



(a real estate investment trust constituted on 1 November 2013 under the laws of the Republic of Singapore)

**IREIT GLOBAL
UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 31
MARCH 2018**

Introduction

IREIT Global (“IREIT”) is a Singapore 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 completed its initial public offering (“IPO”) and was listed on the Main Board of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) on 13 August 2014 (the “Listing Date”). IREIT’s current portfolio comprises five office properties in Germany, strategically located in Berlin, Bonn, Darmstadt, Münster and Munich.

As at 31 March 2018, IREIT’s portfolio has an aggregate net lettable area of approximately 200,700 sq m which consists of the following properties (the “Properties”):

- (i) Bonn Campus
- (ii) Darmstadt Campus
- (iii) Münster Campus
- (iv) Concor Park
- (v) Berlin Campus

IREIT is managed by IREIT Global Group Pte. Ltd. (the “Manager”).

Distribution policy

IREIT’s current distribution policy is to distribute at least 90% of its annual distributable income for each financial year, with the actual level of distribution to be determined at the Manager’s discretion, having regard to funding requirements, other capital management considerations and ensuring the overall stability of distributions.

Distributions to Unitholders will be made semi-annually based on the half-yearly results of IREIT and the next distribution will be for the period from 1 January 2018 to 30 June 2018.

IREIT GLOBAL
UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 31
MARCH 2018

SUMMARY OF CONSOLIDATED RESULTS OF IREIT GLOBAL

	1Q 2018	1Q 2017	Variance (%)
Gross revenue (€'000)	8,579	8,758	(2.0)
Net property income (€'000)	7,727	7,880	(1.9)
Income available for distribution (€'000)	6,316	6,503	(2.9)
Less: Income retained	(632)	(651)	(2.9)
Income to be distributed to Unitholders (€'000)	5,684	5,852	(2.9)

Total distribution per Unit			
Before retention			
- € cents	1.00	1.04	(3.8)
- S\$ cents	1.63⁽¹⁾	1.61	1.2
After retention			
- € cents	0.90	0.93	(3.2)
- S\$ cents	1.46⁽¹⁾	1.44	1.4

Footnotes:

- (1) The DPU in Singapore dollars 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 January 2018 to 30 June 2018.

IREIT GLOBAL
UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 31
MARCH 2018

1(a)(i) Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	1Q 2018 (€'000)	1Q 2017 (€'000)	Variance (%)
Gross revenue		8,579	8,758	(2.0)
Property operating expenses		(852)	(878)	(3.0)
Net property income	1	7,727	7,880	(1.9)
Finance costs		(990)	(1,004)	(1.4)
Management fees		(632)	(650)	(2.8)
Trustee's fees		(24)	(24)	-
Administrative costs and other trust expenses		(170)	(173)	(1.7)
Net change in fair value of financial derivatives	2	162	564	(71.3)
Net change in fair value of investment properties	3	(29)	(89)	(67.4)
Profit before tax		6,044	6,504	(7.1)
Income tax expense		(473)	(465)	1.7
Profit for the period, before transactions with Unitholders		5,571	6,039	(7.7)
Distribution to Unitholders		(5,684)	(5,852)	(2.9)
(Loss) / profit for the period, after transactions with Unitholders		(113)	187	(160.4)
<u>Distribution Statement</u>				
Profit for the period, before transactions with Unitholders		5,571	6,039	(7.7)
Distribution adjustments	4	745	464	60.6
Amount available for distribution to Unitholders		6,316	6,503	(2.9)

Notes to Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income

- Net property income for 1Q 2018 was €0.2 million lower than that of 1Q 2017 mainly due to the following:
 - Decrease in rental income for the Münster South Building as the tenant vacated one floor with effect from 1 April 2017.
 - Adjustments arising from the finalisation of prior year's service charge reconciliation
 - Increase in repair and maintenance expenses for the upkeep of the properties
- This represents the net change in fair value of forward foreign currency exchange contracts which were entered into to hedge the currency risk for distribution to Unitholders.
- This relates to the difference between the carrying value and the fair value of the investment properties as at the end of each respective period.

