CIRCULAR DATED 3 SEPTEMBER 2020
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IREIT Global

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

MANAGED BY
IREIT GLOBAL GROUP PTE. LTD.

Singapore Exchange Securities Trading Limited (the "SGX-ST") takes no responsibility for the accuracy of any statements or opinions made, or reports contained, in this Circular. If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your units in IREIT Global ("IREIT" and the units in IREIT, "Units"), you should immediately forward this Circular, together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form in this Circular, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Circular does not constitute an offer of securities in the United States of America ("U.S.") or any other jurisdiction. Any proposed issue of Rights Units (as defined herein) described in this Circular will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or under the securities laws of any state or other jurisdiction of the U.S., and any such Right Units may not be offered or sold within the U.S. except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable laws. The Manager does not intend to conduct a public offering of any securities of IREIT in the U.S..

CIRCULAR TO UNITHOLDERS IN RELATION TO:

(1) THE PROPOSED ACQUISITION OF THE BALANCE 60.0% INTEREST IN FOUR FREEHOLD OFFICE BUILDINGS LOCATED IN SPAIN, AS AN INTERESTED PERSON TRANSACTION; AND

(2) THE POTENTIAL TRANSFER OF A CONTROLLING INTEREST TO AT INVESTMENTS LIMITED AS A RESULT OF THE RIGHTS ISSUE

IMPORTANT DATES AND TIMES FOR UNITHOLDERS	
Last date and time for pre-registration, submission of questions in advance, and submission of Proxy Forms	Wednesday, 16 September 2020 at 2.00 p.m.
Date and time of Extraordinary General Meeting ("EGM") convened and held by electronic means	Friday, 18 September 2020 at 2.00 p.m.

Il·lumina, Barcelona

Independent Financial Adviser to the Independent Directors, the Non-Interested Directors and the Audit and Risk Committee of IREIT Global Group Pte. Ltd. and the Trustee (each as defined herein)

RHB Bank Berhad
(UEN S99FC5710J)
(Incorporated in Malaysia 196501000373 (6171-M))

Joint sponsors of IREIT

City Developments Limited

Tikehau Capital

The meaning of each capitalised term is found in the Glossary of this Circular.

PROPOSED ACQUISITION OF THE BALANCE 60.0% INTEREST IN FOUR FREEHOLD OFFICE BUILDINGS LOCATED IN SPAIN (THE "SPAIN PROPERTIES"), AS AN INTERESTED PERSON TRANSACTION

ESTIMATED PURCHASE CONSIDERATION OF APPROX. €47.8M[1,2]

PORTFOLIO STATISTICS

4 PROPERTIES

100.0% FREEHOLD

72,167 sqm GLA

€136.4M AGREED VALUE[2]

84.7% OCCUPANCY RATE[3]

4.1 years WALE[4]

Sant Cugat Green, Barcelona

Delta Nova IV and Delta Nova VI, Madrid

ENLARGED PORTFOLIO POST-ACQUISITION

GERMANY & SPAIN
KEY GEOGRAPHICAL MARKETS

9 PROPERTIES

100.0% FREEHOLD

95.7% OCCUPANCY RATE

272,987 sqm GLA

€711.3M VALUATION

3.8 YEARS WALE

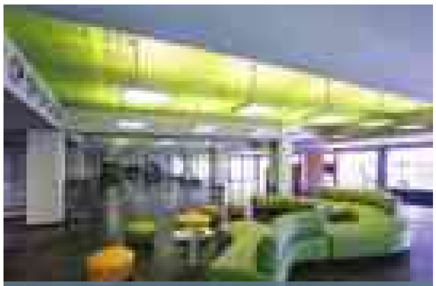
1 Based on 60.0% of the unaudited consolidated net asset value of the JVCo (as defined herein) as at 30 June 2020
2 Based on the average of the Spain Properties in aggregate as determined by two independent valuers, Cushman & Wakefield Spain Limited and Colliers International Spain S.L., as at 31 July 2020
3 Based on all current leases in respect of the properties as at 30 June 2020
4 In May 2020, a lease was secured with AREAS with the lease commencing in October 2020. In July 2020, the Manager had also successfully extended several leases for the Spain Properties expiring in December 2020. Figures are computed based on the assumption that the lease with AREAS and extension of leases were already in place as at 30 June 2020

RATIONALE AND BENEFITS

1 DEEPEN IREIT'S STRATEGIC PRESENCE IN SPAIN, THE FIFTH LARGEST ECONOMY IN EUROPE BY GROSS DOMESTIC PRODUCT ("GDP")

- Benefit from the growth and recovery of the Spanish economy from the COVID-19 pandemic and Brexit opportunities
  - Spain's GDP growth forecasted to be 7.7% in 2021, and 2.4% in 2022, outpacing that of the EU
    - To receive over €140 billion from the European COVID-19 recovery fund, in addition to the support from the Spanish government's national stimulus package
  - Brexit is expected to have a positive effect on important cities such as Madrid and Barcelona, with an increase in investment figures and the number of companies that are renting office space
- Strong office fundamentals in the key cities of Madrid and Barcelona
  - Spain's office sector has more than €4.5 billion worth of investments in 2019, doubling the 2018 volume
  - Increase in office take up in 2019 of 32.2% in Madrid and 8.4% in Barcelona


Sant Cugat Green, Barcelona


Il·lumina, Barcelona


Delta Nova IV and Delta Nova VI, Madrid

2 ACHIEVE FULL OWNERSHIP OF A HIGH QUALITY OFFICE PORTFOLIO

- Located in the established secondary office areas of Madrid and Barcelona
- Good accessibility to facilities and public transportation
- Overall occupancy rate of 84.7%[5] outperforms the areas in which the Spain properties are located in
- Leadership in Energy and Environmental Design (LEED) certification for the Spain properties
- Leased to a diversified tenant base

TOP TENANTS OF THE SPAIN PROPERTIES

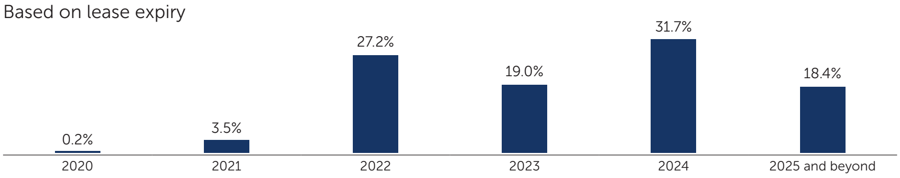
No.	Tenant	Business Sector	Contribution to Portfolio Gross Rental Income ("GRI")[6]
1	DXC Technology	Technology	23.6%
2	Roche Diagnostics	Healthcare	11.4%
3	Corporacio Catalana De Mitjans Audiovisuals	Comms. (Public)	8.4%
4	Gesif (Cabot)	Financial services	8.0%
5	Digitex Informatica	Technology	8.0%

Investment grade Fortune 500 company listed on the NYSE

Diagnostics division of the 2nd largest pharmaceutical company globally

LEASE EXPIRY PROFILE (BY GRI) OF ENLARGED PORTFOLIO AS AT 30 JUNE 2020[6]

Based on lease expiry



5 As at 30 June 2020

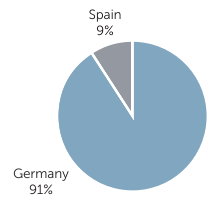
6 In May 2020, a lease was secured with AREAS with the lease commencing in October 2020. In July 2020, the Manager had also successfully extended several leases for the Spain Properties expiring in December 2020. Figures are computed based on the assumption that the lease with AREAS and the extension of leases were already in place as at 30 June 2020

RATIONALE AND BENEFITS

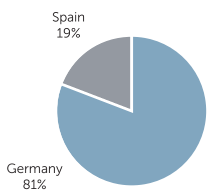
3 INCREASE PORTFOLIO STRENGTH THROUGH ENHANCED PORTFOLIO DIVERSIFICATION

DIVERSIFICATION ACROSS COUNTRIES

Existing Portfolio

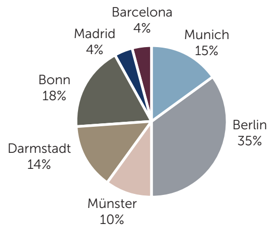


Enlarged Portfolio

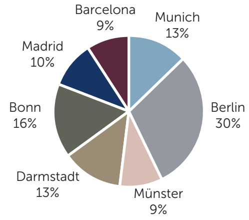


DIVERSIFICATION ACROSS CITIES

Existing Portfolio

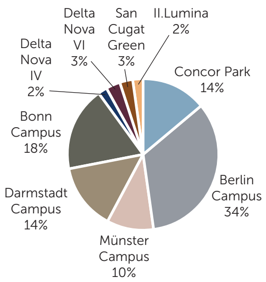


Enlarged Portfolio

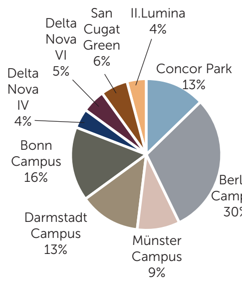


DIVERSIFICATION ACROSS ASSETS - NO SINGLE PROPERTY VALUED MORE THAN 30% OF IREIT'S TOTAL PORTFOLIO VALUATION[7]

Existing Property Portfolio

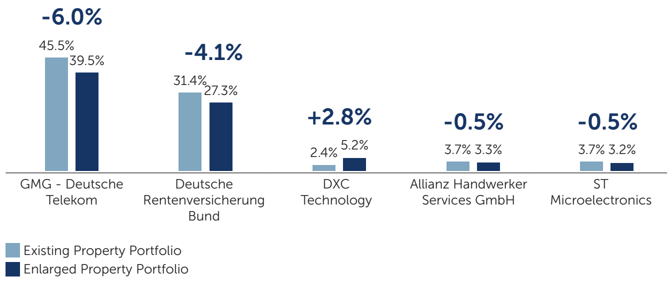


Enlarged Property Portfolio



TENANT DIVERSIFICATION

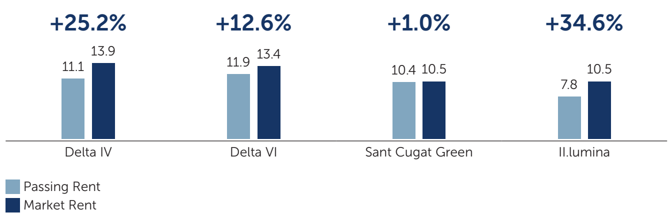
Top 5 Tenants in Enlarged Property Portfolio



4 ATTRACTIVE ASSET MANAGEMENT OPPORTUNITIES WITH BENEFITS FROM DECENTRALISATION TRENDS

- Potential for positive rental reversions
  - Passing rents of the Spain Properties are on average 14.5% below market rates[8]
- Secondary locations with good connections and services around are gaining importance with respect to the CBD
  - Between 2019 and 2020, 54% of deals closed within the Madrid and Barcelona markets which had a surface area in excess of 5,000 sqm were in decentralised areas

Potential for positive rental reversion by property



5 LEVERAGING ON STRATEGIC INVESTORS' STRONG PLATFORM AND RESOURCES

CITY DEVELOPMENTS LIMITED

- A leading global real estate company
- Over 55 years of proven track record in real estate development, investment and management

TIKEHAU CAPITAL

- Deep asset and investment management experience across Europe
- Assets under management ("AUM") of €25.7 billion[9], with its real estate business being the largest operating segment at €9.6 billion[9] of AUM

7 For the Spain Properties, based on the average of the two independent valuations as at 31 July 2020
8 Source: Colliers International Spain S.L., as at July 2020
9 As at 30 June 2020

CIRCULAR DATED 3 SEPTEMBER 2020

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IREITGlobal

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MANAGED BY

IREIT GLOBAL GROUP PTE. LTD.

CIRCULAR TO UNITHOLDERS IN RELATION TO:

(1) THE PROPOSED ACQUISITION OF THE BALANCE 60.0% INTEREST IN FOUR FREEHOLD OFFICE BUILDINGS LOCATED IN SPAIN, AS AN INTERESTED PERSON TRANSACTION; AND

(2) THE POTENTIAL TRANSFER OF A CONTROLLING INTEREST TO AT INVESTMENTS LIMITED AS A RESULT OF THE RIGHTS ISSUE

Independent Financial Adviser to the Independent Directors, the Non-Interested Directors and the Audit and Risk Committee of IREIT Global Group Pte. Ltd. and the Trustee (each as defined herein)

RHB

RHB Bank Berhad
(through its Singapore branch, UEN: S99FC5710J)
(Incorporated in Malaysia)
(Company Registration No.: 196501000373 (6171-M))

IMPORTANT DATES AND TIMES FOR UNITHOLDERS

Last date and time for pre-registration, submission of questions in advance, and submission of Proxy Forms	:	Wednesday, 16 September 2020 at 2.00 p.m.
Date and time of Extraordinary General Meeting ("**EGM**") convened and held by electronic means	:	Friday, 18 September 2020 at 2.00 p.m.

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CORPORATE INFORMATION

Directors of IREIT Global Group Pte. Ltd. (the manager of IREIT) (the "Manager")	:	Mr Lim Kok Min, John (Chairman & Non-Executive Independent Director) Mr Tan Wee Peng, Kelvin (Non-Executive Independent Director) Mr Nir Ellenbogen (Non-Executive Independent Director) Mr Bruno de Pampelonne (Non-Executive Director) Mr Khoo Shao Hong, Frank (Non-Executive Director) Mr Sanjay Bakliwal (Non-Executive Director)
Registered Office of the Manager	:	1 Wallich Street #15-03 Guoco Tower Singapore 078881
Trustee of IREIT (the "Trustee")	:	DBS Trustee Limited 12 Marina Boulevard Marina Bay Financial Centre Singapore 018982
Legal Adviser to the Manager for the Acquisition (as defined herein) and as to Singapore Law	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Legal Adviser to the Trustee as to Singapore Law	:	Dentons Rodyk & Davidson LLP 80 Raffles Place #33-00 UOB Plaza 1 Singapore 048624
Unit Registrar and Unit Transfer Office	:	Boardroom Corporate & Advisory Services Pte. Ltd. 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623
Independent Financial Adviser to the Independent Directors, the Non-Interested Directors and the Audit and Risk Committee of the Manager and the Trustee (the "IFA")	:	RHB Bank Berhad, through its Singapore branch 90 Cecil Street #04-00 RHB Bank Building Singapore 069531
Independent Valuers	:	Colliers International Spain S.L. Paseo de la Castellana, 141 28046, Madrid Cushman & Wakefield Spain Limited Calle De Jose Ortega Y Gasset 29 Pl 6 Madrid, 28006
Independent Market Research Consultant	:	Colliers International Spain S.L. Paseo de la Castellana, 141 28046, Madrid

OVERVIEW

Meanings of defined terms may be found in the Glossary on pages 50 to 55 of this Circular.

Any discrepancies in the tables, graphs and charts included herein between the listed amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

For illustrative purposes, certain Euro amounts have been translated into Singapore dollars. Unless otherwise indicated, such translations have been made based on the exchange rate of €1.00 = S$1.566. Such translations should not be construed as representations that the Euro amounts referred to could have been, or could be, converted into Singapore dollars, as the case may be, at that or any other rate or at all.

OVERVIEW

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 primarily for office, retail and industrial (including logistics) purposes, as well as real estate-related assets.

As at 27 August 2020, being the latest practicable date prior to the date of this Circular (the "**Latest Practicable Date**"), IREIT has a market capitalisation of approximately S$446.1 million[1]. IREIT's existing property portfolio (the "**Existing Property Portfolio**") comprises five freehold office buildings located in Germany, namely (i) Berlin Campus, (ii) Bonn Campus, (iii) Darmstadt Campus, (iv) Münster Campus and (v) Concor Park, as well as a 40.0% interest in four freehold office buildings located in Spain, namely (i) Delta Nova IV, (ii) Delta Nova VI, (iii) Sant Cugat Green and (iv) Il·lumina (the "**Spain Properties**"). The Existing Property Portfolio has a combined value of approximately €629.0 million (approximately S$985.0 million) as at 30 June 2020.[2]

On 7 December 2019, the Trustee entered into an agreement with Tikehau Capital SCA ("**Tikehau Capital**") to jointly incorporate a Singapore company (the "**JVCo**"), which would be 40.0% held by IREIT (the "**Initial Investment**") and 60.0% held by Tikehau Capital, for the purposes of acting as the purchaser of the Spain Properties under three separate conditional share sale and purchase agreements to acquire the shares representing 100.0% of the issued share capital in each of (a) Gloin Investments, S.L.U. which holds Delta Nova IV and Delta Nova VI; (b) Chameleon (Sant Cugat Investment 2014), S.L.U. which holds Sant Cugat Green; and (c) Chameleon (Esplugues), S.L.U. which holds Il·lumina from Corona Patrimonial SOCIMI, S.A. (the "**Initial Acquisition**", and the entities holding the Spain Properties, the "**Spanish PropCos**"). Pursuant to the aforementioned agreement, the JVCo, IREIT Global Holdings 5 Pte. Ltd., was incorporated on 9 December 2019 and the Trustee entered into a shareholders' agreement (the "**Shareholders' Agreement**") with Tikehau Capital and the JVCo on 10 December 2019. The Initial Acquisition by the JVCo was completed on 20 December 2019. The total cost of IREIT's investment in the JVCo in relation to the Initial Acquisition was approximately €57.6 million[3] (comprising approximately (i) €55.3 million, being IREIT's proportionate share of the Initial Acquisition's purchase consideration, (ii) €1.6 million, being IREIT's proportionate share of the professional and transaction expenses, (iii) €0.5 million, being the Manager's acquisition fee elected to be paid in cash, and (iv) €0.2 million, being other fees and expenses in connection with IREIT's investment in the JVCo).

1 Based on the closing Unit price of S$0.695 as at the Latest Practicable Date.

2 Based on IREIT's 40.0% interest in the Spain Properties.

3 As disclosed in the acquisition announcement dated 7 December 2019.

In the second quarter of 2020, Sadena Real Estate, S.L.U. (the "**Spanish HoldCo**") was incorporated and is 100.0% owned by the JVCo. Thereafter, the JVCo transferred its 100.0% interest in the Spanish PropCos to the Spanish HoldCo. The current holding structure of the Spain Properties is that the JVCo owns 100.0% of the issued share capital in the Spanish HoldCo, which in turn owns 100.0% of the issued share capital in each of the Spanish PropCos which owns the respective Spain Properties as described above.

Pursuant to the Shareholders' Agreement, Tikehau Capital granted the Trustee a call option to acquire its interest in 60.0% of the shares in the JVCo for the period of 18 months following completion of the Initial Acquisition upon written notice from the Trustee to Tikehau Capital ("**Call Option**") at 60.0% of the call option price calculated based on the consolidated net asset value of the JVCo and its subsidiaries, as adjusted based on the average of the market values of the Spain Properties in aggregate as determined by two independent property valuers, with one to be appointed by each of the Trustee and the Manager, respectively (the "**Call Option Price**").

On 7 August 2020, the Trustee exercised the Call Option to acquire the balance 60.0% interest in the Spain Properties by way of a written notice to Tikehau Capital (the "**Call Option Notice**") to acquire Tikehau Capital's interest in 60.0% of the shares in the JVCo (the "**Acquisition**"), and the Trustee entered into a conditional share purchase agreement (the "**Share Purchase Agreement**") with Tikehau Capital on 7 August 2020 in connection with the Acquisition.

For the purposes of this Circular, the term "**Enlarged Property Portfolio**" comprises the Existing Property Portfolio and the balance 60.0% of the Spain Properties.

Unless otherwise stated, the property information contained in this Circular concerning the Existing Property Portfolio and Enlarged Property Portfolio shall be as at 30 June 2020.

SUMMARY OF APPROVAL SOUGHT

The Manager seeks approval from the unitholders in IREIT ("**Unitholders**") for the resolutions stated below:

(i) **Resolution 1**: the proposed Acquisition of the balance 60.0% interest in the Spain Properties through the acquisition of 60.0% of the shares in the JVCo from Tikehau Capital, as an interested person transaction (Ordinary Resolution); and

(ii) **Resolution 2**: the potential transfer of a controlling interest to AT Investments (as defined herein) as a result of the Rights Issue (as defined herein), pursuant to Rule 803 of the Listing Manual (as defined herein) (Ordinary Resolution).

For the avoidance of doubt, Resolution 1 and Resolution 2 are not inter-conditional upon one another.

RESOLUTION 1: THE PROPOSED ACQUISITION, AS AN INTERESTED PERSON TRANSACTION (ORDINARY RESOLUTION)

DESCRIPTION OF THE SPAIN PROPERTIES

The Spain Properties comprise four freehold office buildings in Spain with a total gross lettable area ("**GLA**") of 72,167 square metres ("**sqm**"), an overall occupancy rate of 84.7% and a weighted average lease expiry ("**WALE**") by gross rental income ("**GRI**") of 4.1 years as at 30 June 2020.[1]

The table below sets out a summary of selected information on the Spain Properties as at 30 June 2020 (based on a 100% basis), unless otherwise indicated.

	Delta Nova IV	Delta Nova VI	Sant Cugat Green	Il·lumina	Total
City	Madrid	Madrid	Barcelona	Barcelona	
Completion Year	2005 and refurbished in 2015	2005 and refurbished in 2015	1993	1970s and fully redeveloped in 2004	
Agreed Value (€ m)	29.6	39.8	40.6	26.4	136.4
GLA (sqm)	10,256	14,855	26,134	20,922	72,167
Land Tenure	Freehold	Freehold	Freehold	Freehold	
Occupancy Rate (%)	93.7	94.5	77.1	82.9[(2)]	84.7
Number of Tenants	11	9	4	11	35
Valuation by Colliers (€ m) (as at 31 July 2020)	29.5	40.8	40.5	27.0	137.8
Valuation by Cushman (€ m) (as at 31 July 2020)	29.7	38.9	40.8	25.8	135.0
WALE by GRI (years)[(3)]	3.6	2.9	5.3	3.8	4.1
Net Property Income ("NPI") (€'000)[(4)]	1,414[(1)]		1,396	590	3,400

Notes:

(1) Delta Nova IV and Delta Nova VI are both held by Gloin Investments, S.L.U..

(2) Assuming that the lease agreement with AREAS, S.A.U. ("**AREAS**") which was entered into in May 2020 for approximately 3,450 sqm has commenced, notwithstanding that actual occupancy date for AREAS is in October 2020.

(3) In July 2020, the Manager also successfully extended several leases for the Spain Properties expiring in December 2020. Figures are computed based on the assumption that the lease with AREAS and the extension of leases were already in place as at 30 June 2020.

(4) For the financial period from 1 January 2020 to 30 June 2020.

(See **Appendix A** of this Circular for further details about the Spain Properties.)

1 In May 2020, a lease was secured with AREAS with the lease commencing in October 2020. In July 2020, the Manager also successfully extended several leases for the Spain Properties expiring in December 2020. Figures are computed based on the assumption that the lease with AREAS and extension of leases were already in place as at 30 June 2020.

ESTIMATED TOTAL ACQUISITION COST

The total cost of the Acquisition (the "**Total Acquisition Cost**") is estimated to be €49.1 million (approximately S$77.0 million) comprising:

(i) the estimated purchase consideration of approximately €47.8 million (approximately S$74.9 million) (the "**Purchase Consideration**");

(ii) the acquisition fee of approximately €0.8 million (approximately S$1.3 million) (the "**Acquisition Fee**") payable in Units to the Manager (the "**Acquisition Fee Units**")[1] (being 1.0% of 60.0% of the Agreed Value (as defined herein) pursuant to the Trust Deed (as defined herein)); and

(iii) the estimated professional and other fees and expenses of approximately €0.5 million (approximately S$0.8 million) incurred or to be incurred by IREIT in connection with the Acquisition.

PURCHASE CONSIDERATION AND VALUATION

The Purchase Consideration for the Acquisition payable to Tikehau Capital (the "**Vendor**") is derived from 60.0% of the Call Option Price calculated based on the unaudited consolidated net asset value ("**NAV**") of the JVCo and its subsidiaries (the "**JVCo Group**") on completion of the Acquisition ("**Completion**", and the date of Completion, the "**Completion Date**"), as adjusted based on the average of the market values of the Spain Properties in aggregate as determined by two independent property valuers, with one independent valuer to be appointed by each of the Trustee and the Manager, respectively. The estimated Purchase Consideration, being 60.0% of the Call Option Price, is currently estimated at €47.8 million (approximately S$74.9 million) based on the unaudited consolidated NAV of the JVCo Group of €79.7 million[2] (approximately S$124.8 million) (on a 100% basis) as at 30 June 2020, as adjusted upwards[3] based on the agreed market value (the "**Agreed Value**") of the Spain Properties of €136.4 million (approximately S$213.6 million) (on a 100% basis) which is the average of the two independent valuations of the Spain Properties as at 31 July 2020.

The final Purchase Consideration payable to the Vendor on Completion shall be subject to post-completion adjustments based on the NAV of the JVCo Group as at the Completion Date as provided for in the Share Purchase Agreement.

The Manager has commissioned an independent property valuer, Cushman & Wakefield Spain Limited ("**Cushman**"), and the Trustee has commissioned another independent property valuer, Colliers International Spain S.L. ("**Colliers**", and together with Cushman, the "**Independent Valuers**"), to value the Spain Properties. The valuation of the Spain Properties as at 31 July 2020 is €135.0 million (approximately S$211.4 million) and €137.8 million (approximately S$215.8 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).

(See paragraph 2.3 of the Letter to Unitholders for further details.)

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1 As the Acquisition will constitute an "interested party transaction" under the Property Funds Appendix (as defined herein), the Acquisition Fee is payable to the Manager in Units, and the Acquisition Fee Units shall not be sold within one year from the date of issuance in accordance with Paragraph 5.7 of the Property Funds Appendix.

2 The NAV of the JVCo Group also takes into account the bank loan owed by the Spanish PropCos to certain financial institutions, which will remain in the Spanish PropCos after Completion.

3 Upwards adjustment of approximately €1.06 million from the valuation of the Spain Properties of €135.35 million by Cushman as at 30 June 2020.

METHOD OF FINANCING

The Manager intends to finance the Total Acquisition Cost (save for the Acquisition Fee) with part of the net proceeds from a renounceable non-underwritten rights issue of new Units to the then existing Unitholders on a *pro rata* basis (the "**Rights Issue**", and the new Units to be issued pursuant to the Rights Issue, the "**Rights Units**"). The Acquisition Fee in relation to the Acquisition is to be paid in the form of Units.[1]

The Manager will announce the details of the Rights Issue (including details pertaining to the use of proceeds and percentage allocation for each use) on the SGXNET at the appropriate time when it launches the Rights Issue.

(See paragraph 2.5 of the Letter to Unitholders for further details.)

Use of Proceeds

For illustrative purposes only, the Rights Issue is assumed to raise gross proceeds of up to €90.0 million (approximately S$140.9 million). The Manager intends to utilise the gross proceeds of the Rights Issue as follows:

(i) approximately €48.3 million (approximately S$75.7 million) to finance the Total Acquisition Cost (save for the Acquisition Fee);

(ii) €32.0 million (approximately S$50.1 million) to repay the €32.0 million loan extended by City Strategic Equity Pte. Ltd. ("**CSEPL**") to IREIT for the purposes of funding IREIT's proportionate capital contribution to the JVCo for the Initial Acquisition (the "**CDL Loan**");[2]

(iii) approximately €9.0 million (approximately S$14.0 million) for future capital expenditure, repayment of debt and/or acquisition; and

(iv) the estimated professional and other fees and expenses of approximately €0.7 million (approximately S$1.1 million) incurred or to be incurred by IREIT in connection with the Rights Issue.

Notwithstanding its current intention, the Manager may, subject to relevant laws and regulations, utilise the net proceeds of the Rights Issue at its absolute discretion for other purposes, including without limitation, the repayment of existing indebtedness and for funding capital expenditures.

1 Based on the Trust Deed, the Manager shall be entitled to receive such number of Acquisition Fee Units as may be purchased for the relevant amount of the Acquisition Fee issued at the prevailing market price.

2 For the avoidance of doubt, as disclosed in the acquisition announcement dated 7 December 2019, the CDL Loan constitutes an interested person transaction pursuant to the Listing Manual.

Commitment of Tikehau Capital, CSEPL and AT Investments Limited ("AT Investments")

To demonstrate its support for IREIT and the Rights Issue, each of Tikehau Capital, CSEPL and AT Investments, being a key strategic investor of IREIT, which respectively owns an aggregate direct interest in 188,157,361[1], 134,956,458[2] and 35,123,146 Units representing approximately 29.3%, 21.0% and 5.5% respectively of the total number of Units in issue[3] as at the date of this Circular, has irrevocably undertaken to the Manager (the "**Undertakings**") that, among other things:

(i) in accordance with the terms and conditions of the Rights Issue, it will by the last day for acceptance and payment of the Rights Units, accept, subscribe and pay in full for its total provisional allotment of the Rights Units corresponding to its direct interest in IREIT (such provisional allotment of the Rights Units of each of Tikehau Capital, CSEPL and AT Investments, the "**Pro Rata Units**"); and

(ii) (in relation to CSEPL and AT Investments only) it will, in addition to paragraph (i) above, in accordance with the terms and conditions of the Rights Issue and in any case by no later than the last day for acceptance and payment of the Rights Units, accept, subscribe and pay in full for such number of additional Rights Units in excess of the Pro Rata Units of Tikehau Capital, CSEPL and AT Investments (the "**Excess Units**") in the following amounts:

(a) *CSEPL*: additional Rights Units amounting to S$16.2 million (the "**CSEPL Excess Units**"), it being understood that CSEPL will be allotted the CSEPL Excess Units only to the extent that there remains any Rights Units unsubscribed after satisfaction of all applications by other eligible unitholders of IREIT for Rights Units (if any) and after AT Investments has been allotted the maximum number of ATI First Tranche Excess Units (as defined herein), but before AT Investments has been allotted the ATI Second Tranche Excess Units (as defined herein); and

(b) *AT Investments*: (1) additional Rights Units in excess of the Pro-Rata Units amounting to S$23.5 million (the "**ATI First Tranche Excess Units**"), it being understood that AT Investments will be allotted the ATI First Tranche Excess Units only to the extent that there remains any Rights Units unsubscribed after satisfaction of all applications by other eligible unitholders of IREIT for Rights Units (if any); and (2) additional Rights Units amounting to S$23.5 million (the "**ATI Second Tranche Excess Units**", together with the ATI First Tranche Excess Units, the "**ATI Excess Units**") in excess of (a) the ATI First Tranche Excess Units set out in (1) above; and (b) the CSEPL Excess Units, it being understood that AT Investments will be allotted the ATI Second Tranche Excess Units only to the extent that there remains any Rights Units unsubscribed after satisfaction of the application for ATI First Tranche Excess Units set out in (1) above and after CSEPL has been allotted the maximum number of CSEPL Excess Units.

For the avoidance of doubt, Tikehau Capital, CSEPL and AT Investments, among others, will rank last in the allocation of excess Rights Units applications.

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1 For the avoidance of doubt, includes the 1,749,003 Units which have been sold by the Manager to Tikehau Capital prior to the date of this Circular.

2 For the avoidance of doubt, includes the 1,749,003 Units which have been sold by the Manager to CSEPL prior to the date of this Circular.

3 Based on the total number of 641,862,550 Units in issue as at the date of this Circular.

The provision of the Undertakings from Tikehau Capital, CSEPL and AT Investments will result in the subscription of all unsubscribed Rights Units remaining after the fulfilment of valid excess Rights Units applications by other Unitholders for the same under the terms of the Rights Issue, and accordingly, the Rights Issue will not be underwritten by a financial institution. Taking into account the Undertakings, the proceeds to be raised from the Rights Issue will be sufficient to meet IREIT's present funding requirements including the intended use of proceeds for the Acquisition and repayment of the CDL Loan.

RATIONALE FOR AND BENEFITS OF THE ACQUISITION

The Manager believes that the Acquisition will bring the following key benefits to Unitholders:

- Deepens IREIT's strategic presence in Spain, the fifth largest economy in Europe by Gross Domestic Product ("**GDP**")
- Achieve full ownership of a high quality office portfolio
- Increase portfolio strength through enhanced portfolio diversification
- Attractive asset management opportunities with benefits from decentralisation trends
- Leveraging on strategic investors' strong platform and resources

(See paragraph 3 of the Letter to Unitholders for further details.)

INTERESTED PERSON TRANSACTION PURSUANT TO THE LISTING MANUAL AND INTERESTED PARTY TRANSACTION PURSUANT TO THE PROPERTY FUNDS APPENDIX

As at the date of this Circular, Tikehau Capital holds an aggregate interest in 188,157,361 Units[1], which is equivalent to approximately 29.3% of the total number of Units in issue[2], and is therefore regarded as a "controlling unitholder" of IREIT under both the Listing Manual of the SGX-ST (the "**Listing Manual**") and Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore (the "**Property Funds Appendix**"). In addition, the Manager is jointly owned by (i) City REIT Management Pte Ltd ("**CRMPL**") and (ii) Tikehau Capital in equal proportions. Tikehau Capital is therefore regarded as a "controlling shareholder" of the Manager under both the Listing Manual and the Property Funds Appendix.

Accordingly, Tikehau Capital is (for the purpose of the Listing Manual) an "interested person" and (for the purpose of the Property Funds Appendix) an "interested party" of IREIT.

Therefore, the Acquisition will constitute an "interested person transaction" under Chapter 9 of the Listing Manual as well as an "interested party transaction" under the Property Funds Appendix, in respect of which approval of the Unitholders is required.

Accordingly, the Manager is seeking the approval of Unitholders by way of an Ordinary Resolution (as defined herein) of the Unitholders for the Acquisition.

(See paragraph 4.2.3 of the Letter to Unitholders for further details.)

1 For the avoidance of doubt, includes the 1,749,003 Units which have been sold by the Manager to Tikehau Capital prior to the date of this Circular.

2 Based on the total number of 641,862,550 Units in issue as at the date of this Circular.

RESOLUTION 2: THE POTENTIAL TRANSFER OF A CONTROLLING INTEREST TO AT INVESTMENTS AS A RESULT OF THE RIGHTS ISSUE, PURSUANT TO RULE 803 OF THE LISTING MANUAL (ORDINARY RESOLUTION)

As at the date of this Circular, AT Investments holds an aggregate interest in 35,123,146 Units, which is equivalent to approximately 5.5% of the total number of Units in issue[1].

For illustrative purposes only, assuming that no other Unitholders subscribe for their Rights Units entitlements and only Tikehau Capital, CSEPL and AT Investments subscribe for their respective Pro Rata Units and Excess Units pursuant to the Undertakings, the aggregate unitholding of AT Investments after subscribing for its Pro Rata Units and the ATI Excess Units will be approximately 150,489,589 Units, representing approximately 15.9% of the total number of Units in issue after completion of the Rights Issue[2]. AT Investments may thus potentially become a controlling Unitholder, in respect of which approval of Unitholders is required pursuant to Rule 803 of the Listing Manual.

Accordingly, the Manager is seeking the approval of Unitholders by way of an Ordinary Resolution of the Unitholders for the potential transfer of a controlling interest to AT Investments as a result of AT Investments' subscription of the ATI Excess Units pursuant to the Undertakings in connection with the Rights Issue.

For clarity, if Unitholders do not approve the transfer of a controlling interest to AT Investments, the Manager would not be able to issue Rights Units to AT Investments which would result in a transfer of controlling interest and AT Investments would only be required under the terms of the Undertakings to subscribe for such number of ATI Excess Units so that (together with its Pro Rata Units) AT Investments will hold up to 14.9% of the total number of Units in issue immediately following the completion of the Rights Issue. This may result in a scaling down of the gross proceeds raised pursuant to the Rights Issue in the event that no other Unitholders (apart from Tikehau Capital, CSEPL and AT Investments) will accept any of their respective provisional allotment of the Rights Units based on their respective entitlements. Nonetheless, the proceeds to be raised from the Rights Issue (taking into account the Undertakings) will be sufficient to meet IREIT's present funding requirements for the Acquisition and repayment of the CDL Loan. For illustrative purposes only, in the event of a scaling down of the gross proceeds raised pursuant to the Rights Issue such that AT Investments will only hold up to 14.9% of the total number of Units in issue immediately following the completion of the Rights Issue, the gross proceeds of the Rights Issue is expected to only be reduced by approximately €7.5 million (approximately S$11.8 million)[3], which the Manager intends to be reduced from the proceeds utilised for future capital expenditure, repayment of debt and/or acquisition.

(See paragraph 5 of the Letter to Unitholders for further details.)

1 Based on the total number of 641,862,550 Units in issue as at the date of this Circular.

2 Based on the total number of 944,179,550 Units in issue after completion of the Rights Issue assuming that 302,317,000 new Rights Units are offered at the illustrative issue price of S$0.466 per Rights Unit pursuant to the Rights Issue.

3 Based on the total number of 915,937,550 Units in issue after completion of the Rights Issue assuming that 274,075,000 new Rights Units are offered at the illustrative issue price of S$0.471 per Rights Unit pursuant to the Rights Issue.

INDICATIVE TIMETABLE

The timetable for the events which are scheduled to take place after the EGM is indicative only and is subject to change at the Manager's absolute discretion. Any changes (including any determination of the relevant dates) to the timetable below will be announced.

Event		Date and Time
Last date and time for lodgement of Proxy Forms	:	Wednesday, 16 September 2020 at 2.00 p.m.
Date and time of the EGM	:	Friday, 18 September 2020 at 2.00 p.m.
If approval for the Acquisition is obtained at the EGM:		
Target date for Completion	:	Expected to be in 4Q 2020 (or such other date as may be agreed between the parties)

IREIT Global

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

Directors of the Manager	Registered Office
Mr Lim Kok Min, John (Chairman & Non-Executive Independent Director) Mr Tan Wee Peng, Kelvin (Non-Executive Independent Director) Mr Nir Ellenbogen (Non-Executive Independent Director) Mr Bruno de Pampelonne (Non-Executive Director) Mr Khoo Shao Hong, Frank (Non-Executive Director) Mr Sanjay Bakliwal (Non-Executive Director)	1 Wallich Street #15-03 Guoco Tower Singapore 078881

3 September 2020

To: Unitholders of IREIT

Dear Sir/Madam

1 SUMMARY OF APPROVAL SOUGHT

The Manager is convening the EGM to seek the approval from Unitholders by way of Ordinary Resolution for the following resolutions:

(i) **Resolution 1**: the proposed Acquisition of the balance 60.0% interest in the Spain Properties through the acquisition of 60.0% of the shares in the JVCo from Tikehau Capital, as an interested person transaction (Ordinary Resolution); and

(ii) **Resolution 2**: the potential transfer of a controlling interest to AT Investments as a result of the Rights Issue, pursuant to Rule 803 of the Listing Manual (Ordinary Resolution).

For the avoidance of doubt, Resolution 1 and Resolution 2 are not inter-conditional upon one another.

2 RESOLUTION 1: THE PROPOSED ACQUISITION, AS AN INTERESTED PERSON TRANSACTION

2.1 Description of the Spain Properties

The Spain Properties comprise four freehold office buildings in Spain with a total GLA of 72,167 sqm, an overall occupancy rate of 84.7% and a WALE by GRI of 4.1 years as at 30 June 2020.[1]

1 In May 2020, a lease was secured with AREAS with the lease commencing in October 2020. In July 2020, the Manager had also successfully extended several leases for the Spain Properties expiring in December 2020. Figures are computed based on the assumption that the lease with AREAS and extension of leases were already in place as at 30 June 2020.

The table below sets out a summary of selected information on the Spain Properties as at 30 June 2020 (based on a 100% basis), unless otherwise indicated.

	Delta Nova IV	Delta Nova VI	Sant Cugat Green	Il·lumina	Total
City	Madrid	Madrid	Barcelona	Barcelona	
Completion Year	2005 and refurbished in 2015	2005 and refurbished in 2015	1993	1970s and fully redeveloped in 2004	
Agreed Value (€ m)	29.6	39.8	40.6	26.4	136.4
GLA (sqm)	10,256	14,855	26,134	20,922	72,167
Land Tenure	Freehold	Freehold	Freehold	Freehold	
Occupancy Rate (%)	93.7	94.5	77.1	82.9(2)	84.7
Number of Tenants	11	9	4	11	35
Valuation by Colliers (€ m) (as at 31 July 2020)	29.5	40.8	40.5	27.0	137.8
Valuation by Cushman (€ m) (as at 31 July 2020)	29.7	38.9	40.8	25.8	135.0
WALE by GRI (years)(3)	3.6	2.9	5.3	3.8	4.1
NPI (€'000)(4)	1,414(1)		1,396	590	3,400

Notes:

(1) Delta Nova IV and Delta Nova VI are both held by Gloin Investments, S.L.U..

(2) Assuming that the lease agreement with AREAS which was entered into in May 2020 for approximately 3,450 sqm has commenced, notwithstanding that actual occupancy date for AREAS is in October 2020.

(3) In July 2020, the Manager also successfully extended several leases for the Spain Properties expiring in December 2020. Figures are computed based on the assumption that the lease with AREAS and the extension of leases were already in place as at 30 June 2020.

(4) For the financial period from 1 January 2020 to 30 June 2020.

(See **Appendix A** of this Circular for further details about the Spain Properties.)

2.2 Structure of the Acquisition

On 7 December 2019, the Trustee entered into an agreement with Tikehau Capital to jointly incorporate the JVCo, which would be 40.0% held by IREIT and 60.0% held by Tikehau Capital, for the purposes of acting as the purchaser of the Spain Properties under three separate conditional share sale and purchase agreements to acquire the shares representing 100.0% of the issued share capital in each of (a) Gloin Investments, S.L.U. which holds Delta Nova IV and Delta Nova VI; (b) Chameleon (Sant Cugat Investment 2014), S.L.U. which holds Sant Cugat Green; and (c) Chameleon (Esplugues), S.L.U. which holds Il·lumina from Corona Patrimonial SOCIMI, S.A.. Pursuant to the aforementioned agreement, the JVCo was incorporated on 9 December 2019 and the Trustee entered into the Shareholders' Agreement with Tikehau Capital and the JVCo on 10 December 2019. The Initial Acquisition by the JVCo was completed on 20 December 2019. The total cost of IREIT's investment in the JVCo in relation to the Initial Acquisition was approximately €57.6 million[1] (comprising approximately (i) €55.3 million, being IREIT's proportionate share of the Initial Acquisition's purchase consideration, (ii) €1.6 million, being IREIT's proportionate share of the professional and transaction expenses, (iii) €0.5 million, being the Manager's acquisition fee elected to be paid in cash, and (iv) €0.2 million, being other fees and expenses in connection with IREIT's investment in the JVCo).

In the second quarter of 2020, the Spanish HoldCo was incorporated and is 100.0% owned by the JVCo. Thereafter, the JVCo transferred its 100.0% interest in the Spanish PropCos to the Spanish HoldCo. The current holding structure of the Spain Properties is that the JVCo owns 100.0% of the issued share capital in the Spanish HoldCo, which in turn owns 100.0% of the issued share capital in each of the Spanish PropCos which owns the respective Spain Properties as described above.

Pursuant to the Shareholders' Agreement, Tikehau Capital granted the Trustee the Call Option to acquire its interest in 60.0% of the shares in the JVCo for the period of 18 months following completion of the Initial Acquisition (the "**Call Option Period**") upon written notice from the Trustee to Tikehau Capital at 60.0% of the Call Option Price.

Upon receipt of the Call Option Notice, Tikehau Capital is obliged to sell and the Trustee to purchase all, and not some only, of the shares of Tikehau Capital in the JVCo at 60.0% of the Call Option Price. In the event that approval of Unitholders is required to complete the Acquisition, the Manager and the Trustee shall use all reasonable endeavours to obtain the approval of Unitholders, and complete the sale and transfer of the shares of Tikehau Capital in the JVCo, as soon as reasonably practicable following the exercise of the Call Option. In the event that Unitholders do not approve the transaction, the Trustee may issue another notice to exercise the Call Option, provided such additional notice is issued within the Call Option Period, and the completion of the sale and purchase of the shares of Tikehau Capital in the JVCo is completed as soon as reasonably practicable thereafter.

Notwithstanding the above, Tikehau Capital has no obligation to transfer its shares in the JVCo pursuant to the Call Option unless the Minimum Threshold is zero or positive, where "**Minimum Threshold**" means:

Minimum Threshold = (60% x A) – (B – C + D)

where:

"A" is the Call Option Price;

"B" is the amount invested by Tikehau Capital into the JVCo;

"C" is the amount of any distributions by the JVCo received by Tikehau Capital (not including distributions made out of operating profits or capital gains); and

"D" is the aggregate of all costs and expenses incurred by Tikehau Capital in connection with the Initial Acquisition, other than those incurred through the JVCo.

1 As disclosed in the acquisition announcement dated 7 December 2019.

The Minimum Threshold is positive as calculated based on 60.0% of the Call Option Price of €47.8 million (approximately S$74.9 million), less the amount invested by Tikehau Capital into the JVCo of €46.4 million (approximately S$72.7 million). There were no aggregate distributions received by Tikehau Capital and no costs or expenses incurred by Tikehau Capital, other than those incurred through the JVCo.

On 7 August 2020, the Trustee exercised the Call Option by issuing the Call Option Notice to Tikehau Capital to acquire its interest in 60.0% of the shares in the JVCo, and the Trustee entered into the Share Purchase Agreement with Tikehau Capital on 7 August 2020 in connection with the Acquisition.

2.3 Estimated Total Acquisition Cost and Purchase Consideration

The Total Acquisition Cost is estimated to be €49.1 million (approximately S$77.0 million) comprising:

(i) the estimated Purchase Consideration of approximately €47.8 million (approximately S$74.9 million);

(ii) the Acquisition Fee of approximately €0.8 million (approximately S$1.3 million) payable in Units[1] to the Manager (being 1.0% of 60.0% of the Agreed Value); and

(iii) the estimated professional and other fees and expenses of approximately €0.5 million (approximately S$0.8 million) incurred or to be incurred by IREIT in connection with the Acquisition.

The Purchase Consideration for the Acquisition payable to the Vendor is derived from 60.0% of the Call Option Price calculated based on the unaudited consolidated NAV of the JVCo Group on Completion, as adjusted based on the average of the independent valuations of the Spain Properties. The estimated Purchase Consideration, being 60.0% of the Call Option Price, is currently estimated at €47.8 million (approximately S$74.9 million) based on the unaudited consolidated NAV of the JVCo Group of €79.7 million[2] (approximately S$124.8 million) (on a 100% basis) as at 30 June 2020, as adjusted upwards[3] based on the Agreed Value of the Spain Properties of €136.4 million (approximately S$213.6 million) (on a 100% basis) which is the average of the two independent valuations of the Spain Properties as at 31 July 2020.

The final Purchase Consideration payable to the Vendor on Completion shall be subject to post-completion adjustments based on the NAV of the JVCo Group as at the Completion Date as provided for in the Share Purchase Agreement.

The Manager has commissioned an independent property valuer, Cushman, and the Trustee has commissioned another independent property valuer, Colliers, to value the Spain Properties. The valuation of the Spain Properties as at 31 July 2020 is €135.0 million (approximately S$211.4 million) and €137.8 million (approximately S$215.8 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). It should be noted that the Independent Valuers have in their respective valuation reports

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1 As the Acquisition will constitute an "interested party transaction" under the Property Funds Appendix, the Acquisition Fee is payable to the Manager in Units, and the Acquisition Fee Units shall not be sold within one year from the date of issuance in accordance with Paragraph 5.7 of the Property Funds Appendix.

2 The NAV of the JVCo Group also takes into account the bank loan owed by the Spanish PropCos to certain financial institutions, which will remain in the Spanish PropCos after Completion.

3 Upwards adjustment of approximately €1.06 million from the valuation of the Spain Properties of €135.35 million by Cushman as at 30 June 2020.

stated that the outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on 11 March 2020, has impacted many aspects of daily life and the global economy – with some real estate markets experiencing significantly lower levels of transactional activity and liquidity. As at the valuation date of 31 July 2020, in respect of the Spain Properties there is a shortage of market evidence for comparison purposes, to inform opinions of value. The independent valuation of the Spain Properties is therefore reported as being subject to 'material valuation uncertainty' as set out in VPS 3 and VPGA 10 of the RICS Valuation – Global Standards. Consequently, less certainty – and a higher degree of caution – should be attached to their valuation than would normally be the case. For the avoidance of doubt, the inclusion of this 'material valuation uncertainty' declaration does not mean that the valuation cannot be relied upon. Rather, the declaration has been included to ensure transparency of the fact that – in the current extraordinary circumstances – less certainty can be attached to the valuation than would otherwise be the case. The material uncertainty clause is to serve as a precaution and does not invalidate the valuation.

2.4 Certain Terms and Conditions of the Share Purchase Agreement

The principal terms of the Share Purchase Agreement include, among others, the following:

(i) the Completion is subject to and conditional upon the following conditions precedent:

    (a) IREIT obtaining Unitholders' approval for the Acquisition;

    (b) there being no resolution, proposal, scheme, order for the compulsory acquisition or intended acquisition by the relevant government or any other competent authority of the Spain Properties on or before the Completion Date;

    (c) IREIT having secured adequate financing to undertake the Acquisition;

    (d) there being no material damage to the Spain Properties on or before Completion; and

    (e) there being no breach of any warranties which would result in a material adverse effect on JVCo; and

(ii) in accordance with the Share Purchase Agreement, if any of the conditions precedent above are not satisfied on or before 5:00 pm (Singapore time) on 30 November 2020, any of the Trustee and Tikehau Capital shall have the right to terminate the Share Purchase Agreement and neither the Trustee nor Tikehau Capital shall have any claim against the other under it, save for any claim arising from antecedent breaches of the Share Purchase Agreement.

2.5 Method of Financing

The Manager intends to finance the Total Acquisition Cost (save for the Acquisition Fee) with part of the net proceeds from a renounceable non-underwritten Rights Issue of new Units to the then existing Unitholders on a *pro rata* basis. The Acquisition Fee in relation to the Acquisition is to be paid in the form of Units.[1]

1 Based on the Trust Deed, the Manager shall be entitled to receive such number of Acquisition Fee Units as may be purchased for the relevant amount of the Acquisition Fee issued at the prevailing market price.

IREIT's distribution policy is to distribute its distributable income on a semi-annual basis to Unitholders. The Rights Units will, upon issue and allotment, rank *pari passu* in all respects with the Units in issue on the day immediately prior to the date on which the Rights Units are issued, including the right to any distributions which may accrue prior to the issuance of the Rights Units.

The Manager will announce the details of the Rights Issue (including details pertaining to the use of proceeds and percentage allocation for each use) on the SGXNET at the appropriate time when it launches the Rights Issue.

2.6 Use of Proceeds of the Rights Issue

For illustrative purposes only, the Rights Issue is assumed to raise gross proceeds of up to €90.0 million (approximately S$140.9 million). The Manager intends to utilise the gross proceeds of the Rights Issue as follows:

(i) approximately €48.3 million (approximately S$75.7 million) to finance the Total Acquisition Cost (save for the Acquisition Fee);

(ii) €32.0 million (approximately S$50.1 million) to repay the CDL Loan;[1]

(iii) approximately €9.0 million (approximately S$14.0 million) for future capital expenditure, repayment of debt and/or acquisition; and

(iv) the estimated professional and other fees and expenses of approximately €0.7 million (approximately S$1.1 million) incurred or to be incurred by IREIT in connection with the Rights Issue.

Notwithstanding its current intention, the Manager may, subject to relevant laws and regulations, utilise the net proceeds of the Rights Issue at its absolute discretion for other purposes, including without limitation, the repayment of existing indebtedness and for funding capital expenditures.

The Manager will make periodic announcements on the utilisation of the net proceeds of the Rights Issue via SGXNET as and when such funds are materially disbursed and whether such a use is in accordance with the stated use and in accordance with the percentage allocated.

Where proceeds are to be used for working capital purposes, the Manager will disclose a breakdown with specific details on the use of proceeds for working capital in IREIT's announcements and in IREIT's annual report, and where there is any material deviation from the stated use of proceeds, the Manager will announce the reasons for such deviation.

Pending the deployment of the net proceeds of the Rights Issue, the net proceeds may, subject to relevant laws and regulations, be deposited with banks and/or financial institutions, or to be used to repay outstanding borrowings or for any other purpose on a short-term basis as the Manager may, in its absolute discretion, deem fit.

1 For the avoidance of doubt, as disclosed in the acquisition announcement dated 7 December 2019, the CDL Loan constitutes an interested person transaction pursuant to the Listing Manual.

2.7 Commitment of Tikehau Capital, CSEPL and AT Investments

To demonstrate its support for IREIT and the Rights Issue, each of Tikehau Capital, CSEPL and AT Investments, being a key strategic investor of IREIT, which respectively owns an aggregate direct interest in 188,157,361[1], 134,956,458[2] and 35,123,146 Units representing approximately 29.3%, 21.0% and 5.5% respectively of the total number of Units in issue[3] as at the date of this Circular, has irrevocably undertaken to the Manager that, among other things:

(i) in accordance with the terms and conditions of the Rights Issue, it will by the last day for acceptance and payment of the Rights Units, accept, subscribe and pay in full for its Pro Rata Units; and

(ii) (in relation to CSEPL and AT Investments only) it will, in addition to paragraph (i) above, in accordance with the terms and conditions of the Rights Issue and in any case by no later than the last day for acceptance and payment of the Rights Units, accept, subscribe and pay in full for such number of Excess Units in the following amounts:

(a) *CSEPL*: the CSEPL Excess Units amounting to S$16.2 million, it being understood that CSEPL will be allotted the CSEPL Excess Units only to the extent that there remains any Rights Units unsubscribed after satisfaction of all applications by other eligible unitholders of IREIT for Rights Units (if any) and after AT Investments has been allotted the maximum number of the ATI First Tranche Excess Units, but before AT Investments has been allotted the ATI Second Tranche Excess Units; and

(b) *AT Investments*: (1) the ATI First Tranche Excess Units amounting to S$23.5 million, it being understood that AT Investments will be allotted the ATI First Tranche Excess Units only to the extent that there remains any Rights Units unsubscribed after satisfaction of all applications by other eligible unitholders of IREIT for Rights Units (if any); and (2) the ATI Second Tranche Excess Units amounting to S$23.5 million in excess of (a) the ATI First Tranche Excess Units set out in (1) above; and (b) the CSEPL Excess Units, it being understood that AT Investments will be allotted the ATI Second Tranche Excess Units only to the extent that there remains any Rights Units unsubscribed after satisfaction of the application for the ATI First Tranche Excess Units set out in (1) above and after CSEPL has been allotted the maximum number of the CSEPL Excess Units.

For the avoidance of doubt, Tikehau Capital, CSEPL and AT Investments, among others, will rank last in the allocation of excess Rights Units applications.

The provision of the Undertakings from Tikehau Capital, CSEPL and AT Investments will result in the subscription of all unsubscribed Rights Units remaining after the fulfilment of valid excess Rights Units applications by other Unitholders for the same under the terms of the Rights Issue, and accordingly, the Rights Issue will not be underwritten by a financial institution. Taking into account the Undertakings, the proceeds to be raised from the Rights Issue will be sufficient to meet IREIT's present funding requirements including the intended use of proceeds for the Acquisition and repayment of the CDL Loan.

1 For the avoidance of doubt, includes the 1,749,003 Units which have been sold by the Manager to Tikehau Capital prior to the date of this Circular.

2 For the avoidance of doubt, includes the 1,749,003 Units which have been sold by the Manager to CSEPL prior to the date of this Circular.

3 Based on the total number of 641,862,550 Units in issue as at the date of this Circular.

FOR ILLUSTRATIVE PURPOSES ONLY: The following table sets out the change in percentage unitholdings of Tikehau Capital, CSEPL and AT Investments, assuming: (a) the Rights Issue will raise gross proceeds of approximately €90.0 million (approximately S$140.9 million); (b) each of Tikehau Capital, CSEPL and AT Investments will accept, subscribe and pay in full for their respective Pro Rata Units pursuant to the Undertakings; (c) no other eligible Unitholders will accept any of their provisional allotments of the Rights Units; and (d) each of CSEPL and AT Investments is fully allotted and will accept, subscribe and pay in full for the maximum number of Excess Units pursuant to their respective Undertakings.

% of issued Units held by	Before the Issuance of the Rights Units(1)	Immediately after the Issuance of the Rights Units(2)
Tikehau Capital	29.3%	29.3%
CSEPL	21.0%	24.7%
AT Investments	5.5%	15.9%
Other Unitholders	44.2%	30.0%

Notes:

(1) Based on the total number of 641,862,550 Units in issue as at the date of this Circular.

(2) Based on the total number of 944,179,550 Units in issue after completion of the Rights Issue assuming that 302,317,000 new Rights Units are offered at the illustrative issue price of S$0.466 per Rights Unit pursuant to the Rights Issue.

The amount payable by Tikehau Capital for its subscription of the Rights Units will be set-off against the amount due and payable by IREIT to Tikehau Capital for the Purchase Consideration pursuant to the Share Purchase Agreement.

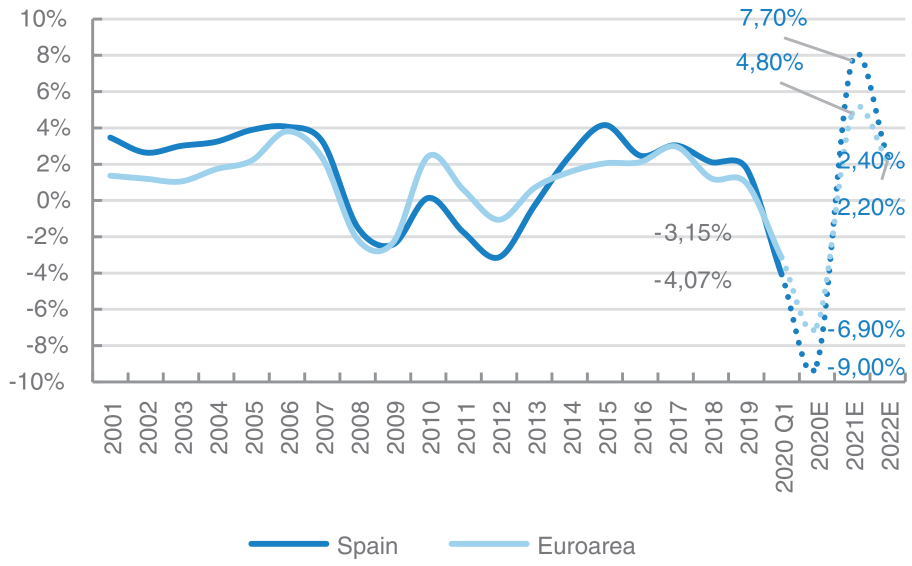
3 RATIONALE FOR AND BENEFITS OF THE ACQUISITION

The Manager believes that the Acquisition will bring the following key benefits to Unitholders:

3.1 Deepens IREIT's strategic presence in Spain, the fifth largest economy in Europe by GDP

3.1.1 Benefit from the growth and recovery of the Spanish economy

According to the Independent Market Research Consultant, Spain is the fifth largest economy in Europe by GDP in 2019. Since 2014, the country has experienced a trend of economic expansion which outstripped the European Union ("**EU**") average, which is reflected in the lower unemployment rate (down from 23.6% in 2014 to 13.7% in 2019) and strong tourist arrivals (83.7 million visitors in 2019, compared to 75.3 million visitors in 2016). In 2019, Spain's GDP growth came in at 1.78%, 0.82% points higher than the EU GDP growth of 0.96%.



Source: BDE & Bankinter Research

According to the Independent Market Research Consultant, the recovery of Spain from the COVID-19 pandemic is expected to outpace that of the EU, with an expected Spanish GDP growth of 7.7% and 2.4% forecasted for 2021 and 2022 respectively. According to the Independent Market Research Consultant, Spanish sectors will benefit from the following competitive strengths which remain intact:

- **Competitive market**: Spain is one of the largest markets in Europe, with a purchasing power in line with the EU average. Spain's regulatory and institutional framework is modern, clear and transparent, aligned with the best practices and norms of the Organisation for Economic Co-operation and Development ("**OECD**"). In recent years, the implementation of a series of far-reaching structural reforms has reinforced the competitiveness of the business climate, increasing labour market flexibility and improving the conditions for the development and growth of new companies and corporate groups in the market. In addition, Spain has achieved a high degree of technological development and offers a highly qualified workforce that is recognised internationally, together generating an ideal, attractive framework for investment and business activities.

- **Robust Business platform**: Spain serves as a strong business platform for closing business between the EU and the Mediterranean area, including North Africa, the Middle East and Latin America. For example, Spain currently has the largest number of investment protection agreements with the countries of Latin America within the EU.

- **Favourable business climate**: Multinational companies currently existing within Spain benefit from very moderate tax policies, especially for the research and development ("**R&D**") sector, where Spain is regarded as having the second most favourable policies among OECD countries. It benefits as well from an excellent climate and an exceptional social environment.

- **Excellent infrastructure and workforce**: Spain stands out with its communications and infrastructure network and its highly qualified and competitive workforce.

- **Technological Production Model**: Spain is currently focused on developing a new production model that creates business opportunities in sectors with high-added value and a strong technological component, such as the Chemical Industry; Information and Communication Technology (ICT); Health Science; Airplane Industry, Automotive Sector; Transports and Logistics, Energy and Ecological Transition, Tourism, Leisure and Food and Agriculture Sector. Among other advantages, a wide range of installations (science and technology parks, logistics platforms, etc.) and office space for these business activities have been developed and are already spread across the whole country. They are available for small and medium companies as well as multinationals, offering a suitable environment for the development of technological know-how and the promotion of innovation. An example of these new spaces would be 22@ district in Barcelona, attractive for many investors due to its good performance.

- **Resilience and adaptability**: During the COVID-19 crisis, many sectors within Spain have proven to be flexible and able to adapt to the new circumstances and trends such as smart working and e-commerce have accelerated.

Spain will also be the second biggest recipient of European aid, receiving over €140 billion over the next six years from the €750 billion COVID-19 recovery fund, of which €72.2 billion will take the form of grants that do not have to be repaid, lessening the impact of COVID-19 on the economy. The Spanish government has also extended a national government stimulus package which is serving as a vital support for the economy which includes measures such as the ERTE (*expediente de regulación temporal de empleo*) scheme, public credit guarantee schemes and tax moratoriums.

The Spanish economy is also expected to benefit from Brexit with the transition period scheduled to end by 31 December 2020. According to the Independent Market Research Consultant, the situation is creating positive effects on the important cities of Germany, France and Spain, and particularly Madrid and Barcelona and their metropolitan areas, with an increase in their investment figures and the number of companies that are renting office space in both of the cities.

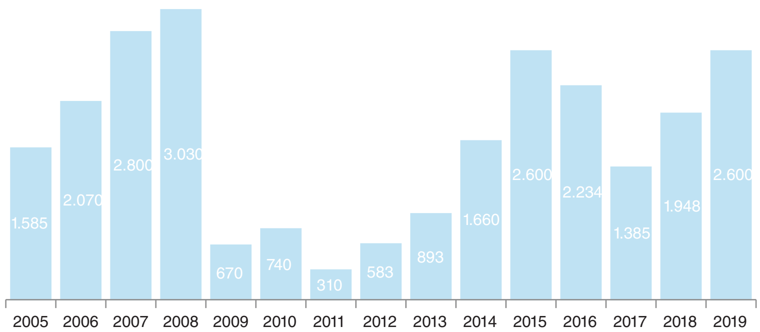
Spain, with its climate conditions, excellent quality of life and competitive market, benefitted with more than 30 large companies from different industries recently moving to the Madrid and Barcelona regions or have significantly expanded their activity in the country. Some examples include American Express opening a new headquarters in the Campo de las Naciones area in Madrid, Credit Suisse transferring an important part of its operations team to Spain which will lead operations within the Spanish, French, Italian and Nordic markets, and Uber opening its new operations centre for Southern Europe in the Arturo Soria area in Madrid.

3.1.2 Strong office fundamentals in the key cities of Madrid and Barcelona

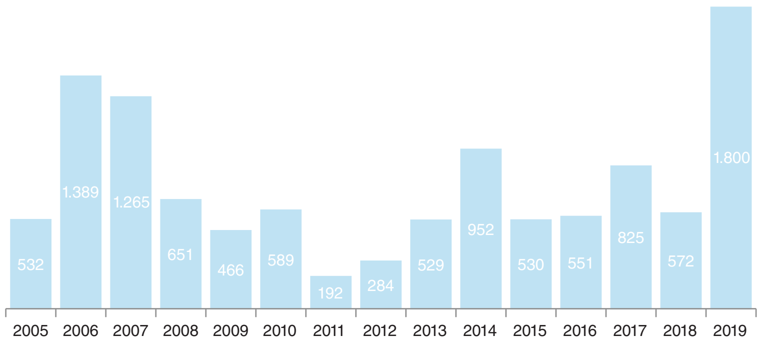
Madrid is the capital and largest city of Spain whilst Barcelona is the second largest city in Spain. Madrid is considered a major financial centre and leading economic hub of Spain and Southern Europe and is the third most populous city in Europe after London and Berlin accounting for 12% of Spanish GDP in 2018. Barcelona is a leading economic and cultural city in Europe and is the main biotech hub of Spain accounting for 6.8% of Spanish GDP in 2018.

The office sector is the most important within Spain in terms of investments, with the sector's investment figures in 2019 exceeding €4.5 billion; doubling the 2018 volume. The office investment volume in 2019 has also increased significantly in both Madrid and Barcelona, at €2.6 billion (from €1.9 billion in 2018) and €1.8 billion (from €0.6 billion in 2018) respectively.

Madrid Office Investment Volume (€M)



Barcelona Office Investment Volume (€M)

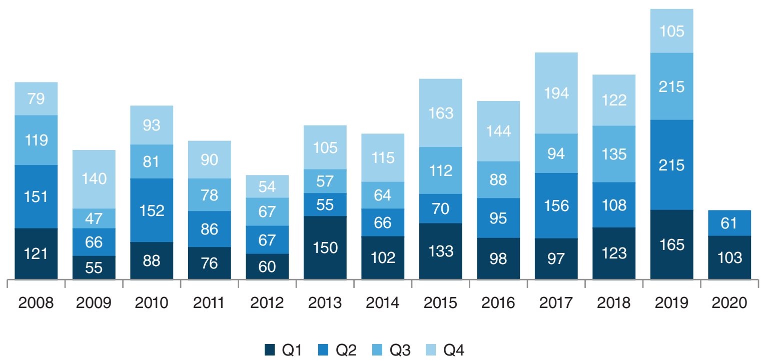


In 2019, the office market in Madrid saw an aggregate take up of 645,000 sqm, an increase of 32.2% from the aggregate take up of 488,000 sqm in 2018. Correspondingly, the office market in Barcelona also saw an aggregate take up of 387,000 sqm, an increase of 8.4% from the aggregate take up of 357,000 sqm in 2018.

Madrid Office Take Up

OFFICE TAKE UP PER QUARTER

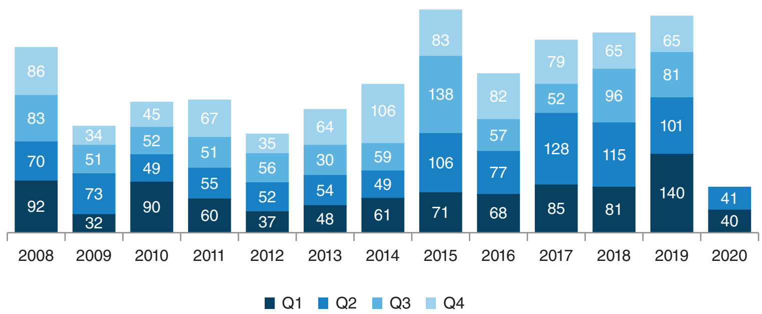
Take-up in '000 sqm



Barcelona Office Take Up

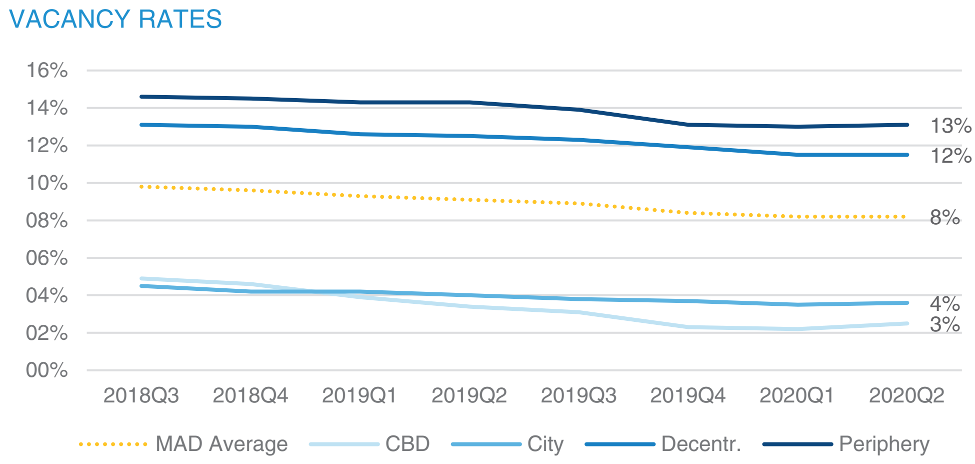
OFFICE TAKE UP PER QUARTER

Take-up in '000 sqm

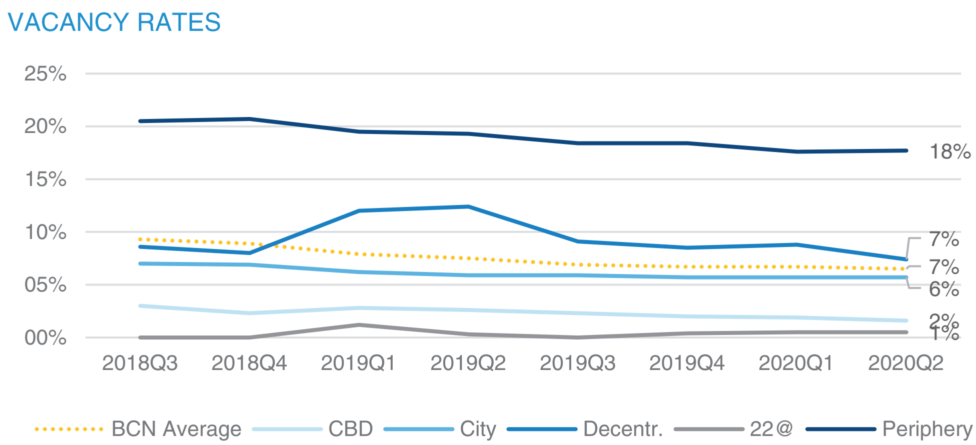


The office vacancy rates in 2Q2020 for Madrid and Barcelona also stood strong at 8% and 7% respectively.

Office Vacancy Rates for Madrid



Office Vacancy Rates for Barcelona



3.2 Achieve full ownership of a high quality office portfolio

The Manager believes that the Acquisition represents a unique opportunity to achieve full ownership of a high quality office portfolio, despite the dilutive illustrative pro forma effects to distribution per Unit ("**DPU**") (see paragraph 4.1.1 for more information). In considering whether a building is a high quality property, the Manager may take into account, including, but not limited to, one or more of the following characteristics such as, for example, freehold with good accessibilities, high occupancy rates, well distributed lease expiry profile and strong diversified tenant base, each of which are elaborated further below.

3.2.1 Freehold office buildings with good accessibility

The Spain Properties are freehold office buildings that are located in the established secondary office areas of Madrid and Barcelona. They have large and easily divisible floor plates and enjoy natural lighting and connectivity to major commercial areas via different modes of transportation systems.

All of the Spain Properties have also been awarded the Leadership in Energy and Environmental Design ("**LEED**") certification from the U.S. Green Building Council.

Delta Nova IV and VI

Delta Nova IV and Delta Nova VI are two office buildings forming an office complex located in the Manoteras, a well-connected office submarket in the north side of Madrid which many well-known companies such as Everis and Liberbank have their headquarters located. Having direct access to the M-11, A-1 and M-607 highways, Delta Nova IV and Delta Nova VI have access to a fast connection by private transport to the Madrid financial centre and the nearby Madrid-Barajas airport and Paseo de la Castellana, the main central route through Madrid. Delta Nova IV and Delta Nova VI are also located only minutes away from the closest rail, train or bus stations, which serve as public transport alternatives for commuters. The area also benefits from a wide range of services such as hotels, restaurants and entertainment venues.

Built in 2005, the Delta Nova office complex has flexible and modular floor plates with high capacity and efficiency (up to one workstation per 10 sqm), benefitting from natural light. In 2015, the two office buildings had renovations done to their facades, awnings, atriums, lobbies, central patio and green areas and was awarded the LEED Gold certification.

Sant Cugat Green

Sant Cugat Green is located in the municipality of Sant Cugat del Vallès, in an area commonly known as “Can Sant Joan”, which is a secondary office area of Barcelona developed along the B-30/AP-7 highways. The attractive surroundings of Sant Cugat has made it one of the most sought-after office submarkets in the Barcelona metropolitan area. Companies such as Grifols, Sabadell Bank, Ricoh, RTVE, Catalana Occident and Mapfre are settled in this area, which is served by many available services such as hotels, restaurants and even schools. Sant Cugat Green is specifically located in the northwest part of Can Sant Joan bounded by the C-16 road and AP-7 highway, in which well-known tenants such as Roche, HP and Nespresso have their headquarters.

Sant Cugat Green benefits from direct access to the B-30/AP-7 highway, and is less than 30 minutes away from both the Barcelona airport and city centre by private transport. It is also accessible via public transport with a bus stop located just in front of the property, which connects to the closest Sant Joan train stop only eight minutes away.

Sant Cugat Green was developed at a high standard, with excellent quality of finishes and installations, and has a good provision of common areas, such as meeting rooms, cafeteria, and kitchen, and 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.

Il·lumina

Il·lumina is located in "El Gall", a consolidated secondary area location in Barcelona which serves as a mixed industrial and office area. Given the proximity to the major TV3 studio complex as well as centre of Barcelona, the area has since become a cluster location suitable for telecommunications, image, and audio-visual companies, high tech offices as well as back-office space facilities for certain companies. Il·lumina has direct access to the B-23 highway and is only 5km away from Barcelona's CBD, and is easily accessible by public transport with bus stops located within a 300 metre radius, and the closest tram and metro stations located within walking distance. Nearby services can be found within the neighbouring Av. Cornella and Av. Baix Llobregat areas which include schools, restaurants, supermarkets and petrol stations.

Il·lumina was originally built in the 1970s and was fully refurbished in 2004 into an office building, maintaining its original exterior whilst enhancing its functionality and design. Further recent investment was made to provide for recent technologies, earning it the LEED Silver certification. It provides 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 with 90 seats for its tenants. Il·lumina also offers over 3,800 sqm of fully equipped TV studios.

3.2.2 Strong diversified tenant base

The Spain Properties are leased to a diversified tenant base, with tenants across different sectors that include growing or defensive sectors such as technology and healthcare. Due to the diversified tenant base, there is limited concentration within the Spain Properties, with the two largest tenants contributing an aggregate of approximately 34.9% to the total GRI as at 30 June 2020.

The largest tenant of the Spain Properties is DXC Technology Company ("**DXC**"), which contributed approximately 23.6% of the total GRI as at 30 June 2020. DXC is an investment grade information technology services company listed on the NYSE which offers analytics, applications, business process, cloud and workload, consulting, and security services and solutions. DXC is a Fortune 500 company and is represented in the S&P 500 Index, and has established more than 200 industry-leading global relationships, including 14 strategic partners including Amazon Web Services, AT&T, Dell Technologies, Google Cloud, HP, HPE, IBM, Micro Focus, Microsoft, Oracle, PwC, SAP, ServiceNow and VMware.

The second largest tenant of the Spain Properties is Roche Diagnostics, S.L.U. ("**Roche Diagnostics**"), which contributed approximately 11.4% of the total GRI as at 30 June 2020. Roche Diagnostics develops innovative products and services that address the prevention, diagnosis, monitoring, screening and treatment of diseases, and is a division of F. Hoffmann-La Roche AG, a Swiss multinational healthcare company. The holding company, Roche Holdings AG ("**Roche**"), is an investment-grade company with shares listed on the SIX Swiss Exchange, and is the second largest pharmaceutical company worldwide after Johnson&Johnson. Roche has also been noted to be one of the few companies increasing their dividends every year, with 2018 being the 32nd consecutive year.

No.	Tenant	Business sector	% contribution to GRI of Spain Properties[(1)]
1	DXC Technology	Technology	23.6%
2	Roche Diagnostics, S.L.U.	Healthcare	11.4%
3	Corporacio Catalana De Mitjans Audiovisuals, S.A.	Communications (Public)	8.4%
4	Gesif, S.A.U. (Cabot)	Financial services	8.0%
5	Digitex Informatica	Technology	8.0%

Note:

(1) In May 2020, a lease was secured with AREAS with the lease commencing in October 2020. Percentage contribution of the tenants to GRI of the Spain Properties are computed based on the assumption that the lease with AREAS was already in place as at 30 June 2020.

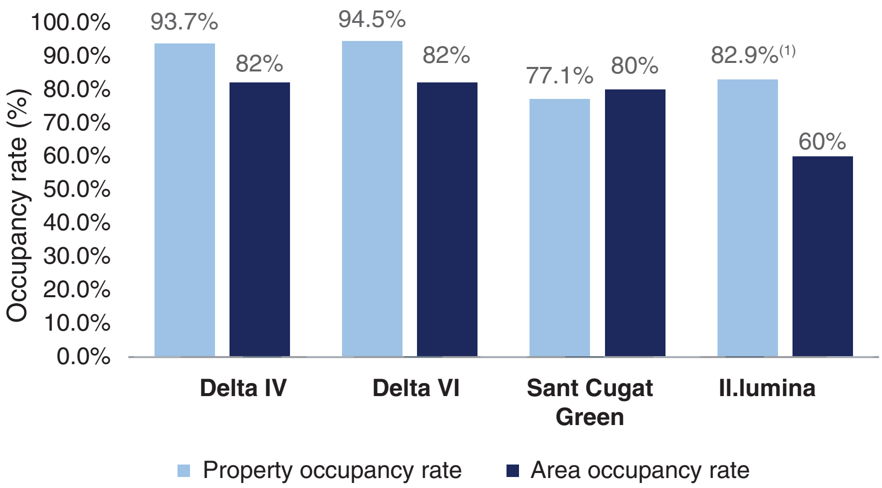
3.2.3 Strong occupancy with well-distributed lease expiry profile

Strong Occupancy

As a testament to the attractiveness and resilience of the Spain Properties, amidst the on-going COVID-19 pandemic, in May 2020, the Manager secured a five-year lease for approximately 3,450 sqm of office space with AREAS at Il·lumina. AREAS is one of the global leaders in food and beverage services and is the third largest provider of travel food and retail services worldwide. The new lease with AREAS represents one of the largest known rental transactions in Barcelona in 2020 to-date and will significantly increase the overall occupancy rate of Il·lumina from 65.8% as at 30 June 2020 to 82.9% on a pro forma basis.

At an overall occupancy rate of 84.7%[(1)] as at 30 June 2020, the Spain Properties have on a portfolio basis out-performed the areas in which they are located in, demonstrating the strength and quality of the portfolio.

Occupancy by property



Note:

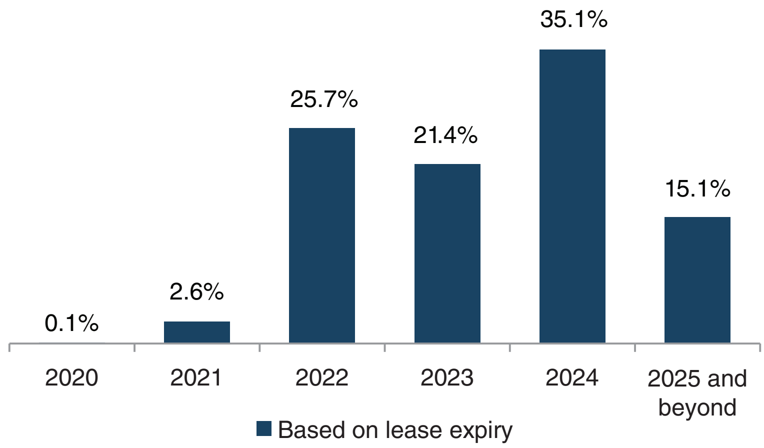
(1) In May 2020, a lease was secured with AREAS with the lease commencing in October 2020. Occupancy rate is computed based on the assumption that the lease with AREAS was already in place as at 30 June 2020.

Well-distributed lease expiry profile

The Manager expects the Spain Properties to be minimally affected by COVID-19 due to minimal expiries occurring in 2020 and 2021. Despite the outbreak and consequent lockdown, the Spain Properties remain resilient with less than 2% of tenants by rent requesting for rental rebates between April and June 2020. In July 2020, the Manager had also successfully extended approximately 95.0% of leases (by GRI as at 30 June 2020) expiring in 2020.

Following the Acquisition, the WALE by GRI of the Enlarged Property Portfolio as at 30 June 2020 is expected to increase to 3.8 years from 3.7 years, with less than 4% of leases expiring in 2020 and 2021 and no more than 31.7% of leases by GRI expiring in any given year, compared to 35.1% before the Acquisition.

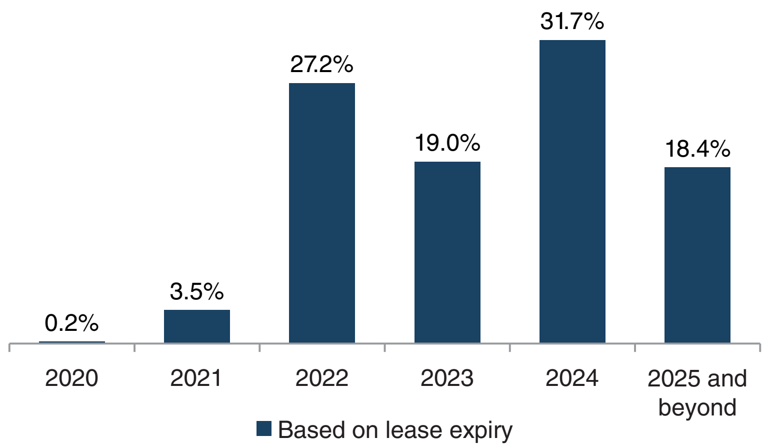
Lease Expiry Profile (by GRI) of Existing Property Portfolio as at 30 June 2020[(1)]



Note:

(1) In May 2020, a lease was secured with AREAS with the lease commencing in October 2020. In July 2020, the Manager also successfully extended several leases for the Spain Properties expiring in December 2020. Figures are computed based on the assumption that the lease with AREAS and extension of leases were already in place as at 30 June 2020.

Lease Expiry Profile (by GRI) of Enlarged Property Portfolio as at 30 June 2020[(1)]



Note:

(1) In May 2020, a lease was secured with AREAS with the lease commencing in October 2020. In July 2020, the Manager also successfully extended several leases for the Spain Properties expiring in December 2020. Figures are computed based on the assumption that the lease with AREAS and extension of leases were already in place as at 30 June 2020.

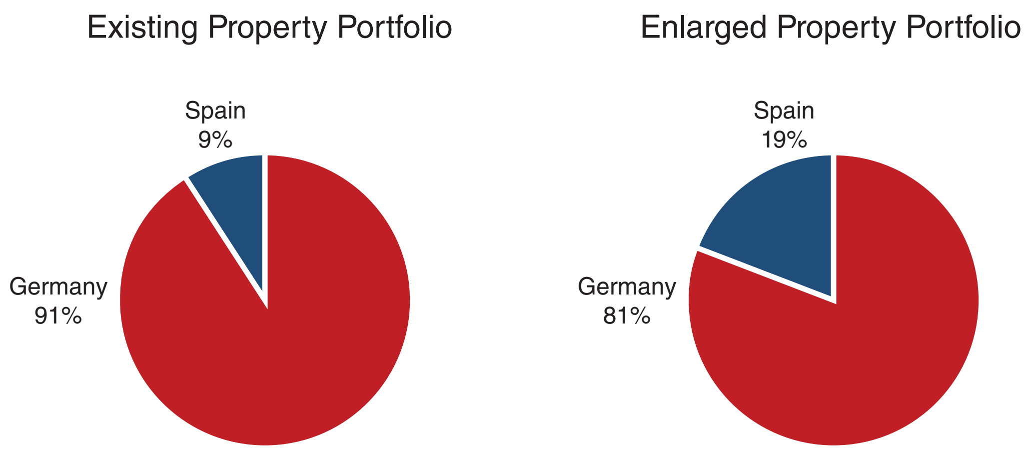
3.3 Increase portfolio strength through enhanced portfolio diversification

3.3.1 Geographic and asset diversification

Upon completion of the Acquisition, IREIT's aggregate valuation[1] will increase by 13.0% from €629.5 million to €711.3 million.

