



2Q 2017 and 1H 2017 Results Presentation
10 August 2017

Agenda

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- **Looking Ahead**
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About
IREIT
Global

About IREIT Global

Europe-focused

- 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

Well-managed

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



Key
Highlights

Key Highlights

- **Gross revenue for 2Q 2017 rose 4.0% year-on-year to €8.8 million; net property income for 2Q 2017 rose 2.7% to €7.9 million**
 - ✓ Stable performance supported by its portfolio of five quality office assets in Germany
- **High occupancy as at 30 June 2017**
 - ✓ 98.7% portfolio occupancy rate – Marginal decrease from 99.8% as at 31 March 2017 due to vacation of one floor at Münster South
 - ✓ WALE of 5.5 years as at 30 June 2017
- **DPU of S\$2.89 cents (€1.86 cents) declared for 1H 2017**
 - ✓ Annualised distribution yield of 7.6% based on half-year end closing price¹
- **Portfolio valuation as at 30 June 2017**
 - ✓ Marginal increase to €455.8 million, as compared to €453.0 million as at 31 December 2016

¹ Closing unit price of S\$0.760 as at 30 June 2017

Operating & Financial Performance – 2Q 2017 and 1H 2017

(€'000)	2Q 2017	2Q 2016	VARIANCE (%)	1H 2017	1H 2016	VARIANCE (%)
Gross Revenue	8,816	8,475	4.0	17,574	17,272	1.7
Property Operating Expenses	(964)	(829)	16.3	(1,842)	(2,016)	(8.6)
Net Property Income	7,852	7,646	2.7	15,732	15,256	3.1
Income Available for Distribution	6,443	6,407	0.6	12,946	12,819	1.0
Income to be Distributed to Unitholders	5,799	6,407	(9.5)	11,651	12,819	(9.1)

■ 2Q 2017 and 1H 2017

- ✓ Gross revenue increased mainly due to the 10% CPI-linked increase in rental income for the Bonn Campus from December 2016, partially offset by the decrease in rental income for the Münster South Building as the tenant vacated one floor with effect from 1 April 2017
- ✓ For 2Q 2017, property operating expenses were higher due mainly to an increase in recoverable property expenses for the period. As the expenses were fully recoverable from the tenants, the increase did not have any negative impact on the net property income for the period
- ✓ For 1H 2017, property operating expenses were lower due mainly to a decrease in recoverable property expenses for 1Q 2017, as well as a one-time adjustment of prior year land tax expenses for the Darmstadt Campus after finalisation from the tax office in 1Q 2016. As the expenses were fully recoverable from the tenants, the decrease did not have any impact on the net property income for the period

Distribution Per Unit – 2Q 2017 and 1H 2017

Distribution per Unit	2Q 2017	2Q 2016	VARIANCE (%)	1H 2017	1H 2016	VARIANCE (%)
Before Retention						
- € cents	1.03	1.04	(1.0)	2.07	2.08	(0.5)
- S\$ cents ¹	1.60	1.60	-	3.21	3.18	0.9
After Retention						
- € cents	0.93	1.04	(10.6)	1.86	2.08	(10.6)
- S\$ cents ¹	1.45	1.60	(9.4)	2.89	3.18	(9.1)

- 2Q 2017 and 1H 2017
 - ✓ Level of distribution is in line with the distribution policy of a payout of at least 90% of IREIT's annual distributable income
 - ✓ 1H 2017 DPU translates to an attractive annualized yield of approximately 7.6%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\$0.760 as at 30 June 2017

Financial Position

€ '000	AS AT 30 JUNE 2017	AS AT 31 DECEMBER 2016
Investment Properties	455,800	453,000
Total Assets	480,468	477,580
Borrowings	197,865	197,731
Total Liabilities	218,502	217,705
Net Assets Attributable to Unitholders	261,966	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 June 2017 and 31 December 2016, and the Units in issue and to be issued as at 30 June 2017 of 625.3 million (31 December 2016: 622.6 million)

