IREITGlobal

(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 FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 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 December 2018, IREIT's portfolio has an aggregate net lettable area of approximately 200,600 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 July 2018 to 31 December 2018.

SUMMARY OF CONSOLIDATED RESULTS OF IREIT GLOBAL

	4Q 2018	4Q 2017	Variance (%)	FY 2018	FY 2017	Variance (%)
Gross revenue (€'000)	**8,985**	**8,693**	**3.4**	**34,808**	**34,959**	**(0.4)**
Net property income (€'000)	**7,480**	**7,945**	**(5.9)**	**30,630**	**31,528**	**(2.8)**
Income available for distribution (€'000)	**6,180**	**6,587**	**(6.2)**	**25,146**	**25,976**	**(3.2)**
Less: Income retained	**(618)**	**(659)**	**(6.2)**	**(2,515)**	**(2,598)**	**(3.2)**
Income to be distributed to Unitholders (€'000)	**5,562**	**5,928**	**(6.2)**	**22,631**	**23,378**	**(3.2)**

Total distribution per Unit						
Before retention						
- € cents	**0.99**	**1.05**	**(5.7)**	**3.99**	**4.15**	**(3.9)**
- S$ cents	**1.60**	**1.63**	**(1.8)**	**6.46**	**6.44**	**0.3**
After retention						
- € cents	**0.89**	**0.94**	**(5.3)**	**3.59**	**3.72**	**(3.5)**
- S$ cents	**1.43**	**1.46**	**(2.1)**	**5.80**	**5.77**	**0.5**

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.

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

	Note	4Q 2018 (€'000)	4Q 2017 (€'000)	Variance (%)	Note	FY 2018 (€'000)	FY 2017 (€'000)	Variance (%)
Gross revenue		8,985	8,693	3.4		34,808	34,959	(0.4)
Property operating expenses		(1,505)	(748)	101.2		(4,178)	(3,431)	21.8
Net property income	1	**7,480**	**7,945**	**(5.9)**	7	**30,630**	**31,528**	**(2.8)**
Finance costs	2	(954)	(1,005)	(5.1)	8	(3,947)	(4,013)	(1.6)
Management fees		(618)	(659)	(6.2)		(2,515)	(2,598)	(3.1)
Trustee's fees		(26)	(24)	8.3		(99)	(95)	4.2
Administrative costs and other trust expenses	3	(196)	(286)	(31.5)	9	(857)	(1,324)	(35.3)
Net change in fair value of financial derivatives	4	468	173	170.5	10	826	(305)	NM
Net change in fair value of investment properties	5	26,563	7,219	268.0	11	41,329	9,787	322.3
Profit before tax		**32,717**	**13,363**	**144.8**		**65,367**	**32,980**	**98.2**
Income tax expense	6	(4,584)	(1,550)	195.7	12	(8,335)	(3,384)	146.3
Profit for the period, before transactions with Unitholders		**28,133**	**11,813**	**138.2**		**57,032**	**29,596**	**92.7**
Distribution to Unitholders		(5,562)	(5,928)	(6.2)		(22,631)	(23,378)	(3.2)
Profit for the period, after transactions with Unitholders		**22,571**	**5,885**	**283.5**		**34,401**	**6,218**	**453.2**
<u>**Distribution Statement**</u>								
Profit for the period, before transactions with Unitholders		28,133	11,813	140.1		57,032	29,596	92.7
Distribution adjustments	13	(21,953)	(5,226)	320.1	13	(31,886)	(3,620)	780.8
Amount available for distribution to Unitholders		**6,180**	**6,587**	**(6.2)**		**25,146**	**25,976**	**(3.2)**

NM denotes "Not meaningful".

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

<u>4Q 2018</u>

1. Net property income for 4Q 2018 was €465,000 or 5.9% lower than that of 4Q 2017 mainly due to the recognition of full year facility manager fees in 4Q 2018 upon the finalisation of the contracts in respect of the single-tenant properties, as well as the overall increase in repair and maintenance expenses for the upkeep of all properties. Please see further Note 7 on Page 4.

2. Finance costs comprise mainly interest expense and amortisation of upfront transaction costs on borrowings. Please refer to the Aggregate Amount of Borrowings 1b(ii) for details.