The Acquisition will increase IREIT's geographical exposure in Spain, from 9% of the value of IREIT's Existing Property Portfolio to 19% of the value of IREIT's Enlarged Property Portfolio. This will correspondingly decrease IREIT's portfolio exposure to Germany from 91% to 81%.

Portfolio Valuation[(1)] by Country

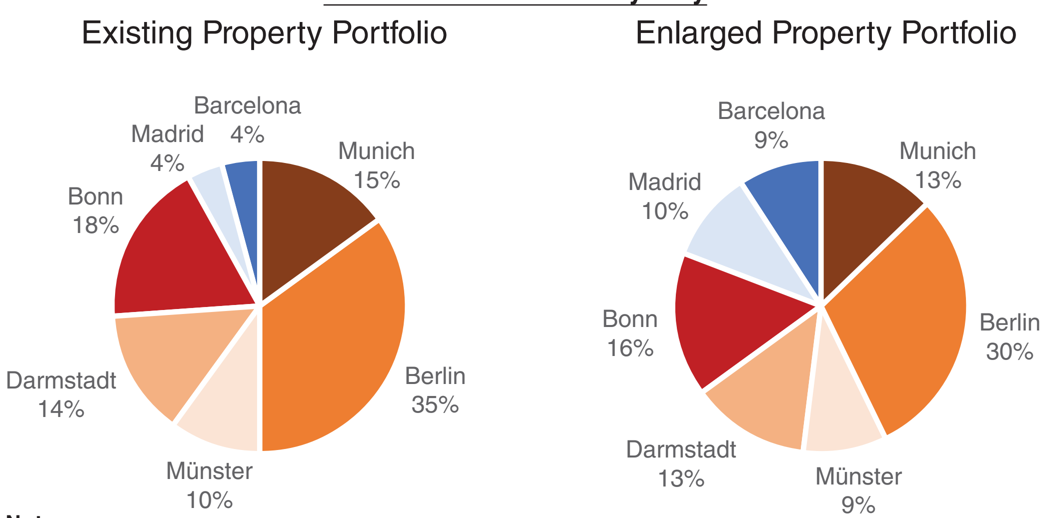


Note:

(1) For the Spain Properties, based on the average of the two independent valuations as at 31 July 2020.

Further portfolio diversification will be achieved as IREIT's largest exposure to any single city will also be decreased from 35% to 30%.

Portfolio Valuation[(1)] by City



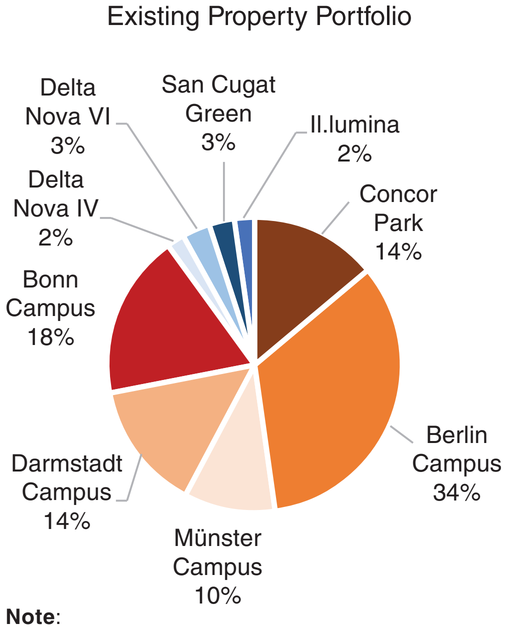
Note:

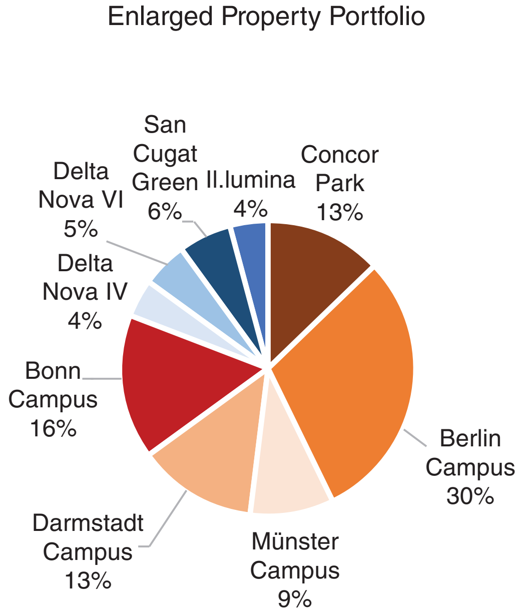
(1) For the Spain Properties, based on the average of the two independent valuations as at 31 July 2020.

1 For the Spain Properties, based on the average of the two independent valuations as at 31 July 2020.

The Acquisition enables IREIT to achieve further portfolio diversification as it will reduce the portfolio's largest asset exposure (based on valuation), Berlin Campus, from 34% to 30%.

Portfolio Valuation(1) by Asset





Note:

(1) For the Spain Properties, based on the average of the two independent valuations as at 31 July 2020.

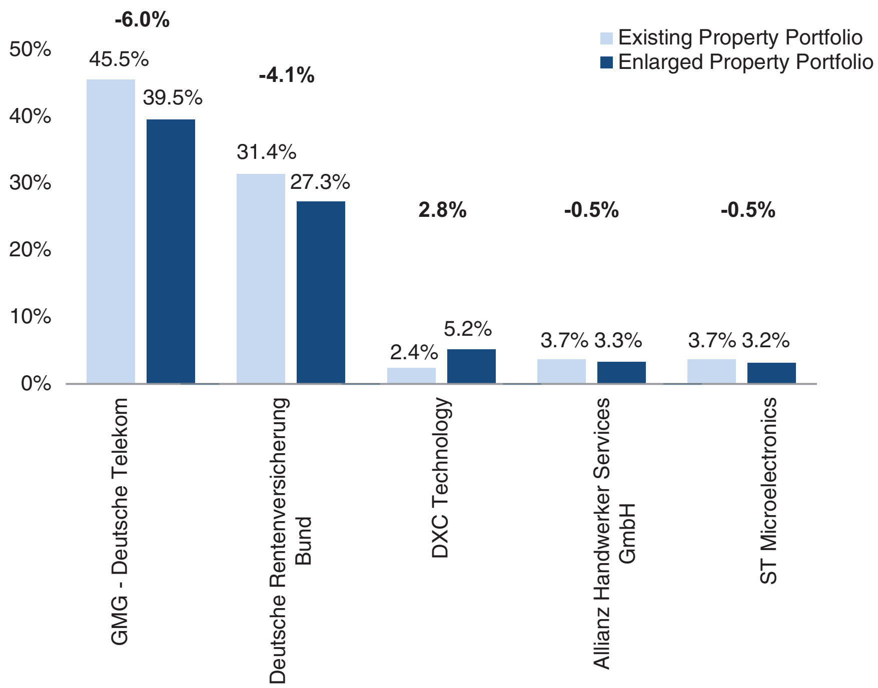
3.3.2 Tenant diversification[1]

The Spain Properties are leased to a diversified tenant base which includes a number of large reputable companies. Following the Acquisition, the top five tenants' aggregate contribution to the Enlarged Property Portfolio's GRI as at 30 June 2020 will decrease from 87.2% to 78.4% on a pro-forma basis, and no single tenant will contribute more than 39.5% of IREIT's total GRI from 45.5% previously.

1 In May 2020, a lease was secured with AREAS with the lease commencing in October 2020. Figures are computed based on the assumption that the lease with AREAS was already in place as at 30 June 2020.

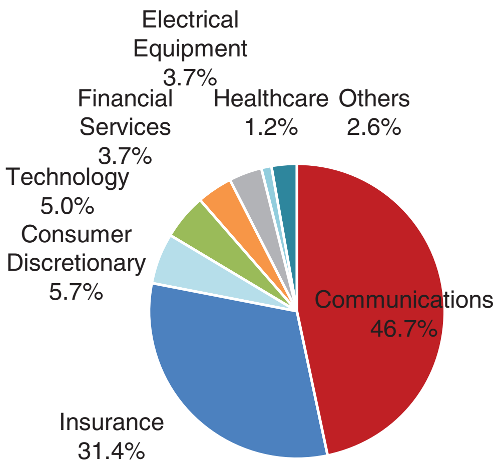
The top five tenants for the Enlarged Property Portfolio would be as follows:

Top 5 Tenants in Enlarged Property Portfolio

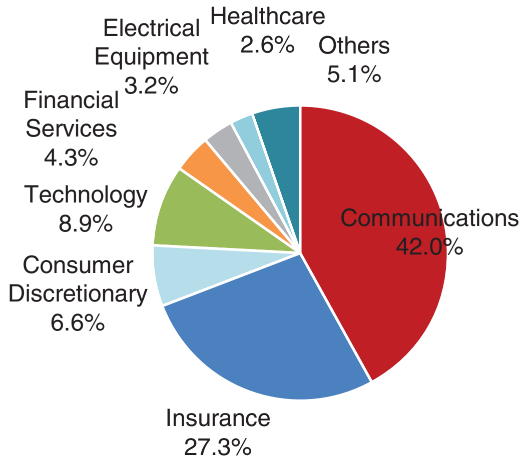


The Acquisition also enables IREIT to achieve further tenant sector diversification as it will reduce the portfolio's largest sector exposure (by GRI as at 30 June 2020), Communications, from 46.7% to 42.0%.

Existing Property Portfolio Tenant Base



Enlarged Property Portfolio Tenant Base



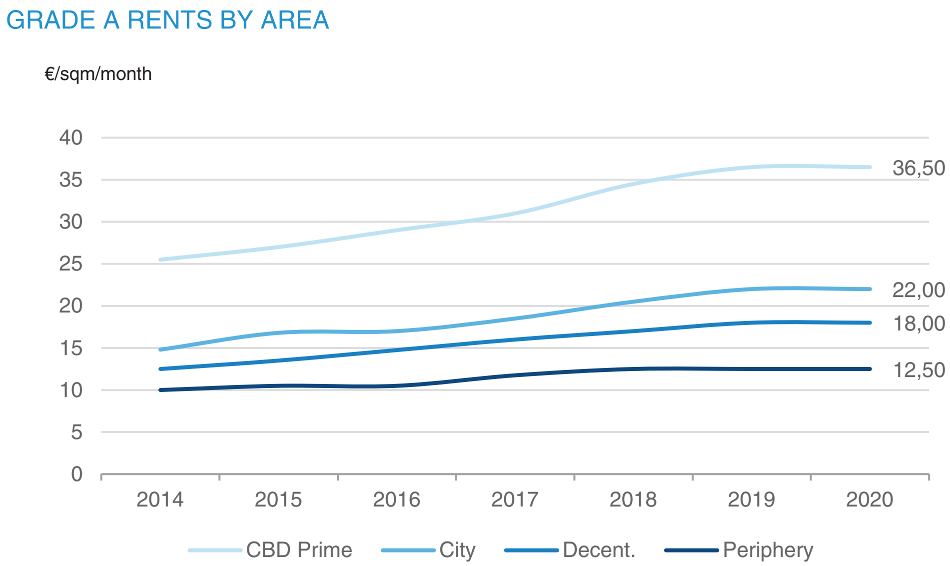
3.4 Attractive asset management opportunities with benefits from decentralisation trends

The Manager believes that the Spain Properties offers attractive asset management opportunities through potential for positive rental reversions and the uplifting of occupancies.

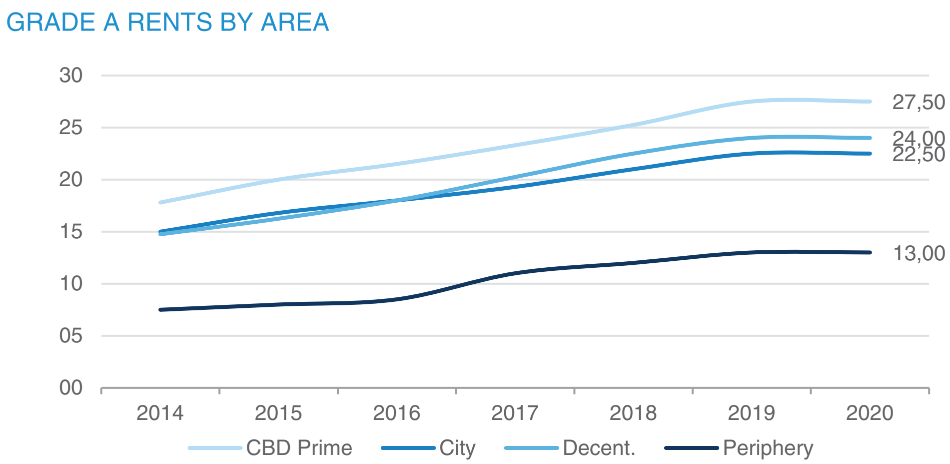
3.4.1 Potential for positive rental reversions

According to the Independent Market Research Consultant, the Grade A rents for both Madrid and Barcelona are characterised as rising since 2014. Between 2014 and 2019, the Grade A rents for the decentralised segment have increased with a compounded average growth rate of 7.6% and 10.2% for Madrid and Barcelona respectively.

Madrid Office Rents

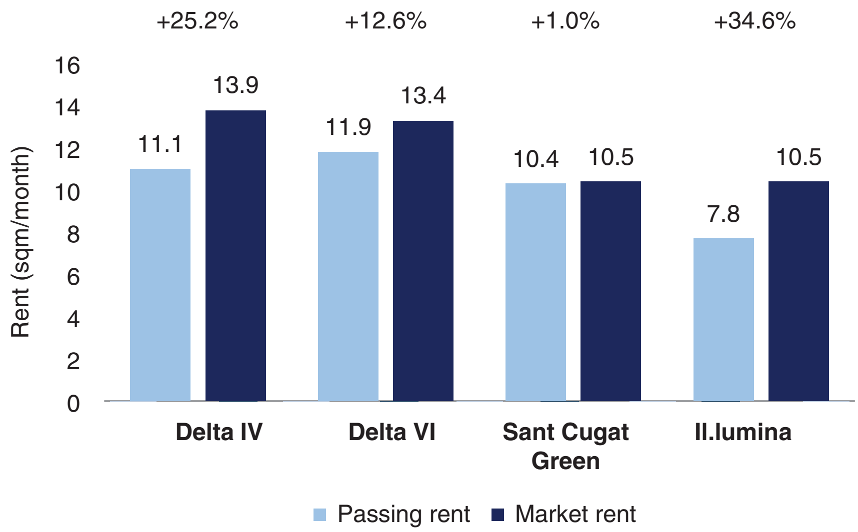


Barcelona Office Rents



Based on the Independent Market Research Consultant, the passing rents of the Spanish Properties are on average 14.5% below their respective market rents, presenting an opportunity for further organic growth as leases are marked to market, either via rental reversions or market rental reviews built into select existing leases for the Spain Properties.

Rent by property



3.4.2 Decentralisation trend

According to the Independent Market Research Consultant, the take-up distribution shows that secondary locations, with good connections and services around, are gaining importance with respect to the CBD.

Companies that need more space tend to move to decentralised areas with higher availabilities and lower rents than the CBD, but still remain very well connected by private and public means of transport and has all the services available. Between 2019 and 2020, 54% of deals closed within the Madrid and Barcelona markets which had a surface area in excess of 5,000 sqm were in decentralised areas such as Manoteras. Some examples of such deals include ING's lease of 35,000 sqm at Helios Building in Madrid, and Caixabank's lease of 12,800 sqm on G.V. Corts Catalanes in Barcelona, both decentralised locations.

Both Madrid and Barcelona are internationally well-positioned as important centres of attraction for companies in the technology sector, as evidenced by the position of Google and Amazon within the Madrid market as well as the growth of the 22@ technology district in Barcelona, where the highest percentage of new developments is concentrated and leading companies such as Amazon, Glovo and Everis are established.

Specific areas of cities, such as Manoteras-Sanchinarro in Madrid, or 22@ in Barcelona, host a large number of technology companies such as Amazon and HP. Other areas, such as Can Sant Cugat, host a large number of companies related to the health and technology industries.

3.5 Leveraging on strategic investors' strong platform and resources

Tikehau Capital is one of the key strategic investors of IREIT and holds 50.0% of the shareholding in the Manager. Tikehau Capital has deep asset and investment management experience across Europe. Since its inception in 2004, Tikehau Capital's assets under management ("**AUM**") has scaled up to €25.7 billion (as at 30 June 2020) and has shareholders' equity of €3.1 billion (as at 31 December 2019), with its real estate business being the largest operating segment at €9.6 billion of AUM as at 30 June 2020. Tikehau Capital employs more than 530 staff (as at 31 December 2019), including professionals with investment, legal, finance and technical expertise in its Paris, London, Amsterdam, Brussels, Luxembourg, Madrid, Milan, New York, Seoul, Singapore and Tokyo offices.

City Developments Limited ("**CDL**") is also one of the key strategic investors of IREIT (through its wholly-owned subsidiary, CSEPL) and holds 50.0% of the shareholding in the Manager (through its wholly-owned subsidiary, CRMPL). CDL is a leading global real estate company with a network spanning 106 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 (M&C), the CDL Group has 152 hotels and 44,000 rooms worldwide, many in key gateway cities.

The Acquisition allows IREIT to increase its exposure to Spain by exercising the Call Option granted by Tikehau Capital, following the Initial Acquisition in December 2019. The successful completion of both the Initial Acquisition and the Acquisition will demonstrate the successful leveraging of IREIT's key strategic investors' strong platform and resources, allowing IREIT to completely own a quality portfolio of assets by acquiring the remaining stake currently held by Tikehau Capital.

Following the Acquisition, IREIT will continue to tap on Tikehau Capital and CDL's extensive networks, sourcing capabilities and intricate knowledge of the local markets for future strategic growth opportunities.

4 DETAILS AND FINANCIAL INFORMATION OF THE ACQUISITION

4.1 Pro Forma Financial Effects of the Acquisition

The pro forma financial effects of the Acquisition on the DPU and NAV per Unit presented below are strictly for illustrative purposes and were prepared based on the following:

<u>For FY2019</u>

- the audited financial statements of IREIT for the financial year ended 31 December 2019 (the "**2019 Audited Financial Statements**");

- the unaudited financial statements of the Spanish PropCos for the financial year ended 31 December 2019 with adjustments made to reflect IREIT as the 100% owner as of 1 January 2019;

Taking into account the Purchase Consideration, and assuming that:

- approximately 302,317,000 new Units[1] are issued to raise gross proceeds of approximately €90.0 million (approximately S$140.9 million) pursuant to the Rights Issue to finance the Acquisition;
- approximately 2,081,625 new Units[2] are issued for the Acquisition Fee[3] payable to the Manager; and
- approximately 1,077,869 new Units[2] are issued for the management fee payable to the Manager in relation to the Spain Properties for the financial year ended 31 December 2019.

For 1H2020

- the unaudited financial statements of IREIT for the financial period ended 30 June 2020 (the "**1H2020 Unaudited Financial Statements**");
- the unaudited financial statements of the Spanish PropCos for the financial period ended 30 June 2020 with adjustments made to reflect IREIT as the 100% owner as of 1 January 2020;

Taking into account the Purchase Consideration, and assuming that:

- approximately 302,317,000 new Units[1] are issued to raise gross proceeds of approximately €90.0 million (approximately S$140.9 million) pursuant to the Rights Issue to finance the Acquisition;
- approximately 2,061,612 new Units[4] are issued for the Acquisition Fee[3] payable to the Manager; and
- approximately 553,652 new Units[4] are issued for the management fee payable to the Manager in relation to the Spain Properties for the financial period ended 30 June 2020.

1 Assuming that 302,317,000 new Rights Units are offered at the illustrative issue price of S$0.466 per Rights Unit pursuant to the Rights Issue and assuming exchange rate of €1.00 = S$1.566 for both FY2019 and 1H2020.

2 Based on an illustrative theoretical ex-rights price ("**TERP**") per Unit of S$0.622 and assuming exchange rate of €1.00 = S$1.566 for FY2019.

3 As the Acquisition will constitute an "interested party transaction" under the Property Funds Appendix issued by the MAS, the Acquisition Fee shall be in the form of Units and shall not be sold within one year from the date of issuance in accordance with Paragraph 5.7 of the Property Funds Appendix.

4 Based on an illustrative TERP per Unit of S$0.622 and assuming exchange rate of €1.00 = S$1.566 for 1H2020.

4.1.1 Pro Forma DPU

FOR ILLUSTRATIVE PURPOSES ONLY:

The pro forma financial effects of the Acquisition on IREIT's DPU for the financial year ended 31 December 2019, as if the Acquisition, and issuance of the Rights Units and the Acquisition Fee Units, were completed on 1 January 2019, and IREIT had held and operated 100% of the Spain Properties through to 31 December 2019, are as follows:

	Before the Acquisition(1)	After the Acquisition
Net Property Income (€'000)	30,662	37,185
Distributable Income (€'000)	25,264	29,502
Issued Units ('000)	637,223(2)	942,699(3)
DPU (€ cents)	3.57	2.82
DPU (S$ cents)	5.64	4.45
Annualised DPU Yield (%)	8.1%(4)	7.2%(5)
Annualised DPU Yield Accretion (%)	–	-11.7%

Notes:

(1) Based on the historical exchange rate of €1.00 = S$1.581 for FY2019.

(2) Number of Units issued as at 31 December 2019.

(3) The total number of Units in issue at the end of the year includes approximately 302,317,000 new Units issuable in connection with the Rights Issue to finance the Acquisition, and approximately 2,081,625 new Units issuable as payment of the Acquisition Fee payable to the Manager and approximately 1,077,869 new Units issuable as payment of the management fee payable to the Manager for FY2019 in relation to the Spain Properties for the financial year ended 31 December 2019 pro forma at an illustrative TERP per Unit of S$0.622 and assuming exchange rate of €1.00 = S$1.566 for FY2019 (purely for illustrative purpose only).

(4) Annualised DPU yield is computed based on closing price per Unit of S$0.695 on the Latest Practicable Date.

(5) Annualised DPU yield is computed based on the illustrative TERP per Unit of S$0.622.

FOR ILLUSTRATIVE PURPOSES ONLY:

The pro forma financial effects of the Acquisition on IREIT's DPU for the financial period ended 30 June 2020, as if the Acquisition, and issuance of the Rights Units and the Acquisition Fee Units, were completed on 1 January 2020, and IREIT had held and operated 100% of the Spain Properties through to 30 June 2020, are as follows:

	Before the Acquisition	After the Acquisition
Net Property Income (€'000)	15,665	19,065
Distributable Income (€'000)	12,956	15,153
Issued Units ('000)	640,425(1)	945,357(2)
DPU (€ cents)	1.82	1.44
DPU (S$ cents)	2.85	2.26
Annualised DPU Yield (%)	8.2%(3)	7.3%(4)
Annualised DPU Yield Accretion (%)	–	-11.4%

Notes:

(1) Number of Units issued as at 30 June 2020.

(2) The total number of Units in issue at the end of the period includes approximately 302,317,000 new Units issuable in connection with the Rights Issue to finance the Acquisition and approximately 2,061,612 new Units issuable as payment of the Acquisition Fee payable to the Manager and approximately 553,652 new Units issuable as payment of the management fee payable to the Manager for 1H2020 in relation to the Spain Properties for the financial period ended 30 June 2020 pro forma at an illustrative TERP per Unit of S$0.622 and assuming exchange rate of €1.00 = S$1.566 for 1H2020 (purely for illustrative purpose only).

(3) Annualised DPU yield is computed based on closing price per Unit of S$0.695 on the Latest Practicable Date.

(4) Annualised DPU yield is computed based on the illustrative TERP per Unit of S$0.622.

4.1.2 Pro Forma NAV

FOR ILLUSTRATIVE PURPOSES ONLY:

The pro forma financial effects of the Acquisition on the NAV per Unit as at 31 December 2019, as if the Acquisition, and issuance of the Rights Units and the Acquisition Fee Units were completed on 31 December 2019, are as follows:

	Before the Acquisition[(1)]	**After the Acquisition**
NAV represented by Unitholders' funds (€'000)	354,293	449,242
Units in issue and to be issued at the end of the year ('000)	638,365[(2)]	942,763[(3)]
NAV represented by Unitholders' funds per Unit (€)	0.56	0.48

Notes:

(1) Based on the historical exchange rate of €1.00 = S$1.581 for FY2019.

(2) Number of Units issued and to be issued as at 31 December 2019.

(3) The total number of Units in issue at the end of the year includes approximately 302,317,000 new Units issuable in connection with the Rights Issue to finance the Acquisition, and approximately 2,081,625 new Units issuable as payment of the Acquisition Fee payable to the Manager at an illustrative TERP per Unit of S$0.622 and assuming exchange rate of €1.00 = S$1.566 for FY2019 (purely for illustrative purpose only).

FOR ILLUSTRATIVE PURPOSES ONLY:

The pro forma financial effects of the Acquisition on the NAV per Unit as at 30 June 2020, as if the Acquisition, and issuance of the Rights Units and the Acquisition Fee Units were completed on 30 June 2020, are as follows:

	Before the Acquisition	**After the Acquisition**
NAV represented by Unitholders' funds (€'000)	349,894	439,069
Units in issue and to be issued at the end of the period ('000)	641,863[(1)]	946,261[(2)]
NAV represented by Unitholders' funds per Unit (€)	0.55	0.46

Notes:

(1) Number of Units issued and to be issued as at 30 June 2020.

(2) The total number of Units in issue at the end of the period includes approximately 302,317,000 new Units issuable in connection with the Rights Issue to finance the Acquisition and approximately 2,061,612 new Units issuable as payment of the Acquisition Fee payable to the Manager at an illustrative TERP per Unit of S$0.622 and assuming exchange rate of €1.00 = S$1.566 for 1H2020 (purely for illustrative purpose only).

4.1.3 Aggregate Leverage

FOR ILLUSTRATIVE PURPOSES ONLY:

The pro forma aggregate leverage of IREIT as at 31 December 2019, as if the Acquisition, and issuance of the Rights Units and the Acquisition Fee Units were completed on 31 December 2019, is as follows:

	Before the Acquisition	**After the Acquisition**(1)
Aggregate Leverage (pro forma as at 31 December 2019)	39.3%	34.9%

Note:

(1) Assuming that the CDL Loan has been repaid on 31 December 2019 with part of the net proceeds of the Rights Issue.

FOR ILLUSTRATIVE PURPOSES ONLY:

The pro forma aggregate leverage of IREIT as at 30 June 2020, as if the Acquisition, and issuance of the Rights Units and the Acquisition Fee Units were completed on 30 June 2020, is as follows:

	Before the Acquisition	**After the Acquisition**(1)
Aggregate Leverage (pro forma as at 30 June 2020)	39.0%	35.0%

Note:

(1) Assuming that the CDL Loan has been repaid on 30 June 2020 with part of the net proceeds of the Rights Issue.

4.2 Requirement for Unitholders' Approval

4.2.1 Discloseable Transaction

Chapter 10 of the Listing Manual governs the acquisition or divestment of assets, including options to acquire or dispose of assets, by IREIT. Such transactions are classified into the following categories:

(a) non-discloseable transactions;

(b) discloseable transactions;

(c) major transactions; and

(d) very substantial acquisitions or reverse takeovers.

A transaction by IREIT may fall into any of the categories set out above depending on the size of the relative figures computed on the following bases of comparison set out under Rule 1006 of the Listing Manual:

(i) the NAV of the assets to be disposed of, compared with IREIT's NAV (this basis is not applicable to an acquisition of assets);

(ii) the net profits attributable to the assets acquired, compared with IREIT's net profits;

(iii) the aggregate value of the consideration given, compared with IREIT's market capitalisation; and

(iv) the number of Units issued by IREIT as consideration for an acquisition, compared with the number of Units previously in issue.

4.2.2 Relative Figures Computed on the Bases set out in Rule 1006

The relative figures for the Acquisition using the applicable bases of comparison described in sub-paragraph 4.2.1 above are set out in the table below.

Comparison of	Acquisition (€'000)	IREIT (€'000)	Relative figure (%)
Net profits attributable	2,040(1)	15,665(2)	13.0%
Consideration against market capitalisation	47,839(3)	305,529(4)	15.7%

Notes:

(1) Based on 60.0% of the unaudited net property income of the Spain Properties for the financial period from 1 January 2020 to 30 June 2020.

(2) Based on IREIT's unaudited financial accounts for the financial period from 1 January 2020 to 30 June 2020.

(3) The figure represents the estimated Purchase Consideration. The actual Purchase Consideration for the Acquisition will be determined in the manner as set out in paragraph 2.3 above.

(4) Based on IREIT's volume weighted average price of S$0.747 per Unit on 6 August 2020, being the market day immediately prior to the date of the Share Purchase Agreement.

The relative figure in Rule 1006(d) in relation to the number of Units issued by IREIT as consideration for the Acquisition, compared with the number of Units previously in issue, is not applicable to the Acquisition as the Purchase Consideration for the Acquisition is payable entirely in cash.

The Manager is of the view that the Acquisition is in the ordinary course of IREIT's business as it is within the investment policy of IREIT and does not change the risk profile of IREIT. As such, the Acquisition should therefore not be subject to Chapter 10 of the Listing Manual. However, the Acquisition constitutes an "interested person transaction" under Chapter 9 of the Listing Manual, as well as an "interested party transaction" under the Property Funds Appendix, in respect of which the specific approval of Unitholders is required.

4.2.3 Interested Person Transaction Pursuant to the Listing Manual and Interested Party Transaction Pursuant to the Property Funds Appendix

Under Chapter 9 of the Listing Manual, where IREIT proposes to enter into a transaction with an interested person and the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S$100,000, with the same interested person during the same financial year) is equal to or exceeds 5.0% of the IREIT's latest audited net tangible asset ("**NTA**"), Unitholders' approval is required in respect of the transaction. Based on the 2019 Audited Financial Statements, the NTA of IREIT was €354.3 million (approximately S$554.8 million) as at 31 December 2019. Accordingly, if the value of a transaction which is proposed to be entered into in the current financial year by IREIT with an interested person is, either in itself or in aggregation with all other earlier transactions (each of a value equal to or greater than S$100,000) entered into with the same interested person during the current financial year, equal to or in excess of €17.7 million (approximately S$27.7 million), such a transaction would be subject to Unitholders' approval.

Paragraph 5 of the Property Funds Appendix also imposes a requirement for Unitholders' approval for an interested party transaction by IREIT whose value exceeds 5.0% of the IREIT's latest audited NAV. Based on the 2019 Audited Financial Statements, the NAV of IREIT was €354.3 million (approximately S$554.8 million) as at 31 December 2019. Accordingly, if the value of a transaction which is proposed to be entered into by IREIT with an interested party is equal to or greater than €17.7 million (approximately S$27.7 million), such a transaction would be subject to Unitholders' approval.

The estimated Purchase Consideration of €47.8 million (approximately S$74.9 million) is 13.5% of the audited NTA of IREIT as at 31 December 2019 and 13.5% of the audited NAV of IREIT as at 31 December 2019. The value of the Acquisition will therefore exceed (i) 5.0% of IREIT's latest audited NTA and (ii) 5.0% of IREIT's latest audited NAV. Therefore, the approval of Unitholders would be required in relation to the Acquisition pursuant to Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, respectively.

As at the date of this Circular, Tikehau Capital holds an aggregate interest 188,157,361 Units[1], which is equivalent to approximately 29.3% of the total number of Units in issue[2], and is therefore regarded as a "controlling unitholder" of IREIT under both the Listing Manual and the Property Funds Appendix. In addition, the Manager is jointly owned by CRMPL and Tikehau Capital in equal proportions. Tikehau Capital is therefore regarded as a "controlling shareholder" of the Manager under both the Listing Manual and the Property Funds Appendix.

Accordingly, Tikehau Capital is (for the purposes of the Listing Manual) an "interested person" and (for the purpose of the Property Funds Appendix) an "interested party" of IREIT.

1 For the avoidance of doubt, includes the 1,749,003 Units which have been sold by the Manager to Tikehau Capital prior to the date of this Circular.

2 Based on the total number of 641,862,550 Units in issue as at the date of this Circular.

Therefore, the Acquisition constitutes an "interested person transaction" under Chapter 9 of the Listing Manual as well as an "interested party transaction" under the Property Funds Appendix, in respect of which the approval of Unitholders is required.

As at the Latest Practicable Date, other than the Acquisition, IREIT has not entered into any interested person transactions with Tikehau Capital during the course of the current financial year.

4.3 Advice of the Independent Financial Adviser

The Manager has appointed RHB Bank Berhad, through its Singapore branch, as the IFA pursuant to Rule 921(4)(a) of the Listing Manual as well as to advise the Independent Directors, the non-independent directors who are not interested in the Acquisition (being Mr Khoo Shao Hong, Frank and Mr Sanjay Bakliwal) (the "**Non-Interested Directors**") and the audit and risk committee (the "**Audit and Risk Committee**") of the Manager and the Trustee in relation to the Acquisition. A copy of the letter from the IFA to the Independent Directors, the Non-Interested Directors, the Audit and Risk Committee and the Trustee (the "**IFA Letter**"), containing its advice in full, is set out in **Appendix D** of this Circular and Unitholders are advised to read the IFA Letter carefully.

Having considered the factors and the assumptions set out in the IFA Letter, and subject to the qualifications set out therein, the IFA is of the opinion that the Acquisition as an interested person transaction is on normal commercial terms and is not prejudicial to the interests of IREIT and its minority Unitholders.

The IFA therefore advises the Independent Directors, the Non-Interested Directors and the Audit and Risk Committee to recommend that Unitholders vote in favour of the resolution in connection with the Acquisition to be proposed at the EGM.

4.4 Interests of Directors and Substantial Unitholders

As at the Latest Practicable Date, certain directors of the Manager collectively hold an aggregate direct and indirect interest in 945,000 Units. Further details of the interests in Units of the Directors and Substantial Unitholders[1] are set out below.

Mr Bruno de Pampelonne is a Non-Executive Director of the Manager and is also a Senior Partner at Tikehau Capital and Chairman of Tikehau Investment Management SAS. Mr Khoo Shao Hong, Frank is a Non-Executive Director of the Manager and is also the Group Chief Investment Officer of CDL. Mr Sanjay Bakliwal is a Non-Executive Director of the Manager and is also the Chief Investment Officer of AT Capital Pte Ltd. In addition, Mr Bruno de Pampelonne also holds shares in Tikehau Capital.

1 "**Substantial Unitholder**" means a person with an interest in Units constituting not less than 5.0% of the total number of Units in issue.

Based on the Register of Directors' Unitholdings maintained by the Manager, the Directors and their interests in the Units as at the Latest Practicable Date are as follows:

Name of Director	Direct Interest		Deemed Interest		Total No. of Units Held	%(5)
	No. of Units	%(5)	No. of Units	%(5)		
Mr Lim Kok Min, John	290,000	0.045	–	–	290,000	0.045
Mr Tan Wee Peng, Kelvin	300,000	0.047	–	–	300,000	0.047
Mr Nir Ellenbogen	145,000	0.023	–	–	145,000	0.023
Mr Bruno de Pampelonne	200,000	0.031	–	–	200,000	0.031
Mr Khoo Shao Hong, Frank	–	–	–	–	–	–
Mr Sanjay Bakliwal	10,000	0.002	–	–	10,000	0.002

Based on the information available to the Manager, the Substantial Unitholders of IREIT and their interests in the Units as at the Latest Practicable Date (unless otherwise stated) are as follows:

Name of Substantial Unitholder	Direct Interest		Deemed Interest		Total No. of Units Held	%(5)
	No. of Units	%(5)	No. of Units	%(5)		
Skyline Horizon Consortium Ltd	38,761,414	6.039	–	–	38,761,414	6.039
Shanghai Summit (Group) Co., Ltd(1)	–	–	38,761,414	6.039	38,761,414	6.039
Mr Tong Jinquan(1)	–	–	38,761,414	6.039	38,761,414	6.039
Tikehau Capital SCA(2)	188,157,361	29.314	–	–	188,157,361	29.314
City Strategic Equity Pte. Ltd.(3)	134,956,458	21.026	–	–	134,956,458	21.026
CDL Real Estate Investment Managers Pte. Ltd.(3)	–	–	134,956,458	21.026	134,956,458	21.026
New Empire Investments Pte. Ltd.(3)	–	–	134,956,458	21.026	134,956,458	21.026
City Developments Limited(3)	–	–	134,956,458	21.026	134,956,458	21.026
Hong Leong Investment Holdings Pte. Ltd.(3)	–	–	134,956,458	21.026	134,956,458	21.026
Davos Investment Holdings Private Limited(3)	–	–	134,956,458	21.026	134,956,458	21.026
Kwek Holdings Pte. Ltd.(3)	–	–	134,956,458	21.026	134,956,458	21.026

Name of Substantial Unitholder	Direct Interest		Deemed Interest		Total No. of Units Held	%(5)
	No. of Units	%(5)	No. of Units	%(5)		
AT Investments Limited	35,123,146	5.472	–	–	35,123,146	5.472
Auctus Investments Limited(4)	–	–	35,123,146	5.472	35,123,146	5.472
Mr Arvind Tiku(4)	–	–	35,123,146	5.472	35,123,146	5.472

Notes:

(1) 38,761,414 Units are held by Skyline Horizon Consortium Ltd ("**Skyline**"), which is a wholly-owned subsidiary of Shanghai Summit Pte. Ltd. ("**Shanghai Summit**"). Shanghai Summit is in turn wholly-owned by Mr Tong Jinquan. Accordingly, each of Mr Tong Jinquan and Shanghai Summit has a deemed interest in the 38,761,414 Units held by Skyline.

(2) Based on the Units held by Tikehau Capital SCA as at the date of this Circular.

(3) 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 134,956,458 Units held by City Strategic Equity Pte. Ltd as at the date of this Circular.

(4) AT Investments Limited is a wholly-owned subsidiary of Auctus Investments Limited. Auctus Investments Limited is in turn wholly-owned by Sai Charan Trust, which Mr Arvind Tiku is a beneficiary of. Accordingly, each of Auctus Investments Limited and Mr Arvind Tiku is deemed pursuant to the provisions of Section 4 of the Securities and Futures Act, Chapter 289 to have an interest in the 35,123,146 Units held by AT Investments Limited.

(5) Based on the total number of 641,862,550 Units in issue as at the date of this Circular.

Save as disclosed above and based on information available to the Manager as at the Latest Practicable Date, none of the Directors or the Substantial Unitholders has an interest, direct or indirect, in the Acquisition.

4.5 Directors' Service Contracts

No person is proposed to be appointed as a director of the Manager in connection with the Acquisition or any other transactions contemplated in relation to the Acquisition.

5 RESOLUTION 2: THE POTENTIAL TRANSFER OF A CONTROLLING INTEREST TO AT INVESTMENTS AS A RESULT OF THE RIGHTS ISSUE

5.1 Transfer of Controlling Interest to AT Investments

As at the date of this Circular, AT Investments holds an aggregate interest in 35,123,146 Units, which is equivalent to approximately 5.5% of the total number of Units in issue[1].

For illustrative purposes only, assuming that no other Unitholders subscribe for their Rights Units entitlements and only Tikehau Capital, CSEPL and AT Investments subscribe for their respective Pro Rata Units and Excess Units pursuant to the Undertakings[2], the aggregate unitholding of AT Investments after subscribing for its Pro Rata and the ATI Excess Units will be approximately 150,489,589 Units, representing approximately 15.9% of the total number of Units in issue after completion of the Rights Issue[3]. AT Investment may thus potentially become a controlling Unitholder by its subscription of the ATI Excess Units pursuant to the Undertakings, in respect of which approval of Unitholders is required pursuant to Rule 803 of the Listing Manual.

1 Based on the total number of 641,862,550 Units in issue as at the date of this Circular.

2 See paragraph 2.7 above for further details relating to the Undertakings given by Tikehau Capital, CSEPL and AT Investments.

3 Based on the total number of 944,179,550 Units in issue after completion of the Rights Issue assuming that 302,317,000 new Rights Units are offered at the illustrative issue price of S$0.466 per Rights Unit pursuant to the Rights Issue.

5.2 Rationale for seeking Unitholders' Approval

Rule 803 of the Listing Manual states as follows:

"*An issuer must not issue securities to transfer a controlling interest without prior approval of shareholders in general meeting.*"

A "**controlling unitholder**" is a person who:

(b) holds directly or indirectly 15% or more of the total number of issued units excluding treasury shares in the REIT; or

(c) in fact exercises control over the REIT.

Pursuant to Rule 803 of the Listing Manual, an issue of securities to a person resulting in that person becoming a controlling Unitholder of IREIT requires the approval of Unitholders at a general meeting of Unitholders.

As stated in paragraph 5.1 above, in the event that no other Unitholders subscribe for their Rights Units entitlements and only Tikehau Capital, CSEPL and AT Investments subscribe for their respective Pro Rata and Excess Units pursuant to the Undertakings, AT Investments may as a result of the subscription of the ATI Excess Units hold 15% or more of the total number of Units in issue immediately following the completion of the Rights Issue and the issuance of the Rights Units pursuant thereto. The provision of the Undertakings from Tikehau Capital, CSEPL and AT Investments will result in the subscription of all unsubscribed Rights Units remaining after the fulfilment of valid excess Rights Units applications by other Unitholders for the same under the terms of the Rights Issue, such that the Rights Issue need not be underwritten by a financial institution.

The Manager is therefore seeking approval from Unitholders for the potential transfer of a controlling interest to AT Investments as a result of its Undertaking to subscribe for the ATI Excess Units in addition to its Pro Rata Units pursuant to the Rights Issue.

For clarity, if Unitholders do not approve the transfer of a controlling interest to AT Investments, the Manager would not be able to issue Rights Units to AT Investments which would result in a transfer of controlling interest and AT Investments would only be required under the terms of the Undertakings to subscribe for such number of ATI Excess Units so that (together with its Pro Rata Units) AT Investments will hold up to 14.9% of the total number of Units in issue immediately following the completion of the Rights Issue. This may result in a scaling down of the gross proceeds raised pursuant to the Rights Issue in the event that no other Unitholders (apart from Tikehau Capital, CSEPL and AT Investments) will accept any of their respective provisional allotment of the Rights Units based on their respective entitlements. Nonetheless, the proceeds to be raised from the Rights Issue (taking into account the Undertakings) will be sufficient to meet IREIT's present funding requirements for the Acquisition and repayment of the CDL Loan. For illustrative purposes only, in the event of a scaling down of the gross proceeds raised pursuant to the Rights Issue such that AT Investments will only hold up to 14.9% of the total number of Units in issue immediately following the completion of the Rights Issue, the gross proceeds of the Rights Issue is expected to only be reduced by approximately €7.5 million (approximately S$11.8 million)[1], which the Manager intends to be reduced from the proceeds utilised for future capital expenditure, repayment of debt and/or acquisition.

1 Based on the total number of 915,937,550 Units in issue after completion of the Rights Issue assuming that 274,075,000 new Rights Units are offered at the illustrative issue price of S$0.471 per Rights Unit pursuant to the Rights Issue.

6 RECOMMENDATIONS

6.1 The Proposed Acquisition

Based on the opinion of the IFA (as set out in the IFA Letter in **Appendix D** of this Circular) and the rationale for the Acquisition as set out in paragraph 3 above, the Independent Directors, the Non-Interested Directors and the Audit and Risk Committee believe that the Acquisition is on normal commercial terms and is not prejudicial to the interests of IREIT and its minority Unitholders.

Accordingly, the Independent Directors, the Non-Interested Directors and the Audit and Risk Committee recommend that Unitholders vote at the EGM in favour of Resolution 1 to approve the Acquisition.

As disclosed in IREIT's annual report for the financial year ended 31 December 2019, any nominees appointed by CDL and AT Investments and/or their respective associates or subsidiaries (being Mr Khoo Shao Hong, Frank and Mr Sanjay Bakliwal, respectively) to the Board will not abstain from deliberation and voting in any transactions which Tikehau Capital and/or its subsidiaries has an interest in as such nominee is not related to Tikehau Capital and/or its subsidiaries.

6.2 The Potential Transfer of a Controlling Interest to AT Investments

Having considered the terms of the Undertakings and the transfer of a controlling interest to AT Investments under the circumstances set out in paragraph 5 above, the Directors (save for Mr Sanjay Bakliwal) recommend that Unitholders vote at the EGM in favour of Resolution 2 relating to the potential transfer of a controlling interest to AT Investments.

Mr Sanjay Bakliwal is also the Chief Investment Officer of AT Capital Pte Ltd, which provides management and advisory services to the AT Capital group of companies (the "**AT Capital Group**"). Mr Arvind Tiku is the founder of the AT Capital Group and is also a beneficiary of a trust which indirectly owns AT Investments. Accordingly, Mr Sanjay Bakliwal will abstain from making a recommendation in relation to Resolution 2 relating to the potential transfer of a controlling interest to AT Investments.

7 EXTRAORDINARY GENERAL MEETING

The EGM will be convened and held by electronic means on Friday, 18 September 2020 at 2.00 p.m., for the purpose of considering and, if thought fit, passing with or without modification, the resolutions set out in the Notice of EGM, which is set out on pages F-1 to F-4 of this Circular. The purpose of this Circular is to provide Unitholders with relevant information about the resolutions in relation to the Acquisition and the transfer of controlling interest to AT Investments. Approval by way of an Ordinary Resolution is required in respect of the Acquisition and the transfer of controlling interest to AT Investments.

A Depositor shall not be regarded as a Unitholder entitled to attend the EGM and to speak and vote thereat unless he is shown to have Units entered against his name in the Depository Register, as certified by The Central Depository (Pte) Limited ("**CDP**") as at 48 hours before the time fixed for the EGM.

8 ABSTENTIONS FROM VOTING

Rule 919 of the Listing Manual prohibits interested persons and their associates (as defined in the Listing Manual) from voting on a resolution in relation to a matter in respect of which such persons are interested in at the EGM.

8.1 The Proposed Acquisition

Given that the Spain Properties will be acquired from Tikehau Capital (being an interested person), Tikehau Capital and its associates will abstain from voting on the resolution relating to the proposed Acquisition. The Manager will also abstain from voting on the resolution relating to the proposed Acquisition.

In the interest of good corporate governance, Mr Bruno de Pampelonne, a Non-Executive Director and also a Senior Partner at Tikehau Capital and Chairman of Tikehau Investment Management SAS, will also abstain from voting on Resolution 1 in respect of the Units held by him.

For the avoidance of doubt, CSEPL (a wholly-owned subsidiary of CDL) and AT Investments will be voting on Resolution 1 as they are not related to Tikehau Capital. To demonstrate their support for IREIT, CSEPL and AT Investments have irrevocably undertaken to vote in favour of Resolution 1 pursuant to the Undertakings provided by CSEPL and AT Investments.

8.2 The Potential Transfer of a Controlling Interest to AT Investments

Given that Unitholders' approval is being sought in respect of AT Investment's subscription of the ATI Excess Units pursuant to the Undertakings, AT Investments and its associates will abstain from voting on Resolution 2 relating to the potential transfer of a controlling interest to AT Investments.

In the interest of good corporate governance, Mr Sanjay Bakliwal, a Non-Executive Director and also the Chief Investment Officer of AT Capital Pte Ltd, will also abstain from voting on Resolution 2 in respect of the Units held by him.

For the avoidance of doubt, Tikehau Capital and CSEPL (a wholly-owned subsidiary of CDL) will be voting on Resolution 2 as they are not related to AT Investments. To demonstrate their support for IREIT, Tikehau Capital and CSEPL have irrevocably undertaken to vote in favour of Resolution 2 pursuant to the Undertakings provided by Tikehau Capital and CSEPL.

9 ACTION TO BE TAKEN BY UNITHOLDERS

9.1 Date, Time and Conduct of EGM

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 which was gazetted on 13 April 2020, and which sets out the alternative arrangements in respect of, *inter alia*, general meetings of real estate investment trusts, the EGM will be convened and held by way of electronic means on Friday, 18 September 2020 at 2.00 p.m. (Singapore time).

9.2 Notice of EGM and Proxy Form

Printed copies of the Notice of EGM and the instrument appointing the Chairman of the EGM as proxy ("**Proxy Form**") will **not** be sent to Unitholders, and instead will be sent to Unitholders solely by electronic means via publication on 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.

9.3 No personal attendance at EGM

Due to the current COVID-19 restriction orders in Singapore, Unitholders will **not** be able to attend the EGM in person.

9.4 Alternative arrangements for participation at the EGM

Unitholders may participate at the EGM by:

(i) observing and/or listening to the EGM proceedings via live audio-visual webcast via their mobile phones, tablets or computers or live audio-only stream via their mobile phones or telephones;

(ii) submitting questions in advance of the EGM; and

(iii) appointing the Chairman of the EGM as proxy to attend, speak and vote on their behalf at the EGM.

Details of the steps for pre-registration, pre-submission of questions and voting at the EGM are set out in **Appendix E** of this Circular and the Notice of EGM.

9.5 Key Dates and Times

The table below sets out the key dates/deadlines for Unitholders to note:

Key Dates	Actions
3 September 2020 (Thursday)	Unitholders may begin to pre-register at the URL https://sg.conveneagm.com/ireitglobal for the live audio-visual webcast or live audio-only stream of the EGM proceedings.
2.00 p.m. on 8 September 2020 (Tuesday)	Deadline for CPF/SRS investors who wish to appoint the Chairman of the EGM as proxy to approach their respective CPF agent banks or SRS operators to submit their votes.
2.00 p.m. on 16 September 2020 (Wednesday)	Deadline to: • pre-register at IREIT's pre-registration website at the URL https://sg.conveneagm.com/ireitglobal for the live audio-visual webcast or live audio-only stream of the EGM proceedings; • submit questions in advance; and • submit Proxy Forms.

Key Dates	Actions
2.00 p.m. on 17 September 2020 (Thursday)	Authenticated Unitholders who have pre-registered for the live audio-visual webcast or live audio-only stream of the EGM proceedings 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 EGM proceedings (the "**Confirmation Email**"). Authenticated Unitholders who do not receive the Confirmation Email by 2.00 p.m. on 17 September 2020, but have registered by the 16 September 2020 deadline should contact the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at +65 6536 5355 or srs.teamc@boardroomlimited.com.
Date and time of EGM 2.00 p.m. on 18 September 2020 (Friday)	• Click on the link in the Confirmation Email and enter the user ID and password to access the live audio-visual webcast of the EGM proceedings; or • Call the toll-free telephone number in the Confirmation Email to access the live audio-only stream of the EGM proceedings.

9.6 Important Reminder

Due to the constantly evolving COVID-19 situation in Singapore, the Manager may be required to change the arrangements for the EGM at short notice. Unitholders should check the Manager's website at the URL http://www.ireitglobal.com/ for the latest updates on the status of the EGM.

10 DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Acquisition, IREIT and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

11 CONSENTS

Each of the IFA (being RHB Bank Berhad, through its Singapore branch), the Independent Valuers (being Colliers and Cushman) and the Independent Market Research Consultant (being Colliers) has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and, respectively, the IFA Letter, the valuation certificates, the independent market research report and all references thereto, in the form and context in which they are included in this Circular.

12 DOCUMENTS ON DISPLAY

Copies of the following documents are available for inspection during normal business hours at the registered office of the Manager[1] at 1 Wallich Street, #15-03 Guoco Tower, Singapore 078881 from the date of this Circular up to and including the date falling three months after the date of this Circular:

(i) the Call Option Notice;

(ii) the Share Purchase Agreement;

(iii) the IFA Letter;

(iv) the independent valuation report on the Spain Properties issued by Colliers;

(v) the independent valuation report on the Spain Properties issued by Cushman;

(vi) the independent market research report issued by the Independent Market Research Consultant;

(vii) the 2019 Audited Financial Statements;

(viii) 1H 2020 Unaudited Financial Statements; and

(ix) the written consents of each of the IFA, the Independent Valuers and the Independent Market Research Consultant.

The Trust Deed will also be available for inspection at the registered office of the Manager for so long as IREIT is in existence.

Yours faithfully

IREIT Global Group Pte. Ltd.
(as manager of IREIT Global)
(Company Registration No. 201331623K)

Lim Kok Min, John
Chairman and Non-Executive Independent Director

1 Prior appointment with the Manager is required. Please contact IREIT Investor Relations team (telephone: +65 6718 0593).

IMPORTANT NOTICE

This Circular does not constitute or form part of an offer, invitation or solicitation of any offer to purchase or subscribe for any securities of IREIT in Singapore or any other jurisdictions. The value of Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Unitholders have no right to request the Manager to redeem or purchase their Units for so long as the Units are listed on the SGX-ST. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of IREIT is not indicative of the future performance of IREIT. Similarly, the past performance of the Manager is not indicative of the future performance of the Manager.

This Circular may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other developments or companies, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view on future events.

If you have sold or transferred all your Units, you should immediately forward this Circular, together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Circular is issued to Unitholders solely for the purpose of convening the EGM and seeking the approval of Unitholders for the resolutions to be proposed at the EGM. This Circular does not constitute an offering document for the offer of the Rights Units in the U.S. and no offer of any Rights Units is being made in this Circular. Any offer of Rights Units will be made in compliance with all applicable laws and regulations.

This Circular is not for distribution, directly or indirectly, in or into the U.S.. Any proposed issue of Rights Units described in this Circular will not be registered under the Securities Act or under the securities laws of any state or other jurisdiction of the U.S., or under the securities laws of any other jurisdiction, and any such Rights Units may not be offered or sold within the U.S. except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable laws. There will be no public offer of securities in the U.S..

GLOSSARY

In this Circular, the following definitions apply throughout unless otherwise stated:

%	:	Per centum or percentage
1H 2020 Unaudited Financial Statements	:	The unaudited financial statements of IREIT for the financial period ended 30 June 2020
2019 Audited Financial Statements	:	The audited financial statements of IREIT for the financial year ended 31 December 2019
Acquisition	:	The acquisition of Tikehau Capital's 60.0% interest in the JVCo
Acquisition Fee	:	The acquisition fee for the Acquisition which the Manager will be entitled to receive from IREIT upon Completion
Acquisition Fee Units	:	The Units payable to the Manager as payment of the Acquisition Fee
Agreed Value	:	The agreed market value of the Spain Properties of €136.4 million (approximately S$213.6 million) (on a 100% basis) which is the average of the two independent valuations of the Spain Properties as at 31 July 2020
AREAS	:	AREAS, S.A.U.
AT Investments	:	AT Investments Limited
ATI Excess Units	:	The aggregate of ATI First Tranche Excess Units and ATI Second Tranche Excess Units
ATI First Tranche Excess Units	:	The first tranche of additional Rights Units amounting to S$23.5 million which AT Investments has undertaken to accept, subscribe and pay in full for, it being understood that AT Investments will be allotted the such additional Rights Units only to the extent that there remains any Rights Units unsubscribed after satisfaction of all applications by other eligible unitholders of IREIT for Rights Units (if any)
ATI Second Tranche Excess Units	:	The second tranche of additional Rights Units amounting to S$23.5 million which AT Investments has undertaken to accept, subscribe and pay in full for, it being understood that AT Investments will be allotted the such additional Rights Units only to the extent that there remains any Rights Units unsubscribed after satisfaction of the application for ATI First Tranche Excess Units and after CSEPL has been allotted the maximum number of CSEPL Excess Units
Audit and Risk Committee	:	The audit and risk committee of the Manager

AUM	:	Assets Under Management
Call Option	:	The call option granted to the Trustee to purchase Tikehau Capital's interest in 60.0% of shares in the JVCo
Call Option Notice	:	Written notice from the Trustee to Tikehau Capital upon which the Call Option is exercisable
Call Option Period	:	The period of 18 months from the date of completion of the Initial Acquisition during which the Call Option is exercisable
Call Option Price	:	The consolidated net asset value of the JVCo and its subsidiaries as adjusted based on the average of the market values of the Spain Properties in aggregate as determined by two independent property valuers, with one independent valuer to be appointed by each of the Trustee and the Manager, respectively
CDL	:	City Developments Limited
CDL Loan	:	€32.0 million loan extended by CSEPL to IREIT pursuant to the Initial Investment for the purpose of funding IREIT's proportionate capital contribution to the JVCo
CDP	:	The Central Depository (Pte) Limited
Circular	:	This circular to Unitholders dated 3 September 2020
Colliers	:	Colliers International Spain S.L.
Completion	:	The completion of the Acquisition
Completion Date	:	The date of completion of the Acquisition
Controlling Unitholder	:	A person who holds directly or indirectly 15.0% or more of the nominal amount of all voting units in IREIT
CRMPL	:	City REIT Management Pte Ltd, a wholly-owned subsidiary of CDL
CSEPL	:	City Strategic Equity Pte. Ltd., a wholly-owned subsidiary of CDL
CSEPL Excess Units	:	The additional Rights Units amounting to S$16.2 million which CSEPL has undertaken to accept, subscribe and pay in full for, it being understood that CSEPL will be allotted the such additional Rights Units only to the extent that there remains any Rights Units unsubscribed after satisfaction of all applications by other eligible unitholders of IREIT for Rights Units (if any) and after AT Investments has been allotted the maximum number of ATI First Tranche Excess Units, but before AT Investments has been allotted the ATI Second Tranche Excess Units
Cushman	:	Cushman & Wakefield Spain Limited

DPU	:	Distribution per Unit
€ and cents	:	Euro dollars and cents
EGM	:	The extraordinary general meeting of Unitholders to be convened and held on Friday, 18 September 2020 at 2.00 p.m. by electronic means, to approve the matters set out in the Notice of Extraordinary General Meeting on pages F-1 to F-4 of this Circular
Enlarged Property Portfolio	:	The Enlarged Property Portfolio of properties held by IREIT, consisting of the Existing Property Portfolio and the balance 60.0% of the Spain Properties
Excess Units	:	The Rights Units in excess of the Pro Rata Units of Tikehau Capital, CSEPL and AT Investments
Existing Property Portfolio	:	The portfolio of properties currently held by IREIT, comprising the (i) Berlin Campus, (ii) Bonn Campus, (iii) Darmstadt Campus, (iv) Münster Campus, (v) Concor Park and (vi) a 40.0% interest in the Spain Properties
GDP	:	Gross Domestic Product
GLA	:	Gross lettable area
GRI	:	Gross rental income
IFA	:	RHB Bank Berhad, through its Singapore branch
IFA Letter	:	The letter from the IFA to the Independent Directors, the Non-Interested Directors and the Audit and Risk Committee of the Manager, and the Trustee containing its advice as set out in **Appendix D** of this Circular
Independent Directors	:	The independent directors of the Manager comprising Mr Lim Kok Min, John, Mr Tan Wee Peng, Kelvin and Mr Nir Ellenbogen
Independent Market Research Consultant	:	Colliers
Independent Valuers	:	Colliers and Cushman, as appointed by the Trustee and the Manager, respectively
Initial Acquisition	:	The acquisition by the JVCo of the shares representing 100.0% of the issued share capital in each of (a) Gloin Investments, S.L.U.; (b) Chameleon (Sant Cugat Investment 2014), S.L.U.; and (c) Chameleon (Esplugues), S.L.U. which holds the Spain Properties, that was completed on 20 December 2019
Initial Investment	:	The initial capital contribution by IREIT to the JVCo in December 2019 for its 40.0% interest
IREIT	:	IREIT Global

JVCo	:	IREIT Global Holdings 5 Pte. Ltd., a joint venture company 40.0% held by the Trustee and 60.0% held by Tikehau Capital
JVCo Group	:	JVCo and its subsidiaries
Latest Practicable Date	:	27 August 2020, being the latest practicable date prior to the date of this Circular
Listing Manual	:	The Listing Manual of the SGX-ST
Manager	:	IREIT Global Group Pte. Ltd., in its capacity as manager of IREIT
MAS	:	Monetary Authority of Singapore
Minimum Threshold	:	Minimum Threshold = (60% x A) – (B – C + D) where: "A" is the Call Option Price; "B" is the amount invested by Tikehau Capital into the JVCo; "C" is the amount of any distributions by the JVCo received by Tikehau Capital (not including distributions made out of operating profits or capital gains); and "D" is the aggregate of all costs and expenses incurred by Tikehau Capital in connection with the Initial Acquisition, other than those incurred through the JVCo.
NAV	:	Net asset value
Non-Interested Directors	:	The non-independent directors who are not interested in the Acquisition comprising Mr Khoo Shao Hong, Frank and Mr Sanjay Bakliwal
NPI	:	Net property income
NTA	:	Net tangible asset
Ordinary Resolution	:	A resolution proposed and passed as such by a majority being greater than 50.0% or more of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the Trust Deed
Pro Rata Units	:	Each of Tikehau Capital, CSEPL and AT Investments' total provisional allotment of the Rights Units corresponding to their direct interest in IREIT which they have each undertaken to accept, subscribe and pay in full for
Property Funds Appendix	:	Appendix 6 of the Code on Collective Investment Schemes issued by the MAS

Purchase Consideration	:	The estimated purchase consideration of approximately €47.8 million (approximately S$74.9 million) for the Acquisition payable to the Vendor, derived from 60.0% of the Call Option Price calculated based on the unaudited consolidated NAV of the JVCo Group as at 30 June 2020 as adjusted upwards based on the Agreed Value of the Spain Properties as at 31 July 2020, which is subject to adjustments to the JVCo Group's NAV as at the Completion Date
REIT	:	Real estate investment trust
Rights Issue	:	The renounceable non-underwritten rights issue of new Units to the existing Unitholders on a *pro rata* basis to raise proceeds to, *inter alia*, finance the Acquisition
Rights Units	:	The new Units to be issued pursuant to the Rights Issue
S$ and cents	:	Singapore dollars and cents
Securities Act	:	The U.S. Securities Act of 1933
SGX-ST	:	Singapore Exchange Securities Trading Limited
Shareholders' Agreement	:	The shareholders' agreement dated 10 December 2019 entered into by the Trustee and Tikehau Capital in relation to the JVCo
Share Purchase Agreement	:	The conditional share purchase agreement dated 7 August 2020 entered into by the Trustee and Tikehau Capital in relation to the Acquisition
Spain Properties	:	(i) Delta Nova IV, (ii) Delta Nova VI, (iii) Sant Cugat Green and (iv) Il·lumina, located in Spain
Spanish HoldCo	:	Sadena Real Estate, S.L.U., which is 100.0% owned by the JVCo
Spanish PropCos	:	(i) Gloin Investments, S.L.U., (ii) Chameleon (Sant Cugat Investment 2014), and (iii) Chameleon (Esplugues), S.L.U., which hold the Spain Properties and are each 100.0% owned by the Spanish HoldCo
sqm	:	Square metres
Substantial Unitholder	:	A person with an interest in Units constituting not less than 5.0% of the total number of Units in issue
Tikehau Capital	:	Tikehau Capital SCA
Total Acquisition Cost	:	The total cost of the Acquisition to IREIT including the Purchase Consideration, Acquisition Fee and other transaction-related expenses
Trust Deed	:	The trust deed dated 1 November 2013 constituting IREIT, as supplemented, amended and restated from time to time
Trustee	:	DBS Trustee Limited, in its capacity as trustee of IREIT

U.S.	:	United States of America
Undertakings	:	The irrevocable undertakings provided by each of Tikehau Capital, CSEPL and AT Investments in relation to the Rights Issue
Unit	:	A unit representing an undivided interest in IREIT
Unitholder	:	The registered holder for the time being of a Unit, including person(s) so registered as joint holders, except where the registered holder is CDP, the term "Unitholder" shall, in relation to Units registered in the name of CDP, mean, where the context requires, the Depositor whose Securities Account with CDP is credited with Units
Vendor	:	Tikehau Capital
WALE	:	Weighted average lease to expiry

The terms "**Depositor**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment for the time being amended or re-enacted.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

Any discrepancies in the tables, graphs and charts between the listed amounts and totals thereof are due to rounding. Where applicable, figures and percentages are rounded to one decimal place.

DETAILS OF THE SPAIN PROPERTIES, THE EXISTING PROPERTY PORTFOLIO AND THE ENLARGED PROPERTY PORTFOLIO

1. THE SPAIN PROPERTIES

1.1 Description of the Spain Properties

The Spain Properties comprise four freehold office buildings located in Spain in Madrid and Barcelona, with a total GLA of 72,167 sqm, an overall occupancy rate of 84.7% and a WALE by GRI of 4.1 years as at 30 June 2020[1]. Based on the Agreed Value and the NPI of the Spain Properties for the period from 1 January 2020 to 30 June 2020, the annualised NPI yield of the Spain Properties is 5.0%. The four office buildings are: (i) Delta Nova IV, (ii) Delta Nova VI, (iii) Il·lumina, and (iv) San Cugat Green.

1.1.1 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. 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. Built in 2005, the Delta Nova office complex has flexible and modular floor plates with high capacity and efficiency (up to one workstation per 10 sqm), benefitting from natural light. In 2015, the two office buildings had renovations done to their facades, awnings, atriums, lobbies, central patio and green areas and were awarded the Gold certification under the Leadership in Energy & Environmental Design ("**LEED**") rating system from the U.S. Green Building Council.

Manoteras is a well-connected office submarket that is approximately 15 minutes away by car to both the Madrid Barajas International Airport and Madrid financial centre and approximately 25 minutes from the city centre of Madrid. 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. In addition, the area benefits from a wide range of services such as hotels, restaurants, a health centre and a cinema.

Delta Nova IV and Delta Nova VI are currently multi-tenanted and are leased to a number of blue-chip companies including Clece (service provider of logistics, facility management, cleaning, education, social, hotel, catering, public administration, laundry, and waste management services in Spain, Portugal and the United Kingdom), Digitex (a multinational company providing integrated management solutions across its offices in Spain and Americas), Gesif (part of Cabot Credit Management Group, the United Kingdom and Ireland's largest servicer of non-performing loans) and Almaraz Nuclear Power Plant (largest electricity generation plant in Spain). As at 30 June 2020, Delta Nova IV has 11 tenants and a WALE by GRI of 3.6 years, while Delta Nova VI has nine tenants and a WALE by GRI of 2.9 years[1].

1 In May 2020, a lease was secured with AREAS with the lease commencing in October 2020. In July 2020, the Manager also successfully extended several leases for the Spain Properties expiring in December 2020. Figures are computed based on the assumption that the lease with AREAS and extension of leases were already in place as at 30 June 2020.

1.1.2 Sant Cugat Green

Sant Cugat Green is a modern office building in Barcelona with GLA of 26,134 sqm, comprising three basement levels, a ground floor and four upper floors, and 580 parking spaces (of which 30 are for motorbikes). It is also equipped with a 5,146 sqm data centre space and a restaurant for internal use by its tenants. Sant Cugat Green 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 such as Hewlett-Packard, Grifols, Roche, Sabadell Bank, Ricoh to be situated in the area. Located in Sant Cugat del Vallés, Sant Cugat Green is approximately 20 minutes away by car from the financial district of Barcelona (Avenida Diagonal) and has a bus stop at the foot of the building providing regular access to public transportation (FCC train station).

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). As at 30 June 2020, Sant Cugat Green has four tenants and a WALE by GRI of 5.3 years.

1.1.3 Il·lumina

Il·lumina is an office building located in Esplugues de Llobregat, 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 (Avenida Diagonal) and has a total GLA of 20,922 sqm over two basements, a lower ground floor, a ground floor, three upper floors and 310 parking spaces (of which 87 are for motorbikes). Il·lumina was originally built in the 1970s and was fully refurbished in 2004 into an office building, maintaining its original exterior whilst enhancing its functionality and design. Further recent investment was made to provide for recent technologies, earning it the LEED Silver certification. It provides 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 with 90 seats for its tenants. Il·lumina also offers over 3,800 sqm of fully equipped TV studios.

Il·lumina is currently home to 11 tenants, including AREAS, the Catalan Media Corporation (public radio and television company in Catalonia owned by the Government of Catalunya), Digitex and Coca-Cola European Partners plc (multinational bottling company dedicated to the marketing, production and distribution of Coca-Cola products) as its main tenants. As at 30 June 2020, Il·lumina has a WALE by GRI of 3.8 years[1].

1 In May 2020, a lease was secured with AREAS with the lease commencing in October 2020. In July 2020, the Manager also successfully extended several leases for the Spain Properties expiring in December 2020. Figures are computed based on the assumption that the lease with AREAS and extension of leases were already in place as at 30 June 2020.

The table below sets out a summary of selected information on the Spain Properties as at 30 June 2020 (based on a 100% basis), unless otherwise indicated.

	Delta Nova IV	Delta Nova VI	Sant Cugat Green	Il·lumina	Total
City	Madrid	Madrid	Barcelona	Barcelona	
Completion Year	2005 and refurbished in 2015	2005 and refurbished in 2015	1993	1970s and fully redeveloped in 2004	
Agreed Value (€ m)	29.6	39.8	40.6	26.4	136.4
GLA (sqm)	10,256	14,855	26,134	20,922	72,167
Land Tenure	Freehold	Freehold	Freehold	Freehold	
Occupancy Rate (%)	93.7	94.5	77.1	82.9[(2)]	84.7
Number of Tenants	11	9	4	11	35
Valuation by Colliers (€ m) (as at 31 July 2020)	29.5	40.8	40.5	27.0	137.8
Valuation by Cushman (€ m) (as at 31 July 2020)	29.7	38.9	40.8	25.8	135.0
WALE by GRI (years)[(3)]	3.6	2.9	5.3	3.8	4.1
NPI (€'000)[(4)]	1,414[(1)]		1,396	590	3,400

Notes:

(1) Delta Nova IV and Delta Nova VI are both held by Gloin Investments, S.L.U..

(2) Assuming that the lease agreement with AREAS which was entered into in May 2020 for approximately 3,450 sqm has commenced, notwithstanding that actual occupancy date for AREAS is in October 2020.

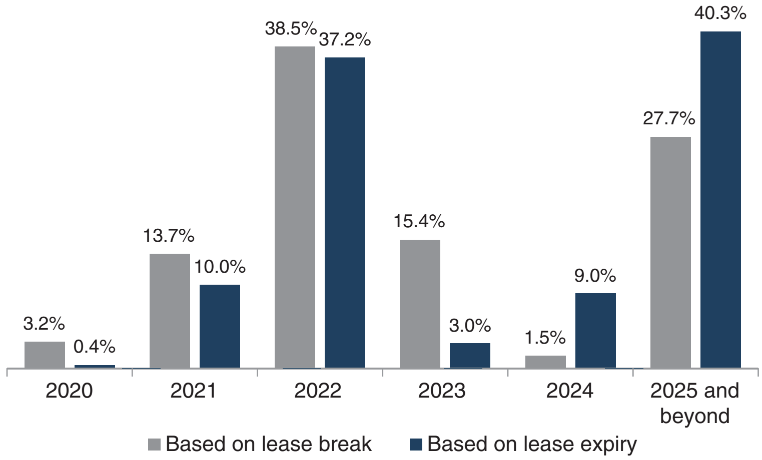
(3) In July 2020, the Manager also successfully extended several leases for the Spain Properties expiring in December 2020. Figures are computed based on the assumption that the lease with AREAS and the extension of leases were already in place as at 30 June 2020.

(4) For the financial period from 1 January 2020 to 30 June 2020.

1.2 Lease Expiry Profile for the Spain Properties

The chart below illustrates the committed lease expiry profile for the Spain Properties as at 30 June 2020 by percentage of passing rental income information for the month of June 2020.

Lease Break[1] & Expiry Profile



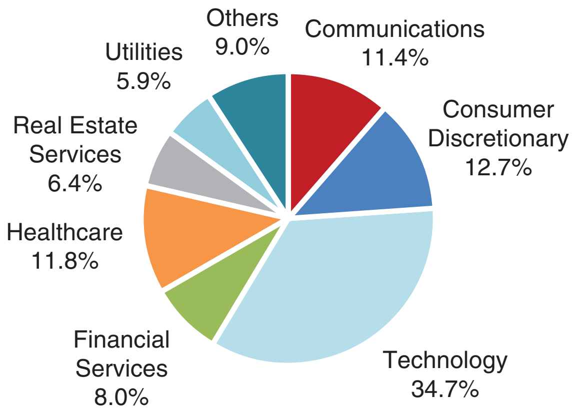
Note:

(1) "**Lease break**" means the permissible break of the lease at the tenants' election before the expiry of the lease.

1.3 Trade Sector Analysis for the Spain Properties

The chart below provides a breakdown by passing rental income information for the month of June 2020 by trade sector of the Spain Properties as at 30 June 2020.

Spain Properties Tenant Base



1.4 Top Ten Tenants of the Spain Properties

The table below sets out the top ten tenants of the Spain Properties by monthly gross rental income (based on passing rental income information for the month of June 2020).

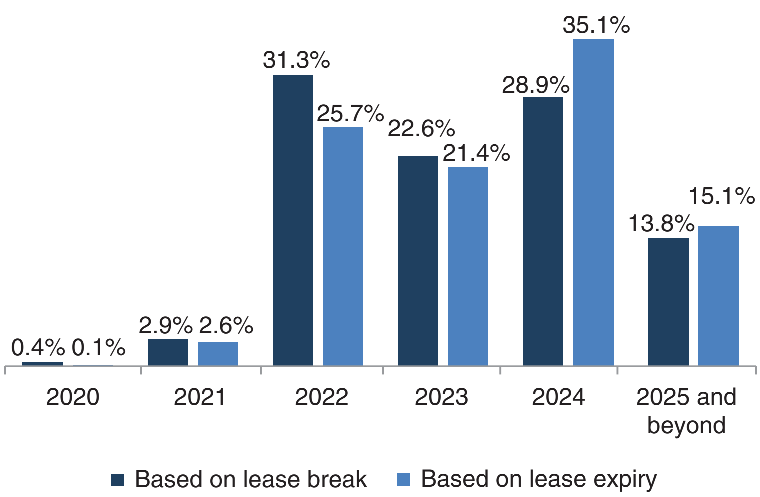
No.	Tenant	Trade Sector	% of Passing Rental Income
1.	DXC Technology	Technology	23.6%
2.	ROCHE DIAGNOSTICS, S.L.U.	Healthcare	11.4%
3.	CORPORACIO CATALANA DE MITJANS AUDIOVISUALS, S.A.	Communications	8.4%
4.	GESIF, S.A.U. (CABOT)	Financial services	8.0%
5.	DIGITEX INFORMATICA	Technology	8.0%
6.	CLECE, S.A.	Consumer discretionary	6.9%
7.	CENTRALES NUCLEARES ALMARAZ Y TRILLO, AIE	Utilities	5.9%
8.	ALISEDA SERVICIOS DE GESTIÓN INMOBILIARIA, S.L.	Real Estate services	3.7%
9.	ANTICIPA REAL ESTATE, S.L.U.	Real Estate services	2.8%
10.	COCACOLA IBERIAN PARTNERS	Consumer Staples	2.7%
Top Ten Tenants			81.3%
Other Tenants			18.7%
Total			100.0%

2. EXISTING PROPERTY PORTFOLIO

2.1 Lease Expiry Profile for the Existing Property Portfolio

The chart below illustrates the committed lease expiry profile for the Existing Property Portfolio as at 30 June 2020 by percentage of passing rental income information for the month of June 2020.

Lease Break[1] & Expiry Profile



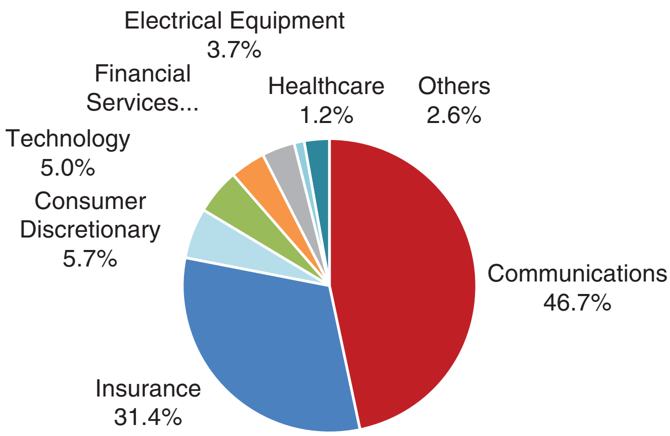
Note:

(1) "**Lease break**" means the permissible break of the lease at the tenants' election before the expiry of the lease.

2.2 Trade Sector Analysis for the Existing Property Portfolio

The chart below provides a breakdown by passing rental income information for the month of June 2020 by trade sector of the Existing Property Portfolio as at 30 June 2020.

Existing Property Portfolio Tenant Base



2.3 Top Ten Tenants of the Existing Property Portfolio

The table below sets out the top ten tenants of the Existing Property Portfolio by monthly gross rental income (based on passing rental income information for the month of June 2020).

No.	Tenant	Trade Sector	% of Passing Rental Income
1.	GMG – Deutsche Telekom	Communications	45.5%
2.	Deutsche Rentenversicherung Bund	Insurance	31.4%
3.	Allianz Handwerker Services GmbH	Consumer discretionary	3.7%
4.	ST Microelectronics	Electrical equipment	3.7%
5.	Ebase	Financial services	2.9%
6.	DXC Technology	Technology	2.4%
7.	Yamaichi	Technology	1.5%
8.	ROCHE DIAGNOSTICS, S.L.U.	Healthcare	1.1%
9.	CORPORACIO CATALANA DE MITJANS AUDIOVISUALS, S.A.	Communications	0.8%
10.	GESIF, S.A.U. (CABOT)	Financial services	0.8%
Top Ten Tenants			89.6%
Other Tenants			10.4%
Total			100.0%

3. ENLARGED PROPERTY PORTFOLIO

3.1 Overview of the Enlarged Property Portfolio

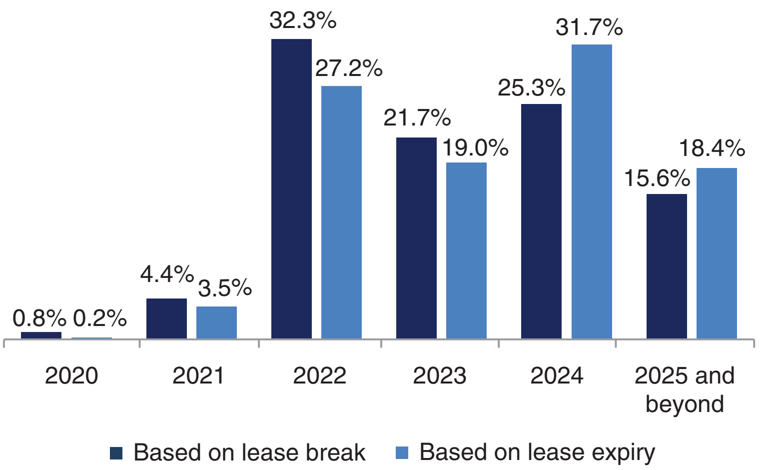
The table below sets out selected information on the Enlarged Property Portfolio as at 30 June 2020 (unless otherwise indicated).

Total/Weighted Average	The Spain Properties	Existing Property Portfolio	Enlarged Property Portfolio
GLA (sqm)	72,167	229,687	272,987
Number of Tenants	35	63	63
Occupancy Rate (%)	84.7	98.1	95.7
WALE by GRI (years)	4.1	3.7	3.8
Valuation (€ million)	137.8 (by Colliers as at 31 July 2020) 135.0 (by Cushman as at 31 July 2020)	629.0	711.3

3.2 Lease Expiry Profile for the Enlarged Property Portfolio

The chart below illustrates the committed lease expiry profile for the Enlarged Property Portfolio as at 30 June 2020 by percentage of passing rental income information for the month of June 2020.

Lease Break[(1)] & Expiry Profile



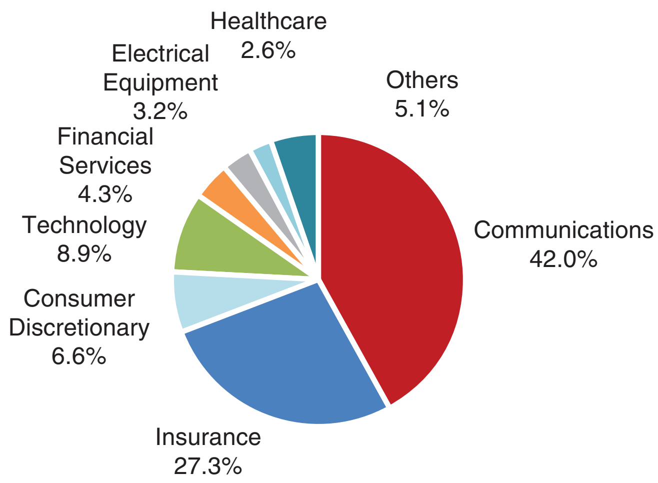
Note:

(1) "**Lease break**" means the permissible break of the lease at the tenants' election before the expiry of the lease.

3.3 Trade Sector Analysis for the Enlarged Property Portfolio

The chart below provides a breakdown by passing rental income information for the month of June 2020 by trade sector of the Enlarged Property Portfolio as at 30 June 2020.

Enlarged Property Portfolio



3.4 Top Ten Tenants of the Enlarged Property Portfolio

The table below sets out the top ten tenants of the Enlarged Property Portfolio by monthly gross rental income (based on passing rental income information for the month of June 2020).

No.	Tenant	Trade Sector	% of Passing Rental Income
1.	GMG – Deutsche Telekom	Communications	39.5%
2.	Deutsche Rentenversicherung Bund	Insurance	27.3%
3.	DXC Technology	Technology	5.2%
4.	Allianz Handwerker Services GmbH	Consumer discretionary	3.3%
5.	ST Microelectronics	Electrical equipment	3.2%
6.	Ebase	Financial services	2.5%
7.	ROCHE DIAGNOSTICS, S.L.U.	Healthcare	2.5%
8.	CORPORACIO CATALANA DE MITJANS AUDIOVISUALS, S.A.	Communications	1.8%
9.	GESIF, S.A.U. (CABOT)	Financial services	1.8%
10.	DIGITEX INFORMATICA	Technology	1.7%
Top Ten Tenants			88.7%
Other Tenants			11.3%
Total			100.0%

VALUATION CERTIFICATES

Colliers
INTERNATIONAL

Valuation Summary Letter

Office Portfolio, Madrid & Barcelona (Spain)

31st July 2020

Prepared For
DBS Trustee Limited
(in its capacity as trustee of IREIT Global)
1 Wallich Street,
#15-03 Guoco Tower
Singapore 078881

Ref: V20055/SL

Raúl García MRICS
Colliers International
Paseo de la Castellana 141 – 14th floor
28046 - Madrid
Tel. +34 91 579 84 00

DBS Trustee Limited
(in its capacity as trustee of IREIT Global)
12 Marina Boulevard
Level 44
Marina Bay Financial Centre
Tower 3
Singapore 018982

31st July 2020

Dear Sirs,

Re: Sadena office portfolio:
- Av Manoteras 46, Madrid – Delta Nova 4
- Av Manoteras 46 bis, Madrid – Delta Nova 6
- Av de la Generalitat 133-167, Sant Cugat (Barcelona) – Sant Cugat Green
- Carrer de Gaspar Fabregas i Roses 81, Esplugues (Barcelona) – Il.lumina

We refer to our Valuation Report dated 31st July 2020 of the above four properties located in Madrid and Barcelona (Spain), and this document is issued following the SISV (Singapore Institute of Surveyors and Valuers) practice guide (1/2018) for valuation reporting for REITs, Listed Companies and Initial Public Offerings (IPOs) including inclusion in Prospectus and Circulars.

All the information in this document refers to the above stated Valuation Report, which includes detailed information, , for the respective properties, on assets description, location, tenure, tenancies, market situation, letting and investment markets, valuation methodologies and SWOT analysis. Therefore, the present document cannot be considered a Valuation Report, but a summary of our Valuation Report and its contents.

Yours faithfully,

Raúl García MRICS

Director │Valuation & Consulting

For and on Behalf of Colliers International

TABLE OF CONTENTS

1 NOTICE TO RECIPIENTS

This document (Summary Letter) refers to a comprehensive Valuation Report prepared by Colliers International on behalf of and instructed by DBS Trustee Limited (in its capacity as trustee of IREIT Global) and this is to be vested with the issuer or REIT or Trust Manager appointed for the portfolio.

The Valuation Report must be read in conjunction with this letter for a complete understanding of the properties, the valuation itself as well as the assumptions adopted.

The properties have been valued in accordance with the relevant sections contained within the RICS Valuation Global Standards (the “Red Book”) and the incorporated IVSC International Valuation Standards and carried out by us as suitably qualified independent valuers. The valuation has been prepared by a valuer who conforms to the requirements as set out in the RICS Appraisal and Valuation Manual, acting in the capacity of an external valuer.

