



FY2017 Annual General Meeting
19 April 2018

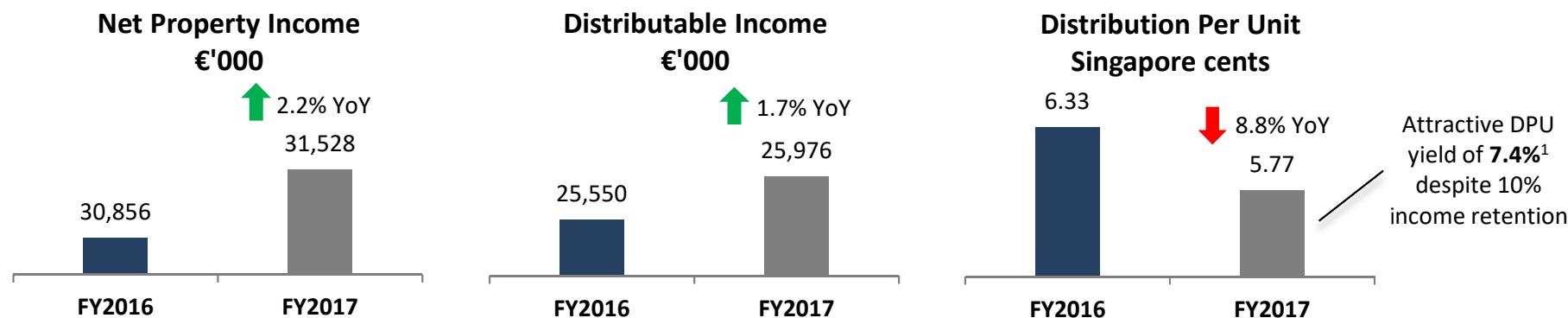
Agenda

- **Key Highlights**
- **About Tikehau Capital**
- **European Market Review**
- **Portfolio Overview**
- **Financial Highlights**
- **Conclusion**



Key Highlights

FY2017 Key Highlights



Steady FY2017 Financial Performance

- ✓ Supported by firm rental contribution from portfolio of five freehold properties in Germany

Healthy Portfolio Metrics

- ✓ Overall occupancy rate remains high at 98.3%
- ✓ One key tenant at Concor Park extended its lease by another three years in 3Q2017
- ✓ No lease expiry in 2018; long WALE of 5.1 years
- ✓ Portfolio valuation increased by €10.1m YoY to €463.1m as at 31 Dec 2017

Strengthening of Financial Position

- ✓ Aggregate leverage reduced from 41.6% a year ago to 40.3%

Manager fully integrated into Tikehau Capital

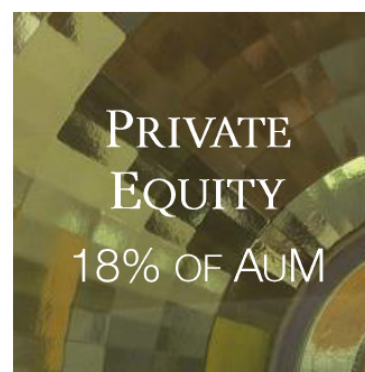
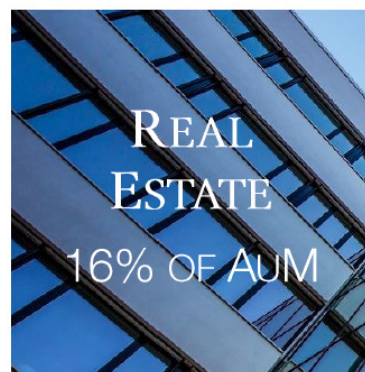
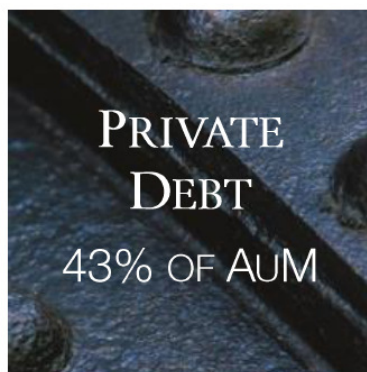


