IREIT GLOBAL

SCALING NEW HEIGHTS

ANNUAL REPORT 2020

IREIT GLOBAL

We are pleased to introduce the new corporate logo of IREIT Global ("IREIT"), featuring a symbol designed to represent a building as a reflection of our business as a real estate investment trust. This building is designed using different perspectives and opposing shapes to illustrate balance and dynamism, alluding to the development of a balanced and value-accretive portfolio. The symbol also features IREIT's growth strategy based on the four pillars – Diversification, Long-term Approach, Scale and Local Presence – to represent the foundation and building blocks of our real estate business. These pillars are linked as an exemplification of synergy and interdependency, working together to support our business as well as uphold our vision to become the choice landlord for commercial real estate space in Europe.

The wordmark is a visual representation of our brand name, IREIT. It is presented in a sans serif typeface to reinforce our position as a modern and forward-thinking organisation. The letter "R" has been accentuated, creating a negative space that hints at the appearance of a keyhole, to express our ability to unlock value for our stakeholders.

Gold is chosen as part of the logo colour as it accords heritage, authority and value, while navy conveys stability, confidence and intelligence – key qualities that define the IREIT brand.

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SCALING NEW HEIGHTS

Unfazed by the unprecedented disruption caused by the COVID-19 pandemic, IREIT has charted a landmark year in its growth journey with the successful equity fund raising to finance the acquisition of the remaining 60% interest in the Spanish Properties and to strengthen its financial position in 2020. The resilience of its investment portfolio, substantial increase in unitholdings by its joint sponsors, Tikehau Capital and City Developments Limited ("CDL"), and introduction of another strategic investor, AT Investments Limited, during the year have also fortified IREIT's long-term thesis of creating value and delivering sustainable returns to unitholders of IREIT ("Unitholders").

With its sights set on the future, IREIT will continue ***scaling new heights*** by staying on course to seize new growth opportunities to build further scale and diversification in IREIT's portfolio. IREIT will continue to leverage on its joint sponsors' extensive capabilities and implement its growth strategy based on the four pillars of seeking diversification, adopting a long-term approach, achieving scale and tapping on its joint sponsors' local presence in order to optimise its long-term performance.

KEY OBJECTIVES

The key financial objectives of the manager of IREIT are to provide Unitholders with regular and stable distributions, and the potential for sustainable long-term growth in distribution per unit ("DPU") and net asset value ("NAV") per Unit, while maintaining an appropriate capital structure for IREIT.

ABOUT **IREIT GLOBAL**

IREIT is the first Singapore-listed real estate investment trust ("REIT") established with the investment strategy of principally investing, directly or indirectly, in a portfolio of income-producing real estate in Europe which is used for office, retail and industrial (including logistics) purposes, as well as real estate-related assets.

IREIT's current portfolio comprises five freehold office properties in Germany (the "German Properties"), located in Berlin, Bonn, Darmstadt, Münster and Munich, and four freehold office properties in Spain (the "Spanish Properties"), located in Madrid and Barcelona.

IREIT is managed by IREIT Global Group Pte. Ltd. (the "Manager"), which is jointly owned by Tikehau Capital and 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.

JOINT SPONSORS OF IREIT

IREIT is a unique pure play into the European commercial real estate market that benefits from the collective expertise, strong brand name and extensive local network of its joint sponsors, Tikehau Capital and CDL, both of which are highly regarded in their respective markets in Europe and Asia. Sharing the same vision and long-term commitment to build on IREIT's capabilities, scale and diversification, Tikehau Capital and CDL will continue to collaborate actively and tap on each other's complementary strengths to enhance IREIT's visibility and geographical footprint, while staying aligned with the best interests of minority unitholders.

ABOUT **TIKEHAU CAPITAL**

Tikehau Capital is a global alternative asset management group with €28.5 billion of assets under management (as at 31 December 2020). Tikehau Capital has developed a wide range of expertise across four asset classes (private debt, real assets, private equity and capital markets strategies) as well as multi-asset and special opportunities strategies. Tikehau Capital is a founder led team with a differentiated business model, a strong balance sheet, proprietary global deal flow and a track record of backing high quality companies and executives. Deeply rooted in the real economy, Tikehau Capital provides bespoke and innovative alternative financing solutions to companies it invests in and seeks to create long-term value for its investors, while generating positive impacts on society. Leveraging its strong equity base (€2.8 billion of shareholders' equity as at 30 June 2020), the firm invests its own capital alongside its investor-clients within each of its strategies. Controlled by its managers alongside leading institutional partners, Tikehau Capital is guided by a strong entrepreneurial spirit and DNA, shared by its 570 employees across its 11 offices in Europe, Asia and North America. Tikehau Capital is listed in compartment A of the regulated Euronext Paris market.

ABOUT **CITY DEVELOPMENTS LIMITED**

CDL is a leading global real estate company with a network spanning around 110 locations in 29 countries and regions. Building on its proven track record of over 55 years in real estate development, investment and management in Singapore, CDL has developed its growth platforms in its key international markets of China, United Kingdom, Japan and Australia and is also developing a fund management business. Along with its London-based hotel arm, Millennium & Copthorne Hotels Limited, the CDL Group has 152 hotels and 44,000 rooms worldwide, many in key gateway cities.

KEY FIGURES FOR FINANCIAL YEAR ENDED 31 DECEMBER 2020

€719.6
MILLION
PORTFOLIO VALUATION
+14.2% year-on-year

€37.8
MILLION
GROSS REVENUE
+7.2% year-on-year

sq m

C. **273,000** SQM
TOTAL LETTABLE AREA
+18.8% year-on-year

5.03
SINGAPORE CENTS
DISTRIBUTION PER UNIT
+5.5% year-on-year

95.8%
PORTFOLIO OCCUPANCY RATE
94.6% as at 31 December 2019

34.8%
AGGREGATE LEVERAGE
39.3% as at 31 December 2019

3.5 years
WEIGHTED AVERAGE LEASE EXPIRY
4.2 years as at 31 December 2019

5.3 years
WEIGHTED AVERAGE DEBT MATURITY
5.5 years as at 31 December 2019

CHAIRMAN AND CEO LETTER TO UNITHOLDERS

Mr Lim Kok Min, John
Chairman

Mr Louis d'Estienne d'Orves
Chief Executive Officer

DEAR UNITHOLDERS,

On behalf of the Board of Directors of IREIT Global Group Pte. Ltd., the manager of IREIT, we are pleased to present IREIT's annual report and sustainability report for the financial year ended 31 December 2020 ("FY2020").

AN UNPRECEDENTED YEAR

2020 was a year like no other with the emergence and outbreak of COVID-19 in January 2020, leaving global economies in tatters and causing massive disruptions and challenges to business operations. Except for essential services and trades, retail outlets were ordered to shut and offices had to implement work-from-home arrangements during the lockdowns. Stringent social distancing measures, curfews and border closures were also imposed to contain the virus infection, creating tremendous uncertainty to businesses as they navigate through the uncharted economic headwinds.

ACHIEVING OUR GOALS

At IREIT, with the strong support of our joint sponsors, we took timely and cautious measures to ensure the safety and well-being of our tenants, employees and other stakeholders, while complying with the regulatory hygiene controls. We also persevered through various operational challenges and remained steadfast in our growth strategy to protect and enhance the long-term value of our Unitholders. As a result of these efforts, we managed to overcome strong challenges to accomplish several key objectives in 2020, continuing the successes we achieved in the prior year.

To a large extent, the COVID-19 pandemic has reaffirmed the quality and resilience of IREIT's portfolio. In April 2020, our joint sponsors, Tikehau Capital and CDL, significantly increased their respective unitholdings in IREIT and raised their combined stake to above 50%. This clearly demonstrates their positive long-term view on the growth prospects and strategy of IREIT. At the same time, we attracted a new strategic investor, AT Investments Limited, to take a substantial 5.5% stake in IREIT, thereby strengthening IREIT's unitholder base.

Our consistent focus on a blue-chip tenant base and active asset management efforts have also paid off. Against the sharp slow down in leasing activity due to COVID-19 and consequent lockdown in Spain, we secured a pivotal five-year lease with AREAS, one of the global leaders in food and beverage services, for approximately 3,450 sqm of office space at the Il·lumina property in May 2020, representing one of the largest known rental transactions in Barcelona at that time. In September 2020, we filled up another 1,250 sqm of office space at the property, bringing the occupancy rate to 90.2% as at 31 December 2020 from 69.2% in the prior year. These asset management initiatives not only uphold the stability of IREIT's portfolio but also fulfil one of our investment theses of improving the rental income of the Spanish Properties when we first acquired a 40% interest in December 2019. To date, only less than 1% of IREIT's total FY2020 contractual rents has not been collected and this relates solely to the rental rebates and deferrals granted to a few tenants.

Another major milestone was the successful completion of the S$142.8 million renounceable non-underwritten rights issue in 4Q2020. We are heartened that the rights issue had received strong support from all Unitholders and was significantly oversubscribed at 166.2%. The gross proceeds were substantially used to finance the acquisition of the remaining 60% interest in the Spanish Properties and to repay the €32 million term loan facility. The acquisition, which was completed in the same quarter, has brought further diversification to IREIT's portfolio, while the repayment of the term loan facility has greatly improved IREIT's aggregate leverage to 34.8% as at 31 December 2020, positioning it well for future growth.

HEALTHY PORTFOLIO PERFORMANCE

Operationally, IREIT's portfolio performance has remained healthy, supported by its leases with a blue-chip tenant base. For FY2020, IREIT's net property income came in 7.3% higher year-on-year at €32.9 million and income available for distribution was 8.6% higher at €27.4 million. The increase was mainly due to the consolidation of the operating results of the Spanish Properties, following the completion of acquisition of the remaining 60% interest in the properties on 22 October 2020. This in turn contributed to the 5.5% increase year-on-year in DPU to 5.03 Singapore cents for FY2020.

SCALING NEW HEIGHTS

In the year ahead, we will continue to pursue attractive investment opportunities in the office, retail and logistics space across Europe to further enhance IREIT's long-term returns. Despite the structural impact of the COVID-19 pandemic on working patterns and the uncertainty of the timing and extent of a sustainable recovery in the European real estate business, we continue to focus our efforts on identifying assets that may benefit from positive trends. We will continue to execute our growth strategy based on the four pillars to build scale and diversification in IREIT's portfolio and to leverage on the collective strengths of our joint sponsors. To reinforce our commitment to our growth strategy and to become a landlord of choice for European commercial real estate space, we have rejuvenated our corporate visual identity by infusing the four pillars of growth into our logo and corporate stationery.

APPRECIATION AND ACKNOWLEDGMENTS

On behalf of the Board of Directors and management team, we would like to thank all of our valued tenants, business partners, financiers, DBS Trustee and Unitholders for their loyalty and enduring support. We would also like to express our appreciation to the Board members and management team for their stewardship and active contribution throughout 2020. Our special acknowledgement goes to Mr Tan Wee Peng, Kelvin, who retired as Independent Non-Executive Director on 28 February 2021, after serving more than six years on the Board. We deeply appreciate his invaluable contributions. We also like to extend a warm welcome to Mr Chng Lay Chew, who joined our Board on 1 January 2021. Mr Chng was the former Chief Financial Officer of the Singapore Exchange Limited and brings with him more than 35 years of experience in the financial industry. Finally, to all our employees, thank you for the tireless commitment and hard work in contributing to the milestones that IREIT achieved during the year.

主席与首席执行官致单位持有人的信函

COVID-19 疫情大流行期间，再次验证了 IREIT 地产组合优质且有韧性。

尊敬的单位持有者，

谨代表 IREIT Global Group Pte. Ltd.（IREIT 房地产信托基金管理公司）董事会，我们很高兴为大家呈现截至 2020 年 12 月 31 日（2020 财年）IREIT Global（IREIT）的年度报告与可持续性报告。

状况空前的一年

2020年是不同寻常的一年，2020年1月浮现新型冠状病毒（COVID-19）疫情，后续爆发全球大流行，使全球经济停摆，大大破坏了商业运营，此乃空前的挑战。在封锁期间，政府一度下令暂时关闭绝大部分零售店，仅容许基本服务和生活必需品商店营业，并且上班族须执行居家办公的安排。普遍要求保持社交距离，还采取了严格的宵禁和关闭边境措施。为疫情防控而不得已产生的种种限制之下，经济形势前途未卜，企业只能在极大的不确定性中摸索前行。

实现我们的目标

IREIT 得益于协办单位的大力支持，我们及时采取了各项谨慎措施，以确保我们的租户、员工和其他利益相关者的安全和健康，同时遵守监管部门的卫生防控规定。面对各种各样的运营挑战，我们仍坚持不松懈，并坚定地执行增长战略，以维护并提升单位持有人的长期价值。努力得到了回报——我们成功克服了严峻的挑战，在 2020 年实现了多项关键目标，得以延续上一年取得的成功。

很大程度上而言，COVID-19 疫情大流行期间，再次验证了 IREIT 地产组合优质且有韧性。2020 年 4 月，我们的协办单位 Tikehau Capital 和 CDL 显著增加了各自在 IREIT 的单位持股，两者的总持股比例提高至 50% 以上。这清晰表明了他们对 IREIT 的长期增长前景和发展

战略抱有积极的看法。与此同时，我们吸引了一家新的战略投资者——AT Investments Limited 收购了 IREIT 5.5% 之多的股份，进一步加强了 IREIT 的单位持有人基群。

我们一直持续关注蓝筹租户基群，积极进行资产管理工作，也因此迎来了值得的收获。尽管 COVID-19 疫情导致租赁活动急剧放缓，西班牙随后进入封锁状态，但形势并非全然黯淡，2020 年 5 月与全球餐饮服务领导者之一的 AREAS 达成了一份关键的五年租约，他们在 Il·lumina 物业承租了约 3,450 平方米的办公空间，是当时巴塞罗那最大的已知租赁交易之一。到了 2020 年 9 月，该物业另外 1,250 平方米的办公空间也有了承租人，将占用率从上一年的 69.2% 大幅提升至 2020 年 12 月 31 日的 90.2%。这些资产管理举措不仅维护了 IREIT 地产组合的稳定性，而且实现了想要改善西班牙物业租金收入之投资目标——2019 年 12 月我们首次获得该物业 40% 权益。目前为止，尚未收到 IREIT 2020 财年合同租金总额的比例仅不到 1%，这仅与允许少数几家租户的租金返还和延期有关。

另一项重要里程碑是在 2020 年第四季度成功完成了 1.428 亿新元的可放弃非包销供股。此次供股受到了所有单位持有人的大力支持，超额认购的比例高达 166.2%，使我们备受鼓舞。所得收入总额大量用于收购余下 60% 的西班牙房地产物业权益，以及偿还 3200 万欧元的定期贷款。该项收购同样已在第四季度完成，使 IREIT 的地产组合更加多元化，而偿还定期贷款则大大提高了 IREIT 的总杠杆率，截至 2020 年 12 月 31 日升至 34.8%，为未来增长奠定了良好基础。

地产组合业绩良好

在运营方面，IREIT 的地产组合业绩仍然良好，这得益于我们拥有蓝筹租户基群的租约。2020 财年，IREIT 的地产净收益同比增长 7.3%，达到 3290 万欧元；可供分配收益增长了 8.6%，达到 2740 万欧元。该年度增长主要是由两大佳绩共同推动——2020 年 10 月 22 日完成收购余下 60% 的物业权益，以及其后西班牙物业的运营业绩。随之导致了每单位派息（"DPU"）同比增长 5.5%，2020 财年为 5.03 新分。

扩展新高度

接下来一年，我们将在欧洲各地的办公室、零售和物流空间方面继续寻求有吸引力的投资机会，以进一步提高 IREIT 的长期回报。尽管 COVID-19 疫情大流行对人们的工作模式产生了结构性影响，并且尚不确定欧洲房地产业务在何时、何种程度上能够可持续恢复，但我们仍继续重点关注并辨别有可能在未来正向趋势中获益的资产。我们将继续执行以四大支柱为基础的增长战略，对 IREIT 的地产组合进一步规模化和多元化，并充分运用协办单位的集体实力。为了彰显我们致力于践行增长战略，强化这一承诺，并希冀成为欧洲商业房地产领域的首选地主，我们将增长战略的四大支柱融入到公司徽标和公司文具中，为本企业的视觉形象注入新活力。

由衷感谢

谨代表董事会和管理团队，向亲爱的全体租户、商业合作伙伴、融资人、星展信托有限公司 (DBS Trustee) 以及单位持有人表示感谢，感谢大家一如既往的支持。我们也十分感谢董事会成员和管理团队在 2020 年的管理指导和积极贡献。我们特别向陈伟平先生表达诚挚谢意，他在董事会担任独立非执行董事六年有余，于2021年2月28日退休。我们对于他作出的宝贵贡献深表赞赏。我们也热烈欢迎于 2021 年 1 月 1 日加入董事会的莊梨洲先生。莊梨洲先生曾担任新加坡交易所的首席财务官，并拥有超过 35 年的金融从业经验。最后想要感谢所有员工，感谢大家的不懈努力和辛勤工作，为了这一年度 IREIT 所实现的里程碑而奉献力量。

林国鸣先生
主席

Louis d'Estienne d'Orves
首席执行官

In our quest to uphold the stability of IREIT's portfolio, the notion of diversification is deeply infused in all aspects of our operations, from investor base, leasing activities to investment opportunities.

This focus is clearly demonstrated through the introduction of a new strategic investor, AT Investments Limited, in IREIT during 2020 and the leases with a diverse mix of tenants. With the expansion of our footprint out of Germany into Spain in 2020, we have also effectively reduced our exposure to one geographical location and a few key existing tenants.

NET PROPERTY INCOME €32.9m

BUILDING A STABLE AND RESILIENT PORTFOLIO

ADVANCING DIVERSIFICATION


DELTA NOVA

BOARD OF DIRECTORS

MR LIM KOK MIN, JOHN

Chairman and
Independent Non-Executive Director

Date of First Appointment as Director
14 July 2014

Length of Service as Director (as at 31 December 2020)
6 years and 5 months

Mr Lim has more than 45 years of senior corporate experience in both the private and public sectors, and has worked in various countries in Southeast Asia, holding board appointments in these countries and in Australia and New Zealand. He has been the Chief Executive Officer of Cold Storage Holdings, President and Executive Deputy Chairman of LMA International NV, and Group Managing Director of Pan-United Corporation Ltd and JC-MPH Ltd.

Mr Lim is currently the Non-Executive Chairman of Boustead Projects Limited, as well as a director of several private companies in education, retail and corporate services. He also serves as an Adviser to a European private equity fund.

He is the Immediate Past Chairman of Gas Supply Pte Ltd. He is a former Chairman of the Singapore Institute of Directors, Senoko Power Ltd and the Building & Construction Authority, and a former Deputy Chairman of NTUC FairPrice Cooperative, the Agri-Food & Veterinary Authority and the Singapore Institute of Management. He is also a former member of the Securities Industry Council, a former Chairman of the OECD-Asia Network on Corporate Governance of State-Owned Enterprises and currently a Vice-President of Global Compact Network Singapore.

Mr Lim was awarded the Public Service Medal by the President of Singapore in 2006.

Academic & Professional Qualifications
- Bachelor of Economics (Honours), University of Malaya
- Honorary Fellow of the Singapore Institute of Directors

Membership of Board Committee
- Member of Audit and Risk Committee
- Member of Nominating and Remuneration Committee

Present Directorships and Chairmanship in Other Listed Companies
- Boustead Projects Limited

Present Principal Commitments (other than directorships in other listed companies)
- In.Corp Global Pte Ltd (Non-Executive Chairman)
- Nexus International School Pte Ltd (Director)
- Taylors Education Pte Ltd (Director)
- TWG Tea Company Pte Ltd (Director)

Past Directorships and Chairmanship in Other Listed Companies held over the preceding three years
- Silverlake Axis Limited

MR CHNG LAY CHEW

Independent Non-Executive Director and Chairman of the Audit and Risk Committee

Date of First Appointment as Director
1 January 2021

Mr Chng has over 35 years of experience in the financial industry. He recently retired from Singapore Exchange Limited after 9 years as its Chief Financial Officer. Prior to that, he was with DBS Bank and JP Morgan where he held senior finance positions in Singapore, Hong Kong, Tokyo and New York.

Mr Chng has contributed to the development of the accounting profession locally in the areas of education and professional development. He was a board member of the Singapore Accountancy Commission and immediate past President of the Singapore Division of CPA Australia. He currently sits on the Advisory Board of the School of Accountancy at the Singapore Management University.

Mr Chng currently serves on the board of AWWA Ltd, a social service agency in Singapore, the Investor Relations Professionals Association (Singapore) Ltd, and NUHS Fund Ltd. He was appointed as the Chairman of the Audit and Risk Committee with effect from 1 March 2021. He is a Fellow of the Institute of Singapore Chartered Accountants, Fellow of the Chartered Accountants Australia and New Zealand, and Fellow of CPA Australia.

Academic & Professional Qualifications
- Bachelor of Commerce and Administration, Victoria University of Wellington
- Fellow of Institute of Singapore Chartered Accountants
- Fellow of Chartered Accountants Australia and New Zealand
- Fellow of CPA Australia

Membership of Board Committee
- Chairman of the Audit and Risk Committee

Present Directorships and Chairmanship in Other Listed Companies
Nil

Present Principal Commitments (other than directorships in other listed companies)
- AWWA Ltd (Director)
- Investor Relations Professionals Association (Singapore) Ltd (Director)
- NUHS Fund Ltd (Director)

Past Directorships and Chairmanship in Other Listed Companies held over the preceding three years
Nil

MR NIR ELLENBOGEN

Independent Non-Executive Director and Chairman of Nominating and Remuneration Committee

Date of First Appointment as Director
5 December 2013

Length of Service as Director (as at 31 December 2020)
7 years

Mr Ellenbogen has more than 20 years of leadership and experience in the fields of medical technology and IT systems & software. He is the Managing Director of Eye-Lens Pte. Ltd., a multi-disciplinary medical devices distributor, and the Chief Executive Officer of CeePro Pte. Ltd., a medical devices manufacturer. He is also the Managing Director of Focalpoint Asia, a sole proprietorship that provides medical consultancy services.

From 2000 to 2009, Mr Ellenbogen held senior management positions and directorships at NeuroVision, a medical devices manufacturer specialising in a visual improvement programme. While there, he served as Vice-President of R&D and Chief Operating Officer, and his last held positions were as Chief Executive Officer and Director.

Academic & Professional Qualifications
- Bachelor of Science, The Technion – Israel Institute of Technology
- Master of Business Administration, Tel Aviv Universitys

Membership of Board Committee
- Chairman of Nominating and Remuneration Committee
- Member of Audit and Risk Committee

Present Directorships and Chairmanship in Other Listed Companies
Nil

Present Principal Commitments (other than directorships in other listed companies)
- Eye-Lens Pte. Ltd. (Director)
- Shinagawa Eye Centre Pte. Ltd. (Director)

Past Directorships and Chairmanship in Other Listed Companies held over the preceding three years
Nil

MR TAN WEE PENG, KELVIN

Former Independent Non-Executive Director and Chairman of the Audit and Risk Committee

Date of First Appointment as Director
14 July 2014

Length of Service as Director (as at 31 December 2020)
6 years and 5 months

Date of Retirement as Director
28 February 2021

Mr Tan has more than 30 years of professional experience in the private and public sector. He has held several senior management positions, serving as President of AETOS Security Management Pte Ltd from 2004 to 2008 and as Global Head of Business Development at PSA International from 2003 to 2004. From 1996 to 2003, he was with Temasek Holdings Pte. Ltd, where his last held position was as Managing Director of its Private Equity Funds Investment Unit. He also sits on the boards of Global Investments Limited, Unusual Limited and Viking Offshore and Marine Limited, which are listed on the Singapore Exchange Trading Limited.

Academic & Professional Qualifications
- Bachelor of Accountancy (First Class Honours), National University of Singapore
- Master of Business Administration, National University of Singapore
- Programme for Management Development, Harvard Business School
- Member, Singapore Institute of Directors
- Member, Institute of Management Consultants (Singapore)
- Fellow of the Institute of Singapore Chartered Accountants

Membership of Board Committee
- Former Chairman of the Audit and Risk Committee

Present Directorships and Chairmanship in Other Listed Companies
- Global Investments Limited
- Unusual Limited
- Viking Offshore and Marine Limited

Present Principal Commitments (other than directorships in other listed companies)
- Institute of Singapore Chartered Accountants Pte. Ltd. (Director)
- Association of Taxation Technicians (S) Limited (Director)
- Adjunct Associate Professor, NUS Business School

Past Directorships and Chairmanship in Other Listed Companies held over the preceding three years
- Shanghai Turbo Enterprises
- Transcorp Holdings Limited

BOARD OF DIRECTORS

MR BRUNO DE PAMPELONNE
Non-Executive Director

Date of First Appointment as Director
11 November 2016

Length of Service as Director (as at 31 December 2020)
4 years 1 month

Mr de Pampelonne has approximately 35 years of experience in various segments of the financial markets, from debt and real estate to equity, and from banking to asset management. He is currently a Senior Partner of Tikehau Capital and Chairman of Tikehau Investment Management SAS in Paris, and Chief Executive Officer of Tikehau Investment Management Asia Pte Ltd in Singapore.

He started his career at Crédit Lyonnais in 1983 in the United States. In 1985, he joined Goldman Sachs International Corp in London, where he became an Executive Director at its proprietary European trading desk. In 1990, he joined Credit Suisse First Boston as Managing Director to establish its Paris operations and was in charge of equity and debt sales and trading. In April 1993, he joined Merrill Lynch France as Managing Director and was appointed as the Country Head for France from 2003 to 2006.

Currently the Chairman of the Board of Governors of EDHEC Business School, he also serves on the International Advisory Board of the EDHEC Risk Institute.

Academic & Professional Qualifications
- Master of Finance, EDHEC Business School

Membership of Board Committee
- Member of Nominating and Remuneration Committee

Present Directorships and Chairmanship in Other Listed Companies
Nil

Present Principal Commitments (other than directorships in other listed companies)
- Tikehau Investment Management SAS (Chairman)
- Tikehau Investment Management Asia Pte. Ltd. (Director)
- Tikehau Investment Management, Japan K.K. (Director)
- Scientific Beta Pte. Ltd. (Director)
- EDHEC Business School (Chairman)

Past Directorships and Chairmanship in Other Listed Companies held over the preceding three years
Nil

MR KHOO SHAO HONG, FRANK
Non-Executive Director

Date of First Appointment as Director
29 April 2019

Length of Service as Director (as at 31 December 2020)
1 year 8 months

Mr Khoo is the Group Chief Investment Officer of City Developments Limited since February 2018. He assists the Group CEO to source and execute new investment opportunities, and also establish a dedicated fund management platform. With over 20 years of international experience in fund management, private equity, acquisition of real estate assets and the repositioning and restructuring of real estate businesses, Mr Khoo has an extensive network of investors, ranging from insurance companies, pension funds, sovereign wealth funds and high net worth individuals across Asia and Europe.

Previously, Mr Khoo was the Global Head of Asia of AXA Investment Manager – Real Assets (AXA IM Real Assets) where he oversaw all real estate activities for AXA IM Real Assets in Asia, including investment, transaction, fund management, asset management, capital raising and finance. He has also held various executive positions in Pacific Star Fund Management Pte Ltd, Guthrie GTS Ltd, Phileoland Bhd and Kestral Capital Partners.

He holds a Master of Business Administration from Nanyang Technological University of Singapore, as well as Bachelor of Engineering (Honours) and Bachelor of Science degrees from University of Queensland, Australia. He is also a Chartered Accountant in Singapore.

Academic & Professional Qualifications
- Master of Business Administration, Nanyang Technological University
- Bachelor of Engineering (Honours), University of Queensland Australia
- Bachelor of Science, University of Queensland Australia
- Fellow of the Institute of Singapore Chartered Accountants

Membership of Board Committee
Nil

Present Directorships and Chairmanship in Other Listed Companies
Nil

Present Principal Commitments (other than directorships in other listed companies)
- City REIT Management Pte. Ltd. (Director)
- City Strategic Equity Pte. Ltd. (Director)
- CDL Real Estate Investment Managers Pte. Ltd. (Director)
- CDL Real Estate Asset Managers Pte. Ltd. (Director)

Past Directorships and Chairmanship in Other Listed Companies held over the preceding three years
Nil

MR SANJAY BAKLIWA

Non-Executive Director

Date of First Appointment as Director
5 June 2020

Length of Service as Director (as at 31 December 2020)
7 months

Mr Bakliwal has over 20 years of experience in corporate and project finance, private equity and fund management, initial public offerings, and mergers and acquisitions in the energy, real estate and financial services sectors.

Mr Bakliwal serves as a Director and Chief Investment Officer with AT Capital Pte Ltd since 2018, where he develops and implements the business plan and investment strategy of the group globally. Between 2012 and 2018, he was a Director and Chief Investment Officer with AT Capital Advisory India Pvt Ltd. Prior to that, he led the Corporate Finance function with Rattan India Power Limited and raised over US$3.5 billion in debt and equity for a portfolio of over 5000 MW thermal power capacity. He has also worked at KPMG for about 10 years in the Audit and M&A advisory practices.

Mr Bakliwal is a Chartered Accountant with a national rank from the Institute of Chartered Accountants of India, and a commerce graduate (with honours) from Shri Ram College of Commerce, University of Delhi.

Membership of Board Committee
Nil

Present Directorships and Chairmanship in Other Listed Companies
Nil

Present Principal Commitments (other than directorships in other listed companies)
- AT Capital Pte Ltd (Director)
- AT Holdings Pte Ltd (Director)

Past Directorships and Chairmanship in Other Listed Companies held over the preceding three years
Nil

MANAGEMENT TEAM

MR LOUIS D'ESTIENNE D'ORVES

Chief Executive Officer

As Chief Executive Officer, Mr d'Estienne d'Orves is responsible for planning and implementing IREIT's investment strategy, the overall day-to-day management and operations of IREIT, as well as working with the Manager's investment, asset management, financial, legal and compliance personnel in meeting IREIT's strategic investment and operational objectives.

Mr d'Estienne d'Orves is based in London, United Kingdom and has over 14 years of experience in European real estate investments. He was previously an Executive Director at Tikehau Capital within the European Real Estate investment team. As Executive Director, his responsibilities included sourcing and executing deals across Europe in the office, retail, hotel, and residential sectors, securing external debt financing and capital raising for co-investment opportunities and funds.

Mr d'Estienne d'Orves started his career at AXA Real Estate Investment Manager in 2008 in London as an analyst. He then assumed different roles in Paris and Cologne across the Investment and Corporate finance teams before co-heading their European Transaction Special Situations team in 2017.

Academic & Professional Qualifications
- Master Degree in Asset Management, Paris Dauphine University

MR CHOO BOON POH

Chief Financial Officer

As Chief Financial Officer, Mr Choo is responsible for applying the appropriate capital management strategy (including tax, treasury, finance and accounting matters), as well as overseeing the implementation of IREIT's short and medium-term business plans, fund management activities, financial condition and investor relations.

Mr Choo has more than 20 years of experience in audit, banking and corporate finance-related work. From 1998 to 2009, he was with BNP Paribas Capital (Singapore) Ltd., where he served in various roles. His last position held there was as Director of Corporate Finance for Southeast Asia. In his role as a senior member of the corporate finance origination and execution team covering Southeast Asia, he successfully completed numerous domestic and cross-border mergers and acquisitions. Focusing mainly on the real estate sector and REIT transactions, he and his team successfully launched several initial public offerings of REITs in Singapore.

From 1994 to 1998, he was a supervisor with Price Waterhouse (now known as PricewaterhouseCoopers) in Singapore, where he led the financial audits of several high-profile corporations and public listed companies. At PricewaterhouseCoopers, he was also involved in transactions services including operational audits, due diligence reviews and special assignments for various corporates.

Academic & Professional Qualifications
- Bachelor of Accountancy (First Class Honours), Nanyang Technological University
- Fellow of the Institute of Singapore Chartered Accountants
- Chartered Financial Analyst (CFA) Charterholder

We constantly endeavour to scale up and build our brand identity by extending IREIT's reach across key developed markets in Europe through prudent and disciplined investments. The strong support received from all Unitholders to raise equity capital to finance the acquisition of the remaining 60% interest in the Spanish Properties is not only a significant step forward towards our goal but also a vote of confidence on IREIT's strategy and prospects.

With part of the proceeds from the equity fund raising used to strengthen IREIT's balance sheet, we are also well positioned to pursue our growth plans and maximise stakeholder returns.

DISTRIBUTION PER UNIT 5.03 Singapore cents

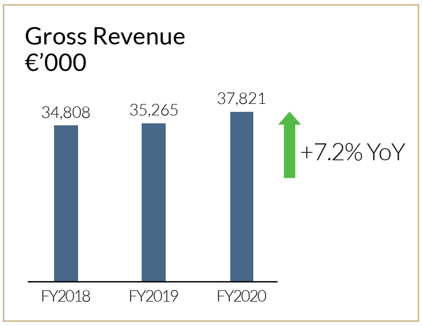
OPTIMISING COST SYNERGIES AND BRAND NAME

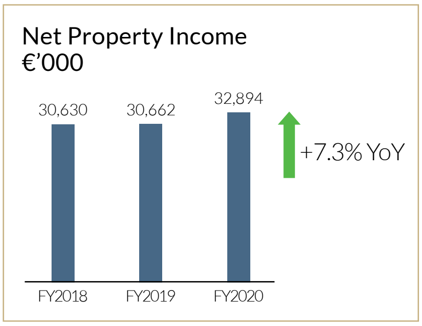
ACHIEVING SCALE

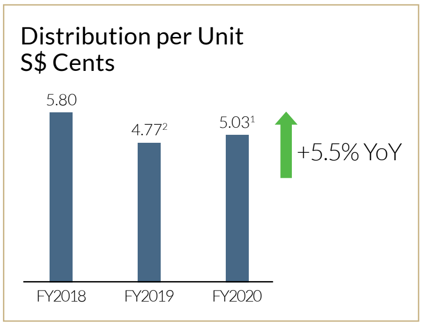
FINANCIAL REVIEW & CAPITAL MANAGEMENT

KEY FINANCIAL HIGHLIGHTS

	Actual FY2020 €'000	Actual FY2019 €'000	Change %
Gross Revenue	37,821	35,265	7.2
Property Operating Expenses	(4,927)	(4,603)	7.0
Net Property Income	32,894	30,662	7.3
Distributable Income	27,434	25,264	8.6
Income Distributed	24,691	22,738	8.6
Distribution per Unit			
In € cents	3.21[1]	3.03[2]	5.9
In S$ cents	5.03[1]	4.77[2]	5.5







PROPERTY PERFORMANCE

Gross revenue of IREIT and its subsidiaries (the "Group") for FY2020 derived from the German Properties and Spanish Properties, registered an increase of €2,556,000 or 7.2% over that of FY2019, 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 of the remaining 60% interest in the Spanish Properties from Tikehau Capital on 22 October 2020 (the "Acquisition").

DISTRIBUTIONS TO UNITHOLDERS

The DPU of 3.21[1] € cents for FY2020 was 5.9% higher than the DPU of 3.03[2] € cents for FY2019, mainly due to the consolidation of the operating results of the Spanish Properties, following the completion of the Acquisition.

In S$ terms, the DPU stood at 5.03[1] Singapore cents for FY2020, representing an increase of 5.5% as compared to the DPU of 4.77[2] Singapore cents for FY2019. For both FY2019 and FY2020, IREIT distributed approximately 90% of its annual distributable income. The details of the distributions for FY2020 are as follows:

Period	Payment date	Income distributed €'000	DPU € cents	DPU S$ cents
1 January 2020 to 30 June 2020	27 August 2020	11,660	1.82	2.85
1 July 2020 to 31 December 2020	12 March 2021	13,031	1.39[1]	2.18[1]
Total FY2020		**24,691**	**3.21[1]**	**5.03[1]**

1 Distributions to Unitholders are made semi-annually based on the half-yearly results of IREIT. 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 ("2H 2020 DPU"). FY 2020 DPU is calculated based on the actual DPU for the financial period from 1 January 2020 to 30 June 2020 ("1H 2020 DPU"), with 2H 2020 DPU adjusted for the Rights Units.

2 For the purpose of comparison, the DPU for the financial period from 1 July 2019 to 31 December 2019 ("2H 2019 DPU") has been restated to reflect the effects of the Rights Units. FY 2019 DPU is calculated based on actual DPU for the financial period from 1 January 2019 to 30 June 2019 ("1H 2019 DPU"), with 2H 2019 DPU adjusted for the Rights Units.

TOTAL OPERATING EXPENSES

The total operating expenses of the Group including all fees and charges paid to the Manager and interested parties (and non-recurring acquisition-related fees and expenses) for FY2020, amounted to €10,317,000 (FY2019: €9,223,000), representing 2.34% of the net assets attributable to Unitholders as at 31 December 2020 (FY2019: 2.60%). The Group incurred €1,673,000 of income tax on the real estate assets for FY2020 (FY2019: €987,000).

For the year ended 31 December 2020, the total fees paid by the Group to the property managers were €603,440 (FY2019: €772,000).

VALUATION OF ASSETS

As at 31 December 2020, the German Properties were valued at €587.9 million in aggregate.

	Valuation (€'million) (as at 31 December 2020)[1]	Valuation (€'million) (as at 31 December 2019)[1]
Berlin Campus	226.1	217.0
Bonn Campus	113.7	113.7
Darmstadt Campus	90.4	90.6
Münster Campus	64.4	62.8
Concor Park	93.3	90.8
Total	**587.9**	**574.9**

The purchase consideration for the 60% interest in the Spanish Properties for the purpose of the Acquisition was based on the average of the market values of the Spanish Properties in aggregate as at 31 July 2020 as determined by two independent property valuers, Cushman & Wakefield Spain Limited, Sucursal en España ("Cushman") and Colliers International Spain S.L. ("Colliers"). The valuation of the Spanish Properties as at 31 July 2020 was €135.0 million and €137.8 million as stated by Cushman and Colliers in their respective valuation reports (based on the sales comparison approach, income capitalisation approach and discounted cash flow method).

As at 31 December 2020, the Spanish Properties were valued at €131.7 million in aggregate.

	Valuation (€'million) (as at 31 December 2020)[2]
Delta Nova IV	28.4
Delta Nova VI	38.6
Il·lumina	25.4
Sant Cugat Green	39.3
Total	**131.7**

NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

	As at 31 December 2020 €'000	As at 31 December 2019 €'000	Change %
Total Assets	769,029	636,377	20.8
Total Liabilities	327,286	282,084	16.0
Net Assets Attributable to Unitholders	441,743	354,293	24.7
Number of Units in issue and to be issued at end of year ('000)	938,963	638,365	47.1
NAV per Unit (€)	0.47	0.56	(16.1)

1 The valuations were conducted by CBRE Germany GmbH.
2 The valuations were conducted by Cushman & Wakefield Spain Limited, Sucursal en España.

FINANCIAL REVIEW & CAPITAL MANAGEMENT

Total assets increased by 20.8% to €769.0 million as at 31 December 2020 as compared to €636.4 million as at 31 December 2019. The increase was mainly due to the increase in investment properties from €574.9 million to €719.6 million year-on-year, contributed by an uplift in the valuation of the German Properties by €13.0 million and the consolidation of the Spanish Properties, with a carrying value of €131.7 million as at 31 December 2020. Please refer to further details in the section above on "Valuation of Assets".

Total liabilities increased by 16.0% to €327.3 million as at 31 December 2020 as compared to €282.1 million as at 31 December 2019, mainly due to the increase in borrowings of the Group from €231.5 million to €264.6 million year-on-year. Please refer to further details in the section below on "Borrowings".

Although net assets attributable to Unitholders increased by 24.7% to €441.7 million as at 31 December 2020 as compared to a year ago, NAV per Unit as at 31 December 2020 of €0.47 was 16.1% lower than the NAV per Unit as at 31 December 2019 of €0.56. This was mainly due to the increase in the total number of outstanding units in issue arising from the rights issue ("Rights Issue") completed during the year.

PRUDENT CAPITAL AND RISK MANAGEMENT

The Manager continues to adopt a proactive strategy to manage the Group's capital structure and takes a disciplined approach in addressing its funding requirements.

Borrowings

Key Financial Indicators	As at 31 December 2020	As at 31 December 2019
Total Borrowings Outstanding (€'million)	267.7	232.8
Aggregate Leverage	34.8%	39.3%[1]
Interest Coverage Ratio[2]	7.4 times	8.7 times
Weighted Average Debt Maturity	5.3 years	5.5 years
Weighted Average Effective Interest Rate (per annum)[3]	1.8%	1.8%

Debt Maturity Profile

% of Total Gross Borrowings	Amount (€'000)	Maturity
75.0	200,760	January 2026
25.0	66,900	December 2026
100.0	267,660	

As at 31 December 2020, the Group's total gross borrowings stood at €267.7 million as compared to €232.8 million as at 31 December 2019. All borrowings are secured and denominated in €.

During the year, the term loan facility of €32.0 million taken up by IREIT in December 2019 for the purposes of funding its proportionate capital contribution for the initial acquisition of the Spanish Properties, was fully repaid. As at 31 December 2020, the Group's secured borrowings comprised the following 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 completion of Acquisition.

1 In accordance with the Code on Collective Investment Schemes, Property Funds Appendix 6 (last revised on 16 April 2020). ("Property Fund Appendix"), the Group's proportionate share of its joint venture's borrowings and deposited property values are included when computing aggregate leverage.
2 Aggregate leverage and interest coverage ratio are calculated based on the respective definitions under the Property Fund Appendix.
3 Effective interest rate computed over the tenure of the borrowings including amortisation of upfront transaction costs.

Interest Rate and Foreign Currency Risk Management

The Manager has been actively managing the interest rate and foreign exchange exposure for the Group by adopting strategic hedging policies to optimise risk-adjusted returns to Unitholders, including the following initiatives:

- Use of interest rate swaps and interest rate caps to hedge the interest rate risk on borrowings;
- Use of € denominated borrowings as a natural hedge to match the currency of assets and cashflows at the property level; and
- Use of forward foreign currency exchange contracts to hedge the currency risk for distribution to Unitholders. The current hedging policy is based on the use of such instruments on a quarterly basis to hedge approximately 80% of the expected € denominated income to be repatriated, one year in advance.

100.0% (FY2019: 86.3%) of the gross borrowings, which are on floating interest rates, had been hedged with interest rate swaps and interest rate caps. For FY2020, the Group achieved a healthy interest coverage ratio of 7.4 times (FY2019: 8.7 times). The weighted average effective interest rate is 1.8% per annum (including amortisation of upfront transaction costs) (FY2019: 1.8% per annum) over the tenure of the borrowings.

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 IREIT's future distributions.

Key Hedging Indicators	As at 31 December 2020 €'000	As at 31 December 2019 €'000
Financial derivatives		
Net Liabilities[1]	(9,511)	(6,144)
As a percentage of total fund size (%)[2]	(1.24)	(0.97)
As a percentage of net assets (%)	(2.15)	(1.73)

USE OF PROCEEDS

For FY2020, the details of the use of the gross proceeds from the Rights Issue of S$142.8 million (€88.7 million) are set out below:

Intended use of proceeds	Announced use of proceeds €'million	Actual use of proceeds €'million	Balance of proceeds €'million
To fund the purchase consideration of the Acquisition and pay the professional and other fees and expenses incurred in connection with the Acquisition	48.3	48.3	–
To pay the professional and other fees and expenses incurred in connection with the Rights Issue	0.7	0.5	0.2
To repay the €32.0 million loan extended by City Strategic Equity Pte. Ltd. to IREIT in December 2019 for the purposes of funding IREIT's proportionate capital contribution for the initial acquisition of the Spanish Properties	32.0	32.0	–
To fund future capital expenditure, repayment of debt and/or acquisition	7.7	–	7.7
Total	**88.7**	**80.8**	**7.9**

As stated in the announcement dated 28 October 2020 in relation to the use of proceeds from the Rights Issue, as the professional and other fees and expenses relating to the Rights Issue of €0.5 million (which is equivalent to approximately 0.6% of the gross proceeds of the Rights Issue) was less than the originally estimated amount of €0.7 million, the balance amount of €0.2 million will be utilised by the Manager for other purposes. Save for such redeployment of the balance amount, the actual use of the gross proceeds from the Rights Issue is in accordance with the stated use and the percentage of the gross proceeds of the Rights Issue allocated to such use in the announcement dated 18 September 2020 in relation to the launch of the Rights Issue. For the avoidance of doubt, there has been no additional disbursement of the gross proceeds of the Rights Issue further to the announcement on 28 October 2020 and a balance of €7.9 million (equivalent S$12.6 million) of the gross proceeds remains unutilised.

1 This refer to the aggregate fair value of interest rate swaps, interest rate caps and forward foreign currency exchange contracts of the Group.
2 Total fund size refers to the total assets of the Group.

EMEA AND GERMANY OFFICE MARKET

10 FEBRUARY 2021

Prepared by CBRE Research and CBRE Valuation Advisory Services

EMEA REAL ESTATE MARKET OUTLOOK 2020

2020 In Perspective:

History will record 2020 as a year of convulsive change. Governments and populations across the globe struggled to control the spread of COVID-19 while also trying to manage the knock-on effects of a broad range of pandemic control measures. Hardly any area of economic or social activity has been unaffected.

After some lifting of restrictions in the summer months, a rise in case numbers in the northern hemisphere winter has brought a reintroduction of at least partial lockdown measures in many parts of Europe. The duration and success of these measures, and the timing of their removal, will go a long way to determining the recovery path as we head into 2021. The recent news around the development of an effective vaccine offers some encouragement.

What of commercial real estate? As expected many of the conventional measures of market activity, such as investment turnover and leasing demand, weakened sharply in 2020. But in many parts of the market values have remained surprisingly resilient, supported in part by the massive scale of government and central bank interventions.

ECONOMIC AND POLITICAL OUTLOOK

Near Term Weakness But A Stronger Second Half: A Robust Recovery In 2021

The path of GDP in 2020 was punctuated by a large hit to activity in Q2 with a significant bounce in Q3. Growth is likely to stall in the fourth quarter as governments have tightened restrictions to slow the spread of COVID-19. As a result, over recent months CBRE have downgraded our European output forecasts to include a final quarter of 2020 contraction, especially sharp in the Eurozone, and further contraction in Q1 2021.