The Valuation Report has been based on the documentation and information provided to us by those stated within the report, regarding lessees, floor areas, status, property titles, restrictions, rights of way, permits, hidden faults, etc. We would normally assume, unless informed to the contrary that the property provides good and marketable title, that there are no unusual outgoings, planning proposals, onerous restrictions, material litigation pending or local authority intentions which may adversely affect the material value of the property. We recommend that where legal documentation such as leases, tenure and planning documentation has been provided, our interpretation should not be relied upon unless clarification has been sought and verified from your legal advisor. We will not be liable for anything that is not revealed to us or if we are given incomplete information.

The Valuation Report to which this Summary Letter refers to has been prepared to the best of our ability and on the basis of the specific circumstances of the real estate market at the time of assessment and based on data, documentation and information provided to us at the valuation date.

In the event any financial transaction is based upon this valuation we strongly recommend that verification be sought on the information provided, and the assumptions contained within the report are realistic. Should any of the provided information subsequently be found to be inaccurate this could materially affect our valuation and we reserve the right to amend our report accordingly.

2 SCOPE OF WORK & BASIS

Valuation Date

We have adopted 31st July 2020 as the date of valuation.

Inspection Date

The subject properties were inspected both externally and internally on the 22th July 2020 (Delta IV and Delta VI) and on the 31st July 2020 (Sant Cugat Green and Il.lumina) for the purpose of site inspection and valuation.

Requestor & Addressee

DBS Trustee Limited (in its capacity as trustee of IREIT Global)
12 Marina Boulevard
Level 44
Marina Bay Financial Centre
Tower 3
Singapore 018982

Subject Property

Sadena office portfolio, composed by the following four properties:

1. Av Manoteras 46, Madrid – Delta IV building
2. Av Manoteras 46 bis, Madrid – Delta VI building
3. Av de la Generalitat 133-167, Sant Cugat (Barcelona) – Sant Cugat Green building
4. Carrer de Gaspar Fabregas i Roses 81, Esplugues (Barcelona) – Illumina building

The interest valued is the freehold of the assets. The following table shows a summary of the main characteristics of the portfolio:

#	Property	GLA (sqm)	Land Area (sqm)	WAULT* (years)
1	Delta 4	10.256	3.763	1,4
2	Delta 6	14.855	5.459	2,2
3	Sant Cugat Green	26.134	14.513	3,5
4	Illumina	20.922	6.232	2,3

(*) weighted average unexpired lease term - obligatory

#	Property	Occupancy Rate	Main Tenants
1	Delta 4	94%	Cabot, Anticipa, E-voluciona
2	Delta 6	94%	Clece, Digitex, Centrales Nucleares
3	Sant Cugat Green	77%	DXC, Roche
4	Illumina	90%	CCMA, Areas, Cobega

Instructions

We have been asked to provide a valuation in accordance with the Practice Statements and the relevant Guidance Notes in the RICS Appraisals and Valuations Manual and with the General Principles adopted in the Preparation of Valuations and Reports. The report and valuation are to include the following bases of value for the Property:

1. Market Value 'as is' (i.e. under the existing lease contracts)

Additional figures:

- Reinstatement Costs

Capacity of Valuer

External - We confirm to the requester of the valuation report that we are unaware of any issues which would influence our independence, integrity and objectivity in acceptance of this valuation instruction. We confirm we have the necessary experience and professional capability to undertake the preparation of this valuation report. We confirm we are external independent valuers.

Purpose

The object of the valuation is to determine the market value with regards to a transfer of ownership of shares purposes.

Compliance

The property has been valued in accordance with the relevant sections contained within the RICS Valuation Global Standards (the "Red Book") and the incorporated IVSC International Valuation Standards and carried out by us as suitably qualified independent valuers. The valuation has been prepared by a valuer who conforms to the requirements as set out in the RICS Appraisal and Valuation Manual.

Valuation Basis

The valuation basis has been the "Market Value", which is defined as:

"the estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion."

Valuation Approach

Two different valuation methods have been used to arrive to our opinion of Market Values.

1. Discounted Cash-flow method (DCF). This method consists in projecting the expected net income flow over the length of the cash flow and assumes a notional sale at the end of the cash flow period. The cash flow is discounted at a market derived Discount Rate (reflecting a target Internal Rate of Return – IRR) to arrive at the Net Present Value (NPV).
2. Term & Reversion method. This is a capitalization method which consists in the addition of two components (per tenant or income): first, the current rent is capitalized for the remaining term of the subject lease (term). Secondly, the adopted market rent is capitalized in perpetuity at a higher yield due to the higher uncertainty, discounted at present (reversion).

We have adopted as Market Value that obtained with the DCF method; the Term & Reversion method has been used as double-check.

3 MATERIAL VALUATION UNCERTAINTY

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has impacted many aspects of daily life and the global economy – with some real estate markets experiencing significantly lower levels of transactional activity and liquidity. As at the valuation date, in the case of the subject properties there is a shortage of market evidence for comparison purposes, to inform opinions of value. Our valuation of this these properties is therefore reported as being subject to 'material valuation uncertainty' as set out in VPS 3 and VPGA 10 of the RICS Valuation – Global Standards. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. For the avoidance of doubt, the inclusion of the 'material valuation uncertainty' declaration above does not mean that the valuation cannot be relied upon. Rather, the declaration has been included to ensure transparency of the fact that – in the current extraordinary circumstances – less certainty can be attached to the valuation than would otherwise be the case. The material uncertainty clause is to serve as a precaution and does not invalidate the valuation. Given the unknown future impact that COVID-19 might have on the real estate market and the difficulty in differentiating between short term impacts and long-term structural changes, we recommend that you keep the valuations contained within this report under frequent review.

4 PORTFOLIO VALUATION

4.1 Market Value

Having regard to the comments and assumptions set out in the Valuation Report, o we are of the opinion that the Market Value of the subject portfolio as at valuation date, would be fairly represented in the sum of:

€ 137,820,000

(One Hundred and Thirty-Seven Million, Eight Hundred and Twenty Thousand Euros)

Important Note: The above Market Value is the sum of the respective individual property values. Please see below the valuation breakdown by property

The above figures are provided net of VAT and acquisition costs

Raúl García MRICS

Director | Valuation & Consulting

For and on behalf of Colliers International Spain

4.2 Values Breakdown by Asset

Property	GLA sqm	Market Value EUR	MV per sqm
Delta Nova 4	10,256	**29,490,000**	2,875
Delta Nova 6	14,855	**40,840,000**	2,749
Sant Cugat	26,134	**40,490,000**	1,549
Illumina	20,922	**27,000,000**	1,291
Combined	**72,167**	**137,820,000**	**1,910**

5 PORTFOLIO OVERVIEW

Locations

Spain

Madrid

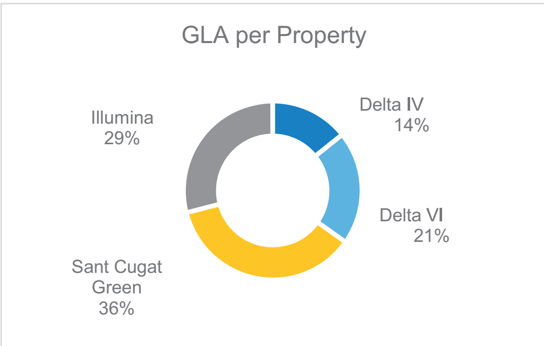
Barcelona

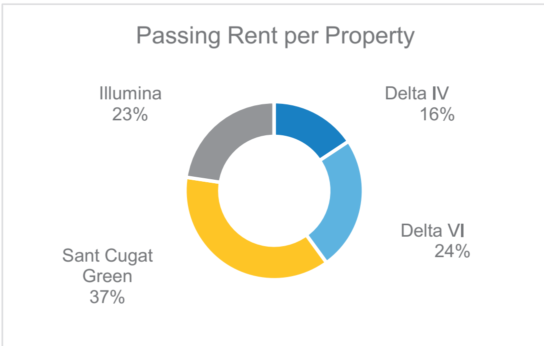
Areas

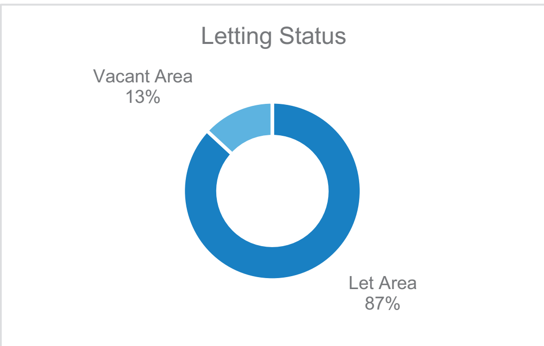
Property	GLA (sqm)
Delta IV	10,256
Delta VI	14,855
Sant Cugat Green	26,134
Illumina	20,922
Combined	**72,167**

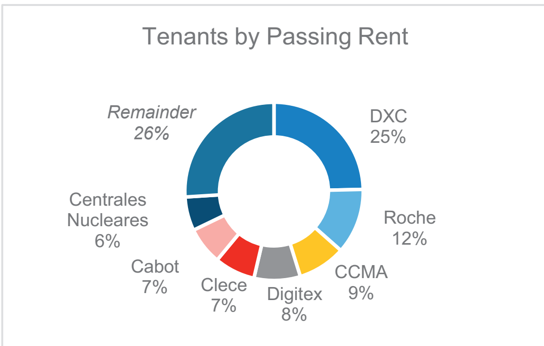
Rental Income

Property	Passing Rent (EUR/yr)
Delta IV	1.361.930
Delta VI	2.119.542
Sant Cugat Green	3.255.688
Illumina	1.963.884
Combined	**8.701.044**









6 ASSETS DESCRIPTION

6.1 Av. Manoteras 46, Madrid (Delta IV)

The Property

Office building located in Manoteras area, to the north of Madrid, close to the first ring road (M-30) and A-1 motorways..

The asset, developed in 2005, has 10,256 sqm of GLA arranged in 5 floors above ground and 2 basement floors. The property includes 249 indoor car parking spaces.

Property equivalent to freehold. It is let to 9 tenants with an occupancy rate of 93.7%, with a WAULT of 1.4 years (including breaks).

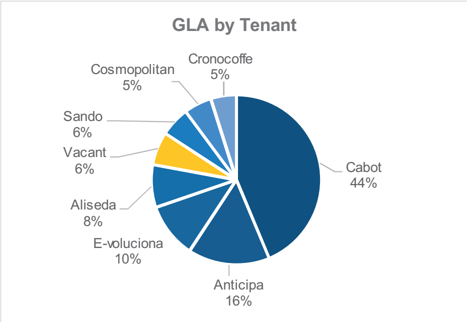
Property Areas & Letting Status

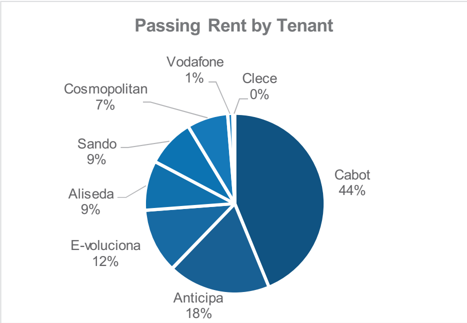
Areas & Letting Status	
Total GLA (sqm)	10.256
Let Area (sqm)	9.607
Vacant Area (sqm)	649
Physical Vacancy Rate:	6,3%
Economic Vacancy Rate:	6,9%
Number of Tenants:	9
WAULT Excluding Breaks (years):	3,3
WAULT Including Breaks (years):	1,4

Current Income	
Total Headline MGR (EUR/pa):	1.580.327
Current Distounts / Step Rents (EUR/pa)	218.396
Current Passing Rent (EUR/pa)	1.361.930
Turnover Rent (EUR/pa):	0
Mall & Other Income (EUR/pa):	0
Total Current Gross Inc. (EUR/pa):	1.361.930

Service Charges & Taxes	
Total SC & Taxes (EUR/pa):	484.426
Non Rec. Let Units (caps) (EUR/pa):	20.518
SC & Tax on Vacant (EUR/pa):	26.532
Total Non Rec. SC & tax (EUR/pa):	47.050
Non Rec.SC&tax on Gross Inc.(%):	3,5%
Current NOI (EUR/pa) (*):	1.314.880
Current NOI (EUR/pa) (**):	1.229.403

(*) before (**) after management & other expenditure





6.2 Av. Manoteras 46 bis, Madrid (Delta VI)

The Property

Office building located in Manoteras area, in the north of Madrid, close to the first ring road (M-30) and A-1 motorways...

The asset, developed in 2005, has 14,855 of GLA arranged in 7 floors above ground and 2 basement floors. The property includes 384 indoor car parking spaces.

Property equivalent to freehold. It is let to 7 tenants with an occupancy rate of 94.5%, with a WAULT of 2.2 years (including breaks).

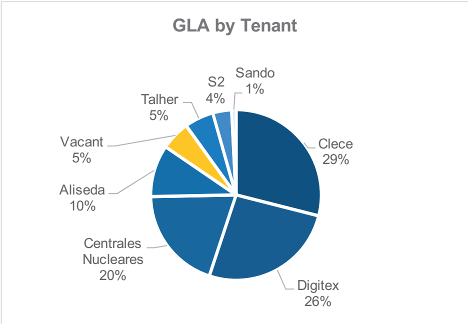
Property Areas & Letting Status

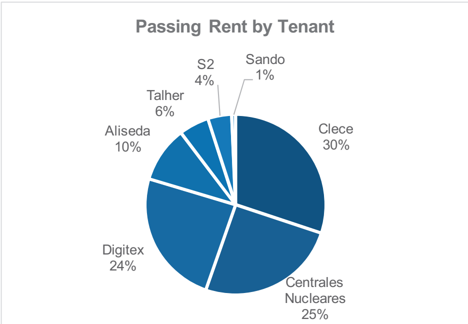
Areas & Letting Status	
Total GLA (sqm)	14.855
Let Area (sqm)	14.034
Vacant Area (sqm)	821
Physical Vacancy Rate:	5,5%
Economic Vacancy Rate:	4,8%
Number of Tenants:	7
WAULT Excluding Breaks (years):	5,7
WAULT Including Breaks (years):	2,2

Current Income	
Total Headline MGR (EUR/pa):	2.183.246
Current Distounts / Step Rents (EUR/pa)	63.705
Current Passing Rent (EUR/pa)	2.119.542
Turnover Rent (EUR/pa):	0
Mall & Other Income (EUR/pa):	0
Total Current Gross Inc. (EUR/pa):	2.119.542

Service Charges & Taxes	
Total SC & Taxes (EUR/pa):	697.467
Non Rec. Let Units (caps) (EUR/pa):	26.256
SC & Tax on Vacant (EUR/pa):	27.441
Total Non Rec. SC & tax (EUR/pa):	53.697
Non Rec.SC&tax on Gross Inc.(%):	2,5%
Current NOI (EUR/pa) (*):	2.065.845
Current NOI (EUR/pa) (**):	1.943.825

(*) before (**) after management & other expenditure





6.3 Av. De la Generalitat 163-167, Sant Cugat (Sant Cugat Green)

The Property

Office building located in Can Sant Joan office area.

The asset, developed in 1993, has 26,134 of GLA arranged in 5 floors above ground and 3 basement floors. The property includes 580 car parking spaces.

Property equivalent to freehold. It is let to 4 tenants with an occupancy rate of 77%, with a WAULT of 3.5 years (including breaks).

The vacant space refers to a former data centre at basement level.

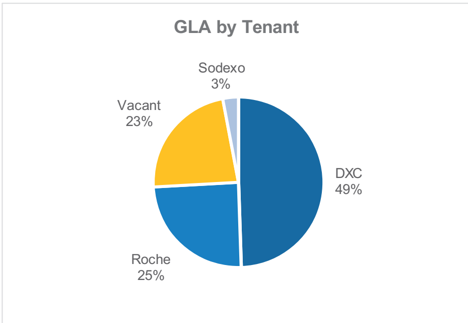
Property Areas & Letting Status

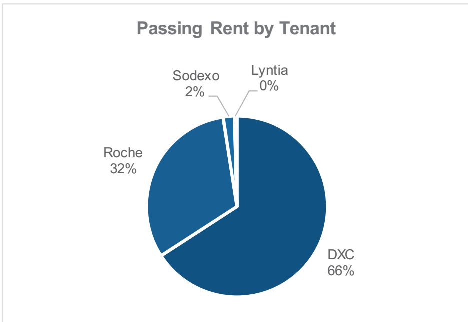
Areas & Letting Status	
Total GLA (sqm)	26.134
Let Area (sqm)	20.150
Vacant Area (sqm)	5.983
Physical Vacancy Rate:	22,9%
Economic Vacancy Rate:	6,2%
Number of Tenants:	4
WAULT Excluding Breaks (years):	6,6
WAULT Including Breaks (years):	3,5

Current Income	
Total Headline MGR (EUR/pa):	3.255.688
Current Distounts / Step Rents (EUR/pa)	0
Current Passing Rent (EUR/pa)	3.255.688
Turnover Rent (EUR/pa):	0
Mall & Other Income (EUR/pa):	0
Total Current Gross Inc. (EUR/pa):	3.255.688

Service Charges & Taxes	
Total SC & Taxes (EUR/pa):	1.481.782
Non Rec. Let Units (caps) (EUR/pa):	0
SC & Tax on Vacant (EUR/pa):	349.663
Total Non Rec. SC & tax (EUR/pa):	349.663
Non Rec.SC&tax on Gross Inc.(%):	10,7%
Current NOI (EUR/pa) (*):	2.906.024
Current NOI (EUR/pa) (**):	2.722.392

(*) before (**) after management & other expenditure





6.4 Carrer de Gaspar Fabregas i Roses 81, Esplugues (Illumina)

The Property

Office building located in Espluges de Llobregat, within the Barcelona's metropolitan area.

The asset, developed in the sixties and refurbished in 2004, has 20,922 sqm of GLA arranged in 4 floors above ground, a semi-basement and 3 basements. The property includes 310 car spaces.

Property equivalent to freehold. It is let to 11 main tenants with an occupancy rate of 90.2%, with a WAULT of 3.7 years (including breaks). The main tenant is a public regional TV.

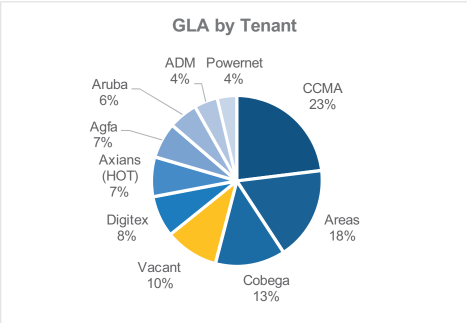
Property Areas & Letting Status

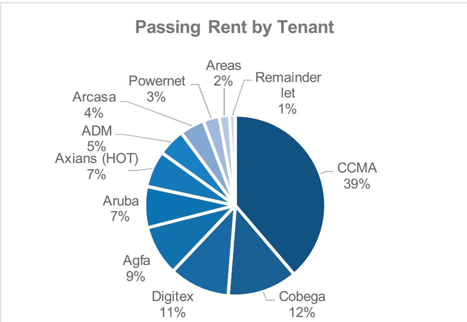
Areas & Letting Status	
Total GLA (sqm)	20.922
Let Area (sqm)	18.873
Vacant Area (sqm)	2.048
Physical Vacancy Rate:	9,8%
Economic Vacancy Rate:	10,0%
Number of Tenants:	11
WAULT Excluding Breaks (years):	3,2
WAULT Including Breaks (years):	3,7

Current Income	
Total Headline MGR (EUR/pa):	2.350.943
Current Distounts / Step Rents (EUR/pa)	387.059
Current Passing Rent (EUR/pa)	1.963.884
Turnover Rent (EUR/pa):	0
Mall & Other Income (EUR/pa):	0
Total Current Gross Inc. (EUR/pa):	1.963.884

Service Charges & Taxes	
Total SC & Taxes (EUR/pa):	924.301
Non Rec. Let Units (caps) (EUR/pa):	224.794
SC & Tax on Vacant (EUR/pa):	90.492
Total Non Rec. SC & tax (EUR/pa):	315.286
Non Rec.SC&tax on Gross Inc.(%):	16,1%
Current NOI (EUR/pa) (*):	1.648.598
Current NOI (EUR/pa) (**):	1.451.512

(*) before (**) after management & other expenditure





7 ASETS VALUATIONS

7.1 Av. Manoteras 46, Madrid (Delta 4)

A discounted cash-flow valuation method has been used to determine the Market Value.

The following are the main parameters and assumptions adopted:

Main Valuation Assumptions

Valuation	
Market Value (EUR):	**29.490.000**
Market Value per sqm (EUR/m²):	2.875
Market Value per unit (EUR/0)	-
Gross Market Value (EUR):	30.224.310
IRR:	7,00%
IRR (geared):	12,69%
Exit yield:	4,75%
Reversionary yield (gross mkt/gross val):	5,66%

Market Rents		
Aver. ERV GLA (€/sqm/mth-€/	12,4	1.530.447
Aver. ERV Internal pk (€/#/mth	56	166.710
Remainder ERV (EUR/pa)		12.571
Total Market Rent (EUR/pa)	**13,9**	**1.709.728**
Market Rent let units (EUR/pa):		1.609.420
Market Rent vacant units (EUR/pa):		100.308
Other Potential Income (EUR/pa):		0
Total Potential Income (EUR/pa):		1.709.728

Running Yield	Triple Net	Net	Gross
Year 1	2,77%	2,89%	5,17%
Year 2	5,13%	5,35%	5,79%
Year 3	4,79%	4,99%	5,66%
Year 4	5,33%	5,55%	6,04%
Year5	4,50%	4,69%	5,55%
Year 6	5,03%	5,24%	5,87%
Year 7	5,64%	5,88%	6,35%
Year 8	5,05%	5,27%	6,02%

Costs Assumptions	
Acquisition Costs:	2,50%
Sinking Fund: (*)	5,0
Other Non Recoverable Costs: (**)	1,00%
Letting Fees:	1 month's rent
Management Costs: (**)	1,00%
Exit Costs:	0,75%
CapEx (EUR/sqm)	500.000

(*) EUR/sqm/yr; (**) % of market rent

Indexations	CPI	Market Rent
Year 1	1,00%	0,00%
Year 2	1,50%	2,00%
Year 3	1,90%	2,50%
Year 4	1,90%	1,90%
Year5	1,90%	1,90%
Years 6-10 (averg.)	1,90%	1,90%
Years 6-10 (averg.)	1,90%	1,90%

Finance Assumptions	
LTV (acquisition):	60%
LTV (capex):	60%
Total Loan/s (EUR):	17.994.000
Interest rate:	2,00%
Upfront Fees (EUR):	179.940
Annual amortizations:	0,0%
Repayment at exit:	100%

7.2 Av. Manoteras 46 bis, Madrid (Delta 6)

A discounted cash-flow valuation method has been used to determine the Market Value.

The following are the main parameters and assumptions adopted:

Main Valuation Assumptions

Valuation	
Market Value (EUR):	**40.840.000**
Market Value per sqm (EUR/m²):	2.749
Market Value per unit (EUR/0)	-
Gross Market Value (EUR):	41.856.091
IRR:	7,00%
IRR (geared):	12,65%
Exit yield:	4,75%
Reversionary yield (gross mkt/gross val):	5,70%

Market Rents		
Aver. ERV GLA (€/sqm/mth-€/	12,2	2.168.499
Aver. ERV Internal pk (€/#/mtl	47	218.640
Remainder ERV (EUR/pa)		0
Total Market Rent (EUR/pa):		**2.387.139**
Market Rent let units (EUR/pa):		2.279.684
Market Rent vacant units (EUR/pa):		107.455
Other Potential Income (EUR/pa):		0
Total Potential Income (EUR/pa):		2.387.139

Running Yield	Triple Net	Net	Gross
Year 1	2,78%	2,91%	5,31%
Year 2	4,87%	5,09%	5,51%
Year 3	4,28%	4,47%	5,18%
Year 4	4,88%	5,09%	5,60%
Year5	4,93%	5,15%	5,80%
Year 6	5,39%	5,63%	6,09%
Year 7	5,55%	5,79%	6,26%
Year 8	4,97%	5,19%	5,85%

Costs Assumptions	
Acquisition Costs:	2,50%
Sinking Fund: (*)	5,0
Other Non Recoverable Costs: (**)	1,00%
Letting Fees:	1 month's rent
Management Costs: (**)	1,00%
Exit Costs:	0,75%
CapEx (EUR/sqm)	800.000

(*) EUR/sqm/yr; (**) % of market rent

Indexations	CPI	Market Rent
Year 1	1,00%	0,00%
Year 2	1,50%	2,00%
Year 3	1,90%	2,50%
Year 4	1,90%	1,90%
Year5	1,90%	1,90%
Years 6-10 (averg.)	1,90%	1,90%
Years 6-10 (averg.)	1,90%	1,90%

Finance Assumptions	
LTV (acquisition):	60%
LTV (capex):	60%
Total Loan/s (EUR):	24.984.000
Interest rate:	2,00%
Upfront Fees (EUR):	249.840
Annual amortizations:	0,0%
Repayment at exit:	100%

7.3 Av. De la Generalitat 163-167, Sant Cugat (Sant Cugat Green)

A discounted cash-flow valuation method has been used to determine the Market Value.

The following are the main parameters and assumptions adopted:

Main Valuation Assumptions

Valuation	
Market Value (EUR):	**40.490.000**
Market Value per sqm (EUR/m²):	1.549
Market Value per unit (EUR/0)	-
Gross Market Value (EUR):	41.701.877
IRR:	8,25%
IRR (geared):	13,52%
Exit yield:	6,50%
Reversionary yield (gross mkt/gross val):	7,92%

Market Rents		
Aver. ERV GLA (€/sqm/mth-€/	8,8	2.747.786
Aver. ERV Internal pk (€/#/mtl	90	385.560
Remainder ERV (EUR/pa)		168.211
Total Market Rent (EUR/pa):		**3.301.557**
Market Rent let units (EUR/pa):		3.086.158
Market Rent vacant units (EUR/pa):		215.398
Other Potential Income (EUR/pa):		0
Total Potential Income (EUR/pa):		3.301.557

Running Yield	Triple Net	Net	Gross
Year 1	5,27%	5,49%	8,06%
Year 2	6,84%	7,13%	8,45%
Year 3	6,09%	6,35%	8,17%
Year 4	7,27%	7,58%	8,98%
Year5	7,46%	7,78%	9,19%
Year 6	7,59%	7,91%	9,36%
Year 7	7,65%	7,97%	9,42%
Year 8	6,91%	7,20%	8,97%

Costs Assumptions	
Acquisition Costs:	3,00%
Sinking Fund: (*)	4,5
Other Non Recoverable Costs: (**)	1,00%
Letting Fees:	1 month's rent
Management Costs: (**)	1,00%
Exit Costs:	0,75%
CapEx (EUR/sqm)	500.000
(*) EUR/sqm/yr; (**) % of market rent	

Indexations	CPI	Market Rent
Year 1	1,00%	0,00%
Year 2	1,50%	2,00%
Year 3	1,90%	1,90%
Year 4	1,90%	1,90%
Year5	1,90%	1,90%
Years 6-10 (averg.)	1,90%	1,90%
Years 6-10 (averg.)	1,90%	1,90%

Finance Assumptions	
LTV (acquisition):	60%
LTV (capex):	60%
Total Loan/s (EUR):	24.594.000
Interest rate:	3,00%
Upfront Fees (EUR):	245.940
Annual amortizations:	2,0%
Repayment at exit:	82%

7.4 Carrer de Gaspar Fabregas i Roses 81, Esplugues (Illumina)

A discounted cash-flow valuation method has been used to determine the Market Value.

The following are the main parameters and assumptions adopted:

Main Valuation Assumptions

Valuation	
Market Value (EUR):	**27.000.000**
Market Value per sqm (EUR/m²):	1.291
Market Value per unit (EUR/0)	-
Gross Market Value (EUR):	27.941.265
IRR:	8,25%
IRR (geared):	13,11%
Exit yield:	6,75%
Reversionary yield (gross mkt/gross val):	9,46%

Market Rents		
Aver. ERV GLA (€/sqm/mth-€/	9,6	2.421.559
Aver. ERV Internal pk (€/#/mtl	63	169.525
Remainder ERV (EUR/pa)		51.138
Total Market Rent (EUR/pa):		**2.642.222**
Market Rent let units (EUR/pa):		2.424.050
Market Rent vacant units (EUR/pa):		218.172
Other Potential Income (EUR/pa):		0
Total Potential Income (EUR/pa):		2.642.222

Running Yield	Triple Net	Net	Gross
Year 1	2,86%	3,02%	-
Year 2	5,77%	6,10%	-
Year 3	6,54%	6,91%	-
Year 4	6,54%	6,91%	-
Year5	7,11%	7,51%	-
Year 6	6,75%	7,14%	-
Year 7	6,58%	6,96%	-
Year 8	7,55%	7,98%	-

Costs Assumptions	
Acquisition Costs:	3,50%
Sinking Fund: (*)	5,0
Other Non Recoverable Costs: (**)	1,00%
Letting Fees:	1 month's rent
Management Costs: (**)	2,50%
Exit Costs:	0,75%
CapEx (EUR/sqm)	600.000

(*) EUR/sqm/yr; (**) % of market rent

Indexations	CPI	Market Rent
Year 1	1,00%	0,00%
Year 2	1,50%	1,50%
Year 3	1,90%	1,90%
Year 4	1,90%	1,90%
Year5	1,90%	1,90%
Years 6-10 (averg.)	1,90%	1,90%
Years 6-10 (averg.)	1,90%	1,90%

Finance Assumptions	
LTV (acquisition):	60%
LTV (capex):	60%
Total Loan/s (EUR):	16.560.000
Interest rate:	3,00%
Upfront Fees (EUR):	165.600
Annual amortizations:	2,0%
Repayment at exit:	82%

8 GENERAL PRINCIPLES ADOPTED

Sources of Information

We detail the sources of our information within the context of the report. Colliers accept as being complete and correct information provided by those parties indicated within the context of the report and assume such information can be safely relied upon. Information provided to us by the requestor and other relevant parties may include but not be limited to, tenure details, tenancies, tenant's improvements, town planning and other relevant matters as judged to be necessary by Colliers in the preparation of said valuation report.

In absence of explicit notification Colliers consider that all the analysed information is complete, correct, accurate and up-dated and that it has not been amended or altered, reflecting a true position of the subject interest to be valued.

Our analysis and valuation is provided in good faith assuming reasonable assumptions, in the event we consider the information provided may need verification or may not be considered reasonable, we shall inform the requestor and make clear within the report that said information should be verified, subject to the condition of acting in external capacity as a professional Chartered Valuation Surveyor. We provide details of a list of sources and information provided within the appendix.

Repair & Condition

We have not analysed the land on which the building sits, whether it is unstable or whether it has been contaminated. We would normally assume there to be no adverse ground or soil conditions and that the load bearing capacity of the sites of each property are sufficient to support the building constructed or any proposed development. Unless we are notified otherwise, we consider that the materials, the facilities and the land are in an acceptable condition.

Structural and ground condition surveys are detailed investigations of the building which are normally excluded from a valuation undertaking. We have not performed an analysis of the structure, tested technical services, made independent site investigations, uncovered parts of the structure which were not exposed or accessible nor undertaken any investigations into whether deleterious or hazardous materials have been used in construction. We are unable to provide any assurances that the property is free from defects such as structural fault, rot, infestation or any other defect including inherent weaknesses due to the use in construction of deleterious materials.

We do not normally analyse the materials used in the construction process to ascertain whether deleterious materials have been used such as high alumina cement, calcium chloride, asbestos or other faulty components nor how such substances may have been affected by the weather or by the passage of time. Unless informed to the contrary our valuation assumes that no such materials have been used.

Nevertheless, we reflect in our valuations any faults, apparent defects or items of disrepair that we may have observed during our site visit or have been brought to our attention. If provided with environmental or building survey reports, we do reflect such contents within our valuation.

Environmental Investigations

Environmental investigations would normally be undertaken by a suitably qualified environmental specialist and does not fall within the remit of a valuation surveyor. We have assumed for the purpose of this report that the property is free from contamination and that no potentially contaminative product, material or substance has been used on site. We have also assumed that the property complies with existing environmental legislation and any activities on site are properly authorised with the relevant permissions.

We have made specific enquires into the past or present uses of the site to ascertain the potential for contamination, however, if during our site inspection there are obvious indicators of potential harmful environmental considerations known to us, are brought to our attention, we will reflect such information within our report.

Legal Matters

Where we have been provided with details of title/tenure/leases with regard to the property we recommend that reliance is not placed on our interpretation of these documents. Verification of legal matters should be clarified by solicitors or qualified legal professionals.

Specific enquiries with regard to the financial status of current or prospective tenants are not normally conducted unless otherwise specifically requested. We would normally consider that the tenants are capable of satisfying their financial obligations and undertakings as stipulated in the lease agreement. However, within our valuation, we would normally reflect the perception of the tenant’s financial covenant.

In the case of property where construction works are in hand, or have recently been completed, we do not normally make allowance for any liability already incurred, but not yet discharged, in respect of completed works, or obligations in favour of contractors, sub-contractors or any members of the professional or design team.

We normally rely on information provided by the local land registry or the requestor’s solicitors. We normally assume that the property benefits from good marketable title and is not subject to any legal dispute or possible state intervention.

Town Planning

We would normally obtain Town Planning information by means of a verbal enquiry to the Urban Planning Department in the local Town Hall. We take into account the licenses, limitations and permits granted and mention them expressly in the present report. We accept and rely on this information has been correct, further clarification on such matters can be sought via your legal advisors. We would normally assume that properties have been constructed, or those that are being constructed, and are occupied or used have obtained and been granted the appropriate consents for their use and occupation and that there are no outstanding statutory notices. We would normally assume that the premises comply with all relevant statutory requirements including building, fire and health and safety regulations. We would also assume that the property is not adversely affected by any town planning or highways proposals.

Measurement

We have been provided with these by the client and made appropriate check measurements to verify whether the areas provided by the owners are reasonable. Unfortunately practice on the Spanish property market does not conform to the International Property Measurement Standards (IMPS), but in line with local practice we have relied on the ‘leasable areas’ as provided by the client.

Limitations

The Report and the Valuation have been prepared solely on the basis of the analysed information; Colliers International has not validated the information provided to us by the Client, requestor or other relevant parties as stipulated within the body of the report, regarding the description of the asset (measurements, building conditions; distribution by use typology). Colliers International has adopted for the valuation as a base, the market rents and prices obtained in the Market Study carried out assuming the premises established by the Client regarding the Property's classification. Save from the Analysed Information, no information has been provided to Colliers International, directly or indirectly, either verbally or in writing, by the Client or other parties herein mentioned; The Report does not ensure that the analysed information is complete, correct and accurate. It is possible that there are other documents or information that may alter the analysed information and, therefore, the Valuation. Colliers International has not verified the accuracy of the analysed information or its conformity with the corresponding originals.

Responsibility

This valuation report has been prepared to the best of our ability and on the basis of the specific circumstances of the real estate market at the time of assessment and based on data; documentation and information provided to us at the valuation date.

Colliers
INTERNATIONAL

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31st July 2020

DBS Trustee Limited
(in its capacity as trustee of IREIT Global)
12 Marina Boulevard, Level 44
Marina Bay Financial Centre
Tower 3
Singapore 018982

Dear Sirs,

In connection with our proposal letter dated 6th July 2020 and your subsequent instructions, we prepared a Valuation Report of a four office buildings portfolio in Spain. Following the SISV (Singapore Institute of Surveyors and Valuers) practice guide (1/2018) for valuation reporting for REITs, Listed Companies and Initial Public Offerings (IPOs) including inclusion in Prospectus and Circulars, we hereby certify that we have provided with the following Market Value for the below stated property as at 31st July 2020:

Office building named Delta Norte 4, located at Avenida Manoteras 46, 28050 Madrid, Spain

Market Value: €29,490,000
(Twenty-Nine Million, Four Hundred and Ninety Thousand Euros)

Please find on next page details on the property and the valuation.

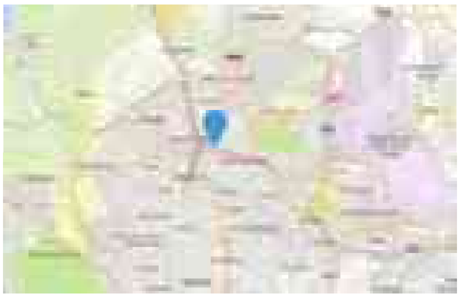
Raúl García MRICS
Director | Valuation & Consulting
Colliers International Spain

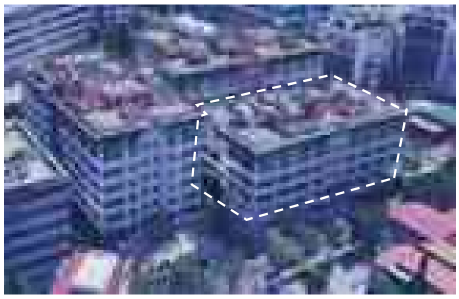
The Property

Office building located in Manoteras area, to the north of Madrid, close to the first ring road (M-30) and A-1 motorways.

The asset, developed in 2005, has 10,256 sqm of GLA arranged in 5 floors above ground and 2 basement floors. The property includes 249 indoor car parking spaces.

Property equivalent to freehold. It is let to 9 tenants with an occupancy rate of 93.7%, with a WAULT of 1.4 years (including breaks).





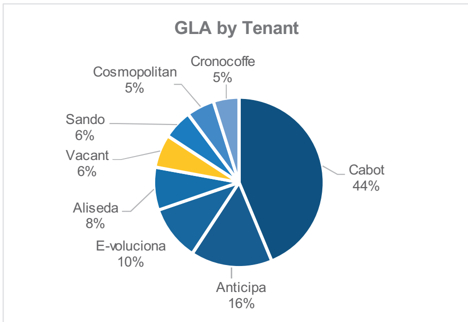
Property Areas & Letting Status

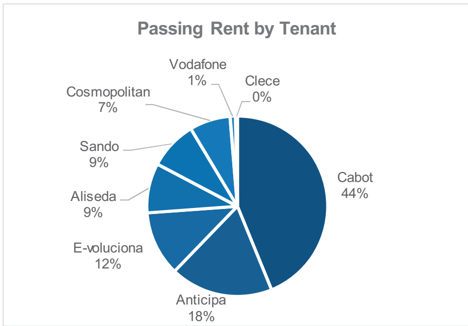
Areas & Letting Status	
Total GLA (sqm)	10.256
Let Area (sqm)	9.607
Vacant Area (sqm)	649
Physical Vacancy Rate:	6,3%
Economic Vacancy Rate:	6,9%
Number of Tenants:	9
WAULT Excluding Breaks (years):	3,3
WAULT Including Breaks (years):	1,4

Current Income	
Total Headline MGR (EUR/pa):	1.580.327
Current Distounts / Step Rents (EUR/pa)	218.396
Current Passing Rent (EUR/pa)	1.361.930
Turnover Rent (EUR/pa):	0
Mall & Other Income (EUR/pa):	0
Total Current Gross Inc. (EUR/pa):	1.361.930

Service Charges & Taxes	
Total SC & Taxes (EUR/pa):	484.426
Non Rec. Let Units (caps) (EUR/pa):	20.518
SC & Tax on Vacant (EUR/pa):	26.532
Total Non Rec. SC & tax (EUR/pa):	47.050
Non Rec.SC&tax on Gross Inc.(%):	3,5%
Current NOI (EUR/pa) (*):	1.314.880
Current NOI (EUR/pa) (**):	1.229.403

(*) before (**) after management & other expenditure





Main Valuation Assumptions

A discounted cash-flow valuation method has been used to determine the Market Value. The following are the main parameters and assumptions adopted:

Valuation	
Market Value (EUR):	**29.490.000**
Market Value per sqm (EUR/m²):	2.875
Market Value per unit (EUR/0)	-
Gross Market Value (EUR):	30.224.310
IRR:	7,00%
IRR (geared):	12,69%
Exit yield:	4,75%
Reversionary yield (gross mkt/gross val):	5,66%

Market Rents		
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Aver. ERV Internal pk (€/#/mtl	56	166.710
Remainder ERV (EUR/pa)		12.571
Total Market Rent (EUR/pa)	**13,9**	**1.709.728**
Market Rent let units (EUR/pa):		1.609.420
Market Rent vacant units (EUR/pa):		100.308
Other Potential Income (EUR/pa):		0
Total Potential Income (EUR/pa):		1.709.728

Running Yield	Triple Net	Net	Gross
Year 1	2,77%	2,89%	5,17%
Year 2	5,13%	5,35%	5,79%
Year 3	4,79%	4,99%	5,66%
Year 4	5,33%	5,55%	6,04%
Year5	4,50%	4,69%	5,55%
Year 6	5,03%	5,24%	5,87%
Year 7	5,64%	5,88%	6,35%
Year 8	5,05%	5,27%	6,02%

Costs Assumptions	
Acquisition Costs:	2,50%
Sinking Fund: (*)	5,0
Other Non Recoverable Costs: (**)	1,00%
Letting Fees:	1 month's rent
Management Costs: (**)	1,00%
Exit Costs:	0,75%
CapEx (EUR/sqm)	500.000

(*) EUR/sqm/yr; (**) % of market rent

Indexations	CPI	Market Rent
Year 1	1,00%	0,00%
Year 2	1,50%	2,00%
Year 3	1,90%	2,50%
Year 4	1,90%	1,90%
Year5	1,90%	1,90%
Years 6-10 (averg.)	1,90%	1,90%
Years 6-10 (averg.)	1,90%	1,90%

Finance Assumptions	
LTV (acquisition):	60%
LTV (capex):	60%
Total Loan/s (EUR):	17.994.000
Interest rate:	2,00%
Upfront Fees (EUR):	179.940
Annual amortizations:	0,0%
Repayment at exit:	100%

Additional Information

Registered Owner: Gloin Investments S.L.U.

Town Planning: zoned as urban land, Zone 9 Grade B Level 4. Commercial uses authorised with a building volume of 1.6sqm/sqm

Discount Rate: 7.00% to arrive to gross value.

Disclaimer & Main Assumptions

- The valuation has been prepared based on the documentation and information provided by the Client/asset managers (rent rolls, areas, property titles, rights, licenses, lease contracts, etc.).
- The properties are valued free of charges and mortgages.
- Unless otherwise stated, we have assumed that there are no construction defects, hidden defects, hazardous materials, archaeological remains, or soil contamination.
- Likewise, we have assumed that the properties are in possession of all the necessary permits and licenses and that they comply with current regulations.
- The present Valuation Certificate must be read in conjunction with the Valuation Report to which is referred to.

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31st July 2020

DBS Trustee Limited
(in its capacity as trustee of IREIT Global)
12 Marina Boulevard, Level 44
Marina Bay Financial Centre
Tower 3
Singapore 018982

Dear Sirs,

In connection with our proposal letter dated 6th July 2020 and your subsequent instructions, we prepared a Valuation Report of a four office buildings portfolio in Spain. Following the SISV (Singapore Institute of Surveyors and Valuers) practice guide (1/2018) for valuation reporting for REITs, Listed Companies and Initial Public Offerings (IPOs) including inclusion in Prospectus and Circulars, we hereby certify that we have provided with the following Market Value for the below stated property as at 31st July 2020:

Office building named Delta Norte 6, located at Avenida Manoteras 46 bis, 28050 Madrid, Spain

Market Value: €40,840,000
(Forty Million, Eight Hundred and Forty Thousand Euros)

Please find on next page details on the property and the valuation.

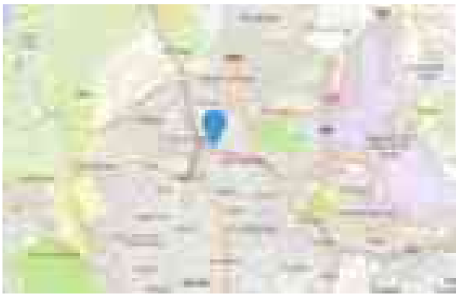
Raúl García MRICS
Director | Valuation & Consulting
Colliers International Spain

The Property

Office building located in Manoteras area, in the north of Madrid, close to the first ring road (M-30) and A-1 motorways.

The asset, developed in 2005, has 14,855 of GLA arranged in 7 floors above ground and 2 basement floors. The property includes 384 indoor car parking spaces.

Property equivalent to freehold. It is let to 7 tenants with an occupancy rate of 94.5%, with a WAULT of 2.2 years (including breaks).



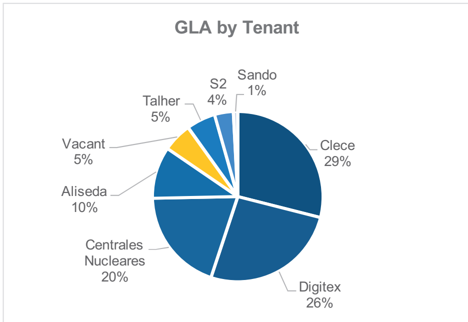
Property Areas & Letting Status

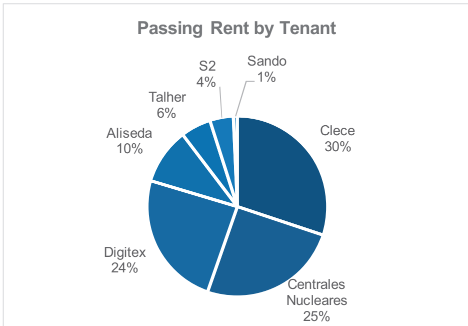
Areas & Letting Status	
Total GLA (sqm)	14.855
Let Area (sqm)	14.034
Vacant Area (sqm)	821
Physical Vacancy Rate:	5,5%
Economic Vacancy Rate:	4,8%
Number of Tenants:	7
WAULT Excluding Breaks (years):	5,7
WAULT Including Breaks (years):	2,2

Current Income	
Total Headline MGR (EUR/pa):	2.183.246
Current Distounts / Step Rents (EUR/pa)	63.705
Current Passing Rent (EUR/pa)	2.119.542
Turnover Rent (EUR/pa):	0
Mall & Other Income (EUR/pa):	0
Total Current Gross Inc. (EUR/pa):	2.119.542

Service Charges & Taxes	
Total SC & Taxes (EUR/pa):	697.467
Non Rec. Let Units (caps) (EUR/pa):	26.256
SC & Tax on Vacant (EUR/pa):	27.441
Total Non Rec. SC & tax (EUR/pa):	53.697
Non Rec.SC&tax on Gross Inc.(%):	2,5%
Current NOI (EUR/pa) (*):	2.065.845
Current NOI (EUR/pa) (**):	1.943.825

(*) before (**) after management & other expenditure





Main Valuation Assumptions

A discounted cash-flow valuation method has been used to determine the Market Value. The following are the main parameters and assumptions adopted:

Valuation	
Market Value (EUR):	**40.840.000**
Market Value per sqm (EUR/m²):	2.749
Market Value per unit (EUR/0)	-
Gross Market Value (EUR):	41.856.091
IRR:	7,00%
IRR (geared):	12,65%
Exit yield:	4,75%
Reversionary yield (gross mkt/gross val):	5,70%

Running Yield	Triple Net	Net	Gross
Year 1	2,78%	2,91%	5,31%
Year 2	4,87%	5,09%	5,51%
Year 3	4,28%	4,47%	5,18%
Year 4	4,88%	5,09%	5,60%
Year5	4,93%	5,15%	5,80%
Year 6	5,39%	5,63%	6,09%
Year 7	5,55%	5,79%	6,26%
Year 8	4,97%	5,19%	5,85%

Indexations	CPI	Market Rent
Year 1	1,00%	0,00%
Year 2	1,50%	2,00%
Year 3	1,90%	2,50%
Year 4	1,90%	1,90%
Year5	1,90%	1,90%
Years 6-10 (averg.)	1,90%	1,90%
Years 6-10 (averg.)	1,90%	1,90%

Market Rents		
Aver. ERV GLA (€/sqm/mth-€/	12,2	2.168.499
Aver. ERV Internal pk (€/#/mtl	47	218.640
Remainder ERV (EUR/pa)		0
Total Market Rent (EUR/pa):		**2.387.139**
Market Rent let units (EUR/pa):		2.279.684
Market Rent vacant units (EUR/pa):		107.455
Other Potential Income (EUR/pa):		0
Total Potential Income (EUR/pa):		2.387.139

Costs Assumptions	
Acquisition Costs:	2,50%
Sinking Fund: (*)	5,0
Other Non Recoverable Costs: (**)	1,00%
Letting Fees:	1 month's rent
Management Costs: (**)	1,00%
Exit Costs:	0,75%
CapEx (EUR/sqm)	800.000

(*) EUR/sqm/yr; (**) % of market rent

Finance Assumptions	
LTV (acquisition):	60%
LTV (capex):	60%
Total Loan/s (EUR):	24.984.000
Interest rate:	2,00%
Upfront Fees (EUR):	249.840
Annual amortizations:	0,0%
Repayment at exit:	100%

Additional Information

Registered Owner: Gloin Investments S.L.U.

Town Planning: zoned as urban land, Zone 9 Grade B Level 4. Commercial uses authorised with a building volume of 1.6sqm/sqm

Discount Rate: 7.00% to arrive to gross value.

Disclaimer & Main Assumptions

- The valuation has been prepared based on the documentation and information provided by the Client/asset managers (rent rolls, areas, property titles, rights, licenses, lease contracts, etc.).
- The properties are valued free of charges and mortgages.
- Unless otherwise stated, we have assumed that there are no construction defects, hidden defects, hazardous materials, archaeological remains, or soil contamination.
- Likewise, we have assumed that the properties are in possession of all the necessary permits and licenses and that they comply with current regulations.
- The present Valuation Certificate must be read in conjunction with the Valuation Report to which is referred to.

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31st July 2020

DBS Trustee Limited
(in its capacity as trustee of IREIT Global)
12 Marina Boulevard, Level 44
Marina Bay Financial Centre
Tower 3
Singapore 018982

Dear Sirs,

In connection with our proposal letter dated 6th July 2020 and your subsequent instructions, we prepared a Valuation Report of a four office buildings portfolio in Spain. Following the SISV (Singapore Institute of Surveyors and Valuers) practice guide (1/2018) for valuation reporting for REITs, Listed Companies and Initial Public Offerings (IPOs) including inclusion in Prospectus and Circulars, we hereby certify that we have provided with the following Market Value for the below stated property as at 31st July 2020:

Office building named Il·Lumina, located at Carrer de Gaspar Fàbregas i Roses, 81, 08950 Esplugues de Llobregat, Barcelona, Spain

Market Value: €27,000,000
(Twenty-Seven Million Euros)

Please find on next page details on the property and the valuation.

Raúl García MRICS
Director | Valuation & Consulting
Colliers International Spain

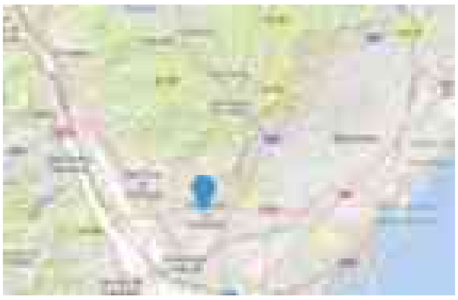
This document has been issued by Colliers International Spain, S.L.

The Property

Office building located in Espluges de Llobregat, within the Barcelona's metropolitan area.

The asset, developed in the sixties and refurbished in 2004, has 20,922 sqm of GLA arranged in 4 floors above ground, a semi-basement and 3 basements. The property includes 310 car spaces.

Property equivalent to freehold. It is let to 11 main tenants with an occupancy rate of 90.2%, with a WAULT of 3.7 years (including breaks). The main tenant is a public regional TV.



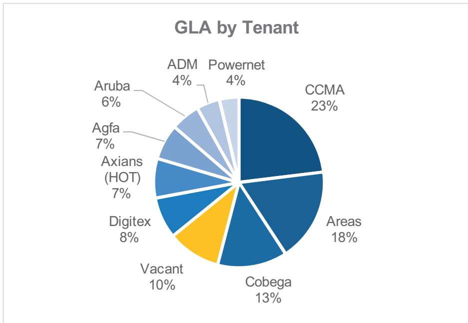
Property Areas & Letting Status

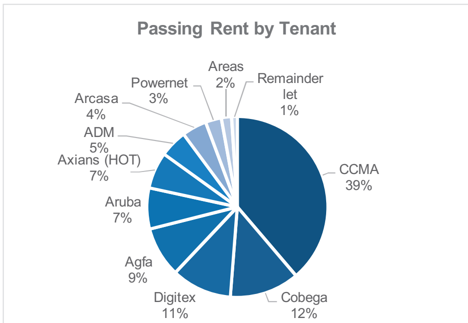
Areas & Letting Status	
Total GLA (sqm)	20.922
Let Area (sqm)	18.873
Vacant Area (sqm)	2.048
Physical Vacancy Rate:	9,8%
Economic Vacancy Rate:	10,0%
Number of Tenants:	11
WAULT Excluding Breaks (years):	3,2
WAULT Including Breaks (years):	3,7

Current Income	
Total Headline MGR (EUR/pa):	2.350.943
Current Distounts / Step Rents (EUR/pa)	387.059
Current Passing Rent (EUR/pa)	1.963.884
Turnover Rent (EUR/pa):	0
Mall & Other Income (EUR/pa):	0
Total Current Gross Inc. (EUR/pa):	1.963.884

Service Charges & Taxes	
Total SC & Taxes (EUR/pa):	924.301
Non Rec. Let Units (caps) (EUR/pa):	224.794
SC & Tax on Vacant (EUR/pa):	90.492
Total Non Rec. SC & tax (EUR/pa):	315.286
Non Rec.SC&tax on Gross Inc.(%):	16,1%
Current NOI (EUR/pa) (*):	1.648.598
Current NOI (EUR/pa) (**):	1.451.512

(*) before (**) after management & other expenditure





Main Valuation Assumptions

A discounted cash-flow valuation method has been used to determine the Market Value. The following are the main parameters and assumptions adopted:

Valuation	
Market Value (EUR):	**27.000.000**
Market Value per sqm (EUR/m²):	1.291
Market Value per unit (EUR/0)	-
Gross Market Value (EUR):	27.941.265
IRR:	8,25%
IRR (geared):	13,11%
Exit yield:	6,75%
Reversionary yield (gross mkt/gross val):	9,46%

Market Rents		
Aver. ERV GLA (€/sqm/mth-€/	9,6	2.421.559
Aver. ERV Internal pk (€/#/mth	63	169.525
Remainder ERV (EUR/pa)		51.138
Total Market Rent (EUR/pa):		**2.642.222**
Market Rent let units (EUR/pa):		2.424.050
Market Rent vacant units (EUR/pa):		218.172
Other Potential Income (EUR/pa):		0
Total Potential Income (EUR/pa):		2.642.222

Running Yield	Triple Net	Net	Gross
Year 1	2,86%	3,02%	-
Year 2	5,77%	6,10%	-
Year 3	6,54%	6,91%	-
Year 4	6,54%	6,91%	-
Year5	7,11%	7,51%	-
Year 6	6,75%	7,14%	-
Year 7	6,58%	6,96%	-
Year 8	7,55%	7,98%	-

Costs Assumptions	
Acquisition Costs:	3,50%
Sinking Fund: (*)	5,0
Other Non Recoverable Costs: (**)	1,00%
Letting Fees:	1 month's rent
Management Costs: (**)	2,50%
Exit Costs:	0,75%
CapEx (EUR/sqm)	600.000

(*) EUR/sqm/yr; (**) % of market rent

Indexations	CPI	Market Rent
Year 1	1,00%	0,00%
Year 2	1,50%	1,50%
Year 3	1,90%	1,90%
Year 4	1,90%	1,90%
Year5	1,90%	1,90%
Years 6-10 (averg.)	1,90%	1,90%
Years 6-10 (averg.)	1,90%	1,90%

Finance Assumptions	
LTV (acquisition):	60%
LTV (capex):	60%
Total Loan/s (EUR):	16.560.000
Interest rate:	3,00%
Upfront Fees (EUR):	165.600
Annual amortizations:	2,0%
Repayment at exit:	82%

Additional Information

Registered Owner: Chameleon (Esplugues) S.L.U.

Town Planning: zoned as urban land (22a), suitable for Industrial, Storage and Office uses. Maximum Buildable Area: 2 sqm/sqm

Discount Rate: 8.25% to arrive to gross value.

Disclaimer & Main Assumptions

- The valuation has been prepared based on the documentation and information provided by the Client/asset managers (rent rolls, areas, property titles, rights, licenses, lease contracts, etc.).
- The properties are valued free of charges and mortgages.
- Unless otherwise stated, we have assumed that there are no construction defects, hidden defects, hazardous materials, archaeological remains, or soil contamination.
- Likewise, we have assumed that the properties are in possession of all the necessary permits and licenses and that they comply with current regulations.
- The present Valuation Certificate must be read in conjunction with the Valuation Report to which is referred to.

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31st July 2020

DBS Trustee Limited
(in its capacity as trustee of IREIT Global)
12 Marina Boulevard, Level 44
Marina Bay Financial Centre
Tower 3
Singapore 018982

Dear Sirs,

In connection with our proposal letter dated 6th July 2020 and your subsequent instructions, we prepared a Valuation Report of a four office buildings portfolio in Spain. Following the SISV (Singapore Institute of Surveyors and Valuers) practice guide (1/2018) for valuation reporting for REITs, Listed Companies and Initial Public Offerings (IPOs) including inclusion in Prospectus and Circulars, we hereby certify that we have provided with the following Market Value for the below stated property as at 31st July 2020:

Office building named Sant Cugat Green, located at Avenida de la Generalitat 163-167, 08174 Sant Cugat del Vallés, Barcelona, Spain

Market Value: €40,490,000
(Forty Million, Four Hundred and Ninety Thousand Euros)

Please find on next page details on the property and the valuation.

Raúl García MRICS
Director | Valuation & Consulting
Colliers International Spain

This document has been issued by Colliers International Spain, S.L.

The Property

Office building located in Can Sant Joan office area.

The asset, developed in 1993, has 26,134 of GLA arranged in 5 floors above ground and 3 basement floors. The property includes 580 car parking spaces.

Property equivalent to freehold. It is let to 4 tenants with an occupancy rate of 77%, with a WAULT of 3.5 years (including breaks).

The vacant space refers to a former data centre at basement level.

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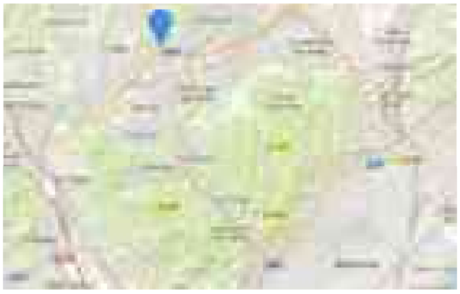


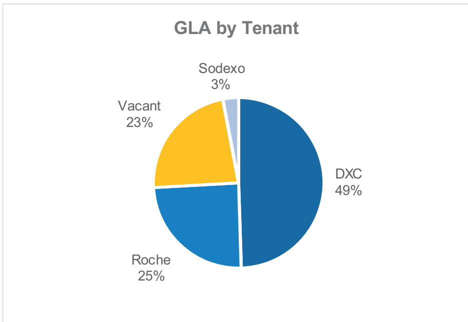
Property Areas & Letting Status

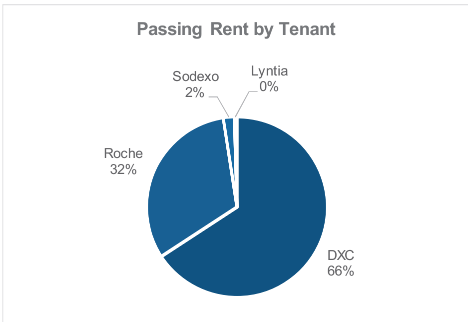
Areas & Letting Status	
Total GLA (sqm)	26.134
Let Area (sqm)	20.150
Vacant Area (sqm)	5.983
Physical Vacancy Rate:	22,9%
Economic Vacancy Rate:	6,2%
Number of Tenants:	4
WAULT Excluding Breaks (years):	6,6
WAULT Including Breaks (years):	3,5

Current Income	
Total Headline MGR (EUR/pa):	3.255.688
Current Distounts / Step Rents (EUR/pa)	0
Current Passing Rent (EUR/pa)	3.255.688
Turnover Rent (EUR/pa):	0
Mall & Other Income (EUR/pa):	0
Total Current Gross Inc. (EUR/pa):	3.255.688

Service Charges & Taxes	
Total SC & Taxes (EUR/pa):	1.481.782
Non Rec. Let Units (caps) (EUR/pa):	0
SC & Tax on Vacant (EUR/pa):	349.663
Total Non Rec. SC & tax (EUR/pa):	349.663
Non Rec.SC&tax on Gross Inc.(%):	10,7%
Current NOI (EUR/pa) (*):	2.906.024
Current NOI (EUR/pa) (**):	2.722.392

(*) before (**) after management & other expenditure





Main Valuation Assumptions

A discounted cash-flow valuation method has been used to determine the Market Value. The following are the main parameters and assumptions adopted:

Valuation	
Market Value (EUR):	**40.490.000**
Market Value per sqm (EUR/m²):	1.549
Market Value per unit (EUR/0)	-
Gross Market Value (EUR):	41.701.877
IRR:	8,25%
IRR (geared):	13,52%
Exit yield:	6,50%
Reversionary yield (gross mkt/gross val):	7,92%

Market Rents		
Aver. ERV GLA (€/sqm/mth-€/	8,8	2.747.786
Aver. ERV Internal pk (€/#/mtl	90	385.560
Remainder ERV (EUR/pa)		168.211
Total Market Rent (EUR/pa):		**3.301.557**
Market Rent let units (EUR/pa):		3.086.158
Market Rent vacant units (EUR/pa):		215.398
Other Potential Income (EUR/pa):		0
Total Potential Income (EUR/pa):		3.301.557

Running Yield	Triple Net	Net	Gross
Year 1	5,27%	5,49%	8,06%
Year 2	6,84%	7,13%	8,45%
Year 3	6,09%	6,35%	8,17%
Year 4	7,27%	7,58%	8,98%
Year5	7,46%	7,78%	9,19%
Year 6	7,59%	7,91%	9,36%
Year 7	7,65%	7,97%	9,42%
Year 8	6,91%	7,20%	8,97%

Costs Assumptions	
Acquisition Costs:	3,00%
Sinking Fund: (*)	4,5
Other Non Recoverable Costs: (**)	1,00%
Letting Fees:	1 month's rent
Management Costs: (**)	1,00%
Exit Costs:	0,75%
CapEx (EUR/sqm)	500.000

(*) EUR/sqm/yr; (**) % of market rent

Indexations	CPI	Market Rent
Year 1	1,00%	0,00%
Year 2	1,50%	2,00%
Year 3	1,90%	1,90%
Year 4	1,90%	1,90%
Year5	1,90%	1,90%
Years 6-10 (averg.)	1,90%	1,90%
Years 6-10 (averg.)	1,90%	1,90%

Finance Assumptions	
LTV (acquisition):	60%
LTV (capex):	60%
Total Loan/s (EUR):	24.594.000
Interest rate:	3,00%
Upfront Fees (EUR):	245.940
Annual amortizations:	2,0%
Repayment at exit:	82%

Additional Information

Registered Owner: Chameleon (Sant Cugat Investment 2014) S.L.U.

Town Planning: zoned as urban land, under the Can Sant Joan Sector. Main use tertiary/commercial. Building coefficient 1.1sqm/sqm

Discount Rate: 8.25% to arrive to gross value.

Disclaimer & Main Assumptions

- The valuation has been prepared based on the documentation and information provided by the Client/asset managers (rent rolls, areas, property titles, rights, licenses, lease contracts, etc.).
- The properties are valued free of charges and mortgages.
- Unless otherwise stated, we have assumed that there are no construction defects, hidden defects, hazardous materials, archaeological remains, or soil contamination.
- Likewise, we have assumed that the properties are in possession of all the necessary permits and licenses and that they comply with current regulations.
- The present Valuation Certificate must be read in conjunction with the Valuation Report to which is referred to.

SUMMARY LETTER AND EXECUTIVE SUMMARIES OF A FULL VALUATION REPORT IN RESPECT OF FOUR OFFICE BUILDINGS IN MADRID AND BARCELONA

July 2020

PREPARED FOR:
IREIT GLOBAL GROUP PTE LTD
(IN ITS CAPACITY AS
MANAGER OF IREIT GLOBAL)
&
DBS TRUSTEE LIMITED (IN ITS
CAPACITY AS TRUSTEE OF
IREIT GLOBAL)

IREIT GLOBAL GROUP PTE. LTD.
(in its capacity as manager of IREIT Global) (the "Manager")
1 Wallich Street,
#15-03 Guoco Tower
Singapore 078881

DBS TRUSTEE LIMITED
(in its capacity as Trustee of IREIT Global) (the "Trustee")
12 Marina Boulevard Level 44
Marina Bay Financial Centre Tower 3
Singapore 018982

1 August 2020

Dear Sirs,

SUMMARY LETTER IN RESPECT OF A PORTFOLIO OF FOUR OFFICE BUILDINGS, LOCATED IN MADRID AND BARCELONA ("THE PROPERTIES") ON BEHALF IREIT GLOBAL GROUP PTE. LTD AND DBS TRUSTEE LIMITED (THE COMPANY)

We are pleased to submit our summary letter, which should be read in conjunction with our Full valuation report from the 1st August 2020, which has been prepared for a potential purchase and transfer of ownership shares in the portfolio we understand between Tikehau Investment Management SAS and the REIT joint venture partner.

The analysis has been carried out in accordance with your instructions, as set out in our Letter of Engagement dated 14 July 2020.

1 SCOPE OF INSTRUCTIONS

1.1 We have considered the properties as set out below in section 1.5, which we understand are held by the Manager. We have based our analysis on the floor areas supplied to us by the Manager, which we assume to be correct.

1.2 We refer to the proposal letter dated July 14, 2020 and its subsequent confirmation of instructions to prepare a valuation report of a portfolio of four office buildings located in Madrid and in the metropolitan area of Barcelona, Spain. We understand that you need this valuation for the purposes of the potential purchase and transfer of ownership shares in the portfolio.

1.3 The effective date of the valuation is 31 July 2020.

1.4 Our report has been prepared in accordance with the RICS Valuation - Professional Standards, as amended ("the Red Book"). We confirm that we are a Valuer acting as an external Valuer, as defined within the "Red Book". Furthermore, we confirm that the Valuer conforms to the stipulated requirements.

1.5 The portfolio comprises the following properties:

Address	Address	Tenure	WAULT / WAULB (based on area)	GLA (m²)	Office Vacancy rate (%)	Major Tenant(s)	City	Floor area (built sqm)
Delta IV	Av. Manoteras 46	Freehold	3.04 / 1.53	10,156	5.76%	- Cabot Financial Spain - Aliseda Servicios de Gestión Inmobiliaria	Madrid	10,156*
Delta VI	Av. Manoteras 46BIS	Freehold	2.07 / 1.63	14,855	3.97%	- Digitex Informatica - Centrales Nucleares Almaraz Trillo	Madrid	14,855
Sant Cugat Green	Av. De La Generalitat, 163-167	Freehold	5.18 / 3.90	26,134	23.60% (due to bsmt structural vacancy, above ground fully let)	- ROCHE Diagnostics - DXC Technology Servicios España	Sant Cugat del Valles	26,134
Il·lumina	Carrer De Gaspar Fábregas I Roses, 81	Freehold	2.87 / 0.73	20,923	31.71%	- Corporació Catalana de Mitjans Audiovisuals - Cobega Embotellador	Esplugues de Llobregat	20,923

*The basement area (101.03m²) in Delta IV has been excluded as we consider this as non lettable area.

2 BASIS OF VALUATION

2.1 It is our understanding that you require us to report in accordance with the Red Book. In the absence of instructions to the contrary (e.g. requesting a valuation on the basis of Fair Value), the valuation has been prepared on the basis as set out subsequently. The basis of valuation of properties classified as investments is Market Value. Valuations based on Market Value shall adopt the definition and the conceptual framework settled by the International Valuation Standards Council (IVSC), defined in the Red Book as follows:

MARKET VALUE

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

As instructed and in accordance with the requirements of the Red Book, the valuation has been prepared on the above basis.

Our cashflow analyses of the properties include technical capex estimations based on the Technical Due Diligence report carried out by Arcadis dated on 29th November 2019.

3 ASSUMPTIONS, DEPARTURES AND RESERVATIONS

3.1 We have prepared our valuation on the basis as set out in 2.1 above.

3.2 We have made no Special Assumptions and our valuation is not subject to any special instructions, nor departures from the Red Book.

3.3 The Glossary within the Red Book defines a Special Assumption as an assumption that assumes facts that differ from the actual facts existing as at the valuation date.

RESERVATION

The valuation is not subject to any reservations in relation to restricted information or property inspection (except for that referred to in paragraph 4 below, regarding floor areas).

4 INSPECTIONS

4.1 In accordance with normal market practice in Spain we have not measured the properties, and, for the purpose of this valuation, we have relied on areas provided to us by the Manager, which we rely upon as being an accurate and correct estimation of the Gross Lettable Area of each property.

4.2 For the purpose of this valuation exercise we inspected internally and externally the properties in July 2020. The two properties in Madrid were inspected by Juan Abellan and the two properties in Barcelona were inspected by Laura Gonzalez, MRICS.

5 GENERAL PRINCIPLES

5.1 In addition to information established by us, we have relied on the information obtained from the Manager. We have relied on this being correct and complete and on there being no undisclosed matters which would affect our valuation.

5.2 Our valuation of the properties is provided to you without reference to any Special Assumptions.

5.3 A purchaser of the properties is likely to obtain further advice or verification relating to certain matters referred to above before proceeding with a purchase. You should therefore note the conditions on which this update valuation has been prepared.

5.4 Our valuation approach has been supported by a 10-year cashflow, incorporating projections of future income and expenditure, which are not predictions of the future, but our best estimate of current market thinking on likely future cashflow. These estimates constitute our judgment as at the date of this report and may be subject to change in the future, hence we make no warranty to representation that these projections of cashflow will materialise. Our cashflow valuation focus is on the initial running yield as well as a suitable IRR rate based on our input exit yield. We also focus on the price devaluation of the asset on a price per square metre capital value basis as compared to other transaction comparables.

5.5 Our opinion of value is based on an analysis of recent market transactions (both rental and sale prices/ investment yields), supported by market knowledge derived from our agency experience. Our valuation is supported by this market evidence.

5.6 A valuation is a prediction of price, not a guarantee. By necessity, it requires the valuer to make subjective judgments that, even if logical and appropriate, may differ from those made by another valuer. Historically it has generally been considered that valuers can be within a range of possible values.

5.7 The purpose of the valuation does not alter the approach to the valuation.

5.8 Property values can change substantially, even over short periods of time, and so our opinion of value could differ significantly if the date of valuation was to change. If you wish to rely on our valuation as being valid on any other date you should consult us first.

5.9 Should you contemplate a sale, we strongly recommend that the Properties be given proper exposure to the market.

5.10 We recommend that you keep the valuation of the Properties under frequent review.

5.11 You should not rely on this report unless any reference to tenure, tenancies and legal title has been verified as correct by your legal advisers.

5.12 This Summary Letter should be read in conjunction with our full Valuation Report from 1st August 2020 as well as our terms of engagement and in particular our Standard Terms and Conditions of Appointment of Cushman & Wakefield as Valuers, a further copy of which is attached as an appendix to this Summary Letter (Appendix I). We would specifically draw your attention to paragraph 11.3 therein which describes the extent of our professional liability to you.

6 MARKET VALUATION UNCERTAINTY – COVID 19

6.1. The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries.

6.2. Market activity is being impacted in many sectors. As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID 19 means that we are faced with an unprecedent set of circumstances on which to base a judgement.

6.3. Our valuation is therefore reported on the bases of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Given the unknown future impact that COVD-19 might have on the real estate market, we recommend that you keep the valuation of this property under frequent review.

6.4. For the avoidance of doubt, the inclusion of the "material valuation uncertainty" declaration above does not mean that the valuation cannot be relied upon. It is used in order to be clear and transparent with all parties, in a professional manner that - in the current extraordinary circumstances – less certainty can be attached to the valuation than would otherwise be the case.

7 VALUATION

7.1 Subject to the foregoing, in particular the basis of value set out in Sections 2 and 3 above, we are of the opinion that the Market Value (net of acquisition costs) of the interests held in the properties as at 31 July 2020 is as follows:

Address	City	Market Value as at 31/07/2020 (€)
Av. Manoteras, 46	Madrid	**29,650,000**
Av. Manoteras, 46Bis	Madrid	**38,850,000**
Av. De La Generalitat, 163-167	Sant Cugat del Valles	**40,750,000**
Carrer De Gaspar Fábregas I Roses, 81	Esplugues de Llobregat	**25,750,000**
Total		**135,000,000**

The total of the above is:

135,000,000

(ONE HUNDRED AND THIRTY-FIVE MILLION EUROS)

The valuation represents the aggregate of the values attributable to the individual properties and should not be regarded as an opinion of value of the portfolio as a whole in the context of a sale as a single lot.

8 DISCLOSURE

The valuation was prepared by James Bird MRICS, Laura Gonzalez MRICS, Eduardo Díaz and reviewed by Tony Loughran MRICS. This instruction has been performed by the Valuation & Advisory team led by Tony Loughran MRICS. The Market Value has been performed by James Bird, Partner of Valuation & Advisory Spain assisted by appropriately qualified staff. James Bird is an experienced appraiser in the Spain market with excellent breadth and depth of experience in the valuation of the type of asset concerned.

We confirm that we are not aware of any conflict of interest that would interfere with our ability to give an independent, professional, unbiased and objective opinion of the value of the properties.

We are authorised under Spanish law to practise as a valuer.

9 CONFIDENTIALITY AND RESPONSIBILITY

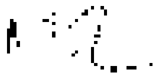
Our valuation is confidential to you, for your sole use and for the specific purpose stated. We will not accept responsibility to any third party in respect of its contents.

10 DISCLOSURE AND PUBLICATION

You must not disclose the contents of this report to a third party in any way without first obtaining our written approval to the form and context of the proposed disclosure. You must obtain our consent, even if we are not referred to by name or our valuation report is to be combined with others. We will not approve any disclosure that does not refer sufficiently to any Special Assumptions or Departures that we have made.

Yours faithfully

Signed for and on behalf of Cushman & Wakefield Sucursal en España.



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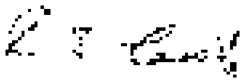

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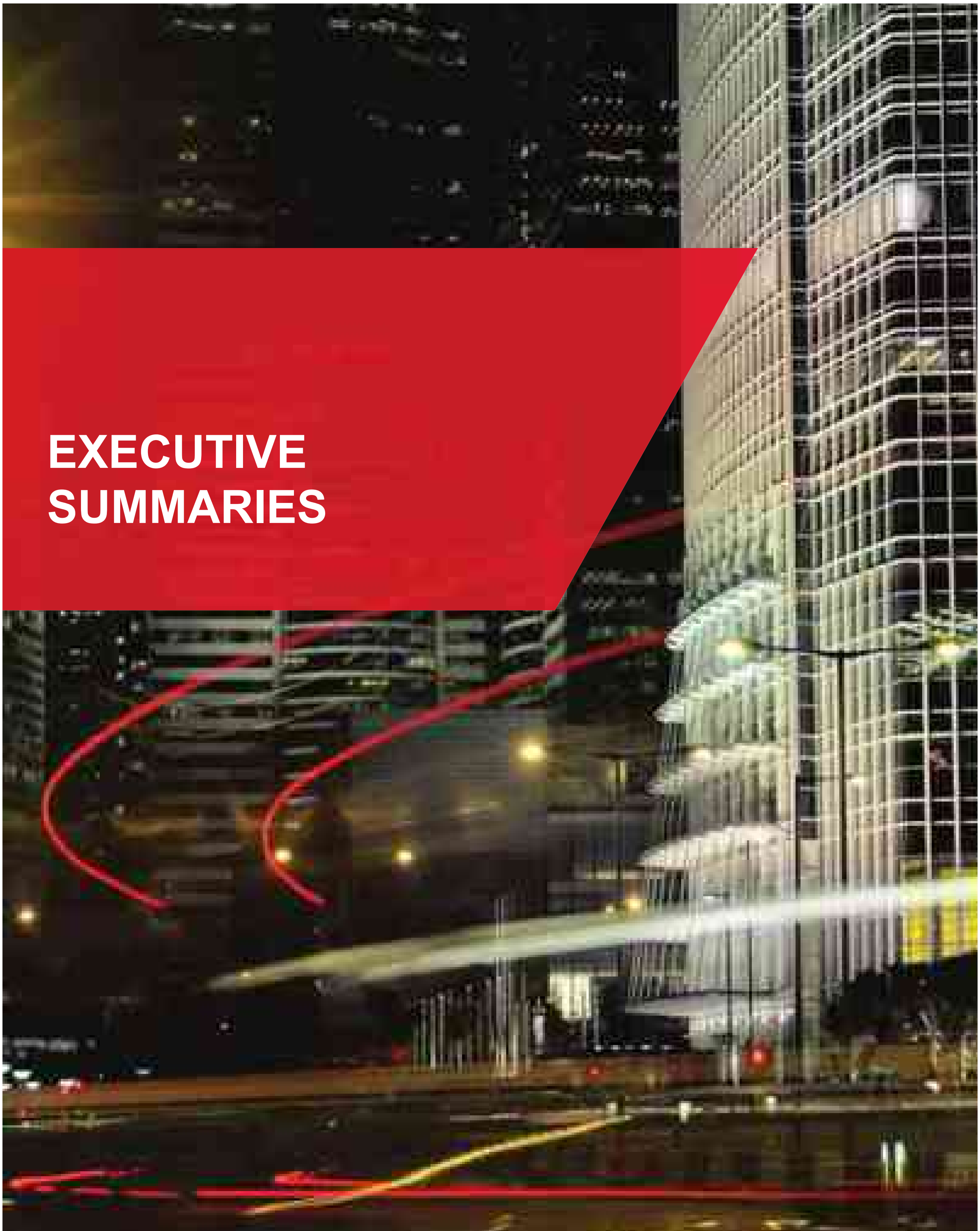
EXECUTIVE SUMMARIES



Valuation of:

DELTA IV OFFICE BUILDING

Prepared for

IREIT GLOBAL GROUP PTE LTD (IN ITS CAPACITY AS MANAGER OF IREIT GLOBAL) AND DBS TRUSTEE LIMITED (IN ITS CAPACITY AS TRUSTEE OF IREIT GLOBAL)

Valuation Date:

JULY 2020

EXECUTIVE SUMMARY

DELTA IV BUILDING, AVENIDA DE MANOTERAS 46,
MADRID (MADRID)

This Executive Summary should only be read in conjunction with the Summary Letter preceding it and with reference to our full Valuation Report also provided.

Property Summary	
Location	The Property is located on Avenida de Manoteras 46, Madrid, within the consolidated business area office of Manoteras, situated on the north side of Madrid, just outside the M-30 ring road which delimits the city centre.
Description	The Property comprises an office building which was refurbished in 2015, achieving the LEED Gold certification. The building comprises two basement parking levels and five upper levels (ground floor and four upper floors).
Floor area	Current built area is of 10,156m² (excluding basement parking areas), according to the Rent Roll provided by the Client. Constructed built area according to cadastral information is of 16,442 m². (excluding basement parking areas).
Vacancy rate (based on area)	5.8%
Approximate year of construction	The building has been built in 2005 and refurbished in 2015.
Specification	From our commercial inspection, we can comment that the Property is in a generally good state of repair and condition given its age, specifications and type of use. From the Technical DD summary report provided by yourselves, we understand that, although certain Capex items exist, no major issues have been identified.
Deleterious materials	We cannot verify the absence of deleterious materials from our commercial (non-technical) inspection. For the purposes of our analysis, we have assumed there are no deleterious materials.
Environmental issues	We have not received an Environmental Report from your technical advisors. For our analysis, we have assumed there are no environmental issues; we have not been able to reflect any potential costs associated with decontamination given we have not be provided with such expert information.
Tenure	Freehold

Income Summary	
Tenancies	The Property is currently leased on a multitenant basis (eight tenants: Gesif, Anticipa RE, Construcciones Sancho, Canal Cosmo., E-voluciona Aliseda, Cronocoffee and Vodafone).
Contractual Rent	€1,620,693
Market Rent	€1,816,465, including €82,253 corresponding to vacant areas (548m² of office spaces and 7 parking spaces).
Market Value and Yields	
Valuation Date	31 July 2020
Valuation Approach	Our valuation approach has been supported by a 10-year cashflow, incorporating projections of future income and expenditure, which are not predictions of the future, but our best estimate of current market thinking on likely future cashflow. These estimates constitute our judgment as at the date of this report and may be subject to change in the future, hence we make no warranty to representation that these projections of cashflow will materialise.
WAULT / WAULB (based on area)	3.04 / 1.53 years
WAULT / WAULB (based on rent)	3.08 / 1.53 years
Gross Potential Income (Yr.1)	€1,739,736 including potential rent from vacant areas.
Property Management Fee and Property Tax (Yr.1)	Passed on to the tenants via service charge budget.
Other Operating Expenses and Rental Losses (Yr.1)	€359,613
Net Income (Yr.1)	€1,380,123
Market Value	€29,650,000
Market Value (€/sqm)	€2,920 per m²
Triple Net Initial Yield (Yr.1) (NOI / Purchase Price + Acq Cost + Capex)	4.51%
Semi Net Initial Yield (Yr.1) (NOI / Purchase Price + Capex)	4.65%
Reversionary Gross Yield	6.12%
Exit Yield Gross	5.50%
Average 10-Year Semi Net Initial Yield	5.70%
IRR (10 year ungeared)	7.84%

Key Investment / Market Considerations

Strengths / Opportunities

- Macro location: The property is located in the business area of Manoteras, on the north side of Madrid. The business area is well connected via public transport with Madrid's city centre. The area is connected via light rail which connects Virgen del Cortijo (situated approximately 200 metres away from the property) with Pinar de Chamartín. Additionally, there is a suburban railway which connects Fuente La Mora (approximately situated 850 metres from the property) with Madrid's city centre (Chamartín, Nuevos Ministerios or Atocha).
- Micro location: Established office area home to a number of well-known companies (Deloitte, Everis, Liberbank and BBVA, amongst others). Within a 5-minute walk from the property there is a leisure scheme with a wide offer of restaurants and a 20-screen cinema. Within the immediate surroundings of the property we find several restaurants and there is a residential area where schools and health centres are located. At the other side of the A-1 road the Four Towers Business Area is located on Paseo de la Castellana (Madrid´s main city centre thoroughfare).
- The property has a predominant façade to Avenida de Manoteras. The property maintains its original exterior appeal with a fully refurbished and renovated interior.
- Relatively large and flexible office modules with good floor-to-ceiling height (above 3.0m).
- Positive market indicators for both the occupational and the investment markets.
- Rents in this area have increased continually since 2014.

Weaknesses / Risks

- Manoteras business area suffers from heavy traffic in peak hours.
- Markets may fluctuate in the near future due to new market conditions and the extraordinary events arising from the COVID-19 crisis. We comment on material market uncertainty, please see front section of this report.
- Significant exposure to a single tenant (Gesif) which occupies 4,340m² (representing approximately 48% of the total let area). Nevertheless, the tenant extended their office area in end 2019.

