



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

**IREIT GLOBAL
UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FOURTH
QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2019**

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 and was listed on the Main Board of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) on 13 August 2014. IREIT’s current portfolio comprises five office properties in Germany, located in Berlin, Bonn, Darmstadt, Münster and Munich (the “German Portfolio”) and four properties in Spain, located in Madrid and Barcelona (the “Spanish Portfolio”).

As at 31 December 2019, the German Portfolio has an aggregate lettable area of approximately 200,900 sq m which consists of the following properties (the “German Properties”):

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

In December 2019, IREIT entered into a 40:60 joint venture with Tikehau Capital SCA for the purposes of acquiring the Spanish Portfolio. The joint venture company (“JVCo”) completed the acquisition of 100% of the interests in the Spanish Portfolio on 20 December 2019. As at 31 December 2019, the Spanish Portfolio has an aggregate lettable area of approximately 72,000 sq m which consists of the following properties (the “Spanish Properties”):

- (i) Delta Nova IV
- (ii) Delta Nova VI
- (iii) Il-lumina
- (iv) Sant Cugat Green

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 2019 to 31 December 2019.

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SUMMARY OF CONSOLIDATED RESULTS OF IREIT GLOBAL

	4Q 2019	4Q 2018	Variance (%)	FY 2019	FY 2018	Variance (%)
Gross revenue (€'000)	8,922	8,985	(0.7)	35,265	34,808	1.3
Net property income (€'000)	7,491	7,480	0.1	30,662	30,630	0.1
Income available for distribution (€'000)	6,069	6,180	(1.8)	25,264	25,146	0.5
Less: Income retained	(607)	(618)	(1.8)	(2,526)	(2,515)	0.4
Income to be distributed to Unitholders (€'000)	5,462	5,562	(1.8)	22,738	22,631	0.5

Total distribution per Unit						
Before retention						
- € cents	0.95	0.99	(4.0)	3.96	3.99	(0.8)
- S\$ cents	1.51⁽¹⁾	1.60	(5.6)	6.27⁽¹⁾	6.46	(2.9)
After retention						
- € cents	0.86	0.89	(3.4)	3.57	3.59	(0.6)
- S\$ cents	1.36⁽¹⁾	1.43	(4.9)	5.64⁽¹⁾	5.80	(2.8)

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.

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

	Note	4Q 2019 (€'000)	4Q 2018 (€'000)	Variance (%)	Note	FY 2019 (€'000)	FY 2018 (€'000)	Variance (%)
Gross revenue		8,922	8,985	(0.7)		35,265	34,808	1.3
Property operating expenses		(1,431)	(1,505)	(4.9)		(4,603)	(4,178)	10.2
Net property income	1	7,491	7,480	0.1	9	30,662	30,630	0.1
Finance costs	2	(818)	(954)	(14.3)	10	(6,100)	(3,947)	54.5
Management fees		(607)	(618)	(1.8)		(2,526)	(2,515)	0.4
Trustee's fees		(29)	(26)	11.5		(109)	(99)	10.1
Administrative costs and other trust expenses	3	(51)	(196)	(74.0)	11	(1,086)	(857)	26.7
Net change in fair value of financial derivatives	4	3,774	468	NM	12	(6,834)	826	NM
Net change in fair value of investment properties	5	48,193	26,563	81.4	13	69,345	41,329	67.8
Share of results of joint venture	6	(535)	-	NM	14	(535)	-	NM
Acquisition-related costs	7	(615)	-	NM	15	(615)	-	NM
Profit before tax		56,803	32,717	73.6		82,202	65,367	25.8
Income tax expense	8	(8,622)	(4,584)	88.1	16	(13,304)	(8,335)	59.6
Profit for the period, before transactions with Unitholders		48,181	28,133	71.3		68,898	57,032	20.8
Distribution to Unitholders		(5,462)	(5,562)	(1.8)		(22,738)	(22,631)	0.5
Profit for the period, after transactions with Unitholders		42,719	22,571	89.3		46,160	34,401	34.2
<u>Distribution Statement</u>								
Profit for the period, before transactions with Unitholders		48,181	28,133	71.3		68,898	57,032	20.8
Distribution adjustments		(42,112)	(21,953)	91.8	17	(43,634)	(31,886)	36.8
Amount available for distribution to Unitholders		6,069	6,180	(1.8)		25,264	25,146	0.5

NM denotes "Not meaningful".

