



2Q2018 Results Presentation
8 August 2018

Agenda

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- **Key Highlights**
- **Portfolio Summary**
- **European Market Overview**
- **Looking Ahead**
- **Appendix : Overview of Tikehau Capital**



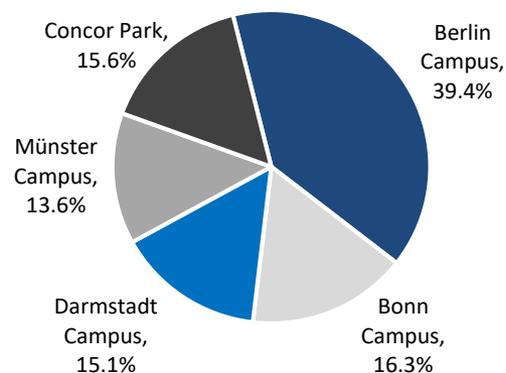
About
IREIT
Global

About IREIT Global

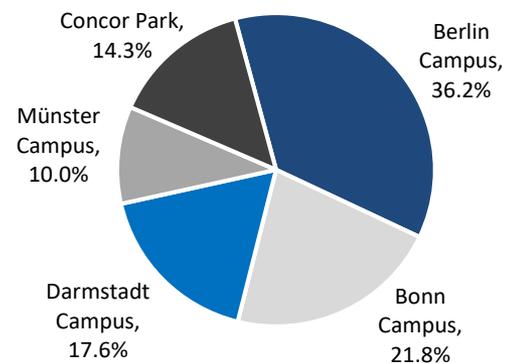
First Singapore-listed REIT with Europe-focused Mandate

Investment Mandate:	Principally invests, 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
Current Portfolio:	5 freehold office assets in Germany, with total NLA of c.200,600 sqm and valuation of €478.0m
Manager:	IREIT Global Group Pte. Ltd., a subsidiary of pan-European asset management and investment group Tikehau Capital
Distribution Policy:	At least 90% of annual distributable income; distributions to be made on a semi-annual basis

Net Lettable Area as at 30 Jun 2018



Valuation as at 30 Jun 2018





Key Highlights

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- **Gross revenue for 2Q2018 declined by 1.8% y-o-y to €8.7m, while net property income rose by 0.6% y-o-y to €7.9m**
 - ✓ Due mainly to the absence of a one-time tenant contribution of €0.1 million received in 2Q2017 for capex previously incurred, but this was more than compensated by lower property operating expenses
- **2Q2018 DPU at 1.49 Singapore cents, 2.8% higher y-o-y**
 - ✓ Lifted by more favourable average foreign currency exchange rates
- **Healthy lease profile**
 - ✓ Portfolio occupancy rate remained at a high 98.5%
 - ✓ Supported by a WALE of 4.6 years as at 30 Jun 2018
- **Aggregate leverage improved 1.9ppt q-o-q to 38.6%**
 - ✓ Last quarterly partial loan repayment of €1.275m made in May 2018
 - ✓ Further strengthened by €14.9m in fair value gain of investment properties

Operating & Financial Performance

(€ '000)	2Q2018	2Q2017	Variance (%)
Gross Revenue	8,653	8,816	(1.8)
Property Operating Expenses	(750)	(964)	(22.2)
Net Property Income	7,903	7,852	0.6
Income Available for Distribution	6,470	6,443	0.4
Income to be Distributed to Unitholders	5,823	5,799	0.4

- Gross revenue decreased 1.8% y-o-y due mainly to the absence of a one-time tenant contribution of €0.1 million received in 2Q2017 for capex previously incurred, but this was more than compensated by lower property operating expenses
- As a result, net property income and income available for distribution were up 0.6% and 0.4% y-o-y, respectively

Distribution Per Unit

Distribution per Unit	1H2018	1H2017	Variance (%)
Before Retention			
- € cents	2.03	2.07	(1.9)
- S\$ cents ¹	3.29	3.21	2.5
After Retention			
- € cents	1.82	1.86	(2.2)
- S\$ cents ¹	2.95	2.89	2.1

- DPU in S\$ terms was lifted mainly by more favourable average foreign currency exchange rates between the € and S\$¹
- 1H2018 DPU translates to an annualised distribution yield of approximately 7.8%²

