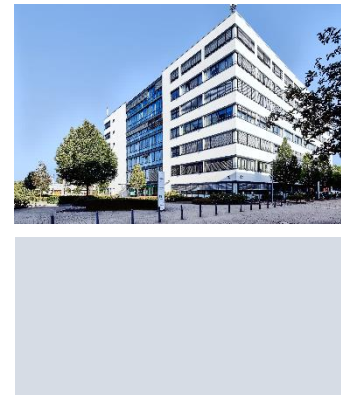
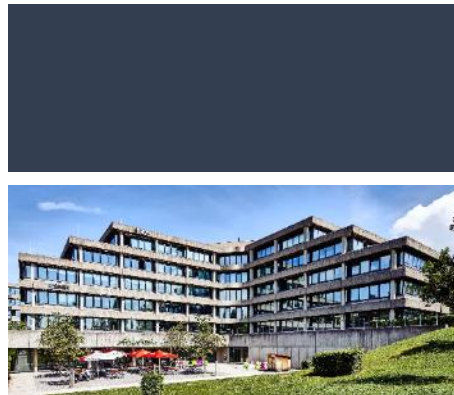
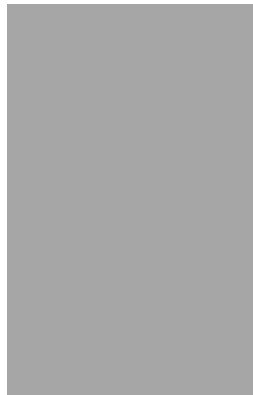




# 1Q2020 Business Update

13 May 2020



Shareholders of the Manager:



**CITY  
DEVELOPMENTS  
LIMITED**

**TIKEHAU  
CAPITAL**

# 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.

# Note to Unitholders

## Change from Quarterly to Half-Yearly Reporting

IREIT Global Group Pte. Ltd., as manager of IREIT Global (“IREIT”, and the manager of IREIT, the “**Manager**”), refers to the recent amendments to Rule 705(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”) which were effective from 7 Feb 2020.

The Manager announced on 10 Mar 2020 that IREIT will adopt the announcement of half-yearly financial statements with effect from the financial year ending 31 Dec 2020 (“FY2020”). For FY2020, the next financial results announcement will be for the half-year period ending 30 Jun 2020.

The Manager will continue to maintain a proactive and transparent approach towards its engagement with stakeholders through its various communication channels, including providing timely and relevant updates on material developments between the announcements of the half-yearly financial statements.

## Extension of Time to Hold Annual General Meeting

The Manager also refers to the announcement by SGX-ST on 27 Feb 2020 to allow issuers with a financial year-end of 31 Dec 2019 (“FY2019”) to hold their annual general meetings (“AGMs”) by 30 Jun 2020, and announced that SGX-ST had on 27 Mar 2020 informed IREIT that the SGX-ST has no objection to granting a 2-month extension until 30 Jun 2020 for IREIT to hold its AGM for FY2019.

The Manager wishes to inform unitholders of IREIT (“**Unitholders**”) that the AGM for FY2019 is tentatively scheduled to be held on or around mid-Jun 2020. All references to the date of the AGM in IREIT’s FY2019 Annual Report are indicative in nature and may be subject to change depending on the development of the COVID-19 situation. **The Manager will update Unitholders on the date and other details of the AGM once they are confirmed.**

# Agenda

		Slide
<b>1</b>	<b>About IREIT Global</b>	<b>5</b>
<b>2</b>	<b>Key Operational Updates</b>	<b>7</b>
<b>3</b>	<b>Capital and Currency Management</b>	<b>12</b>
<b>4</b>	<b>Portfolio Summary</b>	<b>14</b>
<b>5</b>	<b>Increase in Strategic Interests</b>	<b>18</b>
<b>6</b>	<b>Looking Ahead</b>	<b>20</b>





