3Q2018 Results Presentation

12 November 2018

IREIT Global

Agenda

- About IREIT Global
- Key Highlights
- Portfolio Summary
- European Market Review
- Looking Ahead
- Appendix : Overview of Tikehau Capital

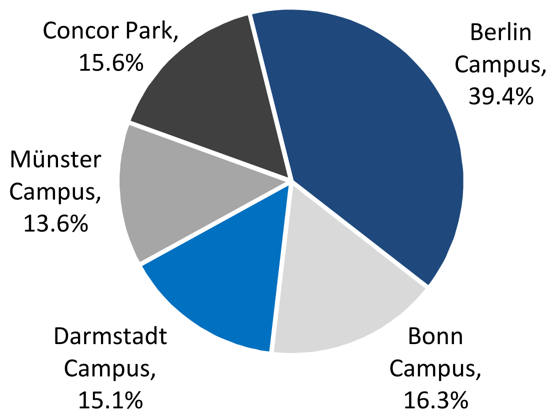
IREIT Global

About IREIT Global

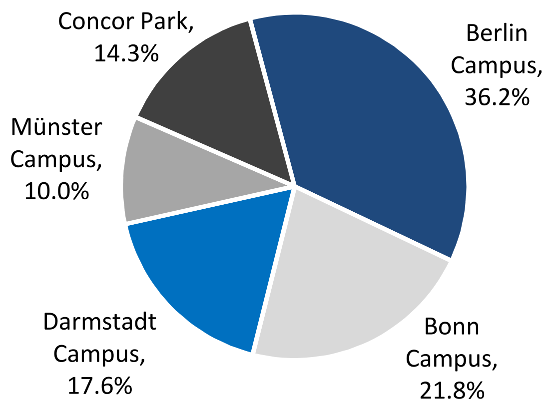
First Singapore-listed REIT with Europe-focused Mandate

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 Sep 2018



Valuation as at 30 Jun 2018



Key Highlights

IREIT Global

Key Highlights

- **3Q2018 gross revenue and net property income declined by 1.2% y-o-y and 4.2% y-o-y, respectively**
  - ✓ Due mainly to lower revenue arising from the finalisation of prior year's service charge reconciliation in 3Q2017 and higher repair and maintenance expenses

- **3Q2018 DPU was flat y-o-y at 1.42 Singapore cents**
  - ✓ Due mainly to lower distributable income offset by more favourable average SGD/EUR exchange rates arising from the hedging undertaken to manage the currency risk for distribution to unitholders
  - ✓ DPU for 9M2018 amounted to 4.37 Singapore cents, up 1.4% y-o-y

- **Portfolio remains well supported by long stable leases**
  - ✓ Overall occupancy rate improved marginally q-o-q to 98.6% at 30 Sep 2018
  - ✓ Lease extensions committed during the quarter led to an improvement in the WALE from 4.6 years a quarter ago to 4.7 years

- **Sound financial position with aggregate leverage at 39.1%**
  - ✓ Headways were made with respect to the discussions with banks for the refinancing of IREIT's term loans

Operating & Financial Performance

(€ '000)	3Q2018	3Q2017	Variance (%)
Gross Revenue	8,591	8,692	(1.2)
Property Operating Expenses	(1,071)	(841)	27.3
Net Property Income	7,520	7,851	(4.2)
Income Available for Distribution	6,180	6,443	(4.1)
Income to be Distributed to Unitholders	5,562	5,799	(4.1)

- Gross revenue decreased by 1.2% y-o-y due mainly to the finalisation of prior year's service charge reconciliation in 3Q2017
- Net property income fell by 4.2% y-o-y due mainly to lower gross revenue and increase in repair and maintenance expenses for the upkeep of the properties

Distribution Per Unit

Distribution per Unit	3Q2018	3Q2017	Variance (%)
Before Retention			
- € cents	0.97	1.03	(5.8)
- S$ cents[1]	1.57	1.60	(1.9)
After Retention			
- € cents	0.88	0.92	(4.3)
- S$ cents[1]	1.42	1.42	-

- 3Q2018 DPU in S$ terms was supported by more favourable average SGD/EUR exchange rates arising from the hedging undertaken to manage the currency risk for distribution to unitholders[1]
- Including 1H2018 DPU of 2.95 Singapore cents, DPU for 9M2018 amounted to 4.37 Singapore cents, translating to an annualised distribution yield of 7.7%[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 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 Jul 2018 to 31 Dec 2018