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

4Q 2019

1. Net property income for 4Q 2019 was stable as compared to that of 4Q 2018, resulting from a marginal decrease in both gross revenue and property operating expenses.
2. Finance costs comprise interest expense on loans, interest rate swaps and amortisation of upfront debt transaction costs. The decrease of €136,000 or 14.3% was mainly due to the lower average cost of borrowings for 4Q 2019 as compared to 4Q 2018. Please refer to Section 1b(ii) Aggregate Amount of Borrowings for details of the borrowings outstanding as at 31 December 2019.

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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)

3. Administrative and other trust expenses for 4Q 2019 were 74.0% lower compared to 4Q 2018. Included in other trust expenses was a foreign exchange gain of €170,000 (4Q 2018: €29,000) arising mainly from the translation of Singapore dollar denominated cash balances as at 31 December 2019. Excluding this foreign exchange gain, administrative and other trust expenses were €221,000 (4Q 2018: €225,000).
4. The net change in fair value of financial derivatives arose from the revaluation of interest rate swaps and forward foreign currency exchange contracts entered into to hedge the interest rate risk on borrowings and currency risk for distribution to Unitholders respectively.
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 reporting period.
6. The share of results of joint venture relates to the Group's 40% share of the net income of JVCo. The share of loss of the joint venture was mainly due to the write-off of the costs and expenses incurred by JVCo for the acquisition of the Spanish Portfolio.
7. Acquisition-related costs include the acquisition fee of €535,000 paid to the Manager and legal and professional fees incurred by IREIT for the acquisition of the Spanish Portfolio.
8. Income tax expense comprises current and deferred tax expenses. The increase for 4Q 2019 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.

FY 2019

9. Net property income for FY 2019 remained stable, registering a slight increase of €32,000 or 0.1% compared to that of FY 2018. The increase in property operating expenses was due mainly to repair and maintenance expenses for the upkeep of the properties. This was offset by higher gross revenue arising mainly from the finalisation of prior year's service charge reconciliation.
10. Finance costs comprise interest expense on loans, interest rate swaps and amortisation of upfront debt transaction costs, as well as the costs of unwinding the previous borrowings, which were incurred on a one-time basis in 1Q 2019. This has also largely contributed to the increase in finance costs for FY 2019 as compared to FY 2018. Please refer to Section 1b(ii) Aggregate Amount of Borrowings for details of the borrowings outstanding as at 31 December 2019.
11. Administrative costs and other trust expenses for FY 2019 were 26.7% higher compared to FY 2018. Included in other trust expenses was a foreign exchange gain of €284,000 (FY 2018: €244,000) arising mainly from the translation of Singapore dollar denominated cash balances as at 31 December 2019. Excluding this foreign exchange gain, administrative costs and other trust expenses were €1,370,000 (FY2018: €1,101,000). The increase of €269,000 in administrative costs and other trust expenses was mainly due to higher fees for ad hoc professional services.
12. The net change in fair value of financial derivatives arose from the revaluation of interest rate swaps and forward foreign currency exchange contracts entered into to hedge the interest rate risk on borrowings and currency risk for distribution to Unitholders respectively.

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(continued)

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

13. This relates to the difference between the carrying value and the fair value of the investment properties as at the end of each respective reporting period.
14. The share of results of joint venture relates to the Group's 40% share of the net income of JVCo. The share of loss of the joint venture was mainly due to the write-off of the costs and expenses incurred by JVCo for the acquisition of the Spanish Portfolio.
15. Acquisition-related costs include the acquisition fee of €535,000 paid to the Manager and legal and professional fees incurred by IREIT for the acquisition of the Spanish Portfolio.
16. Income tax expense comprises current and deferred tax expenses. The increase for FY 2019 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 reporting period last year.
17. Distribution adjustments

	4Q 2019 (€'000)	4Q 2018 (€'000)	FY 2019 (€'000)	FY 2018 (€'000)
<u>Distribution adjustments</u>				
- Difference between accounting and actual finance costs paid	40	67	440	308
- Finance costs: Loan breakage costs	-	-	2,731	-
- Management fees payable in Units	607	618	2,526	2,515
- Foreign exchange gain	(170)	(29)	(284)	(244)
- Effects of recognising rental income on a straight line basis over the lease term	46	(98)	(59)	(394)
- Net change in fair value of financial derivatives	(3,746)	(468)	6,863	(826)
- Net change in fair value of investment properties	(48,193)	(26,563)	(69,345)	(41,329)
- Share of results of joint venture	562	-	562	-
- Acquisition-related costs	615	-	615	-
- Deferred tax expense	8,127	4,520	12,317	8,084
Net distribution adjustments	(42,112)	(21,953)	(43,634)	(31,886)