Stronger growth awaits in 2021. Just as the eurozone economy rebounded quickly from the spring 2020 lockdowns, we expect the current inactivity to vanish and give way to much stronger GDP growth as the lockdowns end and broad-scale vaccination becomes available. Assuming the vaccine is approved for mass use in January, as we expect, growth should pick up sharply in Q2 2021 and continue throughout the rest of the year.

CBRE's house view is that Eurozone GDP will fall by 7.3% in 2020, recovering by 4.6% in 2021 as restrictions are eased and the impact of monetary and fiscal stimulus starts to feed through. Central and Eastern Europe, which has been relatively less affected by the pandemic, is expected to fall by 5.3% in 2020, growing by 6.7% in 2021. We also expect that Central and Eastern Europe will continue to outperform over the next five years.

The evolution of the pandemic will in the near term determine the economic trajectory during the year coupled with the public health response to it. CBRE`s vaccine assumption means we see a return to normality in the first and second quarters. CBRE`s house view is predicated on the EU and the UK reaching a Canada-style trading arrangement by the January deadline. While this remains a clear downside risk, we have taken the view that structural changes which have been accelerated by COVID-19 pose a greater risk to UK and continental European real estate markets.

Policy Environment To Remain Supportive

Interest Rates: Lower For Even Longer

The European Central Bank (ECB) remains committed to supportive financial conditions in the euro area. The deposit rate remains negative and the ECB has increased the size and pace of the pandemic asset purchase programme (PEPP); now committed to purchasing EUR 1.35 trillion of bonds until June 2021.

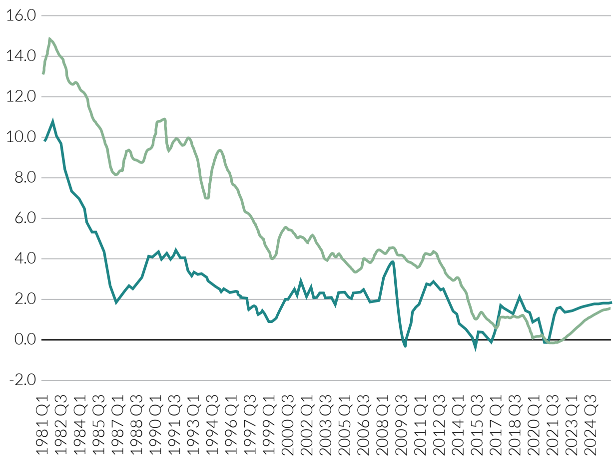
With such a large and committed asset purchase programme, the ECB has created room for EU Member States to increase debt issuance substantially without borrowing costs rising significantly. The move appears to have stabilised financial markets; long-term interest rates are at historically low levels and risk spreads between member states have narrowed to pre-crisis levels.

Looking further out, the weak economic growth and inflation outlook means that CBRE expects monetary policy to remain ultra-accommodative for at least the next 18 months, if not substantially longer. CBRE do not expect short-term interest rates to rise until 2023.

Lower for longer short-term interest rates, weaker inflation and significant asset purchases means long-term interest rates will remain at historically low levels, which is good news for property. As the ECB continues to distort prices in liquid financial markets, and with the property spread remaining attractive, there is likely to be increased interest in real assets such as property.

The following chart shows the Eurozone CPI and long-term interest rates:

The dark green line shows the Eurozone CPI and the light green line shows the Eurozone 10-year government bond yield (GDP weighted).



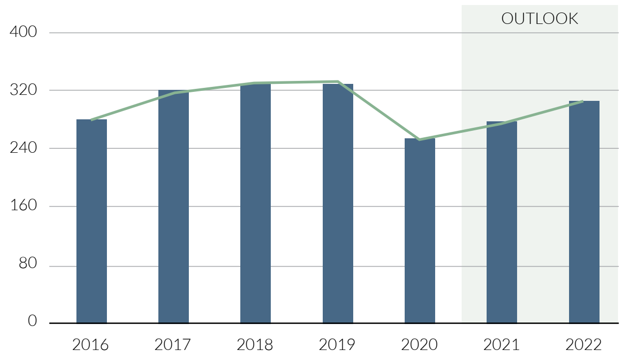
CAPITAL MARKETS OUTLOOK

It is expected that European commercial real estate investment volumes will end 2020 down 25%. CBRE's current house view projects volumes to increase by 8.5% in 2021 and return to pre-COVID norms by H2 2022, provided current vaccine timelines remain on track.

In terms of property types, the logistics market should continue to outperform. This is thanks partly to a resurgence of private equity and institutional sales. The growing implementation of sale-and-leaseback strategies taking place may also further boost deal flow. The multifamily sector should also benefit from the willingness of European governments to support wage and rental programs.

Office markets will gradually return. Still, the expected growth in remote and hybrid work patterns will focus investor appetite in higher-quality assets and locations. In the retail sector, legacy deals have inflated volumes during H1 2020, but Q3 marked a turning point with genuine stabilisation. Despite market evidence suggesting that retail properties will transact at low levels in the near to mid-term, CBRE expects some degree of resilience and improvement in favourable segments of the market.

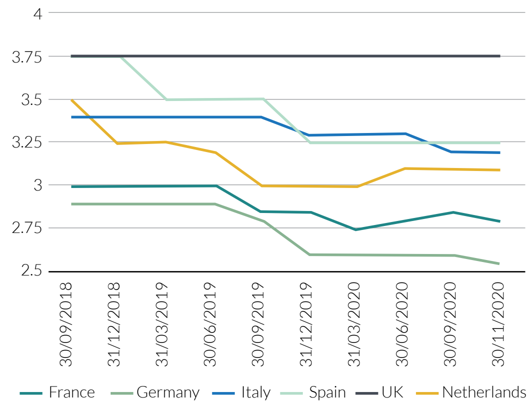
The following chart shows the investment volume outlook, Europe:

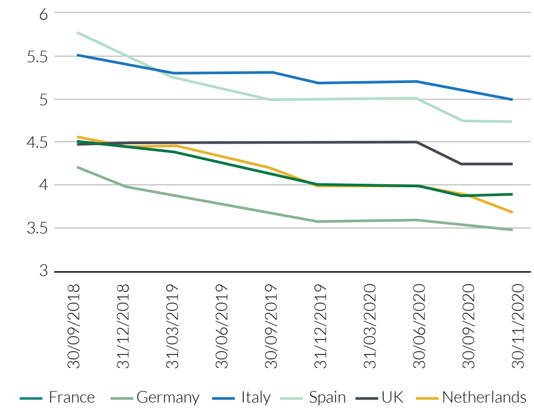


Since the onset of the pandemic, secure prime assets in core European markets have seen limited movement in yields. Notably, prime CBD office yields in the UK have experienced no change while those in Germany have marginally compressed. Although office markets will see challenges into 2021, CBRE expects this resilience in larger markets to continue. Considering the amount of equity targeting the logistics and multifamily sectors, yields across these asset types may see incremental compression in 2021.

EMEA AND GERMANY OFFICE MARKET

In prime centralised hotel and retails assets, as well as for decentralised and secondary offices, yields are expected to increase during 2021 and, depending on broader economic and social conditions, potentially into 2022. Distressed sales in these sectors, especially in the hotel industry, may exacerbate movement in yields over the short to medium term.





All-Equity Advantage: Discounts Available Across Decentralized And Value-Add Assets, Especially In The Retail And Hotel Sectors

Discounts have started to materialise across retail and hotel assets, especially those in value-add and core-plus developments. Bid-ask spreads are subsequently tightening. Given the current market cycle and with the roll-out of a vaccine on the horizon, floors will have likely formed across property sectors by H2 2021.

Mid-2021 may prove to be a key period when investment volumes stage a strong recovery. Still, opportunity also exists for discounted acquisition and/or development in up-and-coming locations.

Assets that are highly sought-after, such as multifamily and Grade A offices, appear to be trading at a premium. Buyers of logistic assets have also indicated willingness to bid-up prices. Meanwhile buyer and seller price expectations for other office assets remain farther apart. This is likely to limit upside potential in these sectors.

As general uncertainty hanging over markets subsides, and activity resumes, investment volumes will return. However, CBRE may not see notable recovery in non-prime sectors for several more quarters. Stricter underwriting standards and less availability of debt will continue to favour equity investors.

Offices:

Leasing demand has been severely impaired by the impact of economic weakness and lockdown measures. Through three quarters of 2020, overall take-up across the main office markets is 40% down against the same period in 2019. Geographic disparities persist, with CEE cities generally showing greater resilience than many of the major western European markets.

The re-introduction of partial lockdown measures in many markets increases short-term downside risk, but we expect some recovery in leasing volumes in 2021, driven by a combination of:

- Strengthening demand conditions as economies recover
- Some loosening of constraints on corporate capex
- New developments completing and offering pre-let opportunities
- Occupiers pursuing quality upgrades

The tendency of some occupiers to extend or renew in situ where viable will remain a limiting factor for leasing levels, but overall CBRE expects a rebound in leasing activity in the order of 10-15% next year, likely skewed towards the second half of the year.

The supply side of office markets will continue to loosen in 2021, with overall vacancy rates rising. This trend is already evident, with the EU-28 vacancy rate up from 7.25% at the end of 2019 to over 8.6% in Q3 2020. CBRE expects this figure to rise by a further 1-1.5 percentage points in 2021.

On the face of it this will reduce or remove upward pressure on rents and expand occupier choice, but there are some important nuances. Firstly, prior to mid-2020 vacancy levels had been falling for several years, in some cases to levels that constrained occupier choice. Secondly, total market vacancy rates are mostly far higher than corresponding figures for core, prime space: occupiers with short-term expansion needs and tight search criteria will still face limitations on choice.

Thirdly, the scale of development activity has been relatively disciplined in this cycle, and broadly we expect this to remain the case. New completions across the 15 major markets will rise sharply in 2021 as late-stage developments complete, before easing back. Over 50% of the 2021-22 pipeline is already pre-let, and new development starts in Q2-Q3 were over a third lower than in the previous two quarters. On the other hand, the contribution to vacancy of subleased space, particularly small units, will rise.

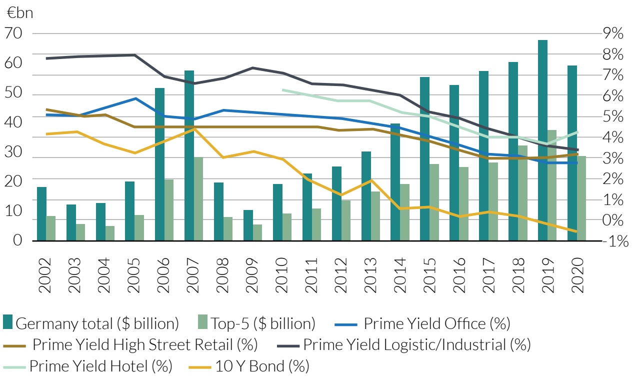
REAL ESTATE MARKET GERMANY

Outlook Germany 2021:
For 2021, CBRE expects a transaction volume in the German commercial real estate investment market of well over EUR 50bn. The decisive factor here will be product availability in particular, but also further success in the fight against the pandemic. The very extensive government stimulus measures and the stabilizing effect of the short-time working scheme, as well as a further expansion of the ECB's monetary policy, should ensure that Germany is able to overcome the crisis quickly and in a stronger position following the recently tightened lockdown.

From an investor's perspective, office properties remain the measure of all things, even in times of increased home office and remote working. Particularly in these exceptional times, the trend is moving even more in the direction of core and core-plus properties in established locations in the major office market centres as well as in the regional centres/ locations with sustained stable values. In particular, long-term leases with solid tenants, for example the public sector, are in demand outside the major cities. In view of the current situation, these defensive investments are experiencing an additional surge in demand, which, however, cannot be met from the supply side. Accordingly, yields for these products are likely to narrow further.

INVESTMENT MARKET GERMANY 2020:

Investment volume of commercial property:



In 2020, EUR 79.2bn was invested in the real estate investment market in Germany. Compared with the record result of the previous year, this is a decline of 5.5% – but still the second-best result since records began. In a year-end rally, a good EUR 23bn was invested in the last quarter of 2020. This means that the fourth quarter exceeded the third quarter by 69%. While commercial real estate accounted for EUR 59.2bn of the investment volume (-12% y-o-y, 30% above the long-term average), the residential investment market for portfolios of 50 units or more reached EUR 20bn (+23% y-o-y; 38% above the long-term average).

Office properties remained the most heavily traded asset class, accounting for just under 47% of commercial transaction volume, followed by retail properties. In particular, food-anchored retail properties and retail parks are in even greater demand. Due to their high systemic relevance, logistics properties in particular are also emerging as winners in the current situation. With a significant increase compared to the previous year, land transactions also highlighted the potential for future mixed-use district developments, among other things.

In contrast to the overall market, the top 7 markets recorded more significant declines. At EUR 31.3bn, the annual result was 25% below that of 2019, which was characterized by a large number of very large individual transactions. While 7 large-volume transactions of EUR 500m or more were registered in 2019, there were just two transactions in this size category in the past investment year. In addition, significantly fewer hotels and shopping centers were traded in the metropolitan areas. With the exception of Stuttgart and Munich - while the Bavarian capital posted a record result of almost EUR 11bn in 2019 - the transaction volume recorded in 2020 for commercial real estate in five of the seven investment centers was, however, in some cases very significantly above the respective 10-year average and once again underlines the great attractiveness of these safe investment destinations for national and international investors.

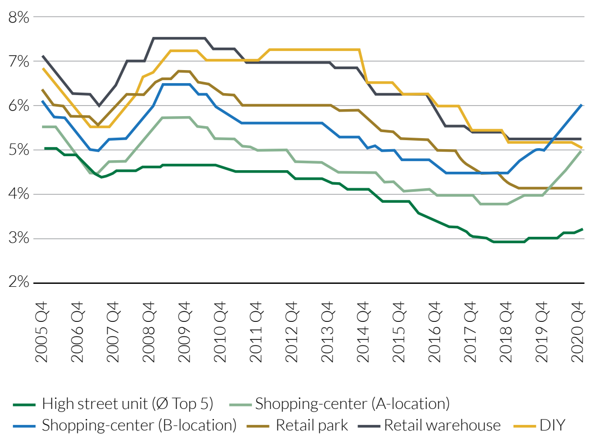
In the second half of 2020, 74 of the total of 131 major transactions were completed above the EUR 100m mark, predominantly in the form of single transactions in the top locations and in important regional centers such as Nuremberg and Magdeburg. Investments in office properties were dominant. All in all, major transactions totalled a good EUR 33.5bn for the year as a whole, of which just under half took place in the last six months - this is all the more remarkable given that the first half of the year was dominated by the major acquisitions of TLG by Aroundtown and of Godewind by Covivio.

Across all size classes, more capital was invested as part of portfolios than in the previous year. Package deals accounted for just under EUR 21.8bn or 37% of the commercial investment volume. Although there were no acquisitions as large in the second half of the year as in the first half, portfolio deals in the third and fourth quarter totalled almost EUR 7bn. The investment focus, which was clearly on office properties in the case of single transactions, was more on the retail and logistics segment.

EMEA AND GERMANY OFFICE MARKET

International investors were similarly active - in terms of transaction volume - as in the previous year. At just under EUR 27bn or 46%, their share was only marginally lower. International investors from European countries in particular were more active than in the previous year (27%, 2019: 22%). Investors from North America, on the other hand, accounted for a smaller market share (a good 8%; 2019: 14%). By far the strongest net buyers were open-ended real estate and special funds, which invested almost EUR 14bn but sold only EUR 3.8bn. Insurance companies and pension funds followed in second place, and private investors came in third. In view of historically low capital market yields, this underscores the growing importance of real estate, especially among equity-strapped investors.

In the top 7 markets, prime yields for office properties remained at their all-time low compared with the previous quarter, at 2.85% due to high investment pressure. High investor demand also led to further yield compression for food-anchored retail properties (e.g. supermarkets at 4.80%; down 0.4%-points) and logistics properties (3.40%; down 0.2%-points). By contrast, returns in the shopping center asset class, which is particularly affected by the current challenges, have risen by 0.25 percentage points since the previous quarter and even by a full percentage point compared with the prior-year figure. At 4.25%, prime yields for hotels are also half a percentage point higher than in the previous year.



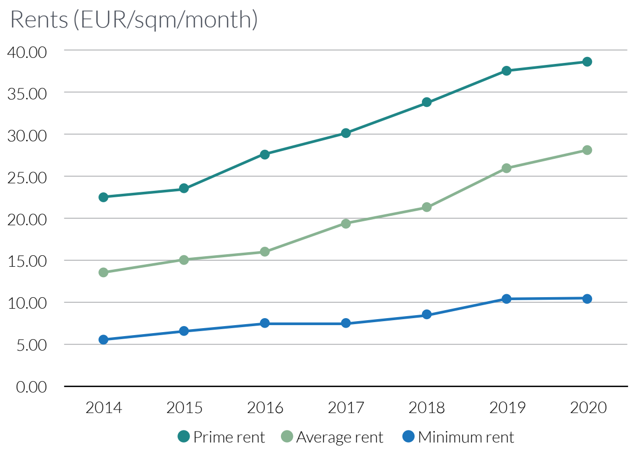
BERLIN OFFICE MARKET Q4 2020

In 2020, the investment volume in the Berlin real estate market reached EUR 10.5bn, which was 26% below the 2019 result. Of this, EUR 7.6bn was attributable to commercial real estate (-34%) and EUR 2.9bn to residential real estate portfolios (+6%). At the same time, a take-up of 660,500 sqm was achieved on the capital's office market. That is 34% below the result of the record year 2019. Both on the investment market and on the office rental market, Berlin remained the most active market in Germany despite these declines.

In principle, the Berlin investment market is still intact despite the crisis and meets great demand from national and international investors - especially in the core and core-plus segment. Although the volume on the commercial investment market fell compared to the exceptional record year 2019, the result is exactly at the level of the last five years and even 30% above the 10-year average. This is also evident in the returns. The prime yield for Berlin office properties fell slightly over the course of 2020. After a decrease of 5 basis points, it was 2.65% at the end of December 2020.

The 2020 pandemic delayed many rental decisions on the rental market, so that the result was well below that of the very strong previous years. However, this is not a structural crisis, but is closely linked to the pandemic. For example, a low in the second quarter in the volume of new inquiries was followed by a high in the third quarter and another low in the fourth quarter. At 230,000 sqm, however, the final quarter was the most dynamic quarter of the year, which shows that activities are anything but frozen.

The figure below shows the rents of the Berlin Office Market from 2014 to 2020:



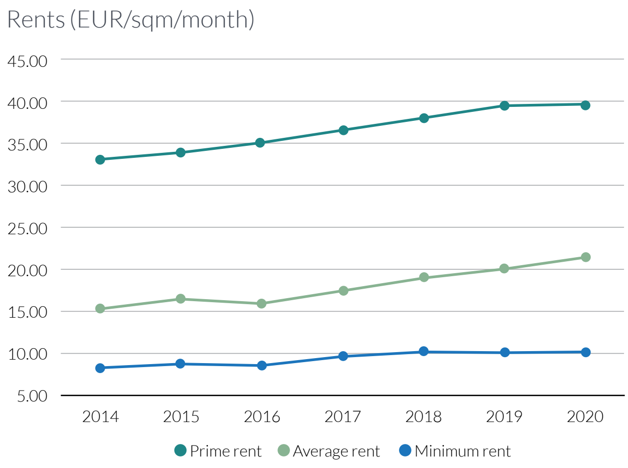
MUNICH OFFICE MARKET Q4 2020

In Munich's office leasing market, which was characterized by a high degree of uncertainty due to the pandemic development and various lockdown scenarios, a take-up of 558,500 sqm was achieved last year. This was 27% below the previous year's level and also marked the weakest annual result since 2009. Take-up was down by double digits in all size categories compared with 2019 - with the exception of the largest space segment above 20,000 sqm. There, four particularly large deals of almost 30,000 sqm and more each, including, for example, the leasing of approx. 32,000 sqm of office space in VGP Park München-Parsdorf by KraussMaffei, ensured a significant year-on-year increase of 54%. In a sector comparison, the manufacturing industry recorded the highest share of the take-up of 23%, ahead of the TMT sector with 21% and advisors with 14%. With the supply of high-quality office space still severely limited, 43% of take-up was achieved through pre-lettings in project developments, including the eight largest deals last year.

Due to more vacant space in existing buildings, but also more unlet space from completions, the vacancy rate increased by 0.6%-points year-on-year to 3.3%. However, it is still at a very low level and below the five-year average of 3.5%. In 2020 as a whole, a total of 338,400 sqm of office space was newly completed or refurbished. This corresponds to a third more than in the previous year. However, only 12% of the space was unlet at the time of completion.

Office rents in Munich have so far been little affected by the pandemic. The achievable prime rent remained stable compared with the previous year at EUR 39.50 /sqm/month. However, there was a slight increase in incentives. The average rent rose by 7% year-on-year to EUR 21.41 /sqm/month. Particularly due to the continuing shortage of modern, high-quality space, tenants continue to be willing to pay corresponding prices for upscale quality in good locations.

The figure below shows the rents of the Munich Office Market from 2014 to 2020:



SECONDARY OFFICE MARKETS[1]

Bonn: With a view to the office real estate market, it is safe to say that the city has made a success of its shift from federal capital to "federal city". Bonn's office market is considered well-balanced: New-build units are swiftly marketed, the vacancy rate (approx. 3%) has dropped to a level below the fluctuation reserve and remains well below the average of the Class B cities, while its office stock is the third-largest of any Class B city. In the wake of the COVID-19 pandemic, the supply situation has eased somewhat due to falling demand. Companies reacted much more cautiously when it came to leasing decisions and either made them for the time being or postponed them to a later date.

In view of the positive office employment forecast, a good demand situation in Bonn can also be assumed in the future. Thanks to numerous leases in new buildings in the federal quarter, the top rent increased significantly and, at well over EUR 20 /sqm/month, continues to be by far the highest level among the B-locations.

In the short to medium term, due to the COVID-19 pandemic, a normalization of the market is to be expected, which will be reflected in a lower dynamic with regard to rent development and a slight relaxation on the supply side.

Darmstadt: Darmstadt is one of the most important office markets among the 'C' cities, although it trails behind Frankfurt and Wiesbaden in its region. The rental values are above the average of the 'C' cities and the prime rents have been consistently high since 2010, even crossing the EUR 13 /sqm/month in 2016. The reasons for this positive trend include the increase in office employment in recent years, which is now roughly in line with the other C cities, and the increasing office stock since 2010. For several years, the vacancy rate (3.4% in 2019) has been below the average of comparable 'C' cities.

Münster: Münster has the most important office market in its surrounding area. Compared to the other Class B cities, Münster remains one of the smaller office markets. The recent past has brought a significant upturn for the city that manifested itself in rising turnover figures, growing rents and declining vacancies. The prime rent, which is traditionally paid in the inner city and in the office submarket Hafen, has now crossed the mark of EUR 14 /sqm/month. The vacancy rate is below the Class B city average and is more or less limited to older property stock. In the wake of the COVID-19 pandemic, the critical supply situation has eased somewhat due to a somewhat drop in demand. A healthy supply reserve from at least. 3% of the stock is still clearly undercut. On the whole, the office market of Münster is characterised by rather small-scale market action involving local players and a low degree of speculative development.

1 Source: RIWIS Bulwiengesa

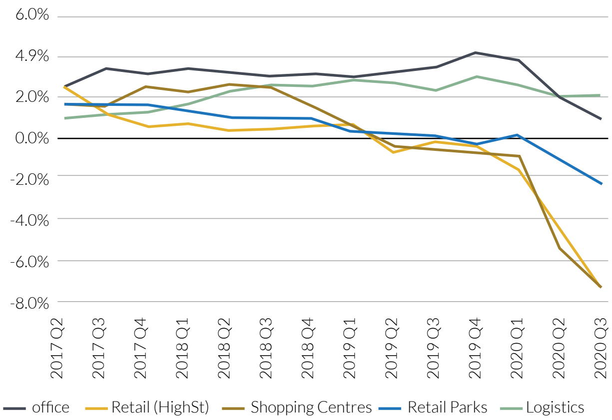
SPAIN OFFICE MARKET

31 DECEMBER 2020
Prepared by Cushman & Wakefield Research

EUROPE LOOKING FORWARD TO 2021

- Early December brought a bit of optimism to Europe as the number of infections was falling in several countries and restrictions are proving partly successful in containing the spread of the virus (except recent new strain news in the UK).
- With the positive news in terms of vaccine development, Europe is now starting to see the light at the end of the tunnel, leading to a modest upgrade to Oxford Economics 2021 GDP growth forecast. However, the short-term outlook remains extremely challenging, with eurozone GDP likely to contract in Q4.
- Data continues to show a divergence between a weak services sector and a much more resilient manufacturing. According to OE this dynamic is expected to continue over the coming months until the health situation has normalized.

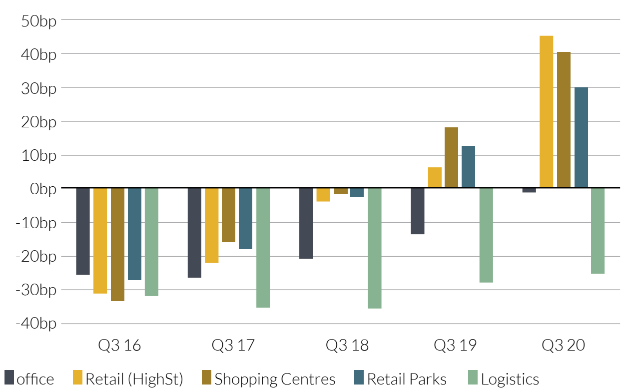
European average annual rental growth



- Investment markets have been largely resilient thus far.
- Yield compression has been slowing for a number of quarters with prime yields at or near record lows, with office yields flatlining over Q3.
- Retail yields were already moving out, with the European average prime office yield now below retail.
- Logistics assets continue to show strongest compression; pace of compressions marginally tailing off on a year ago.
- See broader stability in the logistics sector; lower supply and strong investor demand means further compression for best in class assets.
- Unemployment in the EU has risen sharply over the last year due to the effects of the coronavirus pandemic, according to Eurostat.
- The unemployment rate was at 7.6% in October 2020, up 1% compared to October 2019.
- Eurostat estimates that 16.2 million in the EU27 were unemployed in October 2020 - an increase of around 2.2 million compared to 2019.
- When considering the working population in the 19 eurozone countries, the seasonally-adjusted rate of unemployment in October 2020 stood at 8.4% compared to 7.4% compared at the same time the previous year.
- Rental growth weakened across all sectors during 2020; logistics least impacted.
- Annual growth for logistics tailing off at 2.1% pa in Q3, down from peak of 3.1% at end 2019.
- Rents were stable or rising in 44 out of the 45 markets tracked by C&W Research team.
- Office rental growth remains positive at 1% per annum, but down from peak 4.6% in Q4 2019.
- Retail rents slipped further into the red, down 7.2% per annum; second highest fall since 2004.
- Half of the 46 markets recorded a fall in Q3, with rents flat in the other half.

Q3 2020 European prime yields and year on year movement (bps)

Office	Retail (HS)	Retail (SC)	Retail (RP)	Logistics
4.34%	4.67%	5.40%	6.25%	5.26%



SPAIN – ECONOMIC UPDATE

- Quarterly GDP growth in Q3 was 16.7%, a partial offset to the decrease of 18% in Q2 and 5% of Q1 2020. However, compared to the production volume of Q3- 2019, the output shrank by 8.7%. This will add up to a gross domestic product reduction in Spain of around 11% for the full year.

- Strong growth expected for 2021 and 2022 will help to get GDP volumes in similar levels to 2019.

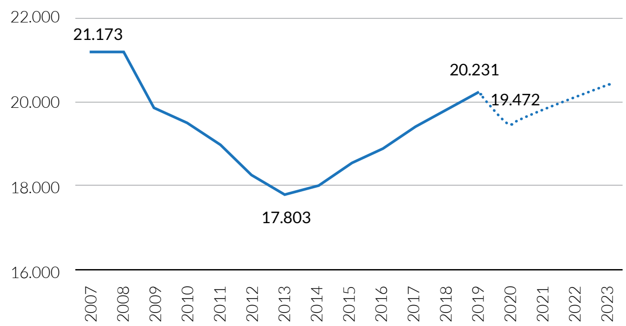
- Within the Services business sector, the most affected cohorts have been transporting, hospitality and retail. Meanwhile, financial and insurance activities saw their value-add increased by 6% in Q3 and 0.8% during Q2 YoY. IT activities were less resilient, reducing their turnover by 7% in Q3. Real Estate services shrank 3% in Q3 YoY and may come to positive fields in Q4.

- With the expected control of the pandemic, Spain prepares to an expansion of GDP in 2021 around 5% and 7% in 2022. In this scenario, most sectors will experience rapid growth and higher space demand.

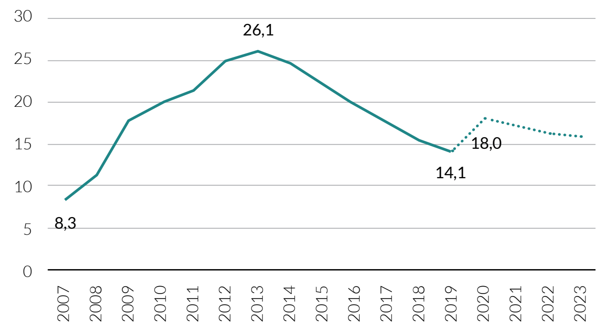
- 2019 jobs to be recovered by 2023.

- Unemployment rate spiking from 14% to 18% due to the COVID-19 crisis.

Total employment (000 persons)



Unemployment rate (%)



Source: INE, OEF

SPAIN – INVESTMENT MARKET

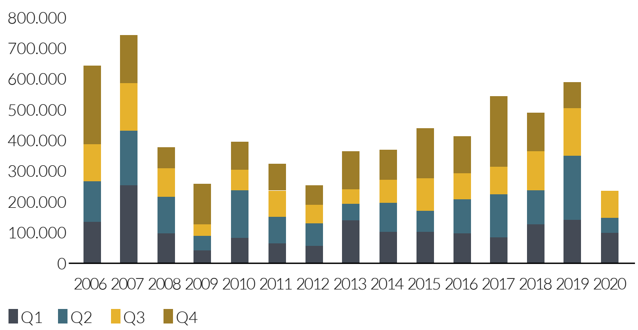
- On the occupier side, during Q3 and Q4 2020, space demand keeps on subdued, implying that absorption figures will remain low by year-end. However, vacant space across different asset classes and Spanish cities has not spiked meaning tenants expect a short-lived crisis not deserving of a new lease structure. In this context, rental values have not plummeted, but the distance between headline rents and effective rents has increased due to higher lease incentives such as staggered rents and rent-free periods.

- Capital markets keep certain tension and the total investment volume for 2020 is expected to be around (EUR 8 bn) is in line with our expectation. It is worth to mention that by Q32020 retail investment had already overtaken the volume of FY-2019 given some large deals and good momentum in supermarket sales.

- Logistics has been the asset most sought after by investors during 2020, due to the fact that demand for space for distribution has been reinforced by the consolidation of e-commerce during the pandemic. In this sense, logistics assets have been the only ones to see their yields reduced during 2020 and they will close the year with a 'prime' yield reference of 4.75%, 0.25 points lower than a year ago. The absorption of logistics space will be higher in 2020 than in 2019 in Madrid, with an increase of close to 20%.

MADRID OFFICE MARKET

Take-up by quarters (incl. own-use), sqm



Gross take-up of office floorspace amounted to 600,000 sqm during 2019, making it a historic year surpassed only by 2007. This figure was partly driven by two major deals struck during 2019, involving Acciona and ING and amounting to 90,000 sqm in total. Take-up in 2020 was highly impacted by the COVID-19 outbreak. As at Q3 2020 annual accumulated take-up in Madrid represented approximately 46% of the previous year (236,087sqm vs 509,834sqm). The third quarter of 2020 reached a total take-up of 87,700 sqm, whilst the average of the

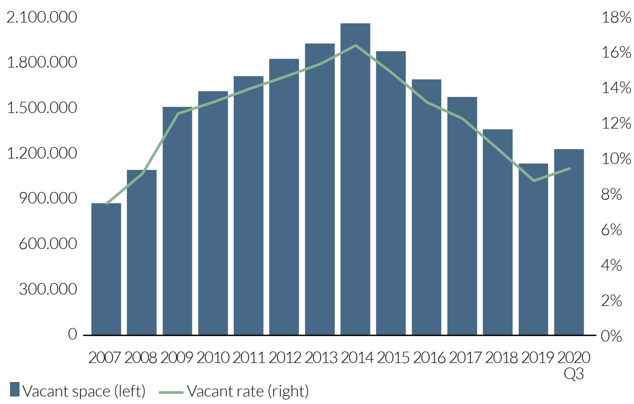
SPAIN OFFICE MARKET

third quarter in the last five years was approximately 113,600 sqm. The most noteworthy deals in the third quarter were the pre-rental of a new turnkey building for L'Oréal (17,400 sqm) and the relocation of the Statistics National Institute which moves to the Manoteras Submarket (17,300 sqm).

In the Madrid market, the vacancy rate has been decreasing continuously since 2015. However, in the current economic context, with the public healthy crisis impacting on economic activity, the office vacancy rate has started to slightly increase, going from 8.7% to 9.2% at the end of September 2020.

After a period of limited stock entering the market in 2016, construction activity began to intensify from 2017 and for this year, 2020, it is expected that 205,000 sqm will be delivered to the market in the form of comprehensive refurbishments and newly constructed buildings. This mainly comprised no. 31 Julian Camarillo (36,362 sqm), no.2 Enrique Larreta (20,000 sqm) and no.31 Méndez Álvaro (21,500 sqm), amongst others.

Vacant space and vacancy rate evolution



The lower level of leasing activity has led to a downgrade in the benchmark for prime rent. However, the movement has been minimal, -1.5% compared to the previous quarter and even the EUR 35.00 /sqm/month of Q3 2020 are above the prime rent of a year ago. The average rents (EUR 17.00 /sqm/month), however remained stable due, in part, to the proportion of contracts signed in the CBD area.

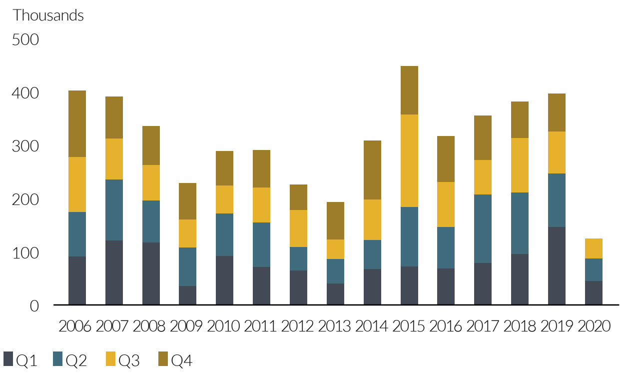
Rent incentives are evolving substantially and since the summer there have been longer rent-free periods than at the beginning of the pandemic. This is due to the tightening of the conditions to rent new spaces and the desire of the owners to maintain the levels of facial rents as much as possible.

With the third wave of the pandemic gathering momentum in Spain, several new measures are being taken by national and local government to curb the infection rate. This new package of restrictions will affect the speed of recovery in GDP, originally expected for Q2 2021 and now likely to be deferred until the second half of 2021 and 2022.

On the capital markets side, total Q1-Q3 investment volume has dropped by 29%. The investment market have performed relatively well considering the effects of the pandemic. The figures up to the third quarter amount to EUR 6,160m in real estate investment, EUR 2,400m less than a year ago.

BARCELONA OFFICE MARKET

Take-up (incl. own-use), sq m



The gross take-up of office floorspace reached 36,874 sqm in Q3 2020, a 60% decrease when we compare it to the quarterly average of the last 3 years and 53% less than in Q3 2019 (78,890 sqm). One of the main deals in this quarter has been the lease of IBM (2,530 sqm) in Sant Cugat del Vallès and the ISS Facility lease (3,050 sqm) agreement in Cornellà del Llobregat. The largest deals have been in 22@ (Papernest – 5,200 sqm and Institut Municipal d'Urbanisme – 4,000 sqm in 22@).

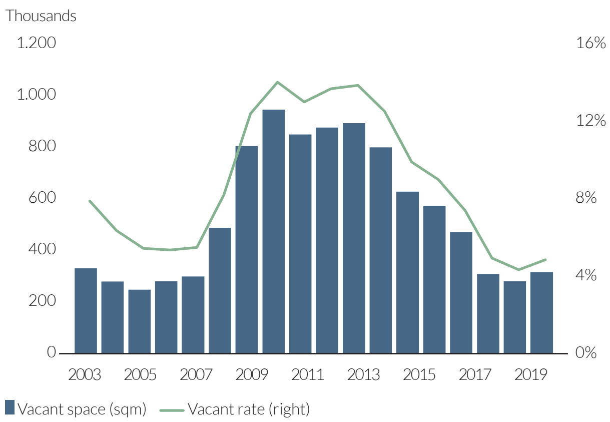
According to the latest press news, Agrolimen will invest EUR 150m for their new Headquarters in Sant Joan Despí. The project will deliver two office buildings, a hotel and 413 apartments.

The available supply of offices in Barcelona at the close of the third quarter continues in a gradual upward trend since entering Covid, although the global vacancy rate is still below 5%. The available space amounts to 318,000 m², some 10% above the figure for the same period last year.

The average deal size has decreased compared to 2019, only 10% of the deals signed are higher than 2,000 sqm whereas in 2019 the % was approximately 20%.

In terms of business zones, the demand side remains committed to the New Business Areas, these absorbing some 44% of total floor area transacted so far in 2020. These are followed by the Outskirts, with a market share of 23%. The City Centre and CBD jointly achieved a 33% share of total demand, reflecting the lack of vacant floorspace in these areas.

Vacant space and vacancy rate evolution



The supply of available office floorspace continued to increase up until 2020, resulting in 4.76% (26 bps more than in Q3 2019). This translates to an amount of 318,920 sqm of vacant space, 10% above the figure for the same period last year.

282,000 sqm of new floorspace is expected to be delivered to the Barcelona market by December 2021, Until Q3 2020 development completions reached 15,637 m² maintaining previous years trend. Recently added assets to stock correspond to SA65 in the 22@ district and Plaça Europa, 32.

Prime rent stood at EUR 28.25 /sqm/month at the close of Q3 2020, EUR 0.25 /sqm/month less than Q2 2020. Average closing rents are at EUR 17.74 /sqm/month.

The prime yield in Barcelona stands at 3.50% and the total investment volume for the office sector year-to-date in Barcelona is EUR 467m.

MANOTERAS OFFICE MARKET

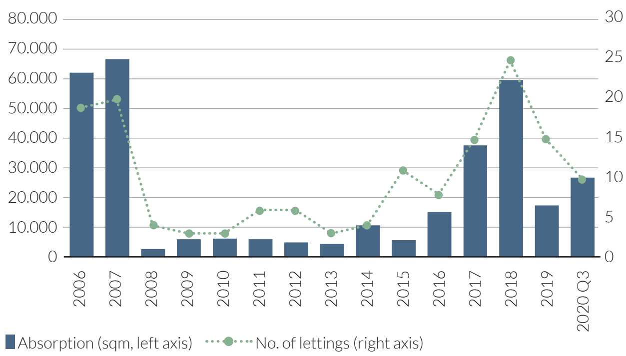
The gross absorption of office spaces in Manoteras has had an irregular behavior marked by large-scale operations.

In 2006, AXA rented 41,345 sqm in Camino Fuente de la Mora 1, which represents 66% of the total contracting for that year.

In 2007, three of the signed transactions totalled 44,000 sqm (Iberdrola 18,715 sqm, Everis 17,255 sqm; BBVA 8,000 sqm).

In the period 2008 - 2016, the take-up registered a moderate level of activity and in 2017, another large operation (La Caixa 13,475 sqm) again boosted the space absorption up to almost 38,000 sqm.

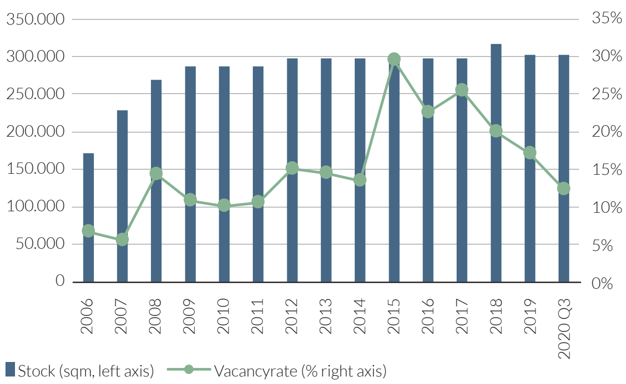
Take-up by quarters (incl. own-use), sqm



In 2018, Everis and Deloitte leased 33,280 sqm of office space, representing more than half of the year's take-up.

In 2020 the relocation of the Statistics National Institute to the Manoteras Submarket (17,300 sqm) contributed to the take-up levels in this submarket.

Stock and vacancy rate evolution (September 2020)



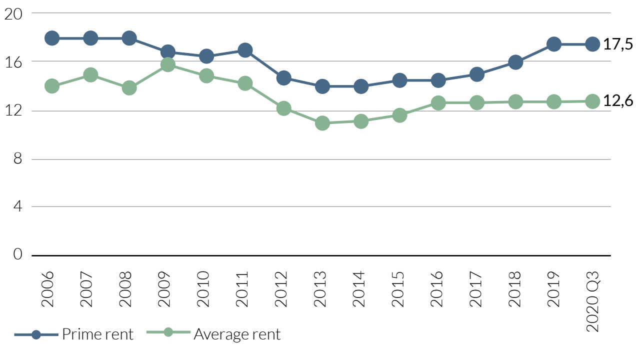
The availability rate has been decreasing and at the end of September 2020 it was 12.2%.

The Manoteras submarket has an area with immediate availability of 37,324 sqm, of which 57% is of good quality. Additionally, there are two project to build 27,000 sqm and 11,962 sqm of office space but the works have not yet begun. The delivery of these buildings is expected for the third quarter of 2022 and second quarter of 2023, respectively.

The prime rents in this area achieved EUR 17.5 /sqm/month, implying a slight increase since the beginning of the recovery of the real estate market.

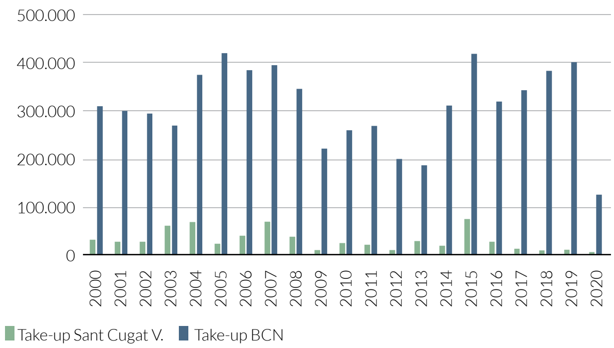
SPAIN OFFICE MARKET

Prime and average rent (EUR/sqm/month)



SANT CUGAT OFFICE MARKET 2020

Take-up (incl. own-use), sqm



Floorspace transacted since January 2015 has exceeded 180,000 sqm (2015 broke the record for annual take-up in this area, exceeding 75,000 sqm).

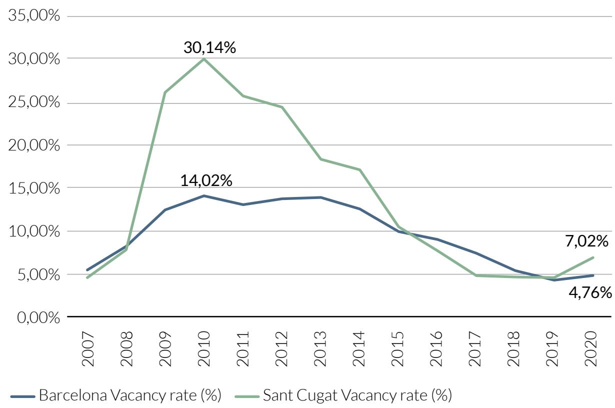
In terms of size and including turnkey transactions, the most significant deals in the area were: Stradivarius (26,400 sqm), Laboratorios Echevarne (10,000 sqm), Mapfre (10,000 sqm) and Natura Bissé Internacional (9,200 sqm), among others.

Office take-up in Sant Cugat has softened over the past year. A total of 6,765 sqm has been transacted over the past nine months, in contrast to a figure of some 9,000 sqm for the first nine months of 2019. Bearing in mind the COVID-19 crisis, together with the available supply, there has been an important lease signed in St Cugat from IBM in Sant Cugat Nord (2,782 sqm).

Sant Cugat is particularly well known for the tendency on the part of major businesses to locate their head offices here, in several instances through acquisition. This includes firms such as HP, Roche, Grifols, RTVE, ISS, Bureau Veritas, GFT, Ricoh, Naturgy, Boehringer Ingelheim, Sener, Endress & Hausser and Banc Sabadell, among others.

For many years, Sant Cugat has been the go-to option for large-scale requirements. The average rent signed in 2020 has been EUR 12.25 /sqm/month and the current total stock in St Cugat is around 584,000 sqm.

Vacancy rate evolution



Despite its highest vacancy peak in 2009-2010 (recession period and increase of total stock) the vacancy rate within the Sant Cugat market has been decreasing over the last few years up to Covid together with the general office market.

Stock has increased by approximately 41,000 sqm over the past year, corresponding to two turnkey projects (100% occupied at the time of delivery). The average reduction in vacant floorspace since 2010 amounts to 20,000 sqm per annum.

Development potential for some 584,000 sqm of office space exists in the submarket of St Cugat but with little currently under construction. A new project coming into St Cugat is known as the Slow Building – a 4,710 sqm office building located 3km distance from St Cugat Green.

The availability of land offers the capacity to respond to new demand requirements: space with the same technical specifications and located in urban surroundings, capable of complementing and competing with a market such as that of 22@ in Barcelona.