3. Administrative costs and other trust expenses for 4Q 2018 were 31.5% lower compared to 4Q 2017. Included in other trust expenses was a foreign exchange gain of €29,000 (4Q 2017: €9,000) arising mainly from the translation of Singapore dollar denominated cash balances as at 31 December 2018. Excluding this foreign exchange gain, administrative costs and other trust expenses were €225,000 (4Q 2017: €295,000). The decrease of €70,000 in administrative costs and other trust expenses was mainly due to higher fees as a result of an increase in scope of certain professional services procured on a one-time basis in 4Q 2017.

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. 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.

5. 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.

6. Income tax expense comprises current and deferred tax expenses. The increase for 4Q 2018 was mainly due to the deferred tax liability provided on the properties that have increased in value by a greater extent as compared to the corresponding period last year.

<u>FY 2018</u>

7. Net property income for FY 2018 was €898,000 or 2.8% lower than that of FY 2017 mainly due to:

   - Lower gross revenue for FY 2018 arising from the finalisation of prior year's service charge reconciliations; and

   - Increase in property operating expenses for FY 2018 due to costs arising from various initiatives taken by the Manager during the year to better position the properties for the long term. These include the following key items:

     - Commissioning of external consultants to undertake detailed technical due diligence studies on the general condition of the properties and to review current and future capital expenditure requirements
     - Entering into services contracts with appointed facility managers to ensure better control, monitoring and ongoing maintenance of plant and equipment in the single-tenant properties[1]
     - Overall increase in repair and maintenance expenses for the upkeep of all properties.

   (1) The facility manager fees associated with these services, which were applicable for the full year FY 2018, were recognised in 4Q 2018 following the finalisation of the services contracts.

8. Finance costs comprise mainly interest expense and amortisation of upfront transaction costs on borrowings. Please refer to the Aggregate Amount of Borrowings 1b(ii) for details.

9. Administrative costs and other trust expenses for FY 2018 were 35.3% lower compared to FY 2017. Included in other trust expenses was a foreign exchange gain of €244,000 (FY 2017: foreign exchange loss of €137,000) arising mainly from the translation of Singapore dollar denominated cash balances as at 31 December 2018. Excluding these foreign exchange differences, administrative costs and other trust expenses were €1,101,000 (FY 2017: €1,187,000). The decrease of €86,000 in administrative costs and other trust expenses was mainly due to higher fees as a result of certain professional services procured on a one-time basis in FY 2017.

10. 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.

11. 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.

12. Income tax expense comprises current and deferred tax expenses. The increase for FY 2018 was mainly due to the deferred tax liability provided on the properties that have increased in value by a greater extent as compared to the corresponding period last year.

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)

13. Distribution adjustments

	4Q 2018 (€'000)	4Q 2017 (€'000)	FY 2018 (€'000)	FY 2017 (€'000)
Distribution adjustments				
- Difference between accounting and actual finance costs paid	67	80	308	332
- Management fees payable in Units	618	659	2,515	2,598
- Foreign exchange (gain) / loss	(29)	(9)	(244)	137
- Effects of recognising rental income on a straight line basis over the lease term	(98)	(98)	(394)	(394)
- Net change in fair value of financial derivatives	(468)	(173)	(826)	305
- Net change in fair value of investment properties	(26,563)	(7,219)	(41,329)	(9,787)
- Deferred tax expense	4,520	1,534	8,084	3,189
Net distribution adjustments	**(21,953)**	**(5,226)**	**(31,886)**	**(3,620)**

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

		Group (€'000)		Trust (€'000)	
	Note	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017
Current assets					
Cash and cash equivalents	1	18,396	19,106	2,275	3,370
Trade and other receivables	2	1,774	1,579	7,298	7,930
Financial derivatives	3	690	68	691	68
		20,860	20,753	10,264	11,368
Non-current assets					
Investment properties	4	504,900	463,100	-	-
Investment in subsidiaries		-	-	233,382	241,406
Other receivables	5	1,355	961	-	-
Deferred tax assets		1,760	1,867	-	-
Financial derivatives	3	-	74	-	74
		508,015	466,002	233,382	241,480
Total assets		**528,875**	**486,755**	**243,646**	**252,848**
Current liabilities					
Borrowings	6	96,474	21,055	-	-
Trade and other payables	7	3,161	2,790	551	471
Distribution payable		11,124	11,727	11,124	11,727
Financial derivatives	3	-	278	-	278
Income tax payable	8	272	274	2	6
		111,031	36,124	11,677	12,482
Non-current liabilities					
Borrowings	6	96,741	174,421	-	-
Deferred tax liabilities	9	15,496	7,519	-	-
		112,237	181,940	-	-
Total liabilities		**223,268**	**218,064**	**11,677**	**12,482**
Net assets attributable to Unitholders		**305,607**	**268,691**	**231,969**	**240,366**

