its Paris, London, Brussels, Madrid, Milan, New York, Seoul and Singapore offices.

Tikehau Capital is listed on the regulated market of Euronext Paris, compartment A (ISIN code: FR0013230612; Ticker: TKO.FP).

FOR FURTHER ENQUIRIES

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