ESPLUGUES OFFICE MARKET 2020

Esplugues de Llobregat is a consolidated residential area located at the top end of Avenida Diagonal, just 10 kilometres from the city centre. This small submarket includes Sant Joan Despí and Sant Just Desvern. Take-up in 2020 has been significantly reduced due to COVID-19 accounting for 7,772 sqm up to Q3 2020 (in 2019 the take up was high due to three main transactions: Agrolimen relocating their HQs (18,000 sqm), Indra (6,500 sqm) and Cocoon Medical (6,000 sqm).

Due to its proximity and good access from Barcelona (Avenida Diagonal) and carriageway connections (Ronda de Dalt ring road/ B-23-AP-2/ AP-7 etc.), many companies have their headquarters within the area (for example, Bayer, Cobega, Panrico, Codorniu).

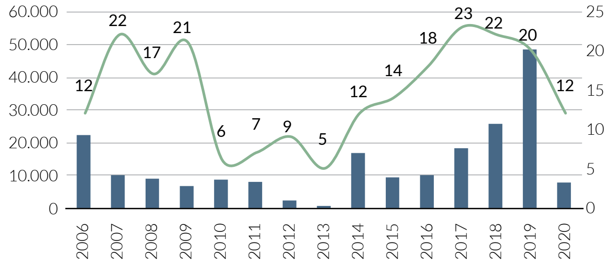
The area also offers a good mix of uses: residential (main use), healthcare (Sant Joan de Déu, Clínica Diagonal), educational (German School of Barcelona, Highlands School of Barcelona or UB Campus Diagonal – University) and services (most of them located in the new Finestrelles Shopping Centre). Some of the main occupiers in the surroundings are well-known companies like Cobega, Panrico, Codorniu or Bayer which have their headquarters in the area.

The area has excellent connections network due to its location near the intersection between the B-23/A-2 carriageway, Avenida Diagonal and the Ronda de Dalt and C-32 motorway to the south.

In terms of public transport, the area is well served by bus network (lines 63, 67, 68, 78, L51, L56, L57, 57, I57, L50, L62, N12, EP1 and EP2) and the Trambaix (Lines T1, T2 and T3).

Currently, there are no existing nearby connections to the metro, although, there are plans to extend the metro Line L3 from the Zona Universitaria station to the Esplugues de Llobregat town centre. Additionally, although no timing has been established yet, there are also plans to extend the FGC Line 6 so it can serve the Finestrelles/Sant de Déu area.

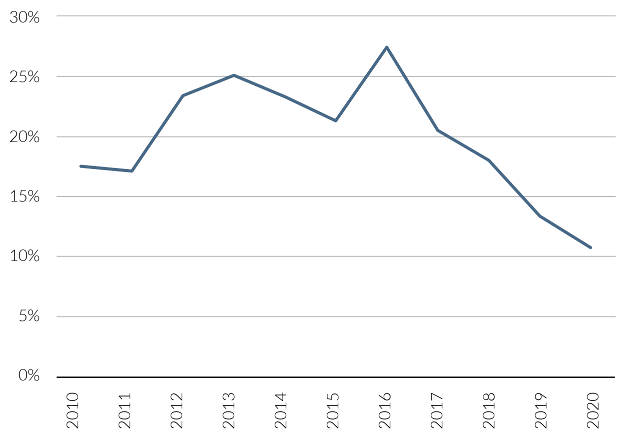
Take-up (incl. own-use), sqm



The gross absorption of office space in the Esplugues submarket reached 7,772 sqm, nearly 84% less than in 2019 (48,540 sqm, an atypically high year). The average take up during the last 10 years has been 14,824 sqm.

Availability in this area has been reducing rapidly in the last three years in a context of dynamic demand and it currently stands at 10.6%. The average rent signed in the submarkets stands at EUR 8.80 /sqm/month.

Vacancy rate evolution



INVESTOR RELATIONS

COMMITMENT TO TRANSPARENCY AND GOOD CORPORATE GOVERNANCE

The Manager is committed to high standards of communication with investors, analysts, media and the investment community and does so in a timely, transparent, consistent, accurate, balanced and comprehensive manner on information such as the investment strategy, distribution policy, capital management and portfolio performance of IREIT.

In addition, the Manager is committed to ensure timely, unbiased and transparent disclosures of material information to the public, in accordance to the listing rules and regulations of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Singapore Code of Corporate Governance and current best practices. All announcements and press releases are promptly published on SGX-ST through SGXNET and are made available on IREIT's corporate website at http://www.ireitglobal.com. General information on IREIT including the annual report, factsheet and portfolio information is also regularly updated on IREIT's corporate website and is easily accessible to investors and the public.

PROACTIVE COMMUNICATIONS WITH STAKEHOLDERS

The management and investor relation teams use a number of communication channels to engage and interact with various stakeholders. This includes one-on-one meetings, lunchtime presentations, industry conferences, educational seminars, teleconferences, video conferences and corporate website email alert services to facilitate regular two-way communication with investment professionals, current investors and prospective investors. The Manager is also a member of the REIT Association of Singapore ("REITAS"), availing IREIT to seminars, investor conferences and retail education events that REITAS organises to promote the understanding and investment in Singapore real estate investment trusts.

Due to the COVID-19 pandemic globally, investor conferences and events in Singapore and abroad were either cancelled or replaced with virtual webcasts, video conferencing or teleconferences in 2020. Nonetheless, the Manager has continued to maintain its strong stakeholder engagement efforts and has reached out to over 300 investment professionals, analysts, retail investors and media during the year, leveraging on the digital platforms to conduct virtual meetings and conferences. The events that IREIT participated in 2020 include investor presentations to Credit Suisse private banking group, DBS private banking group, CGS-CIMB Securities, Maybank Kim Eng Securities, Phillip Capital and UOB Kay Hian.

Live webcasts for AGM and EGM held on 18 June 2020 and 18 September 2020, respectively

ANNUAL GENERAL MEETING ("AGM") AND EXTRAORDINARY GENERAL MEETING ("EGM")

Unitholders are also given the opportunity to participate at the AGMs and EGMs to meet the management team and the Directors of the Manager to communicate their views or concerns and ask questions. Due to the COVID-19 restriction orders in Singapore, the AGM held on 18 June 2020 and EGM held on 18 September 2020 were conducted by way of electronic means. Unitholders who wished to attend the general meetings could pre-register electronically to participate via the live audio-visual webcast or listen to the live audio-only streams of the proceedings. Instead of the typical question and answer sessions during the general meetings, Unitholders were invited to submit questions related to the resolutions to be tabled for approval at the meetings in advance. The responses to substantial and relevant questions received from Unitholders were published on SGXNET and IREIT's corporate website prior to the meetings. Some of these questions were also addressed in the presentations at the meetings.

All the resolutions set out at the AGM and EGM in 2020 were passed by Unitholders through valid proxies and the results were announced on SGXNET and IREIT's corporate website on the same day of the respective meetings. In addition, the minutes of the meetings, including the responses to the substantial and relevant questions addressed during the meetings, were published on SGXNET and IREIT's corporate website subsequently.

ENGAGEMENT WITH EQUITY RESEARCH ANALYSTS

The Manager also regards sell-side research analysts as an important stakeholder group, as they play a key role in helping to enhance the visibility of IREIT and bridge any communication gap between IREIT and retail and institutional investors. In 2020, the Manager has organised periodic analyst briefings via conference calls to update the analysts on the financial and operational performance on IREIT. With the recent relaxation of the COVID-19 social distancing measures, the Manager has also resumed physical meetings with analysts for IREIT's FY2020 results. As at 31 December 2020, the Manager understands that IREIT was actively covered by two equity research houses: Phillip Securities Research and RHB Group.

FINANCIAL CALENDAR

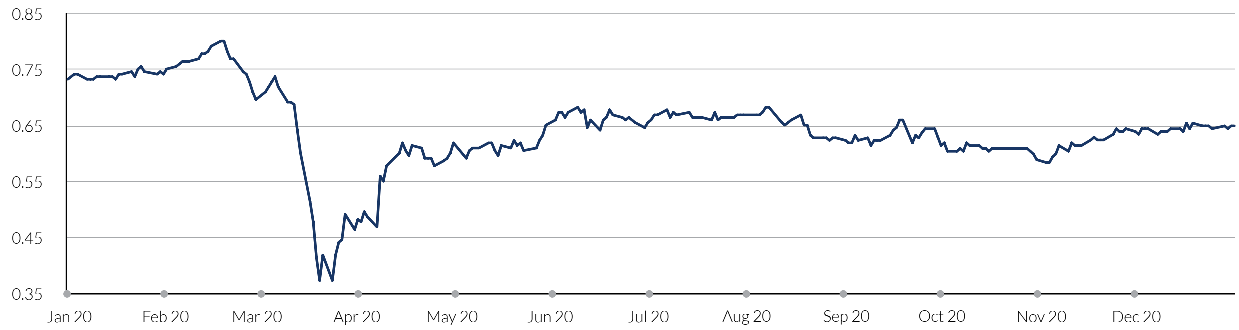
Financial Year Ended 31 December 2020	
7 August 2020	Announcement of first half year results
27 August 2020	Payment of distribution for period from 1 January 2020 to 30 June 2020
25 February 2021	Announcement of second half year results
12 March 2021	Payment of distribution for period from 1 July 2020 to 31 December 2020
22 April 2021	2021 Annual General Meeting

Financial Year Ended 31 December 2021 (Tentative)	
August 2021	Announcement of first half year results
February 2022	Announcement of second half year results

Trading Performance during the Financial Year[1]	FY2020	FY2019
Opening price (S$)	0.733	0.656
Closing price (S$)	0.650	0.733
Highest closing price (S$)	0.801	0.733
Lowest closing price (S$)	0.376	0.656
Total trading volume (million units)	408.4	108.5
Average daily volume traded ('000 units)	1,620.7	432.2

Total Returns with Distributions Reinvested (%)[2]	
From 1 January 2020 to 31 December 2020 (1 year)	-3.4%
From 1 January 2018 to 31 December 2020 (3 year)	11.9%
From 1 January 2016 to 31 December 2020 (5 years)	36.6%

CLOSING UNIT PRICE PERFORMANCE FOR TRADING PERIOD FROM 1 JANUARY 2020 TO 31 DECEMBER 2020[3]



Source: ShareInvestor.com

UNITHOLDERS' ENQUIRIES

If you have any enquiries or would like to find out more about IREIT Global, please contact:

The Manager
Mr Kevin Tan
Head of Investor Relations and Capital Markets
Phone: (65) 6718 0593
Email: ir@ireitglobal.com
Website: http://www.ireitglobal.com

Unit Registrar
Boardroom Corporate & Advisory Services Pte Ltd
Phone: (65) 6536 5355
Email: srs.teamc@boardroomlimited.com
Website: https://www.boardroomlimited.com

UNITHOLDER DEPOSITORY

For depository-related matters, such as change of personal details and other unitholding records, please contact:

The Central Depository (Pte) Limited
Phone: (65) 6535 7511
Email: asksgx@sgx.com
Website: https://investors.sgx.com/dashboard

1 For the trading period from 1 January to 31 December, adjusted for the Rights Issue completed in October 2020.
2 Total returns are computed based on the closing unit price on the last trading day of the preceding reporting period compared with the closing unit price on the last trading day of the current period and are adjusted for the Rights Issue completed in October 2020. Distributions paid are assumed to be reinvested at the closing unit prices on the respective ex-distribution dates.
3 Adjusted for the Rights Issue completed in October 2020.

With €10.3 billion of real assets under management worldwide, Tikehau Capital offers a wealth of resources, local expertise and extensive relationships across Europe, its historical market. CDL is a very familiar brand name in Asia with over 50 years of proven track record and has deep expertise in developing and managing a diversified asset base.

Backed strongly by its joint sponsors, IREIT is in a sweet spot to tap on their collective strengths and financial resources to seize new frontiers and capture different avenues of growth.

PORTFOLIO VALUATION €719.6m

TAPPING ON SPONSORS' NETWORK AND RESOURCES

STRONG LOCAL PRESENCE

PORTFOLIO SUMMARY

sqm

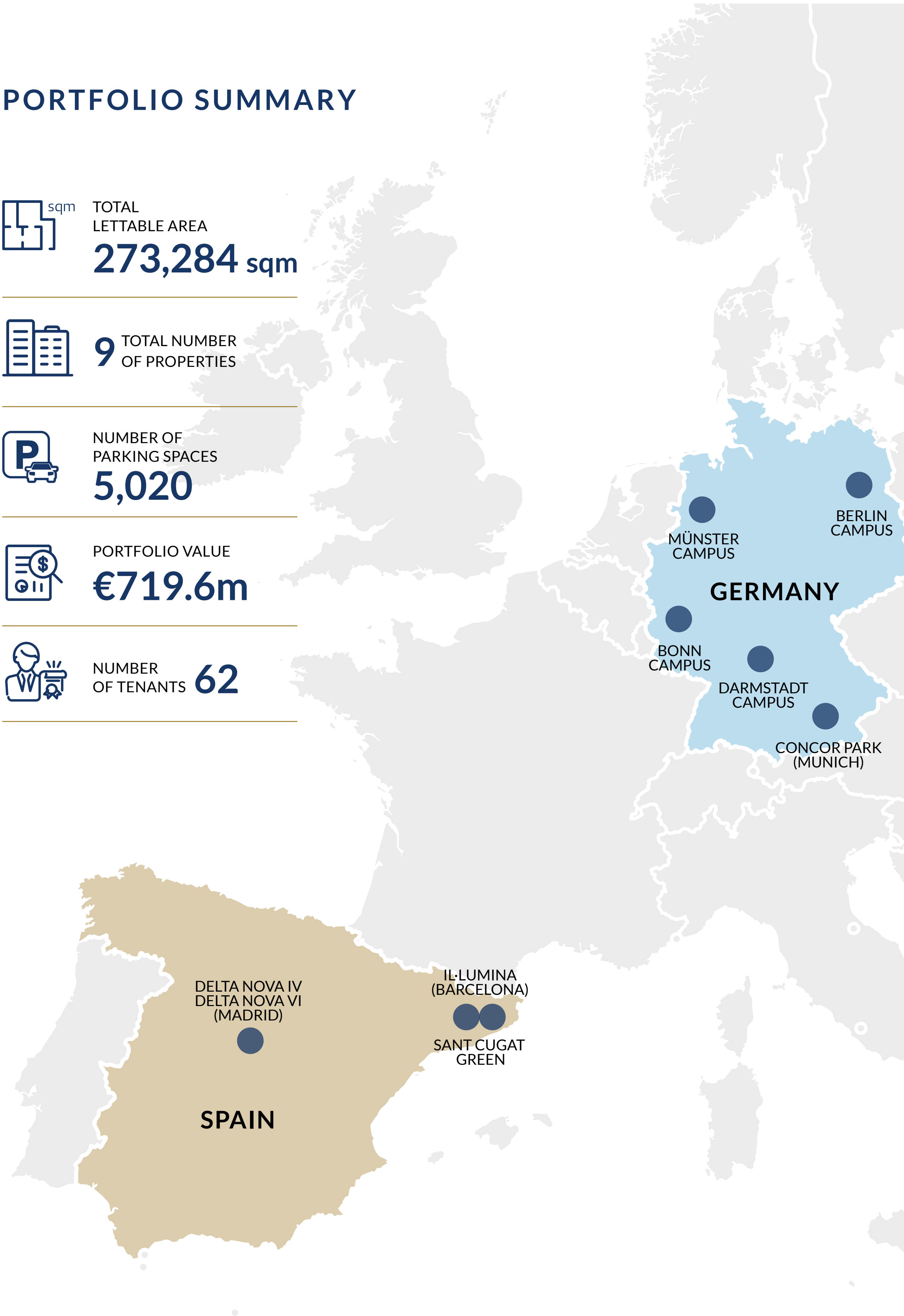
TOTAL
LETTABLE AREA
273,284 sqm

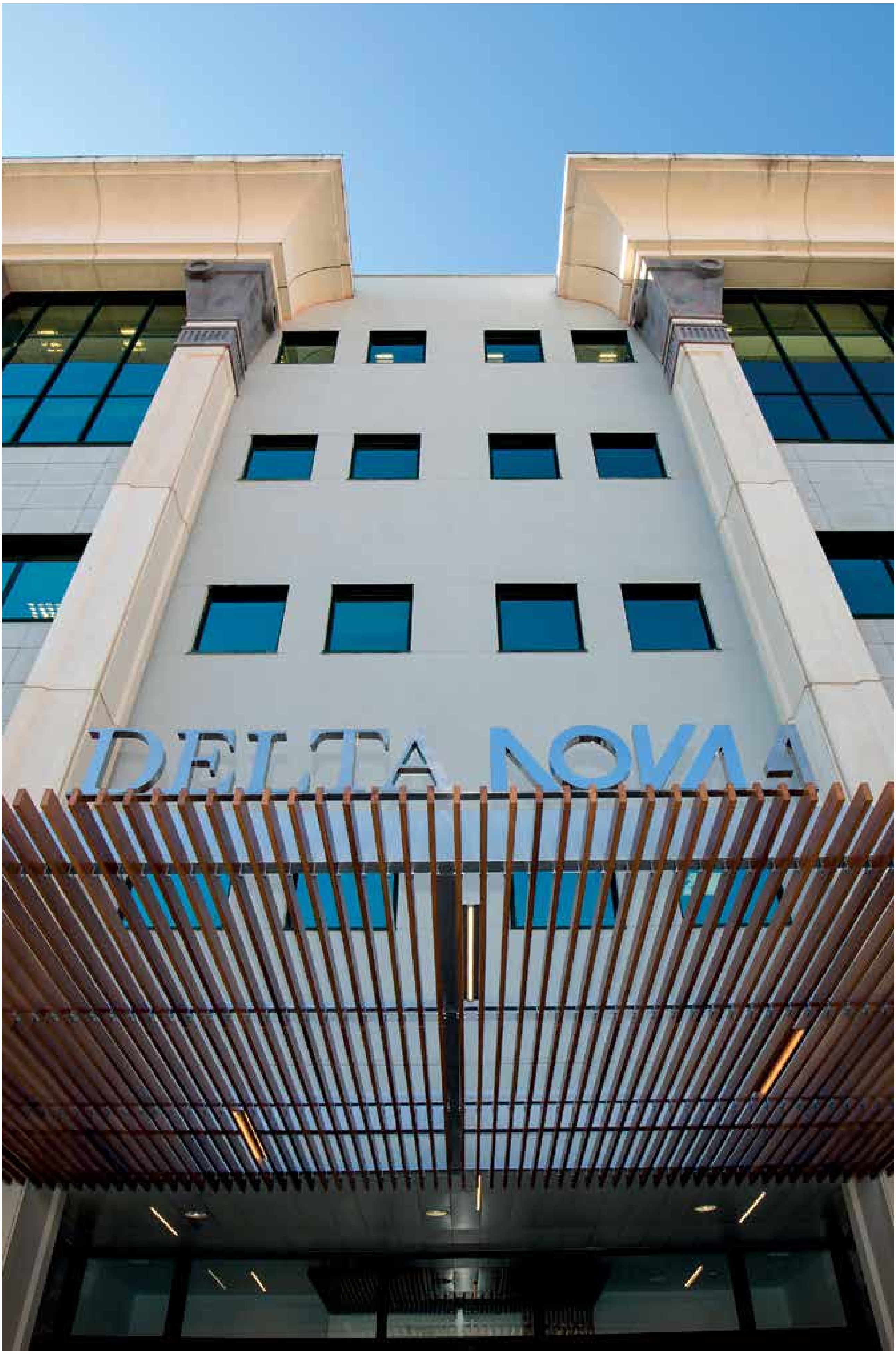
9 TOTAL NUMBER
OF PROPERTIES

NUMBER OF
PARKING SPACES
5,020

PORTFOLIO VALUE
€719.6m

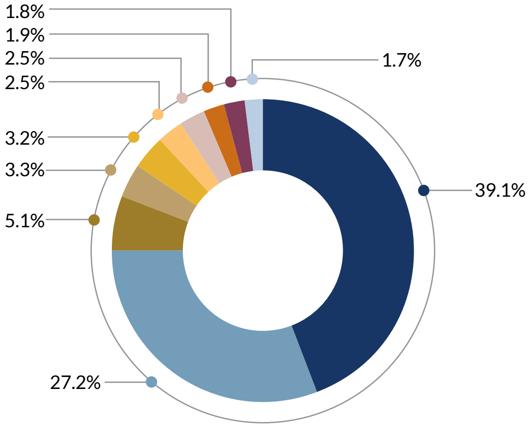
NUMBER
OF TENANTS **62**




DELTA NOVA

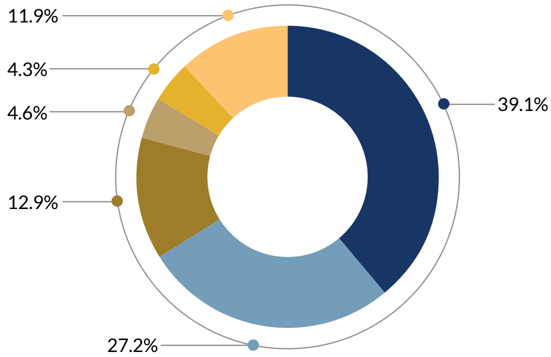
PORTFOLIO SUMMARY

TOP 10 TENANTS



GMG - Deutsche Telekom	39.1%
Deutsche Rentenversicherung Bund	27.2%
DXC Technology	5.1%
Allianz Handwerker Services GmbH	3.3%
ST Microelectronics	3.2%
Ebase	2.5%
Roche	2.5%
Catalan Media Corporation	1.9%
Gesif	1.8%
Digitex	1.7%

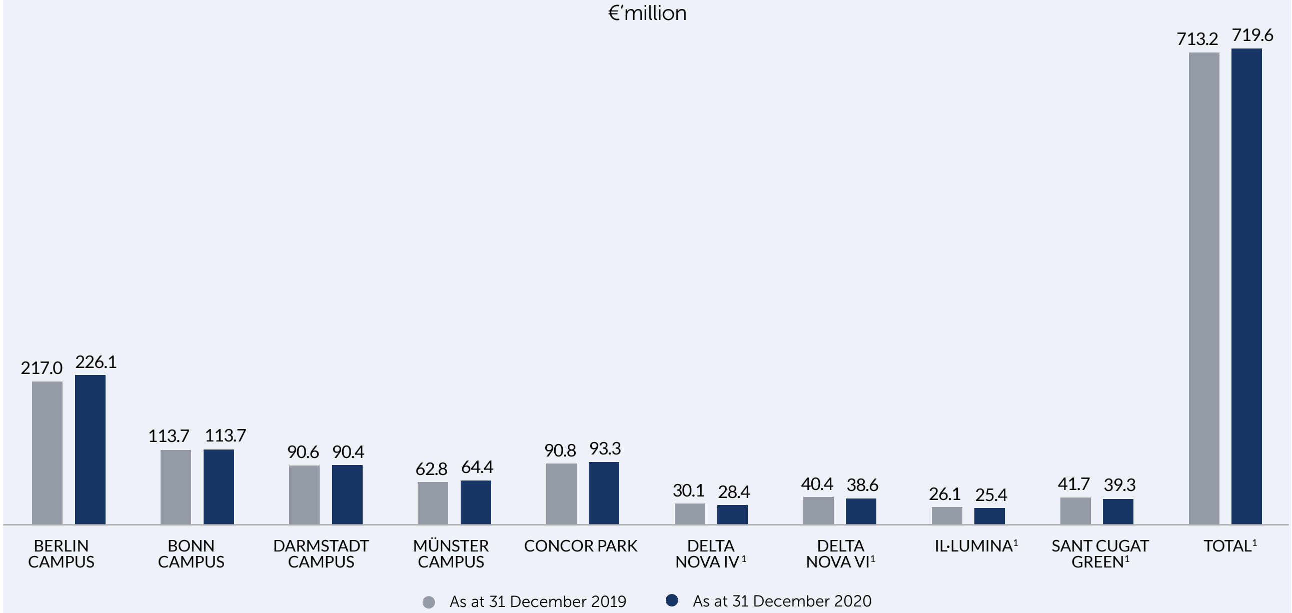
TRADE SECTORS



Telecommunications	39.1%
Government	27.2%
IT & Electronics	12.9%
Real Estate	4.6%
Financial Services	4.3%
Others	11.9%

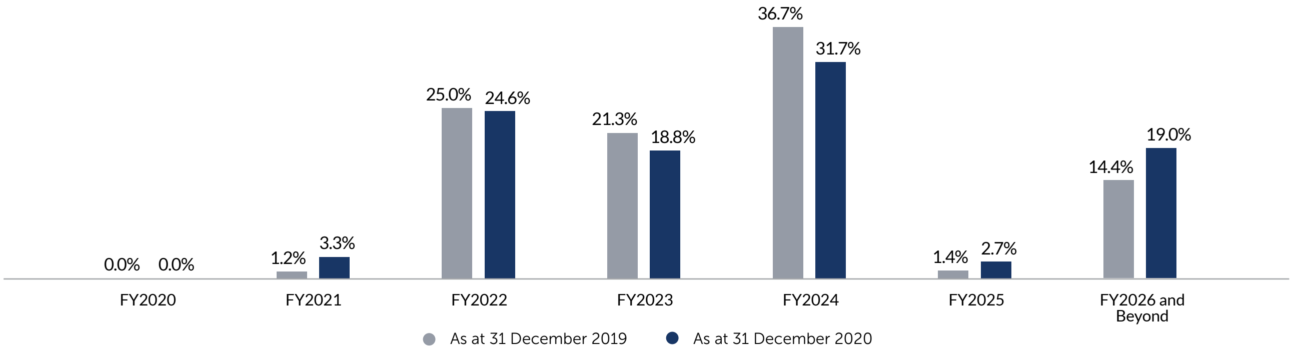
ASSET VALUATION BY PROPERTY

€'million

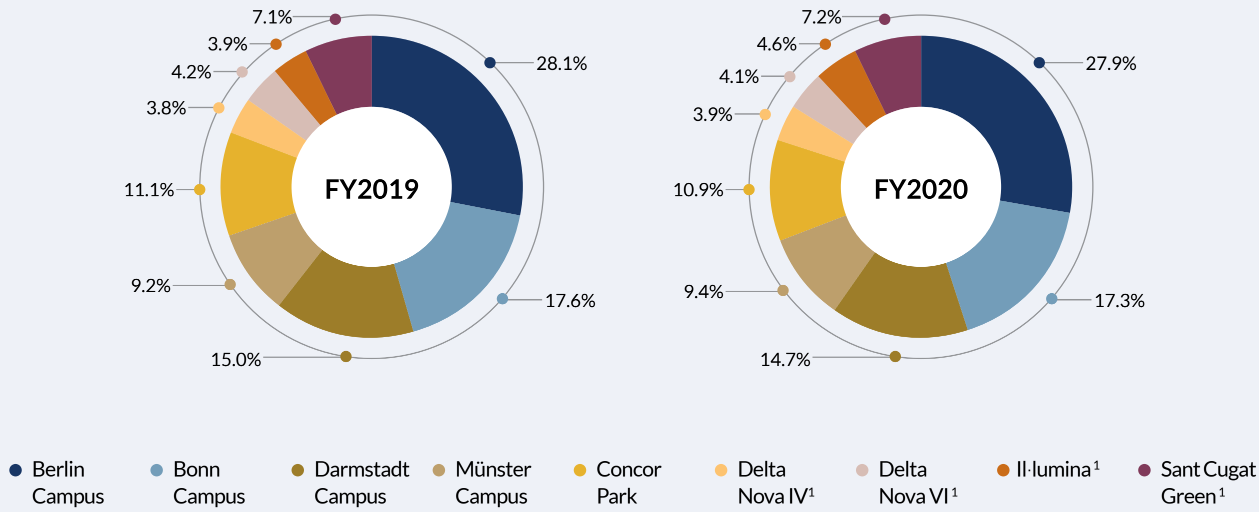


1 IREIT held 40% interest in the Spanish Properties as at 31 December 2019. For comparison purposes, the asset valuations based on 100% interest in the Spanish Properties has been used.

LEASE EXPIRY BY GROSS RENTAL INCOME



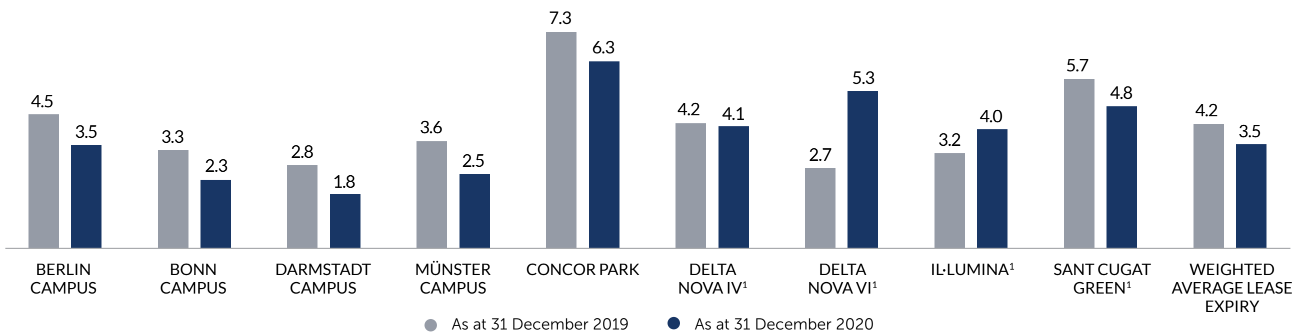
GROSS RENTAL INCOME BY PROPERTY



1 IREIT held 40% interest in the Spanish Properties as at 31 December 2019. For comparison purposes, the FY2019 gross rental income based on 100% interest of the Spanish Properties has been used.

PORTFOLIO LEASE EXPIRY

No. of years



1 IREIT held 40% interest in the Spanish Properties as at 31 December 2019.

For new and renewed leases which commenced in FY2020, the weighted average lease expiry ("WALE") based on the date of commencement of leases is 8.0 years as at 31 December 2020. Such leases contributed approximately 5.3% towards the portfolio's committed monthly gross rental income as at 31 December 2020.

PORTFOLIO SUMMARY

GERMANY

	Berlin Campus	Bonn Campus	Darmstadt Campus	Münster Campus	Concor Park
					
Date of Building Completion	1994	2008	2007	2007	1978 and refurbished in 2011
Purchase Price (€ million)	144.2	99.5	74.1	50.9	58.6
Vendor	Immobilienfonds Deutschland 6 GmbH & Co. KG, managed by WealthCap	TC Bonn Objektgesellschaft mbH & Co. KG	TC Darmstadt Objektgesellschaft mbH & Co. KG	TC Münster Nord Objektgesellschaft mbH & Co. KG and TC Münster Süd	Münchner Grund Immobilien Bauträger AG
Book Value / Valuation as at 31 Dec 2020 (€ million)	226.1	113.7	90.4	64.4	93.3
Book Value / Valuation as at 31 Dec 2019 (€ million)	217.0	113.7	90.6	62.8	90.8
Gross Rental Income 2020 (€ million)	11.2	7.0	5.9	3.8	4.4
% of Total Gross Rental Income 2020[1]	27.9%	17.3%	14.7%	9.4%	10.9%
Gross Rental Income 2019 (€ million)	11.1	7.0	5.9	3.7	4.4
% of Total Gross Rental Income 2019[1]	28.1%	17.6%	15.0%	9.2%	11.1%
Occupancy Rate as at 31 Dec 2020	100.0%	100.0%	100.0%	100.0%	97.5%
Land Tenure	Freehold	Freehold	Freehold	Freehold	Freehold
WALE (by Gross Rental Income) as at 31 Dec 2020	3.5	2.3	1.8	2.5	6.3
Number of Tenants	7	1	1	3	15
Major Tenants	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

€427.3m
Purchase Price

€32.3m
Gross Rental Income

3.2
WALE

€587.9m
Book Value / Valuation

99.6%
Occupancy Rate

27
Number of Tenants

1 Based on IREIT's portfolio rental income comprising the full-year gross rental income for the German Properties and Spanish Properties on a 100% basis.

SPAIN

	Delta Nova IV	Delta Nova VI	Il·lumina	Sant Cugat Green
				
Date of Building Completion	2005 and refurbished in 2015	2005 and refurbished in 2015	1970s and fully redeveloped in 2004	1993
Purchase Price (€ million)	28.7	39.8	25.4	39.9
Vendor	Chameleon (REIT) Holdco S.à.r.l	Chameleon (REIT) Holdco S.à.r.l	Chameleon (REIT) Holdco S.à.r.l	Chameleon (REIT) Holdco S.à.r.l
Book Value / Valuation as at 31 Dec 2020 (€ million)	28.4	38.6	25.4	39.3
Book Value / Valuation as at 2 Dec 2019 (€ million)	30.1	40.4	26.1	41.7
Gross Rental Income 2020[1] (€ million)	1.6	1.6	1.9	2.9
% of Total Gross Rental Income 2020[2]	3.9%	4.1%	4.6%	7.2%
Gross Rental Income 2019[1] (€ million)	1.5	1.7	1.6	2.8
% of Total Gross Rental Income 2019[2]	3.8%	4.2%	3.9%	7.1%
Occupancy Rate as at 31 Dec 2020	84.8%	92.5%	90.2%	77.1%
Land Tenure	Freehold	Freehold	Freehold	Freehold
WALE (by Gross Rental Income) as at 31 Dec 2020	4.1	5.3	4.0	4.8
Number of Tenants	10	9	12	4
Major Tenants	Gesif, Anticipa, Plaza Salud24, Aliseda	Almaraz, Clece, Digitex	ÁREAS, Catalan Media, Digitex, Coca Cola European Partners	DXC Technology, Roche, Sodexo

€133.8m
Purchase Price

€8.0m
Gross Rental Income[1]

4.6
WALE

€131.7m
Book Value / Valuation

85.2%
Occupancy Rate

35
Number of Tenants

1 Based on the full-year gross rental income of the Spanish Properties on a 100% basis.
2 Based on IREIT's portfolio rental income comprising the full-year gross rental income for the German Properties and Spanish Properties on a 100% basis.

PORTFOLIO OVERVIEW

31 DECEMBER 2020			
GROSS RENTAL INCOME FOR FY2020	PARKING SPACES	TOTAL LETTABLE AREA	OCCUPANCY RATE
€11.2m	496	79,097sqm	100%

BERLIN CAMPUS

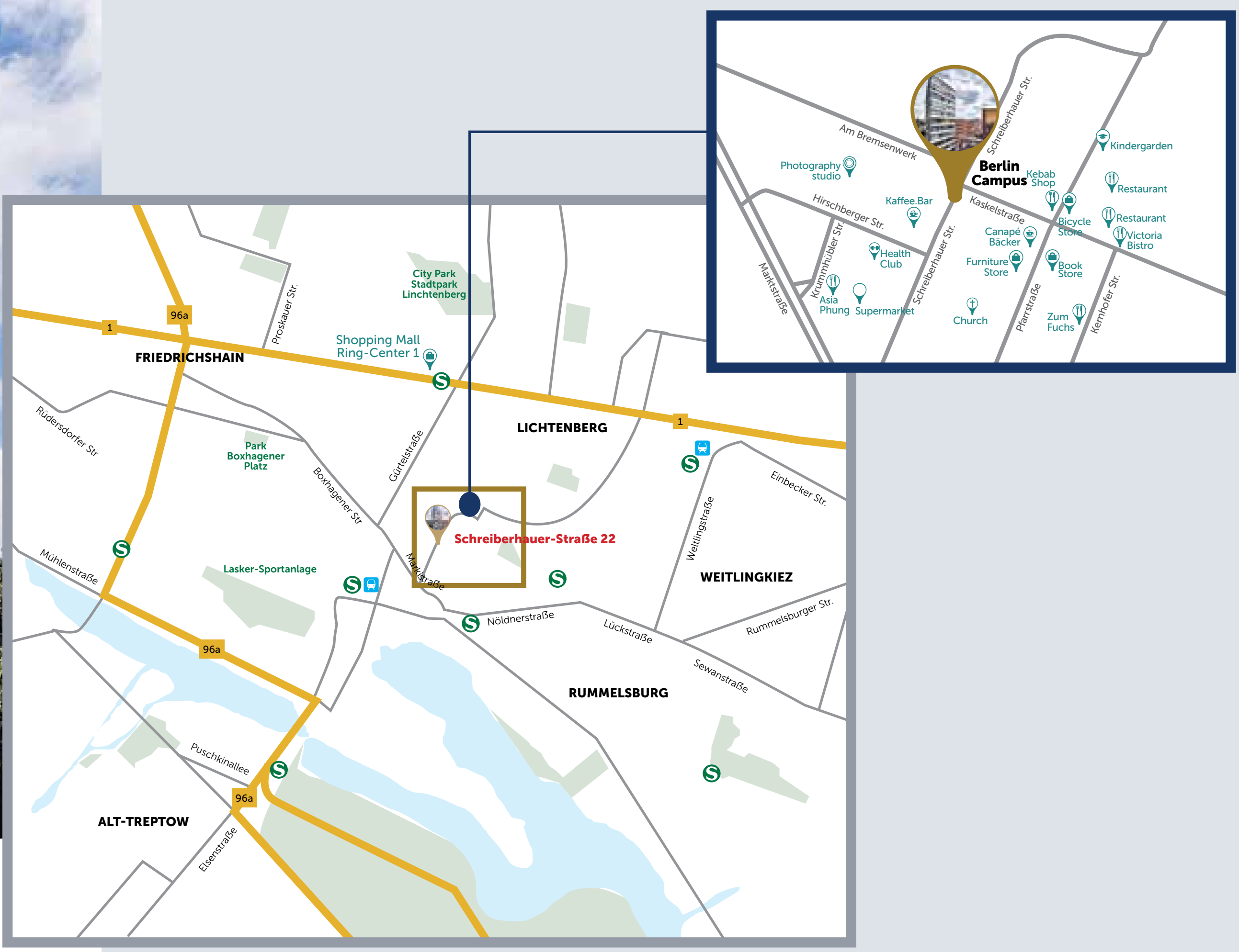
The campus is located in Schreiberhauer Straße in the Lichtenberg district, 6km east of Berlin city centre and near the well-established Media Spree commercial centre.

Within a five-minute walk to the Ostkreuz railway station, the campus is easily accessible by the S-Bahn (local railway) as well as regional trains and buses.

The property consists of five connected building parts with eight to 13 upper floors which are used mainly for office purposes. An underground parking garage of two levels that spans across the entire property accommodates parking spaces for 432 motor vehicles. 64 additional external parking spaces are available at the entrance area and towards the rear of the property.

The property has been occupied by Deutsche Rentenversicherung Bund ("DRV") since its construction in 1994 and is connected by two bridges to the neighbouring property, which is also partly occupied by DRV.

There are currently six other small retail/office tenants on the ground floor.



PORTFOLIO OVERVIEW

31 DECEMBER 2020			
GROSS RENTAL INCOME FOR FY2020	PARKING SPACES	TOTAL LETTABLE AREA	OCCUPANCY RATE
€7.0m	652	32,736 sqm	100 %

BONN CAMPUS

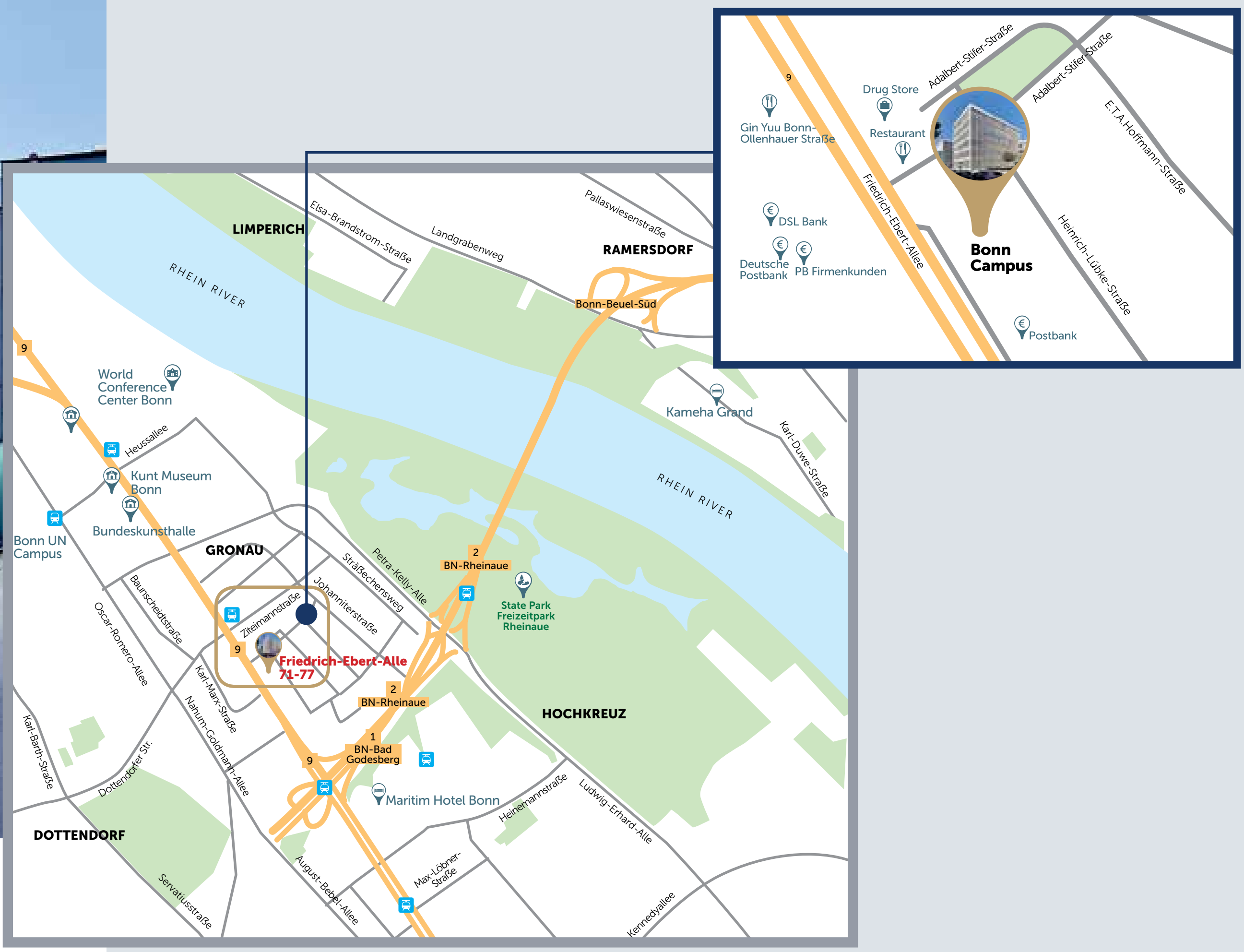
Centrally located in Bonn's prime office area Bundesviertel (federal quarter), the campus is well connected to public transportation with the nearest underground train station, U-Bahn, only 100m away.

Built to suit for Deutsche Telekom, Bonn Campus is connected by a pedestrian bridge to the global headquarters of Deutsche Telekom, located directly opposite the property.

The U-shaped property comprises four connected buildings, each with three to five upper floors, which can easily be sub-divided into smaller offices or self-contained units.

Built to high office specifications, with extensive and state-of-the-art technical equipment, the property allows for an easy implementation of new desk-sharing concepts.

Bonn Campus currently operates as a single tenant property with a central entrance hall and a canteen facility for employees.



PORTFOLIO OVERVIEW

31 DECEMBER 2020

GROSS RENTAL INCOME FOR FY2020	PARKING SPACES	TOTAL LETTABLE AREA	OCCUPANCY RATE
€5.9m	1,189	30,371sqm	100%

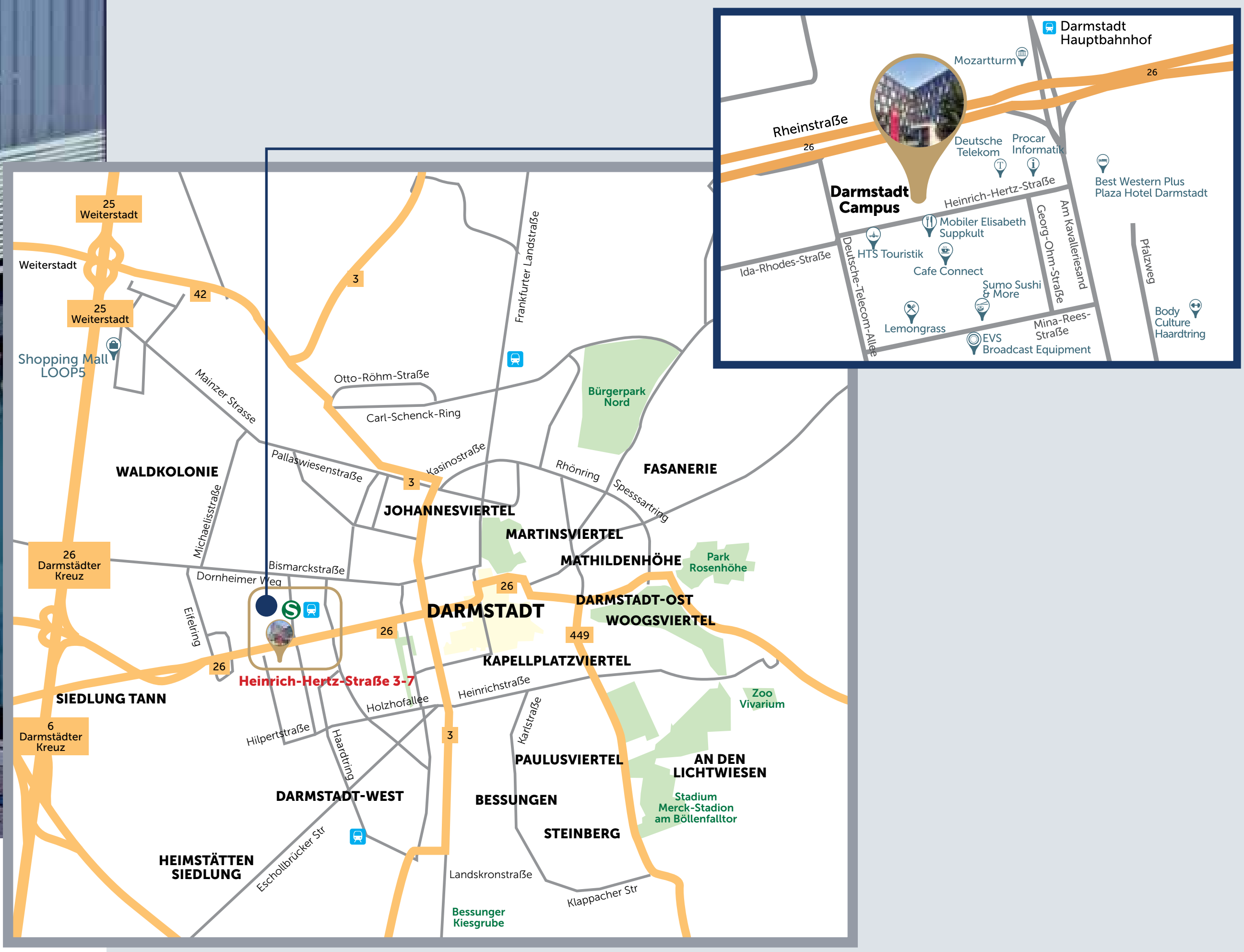
DARMSTADT CAMPUS

The property is located on Heinrich-Hertz Straße 3-7 within a commercial zone in a prime office location (Europaviertel). The property is strategically located at the entrance of Europaviertel, benefitting from easy access to the train station and other public transports.