About Tikehau Capital

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





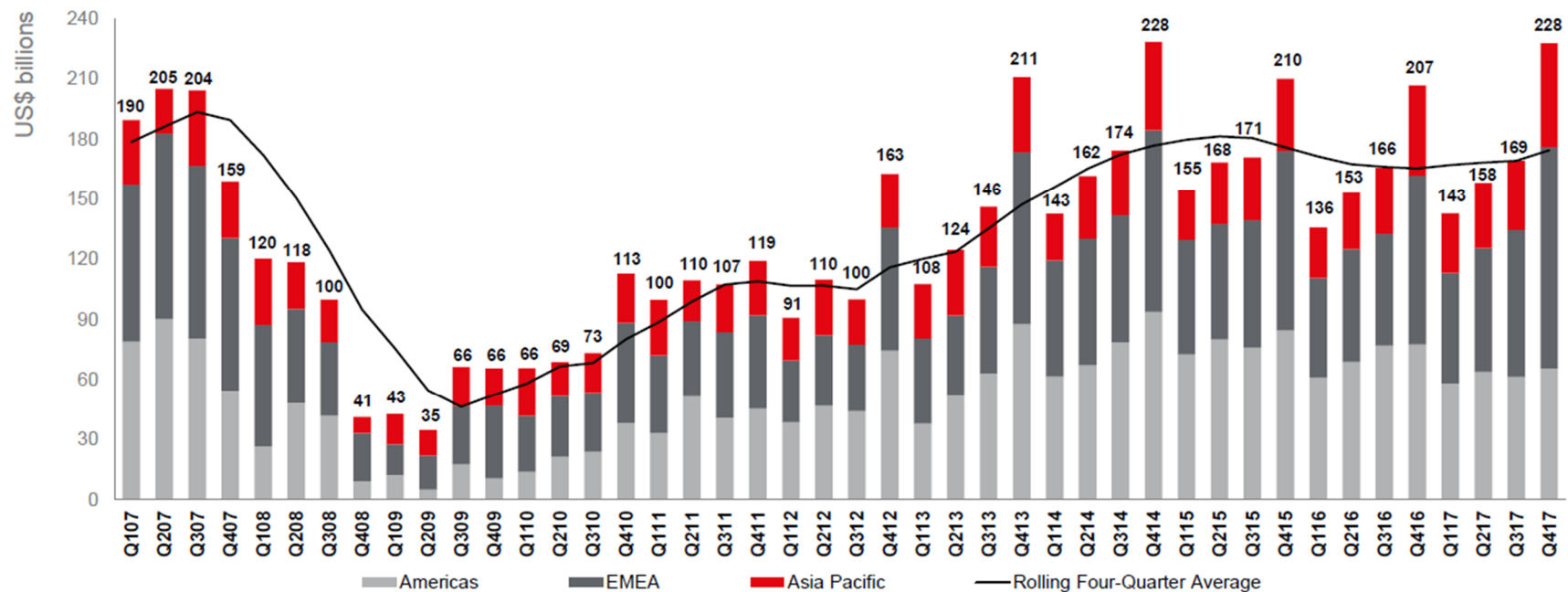
European Market Review

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

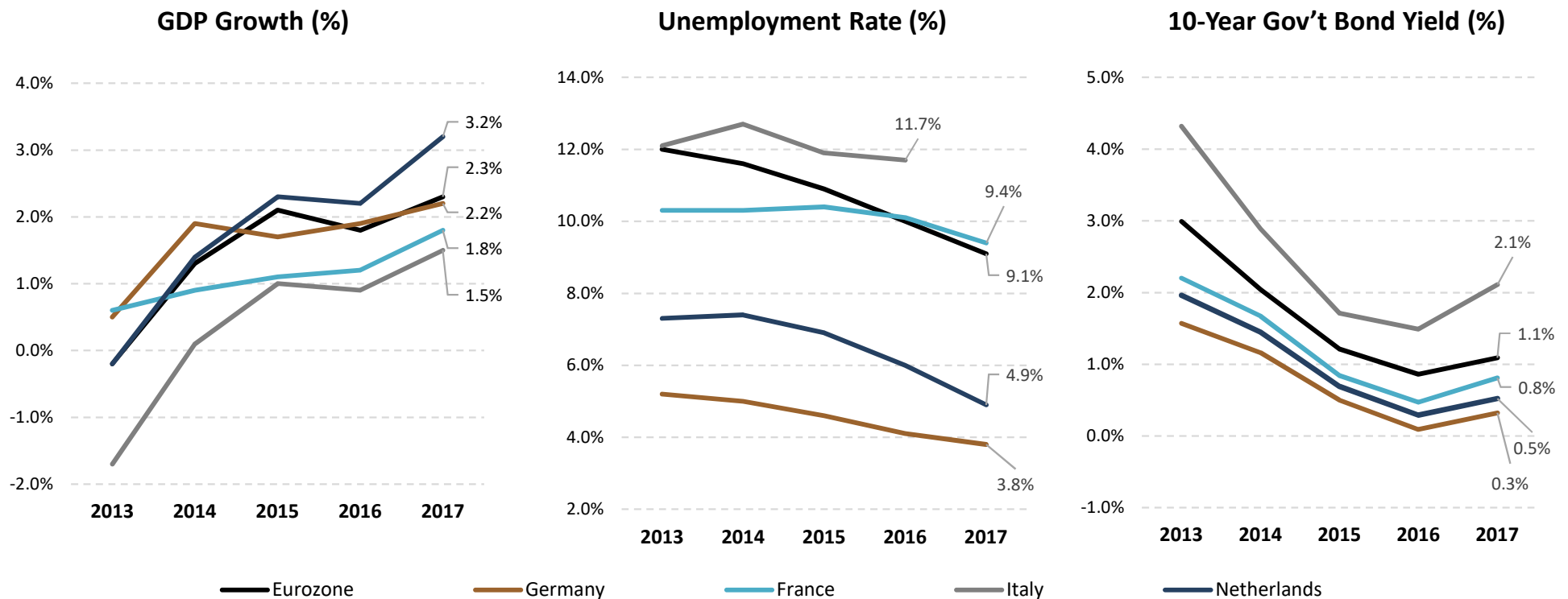
Direct Commercial Real Estate Investment – Quarterly Trends, 2007-2017¹