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

Notes to Unaudited Statements of Financial Position

1. The Group's cash and cash equivalents were €18.4 million as at 31 December 2018 as compared to €19.1 million as at 31 December 2017.

   Please refer to the consolidated statement of cash flows for 4Q 2018 and FY 2018 on Page 8 of this announcement for further details on the movements in the Group's cash and cash equivalents during the respective reporting periods.

   The Trust's cash and cash equivalents as at 31 December 2018 were €1.1 million or 32.5% lower than the balance as at 31 December 2017 mainly due to net lower amount of inter-company transfers from subsidiaries.

2. The increase of €195,000 or 12.3% in the Group's trade and other receivables were mainly due to additional prepayments recognised in the current year.

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 2018.

	Group (€'000)
As at 1 January 2018:	463,100
Capital expenditure on investment properties	471
Change in fair value of investment properties during the period	41,329
Fair value of investment properties as at 31 December 2018	504,900

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 in the Group's and 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.

9. The increase in deferred tax liabilities was due to the higher deferred tax effect on the temporary differences arising from the investment properties.

1(b)(ii) Aggregate Amount of Borrowings

	Group (€'000)	
	31 Dec 2018	31 Dec 2017
Repayable within one year		
Secured borrowings	96,594	21,075
Less: Upfront debt transaction costs[(1)]	(120)	(20)
	96,474	21,055
Repayable after one year		
Secured borrowings	96,900	174,969
Less: Upfront debt transaction costs[(1)]	(159)	(548)
	96,741	174,421
Total		
Secured borrowings	193,494	196,044
Less: Upfront debt transaction costs[(1)]	(279)	(568)
	193,215	**195,476**

Footnotes:

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

As at 31 December 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) an amortising Facility B with a remaining outstanding principal of €18.5 million. No further amortisations are due on Facility B and the remaining outstanding principal 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.

On 1 February 2019, all existing borrowings of €193.5 million were refinanced with new secured loan facilities of €200.8 million maturing in January 2026. The balance proceeds after refinancing-related transaction costs will be used for general working capital and corporate purposes.

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

	Group			
	4Q 2018 (€'000)	**4Q 2017 (€'000)**	**FY 2018 (€'000)**	**FY 2017 (€'000)**
Cash flows from operating activities				
Profit for the period, after transactions with Unitholders	22,571	5,885	34,401	6,218
Adjustments for:				
Management fees paid or payable in Units	618	659	2,515	2,598
Finance costs	954	1,005	3,947	4,013
Net change in fair value of financial derivatives	(468)	(173)	(826)	305
Net change in fair value of investment properties	(26,563)	(7,219)	(41,329)	(9,787)
Distribution to Unitholders	5,562	5,928	22,631	23,378
Income tax expense	4,584	1,550	8,335	3,384
Operating profit before working capital changes	7,258	7,635	29,674	30,109
Changes in working capital:				
Trade and other receivables	(782)	(625)	(592)	(534)
Trade and other payables	712	349	372	(165)
Income taxes paid	(104)	(11)	(251)	(135)
Cash generated from operations, representing net cash from operating activities	**7,084**	**7,348**	**29,203**	**29,275**
Cash flows from investing activity				
Capital expenditure on investment properties	(337)	(81)	(471)	(313)
Net cash used in investing activity	**(337)**	**(81)**	**(471)**	**(313)**
Cash flows from financing activities				
Repayment of bank borrowings	-	(1,275)	(2,550)	(2,550)
Costs related to bank borrowings	-	-	(20)	(29)
Distribution paid to Unitholders	-	-	(23,234)	(24,382)
Net interest paid	(886)	(931)	(3,638)	(3,698)
Net cash used in financing activities	**(886)**	**(2,206)**	**(29,442)**	**(30,659)**
Net increase / (decrease) in cash and cash equivalents	5,861	5,061	(710)	(1,697)
Cash and cash equivalents at beginning of the period	12,535	14,045	19,106	20,803
Cash and cash equivalents at end of the period	**18,396**	**19,106**	**18,396**	**19,106**