Darmstadt main train station is reachable within 600m walking distance, while the nearest bus stop is within 150m walking distance.

The property consists of six interconnected seven storey office buildings in a double H-shape with an additional link building. Parts of the property are only built with five storeys which provide for more effective natural lighting. The property has highly specified modern open plan office floors with subdivision flexibility.

An underground parking garage spans over two levels, accommodating parking spaces for 353 motor vehicles. The property also benefits from a standalone seven storey parking garage providing a total of 826 parking spaces and 10 exterior parking spaces at the property.



PORTFOLIO OVERVIEW

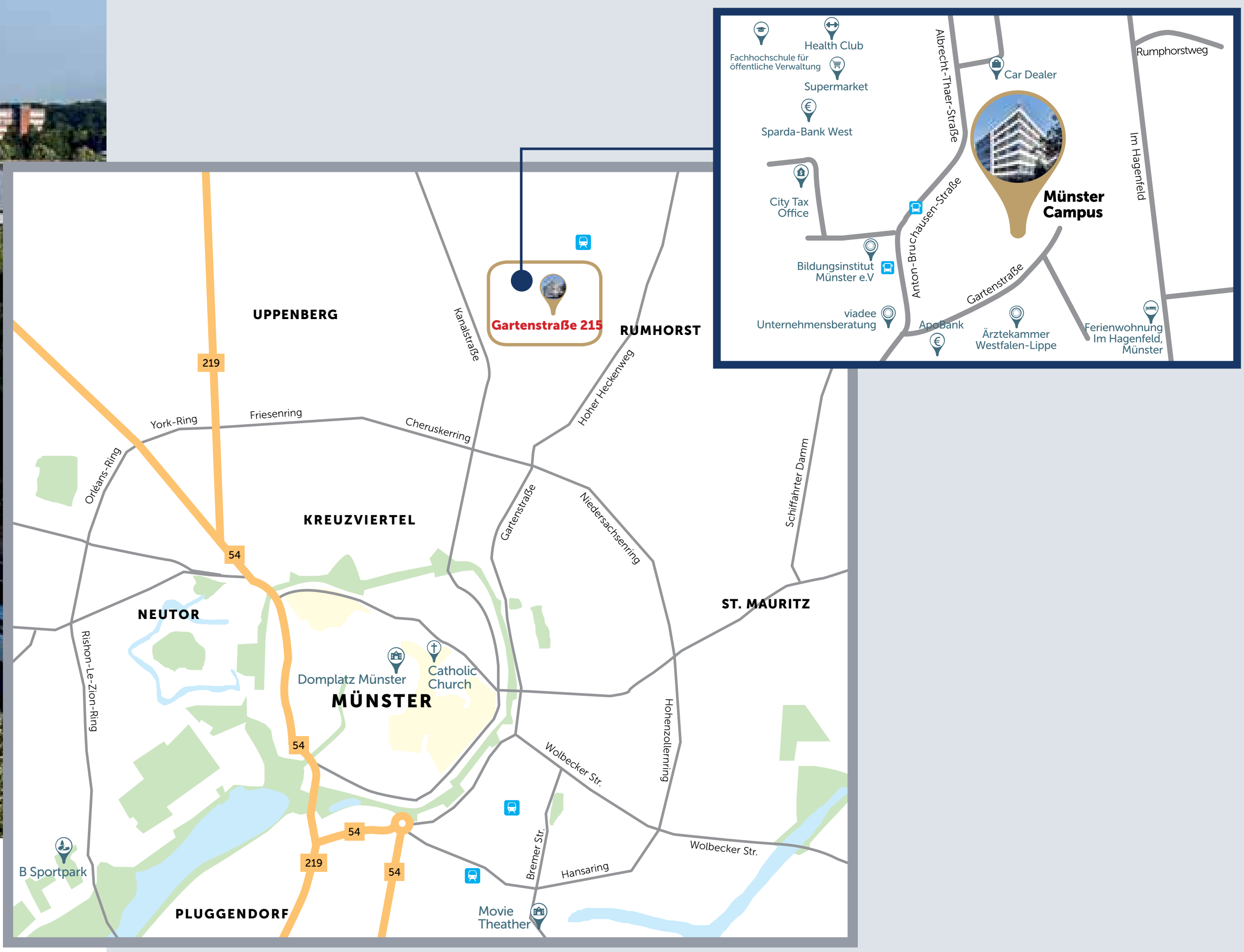
31 DECEMBER 2020			
GROSS RENTAL INCOME FOR FY2020	PARKING SPACES	TOTAL LETTABLE AREA	OCCUPANCY RATE
€3.8m	588	27,501 sqm	100%

MÜNSTER CAMPUS

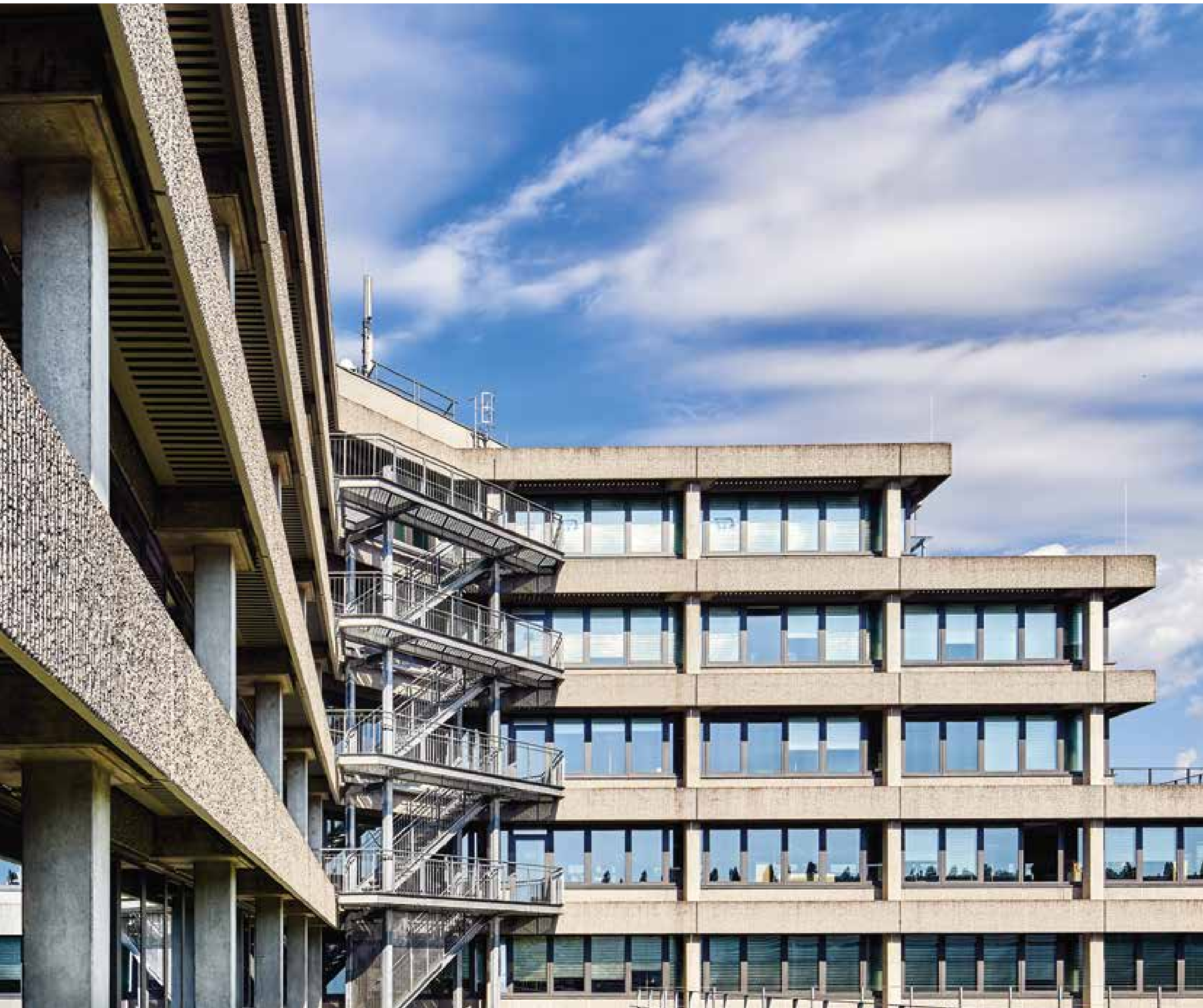
Located approximately 2.5km north of Münster city centre, the property is situated in one of the city's largest office submarkets known as "Zentrum Nord". The regional railway station and bus stop are within walking distance and ensure optimal access to the city centre and the entire Münster region by public transport.

The property consists of two self-contained and directly adjacent office buildings (Münster North and Münster South). They each have seven above-ground floors built around open inner courtyards for a maximum of natural light.

The campus includes a standalone multi-storey car park with 422 parking spaces. Münster South has an underground parking garage with 100 parking spaces and there are a further 66 outdoor parking spaces on the campus premises.



PORTFOLIO OVERVIEW



31 DECEMBER 2020

GROSS RENTAL INCOME FOR FY2020	PARKING SPACES	TOTAL LETTABLE AREA	OCCUPANCY RATE
€4.4m	572	31,412 sqm	97.5%

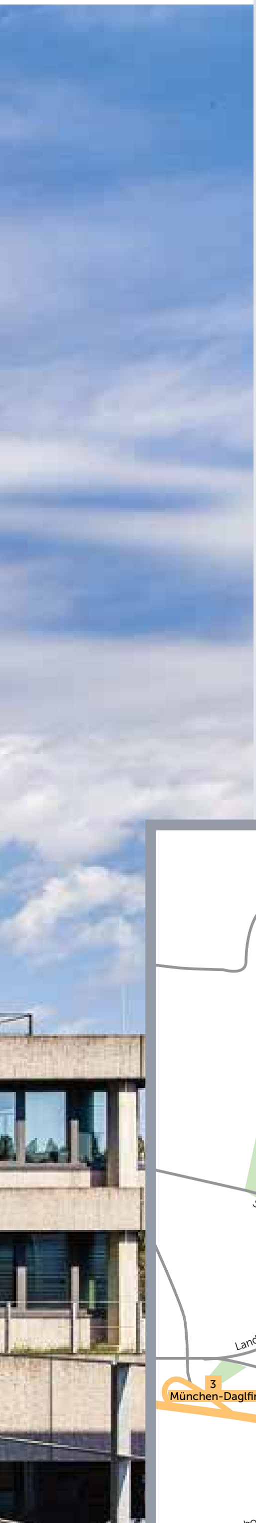
CONCOR PARK

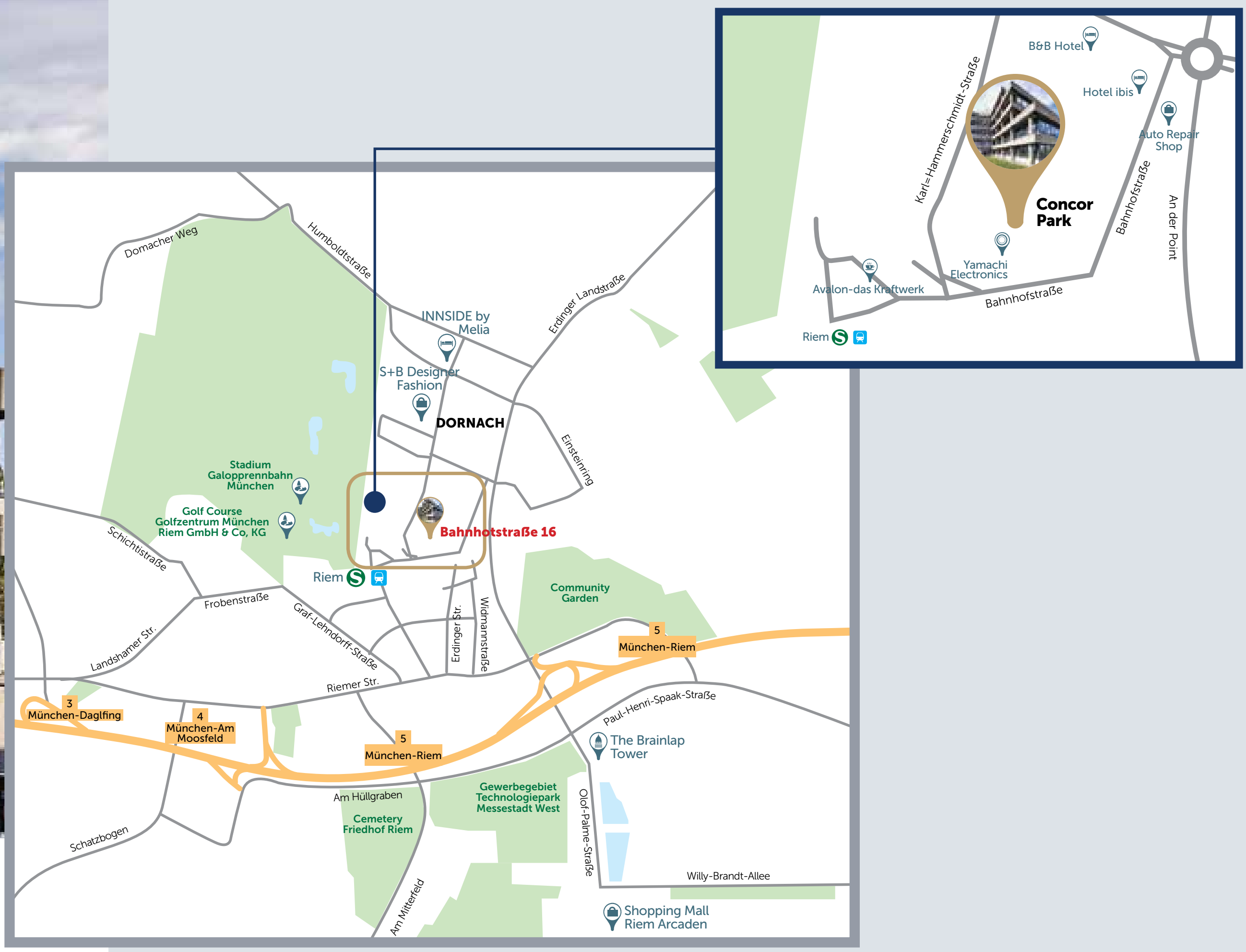
Concor Park is located in the community of Aschheim-Dornach, within a large suburban business park situated about 10km from the centre of Munich.

Due to its proximity to Munich, one of the strongest economic centres in Germany, the property benefits from an excellent macro and micro location and good accessibility by both private and public transport. The closest S-Bahn station (local railway) is 200m away and is easily reachable by foot.

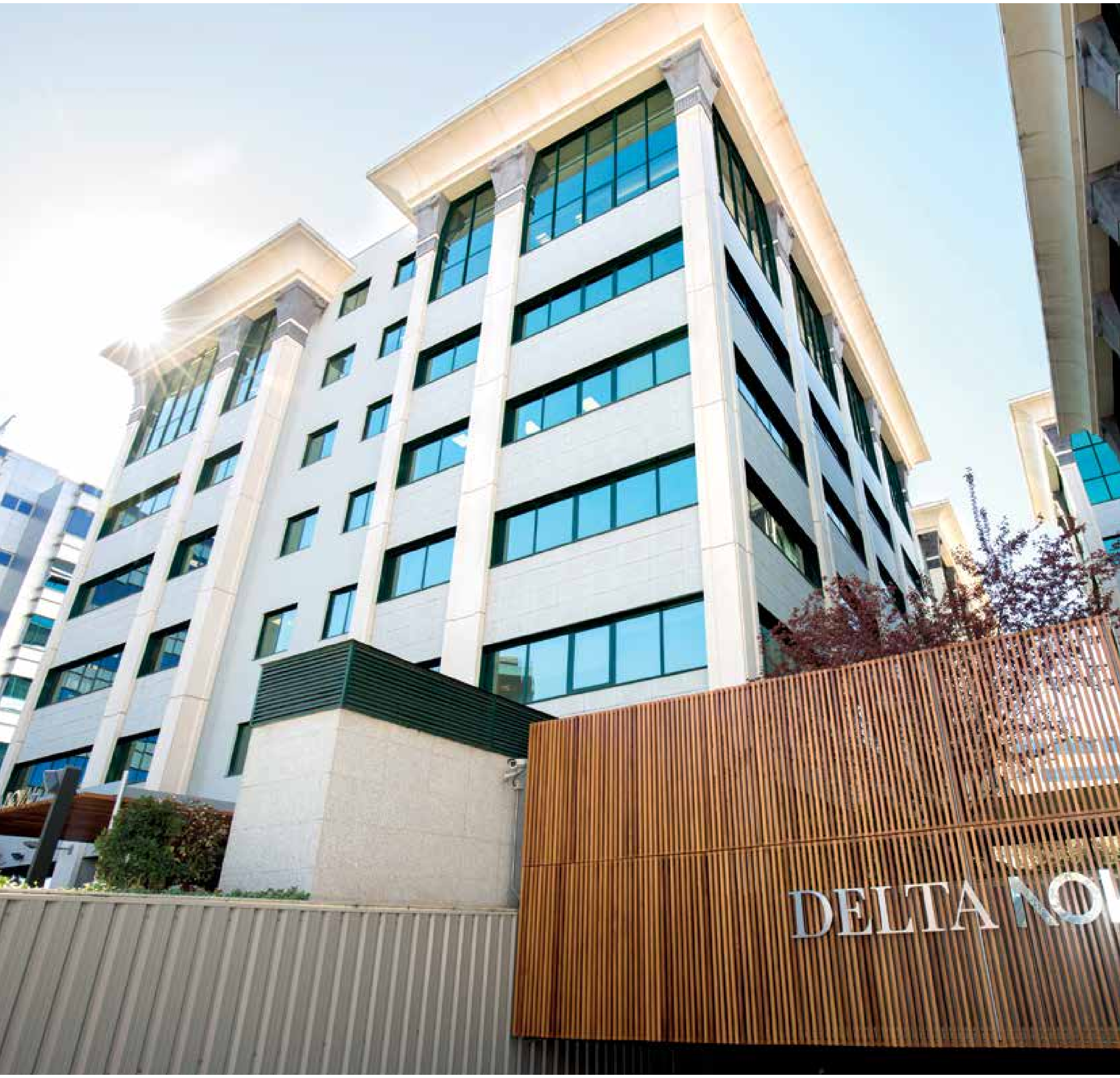
The five storey building with three independent wings and entrances was fully refurbished with a modern office fit-out in 2011. In 2016, Concor Park became the first redevelopment project in Germany to be awarded the prestigious Green Building Gold Certificate by the German Sustainable Building Council.

The property operates as a multi-tenanted office property with a central canteen and coffee bar.





PORTFOLIO OVERVIEW



31 DECEMBER 2020			
GROSS RENTAL INCOME FOR FY2020	PARKING SPACES	TOTAL LETTABLE AREA	OCCUPANCY RATE
€3.2m[1]	633	25,111 sqm	89.3%

DELTA NOVA IV AND DELTA NOVA VI

Delta Nova IV and Delta Nova VI are two office buildings forming an office complex located in the consolidated business office area of Manoteras, north of Madrid.

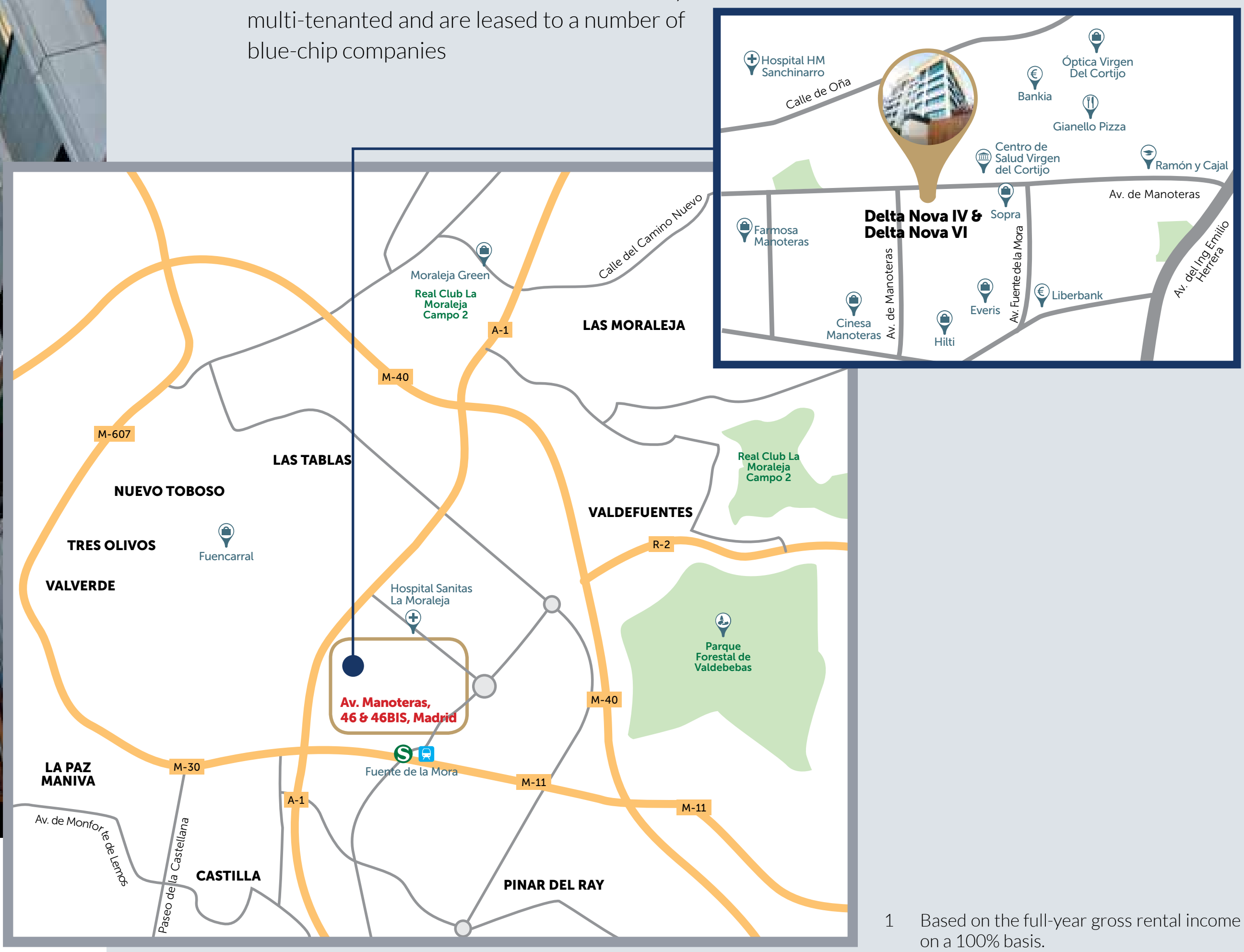
Built in 2005, the Delta Nova office complex has flexible and modular floor plates with high capacity and efficiency, benefitting from natural light.

Delta Nova IV comprises a ground floor, four upper floors and two basement parking levels with 249 parking spaces, while Delta Nova VI comprises a ground floor, six upper floors and two basement parking levels with 384 parking spaces.

In 2015, the two office buildings were awarded the Gold certification under the Leadership in Energy & Environmental Design ("LEED") rating system from the U.S. Green Building Council.

Located in between the M-30 ring road and the A1 motorway as well as in close proximity to several bus stops, train and metro stations, the Delta Nova office complex is easily accessible by both private and public transportation systems. The closest metro station is within a five-minute walk away from the two office buildings.

Delta Nova IV and Delta Nova VI are currently multi-tenanted and are leased to a number of blue-chip companies



1 Based on the full-year gross rental income on a 100% basis.

PORTFOLIO OVERVIEW

31 DECEMBER 2020			
GROSS RENTAL INCOME FOR FY2020	PARKING SPACES	TOTAL LETTABLE AREA	OCCUPANCY RATE
€1.9m[1]	310	20,922 sqm	90.2%

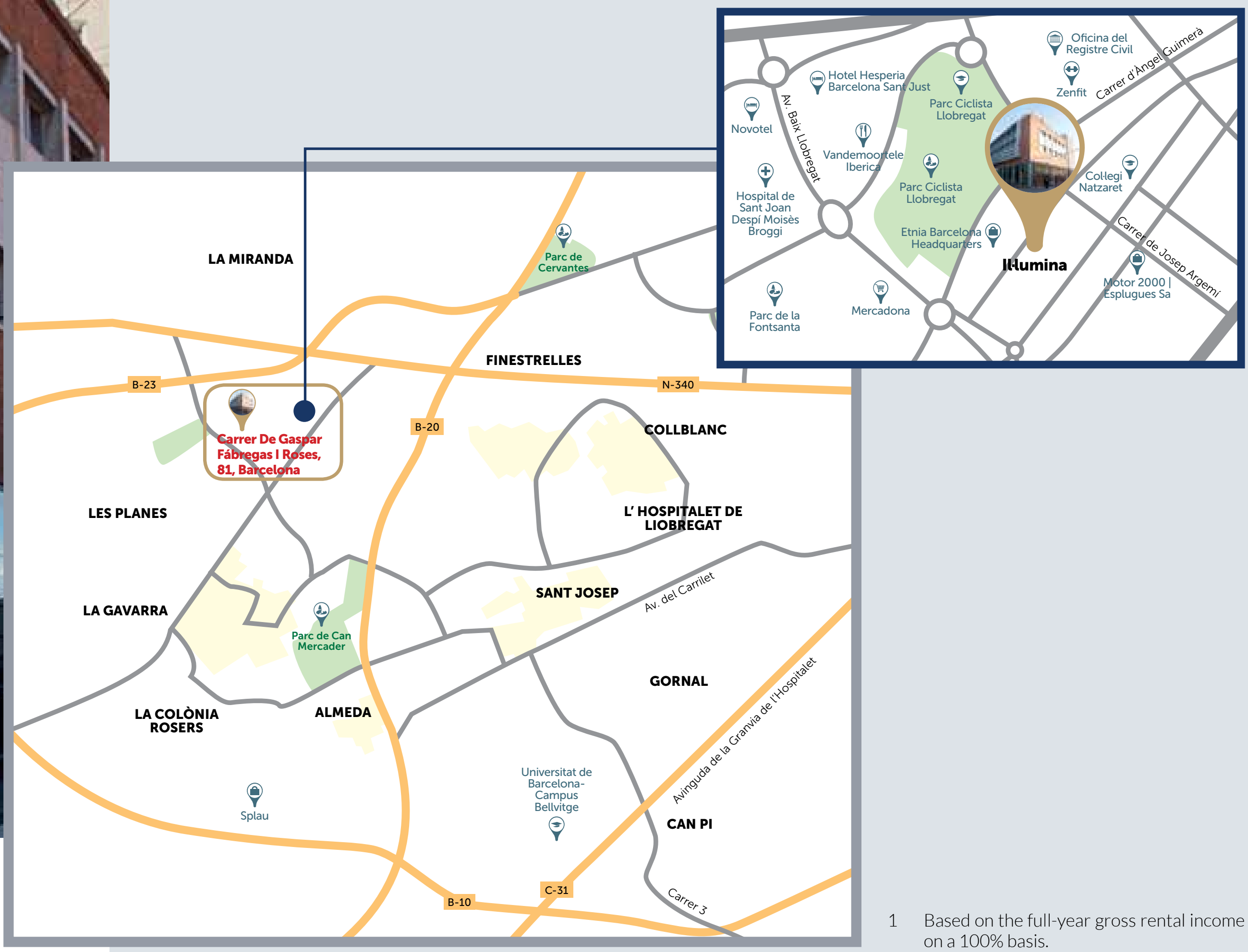
IL·LUMINA

Il·lumina is an office building located in Esplugues de Llobregata, a mixed use office and industrial area including a technology and audio-visual office cluster which is five kilometres away from the financial district of Barcelona.

Built over two basements, a lower ground floor, a ground floor and three upper floors, the property comprises 310 parking spaces (of which 87 are for motorbikes). Il·lumina was fully refurbished in 2004 and following further recent investment to provide for recent technologies, the property obtained the LEED Silver certification.

The property offers flexible office floors with ceilings from 2.7 metres up to four metres high and supplies a wide variety of services including meeting rooms, gym, changing rooms, a cafeteria and an auditorium. Il·lumina also has over 3,800 sqm of fully equipped TV studios.

Il·lumina is currently multi-tenanted and home to 12 tenants.



1 Based on the full-year gross rental income on a 100% basis.

PORTFOLIO OVERVIEW

31 DECEMBER 2020			
GROSS RENTAL INCOME FOR FY2020	PARKING SPACES	TOTAL LETTABLE AREA	OCCUPANCY RATE
€2.9m[1]	580	26,134 sqm	77.1%

SANT CUGAT GREEN

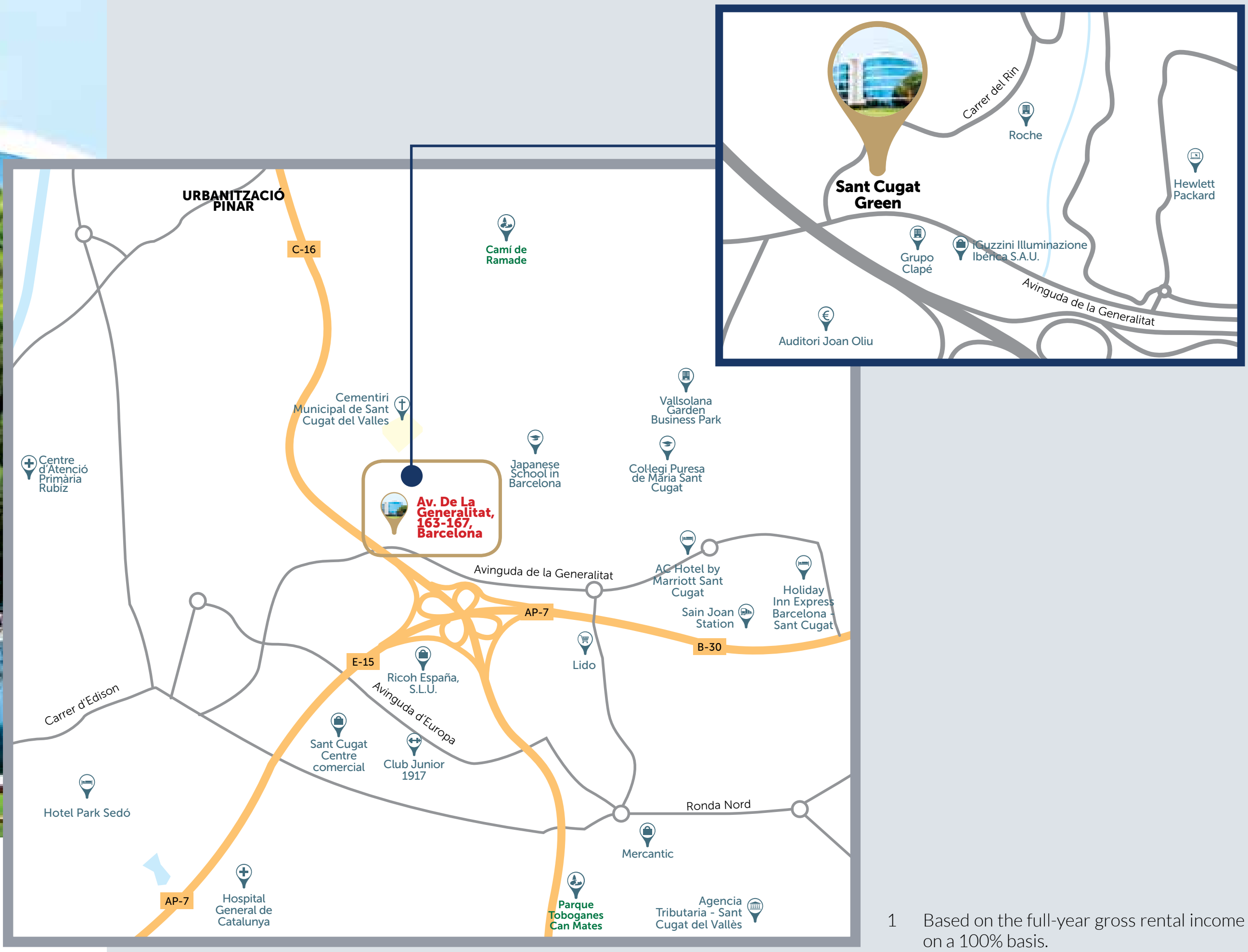
Sant Cugat Green is a modern office building in Barcelona with a 5,146 sqm data centre space and a restaurant for internal use by its tenants.

The property comprises three basement levels, a ground floor and four upper floors, and 580 parking spaces (of which 30 are for motorbikes).

The property has floor plates with more than 3,000 sqm situated around a central atrium and enjoys good natural light throughout the building. Sant Cugat Green is LEED Gold certified.

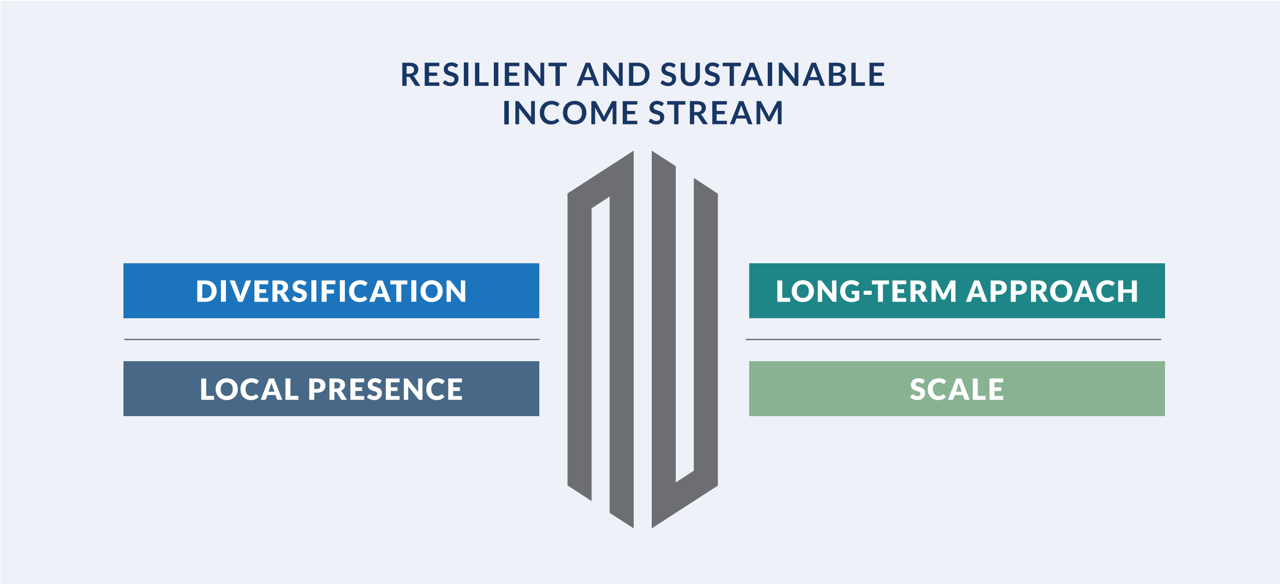
Sant Cugat is an attractive periphery office submarket within the metropolitan area of Barcelona. This has attracted a number of well-known companies to be situated in the area.

Originally built in 1993 as Deutsche Bank's Southern Europe headquarters, it then become the main local office for two important international companies, DXC Technology (spin-off from Hewlett-Packard) and Roche (Swiss multinational healthcare company).



1 Based on the full-year gross rental income on a 100% basis.

FOUR PILLARS OF GROWTH STRATEGY



In executing its growth strategy, the Manager remains guided by the four strategic pillars in order to provide Unitholders with a resilient and sustainable income stream. These four building blocks, namely seeking diversification, adopting a long-term approach, achieving scale and leveraging on the joint sponsors' local presence, are deeply entrenched in all the operational processes, strategic initiatives and business relationships of the Manager.

BUILDING TENANT RELATIONSHIPS AND BUSINESS NETWORK

Tenant and stakeholder relationships are key to the success and resilience of IREIT's portfolio performance. The Manager manages the portfolio leases proactively in order to maintain sustainable occupancy rates and high tenant retention, while reducing the tenant concentration risks. It also engages the tenants, business partners and other stakeholders regularly and forms lasting relationships with them, so as to strengthen IREIT's position as a landlord of choice for commercial real estate spaces in Europe. As a testament of its active leasing efforts, the Manager has managed to secure a 9-year future lease at Münster Campus, two major 5-year leases at Il·lumina and several lease extensions in IREIT's portfolio in 2020.

PROACTIVE ASSET MANAGEMENT AND PROPERTY ENHANCEMENT

To better position the properties for the long term, the Manager will continue to undertake various initiatives to upkeep the properties as they age. This will involve the incurrence of repair and maintenance costs, as well as the appropriate capital expenditure on an ongoing basis. In addition, the Manager will monitor the property managers closely to ensure high standards of services to ensure positive long-term performance of the properties. These measures are necessary towards maintaining sustainable long-term income to Unitholders.

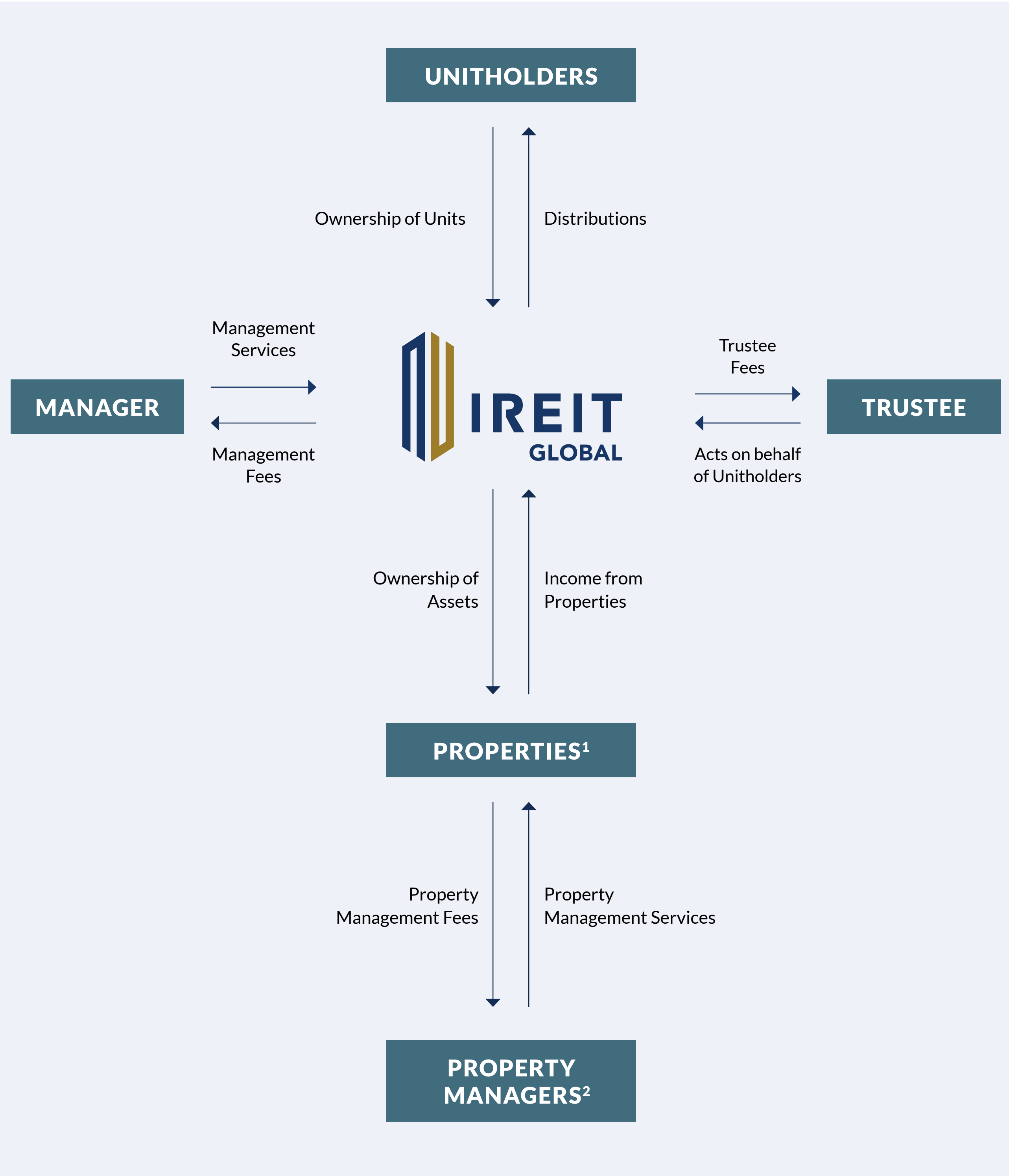
PRUDENT CAPITAL AND RISK MANAGEMENT

With a long-term view to maintain a stable and healthy credit profile, the Manager constantly looks ahead to anticipate the capital needs of IREIT, while keeping a close tab on the market interest rates. It also endeavours to optimise IREIT's capital structure and maintain sufficient financial flexibility to pursue future growth opportunities. In 2020, the repayment of €32.0 million term loan facility using part of the proceeds from the rights issue has significantly strengthened IREIT's balance sheet, positioning it well to seize any attractive investment opportunities. In addtion, the Manager manages the interest rate and foreign exchange exposure for IREIT by adopting strategic hedging policies to optimise risk-adjusted returns to Unitholders.

STRATEGIC ACQUISITIONS

When searching for new investment opportunities, the Manager will adopt a disciplined approach in sourcing for assets that will complement its existing portfolio as well as diversify its tenant base across various asset classes and geographical locations. The Manager looks beyond the short-term returns and focus on positive trends and quality of the assets from a long-term perspective. In October 2020, IREIT completed the acquisition of the remaining 60% interest of the portfolio of four office properties in Spain, in which it already has a 40% interest since December 2019. This acquisition has further added scale and diversification to IREIT's portfolio, effectively reducing the reliance on a few key existing tenants.

TRUST STRUCTURE



Notes
(1) The German Properties are held through property holding companies in the Netherlands, while the Spanish Properties are held through a property holding company in Spain.
(2) Professional third party property managers have been appointed pursuant to the property management agreements entered into between the relevant property holding company and the property manager.

Keeping sustainability in mind, we work closely with our tenants, business partners, investors and other stakeholders to nurture and build lasting relationships with them so as to deliver stable and predictable distributions to Unitholders. The substantial increase in IREIT's stake by our joint sponsors, Tikehau Capital and CDL, to above 50% in April 2020 reflects their long-term positive view on IREIT and resonates strongly with the interests of other Unitholders.

We also welcome AT Investments Limited as a strategic investor to collaborate with the joint sponsors as they work towards bringing IREIT to the next level of growth.

DISTRIBUTABLE INCOME €27.4m

DELIVERING SUSTAINABLE RETURNS TO UNITHOLDERS

ADOPTING A LONG-TERM APPROACH


30
ZONE

SUSTAINABILITY REPORT

BOARD STATEMENT

It is our pleasure to publish IREIT Global's ("IREIT") Sustainability Report for the financial year ended 31 December 2020 ("FY2020").

The COVID-19 pandemic has brought massive disruptions to business, mobility and everyday life but it has also resulted in significant reductions in carbon emission and global oil demand. This has simultaneously drawn increased attention to climate policy and economic resilience as global economies are increasingly dedicating billions of dollars of their recovery funds to energy transition from fossil fuels to renewables. The real estate sector has already identified a clear role for itself in this transition towards a more sustainable and inclusive economy, and the pandemic has placed greater emphasis on this role. The United Nations Sustainable Development Goals now serve as the global blueprint for sustainability and with the emergence of global mega-trends such as the aforementioned and ever-evolving regulatory framework that targets governance and anti-corruption issues, real estate investors increasingly consider environmental, social and governance ("ESG") considerations in their investment decisions.

Given these circumstances, ESG risks and opportunities receive significant attention and the Board of Directors (the "Board") considers the sustainability issues as part of its strategic formulation, determines the material ESG factors and oversees the management and monitoring of the material ESG factors. This approach is supported by the Sustainability Steering Committee ("SSC") that is composed of senior management from the Manager as well as management-level representatives from Tikehau Capital, one of the two joint sponsors of IREIT. In addition to the SSC, IREIT benefits from the experience and expertise of the other joint sponsor, City Developments Limited ("CDL"), and its property manager MVGM, positioning it well to take advantage of the robust ecosystem that will allow it to accelerate its sustainability journey in 2021.

IREIT's sustainability report is guided by the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Rules 711A and 711B and is prepared with reference to the internationally recognised Global Reporting Initiative ("GRI") Standards (2016).