[2] Based on IREIT's closing unit price of S$0.755 as at 28 Sep 2018 (last trading day of Sep 2018)

Financial Position

€ '000	As at 30 Sep 2018	As at 31 Dec 2017
Investment Properties	478,000	463,100
Total Assets	495,123	486,755
Borrowings	193,205	195,476
Total Liabilities	212,705	218,064
Net Assets Attributable to Unitholders	282,418	268,691
NAV per Unit (€/unit)[1]	0.45	0.43

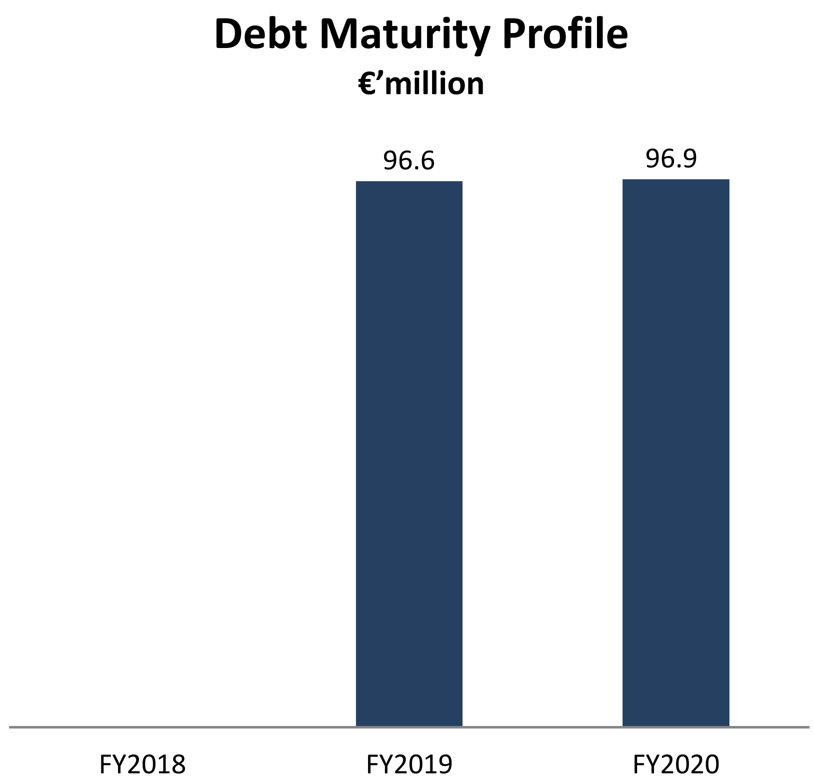
- The increase in appraised value of €14.9m during the period has lifted the value of investment properties, and this in turn led to an increase in NAV per Unit to €0.45

[1] The NAV per Unit was computed based on net assets attributable to Unitholders as at 30 Sep 2018 and 31 Dec 2017, and the Units in issue and to be issued as at 30 Sep 2018 of 632.0m (31 Dec 2017: 628.0m)

Capital Management

- ~90% of borrowings at fixed interest rates – mitigates volatility from potential fluctuations in borrowing costs
- The Manager has made headways with respect to the discussions with banks for the refinancing of IREIT's term loans, and will make the relevant disclosures as and when appropriate

As at 30 Sep 2018	
Aggregate Leverage[1]	**Gross Borrowings Outstanding**
39.1%	€193.5 million
Effective Interest Rate[2]	**Interest Coverage Ratio[3]**
2.0% per annum	8.1 times
Average Weighted Debt Maturity: 1.4 years	



[1] Based on total debt over deposited properties as at 30 Sep 2018
[2] Effective interest rate computed over the tenure of the borrowings
[3] Based on net property income over interest expense for 3Q2018