Improving Economic Backdrop

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

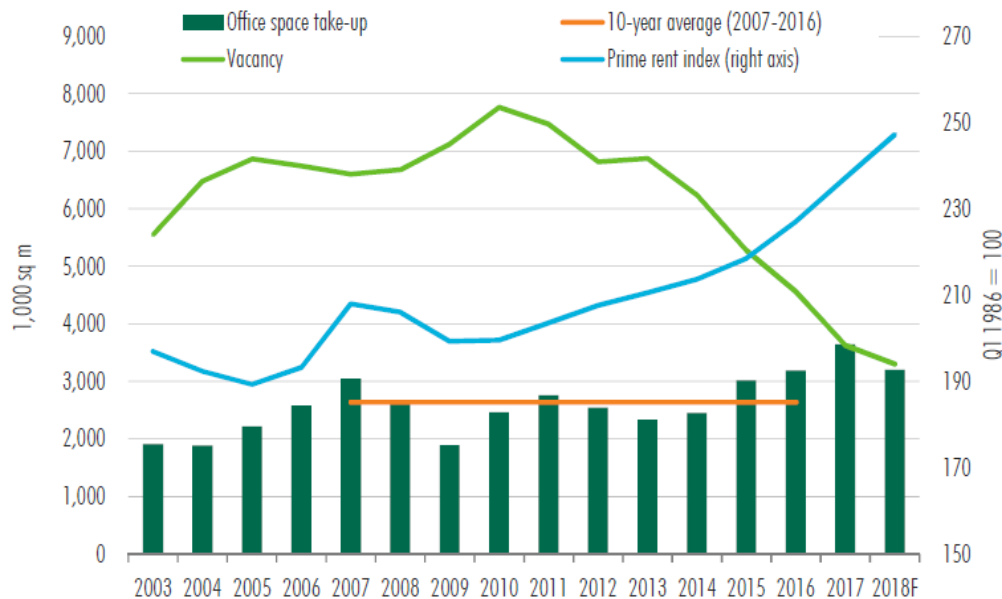
- ✓ In 2017, Eurozone GDP rose by 2.3%, significantly stronger than 2016 GDP growth of 1.8%¹
- ✓ German economic growth also improved from 1.9% in 2016 to 2.2% in 2017



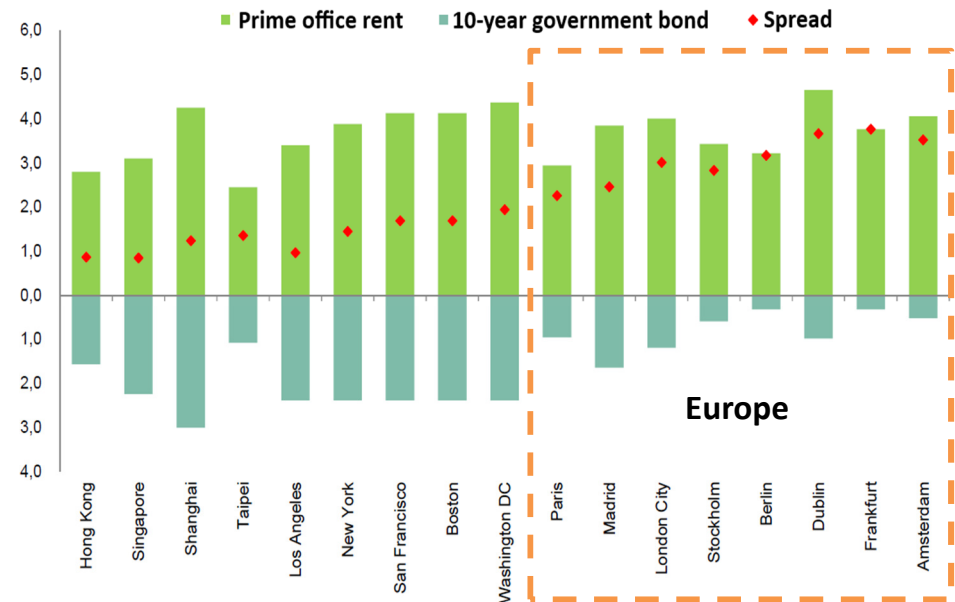
Healthy Real Estate Market

European real estate market has 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 CBRE Research, 2018