In 2019, we have defined a sustainability roadmap with the aim of enhancing the integration of ESG criteria across the German Properties. This roadmap is progressively being extended to IREIT's Spanish Properties and the preliminary results on the implementation have been satisfactory:

Objective	Implementation Status
Objective 1: IREIT ESG monitoring questionnaire to cover 100% of the German and Spanish assets annually	The ESG monitoring questionnaire has been successfully deployed and completed on a best effort basis for 100% of the assets
Objective 2: To formalise ESG engagement with the property managers on a bi-annual basis	The Manager has been engaging the property managers on a regular basis
Objective 3: To formalise ESG engagement with tenants on a periodic basis where possible	All major tenants in the German Properties have been approached to participate in the annual ESG monitoring exercise
Objective 4: To introduce a green clause in IREIT standard lease agreement for new tenants	A standard ESG clause has been defined and included in two new tenant agreements in 2020
Objective 5: Green building expert to conduct a property assessment for 100% of the German assets in 2020	The Manager has selected a green building expert to conduct the relevant assessments of all German assets

In December 2020, the Manager, through its joint sponsor, Tikehau Capital, has also sought a leading environmental expert to conduct a carbon footprint and physical risks assessment on IREIT's office properties in Germany and Spain. This marks a positive step forward towards understanding IREIT's portfolio exposure to climate change impacts (physical events) as well as measuring carbon emissions which need to be monitored and mitigated where possible.

ABOUT THIS REPORT

[GRI 102-46, GRI 102-50, GRI 102-54]

This report covers the ESG policies, practices, performances and targets of IREIT and the Manager from 1 January to 31 December 2020. Pursuant to the terms of our lease agreements, several aspects of the operations at the property level are managed by several of our tenants. These include energy consumption, water usage, as well as waste disposal and recycling. While not directly involved in managing these operational aspects, as a responsible property owner, IREIT takes an active approach towards engaging tenants on the sustainability of the properties.

This report is guided by the SGX-ST Listing Rules 711A and 711B and prepared with reference to the GRI Standards (2016). The GRI Index and the relevant references are presented on pages 74 and 75.

No external assurances have been sought for this report, but may be considered for future reporting periods.

FEEDBACK

[GRI 102-53]

The Manager seeks to enhance the transparency of its report, and welcomes suggestions for improvements.

For feedback or specific enquiries on the sustainability report, please kindly contact us at ir@ireitglobal.com for further clarification.

MANAGING SUSTAINABILITY

SUSTAINABILITY GOVERNANCE

[GRI 102-20] [GRI 102-32]

The Board oversees the sustainability strategy and performance, and approves the sustainability report. The Board is supported by the SSC, comprising senior management from the Manager and management-level representatives from Tikehau Capital. The SSC drives IREIT's sustainability agenda and makes key decisions relating to ESG issues, in order to ensure that desired business outcomes are met. The Sustainability Working Committee ("SWC"), comprising representatives from the various business units, implements the sustainability initiatives within IREIT and the Manager.

STAKEHOLDER ENGAGEMENT

[GRI 102-40] [GRI 102-43]

The Manager considers the concerns of IREIT's key stakeholders when making business decisions. The following table lists IREIT's key stakeholders and how they have been engaged. These stakeholders have been identified as key stakeholders due to their significant influence on IREIT's business performance and IREIT's significant dependence on them. The Manager strives to continue meaningful dialogue with IREIT's key stakeholders, enhancing transparency and accountability in the process.

Key Stakeholders	Engagement Methods
Tikehau Capital and CDL	• Financial results reporting • Meetings and discussions with various departments including the real estate, investor relations and corporate communication teams • Briefings on corporate developments
Unitholders	• Release of financial results, announcements, press releases, presentation slides and other relevant disclosures through SGXNET and IREIT's website • Email alert subscriptions via IREIT's website • Annual General Meeting • Extraordinary General Meeting, where necessary • Post-results meetings with senior management • Updates through non-deal roadshows, one-on-one and group meetings, and investor conferences
Tenants	• Periodic site visits, face-to-face meetings and telephone calls with existing and prospective tenants • Routine notices and email updates
Property Managers and Advisors	• Ongoing dialogue regarding asset strategies execution and day-to-day property management functions (including leasing, marketing, promotion, operations and missions with third-party consultants) • Compliance with the terms of the property management agreement
Employees	• Ongoing dialogue regarding any concerns • Annual performance reviews
Regulators	• Participation in briefings and consultation with regulators such as SGX-ST and Monetary Authority of Singapore ("MAS") • Compliance with regulatory requirements
Local Communities	• Partnership with local organisations to engage underprivileged or disadvantaged kids, students and young entrepreneurs

MATERIALITY ASSESSMENT

[GRI 102-47]

The SSC identifies the factors material to IREIT and the Manager. Global and industry sustainability trends, guidance from sustainability bodies, sustainability reporting requirements, as well as insights gained from engagement with key stakeholders have been considered in the assessment. As a result of the assessment, the SSC has identified six factors that are material to IREIT and the Manager, as described in the table below.

Category	No.	Material Factors	Description
Economic	1	Active Ownership	• Integration of due diligence and ESG considerations into investment decisions
Social	2	Occupational Health and Safety	• Promotion of employee health through measures facilitating the prevention of pandemic-related illness
	3	Training and Education	• Provision of professional training and assistance to enrich staff
	4	Diversity and Equal Opportunity	• Treatment of all employees and potential employees based on merit, regardless of backgrounds, nationalities, gender and age
	5	Talent Retention	• Provision of benefits to retain performing staff
Governance	6	Regulatory Compliance, including: • Anti-corruption • Socioeconomic Compliance	• Socioeconomic compliance • Compliance with various laws and regulations • Anti-corruption • Policies used to prevent and identify corrupt or fraudulent behaviour, such as whistle-blowing, bribery and other related policies

ECONOMIC

ACTIVE OWNERSHIP
[GRI 102-15]

As a signatory of the United Nations Responsible Investment Principles ("UNPRI") since 2014, Tikehau Capital integrates ESG criteria at every stage of its investment cycle. As a subsidiary unit of Tikehau Capital, the Manager has independently reviewed Tikehau Capital's processes and identified processes that are applicable at IREIT level. In February 2019, IREIT Board adopted a Responsible Investment Charter, stating that IREIT will integrate ESG criteria at every stage of the real estate investment cycle:

- At the stage of analysing investments, the team will perform a detailed review of each potential investment, which includes a range of ESG factors. Such analysis is being formalised by way of the implementation of a proprietary ESG analysis grid based on the global ESG benchmark for real assets ("GRESB").
- During the investment period, the team will monitor key ESG KPIs for real estate assets on an annual basis. Towards the end of each calendar year, the ESG monitoring questionnaire will be circulated to the property managers of IREIT's portfolio properties for completion and a meeting is held thereafter to review and discuss on the completed questionnaire. Where possible, the asset manager and team engages the property managers, ESG/CSR manager and/or tenants in the review process.

The Manager believes that the quality of IREIT's investment decisions and investment management are key to sustaining IREIT's stable performance. Regular engagement with tenants, technical and financial due diligence teams and other professional advisors provides insights into IREIT's investment and monitoring decisions at both the property and portfolio levels. Where possible, IREIT seeks to monitor the environmental impact of its real estate assets and to consider areas for improvement progressively.

In 2016, Concor Park became the first redevelopment project in Germany to be awarded the prestigious Green Building Gold Certificate by the German Sustainable Building Council.

All the Spanish Properties are certified under the LEED (Leadership in Energy and Environmental Design) rating system, which is an internationally recognised green building certification by the US Green Building Council.

- Delta Nova IV and Delta Nova VI: Gold certified
- Il·lumina: Silver certified
- Sant Cugat Green: Gold certified

FY2020 ESG MONITORING RESULTS

Engaging our property managers: During FY2020, the Manager has proactively engaged its property manager MVGM to promote sustainable development and to collect buildings' consumption data (e.g. electricity, water and waste) across IREIT's German Properties.

Engaging our tenants: 100% of IREIT's tenants for the German Properties have committed to collaborate in sustainability initiatives. Deutsche Telekom, currently representing approximately 40% of IREIT's gross rental income via GMG Generalmietgesellschaft mbH ("GMG"), is committed to its ESG practice to reduce heat, hot water and electricity consumption. Starting from 2020, every new tenant lease agreement now includes an ESG clause, aiming at reinforcing IREIT's ESG engagement strategy.

Green certification: More than one third of IREIT's FY2020 rental income is derived from certified buildings.

SOCIAL

OCCUPATIONAL HEALTH & SAFETY

[GRI 403-6]

The health and safety of everyone who works at or with IREIT is of paramount importance, and with the onset of the COVID-19 pandemic, numerous measures have been implemented to protect occupational health and safety of these personnel at all times. The Manager is making every effort to tackle the pandemic in an appropriate and responsive way. From the first signs of a risk of pandemic, strict measures were implemented at IREIT's office premises in Singapore. This includes the implementation of work-from-home arrangements, restrictions of business travel, increased sanitation efforts, temperature testing and contact tracing which is in line with the Singapore government's COVID-19 guidelines at workplaces. As a result of these measures, IREIT's business continuity has been well preserved despite the outbreak of the virus.

As part of its business continuity plan, the Manager, with the support of Tikehau Capital, has also taken several initiatives to minimise the disruption to its day-to-day activities and to ensure that its operating systems continue to work safely as the pandemic evolves. This has helped the Manager to prepare its organisation, ensure business continuity under the best conditions, as well as handle the COVID-19 situation well:

- a supervisory committee was set up and tasked with monitoring all developments linked to the pandemic. It meets as often as necessary and adapts the prevention, organisation and (internal or external) communication measures as the situation changes;

- the IT and Compliance teams ensured, prior to the lockdown measures, that the business continuity plans were fully operational and that remote working could be fully deployed for every employee if necessary; and

- the Manager monitors the government directives and constantly works to improve its operational capacity to reassure the employees and keep their morale high. Advice and prompt assistance are also given to employees whenever they are needed. As prevention is key, efforts are made in every possible way to fight this pandemic in an organised and effective manner.

TRAINING AND EDUCATION

[GRI 404-2]

FY2020 Highlights

Staff learning and development equip employees with relevant skills to continue delivering high quality work in current fast-changing environment. In FY2020, each employee received an average of 18.2 training hours, albeit lower than the training hours achieved in 2019 due mainly to restrictions implemented in order to limit the spread of COVID-19.

During the year, the Manager added resources to its online learning management system. The current training programme includes courses on Anti-Money Laundering, Cybersecurity and an introduction to ESG. Further, employees are encouraged to attend external training courses which are relevant to their work and improve their functional and core competencies (e.g. certified skills training programmes, industry seminars and conferences by various organisations).

All employees are eligible for training on topics such as technical upgrades, certifications, acquisition of new knowledge when taking on a new position or as part of an internal promotion, enhancement of managerial skills, reinforcement of sustainability initiatives, language learning, etc. In addition, throughout the year, employees receive, at their request, training related to the handling of new information technology ("IT") tools and software, in order to (i) maintain state-of-the-art command of the technology tools and (ii) ensure best practice from a legal and regulatory perspective.

Apart from the above-mentioned courses, employees also attend trainings conducted by service providers such as real estate management software provider YARDI, associations including Institute of Singapore Chartered Accountants ("ISCA"), REIT Association of Singapore ("REITAS"), professional accounting firms, and other opportunities from banks and the SGX Academy from time to time. The Directors also receive training opportunities such as those organised by the Singapore Institute of Directors.

One such example was the Online Rules & Ethics Course organised by REITAS, following the COVID-19 outbreak which the employees enrolled in 2020 to refresh their understanding on the regulations on Singapore Real Estate Investment Trusts ("S-REITS"), conflicts management, capital fund raising, code of conduct, continuous listing obligations and anti-money laundering.

As an important aspect of the professional development, year-end appraisals are conducted to ensure IREIT and the Manager's goals and objectives are clearly cascaded down to the employees. During the performance evaluations, employees are encouraged to provide feedbacks, training plans and suggestions to their supervisor.

A training budget has been set aside for the coming year to continue supporting the learning and development needs of the Manager's employees.

Type	Example
Programmes for upgrading employee skills	• Anti-Money Laundering • Cybersecurity • Environment, Social and Governance • Personal Data Protection Act (Singapore) and General Data Protection Regulation ("GDPR")

DIVERSITY AND EQUAL OPPORTUNITY

[GRI 102-8] [GRI 405-1]

A diverse workforce enables the sharing of different perspectives and insights, which can be invaluable in enhancing decision-making processes. The Manager employs staff based on their competencies and capabilities, regardless of their backgrounds, nationalities, gender and age.

The Manager has developed human resource strategies and policies that are premised upon equal opportunities and fair employment practices. The employee handbook contains a human resource manual which includes policies on equal employment opportunities.

Except in the case of a bona fide occupational qualification or need, the Manager provides equal opportunity to all employees and applicants without regard to race, colour, ancestry, gender, sexual orientation, disability, age, religion, marital status, national origin, or any other characteristic protested by applicable law and maintains fair, objective and consistent policies for all aspects and all terms and conditions of employment.

IREIT workforce is well balanced between female (60% of employees) and male employees (40%) within the Manager's employee headcount. The Manager strives to foster an inclusive workplace that is free from discrimination. In the future, the Manager will continue to hire based on merit and promote diversity.

The composition of the Board is also reviewed periodically to ensure that the board size is appropriate and comprises Directors with an appropriate mix of expertise, skills, experience and diversity to discharge their duties and responsibilities. In 2019, the Board established a board diversity policy which sets out the objectives and progress for promoting diversity on the Board. In addition, the Board reviews periodically and at least annually the independence of its Directors based on guidelines set out under the Code of Corporate Governance 2018 and Securities and Futures (Licensing and Conduct of Business Regulation).

The Manager is also convinced that giving back to local communities and participating actively in volunteering work will contribute to enhancing the diversity and equal opportunities to the society.

PHILANTROPIC INITIATIVES & PROMOTION OF COMMUNITY SERVICES

Solidarity days for young people

In 2018 and 2019, Tikehau Capital's employees participated in several events held in Paris, London, Madrid and Singapore. The Manager supported a few events at the Pathlight School, the first school focused on high-functioning children with autism in Singapore. In 2020, due to COVID-19 restrictions in Singapore, the Manager paused its physical events at the school and is currently seeking options to support the school remotely.

TALENT RETENTION

[GRI 401-1]

Human resource is one of the most important assets to IREIT and the Manager. The Manager values individuals with the right competencies, experience, qualifications and mind-set.

Various talent management initiatives are in place to ensure the satisfaction level of employees. Through the following procedures and policies, employee morale and career satisfaction are well maintained and monitored:

- **Feedback sessions**:
  The Manager has a performance appraisal process which focuses on employee recognition, reward for good performance and providing appropriate suggestions for improvement on a continuous and ongoing basis. In line with this objective, performance is formally evaluated in writing once a year by the employee's supervisors. This formalised evaluation session provides both the employee and supervisor with an opportunity to discuss the overall performance and to establish goals for improvement and further development. The objective is to enhance the employee's performance while establishing good communication channels between the employee and the supervisor.

- **Employee health and well-being programmes**:
  The Manager offers employees a slew of medical service offerings such as a panel of general practitioners and Traditional Chinese Medicine, dental and optical services via its group medical services plan. During the year, the insurance and healthcare benefits were upgraded to provide better coverage for the employees and/or their spouses and children.

To ensure that employees receive adequate coaching and development throughout their careers, the Manager will continue to ensure that the performance appraisal process is comprehensively carried out for all employees.

GOVERNANCE

REGULATORY COMPLIANCE

[GRI 419-1] [GRI 307-1] [GRI 205-1]

FY2020 Highlights

Number of Fines or Sanctions for Non-compliance in 2020		Target
Anti-Corruption	0	Zero incident of non-compliance with laws and regulations resulting in fines or legal action.
Socioeconomic Compliance	0	Zero incident of non-compliance with laws and regulations resulting in fines or legal action.

Any non-compliance and corruption cases within the organisation will cause damage to IREIT's reputation and stakeholders' trust. All employees of the Manager are required to make annual declarations that they do not engage in any unethical or corrupt practices.

The Manager strives to act in the best interests of IREIT and the Unitholders. The Manager ensures the compliance with applicable laws and regulations, such as those set out in the listing manual of SGX-ST, the Code on Collective Investment Schemes (the "CIS Code") and the Capital Markets Services Licence for REIT management issued by the MAS, and the Securities and Futures Act, Chapter 289 of Singapore ("SFA").

The Manager has also implemented the Code of Conduct and Ethics to guide employees in relation to issues such as fraud, bribery, segregation of duties and insider trading. In the event of any identified incidence of non-compliance, the management will assess the legal and regulatory impacts and suggest remedial plans. A whistle-blowing policy is established to communicate the responsibility of every employee, Director and officer to report any activity or suspected activity which might be prohibited by the Code of Conduct and Ethics, or which might otherwise be considered sensitive in preserving the corporate reputation.

The Manager has various internal policies and procedures to ensure regulatory compliance:

- Whistle-blowing policy
- Code of Conduct and Ethics
- Anti-Money Laundering and Anti-Terrorist Financing Policy
- Investor Relations Policy
- Ongoing Regulatory Obligations and Reporting License Conditions
- Business Continuity Management

The following processes are in place to monitor the implementation of policies:

- Update information when necessary
- Review accuracy of information on corporate website
- Review accuracy of all marketing materials before publication
- Conflict of interest declaration
- Fit and proper declaration
- Recording of all financial transactions according to financial and internal control policies and procedures
- Timely investigation and execution of preventive and corrective actions upon reported incidents by employees, tenants, consultants, vendors and other parties whom IREIT has a business relationship with

The Manager raises the awareness of regulatory compliance through educating its employees, such as those trainings related to Anti-Money Laundering and Cybersecurity. If there are related applicable regulatory updates, Directors and relevant employees will be notified by emails or meetings on a timely basis.

For prospective tenants of IREIT, Anti-Money Laundering risks are monitored during the Customer Due Diligence ("CDD") process, which is part of the policies and procedures.

SUSTAINABILITY REPORT

GRI INDEX

This report is prepared with reference to the GRI Standards (2016). The GRI Index below sets out where we have drawn reference to the GRI principles and criteria against our disclosures in this report and other sections of the Annual Report.

GRI STANDARDS (2016)

General Disclosures		Notes/Page number(s)
Organisational Profile		
102-1	Name of the organisation	IREIT Global ("IREIT")
102-2	Activities, brands, products, and services	Annual Report, page 3 Portfolio Overview, page 44
102-3	Location of headquarter	Annual Report, page 3 Portfolio Overview, page 44
102-4	Location of operations	Annual Report, page 3 Portfolio Summary, page 38
102-5	Ownership and legal form	Annual Report, Structure of IREIT, page 61
102-6	Markets served	Annual Report, page 3 Portfolio Summary, page 38
102-7	Scale of the organisation	Annual Report, page 3 Portfolio Summary, page 38
102-8	Information on employees and other workers	Talent Retention, page 72
102-9	Supply chain	Not Applicable
102-10	Significant changes to organisation and its supply chain	Not Applicable
102-11	Precautionary principle or approach	Not Applicable
102-12	External initiatives	Not Applicable
102-13	Membership of associations	Not Applicable
Strategy		
102-14	Statement from senior decision-maker	Board Statement, page 64
Ethics and Integrity		
102-16	Values, principles, standards, and norms of behaviour	About IREIT Global, page 3
Governance		
102-18	Governance structure	About IREIT Global, page 3
Stakeholder Engagement		
102-40	List of stakeholder groups	Managing Sustainability, Stakeholder Engagement, page 66
102-41	Collective bargaining agreements	Not Applicable
102-42	Identifying and selecting stakeholders	Managing Sustainability, Stakeholder Engagement, page 66
102-43	Approach to stakeholder engagement	Managing Sustainability, Stakeholder Engagement, page 66
102-44	Key topics and concerns raised	Managing Sustainability, Stakeholder Engagement, page 66
Reporting Practice		
102-45	Entities included in the consolidated financial statements	Investment in Subsidiaries, page 132
102-46	Defining report content and topic Boundaries	About this Report, Reporting Scope, page 65
102-47	List of material topics	Stakeholder engagement, Materiality Assessment, page 67

General Disclosures		Notes/Page number(s)
Reporting Practice		
102-48	Restatements of information	Not Applicable
102-49	Changes in reporting	Not Applicable
102-50	Reporting period	1 January 2020 – 31 December 2020
102-51	Date of most recent report	Not Applicable
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	About this Report, page 65
102-54	Claims of reporting in accordance with GRI Standards	About this Report, Reporting Standard, page 65
102-55	GRI content index	GRI Index, page 74
102-56	External assurance	IREIT has not sought external assurance for this reporting period and may consider it for future periods.
Management Approach		
103-1	Explanation of the material topic and its boundary	Materiality Assessment, page 67 Material Topics, page 75
103-2	The management approach and its components	Materiality Assessment, page 67 Material Topics, page 75
103-3	Evaluation of the management approach	Materiality Assessment, page 67 Material Topics, page 75

Material Topics		Notes/Page number(s)
Active Ownership		
PRI	Integrating ESG criteria into investment decisions	Economic, Active Ownership, page 68
Anti-Corruption		
205-3	Confirmed incidents of corruption and actions taken	Governance, Regulatory Compliance, page 73
Environmental Compliance		
307-1	Non-compliance with environmental laws and regulations	Governance, Regulatory Compliance, page 73
Employment		
401-1	New employee hires and employee turnover	Social, Talent Retention, page 72
Occupational Health and Safety		
403-6	Promotion of worker health	Social, Occupational Health and Safety, page 69
Socioeconomic Compliance		
419-1	Non-Compliance with various laws and regulations in social and economic area	Governance, Regulatory Compliance, page 73
Training and Education		
404-2	Programs for upgrading employee skills and transition assistance programs	Social, Training and Education, page 70
Diversity and Equal Opportunity		
405-1	Employing a diverse group of individuals. Diversity is based on gender, age, background and nationality. Treating all employees and potential employees the same and based on merit.	Social, Diversity and Equal Opportunity, page 71

CORPORATE GOVERNANCE REPORT

IREIT Global ("IREIT") is a trust constituted by a deed of trust (as amended, the "Trust Deed") entered into between IREIT Global Group Pte. Ltd., as manager of IREIT (the "Manager"), and DBS Trustee Limited, as trustee of IREIT (the "Trustee").

It is the duty and responsibility of the Manager to uphold high standards of corporate governance. The Manager believes that it has good corporate governance in place as there is proper oversight, good communication, a focus on risks and a commitment to transparency.

The Board of Directors of the Manager (each, a "Director" or collectively, the "Directors" or the "Board") has ensured that the Manager has implemented corporate governance policies and industry best practices to protect IREIT's assets and the interests of the unitholders of IREIT (the "Unitholders") while enhancing and delivering value to its Unitholders. The Manager is committed to uphold and adhere to the principles and provisions of the Code of Corporate Governance 2018 (the "Code") in accordance with Rule 710 of the Listing Manual of Singapore Exchange Securities Trading Limited (the "SGX-ST", and the Listing Manual of the SGX-ST, the "Listing Manual"). The Manager also ensures that all applicable requirements, laws and regulations are duly complied with. They include, but are not limited to, the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), the Securities and Futures (Licensing and Conduct of Business) Regulations (the "SF(LCB)R"), the Listing Manual, the Code on Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore (the "MAS"), including Appendix 6 to the CIS Code (the "Property Funds Appendix"), and the Trust Deed.

The Manager is responsible for managing IREIT's investments and liabilities as well as carrying out strategic expansion plans for the benefit of Unitholders. The Manager's investment strategy is detailed and defined on page 60. The property manager's performance is also under the care of the Manager to ensure that it meets the objectives pursuant to the property management agreement. The Manager has been issued a capital market services licence (the "CMS Licence") by the MAS on 1 August 2014 to carry out REIT management under the SFA. Under its CMS Licence, the Manager appoints certain of its officers, employees and contractors as its representatives to conduct the same regulated activities on its behalf.

This report is focused on providing insights on the Manager's corporate governance framework and practices in compliance with the Code. All principles of the Code are duly complied with, while any deviations from the provisions of the Code are explained.

BOARD MATTERS

The Board's Conduct of Affairs

Principle 1: The Manager is headed by an effective Board which is collectively responsible and works with Management for the long-term success of IREIT

The Board is collectively responsible for the long-term success of IREIT. The Board works with management of the Manager (the "Management") which remains accountable to the Board for the achievement of this objective.

The Board is responsible for the overall corporate governance of the Manager, to lead and to supervise the management of the business and affairs of the Manager. The prime stewardship responsibility of the Board is to ensure that IREIT is managed in the best interests of all stakeholders, which include protecting IREIT's assets and Unitholders' interests and enhancing the long-term value of Unitholders' investment in IREIT.

The functions of the Board are defined broadly as follows:

- to guide the corporate strategy and directions of the Manager;
- to ensure that senior management discharges business leadership and demonstrates the highest quality of management skills with integrity and enterprise; and
- to oversee the proper conduct of the Manager.

CORPORATE GOVERNANCE REPORT

The Board has put in place a Code of Conduct and Ethics which includes policies and internal controls on conflicts of interests for the Manager and sets the appropriate tone from the top-down. The Board is committed to building an open, inclusive and collaborative culture by fostering open communication throughout all levels of employees and treating any issues encountered by them seriously. The Manager has adopted a framework of delegated authorisations which sets out the level of authorisation and their respective approval limits for all business activities which include, but are not limited to, acquisitions, divestments, leasing, operating and capital expenditures. Activities and matters that are specifically reserved for the Board's decision and approval include but are not limited to:

- financial restructuring;
- bank borrowing;
- acquisitions and disposals;
- capital expenditure and annual budget;
- financial performance of IREIT and approval of the release of financial results;
- audited financial statements;
- issue of new units;
- income distributions and other returns to Unitholders; and
- matters which involve a conflict of interest.

In the discharge of its functions, the Board is supported by the Audit and Risk Committee (the "ARC") and Nominating and Remuneration Committee (the "NRC") which operate under delegated authority from the Board. However, the Board retains overall responsibility for any decisions made by the ARC and NRC. The ARC was established to assist the Board in its oversight of IREIT and the Manager's governance in relation to financial, risk, audit and compliance matters. The scope of authority and responsibilities of the ARC are defined in its terms of reference (see disclosure in Principle 10).

The NRC was established to assist the Board in, inter alia, matters relating to the appointment and re-appointment of Directors, succession plans for Directors and the Chief Executive Officer (the "CEO"), training and professional development programs for the Board and senior management, process for evaluation of the performance of the Board and its board committees, process of determining the independence of Directors, and remuneration for Directors and key management personnel of the Manager. The scope of authority and responsibilities of the NRC are defined in its terms of reference (see disclosure in Principles 4, 5, 6, 7 and 8).

The Board meets at least once every quarter and as and when its involvement is required, as deemed appropriate and necessary by the Board. The meetings are to review the key activities and business strategies of IREIT, including acquisitions and divestments, funding and hedging activities, approval of the annual budget and review of the performance of IREIT. Additionally, the Board will review IREIT's key financial risk areas and the outcome will be disclosed in the annual report or, where the findings are material, immediately announced via SGXNET.

The Manager's constitution permits Board meetings to be held by way of telephone conferences or any other means of similar communication equipment by which all persons participating in the meeting are able to hear and be heard by all other participants.

The number of meetings of the Manager's Board, the ARC, the NRC and the Annual General Meeting (the "AGM") held for the financial year ended 31 December 2020, as well as the attendance of each Director at the Board, the ARC, the NRC meetings, the AGM held on 18 June 2020 and the EGM held on 18 September 2020 are as follows:

		Board	ARC	NRC	AGM	EGM
No. of Meetings in the Financial Year Ended 31 December 2020		**8**	**4**	**2**	**1**	**1**
Director	**Membership**					
Mr Lim Kok Min, John (Appointed on 14 July 2014)	Chairman and Independent Non-Executive Director and member of the ARC and the NRC	8	4	2	1	1
Mr Tan Wee Peng, Kelvin[1] (Appointed on 14 July 2014)	Independent Non-Executive Director and Chairman of the ARC	8	4	N.A.	1	1
Mr Nir Ellenbogen (Appointed on 5 December 2013)	Independent Non-Executive Director and Chairman of the NRC	8	4	2	1	1
Mr Bruno de Pampelonne (Appointed on 11 November 2016)	Non-Executive Director and member of the NRC	7	N.A.	2	1	1
Mr Khoo Shao Hong, Frank (Appointed on 29 April 2019)	Non-Executive Director	7	N.A.	N.A.	1	1
Mr Sanjay Bakliwal (Appointed on 5 June 2020)	Non-Executive Director	6	N.A.	N.A.	1	1
Mr Tong Jinquan[2] (Appointed on 14 July 2014)	Non-Executive Director	0	N.A.	N.A.	0	0

N.A.: Not applicable as the Director is not a member of the ARC or NRC

1 Mr Tan Wee Peng, Kelvin retired as Independent Non-Executive Director and Chairman of ARC with effect from 28 February 2021 as part of the Manager's planned process of renewal of the independent Directors and Mr Chng Lay Chew was appointed as Chairman of ARC on 1 March 2021.

2 Mr Tong Jinquan resigned as Non-Executive Director on 8 April 2020.

To enable the Board to be able to properly discharge its duties and responsibilities, the Board is provided with regular updates on developments and changes in the operating environment, including revisions to accounting standards, and laws and regulations affecting IREIT and/or the Manager. The Board participates regularly in industry conferences, seminars and training programmes in connection with its duties.

Newly appointed Directors are given induction training and are provided with comprehensive information and the constitutional documents of IREIT and the Manager, the contact information of each Board member, Management and the company secretary. The training covers business activities of IREIT, its strategic directions and policies, the regulatory environment in which IREIT and the Manager operate, and the Manager's corporate governance practices, and statutory and other duties and responsibilities as Directors. Where a Director has no prior experience as a director of a listed issuer of the SGX-ST, the Manager will ensure the first time Director attends the training as prescribed in the SGX Listing Rule 210(5)(a). During the period, Mr Sanjay Bakliwal attended and completed four core and two elective modules of the Listed Entity Director ("LED") programme, fulfilling the requirement for first-time appointees on boards of listed companies to be equipped with the skills and knowledge to execute their roles effectively. As a newly appointed Independent Non-Executive Director with effect from 1 January 2021, Mr Chng Lay Chew will also be attending the modules of the LED programme.

All Directors have access to IREIT's and the Manager's records and information.

The Board is provided with complete and adequate information on a timely basis so as to allow the Board to make informed decisions to discharge its duties and responsibilities. As a general rule, Board papers are sent out at least one week prior to the Board meetings to ensure that Directors have sufficient time to review them. However, sensitive matters may be tabled at the meeting itself, or discussed without papers being distributed.

At the quarterly Board meetings, Directors are provided with regular updates on developments and changes in the operating, business, operational and financial information to enable the Board to keep abreast of the performance and key developments. Explanatory background information relating to matters brought before the Board includes quarterly results performances, budgets, and copies of relevant disclosure documents related to the operational and financial performance, which enable the Board to be fully aware of the matters of IREIT and exercise effective oversight. Any material variance between budget projections and actual results are also disclosed and explained.

In addition, as and when any significant matter arises, these matters are brought promptly to the Board's attention and the Board is provided with the relevant information. Parties who can provide relevant information and insights on matters tabled at Board meetings will be in attendance to provide any further information and respond to any queries from Directors.

Board meetings for each year are scheduled in advance to facilitate the Directors' administrative arrangements and commitments. If a Director is unable to attend the Board meetings, the Director will review the Board papers and advise the Chairman, ARC Chairman or NRC Chairman of his views on the matters to be discussed or conveyed to other Directors at the meetings. Where appropriate, meetings are also held to brief Directors on prospective transactions and potential developments in the early stages before formal Board approval is sought. Management is also required to furnish any additional information requested by the Board in a timely manner for the Board to make informed decisions.

The Board has separate and independent access to Management and the company secretary, as well as the internal auditors (the "IA") and external auditors (the "EA") at all times. The company secretary or a representative of the company secretary attends to all corporate secretarial administration matters and attends all Board meetings. The company secretary is the corporate governance advisor on corporate matters to the Board and Management, and is responsible for ensuring that the Manager's constitution and applicable rules and regulations are complied with. The appointment and removal of the company secretary is a matter for the Board as a whole. The Board also has access to and can seek independent professional advice where appropriate and when requested at the Manager's expense, with consent from the Chairman.

Board Composition And Guidance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of IREIT

The Board is represented by members with a breadth of expertise in finance and accounting, real estate and business management.

The Board seeks to ensure that the composition of the Board provides an appropriate balance and diversity of skills, experience and knowledge of the industry and that the Directors, as a group, have the necessary core competencies relevant to the business of the Manager and IREIT. The Board recognises the benefits of having a diverse board. Diversity in the Board's composition not only contributes to the quality of its decision-making through diversity of perspectives in its boardroom deliberations, the varied backgrounds of the Directors also enable Management to benefit from their respective expertise and diverse backgrounds.

The Board is committed to diversity and currently has a composition that meets most of the diversity elements so as to foster constructive debate and avoid groupthink. The Board has established a board diversity policy which sets out the objectives and progress for promoting diversity on the Board and will continue to consider the differences in the skill sets, gender, age, ethnicity and educational background in determining the optimal composition of the Board. The composition will be reviewed periodically to ensure that the board size is appropriate and has the appropriate mix of skills, experience, gender, age and knowledge, taking into consideration the nature and scope of IREIT's operations, to discharge their duties and responsibilities.

The Board comprises six members, all of whom are Non-Executive Directors and half are Independent Non-Executive Directors. In addition, the Chairman is an Independent Non-Executive Director.

The criterion of independence is based on the definition given in the Code, the SF(LCB)R and the Listing Manual. A Director is considered independent if he is independent in conduct, character and judgement, and has no relationship with the Manager and IREIT, its related corporations, any shareholders or Unitholders (as the case may be) with a voting interest of 5% or more in the Manager or IREIT (as the case may be), or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interests of the Manager and IREIT. This allows the Directors to engage in robust deliberations with Management and provide independent, diverse and objective insights into issues brought before the Board.

Further, such composition and separation of the roles of the Chairman and the CEO provides oversight to ensure that Management discharges its roles with integrity. Each of the Independent Directors had carried out an assessment on whether there were any relationships or circumstances which may impact their independent status and had made a negative declaration.

The Board members as at the date of this Annual Report are as follows; and the profiles of the Directors are found on pages 12 to 15:

Board Member	Designation
Mr Lim Kok Min, John	Chairman and Independent Non-Executive Director
Mr Chng Lay Chew	Chairman of the ARC and Independent Non-Executive Director
Mr Nir Ellenbogen	Chairman of the NRC and Independent Non-Executive Director
Mr Bruno de Pampelonne	Non-Executive Director
Mr Khoo Shao Hong, Frank	Non-Executive Director
Mr Sanjay Bakliwal	Non-Executive Director

The Board believes that the current board size, composition and balance is appropriate and provides sufficient diversity without interfering with efficient and effective decision-making. It allows for a balanced exchange of views, robust deliberations and debate among members and effective oversight over Management, ensuring no individual or small group dominates the Board's decisions or its process.

The Board is of the view that the background, skills, experience and core competencies of its members provide an appropriate mix of expertise, experience and skills needed in the strategic direction, planning and oversight of the business of IREIT.

The composition of the Board will be reviewed periodically to ensure that the board size is appropriate and comprises Directors with an appropriate mix of expertise, skills, experience and diversity to discharge their duties and responsibilities.

The Board also reviews periodically and at least annually the independence of its Directors based on guidelines set out under the Code and the SF(LCB)R. In respect of the financial year ended 31 December 2020, the Board is of the view that the Board composition complies with the Code's requirement and the SF(LCB)R. Its Independent Non-Executive Directors are considered independent in character and judgement, and there are no relationships or circumstances which are likely to affect, or could appear to affect, the Directors' independent business judgement. Each Independent Non-Executive Director is independent from Management and business relationships with the Manager and IREIT, and is also independent from every substantial shareholder of the Manager and substantial Unitholder of IREIT.

Independent Directors are encouraged to participate actively at Board meetings in the development of the Manager's strategic plans and direction, and in the review and monitoring of the Management's performance against targets. To facilitate this, they are kept informed of the businesses and performance through reports from the Management, and have access to IREIT's and the Manager's records and information. They also provide constructive input and the necessary review and monitoring of performance of the Manager and Management. Led by the independent Chairman or other independent Director as appropriate, the Non-Executive Directors and/or independent Directors would also confer among themselves regularly without the presence of Management. The lead Chairman or Director of such meetings will provide feedback received during the meetings to the Board and/or Chairman as appropriate.

Chairman And CEO

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making

There is a clear separation of the roles and responsibilities between the Chairman and the CEO of the Manager. The Chairman of the Board, Mr Lim Kok Min, John, is an Independent Non-Executive Director while the CEO of the Manager is Mr Louis d'Estienne d'Orves. Mr Louis d'Estienne d'Orves is seconded by Tikehau Investment Management ("TIM") to the Manager to assume the role of the Manager's CEO, pursuant to a services agreement (the "Services Agreement") entered into between TIM and the Manager. TIM is a wholly owned subsidiary of Tikehau Capital, the immediate holding company of the Manager. Under the Services Agreement, TIM provides certain services to the Manager, which include the secondment of the CEO to the Manager. Mr Louis d'Estienne d'Orves is ultimately responsible for the overall operations of the Manager and reports directly to the Board.

The Chairman and the CEO of the Manager are not related to each other, have no close family ties and there is no business relationship between them. This is consistent with the principle of instituting an appropriate balance of power and authority.

The Chairman is responsible for leading the Board and overall management of the Manager. He is tasked to ensure the Board and Management work together with integrity and competency. His role also includes:

- promoting constructive debate and open discussions at the Board with Management on strategy, business operations, enterprise risk and other plans; and

- promoting high standards of corporate governance in general.

The CEO of the Manager has full executive responsibilities over the business direction and operational decisions in the day-to-day management of IREIT. He ensures the quality and timeliness of the flow of information between Management and the Board, Unitholders and other stakeholders.

The separation of the roles and responsibilities of the Chairman and the CEO, which is established and set out in writing, provides a healthy professional relationship between the Board and Management, and facilitates robust deliberations on the business activities and the exchange of ideas and views to help shape the strategic process. Accordingly, the Manager has not appointed a Lead Independent Director. In the case where the Chairman is not an Independent Director, or under situations where the Chairman is conflicted, the Board will appoint an Independent Director to be the Lead Independent Director.

Board Membership

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board

The Board is supported by the NRC in the nomination of Directors and succession plan for the Board. As at 31 December 2020, the NRC comprises three Directors, of whom Mr Nir Ellenbogen is the Chairman of the NRC and Mr Lim Kok Min, John and Mr Bruno de Pampelonne are members of the NRC. All the three Directors are non-Executive Directors and majority of whom (including Chairman of the NRC) are independent.

The NRC has written terms of reference setting out its scope and authority in performing the functions of a nominating committee, which include making recommendations to the Board on relevant matters relating to:

- the review of board succession plans for directors, in particular for the Chairman, the CEO and key management personnel;

- the development of a process for evaluation of the performance of the Board, its board committees and directors;

- the review of training and professional development programs for the Board and senior management;

- the appointment and re-appointment of directors (including alternate directors, if applicable), taking into account, among other things, their principal commitments and multiple board memberships; and

- the review of the size and composition of the Board, the required expertise and independence of the Directors to ensure that the Board has the appropriate balance, diversity and competencies to discharge their respective functions effectively.

Any appointment of new Directors will be carefully evaluated. The candidate's skill, experience, ability to perform, other commitments, independence and the needs of the Board will be taken into consideration. All appointments and resignations of Board members are approved by the Board. In addition, the criteria under the Guidelines on Fit and Proper Criteria issued by the MAS for such appointments and re-appointments will also be taken into consideration.

Candidates may be put forward or sought through contacts and recommendations by the Directors when a vacancy arises under any circumstances. Any nomination, which may be made by any of the Manager's shareholders, is carefully evaluated by the NRC before any appointment is made. If necessary, the NRC may seek advice from the Singapore Institute of Directors, external search consultants or through external referrals. Potential Directors will be considered without regard to gender, and the ultimate choice will primarily be based on merit. All appointment of Directors is also subject to the MAS' approval. The letter of appointment that is issued to each Director sets out the duties and responsibilities to the Manager and IREIT. None of the Directors has entered into any service contract directly with IREIT.

Directors are normally appointed for an initial period of three years and may be re-elected for such further period or periods of one year each at the discretion of the Board. Directors are not subject to periodic retirement by rotation, nor re-appointment through voting by Unitholders, although the Board has a planned process of renewal of the independent Directors. As at the date of this Annual Report, none of the Directors has served on the Board beyond nine years from the date of his first appointment.

The Board recommends the seeking of endorsement and re-endorsement of Directors for approval, having regard to the Director's contribution and performance, with reference to the results of the assessment of the performance of the individual Director. All Directors are subject to an annual review of their commitment and performance to the Board. The criteria for re-appointment and re-endorsement of existing Director is similar to the criteria set out in relation to the appointment of new Director.

During the financial year ended 31 December 2020, Mr Sanjay Bakliwal was appointed Non-Executive Director, while Mr Tong Jinquan resigned as Non-Executive Director of the Board. In addition, the Board has sought and approved the endorsement by way of resolution for the re-appointment of:

- Mr Lim Kok Min, John, to continue as Chairman and Independent Non-Executive Director,

- Mr Tan Wee Peng, Kelvin, to continue as Chairman of the ARC and Independent Non-Executive Director,

- Mr Nir Ellenbogen, to continue as Chairman of the NRC and Independent Non-Executive Director,

- Mr Bruno de Pampelonne, to continue as Non-Executive Director.

There are no alternate Directors appointed to the Board.

In February 2020, Mr Aymeric Thibord tendered his resignation as CEO of the Manager. The effective date of Mr Aymeric Thibord's cessation as CEO was on 23 April 2020. Mr Louis d'Estienne d'Orves was appointed as CEO of the Manager with effect from 23 April 2020.

On 1 January 2021, Mr Chng Lay Chew was appointed as an Independent Non-Executive Director and a member of the ARC. Following the retirement of Mr Tan Wee Peng, Kelvin with effect from 28 February 2021 as part of the Manager's planned process of renewal of the independent Directors, Mr Chng Lay Chew was appointed as Chairman of the ARC with effect from 1 March 2021.

The Board believes that it is not practicable to fix the amount of time that each Director should devote to the affairs of the Manager or impose a limit on the maximum number of listed company board representations each Director may hold. The Manager believes that putting a maximum limit on the number of directorships a Director can hold is arbitrary, given that time requirements and complexity for each vary, and thus should not be prescriptive. The effectiveness of the Board and contributions of each Director cannot be assessed solely on a quantitative basis. The limit on the number of listed company board representations should be considered on a case-by-case basis, as a person's available time and attention may be affected by different factors such as whether they are in full-time employment and the nature of their other responsibilities. The Board does not wish to exclude from consideration suitable individuals who, despite the demands on their time, have the capacity to participate and contribute as members of the Board. The Board has determined through assessment of the Board's performance that each individual Director has devoted sufficient time and attention to his role as a Director and to the affairs of the Manager.

In respect of the financial year ended 31 December 2020, the Directors attended the Board meetings, had given feedback and participated constructively when discussing matters pertaining to the Manager and IREIT. Accordingly, the Board is of the view that such appointments do not hinder the Directors from carrying out their duties as Directors of the Manager and therefore believes that it would not be necessary to prescribe a maximum number of listed company board representations a Director may hold.

Board Performance

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors

The NRC has a formal system in place to evaluate the Board performance and assess the effectiveness of the Board, the Committees and the individual Directors through the use of performance evaluation forms.

An annual review of the Board is carried out to assess the effectiveness of the Board, the ARC, the NRC and their respective Chairmen. The review process includes getting feedback from individual Directors on areas relating to the Board's, the ARC's and the NRC's competencies and effectiveness, and the respective Chairmen's leadership. The areas being assessed are broadly classified under Board composition, process, accountability, risk management and internal control, recruitment and evaluation and compensation, among others.

Directors are requested to complete an assessment and evaluation form that is tailored to seek their input on the various aspects of the performance of the Board, the ARC and the NRC. The purpose of the evaluation is to assess the overall effectiveness and efficiency of the Board as a whole. The criteria for the evaluation of individual Directors include, amongst others, the Directors' attendance and participation at the Board, the ARC and NRC meetings, and contributions of each Director to the Board.

The Board has not engaged any external consultant or facilitator to conduct an assessment of the performance of the Board and each individual Director. To ensure that the assessments are done promptly and fairly, the Board has appointed the company secretary to assist in collating and organising the returns of the Board members. The company secretary does not have any other connection with IREIT, the Manager or any of its Directors.

The last performance evaluation was carried out in February 2021 in respect of the financial year ended 31 December 2020. The Board is of the view that the ARC, the NRC and the Board as a whole are effective and are contributing effectively and efficiently.

REMUNERATION MATTERS

Procedures For Developing Remuneration Policies

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration

Level And Mix Of Remuneration

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of IREIT, taking into account the strategic objectives of IREIT

Disclosure On Remuneration

Principle 8: The Manager is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation

Constituted as a trust, IREIT is externally managed by the Manager and has no personnel of its own. IREIT does not pay Directors' fees and remuneration of the CEO and the employees of the Manager. Their fees and remuneration are paid by the Manager, save for the remuneration of the CEO, which is paid by TIM under the Services Agreement.

The Board is supported by the NRC in the remuneration matters of the Manager. As at 31 December 2020, the NRC comprises three Directors, all of whom are non-Executive Directors and majority of whom (including Chairman of the NRC) are independent.

The NRC has written terms of reference setting out its scope and authority in performing the functions of a remuneration committee, which include:

- the review and recommendation to the Board on the framework of remuneration for the Board and key management personnel, as well as the specific remuneration packages for each Director and key management personnel;
- establishment of a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors; and
- the review of the Manager's obligations arising in the event of termination of the Executive Directors' and key management personnel's contracts of service.

The remuneration will cover all aspects of remuneration including Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, benefits-in-kind and termination payments, and should aim to be fair and to avoid rewarding poor performance. The Manager has adopted a balanced remuneration policy, aimed to ensure market competitiveness and alignment to best industry practices and Unitholders' interests.