¹ 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

² Based on IREIT's closing unit price of S\$0.76 as at 29 Jun 2018 (last trading day of Jun 2018)

Distribution Details

Distribution Period	1 Jan 2018 to 30 Jun 2018
Distribution per Unit (DPU)	2.95 Singapore cents
Ex-Date	15 Aug 2018 (Wednesday)
Books Closure Date	17 Aug 2018 (Friday) at 5:00PM
Payment Date	27 Aug 2018 (Monday)

Financial Position

€ '000	As at 30 Jun 2018	As at 31 Dec 2017
Investment Properties	478,000	463,100
Total Assets	500,778	486,755
Borrowings	193,100	195,476
Total Liabilities	218,401	218,064
Net Assets Attributable to Unitholders	282,377	268,691
NAV per Unit (€/unit) ¹	0.45	0.43

- The increase in appraised value of €14.9m during the period has lifted the value of investment properties, and this in turn led to an increase in NAV per Unit to €0.45

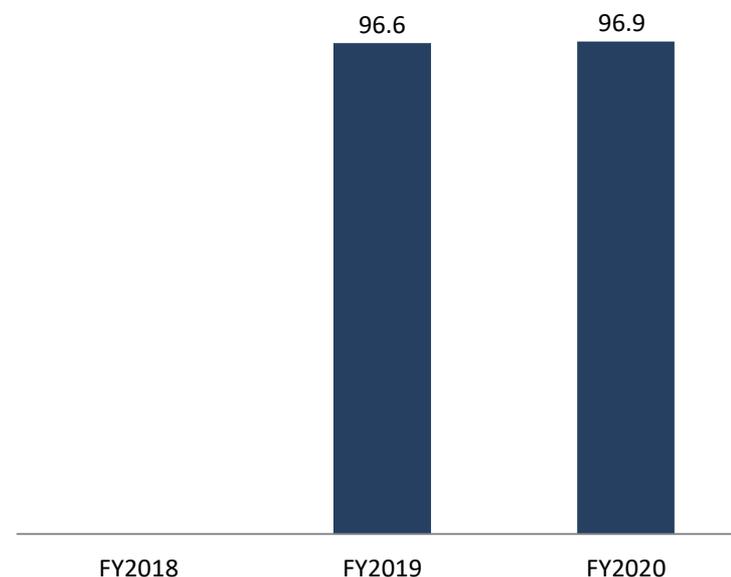
¹ The NAV per Unit was computed based on net assets attributable to Unitholders as at 30 Jun 2018 and 31 Dec 2017, and the Units in issue and to be issued as at 30 Jun 2018 of 630.7m (31 Dec 2017: 628.0m)

Capital Management

- ~90% of borrowings at fixed interest rates – mitigates volatility from potential fluctuations in borrowing costs
- Last quarterly partial loan repayment of €1.275m relating to short-term loan facility by HSH Nordbank made in May 2018

As at 30 Jun 2018	
Aggregate Leverage¹	Gross Borrowings Outstanding
38.6%	€193.5 million
Effective Interest Rate²	Interest Coverage Ratio³
2.0% per annum	8.5 times
Average Weighted Debt Maturity: 1.6 years	

Debt Maturity Profile
€'million



¹ Based on total debt over deposited properties as at 30 Jun 2018

² Effective interest rate computed over the tenure of the borrowings

³ Based on net property income over interest expense for 2Q2018

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 FY2017 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



Portfolio Summary

Portfolio Summary

	BERLIN CAMPUS	BONN CAMPUS	DARMSTADT CAMPUS	MÜNSTER CAMPUS	CONCOR PARK	TOTAL
Location	Berlin	Bonn	Darmstadt	Münster	Munich	
Completion Year	1994	2008	2007	2007	1978 and fully refurbished in 2011	
Net Lettable Area (sqm)	79,097	32,736	30,371	27,183	31,222	200,609
Car Park Spaces	496	652	1,189	588	516	3,441
Occupancy Rate ¹	99.8%	100.0%	100.0%	93.3%	97.1%	98.5%
No. of Tenants	6	1	1	1	12	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	6.0	4.8	4.3	2.7	2.7	4.6
Independent Appraisal ³ (€ m)	173.2	104.3	84.2	48.0	68.3	478.0