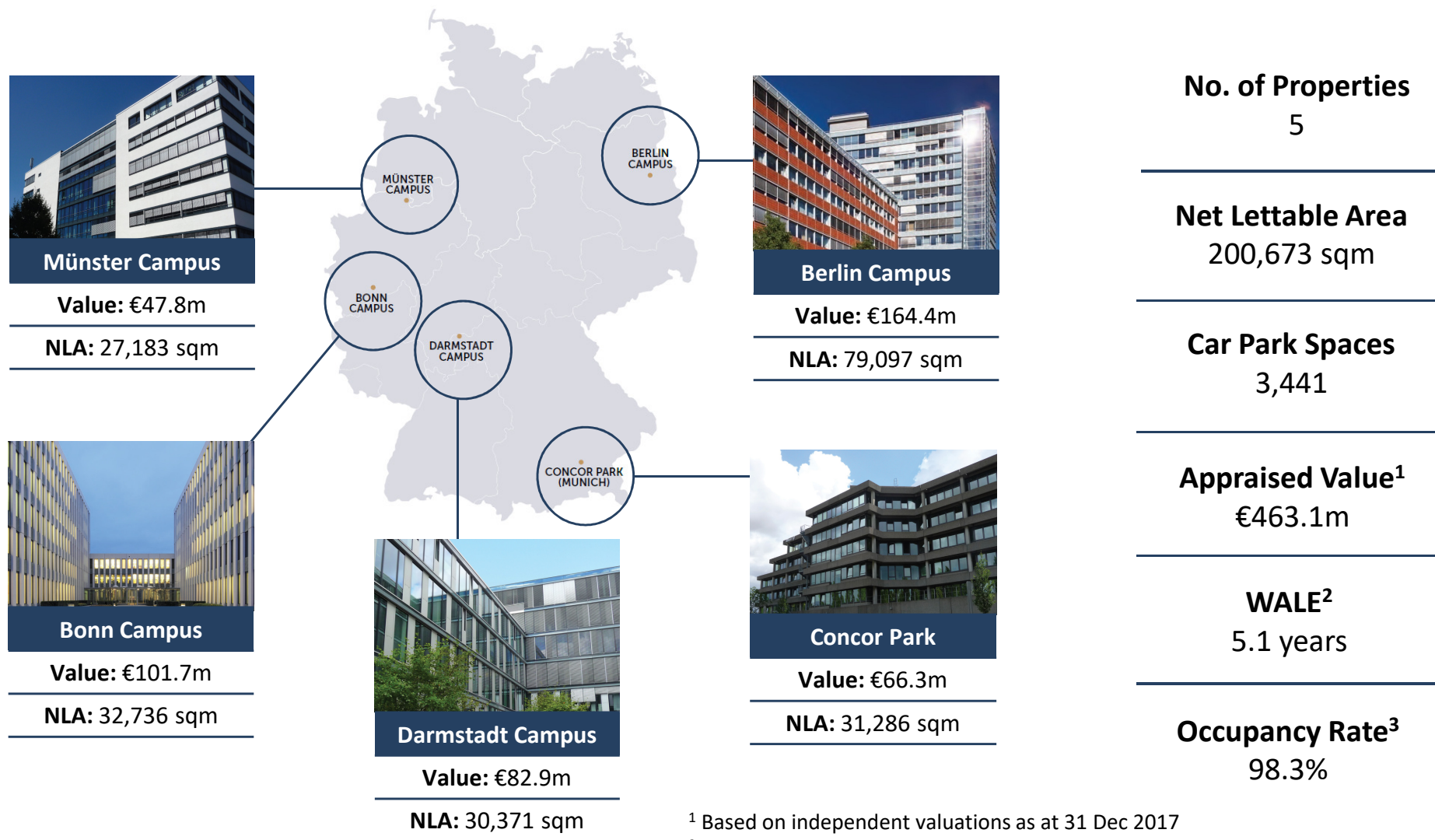
² BNPP Real Estate Research, 2018



Portfolio Overview

Portfolio Overview

Strategic Assets in German Cities of Berlin, Bonn, Darmstadt, Münster and Munich



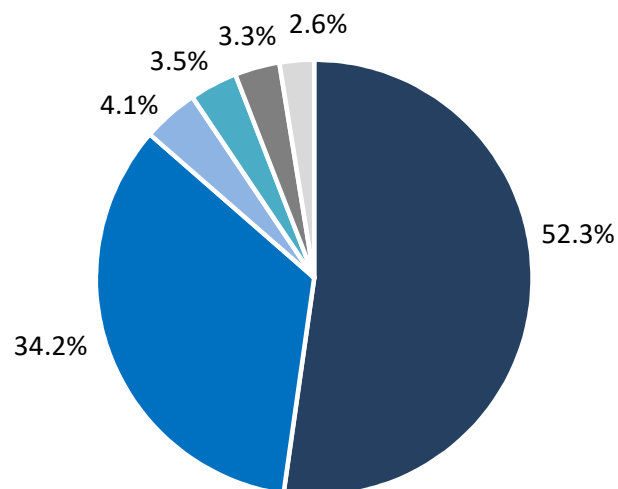
¹ Based on independent valuations as at 31 Dec 2017

² Based on gross rental income as at 31 Dec 2017

³ Based on all current leases in respect of the properties 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.