Independent Directors and Non-Executive Directors are paid basic fees for their Board, the ARC Committee and the NRC Committee memberships.

Individual Non-Executive Directors' fees were determined based on the following factors:

- roles and responsibilities;
- benchmarking against peers;
- effort committed; and
- skills and expertise.

In order to maintain the independence of the Non-Executive Directors, the remuneration is not over-compensated, and was considered appropriate and in accordance with their level of contribution, taking into account the factors mentioned above.

Directors' fees are reviewed periodically to benchmark such fees against the amounts paid by other managers of listed real estate investment trusts ("REITs"). The Directors do not decide their own fees, as each Director shall abstain from decisions by the Board involving his remuneration. The total costs of governance, as well as the average Director's fees were targeted around the median of the market.

The remuneration policy for Management and key employees is:

- to provide a fair and competitive compensation;
- to motivate a high level of performance;
- to ensure quality employee retention; and
- to correlate with the individuals' performance as well as IREIT and the Manager's performance.

Individual executives' remuneration levels were determined based on the following factors:

- roles and responsibilities;
- benchmarking against industry peers;
- unique skills and expertise; and
- experience.

To achieve an equitable and fair reward system that drives organisational performance, the remuneration policy is designed to attract, motivate, reward and retain high-performing employees, taking into consideration the employees' responsibilities, work experience and educational qualifications. The Manager also conducts an annual performance review process where the individual's performance is assessed based on the Manager's performance relative to IREIT's long-term performance. The review also reinforces strengths, identify improvements and plan for the progressive development of the employees.

The remuneration components include a guaranteed fixed salary and a variable bonus. The variable bonus is determined as a significant component in the remuneration of the C-level executives and should be paid in full upon full achievement of all IREIT's Key Performance Indicators (the "KPIs") or proportionally to the percentage of KPIs achieved.

The KPIs, which are set at the start of the financial year, are aligned to the business strategy of IREIT and linked to the individual performance and the long-term performance of IREIT. This allows the Manager to better align the compensation of its C-level executives towards the performance of IREIT, which would also help align the interest of the C-level executives with that of Unitholders. The Board is of the view that the KPIs were achieved and that remuneration is aligned to performance in respect of the financial year ended 31 December 2020.

The Board has access to expert advice from external consultants where required. During the year under review, no external consultant was engaged. There are currently no option schemes or other long-term incentive schemes being implemented by the Manager for Directors, Management and employees. As the Manager is a subsidiary of Tikehau Capital, certain employees of the Manager are entitled to receive free shares of Tikehau Capital under its Free Share Plans, as described later in this section.

The Manager does not rely on any contractual provisions to reclaim incentive components of remuneration from its key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss. The Manager should be able to avail itself to remedies against its key management personnel in the event of such breach of fiduciary duties.

The level and mix of the remuneration of each of the Directors for the financial year ended 31 December 2020 are as follows:

Name of Director	Fees [1] (S$'000)	Base/Fixed Salary (S$'000)	Bonus (S$'000)	Benefits-in-kind (S$'000)
Mr Lim Kok Min, John	95	–	–	–
Mr Tan Wee Peng, Kelvin	80	–	–	–
Mr Nir Ellenbogen	73	–	–	–
Mr Bruno de Pampelonne	50	–	–	–
Mr Tong Jinquan	7	–	–	–
Mr Khoo Shao Hong, Frank	50	–	–	–
Mr Sanjay Bakliwal	28	–	–	–

The level and mix of the remuneration of the CEO for the financial year ended 31 December 2020 is as follows:

Remuneration Band and Name	Fees (%)	Base/Fixed Salary [1] (%)	Bonus [2] (%)	Benefits-in-kind (%)
Above S$500,000 to S$750,000				
Mr Louis d'Estienne d'Orves [3]	–	27	73	–
Below S$250,000				
Mr Aymeric Thibord [4]	–	100	–	–

Notes:

(1) Paid in cash.

(2) Paid in cash, except for a portion amounting to 54% of the total remuneration which was paid in shares under the 2021 Plan as described on page 88.

(3) Mr Louis d'Estienne d'Orves' remuneration for the period from 23 April 2020 to 31 December 2020 was paid by TIM under the Services Agreement. The base/fixed salary is paid in British Pounds Sterling and a conversion rate of 1.8005 into Singapore dollars has been used for the purpose of the disclosure in bands of S$250,000.

(4) Mr Aymeric Thibord's remuneration for the period from 1 January 2020 to 23 April 2020 was paid by TIM under the Services Agreement. The remuneration is paid in Euros and a conversion rate of 1.6249 into Singapore dollars has been used for the purpose of the disclosure in bands of S$250,000.

The Board has assessed and decided to provide disclosure of the remuneration of the Directors on a named basis in exact quantum. In addition, the Board has also decided to provide disclosure of the remuneration of the CEO in bands of S$250,000. In respect of Provision 8.1 of the Code, it has assessed and decided against disclosing the remuneration of the CEO in exact quantum and the remuneration of the top five executives (who are not Directors or the CEO) on an aggregate or named basis (whether in exact quantum or in bands of S$250,000). The Board took into account confidentiality concerns and also considered the importance of maintaining stability and continuity in the key management team of the Manager. Given the competitive pressures in the talent market, the Board considers that such disclosure may subject the Manager to negative impact including talent retention issues and the risk of unnecessary key management turnover, which in turn, will not be in the best interests of IREIT and its Unitholders. The Board is of the view that such non-disclosure will not be prejudicial to the interests of Unitholders.

From time to time, Tikehau Capital grants employees of the Tikehau Capital Group (the "Group") the rights to receive free shares of Tikehau Capital under its free share and performance share plans (the "Plans"). The cost of these free and performance shares under the Plans is wholly borne by Tikehau Capital. As the Manager is a subsidiary of Tikehau Capital, certain senior employees of the Manager are entitled to such grants of performance shares under the Plans, subject to certain vesting conditions. The 2021 Performance Share Plan of which certain senior employees of the Manager are beneficiaries (the "2021 Plan") was established to grant performance shares of Tikehau Capital to certain senior employees of the Group as part of their remuneration for the financial year ended 31 December 2020 and as a retention mechanism.

The 2021 Plan has a total duration of five years and will be vested in tranches corresponding to one quarter of the granted shares each year from the second year onwards. For each of the four tranches, the performance condition would be assessed on the basis of a performance index which represents the performance of the various business lines of TIM, the Group's main platform dedicated to asset management, at the end of each vesting period.

The vesting of each of the four tranches will also be conditional upon the senior employee's presence within the Group and the absence of misbehaviour or serious error relating to the applicable regulations as well as policies and internal procedures applicable in terms of compliance, risk management and policy on environmental, social and governance criteria and will not be subject to any retention period.

The grant of performance shares of Tikehau Capital to senior employees working for IREIT is based on the performance of the relevant employees in relation to the performance of IREIT and is not related to the performance of Tikehau Capital. However, as the assets under management of IREIT form only a small proportion of the assets managed by Tikehau Capital (i.e. less than 3% as at 31 December 2020), the performance of IREIT and the individual performance of such employees will not significantly influence the performance of Tikehau Capital. The Board is of the view that the grant of performance shares of Tikehau Capital to such employees is not prejudicial to the interests of Unitholders.

There are no employees of the Manager who are immediate family members of any Director, the CEO, or a substantial shareholder nor are there employees who are substantial shareholders of the Manager during the financial year ended 31 December 2020.

No compensation is payable to any Director, key management personnel or employee of the Manager in the form of options in Units or pursuant to any bonus or profit-sharing plan or any other profit-linked agreement or arrangement in respect of the Manager and/or IREIT. The Directors, the CEO and the key management personnel (who are not Directors or the CEO) are remunerated on an earned basis and there are no termination, retirement or post-employment benefits that are granted over and above what have been disclosed.

The Board reviews the Manager's obligations arising in the event of the appointment and reasons for resignations and terminations of the CEO (if not a Director), and key management personnel's contract of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

In respect of the year ended 31 December 2020, the Board is of the view that the remuneration policy and packages are aligned with the interests of Unitholders and are designed to attract and retain talented staff, while taking into account the prevailing market conditions within the industry. The remuneration is also aligned to performance and all the performance conditions used to determine the remuneration of Directors and key management personnel, as set out on pages 85 to 88, were met during the year.

Risk Management And Internal Controls

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of IREIT and its unitholders

The Manager has put in place adequate and effective risk management and internal controls measures to address financial, operational, compliance, information technology, and other potential risks. This is to safeguard Unitholders' interests and manage risk. The Board is responsible for the governance of risks and for overseeing the enforcement of a sound system of risk management and internal controls.

The Board meets every quarter to review the operations of the Manager and IREIT and track their financial performance against approved budgets and prior periods. It also reviews and assesses business risks, taking into consideration the property market and economic conditions where IREIT's properties are located in achieving its strategic objectives and value creation. The Board reviews management reports and feasibility studies on individual investment projects prior to approving major transactions.

In addition, the Board also reviews the risks to the assets of IREIT, examines the management of liabilities, and acts upon any comments from the IA and the EA.

In view of the importance of risk management and internal controls, the ARC is assigned the duty to assist the Board in overseeing this aspect of the Manager's and IREIT's operations.

The ARC reviews and assesses the adequacy and effectiveness of the Manager's internal controls, including financial, operational, compliance and information technology controls (including those relating to compliance with existing legislation and regulations), and risk management policies and systems established by Management.

The Manager has appointed experienced and well-qualified management personnel to manage the day-to-day operations of the Manager and IREIT.

The Board has received assurance from the CEO and Chief Financial Officer that as at 31 December 2020:

- The financial records of IREIT have been properly maintained and the financial statements for the financial year ended 31 December 2020 give a true and fair view of IREIT's operations and finances; and
- The Manager's risk management and internal control systems are adequate and effective to address the key risks and material issues which IREIT may face, taking into account IREIT's business and operations.

Based on the internal controls and risk management systems established and maintained by the Manager, work performed by the IA, the EA and other service providers, and reviews performed by Management, ARC and the Board, as well as the said assurances set out above, the Board, with the concurrence of the ARC, is of the opinion that the Manager's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective as at 31 December 2020 to address the risks that the Manager considers relevant and material to IREIT's operations.

The Manager's internal controls and risk management systems provide reasonable assurance against foreseeable events that may adversely affect IREIT's business objectives. The Board notes that no internal controls and risk management systems can provide absolute assurance in this regard, or against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud or other irregularities.

Audit Committee

Principle 10: The Board has an Audit Committee which discharges its duties objectively

The ARC comprises Mr Tan Wee Peng, Kelvin (Chairman of the ARC), Mr Lim Kok Min, John and Mr Nir Ellenbogen, all of whom are Independent Non-Executive Directors as at 31 December 2020. Following the retirement of Mr Tan Wee Peng, Kelvin with effect from 28 February 2021 as part of the Manager's planned process of renewal of the independent Directors, Mr Chng Lay Chew was appointed as Chairman of the ARC with effect from 1 March 2021.

None of the ARC members were previously partners or Directors of the Manager's or IREIT's EA within the previous two years nor does any of the ARC members hold any financial interest in the EA.

The key objectives of the ARC are to assist the Board in discharging its statutory and other responsibilities relating to the integrity of the financial statements, monitoring and evaluating the adequacy and effectiveness of the internal controls and risk management systems, and the scope, performance and independence of the EA.

The ARC's responsibilities also include:

- reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of IREIT and any announcements relating to IREIT's financial performance;
- reviewing at least annually the adequacy and effectiveness of the system of internal controls including financial, operational, compliance and information technology controls and risk management processes;
- reviewing the assurance from the CEO and the CFO on the financial records, financial statements, internal controls and risk management systems;
- reviewing and making recommendations on the appointment and removal of IA and EA and the remuneration and terms of engagement of IA and EA;
- reviewing, on an annual basis, the adequacy, effectiveness, independence, scope and results of the internal audit and external audit functions;
- reviewing the whistle-blowing policy and arrangements by which employees and external parties may, in confidence, safely raise probable improprieties in matters of financial reporting or other matters, with the objective that arrangements are in place for the independent investigation of such matters and for appropriate follow up action;
- reviewing both IA and EA reports to ensure that where deficiencies in internal controls and risk management systems have been identified, appropriate and prompt remedial action is taken by Management;
- meeting with the IA and EA, without the presence of Management, at least on an annual basis;
- ensuring that the internal audit and accounting function is adequately resourced and has appropriate standing within IREIT and the Manager;
- monitoring the procedures in place to ensure compliance with applicable legislation, including the Listing Manual and the Property Funds Appendix;

- deliberating on resolutions relating to conflict of interest situations involving IREIT;
- monitoring the procedures established to regulate Related Party Transactions, including ensuring compliance and reviewing transactions constituting Related Party Transactions;
- reviewing internal audit reports to ascertain that the guidelines and procedures established to monitor Related Party Transactions have been complied with;
- reviewing and providing their views on all hedging policies and instruments to be implemented by IREIT to the Board;
- investigating any matters within the ARC's terms of reference, whenever it deems necessary; and
- reporting to the Board on material matters, findings and recommendations.

The ARC is authorised to investigate any matters within its terms of reference. It has full access to and co-operation from Management and enjoys full discretion to invite any Director and executive officer of the Manager to attend its meetings. The ARC also has full access to reasonable resources to enable it to discharge its function properly. Regular updates and advice from both the IA and EA are provided to enable the ARC to keep abreast of relevant changes to accounting standards and issues which have a direct impact on financial statements. Such updates include briefings conducted by the IA or EA during ARC meetings and advice provided from time to time. In addition, the Manager has engaged KPMG Services Pte. Ltd. ("KPMG") to provide regulatory compliance monitoring and advice and support the Manager's compliance function where necessary. The ARC is kept updated on findings reported by KPMG, and the ARC takes these findings into consideration when assessing the Manager's risk appetite.

The ARC has conducted a review of all non-audit services provided by the EA of IREIT, Deloitte & Touche LLP and is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the EA.

For the financial year ended 31 December 2020, the aggregate amount of fees paid and payable by IREIT to the EA was €476,000, comprising audit service fees of €180,000 and other non-audit service fees of €296,000.

ARC meetings are generally held after the end of every financial quarter. In respect of the financial year ended 31 December 2020, the ARC has also met with the IA and EA separately, without the presence of Management, to discuss the reasonableness of the financial reporting process, the system of internal controls, and the significant comments and recommendations by the auditors.

In appointing the EA for IREIT, the ARC is satisfied that IREIT has complied with the requirement of Rules 712 and 715 of the Listing Manual. The ARC has assessed the performance of the EA based on factors such as the performance and quality of their audit and the independence of the auditors.

The ARC typically meets with the EA several months before the end of the financial year to discuss the year's audit plans and progress, during which significant financial reporting issues including identification of key audit matters ("KAMs") are discussed.

As with the case last year, the EA has identified the valuation of investment properties as a KAM and in its report, the EA has communicated their findings that the valuation of the properties done by the independent valuers and various inputs used are within a reasonable range of the EA's expectation. The ARC noted from the EA's report that in arriving at its conclusion, the EA has undertaken the appropriate audit procedures, which include understanding how the independent valuers have considered the implications of COVID-19 and market uncertainty in the valuations. The ARC has also reviewed the valuation reports and discussed the contents thereof with both Management and the EA and is satisfied with the assumptions and methodology used. However, given that the assumptions are subjective and are highly susceptible to changes in the business environment, the ARC similarly cautions Unitholders against relying solely on the investment property valuations in assessing the financial performance of IREIT. This is particularly so as such valuations do not give any assurance that the investment properties will be sold at such prices in the event such a sale is to be effected and more so when such sales are not contemplated as part of IREIT's business strategy. Any changes in such valuations from prior periods alone will also not have any impact on IREIT's distributions to Unitholders. Instead, the ARC advises Unitholders to focus on factors such as the net property income, tenant profile, tenancy duration, and their changes over the years to assess how well IREIT's portfolio has performed.

In addition, the ARC would like to note that the valuations were based on the information available as at 31 December 2020. Due to the unknown future impact that COVID-19 might have on the real estate markets, less certainty and a higher degree of caution should be attached to the valuations than would normally be the case. The ARC will continue to monitor the situation and seek professional advice on the property values as and when necessary.

Other than the KAM identified in the EA's report, the ARC also reviewed matters such as revenue recognition, liquidity and going concern risks, and Management's override of controls with the EA and Management. The ARC is pleased to inform the Unitholders that there are no significant issues relating to such matters that warrant special mention this year as they have all been dealt with according to established procedures and control measures, generally accepted accounting principles, and financial reporting standards.

As required by the CIS Code, the independent valuer should not value the same property for more than two consecutive financial years. However, due to the COVID-19 pandemic, the CIS Code was amended in April 2020 as part of the relief measures to allow the appointment of a valuer to value the same property for the third consecutive financial year, if that financial year ends on or before 31 December 2020. In this regard, the Manager has appointed CBRE Germany GmbH for a third consecutive financial year to value the five properties in Germany for the financial year ended 31 December 2020.

The Manager has put in place a system of internal controls, including financial, operational, compliance and information technology controls, and risk management systems to safeguard IREIT's assets, Unitholders' interests as well as to manage risk.

The internal audit function of the Manager is outsourced to PricewaterhouseCoopers Risk Services Pte. Ltd. ("PwC"), an independent assurance service provider. The PwC internal audit team is led by a partner with significant experience performing internal audit services for Singapore listed companies and the team members supporting the partner are dedicated internal audit specialists with knowledge and experience. The ARC reviews the adequacy, effectiveness, independence, scope and results of the IA at least once a year. The ARC is satisfied that the IA has the relevant qualifications and experience and has met the standards established by internationally recognised professional bodies including the International Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

The IA reports directly to the ARC on audit matters and has unfettered access to all the Manager's documents, records, properties and personnel, including the ARC, and has appropriate standing within the company. The ARC approves the hiring, removal, evaluation and fees of the IA and also reviews and approves the annual internal audit plan and reviews the internal audit reports and activities. The ARC meets with the IA, without the presence of Management, at least once a year. The ARC is of the view that the IA is effective, has adequate resources to perform its functions and has to the best of its ability, maintained its independence from the activities that it audits.

UNITHOLDER RIGHTS AND ENGAGEMENT

Unitholder Rights and Conduct of General Meetings

Principle 11: The Manager treats all unitholders fairly and equitably in order to enable them to exercise unitholders' rights and have the opportunity to communicate their views on matters affecting IREIT. The Manager gives unitholders a balanced and understandable assessment of IREIT's performance, position and prospects

Engagement With Unitholders

Principle 12: The Manager communicates regularly with its unitholders and facilitates the participation of unitholders during general meetings and other dialogues to allow unitholders to communicate their views on various matters affecting IREIT

The Board is responsible to give a balanced and comprehensive report on the performance, position, prospects, strategy and market outlook including other price-sensitive reports to the regulators (if required). To ensure this is accomplished efficiently, Management provides timely, accurate and adequate information to the Board, which includes management accounts and such explanation and information, to enable the Board to keep abreast, and make a balanced and informed assessment of the performance, position and prospects of IREIT.

The Board has been releasing quarterly business updates, half-yearly results and annual results of IREIT as well as price-sensitive announcements and all other regulatory announcements, as required by regulators. These announcements and information are disseminated to Unitholders via SGXNET, press releases, IREIT's website, media and analyst briefings.

Following the recent amendments to Rule 705(2) of the Listing Manual of the SGX-ST which were effective from 7 February 2020, the Manager has adopted the announcement of half-yearly financial statements with effect from the financial year ended 31 December 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.

The Manager upholds a strong culture of continuous disclosure and transparent communication with Unitholders, the investing community and other stakeholders. The Manager has in place an investor relations policy which sets the principles and practices that it applies in order to provide investors of IREIT with timely information necessary to make informed investment decisions and to ensure a level playing field. The Manager has developed a disclosure policy, which requires timely and full disclosure of financial reports and all material information relating to IREIT by way of public releases or announcements via SGXNET. The published materials will also be posted on IREIT's website at www.ireitglobal.com.

IREIT's website also has the option for visitors to subscribe for a free email alert service on public materials released by the Manager.

The Manager has a dedicated Head of Investor Relations who regularly communicates major developments in IREIT's businesses, operations, financial position, dividend policy and prospects to the Unitholders, analysts and other interested parties. The Manager believes in providing transparent communication. The Manager conducts regular briefings for analysts, which generally coincide with the release of IREIT's financial results. During these briefings, the Manager will review IREIT's most recent performance, as well as discuss the business outlook for IREIT.

To achieve the Manager's objective of providing transparent communication, briefing materials are released on SGXNET and made available on IREIT's website.

The Manager will also meet investors through institutional investor conferences, non-deal road shows and private meetings on a regular basis. In compliance with the Property Funds Appendix, an AGM will be held after the close of the financial year to allow the Manager to interact with Unitholders, particularly retail investors, as well as providing the investors a direct channel to get responses to any queries they might have.

The notice of the AGM will be published on SGXNET, newspapers and IREIT's website. The AGM results will be screened at the meeting and announced via SGXNET after the meeting. All Unitholders are informed via a physical notification on how to obtain the electronic copy of IREIT's annual report and how to request a physical copy of the annual report prior to the AGM. As and when an extraordinary general meeting (the "EGM") is to be convened, a circular containing detail of the matters proposed for the Unitholders' consideration and approval will also be sent to Unitholders. The notice of the EGM will also be published on SGXNET, newspapers and IREIT's website.

Directors, Management and EA will be present at the AGM or EGM to address questions and concerns of Unitholders. The attendance of Directors for the AGM held on 18 June 2020 and EGM held on 18 September 2020 are disclosed on page 79.

Separate resolutions are proposed for each distinct issue at the AGM or EGM. Where the resolutions are "bundled", the Manager will explain the reasons and material implications in the notice of meeting. Unitholders will be invited to vote on each of the resolution by poll, using an electronic voting system. This will allow all Unitholders present, or represented at the meeting to vote on a one unit, one vote basis. An independent scrutineer is also appointed to validate the vote tabulation procedures. The Manager is not implementing absentia voting (as recommended by Provision 11.4) methods such as voting via mail, e-mail or fax until security, integrity and other pertinent issues are satisfactorily resolved. The voting results will be screened at the meeting and announced via SGXNET after the meeting.

To encourage Unitholders' participation at the AGM or EGM, a question and answer session will be held during the AGM or EGM to allow Unitholders the opportunity to put forth any questions and clarify any issues they may have with the Board, Management or EA regarding the business operations, strategy and financial standing of IREIT.

Due to the COVID-19 restriction orders in Singapore, the AGM held on 18 June 2020 and EGM held on 18 September 2020 were conducted by way of electronic means. Unitholders who wished to attend the AGM and EGM could pre-register electronically to participate via the live audio-visual webcast or listen to the live audio-only streams of the proceedings. Unitholders were also invited to submit questions related to the resolutions to be tabled for approval at the AGM and EGM in advance. The responses to substantial and relevant questions received from Unitholders were published on SGXNET and IREIT's website prior to the AGM and EGM. Some of these questions were also addressed in the presentations at the AGM and EGM. All the resolutions set out at the AGM and EGM were passed by Unitholders through valid proxies and the results of the AGM and EGM were announced on SGXNET and IREIT's website on the same day of the AGM and EGM, respectively.

Minutes of general meetings which include substantial and relevant comments or queries from Unitholders relating to the agenda of the meeting, and responses from the Board and the Management, will be prepared and made available to Unitholders via IREIT's website.

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of IREIT are served

The Manager strives to maintain open and fair communication with its key stakeholders, to understand their views, concerns, and objectives in order to work towards more sustainable growth for IREIT. The Manager has identified stakeholder groups which have a significant influence and interest in IREIT's operations and business, and will engage these stakeholders actively to understand their expectations. The key stakeholders identified are the Unitholders, the tenants of IREIT's properties, the property managers and advisors, the relevant regulatory bodies of countries in which IREIT operates in, the local communities, the Manager's employees and the shareholders of the Manager, Tikehau Capital and City Developments Limited ("CDL"). In the Sustainability Report section, there are also details reported about the strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period.

IREIT maintains a current corporate website at www.ireitglobal.com, with contact details for investors and various stakeholders to channel their comments and queries.

BUSINESS CONDUCT

Dealings In Units

Each Director and the CEO of the Manager is to give notice to the Manager of his acquisition of or any changes in the number of Units which he holds or in which he has an interest, within two business days after such acquisition or the occurrence of the event giving rise to changes in the number of Units which he holds or in which he has an interest.

All dealings in Units by the Directors will be announced via SGXNET, with the announcement to be posted on the SGX-ST website at http://www.sgx.com.

Pursuant to Section 137ZC of the SFA, the Manager is required to, inter alia, announce to the SGX-ST the particulars of any acquisition or disposal of interest in Units by the Manager as soon as practicable, and in any case no later than the end of the business day following the day on which the Manager became aware of the acquisition or disposal. In addition, all dealings in Units by the CEO will also need to be announced by the Manager via SGXNET, with the announcement to be posted on the SGX-ST website at http://www.sgx.com and in such form and manner as the authority may prescribe.

The Manager has an internal compliance policy which provides guidance to the Directors, Management and employees of the Manager with regards to dealings in the Units.

The Directors, Management and employees of the Manager are prohibited from dealing in the Units:

- in the period commencing one month before the public announcement of IREIT's half-yearly and annual results and ending on the date of announcement of the relevant results ("black-out period"); and
- at any time while in possession of undisclosed price-sensitive information.

The Manager also does not deal in the Units during the same black-out period. In addition, the Directors, Management and employees of the Manager are prohibited from dealing with the Units on short-term basis and communicating price-sensitive information to any person. They are expected to observe the insider trading laws at all times even when dealing with Units within permitted trading periods. The Manager also adopts the practice of sending out reminders by electronic mail to the Directors, Management and employees on such prohibition on dealing in Units prior to each relevant black-out period.

Dealing With Conflicts Of Interest

The Manager has instituted the following procedures to deal with potential conflict of interest issues:

- The Manager will not manage any other REIT which invests in the same type of properties as IREIT;
- Management will be working exclusively for the Manager and will not hold other executive positions in other entities;
- All resolutions in writing of the Directors in relation to matters concerning IREIT must be approved by at least a majority of the Directors (excluding any interested Director), including at least one Independent Director;
- At least one-third of the Board shall comprise Independent Directors, except that in certain stipulated circumstances, at least half of the Board shall comprise Independent Directors;
- In respect of matters in which a Director or his associates (as defined in the Listing Manual) has an interest, direct or indirect, such interested Director will abstain from voting. In such matters, the quorum must comprise a majority of the Directors and must exclude such interested Director;

- In respect of matters in which Tikehau Capital and/or its subsidiaries have an interest, direct or indirect, any nominees appointed by Tikehau Capital and/or its subsidiaries to the Board to represent their interests will abstain from deliberation and voting on such matters. In such matters, the quorum must comprise a majority of the Independent Directors and must exclude nominee Directors of Tikehau Capital and/or its subsidiaries;

- In respect of matters in which CDL and/or its subsidiaries have an interest, direct or indirect, any nominees appointed by CDL and/or its associates or subsidiaries to the Board to represent their interests will abstain from deliberation and voting on such matters. In such matters, the quorum must comprise a majority of the Independent Directors and must exclude nominee Directors of CDL and/or its associates or subsidiaries;

- In respect of matters in which AT Investments Limited and the AT Capital Group and/or their subsidiaries have an interest, direct or indirect, any nominees appointed by those companies to the Board to represent their interests will abstain from deliberation and voting on such matters. In such matters, the quorum must comprise a majority of the independent directors and must exclude any nominees appointed by AT Investments Limited and/or any AT Capital Group companies;

- Except for resolutions relating to the removal of the Manager, the Manager and its associates are prohibited from voting or being counted as part of a quorum for any meeting of the Unitholders convened to approve any matters in which the Manager and/or any of its associates has a material interest; and

- It is also provided in the Trust Deed that if the Manager is required to decide whether or not to take any action against any person in relation to any breach of any agreement entered into by the Trustee for and on behalf of IREIT with a related party of the Manager ("Related Party"), the Manager shall be obliged to consult with a reputable law firm (acceptable to the Trustee) who shall provide legal advice on the matter. If the said law firm is of the opinion that the Trustee, on behalf of IREIT, has a prima facie case against the party allegedly in breach under such agreement, the Manager shall be obliged to take appropriate action in relation to such agreement. The Directors (including its Independent Directors) will have a duty to ensure that the Manager so complies. Notwithstanding the foregoing, the Manager shall inform the Trustee as soon as it becomes aware of any breach of any agreement entered into by the Trustee for and on behalf of IREIT with a Related Party of the Manager, and the Trustee may take such action as it deems necessary to protect the rights of the Unitholders and/or which is in the interests of the Unitholders. Any decision by the Manager not to take action against a Related Party of the Manager shall not constitute a waiver of the Trustee's right to take such action as it deems fit against such Related Party.

The Manager's Internal Control System

The Manager has established an internal control system to ensure that all future Related Party Transactions (which term includes an "Interested Person Transaction" as defined under the Listing Manual and an "Interested Party Transaction" as defined under the Property Funds Appendix):

- will be undertaken on an arm's length basis with normal commercial terms; and

- will not be prejudicial to the interests of IREIT and the minority Unitholders.

- will be in accordance with the applicable requirements of the Listing Manual and all applicable guidelines that may from time to time be prescribed.

As a general rule, the Manager must demonstrate to the ARC that such transactions satisfy the foregoing criteria. This may entail:

- obtaining (where practicable) quotations from parties unrelated to the Manager; or

- obtaining two or more valuations from independent professional valuers (in compliance with the Property Funds Appendix).

The Manager maintains a register to record all Related Party Transactions that are entered into by IREIT and the bases, including any quotations from unrelated parties and independent valuations, on which they are entered into.

The Manager will also incorporate into its internal audit plan a review of all Related Party Transactions entered into by IREIT. The ARC shall review the internal audit reports to ascertain that the guidelines and procedures established to monitor Related Party Transactions have been complied with. The Trustee will also have the right to review such audit reports to ascertain that the Property Funds Appendix has been complied with.

The following procedures will be undertaken:

- Transactions (either individually or as part of a series or if aggregated with other transactions involving the same Related Party during the same financial year) equal to or exceeding S$100,000 in value but below 3.0% of the value of IREIT's net tangible assets will be subject to review by the ARC at regular intervals.

- Transactions (either individually or as part of a series or if aggregated with other transactions involving the same Related Party during the same financial year) equal to or exceeding 3.0% but below 5.0% of the value of IREIT's net tangible assets will be subject to the review and prior approval of the ARC.

- Such approval shall only be given if the transactions are on normal commercial terms and not prejudicial to the interests of IREIT and the Unitholders and are consistent with similar types of transactions made by the Trustee with third parties which are unrelated to the Manager.

- Transactions (either individually or as part of a series or if aggregated with other transactions involving the same Related Party during the same financial year) equal to or exceeding 5.0% of the value of IREIT's net tangible assets will be reviewed and approved prior to such transactions being entered into, on the basis described in the preceding paragraph, by the ARC which may, as it deems fit, request advice on the transaction from independent sources or advisers, including the obtaining of valuations from independent professional valuers. Furthermore, under the Listing Manual and the Property Funds Appendix, such transactions would have to be approved by the Unitholders at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed.

Where matters concerning IREIT relate to transactions entered into or to be entered into by the Trustee for and on behalf of IREIT with a Related Party of the Manager (which would include relevant Associates (as defined in the Listing Manual) thereof) or IREIT, the Trustee is required to consider the terms of such transactions to satisfy itself that such transactions are conducted:

- on an arm's length basis with normal commercial terms;

- are not prejudicial to the interests of IREIT and the minority Unitholders; and

- will be in accordance with the applicable requirements of the Listing Manual and all applicable guidelines that may from time to time be prescribed.

The Trustee has the discretion under the Trust Deed to decide whether or not to enter into a transaction involving a Related Party of the Manager or IREIT. If the Trustee is to enter into any transaction with a Related Party of the Manager or IREIT, the Trustee will review the proposed transaction to ensure that it complies with the relevant requirements relating to Related Party Transactions (as may be amended from time to time) as well as such other guidelines as may from time to time be prescribed by the MAS and the SGX-ST to apply to REITs.

IREIT will comply with Rules 905 and 906 of the Listing Manual, as follows:

- make an immediate announcement of any interested person transaction of a value equal to, or more than, 3% of IREIT's latest audited net tangible assets;

- If the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to 3% or more of IREIT's latest audited net tangible assets, IREIT must make an immediate announcement of the latest transaction and all future transactions entered into with that same interested person during that financial year; and

- Obtain unitholder approval for any interested person transaction of a value equal to, or more than 5% of IREIT's latest audited net tangible assets; or 5% of IREIT's latest audited net tangible assets, when aggregated with other transactions entered into with the same interested person during the same financial year. However, a transaction which has been approved by unitholders, or is the subject of aggregation with another transaction that has been approved by unitholders, need not be included in any subsequent aggregation.

The above do not apply to transaction below $100,000.

The aggregate value of all Related Party Transactions which are subject to Rules 905 and 906 of the Listing Manual in a particular financial year will be disclosed in the annual report of IREIT for the relevant financial year.

The ARC will periodically review all Related Party Transactions to ensure compliance with the Manager's internal control systems, the relevant provisions of the Listing Manual and the Property Funds Appendix.

The review will include the examination of the nature of the transaction and supporting documents or such other data deemed necessary by the ARC. If a member of the ARC has an interest in a transaction, the interested member is to abstain from participating in the review and approval process in relation to that transaction.

Whistle-Blowing Policy

The Manager has also set in place a whistle-blowing policy, providing an avenue for its employees and external parties to raise concerns about possible improprieties in matters of financial reporting or other matters in good faith, with the confidence that the relevant persons making the reports will be treated fairly and protected from reprisal. External parties are able to lodge their concerns via IREIT's website at www.ireitglobal.com. All whistle-blower complaints will be reviewed by the ARC to ensure that investigations and follow-up actions are carried out, if needed. For the financial year ended 31 December 2020, the ARC did not receive any whistle-blower complaints.

REPORT OF THE TRUSTEE

FOR THE YEAR ENDED 31 DECEMBER 2020

DBS Trustee Limited (the "Trustee") is under a duty to take into custody and hold the assets of IREIT Global ("IREIT") held by it or through its subsidiaries (the "Group") in trust for the holders of units in IREIT (the "Unitholders"). In accordance with the Securities and Futures Act (Chapter 289) of Singapore, its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of IREIT Global Group Pte. Ltd. (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the trust deed dated 1 November 2013 and as amended and restated by an amending and restating deed dated 14 July 2014, supplemented by the first supplemental deed dated 6 November 2015, second supplemental deed dated 9 May 2018 and third supplemental deed dated 30 March 2020 (collectively, the "Trust Deed") made between the Manager and the Trustee in each annual accounting period and report thereon to the Unitholders.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed IREIT and the Group during the financial year covered by these financial statements set out on pages 106 to 152, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee,
DBS Trustee Limited

Chan Kim Lim
Director

Singapore
16 March 2021

STATEMENT BY THE MANAGER

FOR THE YEAR ENDED 31 DECEMBER 2020

In the opinion of the directors of IREIT Global Group Pte. Ltd. (the "Manager"), the accompanying financial statements of IREIT Global ("IREIT") and its subsidiaries (collectively referred to as the "Group") as set out on pages 106 to 152, comprising the consolidated financial statements of the Group and the statement of financial position and the statement of changes in net assets attributable to Unitholders of IREIT, are drawn up so as to present a true and fair view, in all material respects, the financial position of the Group and IREIT as at 31 December 2020, the profit or loss and other comprehensive income, amount distributable, the movements of Unitholders' funds and cash flows of the Group and the movements of Unitholders' funds of IREIT for the year then ended, in accordance with the International Financial Reporting Standards and the provisions of the Trust Deed. At the date of this statement, there are reasonable grounds to believe that the Group and IREIT will be able to meet the financial obligations as and when they materialise.

For and on behalf of the Manager,
IREIT Global Group Pte. Ltd.

Lim Kok Min John
Director

Singapore
16 March 2021

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF IREIT GLOBAL

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of IREIT Global ("IREIT") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of IREIT as at 31 December 2020, and the consolidated statement of profit or loss and other comprehensive income, statement of distribution, consolidated statement of changes in net assets attributable to Unitholders and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 106 to 152.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in net assets attributable to Unitholders of IREIT are properly drawn up in accordance with International Financial Reporting Standards ("IFRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of IREIT as at 31 December 2020, and of the consolidated financial performance, consolidated distribution, consolidated changes in net assets attributable to Unitholders and consolidated cash flows of the Group and of the changes in net assets attributable to Unitholders of IREIT, for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the matter was addressed in the audit

Fair Valuation and Disclosure of Fair Value for Investment Properties

The Group owns a portfolio of investment properties comprising commercial office complexes located in Germany and Spain. The investment properties represent the single largest category of assets with a carrying amount of €719.6 million as at 31 December 2020.

The Group has adopted the fair value model under IAS 40 *Investment Property* which requires all the investment properties to be measured at fair value. The Group has engaged external independent valuers ("Valuers") to perform the fair value assessment of the investment properties.

The fair valuation of investment properties is considered to be a matter of significance as the valuation process requires the application of judgement in determining the appropriate valuation methodology to be used, and the use of subjective assumptions and various unobservable inputs. The fair valuations are sensitive to underlying assumptions applied in deriving the underlying cash flows, discount rate, and terminal capitalisation rate as a small change in these assumptions can result in an increase or decrease in fair valuation of the investment properties.

The Valuers have highlighted that the outbreak of the Novel Coronavirus ("COVID-19") continue to affect real estate markets globally. Nevertheless, as at the valuation date, property markets are mostly functioning again, with transaction volumes and other relevant evidence at levels where enough market evidence exists upon which to base opinions of value. The Valuer for the four properties in Spain with fair values totalling €131.7 million has recommended that the valuation of these properties be kept under frequent review.

The valuation methodology, their key inputs and the inter-relationships between the inputs and the valuation have been disclosed in Note 7 to the financial statements.

We have assessed the Group's process of appointment and determination of the scope of work of the Valuers, as well as their process of reviewing, and accepting the Valuers' investment property valuations.

We have reviewed the qualifications, competence, independence, and the terms of engagement of the Valuers with the Group to determine whether there were any matters which might affect the objectivity of the Valuers or impede their scope of work.

We held discussions with management and the Valuers on the valuation reports, and engaged our valuation specialists to assist in:

- assessing the valuation methodology, assumptions and estimates used by the Valuers against general market practice for similar types of properties;
- comparing valuation assumptions and the underlying cash flows, discount rate, and terminal capitalisation rate to historical rates, and available industry data for comparable markets and properties;
- reviewing the integrity of the valuation calculations, valuation inputs, including review of lease schedules, lease agreements and comparing it to the inputs made to the projected cash flows; and
- understanding how the Valuers have considered the implications of COVID-19 and market uncertainty in the valuations.

Based on the audit procedures performed, the fair valuation of the properties and the various inputs used are within a reasonable range of our expectations.

We have also assessed and validated the adequacy and appropriateness of the disclosures made in the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

IREIT Global Group Pte. Ltd. (the "Manager" of IREIT) is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager and Directors of the Manager for the Financial Statements

The Manager is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and comply with the relevant provisions of the Trust Deed dated 1 November 2013 and amended by the amending and restating deed dated 14 July 2014, supplemented by the first supplemental deed dated 6 November 2015, second supplemental deed dated 9 May 2018 and third supplemental deed dated 30 March 2020 (collectively, the "Trust Deed"), and the relevant requirements of the Code on Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The responsibilities of the directors of the Manager include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.

- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors of the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors of the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors of the Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been properly prepared in accordance with the relevant provisions of the Trust Deed and the relevant requirements of the CIS Code.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Patrick Tan Hak Pheng.

DELOITTE & TOUCHE LLP
Public Accountants and
Chartered Accountants
Singapore

16 March 2021

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Note	Group		IREIT	
		2020	2019	2020	2019
		EUR'000	EUR'000	EUR'000	EUR'000
Current assets					
Cash and cash equivalents	4	43,109	25,343	10,135	12,042
Trade and other receivables	5	2,832	1,716	10,631	3,450
Financial derivatives	6	313	574	–	574
		46,254	27,633	20,766	16,066
Non-current assets					
Investment properties	7	719,580	574,900	–	–
Investment in subsidiaries	8	–	–	336,225	222,994
Investment in joint venture	9	–	30,383	–	30,383
Other receivables	5	1,316	1,457	–	–
Loans to subsidiary	5	–	–	31,000	–
Deferred tax assets	10	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	11	4,690	3,717	548	1,882
Distribution payable		13,031	11,067	13,031	11,067
Financial derivatives	6	2,019	1,676	429	7
Income tax payable		1,490	1,072	–	2
		21,230	17,532	14,008	12,958
Non-current liabilities					
Borrowings	12	264,628	231,453	–	31,908
Other payables	11	1,430	–	77,021	–
Financial derivatives	6	7,805	5,042	–	–
Deferred tax liabilities	10	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**
Units in issue and to be issued ('000)	13	**938,963**	**638,365**	**938,963**	**638,365**
Net asset value per unit (€) attributable to Unitholders	14	**0.47**	**0.56**	**0.32**	**0.35**

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Group 2020 EUR'000	Group 2019 EUR'000
Gross revenue	15	37,821	35,265
Property operating expenses	16	(4,927)	(4,603)
Net property income		32,894	30,662
Finance income		2	11
Finance costs	17	(4,412)	(6,111)
Manager's fees	18	(2,743)	(2,526)
Trustee's fees		(135)	(109)
Administrative costs		(338)	(473)
Other trust expenses	19	(1,956)	(613)
Change in fair value of financial derivatives		(3,871)	(6,834)
Change in fair value of investment properties	7	4,038	69,345
Share of results of joint venture	9	1,151	(535)
Gain on derecognition of joint venture	9	2,309	–
Acquisition-related costs		(1,284)	(615)
Profit before taxation and transactions with Unitholders		**25,655**	**82,202**
Income tax expense	20	(5,934)	(13,304)
Profit for the year, before transactions with Unitholders		**19,721**	**68,898**
Distributions to Unitholders		(24,691)	(22,738)
(Loss)/Profit for the year, after transactions with Unitholders, representing total comprehensive income for the year		**(4,970)**	**46,160**
Basic and diluted earnings per unit (€ cents)	21	**2.83**	**9.98**

The accompanying notes form an integral part of these financial statements.