Valuation of:

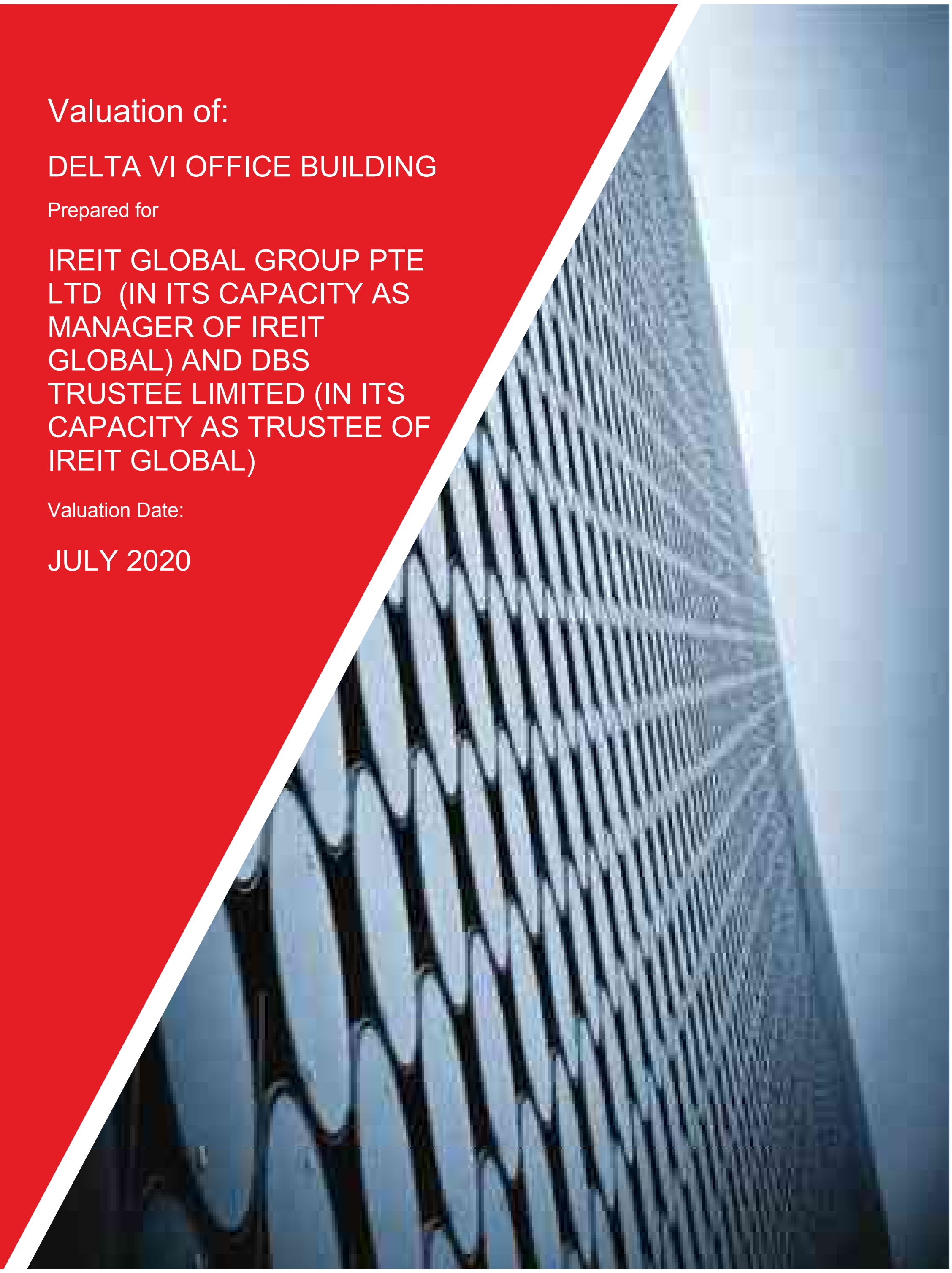
DELTA VI OFFICE BUILDING

Prepared for

IREIT GLOBAL GROUP PTE LTD (IN ITS CAPACITY AS MANAGER OF IREIT GLOBAL) AND DBS TRUSTEE LIMITED (IN ITS CAPACITY AS TRUSTEE OF IREIT GLOBAL)

Valuation Date:

JULY 2020



EXECUTIVE SUMMARY

DELTA VI BUILDING, AVENIDA DE MANOTERAS 46BIS,
MADRID (MADRID)

This Executive Summary should only be read in conjunction with the Summary Letter preceding it and with reference to our full Valuation Report also provided.

Property Summary	
Location	The Property is located on Avenida de Manoteras 46, Madrid, within the consolidated business area office of Manoteras, situated on the north side of Madrid, just outside the M-30 ring road which delimits the city centre.
Description	The Property comprises an office building which was refurbished in 2015, achieving the LEED Gold certification. The building comprises two basement parking levels and seven upper levels (ground floor + six upper floors).
Floor area	Current built area is of 14,855m² (excluding basement parking areas), according to the Rent Roll provided by the Client. Constructed built area according to cadastral information is of 12,908 m² (excluding basement parking areas).
Vacancy rate (based on area)	4%
Approximate year of construction	The building was built in 2005 and refurbished in 2015.
Specification	From our commercial inspection, we can comment that the Property is in a generally good state of repair and condition given its age, specifications and type of use. From the Technical DD summary report provided by yourselves, we understand that, although certain Capex items exist, no major issues have been identified.
Deleterious materials	We cannot verify the absence of deleterious materials from our commercial (non-technical) inspection carried out in November 2019. For the purposes of our analysis, we have assumed there are no deleterious materials.
Environmental issues	For our analysis, we have assumed there are no environmental issues; we have not been able to reflect any potential costs associated with decontamination, if necessary, given that we have not been provided with any environmental reporting. However, prior to receiving any such reporting, we would recommend consulting this matter with environmental experts to obtain an accurate verification.
Tenure	Freehold

Income Summary	
Tenancies	The Property is currently leased on a multitenant basis (7 tenants: Centrales Nucleares Almaraz y Trillo, Talher S.A, Clece S.A., Digitex Informática S.L., S2 Grupo, Aliseda and Construcciones Sánchez Dominguez – Sando S.A.).
Contractual Rent	€2,086,115
Market Rent	€2,560,095, including €165,629 corresponding to vacant areas (564m² of office spaces, 257m² of storage areas and 50 parking spaces).
Market Value and Yields	
Valuation Date	31 July 2020
Valuation Approach	Our valuation approach has been supported by a 10-year cashflow, incorporating projections of future income and expenditure, which are not predictions of the future, but our best estimate of current market thinking on likely future cashflow. These estimates constitute our judgment as at the date of this report and may be subject to change in the future, hence we make no warranty to representation that these projections of cashflow will materialise.
WAULT / WAULB (based on area)	2.07 / 1.63 years
WAULT / WAULB (based on rent)	2.06 / 1.61 years
Gross Potential Income (Yr.1)	€2,315,565 including potential rent from vacant areas.
Property Management Fee (Yr.1) and Property Tax (Yr.1)	Passed on to the tenants via service charge budget.
Other Operating Expenses and Rental Losses (Yr.1)	524,865
Net Income (Yr.1)	€1,790,700
Market Value	€38,850,000
Market Value (€/sqm)	€2,615 per m²
Triple Net Initial Yield (Yr.1) (NOI / Purchase Price + Acq Cost + Capex)	4.47%
Semi Net Initial Yield (Yr.1) (NOI / Purchase Price + Capex)	4.61%
Reversionary Gross Yield	6.62%
Exit Yield Gross	5.50%
Average 10-Year Semi Net Initial Yield	5.88%
IRR (10 year ungeared)	8.40%

Key Investment / Market Considerations

Strengths / Opportunities

- Macro location: The property is located in the business park of Manoteras, on the north side of Madrid. The business park is well connected via public transport with Madrid's city centre. The area is connected via light rail which connects Virgen del Cortijo (situated approximately 200 metres away from the property) with Pinar de Chamartín. Additionally, there is a suburban railway which connects Fuente La Mora (approximately situated 850 metres from the property) with Madrid's city centre (Chamartín, Nuevos Ministerios or Atocha).
- Micro location: Established office area home to a number of well-known companies (Deloitte, Everis, Liberbank and BBVA, amongst others). Within a 5-minute walk from the property there is a leisure scheme with a wide offer of restaurants and a 20-screen cinema. Within the immediate surroundings of the property we find several restaurants and there is a residential area where schools and health centres are located. At the other side of the A-1 road the Four Towers Business Area is located on Paseo de la Castellana (Madrid´s main city centre thoroughfare).
- The property has a predominant façade to Avenida de Manoteras. The property maintains its original exterior appeal with a fully refurbished and renovated interior.
- Relatively large and flexible office modules with good floor-to-ceiling height (above 3.0m).
- Positive market indicators for both the occupational and the investment markets.
- Rents in this area have increased continually since 2014.

Weaknesses / Risks

- Manoteras business area suffers from heavy traffic at peak hours.
- Significant exposure to a single tenant (Clece S.A.) which occupies 4,300m² (representing approximately 38% of the total let area). Nevertheless, we have been informed by the Client that there are agreed terms with the tenant for another two years of obligatory period.
- Markets may fluctuate in the near future due to new market conditions and the extraordinary events arising from the COVID-19 crisis. We comment on material market uncertainty, please see front section of this report.

Valuation of:

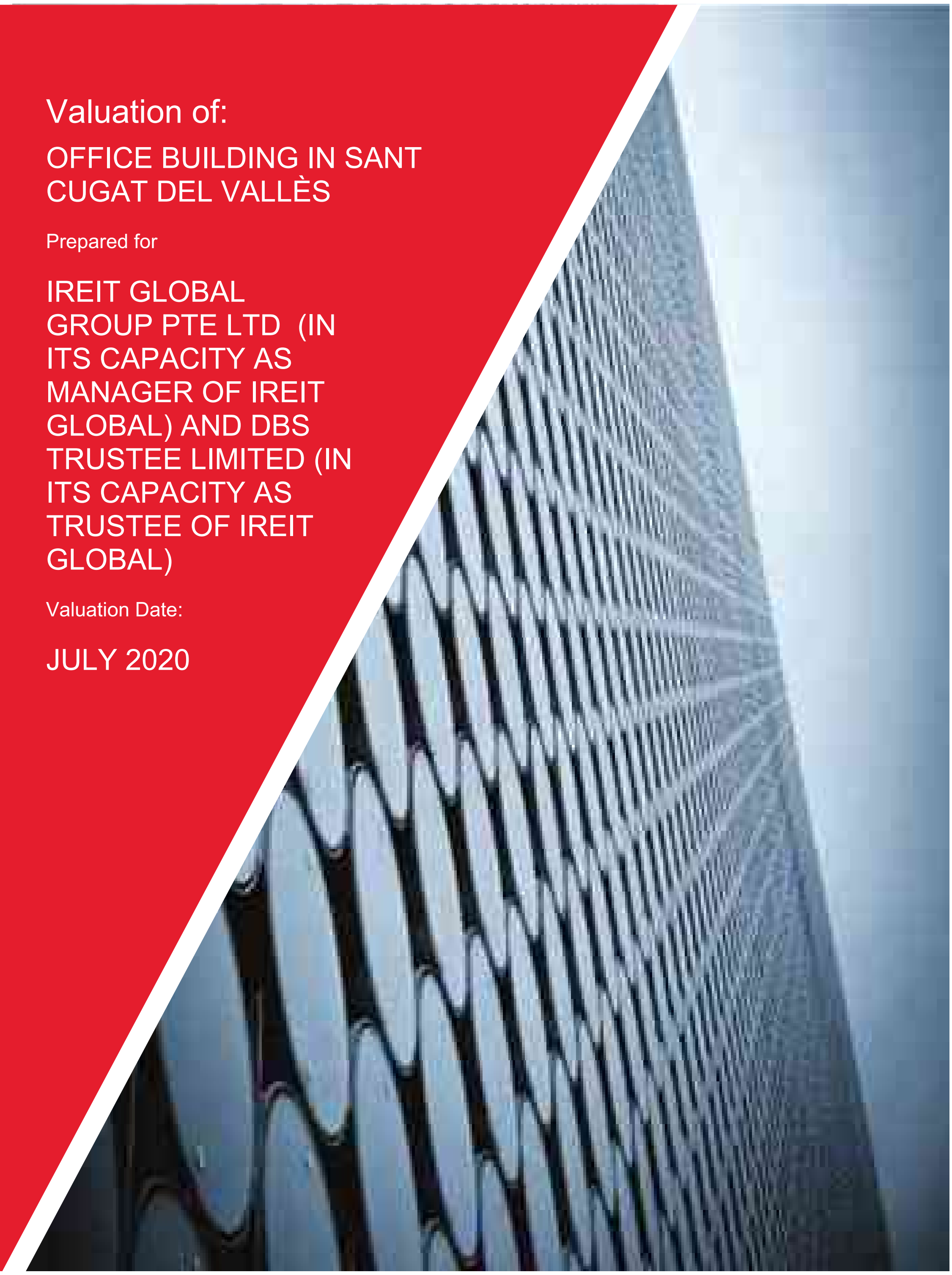
OFFICE BUILDING IN SANT CUGAT DEL VALLÈS

Prepared for

IREIT GLOBAL GROUP PTE LTD (IN ITS CAPACITY AS MANAGER OF IREIT GLOBAL) AND DBS TRUSTEE LIMITED (IN ITS CAPACITY AS TRUSTEE OF IREIT GLOBAL)

Valuation Date:

JULY 2020



EXECUTIVE SUMMARY

SANT CUGAT GREEN OFFICE BUILDING, AVENIDA DE LA GENERALITAT 163 - 167, SANT CUGAT DEL VALLÈS (BARCELONA)

This Executive Summary should only be read in conjunction with the Summary Letter preceding it and with reference to our full Valuation Report also provided.

Property Summary	
Location	The Property is located in Can Sant Joan Business Park (Sant Cugat del Vallès), the primary office hub within the sub-market situated around 20 kilometres north-west of central Barcelona.
Description	The Property comprises a representative and well-maintained LEED Gold certified office building with 26,134 m² of GLA distributed over the basement levels, ground and four upper floors. In addition, the Property has a segregated parking area with 580 parking spaces.
Floor area	Current Built Area (GLA): 26,134m², according to the Rent Roll provided by the vendor. Constructed built area according to cadastral information: 29,934 m².
Vacancy rate (based on area)	23.6% (such vacancy is due to the large basement areas assumed as a constant vacancy under our analysis - previously a data center area - whereas the above ground floors of the building are fully let).
Approximate year of construction	1993 (Cadastral information) - completed we understand by 1995. The building was the historic Southern European Headquarters of Deutsche Bank; it was originally tailor-built for their own use.
Specification	From our commercial inspection, we can comment that the Property is in a generally good state of repair and condition given its age, specifications and type of use (office/TV Studios). From the Technical DD summary report provided by the asset managers, Catella Properties, in 2019, we understand that, although certain Capex items exist, no major issues have been identified.
Deleterious materials	We cannot verify matters in relation to deleterious materials from our commercial (non-technical) inspection. However, no obvious potential or suspected asbestos containing materials (ACMs) have been observed. Given the original year of the site construction (1993) and the prohibition of asbestos use in Spain since 2002, the potential presence of ACMs to be present in building materials, used during the original construction and installations works cannot be fully discarded. For our analysis we have assumed there are no deleterious materials. We recommend checking these issues with your technical advisors.
Environmental issues	For our analysis, we have assumed there are no environmental issues; we have not been able to reflect any potential costs associated with decontamination given we have not been provided with such expert information. As we have no received any Environmental Due Diligence report, we would recommend consulting this matter with environmental experts to obtain an accurate verification.
Tenure	Freehold

Income Summary	
Tenancies	The Property is currently leased on a multi-tenant basis (3 tenants: Roche, DXC Technologies and Sodexo).
Contractual Rent	€3,255,676 (total passing rent assumed in Year1 (before cashflow CPIs added), net of contractual discounts and service charges)
Market Rent	€3,263,436 (excluding constant vacancy areas assumed: €2,994,188)
Market Value and Yields	
Valuation Date	31 July 2020
Valuation Approach	Our valuation approach has been supported by a 10-year cashflow, incorporating projections of future income and expenditure, which are not predictions of the future, but our best estimate of current market thinking on likely future cashflow. These estimates constitute our judgment as at the date of this report and may be subject to change in the future, hence we make no warranty to representation that these projections of cashflow will materialise.
WAULT / WAULB (based on area)	5.18 / 3.90 years
WAULT / WAULB (based on rent)	5.22 / 3.71 years
Gross Income (Yr.1)	€3,522,097
Property Management Fee (Yr.1)	From the information received, we understand Management Fees are included within the Service Charge Budget.
Property Tax (Yr.1)	€293,000
Other Operating Expenses (Yr.1)	€1,188,580
Net Income (Yr.1)	€2,894,903
Market Value	€40,750,000
Market Value (€/sqm)	€1,559 per sqm (€2,104 per sqm excluding structural vacancy areas)
Triple Net Initial Yield (Yr.1) (NOI / Purchase Price + Acq Cost + Capex)	6.80%
Semi Net Initial Yield (Yr.1) (NOI / Purchase Price + Capex)	7.06%
Reversionary Gross Yield	8.01%
Exit Yield Gross	6.75%
Average 10-Year Semi Net Initial Yield	6.64%
IRR (10 year ungeared)	8.81%

Key Investment / Market Considerations

Strengths / Opportunities

- Macro location: Sant Cugat del Vallès represents an attractive and well-known location within the Metropolitan Area of Barcelona due to its proximity and very good communications with Barcelona's City centre (20 km distance) and its natural and peaceful surroundings. It has become a consolidated office/ business park destination within the Periphery sub-market and one of the most expensive locations within the residential market (good schools, golf courses etc).
- Micro location: The site address is Avenida Generalitat 163-167, within Can Sant Joan Business Park, the primary and main office park hub within the area. A large number of companies have established within the park: HP, Grifols or Banc Sabadell for instance. The Property is very accessible from the C-16 and AP-7 highways, both located at around 2 kilometres distance from the Property.
- Very well-maintained office building with a prominent position and visibility from the AP-7 and C-16. Since its construction, the Property has represented the headquarters/ key offices for well-known companies such as Deutsche Bank, La Caixa ('CPD'), HP, and currently DCX (HP) and Roche.
- Large floorplates with more than 3,000 m² situated around a large central atrium which benefit from good levels of natural light.
- The existing car parking provision is good (interior/ exterior) which is important in its location.
- Positive trend for both the occupational and office investment markets.
- From our commercial point of view, we have reflected a broadly estimated (non-technical) Capex allowance at the expiry of the two main tenant leases to reflect a provision in the medium/ long term given its likely need for image/ interior area improvements for competitive re-commercialisation purposes.

Weaknesses / Risks

- Historic vacancy on basement levels. Specific use limited to special demand interested in Data Centre facilities. Although the possibility of being re-let cannot be discarded, Capex provisions should be considered simultaneously in order to make the existing vacant data centre areas competitive in terms of new market standards (likely removal of old installations equipment and potential Landlord capital contribution requirements towards new installations to secure solid interest for example). We view the vacant basement areas as an area of upside opportunity for a purchaser implicit in the market pricing whilst we do not attribute a direct positive revenue from it in our cashflow analysis.
- The current state of the Property as well as its commercial appeal appears to be good for its existing use and construction year, however, some Capex provision during the medium-long term future cannot be discarded in order to repair/ improve some structural elements as well as to adapt the building to newer market standards at lease expiries in the case tenants vacate (Roche's exit in 2022 being confirmed for example).
- Distance to public transport connections. Various competing buildings within Can Sant Joan business park benefit from a closer distance to public transport (the FCC train station).
- The outbreak of the COVID-19 coronavirus has been devastating to all those affected worldwide. The situation has impacted global financial markets, bringing significant uncertainty. Governments and central banks have been mandated to respond to the emergency. The lockdown has caused a slowdown in Real Estate occupier and investor activity. The recent reopening of stores and gradual return to offices has commenced with activity now starting its recovery.

Valuation of:

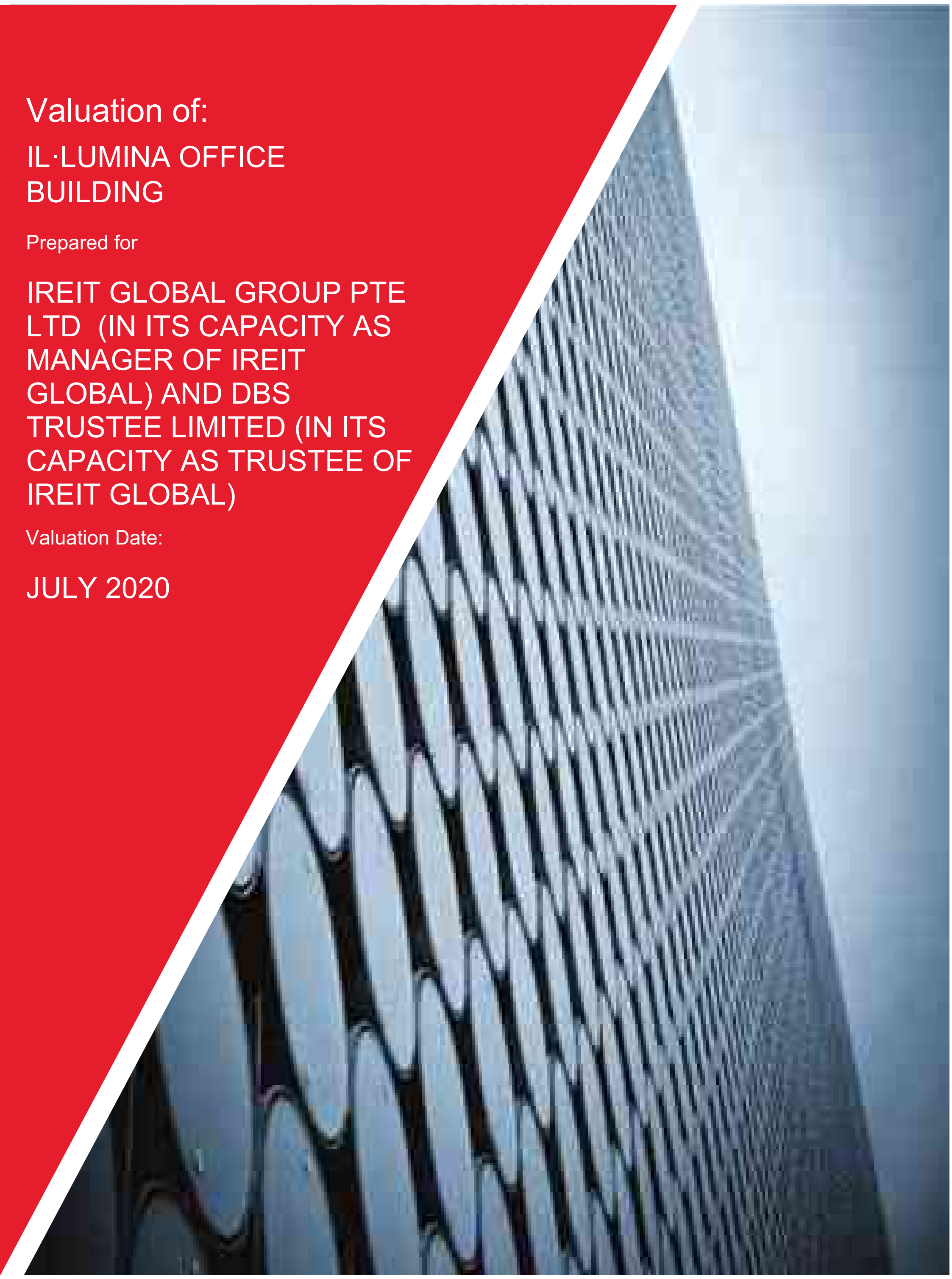
IL·LUMINA OFFICE BUILDING

Prepared for

IREIT GLOBAL GROUP PTE LTD (IN ITS CAPACITY AS MANAGER OF IREIT GLOBAL) AND DBS TRUSTEE LIMITED (IN ITS CAPACITY AS TRUSTEE OF IREIT GLOBAL)

Valuation Date:

JULY 2020



EXECUTIVE SUMMARY

IL·LUMINA BUILDING, C/GASPAR FABREGAS I ROSES 81,
ESPLUGUES DE LLOBREGAT (BARCELONA)

This Executive Summary should only be read in conjunction with the Summary Letter preceding it and with reference to our full Valuation Report also provided.

Property Summary	
Location	The Property is located in 'El Gall Industrial Estate', in Esplugues de Llobregat, a mix use office-industrial area located around 11 kilometres west of central Barcelona.
Description	The Property comprises an industrial multi-storey building which was fully refurbished we understand in 2004 into a modern office/ studio building comprising 3 basement levels and ground floor to 3rd floor.
Floor area	Current Built Area (GLA): 20,923m², according to the Rent Roll provided by the Company. Constructed built area according to cadastral information: 29,934 m².
Vacancy rate (based on area)	31.71%
Approximate year of construction	Fully refurbished in 2004 (industrial use prior, original build date unknown).
Specification	From our commercial inspection, we can comment that the Property is in a generally good state of repair and condition given its age, specifications and type of use (office/TV Studios). From the Technical DD summary report provided by yourselves, we understand that no major issues have been identified.
Deleterious materials	We cannot verify in relation to deleterious materials from our commercial (non-technical) inspection. However, no obvious potential or suspected asbestos containing materials (ACMs) have been previously reported or observed. Given the original year of the site construction (old Corberó fridge production industrial warehouse before its full refurbishment in 2004) and the prohibition of asbestos use in Spain since 2002, the potential presence of ACMs to be present in building materials, used during the original construction and installations works cannot be fully discarded. For our analysis, we have assumed there are no deleterious materials. We recommend checking these issues with your technical advisors.
Environmental issues	We have not received an Environmental Report from your technical advisors; we would comment that, due to the long historical use of industrial activities surrounding the site and the characteristics of the subsoil, the risk of soil contamination from off-site contaminating sources cannot be discarded. We would recommend consulting this matter with environmental experts to obtain an accurate verification. For our analysis, we have assumed there are no environmental issues; we have not been able to reflect any potential costs associated with decontamination given we have not be provided with such expert information.
Tenure	Freehold

Income Summary	
Tenancies	The Property is currently leased on a multitenant basis (10 tenants, 9 actual tenants with SeeSound having vacated and Areas as a new tenant signed to commence from 1st October 2020).
Contractual Rent	€1,627,256 (total passing rent assumed in Year1 (before cashflow CPIs added), net of contractual discounts and service charges)
Market Rent	€2,313,461 (Including Constant Vacancy Modules) **€2,209,825** (Excluding Constant vacancy areas)
Market Value and Yields	
Valuation Date	31 July 2020
Valuation Approach	Our valuation approach has been supported by a 10-year cashflow, incorporating projections of future income and expenditure, which are not predictions of the future, but our best estimate of current market thinking on likely future cashflow. These estimates constitute our judgment as at the date of this report and may be subject to change in the future, hence we make no warranty to representation that these projections of cashflow will materialise.
WAULT / WAULB (based on area)	2.87 / 0.73 years
WAULT / WAULB (based on rent)	2.63 / 0.50 years
Gross Income (Yr.1)	€2,443,101
Property Management Fee (Yr.1)	From the information received, we understand Management Fees are included within the Service Charge Budget.
Property Tax (Yr.1)	€107,000
Other Operating Expenses (Yr.1)	€809,965
Net Income (Yr.1)	€1,584,929
Market Value	€25,750,000
Market Value (€/sqm)	€1,231 per sqm (€1,634 per sqm excluding structural vacancy areas)
Triple Net Initial Yield (Yr.1) (NOI / Purchase Price + Acq Cost + Capex)	5.79%
Semi Net Initial Yield (Yr.1) (NOI / Purchase Price + Capex)	6.01%
Reversionary Gross Yield	8.98%
Exit Yield Gross	7.00%
Average 10-Year Semi Net Initial Yield	7.58%
IRR (10 year ungeared)	10.19%

Key Investment / Market Considerations

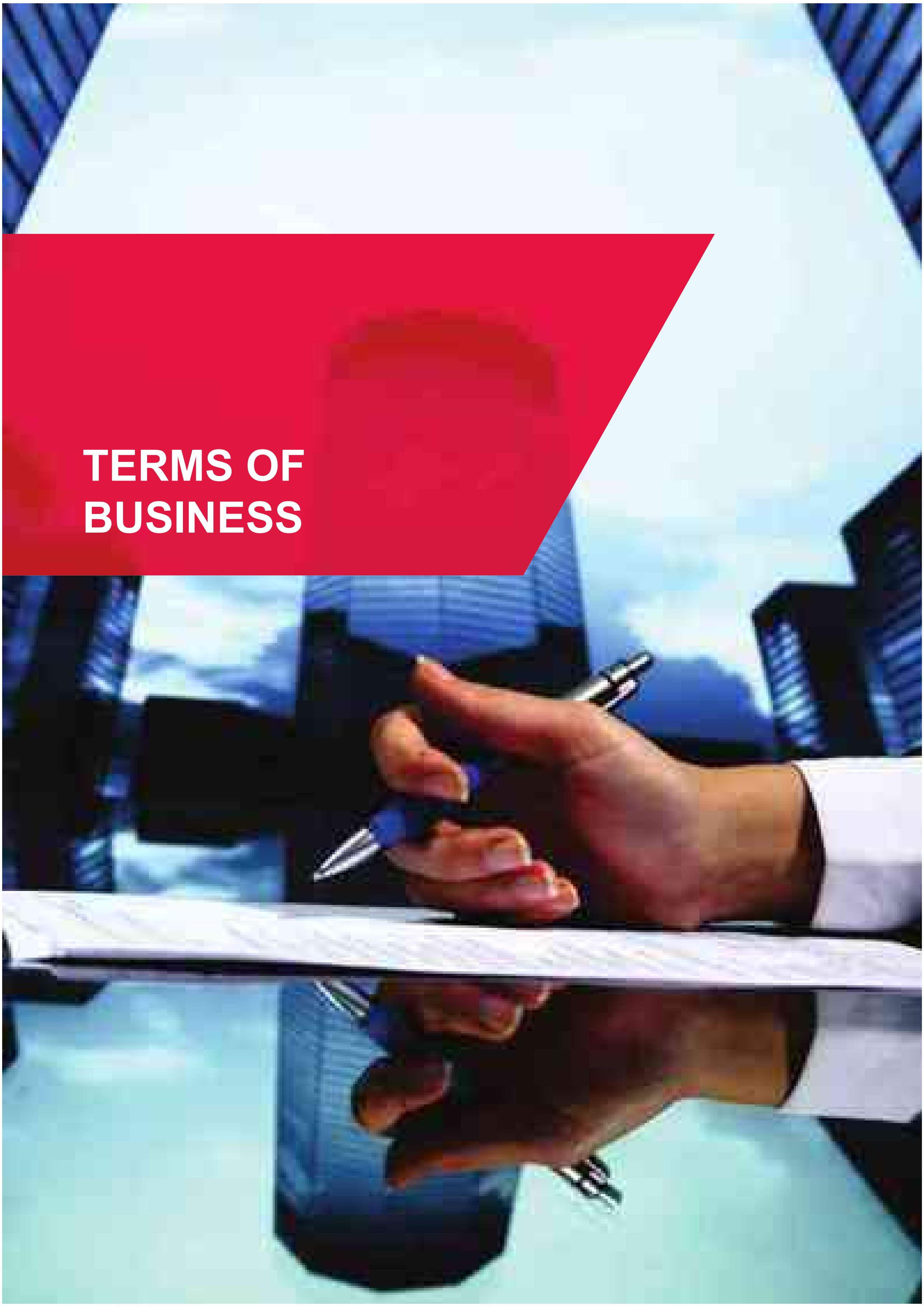
Strengths / Opportunities

- Macro location: The property is located in an industrial zone of Esplugues de Llobregat, just outside Barcelona to its west and it benefits from very good access to the city centre both by private transport (10 minutes' drive from Barcelona City Centre through Avenida Diagonal) and public transport (Tram and bus).
- Micro location: Consolidated, mixed industrial/ office area with residential neighborhoods in between and the TV3 studio campus and a few hotels. Expected longer-term plan to reconvert the old industrial areas of Esplugues de Llobregat into new different uses; mainly residential and office. The area benefits from good connections to public transport, especially the TRAM connection located only 300m walking distance from the Property.
- Modern office building maintaining its original industrial design appeal (open concrete and metal details in common internal areas) and providing good quality internal areas and attractive common areas (especially exterior terraces) as well as a variety of services (auditorium, gym, games room, etc.).
- Large and flexible office floor plate with generous heights (from 2.7m to 3.9m).
- Office building providing fully equipped TV studios with high free heights (up to 13m in largest studio; 8-8.5m in 2 other main studios). Limited number of buildings within the market providing these specialist facilities. The building is therefore known by the occupier market for its facilities and synergies of office uses. Leed Silver certification.
- Positive trend for both the occupational market (vacancy in prime/ city centre surrounding only 2.00%) and the office investment market. Since the Covid-19 situation, the advances with tenant interest in Il.lumina has been positive despite general economic concerns (subject 'value for money' location appears to be performing well offering an important discount to prime area rents).
- A limited Capex would be required in order to re-let part of the current vacant office modules.

Weaknesses / Risks

- Current competing offer of vacant office buildings within this particular sub-market (mainly comprising the municipalities of Esplugues de Llobregat, Sant Joan Despí, Cornellà de Llobregat and Sant Just Desvern).
- The site is designated as Industrial. The activities permitted within the building are focused on certain subsector uses relating effectively to the audiovisual sector/ marketing (production, reception and emission of audio-visual programs: '*Llicència global per un edifici d'infraestructures, equipaments I serveis per a empresas de producció, recepció I emissió de programes audovisuals'*. In practical terms, we understand there is some flexibility with the local authority in its granting of licenses, however, in strict terms the building target occupier market is therefore currently directed towards this particular subsector of activity. According to Cuatrecasas' written feedback to the proposed Purchaser and their asset managers, we understand that, in terms of future re-commercialisation possibilities, the office activities would need to be related to what is denominated as '*Industrias 4.0*' - new technologies or centres of production/ of investigation etc.
- Limited visibility, although the Property has benefited from the recent reconversion of an historic industrial warehouse in front of the property into an open public park area increasing natural light by the subject building's main entrance/ façade.
- Current vacancy on basement areas (storage rooms and several motorbike/ scooter parking spaces).
- The outbreak of the COVID-19 coronavirus has been devastating to all those affected, both in China and worldwide. The situation has impacted global financial markets, bringing significant uncertainty. Governments and central banks have been mandated to respond to the emergency. The lockdown has caused a slowdown in Real Estate occupier and investor activity. The recent reopening of stores and gradual return to offices has commenced with activity now starting its recovery.

TERMS OF BUSINESS



1. Client Engagement

1.1 The Client appoints C&W to provide services on these Terms of Business and the terms set out in the Engagement Letter. Each Engagement Letter forms a discrete contract incorporating the latest version of these Terms of Business that have been provided to the Client (together an/the "**Engagement**").

1.2 The entire scope of the services to be provided as part of an Engagement ("**Services**") is set out in the Engagement Letter. Nothing shall bind C&W to perform any role or function other than as is documented in the Engagement Letter.

1.3 The Client shall provide all necessary co-operation to enable each member of the C&W Group to discharge its obligations in respect of all Applicable Laws, particularly those pertaining to 'know your client', anti-money laundering and the prevention of other financial crimes, and data protection.

1.4 C&W may sometimes require input from third parties to perform all or part of the Services. Where C&W intends to subcontract to a third party, C&W will seek the Client's consent before so subcontracting. The Client consents to the use of other members of the C&W Group and C&W Affiliates to provide all or part of the Services, and no further notification need be given in relation to such use. Except where C&W contracts third parties directly (otherwise than as the Client's agent), in which case it shall be liable in particular for any breach of C&W's data protection obligations under Clause 7 that is caused by an act, error or omission of its sub-processor, C&W shall not be responsible for supervising or monitoring the performance of third parties.

2. Definitions and Interpretation

2.1 In an Engagement the following terms shall have the following meanings:

"**Applicable Law**" means all applicable laws, regulations, regulatory requirements and codes of practice of any relevant jurisdiction, as amended and in force from time to time;

"**C&W**" means the member of the C&W Group that is a party to the Engagement Letter;

"**C&W Affiliate**" means a third party licenced by a member of the C&W Group to trade using the Cushman & Wakefield brand;

"**C&W Group**" means DTZ Worldwide Limited (a company incorporated in England & Wales under company number 9073572) and any of its subsidiaries;

"**C&W Materials**" means all those materials owned by C&W and its licensors, and all Intellectual Property Rights owned by C&W and its licensors, whether before or after the date of the Engagement, but excluding the Service Materials;

"**Client**" means the addressee(s) of the Engagement Letter and excludes any third party who pays or may be responsible for paying any part of the Fees;

"**Client Materials**" means all those materials owned by the Client and its licensors, and all Intellectual Property Rights owned by the Client and its licensors, but excluding the Service Materials;

"**Document**" means any research, data, report or advice provided by C&W as part of the Services;

"**Engagement Letter**" means the letter issued by C&W to the Client and identified as the engagement letter, which shall set out particular Services to be provided by C&W together with other terms and conditions that shall form part of the Engagement. Where the context permits, documents cross referenced and/or attached to the Engagement Letter shall form part of it;

"**Fees**" means the amounts specified as payable in the Engagement Letter, or otherwise calculated in accordance with the Engagement Letter;

"**Intellectual Property Rights**" means patents, trade marks, design rights, applications for any of the foregoing, copyright, database rights, trade or business names, domain names, website addresses, whether registrable or otherwise, (including applications for and the right to apply for registration of any such rights), know how, methodologies, and any similar rights in any country whether currently existing or created in the future, in each case for their full term, together with any renewals or extensions;

"**Relief Event**" means: (i) any delay or failure by the Client or a person acting on its behalf to perform any obligation of the Client under an Engagement; (ii) the failure of any assumption set out in the Engagement Letter; and (iii) any other event specified in the Engagement Letter;

"**Services**" means the services to be provided to the Client by C&W as part of the Engagement, as specified in the Engagement Letter;

"**Service Materials**" means all those works, and all Intellectual Property Rights in works, that are created, provided, or which arise exclusively in the course of the provision of the Services to the Client;

"**Terms of Business**" means the terms set out in this document; and

"**Value Added Tax**" means value added tax as provided for in the Law 37/1992, 28 December, of Value Added Taxes and subordinated legislation made under it, or any similar sales or turnover tax in any jurisdiction.

2.2 Unless the context otherwise requires or the contrary intention appears, any reference to an enactment includes that enactment as amended or replaced, together with any subordinate legislation made under that or any other applicable enactment; and any reference to an English legal term includes, in respect of any jurisdiction other than England, a reference to what most nearly approximates in that jurisdiction to the English legal term.

2.3 Other than for notices to be given, references to "written" or "in writing" include e-mail. The words "including" and "in particular" and any similar words or expressions are by way of illustration and emphasis only and do not operate to limit the generality or extent of any other words or expressions. The words "subsidiary" and "holding company" have the meanings given in article 4 of the Law 24/1988, 28 July, of Stock Market (and Clause 2.2 shall not apply in relation to this sentence). The headings in these Terms of Business are for convenience only and do not affect their interpretation.

2.4 In the event of any conflict, inconsistency or ambiguity, the English language version of these Terms of Business shall prevail over the Spanish one.

3. Fees, Expenses, and Payments

Fees

3.1 In consideration of the provision of the Services, the Client shall pay the Fees. The Fees, or the method of calculating them, shall be as set out in the Engagement Letter.

3.2 Fees stated shall be exclusive of Value Added Tax which, where applicable, shall be charged to the Client at the prevailing rate. The Client agrees to pay to C&W any Value Added Tax in relation to the provision of the Services provided that C&W has supplied a valid tax invoice as required by Applicable Law.

Expenses

3.3 The Client shall reimburse all out of pocket expenses and disbursements properly incurred by or on behalf of C&W in the performance of the Services ("**Expenses**") up to five hundred Euros (€500) per quarter. Before incurring any Expenses that would result in that limit being exceeded, C&W shall seek the Client's consent, in which case those further Expenses shall also be payable. Expenses may be invoiced at the same time as the Fees, or quarterly in arrears, at C&W's discretion.

3.4 The Client shall reimburse all marketing costs which shall, where relevant, be handled as follows:

(a) C&W will inform the Client of any marketing costs proposed to be incurred on its behalf. C&W will provide cost estimates for any initial marketing campaign in the Engagement Letter, and further proposals if additional marketing is required.

(b) Cost estimates will be best estimates or based on actual quotations from suppliers. Final costs may differ from estimates provided. Advertising and printing rates provided will be from the publishers' rate cards current at the date of the marketing proposals. The Client shall pay any additional sum charged by the suppliers for the correction of mistakes in artwork or other advertising material not caused by the suppliers. The individual printer or supplier's terms will apply to all Client work placed with it. All costs are gross and C&W will retain the usual trade discounts offered by newspapers, periodicals or other media suppliers.

(c) The Client shall instruct all suppliers directly. In the event that C&W agrees to instruct any such supplier, C&W may require advance payment of anticipated costs to be incurred on the Client's behalf. Where the sum paid on account exceeds the actual costs incurred, such excess shall be repaid to the Client without interest once all invoices and accounts have been finalised and settled. Where the marketing costs exceed the sum paid, the Client shall pay the amount of any difference to C&W immediately on request.

(d) The Client shall reimburse all marketing costs incurred on its behalf as and when the costs are incurred, irrespective of completion of the transaction to which the Services relate.

Payment

3.5 C&W's invoices are payable from the date of each invoice, and are due for payment within thirty (30) days. C&W may charge the Client interest on any amounts due but which have not been paid within this period (whether before or after judgment) at three percent (3%) per annum above the applicable legal interest rate. Interest shall run from the date of the invoice until all outstanding sums have been paid in full in cleared funds.

3.6 The Client shall pay all sums by electronic bank transfer to the C&W bank account detailed in an invoice. C&W is unable to accept payment by cash or cheque.

3.7 The Client shall pay all sums payable to C&W in relation to the Engagement without set-off and free of any deduction..

3.8 If the Client is required by Applicable Law to make any deduction from any payment then it shall increase such payment to ensure that C&W receives the same amount as it would have received if no deduction were required.

3.9 C&W may require payments to be made on account before commencing or completing all or part of the Services. In specifying on-account payments C&W may have regard to the nature and context of Services to be performed, and the likely timing and amounts of Expenses to be incurred.

3.10 C&W may, by giving written notice to the Client, suspend Service provision if any sum is not paid to C&W within the period specified in Clause 3.5, until all outstanding sums have been paid in full in cleared funds.

3.11 After completing an Engagement, C&W shall be entitled to keep any Client Materials held by it while sums payable to it by the Client remain outstanding.

3.12 The Client consents that C&W may search the Client's record at credit reference agencies for the purposes of verifying the Client's identity and to assess whether the Client is able to fulfil its payment obligations in relation to the Engagement.

Client Monies

3.13 C&W handles client monies in accordance with all applicable rules and regulations.

4. Client Obligations

4.1 The Client shall on a timely basis provide all information, assistance, approvals, and consents reasonably requested by C&W in relation to the performance of C&W's obligations in connection with the Engagement. The Client shall ensure that all information provided by or on behalf of the Client shall be complete and accurate in all material respects, and notify C&W as soon as reasonably possible on becoming aware that any information is incomplete, inaccurate or misleading.

4.2 The Client acknowledges that C&W:

(a) is entitled to rely upon the completeness, accuracy, sufficiency and consistency of any information supplied to it by or on behalf of the Client; and

(b) shall have no liability for any inaccuracies contained in any information provided by or on behalf of the Client unless otherwise stated.

4.3 All estimations made by C&W are based on depth and quality of information provided by the Client and the Client shall not be entitled to assume that C&W has performed an inspection. The Client must take this into account in relation to all figures, calculations, and advice.

4.4 The Client shall check and confirm the accuracy and completeness of any property particulars prepared by C&W, and shall confirm that they are not misleading. The Client undertakes to notify C&W immediately if any particulars are or become inaccurate or incomplete.

5. Measurements

5.1 Where C&W is required to measure a property, it will do so in accordance with applicable measuring practices relevant to the property. If the Client requires C&W to adopt a particular measuring practice, it shall specify the same in writing before work starts. The Client acknowledges that the floor areas contained in any Document are approximate and if measured by C&W will be within a two percent (2%) tolerance either way. In cases where the configuration of the floor plate is unusually irregular or obstructed, this tolerance may be exceeded.

5.2 C&W is unable to measure areas to which it does not have access, in which cases floor area may be estimated from plans or by extrapolation. Where land or site areas are measured, all areas will be approximate and will be measured from plans supplied rather than being checked on site.

6. Confidentiality

6.1 The Client consents to C&W announcing that it is providing or has provided the Services to the Client and using the Client's name in publicity. However, C&W shall not publish any details of any proposed or actual transaction (other than those which are publicly available) without prior consent, such consent not to be unreasonably withheld.

6.2 The Client shall keep confidential and not disclose to any other person (whether before or after termination or expiry of the Engagement):

(a) any information received by it in respect of the methodologies and/or technologies used by C&W in providing the Services;

(b) the details of the terms on which C&W provides the Services; and

(c) any other information in respect of C&W's business activities which is not publicly available.

6.3 C&W shall, during the period commencing on the date of the Engagement and ending two (2) years following the earlier of the termination or completion of the Services, keep confidential and not disclose to any other person (whether before or after termination or expiry of the Engagement) any information in respect of the Client's business activities which comes into its possession as a consequence of C&W providing the Services and which is not publicly available.

6.4 A party shall not breach this Clause 6 by disclosing information to the extent reasonably necessary:

(a) where required to do so by Applicable Law or order of the courts, or by any securities exchange or regulatory or governmental body to which such party is subject or submits, wherever situated (whether or not the requirement for information has the force of Applicable Law); or

(b) to the professional advisers, insurers, auditors and bankers of such party.

6.5 C&W shall not breach this Clause 6 by disclosing information to members of the C&W Group or C&W Affiliates in connection with the Engagement.

7. Data Protection and Data Handling

Data Protection

7.1 The Client appoints C&W as a data processor in relation to personal data which is the subject of each Engagement and in respect of which the Client is a data controller (the "**Data**").

7.2 In processing Data pursuant to an Engagement, C&W shall:

(a) unless otherwise requested by the Client in writing, process the Data only to the extent, and in such manner, as is necessary for the provision of the Services, except where otherwise required by any EU (or any EU Member State) law;

(b) ensure that appropriate technical and organisational measures shall be taken to protect the Data from (i) accidental or unlawful destruction, and (ii) loss, alteration, unauthorised disclosure of, or access to, Data;

(c) ensure that any person whom it authorises to process the Data shall be subject to an actionable duty of confidence;

(d) only cause or permit Data processing to be sub-contracted to:

(i) sub-contractors in accordance with Clause 1.4;

(ii) members of the C&W Group and C&W Affiliates and each of their professional advisers, insurers, auditors and bankers; and/or

(iii) service providers appointed by a member of the C&W Group to support C&W's business administration and infrastructure (as identified here and updated from time to time).

who are committed, by means of a written contract with C&W, to protect the Data to the standard required by this Clause 7.

If the Client objects to any sub-processor under Clause 7.2(d) on reasonable grounds relating to the protection of personal data, then either C&W will not appoint the sub-processor or the Client may elect to suspend or terminate the Engagement upon written notice to be given not later than thirty (30) days after such objection has been notified to C&W in writing;

(e) only cause or permit Data to be transferred outside the European Economic Area:

(i) to those persons identified under Clause 7.2(d) or otherwise with the Client's prior consent (not to be unreasonably withheld or delayed); and

(ii) taking such measures as are necessary to ensure the transfer is in compliance with applicable data protection law (such as ascertaining that the recipient benefits from a EU Commission finding of adequacy of protection for personal data transferred from the European Union or has otherwise agreed European Union standard contractual clauses on data processing in countries outside the European Economic Area);

(f) notify the Client without undue delay and provide reasonable information and cooperation on becoming aware of a breach of data security which would be notifiable under applicable data protection law;

(g) notify the Client without undue delay of (and in any event provide reasonable and timely assistance to the Client (at the Client's expense)) to enable the Client to respond to: (i) any request from a data subject to exercise any of its rights under applicable data protection law; and (ii) any other correspondence, enquiry or complaint received from a data subject, regulator, or other third party in connection with the processing of the Data.

(h) C&W shall make available to the Client such information as is necessary to demonstrate its compliance with this Clause 7 and, if required, shall permit the Client (or its appointed third party auditors who are subject to strict obligations of confidentiality and whose identity has been agreed with C&W) to conduct an audit to confirm its compliance, provided that the Client gives reasonable notice of its intention to audit, conducts its audit during normal business hours, and takes all reasonable measures to prevent unnecessary disruption to C&W's operations. The Client may not exercise this right more than once in any twelve (12) month period except as required by instruction of a competent data protection authority.

7.3 Where the Client is a public entity or authority for the purposes of article 2 of Law 19/2013, de *transparencia, acceso a la información pública y buen gobierno* ("**Law 19/2013**") as amended from time to time, the Client shall notify C&W of that fact at the start of the Engagement. The Client shall notify C&W within five (5) business days of receiving a request pursuant to Law 19/2013 or any Applicable Law requesting information which relates to the business arrangements between C&W and the Client and/or any information C&W has provided to the Client at any time (whether or not in connection with the Engagement). In recognition of the fact that C&W may be providing the Client with confidential or commercially sensitive information, the Client agrees to consult with C&W and take into account C&W's views on all such requests, giving C&W reasonable notice to respond, before making any decision on whether any particular information should be disclosed.

7.4 The Client shall be responsible for C&W's reasonable and properly incurred charges in producing any documentation which the Client requires in order to comply with a request for disclosure under Law 19/2013. For the avoidance of doubt, the Client, not C&W, shall liaise with such third party.

Data Handling

7.5 The Client shall use all reasonable procedures to seek to ensure that any materials provided to C&W in any electronic format are virus free, and shall be responsible for using appropriate firewalls and anti-virus software. The Client shall not disclose any special categories of data to C&W except by express written agreement.

7.6 Subject to the remainder of this Clause 7, the Client authorises C&W to communicate with any person C&W reasonably requires in providing the Services. C&W may release to such person any information reasonably necessary to perform the Services and which it has obtained during the Engagement. C&W shall not be liable for any use made of that information.

7.7 Unless otherwise instructed in writing by the Client to destroy or return the Data (or any copies thereof) on termination of the Engagement, C&W keeps its Engagement files, including the Data, for six (6) years after issue of C&W's final invoice. The Client consents to the deletion and destruction of all Engagement files upon the expiry of that period unless the Client has requested in writing the return of Client papers or documents during that period. C&W shall not be liable for any loss arising out of the destruction of documents occurring more than six (6) years after the date of final invoice. C&W shall be entitled to retain Data to the extent required by any EU (or any EU Member State) law.

7.8 If requested by Client, C&W shall provide reasonable cooperation to the Client (at Client's expense) in connection with any data protection impact assessment and any consultation with the Client's data protection authority that may be required under applicable data protection law.

In this Clause 7, "EU Member State" shall be deemed to include the United Kingdom.

7.9 A copy of C&W's Privacy Notice can be found here.

8. Documents and Reliance

8.1 C&W will take reasonable care in the preparation of any Document. Any opinions expressed in a Document constitute C&W's judgement, and data upon which this judgement is based are believed to be correct as at the date of the Documents (but may be subject to change during the life of the project and beyond and as new information becomes available). C&W reserves the right to change the underlying data, and its opinions, without prior notice in the light of revised market opinion and evidence, but shall not be required to update any Document already provided.

8.2 Subject to Clause 8.3, the provision of the Services is for the Client's benefit only and no part of any Document produced by C&W for the Client shall be reproduced, transmitted, copied or disclosed to any third party without the prior written consent of C&W. C&W shall not be liable to any third party placing reliance upon any such Document.

8.3 The Client may permit other persons to use C&W's Documents only with C&W's written consent and where such other persons have entered into a written agreement with C&W in relation to such use ("**Reliance Letter**"). C&W expressly disclaims any tortious duty of care (e.g., in negligence) to any third party in relation to any Document or advice provided in connection with an Engagement, and the Client shall not permit any person to rely upon such Document unless that person has first entered into a Reliance Letter. Any limitation on C&W's liability set out in the

Engagement shall apply in aggregate to the Client and any party entering into a Reliance Letter.

8.4 Where the Client provides a copy of a Document to another person, or permits a person to rely upon a Document, the Client indemnifies and holds harmless C&W from and against any liability arising out of that person's use or reliance on that Document except where a Reliance Letter has been entered into by such person.

8.5 Where the Client acts on behalf of a syndicate or in relation to a securitisation, the Client agrees that it is not entitled to pursue any greater claim on behalf of any other person than it would have been entitled to pursue on its own behalf had there been no syndication or securitisation.

9. Service Quality

9.1 In carrying out the Services, C&W shall exercise the reasonable care and skill to be generally expected of a competent provider of services similar in scope, nature and complexity to the Services.

9.2 In the event that the Client is dissatisfied with the provision of the Services by C&W it must refer such complaint in the first instance to the C&W representative named in the Engagement Letter, in accordance with the provisions of C&W's complaints procedure current at the time of the complaint. C&W shall supply to the Client a copy of the complaints procedure upon the request of the Client.

9.3 No implied terms shall apply under and/or in connection with the Engagement, and no other express warranties are given - all such terms are expressly excluded to the extent permitted by Applicable Law.

9.4 C&W is certified as ISO9001:2015.

10. Conflicts of Interest and Anti-Corruption

10.1 C&W maintains conflict management procedures designed to govern actual or potential conflicts of interest. If the Client becomes aware of a possible conflict, it shall inform C&W immediately. If a conflict arises, then C&W will decide, taking account of legal constraints, relevant regulatory rules and the clients' interests and wishes, whether it can continue to act for both parties (e.g., through the use of ethical walls), for one only, or for neither. Where C&W does not believe that any potential or actual conflict can be managed appropriately and in accordance with C&W policy (available upon request), it will inform all Clients affected and consult with them as soon as reasonably practicable as to the steps to take.

10.2 The Client acknowledges that C&W may earn commissions and referral fees, and may charge handling fees connected to the services that it performs, and agrees that C&W shall be entitled to retain them without specific disclosure. C&W will not accept any commissions or referral fees in circumstances where it is of the reasonable belief that they would compromise the independence of any advice that it provides.

10.3 It is not C&W policy to provide any services for financial gain either directly or through connected persons, to a prospective purchaser or tenant in respect of a property for which C&W is instructed as agents by the seller/owner, until unconditional contracts have been exchanged. C&W will notify the Client if it is instructed by a prospective purchaser or tenant to provide such services where the Client is the seller/owner.

10.4 C&W and the Client each confirms that it will not, and will procure that its employees will not, knowingly engage in any activity which would constitute a breach of the anti-money laundering and financing of terrorism Law of 28 April 2010. C&W confirms that it has in place a compliance programme designed to ensure compliance with the terms of anti-money laundering and financing of terrorism Law of 28 April 2010 and all other applicable anti-bribery and corruption laws.

11. Liability and Insurance

11.1 Notwithstanding any contrary provision, neither party limits or excludes its liability in respect of:

(a) any death or personal injury caused by its negligence;

(b) any fraud or fraudulent misrepresentation; or

(c) any statutory or other liability which cannot be limited or excluded under Applicable Law.

11.2 C&W shall not be liable for any:

(a) indirect or consequential loss (even where the parties are aware of the possibility of any such loss at the date of the Engagement);

(b) loss of profits or revenue or earnings of the Client generally;

(c) loss of goodwill, reputation or opportunity;

(d) loss of or corruption of data, or loss resulting from the Client's receipt of information, data, or communications supplied or sent by C&W electronically;

(e) pure economic loss suffered by the Client or persons other than the Client, or otherwise arising out of a tortious duty of care (whether in negligence or otherwise);

(f) acts or omissions of third parties (other than where contracted directly by C&W otherwise than as the Client's agent); or

(g) delay caused by its duty to comply with legal and regulatory requirements (such as anti-money laundering checks),

in each case arising out of or in connection with an Engagement or any breach or non-performance of it no matter how fundamental (including by reason of negligence or breach of statutory duty). The parties agree that each of sub-clauses (a) to (g) (inclusive) above are separate terms and are intended to be severable.

11.3 C&W's total aggregate liability arising under or in connection with an Engagement or any breach or non-performance no matter how fundamental (including by reason of negligence or breach of statutory duty) in contract, tort or otherwise shall be limited in all circumstances to an amount equal to the lesser of:

(a) five (5) times the Fees paid or payable by or on behalf of the Client to C&W in relation to the Engagement; or

(b) two million euros (€2,000,000).

11.4 Subject always to Clauses 11.2 and 11.3, where an Engagement involves C&W being appointed as part of a project team, liability for loss and/or damage arising under or in connection with the Engagement shall be limited to that proportion of the Client's loss and/or damage which it would be just and equitable to require C&W to pay having regard to the extent of C&W's responsibility for the same and on the basis that:

(a) all other Client consultants and contractors shall be deemed to have provided contractual undertakings, on terms no less onerous than those set out in the Engagement, to the Client in respect of the performance of their services in connection with the project;

(b) there are no exclusions of or limitation of liability nor joint insurance or co-insurance provisions between the Client and any other party referred to above; and

(c) they shall be deemed to have paid to the Client such proportion which would be just and equitable for them to pay having regard to the extent of their responsibility.

11.5 No actions or proceedings arising under or in respect of the Engagement or documents signed in connection with it shall be commenced against C&W after six (6) years after the date of the final invoice in relation to the Engagement.

11.6 C&W shall effect and maintain, during the Engagement and for a period of six (6) years after issue of C&W's final invoice, professional indemnity insurance with a limit of indemnity of no less than €10 million provided always that such insurance remains available at commercially reasonable rates, together with such other insurance as is required to be maintained in accordance with Applicable Law.

11.7 Further to Clause 1.2, nothing appoints or obliges C&W to act as an External Valuer as defined under the Alternative Investment Fund Managers Directive ("**AIFMD**") legislation, or its equivalent under local law. C&W expressly disclaims any responsibility or obligations under AIFMD and/or its equivalent unless expressly agreed in writing by C&W. Where C&W provides valuation advice to an entity that falls within the scope of AIFMD ("**Fund**"), its role will be limited solely to providing valuations of property assets held by the Fund. Responsibility for the valuation function for the Fund and the setting of the net asset value of the Fund will remain with others. C&W's Document will be addressed to the Fund for internal purposes and third parties may not rely on it. C&W's aggregate liability howsoever arising out of such instruction is limited in accordance with these Terms of Business.

11.8 C&W shall not be responsible for the management of any property the subject of an Engagement, and shall have no other responsibility (such as for maintenance or repair) in relation to nor shall C&W be liable for any damage occurring to any such property.

12. Termination

12.1 Either party may terminate the Engagement at any time on not less than thirty (30) days written notice, for convenience without cause.

12.2 Either party may terminate the Engagement at any time on written notice, either immediately or following such notice period as it shall see fit if the other party:

(a) is in material breach of the Engagement, and such breach is irremediable; or

(b) commits any remediable material breach of the Engagement and fails to remedy such breach within a period of thirty (30) days from the service on it of a notice specifying the material breach and requiring it to be remedied (or, having so remedied, subsequently commits a similar breach within the next thirty (30) days)

12.3 C&W may terminate the Engagement immediately upon written notice if the Client has failed to pay an invoice within thirty (30) days of the date of such invoice.

12.4 On termination of the Engagement, the Client shall pay to C&W:

(a) Fees for the Services it has performed (on a pro rata basis having regard to the Fees payable for the completion of the Engagement, the expected duration of the entire Engagement and the Services performed prior to termination, unless otherwise specified);

(b) any Expenses properly incurred in accordance with Clause 3.3 (including the fees of any sub-contractor in accordance with Clause 1.4) and marketing costs incurred in accordance with Clause 3.4, on or before the effective date of the termination; and

(c) where the right is exercised by the Client, any additional sums set out in the Engagement Letter as being payable upon termination.

12.5 If a party, acting in good faith, exercises a right of termination, its subsequent failure or refusal to perform all or any of its current or future obligations in connection with an Engagement shall not be a breach of an Engagement (whether repudiatory or otherwise).

13. Intellectual Property

13.1 All Service Materials shall vest in the Client on creation. C&W hereby assigns the Service Materials to the Client together with the right to sue for and recover damages or other relief in respect of the infringement of any Service Materials by a third party. In relation to future copyright, this shall take effect as a present assignment of future rights.

13.2 The Client grants to C&W a worldwide, fully paid-up, non-exclusive, transferable (to a member of the C&W Group) licence to copy, use and modify the Client Materials and Service Materials to the extent necessary and for the purpose of providing the Services to the Client and performing its other obligations in relation to an Engagement.

13.3 C&W and its licensors shall retain all right, title and interest in and to the C&W Materials. The Client and its licensors shall retain all right, title and interest in and to the Client Materials.

14. Non-Solicitation

14.1 Neither party shall (except with the other party's prior written consent) directly or indirectly solicit or entice away (or attempt to solicit or entice away) from the employment of the other, any employee or contractor working on an Engagement, and shall not offer employment to any employee working on an Engagement, for a period of six (6) months following the end of any involvement by that person with an Engagement. This shall not prohibit a party from offering employment to an employee or contractor of the other who has responded to an advertising campaign open to all comers and not specifically targeted at any of its employees or contractors.

14.2 In the event that a party breaches Clause 14.1, the other party shall be entitled to be paid compensation of six (6) months' salary or fees of the employee or contractor concerned. The parties agree that this is a genuine pre-estimate of loss taking into account the cost of recruitment and training of staff, and is agreed on a commercial basis between the parties.

15. Notices

15.1 Any notice or other information to be given by either party to the other under the terms of an Engagement shall be given by:

(a) delivering it by hand; or

(b) sending it by pre-paid registered post,

to the other party at the address given in Clause 15.3.

15.2 Any notice or information sent by post in the manner provided by Clause 15.1(b) which is not returned to the sender as undelivered shall be deemed to have been given on the second day after it was so posted; and proof that the notice or information was properly addressed, pre-paid, registered and posted, and that it has not been returned to the sender, shall be sufficient evidence that the notice or information has been duly given.

15.3 The address of either party for service for the purposes of this Clause 15 (but excluding legal proceedings) shall be that of its registered or principal office, or such other address as it may last have notified to the other party in writing from time to time. Notices to C&W must be addressed to EMEA General Counsel to be valid.

16. No Waiver, Partnership or Joint Venture

16.1 No waiver of any right in connection with an Engagement (including rights to sue for breach) shall operate or be construed as a waiver of any other or further right whether of a like or different character, or be effective unless in writing duly executed by an authorised representative of the affected party. The failure to insist upon the performance of the terms, conditions and provisions of the Engagement, or time or other indulgence granted by one party to another, shall not act as a waiver of any breach, as acceptance of any variation, or as the relinquishment of any right in connection with the Engagement, which shall remain in full force and effect.

16.2 Each right or remedy of a party to an Engagement is without prejudice to any other right or remedy of that party.

16.3 The Engagement shall not be interpreted or construed to create an association, joint venture or partnership between the parties, or to impose any partnership obligation or liability upon either party.

17. Force Majeure and Relief

17.1 If either party is prevented or hindered from performing any of its obligations in connection with an Engagement by reason of circumstances outside its reasonable control, that party ("**Claiming Party**") shall as soon as reasonably possible serve notice in writing on the other party specifying the nature and extent of the circumstances preventing or hindering it from performing its obligations.

17.2 Subject to the Claiming Party serving notice in accordance with Clause 17.1, the Claiming Party shall have no liability in respect of any delay in performance or any non-performance of any such obligation (save for any payment obligation which shall continue in full force and effect), and the time for performance shall be extended accordingly to the extent that the delay or non-performance is due to such circumstances.

17.3 The Client agrees that C&W shall be excused from its failure to perform or delay in performing any affected obligation in connection with the Engagement to the extent that such failure results from a Relief Event. C&W shall be entitled to a reasonable extension of time in relation to any affected obligation, and to recover reasonable additional costs incurred by it, as a result of a Relief Event.

18. Illegality/Severance

If any provision is declared by any competent court or body to be illegal, invalid or unenforceable under the law of any jurisdiction, or if any enactment is passed that renders any provision illegal, invalid or unenforceable under the law of any jurisdiction, this shall not affect or impair the legality, validity or enforceability of the remaining provisions relating to an Engagement, nor the legality, validity or enforceability of such provision under the law of any other jurisdiction.

19. Assignment and Novation

19.1 Neither party may at any time, without the prior written consent of the other party, assign all or any part of its rights and/or obligations relating to an Engagement. Notwithstanding the previous sentence, C&W may assign/novate (as applicable) all or any part of its rights and/or obligations in connection with an Engagement to any other member of the C&W Group, without the Client's prior written consent.

19.2 Each Engagement shall inure to the benefit of, and be binding upon, the parties' successors and permitted assignees.

20. Further Assurance

Each party shall at all times from the date of the Engagement Letter, on being required to do so, at its own expense do or use reasonable endeavours to procure the doing by any necessary third parties of all such acts as may be required to give full effect to the terms of the Engagement including the execution and delivery of all deeds and documents.

21. Governing Law and Dispute Resolution

21.1 In the event of a dispute arising out of or connection with an Engagement, a party contemplating instigating legal proceedings shall notify the other party of that fact not less than fourteen (14) days before issuing such proceedings.

21.2 Each Engagement and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) are governed by and shall be construed in accordance with Spanish common law. The parties, waiving the jurisdiction forum that may correspond to them under the law, submit themselves to the jurisdiction of the courts of the city of Madrid for all purposes relating to and in connection with each Engagement and any such dispute or claim.

22. Third Party Rights

22.1 To the extent that any loss, damage or expense is suffered or incurred by a member of the C&W Group, the parties agree that such loss, damage or expense shall be deemed to be the loss, damage or expense of C&W, and such loss shall be fully recoverable from the Client as if the loss, damage or expense was suffered or incurred by C&W directly.

22.2 Provided that Clause 22.1 remains valid and in full force and effect, no term of the Engagement is intended for the benefit of a third party and the parties do not intend that any term of the Engagement shall be enforceable by a third party. If Clause 22.1 for any reason is or becomes illegal, invalid or unenforceable, then the rights under each Engagement shall be enforceable by any member of the C&W Group.

23. Entire Agreement

23.1 The Engagement constitutes the entire agreement and understanding between the parties relating to the transactions contemplated by or in connection with it and the other matters referred to in the Engagement and supersedes and extinguishes any other agreement or understanding (written or oral) between the parties or any of them relating to the same.

23.2 Each party acknowledges and agrees that it does not rely on, and shall have no remedy in respect of, any promise, assurance, statement, warranty, undertaking or representation made (whether innocently or negligently) by any other party or any other person except as expressly set out in the Engagement. The Client's sole remedy in relation to any act or omission of C&W relating to or in connection with the Engagement shall be for breach of contract.

24. Miscellaneous Terms

24.1 Each party warrants and represents that it has power to enter into the Engagement and that it has obtained all necessary consents and/or approvals to do so.

24.2 The Client agrees that C&W shall be entitled to rely upon instructions given by any employee or other representative of the Client, and any person holding themselves out as having the authority to give such instructions.

24.3 Where the Client comprises two or more persons their liability in relation to the Engagement shall be joint and several.

24.4 Clauses 1, 2, 3, 4.2, 4.3, 6, 7, 8, 9.3, 10.4, 11, 12.4, 12.5, 13 to 16 (inclusive), 18 and 20 to 24 (inclusive), 21, 22, 23, and 24 of these Terms of Business shall survive termination of the Engagement.

24.5 In accordance with Law 17/2009, of 23rd November, on free access to service activities and their exercise, C&W is required to make available certain information to Clients which can be found here.

24.6 Details of the measures C&W has taken to ensure that slavery and human trafficking is not taking place in its supply chains or in any part of its business can be found here.

24.7 The Client agrees and acknowledges that the Engagement is between the Client and C&W, and that the Client shall have no right to make any claim against any member (partner), director, employee, agent, or contractor of C&W, any member of the C&W Group or any C&W Affiliate.

Cushman & Wakefield Terms of Business (Spain)
(Version 2.01 – May 2018)

For further information:

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CUSHMAN & WAKEFIELD

Market Research Report

Office Sector

Sadena Portfolio, Madrid & Barcelona

July 2020

Prepared for IREIT Global

TABLE OF CONTENTS

Sources of information:

In this report, we have taken into consideration the following sources of information:

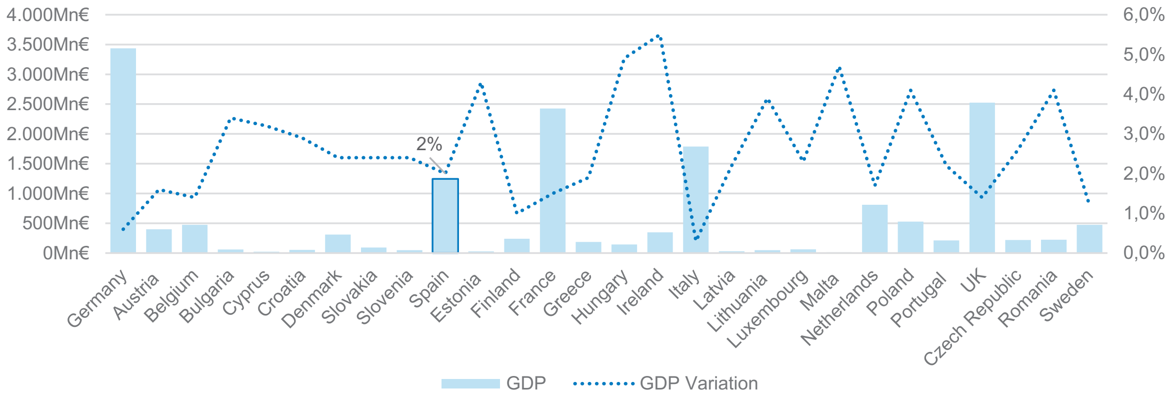
- Bank of Spain (BDE).
- Spanish Statistics Institute (INE).
- Bankinter Research.
- BBVA Research.
- Funcas.
- Datos Macro.
- Eurostat.
- Colliers' own elaboration.

1 EUROPE'S ECONOMY

1.1 Outlook for Europe's Economy

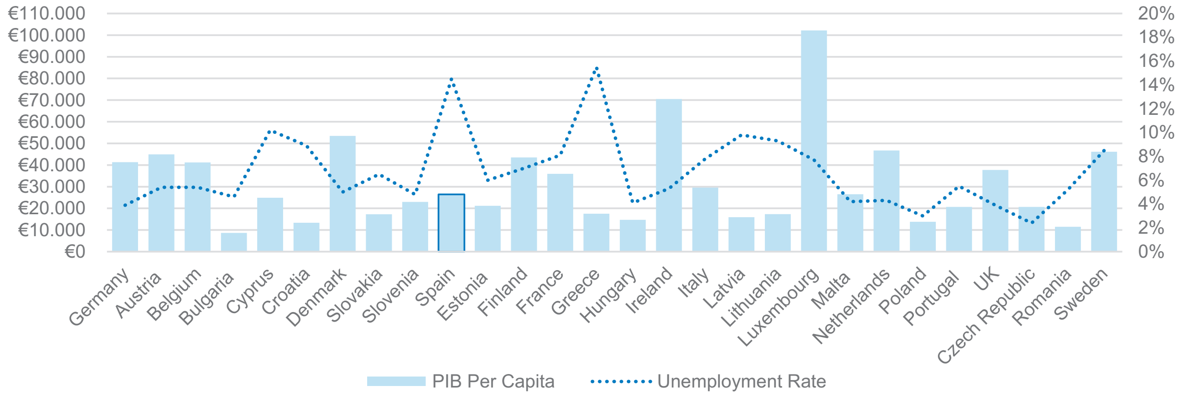
GDP VOLUMES AND GDP VARIATION (2019)

Europe is mainly characterised by its heterogeneity. In terms of nominal GDP, countries such as Germany, the United Kingdom, France, Italy, Russia or Spain stand out from the rest whereas the ones that registered the highest increase in GDP's figures in 2019 are Hungary (4.9%), Estonia (4.3%), Serbia (4.2%) or Moldova (4%), being all of them less mature economies, with more room for improvement. Spanish GDP variation (+2.0%) was considerably higher than other developed economies' such as Germany (+0.6%), Italy (+0.3%), the UK (+1.4%) or France (+1.5%), showing a better performance during recent years.



GDP PER CAPITA AND UNEMPLOMENT RATES (2019)

In terms of GDP per capita, countries as Luxembourg, Switzerland, Ireland or Norway stand out from the rest whereas Spain is in the middle of the chart, ranking 14th out of 28 countries. The highest unemployment rates are witnessed in Greece, Spain and Letonia.



ECONOMIC OUTLOOK – KEY POINTS

- The Covid-19 pandemic has triggered an unprecedented recession in Europe which has hit the EU at a delicate moment. The impact has not been equal among all the European countries, either in epidemiological or in economic terms. In the last few months, southern countries have suffered a greater impact, as they were the first ones to experience outbreaks of the disease and are more dependant on tourism, one of the sectors mostly dealing with the economic consequences of the lockdown measures.

- GDP growth figures during the 1st quarter of 2020 registered, amongst others, a fall of -2.3% for Germany, -5.0% for France or -5.5% for Italy. Spain, with a fall of -4.1%, showed a better performance than several countries within the EU. The real economic impact is expected to be revealed in the Q2 2020 figures, once the full consequences of the pandemic and lockdown measures can be fully analysed in all the countries.

- The initial optimism for a V-shaped recession with a fast and strong recovery has moderated as the EU average unemployment rate is forecasted to rise from 7.3% at end of 2019 to over 9.40% by the end of 2020. However, as most European countries have now begun to lift the lockdown restrictions and labour and economic activity are gradually returning to normality, the situation is soon expected to start its recovery, with a slight improvement to 9.2% in 2021 and to 8.5% in 2022. Unemployment rate figures for Spain are slightly less optimistic, as they are expected to reach 18.10% at the end of 2020, improving to 17.10% in 2022.

- The combined EU27 and UK GDP growth forecast for 2020 is predicted to be -6.9%, which represents a growth contraction of -7.86% in relation to 2019's figures. The 2020 forecast will be influenced heavily by many issues, like how European economies manage the Coronavirus going forward, the US-China Trade-War or the consequences of Brexit. Spanish recovery pace is expected to be significantly faster than the EU average, with a GDP growth of 7.70% for 2021 (EU average is forecasted to be 4.80%) and 2.40% for 2022 (2.20% for EU average).

- Until the UK and EU agree on trade terms after Brexit, the 2020 forecast is likely to fluctuate until we gain a clearer picture. However, Spain and more specifically the cities of Madrid and Barcelona will widely benefit from Brexit consequences, being two of the European cities that might attract the highest number of multinational companies' headquarters within the EU as well as being in the spotlight for investors due to their lower rents and attractive returns.

- Early signals of this change of trend, have been the recent offices openings of international companies such as: American Express, JP Morgan, Citigroup, Uber, Qualitas Auto, RIA, Metric, Ares, KKR, Meridiam, M&G or Axa, among others.

- Spain will be the second biggest recipient of European aid, getting €140 billion over the next six years from the €750 billion Covid-19 recovery fund, of which €72.2 billion will take the form of grants that do not have to be repaid. The amount allocated to Spain is the equivalent of 11.2% of the country's GDP in 2019.

1.2 Spanish Economy vs Europe's Economy

The Spanish economy clearly outperformed the European Union in 2018. Since then and until the Coronavirus outbreak spread worldwide, the key indicators continued to show sound growth despite the weakness observed in various European partner countries for different causes.

Brexit and stagnation in Germany, amongst other causes, made the outlook for Spain's GDP growth rates remain significantly higher than forecasted in the rest of the EU. It was expected that Brexit would make many international companies currently operating from the main British cities move their headquarters to other European cities such as Frankfurt, Paris, Brussels, Milan, Madrid or Barcelona.

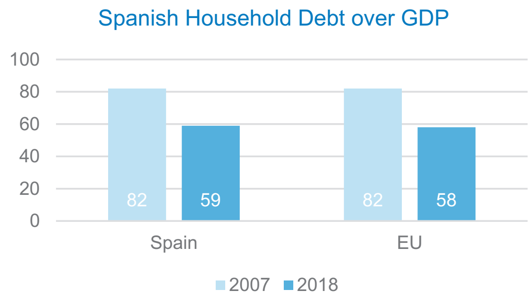
Both Madrid and Barcelona stand out from the others due to their excellence, their rich quality of life, the warmth of its population and all the possibilities they have to offer, being two of the largest and most competitive markets within Europe and great business platforms for closing deals within the EU, North Africa and specially Latin America. In addition, Spain offers a favourable climate for business, as companies can benefit from very moderate tax policies.

The Coronavirus pandemic has provoked an unprecedented recession in all Europe, Spain has suffered a great impact, due to two main reasons:

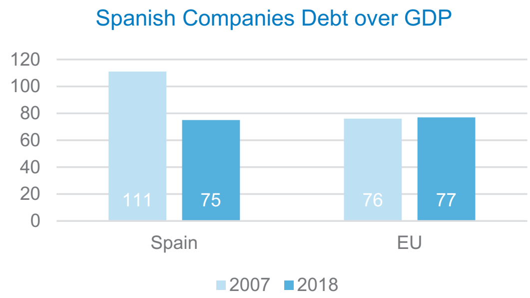
- Spain was one of the first ones that started to experience the spread of the disease and one of the countries where the lockdown has been more strict and severe since its beginning.
- As well as in other Southern Europe countries, Spanish economy is dependent on tourism, a sector which accounts for more than 14% of the total GDP volume and employs 2.8 million Spaniards (16.6% of the labour market). Touristic sector has been one of the most affected during these months because of the lockdown measures imposed, the restrictions on mobility and the closing of borders to avoid and minimise the spread of the infection.

Nevertheless, many arguments support the idea that, as Spanish position prior to the recession starting point was better than other European countries' ones, the impact in the long term would be minor and significantly lower than the one suffered after the previous crisis:

- Prior to the recession starting point both households and companies were in a better position than in the previous economic crisis. Spanish Household Debt had been reduced by -28% whereas Spanish Companies Debt was -32.4% lower, putting them both close to the European average.



Source: Eurostat



Source: Eurostat

- The economic sectors that are likely to be less affected by Covid-19 recession, represent more than 25% of GVA and 31% of the labour market. These sectors are telecommunications, pharma and medical products, public services, goods industry, and retail groceries.

- On the other hand, some of the industries that are likely to suffer a larger impact on their revenues such as food and services, transport, accommodation or entertainment accounts for only 10.5% of the total Spanish GVA.
- The magnitude of the Spanish government’s response has been in line with the ones witnessed in other advanced economies, prioritising household needs, compensating and reducing labour spending, and providing companies with easier access to liquidity. Once the epidemic spread has been controlled, measures and restrictions have been softened, what is allowing the economic recovery to begin.
- Spain will be the second biggest recipient of European aid, getting €140 billion over the next six years from the €750 billion Covid-19 recovery fund, of which €72.2 billion will take the form of grants that do not have to be repaid. The amount allocated to Spain is the equivalent of 11.2% of the country’s GDP in 2019.

Assets included in Sadena portfolio are located within Madrid and Barcelona regions, which have the highest GDP in Spain. As being two of the regions where the labour market is more active within Spain and where service sector represents the highest percentage of the economy whereas the industry has a lower impact on, they are expected to be able to adapt more easily to the new conditions and circumstances and in that way suffer less the consequences of the recession.

In 2021, both Madrid and Barcelona will benefit from the increase in tourism and consumption figures, with better GDP performance than the Spanish average. In addition, both regions will benefit from Brexit, attracting both investors and companies’ headquarters.

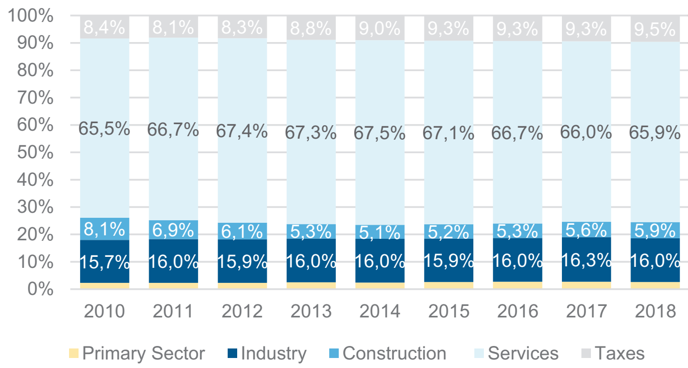
2 SPANISH ECONOMY

2.1 Structure of Spanish Economy

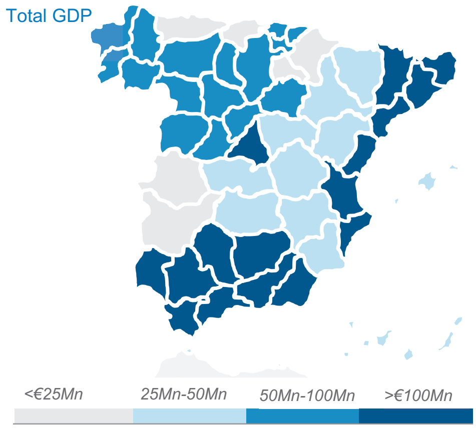
The structure of the Spanish economy corresponds to the one expected in a developed country, with the industrial and especially service sectors contributing the most to the total GDP of the country, representing more than 90% of its total.

The distribution of the economic activity within the Spanish territory is very heterogeneous. Certain urban areas, specially focused on industry, services or tourism and successfully adapted to the constantly changing competitive conditions, concentrate the most important part of the population and the economic activity whereas in the rest of the territory the activity is scarce. Assets included in Sadena portfolio are located within Madrid Capital City and Barcelona Metropolitan Area, being both of them two of these competitive urban areas which in addition have the highest GDP of Spain.

After the economic crisis of 2009, the collapse of the construction sector was absorbed by both service and industrial sector. However, as well as what happens with services and tourism, some industrial areas are much more active and profitable than others, and their markets work at different speeds. Both Madrid and Barcelona, the areas where assets are located, are two of the most active and profitable areas of Spain and both have fast rates of recovery due to their adaptability.



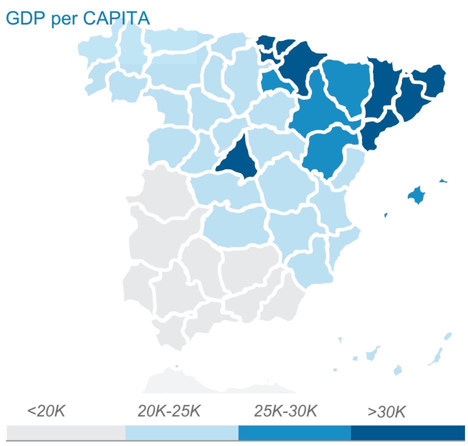
Source: INE



The distribution of nominal GDP is completely different from the income distribution among the Spanish regions. Taken into consideration the GDP per Capita figures, Madrid (€35,041), the Basque Country (€33,223), Navarra (€31.389) and Catalonia (€30,426), lead the ranking as the wealthiest regions in Spain.

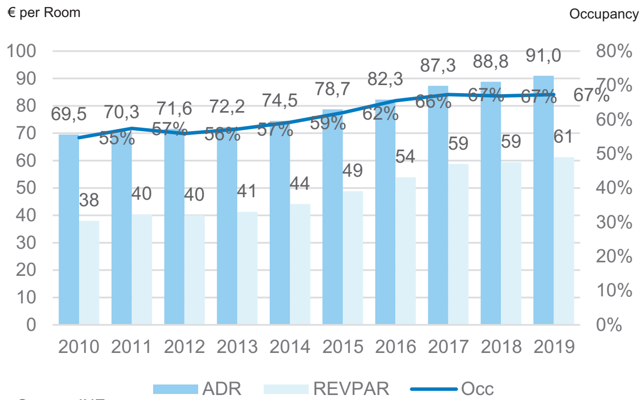
Their capital cities and most important towns (Madrid, S.Sebastián, Pamplona or Barcelona, amongst others) concentrate the most important part of the population and the economic activity of these areas. They are likely to suffer less and to recover more easily.

On the other side of the ranking, autonomies such as Andalusia (€19,107) and Extremadura (€18.769), do not exceed the amount of € 20,000 per inhabitant and year. This means that Madrid, the most prosperous region in Spain is around 87% wealthier than Extremadura, the least affluent.



Source: INE

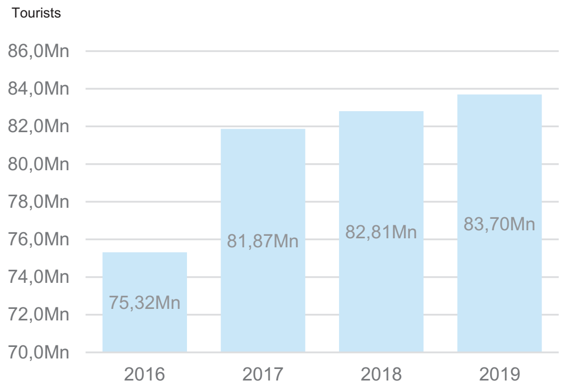
KEY POINTS



Source: INE

- Spanish GDP is highly focused on the service sector, which represents more than 65% of the national wealth. Industry figures are just maintaining their position or are even slightly decreasing, accounting for a 16% of the total.
- The real core of the Spanish economy is tourism, which accounts for more than 14% of the GDP total, a percentage significantly higher than the European average (10.1%), but overcome by Portugal (19.1%), Austria (15.4%), Estonia (15.2%), Greece (20.6%) and Croatia (24.9%).
- Tourism sector employs 2.8 million Spaniards (16.6% of the labour market). In a European level the leader group is similar, as tourists give the most jobs to Croatians, Cypriots, Greeks and Portuguese. In recent years, tourism sector has shown an excellent performance and an outstanding growth.
- Although during the Covid-19 pandemic, this economic engine suddenly practically stopped due to restrictions on mobility, the closing of borders and the conditions imposed to avoid a new wave of infections, its trend is expected to change as lockdown restrictions are being lifted and economic activity is gradually returning to normality. In addition, due to the amazing climate conditions of Spain and its wide range of touristic offer, once the situation has completely normalized, the country is likely to recover similar figures to the ones registered prior to the crisis.