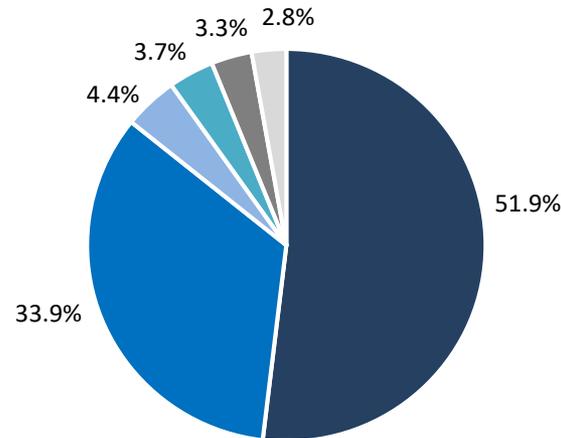
¹ Based on all current leases in respect of the properties as at 30 Jun 2018

² Based on gross rental income as at 30 Jun 2018

³ Based on independent valuations as at 30 Jun 2018

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.

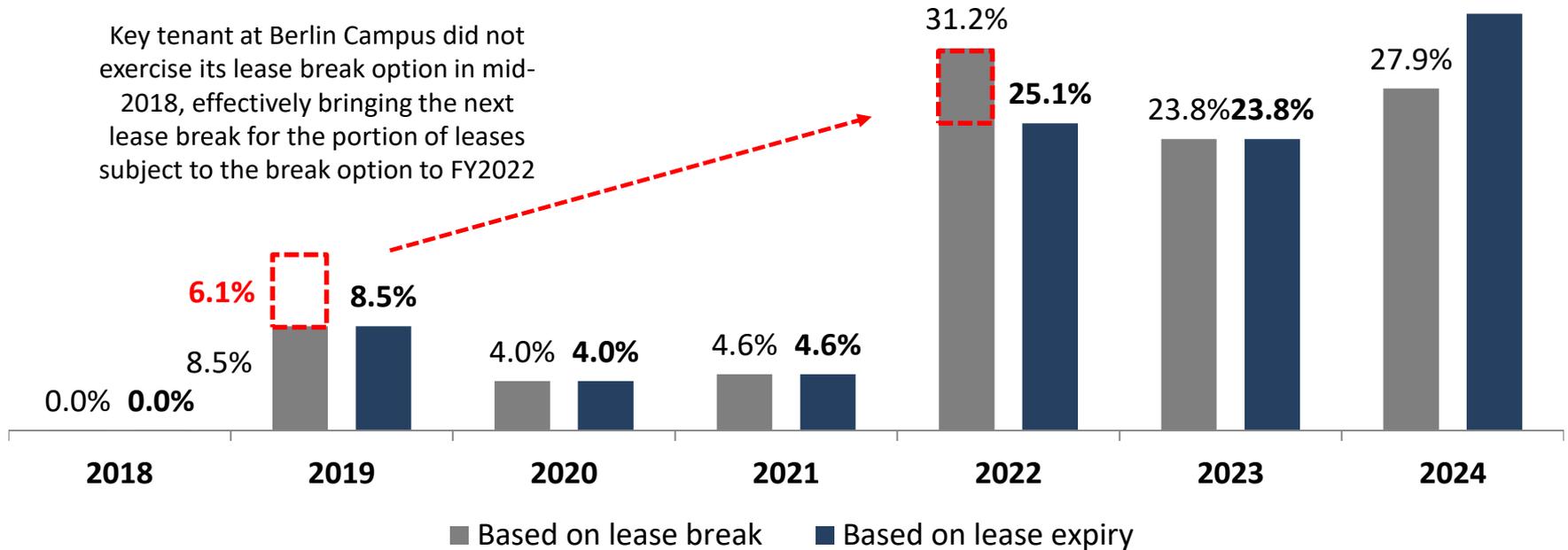
¹ Based on gross rental income as at 30 Jun 2018