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

IREITGlobal

Portfolio Summary

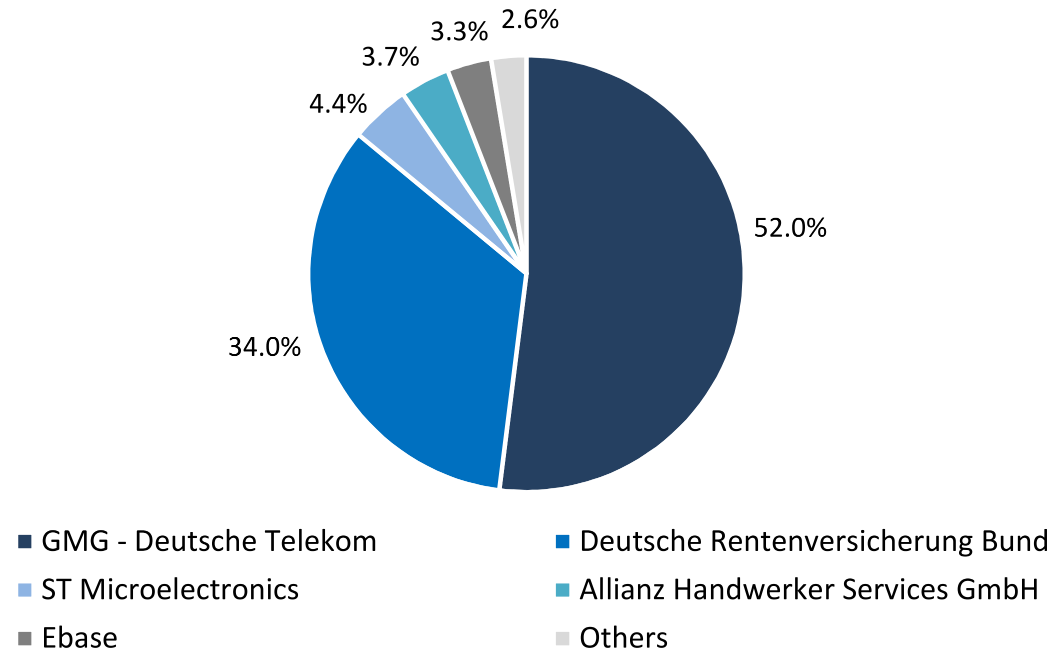
	BERLIN CAMPUS	BONN CAMPUS	DARMSTADT CAMPUS	MÜNSTER CAMPUS	CONCOR PARK	TOTAL
Location	Berlin	Bonn	Darmstadt	Münster	Munich	
Completion Year	1994	2008	2007	2007	1978 and fully refurbished in 2011	
Net Lettable Area (sqm)	79,097	32,736	30,371	27,183	31,222	**200,609**
Car Park Spaces	496	652	1,189	588	512	**3,437**
Occupancy Rate[1]	100.0%	100.0%	100.0%	93.3%	97.1%	**98.6%**
No. of Tenants	8	1	1	1	12	**21**
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]	5.7	4.5	4.1	4.6	3.2	**4.7**
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 Sep 2018
[2] Based on gross rental income as at 30 Sep 2018
[3] Based on independent valuations as at 30 Jun 2018

IREITGlobal

Diversified Blue-Chip Tenant Mix

Top Five Tenants[1]



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 Renten-versicherung Bund is a federal pension fund and the largest of the 16 federal pension institutions in Germany with 'AAA' credit rating.

