



IREIT GLOBAL UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SECOND HALF YEAR AND FINANCIAL YEAR ENDED 31 DECEMBER 2020

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 (the “German Portfolio”) and four properties in Spain, located in Madrid and Barcelona (the “Spanish Portfolio”).

As at 31 December 2020, the German Portfolio has an aggregate net lettable area of approximately 200,800 sq m which consists of the following 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. In August 2020, IREIT exercised the call option to acquire the remaining 60% interest in JVCo from Tikehau Capital SCA (the “Acquisition”). The Acquisition was funded by a renounceable rights issue (the “Rights Issue”) of new Units in IREIT. Following the completion of the Acquisition on 22 October 2020, IREIT owns 100% of the Spanish Portfolio.

As at 31 December 2020, the Spanish Portfolio has an aggregate lettable area of approximately 72,200 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 financial period from 1 July 2020 to 31 December 2020.

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SUMMARY OF CONSOLIDATED RESULTS OF IREIT GLOBAL

	2H 2020	2H 2019	Variance (%)	FY 2020	FY 2019	Variance (%)
Gross revenue (€'000)	19,856	17,762	11.8	37,821	35,265	7.2
Net property income (€'000)	17,229	15,220	13.2	32,894	30,662	7.3
Income available for distribution (€'000)	14,478	12,297	17.7	27,434	25,264	8.6
Less: Income retained	(1,447)	(1,230)	17.6	(2,743)	(2,526)	8.6
Income to be distributed to Unitholders (€'000)	13,031	11,067	17.7	24,691	22,738	8.6

Total distribution per Unit						
Before retention						
- € cents	1.55⁽¹⁾	1.32⁽²⁾	17.4	3.57⁽¹⁾	3.37⁽²⁾	5.9
- S\$ cents	2.42⁽³⁾	2.04⁽²⁾	18.6	5.59⁽³⁾	5.30⁽²⁾	5.5
After retention						
- € cents	1.39⁽¹⁾	1.19⁽²⁾	16.8	3.21⁽¹⁾	3.03⁽²⁾	5.9
- S\$ cents	2.18⁽³⁾	1.84⁽²⁾	18.5	5.03⁽³⁾	4.77⁽²⁾	5.5

Footnotes:

- (1) On 23 October 2020, IREIT issued 291,405,597 new Units at the issue price of S\$0.49 per Unit (the "Rights Units"). The Rights Units are entitled to the distribution for the financial period from 1 July 2020 to 31 December 2020. FY 2020 DPU is calculated based on actual 1H 2020 DPU, with 2H 2020 DPU adjusted for the Rights Units.
- (2) For the purpose of comparison, 2H 2019 DPU has been restated to reflect the effects of the Rights Units. FY 2019 DPU is calculated based on actual 1H 2019 DPU, with 2H 2019 DPU adjusted for the Rights Units.
- (3) 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	2H 2020 (€'000)	2H 2019 (€'000)	Variance (%)	Note	FY 2020 (€'000)	FY 2019 (€'000)	Variance (%)
Gross revenue		19,856	17,762	11.8		37,821	35,265	7.2
Property operating expenses		(2,627)	(2,542)	3.3		(4,927)	(4,603)	7.0
Net property income	1	17,229	15,220	13.2	11	32,894	30,662	7.3
Finance costs	2	(2,259)	(1,555)	45.3	12	(4,410)	(6,100)	(27.7)
Management fees	3	(1,447)	(1,230)	17.6	13	(2,743)	(2,526)	8.6
Trustee's fees		(72)	(57)	26.3		(135)	(109)	23.9
Administrative costs and other trust expenses	4	(1,364)	(537)	154.0	14	(2,294)	(1,086)	111.2
Net change in fair value of financial derivatives	5	(590)	1,363	NM	15	(3,871)	(6,834)	NM
Net change in fair value of investment properties	6	5,283	48,107	NM	16	4,038	69,345	NM
Share of results of joint venture	7	67	(535)	NM	17	1,151	(535)	NM
Gain on derecognition of joint venture	8	2,309	-	100.0	18	2,309	-	100.0
Acquisition-related costs	9	(1,284)	(615)	NM	19	(1,284)	(615)	NM
Profit before tax		17,872	60,161	(70.3)		25,655	82,202	(68.8)
Income tax expense	10	(4,116)	(9,310)	(55.8)	20	(5,934)	(13,304)	(55.4)
Profit for the period, before transactions with Unitholders		13,756	50,851	(72.9)		19,721	68,898	(71.4)
Distribution to Unitholders		(13,031)	(11,067)	17.7		(24,691)	(22,738)	8.6
Profit/(Loss) for the period, after transactions with Unitholders		725	39,784	(98.2)		(4,970)	46,160	(110.8)
<u>Distribution Statement</u>								
Profit for the period, before transactions with Unitholders		13,756	50,851	(72.9)		19,721	68,898	(71.4)
Distribution adjustments	21	722	(38,554)	(101.9)	21	7,713	(43,634)	(117.7)
Amount available for distribution to Unitholders		14,478	12,297	17.7		27,434	25,264	8.6