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# About IREIT Global



*Berlin Campus*

# About IREIT Global

## First Singapore-listed REIT with Europe-focused Mandate

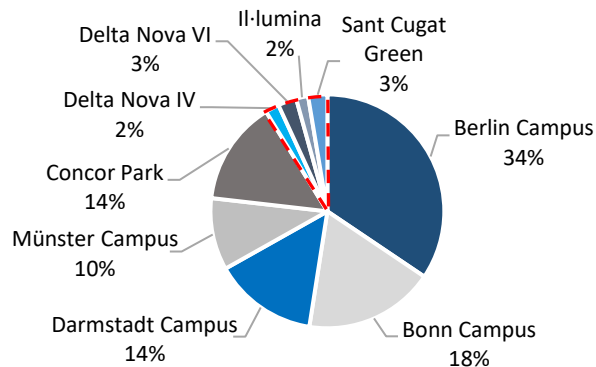
**Investment Mandate:** Principally invests, directly or indirectly, in a portfolio of income-producing real estate in Europe which is used primarily for office, retail and industrial (including logistics) purposes, as well as real estate-related assets

**Current Portfolio:** 5 freehold office properties in Germany and 4 freehold office properties in Spain, with a total attributable lettable area of c.230,000 sqm and valuation of €630.2m<sup>1</sup>

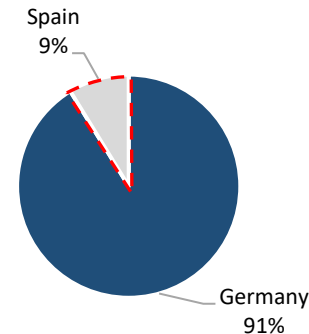
**Manager:** IREIT Global Group Pte. Ltd., which is jointly owned by Tikehau Capital and City Developments Limited (CDL). Tikehau Capital is an asset management and investment group listed in France, while CDL is a leading global real estate company listed in Singapore

**Distribution Policy:** At least 90% of annual distributable income; distributions to be made on a semi-annual basis

**Valuation by Property<sup>1</sup>**



**Valuation by Geography<sup>1</sup>**



<sup>1</sup> Lettable area and valuation based on IREIT's proportionate interest in the respective properties as at 31 Mar 2020

# Key Operational Updates

2



*Bonn Campus*

# Key Highlights

## Portfolio Remains Resilient Despite the COVID-19 Virus Outbreak

**Portfolio  
Occupancy**<sup>1</sup>

**94.7%**

**Weighted Average  
Lease to Expiry**<sup>1</sup>

**3.9 years**

**% of Total Leases to  
Expire in 2020 and 2021**<sup>1</sup>

**3.5%**

- Overall portfolio occupancy remained stable at 94.7% as at 31 Mar 2020, compared to that a quarter ago as a result of limited lease expiries during the quarter.
- GMG (subsidiary of Deutsche Telekom), the key tenant at Münster South Building, exercised its break option to return 2 out of 6 floors at the building on 28 Feb 2021. Due to proactive asset management, however, the Manager has already identified and secured a 9-year future lease with another strong tenant for the entire 2 floors (c.3,600 sqm or 13% of lettable area at Münster Campus). This new lease will commence on 1 Mar 2021.<sup>2</sup>
- For 1Q2020, 100% of the rents have been collected from tenants in IREIT's portfolio. As the COVID-19 outbreak and consequent lockdown measures started to have an impact on business activity after the quarter-end, the Manager has received requests from a few tenants for rental rebates and deferrals to-date. Nonetheless, IREIT's portfolio remains resilient with over 98% of April's rent already collected.

<sup>1</sup> As at 31 Mar 2020

<sup>2</sup> WALE at Münster Campus will increase from 2.9 years to 4.1 years on a pro forma basis with the new lease



# Managing Impact from COVID-19

## German Portfolio

- Since the implementation of lockdown measures around mid-Mar 2020, most tenants at the German properties have commenced working from home, while canteen operations were closed.
- On 23 Mar 2020, the German government ordered all retail units to close. Accordingly, the 4 retail units at Berlin Campus stopped their operations.
- Most tenants and employees from property and facility managers have also been working from home. Cleaning, maintenance and repairs at the properties are still carried out regularly.
- A new law, which became effective on 1 Apr 2020, protects tenants against termination until end-Jun 2020 for non-payments of rents if their operations are disrupted due to COVID-19. To date, the Manager has not received any requests for rent rebates or deferrals.
- The Manager will be closely monitoring the financial health of the tenants and their rental payments.
- In late Apr 2020, certain retail units, including those at Berlin Campus, were allowed to open as part of easing of the lockdown measures.