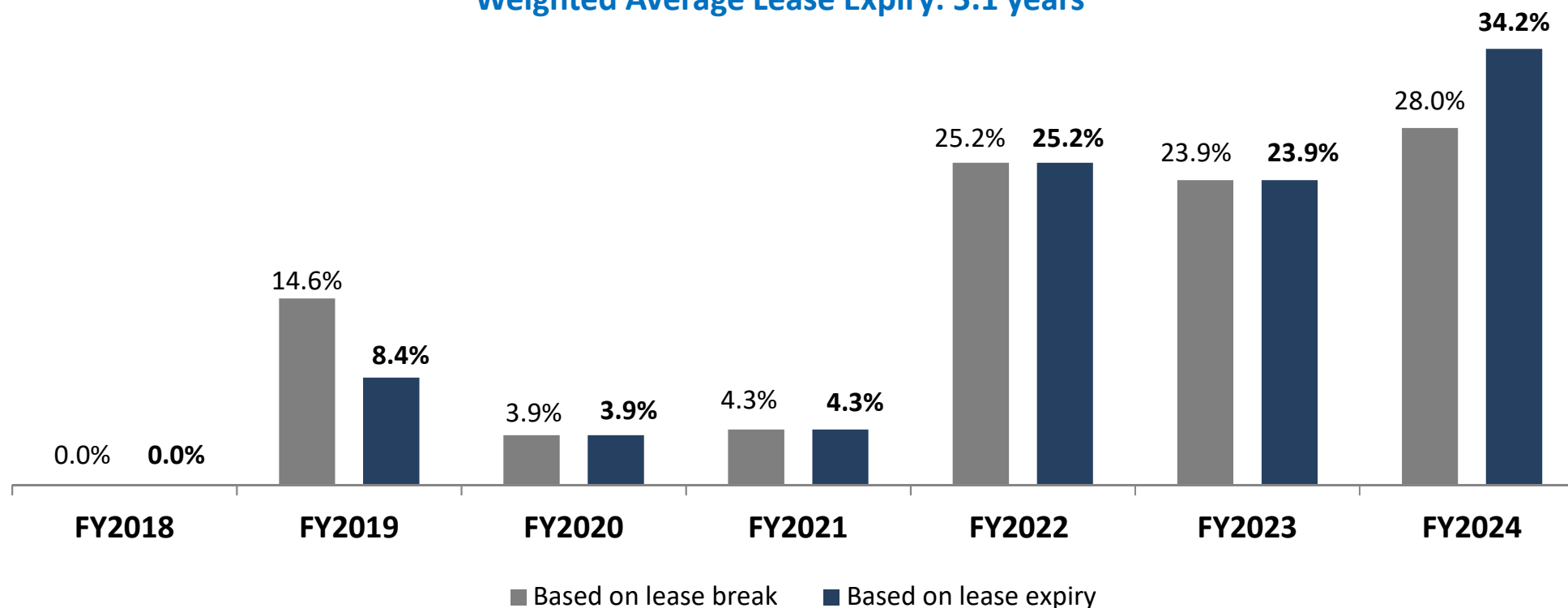
ebase GmbH is part of the Commerzbank Group. As a B2B direct bank, ebase is a full service partner for financial service providers, insurance companies, banks, asset managers and capital management companies.

¹ Based on gross rental income as at 31 Dec 2017

Stable Long Leases

Lease Break & Expiry Profile

Weighted Average Lease Expiry: 5.1 years¹



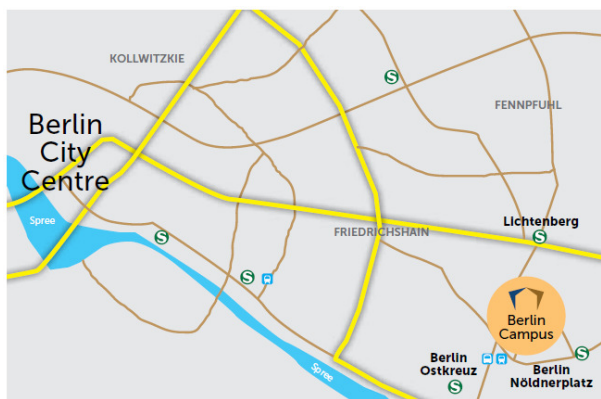
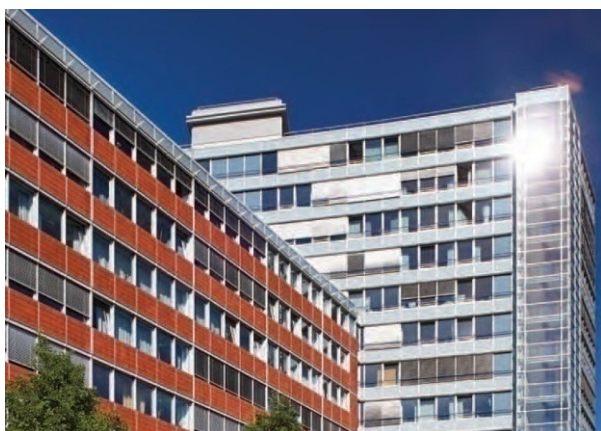
83.3% of the leases will be due for renewal only in FY2022 and beyond²