IREIT GLOBAL
UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 31
MARCH 2018

1(a)(i) Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income
(continued)

Notes to Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income
(continued)

4. Distribution adjustments

	1Q 2018 (€'000)	1Q 2017 (€'000)
<u>Distribution adjustments</u>		
- Difference between accounting and actual finance costs paid	86	84
- Management fees payable in Units	632	650
- Foreign exchange gain	(146)	(106)
- Effects of recognising rental income on a straight line basis over the lease term	(98)	(98)
- Net change in fair value of financial derivatives	(162)	(564)
- Net change in fair value of investment properties	29	89
- Deferred tax expense	404	409
Net distribution adjustments	745	464

1(b)(i) Unaudited Statements of Financial Position

	Note	Group (€'000)		Trust (€'000)	
		31 Mar 2018	31 Dec 2017	31 Mar 2018	31 Dec 2017
Current assets					
Cash and cash equivalents	1	12,415	19,106	4,261	3,370
Trade and other receivables	2	1,940	1,579	630	7,930
Financial derivatives	3	26	68	26	68
		14,381	20,753	4,917	11,368
Non-current assets					
Investment properties	4	463,100	463,100	-	-
Investment in subsidiaries		-	-	236,198	241,406
Other receivables	5	1,059	961	-	-
Deferred tax assets		1,928	1,867	-	-
Financial derivatives	3	-	74	-	74
		466,087	466,002	236,198	241,480
Total assets		480,468	486,755	241,115	252,848
Current liabilities					
Borrowings	6	-	21,055	-	-
Trade and other payables	7	2,973	2,790	576	471
Distribution payable		5,684	11,727	5,684	11,727
Financial derivatives	3	-	278	-	278
Income tax payable	8	330	274	2	6
		8,987	36,124	6,262	12,482
Non-current liabilities					
Borrowings	6	194,287	174,421	-	-
Deferred tax liabilities		7,984	7,519	-	-
		202,271	181,940	-	-
Total liabilities		211,258	218,064	6,262	12,482
Net assets attributable to Unitholders					
		269,210	268,691	234,853	240,366

1(b)(i) Unaudited Statements of Financial Position (continued)

Notes to Unaudited Statements of Financial Position (continued)

1. The Group's cash and cash equivalents as at 31 March 2018 were €6.7 million lower than the balance as at 31 December 2017, mainly due to the distribution for the half year ended 31 December 2017 that was paid in March 2018, partly offset by the cash flows generated from operations for 1Q 2018.

Please refer to the consolidated statement of cash flows for 1Q 2018 on Page 7 of this announcement for further details.

The increase of €0.9 million in the Trust's cash and cash equivalents as at 31 March 2018 as compared to 31 December 2017 was mainly due to the retention of part of the distributable income for the half year ended 31 December 2017, partly offset by the lower amount of inter-company transfers from subsidiaries during 1Q 2018.

2. The Group's trade and other receivables as at 31 March 2018 were €0.4 million higher than the balance as at 31 December 2017, mainly due to timing differences in respect of the receipt of certain service charge payments due from a tenant for the period.

The decrease of €7.3 million in the Trust's trade and other receivables was mainly due to the balances due from subsidiaries as at 31 December 2017, which were received subsequent to 31 December 2017.

3. This represents the fair value as at the reporting dates of forward foreign currency exchange contracts which were entered into to hedge the currency risk for distribution to Unitholders.
4. Investment properties are accounted for at fair value based on valuations undertaken by independent valuers as at 31 December 2017.
5. This relates to the effects of accounting adjustments to recognise rental income on a straight-line basis over the term of the leases which have step-up rental escalation clauses.
6. Please refer to the Aggregate Amount of Borrowings 1b(ii) for details.
7. The increase of €0.1 million in the Trust's trade and other payables were mainly due to slower turnover of trade creditors for the period.
8. The income tax payable arises from the current income tax provision on taxable profits at the property level.

IREIT GLOBAL
UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 31
MARCH 2018

1(b)(ii) Aggregate Amount of Borrowings

	Group (€'000)	
	31Mar 2018	31 Dec 2017
Repayable within one year		
Secured borrowings	-	21,075
Less: Upfront debt transaction costs ⁽¹⁾	-	(20)
	-	21,055
Repayable after one year		
Secured borrowings	194,769	174,969
Less: Upfront debt transaction costs ⁽¹⁾	(482)	(548)
	194,287	174,421
Total		
Secured borrowings	194,769	196,044
Less: Upfront debt transaction costs ⁽¹⁾	(482)	(568)
	194,287	195,476

Footnotes:

(1) Upfront debt transaction costs are amortised over the life of the loan facilities.