## Spanish Portfolio

- In mid-Mar 2020, Spain imposed one of the strictest lockdown measures as it dealt with the severe outbreak of COVID-19 virus in the country. All stores except those selling basic necessities were closed.
- Most tenants and employees from property and facility managers have also been working remotely from home since mid-Mar 2020. Cleaning, maintenance and repairs at the properties are still carried out regularly.
- On 22 Apr 2020, the government approved a rent moratorium for self-employed workers and SMEs during the lockdown if their operations are disrupted.
- To date, the Manager has received requests for rental rebate and deferral from a few tenants during the lockdown. These tenants contribute less than 2% of IREIT's total rental income.
- The Manager will be closely monitoring the financial health of the tenants and their rental payments.
- Starting May 2020, the government announced plans on easing its lockdown rules as the COVID-19 situation has been improving. The easing is expected to be done in 4 phases, with first phase on the restricted opening of some small businesses starting from 4 May 2020.

# German Office Market

## Lower Take-up in Office Space but Significant Impact on Rents is not Expected

Take-up in office space for 1Q2020 fell 17.8% YoY to 741,000 sqm, reflecting the slower business activity in Germany, lack of supply and suspension of leases in the last weeks of the quarter due to the COVID-19 outbreak. <sup>1</sup>

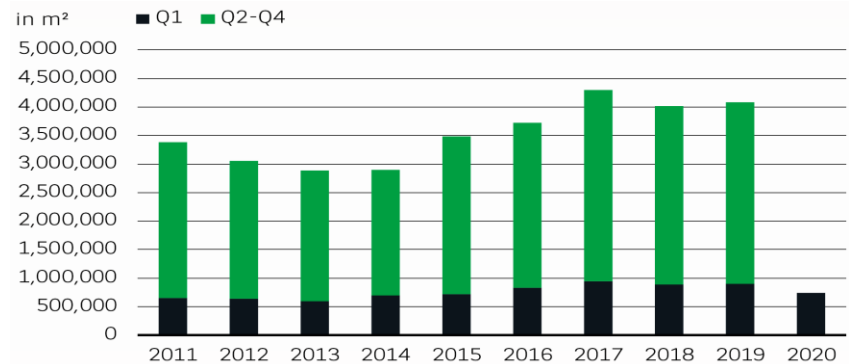
However, overall vacancy rate remained low at 3.9%, while top rents continued to rise by almost 7% in 1Q2020. <sup>1</sup>

In the office investment market, €8.2bn of investment volume was registered in 1Q2020. This marks an increase of 43.8% YoY, supported by sustained low interest rates and transactions that were still awaiting completion at the end of 2019. <sup>2</sup>

As Germany's GDP is expected to decline by 6.3% in 2020 according to the German government's Apr forecast, the letting and investment markets are likely to slow down as tenants and investors take more time to review and make decisions, and as some investors face restrictions on the financing from banks.

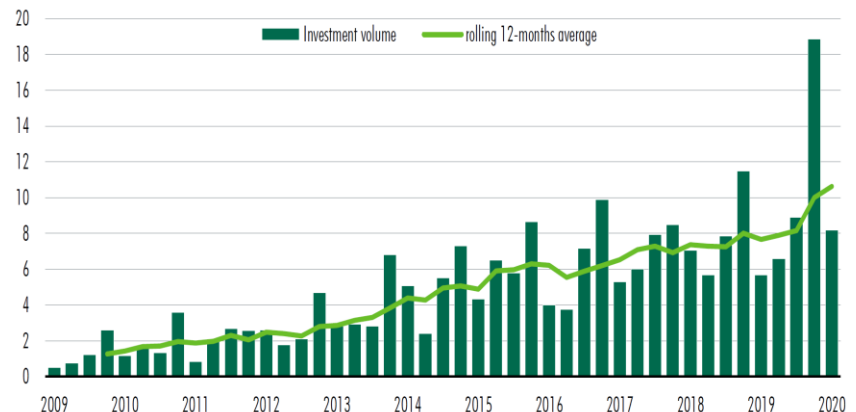
On a positive note, severe impact on rents and market distortions are not expected at this juncture.