STATEMENT OF DISTRIBUTION

FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Group 2020 EUR'000	Group 2019 EUR'000
Profit for the year, before transactions with Unitholders		19,721	68,898
Adjustments:			
Amortisation of upfront debt transaction costs		349	440
Loan breakage costs		–	2,731
Manager's management fee payable in units		2,743	2,526
Foreign exchange loss/(gain)		1,065	(284)
Effects of recognising rental income on a straight-line basis over the lease term		441	(59)
Change in fair value of financial derivatives (unrealised)		3,871	6,863
Change in fair value of investment properties		(4,038)	(69,345)
Share of results of joint venture		(1,151)	562
Distributable income from joint venture		1,197	–
Gain on derecognition of joint venture		(2,309)	–
Acquisition-related costs		1,284	615
Deferred tax expense		4,261	12,317
Amount available for distribution		**27,434**	**25,264**
Distribution to Unitholders:			
Distribution of €1.82 cents per unit for the period from 1 January 2020 to 30 June 2020		(11,660)	–
Distribution of €1.39 cents per unit for the period from 1 July 2020 to 31 December 2020		(13,031)	–
Distribution of €1.84 cents per unit for the period from 1 January 2019 to 30 June 2019		–	(11,671)
Distribution of €1.73 cents per unit for the period from 1 July 2019 to 31 December 2019		–	(11,067)
Total Unitholders' distribution		**(24,691)**	**(22,738)**
Amount retained for working capital		**2,743**	**2,526**
Units in issue at the end of the year ('000)	13	**937,046**	**637,223**
Distribution per unit (€ cents)	2(s)	**3.21**	**3.57**

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

FOR THE YEAR ENDED 31 DECEMBER 2020

Group	Units in issue and to be issued EUR'000	Unit issue costs EUR'000	Accumulated profits EUR'000	Total EUR'000
Net assets attributable to Unitholders as at 1 January 2019	**289,689**	**(8,233)**	**24,151**	**305,607**
OPERATIONS				
Profit for the year, before transactions with Unitholders	–	–	68,898	**68,898**
Distribution paid of €1.84 cents per unit for the period from 1 January 2019 to 30 June 2019	–	–	(11,671)	**(11,671)**
Distribution payable of €1.73 cents per unit for the period from 1 July 2019 to 31 December 2019	–	–	(11,067)	**(11,067)**
Total comprehensive income for the year	–	–	46,160	**46,160**
UNITHOLDERS' TRANSACTIONS				
Issue of units:				
Manager's management fee payable in units	2,526	–	–	**2,526**
Increase in net assets resulting from Unitholders' transactions	2,526	–	–	**2,526**
Net assets attributable to Unitholders as at 31 December 2019	**292,215**	**(8,233)**	**70,311**	**354,293**
OPERATIONS				
Profit for the year, before transactions with Unitholders	–	–	19,721	**19,721**
Distribution paid of €1.82 cents per unit for the period from 1 January 2020 to 30 June 2020	–	–	(11,660)	**(11,660)**
Distribution payable of €1.39 cents per unit for the period from 1 July 2020 to 31 December 2020	–	–	(13,031)	**(13,031)**
Total comprehensive income for the year	–	–	(4,970)	**(4,970)**
UNITHOLDERS' TRANSACTIONS				
Issue of units:				
Pursuant to the rights issue	89,371	–	–	**89,371**
Issue expenses	–	(512)	–	**(512)**
Acquisition fee paid in units	818	–	–	**818**
Manager's management fee payable in units	2,743	–	–	**2,743**
Increase in net assets resulting from Unitholders' transactions	92,932	(512)	–	**92,420**
Net assets attributable to Unitholders as at 31 December 2020	**385,147**	**(8,745)**	**65,341**	**441,743**

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

FOR THE YEAR ENDED 31 DECEMBER 2020

IREIT	Units in issue and to be issued EUR'000	Unit issue costs EUR'000	Accumulated losses EUR'000	Total EUR'000
Net assets attributable to Unitholders as at 1 January 2019	**289,689**	**(8,233)**	**(49,487)**	**231,969**
OPERATIONS				
Profit for the year, before transactions with Unitholders	–	–	12,820	**12,820**
Distribution paid of €1.84 cents per unit for the period from 1 January 2019 to 30 June 2019	–	–	(11,671)	**(11,671)**
Distribution payable of €1.73 cents per unit for the period from 1 July 2019 to 31 December 2019	–	–	(11,067)	**(11,067)**
Total comprehensive income for the year	–	–	(9,918)	**(9,918)**
UNITHOLDERS' TRANSACTIONS				
Issue of units:				
Manager's management fee payable in units	2,526	–	–	**2,526**
Increase in net assets resulting from Unitholders' transactions	2,526	–	–	**2,526**
Net assets attributable to Unitholders as at 31 December 2019	**292,215**	**(8,233)**	**(59,405)**	**224,577**
OPERATIONS				
Profit for the year, before transactions with Unitholders	–	–	4,656	**4,656**
Distribution paid of €1.82 cents per unit for the period from 1 January 2020 to 30 June 2020	–	–	(11,660)	**(11,660)**
Distribution payable of €1.39 cents per unit for the period from 1 July 2020 to 31 December 2020	–	–	(13,031)	**(13,031)**
Total comprehensive income for the year	–	–	(20,035)	**(20,035)**
UNITHOLDERS' TRANSACTIONS				
Issue of units:				
Pursuant to the rights issue	89,371	–	–	**89,371**
Issue expenses	–	(512)	–	**(512)**
Acquisition fee paid in units	818	–	–	**818**
Manager's management fee payable in units	2,743	–	–	**2,743**
Increase in net assets resulting from Unitholders' transactions	92,932	(512)	–	**92,420**
Net assets attributable to Unitholders as at 31 December 2020	**385,147**	**(8,745)**	**(79,440)**	**296,962**

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Group 2020 EUR'000	Group 2019 EUR'000
Cash flows from operating activities			
(Loss)/Profit for the year, after transactions with Unitholders		(4,970)	46,160
Adjustments for:			
Manager's management fees payable in units		2,743	2,526
Acquisition fees payable in units		818	-
Finance costs		4,412	6,111
Finance income		(2)	(11)
Net change in fair value of financial derivatives		3,871	6,834
Net change in fair value of investment properties		(4,038)	(69,345)
Share of results of joint venture		(1,151)	535
Distribution to Unitholders		24,691	22,738
Gain on derecognition of joint venture		(2,309)	-
Income tax expense		5,934	13,304
Operating profit before working capital changes		29,999	28,852
Changes in working capital:			
Trade and other receivables		(848)	(44)
Trade and other payables		(1,408)	556
Income taxes paid		(1,256)	(187)
Cash generated from operations, representing net cash from operating activities		26,487	29,177
Cash flows from investing activities			
Capital expenditure on investment properties		(1,170)	(655)
Investment in joint venture		-	(30,918)
Acquisition of subsidiary	22	(37,706)	-
Net cash used in investing activities		(38,876)	(31,573)
Cash flows from financing activities			
Proceeds from issuance of units		89,371	-
Payments related to issuance of units		(512)	-
Proceeds from borrowings	28	-	232,760
Repayment of borrowings	28	(32,000)	(193,494)
Costs related to borrowings	28	-	(1,467)
Costs related to unwinding of previous borrowings	17	-	(2,731)
Distribution paid to Unitholders	28	(22,727)	(22,795)
Interest paid		(3,977)	(2,930)
Net cash from financing activities		30,155	9,343
Net increase in cash and cash equivalents		17,766	6,947
Cash and cash equivalents at beginning of the year		25,343	18,396
Cash and cash equivalents at the end of the year	4	**43,109**	**25,343**

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1. GENERAL

IREIT Global ("IREIT") is a real estate investment trust constituted by a trust deed entered into on 1 November 2013 and as amended and restated by an amending and restating deed dated 14 July 2014, supplemented by the first supplemental deed dated 6 November 2015, second supplemental deed dated 9 May 2018 and third supplemental deed dated 30 March 2020 (collectively, the "Trust Deed") made between IREIT Global Group Pte. Ltd. as the manager of IREIT (the "Manager"), and DBS Trustee Limited, as the trustee of IREIT (the "Trustee"). IREIT was listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 13 August 2014 ("Listing Date").

The registered office and principal place of business of the Manager is 1 Wallich Street, #15-03, Guoco Tower, Singapore 078881.

The registered office and principal place of business of the Trustee is 12 Marina Boulevard, Level 44, Marina Bay Financial Centre Tower 3, Singapore 018982.

The consolidated financial statements of IREIT as at and for the year ended 31 December 2020 comprise IREIT and its subsidiaries (together referred to as the "Group").

The principal activity of IREIT is investment holding whereas its subsidiaries are to own and invest in a portfolio of office properties in Europe. Collectively, the Manager's key financial objectives are to provide Unitholders with regular and stable distributions and the potential for sustainable long-term growth in distribution per Unit and net asset value per Unit, while maintaining an appropriate capital structure for IREIT.

The consolidated financial statements of the Group and the statement of financial position of IREIT as at 31 December 2020 and statement of changes in net assets attributable to Unitholders of IREIT for the financial year then ended were authorised for issue by the Manager on 16 March 2021.

The financial statements are presented in Euro ("€" or "EUR").

The Group has entered into several service agreements in relation to the management of IREIT and its property operations. The fee structures of these services are as follows:

(a) Manager's fees

The Manager is entitled to receive the following remuneration for the provision of asset management services:

Base fee

Pursuant to the Trust Deed, the Manager is entitled to a Base Fee of 10.0% per annum of IREIT's Annual Distributable Income (calculated before accounting for the Base Fee and the Performance Fee). The Base Fee is payable to the Manager either in the form of cash or units as the Manager may elect. The Manager has elected to receive 100.0% of its Base Fee in the form of units for the financial year ended 31 December 2020 (Note 27).

The portion of the Base Fee, payable either in the form of cash or units is payable in arrears for the relevant period. Where the Base Fee is payable in units, the units will be issued based on the volume weighted average price for a unit for all trades transacted on SGX-ST in the ordinary course of trading for a period of 10 Business Days (as defined in the Trust Deed) immediately preceding the end date of the period to which the fee relates.

1. GENERAL (CONTINUED)

(a) Manager's fees (continued)

Performance fee

Pursuant to the Trust Deed, the Manager is entitled to a Performance Fee of 25.0% of the difference in Distribution Per Unit ("DPU") in a financial period with the DPU in the preceding financial period (calculated before accounting for the Performance Fee but after accounting for the Base Fee in each financial period) multiplied by the weighted average number of units in issue for such financial period.

The Performance Fee is payable if the DPU in any financial period exceeds the DPU in the preceding financial period, notwithstanding that the DPU in such financial period may be less than the DPU in any preceding financial period.

Acquisition fee

Under the Trust Deed, the Manager is entitled to receive an acquisition fee not exceeding a maximum of 1% of the acquisition price for any real estate purchased directly or indirectly by IREIT (pro-rated if applicable to the proportion of IREIT's interest in the real estate acquired) in the form of cash and/or units (Note 27).

Divestment fee

Under the Trust Deed, the Manager is entitled to receive a divestment fee not exceeding a maximum of 0.5% of the sale price of any real estate directly or indirectly sold or divested by IREIT (pro-rated if applicable to proportion of IREIT's interest in the real estate sold) in the form of cash and/or units.

(b) Trustee's fees

The Trustee's fees shall not exceed 0.1% per annum of the value of all the assets of IREIT Group ("Deposited Property"), subject to a minimum of S$10,000 per month, excluding out-of-pocket expenses and GST in accordance with the Trust Deed.

(c) Property management fees

The property managers provide management and leasing services to the property owning subsidiaries of the Group, carrying out the day to day maintenance and leasing activities for the investment properties.

Under the property management agreements, the property managers of IREIT's current portfolio are entitled to receive monthly fees calculated based on a percentage of the rental income or an agreed fixed fee, subject to certain minimum thresholds on a property by property basis. The property managers are not related parties of the Manager.

For leasing and marketing services, the property managers are entitled to marketing services commissions or additional remuneration upon the conclusion of the lease agreement.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation of financial statements

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB"), and are drawn up in accordance with the relevant provisions of the Trust Deed and the relevant requirements of the Code on Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore ("MAS").

The financial statements have been prepared on the historical cost basis, except as disclosed in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of IFRS 16 *Leases,* and the measurements that have same similarities to fair value but are not fair value, such as net realisable value in IAS 2 *Inventories* or value in use in IAS 36 *Impairment of Assets.*

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

On 1 January 2020, the Group adopted all the new and revised IFRSs that were effective from that date and were relevant to its operations. The adoption of these new/revised IFRSs did not result in changes to the Group's and IREIT's accounting policies and had no material effect on the amounts reported for the current or prior years, except as follows.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation of financial statements (continued)

NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

Amendments to IFRS 3 *Definition of a business*

The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

The amendments remove the assessment of whether participants are capable of replacing any missing inputs or processes and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired.

The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and asset is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets.

The Group applied the amendments prospectively to businesses acquired on or after 1 January 2020.

During the year, IREIT acquired the remaining 60% interest in IREIT Global Holdings 5 Pte. Ltd. ("JVCo"), which wholly owns the Spanish Properties. Under the optional concentration test, the acquired interest in JVCo is not a business as substantially all of the fair value of the gross assets acquired is concentrated in the Spanish Properties. Accordingly, the acquisition was accounted for as an acquisition of assets (Note 22).

Amendments to IAS 1 and IAS 8 *Definition of material*

The amendments make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users have been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1.

The Group's existing accounting policy for definition of material is consistent with the requirements in Amendments to IAS 1 and IAS 8, which became effective on 1 January 2020.

At the date of authorisation of these financial statements, the below IFRS relevant to the Group were issued but not effective:

Amendments to IFRS 3	*Reference to the Conceptual Framework* [1]
Annual Improvements to IFRS Standards 2018-2020	*Amendments to IFRS 9 Financial Instruments* [1]
Amendments to IAS 1	*Classification of Liabilities as Current or Non-Current* [2]
Annual Improvements to IFRS Standards 2018-2020	*Amendments to IFRS 16 Leases* [3]
IFRS 10 and IAS 28 (amendments)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* [3]

1 Applies to annual periods beginning on or after 1 January 2022, with early application permitted.
2 Applies to annual periods beginning on or after 1 January 2023, with early application permitted.
3 Effective date is deferred indefinitely.

The adoption of the standards mentioned above are not expected to have a material impact on the Group's financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of consolidation

The consolidated financial statements incorporate the financial statements of IREIT and entities controlled by IREIT (“subsidiaries”). Control is achieved when IREIT:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

IREIT reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when IREIT obtains control over the subsidiary and ceases when IREIT loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the date IREIT gains control until the date when IREIT ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group’s accounting policies.

All intra-group assets and liabilities, income, expenses and cash flows are eliminated in full on consolidation.

Profit or loss and each component of the other comprehensive income are attributed to the Unitholders of IREIT and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the Unitholders of IREIT and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

<u>Business Combinations</u>

Acquisitions of businesses are accounted for using the acquisition method. Entities acquired, that do not meet the definition of a business are accounted for as acquisition of an asset or a group of assets. This is generally the case if the value of the assets acquired is substantially all concentrated in a single asset or group of similar assets such as investment properties. The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

When a business combination is achieved in stages, the Group’s previously held interests (including joint operations) in the acquired entity are remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

(c) Investments in subsidiaries

Investments in subsidiaries are included in IREIT’s statement of financial position at cost less any identified impairment loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Investments in joint venture

A joint venture is a joint arrangement whereby the Group that has joint control of the arrangement has rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The results and assets and liabilities of the investment in joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. When the Group's share of losses of a joint venture exceeds the Group's interest in that joint venture, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee.

(e) Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured using the fair value model. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

The carrying value of investment properties include components relating to lease incentives and other items relating to increases in lease rentals in future periods.

Lessees may be offered incentives as an inducement to enter into non-cancellable operating leases. Lease incentives form part, as a deduction, of total rent receivable from Group's operating lease contracts and as such are recognised on a straight-line basis over the lease term.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the investment property is derecognised.

(f) Financial instruments

Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Financial assets at amortised cost

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, the financial assets (including trade and other receivables and bank balances and cash) are measured at amortised cost using the effective interest rate method, less any identified impairment losses as disclosed in Note 25(a).

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the financial asset, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Financial assets at fair value through profit or loss ("FVTPL")

Financial assets that do not meet the criteria for being measured at amortised cost or fair value through other comprehensive income ("FVTOCI") are measured at FVTPL. Financial assets at FVTPL are measured at fair value as at each reporting date, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. IREIT has financial derivative instruments designated as at FVTPL. Fair value is determined in the manner described in Note 6.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Financial assets (continued)

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically,

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss; and
- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") for all its financial assets at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

The Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring. The Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

For trade and other receivables, the Group applies a simplified approach in calculating ECLs. Based on historical credit losses experience (past due status of the trade receivables), the expected credit losses are adjusted to reflect current conditions and estimates of future economic conditions at the reporting date.

Definition of default

The Group may consider an event of default for internal credit risk management purposes:

- when a financial asset is more than 90 days past due; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group);

unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Financial assets (continued)

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any subsequent recoveries are recognised in profit or loss.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

(h) Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the group entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceed received, net of direct issue costs.

Transaction costs relating to the equity instrument are recognised directly in equity.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial liabilities and equity instruments (continued)

Financial liabilities

All financial liabilities (including trade and other payables, distribution payable and borrowings) are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL are stated at fair value with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liabilities. Fair value is determined in the manner described in Note 6.

Financial liabilities that are not 1) contingent consideration of an acquirer in a business combination, 2) held-for-trading, or 3) designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost as at each reporting date, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the profit or loss for financial liabilities that are not part of a designated hedging relationship.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Derivative financial instruments

The Group uses derivative financial instruments (primarily interest rate swaps and foreign currency forward contracts) to economically hedge its significant future transactions and cash flows in the management of its interest rate and exchange rate exposures. Further details of derivative financial instruments are disclosed in Note 6.

IREIT does not perform hedge accounting, therefore derivative financial instruments are initially measured at fair value at the date the derivative contracts are entered into, and are subsequently re-measured to fair value at the end of each reporting period. All changes in fair value are taken to profit or loss.

(j) Leases

The Group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Subsequent to initial recognition, the Group regularly reviews the estimated unguaranteed residual value and applies the impairment requirements of IFRS 9, recognising an allowance for expected credit losses on the lease receivables.

(k) Issue costs

Unit issue costs are transactions costs relating to issuance of units in IREIT which are accounted for as a deduction from the proceeds raised to the extent they are incremental costs directly attributable to the transaction that otherwise would have been avoided. Other transaction costs are recognised as an expense in profit or loss.

(l) Revenue recognition

The Group recognises revenue from the following major sources:

- Rental income
- Service charge income
- Carpark income

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Revenue recognition (continued)

Rental income

Rental income under operating leases, except for contingent rentals are recognised in profit or loss on a straight-line basis over the term of the relevant lease.

Contingent rentals (including those based on inflation index) are recognised as income in the accounting period on a receipt basis. No contingent rentals are recognised if there are uncertainties due to the possible return of amounts received.

Service charge income

Service charge income is an income generated from providing essential building management and maintenance services to the tenants at the properties held by the Group. It consists of payments in respect of the operations of the properties and is recognised as income over time.

Carpark income

Carpark income derived from tenants of the properties under operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

(m) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(n) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Foreign currencies

The functional currency (the currency of the primary economic environment in which the entity operates) of IREIT and its subsidiaries is Euro.

In preparing the financial statements of each individual entity within the Group, transactions in currencies other than Euro are recorded in Euro at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

(p) Impairment of investments in subsidiaries and joint venture

At the end of the reporting period, IREIT reviews the carrying amounts of its investments in each of the subsidiaries and joint venture to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amount of the investments in subsidiaries and joint venture is estimated in order to determine the extent of the impairment loss, if any.

Recoverable amount is the higher of fair value less cost to sell or value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of the investments is estimated to be less than its carrying amount, the carrying amount of investments is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of investments is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for investments in prior years. A reversal of an impairment loss is recognised as income immediately.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit before taxation" as reported in the statement of profit or loss and other comprehensive income because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax is recognised on the temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all temporary difference to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such deferred assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax liabilities or deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

Current and deferred tax are recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Segment reporting

Segment information is reported in a manner consistent with the internal reporting provided to the management of the Manager who conducts a regular review for allocation of resources and assessment of the performance of the operating segments.

(s) 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.

(t) Cash and cash equivalents in the statement of cash flows

Cash and cash equivalents in the statement of cash flows comprise cash on hand and demand deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2, the Manager is required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

In the process of applying the Group's accounting policies, the Manager is of the opinion that there are no instances of application of judgments or the use of estimation techniques which may have a significant effect on the amounts recognised in the financial statements other than described below.

(a) Valuation of investment properties

As described in Notes 2(e) and 7, investment properties are stated at fair value based on the valuation performed by independent professional valuers ("Valuers"). In determining the fair values of the properties, the Valuers have used and considered the discounted cash flow method, which involve the making of certain assumptions and estimates. The Manager has exercised its judgment and is satisfied that the valuation methodology, assumptions and estimates are reflective of the prevailing conditions in Germany and Spain, where the investment properties are located. Information about the assumptions, estimation, and other uncertainties that have a significant effect on the amounts recognised and the fair values of the investment properties are set out in Note 7.

(b) Current and deferred taxes

The Manager has also applied consistent judgement and estimates to current and deferred taxes disclosed in Notes 20 and 10 respectively. Judgement is required in determining the deductible amount of certain expenses during the estimation of provision for income taxes in current year and prior years. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax provisions in the period in which such determination is made.

4. CASH AND CASH EQUIVALENTS

	Group		IREIT	
	2020 EUR'000	2019 EUR'000	2020 EUR'000	2019 EUR'000
Cash at bank and in hand	43,109	24,918	10,135	11,617
Fixed deposits	–	425	–	425
	43,109	**25,343**	**10,135**	**12,042**

As at 31 December 2019, fixed deposits bore an interest rate of 1.40% per annum and for a tenure of 6 months. The fixed deposits were readily convertible into cash at minimal cost.

5. TRADE AND OTHER RECEIVABLES

	Group		IREIT	
	2020 EUR'000	2019 EUR'000	2020 EUR'000	2019 EUR'000
(a) Trade receivables				
Outside parties	942	605	–	–
(b) Other receivables and prepayments				
Other receivables	1,025	7	10,623	3,442
Prepayments	865	1,104	8	8
	1,890	1,111	10,631	3,450
Current trade and other receivables	**2,832**	**1,716**	**10,631**	**3,450**
(c) Other receivables				
Outside parties	1,316	1,457	–	–
Loans to subsidiary	–	–	31,000	–
	1,316	1,457	31,000	–
Non-current other receivables	**1,316**	**1,457**	**31,000**	**–**

The Group's trade receivables as at the end of the reporting period comprise amounts owing by tenants of the investment properties in relation to the settlement of property operating expenses. The credit terms for trade receivables are not more than 30 days. As at 31 December 2020, an amount of €76,000 (2019: Nil) is past due but not impaired. No interest is charged on the trade receivables.

Included in IREIT's other receivables is an amount receivable from subsidiaries of €10.4 million (2019: €3.3 million) mainly comprising approximately €8.2 million (2019: €2.8 million) of dividends receivable and loan repayments from subsidiaries, which were collected subsequent to year end.

As at 31 December 2020, loans to subsidiary bear fixed nominal interest rate of 7.45% per annum. The interest is payable quarterly while the payment of principal will be upon maturity in 2026. The fair value of the loans to subsidiary approximates its carrying amount.

5. TRADE AND OTHER RECEIVABLES (CONTINUED)

In determining the recoverability of receivables, the Group considers any change in the credit quality of the receivables from the date credit was initially granted. The Group applies a simplified approach in calculating ECLs which is based on historical credit losses experienced (past due status of the trade receivables), adjusted as appropriate to reflect current conditions and estimates of future economic conditions at the reporting date. As at financial period end, expected credit losses from receivables are expected to be insignificant.

6. FINANCIAL DERIVATIVES

	Group		IREIT	
	2020 EUR'000	**2019** EUR'000	**2020** EUR'000	**2019** EUR'000
Current assets				
Foreign currency forward contracts	–	574	–	574
Interest rate caps	313	–	–	–
	313	**574**	**–**	**574**
Current liabilities				
Foreign currency forward contracts	429	7	429	7
Interest rate swaps	1,590	1,669	–	–
	2,019	**1,676**	**429**	**7**
Non-current liabilities				
Interest rate swaps	**7,805**	**5,042**	**–**	**–**

(a) Foreign currency forward contracts

The functional and presentation currency of IREIT is Euro, whereas the distributions to Unitholders are denominated in Singapore Dollar. In order to economically hedge the potential foreign currency fluctuation between Euro and Singapore Dollar, IREIT has entered into foreign currency forward contracts (the "contracts") to economically hedge the foreign currency exposure.

As at the end of the financial year, the total notional amount of outstanding forward foreign exchange contracts to which the Group is committed to is approximately €15.4 million (2019: €18.1 million).

The fair value of the foreign currency forward contracts falls under Level 2 of the fair value hierarchy and is based on banks' quotes.

(b) Interest rate caps

The Group has entered into interest rate cap contracts to hedge its exposure to interest rate risks associated with movements in the interest rate on the borrowings of the Group in Note 12.

As at the end of the financial year, the total notional amount of outstanding interest rate caps to which the Group is committed to is approximately €66.9 million (2019: Not applicable).

The fair value of the interest rate caps falls under Level 2 of the fair value hierarchy and is based on banks' quotes.

6. FINANCIAL DERIVATIVES (CONTINUED)

(c) Interest rate swaps

The Group has entered into interest rate swap contracts to hedge its exposure to interest rate risks associated with movements in the interest rate on the borrowings of the Group in Note 12.

As at the end of the financial year, the total notional amount of outstanding interest rate swaps to which the Group is committed to is approximately €200.8 million (2019: €200.8 million).

The fair value of the interest rate swaps falls under Level 2 of the fair value hierarchy and is based on banks' quotes.

7. INVESTMENT PROPERTIES

		Group	
	Note	**2020** EUR'000	**2019** EUR'000
Beginning of the year		574,900	504,900
Capital expenditure on investment properties		1,170	655
Acquisition of investment properties	(a)	136,400	–
Lease incentives and rent straight-lining		3,072	–
Net change in fair value of investment properties during the year		4,038	69,345
End of the year	(b)	**719,580**	**574,900**

(a) On 22 October 2020, IREIT, through the acquisition of the remaining 60% of IREIT Global Holdings 5 Pte. Ltd., acquired the remaining 60% interest in four office buildings in Spain. The Group has classified its now 100% interest in IREIT Global Holdings 5 Pte. Ltd. as a subsidiary, as disclosed in Notes 8 and 9.

(b) The fair values of the Group's investment properties at year end have been determined on the basis of valuations carried out on 31 December 2020 (2019: 31 December 2019) by independent valuers [i], having appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued, and are not related to the Group. The fair value was determined based on the discounted cash flow method. In estimating the fair value of the properties, the Manager is of the view that the highest and best use of the properties is their current use.

The independent valuers have highlighted that the pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally. Nevertheless, as at the valuation date, property markets are mostly functioning again, with transaction volumes and other relevant evidence at levels where enough market evidence exists upon which to base opinions of value. The independent valuer for the properties in Spain has recommended that the valuation of the properties be kept under frequent review. The independent valuer for the properties in Germany has highlighted the importance of the valuation date, in recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19.

The Manager reviewed the appropriateness of the valuation methodology, assumptions and estimates adopted and is of the view that they are reflective of the market conditions as at 31 December 2020. The valuations were based on the information available as at 31 December 2020. Due to the unknown future impact that COVID-19 might have on the real estate markets, less certainty and a higher degree of caution should be attached to the valuations than would normally be the case.

[i] Independent valuers for the investment properties located in Germany is Messrs CBRE Germany GmbH (2019: Messrs CBRE Germany GmbH), and the independent valuers for the investment properties located in Spain is Messrs Cushman & Wakefield Spain Limited, Sucursal en España (2019: Not applicable).

7. INVESTMENT PROPERTIES (CONTINUED)

Details of the investment properties as at 31 December 2020 and 2019 which are located in Germany and Spain are set out below:

Description of property	Type	Leasehold term	Location	Appraised value 2020 EUR'000	Appraised value 2019 EUR'000
Germany					
Bonn Campus	Office	Freehold	Friedrich-Ebert-Allee,71, 73, 75, 77, Bonn	113,700	113,700
Darmstadt Campus	Office	Freehold	Heinrich-Hertz-Straße 3, 5, 7, Darmstadt, Germany Mina-Rees-Straße 4, Darmstadt	90,400	90,600
Münster Campus	Office	Freehold	Gartenstraße 215, 217, Münster	64,400	62,800
Concor Park	Office	Freehold	Bahnhofstraße 12 and Dywidagstraße 1, Bahnhofstraße 16, 18, 20, München	93,300	90,800
Berlin Campus	Office	Freehold	Schreiberhauer Straße 2, 4, 6, 8, 10, 12, 14, 16, 18, 20 and 22, Berlin 10317	226,100	217,000
Total – Germany				**587,900**	**574,900**
Spain					
Delta Nova IV	Office	Freehold	Av. Manoteras, 46, Madrid	28,380	N.A.
Delta Nova VI	Office	Freehold	Av. Manoteras, 46BIS, Madrid	38,600	N.A.
Il·Lumina	Office	Freehold	Carrer De Gaspar Fabregas I Roses, 81, Barcelona	25,400	N.A.
Sant Cugat Green	Office	Freehold	Av. De La Generalitat, 163-167, Barcelona	39,300	N.A.
Total – Spain				**131,680**	**N.A.**
Total				**719,580**	**574,900**

7. INVESTMENT PROPERTIES (CONTINUED)

The following table presents the valuation method and key unobservable inputs that were used to determine the fair value of investment properties categorised under Level 3 of the fair value hierarchy:

Valuation method	Discount rate		Terminal Capitalisation rate	
	2020	2019	2020	2019
Discounted cash flow	4.90% to 9.85% per annum	5.10% to 6.20% per annum	4.30% to 7.00% per annum	4.60% to 5.50% per annum

There are inter-relationships between the above significant unobservable inputs. An increase in the discount rate or terminal capitalisation rate will result in a decrease to the fair value of investment properties. An analysis of the sensitivity of each of the significant unobservable inputs is as follows:

Germany Portfolio

Valuation method	Impact on carrying value of properties
Discounted cash flow	If terminal capitalisation rate were to increase by 0.5%, the carrying value of the investment properties would decrease by approximately €42.3 million (2019: €36.8 million). If discount rate were to increase by 0.5%, the carrying value of the investment properties would decrease by approximately €19.7 million (2019: €22.2 million).

Spain Portfolio

Valuation method	Impact on carrying value of properties
Discounted cash flow	If terminal capitalisation rate were to increase by 0.5%, the carrying value of the investment properties would decrease by approximately €5.9 million (2019: Not applicable). If discount rate were to increase by 0.5%, the carrying value of the investment properties would decrease by approximately €4.7 million (2019: Not applicable).

The above investment properties have been pledged as security for bank loans (Note 12).

8. INVESTMENT IN SUBSIDIARIES

	IREIT	
	2020	**2019**
	EUR'000	EUR'000
Unquoted equity shares, at cost	153,683	28,903
Loans to subsidiaries (Note a)	182,542	194,091
Total	**336,225**	**222,994**

(a) The loans to subsidiaries relate to the loans to the Singapore financing subsidiaries, which are ultimately used to fund the property investment holding subsidiaries for the purchase of the investment properties. The loans are long-term in nature, unsecured, do not bear interest and are repayable at the sole discretion of the subsidiaries when they have the necessary cash flow to repay the loans.

IREIT has held the following wholly-owned subsidiaries as at 31 December 2020 and 2019:

Name of entity	**Principal activities**	**Country/ Place of incorporation**	**Proportion of ownership interest and voting rights held**	
			2020	**2019**
			%	**%**
Directly held:				
IREIT Global Holdings Pte. Ltd.[(a)]	Investment holding	Singapore	100	100
IREIT Global Holdings 1 Pte. Ltd.[(a)]	Investment holding	Singapore	100	100
IREIT Global Holdings 2 Pte. Ltd.[(a)]	Investment holding	Singapore	100	100
IREIT Global Holdings 3 Pte. Ltd.[(a)]	Investment holding	Singapore	100	100
IREIT Global Holdings 4 Pte. Ltd.[(a)]	Investment holding	Singapore	100	100
IREIT Global Holdings 5 Pte. Ltd.[(c)]	Investment holding	Singapore	100	40
IREIT Global Investments Pte. Ltd.[(a)]	Group lending	Singapore	100	100
IREIT Global Investments 1 Pte. Ltd.[(a)]	Group lending	Singapore	100	100
IREIT Global Investments 2 Pte. Ltd.[(a)]	Group lending	Singapore	100	100
IREIT Global Investments 3 Pte. Ltd.[(a)]	Group lending	Singapore	100	100
IREIT Global Investments 4 Pte. Ltd.[(a)]	Group lending	Singapore	100	100
Sadena Real Estate S.L.U.[(b)]	Real estate investment	Spain	100	–
Indirectly held:				
Laughing Rock 1 B.V.[(b)]	Real estate investment	Netherlands	100	100
Laughing Rock 2 B.V.[(b)]	Real estate investment	Netherlands	100	100
Laughing Rock 3 B.V.[(b)]	Real estate investment	Netherlands	100	100
Laughing Rock 4 B.V.[(b)]	Real estate investment	Netherlands	100	100
Laughing Rock 5 B.V.[(b)]	Real estate investment	Netherlands	100	100
Laughing Rock 6 B.V.[(b)]	Real estate investment	Netherlands	100	100
Laughing Rock 7 B.V.[(b)]	Real estate investment	Netherlands	100	100
Laughing Rock 8 B.V.[(b)]	Real estate investment	Netherlands	100	100
Laughing Rock 9 B.V.[(b)]	Real estate investment	Netherlands	100	100
Laughing Rock 11 B.V.[(b)]	Real estate investment	Netherlands	100	100
Laughing Rock 12 B.V.[(b)]	Real estate investment	Netherlands	100	100
Laughing Rock 13 B.V.[(b)]	Real estate investment	Netherlands	100	100
Laughing Rock 14 B.V.[(b)]	Real estate investment	Netherlands	100	100

(a) Audited by Deloitte & Touche LLP, Singapore.
(b) Audited by overseas practices of Deloitte Touche Tohmatsu Limited.
(c) Not required to be audited as the entity will be placed under Members' Voluntary Winding Up.

9. INVESTMENT IN JOINT VENTURE

	Group and IREIT 2020 EUR'000	Group and IREIT 2019 EUR'000
Cost of investment in joint venture	30,383	30,918
Share of post-acquisition results	1,151	(535)
Derecognition of joint venture	(31,534)	–
	–	**30,383**

In December 2019, IREIT entered into a 40:60 joint venture with Tikehau Capital SCA, a Unitholder and shareholder of IREIT and the Manager, for the purposes of acquiring four properties in Spain, located in Madrid and Barcelona. The properties were held through three Spanish property holding companies, being Gloin Investments, S.L.U., Chamelon (Esplugues), S.L.U. and Chamelon (Sant Cugat Investment 2014), S.L.U. (the "Spanish PropCos"). IREIT Global Holdings 5 Pte. Ltd. ("JVCo") completed the acquisition of 100% of the interests in the Spanish PropCos on 20 December 2019.

Subsequent to completion, Sadena Real Estate, S.L.U. (the "Spanish HoldCo") was set up as a 100%-owned subsidiary of JVCo, and JVCo transferred its 100% interests in the Spanish PropCos to the Spanish HoldCo.

On 22 October 2020, IREIT completed the acquisition of the remaining 60% interest in JVCo following which JVCo became a 100%-owned subsidiary of the Group (Note 8). A gain on derecognition of joint venture of €2,309,000 arising from the remeasurement of the Group's previously held interest in JVCo was recognised.

Subsequently on 3 November 2020, JVCo transferred 100% of the issued share capital of the 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 directly 100% of the issued share capital of Sadena Real Estate, S.L.U. (Note 8) which in turn holds the Spanish Properties.

Details of the Group's joint venture at the end of the reporting period are as follows:

Name of entity	Principal activities	Country/ Place of incorporation	Proportion of ownership interest and voting rights held 2020 %	Proportion of ownership interest and voting rights held 2019 %
IREIT Global Holdings 5 Pte. Ltd. ("JVCo")	Investment holding	Singapore	100	40
Held through JVCo				
Gloin Investments, S.L.U.	Real estate investment	Spain	–	40
Chameleon (Sant Cugat, Investment 2014), S.L.U.	Real estate investment	Spain	–	40
Chameleon (Esplugues), S.L.U.	Real estate investment	Spain	–	40

The above joint venture entity is accounted for using the equity method in the consolidated financial statements as set out in the Group's accounting policies in Note 2(d).

9. INVESTMENT IN JOINT VENTURE (CONTINUED)

Summarised financial information in respect of the Group's joint venture is set out below.

	2019 EUR'000
JVCo	
Cash and cash equivalents	9,553
Other current assets	3,148
Current assets	12,701
Investment properties [a]	133,800
Other non-current assets	3,554
Non-current assets	137,354
Total assets	150,055
Other payables	(7,931)
Current liabilities	(7,931)
Borrowings	(64,868)
Other payables	(1,299)
Non-current liabilities	(66,167)
Total liabilities	(74,098)
Net assets of joint venture	**75,957**
Proportion of the Group's ownership interest in the joint venture (%)	40%
Carrying amount of the Group's interest in the joint venture	**30,383**

[a] The fair value of the investment properties was determined to approximate the purchase price paid by JVCo in December 2019.

10. DEFERRED TAX ASSETS/ (LIABILITIES)

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

The following are the major components of deferred tax assets/(liabilities) recognised and movements therein during the current and prior reporting period:

Group	Note	Unutilised tax losses EUR'000	Revaluation difference of investment properties EUR'000	Revaluation difference of interest rate swaps EUR'000	Total EUR'000
Deferred tax assets					
As at 1 January 2019		**1,716**	**44**	**–**	**1,760**
Recognised in profit or loss	20	244	–	–	244
Balance as at 31 December 2019		**1,960**	**44**	**–**	**2,004**
Recognised in profit or loss	20	(1,612)	–	1,487	(125)
Balance as at 31 December 2020		**348**	**44**	**1,487**	**1,879**
Deferred tax liabilities					
As at 1 January 2019		**(11)**	**(15,485)**	**–**	**(15,496)**
Recognised in profit or loss	20	–	(12,561)	–	(12,561)
Balance as at 31 December 2019		**(11)**	**(28,046)**	**–**	**(28,057)**
Recognised in profit or loss	20	–	(4,136)	–	(4,136)
Balance as at 31 December 2020		**(11)**	**(32,182)**	**–**	**(32,193)**

11. TRADE AND OTHER PAYABLES

		Group		IREIT	
		2020 EUR'000	**2019** EUR'000	**2020** EUR'000	**2019** EUR'000
(a)	Trade payables				
	Outside parties	785	282	40	582
(b)	Other payables				
	Accrued expenses and other payables	3,905	3,435	508	1,300
	Current trade and other payables	**4,690**	**3,717**	**548**	**1,882**
(c)	Non-current other payables	**1,430**	**–**	**77,021**	**–**

Trade payables and other payables principally comprise amounts outstanding for goods and services provided to IREIT. The average credit period is 30 days.

IREIT's non-current other payables represents an amount due to a subsidiary pursuant to the Internal Transfer (Note 9) which is unsecured, interest-free and not repayable on demand. The fair value of the amount due to a subsidiary approximates its carrying amount.

12. BORROWINGS

	Group		IREIT	
	2020 EUR'000	**2019** EUR'000	**2020** EUR'000	**2019** EUR'000
Secured loans	267,660	232,760	–	32,000
Less: Unamortised transaction costs	(3,032)	(1,307)	–	(92)
Amount due for settlement after 12 months	**264,628**	**231,453**	**–**	**31,908**

During the year, the term loan facility of €32.0 million from City Strategic Equity Pte. Ltd. taken up by IREIT in December 2019 for the purpose of financing its initial investment in JVCo (Note 9), was fully repaid.

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

(i) Term loan facility of €200.8 million (2019: €200.8 million) taken up in February 2019 to refinance all the then existing borrowings. The facility will mature on a bullet basis in 2026. Interest is payable at three-monthly intervals at variable rates based on the EURIBOR 3 months plus a loan margin ranging from 0.73% to 1.23% per annum; and

(ii) Term loan facility of €66.9 million (2019 : Not applicable) 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% interest in JVCo (Note 22). The facility will mature on a bullet basis in 2026. Interest is payable at three-monthly intervals at variable rates based on the EURIBOR 3 months plus a loan margin of 1.80% per annum.

12. BORROWINGS (CONTINUED)

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 (2019: €574.9 million);
- 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;
- Assignment 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).

The Facilities are denominated in Euro. Interest rate swap and interest rate cap contracts have been entered into to fix the interest rate on the borrowings (Note 6). The Group does not apply hedge accounting.

The fair value of the bank borrowings as at 31 December 2020 is approximately €267.7 million (2019: €232.8 million).

13. UNITS IN ISSUE AND TO BE ISSUED

In accordance with the Trust Deed, IREIT's distribution policy provides the Unitholders with a right to receive distribution which IREIT has a contractual obligation to distribute to Unitholders. Accordingly, the units issued are compound instruments in accordance with IAS 32 *Financial Instruments Presentation*.

The Manager considers the equity component of the issued units to be insignificant and that the net assets attributable to Unitholders presented on the statements of financial position as at 31 December 2020 and 2019 mainly represent financial liabilities.

	Group and IREIT	
	2020 '000	2019 '000
Units in issue:		
Beginning of year	637,223	632,011
Issuance of new units:		
Pursuant to the rights issue	291,406	–
Acquisition fees paid in units	2,053	–
Management fees paid in units	6,364	5,212
End of the year	937,046	637,223
Units to be issued:		
Manager's management fees payable in units	1,917	1,142
Total units in issue and to be issued at end of year	**938,963**	**638,365**

The units to be issued to the Manager as payment of Manager's fees were issued on 12 March 2021.

14. NET ASSET VALUE PER UNIT

Net asset value per unit is based on:

	Group		IREIT	
	2020 EUR'000	2019 EUR'000	2020 EUR'000	2019 EUR'000
Net assets	441,743	354,293	296,962	224,577
Number of units in issue and to be issued at the end of the year ('000) (Note 13)	938,963	638,365	938,963	638,365
Net asset value per unit (€)	**0.47**	**0.56**	**0.32**	**0.35**

15. GROSS REVENUE

	Group	
	2020 EUR'000	2019 EUR'000
Rental income	31,372	29,158
Service charge income	3,429	2,976
Carpark income	2,949	2,922
Other income	71	209
Total	**37,821**	**35,265**

16. PROPERTY OPERATING EXPENSES

	Group	
	2020 EUR'000	2019 EUR'000
Property management expenses	312	492
Repair and maintenance expenses	1,729	1,715
Utilities expenses	670	730
Property tax expenses	1,232	1,236
Other expenses	984	430
Total	**4,927**	**4,603**

17. FINANCE COSTS

	Group	
	2020	**2019**
	EUR'000	EUR'000
Interest on borrowings	4,063	2,940
Amortisation of debt upfront transaction costs	349	440
Costs related to unwinding of previous borrowings	–	2,731
Total	**4,412**	**6,111**

18. MANAGER'S FEE

	Group	
	2020	**2019**
	EUR'000	EUR'000
Base fee	2,743	2,526

The Manager's management fees comprise an aggregate of 7,050,569 (2019: 5,014,908) units, amounting to approximately €2,743,000 (2019: €2,526,000), which have been or will be issued to the Manager at S$0.4747 to S$0.7329 (2019: S$0.7476 to S$0.8025) per unit.

19. OTHER TRUST EXPENSES

	Group	
	2020	**2019**
	EUR'000	EUR'000
Audit fees	180	144
Non-audit fees	296	434
Legal and professional fees	274	136
Property valuation fees	51	44
Foreign exchange loss/(gain)	1,066	(284)
Others	89	139
Total	**1,956**	**613**

20. INCOME TAX EXPENSE

	Group	
	2020	2019
	EUR'000	EUR'000
Underprovision of tax in the prior years	267	860
Current tax	1,406	127
	1,673	987
Deferred taxation		
– Current year (Note 10)	4,261	12,317
Total	**5,934**	**13,304**

IREIT is subjected to Singapore income tax at 17% (2019: 17%). Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The income tax for the year can be reconciled to the accounting result as follows:

	Group	
	2020	2019
	EUR'000	EUR'000
Profit before taxation and transactions with Unitholders	25,655	82,202
Tax at 17% (2019: 17%)	4,361	13,974
Tax effect of expenses not deductible for tax purposes	2,809	1,782
Tax effect of income not taxable for tax purposes	(1,433)	(2,145)
Effect of different tax rate of overseas operations	(329)	(867)
Underprovision of tax in the prior years	267	860
Others	259	(300)
Tax expense for the year	**5,934**	**13,304**

21. BASIC AND DILUTED EARNINGS PER UNIT

The calculation of basic earnings per unit is based on:

	Group	
	2020	2019
	EUR'000	EUR'000
Profit for the year before transactions with Unitholders	19,721	68,898
Weighted average number of units, after adjusting for the effects of the Rights Issue [(1)]	695,720	690,336
Basic and diluted earnings per unit (€ cents)	**2.83**	**9.98**

(1) The weighted average number of units and earnings per unit have been adjusted to reflect the effects of the Rights Units issued on 23 October 2020.

The diluted earnings per unit is the same as the basic earnings per unit as there were no dilutive instruments issued during the period.

22. ACQUISITION OF SUBSIDIARY

Following the acquisition of the remaining 60% interest in JVCo, being IREIT Global Holdings 5 Pte. Ltd., on 22 October 2020, IREIT owns 100% of the Spanish Properties (Note 9). The acquisition was accounted for as an acquisition of assets.

Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the acquisition date.

	2020 EUR'000
Current assets	11,479
Investment properties	136,400
Non-current assets	1,397
Total assets	**149,276**
Current liabilities	(2,372)
Non-current liabilities	(66,182)
Total liabilities	**(68,554)**
Net identifiable assets and liabilities	80,722
Net identifiable assets and liabilities assumed, representing 60% of net identifiable assets and liabilities of JVCo	48,433

Net cash outflow on acquisition

	2020 EUR'000
Consideration paid	(48,433)
Add : Cash acquired	10,727
Total net cash outflow	(37,706)

23. SEGMENTAL REPORTING

Operating segments are identified on the basis of internal reports on components of the Group that are regularly reviewed by the Group's Chief Operating Decision Maker ("CODM"), which is the management of the Manager, in order to allocate resources to segments and to assess their performance. The Group's operating segments are its property portfolios by location as each of these property portfolios have different performance characteristics. This forms the basis of identifying of operating segments of the Group under IFRS 8 *Operating Segments*.

Segment revenue comprises mainly income generated from its tenants. Segment net property income represents the income earned by each segment after allocating property operating expenses. This is the measure reported to the CODM for the purpose of assessment of segment performance.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly management fee, trust expenses, finance income, finance costs and related assets and liabilities.

Information regarding the Group's reportable segments is presented in the tables below.

Segment results

	Germany EUR'000	**Spain** EUR'000	**Total** EUR'000
2020			
Gross revenue	35,756	2,065	37,821
Property operating expenses	(4,376)	(551)	(4,927)
Segment net property income	31,380	1,514	32,894
Finance costs	(2,977)	(299)	(3,276)
Change in fair value of financial derivatives	(3,681)	(190)	(3,871)
Change in fair value of investment properties	10,563	(6,525)	4,038
Profit before taxation – Segments	35,285	(5,500)	29,785
Unallocated items:			
Finance income			2
Finance costs			(1,136)
Manager's fees			(2,743)
Trustee's fees			(135)
Administrative costs			(338)
Other trust expenses			(1,956)
Share of results of joint venture			1,151
Gain on derecognition of joint venture			2,309
Acquisition-related costs			(1,284)
Profit before taxation			25,655
Income tax expense			(5,934)
Profit for the year			19,721

23. SEGMENTAL REPORTING (CONTINUED)

Segment results

	Germany EUR'000	Spain EUR'000	Total EUR'000
2019			
Gross revenue	35,265	N.A.	35,265
Property operating expenses	(4,603)	N.A.	(4,603)
Segment net property income	30,662	N.A.	30,662
Finance costs	(6,040)	N.A.	(6,040)
Change in fair value of financial derivatives	(6,834)	N.A.	(6,834)
Change in fair value of investment properties	69,345	N.A.	69,345
Profit before taxation - Segments	87,133	N.A.	87,133
Unallocated items:			
Finance income			11
Finance costs			(71)
Manager's fees			(2,526)
Trustee's fees			(109)
Administrative costs			(473)
Other trust expenses			(613)
Share of results of joint venture			(535)
Acquisition-related costs			(615)
Profit before taxation			82,202
Income tax expense			(13,304)
Profit for the year			68,898

23. SEGMENTAL REPORTING (CONTINUED)

Segment assets and liabilities

	Germany EUR'000	Spain EUR'000	Total EUR'000
2020			
Segment assets	613,506	144,530	758,036
Unallocated assets			10,993
Total assets			769,029
Segment liabilities	245,138	68,008	313,146
Unallocated liabilities			14,140
Total liabilities			327,286
2019			
Segment assets	576,942	N.A.	576,942
Unallocated assets			59,435
Total assets			636,377
Segment liabilities	224,848	N.A.	224,848
Unallocated liabilities			57,236
Total liabilities			282,084

Major customers

There are certain major customers of the Group in Germany that each account for 10% or more of the Group's gross revenue. For the financial year ended 31 December 2020, gross revenue derived from the 2 tenants in Germany amounted to €17.5 million (2019: €18.0 million) and €11.3 million (2019: €11.8 million) respectively.