As at 31 March 2018, the secured borrowings comprise the following term loan facilities (together, the "Facilities"):

Details of borrowings and collaterals

- (a) a secured €96.6 million non-amortising term loan facility which has a tenor of 5 years and is repayable on a bullet basis in August 2019; and
- (b) a secured €102.0 million term loan facility consisting of (i) a non-amortising Facility A of €78.4 million which has a tenor of 5 years and is repayable on a bullet basis in August 2020 and (ii) Facility B with an outstanding principal of €19.8 million as at 31 March 2018 and a final scheduled amortisation of €1.275 million to be paid in May 2018. The remaining outstanding principal of €18.5 million is repayable on a bullet basis in August 2020.

The Facilities are secured by way of the following:

- land charges over the investment properties;
- pledges over the rent and other relevant bank accounts in relation to the investment properties;
- assignments of claims under the lease agreements, insurance agreements, sale and purchase agreements, property management agreements and other key agreements in relation to the investment properties;
- pledges over the shares in the borrowing entities; and
- pledges over the intra-group loans under the borrowing entities.

IREIT GLOBAL
UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 31
MARCH 2018

1(c)(i) Unaudited Consolidated Statement of Cash Flows

	Group	
	1Q 2018 (€'000)	1Q 2017 (€'000)
Cash flows from operating activities		
(Loss) / profit for the period, after transactions with Unitholders	(113)	187
Adjustments for:		
Management fees payable in Units	632	650
Finance costs	990	1,004
Net change in fair value of financial derivatives	(162)	(564)
Net change in fair value of investment properties	29	89
Distribution to Unitholders	5,684	5,852
Income tax expense	473	465
Operating profit before working capital changes	7,533	7,683
Changes in working capital:		
Trade and other receivables	(439)	(225)
Trade and other payables	183	(352)
Income taxes paid	(13)	-
Cash generated from operations, representing net cash from operating activities	7,264	7,106
Cash flows from investing activity		
Capital expenditure on investment properties	(29)	(89)
Net cash used in investing activity	(29)	(89)
Cash flows from financing activities		
Repayment of bank borrowings	(1,275)	-
Costs related to bank borrowings	(20)	(20)
Distribution paid to Unitholders	(11,727)	(12,731)
Net interest paid	(904)	(924)
Net cash used in financing activities	(13,926)	(13,675)
Net decrease in cash and cash equivalents	(6,691)	(6,658)
Cash and cash equivalents at beginning of the period	19,106	20,803
Cash and cash equivalents at end of the period	12,415	14,145

Notes to Unaudited Consolidated Statement of Cash Flows

For 1Q 2018, the following funds were materially disbursed from the proceeds of the IPO and rights issue completed in August 2015 as set out below:

	(€'000)	
	IPO Proceeds	Right Issue Proceeds
Balance as at 1 January 2018:	1,598	212
Amount disbursed:		
Capital expenditure on investment properties	(18)	(11)
Repayment of bank borrowings ⁽¹⁾	(1,074)	(201)
Balance as at 31 March 2018	506	-

Footnote:

(1) As explained in the announcement titled "Extension of Loan Maturity" dated 13 March 2017.

IREIT GLOBAL
UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 31
MARCH 2018

1(d)(i) Unaudited Statement of Changes in Net Assets Attributable to Unitholders

	Group		Trust	
	1Q 2018 (€'000)	1Q 2017 (€'000)	1Q 2018 (€'000)	1Q 2017 (€'000)
Operations				
Balance as at beginning of period	(10,250)	(16,468)	(38,575)	(26,341)
Profit for the period, before transactions with Unitholders	5,571	6,039	(461)	(110)
Distribution payable of 0.90€ cents per Unit for 1Q 2018	(5,684)	-	(5,684)	-
Distribution payable of 0.93€ cents per Unit for 1Q 2017	-	(5,852)	-	(5,852)
Balance as at the end of the period	(10,363)	(16,281)	(44,720)	(32,303)
Unitholders' transactions				
Issue of Units:				
Balance as at beginning of period	278,941	276,343	278,941	276,343
Management fees payable in Units	632	650	632	650
Net assets resulting from transactions	279,573	276,993	279,573	276,993
Net assets attributable to Unitholders as at end of period	269,210	260,712	234,853	244,690

1(d)(ii) Details of Any Change in Units

	Group	
	1Q 2018 (Units)	1Q 2017 (Units)
Unit in issue:		
At beginning of the period	626,665,519	618,841,570
Issue of new Units:		
- Management fees paid in Units	1,376,368	3,777,227
At end of the period	628,041,887	622,618,797
Units to be issued:		
Management fees payable in Units	1,302,286	1,351,934
At end of the period	629,344,173	623,970,731

2. Whether the figures have been audited, or reviewed and in accordance with which standard, (e.g. the Singapore Standard on Auditing 2410 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have not been audited or reviewed.