Office Take-up of Selected German City Centres <sup>1</sup>



\* Berlin, Cologne, Düsseldorf, Essen, Frankfurt, Hamburg, Leipzig, Munich

Germany Office Investment Volume <sup>2</sup>



<sup>1</sup> BNPP Real Estate Germany Office Market Q1 2020

<sup>2</sup> CBRE Germany Office Investment Q1 2020

# Spanish Office Market

## Slowdown in Leasing Activity Also Seen in Madrid and Barcelona

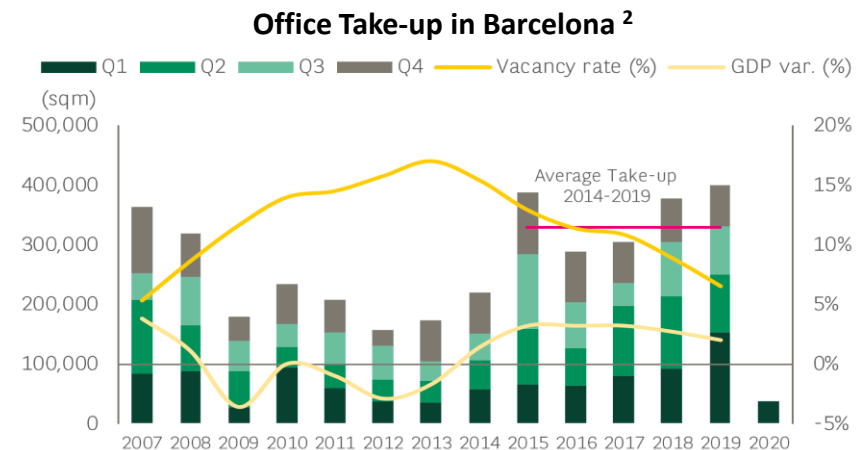
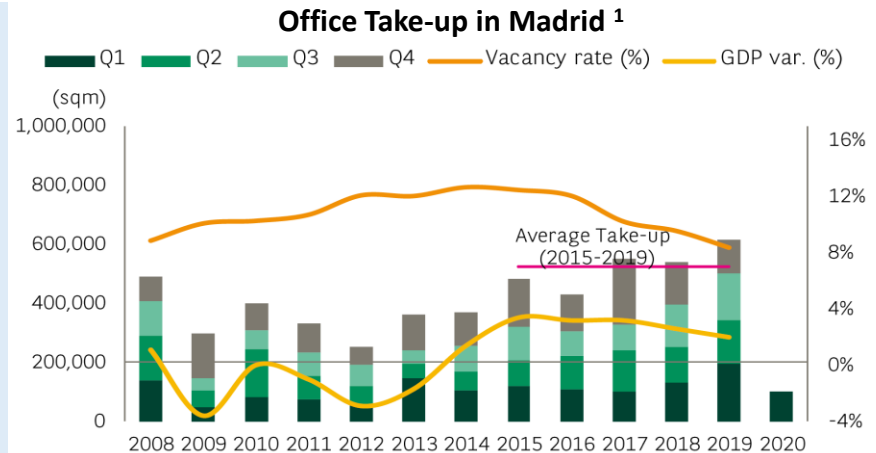
Letting volume in Madrid fell 48% YoY in 1Q2020 to 102,480 sqm, while that in Barcelona fell 74% to 40,095 sqm as leasing activity took a pause amid measures taken by the Spanish government to curb the spread of the COVID-19 virus. <sup>1,2</sup>

In 1Q2020, average rents in Madrid increased marginally by 1.1% YoY to €19.0/sqm/month. In Barcelona, the average rents was up 3.5% YoY to €18.2/sqm/month.

Vacancy rates in Madrid and Barcelona have continued their downtrend and reached 8.2% and 6.7%, respectively, in 1Q2020.

With the sharp contraction in the domestic economy and increase in unemployment rate in Spain, letting demand and rents are expected to be hampered. On 1 May, the Spanish government announced that Spain's GDP is expected to fall 9.2% in 2020, while unemployment rate may increase to 19% from 14.4% in 1Q2020.

On the flip side, the COVID-19 situation and consequent standstill in development projects are expected to delay new supply to the market.