Tourists Number Evolution



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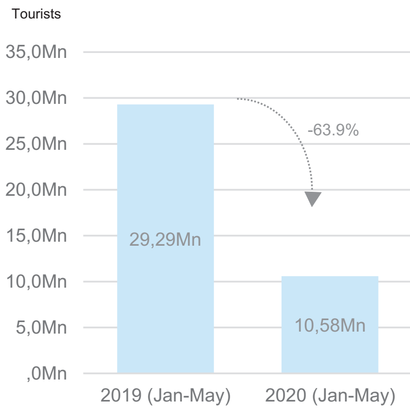


- Spain, despite a relatively lower budget for R&D in comparison to the other advanced economies in the world, has an important position in several specific areas of innovation that are now consolidating as some of the main points in the Spanish new economic model, making it innovative and competitive.
  - Renewable energy
  - Biotechnology
  - Pharmaceutical sector
  - Transport
  - Small and medium-sized technological industries

2.2 Broad Economic Context

Previously to the Coronavirus epidemic spread throughout Europe several factors such as trade policy agreements, the headwinds caused by trade tariffs, Brexit and economic stagnation in Germany were worsening EU indicators since 2017, what was specially reflected on the EU average GDP variation, decreasing from 2.98% in 2017 to 0.96% in 2019.

Spanish economy showed strength in comparison with other European countries with GDP variation figures significantly above the EU average, although its uncertain political situation (fragmented Parliament after Elections, Catalonian political condition or the uncertain policies that might be implemented by the new Government, amongst others) could have been some of the causes of its minor slowdown (from 3.04% in 2017 to 1.78% in 2019).

Covid-19 has spread around the planet, sending billions of people into lockdown as health services struggled to cope and affecting very negatively the economy of all countries. The substantial reduction of industrial production, the decrease in consumption volumes and the significant increase of unemployment rate are some of the effects provoked by this recession all over the world.

Spain has been on a more vulnerable position than our European neighbours, as being one of the countries where the virus has spread the most and also due to our dependence on tourism, whose revenues have been reduced to practically zero while the lockdown measures were imposed.

The final repercussions for the countries' economies and the RE market are still unpredictable. The impact and the recovery will mainly depend on the different measures adopted by the governments and the EU and will be driven by the rebound of consumption and investment. Spain will benefit from a total of €140 billion over the next 6 years from the EU Covid-19 recovery fund (the equivalent of 11.2% of its GDP), which will help to alleviate the situation. In addition, several measures intended to control the deficit and make the labour market more competitive are expected to be introduced in the short term.

In addition, it has to be taken into consideration that Spanish position prior to the recession starting point was considerably better than the one registered before the previous crisis and that the nature of this crisis is due to a health issue pandemic that is expected to be controlled in the medium term, as global efforts are focused on finding a vaccine.

This recession is likely to be shorter than the previous one and its impact on the long term would be significantly lower than the one suffered after the previous crisis.

Spanish sectors will benefit from the following competitive strengths which remain intact:

- Competitive Market: The Spanish market is one of the largest the EU, with a purchasing power in line with the EU average. Spain's regulatory and institutional framework is modern, clear, and transparent, aligned with the best practices and norms of the OECD. In recent years, the implementation of a series of far-reaching structural reforms has reinforced the competitiveness of the business climate, increasing labour market flexibility and improving the conditions for the development and growth of new companies and corporate groups in the market. In addition, Spain has achieved a high degree of technological development and offers a highly qualified workforce that is recognized internationally, together generating an ideal, attractive framework for investment and business activities.
- Business Platform: Spain is a platform for closing business with the EU, the Mediterranean area, North Africa, the Middle East and especially Latin America, as having the largest number of investment protection agreements with the countries of Latin America within the EU.
- Favourable Business Climate: Multinational companies currently existing within Spain benefit from very moderate tax policies, especially for the R&D sector, which has the 2nd most favourable policies among OECD countries. It benefits as well from an excellent climate and an exceptional social environment.

- Excellence: Spain stands out for its communications and infrastructure network and its highly qualified and competitive workforce. Spain ranks among the top 3 European countries as regards number of employees holding university degrees (42.64%). In addition, Spain is home to three of Top 10 of the Europe's Best Business Schools.
- Technological Production Model: Spain is currently is focused on developing a new production model that creates business opportunities in sectors with high-added value and a strong technological component, such as: Chemical Industry; Information and Communication Technology (ICT); Health Science; Airplane Industry, Automotive Sector; Transports and Logistics, Energy and Ecological Transition, Tourism, Leisure and Food and Agriculture Sector. Among other advantages, a wide range of installations (science and technology parks, logistics platforms…) and office space for these business activities have been developed and are already spread across the whole country. They are available for small and medium companies as well as multinationals, offering a suitable environment for the development of technological know-how and the promotion of innovation. An example of these new spaces would be 22@ district in Barcelona, attractive for many investors due to its good performance.
- Resilience and adaptability: During this crisis, many sectors within Spain have proven to be flexible and able to adapt to the new circumstances and trends such as smart working and e-commerce have accelerated. Whereas in 2019, e-commerce reached a volume of €48,000Mn, (+24.4% YoY), in the last 4 months we have witnessed how e-commerce has expanded, reaching growth rates of over 70% in some activities. Because of this, it is expected that the logistics sector will have an excellent performance this year in Spain, being one of the leading players.

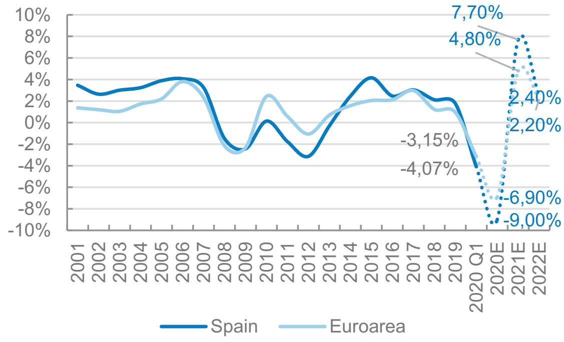
2.2.1 Key Economic Indicators

KEY POINTS

- GDP growth figures during the 1st quarter of 2020 registered a fall of -3.15% for the EU average. Spain, with a fall of -4.1%, showed a better performance than several countries within the EU. The Euroarea GDP growth forecast for 2020 is predicted to be -6.9%, with an expected recovery in 2021 (+4.80%) and 2022 (+2.20%). The performance of each country will be influenced by many issues, especially by how they manage the Coronavirus pandemic and its consequences. Spanish recovery pace is expected to be significantly faster than the EU average, with a GDP growth of 7.70% for 2021 and 2.40% for 2022.
- The Spanish unemployment rate is forecasted to rise from 13.70% at the end of 2019 to 18.40% at the end of 2021, recovering to 17.10% in 2022. The EU average rate is forecasted to rise from 7.3% at end of 2019 to over 9.40% by the end of 2020, with a slight improvement to 9.2% in 2021 and to 8.5% in 2022.
- Spanish Inflation in the last 3 months has remained in negative figures (Apr. –0.7%, May -0.95% and Jun. -0.3%). By the end of 2019, it is estimated that it will be close to 0%, around 1.3% by 2021 and in the region of 1.6% by 2022, although it is possible that the ECB's measures to combat the pandemic might put prices on the upside.
- Spain will be the second biggest recipient of European aid, getting €140 billion over the next six years from the €750 billion Covid-19 recovery fund, of which €72.2 billion will take the form of grants that do not have to be repaid. The amount allocated to Spain is the equivalent of 11.2% of the country's GDP in 2019.
- In case of office sector, some adjustments, if any, and only in the short term, are more likely to be witnessed on rents instead of on cap rates, and as a very punctual situation with specific tenants. These adjustments could be incorporated as discounts in rent while the company recovers the ability to reach revenues levels similar to the ones that used to register prior to the pandemic. As lockdown restrictions have been lessen and labour and economic activity are gradually returning to normality, it is not expected that potential discounts in rents might last.
- Other assets more exposed to risk, such as retail and more specifically secondary shopping centres, might experience slight increases in their cap rates, that were already being witnessed prior to the Coronavirus pandemic.

Annual GDP Variation

Before Covid-19 spread throughout Europe, Spanish growth outstripped the European average. Provisional figures show that Spain ended 2019 with a growth of 1.8% compared to the EU average of 0.96%. The 2020 GDP growth forecasts for Spain have been downgraded to -9.0% due to the repercussions of the Covid-19 for the economy. Nevertheless, Spanish recovery pace is expected to be significantly faster than the EU average, with a GDP growth of 7.70% for 2021 (4.80% for the EU) and 2.40% for 2022 (2.20% for the EU)

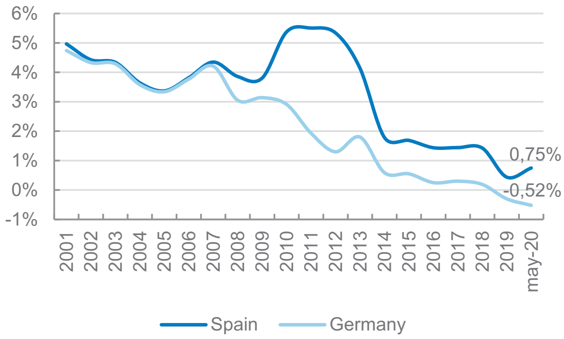


Source: BDE & Bankinter Research

Risk Premium on 10-Year Bonds Variation

Before Covid-19 spread throughout Europe, yields on the 10-year bonds of the main EU economies showed a decreasing trend. At the end of 2019, negative yields were seen in countries such as the Netherlands and Germany while the Spanish bond yield stood at 0.44%. Last registered data, from May 2020, start to reflect the impact that Covid-19 is causing at this respect, with a slight increase to 0.75%.

Spain's risk premium shrank to 74 bp in 2019 despite the political uncertainty. The result of the economic measures taken by different countries regarding the impact of Covid-19, will determine the effects on their risk premiums, now unpredictable.

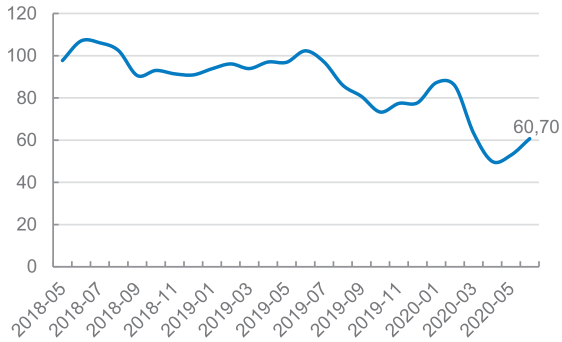


Source: BDE

Consumer Confidence Index

Consumer confidence remained stable during the first half of 2019. However, it waned significantly in the second six months of the year, ending the year at 77.7 points.

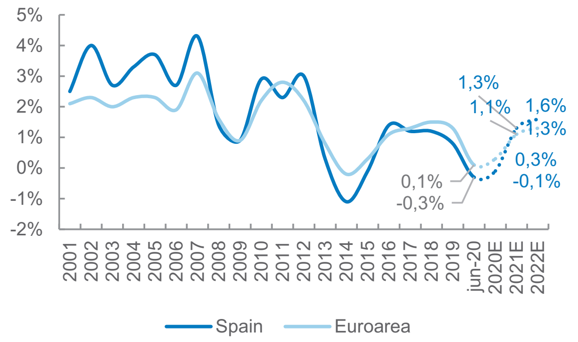
In January 2020 there was a very notable improvement versus the previous quarter, with the consumer confidence index substantially higher at 87.2 points. However, in March, after Covid-19 spread throughout Europe and Spain, the index dropped to 63.3 points, continuing with its decreasing trend in April, reaching a minimum of 49.9 points. In May, after lockdown measures have softened, we witnessed a slight improvement in the index, to 52.9 points. In June, this positive trend has continued, reaching 60.7 points.



Source: CIS Spain

CPI / Inflation

The YoY variation rate of the CPI in Spain in June 2020 was -0.3%, 6 tenths higher than the previous month. The forecasted 2020 CPI variation rate for Spain have been downgraded to -0.1% due to the repercussions of the Covid-19 for the economy. Nevertheless, Spanish recovery pace is expected to be faster than the EU average, as the IPC variation rate is forecasted to reach 1.3% by 2021 (1.1% in case of the EU) and 1.6% for 2022 (1.3% for the EU). In addition, it is possible that the both the Government and ECB's economic measures to combat the pandemic might put prices on the upside.

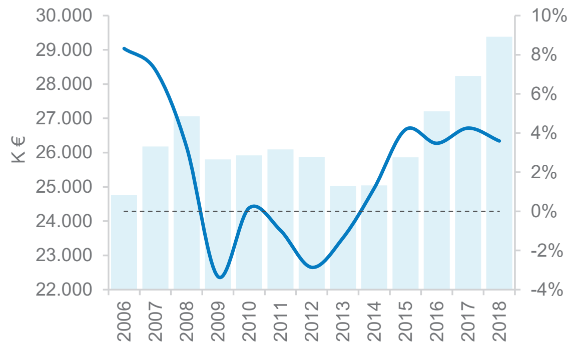


Source: BDE & Bankinter Research

GDP per Capita and Growth

The GDP per capita figure in December 2018 was €29,382, which represents a YoY variation of 3.0% with respect 2017's figures (€ 24,969).

This YoY variation is slightly lower than the one registered in 2017, when it accounted for 4.1%.



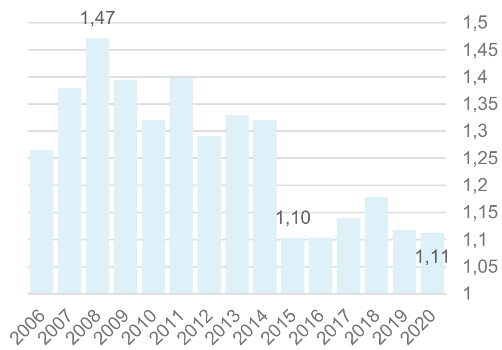
Source: INE

EUR / USD Exchange Rates

Current EUR/USD exchange rate (July 2020) stands at 1.14, although the average for the 7 first months would be at 1.11.

These figures are far from the average maximum of the series, 1.47, registered in 2008. EUR/USD reached its peak at 1.6038 in July 2008, and its lowest register in October 2000 (0.8231).

Future trend can be severely affected by other currencies' performance. Forecasts by Bankinter and Bloomberg state that EUR / USD exchange rate will be in the region of 1.10-1.15 by the end of 2020, reaching 1.12-1.17 by the end of 2021.

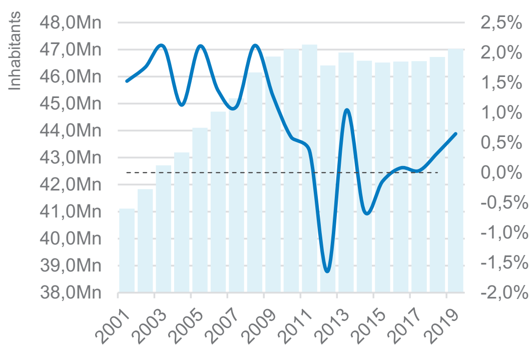


Source: Investing

Population Growth

Spanish population figures reached their peak in 2019, exceeding 47.1 Million of inhabitants, representing an increase of 0.65% in comparison with 2018's figures, mainly due to immigration.

As it has been happening in recent years, the growth of the population of foreign nationality continue its trend whereas the number of Spanish nationals decrease year by year.

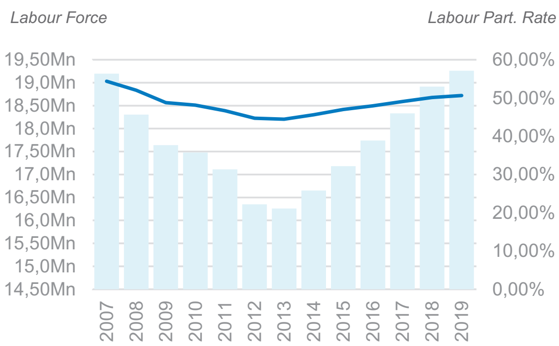


Source: INE

Labour Force – Labour Participation Rate

In recent years, Labour Force experienced a good performance, reaching a total of €19.3Mn in 2019, with a Labour Participation Rate of 50.64%.

Provisional figures for 1st quarter 2020 start to show the effects of the Covid-19 pandemic, as the labour force has decreased in 285,000 people with respect to the last quarter of 2019.

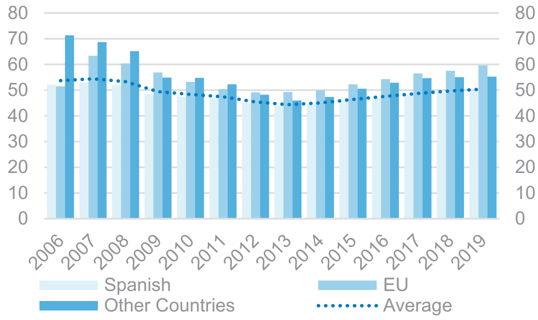


Source: INE

Labour Force per Nationality (Index)

Traditionally, expatriates from EU countries who work in Spain have the highest labour force index. In 2019, this difference significantly increased, as the index grew by 1.3% on average, but specifically by 1.2% for Spaniards, 3.7% for EU nationals and 0.4% for other countries nationals.

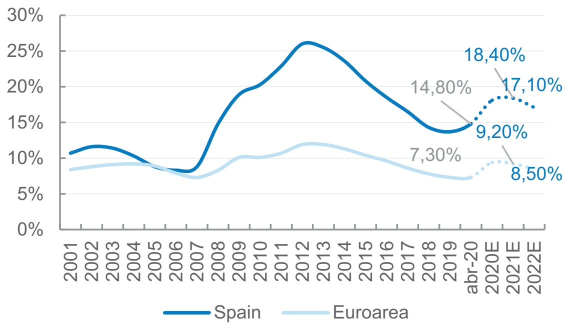
The latest figures available do not show yet the impact that Covid-19 is producing on the index, as the recession might affect more severely to expatriates from the outside of EU.



Source: INE

Unemployment Rate Variation

EU average unemployment rate is forecasted to rise from 7.3% at end of 2019 to over 9.40% by the end of 2020. However, as most European countries have now begun to lift the lockdown restrictions and labour and economic activity are gradually returning to normality, the situation is soon expected to start its recovery, with a slight improvement to 9.2% in 2021 and to 8.5% in 2022. Unemployment rate figures for Spain are slightly less optimistic, as they are expected to reach 18.10% at the end of 2020, improving to 17.10% in 2022.

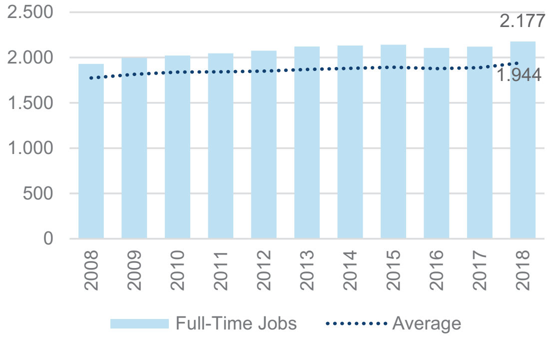


Source: BDE & Bankinter Research

Monthly Spain's Wage (Gross)

From 2016, when both Spanish average wages and Full-Time Jobs wages slightly reduced -0.8% YoY and -1.6% YoY respectively, this indicator has registered a positive trend.

Last published figures, from 2018, reflect that the average gross salary in Spain is €1,944 (+2.9% YoY) whereas the average salary, in case of Full-Time Jobs is €2,177 (+2.7% YoY)

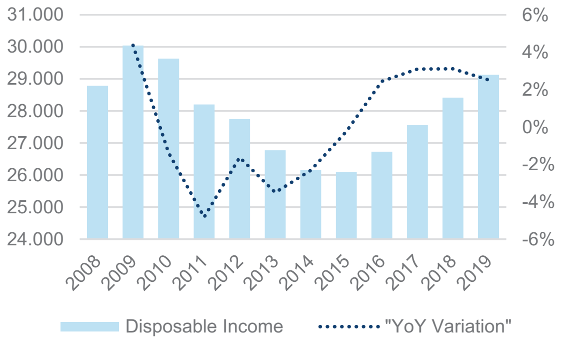


Source: INE

Spain's Disposable Income

From 2015, Spanish disposable income has experienced a vey positive trend.

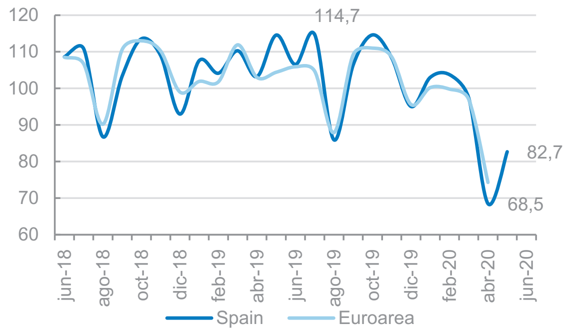
Last published figures, from 2019, an average disposable income of €29,132, which represents a growth of 2.5% with respect to 2018's figures.



Source: INE

Industrial Production Index

Because of the almost total paralysis of the production during the confinement, the industrial production index reached its lowest level in April 2020 (68.5 points) with a year-on-year drop of 33.6%. In May, activity partially recovered, and the index reached 82.7 points, but still very far from the levels of a year ago (-27.8%). All sectors and activities present rates of negative growth, with the largest decreases registering in consumer durables (−40.9%) and capital goods (−39.7%)

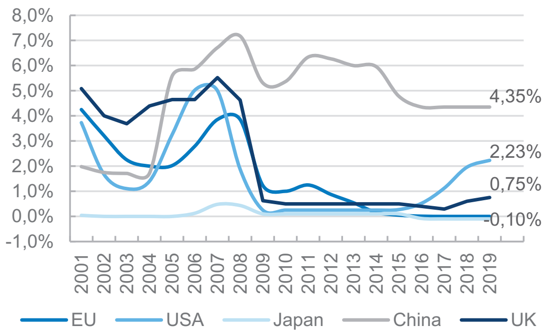


Source: BDE

Euribor and Central Banks Interest Rates

This graph represents the Central Banks interest rates evolution, the interest at which banks can borrow money from the Central Bank, used to guide monetary policies.

Since the beginning of 2020, and with the intention of containing the consequences of Covid-19 outbreak, most banks have reduced their rates, standing at 0.1%, in case of the UK, 0%, for the US, -0.1% in case of Japan or 3.85% in case of China.

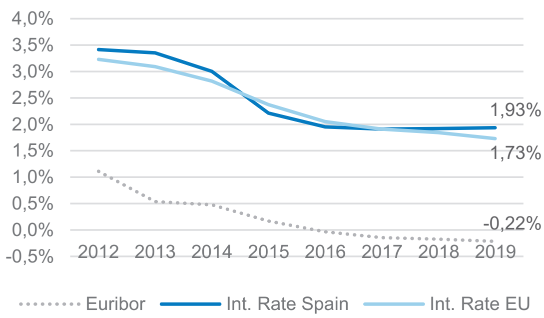


Source: ECB, Reuters, Datastream and BDE

Euribor – Mortgages Average Interest Rates

Interest rates' figures for 2020 continue their decrease according to the latest published information provided by the Bank of Spain, standing at at 1,744 for Spain and 1.58% for the EU.

In June 2020, Euribor was -0.147%, 0.066% points lower than the previous month where it stood at -0.081%. However, the accumulated index so far in 2020 represents an increase of 0.106 points with respect to the data for January.

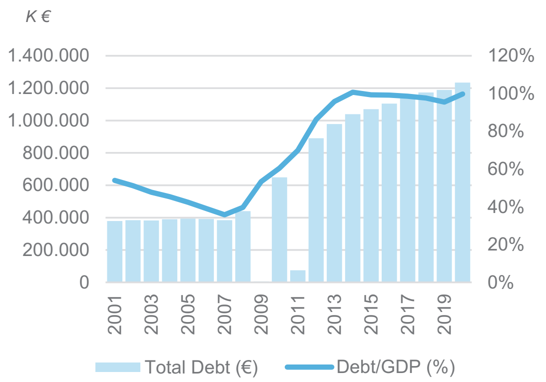


Source: BCE - BDE

Spanish Debt (% over GDP)

Spain is one of the countries with the highest debt in the world. In April 2020, the public debt amounted to €1,234,694 Mn, which represented 99.76% of its GDP.

During the first quarter of the year, Spanish debt increased by €35,294 Mn, 3.4% more of Spanish GDP than in the last quarter of 2020. The country's current debt per capita amounts to € 26,087 per inhabitant.

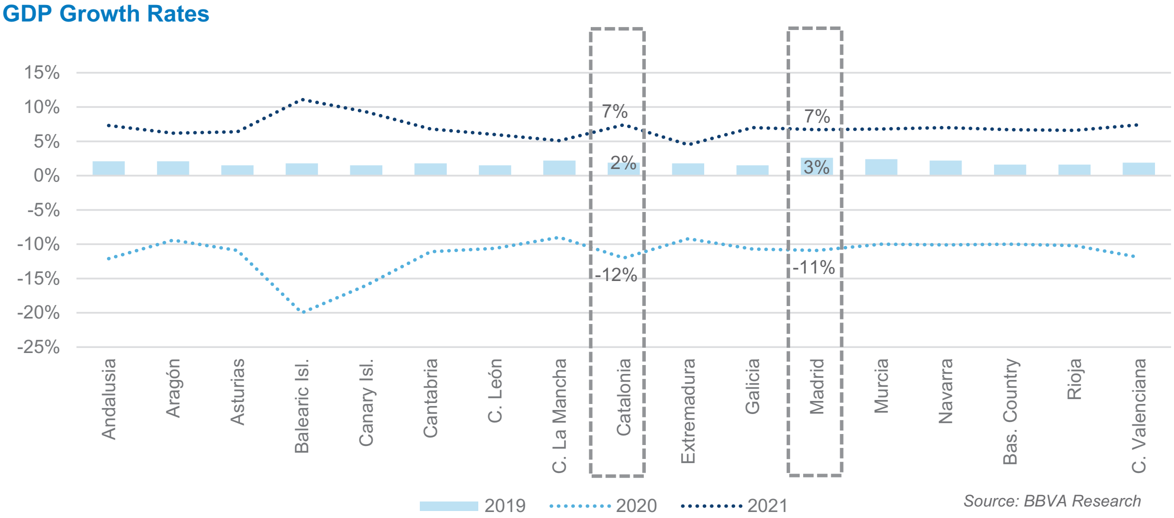


Source: Datos Macro

GDP FORECASTS FOR SPANISH REGIONS

It is expected that the recovery will have different paces within Spanish regions. Madrid and Catalonia, and more specifically their capital cities and metropolitan areas would experiment a faster recovery, mainly because of the strength of their economy and labour market.

GDP Growth Rates



Source: BBVA Research

2.2.2 Spanish Political Climate, Government Policies and Economic Impact

Spain presents a fragmented Parliament after the general elections of November 2019. Although political fragmentation, instability and Catalonian separatism has marked the Spanish political environment in the last years, these circumstances have had little impact on investors' interest, whereas Spanish economy performance was still better than the EU average.

Pedro Sánchez (socialist party) was invested as President of the Government on the 7th of January 2020, with simple majority, forming a coalition government with the left party Podemos, with the support of other regional parties.

The very different political agendas of the parties involved in the election made a continuation of the instability and uncertainty foreseeable as it is expected in a coalition government, where taking decisions is more difficult. The parties agreed on economic policies with increase in public spending and taxes although, as the EU will provide Spain with a total of €140 billion from the recovery fund, it will be constantly evaluating what the destination of that money is and what measures have been implemented in order to improve the economic situation as soon as possible.

Although in the first weeks of the Covid-19 pandemic in Spain the opposition and Government positions were very far and the political environment had a high tension, the situation has moderated and the political tensions between the government and the main opposition political party are now considerably more relaxed.

There are numerous economic forecasts for Spain as the virus situation evolves. The estimated impact, in terms of GDP decrease, unemployment increase and public debt increase, agreed by most organisations are as follows:

- GDP: -9 to -15% annual decrease in 2020. An annual decrease of -15% has only be forecasted in the most pessimistic scenarios and, in every case, a faster recovery than the EU average is expected.
- Public debt: 114 to 119% over GDP in end of 2020 after finishing 2019 with 95%.
- Unemployment: 18% to 24% (2019 was 14.1%). An unemployment rate of 24% has only be forecasted in the most pessimistic scenarios. The increase in the unemployment rate will start to recover in 2021.

As in many other European countries, the national government stimulus package is serving as an important support for the economy, even when public debt is estimated to have a considerable increase in the following years.

The main measures related to increase companies' liquidity and activate business activity are the following:

- ERTE (Expediente de Regulación Temporal de Empleo) Scheme: A regulation that temporarily suspends the contract of a worker – or reduces their working hours. Workers are still technically employed by the company which still pays their social security contributions but does not have to pay their salary. Instead the ERTE enables those who are entitled to it, to claim unemployment benefit which is up to 70 percent of their original salary. When the period covered by the ERTE is over, the worker then resume their role under the same contract and subject to the same conditions.
- €100,000 Million in Public credit guarantee schemes for business and freelancers for working capital, bill payment or others.
- €40,000 Million in Public credit guarantee schemes for new business investments.
- Tax payment moratorium up to six months in income tax, business tax and VAT.
- Tax debt moratorium below €30,000 up to six months.

On the other hand, the government has been interested in analysing other measures that might have negative effects on business activity, including real estate market:

- 2012 centre-right party labour reform scrap: some sectors of the Government showed their interest in the total scrapping of the labour reform that the previous government carried out to provide flexibility to the labour market. However, Nadia Calviño, deputy prime minister for the economy, promised a gradual, consensual approach to labour reform, to minimize the impact on economy.
- SOCIMI (Spanish REITs) regime reform to establish a minimum 15% business tax on non-distributed tax.
- Increase taxation on SICAV regime.
- Additional wealth tax of between 2% and 3.5% of personal wealth which was supported by the coalition party Podemos but is not supported by the socialist party.
- New financial transaction tax.
- Increase of business tax.
- Reform of current wealth and inheritance tax, which has been practically abolished in the regions where the centre-right is in the government.
- Income tax (IRPF) increase, one of the first agreements between the two coalition parties.
- Creation of a digital business tax ("Google tax") which has caused USA to threaten imposition of additional tariffs.
- New green taxation on plastics.

Nevertheless, and more especially now that Spain has been granted with a total of €140 billion from the EU recovery fund, the European Union will be constantly evaluating the destination of that money and the measures implemented by the government in order to decrease Spanish deficit in the medium/long term, especially by reducing expenditure, activating business activity and providing flexibility to the labour market. Because of that, it seems very unlikely that either an increase in public spending or a labour reform in the other direction could be witnessed in the medium time.

In addition to the abovementioned, an increase of VAT has been proposed by the Spanish Central Bank as a solution to increase the state revenues, as Spain is well below European standards in terms of VAT revenues due to the numerous exceptions and reduced types. However, as long as possible, the government would rather prioritise direct taxation as they find it more equitable.

Policies adopted at a European level are also supporting low financial costs. The European Central Bank (ECB) maintains interest rates in the euroarea at 0% and no increase is expected in the short term in 2020 and 2021 in any of the scenarios proposed. In addition, the ECB has provided a total of 742 entities with more than 1.30 trillion euros, the largest volume distributed by the institution through its refinancing operations. In fact, it has expanded its special program against the pandemic (purchase of emergency assets) by another 600,000 million euros until June 2021, with which the plan will reach purchases for Europe worth 1.35 trillion euros.

MEASURES TO REACTIVATE REAL ESTATE SECTOR

- Most measures are mainly focused on the residential market.

- As the possibility to afford a house continues to be one of the main problems of the real estate sector in Spain, and more specifically among young people, the Spanish Government is analysing the implementation of some endorsements or guarantees to encourage the purchase of a house, a similar plan to the “Help to Buy” program, launched by the British Government in 2013 and which granted public guarantees to obtain higher LTV percentages.

  This measure will not imply any costs for the Public Administrations, but it is expected to increase Government’s revenues in more than €15 Billion in two years and will considerably improve sector conditions, generating more than 300,000 new dwellings and more than 800,000 new jobs

- The Government has also created a new index to analyse the variation of rental prices. Until now, its intention is to evaluate the global situation, identifying the specific areas where rental prices are the highest and have registered the highest increases. The Bank of Spain has warned that any potential adjustment to rents should be made by increasing the supply or the existing park, not by controlling the prices. However, the Government has not mentioned any intentions of controlling rental prices in the medium term.

2.3 Spanish Real Estate Investment Market

The total investment volume in 2019 exceeded the amount of €12,000M, 5% higher than the previous year (if corporate deals are not considered). The investment volumes recorded during the Q1 2020 showed strong investor appetite in all sectors and a significant amount of available capital to allocate. However, these data neither reflect the impact of Covid-19 on investment figures nor manifest the current market sentiment, much more prudent.

In 2019, office sector's investment figures reached its peak, exceeding €4,500M and doubling 2018 total. Its good performance maintained in Q1 2020, with more than €850M closed. The scarcity of new speculative developments in prime locations and the strengthening of the demand had an impact in the shape of reductions in availability rates, upwards pressure on rents and downwards pressure on yields for high quality buildings in good locations. Redevelopment and renovation activities have also become essential, but locations with poor transport connections or lower level of services remain unattractive, regardless of building quality.

Rental transactions of the first half of 2020 have shown that the most active sectors in terms of demand, specially within Madrid and Barcelona areas are Consultancy and Services (50% of the deals) and Technology and Telecommunications (17.6% of the deals). Some of the most significant deals, in terms of rented area would be the ones signed by Accenture (14,895 sqm) and Idom (10,182 sqm, a sale and leaseback operation) in Madrid and the ones signed by Webhelp (31,000 sqm) and Apple (5,940 sqm) in Barcelona.

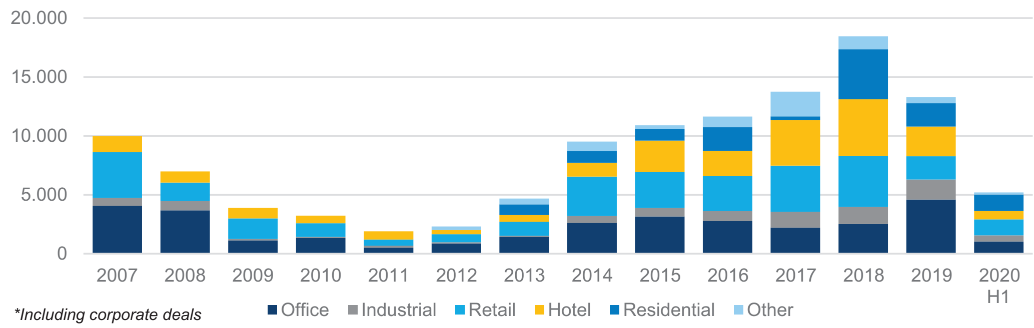
Retail sector experienced a downward trend in 2019 (54% less than in 2018) due to the shortage of prime assets and the feeling of uncertainty from investors and retailers concerning the impact of e-commerce. As most of the stores and commercial spaces were shut down to avoid Coronavirus' spread, the sector will be negatively affected, although some assets as supermarkets could attract the investors' interest. Contracts terms are likely to be renegotiated.

Logistics sector positioned itself as one of the most important components of the Spanish RE market in 2019, performing very well in terms of both investment and contracting, with an investment volume in excess of €1,700M, 40% higher than in 2018. Figures in the first quarter of 2020 were also optimistic until the arrival of Coronavirus, that slowed down their pace. The positive trend is expected to continue due to the driving force of e-commerce, which has proved to make logistics the most resilient sector all around the world, highlighting its importance during the Covid-19 pandemic.

The total investment volume in residential sector in 2019 surpassed €2,000Mn, representing 17% of the total investment volume in Spain. Private Rented Sector and Build to Rent deals accounted for €1,650Mn in 2019. During the first half of 2020, the investment volume exceeded the amount of €800Mn (+ 23% YoY).

It is expected that second-hand assets will experiment larger discounts in their prices than new developments. PRS/BTR sector will maintain its positive trend due to the strength of rental demand.

Following the tendencies witnessed during the global financial crisis, secondary assets' performance will suffer more and in turn, investor interest will remain thin therefore further impacting yield performance of such assets.



CURRENT ACTVITY – KEY TRENDS

- Rents were stabilising in general with a view to an upward shift, especially in offices and logistics sectors. The lockdown caused by Covid-19 is impacting some of the traditional sectors rents and performances, especially retail and more specifically, shopping centres.
- Yields were experiencing a notable pressure as many private wealth and some funds had a pressure to purchase and were using real estate as a form of investment rather than resting in bank accounts, gaining little interest and under the insecurity of the banking system. The impact of the current recession on assets' yields is still uncertain.
- Liquidity is now the main issue, uncertainty and fear has gripped the market; investor sentiment is low and cautious, and both yields and prices will reflect risk.
- The investment volume forecasted at the beginning of the year will probably not be accomplished, due to the investors' wait-and-see attitude regarding the high uncertainty concerning Covid-19 recession duration and economic consequences. Nevertheless, they will keep an eye on the market opportunities that may appear.
- Investors with portfolios which are diversified throughout various sectors may consider focusing away from what was previously considered a traditional sector i.e. retail, towards other sectors such as alternative and BTR/PRS investments and indeed would give consideration moving forward to reducing their retail exposure. Similarly, banks are reluctant to lend on shopping centres and retail parks. These factors are likely to push yields upwards.

INTERNATIONAL INVESTORS

In the context of strong market fundamentals and more optimistic growth forecasts than in other European markets such as the UK, France or Germany that we were experiencing before the Coronavirus outbreak, the Spanish real estate market was considered a very attractive one to international investors.

That is because its prices are lower and its returns more attractive than the ones provided by other more mature markets.

We are already witnessing some important deals closed by leading international investors. However, most of them were already in a very advanced state prior to the pandemic. The largest investment funds are currently adopting a wait-and-see attitude, waiting for the situation to return to normality to re-evaluate their approach but they are expected to continue with their investment plans.

In general, financial conditions are currently more selective and restrictive than in the first months of the year, with higher margins and lower leverage. International debt funds are gaining relevance, a role that will be reinforced in the coming months. Most of the international debt funds also consider Spain to be one of the main investment markets.

SPANISH ECONOMY AND BREXIT

Brexit is having a psychological impact on investors specially because of the uncertainty of future changes in the UK's regulations still not completely decided, especially regarding the difficulties and extra costs that international companies, especially the ones dedicated to trade are going to have.

Specially some sectors such as banks, funds, industrial, telecommunications or fintech are considering moving their headquarters to establish themselves in other states of the European Union in order to avoid a rise in exchanges rates and a greater regulatory complexity.

This situation is causing and is likely to continue causing very positive effects, especially on the most important cities of Germany, France and Spain and particularly Madrid and Barcelona and their metropolitan areas, with an increase in their investment figures and particularly, in the number of companies that are renting office space in both of the cities.

Spain, because of its climate conditions, excellent quality of life and competitive market is benefiting from this movements as more than 30 large companies working in very different industries have recently moved to both Madrid and Barcelona regions or have significantly expanded their activity within the country. Some of the main examples would be:

- Bank Sector:
    - American Express opened new headquarters in Campo de las Naciones area (decentralized), with more than 300 new professionals.
    - Citigroup. Although part of the team will continue working from London, the American bank will soon transfer its private bank division to Spain, creating its third largest office in Europe area.
    - Credit Suisse: the bank has transferred an important part of its operations and team to Spain, that will lead operations within Spanish, French, Italian and Nordic markets.
- Funds:
    - JP Morgan. The company has transferred part of its financial activity to Madrid, letting office space in Pso. Castellana, 31 (City)
    - Ares Management: the fund has recently opened new headquarters in Madrid.
    - Three Hills Capital Partners, Ben Oldman, KKR, Cornerstone-Barings, Axa Investment, Hines…
- Services:
    - Uber: Uber has opened its new operations centre for Southern Europe in Arturo Soria area (decentralized).
    - Admiral: the British insurance company, owner of firms such as Qualitas Auto or Rastreador, and which moves more than € 3 Billion annually, has established its new European headquarters in Sevilla.
    - RIA Transfer Money: The American company has recently expanded its office space in Alcobendas, transferring an important part of its London operations and staff. These offices will include now more than 300 new professionals.

The UK has consolidated as the largest foreign investor in Spain, as foreign direct investment (FDI) from the UK reached €4,9 Billion in 2019, representing an increase of 57% over the previous year and the best record since 2011. The regions that benefited from this investment the most were Madrid (€1.99 Bn) Castilla y León (€1.65Bn) and Catalonia €892 Mn).

The trend is likely to continue as the UK’s foreign direct investment during 1Q2020 accounted for €810Mn and 46% of the total foreign investment in Spain. Brexit has positively affected its performance and as the trend is expected to maintain, this investment volume will help in the Spanish economic recovery after the Covid-19 recession.

2.4 Spanish Office Sector

Office sector is the most important within Spain in terms of investment. In 2019, office sector's investment figures reached its peak, exceeding €4,500M and doubling 2018 total volume. Its good performance maintained in Q1 2020, with more than €850M closed. It is expected that, even when investors are increasingly opening to diversifying and exploring non-traditional assets, both national and particularly international investors will continue to be interested in office sector, and it will remain as one of the most relevant.

During the first months of 2020, prior to Covid-19 outbreak, the investment market remained extremely active with huge capital pressure to invest and gain exposure to the Spanish market, however, product availability was scarce, and investors were willing to invest in fringe assets to allocate capital. Most transactions sit between Core and Core Plus investor profiles.

Regarding take-up figures, office sector closed 2019 with more than 650,000 sqm in deals, the best result in all decade, with a significant expansion of companies offering flexible spaces. Prior to the Covid-19 pandemic, it was already forecasted that, as a result of the economic and employment minor slowdown, take-up figures in 2020 might experiment a decrease as it precisely is being witnessed.

The measures to reduce the impact of Coronavirus outbreak left the market at an impasse from the month of March to the month of June, so take-up figures in the first half closed at 164,000 sqm in Madrid and 81,000 sqm in Barcelona, figures significantly lower than the average for the same period of the last five years. The total impact of the recession regarding take-up figures for 2020 is still uncertain.

The sector continues to be deeply impacted by strong demand for Grade-A assets and very low availability rates in the central business districts, leading investors to seek assets in more decentralized growth areas. This situation is expected to be softened by the large amount of space with completion expected in the next two years, mainly located outside the CBDs. Many decentralized areas such as 22@ in Barcelona or Las Tablas in Madrid, are now being considered as extensions of the CBD and, because of the services and facilities they provide, and its concentration of new office developments, many companies are becoming interested in moving to headquarters to these areas.

Companies with a strong digital and technological component will be specially willing to settle in one of these decentralized areas, as being located near their clients is not a must for them.

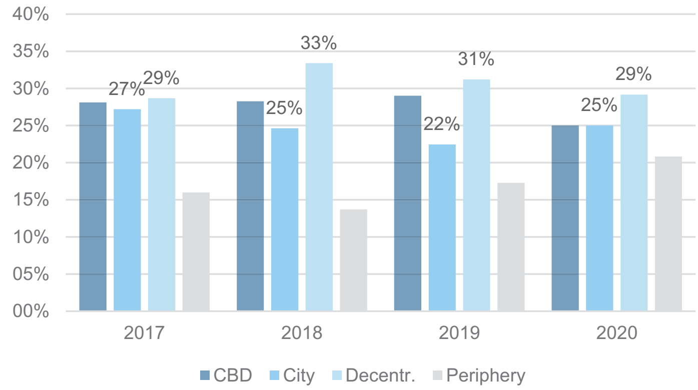
As talent attraction and retention becomes a key concern for companies, tenants are more and more demanding in terms of building quality. Because obsolete buildings continue to be very difficult to let, we are witnessing strong redevelopment and renovation activity during the last years, specially within the CBDs. However, locations with poor transport connections or lower level of services remain unattractive, regardless of building quality.

If working from home is managed and structured effectively, a reduction of core office space is a possibility due to less work settings being needed. However, as it has been seen that not everyone is able to work productively from home, it is expected that organisations will invest more in the quality of offices, create less dense environments with more collaboration and community spaces and facilities, which will imply an increase in office density.

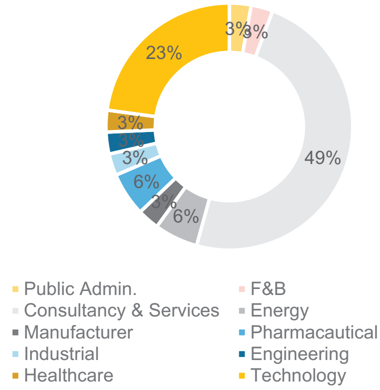
The office is definitely not dead. However, the office is likely to change in its functionality and size both in the short-term and the medium to long-term. The potential impact will differ from organisation to organisation. As an organisation it is important to safely allow employees to return to the office in the short term with efficient and effective social distancing measures in place. Furthermore, it is imperative as an organisation to be proactive and not reactive by understanding now what the wide range of potential future real estate impacts could be.

DECENTRALIZATION TRENDS

Take-Up Distribution (Spain)



Industries Breakdown within City & Decentralized Areas (2020)



Source: Colliers

Recent years take-up distribution shows that secondary locations, although with good connections and all the services around, are gaining importance with respect to the CBD, mainly because of the scarcity of prime assets available in it.

Companies with low to medium space requirements, and especially focused on Consultancy and Services sectors prefer to be located in the CBD or, in case they cannot afford its rent levels, within the City, in areas close to the city and with all the services available.

Companies that need more space tend to move to decentralized areas with higher availability and lower rents than CBD but very well connected by private and public means of transport and with all the services available. Between 2019 and 2020, 39 deals with a surface area in excess of 5,000 sqm were closed within Madrid and Barcelona markets. 54% of these deals were closed in decentralized areas, such as Manoteras, 21% within the CBD, 13% within the City and 13% on the periphery.

Some of the most important deals within 2019-2020 in terms of larger surface areas would be:

- In Madrid: 35,000 sqm let ING at Helios Building (decentralized), 26,700 sqm let by Masmovil in Av. America area (decentralized), 19,900 sqm let by L'Oreal at Alcalá, 546 (decentralized), 18,500 sqm let by INE in Manoteras area (decentralized) and 14,900 sqm let by Accenture at Pso. Castellana, 89 (CBD).
- In Barcelona: 12,800 sqm let by Caixabank on G.V. Corts Catalanes (decentralized), 11,000 sqm let by Wallbox in Zona Franca area (decentralized) or 31,000 sqm let by Webhelp in 22@ (decentralized).

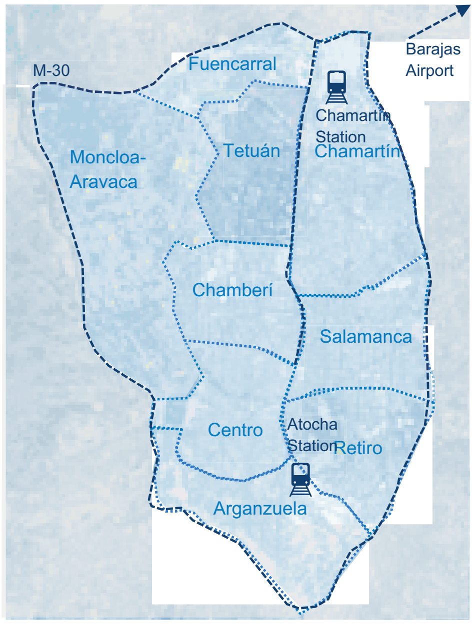
Both Madrid and Barcelona are internationally well-positioned as important centres of attraction for companies in the technology sector, as it has recently been evidenced with the positioning of Google and Amazon within the Madrid market as well as the great boom of the 22@ technology district in Barcelona, where the highest percentage of new developments is concentrated and leading companies such as Amazon, Glovo or Everis have established. The good performance of this sector began around 2015 and has been increasing during the last 5 years.

Specific areas of cities, such as Manoteras-Sanchinarro in Madrid, or the area between Diagonal and Paseo de Gracia or 22 @ in Barcelona, host a large number of technology companies such as Amazon or HP. Other areas, such as Can Sant Cugat, host a large number of companies related to the health industry, as well as technology.

3 MADRID SUBMARKET

3.1 Madrid Context

Madrid is the capital and main city of Spain and Madrid region. Due to its economic output, high standard of living, and market size, it is considered the major financial centre and the leading economic hub of Spain and Southern Europe. It hosts the headquarters of most major Spanish companies, such as Telefónica or Repsol.



Madrid has a total population of 3,266,126 (INE, 2019) being the most populated city in Spain and the third in Europe after London and Berlin.

In 2018, the city showed a GDP growth of 3.3% with a total GDP over €145.8 billions, accounting for 63% of Madrid's regional GDP and 12% of Spain's GDP. Its metropolitan area is the most important in terms of economic activity, representing a 19% of the Spanish GDP. With €42,051, it is 44% above the average in terms of GDP per capita.

Madrid enjoys a rich quality of life, the most tantalising Spanish cuisine and abundant leisure activities. It is an important cultural spot, with internationally well-known museums such as el Prado, Reina. Sofia and Thyssen-Bornemisza. It also hosts internationally known fairs such as ARCO and FITUR.

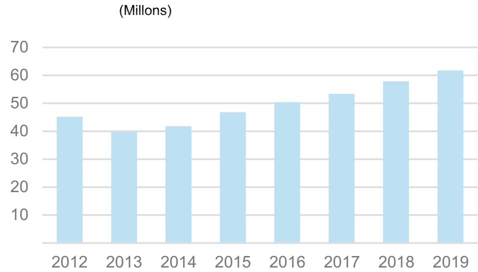
INFRASTRUCTURES

The Spanish roads and railways infrastructures' network has a radial configuration which has made Madrid the best connected node in the country's transportation network. Having a wide and well-connected metro and suburban trains network, Madrid outstands for the quality of its internal infrastructures system.

Madrid-Barajas is the most important airport in Spain as well as the 5th airport in Europe in terms of number of passengers (61.7 Mn) after Heathrow, Charles de Gaulle, Amsterdam and Frankfurt. Barajas stands out due to its proximity and good connections with the city centre, only a 15 minutes' drive away and 25 minutes away by underground.

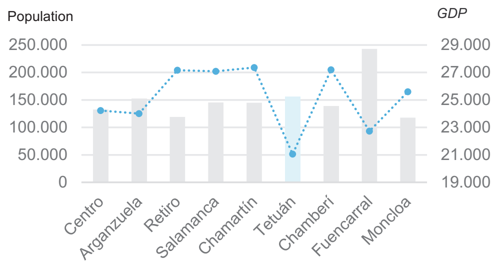
The high-speed railway in Spain (AVE) is the second largest in the world. Madrid, with Chamartín and Atocha stations, is its main node which implies very good connections with a wide range of cities.

NUM. PASSENGERS MADRID-BARAJAS



Source: AENA

POPULATION AND GDP BY DISTRICT



Source: INE, Ayunt. Madrid (2015, last published)

3.2 Madrid Office Market

Before Covid-19 spread throughout Europe, employment figures, private sector demand and the growth above average of productive activity in Madrid continued to drive the positive economic environment and boosted office investment volume. The stock in Madrid is approximately 16.9Mn sqm and the availability rate stands at around 8.2%.

Office take-up reached 164,000 sqm in 2020 H1, a slight decrease with respect previous years' results, mainly because of Covid-19 outbreak and the smaller size of the closed deals.

The scarcity of grade A space in the city centre (within M30 ring road) is reducing vacancy rates and pushing tenants towards decentralized areas, to consolidated locations with reasonable transport connections. Recently developed, high-quality buildings in these areas have registered rental increases during the latest terms.

Until 2020Q1, letting continued to be more dynamic outside the M-30, where 67% of the total take-up (in terms of let area) was concentrated (54% comprising the decentralized zone and 12% on the periphery). The CBD and the city had considerably lower rates (of 14% and 20% respectively). These figures have slightly adjusted during 2020Q2.

In terms of rental market, some of the largest deals in H1 were the letting by BBVA of 9,135 sqm in Las Tablas and the letting of 8,700 sqm by Vocento in Josefa Valcárcel area.

Prior to the Covid-19 outbreak, prime markets were performing well, with sustained rental growth for high quality Grade A buildings. The prime market rent in the CBD reached €36.5 sqm/month. Prime rents in other areas of the City were in the region of €22 sqm/month whereas in decentralized locations they reached € 18 sqm/month. In the periphery, they remained stable in the region of €12.5 sqm/month.

We are now in a phase of uncertainty, with a significant decline in activity and a wait and see attitude due to the economic recession forecasted for the next years. Now more than ever, the office stock that has become obsolete will not be let until the landlords invest in renovations.

MADRID OFFICE MAP

Area	Office Stock (sqm)	Available Area (sqm)	Availability Rate (%)	Prime Rent (€ psm/mth)
Madrid	15,077,000	1,242,500	8.2%	-
CBD	2,686,000	66,100	2.5%	36.5
City	3,949,000	143,500	3.6%	22
Decentr.	4,376,800	502,000	11.5%	18
Periphery	4,065,200	530,900	13.1%	12.5

Figures from 2020 Q2

3.3 Political Climate

Besides the national and European measures (*please, check section 2.2.2 for further details regarding both national and European measures*), Madrid regional government has implemented several initiatives to protect and reactivate employment during this crisis. Most of them are related to economic subsidies to be granted to SMEs and Autonomous workers, that add up to 81.5M€ in several programs (i.e. Plan Impulsa and Plan Conecta). In addition, they have approved some measures directly affecting real estate sector, they have approved mainly two measures, intended to reactivate construction activity:

- Speeding up urban planning licenses processes, implementing the model of "responsible declaration" instead of the current "construction license", avoiding delays and reducing the necessary time to complete those urban milestones.
- More flexibility in case of change of land use. As an example, an office could be reconverted into a dwelling or a commercial space could be built on a plot of land with industrial use.

Locally, Madrid Cityhall has approved several measures related to businesses regarding a wide range of issues:

- Payment extension of taxes (6 months), loans (principal or interests, for 3 months) or contribution to Spanish National Health System among others.
- Water and Electricity supply: SMEs and Autonomous workers could have suspended or adapted supplies contracts during the state of alarm and the three following months.
- 25% discount in the Economic Activity Tax of 2020 for businesses maintaining employment.

They have also approved some measures directly affecting real estate and construction sectors, in line with those implemented by the regional government:

- Reduction in the length and complexity of the current regulations by 40%, making it more concise and simpler to understand.
- Implementation of different phases for the construction licenses, with the possibility of including temporary activities.
- Implementation of arbitration processes, solved by the administration, to reduce congestion in the Court and speed up the processes.

3.4 Drivers of Demand and Main Industries

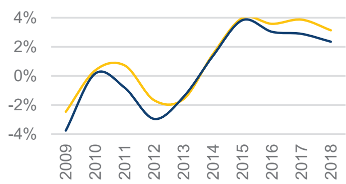
ECONOMIC OVERVIEW

- Madrid is the region with highest GDP per capita and total GDP in Spain. It has had a higher economic growth than Spain since 2009. In 2006 Madrid region GDP was 18.1% of the total Spanish GDP, 2nd second after Catalonia while in 2018 it surpassed Cataluña with 19.2% of the total vs 19.0%. According to BBVA Research, the GDP variation forecasts for 2020 for Madrid region are 0.6% above the Spanish average and 0.3% below it for 2021.

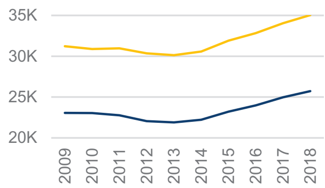
- Madrid region GDP per capita was in 2018 35K€, 136% of the Spanish average, while in 2006 it was 30,000€, 133% of the Spanish average.

- Madrid has a low unemployment rate by Spanish standards, with 9,9% vs 13.8% Spanish average. According to BBVA Research, employment rate variation forecasts for 2020 for Madrid region are 0.6% above the Spanish average and 0.2% below it for 2021

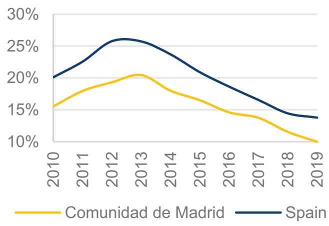
Annual GDP Growth Rate



GDP per Capita (€)



Unemployment Rate(EPA)

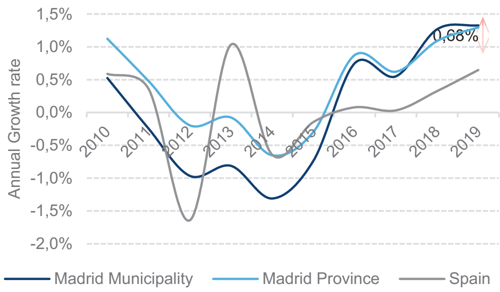


POPULATION GROWTH

- Madrid is the most populated city in Spain, with 3,26M inhabitants, while the province and region have 6,66M, being the third most populated region after Andalucía and Cataluña.

- Madrid city has gained 124,000 inhabitants since 2015 (3.95% total growth), while Spain has gained 505,000 inhabitants (1.09% total growth). This represents almost 25% of the total country population growth since 2015.

Population & Annual Growth Rate

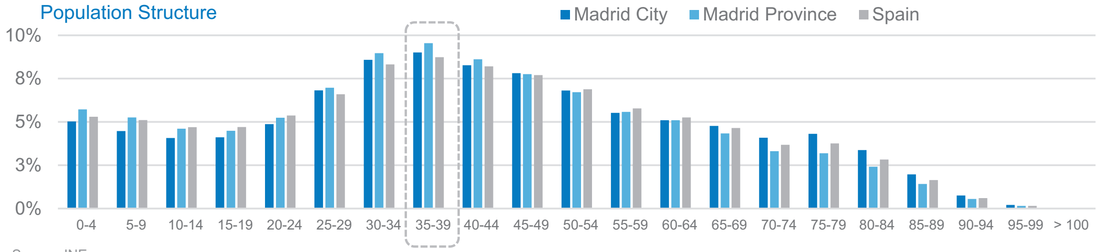


Source: INE

POPULATION STRUCTURE

- Madrid city presents a similar population structure to Spain, the province has a younger population. The average age in Madrid province is 42.5, the city one is 44 while the national one is 43.5. This compares to the European average (40 years), and the world average (36 years) showing that Spain has an aged population.

Population Structure



Source: INE

KEY DEMAND DRIVERS

- **Business:** Madrid is the 8th city in the world in terms of multinational companies' presence, ahead of cities like Dubai or New York. Madrid is a great business platform for closing deals within the EU, North Africa and specially Latin America. In addition, the region offers a favourable climate for business, as companies can benefit from moderate tax policies.
- **Socio-Economic:** Madrid has the highest GDP and GDP per capita in Spain. Madrid GDP per capita was in 2018 35K€, 136% of the Spanish average, while in 2006 it was 30,000€, 133% higher than the Spanish average. Salaries and average disposable income are also higher in Madrid in comparison to the Spanish average.
- **Labour Market:** Madrid has a dynamic labour market with strong job creation and low unemployment (9.9% vs 13.8% Spain's average – 2019). This favours a positive migration rate, as the workforce migrates from other areas of Spain with worse labour market performance. Workforce is also attracted by the higher salaries and better work conditions that are offered in Madrid.
- **Infrastructure and Services:** Madrid the best-connected node in the country's transportation network, offering good connections with other Spanish and European cities. In addition, it provides a wide range of services and facilities for expatriates such as international schools and a great public health system.
- **Office Area CBD:** Madrid is divided into several business areas. Even when the current offer of grade A buildings is still insufficient, new developments and refurbishment projects are being added to the current supply. In addition, almost 500,000 sqm are already in the pipeline to be delivered within the next years.
- **Office Market Performance:** The office market is showing a strong performance with positive forecasts. Investment figures reached its peak in 2019 with a total investment volume in excess of €2,600Mn and supported by the take-up figures registered. This is indicative of Madrid being an attractive location for companies' HQs, as having excellent climate conditions, quality of life and competitive market.
- **Rents and Returns:** Madrid average rents are lower than the ones registered in other main European cities, which is an advantage for tenants in search of space. In addition, investors can obtain better returns than the ones expected in other European capital cities.
- **Brexit:** Since several years ago Brexit preparations started, many companies are studying the possibility of transferring part of their teams to Madrid, in order to avoid a rise in exchanges rates and a greater regulatory complexity when doing business with other EU countries.
- **Main Sectors:** Even when working from home might imply the reduction in office space, some sectors mainly found within Madrid city (finance services, consultancy, technology…) will need office space to be able to develop their activity. Technological sector and Flexible Spaces are forecasted to lead the demand necessities during the next terms, due to their flexibility and adaptability.
- **Fairs and Events:** Madrid has a reputable fairs organisation IFEMA, situated close to the airport. Annual events and fairs are held in different fields, which attract thousands of participants every edition. Among them, FITUR (tourism), ARCO (art), Madrid Fusión (gastronomy) and Madrid Fashion Week (fashion) stand out. In 2018 35% of the registered tourism was due to business reasons.

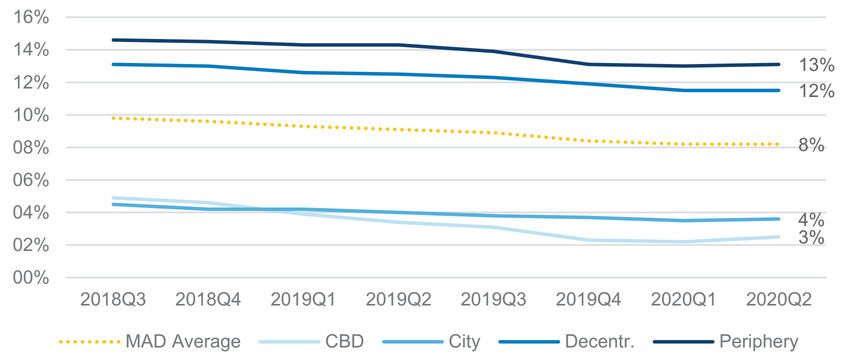
Madrid Norte Business area. Cuatro Torres

Calle Serrano

FITUR

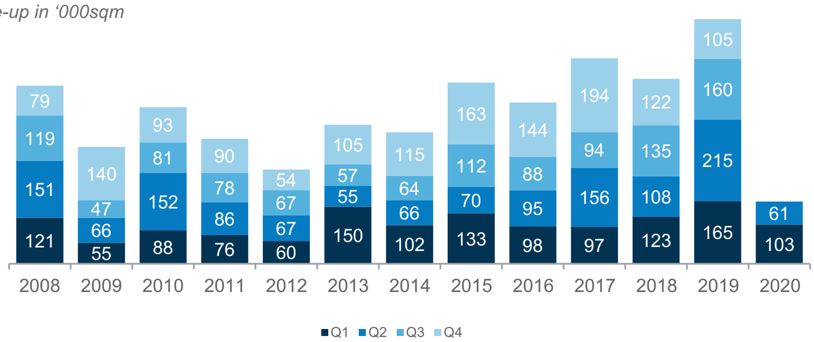
3.5 Office Market Key Indicators

VACANCY RATES



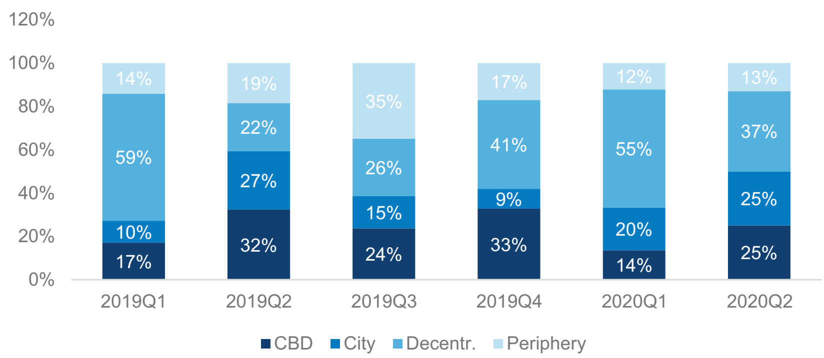
OFFICE TAKE UP PER QUARTER

Take-up in '000sqm

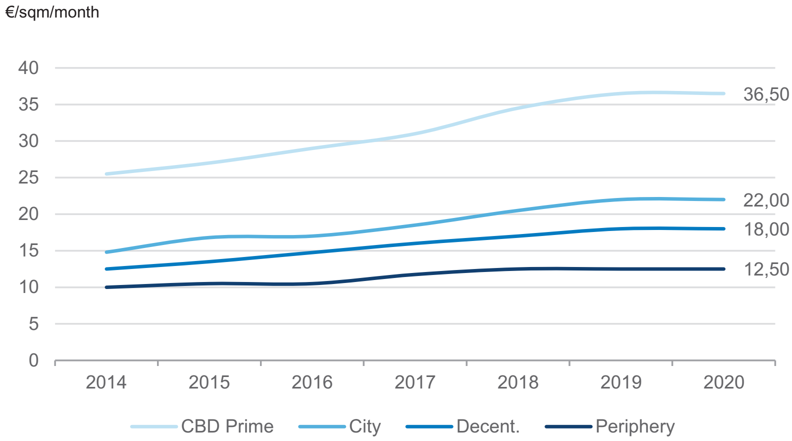


OFFICE TAKE UP BY AREA

Take-up in '000sqm



GRADE A RENTS BY AREA



The average of rents in Madrid areas (including Grade A, B and C buildings) would be in the region of:

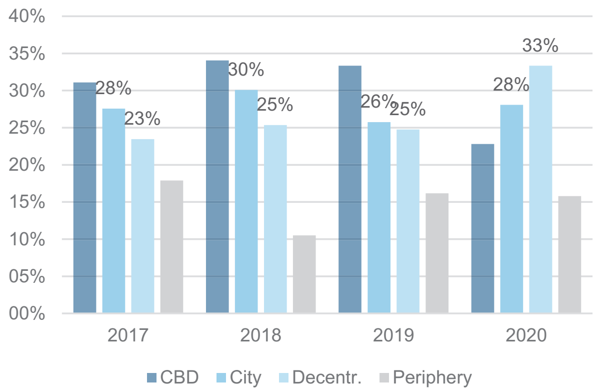
- CBD: € 29-31 sqm/month
- City: €18-20 sqm/month
- Decentral.: €13-15 sqm/month
- Periphery: €9-11 sqm/month

Grade A rents in Madrid are characterized by a rising trend since 2014.

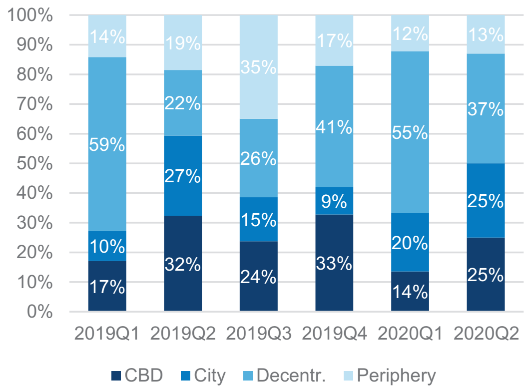
3.6 Tenants Trends

Recent years take-up distribution shows that secondary locations, although with good connections and all the services around, are gaining importance with respect to the CBD, mainly because of the scarcity of prime assets available in it.

Deals Distribution by Number of Deals (Madrid) ('19-'20)



Take-up distribution by Area



Source: Colliers

We are witnessing two main trends, depending on the size of the companies that are in search of office space to let:

- Small and medium-size companies, especially the ones that have constant direct contact with their clients:
  - They prefer to be located in the CBD of the city, as close as possible to Paseo de la Castellana axis, even if the high office prices imply reducing the amount of space let.
  - The reduction of space can be accomplished by making a more efficient use of it or by implementing internal policies that can reduce the number of employees working from the office simultaneously (Smart Working).
  - Office locations that were in vogue some years ago such as Las Rozas in A-6 axis, Pozuelo de Alarcón or Boadilla del Monte are now perceived as excessively far from the centre and we are witnessing some relocations in buildings located in the CBD or, in case this is not possible, in secondary locations but close and very well connected to the city centre such as Manoteras, Julián Camarillo or Campo de las Naciones.
- Large companies:
  - They are conditioned by rents and the large amount of space they need, not easy to find within the CBD or the city.
  - They are normally situated in large and new developed buildings in secondary locations, in areas very well connected to the city centre. They normally offer parking spaces and all the services to their employees.

Between 2019 and 2020, 24 deals with a surface area in excess of 5,000 sqm were closed within Madrid markets. 46% of these deals were closed in decentralized areas, such as Manoteras, 29% within the CBD, 13% within the City and 13% on the periphery. Some of the largest transactions (in excess of 5,000 sqm) closed within Madrid market during 2019-2020 have been the following:

Date	Area	Zone	Dirección	Tenant	Industry	Area (sqm)
2019 Q1	Decentralized	Campo Naciones	Vía de los Poblados 1	ING	Bank	35,000
2019 Q1	City	Arganzuela	Virgen del Puerto 55	Banco Cetelem	Bank	14,000
2019 Q2	City	Av. América	Av. Bruselas 38	Masmovil	Technology	26,635
2019 Q2	CBD	Cuzco	P Castellana 165	Ministerio de Justicia	Public Admin.	9,372
2019 Q2	CBD	Salamanca	Prim 12	Wework	Coworking	5,561
2019 Q2	Periphery	S. Sebastián Reyes	Av. Tenerife 4-6	Schneider	Technology	7,860
2019 Q2	City	Salamanca	María de Molina 39	Wework	Coworking	6,660
2019 Q2	Decentralized	Josefa Valcárcel	Josefa Valcárcel 26	Banco Santander	Bank	11,875
2019 Q3	CBD	Cuatro Torres	P Castellana, 259	Amazon	Technology	11,585
2019 Q3	Decentralized	Julián Camarillo	Valentín Beato 21	Roche	Health	11,575
2019 Q3	Decentralized	Campo Naciones	Ribera del Loira 28	Engine	Engineering	5,167
2019 Q3	Decentralized	Manoteras	Av. Manoteras 52	INE	Public Admin.	18,503
2019 Q3	Periphery	S. Sebastián Reyes	Teide 4	Inst. Sup. FP Sanitaria	Health	6,159
2019 Q3	Decentralized	Manoteras	Dulce Chacón 55	Deloitte	Consultancy	6,368
2019 Q3	Periphery	S. Sebastián Reyes	Fuente Nueva 5	Inst. FP Sanitaria C. Galeno	Health	6,235
2019 Q4	Decentralized	Josefa Valcárcel	J.I. Luca de Tena 17	Grupo Planeta	Communication	13,434
2019 Q4	CBD	Salamanca	Serrano 88	Beka Finance	Consultancy	5,617
2019 Q4	CBD	Cuatro Torres	P Castellana, 259	Amazon	Technology	6,616
2019 Q4	Decentralized	Josefa Valcárcel	Josefa Valcárcel 40 B	Vocento	Communication	8,716
2019 Q4	Decentralized	Julián Camarillo	Alcalá 546	L´Oreal	Health	19,900
2019 Q4	CBD	Cuatro Torres	P Castellana 259A	Pérez-Llorca	Legal	6,616
2020 Q1	CBD	AZCA	P Castellana 89	Accenture	Consultancy	14,895
2020 Q1	Decentralized	Las Tablas	Monasterio Escorial 4	Idom	Engineering	10,182

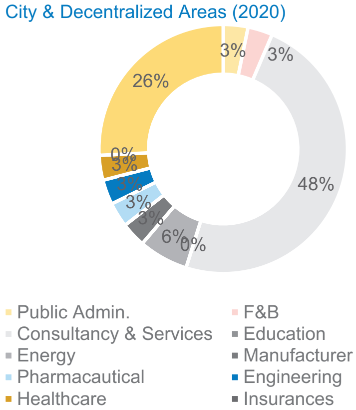
Madrid is internationally well-positioned as an important centre of attraction for multinational companies' headquarters, specially in case of both consultancy and technology sectors.

Specific decentralized areas of cities, such as Manoteras-Sanchinarro or Campo de las Naciones are mini-hubs or clusters, with large concentration of companies of a specific sector.

In addition, after Brexit, many companies previously operating from London have transferred some of their divisions to Madrid, opening new headquarters or renting more office space to avoid political difficulties and reduces their expenses amount. Some examples are:

- American Express: In 2017, they let 4,800 sqm in Campo de las Naciones area (decentralized)
- JP Morgan: They let 3,490 sqm in the CBD.
- Hines: In 2019, they rented 415 sqm in the CBD
- RIA Money: In 2019, they let 940 sqm in Alcobendas (A1-Periphery)
- Google: In 2019, they have let more than 2,000 in Torre Picasso, within the CBD.
- Amazon: In 2019, they have let more than 18,000 sqm in Las Cuatro Torres area.

Industries Breakdown within
City & Decentralized Areas (2020)



Other companies, such as Citibank are now in search of office space, as is intended to create its third largest office in Europe area, focused on its private bank division.

After the Covid-19 outbreak, companies are now studying how to deal with the current health situation that obliges them to guarantee social distance among their employees. It does not seem probable that location trends change in the medium term. Even though specific measures might vary depending on the different companies and are still under analysis by the members of the board, it is expected that the requirements of social distancing after Covid-19 will be solved by implementing shifts that allow employees to work some days from home.

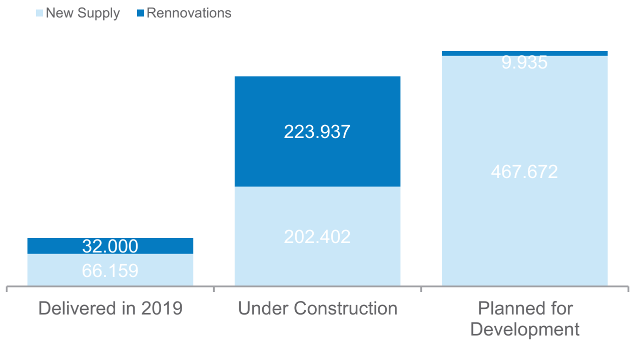
3.7 Future Supply

By the end of 2020, it is expected that more than 190,000 sqm of new developments will enter the market. In addition, more than 30,000 sqm (around 13% of the total new surface area considered) of refurbishment projects will be ready, the vast majority within the M-30. In 2021 the refurbishment projects are expected to increase their importance, representing more than 60% of the total expected future supply for that year.

The two submarkets with the current highest new development activity are Manoteras and Las Tablas in the north, Madbid and A2 area in the east and Méndez Álvaro in the south of the city. Within the M-30, the most active area is Barrio de Salamanca, mostly concentrating refurbishment projects.

After the Covid-19 recession started, the general trend observed is that both developers and investors are having a wait-and-see attitude, analysing the situation and future of the sector and postponing the start of new projects in the pipeline, even with their licences granted. Instead, they are concluding the projects whose construction is already in progress.

NEW OFFICE SUPPLY



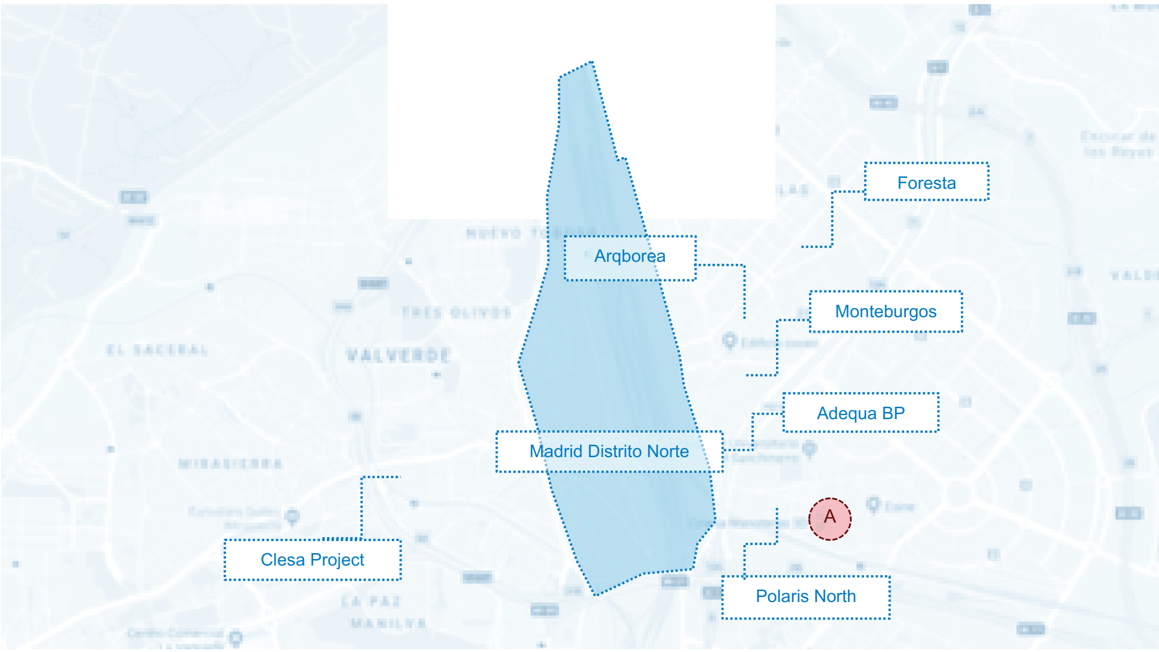
Plan Name	Area	GLA
Madrid Nuevo Norte	North (A1)	1,000,000
Valdebebas Fintech District	North (A1)	1,022,000
Aena Plan	North (A2)	642,000
Pegaso City	North (A2)	520,000
Las Tablas	North (A1)	150,000
Madbit (J. Camarillo)	Madbit	225,000

Some of the most significant projects currently in the pipeline within Madrid are the following:

Project Name	Owner	GLA	Status	Year
P. Castellana, 44	CCS	9,117	Refurb. Project	2020
Serrano, 88	Torimbia	6,211	Refurb. Project	2020
Goya, 36	Naturgy	3,541	Refurb. Project	2020
Celes Build.	Sant Croix HI	8,823	Refurb. Project	2020
Axis Building	GPF Cap.	2,512	Refurb. Project	2020
Julián Camarillo 49-51	Bouygues	18,000	New Develop.	2020
P. Somport 10-18	Colonial	23,200	New Develop.	2020
OM Infinito	Torre Rioja	36,400	New Develop.	2020
A6	Naropa	10,000	New Develop.	2020
Torre Adequa	Merlin	29,095	New Develop.	2020
Adequa (Extension Project)	Merlin	15,000	New Develop.	2020
Burgosol	CBRE	2,780	New Develop.	2020
A2 Plaza Phase 1	Iberdrola	25,000	New Develop.	2020
Polaris North, Manoteras 12	Onix CP	14,000	New Develop.	2020

Project Name	Owner	GLA	Status	Year
Av. Europa 17	Arcano	8,100	New Develop.	2020
Arqborea	GMP	15,293	New Develop.	2020
Velazquez, 88	Colonial	16,816	Refurb. Project	2021
Monteburgos (I)	Metrovacesa	29,000	New Develop.	2021
Colonial M. Álvaro	Colonial	69,000	New Develop.	2021
Cat. Occ. M. Álvaro	Catalana Occ.	20,275	New Develop.	2021
A2 Plaza (II)	Iberdrola	25,000	New Develop.	2021
Acciona M. Álvaro	Acciona	10,900	New Develop.	2021
Torres de Colón	M. Madrileña	12,200	Refurb. Project	2022
Castellana, 85	Merlin Prop.	12,978	Refurb. Project	2022
Miguel Ángel, 23	Colonial	8,057	Refurb. Project	2022
O. y Gasset, 100	Colonial	7,800	Refurb. Project	2022
Foresta	Catalana Occ.	11,250	New Develop.	2022
Monteburgos (II)	Metrovacesa	30,000	New Develop.	2023

FUTURE SUPPLY IN THE NORTH OF MADRID



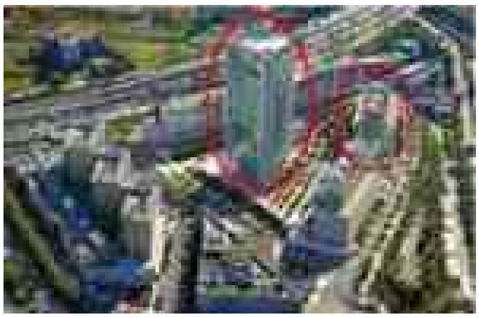
We have identified a number of projects currently in the pipeline in the north of Madrid, however with different development timings:

MONTEBURGOS

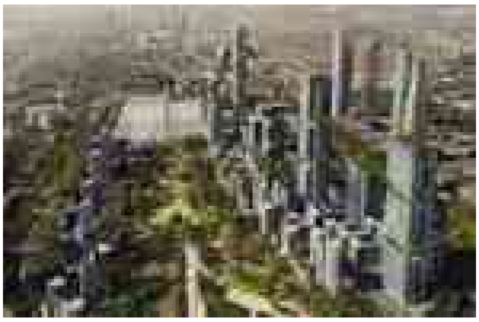
Monteburgos is a business park projected in Las Tablas area. Originally owned by Metrovacesa, Tihsman Speyer together with Allianz acquired in Q2 2018 76% of the shares to develop this 56,652 sqm project. The three plots will be developed in different phases.

ADEQUA BP

Adequa business park was developed by Bami in 2010. With seven projected buildings and a total area of 121,000sq m, two buildings with 45,500sq m were not developed. Merlin acquired the business park in 2016 and also owns other properties in the area; we understand that Merlin will not develop these two buildings until their nearby asset Torre Chamartin is not let. This tower is 18,295sq m, currently vacant. In the existing buildings in Adequa BP are available 22,100sqm.



MADRID DISTRITO NORTE



This extensive development is one of the largest city developments in Europe. Over 311 hectares of land will include residential, commercial and other uses on the current train infrastructure. Initial plans come from the early 90's and the masterplan has suffered many changes since then. Today is still not finally approved and there is still uncertainty on the final figures and development dates. Approx 1.2million sq m for office space were in the last available master plan.

CLESA PROJECT

Metrovacesa is developing a new project in a land of 38,000 sqm previously owned by Clesa and close to Ramón y Cajal Hospital. Metrovacesa bought the land in 2011 (with industrial use) and in 2014, when Clesa stopped its activity, they started conversations with the city council to change its use into tertiary.

The project is expected to start in 2019 an is intended to be finished by 2022-2033. Offices, with 44,000 sqm will be the predominant use.

ARQBOREA PROJECT

In October 2018 Gmp started development on ARQBÓREA, a new office building on land in Las Tablas. Work is expected to be completed by the end of 2020.

Its architectural proposal includes 15,790 sqm with 450 parking spaces and a double-skin with terraces and vegetation on façades with greatest exposure to sunlight. The building has already obtained the LEED Platinum pre-certification.

POLARIS NORTH MADRID

Polaris North Madrid is a new project owned by ONIX Capital Partners and designed by b720 Fermín Vazquez Arquitectos, located in Manoteras.

It offers 14,248 sqm of office space and boasts open-plan, wholly column-free standard floors that span 2,794 sqm. It also features a 7.2m double height lobby and two basements boasting 212 parking spaces. It is one of the first properties in Spain to obtain LEED Core & Shell and WELL certifications, both at gold level.

FORESTA

Metrovacesa sold to Catalana Occidente a turnkey office project that will be built in Foresta street, in the area of Las Tablas. The project will have 11,250 sqm divided into six floors and two basements boosting 300 parking spaces.

The developer is intended to have finished the project by 2022.