¹ Based on gross rental income as at 31 Dec 2017

² Out of which 6.2% are subject to lease break options prior to FY2022

Berlin Campus

- Almost fully let to DRV, the largest of the 16 federal pension institutions in Germany since 1994 and located in a district with excellent transport connectivity to the Berlin city centre

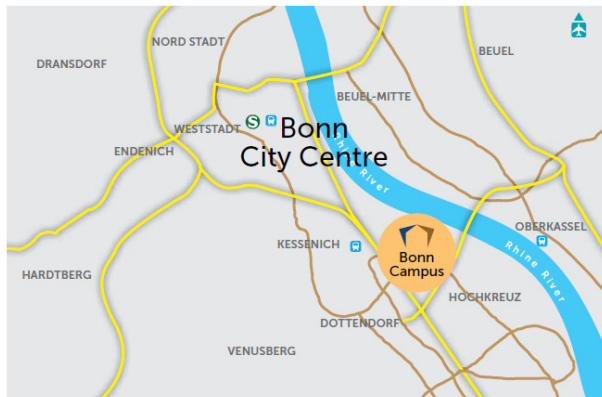


As at 31 December 2017

Completion Year	1994
Net Lettable Area:	79,097 sqm
Car Park Spaces:	496
Occupancy Rate:	99.2%
Number of Tenants:	5
Key Tenant(s):	Deutsche Rentenversicherung Bund (DRV)
Weighted Average Lease Expiry:	6.5 years
Property Value:	€164.4m

Bonn Campus

- Built to high specifications and strategically located opposite Deutsche Telekom global headquarter building



As at 31 December 2017

Completion Year	2008
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Net Lettable Area:	32,736 sqm
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Car Park Spaces:	652
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Occupancy Rate:	100.0%
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Number of Tenants:	1
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Key Tenant(s):	GMG, a wholly-owned subsidiary of Deutsche Telekom
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Weighted Average Lease Expiry:	5.3 years
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Property Value:	€101.7m
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Darmstadt Campus

- Strategically located in a key telecom office cluster which comprises the 2nd largest concentration of Deutsche Telekom offices after Bonn

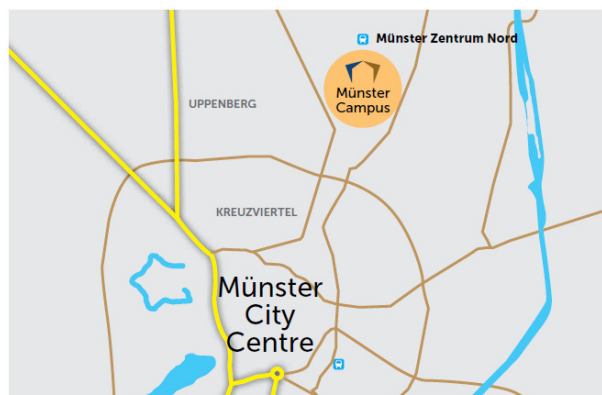


As at 31 December 2017

Completion Year	2007
Net Lettable Area:	30,371 sqm
Car Park Spaces:	1,189
Occupancy Rate:	100.0%
Number of Tenants:	1
Key Tenant(s):	GMG, a wholly-owned subsidiary of Deutsche Telekom
Weighted Average Lease Expiry:	4.8 years
Property Value:	€82.9m

Münster Campus

- Ongoing discussions with potential interested tenants in relation to the floor vacated by Deutsche Telekom

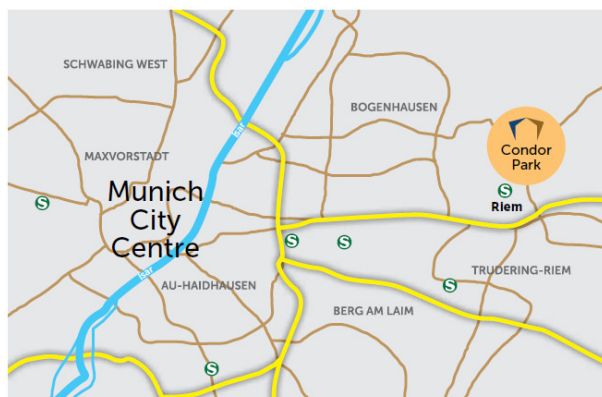


As at 31 December 2017

Completion Year	2007
Net Lettable Area:	27,183 sqm
Car Park Spaces:	588
Occupancy Rate:	93.3%
Number of Tenants:	1
Key Tenant(s):	GMG, a wholly-owned subsidiary of Deutsche Telekom
Weighted Average Lease Expiry:	3.2 years
Property Value:	€47.8m