<sup>1</sup> BNPP Real Estate Madrid Office Market Q1 2020

<sup>2</sup> BNPP Real Estate Barcelona Office Market Q1 2020



# Capital and Currency Management

3



*Darmstadt Campus*

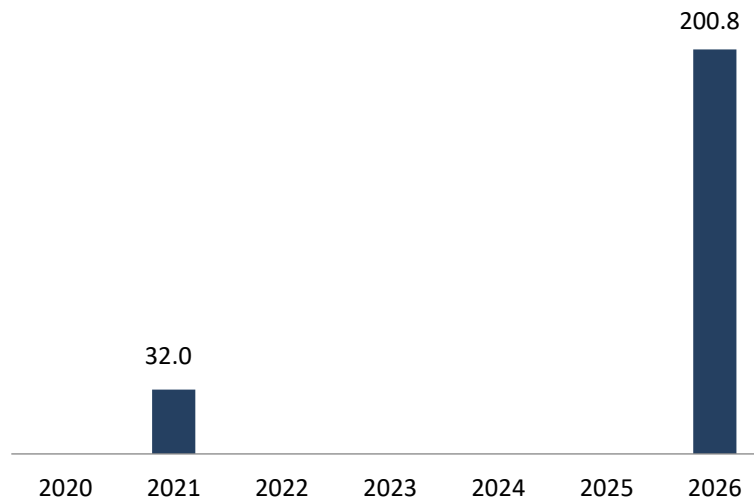


# Capital and Currency Management

The figures have not been audited or reviewed by auditors

	As at 31 Mar 2020	As at 31 Dec 2019
Gross Borrowings Outstanding (€'m)	232.8	232.8
Aggregate Leverage <sup>1</sup>	38.0%	39.3%
Effective Interest Rate per Annum <sup>2</sup>	1.8%	1.8%
Interest Coverage Ratio <sup>3</sup>	7.8x	8.7x
Weighted Average Debt Maturity	5.2 years	5.5 years

Debt Maturity Profile  
€ 'million



- In Dec 2019, IREIT entered into a term loan facility of €32m to fund the acquisition of the 40% stake in the Spanish portfolio. The facility, which was fully drawn down as at 31 Dec 2019, will mature in May 2021
- Approximately 86.3% of the total gross borrowings are on fixed interest rates as IREIT has entered into interest rate swaps to hedge its exposure from floating rate borrowings
- As distributable income in € will be paid out in S\$, IREIT has implemented a policy of hedging approximately 80% of its income to be repatriated from overseas to Singapore on a quarterly basis, one year in advance

<sup>1</sup> Based on total debt over deposited properties, including IREIT's proportionate share of its joint venture borrowings and deposited property values

<sup>2</sup> Effective interest rate computed over the tenure of the borrowings

<sup>3</sup> Based on the definition set out in Appendix 6 of the CIS Code revised on 16 April 2020

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## Portfolio Summary

*Münster Campus*

# German Portfolio

	BERLIN CAMPUS	BONN CAMPUS	DARMSTADT CAMPUS	MÜNSTER CAMPUS	CONCOR PARK	TOTAL
City	Berlin	Bonn	Darmstadt	Münster	Munich	
Completion Year	1994	2008	2007	2007	1978 and fully refurbished in 2011	
Ownership	100.0%	100.0%	100.0%	100.0%	100.0%	
Lettable Area (sqm)	79,097	32,736	31,817	27,204	31,412	<b>202,267</b>
Car Park Spaces	496	652	1,189	588	516	<b>3,441</b>
Occupancy Rate <sup>1</sup>	100.0%	100.0%	100.0%	100.0%	97.5%	<b>99.6%</b>
No. of Tenants	7	1	1	2	16	<b>24</b>
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	Allianz, ST Microelectronics, Ebase, Yamaichi	
WALE <sup>2</sup>	4.2	3.0	2.6	2.9	7.0	<b>3.9</b>
Independent Appraisal <sup>3</sup> (€ m)	217.0	113.7	90.6	62.8	90.8	<b>574.9</b>

<sup>1</sup> Based on all current leases in respect of the properties as at 31 Mar 2020