Stable Long Leases

Lease Break & Expiry Profile

Weighted Average Lease Expiry: 4.6 years¹

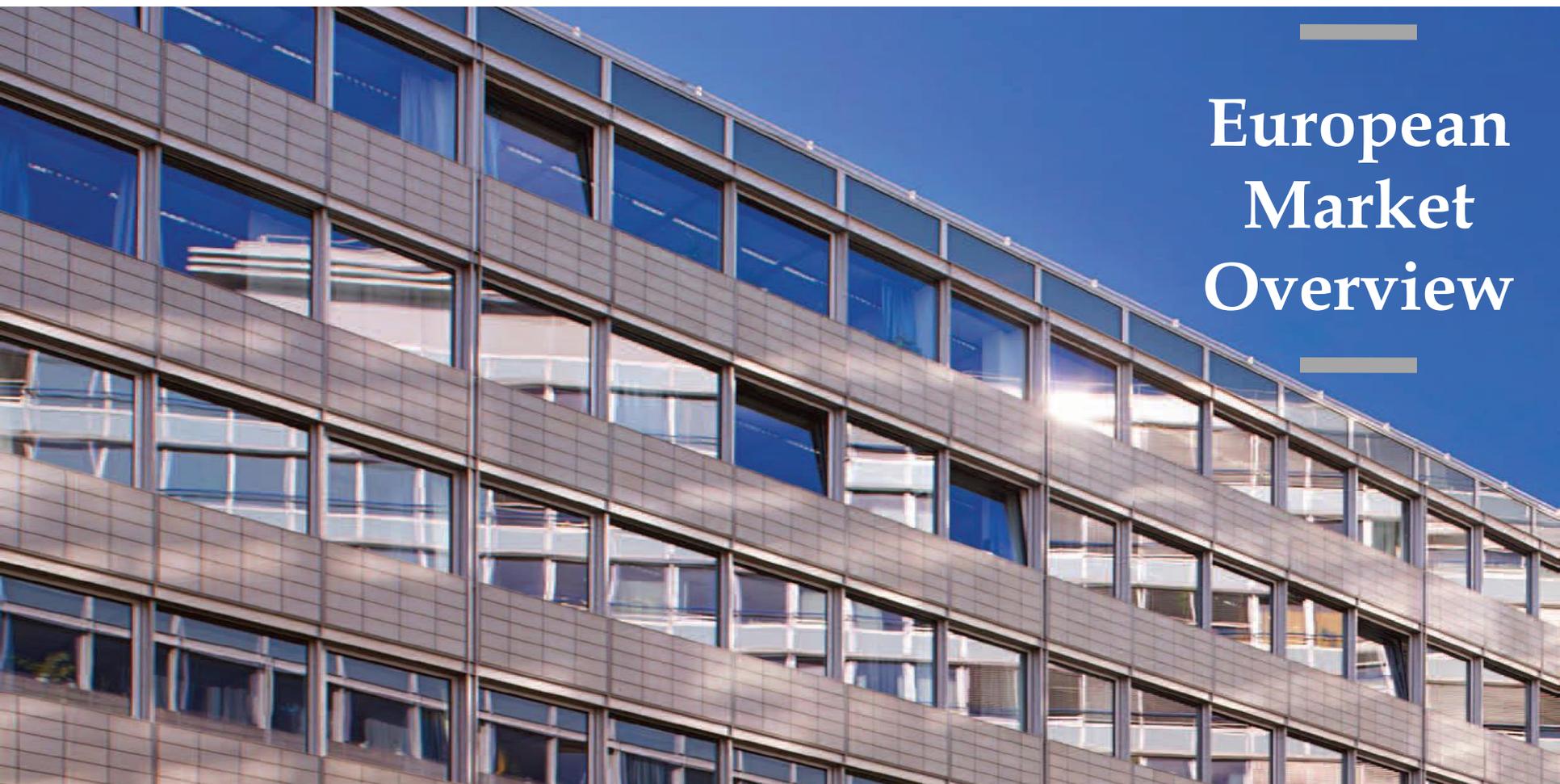
Key tenant at Berlin Campus did not exercise its lease break option in mid-2018, effectively bringing the next lease break for the portion of leases subject to the break option to FY2022