Concor Park, Munich

- Recently fully refurbished multi-let property, in which one of the key tenants had recently extended its lease by 3 years



As at 31 December 2017

Completion Year	1978 and fully refurbished in 2011
Net Lettable Area:	31,286 sqm
Car Park Spaces:	516
Occupancy Rate:	96.9%
Number of Tenants:	12
Key Tenant(s):	ST Microelectronics, Allianz, Ebase, Yamaichi
Weighted Average Lease Expiry:	3.2 years
Property Value:	€66.3m



Financial Highlights

Operating & Financial Performance

(€ '000)	FY 2017	FY 2016	VARIANCE (%)
Gross Revenue	34,959	34,399	1.6
Net Property Income	31,528	30,856	2.2
Income Available for Distribution	25,976	25,550	1.7
Income to be Distributed to Unitholders	23,378	25,550	(8.5)
Available Distribution Per Unit			
- € cents	3.72	4.14	(10.1)
- S\$ cents ¹	5.77	6.33	(8.8)

- FY2017 gross revenue increased marginally due to higher contribution from Bonn Campus as a result of a 10% CPI-linked increase in rental income from Dec 2016
- FY2017 level of distribution is in line with the distribution policy of a payout of at least 90% of IREIT's annual distributable income

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

Financial Position

€ '000	As at 31 Dec 2017	As at 31 Dec 2016
Investment Properties	463,100	453,000
Total Assets	486,755	477,580
Borrowings ¹	195,476	197,731
Total Liabilities	218,064	217,705
Net Assets Attributable to Unitholders	268,691	259,875
NAV per Unit (€/unit) ²	0.43	0.42

- The increase in appraised value of €10.1m YoY has lifted the value of the investment properties to €463.1m, and this in turn contributed to the uptick in NAV to €0.43 per unit.
- Borrowings have decreased as a result of debt amortisation.

¹ Total borrowings less unamortised upfront debt transaction costs

² The NAV per Unit was computed based on net assets attributable to Unitholders as at 31 Dec 2017 and 31 Dec 2016, and the Units in issue and to be issued as at 31 Dec 2017 of 628.0m (31 Dec 2016: 622.6m)

Capital Management

- ~89.2% of borrowings at fixed interest rates – mitigates volatility from potential fluctuations in borrowing costs
- For the €23.63m short-term loan facility,
 - ✓ €2.55m has been paid in 2017 and another €2.55m will be payable in 2018
 - ✓ An amendment agreement was entered on 9 Mar 2018 with HSH Nordbank AG to extend the remaining principal amount of €18.52m to 2020

As at 31 Dec 2017	
Aggregate Leverage¹	Gross Borrowings Outstanding
40.3%	€196.0m
Effective Interest Rate²	Interest Coverage Ratio³
2.0% per annum	8.5 times
Weighted Average Debt Maturity: 1.9 years⁴	

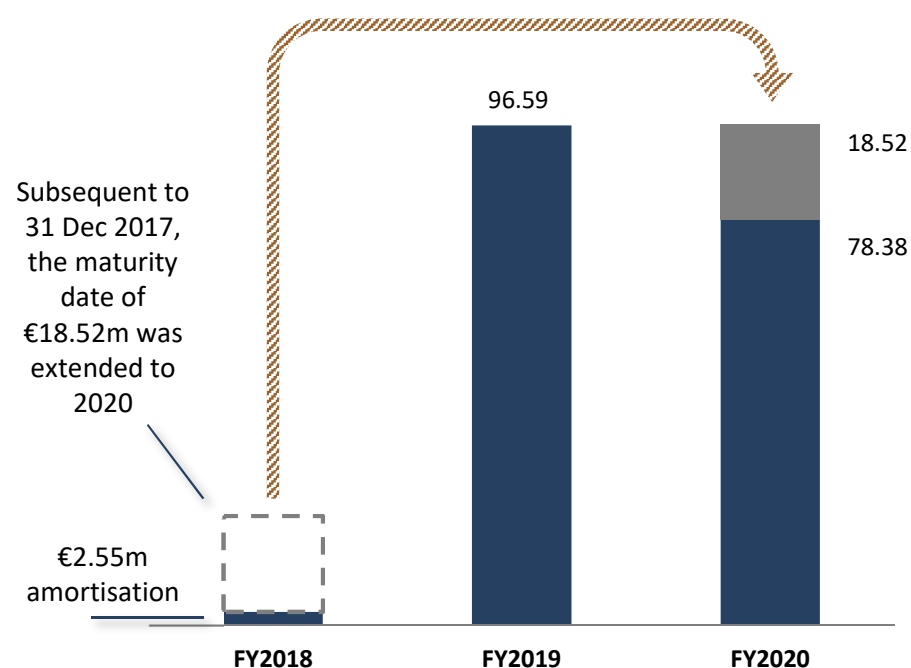
¹ Based on total debt over deposited properties as at 31 Dec 2017

² Effective interest rate computed over the tenure of the borrowings

³ Based on net property income over interest expense for 4Q2017

⁴ On a pro forma basis, the weighted average debt maturity will increase to 2.1 years following the extension