<sup>2</sup> Based on gross rental income as at 31 Mar 2020

<sup>3</sup> Based on independent valuations as at 31 Dec 2019

# Spanish Portfolio

	DELTA NOVA IV	DELTA NOVA VI	IL-LUMINA	SANT CUGAT GREEN	TOTAL
City	Madrid	Madrid	Barcelona	Barcelona	
Completion Year	2005 and refurbished in 2015	2005 and refurbished in 2015	1970s and fully redeveloped in 2004	1993	
Ownership	40.0%	40.0%	40.0%	40.0%	
Agreed Value <sup>1</sup> (€ m) 100% (40%)	28.7 (11.5)	39.8 (15.9)	25.4 (10.2)	39.9 (16.0)	<b>133.8 (53.5)</b>
Lettable Area (sqm) 100% (40%)	10,256 (4,102)	14,855 (5,942)	20,922 (8,369)	26,134 (10,454)	<b>72,167 (28,867)</b>
Parking Spaces	249	384	310	580	<b>1,523</b>
Occupancy Rate <sup>2</sup>	93.7%	94.5%	69.2%	77.1%	<b>80.8%</b>
No. of Tenants	11	9	12	4	<b>28</b>
Key Tenant(s)	Gesif, Anticipa, E-Volucionaria, Aliseda	Almaraz, Clece, Digitex	Catalan Media, Digitex, Coca Cola European Partners	DXC Technology, Roche, Sodexo	
WALE <sup>3</sup>	3.8	2.4	2.9	5.5	<b>3.8</b>
Independent Appraisal <sup>4</sup> 100% (40%) (€ m)	30.1 (12.0)	40.4 (16.2)	26.1 (10.4)	41.7 (16.7)	<b>138.3 (55.3)</b>

<sup>1</sup> The 40% interest of the Spanish properties has been reflected in the financial statements for FY2019 at the agreed property values as this is deemed by the Manager to be fair value

<sup>2</sup> Based on all current leases in respect of the properties as at 31 Mar 2020

<sup>3</sup> Based on gross rental income of IREIT's proportionate interest in the respective properties as at 31 Mar 2020

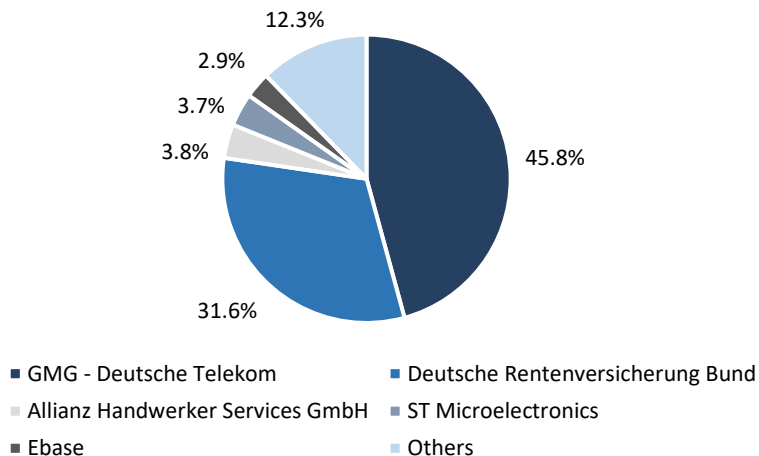
<sup>4</sup> Based on independent valuations as at 2 Dec 2019