3.8 Office Investment

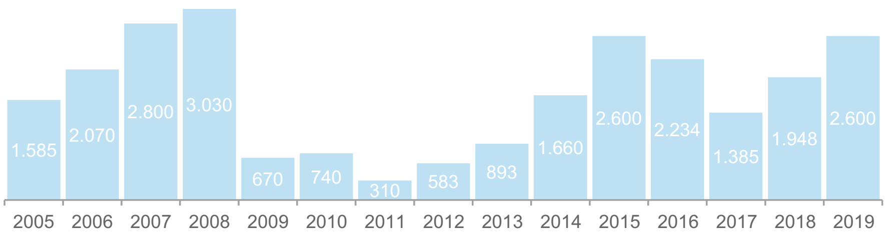
In 2019, Madrid office sector's investment figures reached its peak, exceeding €2,600Mn. The sector good performance maintained in Q1 2020, with a total investment volume closed in the region of €644Mn, although volume figures have significantly decreased during 2020 Q2 mainly as a consequence of lockdown measures and investors' wait-and-see attitude.

Deals in the first half of the year in Madrid region include the sale by Blackstone, of Helios Building (approx. €190 Mn) to Kiwoom Asset Management. The building is located in Campo de las Naciones area, close to Barajas Airport. Another Spanish REIT, GMP, sold the business park "Castellana Norte" (€127 Mn), where Huawei headquarters are located, to Harbert Management.

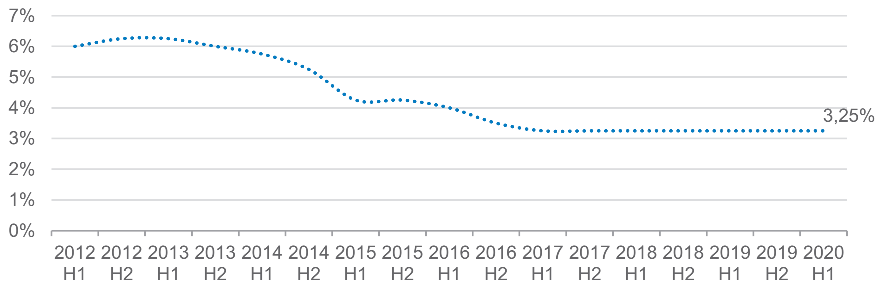
Prior to the Coronavirus outbreak, office investment product for sale remained scarce in comparison to high demand levels; as specially funds had large amounts of capital available to invest and were willing to consider Madrid's market in their approach. This scarcity of new speculative developments in prime locations and the strengthening of the demand put upwards pressure on rents and downwards pressure on yields for high quality buildings in good locations. Prime yields stabilized at around 3.25% Whereas decentralized but consolidated locations adjusted to levels in the region of 4.5%.

Although in recent weeks we have witnessed a significant return of activity, investors are now much more cautious and prudent regarding secondary assets. The performance and consideration of core and core + assets is completely different from value-add ones and, whereas for occupied grade A buildings located in prime locations, rents and yields have not experienced an important change, the increase in investors' risk aversion will be reflected in secondary assets' prices, yields and investment volumes, as their perspectives are more uncertain.

OFFICE INVESTMENT VOLUME (€M)



PRIME YIELDS



We list below the main office transactions closed in Madrid within 2015-2020:

#	Date	City	Identification	Investor	Vendor	GLA	Price	€ psm	Yield
1	2015 Q1	Madrid	Goya 29	Hermanos Revilla	Inm. Alhambra	4,783	27.0Mn	5,645	n.a.
2	2015 Q1	Madrid	Avenida de Burgos 118; BMW HQ	IBA Capital Partners	Gecina	13,500	41.0Mn	3,037	5.7%
3	2015 Q1	Madrid	Castellana 77; Ederra	Gmp	BBVA	16,000	87.0Mn	5,438	n.a.
4	2015 Q1	Madrid	Gran Vía 14	Mexican private	Dafor	4,600	21.0Mn	4,565	n.a.
5	2015 Q1	Madrid	Príncipe de Vergara 108	Hispania	IVG	7,324	25.0Mn	3,413	n.a.
6	2015 Q1	Madrid	Alcalá 38-40	Merlin Properties	Private	9,315	38.10Mn	4,090	n.a.
7	2015 Q2	Madrid	Edificio Tucuman	Axia RE	Blackstone	6,830	23.50Mn	3,441	n.a.
8	2015 Q2	Madrid	Serrano 73	Hofinac RE (Finaccess / Grupo Modelo)	Hemera Capital	4,242	39.50Mn	9,312	4.0%
9	2015 Q2	Madrid	Castellana 55	Catalana Occidente	Standard Life	5,625	60.0Mn	10,667	2.8%
10	2015 Q2	Madrid	Castellana 89 Ahorro Corporación HQ	Corporación Financiera Alba	Ahorro Corporación	17,818	147.0Mn	8,250	3.5%
11	2015 Q2	Madrid	Two buildings in Cristalia Business Park	Axia RE	Deustche Asset & Wealth Management	17,587	49.0Mn	2,786	n.a.
12	2015 Q2	Madrid	Estébanez Calderón 3-5	Colonial	Varde Partners	10,499	30.0Mn	2,857	n.a.
13	2015 Q2	Madrid	Plaza de la Independencia 6	Mapfre	Mutualidad de Notarios	12,411	83.0Mn	6,688	n.a.
14	2015 Q2	Madrid	Príncipe de Vergara 125	Reale	Sabadell	7,040	45.0Mn	6,392	n.a.
15	2015 Q2	Madrid	Six floors in Padilla 17	Axia RE	SAREB	10,775	51.0Mn	4,733	n.a.
16	2015 Q2	Madrid	Portfolio 2 assets (Cristalia 4B&Las Rozas)	Hispania	DEKA	21,978	54.50Mn	2,480	6.5%
17	2015 Q3	Madrid	Príncipe de Vergara 112	Colonial	Alza RE	11,400	31.0Mn	2,719	n.a.
18	2015 Q3	Madrid	Ríos Rosas 26	M&G RE	WPP	40,000	n.a.	n.a.	n.a.
19	2015 Q3	Madrid	Génova 17	Colonial	HNA	4,676	36.0Mn	7,699	4.0%
20	2015 Q3	Madrid	Fox Portfolio (3 office buildings)	Axia RE	Private	46,748	n.a.	n.a.	n.a.
21	2015 Q3	Madrid	Titán 4	GMP	Invesco	10,310	36.0Mn	3,492	n.a.
22	2015 Q3	Madrid	Portfolio 2 assets (Trespaderne, 29, Llano Castellano 51)	GMP	GE Capital RE	52,322	55.0Mn	1,051	n.a.
23	2015 Q3	Madrid	Ciudad Adequa	Lone Star	Bami	120,000	630.0Mn	5,250	n.a.
24	2015 Q3	Madrid	PE Avalon (4 buildings)	Green Oak	Santander	21,170	40.0Mn	1,889	n.a.
25	2015 Q3	Madrid	Fuente de la Mora 1	Axa RE	Abu Dhabi Inv. Authority	42,945	n.a.	n.a.	n.a.
26	2015 Q3	Madrid	Porfolio 3 Buildings (Alcalá 506, Bruselas 38, Luca de Tena, 6)	Axia RE	n.a.	46,112	50.0Mn	1,084	n.a.
27	2015 Q3	Madrid	Office: Francisco de Rojas 8	Consejo General de Economistas	Private	1,016	n.a.	n.a.	n.a.
28	2015 Q4	Madrid	Avenida de América 115; new Vodafone HQ	IBA Capital Partners	London & Regional	50,600	150.0Mn	2,964	5.3%
29	2015 Q4	Madrid	Office Building: Hernandez de Tejada 26	HNA	Cemex	11,869	25.0Mn	2,106	5.6%
30	2015 Q4	Madrid	Torre Espacio	Grupo Emperador	OHL	56,786	558.0Mn	9,826	4.9%
31	2015 Q4	Madrid	Paseo de Recoletos 4	Abanca	GLL RE	3,704	44.0Mn	11,879	n.a.
32	2015 Q4	Madrid	Maria de Molina 39	Private	Private	5,909	28.25Mn	4,781	5.7%
33	2015 Q4	Madrid	Amura Office building, Alcobendas	AEW	Union Investment	18,135	37.0Mn	2,040	5.0%
34	2015 Q4	Madrid	Office building, Santa Engracia 120	Inm. Colonial	Torimbia	13,430	67.0Mn	4,989	5-7%
35	2015 Q4	Madrid	General Lacy 23-25	Royal Metropolitan/Takonik	Ares Mgment	6,208	21.0Mn	3,383	n.a.
36	2016 Q1	Madrid	Albarracin 33	Zurich	Metroinvest	19,920	n.a.	n.a.	n.a.
37	2016 Q1	Madrid	Serrano 240	AEW Europe	Contin. Prop. Invest.	12,305	26.0Mn	2,113	n.a.
38	2016 Q1	Madrid	Av. Manoteras 48	Trajano	Bami Newco	13,440	44.30Mn	3,296	n.a.
39	2016 Q2	Madrid, Pozuelo, Alcobendas	Portfolio 8 Buildings (Virgilio 2, J. Camarillo, Parque Omega)	Meridia Capital	Segurfondo Inversión/ Inverseguros	31,053	42.50Mn	1,369	n.a.
40	2016 Q2	Madrid	Jose Abascal 45, offices	Inm. Colonial	Private	5,508	35.0Mn	6,354	n.a.
41	2016 Q2	Madrid	Serrano 73, offices	Inm. Colonial	Finaccess	4,242	60.0Mn	14,144	n.a.

#	Date	City	Identification	Investor	Vendor	GLA	Price	€ psm	Yield
42	2016 Q2	Madrid	Av. America 26-28, IBM Building	Inm. Colonial	Finaccess	72,600	142.0Mn	1,956	n.a.
43	2016 Q2	Madrid	O´Donell 12	Mutualidad de la Abogacía	Private	8,571	30.0Mn	3,500	5.0%
44	2016 Q2	Madrid	Príncipe de Vergara 156	Hispania	Aegon	4,200	n.a.	n.a.	n.a.
45	2016 Q3	Madrid	Jose Abascal 51	Mutua Madrileña	Credit Suisse	3,716	30.80Mn	8,288	n.a.
46	2016 Q3	Madrid	Pº Castellana 259A. Torre Cepsa	Ipic+Muscari Property	Bankia	93,747	400.0Mn	4,267	n.a.
47	2016 Q3	Madrid	Pº Castellana 259A. Torre Cepsa	Pontegadea	Ipic+Muscari Property	93,747	490.0Mn	5,227	n.a.
48	2016 Q3	Madrid	Av. Europa 26. Atica. Building 5. Pozuelo de Alarcón	Merlin Properties	Grupo San Jose/ Varde Partners	9,550	25.0Mn	2,618	n.a.
49	2016 Q3	Madrid	Jose Echegaray 6A, Las Rozas	UBS RE	Private	13,195	36.50Mn	2,766	n.a.
50	2016 Q4	Madrid	Av. San Luis 77	IBA Capital Partners	Gas Natural Fenosa	30,000	120.0Mn	4,000	n.a.
51	2016 Q4	Madrid	Av. América 38	Ecke Immobilien	Gas Natural Fenosa	26,109	65.0Mn	2,490	n.a.
52	2016 Q4	Madrid	Sagasta 33	Axiare	Marzabal	7,054	41.80Mn	5,926	n.a.
53	2016 Q4	Madrid	Almagro 9	AXIARE	Reig Capital Group	15,093	124.0Mn	8,216	3.5%
54	2016 Q4	Madrid	Ignacio Luca de Tena 7	AXIARE	Vocento	10,000	35.0Mn	3,500	n.a.
55	2016 Q4	Madrid	Velázquez 33	Topland Invest.	Familia Vazquez	5,550	27.40Mn	4,937	n.a.
56	2016 Q4	Madrid	Genova 26	Prevision Sanitaria Nacional	Private	5,826	36.40Mn	6,248	n.a.
57	2016 Q4	Madrid	Alcalá 45	Ayuntamiento de Madrid	Testa	18,655	104.0Mn	5,575	n.a.
58	2016 Q4	Madrid	Pº Castellana 163	Inm. Colonial	Private	1,000	51.0Mn	51,000	n.a.
59	2017 Q4	Madrid	Colón 1	CBRE GI	Barclays	3,910	55.0Mn	14,066	n.a.
60	2016 Q4	Madrid	Serrano 73	Colonial	Dfinaccess	4,242	60.0Mn	14,144	n.a.
61	2017 Q1	Madrid	Puerto Somport, 8. Las Tablas	Axiare	GMP	9,228	41.50Mn	4,497	3.5%
62	2017 Q1	Madrid	Anabel Segura 14, Cedro Building. Arroyo de la Vega, Alcobendas	Axiare	Blackstone	17,040	43.50Mn	2,553	5.5%
63	2017 Q1	Madrid	Manuel Cortina 2 & Manuel Silvela 15	GMP	Mapfre	14,424	72.0Mn	4,992	n.a.
64	2017 Q1	Madrid	Miguel Ángel 23	Axiare	LICO and Others	8,036	53.40Mn	6,645	n.a.
65	2017 Q2	Madrid, Alcorcón, Alcobendas	Portfolio 8 buildings (decentralized)	Oaktree +Free Group	BBVA	63,873	96.68Mn	1,514	n.a.
66	2017 Q2	Madrid	Ribera del Loira 56-58, Zurich Building	UBS RE	Zurich	11,850	38.50Mn	3,249	n.a.
67	2017 Q2	Madrid	Alcalá 17	Gubel	Casticapital	3,731	23.0Mn	6,165	n.a.
68	2017 Q2	Madrid	Aurelio Menéndez - Suero de Quiñones 40-42	Lladó	Hispania	n.a.	37.50Mn	n.a.	n.a.
69	2017 Q2	Madrid	Recoletos 5	Mutua General de Seguros	Peña Cardin	3,000	31.0Mn	10,333	3.0%
70	2017 Q2	Madrid	Gran Vía 18	CBRE GI+IBA Capital	Texas Pacific Group	5,500	44.0Mn	8,000	n.a.
71	2017 Q2	Madrid	Av. Manoteras 20. Isla Chamartin	Tristan Capital Partners+Zaphir AM	Lones Star	38,134	103.0Mn	2,701	n.a.
72	2017 Q3	Madrid	Cartera Hispania	Swiss Life REIM	Hispania	138,206	510.0Mn	3,690	5.0%
73	2017 Q3	Madrid	Avenida de Burgos 8	Lladó	Hispania	n.a.	n.a.	n.a.	5.0%
74	2017 Q3	Madrid	Castellana 14	CCS	Seguridad Social	4,900	40.25Mn	8,214	n.a.
75	2017 Q3	Madrid	Fernando el Santo 20	Royal Metropolitan/Takonik	Bancoval	2,858	20.10Mn	7,033	4.0%
76	2017 Q3	Madrid	Francisco Silvela 106	AEW	Dobacor	8,835	30.0Mn	3,396	n.a.
77	2017 Q3	Madrid	Carrera de San Jeronimo 15	Remer Investment	Mutua Madrileña	7,132	60.0Mn	8,413	n.a.
78	2017 Q3	Madrid	Serrano 47	Infinorsa	El Corte Inglés	n.a.	50.0Mn	n.a.	n.a.
79	2017 Q3	Madrid	Arturo Soria 336	Colonial	Lar	8,663	32.50Mn	3,752	4.5%
80	2018 Q2	Madrid	Plaza Santa Bárbara 1	UBS RE	Royal Metropolitan	10,625	120.0Mn	11,294	3.0%
81	2017 Q4	Madrid	Office Building, Los Cubos, c/ Albacete, 5	Therus Invest+Henderson Park	Realia	18,313	52.0Mn	2,840	n.a.

#	Date	City	Identification	Investor	Vendor	GLA	Price	€ psm	Yield
82	2017 Q4	Madrid	Manoteras 12	Onix Capital Partners	Hibu	12,000	27.50Mn	2,292	n.a.
83	2017 Q4	Madrid	Jose Valcárcel 40 Bis	Axia RE	Private	8,652	29.70Mn	3,433	n.a.
84	2017 Q4	Madrid	Santiago de Compostela 96	IBA Capital Partners	Private	12,627	54.60Mn	4,324	n.a.
85	2017 Q4	Madrid	Acanto 11, Méndez Álvaro	Lasalle Investment Management	Ecke Inmobilien	10,559	30.0Mn	2,841	n.a.
86	2017 Q4	Madrid	Av. America 38	Private	Ecke Inmobilien	26,109	70.0Mn	2,681	n.a.
87	2017 Q4	Madrid	office Building, Albarracin 25	IBA Capital Partners	Private	13,258	38.0Mn	2,866	n.a.
88	2017 Q4	Madrid	Fernando el Santo 15	Familia Llado	Axia RE	3,254	30.0Mn	9,219	n.a.
89	2017 Q4	Madrid	Gran Via 4	ACEK	Autonomy Capital	4,925	43.0Mn	8,731	n.a.
90	2017 Q4	Madrid	Juan de Mariana 15	Kefren Capital	Private	5,630	n.a.	n.a.	n.a.
91	2017 Q4	Madrid	Pza Independencia 2	Private	Catalana Occidente	4,182	25.50Mn	6,098	n.a.
92	2018 Q1	Madrid	Santa Engracia 23	New Winds Group	Patron Capital Partners	1,984	n.a.	n.a.	n.a.
93	2018 Q1	Madrid	Titan 8	UBS RE	Banco Ceiss	10,634	53.0Mn	4,984	n.a.
94	2018 Q1	Las Rozas, Madrid	Portfolio 2 Buildings (J. Benavente, Vía Poblados, 7)	Signal Capital	Duro Felguera	20,599	30.0Mn	1,456	n.a.
95	2018 Q1	Madrid	Egeo Building	Colonial	Lar España	18,254	70.30Mn	3,851	n.a.
96	2018 Q1	Madrid	PE Rio 55	AEW	Inm. del Sur	28,000	43.0Mn	1,536	n.a.
97	2018 Q2	Madrid	Velázquez 108	RGA Rural Vida	Private	3,682	32.0Mn	8,691	n.a.
98	2018 Q2	Madrid	Av. Camino de Santiago 40	Safra Group	Gorbe Arrendamientos	21,000	115.0Mn	5,476	n.a.
99	2018 Q2	Madrid	Velázquez 123	Silicius	Mazabi	2,346	20.0Mn	8,525	n.a.
100	2018 Q2	San Fernando de Henares	Av. Castilla, 2	Starwood Capital	Oaktree Capital	86,000	121.0Mn	1,407	n.a.
101	2018 Q2	Madrid	Rios Rosas 24	International fund	Arcano	4,486	23.0Mn	5,127	n.a.
102	2018 Q2	Madrid	Juan Hurtado de Mendoza 4	Meridia Capital	Lico Leasing	8,680	26.50Mn	3,053	n.a.
103	2018 Q2	Madrid	Pº Virgen del Puerto 55, Parque Empresarial Rio 55 Norte	Familia Moya Yoldi	Inm. del Sur	14,000	70.0Mn	5,000	n.a.
104	2018 Q3	Madrid	Portico Building, Mahonia 2, Campo de las Naciones	Amundi RE	Union Investment	21,000	110.0Mn	5,238	n.a.
105	2018 Q3	Madrid	Santa Leonor 65. P. Emp. Avalon (5 buildings)	Barings RE	Meridia Capital	25,780	73.0Mn	2,832	n.a.
106	2018 Q3	Madrid	Albarracín, 34	Greenoak	Axa RE	9,800	24.0Mn	2,449	n.a.
107	2018 Q3	Madrid	Fuente de la Mora 1, Edificios A y B	IBA Capital Partners	Axa RE	42,495	90.0Mn	2,118	6.5%
108	2018 Q3	Madrid	Alcalá 30-32	Real IS	Colonial	9,118	60.0Mn	6,580	n.a.
109	2018 Q3	Madrid	Via de los Poblados 3, Building 2, Empresarial Park Cristalia	Tristan Capital Partners+Zaphir AM	Colonial	8,700	30.0Mn	3,448	n.a.
110	2018 Q4	Madrid	Gran Vía 43	Henderson Park	Mutualidad de la Abogacía	7,302	61.0Mn	8,354	n.a.
111	2018 Q4		Via de los Poblados 3, Building 5, Empresarial Park Cristalia	Tristan Capital Partner	Colonial	8,793	30.35Mn	3,452	n.a.
112	2018 Q4	Madrid, Alcobendas	Porfolio 6 buildings (Centro Norte, Arr. Vega, Luca de Tena 6&14, Cristalia 3&6)	Tristan Capital Partners	Colonial	79,142	219.7Mn	2,775	n.a.
113	2018 Q4	Madrid	Paseo de Castellana 30	Labe Abogados	Private	3,091	80.0Mn	25,882	n.a.
114	2018 Q4	Madrid	Santa Leonor 65. P. Emp. Avalon (4 buildings)	Barings RE	Greenoak	21,172	60.0Mn	2,834	n.a.
115	2018 Q4	Madrid	Claudio Coello 123	Greenoak	Credit Mutuel	4,655	24.50Mn	5,263	n.a.
116	2018 Q4	Alcobendas	Av. Industria, 51	Teleno RE	Private	12,000	25.0Mn	2,083	n.a.
117	2018 Q4	Madrid	Velázquez 94	Caser	Herederos de Darwin	5,460	41.0Mn	7,509	n.a.
118	2018 Q4	Madrid	Albarracín, 31	IBA Capital Partners	Acciona	19,537	50.0Mn	2,559	4.7%
119	2018 Q4	Madrid	Portfolio 2 Buildings (María Molina, 24&F. Bernardino Sahagún,24)	Arima	Bankia	6,253	31.0Mn	4,958	n.a.

#	Date	City	Identification	Investor	Vendor	GLA	Price	€ psm	Yield
120	2018 Q4	Madrid	General Lacy 23-25	Lasalle Investment	Royal Metropolitan	6,987	32.50Mn	4,651	4.1%
121	2019 Q1	Madrid	Llano castellano 51	Azora	GMP	23,108	28.30Mn	1,225	n.a.
122	2019 Q1	Alcobendas	Portfolio Omega Business Park (C,D,E&F)	Starwood Capital	Autonomy Capital	33,455	73.0Mn	2,182	n.a.
123	2019 Q1	Madrid	Torre Spinola. Cardenal Marcelo Spínola 42	Invesco	Lar España	8,875	37.0Mn	4,169	n.a.
124	2019 Q1	Madrid	Portfolio 5 Buildings (Albacete, C. Azcárraga, Pechuán)	Zurich	Hispania	35,951	170.35Mn	4,738	n.a.
125	2019 Q1	Madrid	Via de los Poblados 3, Cristalia Business Park	Arima	Hispania	9,272	43.75Mn	4,719	n.a.
126	2019 Q1	Madrid	Gran Vía de Hortaleza 3 (7 Buildings)	Acciona Inm.	Banco Santander	60,000	145.0Mn	2,417	n.a.
127	2019 Q1	Madrid	Santa Lucrecia 11	Previsión Sanitaria Nacional	vemusa	6,766	22.0Mn	3,252	5.3%
128	2019 Q1	Madrid	Trespaderne 29	Iba Capital Partners+Angelo Gordon	GMP	29,400	37.50Mn	1,276	n.a.
129	2019 Q2	Alcobendas	Moraleja Building one, Av. Europa 19	Grosvenor	Blackstone	22,129	80.0Mn	3,615	4.9%
130	2019 Q2	Madrid	Eloy Gonzalo 27	Swiss Life REIM	Lar España	6,230	40.0Mn	6,421	4.3%
131	2019 Q2	Madrid	Pº Castellana 200	Allianz RE	Silvercode	20,340	250.0Mn	12,291	3.5%
132	2019 Q2	Las Rozas	Severo Ochoa 2	Barings RE	ING	13,637	30.50Mn	2,237	n.a.
133	2019 Q2	Madrid	Ramírez de Arellano 21, Iconic	Arima	Blackstone+Hispania	6,760	32.15Mn	4,756	4.1%
134	2019 Q2	Madrid	Agustín de Foxá 25	Private Investor	Signal Capital	6,688	37.50Mn	5,607	3.8%
135	2019 Q3	Madrid	9 Buildings. Las Mercedes, Campezo 1	Starwood Capital	Go Madrid Benz	78,500	200.0Mn	2,548	n.a.
136	2019 Q3	Madrid	Av. Manoteras 48	BNP Paribas RE	Trajano	13,442	62.87Mn	4,677	4.7%
137	2019Q3	Madrid	Pº Castellana 62	Pictet	Private	6,240	55.0Mn	8,814	n.a.
138	2019 Q4	Alcobendas	Av. Bruselas 15	Pelayo	Hispani	3,458	11.0Mn	3,181	n.a.
139	2019 Q4	Madrid	Foresta 8	Catalana Occidente	Metrovacesa	11,250	67.0Mn	5,956	n.a.
140	2019 Q4	Madrid, Alcobendas, Las Rozas, Tres Cantos	Portfolio Juno (Madrid). Secondary Offices	Cain International-Freo Group	Merlin Properties	84,475	168.95Mn	2,000	5.2%
141	2019 Q4	Madrid	Portfolio Corona (Delta Norte IV & IV)	Tikeau Capital+Ireit Global	Blackstone	24,840	44.75Mn	1,802	n.a.
142	2019 Q4	Madrid	Albarracin 33	Ayto. Madrid	Zurich	21,220	55.0Mn	2,592	n.a.
143	2019 Q4	Alcobendas	Anabel Segura 11. Albatros (C&D)	Cain International+Freo Group	Acciona	28,145	65.0Mn	2,309	n.a.
144	2019 Q4	Madrid	Arturo Soria 125	Invesco	Jaba Inversiones Inm.s	5,526	22.0Mn	3,981	n.a.
145	2019 Q4	Madrid	Torre Spinola	HNA	Invesco	8,875	51.0Mn	5,746	4.2%
146	2019 Q4	Madrid	General Lacy 23-25	CBRE Global Investors	Lasalle IM	6,987	47.0Mn	6,727	n.a.
147	2019 Q4	Madrid	Plaza Colón 1	GPF RE	CBRE GI	3,929	100.0Mn	25,452	2.5%
148	2019 Q4	Madrid	Vía de los Poblados 7	Arima	Signal Capital	17,999	37.75Mn	2,097	n.a.
149	2020 Q1	Madrid	Juan Hurtado de Mendoza 4. Las Fuentes	Royal Metropolitan	Meridia Capital	8,680	38.0Mn	4,378	n.a.
150	2020 Q1	Madrid	Portfolio J. Camarillo	Partners Group	Meridia Capital	22,350	47.0Mn	2,103	n.a.
151	2020 Q1	Madrid	Julián Camarillo 49	Starwood Capital	Bouygues	19,000	55.0Mn	2,895	n.a.
152	2020 Q1	Madrid	Fernando el Santo 20	Private Investor	Royal Metropolitan	2,936	40.0Mn	13,624	n.a.
153	2020 Q1	Madrid	Monasterio Escorial 4	Grosvenor	Idom	10,182	45.0Mn	4,420	4.1%
154	2020 Q1	Madrid	Helios Building	Kiwoom AM	Blackstone	34,999	190.0Mn	5,429	n.a.
155	2020 Q1	Madrid	Huawei HQ	Harbert Mgment.	GMP	44,068	127.0Mn	2,882	n.a.
156	2020Q2	Madrid	Velázquez 34	Zurich	Grupo Rosales	7,508	120.0Mn	15,983	n.a.

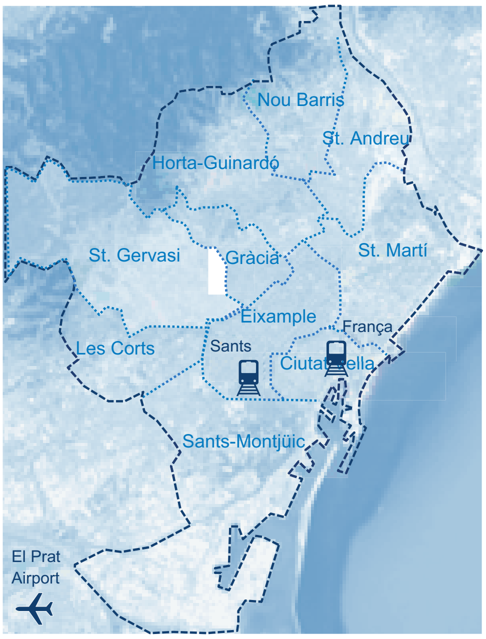
3.9 Typical Lease Contract Agreement / Structure

We provide a brief summary of the typical lease contract agreement with details of normal tenancy information:

Tenant Responsibility	Landlord Responsibility
All taxes and tariffs related to the property in its entirety including property taxes (IBI) and service charge where may be imposed.	Costs of the management (including property management), administration, activities of the office management etc., (This cost can be recharged to the occupying tenants)
All costs related to the maintenance, conservation, reparation, substitution and technical management of the building internally and to maintain the property in a good state of repair.	taxes and fees of any kind assessed by the relevant tax office, other public authority, in the majority of cases this amount can be recharged to the tenant
Service charge contribution according to individual contract usually based on area ratio basis, these include but are not limited to cleaning and maintenance of all common parts, this also includes an element related to paying for parking.	Any leasing costs, renewal costs
CPI Update of rent including a market rent at specific years.	Any overhaul or large repair that is necessary within the office building that is of structural relevance
the tenants have to pay any charges of services and performance directly related to the premises that they occupy.	
Provide a legal deposit of two months' rent – additional guarantees are provided in some cases either through a number of months' rent or comfort letters from the group of companies.	

4 BARCELONA SUBMARKET

4.1 Barcelona Context



Barcelona is the second largest city in Spain, with a population of 1,636,762 (INE, 2019), and capital of the region of Catalonia. Its urban area is the fifth most populous urban area in the European Union after Paris, the Ruhr area, Madrid, and Milan.

It is a leading economic and cultural city in Europe, with a very powerful worldwide city brand, as well as the main biotech hub in Spain.

In 2018, the city presented a GDP growth of 2.6% with a total GDP over €81.3billions, which accounts for 33,5% of Catalonia's regional GDP and 6.8% of Spanish GDP. Barcelona with €49,9billions, is well above the Spanish average in terms of GDP per capita.

It has established itself as a sough after tourist destination due to the combination of leisure, culture and a formidable luxury sector, making it one of the top ranked international destinations.

Barcelona is one of the most important cities in congresses tourism, holding the 4th place in the ranking by number of International meetings.

INFRASTRUCTURES

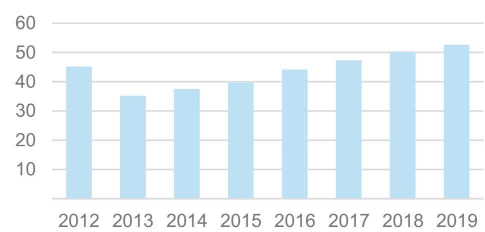
Barcelona lies on 3 international routes: E15, along the coast; E90, to Madrid and Lisbon, and E09, to Paris. It is also served by an extensive network of national highways throughout the metropolitan area and circled by 3 half ring roads that bypass the city. The city's main arteries include Diagonal and Gran Via de les Corts Catalanes.

Having a wide and well-connected underground, trams and suburban trains network, Barcelona outstands for the quality of its internal infrastructures system, that connects the city both national and internationally.

Barcelona's port is the leading European cruiser port within the Mediterranean, being as well the 9th largest container port. El Prat airport is the 2nd most important one in terms of number of passengers and operations in Spain, with a total of 52,7 million of passengers during 2019. It is located in El Prat de Llobregat, with very good connections with the city centre.

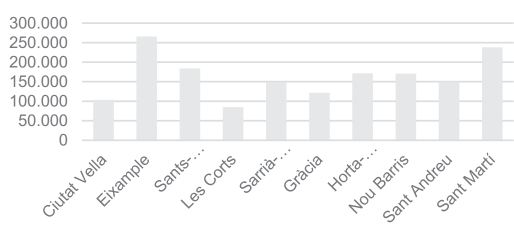
The high-speed railway in Spain (AVE) is the 2nd largest in the world. Barcelona, with the stations of Sants and França, is a major hub for the Spanish railway network, providing good connections with a wide range of cities within Spain and abroad.

NUM. PASSENGERS BARCELONA-EL PRAT



Source: AENA

POPULATION BY DISTRICT



Source: INE, Ayunt. BCN (2019)

4.2 Barcelona Office Market

Before Covid-19 spread throughout Europe, the political turmoil in Catalonia was not showing signs of mining the appetite of the investors. Employment figures, private sector demand and the growth above average of productive activity in Barcelona continued to boost office investment volume.

Office take up in 2019 Q4 reached 65,000 sqm, which represented an annual increase of 9% compared with 2018's figures. Provisional figures for 2020 H1 show a total take-up of 81,200 sqm, considerably lower than previous years' data, mainly due to the scarcity of available product and the market stagnation provoked by the lockdown measures and uncertainty. The strong demand experienced is reflected in its availability rates, currently at their lowest level (around 1.6% in the CBD).

22@ district has confirmed as the extension of the CBD, becoming the only option for corporate occupiers in search of good quality, large spaces in central, well connected locations. Thus, most of the current pipeline for the next 24 months is concentrated in 22@. However, in 2020 Q1 an significant downturn in activity within the 22@ has been observed.

In terms of rental market, some of the largest deals in 2020 H1 have been the 3,000 sqm rented by ISS Facility in Cornellà de Llobregat and the 2,400 sqm rented in BCN Tower by Banc Sabadell.

Prior to the Covid-19 outbreak, market rents continued to increase, exceeding the peaks achieved in the previous cycle. The prime market rent in the CBD reached €27.5 sqm/month. Prime rents in other areas of the City were in the region of €22 sqm/month whereas in decentralized locations (including 22@) they reached € 24 sqm/month. In the periphery, they remained stable in the region of €13 sqm/month.

We are now in a phase of uncertainty, with a significant decline in activity and a wait and see attitude due to the economic recession forecasted for the next years. Now more than ever, the office stock that has become obsolete will not be let until the landlords invest in renovations.

BARCELONA OFFICE MAP

Area	Office Stock (sqm)	Available Area (sqm)	Availability Rate (%)	Prime Rent (€ psm/mth)
Barcelona	6,004,665	390,706	6.5%	-
CBD	873,242	13,953	1.6%	27.5
City	2,475,314	140,649	5.7%	24
Decentr.	2,321,622	42,240	1.8%	22.5
Periphery	1,090,402	193,864	17.7%	13

Figures from 2020 Q2

4.3 Political Climate

Besides the national and European measures (please, check section 2.1.3 for further details regarding both national and European measures), Catalonia regional government (Generalitat) has approved several measures regarding both subsidies and payment extensions:

- Main initiative comprises 1,000M€ in Public Credit Guarantee to be granted to approx.4,000 SMEs through the ICF (Catalan Financial Institute). Catalonia government will guarantee for up to 75% of the loan.
- Furthermore, 7.5M€ in Public Credit Guarantee to self employees.
- Postponement of the tax related to touristic overnights from April to September.
- Payment extension of regional taxes, loans (principal or interests, for 3 months) or contribution to Spanish National Health System among others.

In addition, they are intended to approve some regulations directly affecting residential sector, as they want to control rental prices of the dwellings to reduce their increase. Many organizations and associations have claimed against this measure.

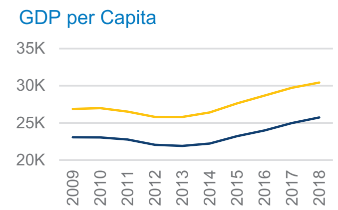
Additionally, Barcelona Cityhall has complemented these measures with others such as:

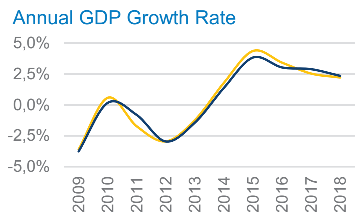
- Creating a specific financing plan for water supply for SMEs and autonomous workers for the six months after the state of alarm.
- Reducing payment times for businesses acting as local suppliers.

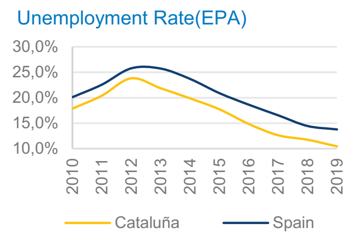
4.4 Drivers of Demand and Main Industries

ECONOMIC OVERVIEW

- Cataluña is the fourth region in Spain by highest GDP per capita after Madrid, País Vasco and Navarra and second by total GDP after Madrid. It has had a similar economic growth to Spain since 2009. In 2006 Madrid region GDP was 18.1% of the total Spanish GDP second after Cataluña with 18.7%, while in 2018 it surpassed Cataluña with 19.2% of the total vs 19.0%. According to BBVA Research, the GDP variation forecasts for 2020 for Madrid region are 0.5% below the Spanish average and 0.4% above it for 2021.
- Cataluña's region GDP per capita compared to Spain has remained stable. In 2018 it was 30K€, 118% of the Spanish average, and in 2006 it was 27,000€, 118% of the Spanish average.
- Cataluña has a low unemployment rate by Spanish standards, with 10,5% vs 13.8% Spanish average. According to BBVA Research, employment rate variation forecasts for 2020 for Madrid region are 0.5% below the Spanish average and 7.4% above it for 2021.



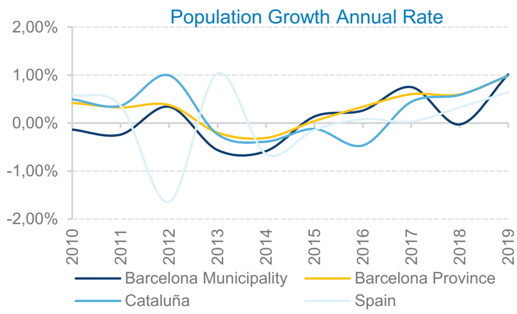




Source: INE

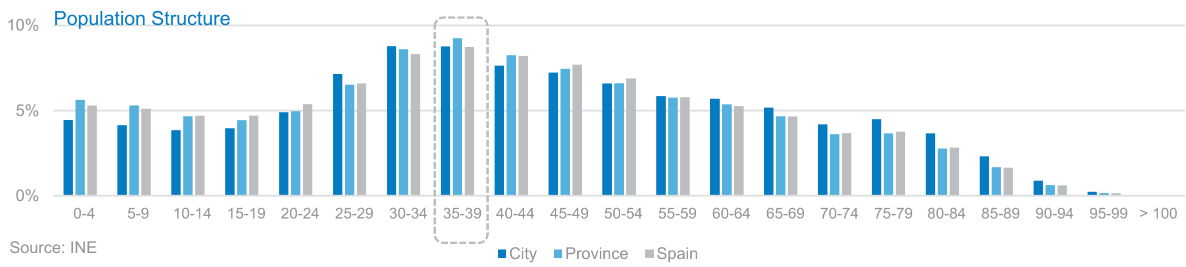
POPULATION GROWTH

- Currently, Barcelona city has a total population of 1,64M inhabitants, while the province and Cataluña region have 5,66M and 7.7M respectively.
- Barcelona is the second most populated city in Spain and at regional level Cataluña is the second most populated region after Andalucía.
- Barcelona city has gained 32,000 inhabitants since 2015 (2.0% total growth), while Spain has gained 505,000 inhabitants (1.1% total growth).



POPULATION STRUCTURE

- Barcelona city presents a similar population structure as the province and Spain, although a lower percentage of people between 0 and 24 years is noticed (21% in Barcelona city vs 25% in the province and Spain.
- The average age in Barcelona province is 43, the city one is 44.5 while the national one is 43.5. This compares to the European average (40 years), and the world average (36 years) showing that Spain has an aged population.

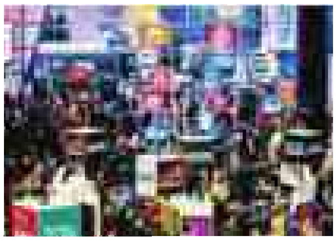


Source: INE

KEY DEMAND DRIVERS

- **Business:** As well as including many of the most renowned campuses related to Business, Barcelona is one of Europe's best and fastest improving business cities as well as a great business platform for closing deals within the EU, North Africa and specially Latin America.
- **Socio-Economic:** Cataluña is the fourth region in Spain by highest GDP per capita after Madrid, País Vasco and Navarra and second by total GDP after Madrid. It has had a similar economic growth to Spain since 2009. In 2018, its GDP per capita was 30K€, 118% of the Spanish average. Workforce is also attracted by the higher salaries and better work conditions that are offered in Barcelona.
- **Labour Market:** Barcelona has a dynamic labour market with strong job creation and low unemployment (10,5% vs 13.8% Spain's average – 2019). This favours a positive migration rate, as the workforce migrates from other areas with worse labour market performance.
- **Infrastructure and Services:** Barcelona offers good connections with other Spanish and European cities. In addition, to the excellent climate conditions as being located at the seacoast, it provides a wide range of services and facilities for expatriates such as international schools and a great public health system. It is as well a relatively affordable city to live in comparison to other cities as London, Paris of Berlin.
- **Office Area CBD:** Barcelona's office rents are very competitive when compared to other European cities. Even when the current offer of grade A buildings is still insufficient, new developments and refurbishment projects are being added to the current supply, specially within the 22@.
- **Office Market Performance:** The office market is showing a strong performance with positive forecasts. Investment figures reached its peak in 2019 with a total investment volume in excess of €1,800Mn and supported by the take-up figures registered. This is indicative of Barcelona being an attractive location for companies' HQs, as having excellent climate conditions, quality of life and competitive market.
- **Rental Levels and Returns:** Barcelona average rents are lower than the ones registered in Madrid and significantly lower than the ones registered in other main European cities, which is an advantage especially for tenants in search of large amount of space. In addition, investors can obtain better returns than the ones expected in other European capital cities.
- **Brexit:** Since several years ago Brexit preparations started, many companies are studying the possibility of transferring part of their teams to Madrid, in order to avoid a rise in exchanges rates and a greater regulatory complexity when doing business with other EU countries.
- **Main Sectors:** Even when working from home might imply the reduction in office space, some sectors mainly found within Barcelona city (finance services, consultancy, technology…) will need office space to be able to develop their activity. Technological sector and Flexible Spaces are forecasted to lead the demand necessities during the next terms, due to their flexibility and adaptability.

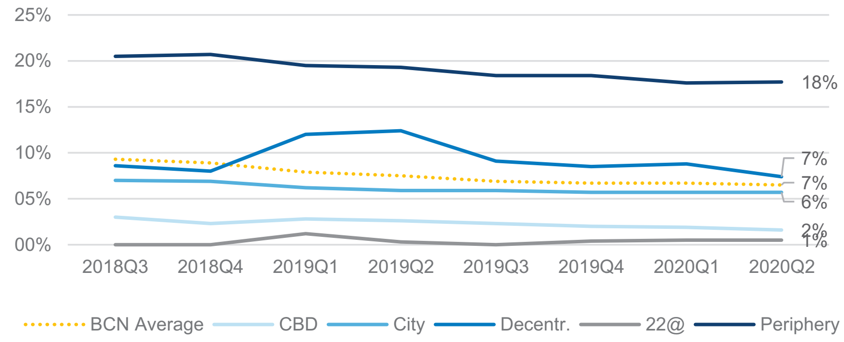
Paseo de Gràcia



Mobile World Congress

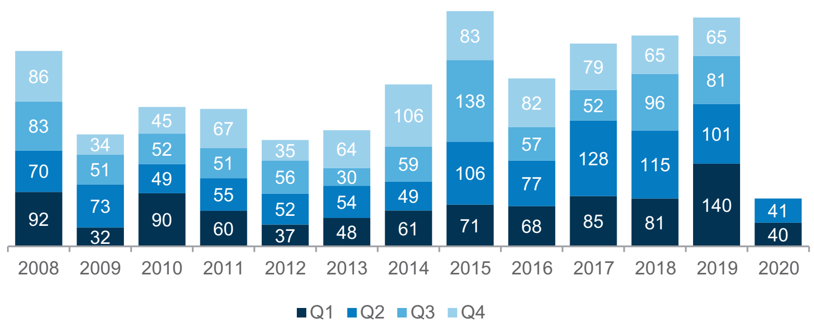
4.5 Office Market Key Indicators

VACANCY RATES



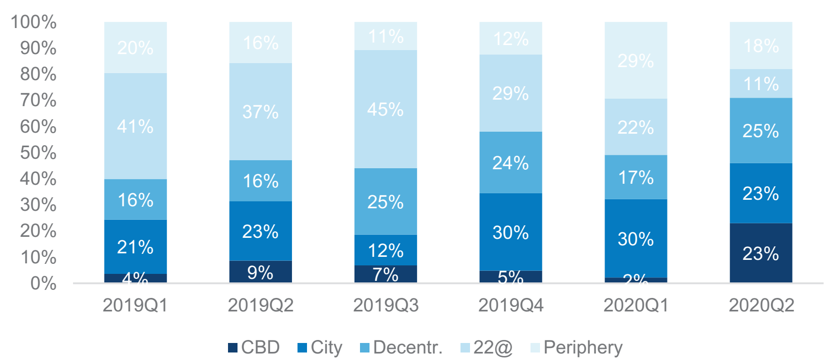
OFFICE TAKE UP PER QUARTER

Take-up in '000sqm

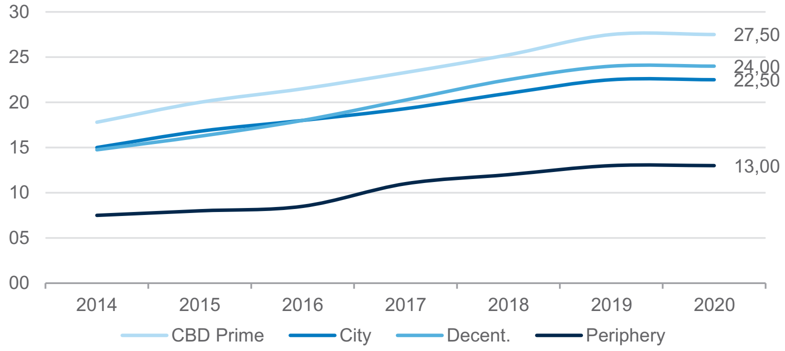


OFFICE TAKE UP PER AREA

Take-up in '000sqm



GRADE A RENTS BY AREA



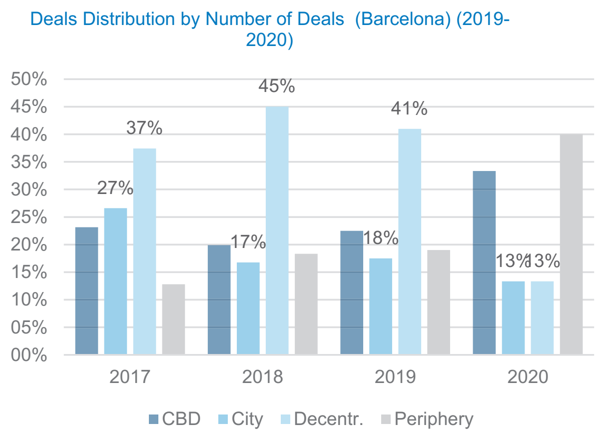
The average of rents in Madrid areas (including Grade A, B and C buildings) would be in the region of:

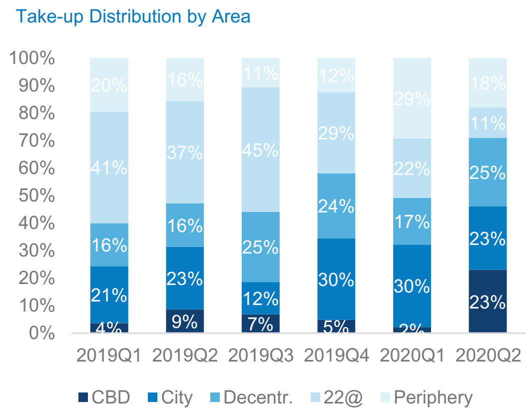
- CBD: € 23-25 sqm/month
- City: €18-21 sqm/month
- Decentral.: €17-20 sqm/month
- Periphery: €9-11 sqm/month

Grade A rents in Barcelona are characterized by a rising trend since 2014.

4.6 Tenants Trends

Recent years take-up distribution shows that secondary locations, although with good connections and all the services around, are gaining importance with respect to the CBD, mainly because of the scarcity of prime assets available in it.





Source: Colliers

**Very few transactions (15) have been closed within Barcelona Area in 2020, so results for that year are still inconclusive.*

We are witnessing two main trends, depending on the size of the companies that are in search of office space to let:

- Small and medium-size companies:
  - They prefer to be located in the city centre, both in the CBD or in other locations such as 22@, even if the high office prices imply reducing the amount of space let.
  - The reduction of space can be accomplished by making a more efficient use of it or by implementing internal policies that can reduce the number of employees working from the office simultaneously.
- Large companies:
  - They are conditioned by rents and the large amount of space they need, not easy to find within the CBD or the city.
  - They are normally situated in large and new developed buildings in secondary locations, even in office areas of other municipalities such as Sant Cugat del Vallés. They normally offer parking spaces and all the services to their employees.

Between 2019 and 2020, 24 deals with a surface area in excess of 5,000 sqm were closed within Madrid markets. 46% of these deals were closed in decentralized areas, such as Manoteras, 29% within the CBD, 13% within the City and 13% on the periphery. Some of the largest transactions (in excess of 5,000 sqm) closed within Madrid market during 2019-2020 have been the following:

Date	Area	Zone	Dirección	Tenant	Industry	Area (sqm)
2019 Q1	Decentralized	22@	Pallars 190	Wework	Coworking	8,298
2019 Q1	Decentralized	FIRA	GV. Corts Catalanes 159	Caixabank	Bank	12,868
2019 Q1	City	CBD	Josep Tarradellas 123	Aticco	Coworking	5,010
2019 Q1	Decentralized	22@	Pallars 108	Aticco	Coworking	6,510
2019 Q1	Decentralized	22@	Pallars 200	Institut Municipal d´Hisenda	Public Admin.	6,093
2019 Q1	City	CBD	Josep Tarradellas 123	Cospace Aticco	Coworking	5,910
2019 Q2	Decentralized	22@	Sancho de Ávila 65	Wojo	Coworking	8,303
2019 Q2	Decentralized	22@	Sancho de Ávila 55	Gartner	Consultancy	6,200
2019 Q2	Periphery	S. Joan Despí	Carrer Samonta 21-25	Indra	Consultancy	6,975
2019 Q3	Periphery	Cornellá Llobregat	Ctra. Esplugues 225	Servihabitat	Bank	6,050
2019 Q3	Decentralized	22@	Venezuela 108	TBS Business School	Education	8,760
2019 Q4	Decentralized	FIRA	Foc 70	Wallbox	Industrial	11,000
2020 Q1	Decentralized	22@	Selva de Mar 125	Webhelp	Industrial	31,000
2020 Q2	CBD	CBD	Paseo Gracia 2-4	Apple	Technology	5,940

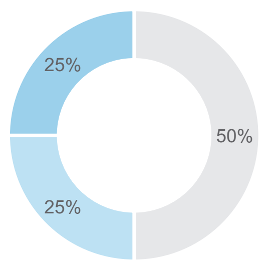
Barcelona is internationally well-positioned as an important centre of attraction for companies in the technology sector, as it has recently been evidenced with the great boom of the 22@ technology district in Barcelona, where the highest percentage of new developments is concentrated and leading companies such as Amazon, Glovo or Everis have established. The good performance of this sector began around 2015 and has been increasing during the last 5 years.

Specific areas, such as the area between Diagonal and Paseo de Gracia or 22@, host a large number of technology companies such as Amazon or HP. Other areas, such as Can Sant Cugat, host a large number of companies related to the health industry, as well as technology.

Barcelona is attracting many technological-profile companies, such as IT and videogames companies. Even companies whose main HQs are located in other EU countries are outsourcing many of their services or transferring some of their largest departments to Barcelona.

The main reason for this attraction is the affordability of Barcelona's offices rent. Every year, new developed buildings located either on the CBD or in other main areas such 22@ are being incorporated to the market and the stock is still not sufficient. Because of that, in secondary areas even located in other municipalities (periphery) many deals are currently being closed.

Industries Breakdown within City & Decentralized Areas (2020)



Barcelona city hall has opened "The Brexit Point", a permanent service located in the 22@ area and a pioneer initiative to respond to the British companies. After Brexit, many companies previously operating from London are intended to transfer some of their divisions to Barcelona. Some examples are:

- Tokio Marine Europe S.A: In 2019, they let 485 sqm in Diagonal Mar Building.
- Oracle: In 2018, they let 3,500 sqm in Torre Glories.

Other companies, such as Facebook are intended to open an office in the city, but they are still in search for professionals with the demanded profile.

After the Covid-19 outbreak, companies are now studying how to deal with the current health situation that obliges them to guarantee social distance among their employees. It does not seem probable that location trends change in the medium term. Even though specific measures might vary depending on the different companies and are still under analysis by the members of the board, it is expected that the requirements of social distancing after Covid-19 will be solved by implementing shifts that allow employees to work some days from home.

4.7 Future Supply

By the end of 2021, it is expected that more than 340,000 sqm of new stock will enter the market, including new developments and refurbishment projects but more than 30% area is already let.

More than 70% of this future supply will be concentrated in the New Business Areas (NBA) of the city, specially within 22@ district. These submarkets are not just an alternative to the scarcity of prime product within the CBD, but an attractive market for demand.

NEW OFFICE SUPPLY

Some of the most significant projects currently in the pipeline within Madrid are the following:

Project Name	Owner	GLA	Status	Year
Casa Pascual i Pons	Catalana Occidente	9,300	Refurb. Project	2020
Doctor Trueta 205	n.a.	8,180	New Develop.	2020
Pallars 186	Emesa	9,200	New Develop.	2020
Cristobal de Moura	Mitshubishi	11,500	New Develop.	2021
125 Selva de Mar	Acciona y Tristan Capital	31,000	New Develop.	2021
Perú 62	n.a.	4,950	Refurb. Project	2021
Llevant & Ponent	Iberdrola Inmobiliaria	45,798	New Develop.	2021
Alaba 111	La Llave de Oro	17,550	New Develop.	2021

Project Name	Owner	GLA	Status	Year
Av. d'Icària, 213	Meridia	25,000	New Develop.	2021
B97	Conren Tramway	17,500	New Develop.	2022
Luxa Project	Castellví	18,000	New Develop.	2022
Almogavers, 162	Conren Tramway	9,000	New Develop.	2022
Av Paral.lel, 51 "La Canadenca"	Conren Tramway	33,800	Refurb. Project	n.a.
SA65 (22@)	Conren Tramway	8,300	New Develop.	n.a.
100 Selva de Mar	Praedium	30,000	New Develop.	n.a.
Mile (B57)	Freo Investments	30,160	New Develop.	2022

FUTURE SUPPLY IN THE ASSETS' SURROUNDINGS

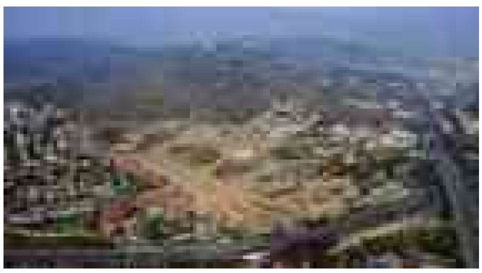
There are no projects currently in the pipeline in the area of Sant Cugat del Vallès. In case of Esplugues de Llobregat, there are a few projects to be developed, although in the medium-long term. We could identify the following:

ARE MONTESA - RAYO AMARILLO

ARE Montesa is a large project that will be focused on the development of more than 2,000 new dwellings and a shopping center. It is likely to include a small portion of offices as well.

PROJECT FINESTRELLES

This location includes three different uses: residential, with more than 90,000 sqm; retail, with a shopping centre of more than 99,000 sqm and offices, where a business park is intended to be constructed, over a 37,000 sqm site.



4.8 Office Investment

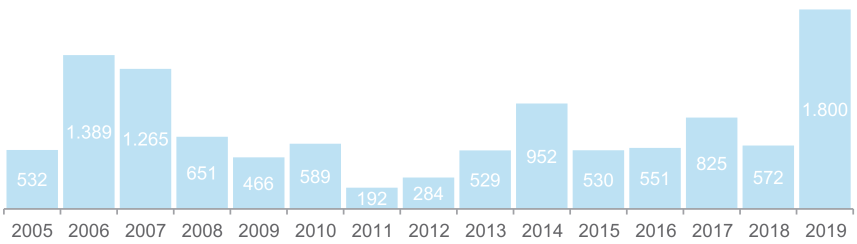
In 2019, Barcelona office sector's investment figures reached its peak, exceeding €1,800Mn. The sector good performance maintained in Q1 2020 as, before the Coronavirus spread throughout Europe, Barcelona investment figures represented an increase of 42% in comparison with 2019's, showing its strength. Investment volume during the 2nd quarter has been significantly lower, due to the decrease in activity after the Coronavirus outbreak and the lockdown measures.

Deals in the first half of the year in Barcelona region included the purchase, by DWS, of Urban BCN 22@ building, located in 22@ district for approximately €90Mn and the sale by Tramway of an office building project, located on Sancho de Avila street to Amundi for approximately €56Mn. This project is already pre-let to Wojo, one of the most important flexible spaces companies of France.

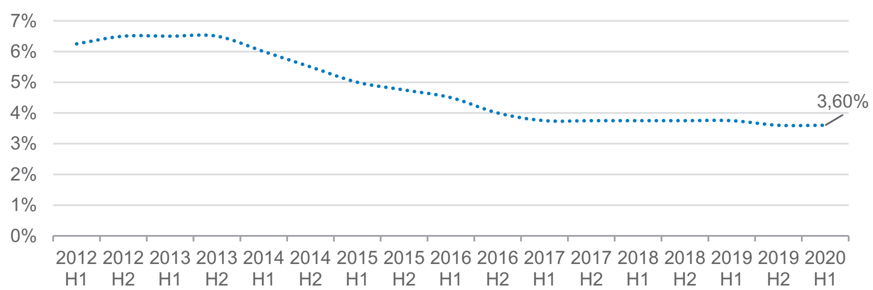
Prior to the Covid-19 outbreak, offices investment product for sale remained scarce in comparison to high demand levels. However, as Barcelona is impacted by the political uncertainty, investors still demand slightly higher returns than in Madrid area.

Although in recent weeks we have witnessed a significant return of activity, investors are now much more cautious and prudent regarding secondary assets and locations. The performance and consideration of core and core + assets is completely different from value-add ones and, whereas for occupied grade A buildings located in prime locations, rents and yields have not experienced an important change, the increase in investors' risk aversion will be reflected in secondary assets' prices, yields and investment volumes, as their perspectives are still uncertain.

OFFICE INVESTMENT VOLUME (€M)



PRIME YIELDS



We list below the main office transactions closed in Barcelona in 2015-2020:

#	Date	City	Identification	Investor	Vendor	GLA	Price	€ psm	Yield
1	2015 Q1	Cornellá de Llobregat	WTC Almeda P. Bd.8	Merlin Properties	UBS RE	14,543	36.50Mn	2,510	4.8%
2	2015 Q2	Barcelona	Two office buildings	Private	Generalitat	21,600	65.0Mn	3,009	n.a.
3	2015 Q2	Barcelona	Torre Nissan Norte	Segurcaixa	Private	n.a.	14.50Mn	n.a.	n.a.
4	2015 Q2	Cornellá de Llobregat	WTC Almeda P. Bd.4	Standard Life	Morgan Stanley	10,300	30.0Mn	2,913	n.a.
5	2015 Q2	Barcelona	Corsega	Platinum Estates	CDC	4,500	15.0Mn	3,333	n.a.
6	2015 Q2	Barcelona	Joan Miró 21	LAR	Pelayo	11,325	19.70Mn	1,740	5.6%
7	2015 Q2	Barcelona	Portfolio 2 offices (Sepúlveda 148, Torre Muñoz)	Nadlan BCN	Generalitat	19,792	63.50Mn	3,208	4.4%
8	2015 Q3	Cornellá de Llobregat	Cornerstone building	UBS	Benson Elliot	20,700	80.0Mn	3,865	n.a.
9	2015 Q3	Barcelona	Torre Tarragona	UBS	Omega Capital	27,000	72.0Mn	2,667	n.a.
10	2015 Q3	Barcelona	Girona 2	Bonavista Developments	Generalitat de Cataluña	4,944	n.a.	n.a.	n.a.
11	2015 Q3	Barcelona	Josep Tarradellas 2-6	Deutsche Asset & Wealth Management	Bancale	27,787	70.0Mn	2,519	5.8%
12	2015 Q3	Barcelona	Can Ametller	Axa RE	Abu Dhabi Inv. Authority	28,500	n.a.	n.a.	n.a.
13	2015 Q4	Barcelona	Av.Paisos Catalans 51	Meridia Capital	Nestlé	49,999	40.0Mn	800	n.a.
14	2015 Q4	Barberá del Vallés	Barberá del Vallés	Hispania	Iberoproperty	11,090	10.0Mn	902	8.5%
15	2016 Q1	Barcelona	Fontanella 9	Private	ECI	4,670	17.0Mn	3,640	n.a.
16	2016 Q2	Barcelona	Av. Diagonal 648	Santa Lucia	Private	n.a.	10.0Mn	n.a.	n.a.
17	2016 Q3	Barcelona	Llull 297	M&G RE	Axa RE	9,000	30.0Mn	3,333	n.a.
18	2016 Q3	Barcelona	Roc Boronat 78	Catalana Occidente	General Electric	3,819	11.0Mn	2,880	n.a.
19	2016 Q3	Barcelona	Marina 206	Has Capital	Novartis Farmacéutica	8,837	13.50Mn	1,528	n.a.
20	2016 Q3	Barcelona	Via Laietana 12	Private	Private	2,665	10.30Mn	3,865	n.a.
21	2016 Q3	Barcelona	Aribau 138	UBS RE	Inversiones Hemisferio	11,230	55.10Mn	4,907	n.a.
22	2016 Q3	Barcelona	Valldaura 66-74	Baech Bienes	Telefónica	5,299	10.0Mn	1,887	n.a.
23	2016 Q3	Viladecans	Viladecans. Australia&Brasil Buildings	Meridia Capital	Oak Tree	22,646	30.0Mn	1,325	n.a.
24	2016 Q3	Espluges de Llobregat	Av. Pais. Catalans 36	Meridia Capital	Private	7,656	11.50Mn	1,502	n.a.
25	2016 Q4	Barcelona	Ronda Sant Pere 5	Invesco	Deka	4,000	29.0Mn	7,250	n.a.
26	2016 Q4	Barcelona	Pº Gracia 81	Caboel	Generali	3,741	29.18Mn	7,800	n.a.
27	2016 Q4	Sant Cugat del Vallés	Can Camp, Vallsolana Business Park,	Green Oak	UBS RE	19,640	26.0Mn	1,324	n.a.
28	2016 Q4	Barcelona	Travessera de Gracia 47-49	Grupo Colonial	Fundacion Betelsmann	11,200	40.0Mn	3,571	n.a.
29	2016 Q4	Barcelona	Pere IV 291	Plus Ultra	La Llave de Oro	5,762	21.0Mn	3,645	n.a.
30	2017 Q1	Barcelona	Glories Tower. Av. Diagonal 211	Merlin Properties	Aguas de Barcelona	47,267	142.0Mn	3,004	6.5%
31	2017 Q1	Barcelona	GV. C. Catalanes 583	Caboel	Standard Life	5,500	n.a.	n.a.	n.a.
32	2017 Q1	Barcelona	Av. Diagonal 131	Private	Altamira RE	3,150	n.a.	n.a.	n.a.
33	2017 Q1	Sant Cugat del Vallés	Aurons 9,	Axiare	ING	12,000	19.50Mn	1,625	6.4%
34	2017 Q2	Barcelona	Zamora 54	Med.s/ Fronteras	Urprasa	8,245	28.0Mn	3,396	n.a.
35	2017 Q2	Barcelona	Torre Puig, Plaza Europa 48, Hospitalet de Llobregat	Familia Puig	BBVA	23,000	55.0Mn	2,391	n.a.
36	2017 Q2	S. Joan Despí, Bcn, Esplugues, Rubí, Cerdanyola	Porfolio 7 assets. Several locations	Oaktree +Free Group	BBVA	48,951	74.09Mn	1,514	n.a.
37	2017 Q2	Barcelona	Av. Diagonal 444	Emesa	Private	3,277	35.0Mn	10,681	n.a.
38	2017 Q2	Barcelona	Fontanella 6-8	Private	Avignon Capital + Betenech Investment	8,705	64.70Mn	7,433	n.a.
39	2017 Q3	Barcelona	Cartera Hispania	Swiss Life REIM	Hispania Socimi	39,506	n.a.	n.a.	5.0%
40	2017 Q3	Sant Cugat del Vallés	Can Ametller 24,	Metropolis	Axa RE	28,469	40.0Mn	1,405	n.a.
41	2017 Q3	Barcelona	Badajoz-Tánger	Catalana Occidente	Castellvi+Stoneweg+1810 Capital Investment	17,000	90.0Mn	5,294	n.a.

#	Date	City	Identification	Investor	Vendor	GLA	Price	€ psm	Yield
42	2017 Q3	Barcelona	Gal-La Placidia 1	Colonial	BBVA	5,000	15.0Mn	3,000	n.a.
43	2017 Q4	Barcelona	Vila i Vila 44	Tramway + Indigo Capital	Lone Star	35,000	20.0Mn	571	n.a.
44	2017 Q4	Barcelona	Joan de Austria 37-39	AKM Inmuebles	Meridia Capital	8,295	30.0Mn	3,617	n.a.
45	2018 Q1	Barcelona	Bailén 105	Mutua Médica de Catalunya	Abello Linde	3,639	12.0Mn	3,298	n.a.
46	2018 Q2	Barcelona	Av. Diagonal 177. Imagina Building	Hines	Mediapro + Ayto. Barcelona	23,901	56.0Mn	2,343	n.a.
47	2018 Q2	Barcelona	Llacuna 72 Building 3	Catalana Occidente	Barcelonesa de Inmuebles	5,100	21.0Mn	4,118	n.a.
48	2018 Q2	Barcelona	Av. Diagonal 662	Blackstone	Inversiones Hemisferio	23,693	210.0Mn	8,863	n.a.
49	2018 Q3	Barcelona	Ciutat Granada 121	Catalana Occidente	Stoneweg + Catellvi	4,500	20.0Mn	4,444	n.a.
50	2018 Q3	Barcelona	Av. Diagonal 523-525, Atalaya Building	Colonial	Mercury Capital	4,595	32.0Mn	6,964	n.a.
51	2018 Q3	Espluges de Llobregat	Av. Paisos Catalanes 51,	Private	Private	n.a.	n.a.	n.a.	n.a.
52	2018 Q4	Poblenou	Peru 52, Can Jaumeandreu	Universitat Oberta Catalunya	Invesco	12,284	30.60Mn	2,491	n.a.
53	2018 Q4	Barcelona	Hexagon Building,	Metrópolis	Britten Inmobiliaria	10,800	50.0Mn	4,630	n.a.
54	2018 Q4	Barcelona	Icaria Building	AEW Europe	Lar España Socimi	11,325	28.80Mn	2,543	n.a.
55	2018 Q4	Barcelona	Pº Zona Franca 48-50.	BNP Paribas RE	Goldman Sachs	19,285	60.0Mn	3,111	n.a.
56	2019 Q1	Barcelona	Ciutat Granada 123	Patrizia	Laboratorios Kin	2,740	12.0Mn	4,380	n.a.
57	2019 Q1	Hosp. Llobregat	P. Europa 10, G.V Sud	Private	Arcano	5,000	15.0Mn	3,000	n.a.
58	2019 Q1	Hosp. Llobregat	Plaza Europa 22-24, G.V.Sud	Private	Arcano	7,275	25.0Mn	3,436	n.a.
59	2019 Q1	Poblenou	Pallars 193-195	Starwood Capital	Autonomy Capital	12,600	55.0Mn	4,365	n.a.
60	2019 Q2	Barcelona	Llull, 331, Torraspapel	Inmocaixa	GLL RE	7,980	31.0Mn	3,885	3.4%
61	2019 Q2	Barcelona	Portal Firal Torre Auditori	Aberdeen Standard Life	Iberdrola	22,890	98.0Mn	4,281	n.a.
62	2019 Q2	Barcelona	Diagonal 00	Emperador	Telefonica	32,942	137.0Mn	4,159	n.a.
63	2019 Q2	Barcelona	45% MareNostrum	Colonial	Naturgy	n.a.	n.a.	n.a.	n.a.
64	2019 Q2	Barcelona	Portfolio 7 Office Buildings Barcelona	Kanam	Axa RE	29,710	73.50Mn	2,474	n.a.
65	2019 Q3	Barcelona	Av. Diagonal 67	Real IS	Private	8,860	24.50Mn	2,765	3.0%
66	2019 Q3	Barcelona	Almogavers 162	Amundi RE	Tramway	7,998	53.50Mn	6,689	n.a.
67	2019 Q3	Barcelona	Torre Tarragona	Blackstone	UBS RE	24,637	100.0Mn	4,059	n.a.
68	2019 Q3	Barcelona, El Prat, S. Joan Despí	Portfolio 3 Build. BCN	AEW Europe	Inmobiliaria Norte Sur	21,054	26.0Mn	1,235	n.a.
69	2019 Q3	Barcelona	Felipe II 108-110.	Catella AM	Shaftsbury AM	5,801	17.0Mn	2,931	n.a.
70	2019 Q4	Barcelona	G.V. Corts Catalanes 184	Renta Corporación	Family Office	8,000	22.0Mn	2,750	4.0%
71	2019 Q4	Barcelona	Torre Llacuna	Principal RE	Goldman Sachs	10,270	33.0Mn	3,213	n.a.
72	2019 Q4	Barcelona	Almogavers 160	Commerzbank	Tramway	9,000	51.65Mn	5,739	n.a.
73	2019 Q4	Barcelona	Badajoz 97	Commerzbank	Tramway	14,000	80.35Mn	5,739	n.a.
74	2019 Q4	Barcelona	Sancho de Avila 110	Colonial	Castellvi	17,711	88.75Mn	5,011	n.a.
75	2019 Q4	Barcelona	Plaza Catalunya 16	Daniel Mate	Telefonica	8,530	100.0Mn	11,723	n.a.
76	2019 Q4	S.C. Valles y Espl. Llobregat	Portfolio Corona (2 Buildings)	Tikeau Capital + Ireit Global	Blackstone	48,444	85.75Mn	1,770	n.a.
77	2019 Q4	Corn. & P. Llobregat	Project Juno Barcelona (5 Buildings in Citipark & Masblau)	Cain International-Freo Group	Merlin Properties	46,756	90.18Mn	1,929	5.2%
78	2020 Q1	Viladecans	2 Buildings Viladecans B.Park	Partners Group	Meridia Capital	22,586	39.0Mn	1,727	n.a.
79	2020 Q1	Corn. Llobregat	7 WTC Alameda Park	Aberdeen Standard Life	UBS RE	14,825	60.0Mn	4,047	n.a.
80	2020 Q1	Barcelona	Almogavers 136	Blackstone	La Llave de Oro	17,352	100.0Mn	5,763	n.a.
81	2020 Q2	Barcelona	Urban BCN 22@	DWS	Actual Capital Adv.	22,900	90.0Mn	3,930	n,a
82	2020 Q2	Barcelona	Sancho de Ávila 56	Amundi RE	Tramway	8,303	56.0Mn	6,745	3.8%

4.9 Typical Lease Contract Agreement / Structure

We provide a brief summary of the typical lease contract agreement with details of normal tenancy information:

Tenant Responsibility	Landlord Responsibility
⊙ All taxes and tariffs related to the property in its entirety including property taxes (IBI) and service charge where may be imposed.	⊙ Costs of the management (including property management), administration, activities of the office management etc., (This cost can be recharged to the occupying tenants)
⊙ All costs related to the maintenance, conservation, reparation, substitution and technical management of the building internally and to maintain the property in a good state of repair.	⊙ taxes and fees of any kind assessed by the relevant tax office, other public authority, in the majority of cases this amount can be recharged to the tenant
⊙ Service charge contribution according to individual contract usually based on area ratio basis, these include but are not limited to cleaning and maintenance of all common parts, this also includes an element related to paying for parking.	⊙ Any leasing costs, renewal costs
⊙ CPI Update of rent including a market rent at specific years.	⊙ Any overhaul or large repair that is necessary within the office building that is of structural relevance
⊙ the tenants have to pay any charges of services and performance directly related to the premises that they occupy.	
⊙ Provide a legal deposit of two months' rent – additional guarantees are provided in some cases either through a number of months' rent or comfort letters from the group of companies.	

5 COVID-19

5.1 Impact on European Economy

Covid-19 has spread around the European Union and, as millions of people have been put into lockdown to avoid a collapse of the countries' health services, the reduction in activity and consumption volumes has affected very negatively the economy of all countries. GDP growth figures during the 1st quarter of 2020 showed a better Spanish performance (-2.3%) when compared to several other countries within the EU such as France (-5.0%) or Italy (-5.5%).

The European Comission published that the euroarea economy operated between 25% and 30% below its capacity during the period of the strictest lockdown, which produced that, between the months of April and June, the euro area economy is estimated to have declined by around -13.5%. That has produced that the initial optimism for a V-shaped recession with a very fast and strong recovery has moderated but, as most European countries have begun to lift the lockdown restrictions and labour and economic activity are gradually returning to normality, the situation is soon expected to start its recovery if further resurgences are early controlled.

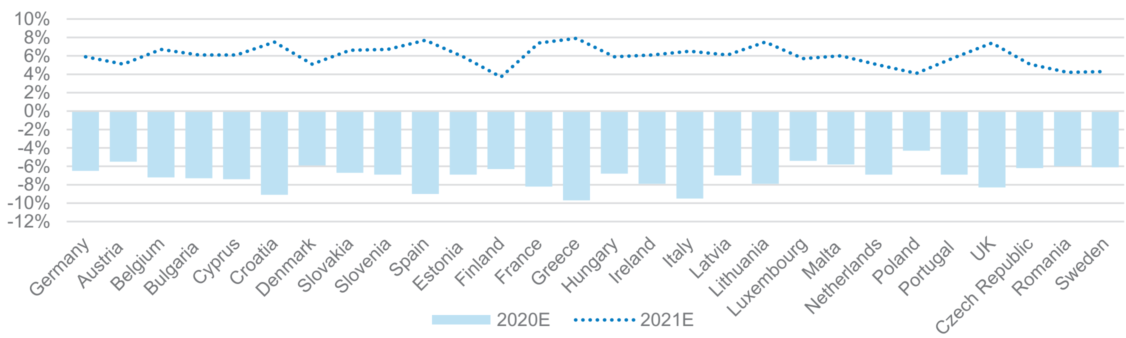
The combined EU27 and UK GDP growth forecast for 2020 is predicted to be -6.9%, which represents a growth contraction of -3.75% in relation to 2019's figures. Spanish recovery pace is expected to be significantly faster than the EU average, with a GDP growth of 7.70% for 2021 (EU average 4.80%) and 2.40% for 2022 (EU average 2.20%).

Economic divergence is estimated to increase in Europe, as the Covid-19 pandemic has not supposed an equal shock to all European countries' economies. The economic costs of lockdowns, social distancing and other restrictions vary from different countries and regions, especially depending on the impact of the pandemic, on how their economy is structured and the available resources they dispose.

- The lockdowns in countries with larger Covid-19 outbreaks (France, Spain, Italy and the UK) lasted longer. For each month of lockdown forecasts indicate around 3% of annual GDP loss.
- Regions and countries with a high tourism and F&B sectors proportion on GDP will suffer the most, as these sectors are estimated to be the hardest hit and the ones with the slowest recovery.
- Southern European countries have a more difficult fiscal situation, as dealing with higher deficit and debt levels.

Both the impact and the recovery will mainly depend on the different measures adopted by the governments and the EU and will be driven by the rebound of consumption and investment.

FORECASTS FOR GDP VARIATIONS



Spain has been on a more vulnerable position than its European neighbours, as being one of the countries where the virus has spread the most and due to its high debt levels and its dependence on tourism, whose revenues have been reduced to practically zero while the lockdown measures were imposed.

Nevertheless, it has to be taken into consideration that Spanish position prior to the recession starting point was considerably better than the one registered before the previous crisis. In addition, this recession has been provoked by a health pandemic that is expected to be controlled in the medium term, as global efforts are focused on finding a vaccine.

Because of that, this recession is likely to be shorter than the preceding one and its impact in the long term would be significantly lower than the one suffered after the previous crisis. The economic measures implemented by the Spanish Government are starting to show their results whereas the economic activity is starting their recovery. Additionally, Spain will benefit from a total of €140 billion over the next 6 years from the EU Covid-19 recovery fund, which will also help to alleviate the situation.

Because of the above, Spanish recovery pace is expected to be significantly faster than the EU average, with a GDP growth of 7.70% for 2021 and 2.40% for 2022. In comparison, the Euroarea GDP growth forecast for 2020 is predicted to be -6.9%, with a slower recovery in 2021 (+4.80%) and 2022 (+2.20%).

However, until a vaccine for the disease is found, precautions have still to be taken to avoid new resurgences and outbreaks that might have a more significant impact on global economy.

5.2 Impact on the Office Sector

The impact of Covid-19 on the office sector will come from two main drivers that might affect to demand for office space in the short time and the way both companies and employees understand the concept of "office" in the long time:

- European economic recession, provoked by the lockdown measures implemented to avoid a massive spread of the virus, and that is expected to mitigate after restrictions on mobility and economic activity are gradually returning to normality and even more, once the vaccine is found.

  By now, there have not been significant adjustments to rents. These have happened only as minor discounts within a very limited period of time, and mainly depending on the tenant quality but not as a global trend.

- Remote working test effects in the short/medium/long term. Covid-19 lockdown has dramatically impacted the way we work, and this might affect not only in the short-term but might have far-reaching effects on work and the workplace

For the first time in history, employees were forced into working from home and had to adapt quickly to the new situation. For those organisations which had established flexible work practices in place, it was just an evolution. However, it caught others by surprise, and these required an intense and rigorous focus to ensure they could continue to function.

If people can be effective working from home, then what is the purpose of the office? The office is not only a place to work as an individual but also and more importantly, a place to connect and collaborate with other members of the team. This connection and intense collaboration are difficult to achieve from home, even via Teams, Zoom or Skype.

Although in many cases productivity has not significantly decreased, working from the office can make more difficult to separate work from private life, dedicating longer hours to work and never disconnecting from work problems. In addition, not everybody lives in a house with enough space to work comfortably and without interruptions. Renting or buying a house with a spare room for these purposes can be considerably more expensive so most employees will not be willing to do it.

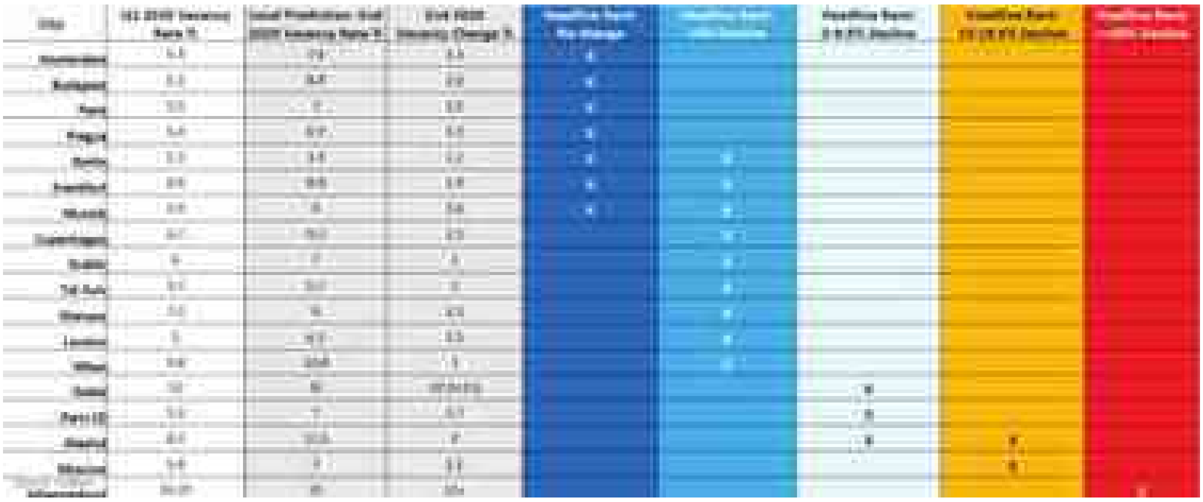
We cannot deny that this experience has proven that more flexibility could help employees to organise themselves in a better way. Because of that, most companies are now thinking how to restructure the back to the offices, guaranteeing schedules and shifts as the minimum space per employee and among employees is expected to increase. Very few of them have already thought in their long-term strategy.

Although a reduction of core office space is a possibility due to less work settings being needed, it is expected that organisations will invest more in the quality of offices, create less dense environments with more collaboration and community spaces, which will require extra space that used to be previously used as individual desks.

FORECASTS

Colliers estimations for Covid-19 impact on the office sector in European capitals show that Madrid and Barcelona are estimated to suffer a vacancy level increase from 8.5% to 12.5% and headline rent decline between -5% to -20% until the recession mitigates. The reduction in rents and the increase in vacancy rates are more likely to produce first in areas with higher available supply and more specifically, in the most obsolete buildings.

We still have not witnessed a considerable decrease in prime rents mainly due to the scarcity of high-quality assets in good locations, with very low vacancy rates in both Madrid (2%) and Barcelona (<1%). Significant decreases in both vacancy and rents in this type of assets are unlikely to be registered.



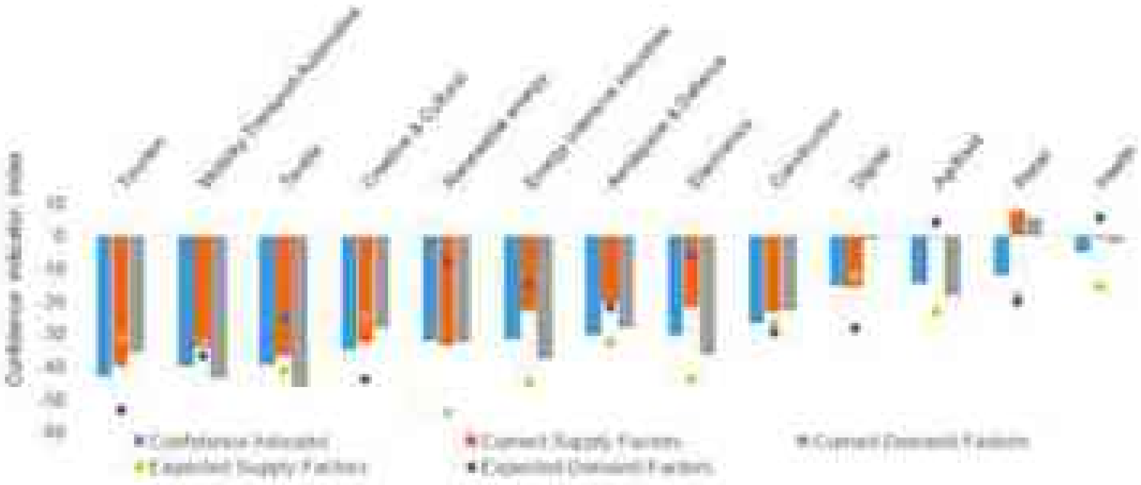
Regarding yields, despite the current scenario of low interest rates that is expected to remain for a long period, office yields, as well as other sectors' yields, could experience a slight rise, mainly affected by the investors' perception of risk. Unless major changes in the Spanish labour market structure occur, as a result of smart working policies, this adjustment will only last until the improvement of the situation caused by the pandemic, taking place mainly in secondary assets.

MOST AFFECTED INDUSTRIES

- The sectors that are suffering the greatest impact from the Covid-19 recession are accommodation, leisure, transport and F&B. These sectors have a double impact on both their lower percentage of revenues and an estimated longer recovery to pre-crisis levels, as their product is difficult to adapt to the restrictions and the increase of social distance. The impact during the lockdown was very high, in some cases close to 100%. After the lockdown has ended, some of them still face restrictions or rely on local demand when a large percentage of their revenues came from international demand.

- Other sectors that rely on discretionary consumer spending like textile or automotive faced a collapse in demand but are potential candidates for a quicker recovery due to the revitalization of consumer spending in case of textile and the increase of public subsidies in the case of automotive.
- The economic sectors that are likely to be less affected by Covid-19 recession, represent more than 25% of Spanish GVA and 31% of the Spanish labour market. whereas some of the industries that are likely to suffer a larger impact on their revenues such as food and services, transport, accommodation or entertainment accounts for only 10.5% of the total Spanish GVA.

We provide below a graph from the European Commission that show their estimations of hardest hit sectors.



Source: European Commission

6 SUBJECT PROPERTIES & MARKET ANALYSIS

6.1 Delta IV

6.1.1 Location

The property is situated in the north of the municipality of Madrid, in the office area commonly known as Manoteras, bounded by Avda. Manoteras (to the north and east), the A-1 highway (to the west) and the railway (to the south).