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

	Note	Group (€'000)		Trust (€'000)	
		31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
Current assets					
Cash and cash equivalents	1	25,343	18,396	12,042	2,275
Trade and other receivables	2	1,716	1,774	3,450	7,298
Financial derivatives	3	574	690	574	691
		27,633	20,860	16,066	10,264
Non-current assets					
Investment properties	4	574,900	504,900	-	-
Investment in subsidiaries		-	-	222,994	233,382
Investment in joint venture	5	30,383	-	30,383	-
Other receivables	6	1,457	1,355	-	-
Deferred tax assets	7	2,004	1,760	-	-
		608,744	508,015	253,377	233,382
Total assets		636,377	528,875	269,443	243,646
Current liabilities					
Borrowings	8	-	96,474	-	-
Trade and other payables	9	3,717	3,161	1,884	551
Distribution payable		11,067	11,124	11,067	11,124
Financial derivatives	3	1,676	-	7	-
Income tax payable	10	1,072	272	-	2
		17,532	111,031	12,958	11,677
Non-current liabilities					
Borrowings	8	231,453	96,741	31,908	-
Financial derivatives	3	5,042	-	-	-
Deferred tax liabilities	11	28,057	15,496	-	-
		264,552	112,237	31,908	-
Total liabilities		282,084	223,268	44,866	11,677
Net assets attributable to Unitholders					
		354,293	305,607	224,577	231,969

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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 €25.3 million as at 31 December 2019 as compared to €18.4 million as at 31 December 2018.

Please refer to the consolidated statement of cash flows for 4Q 2019 and FY 2019 on Page 9 of this announcement for further details on the movements in the Group's cash and cash equivalents during the respective reporting periods.

The increase of €9.8 million in the Trust's cash and cash equivalents as at 31 December 2019 as compared to 31 December 2018 was mainly due to the higher amount of inter-company transfers from subsidiaries.

2. The decrease of €3.8 million in the Trust's trade and other receivables was mainly due to the balances due from subsidiaries as at 31 December 2018, which were received subsequent to 31 December 2018.
3. This represents the fair value as at the reporting dates of interest rate swaps and forward foreign currency exchange contracts which were entered into to hedge the interest rate risk on borrowings and currency risk for distribution to Unitholders respectively.
4. Investment properties are accounted for at fair value based on valuations undertaken by independent valuers as at 31 December 2019.

As at 1 January 2019:

Capital expenditure on investment properties
Change in fair value of investment properties during the period
Fair value of investment properties as at 31 December 2019

Group (€'000)
504,900
654
69,346
574,900

5. This relates to IREIT's 40% investment in JVCo, which owns the Spanish Portfolio. The Group applies the equity accounting method for its interest in JVCo.
6. 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.
7. The increase of €0.2 million in deferred tax assets was mainly due to the higher deferred tax effect on the temporary differences arising from unutilised tax losses at the level of the property holding companies.
8. Please refer to Section 1b(ii) Aggregate Amount of Borrowings for details.
9. The increase in the Group's and the Trust's trade and other payables were mainly due to slower turnover of trade payables for the period.
10. The income tax payable arises from the current income tax provision on the taxable profits at the property level.
11. The increase in deferred tax liabilities was due to the higher deferred tax effect on the temporary differences arising from the investment properties.

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1(b)(ii) Aggregate Amount of Borrowings

	Group (€'000)	
	31 Dec 2019	31 Dec 2018
Repayable within one year		
Secured borrowings	-	96,594
Less: Upfront debt transaction costs ⁽¹⁾	-	(120)
	-	96,474
Repayable after one year		
Secured borrowings	232,760	96,900
Less: Upfront debt transaction costs ⁽¹⁾	(1,307)	(159)
	231,453	96,741
Total		
Secured borrowings	232,760	193,494
Less: Upfront debt transaction costs ⁽¹⁾	(1,307)	(279)
	231,453	193,215

Footnotes:

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

Details of borrowings and collaterals

(i) On 1 February 2019, all then existing borrowings of €193.5 million were refinanced with new secured loan facilities of €200.8 million from a new lender (the "Facilities"). The Facilities will mature on a bullet basis in January 2026. The balance of the proceeds after refinancing-related transaction costs will be used for general working capital and corporate purposes.

The Facilities are secured by way of the following:

- land charges over the properties;
- pledges over the rent and other relevant bank accounts in relation to the 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 properties;
- pledges over the shares in the borrowing entities;
- assignments of claims under the hedging agreements in relation to the Facilities; and
- assignment of claims over the intra-group loans granted to the borrowing entities.

The Facilities are denominated in Euro and bears floating interest rates. Interest rate swap contracts have been entered into to fix the interest rates on the borrowings. IREIT does not apply hedge accounting.