Capital Management

- ~88.0% 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

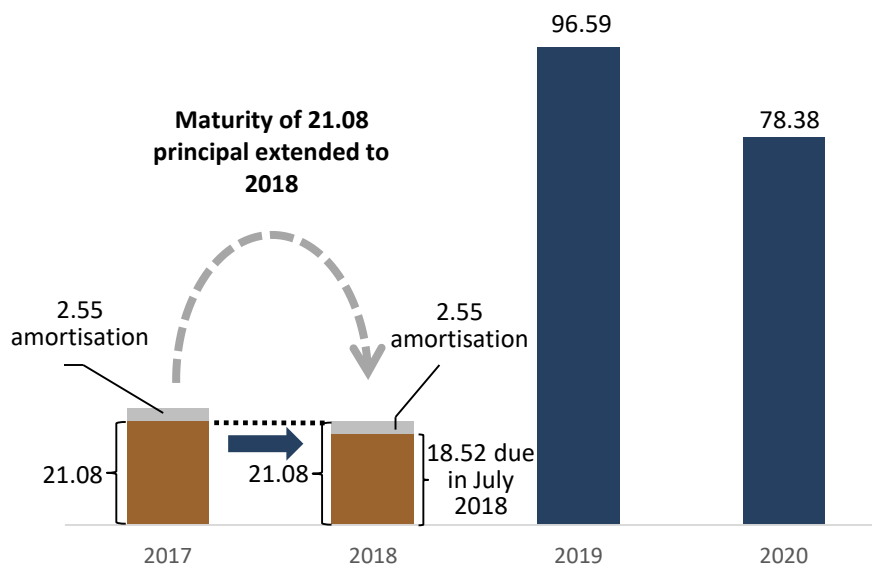
As at 30 June 2017	
Aggregate Leverage¹	Total Borrowings Outstanding
41.3%	€198.6 million
Effective Interest Rate²	Interest Coverage Ratio³
2.0% per annum	8.6 times
Average Weighted Debt Maturity: 2.4 years	

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

² Effective interest rate computed over the tenure of the borrowings

³ Based on net property income over interest expense for 2Q 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 distributable income for FY2017 has been hedged as follows:

	%	Average Hedge Rate
Distributable Income 2017	100	~S\$1.55 per Euro

- For future distributable income, the Manager may enter into hedging transactions in respect of distributions for future periods, as and when appropriate.



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	99.2%	100%	100%	92.7%	100%	98.7%
No. of Tenants	5	1	1	1	13	19
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	7.0	5.8	5.3	3.7	2.8	5.5
Independent Appraisal ³ (€ m)	159.8	101.4	83.1	47.7	63.8	455.8

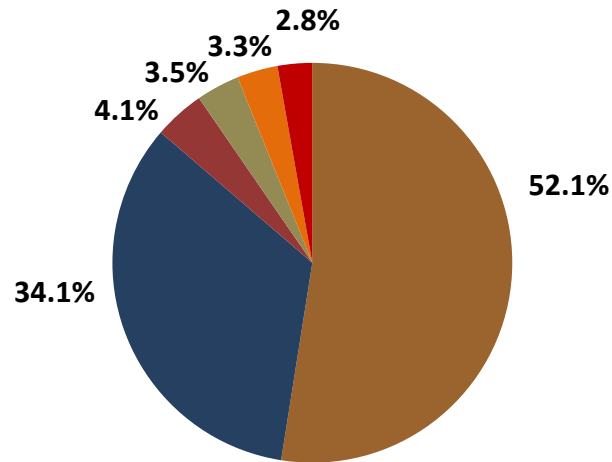
¹ Based on all current leases in respect of the properties as at 30 June 2017

² Based on gross rental income as at 30 June 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.