82.9% of its leases will be due for renewal only in FY2022 and beyond²

¹ Based on gross rental income as at 30 Jun 2018

² 6.1% of the leases is subject to lease break option in FY2022



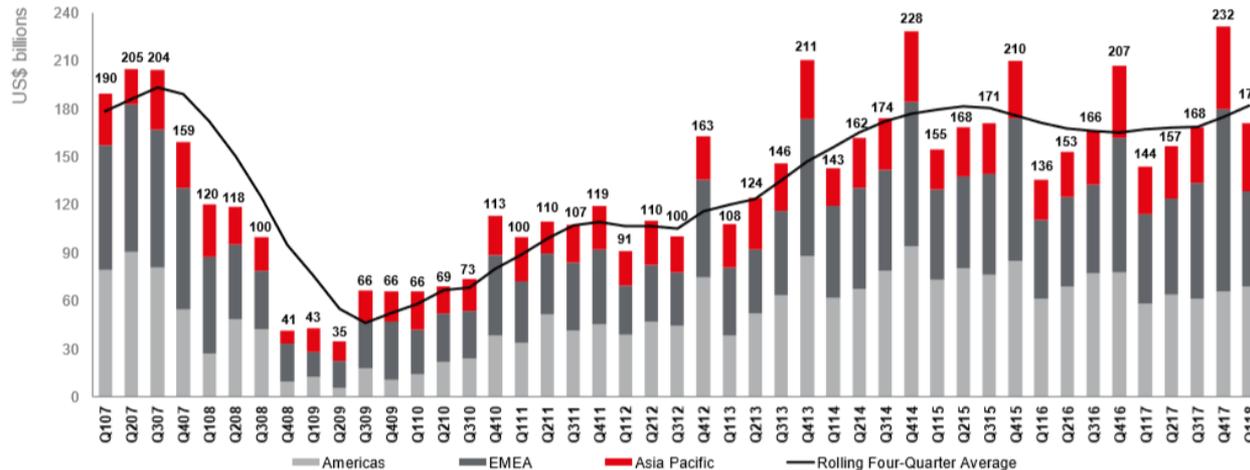
European Market Overview

Strong Interest in European Markets

European markets, especially established economies such as Germany, are heavily sought after by both domestic and international investors

- ✓ 2017 investment volumes for Europe, Middle East and Africa made up c.43% (US\$300bn) of global real estate transaction volumes¹, reflecting the attractiveness and liquidity of the markets
- ✓ European real estate markets have a strong following by institutional investors globally
- ✓ A number of European countries, including United Kingdom, France, Netherlands and Germany, are ranked in the top tier as “highly transparent” markets, among 100 countries and 158 cities²
- ✓ Germany is widely regarded as one of Europe’s safest and most stable countries for investments

Direct Commercial Real Estate Investment – Quarterly Trends, 2007-2018¹



¹ Jones Lang LaSalle Global Market Perspective, 2018

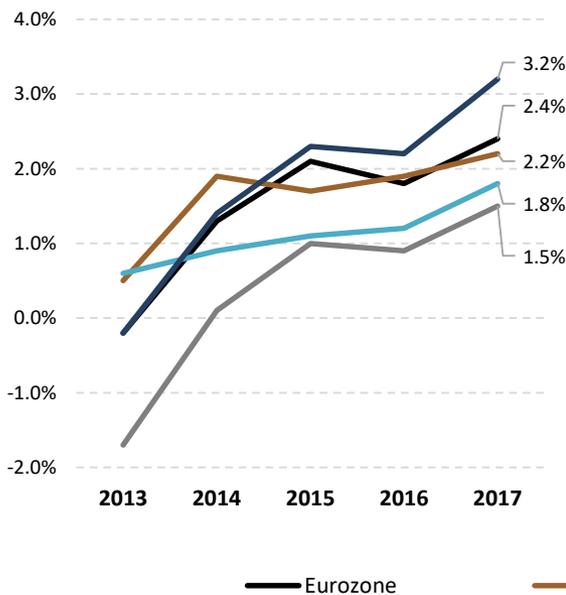
² Jones Lang LaSalle Global Real Estate Transparency Index, 2018