NM denotes "Not meaningful".

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

2H2020

- Gross revenue for 2H 2020 registered an increase of €2,094,000 or 11.8% compared to that of 2H 2019, contributing to the increase in net property income of €2,009,000 or 13.2% over the same period. These were due mainly to the consolidation of the operating results of the Spanish Properties in the financial statements of the Group, following the completion of the Acquisition on 22 October 2020.

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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)

2. Finance costs comprise interest expense on loans, interest rate swaps, and amortisation of upfront debt transaction costs. The increase of €704,000 or 45.3% compared to that of 2H 2019 was mainly due to the finance costs incurred for term loan facilities entered into in December 2019 for the acquisition of the Spanish Properties.
3. Management fees is determined based on 10.0% per annum of the annual distributable income of IREIT. The Manager has elected to receive 100% of the base management fees in Units. The increase in management fees is in line with the increase in distributable income for the period.
4. Administrative costs and other trust expenses for 2H 2020 were 154.0% higher compared to that of 2H 2019. Included in other trust expenses was a foreign exchange loss of €872,000 (2H 2019: foreign exchange gain of €75,000) arising mainly from a one-off accounting impact from the conversion of Singapore dollar denominated proceeds from the Rights Issue into Euros in order to fund the consideration for the Acquisition, as well as the translation of Singapore dollar denominated cash balances as at 31 December 2020. Excluding this foreign exchange loss, administrative costs and other trust expenses were €492,000 (2H 2019: €612,000). The decrease of €120,000 in administrative costs and other trust expenses were mainly due to lower fees for ad hoc professional services.
5. The net change in fair value of financial derivatives arose from the revaluation of interest rate swaps, interest rate caps and forward foreign currency exchange contracts entered into to hedge the interest rate risk on borrowings and currency risk for distribution to Unitholders respectively.
6. 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.
7. The share of results of joint venture relates to the Group's 40% share of the net income of JVCo. Following the completion of the Acquisition on 22 October 2020, JVCo became a 100%-owned subsidiary of the Group and was consolidated in the Group's financial statements.

Details are as follows:

	1 Jul 2020 to 22 Oct 2020 (€'000)	20 Dec 2019 to 31 Dec 2019 (€'000)
<i>Share of results (net of tax) of joint venture</i>		
- Gross revenue	1,386	144
- Property operating expenses	(506)	(57)
- Net property income	880	87
- Finance costs	(205)	(24)
- Net change in fair value of investment properties	(319)	(562)
- Net change in fair value of financial derivatives	(46)	(30)
- Others	(243)	(6)
	67	(535)

8. The gain on derecognition of joint venture arose from the remeasurement of the Group's previously held interest in JVCo following the completion of the Acquisition on 22 October 2020. Consequently, JVCo became a 100%-owned subsidiary of the Group and was consolidated in the Group's financial statements.
9. Acquisition-related costs include the acquisition fee of €818,000 (2H 2019: €535,000) paid to the Manager and legal and professional fees incurred for the acquisition of the Spanish Properties.