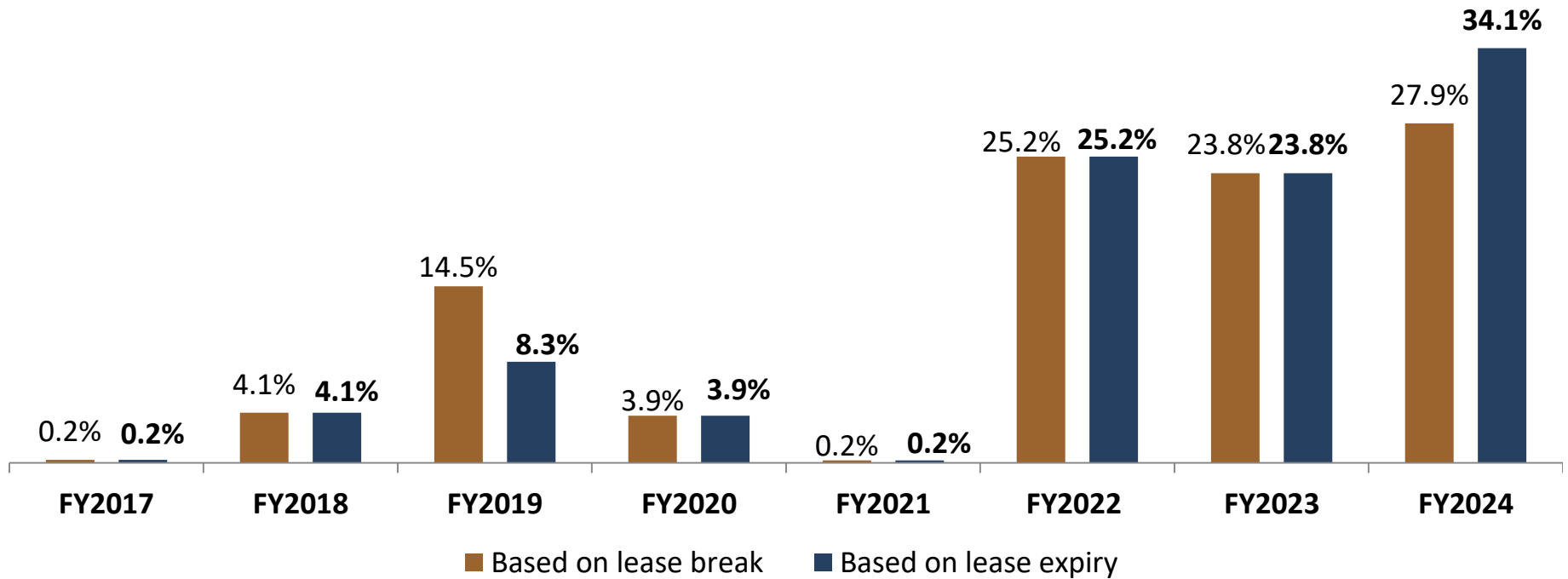


ebase GmbH is part of the Commerzbank Group. As a B2B direct bank, ebase is a full service partner for financial service providers, insurance companies, banks, asset managers and capital management companies.

¹ Based on gross rental income as at 30 June 2017

Stable Long Leases

Lease Break & Expiry Profile



Weighted Average Lease Expiry: 5.5 years¹

¹ Based on gross rental income as at 30 June 2017



Economy and Real Estate Review

Europe Economy & Real Estate Review

- Sustained economic growth, decreasing vacancy rates and attractive yield spreads continued to support the positive outlook for the European real estate market

- Economy
 - ✓ Eurozone economy growth at 0.6% q-o-q and 1.9% y-o-y in 1Q 2017¹
 - ✓ Euro area annual inflation rate increased slightly to 1.3% y-o-y in 2Q 2017¹

- Real Estate
 - ✓ With liquidity still abundant, prime yield continued to fall during 1Q 2017²
 - ✓ Non-Eurozone investors continued to play an important role, accounting for 58% of all European transactions in 1Q 2017²
 - ✓ The European Office Rental Index rose by 0.6% q-o-q in 1Q 2017. At 2.7%, the European y-o-y rental growth outpaced the 10-year average of 1.4%³

¹ Bloomberg, 2017

² BNPP RE Research, 2017

³ JLL Research, 2017

German Economy & Real Estate Review

- German economy continued to show strength and the real estate sector remained a key target investment market for investors

- Economy
 - ✓ GDP growth rate rose to 2.9% y-o-y in 1Q 2017¹
 - ✓ Inflation rate slightly decreased to 1.5% y-o-y in 2Q 2017, compared with 1.7% in 2016¹
 - ✓ 10-year government bond yield at 0.54% as of 31 July 2017¹

- Real Estate
 - ✓ Commercial property investment market got off to a strong start: highest all asset classes transaction volume for a first quarter at €15.8bn²
 - ✓ Office sector – due to strong demand and declining availability, prime rents in the TOP-5 markets are expected to increase slightly with further yield compression in 2017²
 - ✓ Retail – €6.3bn was invested in German retail properties in the first six months of 2017, rose by 44% y-o-y²