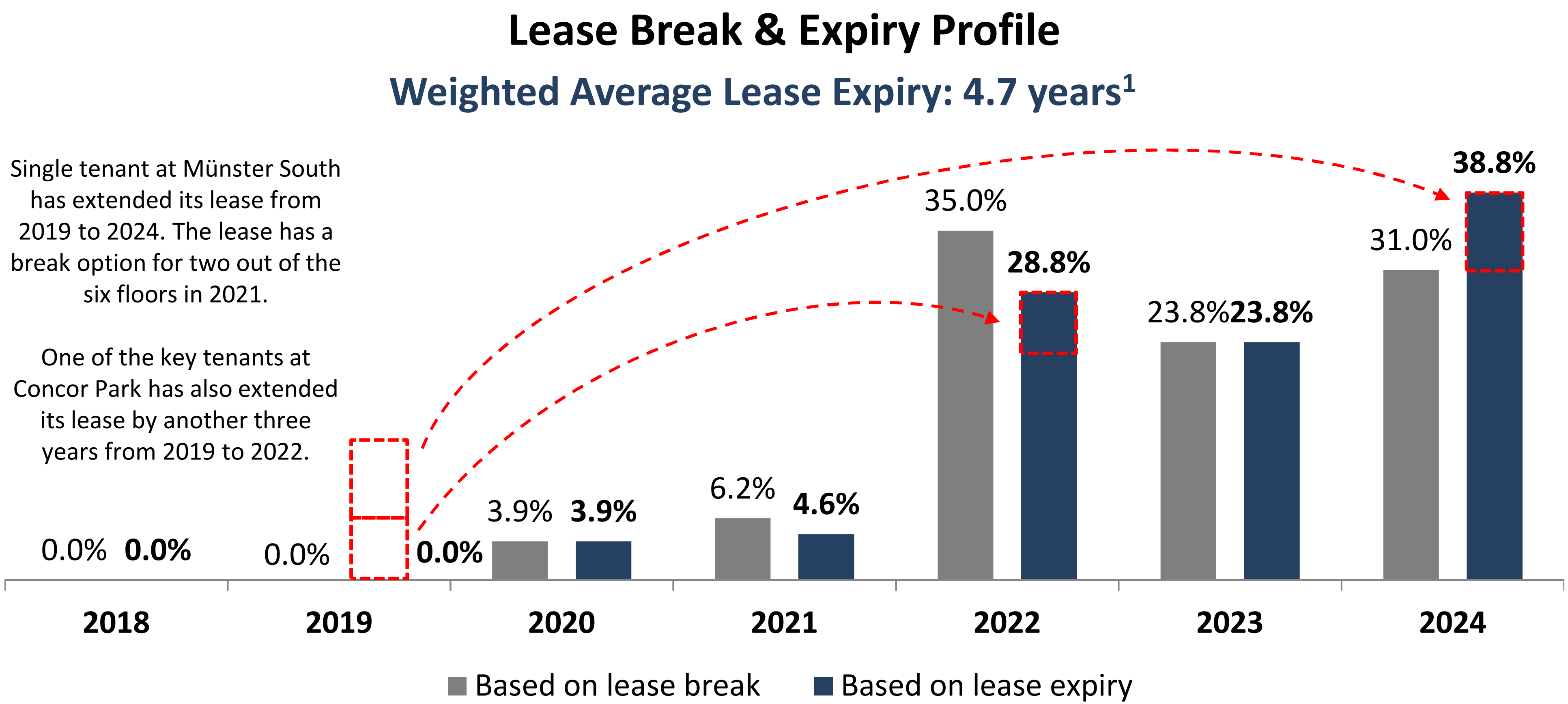
ST Microelectronics is Europe's largest semiconductor chip maker based on revenue.

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 Sep 2018

Stable Long Leases



91.4% of its leases will be due for renewal only in FY2022 and beyond[2]

[1] Based on gross rental income as at 30 Sep 2018

[2] 6.2% of the leases is subject to lease break option in FY2022

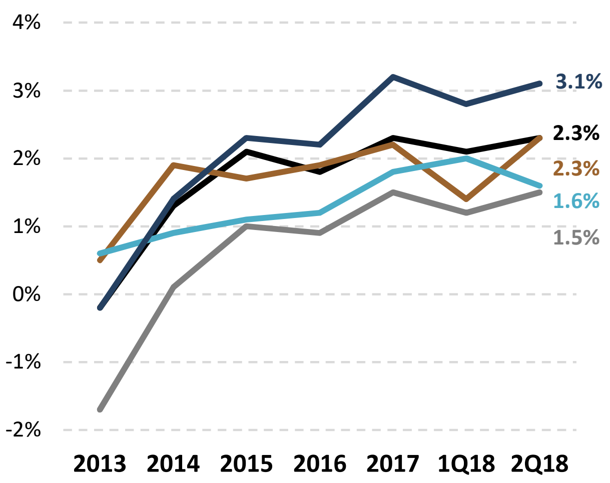
IREITGlobal

Economic Background

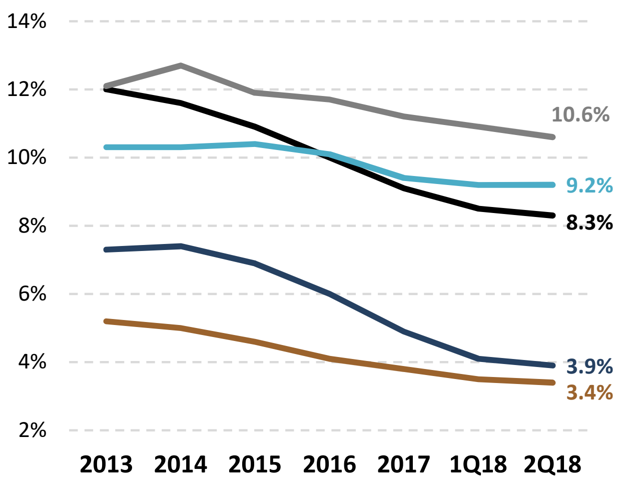
- **Economic fundamentals are largely positive across most of Europe**
  - ✓ In 2Q2018, both Eurozone and Germany achieved GDP growth of 2.3%[1]
  - ✓ Interest rates have remained relatively stable at low levels