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

	Group		Trust	
	4Q 2018	4Q 2017	4Q 2018	4Q 2017
	(€'000)	(€'000)	(€'000)	(€'000)
Operations				
Balance as at beginning of period	1,580	(16,135)	(50,434)	(39,393)
Profit for the period, before transactions with Unitholders	28,133	11,813	6,509	6,746
Distribution payable of 0.89€ cents per Unit for 4Q 2018	(5,562)	-	(5,562)	-
Distribution payable of 0.94€ cents per Unit for 4Q 2017	-	(5,928)	-	(5,928)
Balance as at the end of the period	24,151	(10,250)	(49,487)	(38,575)
Unitholders' transactions				
Issue of Units:				
Balance as at beginning of period	280,838	278,282	280,838	278,282
Management fees payable in Units	618	659	618	659
Net assets resulting from transactions	281,456	278,941	281,456	278,941
Net assets attributable to Unitholders as at end of period	**305,607**	**268,691**	**231,969**	**240,366**

	Group		Trust	
	FY 2018	FY 2017	FY 2018	FY 2017
	(€'000)	(€'000)	(€'000)	(€'000)
Operations				
Balance as at beginning of period	(10,250)	(16,468)	(38,575)	(26,341)
Profit for the period, before transactions with Unitholders	57,032	29,596	11,719	11,144
Distribution paid of 1.82€ cents per Unit for 1H 2018	(11,507)	-	(11,507)	-
Distribution payable of 1.77€ cents per Unit for 2H 2018	(11,124)	-	(11,124)	-
Distribution paid of 1.86€ cents per Unit for 1H 2017	-	(11,651)	-	(11,651)
Distribution payable of 1.86€ cents per Unit for 2H 2017	-	(11,727)	-	(11,727)
Balance as at the end of the period	24,151	(10,250)	(49,487)	(38,575)
Unitholders' transactions				
Issue of Units:				
Balance as at beginning of period	278,941	276,343	278,941	276,343
Management fees paid or payable in Units	2,515	2,598	2,515	2,598
Net assets resulting from transactions	281,456	278,941	281,456	278,941
Net assets attributable to Unitholders as at end of period	**305,607**	**268,691**	**231,969**	**240,366**

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

	Group			
	4Q 2018 (Units)	**4Q 2017 (Units)**	**FY 2018 (Units)**	**FY 2017 (Units)**
Unit in issue:				
At beginning of the period	630,708,432	625,312,806	626,665,519	618,841,570
Issue of new Units:				
- Management fees paid in Units	1,303,045	1,352,713	5,345,958	7,823,949
At end of the period	**632,011,477**	**626,665,519**	**632,011,477**	**626,665,519**
Units to be issued:				
Management fees payable in Units	1,338,159	1,376,368	1,338,159	1,376,368
At end of the period	**633,349,636**	**628,041,887**	**633,349,636**	**628,041,887**

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, including adoption of new and revised International Financial Reporting Standards (IFRS) that were effective from 1 January 2018 and which were relevant to its operations.

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

On 1 January 2018, the Group has adopted all the new and revised International Financial Reporting Standards that were effective from that date and relevant to its operations, including IFRS 15 *Revenue from Contracts with Customers* and IFRS 9 *Financial Instruments* and related consequential amendments to other IFRSs. The adoption of these new/revised IFRSs does not result in changes to the Group's and IREIT's accounting policies and has no material effect on the amounts reported for the current or prior period.

6. Earnings Per Unit and Distribution Per Unit

	Group			
	4Q 2018	4Q 2017	FY 2018	FY 2017
Weighted average number of Units ('000)	625,327	625,886	629,206	623,367
Earnings per Unit Basic and Diluted (€ cents)	4.49	1.89	9.06	4.74
Number of Units entitled to distribution ('000)	632,011	626,666	632,011	626,666
Distribution per Unit ("DPU")				
- € cents	0.89	0.94	3.59	3.72
- S$ cents(1)	1.43	1.46	5.80	5.77

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.