¹ Bloomberg, 2017

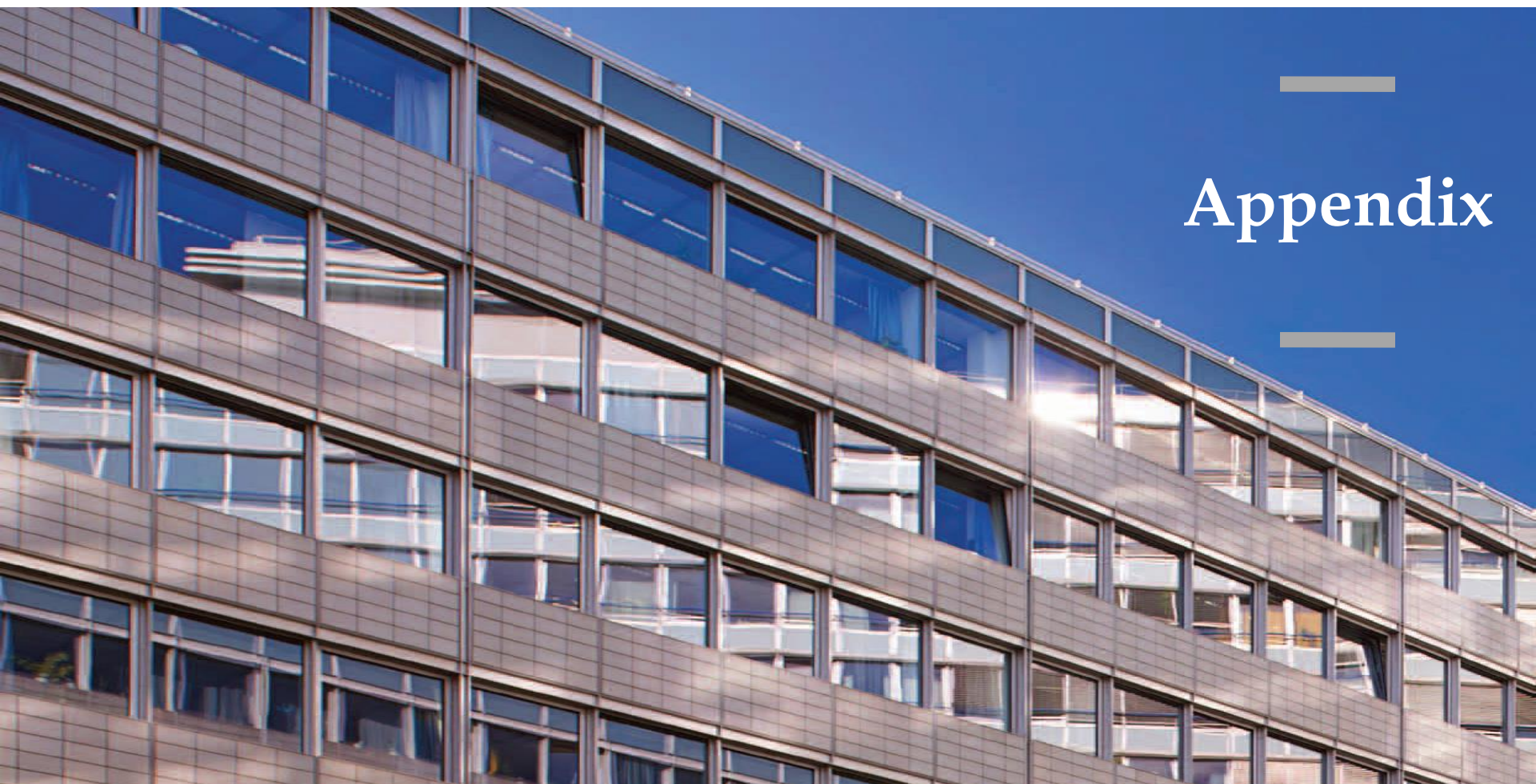
² CBRE Research, 2017



Looking
Ahead

Looking Ahead

- Sustained economic growth, decreasing vacancy rates and attractive yield spreads should continue to support the positive outlook for the European real estate market
- The growth of the German economy is expected to be healthy and the real estate sector should continue to be a key target investment market for investors into Europe
- With its freehold quality assets, long stable leases and a diversified blue chip tenant base, performance of IREIT's existing portfolio is expected remain stable for the remaining period of FY2017
- IREIT will seek to enhance long-term income by investing in income-producing quality assets across Europe, in particular in Germany, France and Italy
- IREIT is focused on executing a growth strategy based on the following 4 pillars :
 - ✓ Seeking ***diversification***, in terms of assets, tenants, countries and unitholder base;
 - ✓ Taking a ***long-term approach***, with the focus being portfolio long-term stable income;
 - ✓ Achieving ***scale***, by building critical mass in selected countries; and
 - ✓ Having ***local presence***, in order to strengthen IREIT's European footprint by leveraging on Tikehau Capital's pan-European network and expertise