Improving Economic Backdrop

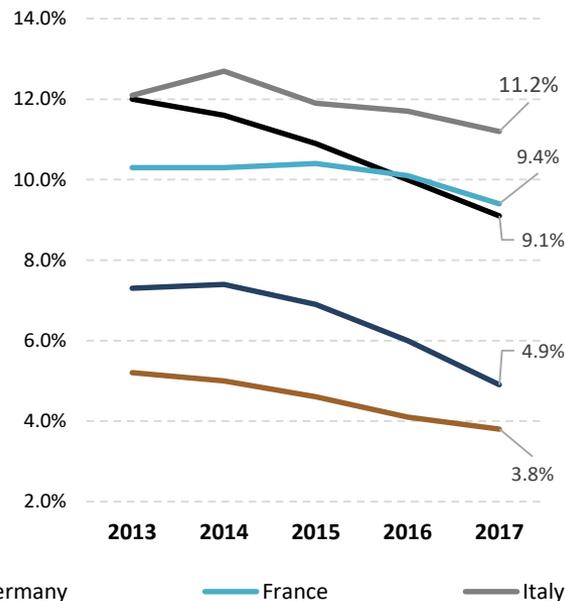
Positive economic growth across most of Europe, driven by buoyant business climate, falling unemployment rate and ongoing low interest rates

- ✓ In 2017, Eurozone GDP rose by 2.4%, 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

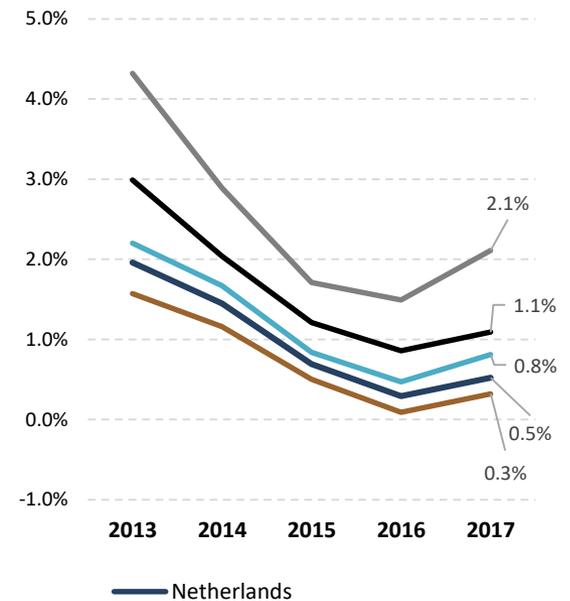
GDP Growth (%)



Unemployment Rate (%)



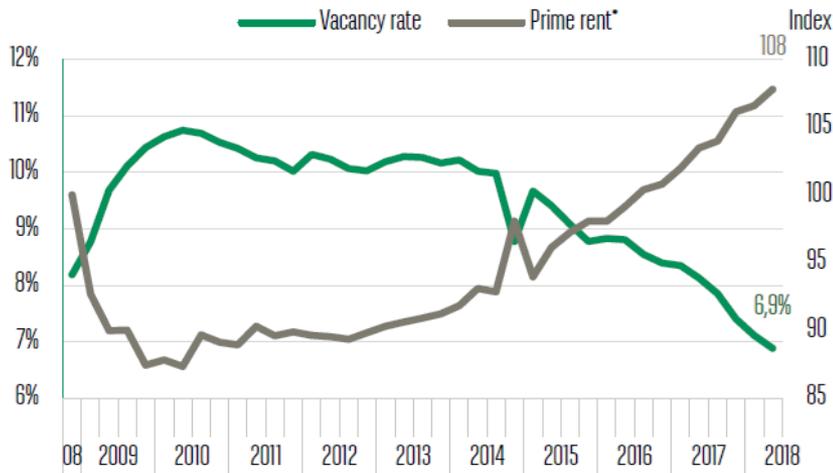
10-Year Gov't Bond Yield (%)