(ii) On 3 December 2019, IREIT entered into a term loan facility of €32 million with City Strategic Equity Pte. Ltd. (the "Term Loan Facility") for the purpose of financing its investment in JVCo. The Term Loan Facility, which was fully drawn down as at 31 December 2019, will mature on a bullet basis in May 2021.

The Term Loan Facility is secured by way of the following:

- assignment of loans made or granted or to be made or granted by IREIT to JVCo; and
- charge over IREIT's shares in JVCo.

The Term Loan Facility is denominated in Euro and bears floating interest rates.

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

	Group			
	4Q 2019 (€'000)	4Q 2018 (€'000)	FY 2019 (€'000)	FY 2018 (€'000)
Cash flows from operating activities				
Profit for the period, after transactions with Unitholders	42,719	22,571	46,160	34,401
Adjustments for:				
Management fees payable in Units	607	618	2,526	2,515
Finance costs	818	954	6,100	3,947
Net change in fair value of financial derivatives	(3,774)	(468)	6,834	(826)
Net change in fair value of investment properties	(48,193)	(26,563)	(69,345)	(41,329)
Share of results of joint venture	535	-	535	-
Distribution to Unitholders	5,462	5,562	22,738	22,631
Income tax expense	8,622	4,584	13,304	8,335
Operating profit before working capital changes	6,796	7,258	28,852	29,674
Changes in working capital:				
Trade and other receivables	536	(782)	(44)	(592)
Trade and other payables	845	712	556	372
Income taxes paid	(108)	(104)	(188)	(251)
Cash generated from operations, representing net cash from operating activities	8,069	7,084	29,176	29,203
Cash flows from investing activity				
Capital expenditure on investment properties	(306)	(337)	(654)	(471)
Investment in joint venture	(30,918)	-	(30,918)	-
Net cash used in investing activity	(31,224)	(337)	(31,572)	(471)
Cash flows from financing activities				
Proceeds from borrowings	32,000	-	232,760	-
Repayment of borrowings	-	-	(193,494)	(2,550)
Costs related to borrowings	(86)	-	(4,198)	(20)
Distribution paid to Unitholders	-	-	(22,795)	(23,234)
Net interest paid	(778)	(886)	(2,930)	(3,638)
Net cash from/(used in) financing activities	31,136	(886)	9,343	(29,442)
Net increase/(decrease) in cash and cash equivalents	7,981	5,861	6,947	(710)
Cash and cash equivalents at beginning of the period	17,362	12,535	18,396	19,106
Cash and cash equivalents at end of the period	25,343	18,396	25,343	18,396

Note to Unaudited Consolidated Statement of Cash Flows

1. Please refer to Section 1b(ii) Aggregate Amount of Borrowings for details.

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

	Group		Trust	
	4Q 2019	4Q 2018	4Q 2019	4Q 2018
	(€'000)	(€'000)	(€'000)	(€'000)
Operations				
Balance as at beginning of period	27,592	1,580	(59,388)	(50,434)
Profit for the period, before transactions with Unitholders	48,181	28,133	5,445	6,509
Distribution payable of 0.86€ cents per Unit for 4Q 2019	(5,462)	-	(5,462)	-
Distribution payable of 0.89€ cents per Unit for 4Q 2018	-	(5,562)	-	(5,562)
Balance as at the end of the period	70,311	24,151	(59,405)	(49,487)
Unitholders' transactions				
Issue of Units:				
Balance as at beginning of period	283,375	280,838	283,375	280,838
Management fees payable in Units	607	618	607	618
Net assets resulting from transactions	283,982	281,456	283,982	281,456
Net assets attributable to Unitholders as at end of period	354,293	305,607	224,577	231,969

	Group		Trust	
	FY 2019	FY 2018	FY 2019	FY 2018
	(€'000)	(€'000)	(€'000)	(€'000)
Operations				
Balance as at beginning of period	24,151	(10,250)	(49,487)	(38,575)
Profit for the period, before transactions with Unitholders	68,898	57,032	12,820	11,719
Distribution payable of 1.84€ cents per Unit for 1H 2019	(11,671)	-	(11,671)	-
Distribution payable of 1.73€ cents per Unit for 2H 2019	(11,067)	-	(11,067)	-
Distribution payable 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)
Balance as at the end of the period	70,311	24,151	(59,405)	(49,487)
Unitholders' transactions				
Issue of Units:				
Balance as at beginning of period	281,456	278,941	281,456	278,941
Management fees payable in Units	2,526	2,515	2,526	2,515
Net assets resulting from transactions	283,982	281,456	283,982	281,456
Net assets attributable to Unitholders as at end of period	354,293	305,607	224,577	231,969