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 in Singapore
 - ✓ €10.3bn of AuM, of which €1.8bn is for real estate¹
 - ✓ c.170 employees and partners
 - ✓ Established track record in Private and Public markets
 - ✓ Pioneer & leader in alternative financing for SMEs in Europe
 - ✓ Listed on Euronext Paris (market value €2.25bn)²
 - ✓ Recently raised €702mn of additional shareholders' equity, the largest capital increase for a European Alternative Asset Manager³

TKO
LISTED
EURONEXT



Private Debt 48% of AuM¹

Real Estate 17% of AuM¹

Private Equity 14% of AuM¹

Liquid Strategies 21% of AuM¹

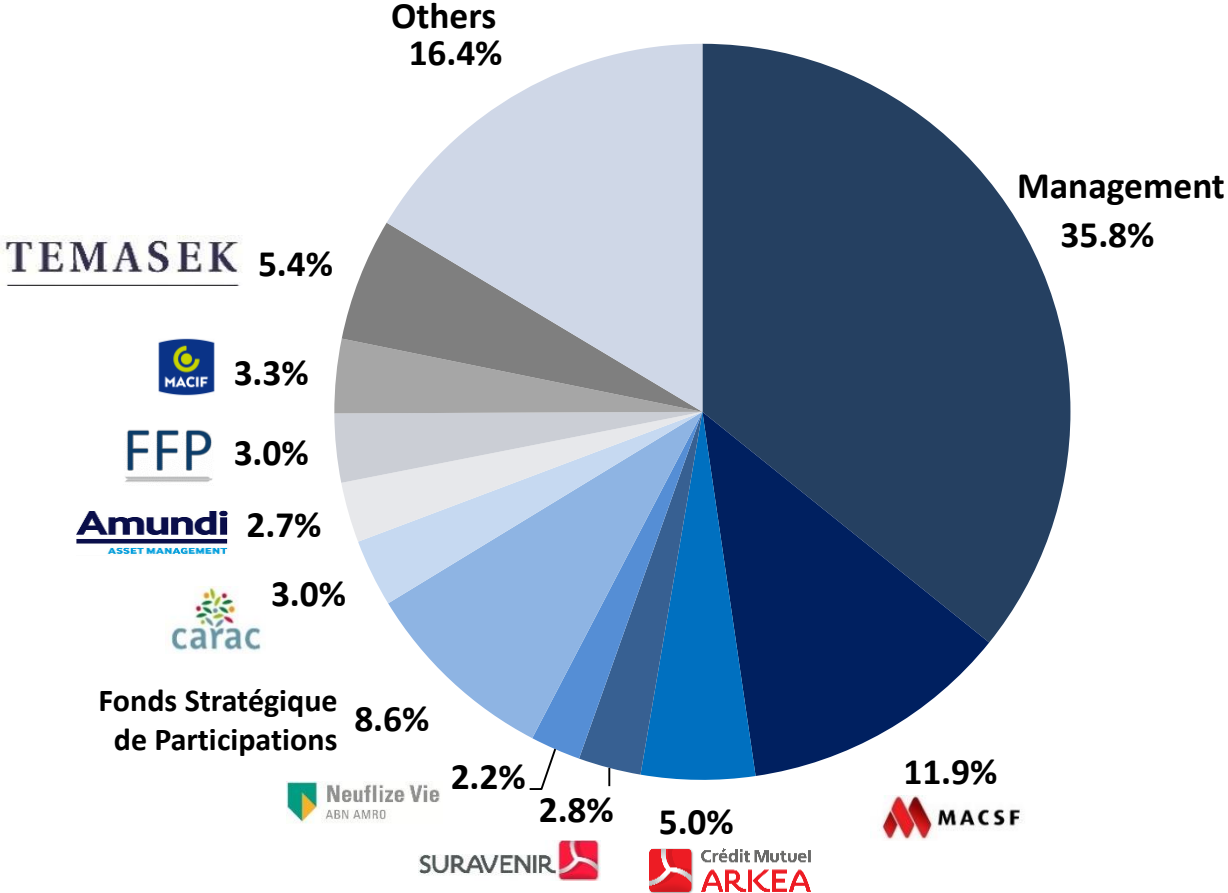
¹ As at 31 March 2017

² As at 31 July 2017

³ Announcement on 24 July 2017

First-Tier Institutional Shareholders

Tikehau Capital's Shareholder Structure¹



¹ As at 31 July 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

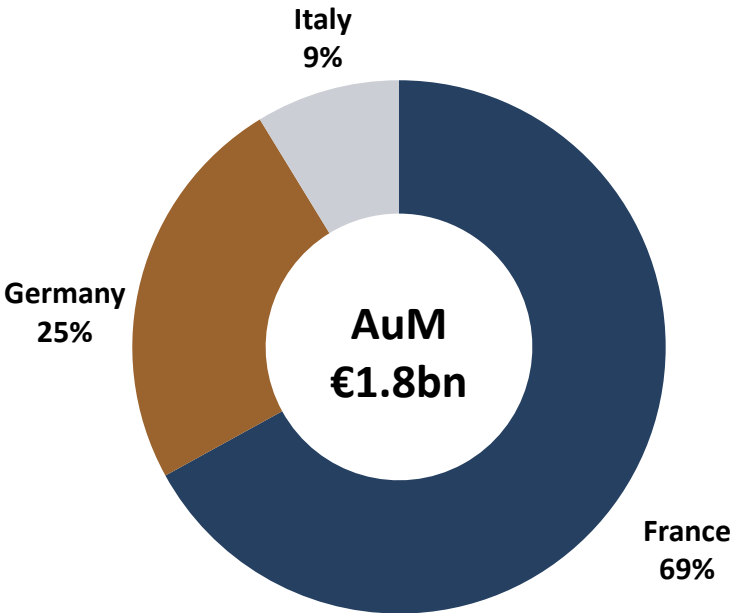
2017 investments



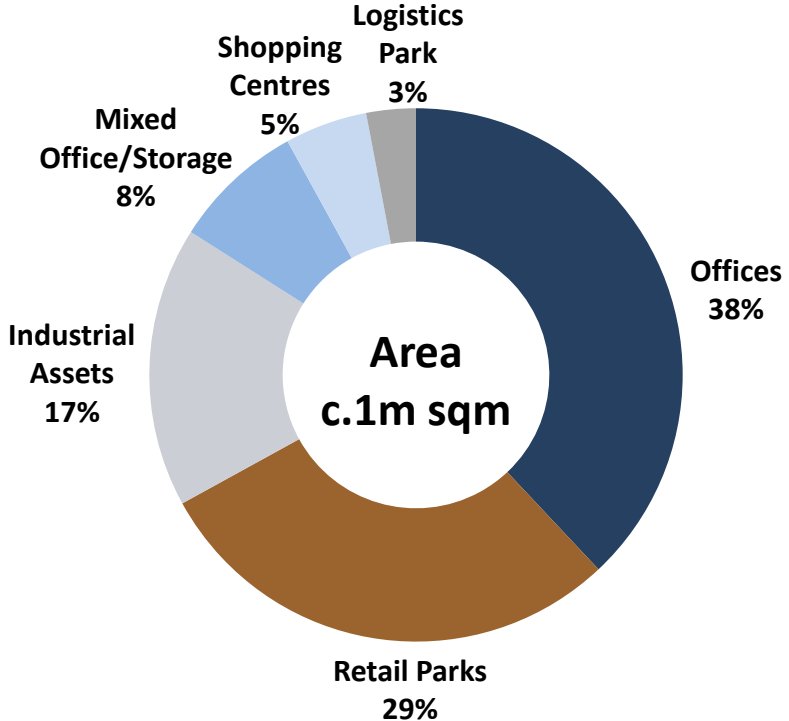
Shopping center
Italy
21,000m²
May 2017

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 31/05/2017

Thank You

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