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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)

10. Income tax expense comprises current and deferred tax expenses. The decrease for 2H 2020 was mainly due to the lower deferred tax liability provided on the investment properties as compared to the corresponding reporting period last year.

FY 2020

11. Gross revenue for FY 2020 registered an increase of €2,556,000 or 7.2% compared to that of FY 2019, contributing to the increase in net property income of €2,232,000 or 7.3% over the same year. These were due mainly to the consolidation of the operating results of the Spanish Properties in the financial statements of the Group, following the completion of the Acquisition on 22 October 2020.
12. Finance costs comprise interest expense on loans, interest rate swaps and amortisation of upfront debt transaction costs. The decrease of €1,690,000 or 27.7% compared to that of FY 2019 was mainly due to the absence of the costs of unwinding the previous borrowings pursuant to the loan refinancing exercise in 1Q 2019. The decrease is offset by finance costs incurred for term loan facilities entered into in December 2019 for the acquisition of the Spanish Properties. Please refer to Section 1b(ii) Aggregate Amount of Borrowings for details of the borrowings.
13. Management fees is determined based on 10.0% per annum of the annual distributable income of IREIT. The Manager has elected to receive 100% of the base management fees in Units. The increase in management fees is in line with the increase in distributable income for the year.
14. Administrative costs and other trust expenses for FY 2020 were 111.2% higher compared to that of FY 2019. Included in other trust expenses was a foreign exchange loss of €1,066,000 (FY 2019: foreign exchange gain of €284,000) arising mainly from a one-off accounting impact from the conversion of Singapore dollar denominated proceeds from the Rights Issue into Euros in order to fund the consideration for the Acquisition, as well as the translation of Singapore dollar denominated cash balances as at 31 December 2020. Excluding this foreign exchange loss, administrative costs and other trust expenses were €1,228,000 (FY 2019: €1,370,000). The decrease of €142,000 in administrative costs and other trust expenses was mainly due to lower fees incurred for ad hoc professional services.
15. The net change in fair value of financial derivatives arose from the revaluation of interest rate swaps, interest rate caps and forward foreign currency exchange contracts entered into to hedge the interest rate risk on borrowings and currency risk for distribution to Unitholders respectively.
16. 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.

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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)

17. The share of results of joint venture relates to the Group's 40% share of the net income of JVCo. Following the completion of the Acquisition on 22 October 2020, JVCo became a 100%-owned subsidiary of the Group and was consolidated in the Group's financial statements.

	1 Jan 2020 to 22 Oct 2020 (€'000)	20 Dec 2019 to 31 Dec 2019 (€'000)
<i>Share of results (net of tax) of joint venture</i>		
- Gross revenue	3,585	144
- Property operating expenses	(1,345)	(57)
- Net property income	2,240	87
- Finance costs	(641)	(24)
- Net change in fair value of investment properties	301	(562)
- Net change in fair value of financial derivatives	(229)	(30)
- Others	(520)	(6)
	1,151	(535)

18. The gain on derecognition of joint venture arose from the remeasurement of the Group's previously held interest in JVCo following the completion of the Acquisition on 22 October 2020. Consequently, JVCo became a 100%-owned subsidiary of the Group and was consolidated in the Group's financial statements.
19. Acquisition-related costs include the acquisition fee of €818,000 (FY 2019: €535,000) paid to the Manager and legal and professional fees incurred for the acquisition of the Spanish Properties.
20. Income tax expense comprises current and deferred tax expenses. The decrease for FY 2020 was mainly due to the lower deferred tax liability provided on the investment properties as compared to the corresponding reporting period last year.
21. Distribution adjustments