- **Nonetheless, the political uncertainty in Europe may cast a pall on the economic and real estate market activities going forward**
  - ✓ Recent setback suffered by the government in the German regional election
  - ✓ Ongoing Brexit with the possibility of a no-deal outcome

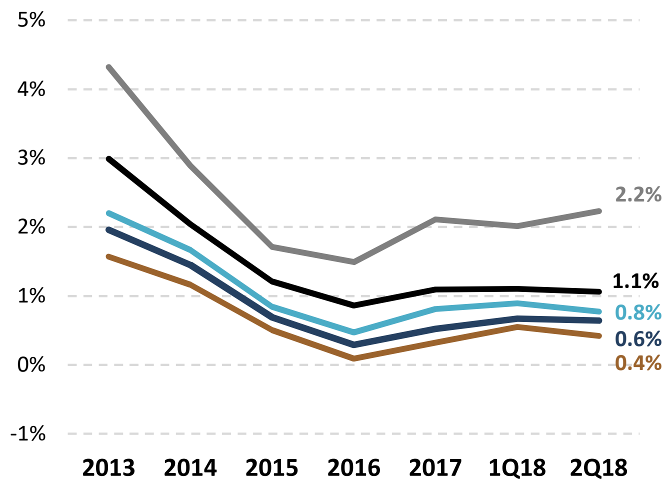
GDP YoY Growth (%)[1]



Unemployment Rate (%)[1]



10-Year Gov't Bond Yield (%)[1]