24. CAPITAL RISK MANAGEMENT POLICIES AND OBJECTIVES

The Manager manages the capital of the Group to ensure that entities in the Group will be able to continue as a going concern while maximising the return to Unitholders through the optimisation of debt and net assets attributable to Unitholders, and to ensure that all other externally imposed capital requirements are complied with.

The capital structure of the Group consists of debts, which include bank borrowings, and net assets attributable to Unitholders comprising issued and issuable units, and reserves. Effective 16 April 2020, IREIT and the Group are required to maintain aggregate leverage not exceeding 50% (2019: 45%) of the fund's depository property of the Group in accordance with the CIS Code issued by MAS. A breach will result in a non-compliance to the regulation.

As at 31 December 2020, the Group's aggregate borrowings amounted to €264.6 million (2019: €231.5 million) representing 34.8% (2019: 39.3%) of the fund's depository property of the Group.

There were no changes in the Manager's approach to capital risk management during the financial year. The Group is in compliance with the bank covenants as at 31 December 2020.

25. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	Group		IREIT	
	2020	2019	2020	2019
	EUR'000	EUR'000	EUR'000	EUR'000
Financial assets				
At amortised cost				
– Bank balances and cash	43,109	25,343	10,135	12,042
– Trade and other receivables	3,283	612	41,623	3,442
	46,392	**25,955**	**51,758**	**15,484**
Fair value through profit or loss				
Derivative financial instruments	**313**	**574**	**–**	**574**
Financial liabilities				
At amortised cost				
– Trade and other payables	6,120	3,717	77,569	1,882
– Distribution payable	13,031	11,067	13,031	11,067
– Borrowings	264,628	231,453	–	31,908
	283,779	**246,237**	**90,600**	**44,857**
Fair value through profit or loss				
Derivative financial Instruments	**9,824**	**6,718**	**429**	**7**

(b) Financial risk management objectives and policies

Details of the Group's and IREIT's financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include interest rate risk, credit risk, liquidity risk and foreign currency risk.

The policies on how to mitigate these risks are set out below. The Manager manages and monitors these risks to ensure appropriate measures are implemented on a timely and effective manner.

Interest rate risk management

The Group's exposure to changes in interest rates relates primarily to interest-earning financial assets and interest-bearing financial liabilities. The Group's policy is to maintain its cash and cash equivalents and borrowings in an appropriate mix of fixed and floating rate exposures and the terms of the Group's borrowings are shown in Note 12, and details of interest rate on IREIT's fixed deposits are shown in Note 4. As at financial period end, the Group had entered into interest rate swap and interest rate cap contracts to hedge its exposure from floating rate borrowings. Further details of and interest rate swaps and interest rate caps can be found in Note 6.

Interest rate sensitivity

The sensitivity analysis below has been determined based on the exposure to interest rates for the Group's variable rate borrowings at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates and have not been hedged. A 1.0% increase or decrease is used when reporting interest rate risk internally to key management personnel and represents the Manager's assessment of the reasonably possible change in interest rates. If interest rates increase or decrease by 1.0%, the profit for the year ended 31 December 2020 will increase or decrease by €Nil (2019: €320,000).

25. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (continued)

Credit risk management

Credit risk is the potential financial loss resulting from the failure of a tenant or counterparty to settle its financial and contractual obligations to the Group, as and when they fall due. For trade and other receivables, the Group applies a simplified approach in calculating expected credit losses. Based on historical credit losses experience (past due status of the trade receivables), the expected credit losses are adjusted to reflect current conditions and estimates of future economic conditions at the reporting date. As at financial period end, expected credit losses from trade and other receivables are expected to be insignificant.

The credit risk on liquid funds and derivative financial instruments is limited as the counterparties are reputable financial institutions which are regulated and carry high credit ratings assigned by international credit-rating agencies. The maximum exposure to credit risk is represented by the carrying value of each financial asset on the statements of financial position.

Approximately 66.1% (2019: 85.9%) of the Group's trade receivables as at 31 December 2020 and 76.2% (2019: 84.4%) of Group revenue for the financial period are from two groups of companies in Germany.

Liquidity risk management

The Manager monitors and maintains a level of cash and cash equivalents deemed adequate by the Manager to finance the Group's and IREIT's operations. In addition, the Manager also monitors and observes the CIS Code concerning limits of total borrowings.

Liquidity risk analysis

The following table details the Group's and IREIT's remaining contractual maturity for its non-derivative financial liabilities (other than issued and issuable units) based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and IREIT can be required to pay.

GROUP	Weighted average interest rate	On demand or less than 12 months	Undiscounted cash flows 2 years to 5 years	Undiscounted cash flows after 5 years	Adjustments	Total
	%	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Non-derivative financial instrument – liabilities						
31 December 2020						
Non-interest bearing	–	19,151	–	–	–	19,151
Floating interest rate instrument	1.49%	4,002	16,019	269,006	(24,399)	264,628
		23,153	**16,019**	**269,006**	**(24,399)**	**283,779**
31 December 2019						
Non-interest bearing	–	14,784	–	–	–	14,784
Floating interest rate instrument	1.73%	4,049	43,659	203,770	(20,025)	231,453
		18,833	**43,659**	**203,770**	**(20,025)**	**246,237**

25. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (continued)

Liquidity risk management (continued)

IREIT	Weighted average interest rate	On demand or less than 12 months	Undiscounted cash flows 2 years to 5 years	Undiscounted cash flows after 5 years	Adjustments	Total
	%	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Non-derivative financial instrument – liabilities						
31 December 2020						
Non-interest bearing	–	13,579	77,021	–	–	90,600
		13,579	**77,021**	**–**	**–**	**90,600**
31 December 2019						
Non-interest bearing	–	12,949	–	–	–	12,949
Floating interest rate instrument	3.88%	1,261	32,527	–	(1,880)	31,908
		14,210	**32,527**	**–**	**(1,880)**	**44,857**

The following table details the Group's and IREIT's expected maturity for non-derivative financial assets. The tables have been drawn up based on the undiscounted cash flows of financial assets including interest that will be earned on those assets except where the Group and IREIT anticipates that the cash flow will occur in a different period.

GROUP	Weighted average interest rate	On demand or less than 12 months	Undiscounted cash flows 2 years to 5 years	Undiscounted cash flows after 5 years	Adjustments	Total
	%	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Non-derivative financial instrument – assets						
31 December 2020						
Non-interest bearing	–	**46,392**	**–**	**–**	**–**	**46,392**
31 December 2019						
Non-interest bearing	–	**25,955**	**–**	**–**	**–**	**25,955**

25. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (continued)

Liquidity risk management (continued)

IREIT	Weighted average interest rate	On demand or less than 12 months	Undiscounted cash flows 2 years to 5 years	Undiscounted cash flows after 5 years	Adjustments	Total
	%	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Non-derivative financial instrument – assets						
31 December 2020						
Non-interest bearing	–	20,758	–	–	–	20,758
Fixed interest rate instrument	7.45%	2,342	9,373	33,271	(13,986)	31,000
		23,100	**9,373**	**33,271**	**(13,986)**	**51,758**
31 December 2019						
Non-interest bearing	–	**15,484**	**–**	**–**	**–**	**15,484**

The following table details the liquidity analysis for derivative financial instruments. The table has been drawn up based on the undiscounted net cash inflows (outflows) on the derivative instrument that settle on a net basis and the undiscounted gross inflows and (outflows) on the derivative that require gross settlement. When the amount payable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves existing at the reporting date. The liquidity analysis for derivative financial instruments is prepared based on the contractual maturities as the management considers the contractual maturities are essential for an understanding of the timing of the cash flows of the derivatives.

Group	On demand or within 1 year	Within 2 years to 5 years	After 5 years
	EUR'000	EUR'000	EUR'000
Derivative financial instruments			
31 December 2020			
Gross settled:			
Foreign exchange forward contracts			
Gross inflow	–	–	–
Gross outflow	(429)	–	–
Net settled:			
Interest rate caps	313	–	–
Interest rate swaps	(1,590)	(7,805)	–
	(1,706)	**(7,805)**	**–**

25. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (continued)

Liquidity risk management (continued)

Group	On demand or within 1 year EUR'000	Within 2 years to 5 years EUR'000	After 5 years EUR'000
Derivative financial instruments			
31 December 2019			
Gross settled:			
Foreign exchange forward contracts			
Gross inflow	574	–	–
Gross outflow	(7)	–	–
Net settled:			
Interest rate swaps	(1,669)	(4,448)	(594)
	(1,102)	**(4,448)**	**(594)**
IREIT			
Derivative financial instruments			
31 December 2020			
Gross settled:			
Foreign exchange forward contracts			
Gross inflow	–	–	–
Gross outflow	(429)	–	–
	(429)	**–**	**–**
31 December 2019			
Gross settled:			
Foreign exchange forward contracts			
Gross inflow	574	–	–
Gross outflow	(7)	–	–
	567	**–**	**–**

25. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (continued)

Foreign currency risk management

The functional currency of IREIT and its subsidiaries is Euro.

The foreign currency risk is managed by the Manager on an ongoing basis by using forward exchange contracts to hedge the currency risk for distribution to Unitholders. At the end of the reporting period, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the functional currency of the Group entities are as follows:

Group

	Assets		Liabilities	
	2020	**2019**	**2020**	**2019**
	EUR'000	EUR'000	EUR'000	EUR'000
Singapore dollars	8,400	4,192	569	1,060

IREIT

	Assets		Liabilities	
	2020	**2019**	**2020**	**2019**
	EUR'000	EUR'000	EUR'000	EUR'000
Singapore dollars	8,400	4,192	459	1,016

Foreign currency sensitivity

The sensitivity rate used when reporting foreign currency risk to key management personnel is 5%, which is the change in foreign exchange rate that the Manager deems reasonably possible which will affect outstanding foreign currency denominated monetary items at the end of the reporting period. The sensitivity analysis includes the potential impact from foreign currency fluctuation on the foreign currency forward contracts (Note 6).

If the relevant foreign currency strengthens by 5% against the functional currency of the Group entities, profit or loss will increase by:

	Group		IREIT	
	2020	**2019**	**2020**	**2019**
	EUR'000	EUR'000	EUR'000	EUR'000
Singapore dollars	1,162	1,059	1,167	1,061

(c) Fair value of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, trade and other receivables and trade and other payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

The fair value of the other financial assets and financial liabilities is disclosed in the respective notes to the financial statements.

26. OPERATING LEASE ARRANGEMENTS

Operating leases, in which the Group is the lessor, relate to investment properties owned by the Group with lease terms of between 1 to 11 years. Most operating lease contracts contain indexation clauses and/or adjusted terms in the event that the lease exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

Maturity analysis of operating lease payments:

	Group	
	2020	**2019**
	EUR'000	EUR'000
Year 1	40,847	32,727
Year 2	36,675	32,988
Year 3	23,090	30,463
Year 4	15,153	20,192
Year 5	8,910	11,248
Year 6 and onwards	26,318	9,860
Total	**150,993**	**137,478**

27. SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability to directly or indirectly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or the Group with the Trustee, the Manager, and substantial Unitholders. Related parties may be individuals or other entities.

In the normal course of the operations of the Group, asset management fees and Trustee's fees have been paid or are payable to the Manager and Trustee respectively.

During the period, other than the transactions disclosed elsewhere in the financial statements, there were the following related party transactions:

	Group	
	2020	**2019**
	EUR'000	EUR'000
<u>DBS Trustee Limited as Trustee</u>		
Trustee's fee	135	109
Acquisition-related costs	19	–
<u>IREIT Global Group Pte. Ltd. as Manager</u>		
Acquisition fee	818	615
Management base fee	2,743	2,526
<u>City Strategic Equity Pte. Ltd. as Unitholder</u>		
Interest expense on Term Loan Facility	1,044	71

27. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

During the year, the Group acquired the remaining 60% interest in the four office buildings in Spain from Tikehau Capital SCA, through the acquisition of the remaining 60% interest in IREIT Global Holdings 5 Pte. Ltd. (Note 9). Due to the related party nature of the transaction, two independent valuations were obtained for each of the properties involved in the transactions. The average of the two independent valuations of the Spanish Properties was €136,400,000 (Note 22). Unitholder approval was sought on the transaction with an Extraordinary General Meeting ("EGM") held on 18 September 2020.

28. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

			Non-cash changes			
	At 1 January 2020 EUR'000	Financing cash flows EUR'000	Distribution to Unitholders EUR'000	Acquisition of subsidiary EUR'000	Amortisation of upfront debt transaction costs EUR'000	At 31 December 2020 EUR'000
Bank borrowings (Note 12)	231,453	(32,000)	–	66,900	(1,725)	264,628
Distribution payable	11,067	(22,727)	24,691	–	–	13,031
	242,520	**(54,727)**	**24,691**	**66,900**	**(1,725)**	**277,659**

			Non-cash changes		
	At 1 January 2019 EUR'000	Financing cash flows EUR'000	Distribution to Unitholders EUR'000	Amortisation of upfront debt transaction costs EUR'000	At 31 December 2019 EUR'000
Bank borrowings (Note 12)	193,215	37,798[i]	–	440	231,453
Distribution payable	11,124	(22,795)	22,738	–	11,067
	204,339	**15,003**	**22,738**	**440**	**242,520**

[i] The financing cash flows comprise €232.8 million of proceeds from bank borrowings, €193.5 million of repayment of bank borrowings and €1.5 million of upfront debt transaction costs paid during the year.

29. EVENTS OCCURING AFTER REPORTING DATE

On 12 March 2021, IREIT paid a distribution of 2.18 Singapore cents per unit, for the period from 1 July 2020 to 31 December 2020. In addition, IREIT issued 1,916,706 units at an issue price of S$0.6847 per unit to the Manager as payment of 100% of the base fee payable to the Manager for the period from 1 October 2020 to 31 December 2020.

OTHER INFORMATION

INTERESTED PERSON TRANSACTIONS

For the financial year ended 31 December 2020

The transactions entered into with interested persons during the financial year, which fall under the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") and the Property Funds Appendix of the Code on Collective Investment Schemes (excluding transactions of less than S$100,000 each) are as follows:

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) €'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000) €'000
DBS Trustee Limited		
– Trustee's fee	135	–
– Acquisition-related costs	19	–
IREIT Global Group Pte. Ltd.		
– Acquisition fee	818	–
– Management base fee	2,743	–
City Strategic Equity Pte. Ltd.		
– Interest expense on Term Loan Facility	1,044	–

Save as disclosed above, there were no additional interested person transactions and IREIT has not obtained a general mandate from Unitholders for interested person transactions.

FEES PAYABLE TO THE MANAGER

The Manager's key financial objectives are to provide Unitholders with regular and stable distributions and the potential for sustainable long-term growth in DPU and NAV per Unit, while maintaining an appropriate capital structure for IREIT. The fees payable to the Manager are structured to motivate the Manager towards achieving the key financial objectives.

The management fees which the Manager is entitled to for the management of IREIT's portfolio comprise the following two components:

Base Fee[1,2]
Under Clause 15.1.1 of the Trust Deed, the Manager is entitled to a Base Fee which is computed based on 10.0% per annum of the Annual Distributable Income of IREIT (calculated before accounting for the Base Fee and the Performance Fee).

Note:

1 The Manager may elect to receive the fees in cash or Units or a combination of cash and Units (as it may in its sole discretion determine).

2 The Manager has elected to receive 100.0% of its Base Fee in the form of Units for the year ended 31 December 2020.

Performance Fee[1]
Under Clause 15.1.2 of the Trust Deed, the Manager is entitled to a Performance Fee which is computed based on 25.0% of the difference in DPU of IREIT in a financial year with the DPU in the preceding financial year (calculated before accounting for the Performance Fee but after accounting for the Base Fee in each financial year) multiplied by the weighted average number of Units in issue for such financial year.

The management fees have an incentive-based element which has been designed to align the interest of the Manager with those of the Unitholders through incentivising the Manager to grow distributable income. In addition, the Performance Fee rewards the Manager appropriately by associating the fee payable with the value the Manager delivers to the Unitholders as a whole in the form of higher DPU. The Manager is incentivised to improve the long-term performance of IREIT's assets on a sustainable basis (as opposed to taking excessive short-term risks) through proactive portfolio management in line with IREIT's strategy, efficient asset management and employing an optimum mix of debt and equity. This deters the Manager from exposing IREIT to excessive short-term risks by deferring asset enhancement initiatives or repairs and maintenance as it would be in the Manager's interest to aim for long-term sustainability.

The Manager is also entitled to the following fees upon the successful completion of an acquisition or divestment.

Acquisition Fee[1,2]
Under Clause 15.2.1(i) of the Trust Deed, the Manager is entitled to receive an Acquisition Fee at a rate not exceeding a maximum of 1% of the acquisition price for any real estate purchased directly or indirectly by IREIT (pro-rated if applicable to the proportion of IREIT's interest in the real estate acquired).

Divestment Fee[1,2]
Under Clause 15.2.1(ii) of the Trust Deed, the Manager is entitled to receive a Divestment Fee at a rate not exceeding a maximum of 0.5% of the sale price of any real estate directly or indirectly sold or divested by IREIT (pro-rated if applicable to the proportion of IREIT's interest in the real estate sold).

The Acquisition Fee and Divestment Fee seek to incentivise the Manager to actively seek potential opportunities to acquire new properties and/or to unlock the underlying value of existing properties within IREIT's asset portfolio through divestments, in order to generate long-term benefits to the Unitholders. As the Manager undertakes these activities over and above the provision of ongoing management services, the fees also serve to compensate the Manager for the additional costs and resources expended.

Note:
1 The Manager may elect to receive the fees in cash or Units or a combination of cash and Units (as it may in its sole discretion determine).
2 As set out under Clause 15.2.4 of the Trust Deed and as stipulated in Appendix 6 – Investment: Property Funds of the CIS Code, in the case of an interested party transaction, the fee is paid in the form of Units at the prevailing market price and such Units should not be sold within one year from their date of issuance.

STATISTICS OF UNITHOLDINGS

AS AT 3 MARCH 2021

DISTRIBUTION OF UNITHOLDINGS

SIZE OF UNITHOLDINGS	NO. OF UNITHOLDERS	%	NO. OF UNITS	%
1 – 99	27	0.46	1,197	0.00
100 – 1,000	434	7.43	345,656	0.04
1,001 – 10,000	2,650	45.35	13,507,359	1.44
10,001 – 1,000,000	2,706	46.31	146,894,901	15.68
1,000,001 AND ABOVE	26	0.45	776,297,267	82.84
TOTAL	**5,843**	**100.00**	**937,046,380**	**100.00**

LOCATION OF UNITHOLDERS

COUNTRY	NO. OF UNITHOLDERS	%	NO. OF UNITS	%
SINGAPORE	5,665	96.95	931,251,799	99.38
MALAYSIA	119	2.04	3,447,394	0.37
OTHERS	59	1.01	2,347,187	0.25
TOTAL	**5,843**	**100.00**	**937,046,380**	**100.00**

TWENTY LARGEST UNITHOLDERS

NO.	NAME	NO. OF UNITS	%
1	HSBC (SINGAPORE) NOMINEES PTE LTD	281,637,022	30.06
2	CITY STRATEGIC EQUITY PTE. LTD.	196,226,700	20.94
3	DBS NOMINEES (PRIVATE) LIMITED	112,345,535	11.99
4	BANK OF CHINA NOMINEES (PTE) LTD	56,359,095	6.01
5	CITIBANK NOMINEES SINGAPORE PTE LTD	43,515,804	4.64
6	RAFFLES NOMINEES (PTE.) LIMITED	18,997,808	2.03
7	PHILLIP SECURITIES PTE LTD	10,647,840	1.14
8	ABN AMRO CLEARING BANK N.V.	6,467,173	0.69
9	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	5,985,263	0.64
10	MAYBANK KIM ENG SECURITIES PTE. LTD.	4,258,430	0.45
11	UOB KAY HIAN PRIVATE LIMITED	4,226,538	0.45
12	OCBC SECURITIES PRIVATE LIMITED	4,224,495	0.45
13	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	4,205,056	0.45
14	IREIT GLOBAL GROUP PTE. LTD.	3,778,233	0.40
15	NGOOI YOKE SIAM	2,908,000	0.31
16	DBSN SERVICES PTE. LTD.	2,803,906	0.30
17	DB NOMINEES (SINGAPORE) PTE LTD	2,795,250	0.30
18	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	2,762,080	0.29
19	IFAST FINANCIAL PTE. LTD.	2,673,288	0.29
20	YIM HOLDINGS PTE LTD	2,368,420	0.25
	TOTAL	**769,185,936**	**82.08**

STATISTICS OF UNITHOLDINGS

AS AT 3 MARCH 2021

ISSUED UNITS

There were 937,046,380 Units (voting rights: one vote per Unit) issued in IREIT as at 3 March 2021.

Market capitalisation: S$623,135,842.70 (based on closing price of S$0.665 per unit on 3 March 2021).

UNITHOLDINGS OF DIRECTORS OF THE MANAGER AS AT 21 JANUARY 2021

No	Name of Director	Direct Interest	Deemed Interest
1	Mr Lim Kok Min, John	421,700	–
2	Mr Chng Lay Chew	–	–
3	Mr Nir Ellenbogen	210,830	–
4	Mr Tan Wee Peng, Kelvin*	436,200	–
5	Mr Bruno de Pampelonne	290,800	–
6	Mr Khoo Shao Hong, Frank	–	–
7	Mr Sanjay Bakliwal	14,600	–

* Mr Tan Wee Peng, Kelvin retired as Independent Non-Executive Director and Chairman of ARC with effect from 28 February 2021 as part of the Manager's planned process of renewal of the independent Directors.

SUBSTANTIAL UNITHOLDERS AS AT 3 MARCH 2021

No	Name of Substantial Unitholders	Direct Interest	Deemed Interest
1	Tikehau Capital SCA [a]	273,580,802	3,778,233
2	City Strategic Equity Pte. Ltd.	196,226,700	–
3	CDL Real Estate Investment Managers Pte. Ltd. [b]	–	200,004,933
4	New Empire Investments Pte. Ltd. [b]	–	200,004,933
5	City Developments Limited [b]	–	200,004,933
6	Hong Leong Investment Holdings Pte. Ltd. [b]	–	200,004,933
7	Davos Investment Holdings Private Limited [b]	–	200,004,933
8	Kwek Holdings Pte. Ltd. [b]	–	200,004,933
9	Skyline Horizon Consortium Ltd	56,359,095	–
10	Shanghai Summit Pte. Ltd. [c]	–	56,359,095
11	Mr Tong Jinquan [c]	–	56,359,095
12	AT Investments Limited	51,069,054	–
13	Auctus Investments Limited [d]	–	51,069,054
14	Sai Charan Trust [d]	–	51,069,054
15	Mr Arvind Tiku [d]	–	51,069,054

Note

(a) Tikehau Capital SCA is deemed pursuant to the provisions of Section 4 of the Securities and Futures Act, Chapter 289 to have an interest in the 3,778,233 Units held by IREIT Global Group Pte. Ltd.

(b) CDL Real Estate Investment Managers Pte. Ltd., New Empire Investments Pte. Ltd., City Developments Limited, Hong Leong Investment Holdings Pte. Ltd., Davos Investment Holdings Private Limited and Kwek Holdings Pte Ltd are deemed pursuant to the provisions of Section 4 of the Securities and Futures Act, Chapter 289 to have an interest in the 196,226,700 Units held by City Strategic Equity Pte. Ltd. and 3,778,233 Units held by IREIT Global Group Pte. Ltd.

(c) Shanghai Summit Pte. Ltd. and Mr Tong Jinquan are deemed pursuant to the provisions of Section 4 of the Securities and Futures Act, Chapter 289 to have an interest in the 56,359,095 Units held by Skyline Horizon Consortium Ltd.

(d) Auctus Investments Limited, Sai Charan Trust and Mr Arvind Tiku are deemed pursuant to the provisions of Section 4 of the Securities and Futures Act, Chapter 289 to have an interest in the 51,069,054 Units held by AT Investments Limited.

PUBLIC FLOAT

Under Rule 723 of the Listing Manual of the SGX-ST, a listed issuer must ensure at least 10% of its listed securities are at all times held by the public. Based on the information made to the Manager as at 3 March 2021, approximately 37.85% of IREIT's Units were held in the hands of the public. Accordingly, Rule 723 of the Listing Manual of the SGX-ST has been complied with.

IREIT did not hold any treasury units as at 3 March 2021.

NOTICE OF ANNUAL GENERAL MEETING

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

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of the holders of units of IREIT Global ("**IREIT**", and the holders of units of IREIT, "**Unitholders**") will be convened and held by way of electronic means on Thursday, 22 April 2021 at 2.00 p.m. (Singapore time) to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Report of DBS Trustee Limited, as trustee of IREIT (the "**Trustee**"), the Statement by IREIT Global Group Pte. Ltd., as manager of IREIT (the "**Manager**") and the Audited Financial Statements of IREIT for the financial year ended 31 December 2020 together with the Auditor's Report thereon.

(Ordinary Resolution 1)

2. To re-appoint Deloitte & Touche LLP as Independent Auditors of IREIT and to hold office until the conclusion of the next AGM of IREIT and to authorise the Manager to fix their remuneration.

(Ordinary Resolution 2)

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions, with or without any modifications:

3. That authority be and is hereby given to the Manager, to:

(a) (i) issue units in IREIT ("**Units**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, debentures or other instruments convertible into Units,

at any time and upon such terms and conditions and for such purposes and to such persons as the Manager may in its absolute discretion deem fit; and

(b) issue Units in pursuance of any Instruments made or granted by the Manager while this Resolution was in force (notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time such Units are issued),

provided that:

(1) the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed one hundred per cent (100%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Units to be issued other than on a *pro rata* basis to Unitholders (including Units to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed twenty per cent (20%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (2) below);

(2) subject to such manner of calculation as may be prescribed by Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the purpose of determining the aggregate number of Units that may be issued under sub-paragraph (1) above, the total number of issued Units (excluding treasury Units, if any) shall be based on the number of issued Units (excluding treasury Units, if any) at the time of the passing of this Resolution, after adjusting for:

   (a) any new Units arising from the conversion or exercise of any Instruments which are outstanding at the time this Resolution is passed; and

   (b) any subsequent bonus issue, consolidation or subdivision of Units;

(3) in exercising the authority conferred by this Resolution, the Manager shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the trust deed constituting IREIT (as amended, varied and/or supplemented) (the "**Trust Deed**") for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore);

(4) unless revoked or varied by Unitholders in a general meeting of IREIT, the authority conferred by this Resolution shall continue in force until (i) the conclusion of the next AGM of IREIT or (ii) the date by which the next AGM of IREIT is required by the applicable laws and regulations or the Trust Deed to be held, whichever is earlier;

(5) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted in the event of rights, bonus or other capitalisation issues or any other events, the Manager is authorised to issue additional Instruments or Units pursuant to such adjustment notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments or Units are issued; and

(6) the Manager and the Trustee, be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager or, as the case may be, the Trustee may consider expedient or necessary or in the interest of IREIT to give effect to the authority conferred by this Resolution.

(Ordinary Resolution 3)

(Please see Explanatory Note)

Unitholders are invited to send in their questions to the Manager by 2.00 p.m. on 20 April 2021.

BY ORDER OF THE BOARD
IREIT GLOBAL GROUP PTE. LTD.
(Company Registration No. 201331623K)
As manager of IREIT

Lee Wei Hsiung
Company Secretary

Singapore
31 March 2021

NOTICE OF ANNUAL GENERAL MEETING

IMPORTANT NOTICE:

1. The AGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Accordingly, this Notice will be sent to Unitholders by electronic means via publication on IREIT's website at the URL http://www.ireitglobal.com/. and on the SGX website at the URL https://www.sgx.com/securities/company-announcements. For convenience, printed copies of this Notice will also be sent by post to Unitholders.

2. **Due to the current COVID-19 situation in Singapore, a Unitholder will not be able to attend the AGM in person.** Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the AGM in advance of the AGM, addressing of substantial and relevant questions at the AGM and voting by appointing the Chairman of the AGM as proxy at the AGM, are set out in the accompanying IREIT announcement dated 31 March 2021. This announcement may be accessed at IREIT's website at the URL http://www.ireitglobal.com/, and will also be made available on the SGX website at the URL https://www.sgx.com/securities/company-announcements. For convenience, printed copies of this announcement will also be sent by post to Unitholders.

3. Unitholders will be able to observe and/or listen to the AGM proceedings through a live audio-visual webcast via their mobile phones, tablets or computers or live audio-only stream via mobile phones or telephones. In order to do so, Unitholders must pre-register at IREIT's pre-registration website at the URL https://septusasia.com/ireitglobal-agm-registration/ from now till 2.00 p.m. on 20 April 2021 to enable the Manager to verify their status as Unitholders.

   Following the verification, authenticated Unitholders will receive an email, which will contain the instructions as well as the link to access the live audio-visual webcast and a toll-free telephone number to access the live audio-only stream of the AGM proceedings, by 2.00 p.m. on 21 April 2021. Unitholders who do not receive an email by 2.00 p.m. on 21 April 2021 but have registered by the 20 April 2021 deadline should contact the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at +65 6536 5355 or srs.teamc@boardroomlimited.com.

4. Unitholders may also submit questions related to the resolutions to be tabled for approval at the AGM, in advance of the AGM. In order to do so, their questions must be submitted in the following manner by 2.00 p.m. on 20 April 2021:

   (a) if submitted electronically, be submitted:

      (i) via the IREIT pre-registration website at the URL https://septusasia.com/ireitglobal-agm-registration/; or

      (ii) via email to the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at srs.teamc@boardroomlimited.com; or

   (b) if submitted by post, be deposited at the office of the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623.

   Unitholders who submit questions via email or by post to the Unit Registrar must provide the following information:

   (1) the Unitholder's full name;

   (2) the Unitholder's full NRIC / FIN / Passport Number;

   (3) the Unitholder's address; and

   (4) the manner in which the Unitholder holds Units in IREIT (e.g., via CDP, CPF or SRS).

NOTICE OF ANNUAL GENERAL MEETING

In view of the current COVID-19 situation in Singapore and the related safe distancing measures which may make it difficult to submit questions by post, Unitholders are strongly encouraged to submit their questions electronically via the pre-registration website or by email.

The Manager will endeavour to address all substantial and relevant questions submitted in advance of the AGM prior to or during the AGM. The Manager will publish the responses to the substantial and relevant questions which the Manager is unable to address during the AGM, on IREIT's website and on SGXNet prior to the AGM. The Manager will publish the minutes of the AGM on IREIT's website and on SGXNet, and the minutes will include the responses to the substantial and relevant questions which are addressed during the AGM.

Unitholders will not be able to ask questions at the AGM live during the webcast or audio-stream, and therefore it is important for Unitholders who wish to ask questions to submit their questions in advance of the AGM.

5. **A Unitholder will not be able to vote online on the resolutions to be tabled for approval at the AGM. A Unitholder (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such Unitholder wishes to exercise his/her/its voting rights at the AGM. The Chairman of the AGM, as proxy, need not be a Unitholder of IREIT.** The instrument appointing the Chairman of the AGM as proxy ("**Proxy Form**") may be accessed at IREIT's website at the URL http://www.ireitglobal.com/, and will also be made available on the SGX website at the URL https://www.sgx.com/securities/company-announcements. For convenience, printed copies of the Proxy Form will also be sent by post to Unitholders.

   Where a Unitholder (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the Chairman of the AGM as proxy will vote or abstain from voting at his/her discretion for that resolution.

6. The Proxy Form must be submitted to the Manager c/o the Unit Registrar Boardroom Corporate & Advisory Services Pte. Ltd., in the following manner:

   (a) if submitted by post, be lodged at the registered office of IREIT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623; or

   (b) if submitted electronically, be submitted via email to IREIT's Unit Registrar at srs.teamc@boardroomlimited.com;

   in either case, not later than 2.00 p.m. (Singapore time) on 20 April 2021, being not less than 48 hours before the time fixed for holding the AGM.

   A Unitholder who wishes to submit the Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   In view of the current COVID-19 situation in Singapore and the related safe distancing measures which may make it difficult for Unitholders to submit completed Proxy Forms by post, Unitholders are strongly encouraged to submit completed Proxy Forms electronically via email.

   Unitholders who hold their Units through a relevant intermediary (as defined below), other than CPF and SRS investors, and who wish to participate in the AGM by (a) observing and/or listening to the AGM proceedings through live audio-visual webcast or live audio-only stream; (b) submitting questions in advance of the AGM; and/or (c) appointing the Chairman of the AGM as proxy to attend, speak and vote on their behalf at the AGM, should approach their respective relevant intermediary through which they hold such Units as soon as possible in order to make the necessary arrangements for them to participate in the AGM. CPF and SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF agent bank or SRS operator to submit their votes by 2.00 p.m. (Singapore time) on 12 April 2021, being 7 clear working days before the date of the AGM.

"**relevant intermediary**" means:

(i) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;

(ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore and who holds Units in that capacity; or

(iii) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

7. The Annual Report 2020, which has been published on 31 March 2021, may be accessed at IREIT's website at the URL http://www.ireitglobal.com/ and SGX website at the URL https://www.sgx.com/securities/company-announcements.

8. Due to the constantly evolving COVID-19 situation in Singapore, the Manager may be required to change the arrangements for the AGM at short notice. Unitholders should check IREIT's website at the URL http://www.ireitglobal.com/ for the latest updates on the status of the AGM.

EXPLANATORY NOTE:

Ordinary Resolution 3

Ordinary Resolution 3 above, if passed, will empower the Manager from the date of this AGM until (i) the conclusion of the next AGM of IREIT, (ii) the date by which the next AGM of IREIT is required by the applicable laws and regulations or the Trust Deed to be held, or (iii) such authority is varied or revoked by the Unitholders in a general meeting of IREIT, whichever is the earliest, to issue Units, make or grant Instruments and to issue Units pursuant to such Instruments, up to a number not exceeding one hundred per cent (100%) of the total number of issued Units (excluding treasury Units, if any) ("**100% Pro Rata Issuance**"), of which up to twenty per cent (20%) may be issued other than on a *pro rata* basis to Unitholders (excluding treasury Units, if any).

For the purpose of determining the aggregate number of Units that may be issued, the percentage of issued Units will be calculated based on the total number of issued Units (excluding treasury Units, if any) at the time this Ordinary Resolution 3 above is passed, after adjusting for (a) new Units arising from the conversion or exercise of any Instruments which were issued and outstanding or subsisting at the time of the passing of this Ordinary Resolution 3 and (b) any subsequent bonus issue, consolidation or subdivision of Units.

The authority for the 100% Pro Rata Issuance is pursuant to the SGX-ST news release of 8 April 2020 titled "SGX RegCo announces measures to support issuers amid challenging COVID-19 business climate" and the SGX-ST news release of 16 March 2021 titled "SGX RegCo allows Mainboard issuers up to 31 Dec 2021 to seek or renew Enhanced Share Issue Limit". The 100% Pro Rata Issuance mandate is only valid until (i) the conclusion of the next AGM of IREIT, (ii) the date by which the next AGM of IREIT is required by the applicable laws and regulations or the Trust Deed to be held, or (iii) such authority is varied or revoked by the Unitholders in a general meeting of IREIT, whichever is the earliest, by which date the Units issued pursuant to such mandate must be listed and no further Units shall be issued under such mandate. Any extension of time which may be obtained for the holding of the next AGM will be disregarded in determining the expiry date of the 100% Pro Rata Issuance mandate. If IREIT subsequently changes its financial year end, the expiry date of the 100% Pro Rata Issuance mandate will be the date by which the next AGM of IREIT would have been required by the applicable laws and regulations or the Trust Deed to be held, whichever is the earlier, assuming no change to the financial year end. The Manager is required to notify SGX RegCo by way of email when the general mandate for the 100% Pro Rata Issuance has been approved by Unitholders of the following: name of issuer and date on which such general mandate is approved by Unitholders.

In connection with the 100% Pro Rata Issuance mandate, the Board of Directors of the Manager is of the view that the 100% Pro Rata Issuance mandate is in the interest of IREIT and its Unitholders on the basis of the following:

(i) as circumstances surrounding the COVID-19 situation continue to evolve, IREIT needs to arm itself with the flexibility to deal with potential uncertainties, including the ability to issue units above the 50% threshold to raise funds in an expedient manner if required, during the period till the next AGM; and

(ii) the proceeds from such fund raisings may be used to, among others, strengthen IREIT's balance sheet, repay existing borrowings, finance investment opportunities and/or fund capital expenditures.

Fund raising by issuance of new Units may be required in instances of property acquisition or debt repayments. In any event, if the approval of Unitholders is required under the Listing Manual of the SGX-ST and the Trust Deed or any applicable laws and regulations in such instances, the Manager will then obtain the approval of Unitholders accordingly.

PERSONAL DATA PRIVACY

By submitting an instrument appointing the Chairman of the AGM as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, a Unitholder consents to the collection, use and disclosure of the Unitholder's personal data by the Manager and the Trustee (or their agents) for the purpose of the processing and administration by the Manager and the Trustee (or their agents) of the appointment of the Chairman of the AGM as proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Manager and the Trustee (or their agents) to comply with any applicable laws, listing rules, regulations and/or guidelines.

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

This Proxy Form has been made available on the SGX website at the URL https://www.sgx.com/securities/company-announcements and may be accessed at IREIT Global's ("**IREIT**") website at the URL http://www.ireitglobal.com/. For convenience, printed copies of this Proxy Form will also be sent by post to unitholders of IREIT ("**Unitholders**").

PROXY FORM

ANNUAL GENERAL MEETING

IMPORTANT:

1. The AGM (as defined below) is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Accordingly, the Notice of AGM will be sent to Unitholders by electronic means via publication on IREIT's website at the URL http://www.ireitglobal.com/. and on the SGX website at the URL https://www.sgx.com/securities/company-announcements. For convenience, printed copies of the Notice will also be sent by post to Unitholders.
2. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the AGM in advance of the AGM, addressing of substantial and relevant questions at the AGM and voting by appointing the Chairman of the AGM as proxy at the AGM, are set out in the accompanying IREIT announcement dated 31 March 2021. This announcement may be accessed at IREIT's website at the URL http://www.ireitglobal.com/, and will also be made available on the SGX website at the URL https://www.sgx.com/securities/company-announcements. For convenience, printed copies of this announcement will also be sent by post to Unitholders.
3. **Due to the current COVID-19 situation in Singapore, a Unitholder will not be able to attend the AGM in person. A Unitholder will also not be able to vote online on the resolutions to be tabled for approval at the AGM. A Unitholder (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such Unitholder wishes to exercise his/her/its voting rights at the AGM. The Chairman of the AGM, as proxy, need not be a Unitholder of IREIT.**
4. This Proxy Form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF or SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF agent bank or SRS operator to submit their votes by 2.00 p.m. (Singapore time) on 12 April 2021, being 7 clear working days before the date of the AGM.
5. **Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairman as a Unitholder's proxy to attend, speak and vote on his/her/its behalf at the AGM.**

PERSONAL DATA PRIVACY

By submitting an instrument appointing the Chairman of the AGM as proxy, the Unitholder accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 31 March 2021.

I/We ______________________ (Name(s) and NRIC Number(s)/Passport Number(s)/Company Registration Number)

of ____ (Address)

being a unitholder/unitholders of IREIT, hereby appoint the Chairman of the Annual General Meeting ("**AGM**") of IREIT, as my/our proxy to attend, speak and vote for me/us on my/our behalf at the AGM of IREIT to be convened and held by way of electronic means on Thursday, 22 April 2021 at 2.00 p.m. (Singapore time) and any adjournment thereof. I/We direct the Chairman of the AGM as my/our proxy to vote for, against or to abstain from voting on, the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion, as he/she will on any other matter arising at the AGM.

No.	Resolutions relating to:	Number of Votes For(*)	Number of Votes Against(*)	Abstain(*)
	ORDINARY BUSINESS			
1.	To receive and adopt the Report of the Trustee, the Statement by the Manager and Audited Financial Statements for the financial year ended 31 December 2020 and the Auditor's Report thereon.			
2.	To re-appoint Deloitte & Touche LLP as the Independent Auditors of IREIT and authorise the Manager to fix their remuneration.			
	SPECIAL BUSINESS			
3.	To authorise the Manager to issue Units and to make or grant convertible instruments.			

* If you wish to exercise all your votes "For", "Against" or "Abstain", please mark with an "X" within the relevant box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this ____________ day of ____________ 2021

Total number of Units held

____

Signature of Unitholder(s)/ Common Seal of Corporate Unitholder

IMPORTANT : Please read the notes overleaf before completing this Proxy Form.

NOTES TO THE PROXY FORM

1. **Due to the current COVID-19 situation in Singapore, a Unitholder will not be able to attend the AGM in person. A Unitholder will also not be able to vote online on the resolutions to be tabled for approval at the AGM. A Unitholder (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such Unitholder wishes to exercise his/her/its voting rights at the AGM.** The Chairman of the AGM, as proxy, need not be a Unitholder of IREIT. This Proxy Form may be accessed at IREIT's website at the URL http://www.ireitglobal.com/, and will also be made available on the SGX website at the URL https://www.sgx.com/securities/company-announcements. Where a Unitholder (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the Chairman of the AGM as proxy will vote or abstain from voting at his/her discretion for that resolution.

2. CPF and SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF agent bank or SRS operator to submit their votes by 2.00 p.m. (Singapore time) on 12 April 2021, being 7 clear working days before the date of the AGM.

3. The Proxy Form must be submitted to the Manager c/o the Unit Registrar Boardroom Corporate & Advisory Services Pte. Ltd., in the following manner:

   (a) if submitted by post, be lodged at the registered office of IREIT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623; or

   (b) if submitted electronically, be submitted via email to IREIT's Unit Registrar at srs.teamc@boardroomlimited.com;

   in either case, not later than 2.00 p.m. (Singapore time) on 20 April 2021, being not less than 48 hours before the time fixed for holding the AGM.

   A Unitholder who wishes to submit the Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   In view of the current COVID-19 situation in Singapore which may make it difficult for Unitholders to submit completed Proxy Forms by post, Unitholders are strongly encouraged to submit completed Proxy Forms electronically via email.

4. A Unitholder should insert the total number of Units held. If the Unitholder has Units entered against his/her/its name in the Depository Register maintained by The Central Depository (Pte) Limited ("**CDP**"), he should insert that number of Units. If the Unitholder has Units registered in his/her/its name in the Register of Unitholders of IREIT, he should insert that number of Units. If the Unitholder has Units entered against his/her/its name in the said Depository Register and registered in his/her/its name in the Register of Unitholders, he should insert the aggregate number of Units. If no number is inserted, this Proxy Form will be deemed to relate to all the Units held by the Unitholder.

5. The Proxy Form must be executed under the hand of the appointor or of his/her attorney duly authorised in writing or if the appointer is a corporation either under the common seal or under the hand of an officer or attorney so authorised. The Manager and the Trustee shall be entitled and be bound, in determining the rights to vote and other matters in respect of a completed Proxy Form submitted to it, to have regard to any instructions and/or notes set out in the Proxy Form. The Manager and the Trustee shall have the right to reject any Proxy Form which has not been duly completed.

6. Where the Proxy Form is signed on behalf of the appointor by an attorney or a duly authorised officer, the power of attorney or other authority (if any) under which it is signed, or a duly certified copy of such power of attorney must (failing previous registration with the Manager), if the Proxy Form is submitted by post, be lodged with the Proxy Form, or, if the Proxy Form is submitted electronically via email, be emailed with the Proxy Form, failing which the Proxy Form may be treated as invalid.

7. The Manager and the Trustee shall have the right to reject a Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on and/or attached to the Proxy Form (including any related attachment). In addition, in the case of Units entered in the Depository Register, each of the Trustee and the Manager may reject a Proxy Form if the Unitholder, being the appointor, is not shown to have Units entered against his name in the Depository Register not less than 48 hours before the time fixed for holding the AGM, as certified by CDP to the Manager.

8. All Unitholders will be bound by the outcome of the AGM regardless of whether they have attended or voted at the AGM.

CORPORATE DIRECTORY

THE MANAGER

IREIT Global Group Pte. Ltd.
1 Wallich Street
#15-03 Guoco Tower
Singapore 078881
Tel: (65) 6718 0590
Fax: (65) 6718 0599

TRUSTEE

DBS Trustee Limited
12 Marina Boulevard
Level 44, DBS Asia Central
Marina Bay Financial Centre Tower 3
Singapore 018982
Tel: (65) 6878 8888
Fax: (65) 6878 3977

BOARD OF DIRECTORS (THE MANAGER)

Mr Lim Kok Min, John
Chairman and Independent
Non-Executive Director

Mr Chng Lay Chew
Independent Non-Executive Director

Mr Nir Ellenbogen
Independent Non-Executive Director

Mr Bruno de Pampelonne
Non-Executive Director

Mr Khoo Shao Hong, Frank
Non-Executive Director

Mr Sanjay Bakliwal
Non-Executive Director

AUDIT AND RISK COMMITTEE (THE MANAGER)

Mr Chng Lay Chew
Chairman

Mr Lim Kok Min, John
Member

Mr Nir Ellenbogen
Member

NOMINATING AND REMUNERATION COMMITTEE (THE MANAGER)

Mr Nir Ellenbogen
Chairman

Mr Lim Kok Min, John
Member

Mr Bruno de Pampelonne
Member

AUDITORS

Deloitte & Touche LLP
6 Shenton Way
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Singapore 068809
Partner-in-charge: Mr Patrick Tan
(Appointed with effect from financial year ended 31 December 2020)

PROPERTY MANAGERS

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Bleichstr. 64-66
60313 Frankfurt am Main

CBRE Real Estate, S.A.
Paseo de la Castellana 202, Planta 8
Madrid, 28046

COMPANY SECRETARIES

Mr Lee Wei Hsiung, ACIS

Ms Wang Shin Lin, Adeline, ACIS

UNIT TRUST REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
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Singapore 048623
Tel: (65) 6536 5355
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STOCK EXCHANGE QUOTATIONS

SGX Stock Code: UD1U

Bloomberg Code: IREIT:SP

Reuters Code: IREI.SI

IREIT Global Group Pte. Ltd.
(As Manager of IREIT Global)
Company Registration No. 201331623K

Joint Sponsors of IREIT Global

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