# Portfolio Lease Profile

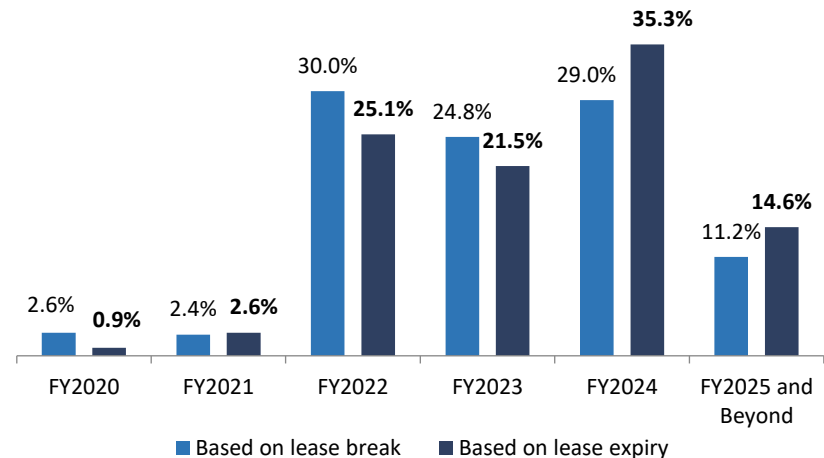
## Blue-Chip Tenant Mix

### Key Tenants <sup>1</sup>



## Stable Leases

### Lease Break & Expiry Profile Weighted Average Lease Expiry: 3.9 years<sup>1</sup>



**96.5% of portfolio leases<sup>1</sup> will be due for renewal only in FY2022 and beyond<sup>2</sup>**



**Deutsche Telekom** is one of the world's leading integrated telcos with around c. 178m mobile customers, c. 28m fixed-network lines and c. 20m broadband lines. S&P's long-term rating stands at BBB+.



**Deutsche Rentenversicherung Bund** is Europe's largest statutory pension insurance company with over 57m customers and 'AAA' credit rating.



**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.



**ST Microelectronics** is one of the world's largest semiconductor companies with net revenues of US\$9.66b in 2018 and BBB credit rating.



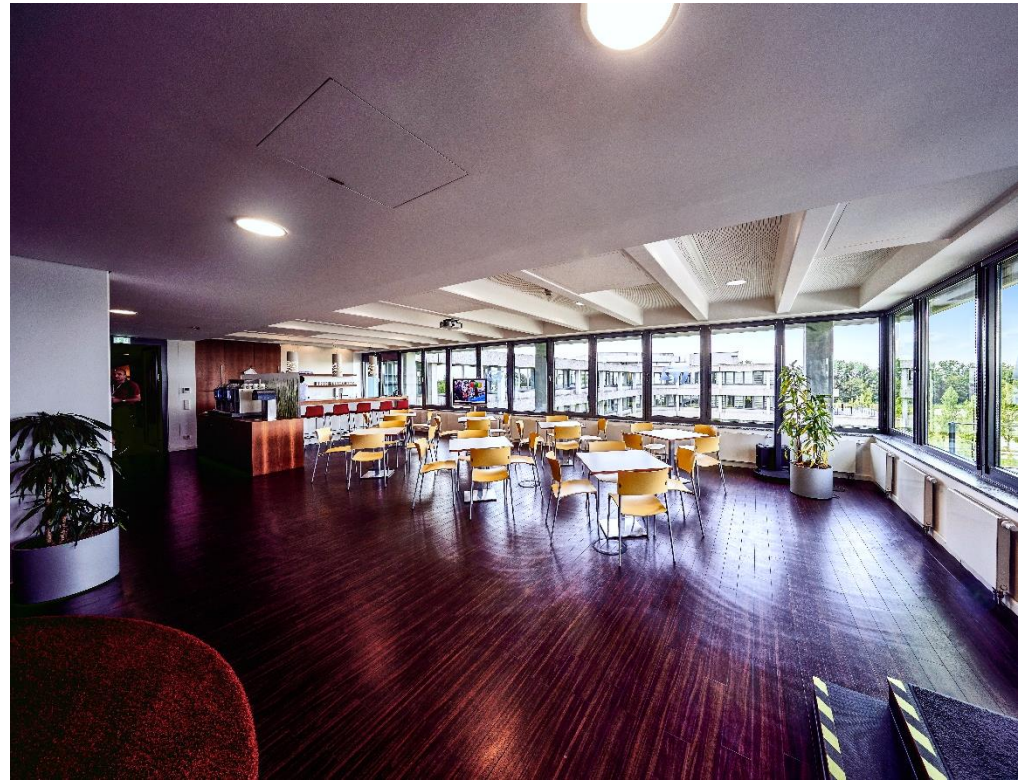
**ebase GmbH** is part of the FNZ Group, a global fintech company. As a B2B direct bank, ebase is a full service partner for financial distributors, insurance companies, banks, asset managers and other companies.