	2H 2020 (€'000)	2H 2019 (€'000)	FY 2020 (€'000)	FY 2019 (€'000)
<u>Distribution adjustments</u>				
- Difference between accounting and actual finance costs paid	209	87	349	440
- Loan breakage costs	-	-	-	2,731
- Management fees payable in Units	1,447	1,230	2,743	2,526
- Foreign exchange loss/(gain)	872	(75)	1,065	(284)
- Effects of recognising rental income on a straight line basis over the lease term	347	138	441	(59)
- Net change in fair value of financial derivatives	590	(1,334)	3,871	6,863
- Net change in fair value of investment properties	(5,283)	(48,107)	(4,038)	(69,345)
- Share of results of joint venture	(67)	562	(1,151)	562
- Distributable income from joint venture	480	-	1,197	-
- Gain on derecognition of joint venture	(2,309)	-	(2,309)	-
- Acquisition-related costs	1,284	615	1,284	615
- Deferred tax expense	3,152	8,330	4,261	12,317
Net distribution adjustments	722	(38,554)	7,713	(43,634)

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

		Group (€'000)		Trust (€'000)	
	Note	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
Current assets					
Cash and cash equivalents	1	43,109	25,343	10,135	12,042
Trade and other receivables	2	2,832	1,716	10,631	3,450
Financial derivatives	3	313	574	-	574
		46,254	27,633	20,766	16,066
Non-current assets					
Investment properties	4	719,580	574,900	-	-
Investment in subsidiaries	5	-	-	336,225	222,994
Investment in joint venture	5	-	30,383	-	30,383
Other receivables		1,316	1,457	-	-
Loans to subsidiary	6	-	-	31,000	-
Deferred tax assets		1,879	2,004	-	-
		722,775	608,744	367,225	253,377
Total assets		769,029	636,377	387,991	269,443
Current liabilities					
Trade and other payables	8	4,690	3,717	548	1,884
Distribution payable		13,031	11,067	13,031	11,067
Financial derivatives	3	2,019	1,676	429	7
Income tax payable	10	1,490	1,072	-	-
		21,230	17,532	14,008	12,958
Non-current liabilities					
Borrowings	7	264,628	231,453	-	31,908
Other payables	9	1,430	-	77,021	-
Financial derivatives	3	7,805	5,042	-	-
Deferred tax liabilities	11	32,193	28,057	-	-
		306,056	264,552	77,021	31,908
Total liabilities		327,286	282,084	91,029	44,866
Net assets attributable to Unitholders					
		441,743	354,293	296,962	224,577

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

Notes to Unaudited Statements of Financial Position

1. The Group's cash and cash equivalents were €43.1 million as at 31 December 2020 as compared to €25.3 million as at 31 December 2019.

Please refer to the consolidated statement of cash flows for 2H 2020 and FY2020 on Page 10 of this announcement for further details on the movements in the Group's cash and cash equivalents during the respective reporting periods.

The decrease of €1.9 million in the Trust's cash and cash equivalents as at 31 December 2020 as compared to 31 December 2019 was mainly due to the lower amount of inter-company transfers from subsidiaries.

2. The increase of €7.2 million in the Trust's trade and other receivables was mainly due to the balances due from subsidiaries as at 31 December 2019, which were received subsequent to 31 December 2020.
3. This represents the fair value as at the reporting dates of interest rate swaps, interest rate caps 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 2020.

Movement during the year:

	Group (€'000)
As at 1 January 2020:	574,900
Capital expenditure on investment properties	1,170
Acquisition of investment properties	136,400
Lease incentives	3,072
Change in fair value of investment properties during the period	4,038
Fair value of investment properties as at 31 December 2020	719,580

5. Investment in subsidiaries relates to entities directly or indirectly wholly-owned by IREIT. Investment in joint venture relates to IREIT's 40% investment in JVCo. Following the acquisition of the remaining 60% interest in JVCo, JVCo became a 100%-owned subsidiary of the Group.
6. This relates to the shareholder loans extended to a subsidiary in connection with the acquisition of the Spanish Properties.
7. Please refer to Section 1b(ii) Aggregate Amount of Borrowings for details.
8. The increase of €1.0 million in the Group's trade and other payables were mainly due to lower turnover of trade creditors for the period.
9. The Trust's other payables of €77.0 million relate to amounts due to a subsidiary pursuant to the Internal Transfer as set out in Section 19 of this announcement.
10. The increase of €0.4 million in the Group's income tax payable was mainly due to 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 temporary differences arising from the investment properties.