Manoteras is a well-connected office submarket developed in the north area in the early XXI. The completion of the first buildings took place in 2002-2003. Nevertheless, adjacent to it to the north, on the other side of Avda. Manoteras, there is a residential area that was built in the 70's. Having direct access to M-11 and the A-1 highways, the area is well communicated by private transport, although, as can be expected in consolidated areas of Madrid, there is traffic congestion at peak times and parking can be difficult in the area. Manoteras is also communicated by public means of transport, with two tram stations (Fuente de la Mora and Virgen del Cortijo, both in ML1), one train station (Fuente de la Mora, in lines C1 and C10) and several bus stops.

Manoteras is relatively close to Las Tablas and Sanchinarro areas. However, Las Tablas and Sanchinarro have easier access to both the A-1 and M-40 axes. The zone where the asset is located is an office-focused area where many well-known companies such as Everis or Liberbank have their headquarters settled. It benefits from a number of nearby services including, among others, a shopping centre, several gyms and restaurants.

We provide location plans:

Manoteras office area is a well consolidated nucleus and does not include any opportunities of development land. However, the close area of Las Tablas is currently experiencing a significant growth in office supply by the construction of several new complexes such as Foresta, Arqborea and Monteburgos.

The following is a link to the location of the property in Google Maps: https://goo.gl/maps/csDdk1iTmwYfibuo7

GPS coordinates are: 40.487678, -3.664250

6.1.2 Site

1The site is well communicated by road due to its proximity to the M-11 highway, which joins the road junction formed by the M-30, A-1 and M-607 highways with Madrid-Barajas airport and its direct access to the A-1 highway, which connects Madrid with the north of Spain. This provides a fast connection to the airport (located around a 10 minutes' drive away) and with Paseo de la Castellana, the main central route way through Madrid.

Although private car is the most comfortable way of arriving at the subject property, the area is also served by different public means of transport:

- By Rail: Fuente de la Mora Cercanias train station is 400m walking distance (around 4 min) from the asset.
- By Tram: The nearest tram station is Virgen del Cortijo (Line ML1), located 270 metres (3min) from the asset. Fuente de la Mora tram station is 400 metres (4 min) from the asset.
- By Bus: Two bus stops (lines 150, 174 and N1), located just on the other side of Avda. Manoteras, directly serve the property.
- By Air: The nearest airport, "Aeropuerto Adolfo Suarez Madrid-Barajas" is located some 11 kilometres from the property via the M-11 highway. There are various terminals in the airport serving national and international destinations.

As happens in most major cities traffic problems can be experienced at peak traffic times including congestion and parking difficulties in the surrounding areas.

In conclusion, the property is well located and is served by several different public transport alternatives which can be accessed in a relatively short time by foot. Access to the property via private transport is also good.

DRIVERS OF DEMAND

Some of the reasons that make Manoteras an attractive office location for both tenants and investors are the following:

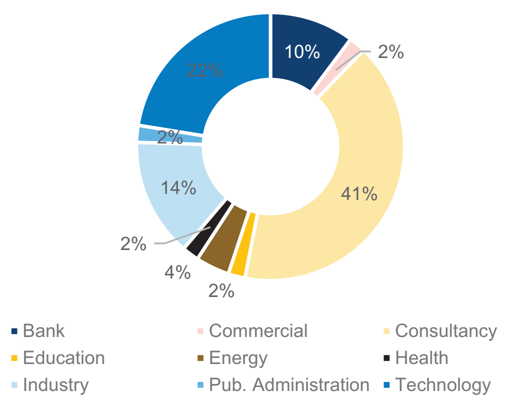
- Consolidated Office Area: Manoteras is a consolidated office area, one of the most important included under the "decentralized" submarket, located out of the M-30 ring.
- Excellent Location: Located in the north area of Madrid city. Traditionally, the north of Madrid has been wealthier than the south and the main office locations have been located to the north and east of the city, mainly due to the fact that they are closer and better connected to Paseo de la Castellana, the main axis within Madrid, and the CBD. In addition, the airport is located only some 11 kilometres (10 minutes driving) from Manoteras area, which makes meetings with international clients easier to arrange.
- Road Access: As having direct exit to both the A-1 highway and the M-11 highway, Manoteras is very easy to access by car. Most buildings have private parking spaces and there are several parking facilities as well but, in addition, parking in the street is neither restricted nor regulated.
- Public Transport: Manoteras can be easily accessed by different means of public transport such as tram (with 2 stations in the area), train (that connects the area with Atocha Station in less than 20 minutes and with the airport in less than 15 minutes) or bus.
- Services: The area is served by a wide range of services to make employees' lives easier including hospitals, shops and a shopping centre, a petrol station, schools and kindergartens, garages and even a 4-star hotel.
- Buildings: Most of the buildings are multitenant making easier for companies in search of office space to find something more adequate to their necessities in terms of both surface area and facilities.

TENANTS TRENDS

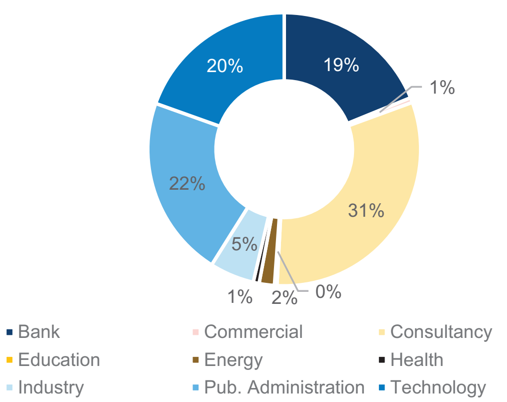
All rental transactions closed in the area within the last 5 years have been analysed. In both surface area and number of deals aspects, tenants operating in the consultancy sector have registered the highest percentage (41% and 31% respectively), followed by companies operating in technology and bank sectors.

The arrival of INE (National Statistics Institute), renting more than 18,000sqm from 2019Q3, has been an important milestone for the area. Within the last 5 years, 50% of the deals in the area have included less than 1,000 sqm and only 20% have included more than 2,000 sqm.

Industries Breakdown by Number of Deals



Industries Breakdown by Area



We have identified the exact location of some of the most important tenants settled in the area

#	Building	Address	Tenant	Type of Tenant	Area (sqm)
1	-	Fuente de la Mora, 9	AVIVA	Insurance	4,400
2	-	Av. Manoteras 48	Everis	Technology	560
3	-	Av. Manoteras 32	Everis	Technology	1,611
4	-	Av. Manoteras 6	Rhode Swartz	Industrial	2,070
5	I. Chamartin	Av. Manoteras 20	La Caixa	Bank	9,385
6	Edificio Este	Fuente de la Mora 1A	Everis	Technology	3,560
7	-	Av. Manoteras 48	Sopra	Technology	1,120
8	I. Chamartin	Av. Manoteras 20	Sopra	Technology	3,860
9	Albor Plaza	Av. Manoteras 52	INE	Pub. Administration	18,503
10	Torre Chamartín	Dulce Chacón 55	Deloitte	Consultancy	12,366

6.1.3 Property Description

The asset, commonly known as Delta Nova 4 Building is located at Av. Manoteras, 46, in the north of Madrid. It consists of a four-storey stand-alone office building with two underground floors and rectangular in shape.

Built in 2005, the Delta Nova office complex has flexible and modular floor plates with high capacity and efficiency (up to one workstation per 10 sqm), benefitting from natural light. In 2015, the two office buildings (Delta IV and VI) had renovations done to their facades, awnings, atriums, lobbies, central patio and green areas and was awarded the LEED Gold certification.

The property is set on a plot of some 9,200 sqm that includes two additional buildings and a common exterior area (shared with Delta 6 Building) with paved and green areas. The property is easily visible from the north area of Avda. Manoteras, however, it has no visibility from either other surrounding streets, the A-1 highway or the railway. The site is at a good location, being well connected by both private and public transport. Its front façade and main entrance are situated on Avda. Manoteras, which provides direct access to the A-1 highway. The M-11 highway is not far from the property, via Av. Ing. Emilio Herrera.

The property comprises a total lettable area of 10,256 sqm, divided into 9,513 sqm of offices, currently let to different tenants (Cabot, Anticipa Real Estate, E-Voluciona, Aliseda, Canal Cosmopolitan, Vodafone, Clece…), 244 sqm of storage spaces and 499 sqm of retail premises, currently let to Cronocoffee. According to the rent roll provided by the client, 548 sqm are currently vacant. In addition, the building includes 249 parking spaces, 28 of which are currently vacant.

The breakdown of the property would be the following:

- Underground Areas: There are two underground floors dedicated to parking facilities (with 249 units), ancillary accommodation and technical installations. The parking is accessed by car by the entrance situated on its east façade. Pedestrian access to the parking is via either stairwell or via lifts.
- Ground Floor: The floor includes the main entrance (through the main façade of the building), a lobby area, located in the centre of a covered patio that also provides access to the common exterior areas, retail premises and a loading and unloading zone, directly connected to the service lift. Lift shafts are situated on both sides of the lobby.
- First to Fourth Floors: The floor plate is rectangular in shape considered as open plan offices. The floor is virtually divided into four parts, although all of them can be connected on each level. Communications cores are located on both sides of the central covered patio and include four lifts (two per wing) and a service lift (in the service corridor of the east wing). There are two staircases situated in the centre of each wing, accessible from both sides of the wing. We assume the floor to ceiling height is. 3.01 metres in office areas.
- Roof: M&E installations (some 208.22 sqm according to land registry excerpt)

ACCOMODATION

The main entrance is from the building main façade, on Avda. Manoteras. The car parking entrance is located on the east façade of the building, through the perpendicular street. Vertical communication within the building is made mainly with two cores (one per wing) with 1 stairwell and 4 lift shafts each. In addition, the east wing core includes a service lift.

Storage, plant and machinery including installations related to the whole complex on site are located mainly on basement levels and on the roof.

Layout and distribution within the property complex is adapted to the architectural design. Both layout and distribution of the office area are decent for the current purpose. The building includes technical floors, HVAC installations for each area and suspended ceiling in most zones.

The size of the floors is circa 64 x 32 metres, with centralized services in the cores allowing a large open space. The columns are located in six longitudinal lines, in the middle of the plan and supporting the façades.

PARKING FACILITIES

Based on information provided there are some 249 car parking spaces located on underground levels. There is good layout within the parking and the internal roads are sufficient for circulating vehicles. The offices have direct access to the parking spaces.

6.1.4 Tenure and Key Tenants

TENURE

We provide the information included in both the registry excerpt (dated 9th January 2020) and the cadastral information of the property:

Information	Registry Land	Cadastre
Address	Avda. Manoteras, 46, Madrid	Av. Manoteras, 46 Bl:2. 28050 Madrid
Land Registry ID	36037	n.a.
Land Registry	Madrid number 55	n.a.
CRU	28116003222410	n.a.
Cadastral Reference	3722024VK4832B0001LL	3722024VK4832B0001LL
Constructed Area	10,810.68 sqm	16,442 sqm
Land Plot Area	14,000 sqm	9,222 sqm
Construction Year	n.a.	2005
Owner	Gloin Investments S.L. Unipersonal (VAT number B87026241)	n.a.
Ownership	100% freehold	n.a.
Charges	In addition to fiscal affections and easements, there were two mortgages in favour of Euro Dinero SARL with the following characteristics: Plot 36037: €9,788,174.14 and €1,957,634.83. Currently cancelled. We consider the above charges do not have a negative impact on the value of the property nor in its marketability. The property is owned under the equivalent of freehold.	n.a.

TENANCY

#	Tenant	Area (sqm)	Units (#)	Headline Rent (€/pa)	Annual Passing Rent (€/pa)	Passing rent per sqm/mth or unit	Start date	Break Option Date	Expiry Date	Remaining lease term incl. breaks (yrs)	Remaining lease term without breaks (yrs)
1	Aliseda	836	-	110,596	110,596	11.03	01/02/2018	30/09/2020	30/09/2022	0.3	2.3
2	Aliseda	-	15	10,679	10,679	59.33	01/02/2018	30/09/2020	30/09/2022	0.3	2.3
3	Anticipa	1,076	-	143,929	143,929	11.14	01/07/2015	31/10/2020	31/10/2022	0.3	2.3
4	Anticipa	-	40	24,312	24,312	50.65	01/07/2015	31/10/2020	31/10/2022	0.3	2.3
5	Anticipa	518	-	70,083	70,083	11.26	15/03/2019	31/10/2020	31/10/2020	0.3	0.3
6	Anticipa	-	20	12,288	12,288	51.20	15/03/2019	31/10/2020	31/07/2020	0.3	0.1
7	Cabot	4,340	-	677,043	543,044	10.43	15/08/2017	31/01/2023	01/02/2025	2.6	4.6
8	Cabot	-	81	45,960	45,960	47.28	15/08/2017	31/01/2023	01/02/2025	2.6	4.6
9	Cabot	143	-	7,744	7,744	4.50	15/08/2017	31/01/2023	01/02/2025	2.6	4.6
10	Cosmopolitan	545	-	85,508	85,508	13.09	31/08/2006	31/07/2020	31/08/2023	0.1	3.2
11	Cosmopolitan	-	12	14,462	14,462	100.43	31/08/2006	31/07/2020	31/08/2023	0.1	3.2
12	Clece(**)	-	13	5,070	4,808	30.82	31/12/2013	31/12/2022	31/12/2030	2.5	10.5
13	Sando	574	-	89,611	89,611	13.00	01/05/2016		30/04/2022	1.8	1.8
14	Sando	-	26	28,389	28,389	90.99	01/05/2016	31/07/2020	30/04/2022	0.1	1.8
15	Cronocoffe	499	-	84,135	-	-	11/12/2006	31/07/2020	30/06/2025	0.1	5.0
16	E-voluciona	1,075	-	145,744	145,744	11.30	01/07/2017	31/07/2020	30/06/2022	0.1	2.0
17	E-voluciona	-	13	12,202	12,202	78.22	01/07/2017	31/07/2020	30/06/2022	0.1	2.0
18	Vodafone (*)	-	-	12,571	12,571	1,047.60	03/11/2008	17/01/2022	17/01/2032	1.5	11.5
19	Vacant (off.)	548		-	-	-				n.a.	n.a.
20	Vacant (stor.)	101		-	-	-				n.a.	n.a.
21	Vacant (pk)	-	29	-	-	-				n.a.	n.a.
	Total	**10,256**	**249**	**1,580K**	**1,362K**	**11.07**				**1.4**	**3.3**

RENTAL STEPS

#	Tenant	Area (sqm)	Start Date	End Date	Discount to contractual rent
7	Cabot	4,340	01/06/2020	31/01/2021	19.8%
12	Clece	-	01/06/2020	31/12/2020	5.2%
15	Cronocoffe	499	01/03/2020	31/08/2020	100.0%

TENANTS DESCRIPTION

We provide information about some of the key tenants of the building.

CABOT FINANCIAL SPAIN S.A

- GESIF was founded in 1991 to offer an external management service to financial entities and large companies. In November 2015 GESIF was acquired by Cabot Credit Management Group (CCM), a leading British company in the European credit management market. GESIF was renamed Cabot Financial Spain in March 2017, after completing its integration as a subsidiary of the CCM group.
- Cabot Credit Management is one of the largest providers of credit management services at European level and the market leader in the United Kingdom and Ireland, based on estimated future gross receipts from collections. Cabot offers a range of credit management services to a broad customer base.
- In March 2016 Cabot became the first UK credit management services company to be licensed by the FCA, and in May 2017 Cabot became the first credit management services company in Ireland to be licensed by the Central Bank of Ireland.

Cabot Financial Spain's Key Figures

According to the last registered accounts, corresponding to 2018:

- Cabot Financial Spain's gross income result reached €6,7 million, (-32.2% vs. 2017).
- Cabot Financial Spain's EBITDA result reached €-8.3 million, (-5,493% vs. 2017).
- Cabot Financial Spain obtained an attributable profit of €-9.5 million (-999% vs. 2017)
- It has been published that the Company was preparing a Labour Force adjustment plan, that could affect more than 90 employees. This adjustment plan will be produced as a consequence of the acquisition by Cabot Financial of Luciana. The merge process was closed on 29th April 2019.

As a result of this merge process, the P&L figures could be distorted as well. In addition, if a tenant has not requested any rental discount during that "State of Alarm" period (from 15th March to 21sq of June), being that the case of Cabot Financial, that is a good indication that the tenant financial situation is healthy enough to pay the rent.

E-VOLUCIONA S.L.

- E-voluciona S.L was created in 2015. Its aim is helping companies to improve the productivity, efficiency and accuracy of each transaction by reengineering processes, orchestrating technologies and through the extensive use of automation. They are pioneers in Digital Process Outsourcing.

Evoluciona S.L's Key Figures

According to the last registered accounts, corresponding to 2018:

- E-voluciona's gross income result reached €6,9 million, (-2.8% vs. 2017).
- E-voluciona's EBITDA result reached € 58.5K, (-88.2% vs. 2017).
- E-voluciona's obtained an attributable profit of €-4.4 million (-360% vs. 2017)
- Number of employees: 105. It has been published that E-Voluciona is planning to increase the number of employees in more than 60 people, as it gained 14 new clients in 2018.

If E-Voluciona is planning to increase the number of employees in more than 60 people due to its good results, the P&L figures could be distorted. In addition, as Evoluciona S.L has not requested any rental discount during that "State of Alarm" period (from 15th March to 21sq of June), that is a good indication that the tenant financial situation is healthy enough to pay the rent.

6.1.5 SWOT

A SWOT analysis has been made to reflect the Strengths, Weaknesses, Opportunities and Threats of the asset.

STRENGTHS

- High occupancy rate
- Secondary but successful office location, in a consolidated office area.
- Stable cashflow with CPI indexation
- The property benefits of a Leed Gold certificate
- Public transport facilities are excellent in the area.
- Excellent road access.
- Flexible layout; it is possible to let each floor to several tenants.
- Wide range of services in the area, as retail or restoration

WEAKNESSES

- Value upside only limited to CPI indexations and/or yield compressions.
- Low visibility as fronting a secondary street and being surrounded by large buildings.

OPPORTUNITIES

- Let up of the vacant space
- Include additional facilities for tenants (gym, nursing home…)
- Increase current under-rented leases to market levels

THREATS

- High uncertainty related to Covid-19 and its consequences on i) national economy and ii) office users' medium term trends.
- Potential increase of interest rates and therefore potential effect on the real estate yields
- High supply of lettable offices in the surrounding area.
- Significant office development pipeline to the north of Madrid.

6.1.6 Office Building Analysis – Comparable Evidence

ASKING RENTAL PRICES

The property is located in a consolidated office area, where there is a high concentration of buildings, some of them owned by renowned companies and with well-known tenants. Market rents vary significantly from modern or well-maintained buildings to older facilities not complying with the standards currently required by most of the companies (raised floor, energy efficiency, etc).

After analysing recent transactions closed within Manoteras and the asking prices of the properties currently being marketed, we believe market rent in the area would be in the region of €12.00-13.00 psm/month. Occupancy rate in the area would be in the region of 82%.

We provide a photographic plan of the main office buildings which could be considered competitors in the vicinity:

The aforementioned properties are listed below:

1. Albor Building - Avda. Manoteras, 50-52

Owner	Grupo Cil
Office GLA (sqm)	26,804
Standard Floors (sqm)	2,338 sqm
Number of floors	B+GF+5
Year of Construction / Refurbishment	2008 / -
Occupancy (%)	100%
Vacant GLA (sqm)	0 sqm
Asking Rents (€ psm/month)	€16.50 sqm/month
Service Charge (€ psm/month)	-

2. Delta Nova VI - Avda. Manoteras, 46B

Owner	Tikehau Capital
Office GLA (sqm)	14855
Standard Floors (sqm)	2,242 sqm
Number of floors	B+GF+6
Year of Construction / Refurbishment	2005 / 2015
Occupancy (%)	95%
Vacant GLA (sqm)	821 sqm
Asking Rents (€ psm/month)	€13.00 sqm/month
Service Charge (€ psm/month)	€4.05 sqm/month

3. - Avda. Manoteras, 44

Owner	Starwood Capital Group
Office GLA (sqm)	15,099
Standard Floors (sqm)	2,149 sqm
Number of floors	B+GF+6
Year of Construction / Refurbishment	2008 / 2018
Occupancy (%)	88%
Vacant GLA (sqm)	1,750 sqm
Asking Rents (€ psm/month)	€13.00 sqm/month
Service Charge (€ psm/month)	€3.05 sqm/month

4. - Avda. Manoteras, 32

Owner	Avis
Office GLA (sqm)	4,568
Standard Floors (sqm)	755 sqm
Number of floors	B+GF+6
Year of Construction / Refurbishment	2004 / -
Occupancy (%)	73%
Vacant GLA (sqm)	1,218 sqm
Asking Rents (€ psm/month)	€10.90 sqm/month
Service Charge (€ psm/month)	€3.25 sqm/month

5. - Avda. Manoteras, 38

Owner	Multiowner
Office GLA (sqm)	19,625
Standard Floors (sqm)	-
Number of floors	B+GF+5
Year of Construction / Refurbishment	2007 / -
Occupancy (%)	97%
Vacant GLA (sqm)	632 sqm
Asking Rents (€ psm/month)	€11.84 sqm/month
Service Charge (€ psm/month)	-

6. - Avda. Manoteras, 30

Owner	Multiowner
Office GLA (sqm)	13,799
Standard Floors (sqm)	1,870 sqm
Number of floors	B+GF+4
Year of Construction / Refurbishment	2008 / -
Occupancy (%)	97%
Vacant GLA (sqm)	446 sqm
Asking Rents (€ psm/month)	€9.23 sqm/month
Service Charge (€ psm/month)	-

7. Orión Building - Avda. Manoteras, 26

Owner	FREO Investments
Office GLA (sqm)	7,708
Standard Floors (sqm)	1,192 sqm
Number of floors	B+GF+7
Year of Construction / Refurbishment	2001 / 2018
Occupancy (%)	53%
Vacant GLA (sqm)	3,657 sqm
Asking Rents (€ psm/month)	€11.50 sqm/month
Service Charge (€ psm/month)	€4.65 sqm/month

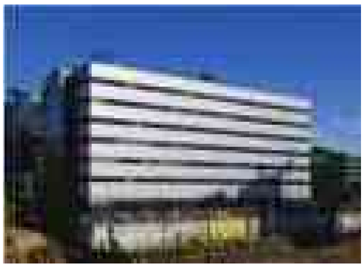
8. Neos 20 - Avda. Manoteras, 20

Owner	Tristan Capital
Office GLA (sqm)	38,141
Standard Floors (sqm)	1,404 sqm
Number of floors	B+GF+6
Year of Construction / Refurbishment	2009 / -
Occupancy (%)	72%
Vacant GLA (sqm)	10,824 sqm
Asking Rents (€ psm/month)	€16.00 sqm/month
Service Charge (€ psm/month)	€2.53 sqm/month

9. Elipse Building - Avda. Manoteras, 18

Owner	Merlin Properties
Office GLA (sqm)	7,516
Standard Floors (sqm)	1,065 sqm
Number of floors	B+GF+6
Year of Construction / Refurbishment	1969 / 2005
Occupancy (%)	26%
Vacant GLA (sqm)	5,557 sqm
Asking Rents (€ psm/month)	€9.00 sqm/month
Service Charge (€ psm/month)	€3.65 sqm/month

10. Cetil II Building - Avda. Manoteras, 6



Owner	Cetil
Office GLA (sqm)	10,555
Standard Floors (sqm)	1,544 sqm
Number of floors	B+GF+6
Year of Construction / Refurbishment	2005 / -
Occupancy (%)	93%
Vacant GLA (sqm)	780 sqm
Asking Rents (€ psm/month)	€12.50 sqm/month
Service Charge (€ psm/month)	-

11. Cetil I Building - Avda. Manoteras, 4

Owner	Cetil
Office GLA (sqm)	12,505
Standard Floors (sqm)	1,330 sqm
Number of floors	B+GF+7
Year of Construction / Refurbishment	2005 / -
Occupancy (%)	100%
Vacant GLA (sqm)	0 sqm
Asking Rents (€ psm/month)	€11.50 sqm/month
Service Charge (€ psm/month)	€3.60 sqm/month

12. Building A - Avda. Manoteras, 10

Owner	Civisa
Office GLA (sqm)	2,715
Standard Floors (sqm)	423 sqm
Number of floors	B+GF+6
Year of Construction / Refurbishment	2006 / -
Occupancy (%)	0%
Vacant GLA (sqm)	2,715 sqm
Asking Rents (€ psm/month)	€16.55 sqm/month
Service Charge (€ psm/month)	€3.50 sqm/month

In the area there is a new project currently under development which will soon be incorporated to the supply:

POLARIS NORTH MADRID – AVDA. MANOTERAS, 12

Polaris North Madrid is a new project owned by ONIX Capital Partners and designed by b720 F. Vazquez. It is estimated to be completed in 2020.

It offers 14,284 sqm of office space divided in seven floors and boasts open-plan, wholly column-free standard floors that span 2,794 sqm. It also features a 7.2m double height lobby and two basements boasting 212 parking spaces. It is one of the first properties in Spain to obtain LEED Core & Shell and WELL certifications, both at gold level.

RECENT RENTAL TRANSACTIONS IN THE AREA

We have considered rental transactions at a local level for properties within the subject area and areas that have been considered similar. It should be noted we have not considered all transactions as some properties are obsolete, poorly located in comparison or are not a relevant comparable reflecting the type of office scheme envisaged. We provide details of transactions at local level:

There have been numerous rental transactions throughout 2018-2019 within the subject area.

Manoteras					
Building	Address	Tenant	sqm	€/sqm/mt	Date
1.-Cetil II	Av. Manoteras 6	Datapoint	765	10.25	2018 Q1
2.-Delta Norte I	Av. Manoteras 44	Hoist Finance	1,155	12	2018 Q1
3.-Isla de Chamartín	Av. Manoteras 20	Sopra	2,240	15	2018 Q2
4.-Delta Norte II	Av. Manoteras 46	Aliseda Inmobiliaria	835	13	2018 Q2
5.-Elipse	Av. Manoteras 18	Isolux Corsan	1,687	9	2018 Q3
6.-Delta Norte I	Av. Manoteras 44	Laboratorire Biostetique	600	11.5	2018 Q3
7.-Delta Norte II	Av. Manoteras 46	Aliseda Inmobiliaria	1,135	11.5	2018 Q3
8.-Orion	Av. Manoteras 26	Innova	255	10.75	2018 Q3
9.-Delta Norte I	Av. Manoteras 44	Strategy Big Data	350	10.5	2018 Q3
10.-Fuente de la Mora	Fuente de la Mora 9	Anton Para	435	11.25	2018 Q3
11.-Cetil I	Av Burgos 114	Knauf	940	10	2018 Q2
12.- Neos 20 Business Park	Av. Manoteras, 20	Vallid Soluciones Tec.	n.a	15	2019 Q1
13.- Delta Norte I	Av. Manoteras, 44	Bankia	1,725	13	2019 Q1
14.- Delta Norte I	Av. Manoteras, 44	Scheider Elect. Software	1,160	11.5	2019 Q1
15.- Cetil I	Av. Burgos, 114	Cetil	400	9.5	2019 Q1
16.- Fuente de la Mora	Fuente de la Mora, 9	Zankyou Ventures	400	11.25	2019 Q1
17.- Orion	Av. Manoteras, 26	Viavi	300	11.75	2019 Q1
18.- Orion	Av. Manoteras, 26	Control Montajes Indust.	300	11.75	2019 Q1
19.- Delta Norte I	Av. Manoteras, 44	Next Technologies	1,165	11.5	2019 Q2
20.- Delta Norte I	Av. Manoteras, 44	BBVA	1,155	11.5	2019 Q2
21.- Albor Plaza	Av. Manoteras, 52	INE	18,503	14	2019 Q3
22.- Fuente de la Mora	Fuente de la Mora, 9	Ced Spain	1,095	11.5	2019 Q3
23.- Elipse	Av. Manoteras, 18	Imporges	900	9.3	2019 Q3
24.- Fuente de la Mora	Fuente de la Mora, 9	Zankyou Ventures	550	11.3	2019 Q3
25.- Cetil I	Av. Burgos 114	Jungle Box	470	10.5	2019 Q4
26.- Orion	Av. Manoteras 26	Mivet	370	11	2020 Q1
27.- Orion	Av. Manoteras 26	Ebsco	625	11	2020 Q1
28.- Fuente de la Mora	Fuente de la Mora 9	Century XXI	385	12.5	2020 Q1
29.- Neos 20 Business Park	Av. Manoteras 20	Jaggear	700	15	2020 Q2

Isla de Chamartín					
Building	Address	Tenant	sqm	€/sqm/mt	Date
1.- Torre Chamartín	Dulce Chacón, 55	Deloitte	5,998	17	2019 Q3
2.-Torre Chamartín	Dulce Chacón, 55	Loom House	1,060	18	2019 Q3
3.-Torre Chamartín	Dulce Chacón, 55	Buran Energy	1,065	18	2019 Q3
4.-Torre Chamartín	Dulce Chacón, 55	Deloitte	6,368	18	2019 Q3
5.-Torre Chamartín	Dulce Chacón, 55	Alcatelecom	1,060	18.50	2019 Q4

La Moraleja					
Building	Address	Tenant	sqm	€/sqm/mt	Date
1.-Europa 1	Av. Europa 1	Vass	2,055	10.25	2018 Q1
2.- Edificio Torona	Av. Europa 24	Quint Group	425	13	2018 Q2
3.-Moraleja Builidng One	Av. Europa 19	Italtel	1,080	14	2018 Q2
4.-Moraleja Builidng One	Av. Europa 19	Italtel	530	14.45	2019 Q1
5.- Edificio Villar	Av. Europa 6	Ib Swiss	840	12.5	2019 Q1
6.- Edificio Torona	Av. Europa 24	Vatech	340	11.5	2019 Q2
7.- Avda. Europa 22	Av. Europa 22	Plus Ultra Líneas Aéreas	1600	13	2019 Q4
8.-Moraleja Builidng One	Av. Europa 19	Commscope	1015	16.5	2019 Q4
9.- Edificio Torona	Av. Europa 24	Fidia Farmacéutica	385	11.4	2020 Q1

Sanchinarro – Las Tablas					
Building	Address	Tenant	sqm	€/sqm/mt	Date
1.-Burgos 210	Av. Burgos 210	Allfunds Bank	5,986	12.5	2018 Q1
2.-Arcis	Quintanapalla 8	Schindler	2,000	12	2018 Q1
3.-Oxxeo	Quintanadueñas 2	CapGemini	2,000	12	2018 Q2
4.-Starbox	Sobrado 2	Travis	280	10	2018 Q3
5.-P. Emp. Las Tablas.	Federico Mompou 5	IDL	215	13	2018 Q3
6.-Bilma	María Tubau 9	BBVA Informática	1,866	10.75	2018 Q3
7.- P. Emp. Las Tablas I	Federico Mompou, 5	Covance Clinical	1,500	11.5	2019 Q1
8.- Pombo Angulo, 20	M. Pombo Angulo, 20	Zeppelin	1,625	11	2019 Q1
9.- Quintanavides, 13	Quintanavides, 13	Construcia	1,160	15.25	2019 Q1
10.- Quintanavides, 13	Quintanavides, 13	Construcia	770	14.25	2019 Q1
11.- María Portugal, 1	María Portugal, 1-3-5	Grupouno	1,535	14.5	2019 Q1
12.- Oxxeo	Quintanadueñas, 2	Do Eat	400	15	2019 Q1
13.- Oxxeo	Quintanadueñas, 2	Lenovo	1,325	16.5	2019 Q2
14.- Quintanavides, 13	Quintanavides, 13	Zoetis	1,540	14	2019 Q4
15.- Oxxeo	Quintanadueñas 2	Tea Cegos	1,165	17	2019 Q4
16.- Quintanavides, 13	Quintanavides, 13	Landmark Prop. Mgment	770	14	2019 Q4
17.- Oxxeo	Quintanadueñas 2	PFS	455	16.5	2019 Q4
18.- Quintanavides, 13	Quintanavides, 13	Metalúrgica de Levira	380	15	2019 Q4
19.-Quintapanalla, 2	Quintapanalla, 2	n.a.	460	13.6	2020 Q1
20.-Quintanavides, 17	Quintanavides, 17	Clece	680	14	2020 Q1
21.-Quintanavides, 19	Quintanavides, 19	Telecom Iberia	200	14.5	2020 Q1

6.2 Delta VI

6.2.1 Location

The property is situated in the north of the municipality of Madrid, in the office area commonly known as Manoteras, bounded by Avda. Manoteras (to the north and east), the A-1 highway (to the west) and the railway (to the south).

Manoteras is a well-connected office submarket developed in the north area in the early XXI. The completion of the first buildings took place in 2002-2003. Nevertheless, adjacent to it to the north, on the other side of Avda. Manoteras, there is a residential area that was built in the 70's. Having direct access to M-11 and the A-1 highways, the area is well communicated by private transport, although, as can be expected in consolidated areas of Madrid, there is traffic congestion at peak times and parking can be difficult in the area. Manoteras is also communicated by public means of transport, with two tram stations (Fuente de la Mora and Virgen del Cortijo, both in ML1), one train station (Fuente de la Mora, in lines C1 and C10) and several bus stops.

Manoteras is relatively close to Las Tablas and Sanchinarro areas. However, Las Tablas and Sanchinarro have easier access to both the A-1 and M-40 axes. The zone where the asset is located is an office-focused area where many well-known companies such as Everis or Liberbank have their headquarters settled. It benefits from a number of nearby services including, among others, a shopping centre, several gyms and restaurants.

We provide location plans:

Manoteras office area is a well consolidated nucleus and does not include any opportunities of development land. However, the close area of Las Tablas is currently experiencing a significant growth in office supply by the construction of several new complexes such as Foresta, Arqborea and Monteburgos.

The following is a link to the location of the property in Google Maps: https://goo.gl/maps/csDdk1iTmwYfibuo7

GPS coordinates are: 40.487678, -3.664250

6.2.2 Site

The site is well communicated by road due to its proximity to the M-11 highway, which joins the road junction formed by the M-30, A-1 and M-607 highways with Madrid-Barajas airport and its direct access to the A-1 highway, which connects Madrid with the north of Spain. This provides a fast connection to the airport (located around a 10 minutes' drive away) and with Paseo de la Castellana, the main central route way through Madrid.

Although private car is the most comfortable way of arriving at the subject property, the area is also served by different public means of transport:

- By Rail: Fuente de la Mora Cercanias train station is 400m walking distance (around 4 min) from the asset.
- By Tram: The nearest tram station is Virgen del Cortijo (Line ML1), located 270 metres (3min) from the asset. Fuente de la Mora tram station is 400 metres (4 min) from the asset.
- By Bus: Two bus stops (lines 150, 174 and N1), located just on the other side of Avda. Manoteras, directly serve the property.
- By Air: The nearest airport, "Aeropuerto Adolfo Suarez Madrid-Barajas" is located some 11 kilometres from the property via the M-11 highway. There are various terminals in the airport serving national and international destinations.

As happens in most major cities traffic problems can be experienced at peak traffic times including congestion and parking difficulties in the surrounding areas.

In conclusion, the property is well located and is served by several different public transport alternatives which can be accessed in a relatively short time by foot. Access to the property via private transport is also good.

DRIVERS OF DEMAND

Some of the reasons that make Manoteras an attractive office location for both tenants and investors are the following:

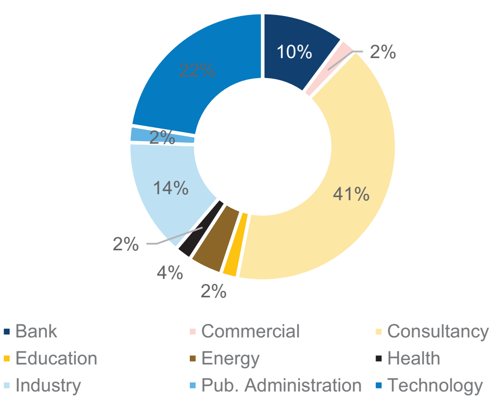
- Consolidated Office Area: Manoteras is a consolidated office area, one of the most important included under the “decentralized” submarket, located out of the M-30 ring.
- Excellent Location: Located in the north area of Madrid city. Traditionally, the north of Madrid has been wealthier than the south and the main office locations have been located to the north and east of the city, mainly due to the fact that they are closer and better connected to Paseo de la Castellana, the main axis within Madrid, and the CBD. In addition, the airport is located only some 11 kilometres (10 minutes driving) from Manoteras area, which makes meetings with international clients easier to arrange.
- Road Access: As having direct exit to both the A-1 highway and the M-11 highway, Manoteras is very easy to access by car. Most buildings have private parking spaces and there are several parking facilities as well but, in addition, parking in the street is neither restricted nor regulated.
- Public Transport: Manoteras can be easily accessed by different means of public transport such as tram (with 2 stations in the area), train (that connects the area with Atocha Station in less than 20 minutes and with the airport in less than 15 minutes) or bus.
- Services: The area is served by a wide range of services to make employees’ lives easier including hospitals, shops and a shopping centre, a petrol station, schools and kindergartens, garages and even a 4-star hotel.
- Buildings: Most of the buildings are multitenant making easier for companies in search of office space to find something more adequate to their necessities in terms of both surface area and facilities.

TENANTS TRENDS

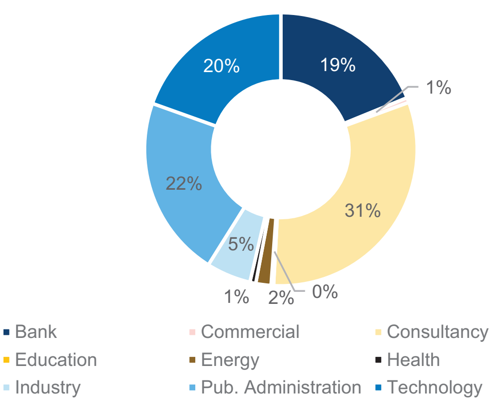
All rental transactions closed in the area within the last 5 years have been analysed. In both surface area and number of deals aspects, tenants operating in the consultancy sector have registered the highest percentage (41% and 31% respectively), followed by companies operating in technology and bank sectors.

The arrival of INE (National Statistics Institute), renting more than 18,000sqm from 2019Q3, has been an important milestone for the area. Within the last 5 years, 50% of the deals in the area have included less than 1,000 sqm and only 20% have included more than 2,000 sqm.

Industries Breakdown by Number of Deals



Industries Breakdown by Area



We have identified the exact location of some of the most important tenants settled in the area

#	Building	Address	Tenant	Type of Tenant	Area (sqm)
1	-	Fuente de la Mora, 9	AVIVA	Insurance	4,400
2	-	Av. Manoteras 48	Everis	Technology	560
3	-	Av. Manoteras 32	Everis	Technology	1,611
4	-	Av. Manoteras 6	Rhode Swartz	Industrial	2,070
5	I. Chamartin	Av. Manoteras 20	La Caixa	Bank	9,385
6	Edificio Este	Fuente de la Mora 1A	Everis	Technology	3,560
7	-	Av. Manoteras 48	Sopra	Technology	1,120
8	I. Chamartin	Av. Manoteras 20	Sopra	Technology	3,860
9	Albor Plaza	Av. Manoteras 52	INE	Pub. Administration	18,503
10	Torre Chamartín	Dulce Chacón 55	Deloitte	Consultancy	12,366

6.2.3 Property Description

The asset, commonly known as Delta Nova 6 Building, is located at Av. Manoteras, 46 Bis, in the north of Madrid. It consists of a seven-storey standalone office building with two underground floors and rectangular in shape.

Built in 2005, the Delta Nova office complex has flexible and modular floor plates with high capacity and efficiency (up to one workstation per 10 sqm), benefitting from natural light. In 2015, the two office buildings (Delta IV and VI) had renovations done to their facades, awnings, atriums, lobbies, central patio and green areas and was awarded the LEED Gold certification.

The property is set on a plot of some 9,200 sqm that includes two additional buildings and a common exterior area (shared with Delta Nova 4 Building) with paved and green areas. The property is easily visible from the north area of Avda. Manoteras, however, it has no visibility from either other surrounding streets, the A-1 highway or the railway. The site is at a good location, being well connected by both private and public transport. Its front façade and main entrance are situated on Avda. Manoteras, which provides h direct access to the A-1 highway. The M-11 highway is not far from the property, through Av. Ing. Emilio Herrera.

The property comprises a total lettable area of 14,855 sqm, divided into 14,328 sqm of offices, (13,765 of which currently let (or in process of being let) to different tenants (Clece, Digitex, Centrales nucleares, Aliseda, Talher, S2 Grupo…)) and 527 sqm of storage space.

The breakdown of the property would be the following:

- Underground Areas: There are two underground floors dedicated to parking facilities (with 384 units), ancillary accommodation and technical installations. The parking is accessed by car by the entrances situated on the building's north façade. Pedestrian access to the parking is via either stairwell (there are three stairwell that connect the parking levels with the exterior common areas) or via lifts.
- Ground Floor: The floor includes the main entrance (through the main façade of the building), a lobby area, located in the centre of a covered patio that also provides access to the common exterior areas, storage spaces and two loading and unloading zone, directly connected to the service lifts. Lift shafts are situated on both sides of the lobby.
- First to Seventh Floors: The floor plate is rectangular in shape considered as open plan offices. The floor is virtually divided into four parts, although all of them can be connected on each level. Communications cores are located on both sides of the central covered patio and include four lifts (two per wing) and two service lift (one per wing). There are two staircases situated in the centre of each wing, accessible from both sides of the wing and an emergency staircase, located on the west façade of the building. We assume the floor to ceiling height is. 3.01 metres in office areas.
- Roof: M&E installations (some 265.92 sqm according to land registry excerpt)

ACCOMODATION

The main entrance is from the building north and main façade, on Avda. Manoteras. Two car parking entrances are located also on the north façade of the building. Vertical communication within the building is made mainly with two cores (one per wing) with 2 stairwell and 4 lift shafts each. In addition, both wings cores include a service lift.

Storage, plant and machinery including installations related to the whole complex on site are located mainly on basement levels and on the roof.

Layout and distribution within the property complex is adapted to the architectural design. Both layout and distribution of the office area are decent for the current purpose. The building includes technical floors, HVAC installations for each area and suspended ceiling in most zones.

The size of the floors is circa 70x34 metres, with centralized services in the cores allowing a large open space. The columns are located in six longitudinal lines, in the middle of the plan and supporting the façades..

PARKING FACILITIES

Based on information provided there are some 384 car parking spaces located on underground levels. There is good layout within the parking and the internal roads are sufficient for circulating vehicles. The offices have direct access to the parking spaces. The spaces are also adequate in terms of size.

6.2.4 Tenure and Key Tenants

TENURE

We provide the information included in both the registry excerpt (dated 9th January 2020) and the cadastral information of the property:

Information	Registry Land	Cadastre
Address	Avda. Manoteras, 46, Madrid	Av. Manoteras, 46 Bl:3. 28050 Madrid
Land Registry ID	36038	n.a.
Land Registry	Madrid number 55	n.a.
CRU	28116003222427	n.a.
Cadastral Reference	3722024VK4832B0002BB	3722024VK4832B0002BB
Constructed Area	25,689.66 sqm	25,652 sqm
Land Plot Area	14,000 sqm	9,222 sqm
Construction Year	n.a.	2005
Owner	Gloin Investments S.L. Unipersonal (VAT number B87026241)	n.a.
Ownership	100% freehold	n.a.
Charges	In addition to fiscal affections and easements, there were two mortgages in favour of Euro Dinero SARL with the following characteristics: Plot 36038: €14,531,825.86 and €2,906,365.17. Currently cancelled. We consider the above charges do not have a negative impact on the value of the property nor in its marketability. The property is owned under the equivalent of freehold.	n.a.

TENANCY

#	Tenant	Area (sqm)	Units (#)	Headline Rent (€/pa)	Annual Passing Rent (€/pa)	Passing rent per sqm/mth or unit	Start date	Break Option Date	Expiry Date	Remaining lease term incl. breaks (yrs)	Remaining lease term without breaks (yrs)
1	Aliseda	1,466	-	193,963	193,963	11.03	01/02/2018	30/05/2020	30/09/2022	(0.1)	2.3
2	Aliseda	-	25	18,729	18,729	62.43	01/02/2018	30/05/2020	30/09/2022	(0.1)	2.3
3	Centrales Nucleares	2,913	-	375,322	375,322	10.74	01/01/2013		31/12/2022	2.5	2.5
4	Centrales Nucleares	-	141	159,562	159,562	94.30	01/01/2013		31/12/2022	2.5	2.5
5	Clece (*)	1,446	-	214,340	197,193	11.36	01/05/2013	31/12/2022	31/12/2030	2.5	10.5
6	Clece (*)	-	40	15,600	14,794	30.82	01/05/2013	31/12/2022	31/12/2030	2.5	10.5
7	Clece (*)	2,855	-	423,084	389,238	11.36	01/05/2013	31/12/2022	31/12/2030	2.5	10.5
8	Clece (*)	-	100	39,000	36,984	30.82	01/05/2013	31/12/2022	31/12/2030	2.5	10.5
9	Sando	122	-	14,543	14,543	9.90	01/12/2011	30/09/2020	30/11/2021	0.3	1.4
10	Digitex	3,733	-	475,559	475,559	10.62	01/06/2017	31/01/2023	31/05/2024	2.6	3.9
11	Digitex	-	40	29,030	29,030	60.48	01/06/2017	31/01/2023	31/05/2024	2.6	3.9
12	Digitex	147	-	9,894	9,894	5.60	01/06/2017	31/01/2023	31/05/2024	2.6	3.9
13	S2	531	-	85,930	85,930	13.49	15/02/2018	14/08/2021	14/02/2024	1.1	3.6
14	S2	-	5	3,982	3,982	66.37	15/02/2018	14/08/2021	14/02/2024	1.1	3.6
15	Talher (*)	820	-	121,588	111,861	11.36	01/05/2013	31/12/2022	31/12/2030	2.5	10.5
16	Talher (*)	-	8	3,120	2,959	30.82	01/05/2013	31/12/2022	31/12/2030	2.5	10.5
17	Vacant	564	6	-	-	-				n.a.	n.a.
18	Vacant (stor.)	71	-	-	-	-				n.a.	n.a.
19	Vacant (stor.)	106	-	-	-	-				n.a.	n.a.
20	Vacant (stor.)	80	-	-	-	-				n.a.	n.a.
21	Vacant (pk)	-	19	-	-	-				n.a.	n.a.
	Total	**14,885**	**384**	**2,183K**	**2,120K**	**11.89**				**2.2**	**5.7**

Tenants including * have already signed a Head of Terms, included in the expiry date and future steps considered

RENTAL STEPS

			Step 1			Step 2			Step 3		
#	Tenant	Area (sqm)	Start Date	End Date	Discount to contractual rent	Start Date	End Date	Discount to contractual rent	Start Date	End Date	Discount to contractual rent
5	Clece	1,446	01/01/2021	31/12/2021	8.0%	01/01/2022	31/12/2022	4.0%	01/01/2023	31/12/2023	2.0%
6	Clece*	-	01/01/2021	31/12/2021	5.2%						
7	Clece*	2,855	01/01/2021	31/12/2021	8.0%	01/01/2022	31/12/2022	4.0%	01/01/2023	31/12/2023	2.0%
8	Clece*	-	01/01/2021	31/12/2021	5.2%						
15	Talher*	820	01/01/2021	31/12/2021	8.0%	01/01/2022	31/12/2022	4.0%	01/01/2023	31/12/2023	2.0%
16	Talher*	-	01/01/2021	31/12/2021	5.2%						

TENANTS DESCRIPTION

We provide information about some of the key tenants of the building.

CLECE S.A.

- Clece was formed in 1992. Today, it has 79,000 people working for the company across Spain, Portugal and the United Kingdom.
- Its multiple services aim to improve the quality of life of people, maintaining and improving the efficiency of our buildings, and caring for and protecting the environment, whether in our cities or as part of our natural heritage.
- Somes services offered: social services, services for the ederly, Logistics, Energy, Facility Management, Maintenance, Environmental Services…

Clece's Key Figures

According to the last registered accounts, corresponding to 2018:

- Clece's gross income result reached €1.036 million, (-0.3% vs. 2017).
- Clece's EBITDA result reached €54.4million, (+9.5% vs. 2017).
- Clece obtained an attributable profit of €43.6 million (+12.5% vs. 2017)
- Number of employees: 51,324

DIGITEX INFORMATICA S.L.

- Digitex is part of Comdata group. It is located in several cities within Spain (Aranda, Barcelona, Bilbao, Granada, la Carolina, León, Madrid, Málaga, Oviedo, Santander, Sevilla and Talavera) and several countries worldwide.
- Their services are focused on consultancy, helping their client to maximise the customer value, in several type of industries.

Digitex Informatica's Key Figures

According to the last registered accounts, corresponding to 2018:

- Digitex Informatica's gross income result reached €62.0 million, (+0.5% vs. 2017).
- Digitex Informatica's EBITDA result reached €2.9Mn, (-18.1% vs. 2017).
- Digitex Informatica obtained an attributable profit of €1.7 million (-31.4% vs. 2017)
- Number of employees: 3,094

6.2.5 SWOT

A SWOT analysis has been made to reflect the Strengths, Weaknesses, Opportunities and Threats of the asset.

STRENGTHS

- High occupancy rate
- Secondary but successful office location, in a consolidated office area.
- Stable cashflow with CPI indexation
- The property benefits of a Leed Gold certificate
- Public transport facilities are excellent in the area.
- Excellent road access.
- Flexible layout; it is possible to let each floor to several tenants.
- Wide range of services in the area, as retail or restoration

WEAKNESSES

- Value upside only limited to CPI indexations and/or yield compressions.
- Low visibility as fronting a secondary street and being surrounded by large buildings.

OPPORTUNITIES

- Let up of the vacant space
- Include additional facilities for tenants (gym, nursing home…)
- Increase current under-rented leases to market levels

THREATS

- High uncertainty related to Covid-19 and its consequences on i) national economy and ii) office users' medium term trends.
- Potential increase of interest rates and therefore potential effect on the real estate yields
- High supply of lettable offices in the surrounding area.
- Significant office development pipeline to the north of Madrid.

6.2.6 Office Building Analysis – Comparable Evidence

ASKING RENTAL PRICES

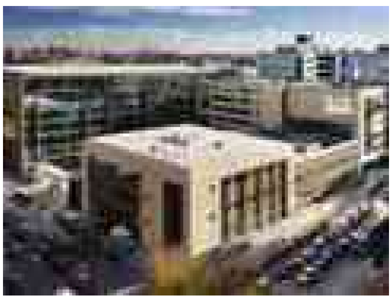
The property is located in a consolidated office area, where there is a high concentration of buildings, some of them owned by renowned companies and with well-known tenants. Market rents vary significantly from modern or well-maintained buildings to older facilities not complying with the standards currently required by most of the companies (raised floor, energy efficiency, etc).

After analysing recent transactions closed within Manoteras and the asking prices of the properties currently being marketed, we believe market rent in the area would be in the region of €12.00-13.00 psm/month. Occupancy rate in the area would be in the region of 82%.

We provide a photographic plan of the main office buildings which could be considered competitors in the vicinity:

The aforementioned properties are listed below:

1. Albor Building - Avda. Manoteras, 50-52



Owner	Grupo Cil
Office GLA (sqm)	26,804
Standard Floors (sqm)	2,338 sqm
Number of floors	B+GF+5
Year of Construction / Refurbishment	2008 / -
Occupancy (%)	100%
Vacant GLA (sqm)	0 sqm
Asking Rents (€ psm/month)	€16.50 sqm/month
Service Charge (€ psm/month)	-

2. Delta Nova IV - Avda. Manoteras, 46

Owner	Tikehau Capital
Office GLA (sqm)	10,256
Standard Floors (sqm)	2,149 sqm
Number of floors	B+GF+4
Year of Construction / Refurbishment	2002 / 2015
Occupancy (%)	94%
Vacant GLA (sqm)	548 sqm
Asking Rents (€ psm/month)	€14.50 sqm/month
Service Charge (€ psm/month)	€4.05 sqm/month

3. - Avda. Manoteras, 44

Owner	Starwood Capital Group
Office GLA (sqm)	15,099
Standard Floors (sqm)	2,149 sqm
Number of floors	B+GF+6
Year of Construction / Refurbishment	2008 / 2018
Occupancy (%)	88%
Vacant GLA (sqm)	1,750 sqm
Asking Rents (€ psm/month)	€13.00 sqm/month
Service Charge (€ psm/month)	€3.05 sqm/month

4. - Avda. Manoteras, 32

Owner	Avis
Office GLA (sqm)	4,568
Standard Floors (sqm)	755 sqm
Number of floors	B+GF+6
Year of Construction / Refurbishment	2004 / -
Occupancy (%)	73%
Vacant GLA (sqm)	1,218 sqm
Asking Rents (€ psm/month)	€10.90 sqm/month
Service Charge (€ psm/month)	€3.25 sqm/month

5. - Avda. Manoteras, 38

Owner	Multiowner
Office GLA (sqm)	19,625
Standard Floors (sqm)	-
Number of floors	B+GF+5
Year of Construction / Refurbishment	2007 / -
Occupancy (%)	97%
Vacant GLA (sqm)	632 sqm
Asking Rents (€ psm/month)	€11.84 sqm/month
Service Charge (€ psm/month)	-

6. - Avda. Manoteras, 30

Owner	Multiowner
Office GLA (sqm)	13,799
Standard Floors (sqm)	1,870 sqm
Number of floors	B+GF+4
Year of Construction / Refurbishment	2008 / -
Occupancy (%)	97%
Vacant GLA (sqm)	446 sqm
Asking Rents (€ psm/month)	€9.23 sqm/month
Service Charge (€ psm/month)	-

7. Orión Building - Avda. Manoteras, 26

Owner	FREO Investments
Office GLA (sqm)	7,708
Standard Floors (sqm)	1,192 sqm
Number of floors	B+GF+7
Year of Construction / Refurbishment	2001 / 2018
Occupancy (%)	53%
Vacant GLA (sqm)	3,657 sqm
Asking Rents (€ psm/month)	€11.50 sqm/month
Service Charge (€ psm/month)	€4.65 sqm/month

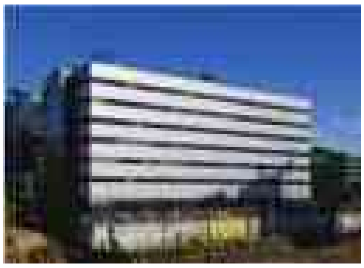
8. Neos 20 - Avda. Manoteras, 20

Owner	Tristan Capital
Office GLA (sqm)	38,141
Standard Floors (sqm)	1,404 sqm
Number of floors	B+GF+6
Year of Construction / Refurbishment	2009 / -
Occupancy (%)	72%
Vacant GLA (sqm)	10,824 sqm
Asking Rents (€ psm/month)	€16.00 sqm/month
Service Charge (€ psm/month)	€2.53 sqm/month

9. Elipse Building - Avda. Manoteras, 18

Owner	Merlin Properties
Office GLA (sqm)	7,516
Standard Floors (sqm)	1,065 sqm
Number of floors	B+GF+6
Year of Construction / Refurbishment	1969 / 2005
Occupancy (%)	26%
Vacant GLA (sqm)	5,557 sqm
Asking Rents (€ psm/month)	€9.00 sqm/month
Service Charge (€ psm/month)	€3.65 sqm/month

10. Cetil II Building - Avda. Manoteras, 6



Owner	Cetil
Office GLA (sqm)	10,555
Standard Floors (sqm)	1,544 sqm
Number of floors	B+GF+6
Year of Construction / Refurbishment	2005 / -
Occupancy (%)	93%
Vacant GLA (sqm)	780 sqm
Asking Rents (€ psm/month)	€12.50 sqm/month
Service Charge (€ psm/month)	-

11. Cetil I Building - Avda. Manoteras, 4

Owner	Cetil
Office GLA (sqm)	12,505
Standard Floors (sqm)	1,330 sqm
Number of floors	B+GF+7
Year of Construction / Refurbishment	2005 / -
Occupancy (%)	100%
Vacant GLA (sqm)	0 sqm
Asking Rents (€ psm/month)	€11.50 sqm/month
Service Charge (€ psm/month)	€3.60 sqm/month

12. Building A - Avda. Manoteras, 10

Owner	Civisa
Office GLA (sqm)	2,715
Standard Floors (sqm)	423 sqm
Number of floors	B+GF+6
Year of Construction / Refurbishment	2006 / -
Occupancy (%)	0%
Vacant GLA (sqm)	2,715 sqm
Asking Rents (€ psm/month)	€16.55 sqm/month
Service Charge (€ psm/month)	€3.50 sqm/month

In the area there is a new project currently under development which will soon be incorporated to the supply:

POLARIS NORTH MADRID – AVDA. MANOTERAS, 12

Polaris North Madrid is a new project owned by ONIX Capital Partners and designed by b720 F. Vazquez. It is estimated to be completed in 2020.

It offers 14,284 sqm of office space divided in seven floors and boasts open-plan, wholly column-free standard floors that span 2,794 sqm. It also features a 7.2m double height lobby and two basements boasting 212 parking spaces. It is one of the first properties in Spain to obtain LEED Core & Shell and WELL certifications, both at gold level.

RECENT RENTAL TRANSACTIONS IN THE AREA

We have considered rental transactions at a local level for properties within the subject area and areas that have been considered similar. It should be noted we have not considered all transactions as some properties are obsolete, poorly located in comparison or are not a relevant comparable reflecting the type of office scheme envisaged. We provide details of transactions at local level:

There have been numerous rental transactions throughout 2018-2019 within the subject area.

Manoteras					
Building	Address	Tenant	sqm	€/sqm/mt	Date
1.-Cetil II	Av. Manoteras 6	Datapoint	765	10.25	2018 Q1
2.-Delta Norte I	Av. Manoteras 44	Hoist Finance	1,155	12	2018 Q1
3.-Isla de Chamartín	Av. Manoteras 20	Sopra	2,240	15	2018 Q2
4.-Delta Norte II	Av. Manoteras 46	Aliseda Inmobiliaria	835	13	2018 Q2
5.-Elipse	Av. Manoteras 18	Isolux Corsan	1,687	9	2018 Q3
6.-Delta Norte I	Av. Manoteras 44	Laboratorire Biostetique	600	11.5	2018 Q3
7.-Delta Norte II	Av. Manoteras 46	Aliseda Inmobiliaria	1,135	11.5	2018 Q3
8.-Orion	Av. Manoteras 26	Innova	255	10.75	2018 Q3
9.-Delta Norte I	Av. Manoteras 44	Strategy Big Data	350	10.5	2018 Q3
10.-Fuente de la Mora	Fuente de la Mora 9	Anton Para	435	11.25	2018 Q3
11.-Cetil I	Av Burgos 114	Knauf	940	10	2018 Q2
12.- Neos 20 Business Park	Av. Manoteras, 20	Vallid Soluciones Tec.	n.a	15	2019 Q1
13.- Delta Norte I	Av. Manoteras, 44	Bankia	1,725	13	2019 Q1
14.- Delta Norte I	Av. Manoteras, 44	Scheider Elect. Software	1,160	11.5	2019 Q1
15.- Cetil I	Av. Burgos, 114	Cetil	400	9.5	2019 Q1
16.- Fuente de la Mora	Fuente de la Mora, 9	Zankyou Ventures	400	11.25	2019 Q1
17.- Orion	Av. Manoteras, 26	Viavi	300	11.75	2019 Q1
18.- Orion	Av. Manoteras, 26	Control Montajes Indust.	300	11.75	2019 Q1
19.- Delta Norte I	Av. Manoteras, 44	Next Technologies	1,165	11.5	2019 Q2
20.- Delta Norte I	Av. Manoteras, 44	BBVA	1,155	11.5	2019 Q2
21.- Albor Plaza	Av. Manoteras, 52	INE	18,503	14	2019 Q3
22.- Fuente de la Mora	Fuente de la Mora, 9	Ced Spain	1,095	11.5	2019 Q3
23.- Elipse	Av. Manoteras, 18	Imporges	900	9.3	2019 Q3
24.- Fuente de la Mora	Fuente de la Mora, 9	Zankyou Ventures	550	11.3	2019 Q3
25.- Cetil I	Av. Burgos 114	Jungle Box	470	10.5	2019 Q4
26.- Orion	Av. Manoteras 26	Mivet	370	11	2020 Q1
27.- Orion	Av. Manoteras 26	Ebsco	625	11	2020 Q1
28.- Fuente de la Mora	Fuente de la Mora 9	Century XXI	385	12.5	2020 Q1
29.- Neos 20 Business Park	Av. Manoteras 20	Jaggear	700	15	2020 Q2

Isla de Chamartín					
Building	Address	Tenant	sqm	€/sqm/mt	Date
1.- Torre Chamartín	Dulce Chacón, 55	Deloitte	5,998	17	2019 Q3
2.-Torre Chamartín	Dulce Chacón, 55	Loom House	1,060	18	2019 Q3
3.-Torre Chamartín	Dulce Chacón, 55	Buran Energy	1,065	18	2019 Q3
4.-Torre Chamartín	Dulce Chacón, 55	Deloitte	6,368	18	2019 Q3
5.-Torre Chamartín	Dulce Chacón, 55	Alcatelecom	1,060	18.50	2019 Q4

La Moraleja					
Building	Address	Tenant	sqm	€/sqm/mt	Date
1.-Europa 1	Av. Europa 1	Vass	2,055	10.25	2018 Q1
2.- Edificio Torona	Av. Europa 24	Quint Group	425	13	2018 Q2
3.-Moraleja Builidng One	Av. Europa 19	Italtel	1,080	14	2018 Q2
4.-Moraleja Builidng One	Av. Europa 19	Italtel	530	14.45	2019 Q1
5.- Edificio Villar	Av. Europa 6	Ib Swiss	840	12.5	2019 Q1
6.- Edificio Torona	Av. Europa 24	Vatech	340	11.5	2019 Q2
7.- Avda. Europa 22	Av. Europa 22	Plus Ultra Líneas Aéreas	1600	13	2019 Q4
8.-Moraleja Builidng One	Av. Europa 19	Commscope	1015	16.5	2019 Q4
9.- Edificio Torona	Av. Europa 24	Fidia Farmacéutica	385	11.4	2020 Q1

Sanchinarro – Las Tablas					
Building	Address	Tenant	sqm	€/sqm/mt	Date
1.-Burgos 210	Av. Burgos 210	Allfunds Bank	5,986	12.5	2018 Q1
2.-Arcis	Quintanapalla 8	Schindler	2,000	12	2018 Q1
3.-Oxxeo	Quintanadueñas 2	CapGemini	2,000	12	2018 Q2
4.-Starbox	Sobrado 2	Travis	280	10	2018 Q3
5.-P. Emp. Las Tablas.	Federico Mompou 5	IDL	215	13	2018 Q3
6.-Bilma	María Tubau 9	BBVA Informática	1,866	10.75	2018 Q3
7.- P. Emp. Las Tablas I	Federico Mompou, 5	Covance Clinical	1,500	11.5	2019 Q1
8.- Pombo Angulo, 20	M. Pombo Angulo, 20	Zeppelin	1,625	11	2019 Q1
9.- Quintanavides, 13	Quintanavides, 13	Construcia	1,160	15.25	2019 Q1
10.- Quintanavides, 13	Quintanavides, 13	Construcia	770	14.25	2019 Q1
11.- María Portugal, 1	María Portugal, 1-3-5	Grupouno	1,535	14.5	2019 Q1
12.- Oxxeo	Quintanadueñas, 2	Do Eat	400	15	2019 Q1
13.- Oxxeo	Quintanadueñas, 2	Lenovo	1,325	16.5	2019 Q2
14.- Quintanavides, 13	Quintanavides, 13	Zoetis	1,540	14	2019 Q4
15.- Oxxeo	Quintanadueñas 2	Tea Cegos	1,165	17	2019 Q4
16.- Quintanavides, 13	Quintanavides, 13	Landmark Prop. Mgment	770	14	2019 Q4
17.- Oxxeo	Quintanadueñas 2	PFS	455	16.5	2019 Q4
18.- Quintanavides, 13	Quintanavides, 13	Metalúrgica de Levira	380	15	2019 Q4
19.-Quintapanalla, 2	Quintapanalla, 2	n.a.	460	13.6	2020 Q1
20.-Quintanavides, 17	Quintanavides, 17	Clece	680	14	2020 Q1
21.-Quintanavides, 19	Quintanavides, 19	Telecom Iberia	200	14.5	2020 Q1

6.3 Sant Cugat Green

6.3.1 Location

The property is situated in the municipality of Sant Cugat del Vallès, in the province of Barcelona, in the area commonly known as “Can Sant Joan”, a secondary office area located in the periphery of Barcelona, developed along the B-30/AP-7 highways, 6 Km to the north of Sant Cugat del Vallès and 6 Km to the east of Rubí. The attractive surroundings of Sant Cugat have made one of the most sought-after office submarkets in the Barcelona metropolitan area. Companies such as Grifols, Sabadell Bank, Ricoh, RTVE, Catalana Occidente, or Mapfre are settled in this Business Park, which is also served by many available services such as hotels, restaurants and even schools.

The asset is located in the northwest part of Can Sant Joan. This specific area where the asset is settled is bounded by the C-16 road and the AP-7 highway (to the south), Carrer del Rin (to the west) and Cami de Can Graells (to the east). Well-known tenants such as Roche, HP or Nespresso have their headquarters in this specific area.

The area is surrounded by other business and commercial areas, including a shopping centre located on the other side of the AP-7 Highway. The residential area of Bellaterra, mainly comprised by detached houses and the Autónoma University of Barcelona are located to the east.

The subject property fronts Av. De la Generalitat, the main avenue in the area which provides direct access to the B-30/AP-7 highway and easily connects with the municipality of Rubí. In the avenue there are also different bus stops which provide connection with Sant Joan train station, from where it’s easy to reach Barcelona and Sabadell municipalities.

The zone where the asset is located is an office-focused area with several nearby services. Nevertheless, they are located on its east part, on the other side of Plaça de la Recerca and within a several minutes walking distance. Although the area is well consolidated and most of the companies have been settled here for a long time, there is still vacant land in the area and different opportunities of project development.

We provide location plans:

The following is a link to the location of the property in Google Maps: https://goo.gl/maps/3hGHKgeqdPxfMFCa8

GPS coordinates are: 41.492859, 2.055248

6.3.2 Site

Can Sant Joan area includes many nearby services such as schools, supermarkets, hotels and a shopping centre, among others. The area is well consolidated and most of the companies have been settled here for a long time, but there is still vacant land in the area and different opportunities of project development.

Private car is the most comfortable way of arriving at the subject property, because the inmediate area is only served by several bus stops that only connect to Sant Joan train station.

Due to the fact that the property fronts Av. De la Generalitat, the main avenue in the area which provides direct access to the B-30/AP-7 highway, the access by road is easy. It takes less than 30 minutes to get Barcelona airport and the same amount of time to get to Barcelona city centre.

Getting to the site using public means of transport is also possible:

- By Train: The closest train stop is Sant Joan (in lines ES, S2 and S6) located some 2 Km (30 minutes walking, 8 minutes by bus) from the subject site.
- By Bus: The area is served by a bus stop, located on Avinguda de la Generalitat , just in front of Sant Cugat Green building. The line that serves the zone is SJ, a circular line, specific for this office area, that connects all the different buildings settled in the area with Sant Joan train station.
- By Air: The nearest airport, “Josep Tarradellas - El Prat” is located some 33 kilometres and 25 minutes from the property via the A-2 highway. There are various terminals in the airport providing national and international destinations.

As with most major cities traffic problems can be experienced at peak traffic times including congestion and parking difficulties in the surrounding areas. In conclusion the property is settled on a secondary location, served by a number of different public transport alternatives which can be accessed in a relatively short time by foot. Access to the property via private transport is also decent.

DRIVERS OF DEMAND

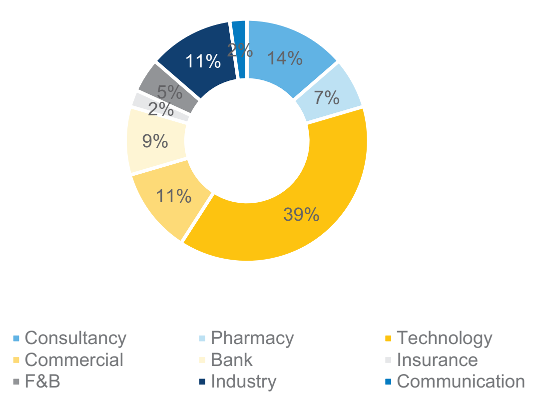
Some of the reasons that make Can Sant Joan an attractive office location for both tenants and investors are the following:

- Attractive Location: Located in Can Sant Joan, a consolidated economic area developed alongside the B-30/AP-7 highway, in the municipality of Sant Cugat del Vallès, one of the most active cities in the Barcelona metropolitan region. The B-30/AP-7 axis connects the area with other cities even in the south of Europe.
- Consolidated Office Area: Since its creation and development, Can Sant Joan has consolidated as one of the main office areas within the "periphery" submarket. Incasòl, the Catalonian public administration in charge of land, was the owner of many plots in Can Sant Joan, and took an active part in its development.
- Road Access: As it has been developed alongside and with direct access to the B-30/AP-7 highway, Can Sant Joan is easy to access by car. It takes less than 30 minutes to get to either Barcelona airport or Barcelona city centre. In the area, most buildings have private parking spaces and moreover parking in the street is neither restricted nor regulated.
- Public Transport: Can Sant Joan can be accessed by train and bus. A circular line that connects all the buildings in the area with the train station has been implemented, with many available buses stops, even one just in front of the subject asset. It takes just 30 minutes to arrive to Barcelona city centre by train.
- Services: The area is served by a wide range of services including sports facilities, supermarkets and shops, a shopping centre, several international schools, kindergartens and even several hotels.
- Well-known tenants: in the area, the corporate headquarters of major companies, mainly from technology sector, are settled. In addition, the main headquarters of the RTVE (the public television channel) are settled here.
- Buildings: Most of the buildings are multitenant making easier for companies in search of office space to find something more adequate to their necessities in terms of both surface area and facilities.

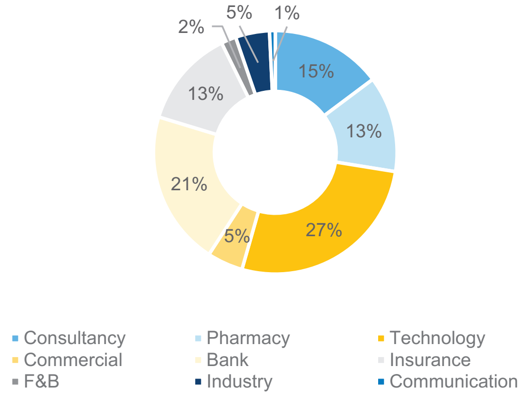
TENANTS TRENDS

All rental transactions closed in the area within the last 5 years have been analysed. In both surface area and number of deals aspects, tenants operating in the technology sector have registered the highest percentage (39% and 27% respectively), followed by companies operating in consultancy and bank sectors. Within the last 5 years, 64% of the deals in the area have included less than 1,000 sqm and only 23% have included more than 2,000 sqm.

Industries Breakdown per Number of Deals



Industries Breakdown per Area



We have identified the exact location of some of the most important tenants settled in the area

#	Building	Address	Tenant	Type of Tenant	Area (sqm)
1	Edificio Catalana Park 4	Jesus Serra Santamans 8	Hewlett Packard	Technology	2,825
2	Catalana Parc 2	Jesus Serra Santamans 4	GFT	Consultancy	2,200
3	Sant Cugat Nord C	Plaza Xavier Cugat 2	Banc Sabadell	Bank	6,006
4		Cami Can Graells 1-21	Hewlett Packard	Technology	2,500
5	Mapfre Cubs	Camí Can Fatjo del Aurons	Mapfre	Insurance	8,500
6	Sant Cugat Nord D	Plaza Xavier Cugat 2	Banc Sabadell	Bank	1,684
7	Vinson	Camí Can Camps 17-19	Everis	Technology	1,120
8	Catalana Parc 3	Jesus Serra Santamans 6	Boehringer Ingelheim	Pharmacy	1,650
9	Parcugat	Av. Can Fatjo dels Aurons 9	Banc Sabadell	Bank	4,845
10	Parcugat	Av. Can Fatjo dels Aurons 9	Markem-Imaje	Technology	2,530
11	Parcugat	Av. Can Fatjo dels Aurons 9	Carhill	Consultancy	2,530
12	Catalana Parc	Alcalde Barnils 71	Hewlett Packard	Technology	1,100
13	Sant Cugat Nord A	Plaza Xavier Cugat 2	Consultora Técnica de Obras	Consultancy	3,004
14	Vinson	Camí Can Camps 17-19	Ekon Cloud Computing	Technology	2,325

6.3.3 Property Description

The asset, commonly known as Sant Cugat Green Building is located at Av. De la Generalitat, 163-167, in Can Sant Joan technological area, in the municipality of Sant Cugat del Vallès, Barcelona. It consists of a five-storey standalone office building with four underground floors. It is set on a plot of some 14,500 sqm that includes the main building, an annex with four basement floors used as parking, and common exterior areas with paved and green areas that include two uncovered parkings. Fronting Av. De la Generalitat, the property is easily visible even from the B-30/AP-7.

The building was specifically developed for Deutsche Bank in 1993, at a high-end standard and with excellent quality of finishes and installations. It has a good provision of common areas, such as meeting rooms, cafeteria, and kitchen. Its floor plates have more than 3,000 sqm situated around a central atrium, enjoying good natural light throughout the building. Sant Cugat Green is LEED Gold certified. Now it is let to different tenants and well maintained.

The property comprises a total lettable area of 26,134 sqm, divided into 16,738 sqm of offices, currently let to different tenants (DXC Technology, Roche Diagnostics, Sodexo España and Ufinet Telecom), 5,066 sqm of Data Center (mostly vacant), 2,635 of Storage Space (also mostly vacant) and 1,695 sqm for other spaces such as meeting rooms or lunch areas. According to the rent roll provided by the client, 5,983 sqm (Data Center and Storage units) are currently vacant. In addition, the building includes 580 parking spaces.

The breakdown of the property would be the following:

- Underground Areas: The main building include three underground levels dedicated to Data Room, storage units, staff facilities and technical and ancillary premises. The annex consists of four underground levels dedicated to parking spaces and ancillary accommodation and technical installations. The annexed parking premise is accessed by car through an entrance situated on its west part. For security purposes, there is no direct connection between the main building and the annex so the pedestrian access to the parking is via three lifts and a stairwell located on the ground floor in the north part of the site.
- Ground Floor: The floor includes the main entrance (through the main façade of the building), a lobby area, a cantine and some office space. As well as in the rest of the above ground floors, there is also a central covered patio that includes different common areas and a communication core, that includes five lifts. On both sides of the building (east and west façades), there are two emergency stairs and on the east part, there are two goods lifts. The property also includes three exterior parking premises, located in the north, west and east part of the site.
- First to Fourth Floors: The floor plate is considered as open plan offices that can divided into different areas depending on the necessities of each tenant. All floors are connected by open stairs located on the central lobby and the communication core located in the north part of each floor. Each floor includes also two cores that give access to the toilets and the emergency stairs. In addition, third and fourth floors include terrace areas. We assume the floor to ceiling height is. 2.7 metres in office areas.
- Roof: M&E installations.

ACCOMODATION

The main building is settled in the central part of the plot, surrounded by green areas and three parking premises located adjacent to the east, west and north façades. The main car access is located on Avda. Generalitat, in the southwest corner of the plot and gives direct access to the exterior parking premises located to the west and north and the underground parking annex. For security purposes, there is no connection between the parking premises and the main building so there is a secondary car entrance on Carrer del Rin that gives access to the parking premise located to the west.

The main pedestrian access to the building is through the south façade, fronting Av. De la Generalitat although there is a secondary access on the north west façade. Vertical communication within the building is solved mainly by a core that include a stairwell and five lifts and various open stairwells located on the central covered patio that have a distinctive design. In addition, the building includes two emergency stairs located on its east and west façades and two goods lifts.

Basement levels are mainly intended to support the Data Centre located on the basement -2, including machinery and installation related to it. Nevertheless, basement -1, includes the shipping area and some space has been recently reconverted to offices. On basement -3, there are different spaces mainly used for services and for storage purposes.

On the roof, there are more machinery and installations related to the whole complex including, among others, the HVAC system, AHU units and VRV systems.

Layout and distribution within the property complex is adapted to the architectural design and both layout and distribution of the office area are good for the current purpose. Most of the office space include technical floor and suspended ceiling. On the other hand, basement floors that include the Data Centre and the spaces intended to support the Data Centre are more difficult to adapt to different uses and purposes and will be more difficult to let.

The size of the floors is circa 86 x 47 m with centralized services in different cores allowing a large open space suitable for office use. The columns are located in 8 longitudinal lines, supporting the curtain wall of the façades and in the middle part.

PARKING FACILITIES

Based on information provided there are some 580 car parking spaces located both on underground levels and on the ground floor. There is good layout within the parking and the internal roads are sufficient for circulating vehicles. The offices do not have direct access to the parking spaces. The spaces are also adequate in terms of size.

6.3.4 Tenure and Key Tenants

TENURE

We provide the data included in the registry excerpt (dated 9th January 2020) and in the cadastral information of the property:

Information	Registry Land	Cadastre
Address	n.a.	Av. Generalitat 2 08174. Sant Cugat del Vallès (Barcelona)
Land Registry ID	40855	
Land Registry	Sant Cugat del Vallès number 1	
CRU	8123000443041	
Cadastral Reference	1441106DF2914S0001QR	1441106DF2914S0001QR
Constructed Area	16,440 sqm above ground 21,147.25 sqm below ground.	38,186 sqm
Land Plot Area	14,000 sqm	14,513 sqm
Construction Year	n.a.	1993
Owner	Chameleon (Sant Cugat Investment 2014) S.L.U. (VAT number B86969714)	
Ownership	100% freehold	
Charges	In addition to fiscal affections and easements, there was a mortgage in favour of Euro Dinero SARL with the following characteristics: Plot 40855: €23,777,731 and €4,755,546.20. Currently cancelled. We consider the above charges do not have a negative impact on the value of the property nor in its marketability. The property is owned under the equivalent of freehold.	

TENANCY

#	Tenant	Area (sqm)	Units (#)	Headline Rent (€/pa)	Annual Passing Rent (€/pa)	Passing rent per sqm/mth or unit	Start date	Break Option Date	Expiry Date	Remaining lease term incl. breaks (yrs)	Remaining lease term without breaks (yrs)
1	DXC	1,553	-	232,884	232,884	12.50	15/06/2011	31/03/2023	31/03/2029	2.7	8.8
2	DXC	8,930		1,339,512	1,339,512	12.50	15/06/2011	31/03/2025	31/03/2029	4.8	8.8
3	DXC	-	235	319,750	319,750	113.39	15/06/2011	31/03/2023	31/03/2029	2.7	8.8
4	DXC		107			-	15/06/2011	31/03/2023	31/03/2029	2.7	8.8
5	DXC	-	30	-	-	-	15/06/2011	31/03/2023	31/03/2029	2.7	8.8
6	DXC	2,456	-	250,479	250,479	8.50	15/06/2011	31/03/2023	31/03/2029	2.7	8.8
7	Lyntia	-	1	14,851	14,851	1,237.58	01/01/2017		31/12/2020	0.5	0.5
8	Roche	6,255	-	863,701	863,701	11.51	01/02/2015		31/12/2022	2.5	2.5
9	Roche	-	122	169,998	169,998	116.12	01/02/2015		31/12/2022	2.5	2.5
10	Roche		86			-	01/02/2015		31/12/2022	2.5	2.5
11	Roche	179	-	-	-	-	01/02/2015		31/12/2022	2.5	2.5
12	Sodexo	778		64,512	64,512	6.91	01/01/2006		31/12/2023	3.5	3.5
13	Vacant	1,331	-	-	-	-				n.a.	n.a.
14	Vacant	3,736	-	-	-	-				n.a.	n.a.
15	Vacant	917	-	-	-	-				n.a.	n.a.
	Total	**26,134**	**581**	**3,256K**	**3,256K**	**10.38**				**3.5**	**6.6**

RENTAL STEPS

No rental steps are included.

TENANTS DESCRIPTION

We provide information about some of the key tenants of the building.

DXC

- DXC is an investment grade information technology services company listed on the NYSE which offers analytics, applications, business process, cloud and workload, consulting, and security services and solutions. DXC is a Fortune 500 company and is represented in the S&P 500 Index, and has established more than 200 industry-leading global relationships, including 14 strategic partners including Amazon Web Services, AT&T, Dell Technologies, Google Cloud, HP, HPE, IBM, Micro Focus, Microsoft, Oracle, PwC, SAP, ServiceNow and VMware.
- DXC Technology was founded in 2017 as the result of the spin-off of Hewlett Packard Enterprise's Enterprise Service segment and its merger with Computer Sciences Corporation (CSC).
- DXC Technology helps customers across the entire Enterprise Technology Stack with differentiated industry solutions. They modernize IT, optimize data architectures, and make everything secure, scalable and orchestrated across public, private and hybrid clouds.

DXC key figures

- 138,000 employees in 70 countries
- $19.6 Billion revenues in FY 2020 (vs $20.75 Billion FY 2019)
- $2.1 Billion adjusted EBIT in FY 2020 (v 3.27 Billion in FY 2019)

ROCHE

- Roche Diagnostics is a Swiss multinational healthcare company founded 1986 by Fritz Hoffmann-La Roche which develops innovative products and services that address the prevention, diagnosis, monitoring, screening and treatment of diseases.
- The holding company, Roche Holdings AG (“Roche”), a Swiss multinational healthcare company, is an investment-grade company with shares listed on the SIX Swiss Exchange.
- Roche operates worldwide under two divisions: Pharmaceuticals and Diagnostics.
- Roche is the second-largest pharmaceutical company worldwide after Johnson&Johnson.
- Descendants of the founding Hoffmann and Oeri families own slightly over half of the bearer shares with voting rights (a pool of family shareholders 45%, and Maja Oeri a further 5% apart), with Swiss pharma firm Novartis owning a further third of its shares.
- Roche is one of the few companies increasing their dividend every year, for 2018 as the 32nd consecutive year.

Roche key figures

- CHF 61.5 Billion revenues in 2019 (constant increase YOY from 48.1 Billion in 2015).
- Core net income 18.1 Billion in 2019 (constant increase YOY from 11.8 in 2015).
- Roche has 97,735 employees worldwide.

6.3.5 SWOT

A SWOT analysis has been made to reflect the Strengths, Weaknesses, Opportunities and Threats of the asset.

STRENGTHS

- Office space fully let.
- Contractual terms to perceived good covenant strength.
- Current rents are at market levels
- Stable cashflow with CPI indexation
- The property was developed at a high standard, with excellent quality of finishes and installations
- The property benefits of a Leed Gold certificate
- Good provision of common areas, such as meeting rooms, cafeteria, kitchen, etc.
- Good visibility as fronting the main avenue in the area.

WEAKNESSES

- Secondary office location
- Limited offer of services in the immediate area, as retail or restoration
- Train station 30 minutes' walk from the asset.
- Data centre area currently vacant.
- Materials and design slightly out of date, although of very good quality.
- Installations to be soon in need of refurbishment.
- There is no direct connection between the parking facilities and the office areas.

OPPORTUNITIES

- Possibility to reorganize space on underground floors to provide more common areas and facilities and make the asset more attractive to tenants.
- Alternatively, let the data centre to a specialized company.
- Reduce service charges and/or transfer part of the service charges attributable to the data centre to the office space.
- Increase current under-rented leases to market levels.

THREATS

- High uncertainty related to Covid-19 and its consequences on i) national economy and ii) office users' medium term trends.
- Potential increase of interest rates and therefore potential effect on the real estate yields
- Large supply of vacant office area and plots to be developed in the surroundings.

6.3.6 Office Building Analysis – Comparable Evidence

ASKING RENTAL PRICES

The property is located in a consolidated office area, where there is a high concentration of buildings, some of them owned by renowned companies and with well-known tenants. Market rents vary significantly from modern or well-maintained buildings to older facilities not complying with the standards currently required by most of the companies (raised floor, energy efficiency, etc).

After analysing recent transactions closed within Sant Cugat de Llobregat and the asking prices of the properties currently being marketed, we believe market rent in the area would be in the region of €10.50-11.50 psm/month. Occupancy rate in the area would be in the region of 80%.