3. Where the figures have been audited, or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recent audited annual financial statements have been applied

For the current reporting period, the Group has applied the same accounting policies and methods of computation as those applied in its audited financial statements for the financial year ended 31 December 2017.

IREIT GLOBAL
UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 31
MARCH 2018

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of the change**

Not applicable.

6. **Earnings Per Unit and Distribution Per Unit**

	Group	
	1Q 2018	1Q 2017
Weighted average number of Units ('000)	626,971	619,822
Earnings per Unit Basic and Diluted (€ cents)	0.88	0.97
Number of Units entitled to distribution ('000)	629,344	623,971
Distribution per Unit ("DPU")		
- € cents	0.90	0.93
- S\$ cents ⁽¹⁾	1.46	1.44

Footnotes:

- (1) The DPU in Singapore dollars 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 January 2018 to 30 June 2018.

7. **Net Asset Value and Net Tangible Asset Per Unit**

	Group	
	31 Mar 2018	31 Dec 2017
Number of Units in issue and to be issued at end of the period ('000) ⁽¹⁾	629,344	628,042
Net asset value ("NAV") per Unit (€)	0.43	0.43
Net tangible asset ("NTA") per Unit (€)	0.43	0.43

Footnote:

1. The NAV and NTA per Unit was computed based on the net assets attributable to Unitholders as at 31 March 2018 and 31 December 2017 and the Units in issue and to be issued as at 31 March 2018 of 629,344,173 (31 December 2017: 628,041,887).

8. **Review of the Performance for the First Quarter ended 31 March 2018**

A review of the performance for 1Q 2018 is set out in Item 1(a)(i) Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income and Item 1(b)(i) Unaudited Statements of Financial Position as at 31 March 2018.

9. **Variance between actual and forecast**

Not applicable as no forecast has been previously disclosed.

**IREIT GLOBAL
UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 31
MARCH 2018**

10. Commentary on the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting and next 12 months

The 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 a 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 for the year. 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. The office space that is subject to the lease break option represents approximately 6.1% of IREIT's total gross rental income as at 31 March 2018.

IREIT will make the last partial loan repayment of €1.275 million in May 2018 in accordance with the loan amortisation schedule for the short-term loan facility provided by HSH Nordbank AG. As previously announced, the maturity date of the remaining principal of €18.5 million has been extended by two years from July 2018 to August 2020, without amortisation until the maturity date.

Looking ahead, 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.

11. Distributions

(a) Current financial period

Any distributions declared for the current financial period? No

(b) Corresponding period of the preceding financial period

Any distributions declared for the corresponding period of the immediate preceding financial period? No

(c) Books closure date Not applicable

(d) Date payable Not applicable

12. If no distribution has been declared/(recommended), a statement to that effect.

No distribution has been declared for 1Q 2018.

13. If IREIT has obtained a general mandate from shareholders for IPTs, the aggregate value of each transaction as required under Rule 920(i)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

IREIT has not obtained a general mandate from Unitholders for Interested Person Transactions.

**IREIT GLOBAL
UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 31
MARCH 2018**

14. Confirmation pursuant to Rule 705(5) of the Listing Manual

The Board of Directors of the Manager has confirmed that, to the best of their knowledge, nothing has come to their attention which may render these unaudited financial results for the first quarter ended 31 March 2018 to be false or misleading in any material aspect.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1)

The Manager confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD OF DIRECTORS

IREIT Global Group Pte. Ltd.
(Company Registration No. 201331623K)
(As manager for IREIT GLOBAL)

Lee Wei Hsiung
Company Secretary
10 May 2018

This announcement may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies and venues for the sale/ distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management of future events.

Any discrepancies in the tables included in this announcement between the listed amounts and total thereof are due to rounding.