Eurozone Germany France Italy Netherlands

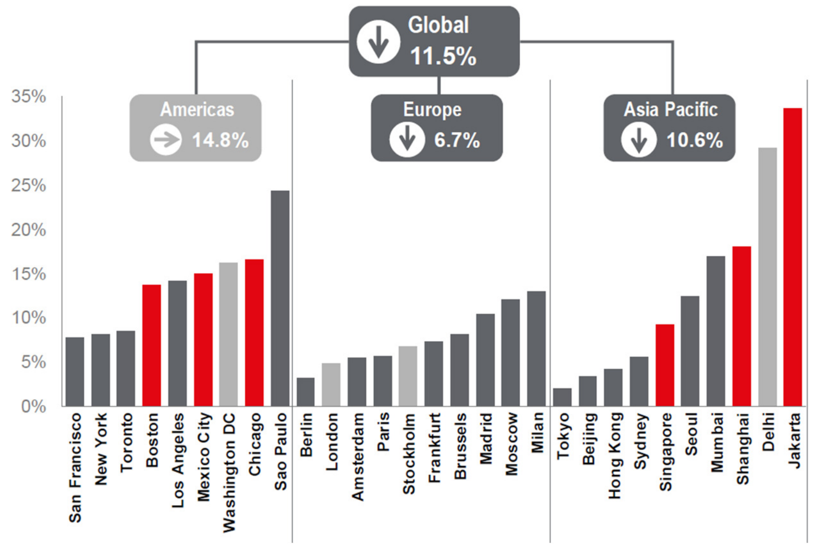
[1] Eurostat, 2018

Real Estate Market Review

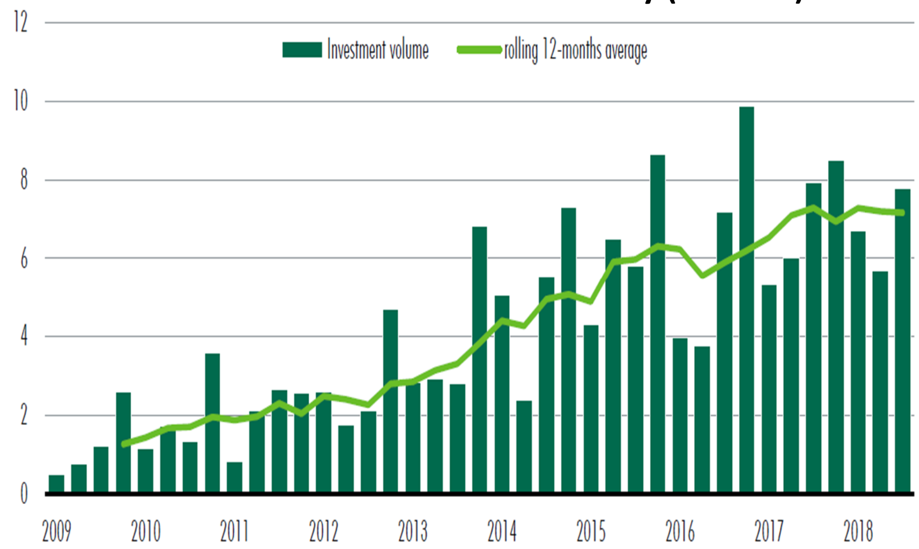
- **Investment and letting activities in key European markets have generally remained healthy**
  - ✓ The three largest markets (UK, Germany, France) saw 27% YoY increase in total investment volumes in 1H2018[1]
  - ✓ European office vacancy stood at 6.7% in 2Q2018, the lowest level since 3Q2002[1]

- **Sustained interest was seen in the German office market**
  - ✓ Transaction volume for German office real estate rose by 5% in 9M2018 to €20.1bn[2]
  - ✓ Healthy occupier demand resulted in lower vacancy rate of 4.4% in 3Q2018[2]

2Q2018 Office Vacancy Rates in Major Markets[1]



Office Investment Volumes in Germany (€ billion)[2]



[1] JLL Global Market Perspective, 2018
[2] CBRE Germany Office Investment, 2018

Looking Ahead

IREITGlobal

Looking Ahead

- The German office letting market has generally remained healthy, with positive take-up in office space amid prospects of continued economic growth, demand for office space and low vacancy rates, particularly in key German cities

- During the quarter, the single tenant at Münster South has committed to a lease extension of five years, one year ahead of its lease expiry in Sep 2019. At Concor Park, one of the key tenants has extended its lease by three years from Dec 2019 to 2022. As a result, there will be no lease expiry in 2019, thereby enhancing the certainty of IREIT's recurring income stream

- On the capital management front, the Manager has also made headways with respect to the discussions with banks for the refinancing of IREIT's term loans, and will make the relevant disclosures as and when appropriate

- In the year ahead, the political uncertainty in Europe, especially the recent setback suffered by the government in the German regional election and the ongoing Brexit with the possibility of a no-deal outcome, may cast a pall on the European real estate market

- The Manager will stay focused on a growth strategy based on the four pillars of seeking diversification, taking a long-term approach, achieving scale and having a local presence in order to enhance the long-term income for 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.230 employees and partners in the 8 offices
- ✓ Strong shareholders' equity of €2.3bn[1], with first-tier institutional investors such as Temasek Holdings, MACSF, FFP and Credit Mutuel ARKEA
- ✓ €14.8bn of Assets Under Management (AUM), of which €2.6bn is real estate[1]
- ✓ Real estate exposure in Germany, France and Italy across office, retail and industrial sectors
- ✓ Planned acquisition of leading French real estate asset management firm Sofidy expected to lead Tikehau to exceed its targeted €20bn in AUM by 2020, two year ahead of schedule

[1] As at 30 Jun 2018

Important Notice

This presentation may contain forward-looking statements that involve assumptions, 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 developments or companies, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training costs), 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 the current view of management on future events. The information contained in this presentation has not been independently verified. No representation or warranty, expressed or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained in this presentation. Neither IREIT Global Group Pte. Ltd. (the "Manager") or any of its affiliates, advisers or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising, whether directly or indirectly, from any use, reliance or distribution of this presentation or its contents or otherwise arising in connection with this presentation. The past performance of IREIT Global ("IREIT") is not indicative of the future performance of IREIT. Similarly, the past performance of the Manager is not indicative of the future performance of the Manager. The value of units in IREIT ("Units") and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors should note that they will have no right to request the Manager to redeem or purchase their Units for so long as the Units are listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST"). It is intended that unitholders of IREIT may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. This presentation is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for Units.