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1(b)(ii) Aggregate Amount of Borrowings

	Group (€'000)	
	31 Dec 2020	31 Dec 2019
Repayable after one year		
Secured borrowings	267,660	232,760
Less: Upfront debt transaction costs ⁽¹⁾	(3,032)	(1,307)
	264,628	231,453
Total		
Secured borrowings	267,660	232,760
Less: Upfront debt transaction costs ⁽¹⁾	(3,032)	(1,307)
	264,628	231,453

The Group's aggregate leverage⁽²⁾ was 34.8% as at 31 December 2020. The interest coverage ratio⁽²⁾ stood at 7.4 times as at 31 December 2020.

Footnotes:

- (1) Upfront debt transaction costs are amortised over the life of the loan facilities.
(2) Aggregate leverage and interest coverage ratio are calculated based on the respective definitions under Monetary Authority of Singapore's Code on Collective Investment Schemes, Property Funds Appendix 6 (last revised on 16 April 2020).

Details of borrowings and collaterals

During the year, the term loan facility of €32 million from City Strategic Equity Pte. Ltd. taken up by IREIT in December 2019 for the purpose of financing its initial investment in JVCo, was fully repaid with part of the proceeds of the Rights Issue.

As at 31 December 2020, the Group's secured borrowings comprised the following facilities ("the Facilities"):

- (i) Term loan facility of €200.8 million taken up in February 2019 to refinance all the then existing borrowings; and
(ii) Term loan facility of €66.9 million taken up in December 2019 to finance the acquisition of the Spanish Properties, and which was consolidated in the Group's financial statements following the acquisition of the remaining 60% of JVCo.

The Facilities are secured by way of the following:

- land charges over investment properties with an aggregate carrying value of €719.6 million as at 31 December 2020;
- 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 (where applicable).

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

	Group			
	2H 2020 (€'000)	2H 2019 (€'000)	FY 2020 (€'000)	FY 2019 (€'000)
Cash flows from operating activities				
Profit/(Loss) for the period, after transactions with Unitholders	725	39,784	(4,970)	46,160
Adjustments for:				
Management fees payable in Units	1,447	1,230	2,743	2,526
Acquisition fees payable in Units	818	-	818	-
Finance costs	2,200	1,555	4,410	6,100
Net change in fair value of financial derivatives	590	(1,363)	3,871	6,834
Net change in fair value of investment properties	(5,283)	(48,107)	(4,038)	(69,345)
Distribution to Unitholders	13,031	11,067	24,691	22,738
Income tax expense	4,116	9,310	5,934	13,304
Gain on derecognition of joint venture	(2,309)	-	(2,309)	-
Share of results of joint venture	(67)	535	(1,151)	535
Operating profit before working capital changes	15,268	14,011	29,999	28,852
Changes in working capital:				
Trade and other receivables	(256)	356	(848)	(44)
Trade and other payables	(1,471)	1,001	(1,408)	556
Income taxes paid	(288)	66	(1,256)	(188)
Cash generated from operations, representing net cash from operating activities	13,253	15,434	26,487	29,176
Cash flows from investing activity				
Capital expenditure on investment properties	75	(392)	(1,170)	(654)
Investment in joint venture	-	(30,918)	-	(30,918)
Acquisition of subsidiary	(37,706)	-	(37,706)	-
Net cash used in investing activity	(37,631)	(31,310)	(38,876)	(31,572)
Cash flows from financing activities				
Proceeds from issuance of units	89,371	-	89,371	-
Payments related to issuance of units	(512)	-	(512)	-
Proceeds from borrowings	-	32,000	-	232,760
Repayment of borrowings	(32,000)	-	(32,000)	(193,494)
Costs related to borrowings	-	(108)	-	(4,198)
Distribution paid to Unitholders	(11,660)	(11,671)	(22,727)	(22,795)
Net interest paid	(1,927)	(1,469)	(3,977)	(2,930)
Net cash from financing activities	43,272	18,752	30,155	9,343
Net increase in cash and cash equivalents	18,894	2,876	17,766	6,947
Cash and cash equivalents at beginning of the period	24,215	22,467	25,343	18,396
Cash and cash equivalents at end of the period	43,109	25,343	43,109	25,343