Healthy Real Estate Market

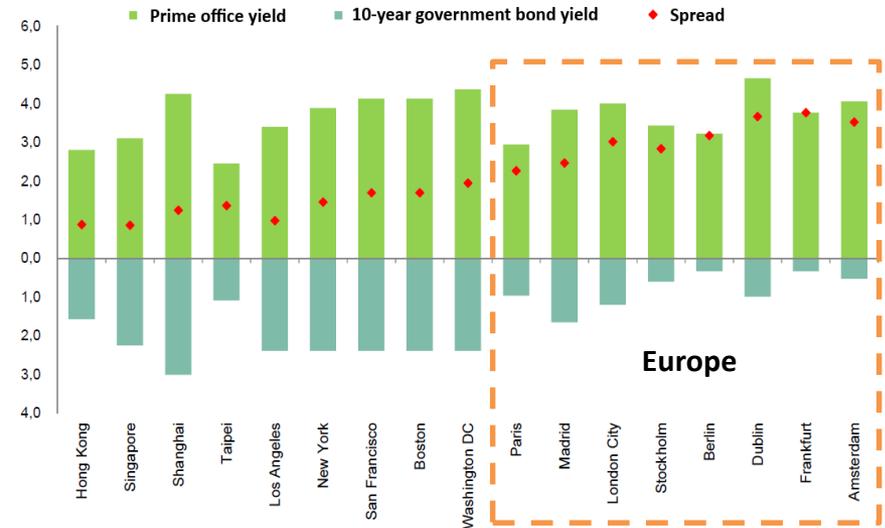
European real estate market has in general experienced rising rents and decreasing vacancy rates whilst maintaining attractive spreads between property yields and government bond yields