<sup>1</sup> Based on gross rental income of IREIT's proportionate interest in the respective properties as at 31 Mar 2020

<sup>2</sup> 6.4% of the leases is subject to lease break option from FY2020 to FY2022

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## Increase in Strategic Interests



*Concor Park*

# Increase in Strategic Interests

## Tikehau Capital and City Developments Limited Jointly Increase their Stakes in IREIT

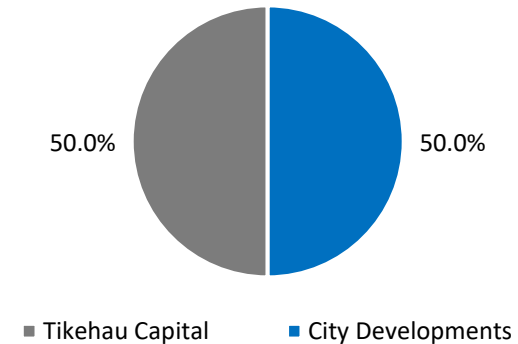
In Apr 2020, strategic partners Tikehau Capital and City Developments Limited (CDL) have substantially increased their respective unitholdings in IREIT as a vote of confidence, bringing their combined stake to over 50%.

Before the transaction, Tikehau Capital and CDL held 16.64% and 12.52% of the units in IREIT, respectively. Following the purchase of additional stakes in IREIT, Tikehau Capital now owns 29.20% while CDL owns 20.87% of the units in IREIT.

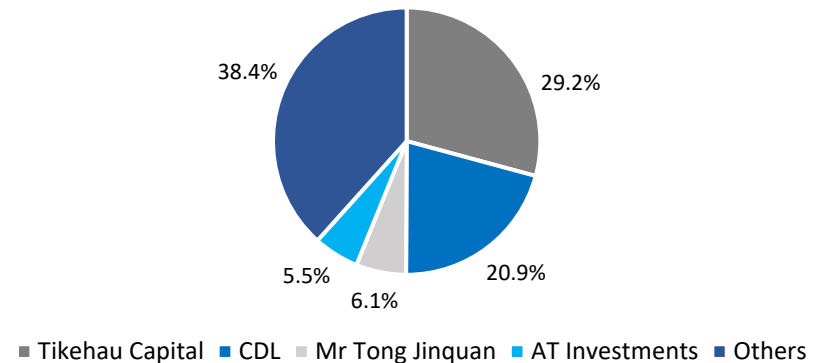
The increase in stake by Tikehau Capital and CDL is a clear demonstration of their positive long-term view on the growth prospects and strategy of IREIT, as well as their strong alignment of interest with minority unitholders.

A new unitholder, AT Investments has also acquired a substantial 5.50% stake in IREIT, alongside Tikehau Capital and CDL. AT Investments is owned by Mr Arvind Tiku, whose family office has an asset portfolio worth approximately US\$2bn.

Shareholdings in the Manager <sup>1</sup>



Unitholdings in IREIT <sup>1</sup>



<sup>1</sup> Based on SGX filings on 7 Apr 2020





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## Looking Ahead



*Berlin Campus*



# Looking Ahead

## Macro Economy

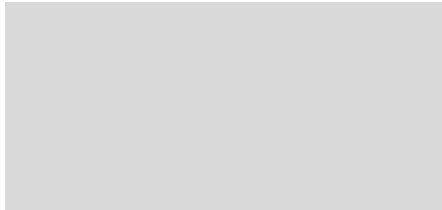
- The outbreak of the COVID-19 pandemic in Europe has resulted in the imposition of lockdown measures by governments to mitigate the spread of the virus infection
- The eurozone is expected to fall into recession in 2020 due to low business activity
- On a positive note, the EU has endorsed a €540bn package to support jobs, businesses and its member states. Interest rates are also expected to stay low for longer periods

## Real Estate Market

- As a result of the pandemic and likely contraction in the eurozone economy, take-up of office space and real estate investment in Europe are expected to slow down
- However, office rents are not expected to be significantly affected due to low vacancy rates and potential delays in deliveries of new office supply in Europe
- Low mortgage rates and the attractiveness of real estate as a higher yielding asset class are also likely to provide some support on the investment markets

## Key Focus

- The Manager will continue to monitor the financial health of IREIT's tenants and work closely with them to ensure high tenant retention and occupancy within the portfolio
- The Manager will also be looking out for attractive investment opportunities to further diversify and build scale to IREIT's portfolio so as to provide sustainable long-term returns to unitholders
- At the appropriate juncture, the Manager will use a combination of debt and equity to repay its €32m loan facility and acquire the balance 60% stake of the Spanish portfolio



# Thank You

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Email: [ir@ireitglobal.com](mailto:ir@ireitglobal.com)