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

	Group		Trust	
	2H 2020 (€'000)	2H 2019 (€'000)	2H 2020 (€'000)	2H 2019 (€'000)
Operations				
Balance as at beginning of period	64,616	30,527	(72,440)	(57,777)
Profit for the period, before transactions with Unitholders	13,756	50,851	6,031	9,439
Distribution payable of 1.39€ cents per Unit for 2H 2020	(13,031)	-	(13,031)	-
Distribution payable of 1.73€ cents per Unit for 2H 2019	-	(11,067)	-	(11,067)
Balance as at the end of the period	65,341	70,311	(79,440)	(59,405)
Unitholders' transactions				
Issue of Units:				
Balance as at beginning of period	285,278	282,752	285,278	282,752
Pursuant to the rights issue	89,371	-	89,371	-
Issue expenses	(512)	-	(512)	-
Acquisition fee paid in Units	818	-	818	-
Management fees payable in Units	1,447	1,230	1,447	1,230
Net assets resulting from transactions	376,402	283,982	376,402	283,982
Net assets attributable to Unitholders as at end of period	441,743	354,293	296,962	224,577

	Group		Trust	
	FY 2020 (€'000)	FY 2019 (€'000)	FY 2020 (€'000)	FY 2019 (€'000)
Operations				
Balance as at beginning of period	70,311	24,151	(59,405)	(49,487)
Profit for the period, before transactions with Unitholders	19,721	68,898	4,656	12,820
Distribution payable of 1.82€ cents per Unit for 1H 2020	(11,660)	-	(11,660)	-
Distribution payable of 1.39€ cents per Unit for 2H 2020	(13,031)	-	(13,031)	-
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)
Balance as at the end of the period	65,341	70,311	(79,440)	(59,405)
Unitholders' transactions				
Issue of Units:				
Balance as at beginning of period	283,982	281,456	283,982	281,456
Pursuant to the rights issue	89,371	-	89,371	-
Issue expenses	(512)	-	(512)	-
Acquisition fee paid in Units	818	-	818	-
Management fees payable in Units	2,743	2,526	2,743	2,526
Net assets resulting from transactions	376,402	283,982	376,402	283,982
Net assets attributable to Unitholders as at end of period	441,743	354,293	296,962	224,577

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

	Group			
	2H 2020 (Units)	2H 2019 (Units)	FY 2020 (Units)	FY 2019 (Units)
Unit in issue:				
At beginning of the period	640,424,619	634,629,725	637,222,785	632,011,477
Issue of new Units:				
- Pursuant to the rights issue	291,405,597	-	291,405,597	-
- Acquisition fee paid in Units	2,053,542	-	2,053,542	-
- Management fees paid in Units	3,162,622	2,593,060	6,364,456	5,211,308
At end of the period	937,046,380	637,222,785	937,046,380	637,222,785
Units to be issued:				
Management fees payable in Units	1,916,706	1,141,759	1,916,706	1,141,759
At end of the period	938,963,086	638,364,544	938,963,086	638,364,544

- 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 2019, 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 2020, 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 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 (“EPU”) and Distribution Per Unit (“DPU”)