Office Rent and Vacancy Rate for Western Europe (15 Cities)¹



¹Basis 100 at Q4 2007

Office Property Risk Premium Across the World (4Q2017)²



¹ BNP Paribas Real Estate Research, 2018

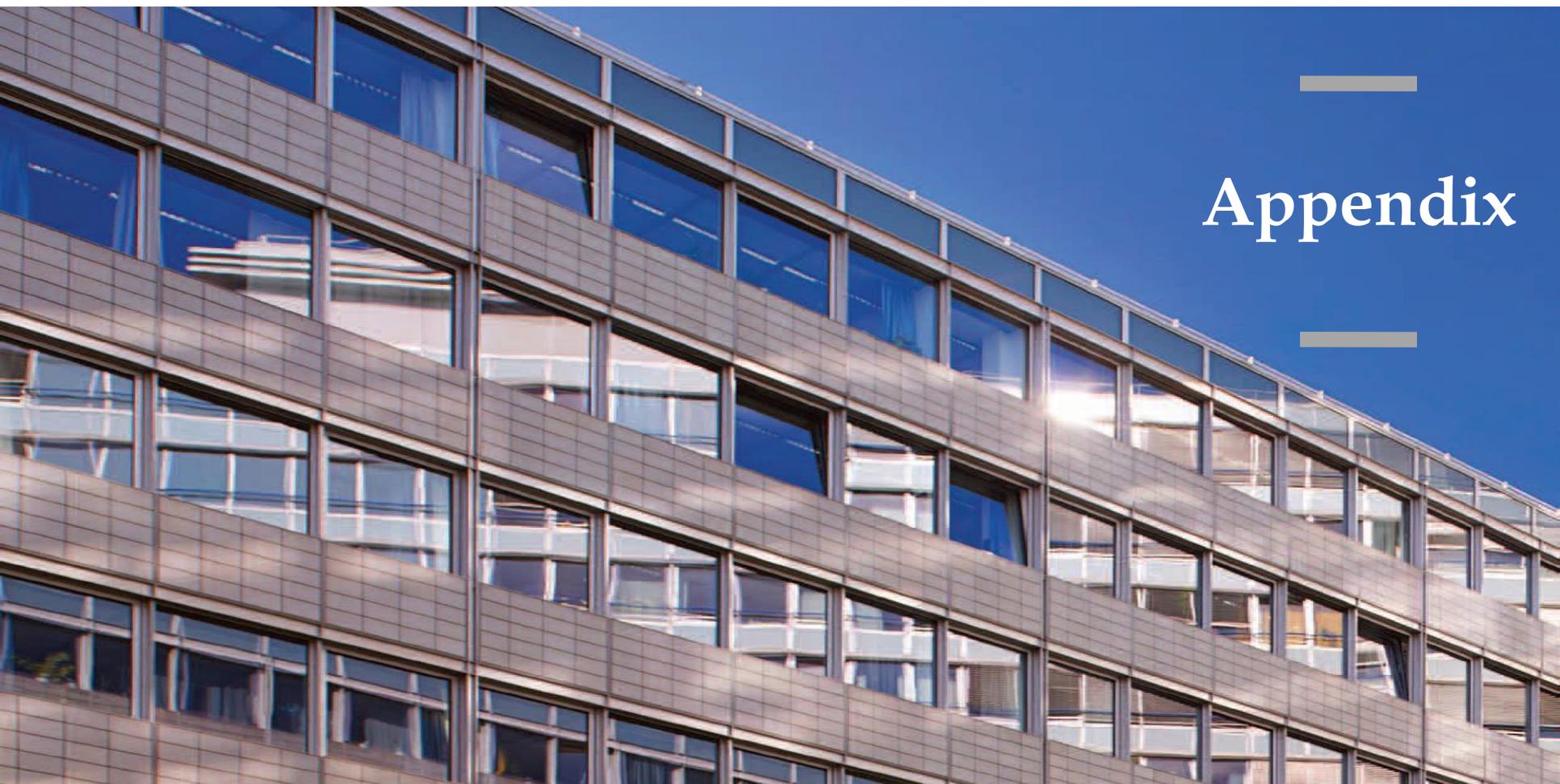
² CBRE Research, 2018



Looking
Ahead

Looking Ahead

- A combination of healthy business confidence, falling unemployment rate, rising wage growth and accommodative financing conditions has continued to support the European real estate investment market and the take-up of office space
- IREIT's properties should continue to deliver stable performance for the rest of 2018, as there are no lease expiries during the period
- The discussions with several existing tenants for a possible lease extension ahead of their lease expiries in 2019 are ongoing. In respect of Berlin Campus, the Manager is pleased to report that the key tenant, Deutsche Rentenversicherung Bund, did not exercise its lease break option to return part of its leased space in 2019
- On the capital management front, the Manager has also initiated discussions with banks for the refinancing of IREIT's term loans
- As announced on 4 Jul 2018, Tikehau Capital has agreed to acquire additional stakes in both the Manager and IREIT. This is a clear testament of Tikehau Capital's commitment and demonstrates a greater alignment of interest with the unitholders
- Looking ahead, the Manager will continue to leverage on Tikehau Capital's established footprint, proven track record and extensive network in Europe to grow IREIT and deliver long-term sustainable returns to the unitholders

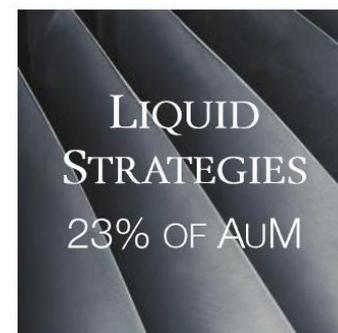
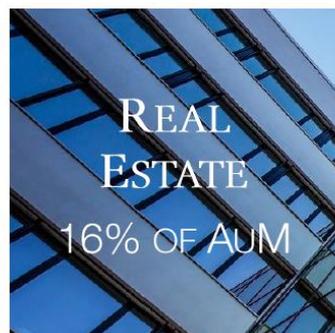
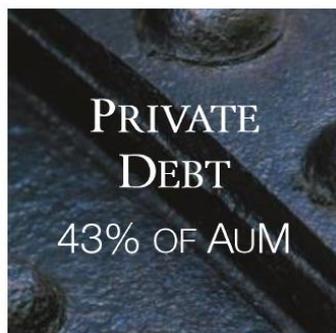


Appendix

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 since Mar 2017
- ✓ c.220 employees and partners in the 8 offices
- ✓ Strong shareholders' equity of €2.5bn¹, with first-tier institutional investors such as Temasek Holdings, MACSF, FFP and Credit Mutuel ARKEA
- ✓ €14.2bn of Assets Under Management (AUM), of which €2.2bn is real estate²
- ✓ Real estate exposure in Germany, France and Italy across office, retail and industrial sectors
- ✓ On track to achieve targeted €20bn of AUM by 2020



¹ As at 31 Dec 2017

² As at 31 Mar 2018

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