7. Net Asset Value and Net Tangible Asset Per Unit

	Group	
	31 Dec 2018	31 Dec 2017
Number of Units in issue and to be issued at end of the period ('000)(1)	633,350	628,042
Net asset value ("NAV") per Unit (€)	0.48	0.43
Net tangible asset ("NTA") per Unit (€)	0.48	0.43

Footnote:

1. The NAV and NTA per Unit was computed based on the net assets attributable to Unitholders as at 31 December 2018 and 31 December 2017 and the Units in issue and to be issued as at 31 December 2018 of 633,349,636 (31 December 2017: 628,041,887).

8. Segmental Reporting

Operating segments are identified on the basis of internal reports on components of IREIT that are regularly reviewed by the chief operating decision maker, which is the management of the Manager, in order to allocate resources to segments and to assess their performance.

IREIT owns five properties which are all located in Germany. Revenue and net property income of the five properties (which constitute an operating segment on an aggregated basis) are the measures reported to the Manager for the purposes of resource allocation and performance assessment. The Manager considers that the five properties held by IREIT have similar economic characteristics and have similar nature in providing leasing services to similar type of tenants for rental income. In addition, the cost structure and the economic environment in which each of the five properties operate are similar. Therefore, the Manager concluded that the five properties should be aggregated into a single reportable segment and no further analysis for segment information is presented by property.

9. Review of the Performance for the Fourth Quarter and Financial Year ended 31 December 2018

A review of the performance for 4Q 2018 and FY 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 December 2018.

10. Variance between actual and forecast

Not applicable as no forecast has been previously disclosed.

11. 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

Over the past year, the Manager has successfully secured the lease extensions for a few key tenants, leaving the portfolio with no lease expiry for 2019 and over 90% of the leases due for renewal only in 2022 and beyond.

On the capital management front, the Manager has also taken advantage of the current low interest rate environment to refinance IREIT's existing borrowings at favourable rates over the long term. This provides certainty on the financing cashflows and cushions IREIT against any negative impact from rising interest rates.

In 2019, the European economic growth is likely to be moderated compared to 2018, but is still expected to be higher than its 15-year average rate. Coupled with low unemployment rate and muted new development completion, this is expected to herald another year of healthy demand for commercial real estate.(1)

On a cautious note, however, there are mounting risks to the European economy, which may skew growth to the downside. This includes lingering worries over a potential escalation of United States-China trade tensions, a sharp slowdown in Chinese economy and the impact of rising interest rates. In Europe, the possibility of a no-deal Brexit, weakness in the automotive industry in Germany and sovereign risks in Italy have also resulted in uncertainties and poorer market sentiment.

In view of the uncertain business climate and to better position the properties for the long term, the Manager will continue to undertake various initiatives to upkeep the properties as they age. This will involve the incurrence of repair and maintenance costs, as well as appropriate capital expenditure on an ongoing basis. In order to ensure continuity of leases through retaining existing tenants or securing new tenants, the Manager will also consider other initiatives in line with market practices. The Manager is of the view that these measures are necessary towards maintaining sustainable long-term income to Unitholders.

Footnote:

(1) CBRE EMEA Real Estate Market Outlook 2019

12. Distributions

(a) Current financial period

Any distributions declared for the current financial period?	Yes
Name of distribution	Distribution for the period from 1 July 2018 to 31 December 2018
Distribution type	Tax-exempt income
Distribution rate	2.85 Singapore cents per Unit
Tax rate	These distributions are made out of IREIT'S tax exempt income. Unitholders receiving distributions will not be assessable to Singapore income tax on the distribution received.

12. Distributions (contined)

(b) Corresponding period of the preceding financial period

Any distributions declared for the corresponding period of the immediate preceding financial period?	Yes
Name of distribution	Distribution for the period from 1 July 2017 to 31 December 2017
Distribution type	Tax-exempt income
Distribution rate	2.88 Singapore cents per Unit
Tax rate	These distributions are made out of IREIT'S tax exempt income. Unitholders receiving distributions will not be assessable to Singapore income tax on the distribution received.

(c) Books closure date 28 February 2019

(d) Date payable 7 March 2019

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

Not applicable.

14. 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.

15. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Manager confirms that there is no person occupying a managerial position in the Manager, who is a relative of a director or the chief executive officer or a substantial shareholder of the Manager or a substantial unitholder of IREIT.

16. 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
20 February 2019

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.