Debt Maturity Profile
(€ 'm)



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 FY 2017 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.
 - ✓ The Manager will use currency forwards to hedge ~80% of the estimated €-denominated income to be repatriated, one year in advance



Conclusion

Conclusion

Beneficiary of the Healthy European Real Estate Market

- European real estate market has experienced rising rents, decreasing vacancy rates and attractive spreads between property yields and government bond yields

High Level of Visibility and Stability in Recurring Income

- For FY2018, IREIT's operating performance should continue to be supported by its freehold quality assets, blue chip tenant base and long leases, with no lease expiries in the year

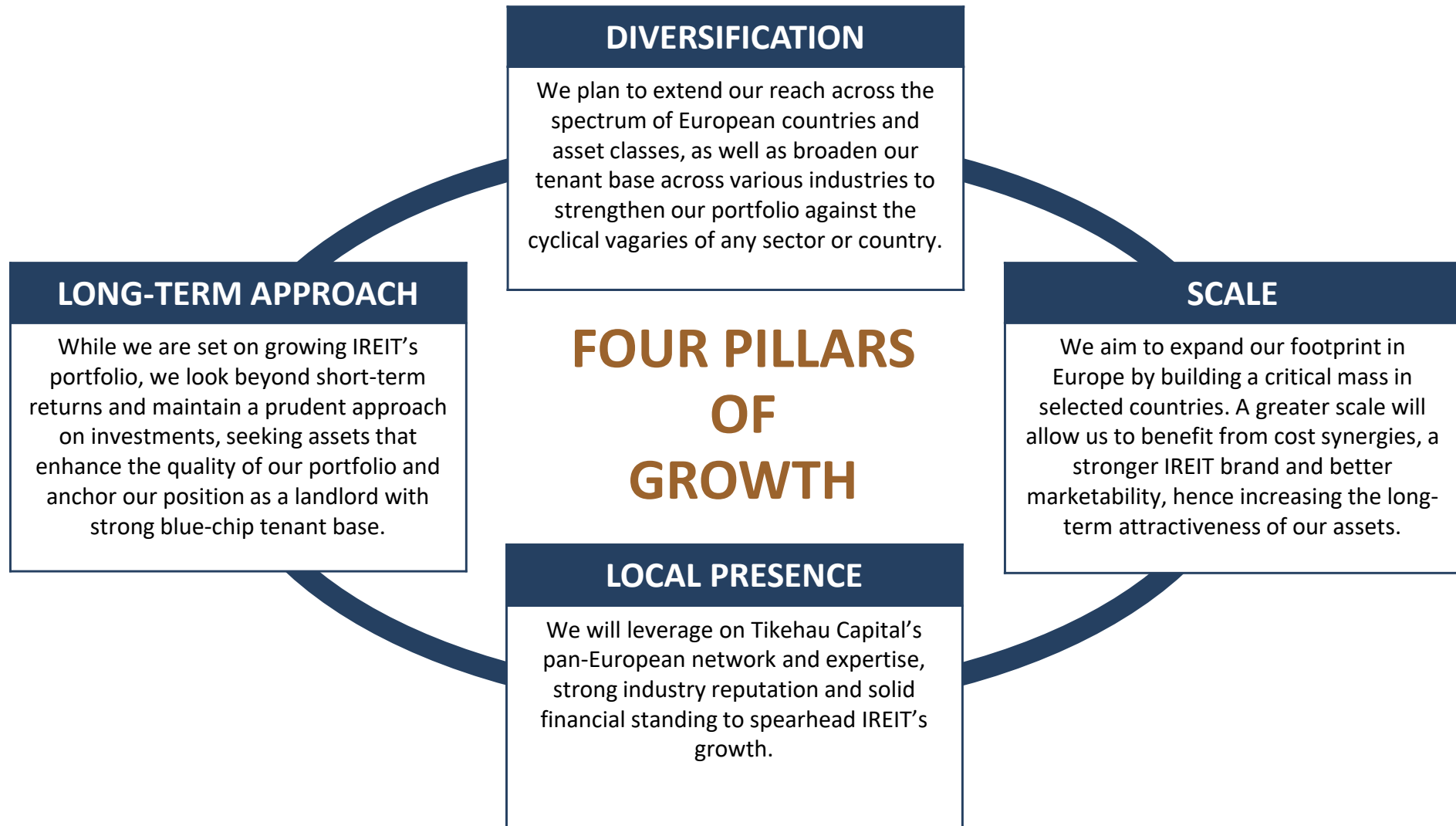
Leveraging on Strong Expertise and Network from Tikehau Capital

- Tikehau Capital brings not only its extensive network but also expertise in sourcing and managing investment opportunities in the European real estate markets

Looking Ahead

- IREIT is currently focusing its efforts on 3 key areas, namely acquisitions, upcoming lease expiries and debt maturities, in order to build a sustainable return for Unitholders

Growth Strategy





Thank You





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