	Group			
	2H 2020	2H 2019	FY 2020	FY 2019
<u>EPU</u>				
<u>Adjusted to include effects of the Rights Issue</u> ⁽¹⁾				
Weighted average number of Units ('000)	752,836	746,715	695,720	690,336
Earnings per Unit Basic and Diluted (€ cents)	1.82	6.81	2.83	9.98
<u>As previously reported</u>				
Weighted average number of Units ('000)	-	-	-	634,450
Earnings per Unit Basic and Diluted (€ cents)	-	-	-	10.86
<u>DPU</u>				
<u>Restated to include effects of the Rights Issue</u>				
Number of Units entitled to distribution ('000)	937,046	928,628 ⁽²⁾	937,046	928,628 ⁽²⁾
Distribution per Unit				
- € cents	1.39	1.19 ⁽³⁾	3.21	3.03 ⁽³⁾
- S\$ cents	2.18 ⁽⁴⁾	1.84 ⁽³⁾	5.03 ⁽⁴⁾	4.77 ⁽³⁾
<u>As previously reported</u>				
Number of Units entitled to distribution ('000)	-	637,223	-	637,223
Distribution per Unit				
- € cents	-	1.73	-	3.57
- S\$ cents	-	2.71	-	5.64

Footnotes:

- (1) The weighted average number of Units and EPU have been adjusted to reflect the effects of the Rights Units issued on 23 October 2020. This is in accordance with the requirements of IAS 33 “Earnings Per Share”.
- (2) The number of Units entitled to distribution have been restated to Include the Rights Units.
- (3) For the purpose of comparison, 2H 2019 DPU has been restated to reflect the effects of the Rights Units. FY 2019 DPU is calculated based on actual 1H 2019 DPU, with 2H 2019 DPU adjusted for the Rights Units.
- (4) 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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7. Net Asset Value and Net Tangible Asset Per Unit

	Group	
	31 Dec 2020	31 Dec 2019
Number of Units in issue and to be issued at end of the period ('000) ⁽¹⁾	938,963	638,365
Net asset value ("NAV") per Unit (€)	0.47	0.56
Net tangible asset ("NTA") per Unit (€)	0.47	0.56

Footnote:

(1) The NAV and NTA per Unit was computed based on the net assets attributable to Unitholders as at 31 December 2020 and 31 December 2019 and the Units in issue and to be issued as at 31 December 2020 of 938,963,085 (31 December 2019: 638,364,544).

8. Segmented Revenue and Results for Geographical Segments

As at 31 December 2020, the Group's operations and its identifiable assets are located in Germany and Spain. The Manager considers that the properties held by the Group are similar in terms of purpose, mainly for office purposes. Accordingly, geographical segments are separately presented for gross revenue and net property income.

<u>Gross Revenue</u>	FY 2020 (€'000)	FY 2019 (€'000)
- Germany	35,756	35,265
- Spain	2,065	-
Total Gross Revenue	37,821	35,265

<u>Net Property Income</u>	FY 2020 (€'000)	FY 2019 (€'000)
- Germany	31,380	30,662
- Spain	1,514	-
Total Net Property Income	32,894	30,662

9. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the geographical segments

Gross revenue for the German Properties registered an increase of €491,000 or 1.4% compared to that of FY 2019, contributed mainly by the new lease at Münster South Building which commenced in July 2019 and the positive effects arising from the finalisation of prior year's service charge reconciliation. The increase in net property income of €718,000 or 2.3% is in line with the increase in gross revenue.

The gross revenue and net property income of the Spanish Properties were consolidated in the Group's financial statements following the completion of the acquisition of the remaining 60% interest in JVCo.

10. Review of the Performance for the Second Half Year and Financial Year ended 31 December 2020

A review of the performance for 2H2020 and FY2020 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 2020.

11. Variance between actual and forecast

Not applicable as no forecast has been previously disclosed.