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

	Group			
	4Q 2019 (Units)	4Q 2018 (Units)	FY 2019 (Units)	FY 2018 (Units)
Unit in issue:				
At beginning of the period	635,980,147	630,708,432	632,011,477	626,665,519
Issue of new Units:				
- Management fees paid in Units	1,242,638	1,303,045	5,211,308	5,345,958
At end of the period	637,222,785	632,011,477	637,222,785	632,011,477
Units to be issued:				
Management fees payable in Units	1,141,759	1,338,159	1,141,759	1,338,159
At end of the period	638,364,544	633,349,636	638,364,544	633,349,636

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 2018, except for those explained in Section 5 below.

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 2019, 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 16 *Leases* 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.

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6. Earnings Per Unit and Distribution Per Unit

	Group			
	4Q 2019	4Q 2018	FY 2019	FY 2018
Weighted average number of Units ('000)	631,221	625,327	634,450	629,206
Earnings per Unit Basic and Diluted (€ cents)	7.6	4.49	10.8	9.06
Number of Units entitled to distribution ('000)	637,223	632,011	637,223	632,011
Distribution per Unit ("DPU")				
- € cents	0.86	0.89	3.57	3.59
- S\$ cents ⁽¹⁾	1.36	1.43	5.64	5.80

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 2019	31 Dec 2018
Number of Units in issue and to be issued at end of the period ('000) ⁽¹⁾	638,365	633,350
Net asset value ("NAV") per Unit (€)	0.56	0.48
Net tangible asset ("NTA") per Unit (€)	0.56	0.48

Footnote:

1. The NAV and NTA per Unit was computed based on the net assets attributable to Unitholders as at 31 December 2019 and 31 December 2018 and the Units in issue and to be issued as at 31 December 2019 of 638,364,544 (31 December 2018: 633,349,636).

8. Segmental Reporting

The revenue and net property income of the Group for FY 2019 were contributed entirely by the German Portfolio which comprises five properties all located in Germany which are used mainly for office purposes. The Manager considers that the five properties held by IREIT are similar in terms of purpose, economic characteristics, type of tenants and nature of services provided to tenants. Therefore, the Manager is of the view that the five properties should be aggregated into a single reportable segment and no further analysis for segment information is presented by property.

IREIT has a 40% investment in JVCo, which owns the Spanish Portfolio. As the Group applies the equity accounting method for its interest in JVCo, the contribution to the Group's results is reported as a share of results of JVCo. As such, no segment information in terms of turnover and profits is presented.

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9. Review of the Performance for the Fourth Quarter and Financial Year ended 31 December 2019

A review of the performance for 4Q 2019 and FY 2019 is set out in Section 1(a)(i) Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income and Section 1(b)(i) Unaudited Statements of Financial Position as at 31 December 2019.

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

Slowing global trade and geopolitical uncertainties, including Brexit, have continued to weigh on Europe's economic growth. There are also mounting concerns that the outbreak of the novel coronavirus in China would have a far and wide effect on global economic activity.

On the back of slower business activity and higher new development completions, take-up in office space and rental growth expectations in Europe are likely to slow down in 2020. Nonetheless, the European real estate market is expected to remain healthy due to continued positive investor sentiment, low mortgage rates and the attractiveness of real estate as a higher yielding asset class.

In December 2019, IREIT acquired a portfolio of four freehold office buildings located in Spain through a joint venture, which is 40% held by IREIT and 60% held by Tikehau Capital. The acquisition marks IREIT's foray into Spain and complements well with IREIT's German Portfolio as the diverse blue-chip tenant base and well-staggered lease profile will add strength, scale and diversification to IREIT's portfolio.

The Manager will be looking to increase the occupancy rate of the Spanish Portfolio and to bring the under-vented properties nearer to market levels through active asset management. In addition, it will be exploring possible debt and equity financing options to repay its term loan facility and to exercise the call option granted by Tikehau Capital to acquire its 60% stake, while maintaining an appropriate capital structure for IREIT.

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 2019 to 31 December 2019

Distribution type Tax-exempt income

Distribution rate 2.71 Singapore cents per Unit

Tax rate There distributions are made out of IREIT's tax exempt income. Unitholders receiving distributions will not be assessable to Singapore income tax on the distributions received.

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12. Distributions (continued)

(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 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.

(c) Record date 20 February 2020

(d) Date payable 27 February 2020

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.

15. 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 fourth quarter and financial period from 1 January 2019 to 31 December 2019 to be false or misleading in any material aspect.

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.

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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
12 February 2020

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.