12. 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

The COVID-19 pandemic and global macroeconomic uncertainty have led to a significant reduction in the European commercial real estate letting demand and investment volume in 2020. With the extension of the lockdown and strict social distancing restrictions in several economies, the timing and extent of a sustainable recovery in the European real estate remain largely uncertain. Additionally, it is still early to predict the post pandemic office demand situation given the changes in working patterns.

On a positive note, IREIT's portfolio performance has continued to be stable, supported by its leases with a blue-chip tenant base. Despite the challenging market conditions, only less than 1% of IREIT's FY2020 contractual rents has not been collected to date and this relates solely to the rental rebates and deferrals granted to a few tenants. In respect of the leases due in 2022, the Manager has already started to engage the tenants actively to negotiate for early renewals in order to maintain a healthy retention rate.

The completion of the acquisition of the balance 60% interest of the Spain properties in 4Q2020 has brought further diversification to IREIT's portfolio, while the repayment of the €32 million term loan facility has positioned IREIT well for growth. Looking ahead, the Manager will continue to pursue attractive investment opportunities in the office, retail and logistics space across Europe to further enhance IREIT's long-term returns.

As part of the initiatives to provide more options to unitholders, the Manager is exploring the possibility of implementing dual currency (€/S\$) trading for IREIT. It is also exploring to change IREIT's distribution currency from Singapore dollars to its functional currency, Euros, and is therefore reassessing the need to continue with its existing currency hedging policy for IREITs future distributions. Despite the potential change in distribution currency to Euros, CDP direct account holders with active Direct Crediting Service bank accounts who prefer to still receive their distributions in Singapore dollars would be able to do so by utilising SGX's Currency Conversion Service to automatically convert their Euros cash to Singapore dollars. Further details will be announced in due course.

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13. Distributions

(a) Current financial period

Any distributions declared for the current financial period?	Yes
Name of distribution	Distribution for the period from 1 July 2020 to 31 December 2020
Distribution type	Tax-exempt income
Distribution rate	2.18 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.

(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 2019 to 31 December 2019
Distribution type	Tax-exempt income
Distribution rate	2.71 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 5 March 2021

(d) Date payable 12 March 2021

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

Not applicable.

15. 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.

- 16. 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 of the chief executive officer or a substantial shareholder of the Manager or a substantial unitholder of IREIT.

- 17. Confirmation pursuant to Rule 705(5) of the Listing Manual**

Not applicable.

- 18. 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.

- 19. Additional Information Required Pursuant to Rule 706A of the Listing Manual**

As stated above, on 22 October 2020, IREIT completed the acquisition of the remaining 60% interest in the Spanish Properties through the acquisition of 60% of the shares in JVCo, being IREIT Global Holdings 5 Pte. Ltd. ("IGH5"). IGH5 owns 100% of the issued share capital in Sadena Real Estate, S.L.U. (the "Spanish HoldCo"), which in turn owns 100% of the issued share capital in each of (a) Gloin Investments, S.L.U. which holds Delta Nova IV and Delta Nova VI; (b) Chameleon (Esplugues), S.L.U. which holds Il·lumina; and (c) Chameleon (Sant Cugat Investment 2014), S.L.U. which holds Sant Cugat Green (the entities holding the Spanish Properties collectively referred to as, the "Spanish PropCos"). Subsequently, on 3 November 2020, IGH5 transferred 100% of the issued share capital of the Spanish HoldCo to IREIT for an aggregate consideration of €77,021,000 (comprising a share consideration of €44,681,000 which represents the net asset value of the Spanish HoldCo) and a consideration of €32,340,000 in relation to the assignment of the shareholder loans between IGH5 and Spanish HoldCo to IREIT and the Spanish HoldCo was merged with the Spanish PropCos such that the Spanish HoldCo directly holds the Spanish Properties (the "Internal Transfer"). In light of the foregoing, IREIT now holds 100% of the issued share capital in Sadena Real Estate, S.L.U. which in turn holds the Spanish Properties.

Please refer to the announcements dated 7 August 2020, 22 October 2020 and the Circular dated 3 September 2020.

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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
25 February 2021

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.