We provide a photographic plan of the main office buildings which could be considered competitors in the vicinity:

The aforementioned properties are listed below:

1. Sant Cugat Business Park - Vía Augusta, 15

Owner	n.a.
Office GLA (sqm)	25,000
Standard Floors (sqm)	-
Number of floors	B+GF+8
Year of Construction / Refurbishment	2009 / -
Occupancy (%)	96%
Vacant GLA (sqm)	1,000 sqm
Asking Rents (€ psm/month)	€10.50 sqm/month
Service Charge (€ psm/month)	-

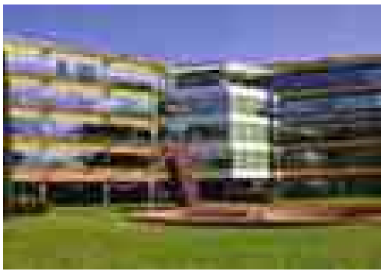
2. Sant Cugat Nord - Plaça Xavier Cugat, 2

Owner	Colonial
Office GLA (sqm)	27,903
Standard Floors (sqm)	3,000 sqm
Number of floors	B+GF+3
Year of Construction / Refurbishment	1999 / -
Occupancy (%)	94%
Vacant GLA (sqm)	1,730 sqm
Asking Rents (€ psm/month)	€10.50 sqm/month
Service Charge (€ psm/month)	-

3. Testa, 10 - Vía Augusta, 71

Owner	Testa
Office GLA (sqm)	10,008
Standard Floors (sqm)	530 sqm
Number of floors	B+GF+9
Year of Construction / Refurbishment	2000 / -
Occupancy (%)	94%
Vacant GLA (sqm)	556 sqm
Asking Rents (€ psm/month)	€ 9.0-12.5 sqm/month
Service Charge (€ psm/month)	€3.10 sqm/month

4. - Alcalde Barnils, 64



Owner	n.a.
Office GLA (sqm)	15,374
Standard Floors (sqm)	3,566 sqm
Number of floors	B+GF+5
Year of Construction / Refurbishment	2010 /
Occupancy (%)	87%
Vacant GLA (sqm)	2,006 sqm
Asking Rents (€ psm/month)	€ 10.0-12.5 sqm/month
Service Charge (€ psm/month)	€3.85 sqm/month

5. Cubic Sant Joan - Alcalde Barnils, 72-74

Owner	n.a.
Office GLA (sqm)	3,708
Standard Floors (sqm)	-
Number of floors	B+GF+2
Year of Construction / Refurbishment	1991 /
Occupancy (%)	62%
Vacant GLA (sqm)	1,394 sqm
Asking Rents (€ psm/month)	€ 10.5-11.0 sqm/month
Service Charge (€ psm/month)	€2.50 sqm/month

6. TCA Building - Carrer d' Henri Dunant, 9-11,

Owner	n.a.
Office GLA (sqm)	28,934
Standard Floors (sqm)	-
Number of floors	B+GF+4
Year of Construction / Refurbishment	2008 /
Occupancy (%)	90%
Vacant GLA (sqm)	2,843 sqm
Asking Rents (€ psm/month)	€10.50 sqm/month
Service Charge (€ psm/month)	-

RECENT RENTAL TRANSACTIONS IN THE AREA

We have considered rental transactions at a local level for properties within the subject area and areas that have been considered similar. It should be noted we have not considered all transactions as some properties are obsolete, poorly located in comparison or are not a relevant comparable reflecting the type of office scheme envisaged.

There have been several rental transactions throughout 2018-2020 within the subject area:

Sant Cugat del Vallés					
Building	Address	Tenant	sqm	€/sqm/mt	Date
Sant Cugat Nord B	Plaza Xavier Cugat 2	Erni Consulting	550	11.5	2018 Q2
n.a.	Av. Can Fatjo dels Aurons 9	Markem-Imaje	2,530	12	2018 Q2
Can Ametller	Camí Can Ametller 24	Nortia Corporation	1,480	11	2018 Q2
Onada	Alcalde Barnils 70. Sant Joan	Sociedad de Ultracongelados	385	9	2018 Q2
Parcugat	Av. Can Fatjo dels Aurons 9	Carhill	2,530	13	2018 Q3
Catalana Parc	Alcalde Barnils 71	Hewlett Packard	1,100	10	2018 Q3
Vinson. Vallsolana Garden BP	Camí Can Camps 17-19	Bmm	700	7.25	2018 Q3
Can Ametller	Camí Can Ametller 24	Mercedes Benz	680	12	2018 Q3
Can Ametller	Camí Can Ametller 24	Ubisoft	480	12	2018 Q3
Sant Cugat B.P.	Av. Via Augusta 15-25	Client Solutions	600	13	2018 Q4
n.a.	Via Augusta 103	Moventia	3,564	11.2	2018 Q4
Mapfre Cubs	Camí Can Fatjo dels Aurons	Beyond Software	720	11	2018 Q4
Sant Cugat Nord D	Plaza Xavier Cugat 2	Magic Box	325	11	2019 Q1
n.a.	Orient 78-84	Versatil Lay	415	6	2019 Q1
Sant Cugat Nord A	Plaza Xavier Cugat 2	Consultora Técnica de Obras	3,004	12	2019 Q3
Sant Cugat Nord A	Plaza Xavier Cugat 2	Magic Box	687	11.5	2019 Q3
Vinson. Vallsolana Garden BP	Camí Can Camps 17-19	Staedler	500	11.5	2019 Q3
Kibo. Vallsolana Garden BP	Camí Can Camps 17-19	Win Systems	495	12	2019 Q3
Can Ametller	Camí Can Ametller 24	Spontex España	800	10	2019 Q3
Vinson. Vallsolana Garden BP	Camí Can Camps 17-19	Ekon Cloud Computing	1,095	10.3	2019 Q4
Sant Cugat I	Av. Alcalde Barnils 64-68	Rocasalvatella	415	11.5	2019 Q4
Sant Cugat B.P.	Via Augusta 15-25	Nolimits Travel	1,135	9.5	2020 Q1
Vinson. Vallsolana Garden BP	Camí Can Camps 17-19	Ekon Cloud Computing	1,230	11.5	2020 Q1

6.4 II.Lumina Building

6.4.1.1 Location

The property is situated in the municipality of Esplugues de Llobregat, in the province of Barcelona, in an area commonly known as “El Gall”, a mixed industrial and office area with constructions built during different decades, mostly in the 70’s.

Given the proximity to the major TV3 studio complex as well as centre of Barcelona, Esplugues has since become a cluster location suitable for telecommunications, image, and audio-visual companies, high tech offices as well as back-office space facilities for certain companies.

“El Gall” area is bounded by Carrer del Gall (to the north), Avda. Cornella (to the east), Avda. Baix Llobregat (to the south) and Carrer Ángel Guimerà (to the west). It is surrounded by the residential neighbourhoods of La Plana and Montesa, to the east, and the municipalities of Sant Joan Despi and Cornella de Llobregat, to the south. Most of the buildings in the vicinity and surrounding vicinities were also built in the 70’s.

The area has direct access to B-23 highway via Avda. Baix Llobregat. The connection with N-340 road is not far, around 2.5 Km. away through Avda. Cornellá, which also provides access to the municipalities of Cornellá de Llobregat and Sant Joan Despi. Barcelona’s CBD and Sants train station are also easy to reach, being located approximately 5 Km from the asset and well communicated, as the N-340 road where Avda. Cornellá ends also goes directly towards Sants st, one of the main axes of Barcelona city.

As can be expected in consolidated areas of a major city, there is traffic congestion at peak times and parking can be difficult in the area. The area is also communicated by public means of transport, with two tram stops (Montesa and la Sardana, both in lines T1, T2 and T3), and several bus stops.

The immediate zone where the asset is located is an industrial-focused area. As it is currently being re-developed, nearby services are mainly found within Av. Cornella and Av. Baix Llobregat although not far from the asset. In addition, it benefits from the services included in the nearby vicinities. Schools, restaurants, shops, supermarkets or petrol stations are some of the services that can currently be found.

The area is consolidated and there aren’t opportunities of land development within the subject area but many possibilities of existing buildings refurbishments.

We provide location plans:

The following is a link to the location of the property in Google Maps: https://goo.gl/maps/RvpugCvaJK2rMZex5

GPS coordinates are: 41.372246, 2.078794

6.4.2 Site

The site is well communicated due to its proximity to the B-23 highway, which connects the area with Barcelona city centre (Avda. Diagonal) and the A-2 highway. This provides easy access to Josep Tarradellas international airport, which is located around 19 Km and 18 minutes away. In addition, the N-340 road located at the end of Avda. Cornellá goes directly towards Sants st, one of the main axes of Barcelona city.

Private car is the most comfortable way of arriving at the subject property, although the area is served by several public means of transport.

- By Tram: The closest tram stops are Montesa and La Sardana (in lines T1, T2 and T3) located some 600 from the subject site.
- By Bus: The area is served by different bus stops, located within a 300 metres radius. The lines that serve the zone are 78, L11, L46 and N15 (with several stops located on Avda. Baix Llobregat) and L-10 (with a bus stops located on Josep Argemi).
- By Metro: The closest metro and train stations are located some 15 min walking from the property.
- By Air: The nearest airport, “Josep Tarradellas - El Prat” is located some 19 kilometres and 18 minutes from the property via the A-2 highway. There are various terminals in the airport providing national and international destinations.

As with most major cities traffic problems can be experienced at peak traffic times including congestion and parking difficulties in the surrounding areas.

DRIVERS OF DEMAND

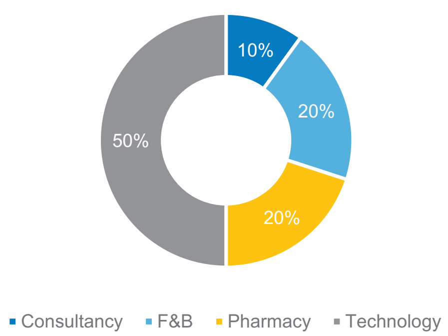
Some of the reasons that make Esplugues de Llobregat and “El Gall” an attractive office location for both tenants and investors are the following:

- Good Location and access: Esplugues de Llobregat is located only 5 km from Barcelona’s CBD, offering great access to Barcelona city centre as being directly connected with Diagonal Av, one of the main axes of Barcelona city via the N-340 road, where Avda. Cornellá ends. In addition, El Prat airport can also be easily reached.
- Opportunities: As the area is currently being re-developed, there are many opportunities for refurbishments and renovations on existing buildings, obtaining as a result unique office buildings. In addition, several urban renovations (several parks and streets) are intended to be finished by the city hall in the short term, which will improve the aesthetic of the zone.
- Public Transport: Esplugues and particularly El Gall area can be accessed by several means of public transport, that connect it to Barcelona city centre and other municipalities of the region. Two tram stops, one metro station and several bus stops serve the area.
- Services: The area is served by a wide range of services including schools, restaurants, shops, supermarkets or petrol stations are some of the services that can currently be found. In addition, it benefits from the services included in the nearby vicinities, including some international schools such as “Colegio Alemán”.
- Rental Level: Despite being really close to Barcelona city centre and very well connected with it, rents in the area are considerably more affordable than in other submarkets, as office sector is still not very developed. Tenants can benefit from that circumstance.

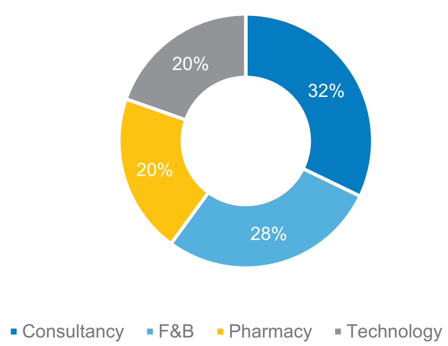
TENANTS TRENDS

All rental transactions closed in the area within the last 5 years have been analysed in both surface area and number of deals aspects. Although by number of deals, companies operating in the technology sector are the most majority, consultancy sector is the one that obtain a higher percentage in terms of let surface area. Within the last 5 years, 40% of the deals in the area have included more than 1,500 sqm.

Industries Breakdown per Number of Deals



Industries Breakdown per Area



Some of the main tenants located within Esplugues de Llobregat municipality include: Salvat (publishing), Bayer (Pharmacy), TV3 (Television, located within Sant Joan Despi municipality, but close to Esplugues de Llobregat).

In addition, we provide some of the tenants recently settled in Esplugues de Llobregat area.

#	Building	Address	Tenant	Type of Tenant	Area (sqm)
1	Lekla	Carretera Cornellá 140	Consultoría Informática y Telecomunicaciones	Technology	340
2	n.a.	Av. Paisos Catalans 51	Nestle	F&B	2,873
3	Alta 1	Av. Paisos Catalanes 34-36	Fufh	Technology	475
4	Alta 1	Av. Paisos Catalanes 34-36	Bioibérica	Pharmacy	1,914
5	Alta 1	Av. Paisos Catalanes 34-36	Bioberica	Pharmacy	1,914
6	n.a.	Ctra. Esplugues 225	Servihabitat	Consultancy	6,050

6.4.3 Property Description

The asset, a standalone building commonly known as Il.lumina, is located at Gaspar Fàbregas I Roses, 81 in the municipality of Esplugues de Llobregat. The property consists of a three-storey office building with four underground floors. Il·lumina was originally built in the 1970s as the Corberó factory and fully refurbished in 2004 into an office building, maintaining its original exterior whilst enhancing its functionality and design. Those refurbishment works consisted in the complete internal demolition, preserving just some parts of the original façades and adapting the property to the offices and TV studio uses.

Further recent investment was made to provide for recent technologies, earning it the LEED Silver certification. It provides 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 with 90 seats for its tenants. Il·lumina also offers over 3,800 sqm of fully equipped TV studios and is currently well maintained.

The property is set on a plot of some 6,200 sqm, bounded by Carrer del Gall, Avda. Cornella, Avda. Baix Llobregat and Carrer Ángel Guimerà. As it fronts a public park to the north, it is easily visible from Carrer Josep Argemi. Nevertheless, its main access is not very noticeable or representative.

According to information provided by the client, the property comprises a total lettable area of 20,922 sqm, divided into 16,971 sqm of offices mostly let (or in process of being let) to different tenants (CCMA, Digitex, Aruba, Agfa, Powernet, ADM promotions, Arcasa. Cobega and Axians), 293 sqm of Studio TV use, 3,658 sqm of storage space. According to the rent roll, 656 sqm of offices, 1,099 sqm of storage space and 293 sqm of Studio TV use are currently vacant. In addition, the building includes 310 parking spaces.

The breakdown of the property would be the following:

- Underground Areas: There are three underground floors dedicated to parking facilities (with 310 units including car and motorbike units), ancillary accommodation and technical installations. The parking is accessed by car by the entrance situated on Gaspar Fàbregas I Roses façade whereas its exit is located on Baronessa de Malda street. Pedestrian access to the parking is via either stairwell or via lifts.
- Ground Floor (Semi-basement): It includes the areas dedicated to TV studios (with 5 sets of different areas), the spaces serving those studios and the loading and unloading zone, connected to the service lift.
- First Floor: First floor includes the main entrance and lobby, connected to street level via ramp or lift. It also includes common areas such as meeting rooms, a gym and an auditorium. It also includes office space, where the floor to ceiling height is in the region of 2.50-3.00 metres.
- Second to Third Floors: Mostly dedicated to office space but also including different common areas such a cantine. Open plan offices that can divided into different areas depending on the necessities of each tenant. All floors are connected by open stairs located on the central lobby and the communication cores located in each corner of the central lobby. Floor to ceiling height is in the region of 3.50-4.00 metres in the office areas of these floors.
- Roof: M&E installations.

ACCOMODATION

The main entrance is on its east façade, through Gaspar Fàbregas I Roses street. There is a steep-sloped ramp that connects the street with the main lobby and reception area, located on the first floor. There are secondary accesses mainly used for maintenance purposes and as loading and unloading area.

The car parking is accessed also by Gaspar Fàbregas I Roses street whereas its exit is located on Baronessa de Malda street. One of the main lifts connects the parking floors with the rest of the building and other two communicate the parking floors with the main entrance.

All levels are connected via 7 lifts and open staircases located on the central area. There are also 4 emergency staircases located in each corner of the central module. One lift connects the street level with the main hall level at 1st floor, making it accessible to people with disabilities. 2 service lifts connect the technical rooms, storage areas and kitchen with street level.

There are some storage, plant and machinery including installation related to the whole complex on site, at basement and semibasement levels and on the roof.

Layout and distribution within the property complex is adapted to the architectural design and in many ways both layout and distribution are good for the current purpose. Ground and first floors are partial renovations of the old Corberó factory. Second and third floors include curtain wall and double skin technology with sheets of glass at a 45º angle.

Office areas located on first and second floors include technical floors and suspended ceilings. Offices located on third floor and the TV studios does not include them.

The existence of centralized services in the cores allowing a large open space. The columns are located in ten longitudinal lines, even supporting the façades. The central area does not have any pillars, allowing the existence of the TV studios, of large areas and heights.

PARKING FACILITIES

Based on information provided there are some 310 car parking spaces located on underground levels. There is good layout within the parking and the internal roads are sufficient for circulating vehicles. The offices have direct access to the parking spaces. The spaces are also adequate in terms of size.

6.4.4 Tenure and Key Tenants

TENURE

We provide the information included in both the registry excerpt (dated 9th January 2020) and the cadastral information of the property:

Information	Registry Land	Cadastre
Address	n.a.	Cl. Baronessa de Malda, 48. 08950 E.Llobregat (Barcelona)
Land Registry ID	2956 and 22992	n.a.
Land Registry	Esplugues de Llobregat number 1	n.a.
CRU	08076000052099 and 08076000052082	n.a.
Cadastral Reference	n.a.	3007801DF2830E0001QA
Constructed Area	Id 2956: 4,743 sqm below ground and 10,154.13 sqm above ground Id 22992: 4,743 sqm below ground and 10,010.37 above ground	29,934 sqm
Land Plot Area	6,230.50 sqm	6,232 sqm
Construction Year	n.a.	2004
Owner	Chameleon (Esplugues) S.L.U (VAT number B87013496)	n.a.
Ownership	100% freehold	n.a.
Charges	In addition to fiscal affections and easements, there were two mortgages in favour of Euro Dinero SARL with the following characteristics: Plot 2956: €6,975,260.23 and €1,395,052.05. Currently cancelled. Plot 22992: €6,907,947.77 and €1,381,589. Currently cancelled.	n.a.

TENANCY

#	Tenant	Area (sqm)	Units (#)	Headline Rent (€/pa)	Passing Rent (€/pa)	Passing rent per m² mth or unit	Start date	Break Option Date	Expiry Date	Remain. lease term inc. breaks (yrs)	Remain. lease term w/o breaks (yrs)
1	ADM	855	-	88,546	88,546	8.63	01/01/2016	31/12/2023	31/12/2023	3.5	3.5
2	ADM	-	8	6,365	6,365	66.31	01/01/2016	31/12/2023	31/12/2023	3.5	3.5
3	ADM	42	-	1,805	1,805	3.57	01/01/2016	31/12/2023	31/12/2023	3.5	3.5
4	Agfa	281	-	27,275	27,275	8.09	15/02/2019	31/12/2023	14/02/2024	3.5	3.6
5	Agfa	-	12	8,735	8,735	60.66	15/02/2019	31/12/2020	14/02/2024	0.5	3.6
6	Agfa	1,044	-	114,005	114,005	9.10	15/02/2019	31/12/2020	14/02/2024	0.5	3.6
7	Agfa	-	35	25,477	25,477	60.66	15/02/2019	31/12/2020	14/02/2024	0.5	3.6
8	Agfa	42	-	1,022	1,022	2.02	15/02/2019		14/02/2024	3.6	3.6
9	Aruba	816	-	127,911	127,911	13.06	01/09/2018		31/08/2021	1.2	1.2
10	Aruba	304	-	16,479	16,479	4.51	01/09/2018		31/08/2021	1.2	1.2
11	Arcasa	599	-	57,979	57,979	8.06	01/01/2016		31/12/2025	5.5	5.5
12	Arcasa	-	5	4,234	4,234	70.56	01/01/2016		31/12/2025	5.5	5.5
13	Arcasa	108	-	7,806	7,806	6.05	01/01/2016	30/11/2022	31/12/2025	2.4	5.5
14	Arcasa	-	-	24,000	16,800	1,400.00	01/01/2016	31/12/2022	31/12/2025	2.5	5.5
15	Cobega	2,383	-	213,390	213,390	7.46	01/11/2015	31/12/2022	31/12/2025	2.5	5.5
16	Cobega	-	25	19,500	19,500	65.00	01/11/2015	31/12/2022	31/12/2025	2.5	5.5
17	Cobega	297	-	12,477	12,477	3.50	01/11/2015	29/09/2025	31/12/2025	5.2	5.5
18	CCMA	3,764	-	686,179	686,179	15.19	01/10/2016	29/09/2025	30/09/2021	5.2	1.3
19	CCMA	-	4	3,984	3,984	83.00	01/10/2016	29/09/2025	30/09/2021	5.2	1.3
20	CCMA	896	-	70,674	70,674	6.58	01/10/2016		30/09/2021	1.3	1.3
21	Digitex	1,586	-	207,113	207,113	10.88	15/08/2016		15/08/2022	2.1	2.1
22	Digitex	-	7	5,504	5,504	65.52	15/08/2016		15/08/2022	2.1	2.1
23	Orange	-	-	1,038	1,038	86.53	01/11/2017		30/11/2022	2.4	2.4
24	Powernet	283	-	34,290	34,290	10.08	01/01/2014		31/12/2024	4.5	4.5
25	Powernet	-	8	4,838	4,838	50.40	01/01/2014		31/12/2024	4.5	4.5
26	Powernet	466	-	16,897	16,897	3.02	01/01/2014		31/12/2024	4.5	4.5
27	Areas	3,451	-	320,939	-	-	01/10/2020		29/09/2030	10.2	10.2
28	Areas	-	30	28,800	28,800	80.00	01/10/2020		29/09/2030	10.2	10.2
29	Areas	135	-	7,273	7,273	4.50	01/10/2020		29/09/2030	10.2	10.2
30	Axians (*)	1,250		157,510	105,007	7.00	01/04/2021	30/09/2025	29/09/2030	5.3	10.2
31	Vacant	261	-	-	-	-				n.a.	n.a.
32	Axians (*)*	135	-	6,465	5,657	3.50	01/04/2021	30/09/2025	29/09/2030	5.3	10.2
33	Vacant	131	-	-	-	-				n.a.	n.a.
34	Vacant*	189	2	-	-	-				n.a.	n.a.
35	Vacant*	287	3	-	-	-				n.a.	n.a.
36	Vacant*	180	2	-	-	-				n.a.	n.a.

37	Vacant	50	-	-	-	-				n.a.	n.a.
38	Vacant	54	-	-	-	-				n.a.	n.a.
39	Vacant*	132	2	-	-	-				n.a.	n.a.
40	Vacant*	160	2	-	-	-				n.a.	n.a.
41	Vacant	527	-	-	-	-				n.a.	n.a.
42	Vacant	75	-	-	-	-				n.a.	n.a.
43	Axians (*)	135	-	6,465	5,657	3.50	01/04/2021	30/09/2025	29/09/2030	5.3	10.2
44	Car prking		33	19,165	19,165	48.40	01/01/2020		31/07/2020	0.1	0.1
45	Axians (*)		20	16,800	12,000	50.00	01/04/2021	30/09/2025	29/09/2030	5.3	10.2
46	Vc. (pk)		25	-	-	-				n.a.	n.a.
47	Vc.(mbke)		87	-	-	-				n.a.	n.a.
	Total	**20,922**	**310**	**2,351K**	**1,964K**	**7.82**				**2.3**	**3.2**

Vacant* refers to the space currently vacant but already with a Head of Terms signed by Axians, of a future contract that will start in 04/2021.

RENTAL STEPS

			Step 1			Step 2			Step 3		
#	Tenant	Area (sqm)	Start Date	End Date	Discount to contr. rent	Start Date	End Date	Discount to contr. rent	Start Date	End Date	Discount to contr. rent
14	Arcasa	-	01/06/2020	30/09/2020	30.0%						
27	Areas	3,451	01/10/2020	31/03/2021	100.0%						
30	Axians (HoT)	1,250	01/10/2020	30/09/2021	33.3%	01/10/2021	30/09/2022	33.3%	01/10/2022	30/09/2025	23.8%
32	Axians (HoT)	135	01/10/2020	30/09/2021	12.5%						
43	Axians (HoT)	135	01/10/2020	30/09/2021	12.5%						
45	Axians (HoT)		01/10/2020	30/09/2021	28.6%	01/10/2021	30/09/2025	14.3%			

TENANTS DESCRIPTION

We provide information about some of the key tenants of the building.

Areas

- Areas was formed in 1968 in Spain. Today, it has 22,562 people working for the company across 12 countries.
- Areas is one of the global leaders in Food & Beverage and travel retail. Areas welcomes 348 million customers each year in 1,928 restaurants and points of sale in 12 countries around the world.
- Areas offers a broad range of services designed to meet the specific needs and expectations of domestic and international travellers.

Areas' Key Figures

According to the last registered accounts, corresponding to 2018:

- Areas generated €1,900 billion revenues in 2018/2019.
- 348 million customers per year. 22,562 employees across 12 countries
- 3rd in travel food and retail services worldwide. Leader in France and Spain

CCMA

- CCMA was created in 1983 as the public regional entity to manage the public television and radio.
- The TV part comprises 2 generalist and 3 thematic channels, with TV3 as their most known channel.
- The radio comprises four channels.
- CCME also comprises 5 digital media sites associated with the TV and radio channels

- The Corporació Catalana de Mitjans Audiovisuals is a public organisation that manages the audiovisual media of the Generalitat de Catalunya and the Grup d'Emissores de Catalunya Ràdio, in addition to the digital contents created by these media sources.

CCMA key figures

- TV3 channel is the regional leader in terms of share, with 13.8%.
- Catalunya Radio has 644,000 daily listeners increasing from 492,000 in 2010.
- CCMA had an income of €317.31 Million in 2018 and net result of -€17,000 due to deficit of €7.3 Million in 2017.
- CCMA has 2,313 employees.

6.4.5 SWOT

A SWOT analysis has been made to reflect the Strengths, Weaknesses, Opportunities and Threats of the asset.

STRENGTHS

- The property was refurbished at a high standard
- Excellent quality of finishes and installations
- The property benefits of a Leed Silver certificate
- Public transport facilities are decent in the area.
- Possibility to let the property to several tenants.
- Good provision of common areas, such as meeting rooms, cafeteria, etc.
- Good car parking provision, with a 67 sqm/space ratio.
- Scarcity of parking spaces in the surrounding area.

WEAKNESSES

- Secondary office location.
- Settled in an industrial area with old buildings.
- Access to the building not clearly visible or recognizable.
- Limited offer of services in the area, as retail or restoration.

OPPORTUNITIES

- Let up of the vacant space.
- Increase current under-rented leases to market levels

THREATS

- High uncertainty related to Covid-19 and its consequences on i) national economy and ii) office users' medium term trends.
- In case of vacancy the TV studios would be more difficult to let.
- Potential increase of interest rates and therefore potential effect on the real estate yields
- Possible new office developments in the pipeline (Finestrelles).

6.4.6 Office Building Analysis – Comparable Evidence

ASKING RENTAL PRICES

The property is located in a mainly industrial area, without a high concentration of office buildings. As only two office buildings have been found in the surroundings, including the subject asset, we have broadened the perimeter to similar areas to find comparable evidence.

After analysing recent transactions closed within Esplugues de Llobregat and the asking prices of the properties currently being marketed, we believe market rent in the area would be in the region of €8.50-9.50 psm/month. Occupancy rate in the area would be in the region of 60%.

We provide a photographic plan of the main office buildings which could be considered competitors in somehow similar areas of the city:

The aforementioned properties are listed below:

1. - Tomás Bretón, 32

Owner	n.a.
Office GLA (sqm)	2,790
Standard Floors (sqm)	530 sqm
Number of floors	B+GF+4
Year of Construction / Refurbishment	1991 / -
Occupancy (%)	56%
Vacant GLA (sqm)	1,238 sqm
Asking Rents (€ psm/month)	€9.00 sqm/month
Service Charge (€ psm/month)	-

2. - Antón Fortuny, 14

Owner	n.a.
Office GLA (sqm)	4,300
Standard Floors (sqm)	-
Number of floors	B+GF+4
Year of Construction / Refurbishment	1999 / -
Occupancy (%)	40%
Vacant GLA (sqm)	2,567 sqm
Asking Rents (€ psm/month)	€8.00 sqm/month
Service Charge (€ psm/month)	-

3. Diagonal Business Park VI - Paisos Catalanes, 34

Owner	n.a.
Office GLA (sqm)	4,000
Standard Floors (sqm)	-
Number of floors	B+GF+7
Year of Construction / Refurbishment	2005 / -
Occupancy (%)	94%
Vacant GLA (sqm)	222 sqm
Asking Rents (€ psm/month)	€15.00 sqm/month
Service Charge (€ psm/month)	-

4. Esplugues 225 - Ctra. D'Esplugues, 225

Owner	n.a.
Office GLA (sqm)	9,500
Standard Floors (sqm)	789 sqm
Number of floors	B+GF+10
Year of Construction / Refurbishment	2010 /
Occupancy (%)	66%
Vacant GLA (sqm)	3,184 sqm
Asking Rents (€ psm/month)	€14.00 sqm/month
Service Charge (€ psm/month)	€0.00 sqm/month

5. Il.lumina Building - Gaspar Fabregas i Roses, 81

Owner	Tikeau
Office GLA (sqm)	20,922
Standard Floors (sqm)	4,450 sqm
Number of floors	B+GF+3
Year of Construction / Refurbishment	1960 / 2004
Occupancy (%)	83%
Vacant GLA (sqm)	3,568 sqm
Asking Rents (€ psm/month)	€11.50 sqm/month
Service Charge (€ psm/month)	€3.65 sqm/month

RECENT RENTAL TRANSACTIONS IN THE AREA

We have considered rental transactions at a local level for properties within the subject area and areas that have been considered similar. It should be noted we have not considered all transactions as some properties are obsolete, poorly located in comparison or are not a relevant comparable reflecting the type of office scheme envisaged. We provide details of transactions at local level:

There have been several rental transactions throughout 2018-2020 within the subject area:

Esplugues de Llobregat					
Building	Address	Tenant	sqm	€/sqm/mt	Date
n.a.	Av. Paisos Catalans 51	Nestle	2,873	11.90	2017 Q2
Alta 1	Av. Paisos Catalanes 34-36	Fufh	475	12.50	2018 Q1
n.a.	C. Esplugues, 225	Servihabitat	6,050	11.00	2019 Q3
Alta 1	Av. Paisos Catalanes 34-36	Bioibérica	1,914	13.75	2019 Q4
Alta 1	Av. Paisos Catalanes 34-36	Bioibérica	1,914	11.50	2020 Q1

6.5 Summary

The properties are freehold office buildings located in established secondary office areas of Madrid and Barcelona Metropolitan Area. They have large and easily divisible floor plates and enjoy natural lighting and connectivity to major commercial areas via different modes of transportation systems.

All of them have been awarded the Leadership in Energy and Environmental Design ("LEED") certification from the U.S. Green Building Council:

#	Property	GLA (sqm)	Headline Rent (€)	Headline Rent (€/sqm)	Passing Rent (€)	Passing Rent (€/sqm)	Market Rent (€)	Market Rent (€/sqm)
1	Delta Nova 4	10.256	1.580.327	12,8	1.361.930	11,1	1.709.728	13,9
2	Delta Nova 6	14.855	2.183.246	12,2	2.119.542	11,9	2.387.139	13,4
3	Sant Cugat Green	26.134	3.255.688	10,4	3.255.688	10,4	3.301.557	10,5
4	Illumina	20.922	2.350.943	9,4	1.963.884	7,8	2.642.222	10,5
	Total	**72.167**	**9.370.204**	**10,8**	**8.701.044**	**10,0**	**10.040.646**	**11,6**

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INDEPENDENT FINANCIAL ADVISER'S LETTER

3 September 2020

The Independent Directors, the Non-Interested Directors and the Audit and Risk Committee
IREIT Global Group Pte. Ltd.
(in its capacity as manager of IREIT Global)
1 Wallich Street
#15-03 Guoco Tower
Singapore 078881

DBS Trustee Limited
(in its capacity as the trustee of IREIT Global)
12 Marina Boulevard
Marina Bay Financial Centre
Singapore 018982

Dear Sirs,

THE PROPOSED ACQUISITION OF THE BALANCE 60.0% INTEREST IN THE SPAIN PROPERTIES THROUGH THE ACQUISITION OF 60.0% OF THE SHARES IN IREIT GLOBAL HOLDINGS 5 PTE. LTD. FROM TIKEHAU CAPITAL SCA, AS AN INTERESTED PERSON TRANSACTION

*Unless otherwise defined or the context requires otherwise, all terms used herein have the same meanings as defined in the Circular to unitholders of IREIT Global ("**Unitholders**") dated 3 September 2020 (the "**Circular**"). For illustrative purposes, certain Euro (€) amounts have been translated into Singapore dollars (S$). Unless otherwise indicated, such translations have been made based on the exchange rate of €1.00 = S$1.566.*

1. INTRODUCTION

On 7 December 2019, DBS Trustee Limited (in its capacity as trustee of IREIT Global) ("**Trustee**") entered into an agreement with Tikehau Capital SCA ("**Tikehau Capital**" or "**Vendor**") to jointly incorporate a Singapore company (the "**JVCo**"), which would be 40.0% held by IREIT Global ("**IREIT**") (the "**Initial Investment**") and 60.0% held by Tikehau Capital, for the purposes of acting as the purchaser of the Spain Properties under three separate conditional share sale and purchase agreements to acquire the shares representing 100.0% of the issued share capital in each of (a) Gloin Investments, S.L.U. which holds Delta Nova IV and Delta Nova VI; (b) Chameleon (Sant Cugat Investment 2014), S.L.U. which holds Sant Cugat Green; and (c) Chameleon (Esplugues), S.L.U. which holds Il·lumina from Corona Patrimonial SOCIMI, S.A. (the "**Initial Acquisition**" and the entities holding the Spain Properties, the "**Spanish PropCos**", and Delta Nova IV, Delta Nova VI, Sant Cugat Green and Il·lumina are collectively referred to as the "**Spain Properties**").

Following the aforementioned agreement, the JVCo, IREIT Global Holdings 5 Pte. Ltd., was incorporated on 9 December 2019 and the Trustee entered into a shareholders' agreement with Tikehau Capital and the JVCo on 10 December 2019 (the "**Shareholders' Agreement**"). The Initial Acquisition by the JVCo was completed on 20 December 2019. The total cost of IREIT's investment in the JVCo in relation to the Initial Acquisition was approximately €57.6 million (comprising approximately (i) €55.3 million, being IREIT's proportionate share of the Initial Acquisition's purchase consideration; (ii) €1.6 million, being IREIT's proportionate share of the professional and transaction expenses; (iii) €0.5 million, being the Manager's acquisition fee elected to be paid in cash; and (iv) €0.2 million, being other fees and expenses in connection with IREIT's investment in the JVCo).

In the second quarter of 2020, Sadena Real Estate S.L.U. (the "**Spanish HoldCo**") was incorporated and is 100.0% owned by the JVCo. Thereafter, the JVCo transferred its 100.0% interest in the Spanish PropCos to the Spanish HoldCo. The current holding structure of the Spain Properties is that the JVCo owns 100.0% of the issued share capital in the Spanish HoldCo, which in turn owns 100.0% of the issued share capital in each of the Spanish PropCos, which owns the respective Spain Properties as described above.

1.1. The Acquisition

Pursuant to the Shareholders' Agreement, Tikehau Capital granted the Trustee a call option to acquire its interest in 60.0% of the shares in the JVCo for the period of 18 months following completion of the Initial Acquisition upon written notice from the Trustee to Tikehau Capital ("**Call Option**") at 60.0% of the call option price calculated based on the consolidated net asset value ("**NAV**") of the JVCo and its subsidiaries ("**JVCo Group**"), as adjusted based on the average of the market values of the Spain Properties in aggregate as determined by two independent property valuers (the "**Agreed Value**"), with one to be appointed by each of the Trustee and the Manager, respectively (the "**Call Option Price**").

On 7 August 2020, the Trustee exercised the Call Option to acquire the balance 60.0% interest in the Spain Properties by exercising the Call Option to acquire Tikehau Capital's interest in 60.0% of the shares in the JVCo (the "**Acquisition**").

1.2. Interested Person Transaction pursuant to the Listing Manual and Interested Party Transaction pursuant to the Property Funds Appendix

As at the date of the Circular, Tikehau Capital holds an aggregate interest in 188,157,361 Units, which is equivalent to approximately 29.3% of the total number of Units in issue, and is therefore regarded as a "controlling unitholder" of IREIT under both the Listing Manual of the SGX-ST (the "**Listing Manual**") and Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore (the "**Property Funds Appendix**"). In addition, the Manager is jointly owned by City REIT Management Pte Ltd and Tikehau Capital in equal proportions. Tikehau Capital is therefore regarded as a "controlling shareholder" of the Manager under both the Listing Manual and the Property Funds Appendix. Accordingly, Tikehau Capital is (for the purpose of the Listing Manual) an "interested person" and (for the purpose of the Property Funds Appendix) an "interested party" of IREIT.

In accordance with Rule 906 of the Listing Manual, where the value of an interested person transaction, or when aggregate with other transactions, each of a value equal to or greater than S$100,000, entered into with the same interested person during the same financial year, is equal to, or exceeds 5.0% of IREIT's latest audited net tangible assets ("**NTA**"), Unitholders' approval is required in respect of the transaction.

Paragraph 5 of the Property Funds Appendix also imposes a requirement for Unitholders' approval for an interested party transaction by IREIT whose value exceeds 5.0% of IREIT's latest audited NAV.

The estimated Purchase Consideration of €47.8 million (approximately S$74.9 million) represents approximately 13.5% of the latest audited NTA of IREIT as at 31 December 2019 and approximately 13.5% of the latest audited NAV of IREIT as at 31 December 2019. Therefore, the Acquisition will constitute an "interested person transaction" under Chapter 9 of the Listing Manual as well as an "interested party transaction" under the Property Funds Appendix, in respect of which approval of the Unitholders is required.

In connection with the above and pursuant to the requirements of Chapter 9 of the Listing Manual, RHB Bank Berhad, through its Singapore branch ("**RHB Bank Singapore**") has been appointed as the independent financial adviser ("**IFA**") to advise the independent directors of the Manager (being Mr Lim Kok Min, John, Mr Tan Wee Peng, Kelvin and Mr Nir Ellenbogen) (the "**Independent Directors**"), the non-independent directors of the Manager who are not interested in the Acquisition (being Mr Khoo Shao Hong, Frank and Mr Sanjay Bakliwal) (the "**Non-Interested Directors**"), the Audit and Risk Committee of the Manager (the "**ARC**"), and the Trustee on whether the Acquisition as an interested person transaction is on normal commercial terms and not prejudicial to the interests of IREIT and its minority Unitholders.

This letter ("**Letter**") sets out, *inter alia*, our evaluation of the Acquisition as an interested person transaction, our opinion thereon and forms part of the Circular.

2. TERMS OF REFERENCE

RHB Bank Singapore has been appointed in accordance with Rule 921(4)(a) of the Listing Manual to advise only in respect of whether the Acquisition as an interested person transaction is on normal commercial terms and is not prejudicial to the interests of IREIT and its minority Unitholders.

RHB Bank Singapore is neither a party to the negotiations or discussions in relation to the Acquisition nor were we involved in the deliberations leading up to the decision on the part of the Manager to enter into the Acquisition. We do not, by this Letter, in any way advise on the merits of the Acquisition other than to form an opinion on whether the Acquisition as an interested person transaction is on normal commercial terms and is not prejudicial to the interests of IREIT and its minority Unitholders.

Our terms of reference do not require us to evaluate or comment on the strategic, commercial, financial merits or risks (if any) of the Acquisition or to compare their relative merits vis-à-vis alternative transactions previously considered by the Manager (if any) or that may otherwise be available to IREIT currently or in the future, and we do not express any opinion on any of the aforesaid.

We are not required to and have not made any independent appraisal or valuation of the assets and liabilities of IREIT and/or the JVCo Group and we have not been furnished with any such appraisal or valuation except for the valuation reports issued by Cushman & Wakefield Spain Limited ("**Cushman**") dated 31 July 2020 and by Colliers International Spain S.L. ("**Colliers**" and together with Cushman, the "**Independent Valuers**") dated 31 July 2020 (collectively, the "**Valuation Reports**"). The respective valuation certificates are set out in Appendix B of the Circular. With respect to the Valuation Reports, we have placed sole reliance on the Valuation Reports for such asset appraisal. We have not made any independent verification of the matters or bases set out in the Valuation Reports. We are not required to and have not obtained any quotations or transaction prices from any third parties in respect of the properties which are the subjects of the Acquisition.

For the purpose of our advice and opinion, we have relied on publicly available information collated by us, information set out in the Circular, and information (including representations, opinions, facts and statements) provided to us by the directors of the Manager ("**Directors**"), the management of the Manager ("**Management**") and the advisers of the Manager. We have relied on the assurances of the Directors and the Management that they jointly and severally accept full responsibility for the accuracy, truth, completeness and adequacy of such information. They have confirmed to us that, upon making all reasonable inquiries and to the best of their respective knowledge, information and belief, all material information in connection with the Acquisition, IREIT and/or the JVCo Group has been disclosed to us, that such information is true, complete, accurate and fair in all material respects and that there is no other information or fact, the omission of which would cause any information disclosed to or relied upon by us or the facts of or in relation to the Acquisition, IREIT and/or the JVCo Group to be inaccurate, untrue, incomplete, unfair or misleading in any material respect.

We have not independently verified any of the aforesaid information whether written or verbal, and have assumed its accuracy, truth, completeness and adequacy, including without limitation any information on the assets and liabilities of IREIT and/or the JVCo Group. Accordingly, we cannot and do not represent or warrant (expressly or impliedly), and do not accept any responsibility for the accuracy, truth, completeness or adequacy of such information. We have further assumed that all statements of fact, belief, opinion and intention made by the Directors and the Management to us or in the Circular have been reasonably made after due and careful inquiry. We have exercised care in reviewing the information which we have relied on, and made such reasonable enquiries and exercised our judgment on the reasonableness of such information as we deemed necessary and have found no reason to doubt the accuracy or reliability of the information.

The scope of our appointment does not require us to conduct a comprehensive independent review of the business, operations or financial conditions of IREIT and/or the JVCo Group, or to express, and we do not express, any view on the future growth prospects, value and earnings potential of IREIT and/or the JVCo Group. Such review or comment, if any, remains the responsibility of the Directors and the Management, although we may draw upon their views or make such comments in respect thereof (to the extent required by the Listing Manual and/or deemed necessary or appropriate by us) in arriving at our advice as set out in this Letter. We have not obtained from the Manager any projection of the future performance including financial performance of IREIT and/or the JVCo Group and further, we did not conduct discussions with the Directors and the Management on, and did not have access to, any business plan and financial projections of IREIT and/or the JVCo Group. We also do not express any opinion herein as to the prices at which the Units of IREIT may trade or the future value, financial performance or condition of IREIT, upon or after completion of the Acquisition.

Our advice and opinion herein is based upon market, economic, industry, monetary and other conditions prevailing on, and the information provided to us as of the Latest Practicable Date. Such conditions may change significantly over a relatively short period of time. We assume no responsibility to update, revise or reaffirm our opinion in light of, and this Letter does not take into account, any subsequent development after the Latest Practicable Date that may affect our opinion herein. Unitholders should also take note of any announcements relevant to the Acquisition which may be released by the Manager after the Latest Practicable Date.

The Manager has been separately advised by its advisers in the preparation of the Circular (other than this Letter). We have no role or involvement and have not provided any advice, financial or otherwise, whatsoever in the preparation, review and verification of the Circular (other than this Letter). Accordingly, we take no responsibility for and express no views, expressed or implied, on the contents of the Circular (other than this Letter).

We have not regarded the general or specific investment objectives, financial situation, tax position, risk profile or unique needs and constraints of any individual Unitholder. As different Unitholders would have different investment portfolios and objectives, we would advise the Independent Directors, the Non-Interested Directors and the ARC to recommend that any individual Unitholder who may require specific advice in relation to his or her investment portfolio should consult his or her stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers.

This Letter is required under Rule 921(4)(a) of the Listing Manual as well as for the use and benefit of the Independent Directors, the Non-Interested Directors, the ARC and the Trustee. The recommendations made by the Independent Directors, the Non-Interested Directors and the ARC to the minority Unitholders shall remain their responsibility.

3. DETAILS OF THE ACQUISITION

3.1. Description of the Spain Properties

The Spain Properties comprise four freehold buildings in Spain with a total gross lettable area ("**GLA**") of 72,167 square metres ("**sqm**"), an overall occupancy rate of 84.7% and a weighted average lease expiry ("**WALE**") by gross rental income ("**GRI**") of 4.1 years as at 30 June 2020.

The table below sets out a summary of selected information on the Spain Properties as at 30 June 2020 (based on a 100% basis), unless otherwise indicated.

	Delta Nova IV	Delta Nova VI	Sant Cugat Green	Il·lumina	Total
City	Madrid	Madrid	Barcelona	Barcelona	
Completion Year	2005 and refurbished in 2015	2005 and refurbished in 2015	1993	1970s and fully redeveloped in 2004	
Agreed Value (€ million)	29.6	39.8	40.6	26.4	136.4
GLA (sqm)	10,256	14,855	26,134	20,922	72,167
Land Tenure	Freehold	Freehold	Freehold	Freehold	
Occupancy Rate (%)	93.7	94.5	77.1	82.9(2)	84.7
Number of Tenants	11	9	4	11	35
Valuation by Colliers (€ million) (as at 31 July 2020)	29.5	40.8	40.5	27.0	137.8
Valuation by Cushman (€ million) (as at 31 July 2020)	29.7	38.9	40.8	25.8	135.0
WALE by GRI (years)(3)	3.6	2.9	5.3	3.8	4.1
Net Property Income (€'000)(4)	1,414(1)		1,396	590	3,400

Notes:

(1) Delta Nova IV and Delta Nova VI are both held by Gloin Investments, S.L.U..

(2) Assuming that the lease agreement with AREAS, S.A.U. ("**AREAS**") which was entered into in May 2020 for approximately 3,450 sqm has commenced, notwithstanding that actual occupancy date for AREAS is in October 2020.

(3) In July 2020, the Manager also successfully extended several leases for the Spain Properties expiring in December 2020. Figures are computed based on the assumption that the lease with AREAS and the extension of leases were already in place as at 30 June 2020.

(4) For the financial period from 1 January 2020 to 30 June 2020.

Please refer to Appendix A of the Circular for further details about the Spain Properties.

3.2. Structure of the Acquisition

As stated in paragraph 1.1 of this Letter, pursuant to the Shareholders' Agreement, Tikehau Capital granted the Trustee the Call Option to acquire its interest in 60.0% of the shares in the JVCo for the period of 18 months following completion of the Initial Acquisition (the "**Call Option Period**") upon written notice from the Trustee to Tikehau Capital (the "**Call Option Notice**") at 60.0% of the Call Option Price.

Upon receipt of the Call Option Notice, Tikehau Capital is obliged to sell and the Trustee to purchase all, and not some only, of the shares of Tikehau Capital in the JVCo at 60.0% of the Call Option Price. In the event that approval of Unitholders is required to complete the Acquisition, the Manager and the Trustee shall use all reasonable endeavours to obtain the approval of Unitholders, and complete the sale and transfer of the shares of Tikehau Capital in the JVCo, as soon as reasonably practicable following the exercise of the Call Option. In the event that Unitholders do not approve the transaction, the Trustee may issue another notice to exercise the Call Option, provided such additional notice is issued within the Call Option Period, and the completion of the sale and purchase of the shares of Tikehau Capital in the JVCo is completed as soon as reasonably practicable thereafter.

Notwithstanding the above, Tikehau Capital has no obligation to transfer its shares in the JVCo pursuant to the Call Option unless the Minimum Threshold is zero or positive, where "**Minimum Threshold**" means:

Minimum Threshold = (60% x A) – (B - C + D)

where:

"A" is the Call Option Price;

"B" is the amount invested by Tikehau Capital into the JVCo;

"C" is the amount of any distributions by the JVCo received by Tikehau Capital (not including distributions made out of operating profits or capital gains); and

"D" is the aggregate of all costs and expenses incurred by Tikehau Capital in connection with the Initial Acquisition, other than those incurred through the JVCo.

The Minimum Threshold is positive as calculated based on 60.0% of the Call Option Price of €47.8 million (approximately S$74.9 million), less the amount invested by Tikehau Capital into the JVCo of €46.4 million (approximately S$72.7 million). There were no aggregate distributions received by Tikehau Capital and no costs or expenses incurred by Tikehau Capital, other than those incurred through the JVCo.

On 7 August 2020, the Trustee exercised the Call Option by issuing the Call Option Notice to Tikehau Capital to acquire its interest in 60.0% of the shares in the JVCo, and the Trustee entered into a conditional share purchase agreement with Tikehau Capital on 7 August 2020 in relation to the Acquisition (the "**Share Purchase Agreement**").

4. ASSESSMENT OF THE FINANCIAL TERMS OF THE ACQUISITION

In evaluating and assessing the financial terms of the Acquisition, we have given due consideration to the following:

(a) rationale for and benefits of the Acquisition;

(b) valuation approaches and key assumptions adopted by the Independent Valuers;

(c) valuation results and the estimated Purchase Consideration;

(d) valuation of the Spain Properties as compared to comparable transactions;

(e) comparison with selected listed REITs with broadly comparable property portfolios in Europe;

(f) pro forma financial effects of the Acquisition;

(g) other key terms of the Share Purchase Agreement; and

(h) other considerations in relation to the Acquisition which may have a significant bearing on our assessment.

4.1. Rationale for and benefits of the Acquisition

It is not within our terms of reference to comment or express an opinion on the merits of the Acquisition or the future prospects of IREIT subsequent to the Acquisition.

Nevertheless, we have considered the rationale for and benefits of the Acquisition as set out in paragraph 3 of the Circular, and we note the Manager believes that the Acquisition will bring the following key benefits to Unitholders:

(a) Deepens IREIT's strategic presence in Spain, the fifth largest economy in Europe by Gross Domestic Product;

(b) Achieve full ownership of a high quality office portfolio;

(c) Increase portfolio strength through enhanced portfolio diversification;

(d) Attractive asset management opportunities with benefits from decentralisation trends; and

(e) Leveraging on strategic investors' strong platform and resources.

Please refer to paragraph 3 of the Circular for full details.

4.2. Valuation approaches and key assumptions adopted by the Independent Valuers

In connection with the Acquisition, the Manager has commissioned Cushman and the Trustee has commissioned Colliers to value the Spain Properties. We set out below a brief summary of the valuation approaches and key assumptions adopted by the Independent Valuers in relation to the valuation of the Spain Properties:

Valuation approaches and key assumptions

Cushman	Colliers
Cushman's opinion on value is based on an analysis of recent market transactions, supported by market knowledge of its agency experience. The methodologies adopted by Cushman include the income capitalisation approach, a discounted cash flow ("**DCF**") analysis and supported by the sale comparison approach. The income capitalisation approach involves assessing the net income receivable from the property and capitalising it with an appropriate market derived capitalisation rate, to derive a capital value. In Cushman's DCF analysis, a 10-year cash flow, incorporating projections of future income and expenditure is prepared and assumes that the property is sold at the end of the cash flow period. The sale comparison approach assumes the property will be sold with current lease contracts in place, and the market value will be based on comparable historical sales evidence.	Colliers has carried out two valuation methods, namely the DCF method and term and reversion method. The DCF method involves the application of an appropriate discount rate to a projected series of cash flows to establish the present value of the income stream generated by the property. Colliers has undertaken a DCF analysis over a 10-year investment period and assumed that the property is sold at the end of the cash flow period. The exit value is based on the net market rents at the end of the cash flow term and capitalised by the exit yield. The term and reversion approach considers the rental income for existing tenancies and potential future reversionary income at market level by capitalising both at appropriate rates. We note that this approach is provided for information purpose only.

Valuation results as at 31 July 2020

Property Name	Valuation by Cushman (€ million)	Valuation by Colliers (€ million)	Agreed Value (€ million)
Delta Nova IV	29.7	29.5	29.6
Delta Nova VI	38.9	40.8	39.8
Sant Cugat Green	40.8	40.5	40.6
Il·lumina	25.8	27.0	26.4
Total(1)	**135.0**	**137.8**	**136.4**

Note:
(1) The discrepancies between the listed amounts and totals are due to rounding.

Based on the above and the respective Valuation Reports, we note the following in our review:

(a) in the Valuation Reports, "Market Value", being the basis of valuation, is consistently defined as "*The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion*";

(b) Cushman and Colliers have both used 31 July 2020 as the relevant date of valuation for the Spain Properties;

(c) Cushman used the income capitalisation approach, a DCF analysis, and supported by the sale comparison approach, while Colliers used the DCF method and the term and reversion method (for information purpose only);

(d) the approaches adopted by Cushman and Colliers for the Acquisition are widely accepted methods for valuing income producing properties, and the Valuation Reports have been prepared in accordance with the Royal Institution of Chartered Surveyors ("**RICS**") Valuation Professional Standards incorporating the International Valuation Standards of the International Valuation Standards Council;

(e) the Agreed Value for each of the properties is based on the average of the two independent valuations of the Spain Properties; and

(f) both Cushman and Colliers have indicated that due to the COVID-19 pandemic, which has impacted global financial markets and resulted in travel restrictions in many countries, they are faced with an unprecedented set of circumstances on which to base a judgement. Therefore, the valuations by both Cushman and Colliers are reported on the basis of 'material valuation uncertainty' as per the Global Valuation Technical and Performance Standards 3 – Valuation reports and RICS Global Valuation Practice Guidance 10 – Matters that may give rise to material valuation uncertainty of the RICS Red Book Global.

For the avoidance of doubt, the inclusion of the 'material valuation uncertainty' declaration above does not mean that the valuation cannot be relied upon. Rather, the declaration has been included to ensure transparency of the fact that – in the current extraordinary circumstances – less certainty and higher degree of caution should be attached to the valuation than would otherwise be the case.

We have relied on the Valuation Reports in relation to the valuation of the Spain Properties for the Acquisition. We have not independently verified (nor have we assumed responsibility or liability for independently verifying) any such information in the Valuation Reports for its accuracy, completeness or adequacy. Nevertheless, we have exercised care and made reasonable enquiries in reviewing the information contained in the Valuation Reports.

Please refer to Appendix B of the Circular for valuation certificates by the Independent Valuers.

4.3. Valuation results and the estimated Purchase Consideration

Information relating to the estimated Total Acquisition Cost and Purchase Consideration has been extracted from paragraph 2.3 of the Circular and set out in italics below:

"*2.3 Estimated Total Acquisition Cost and Purchase Consideration*

The Total Acquisition Cost is estimated to be €49.1 million (approximately S$77.0 million) comprising:

(i) the estimated Purchase Consideration of approximately €47.8 million (approximately S$74.9 million);

(ii) the Acquisition Fee of approximately €0.8 million (approximately S$1.3 million) payable in Units to the Manager (being 1.0% of 60.0% of the Agreed Value); and

(iii) the estimated professional and other fees and expenses of approximately €0.5 million (approximately S$0.8 million) incurred or to be incurred by IREIT in connection with the Acquisition.

The Purchase Consideration for the Acquisition payable to the Vendor is derived from 60.0% of the Call Option Price calculated based on the unaudited consolidated NAV of the JVCo Group on Completion, as adjusted based on the average of the independent valuations of the Spain Properties. The estimated Purchase Consideration, being 60.0% of the Call Option Price, is currently estimated at €47.8 million (approximately S$74.9 million) based on the unaudited consolidated NAV of the JVCo Group of €79.7 million *(approximately S$124.8 million) (on a 100% basis) as at 30 June 2020, as adjusted upwards based on the Agreed Value of the Spain Properties of €136.4 million (approximately S$213.6 million) (on a 100% basis) which is the average of the two independent valuations of the Spain Properties as at 31 July 2020.*

The final Purchase Consideration payable to the Vendor on Completion shall be subject to post-completion adjustments based on the NAV of the JVCo Group as at the Completion Date as provided for in the Share Purchase Agreement.

The Manager has commissioned an independent property valuer, Cushman, and the Trustee has commissioned another independent property valuer, Colliers, to value the Spain Properties. The valuation of the Spain Properties as at 31 July 2020 is €135.0 million (approximately S$211.4 million) and €137.8 million (approximately S$215.8 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). It should be noted that the Independent Valuers have in their respective valuation reports stated that the outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on 11 March 2020, has impacted many aspects of daily life and the global economy – with some real estate markets experiencing significantly lower levels of transactional activity and liquidity. As at the valuation date of 31 July 2020, in respect of the Spain Properties there is a shortage of market evidence for comparison purposes, to inform opinions of value. The independent valuation of the Spain Properties is therefore reported as being subject to 'material valuation uncertainty' as set out in VPS 3 and VPGA 10 of the RICS Valuation – Global Standards. Consequently, less certainty – and a higher degree of caution – should be attached to their valuation than would normally be the case. For the avoidance of doubt, the inclusion of this 'material valuation uncertainty' declaration does not mean that the valuation cannot be relied upon. Rather, the declaration has been included to ensure transparency of the fact that – in the current extraordinary circumstances – less certainty can be attached to the valuation than would otherwise be the case. The material uncertainty clause is to serve as a precaution and does not invalidate the valuation."

Based on the above, we set out below the key figures in arriving at the estimated Purchase Consideration:

(i) Calculation of the Agreed Value of the Spain Properties and adjustment for the Book Value of the Spain Properties

	(€ million)
Valuation of the Spain Properties by Cushman	135.0
Valuation of the Spain Properties by Colliers	137.8
Agreed Value of the Spain Properties, ***(A)*** *(The average valuation of the Spain Properties by Cushman and Colliers)*	136.4
Book value of the Spain Properties ("**Book Value of the Spain Properties**"), ***(B)*** *(Based on unaudited consolidated statement of financial position of the JVCo Group as at 30 June 2020, which is carried at fair value based on the Cushman's appraisal as at 30 June 2020)*	135.4
Adjustment for Book Value of the Spain Properties, ***(C) = A – B***	1.0
Premium of Agreed Value over Book Value of the Spain Properties	0.7%

(ii) Calculation of the Call Option Price and estimated Purchase Consideration

Adjustments:	**(€ million)**
Unaudited consolidated NAV of the JVCo Group as at 30 June 2020 ("**Unadjusted NAV**")	78.7
Add: Adjustments for Book Value of the Spain Properties, ***(C)***	1.0
Call Option Price, ***Unadjusted NAV + (C)***	79.7
60% of Call Option Price or estimated Purchase Consideration	47.8
Premium of estimated Purchase Consideration over Unadjusted NAV (on a 60% basis)	1.3%

Based on the above, we note the following in our review:

(a) based on the unaudited consolidated statement of financial position of the JVCo Group as at 30 June 2020, the Book Value of the Spain Properties was €135.4 million. The Agreed Value of the Spain Properties of €136.4 million represents a slight premium of approximately 0.7% over the Book Value of the Spain Properties; and

(b) the estimated Purchase Consideration (as adjusted upwards based on the Agreed Value) of approximately €47.8 million (approximately S$74.9 million) represents a premium of 1.3% over the Unadjusted NAV.

4.4. Valuation of the Spain Properties as compared to comparable transactions

In assessing the reasonableness of the Agreed Value of the Spain Properties, we have considered comparable office transactions that are broadly comparable to the Spain Properties ("**Comparable Transactions**") after discussions with the Manager. We note that the Spain Properties are located in two cities, namely Madrid and Barcelona. Hence, for the purposes of our evaluation, we have selected from the independent market research report issued by the Independent Market Research Consultant, which is reproduced in Appendix C to the Circular, transactions that are broadly comparable to the Spain Properties in the respective cities. For the purposes of our analysis, we have only included main office transactions that were closed from 1 July 2019 to 30 June 2020 in Madrid and Barcelona.

We wish to highlight that the transactions set out below are by no means exhaustive. In addition, the Spain Properties may not be directly comparable to the properties in the Comparable Transactions in terms of, *inter alia*, quality, design, age, condition, location and accessibility, occupancy rate and other relevant criteria.

Therefore, any comparison made with the Comparable Transactions is necessarily limited and merely serves as an illustrative guide.

Selected Comparable Transactions in Madrid

Date	Description	GLA (sqm)	Price (€ million)	Price per GLA (€ price per sqm ("psm"))
2019 Q3	9 Buildings. Las Mercedes, Campezo 1	78,500	200.0	2,548
2019 Q3	Av. Manoteras 48	13,442	62.87	4,677[(1)]
2019 Q4	Av. Bruselas 15	3,458	11.0	3,181
2019 Q4	Albarracin 33	21,220	55.0	2,592
2019 Q4	Anabel Segura 11. Albatros (C&D)	28,145	65.0	2,309
2019 Q4	Vía de los Poblados 7	17,999	37.75	2,097
2020 Q1	Portfolio J. Camarillo	22,350	47.0	2,103
2020 Q1	Julián Camarillo 49	19,000	55.0	2,895
2020 Q1	Monasterio Escorial 4	10,182	45.0	4,420[(1)]
2020 Q1	Huawei HQ	44,068	127.0	2,882
Comparable Transactions				
	High			**4,677**
	Mean			**2,970**
	Median			**2,737**
	Low			**2,097**
Comparable Transactions (excluding statistical outliers)				
	High			**3,181**
	Mean			**2,576**
	Median			**2,570**
	Low			**2,097**
	Delta Nova IV	**10,256**	**29.57**[(2)]	**2,883**
	Delta Nova VI	**14,855**	**39.85**[(2)]	**2,683**

Source: *Independent market research report by the Independent Market Research Consultant.*

Notes:

(1) Being statistical outliers.

(2) Based on the average of the market values of the respective properties as determined by the Independent Valuers.

Based on the above table, we note that the price per GLA of €2,883 psm for Delta Nova IV is:

(a) within the range of the prices per GLA of the Comparable Transactions of between €2,097 psm and €4,677 psm;

(b) below the mean and above the median prices per GLA of the Comparable Transactions of €2,970 psm and €2,737 psm respectively; and

(c) within the range of the prices per GLA of the Comparable Transactions (excluding statistical outliers) of between €2,097 psm and €3,181 psm and above the mean and median of €2,576 psm and €2,570 psm respectively.

Based on the above table, we note that the price per GLA of €2,683 psm for Delta Nova VI is:

(a) within the range of the prices per GLA of the Comparable Transactions of between €2,097 psm and €4,677 psm;

(b) below the mean and median prices per GLA of the Comparable Transactions of €2,970 psm and €2,737 psm respectively; and

(c) within the range of the prices per GLA of the Comparable Transactions (excluding statistical outliers) of between €2,097 psm and €3,181 psm and above the mean and median of €2,576 psm and €2,570 psm respectively.

Selected Comparable Transactions in Barcelona

Date	Description	GLA (sqm)	Price (€ million)	Price per GLA (€ psm)
2019 Q3	Portfolio 3 Building. Barcelona	21,054	26.0	1,235
2019 Q4	G.V. Corts Catalanes 184	8,000	22.0	2,750
2019 Q4	Project Juno Barcelona (5 Buildings in Citipark & Masblau)	46,756	90.18	1,929
2020 Q1	2 Buildings Viladecans B.Park	22,586	39.0	1,727
2020 Q1	7 WTC Alameda Park	14,825	60.0	4,047[(1)]
Comparable Transactions				
	High			**4,047**
	Mean			**2,338**
	Median			**1,929**
	Low			**1,235**
Comparable Transactions (excluding statistical outlier)				
	High			**2,750**
	Mean			**1,910**
	Median			**1,828**
	Low			**1,235**
	Sant Cugat Green	**26,134**	**40.62[(2)]**	**1,554**
	Il·lumina	**20,922**	**26.38[(2)]**	**1,261**

***Source**: Independent market research report by the Independent Market Research Consultant.*

Notes:
(1) Being a statistical outlier.
(2) Based on the average of the market values of the respective properties as determined by the Independent Valuers.

Based on the above table, we note that the price per GLA of €1,554 psm for Sant Cugat Green and €1,261 psm for Il·lumina are:

(a) within the range of the prices per GLA of the Comparable Transactions of between €1,235 psm and €4,047 psm;

(b) below the mean and median prices per GLA of the Comparable Transactions of €2,338 psm and €1,929 psm respectively; and

(c) within the range of the prices per GLA of the Comparable Transactions (excluding statistical outlier) of between €1,235 psm and €2,750 psm and below the mean and median of €1,910 psm and €1,828 psm respectively.

4.5. Comparison with selected listed REITs with broadly comparable property portfolios in Europe

For the purpose of assessing the Agreed Value, references were made to the selected listed REITs with broadly comparable property portfolios in Europe ("**Selected Comparable REITs**") to compare the valuation and yields implied by the Agreed Value for the Spain Properties with the valuation and yields of the Selected Comparable REITs.

The Selected Comparable REITs have been identified through a search on publicly available information. Relevant information has been extracted from the annual reports and/or public announcements of the Selected Comparable REITs.

We recognise, however, that our list of Selected Comparable REITs is not exhaustive and there may not be any listed REIT on the SGX-ST or other stock exchanges that is directly comparable to the Spain Properties in terms of location, accessibility, size, GLA, profile and composition of tenants, usage of property, construction quality, age of building, outstanding lease tenure, market risks, track record and other relevant factors. As such, any comparison made with respect to the Selected Comparable REITs is therefore intended to serve as an illustrative guide only.

We set out in the table below the list of Selected Comparable REITs, together with brief information on these REITs.

Selected Comparable REITs	Listing Location	Brief description
alstria office REIT-AG ("**alstria**")	Frankfurt Stock Exchange	alstria is a German-based REIT which acquires, owns, and manages real estate in Germany. The company focuses on office real estate in the major German economic centers.
NSI N.V. ("**NSI**")	Amsterdam Stock Exchange	NSI is a Dutch REIT focused on the well-located offices in economic growth regions in The Netherlands.
Cromwell European REIT ("**Cromwell**")	SGX-ST	Cromwell is a Singapore REIT with the principal investment strategy of investing, directly or indirectly, in a diversified portfolio of income producing real estate assets in Europe that are used primarily for office, light industrial / logistics and retail purposes.
Merlin Properties Socimi, S.A. ("**Merlin Properties**")	Spanish Stock Exchange	Merlin Properties is a real estate investment trust. The company acquires, actively manages, operates, and invests in commercial real estate. Merlin Properties focuses on the office market, logistics, retail, and urban hotels in Spain and Portugal.
Inmobiliaria Colonial Socimi ("**Colonial**")	Spanish Stock Exchange	Colonial operates as a real estate company. The company owns, manages, develops, and renovates office buildings for rent. Colonial serves customers in Europe.

***Source**: Bloomberg and annual reports of the Selected Comparable REITs.*

We set out in the table below the valuation and net property income ("**NPI**") yields of the Selected Comparable REITs against the valuation and NPI yield of the Spain Properties based on publicly available information as at the Latest Practicable Date.

Selected Comparable REITs	Office Properties Valuation(1) (€ million)	TTM NPI(1)(2) (€ million)	NPI yield (%)
alstria	4,364	158.6	3.6
NSI	1,187	59.1	5.0
Cromwell	1,312	67.0	5.1
Merlin Properties	6,161	211.1	3.4
Colonial	10,523	323.0	3.1
High			**5.1**
Mean			**4.0**
Median			**3.6**
Low			**3.1**
Spain Properties (as implied by the Agreed Value)	136.4	6.8	**5.0**

Notes:

(1) Based on the property valuation of the respective Selected Comparable REITs obtained from their latest publicly available annual report or result announcements as at the Latest Practicable Date.

(2) "Net Property Income" or "NPI" is defined as gross rental income less property operating expenses and trailing 12 months ("**TTM**") NPI refers to the aggregate of the most recent announced four quarters NPI where publicly available.

Based on the above table, we note that the NPI yield of the Spain Properties of 5.0% as implied by the Agreed Value is within the range and above the mean and median NPI yields of the Selected Comparable REITs.

4.6. Pro forma financial effects of the Acquisition

Information relating to the financial effects of the Acquisition has been extracted from paragraph 4.1 of the Circular and set out in italics below:

"4.1 Pro Forma Financial Effects of the Acquisition

The pro forma financial effects of the Acquisition on the DPU and NAV per Unit presented below are strictly for illustrative purposes and were prepared based on the following:

<u>For FY2019</u>

- *the audited financial statements of IREIT for the financial year ended 31 December 2019 (the "**2019 Audited Financial Statements**");*
- *the unaudited financial statements of the Spanish PropCos for the financial year ended 31 December 2019 with adjustments made to reflect IREIT as the 100% owner as of 1 January 2019;*

Taking into account the Purchase Consideration, and assuming that:

- *approximately 302,317,000 new Units are issued to raise gross proceeds of approximately €90.0 million (approximately S$140.9 million) pursuant to the Rights Issue to finance the Acquisition;*
- *approximately 2,081,625 new Units are issued for the Acquisition Fee payable to the Manager; and*
- *approximately 1,077,869 new Units are issued for the management fee payable to the Manager in relation to the Spain Properties for the financial year ended 31 December 2019.*

<u>For 1H2020</u>

- *the unaudited financial statements of IREIT for the financial period ended 30 June 2020 (the "**1H 2020 Unaudited Financial Statements**");*
- *the unaudited financial statements of the Spanish PropCos for the financial period ended 30 June 2020 with adjustments made to reflect IREIT as the 100% owner as of 1 January 2020;*

Taking into account the Purchase Consideration, and assuming that:

- *approximately 302,317,000 new Units are issued to raise gross proceeds of approximately €90.0 million (approximately S$140.9 million) pursuant to the Rights Issue to finance the Acquisition;*
- *approximately 2,061,612 new Units are issued for the Acquisition Fee payable to the Manager; and*
- *approximately 553,652 new Units are issued for the management fee payable to the Manager in relation to the Spain Properties for the financial period ended 30 June 2020.*

4.1.1 Pro Forma DPU

FOR ILLUSTRATIVE PURPOSES ONLY:

The pro forma financial effects of the Acquisition on IREIT's DPU for the financial year ended 31 December 2019, as if the Acquisition, and issuance of the Rights Units and the Acquisition Fee Units, were completed on 1 January 2019, and IREIT had held and operated 100% of the Spain Properties through to 31 December 2019, are as follows:

	Before the Acquisition(1)	After the Acquisition
Net Property Income (€'000)	30,662	37,185
Distributable Income (€'000)	25,264	29,502
Issued Units ('000)	637,223(2)	942,699(3)
DPU (€ cents)	3.57	2.82
DPU (S$ cents)	5.64	4.45
Annualised DPU Yield (%)	8.1%(4)	7.2%(5)
Annualised DPU Yield Accretion (%)	-	-11.7%

Notes:

(1) Based on the historical exchange rate of €1.00 = S$1.581 for FY2019.

(2) Number of Units issued as at 31 December 2019.

(3) The total number of Units in issue at the end of the year includes approximately 302,317,000 new Units issuable in connection with the Rights Issue to finance the Acquisition, and approximately 2,081,625 new Units issuable as payment of the Acquisition Fee payable to the Manager and approximately 1,077,869 new Units issuable as payment of the management fee payable to the Manager for FY2019 in relation to the Spain Properties for the financial year ended 31 December 2019 pro forma at an illustrative TERP per Unit of S$0.622 and assuming exchange rate of €1.00 = S$1.566 for FY2019 (purely for illustrative purpose only).

(4) Annualised DPU yield is computed based on closing price per Unit of S$0.695 on the Latest Practicable Date.

(5) Annualised DPU yield is computed based on the illustrative TERP per Unit of S$0.622.

FOR ILLUSTRATIVE PURPOSES ONLY:

The pro forma financial effects of the Acquisition on IREIT's DPU for the financial period ended 30 June 2020, as if the Acquisition, and issuance of the Rights Units and the Acquisition Fee Units, were completed on 1 January 2020, and IREIT had held and operated 100% of the Spain Properties through to 30 June 2020, are as follows:

	Before the Acquisition	***After the Acquisition***
Net Property Income (€'000)	*15,665*	*19,065*
Distributable Income (€'000)	*12,956*	*15,153*
Issued Units ('000)	*640,425*[(1)]	*945,357*[(2)]
DPU (€ cents)	*1.82*	*1.44*
DPU (S$ cents)	*2.85*	*2.26*
Annualised DPU Yield (%)	*8.2%*[(3)]	*7.3%*[(4)]
Annualised DPU Yield Accretion (%)	*-*	*-11.4%*

Notes:

(1) Number of Units issued as at 30 June 2020.

(2) The total number of Units in issue at the end of the period includes approximately 302,317,000 new Units issuable in connection with the Rights Issue to finance the Acquisition, and approximately 2,061,612 new Units issuable as payment of the Acquisition Fee payable to the Manager and approximately 553,652 new Units issuable as payment of the management fee payable to the Manager for 1H2020 in relation to the Spain Properties for the financial period ended 30 June 2020 pro forma at an illustrative TERP per Unit of S$0.622 and assuming exchange rate of €1.00 = S$1.566 for 1H2020 (purely for illustrative purpose only).

(3) Annualised DPU yield is computed based on closing price per Unit of S$0.695 on the Latest Practicable Date.

(4) Annualised DPU yield is computed based on the illustrative TERP per Unit of S$0.622.

4.1.2 Pro Forma NAV

FOR ILLUSTRATIVE PURPOSES ONLY:

The pro forma financial effects of the Acquisition on the NAV per Unit as at 31 December 2019, as if the Acquisition, and issuance of the Rights Units and the Acquisition Fee Units, were completed on 31 December 2019, are as follows:

	Before the Acquisition[(1)]	**After the Acquisition**
NAV represented by Unitholders' funds (€'000)	354,293	*449,242*
Units in issue and to be issued at the end of the year ('000)	*638,365*[(2)]	*942,763*[(3)]
NAV represented by Unitholders' funds per Unit (€)	*0.56*	*0.48*

***Notes**:*

(1) Based on the historical exchange rate of €1.00 = S$1.581 for FY2019.

(2) Number of Units issued and to be issued as at 31 December 2019.

(3) The total number of Units in issue at the end of the year includes approximately 302,317,000 new Units issuable in connection with the Rights Issue to finance the Acquisition and approximately 2,081,625 new Units issuable as payment of the Acquisition Fee payable to the Manager at an illustrative TERP per Unit of S$0.622 and assuming exchange rate of €1.00 = S$1.566 for FY2019 (purely for illustrative purpose only).

FOR ILLUSTRATIVE PURPOSES ONLY:

The pro forma financial effects of the Acquisition on the NAV per Unit as at 30 June 2020, as if the Acquisition, and issuance of the Rights Units and the Acquisition Fee Units were completed on 30 June 2020, are as follows:

	Before the Acquisition	**After the Acquisition**
NAV represented by Unitholders' funds (€'000)	*349,894*	*439,069*
Units in issue and to be issued at the end of the period ('000)	*641,863*[(1)]	*946,261*[(2)]
NAV represented by Unitholders' funds per Unit (€)	*0.55*	*0.46*

***Notes**:*

(1) Number of Units issued and to be issued as at 30 June 2020.

(2) The total number of Units in issue at the end of the period includes approximately 302,317,000 new Units issuable in connection with the Rights Issue to finance the Acquisition, and approximately 2,061,612 new Units issuable as payment of the Acquisition Fee payable to the Manager at an illustrative TERP per Unit of S$0.622 and assuming exchange rate of €1.00 = S$1.566 for 1H2020 (purely for illustrative purpose only).

4.1.3 Aggregate Leverage

***FOR ILLUSTRATIVE PURPOSES ONLY**:*

The pro forma aggregate leverage of IREIT as at 31 December 2019, as if the Acquisition, and issuance of the Rights Units and the Acquisition Fee Units were completed on 31 December 2019, is as follows:

	Before the Acquisition	**After the Acquisition**[(1)]
Aggregate Leverage (pro forma as at 31 December 2019)	*39.3%*	*34.9%*

***Note**:*

(1) Assuming that the CDL Loan has been repaid on 31 December 2019 with part of the net proceeds of the Rights Issue.

FOR ILLUSTRATIVE PURPOSES ONLY:

The pro forma aggregate leverage of IREIT as at 30 June 2020, as if the Acquisition, and issuance of the Rights Units and the Acquisition Fee Units were completed on 30 June 2020, is as follows:

	Before the Acquisition	***After the Acquisition***[(1)]
Aggregate Leverage (pro forma as at 30 June 2020)	*39.0%*	*35.0%*

***Note**:*

(1) Assuming that the CDL Loan has been repaid on 30 June 2020 with part of the net proceeds of the Rights Issue."

Based on the above, we note that following the completion of the Acquisition:

(a) IREIT's distributable income for FY2019 would have increased from €25.3 million to €29.5 million. However, the distribution per Unit ("**DPU**") would have decreased from 3.57 € cents (or 5.64 S$ cents) to 2.82 € cents (or 4.45 S$ cents), resulting in (i) a decrease of 0.9 percentage point in annualised DPU yield from 8.1% to 7.2%; and (ii) an annualised DPU yield dilution of 11.7% due to the new Units to be issued under the Rights Issue and the Acquisition Fee to be paid in new Units;

(b) IREIT's distributable income for 1H2020 would have increased from €13.0 million to €15.2 million. However, the DPU would have decreased from 1.82 € cents (or 2.85 S$ cents) to 1.44 € cents (or 2.26 S$ cents), resulting in (i) a decrease of 0.9 percentage point in annualised DPU yield from 8.2% to 7.3%; and (ii) an annualised DPU yield dilution of 11.4% due to the new Units to be issued under the Rights Issue and the Acquisition Fee to be paid in new Units;

(c) the NAV per Unit represented by Unitholders' funds as at 31 December 2019 would have decreased from €0.56 to €0.48 and the NAV per Unit represented by Unitholders' funds as at 30 June 2020 would have decreased from €0.55 to €0.46; and

(d) the aggregate leverage of IREIT as at 31 December 2019 would have reduced from 39.3% to 34.9% and the aggregate leverage of IREIT as at 30 June 2020 would have reduced from 39.0% to 35.0%.

Unitholders should note that the pro forma financial effects are for illustrative purposes and do not represent IREIT's DPU, NAV and/or aggregate leverage post-completion of the Acquisition.

Pursuant to discussions with the Manager and as stated in paragraph 3.4 of the Circular, the Manager believes that there are attractive asset management opportunities through potential positive rental reversions, uplifting of occupancies and potential benefits from decentralisation trend. Nevertheless, this shall not be in any way taken as a profit forecast.

4.7. Other key terms of the Share Purchase Agreement

We note that the final Purchase Consideration payable to the Vendor on completion of the Acquisition shall be subject to post-completion adjustments based on the NAV of the JVCo Group as at the Completion Date.

Information relating to the key terms of the Share Purchase Agreement has been extracted from paragraph 2.4 of the Circular and set out in italics below:

"*2.4 Certain Terms and Conditions of the Share Purchase Agreement*

The principal terms of the Share Purchase Agreement include, among others, the following:

(i) the Completion is subject to and conditional upon the following conditions precedent:

(a) IREIT obtaining Unitholders' approval for the Acquisition;

(b) there being no resolution, proposal, scheme, order for the compulsory acquisition or intended acquisition by the relevant government or any other competent authority of the Spain Properties on or before the Completion Date;

(c) IREIT having secured adequate financing to undertake the Acquisition;

(d) there being no material damage to the Spain Properties on or before Completion; and

(e) there being no breach of any warranties which would result in a material adverse effect on JVCo; and

(ii) *in accordance with the Share Purchase Agreement, if any of the conditions precedent above are not satisfied on or before 5:00 pm (Singapore time) on 30 November 2020, any of the Trustee and Tikehau Capital shall have the right to terminate the Share Purchase Agreement and neither the Trustee nor Tikehau Capital shall have any claim against the other under it, save for any claim arising from antecedent breaches of the Share Purchase Agreement."*

4.8. Other relevant considerations

4.8.1. Method of financing

We note from paragraph 2.5 of the Circular that the Manager intends to finance the Total Acquisition Cost with part of the net proceeds from a renounceable Rights Issue of new Units to the existing Unitholders on a *pro rata* basis. However, the Acquisition Fee in relation to the Acquisition is to be paid in the form of Units.

4.8.2. Commitment of Tikehau Capital, CSEPL and AT Investments

Information relating to the undertakings given by Tikehau Capital, CSEPL and AT Investments in relation to the Rights Issue has been extracted from paragraph 2.7 of the Circular and set out in italics below:

"2.7 Commitment of Tikehau Capital, CSEPL and AT Investments

To demonstrate its support for IREIT and the Rights Issue, each of Tikehau Capital, CSEPL and AT Investments, being a key strategic investor of IREIT, which respectively owns an aggregate direct interest in 188,157,361, 134,956,458 and 35,123,146 Units representing approximately 29.3%, 21.0% and 5.5% respectively of the total number of Units in issue as at the date of this Circular, has irrevocably undertaken to the Manager that, among other things:

(i) in accordance with the terms and conditions of the Rights Issue, it will by the last day for acceptance and payment of the Rights Units, accept, subscribe and pay in full for its Pro Rata Units; and

(ii) (in relation to CSEPL and AT Investments only) it will, in addition to paragraph (i) above, in accordance with the terms and conditions of the Rights Issue and in any case by no later than the last day for acceptance and payment of the Rights Units, accept, subscribe and pay in full for such number of Excess Units in the following amounts:

(a) CSEPL: the CSEPL Excess Units amounting to S$16.2 million, it being understood that CSEPL will be allotted the CSEPL Excess Units only to the extent that there remains any Rights Units unsubscribed after satisfaction of all applications by other eligible unitholders of IREIT for Rights Units (if any) and after AT Investments has been allotted the maximum number of the ATI First Tranche Excess Units, but before AT Investments has been allotted the ATI Second Tranche Excess Units; and

(b) AT Investments: (1) the ATI First Tranche Excess Units amounting to S$23.5 million, it being understood that AT Investments will be allotted the ATI First Tranche Excess Units only to the extent that there remains any Rights Units unsubscribed after satisfaction of all applications by other eligible unitholders of IREIT for Rights Units (if any); and (2) the ATI Second Tranche Excess Units amounting to S$23.5 million in excess of (a) the ATI First Tranche Excess Units set out in (1) above; and (b) the CSEPL Excess Units, it being understood that AT Investments will be allotted the ATI Second Tranche Excess Units only to the extent that there remains any Rights Units unsubscribed after satisfaction of the application for the ATI First Tranche Excess Units set out in (1) above and after CSEPL has been allotted the maximum number of the CSEPL Excess Units.

For the avoidance of doubt, Tikehau Capital, CSEPL and AT Investments, among others, will rank last in the allocation of excess Rights Units applications.

The provision of the Undertakings from Tikehau Capital, CSEPL and AT Investments will result in the subscription of all unsubscribed Rights Units remaining after the fulfilment of valid excess Rights Units applications by other Unitholders for the same under the terms of the Rights Issue, and accordingly, the Rights Issue will not be underwritten by a financial institution. Taking into account the Undertakings, the proceeds to be raised from the Rights Issue will be sufficient to meet IREIT's present funding requirements including the intended use of proceeds for the Acquisition and repayment of the CDL Loan.

__FOR ILLUSTRATIVE PURPOSES ONLY__: The following table sets out the change in percentage unitholdings of Tikehau Capital, CSEPL and AT Investments, assuming: (a) the Rights Issue will raise gross proceeds of approximately €90.0 million (approximately S$140.9 million); (b) each of Tikehau Capital, CSEPL and AT Investments will accept, subscribe and pay in full for their respective Pro Rata Units pursuant to the Undertakings; (c) no other eligible Unitholders will accept any of their provisional allotments of the Rights Units; and (d) each of CSEPL and AT Investments is fully allotted and will accept, subscribe and pay in full for the maximum number of Excess Units pursuant to their respective Undertakings.

% of issued Units held by	***Before the Issuance of the Rights Units(1)***	***Immediately after the Issuance of the Rights Units(2)***
Tikehau Capital	*29.3%*	*29.3%*
CSEPL	*21.0%*	*24.7%*
AT Investments	*5.5%*	*15.9%*
Other Unitholders	*44.2%*	*30.0%*

***Notes**:*

(1) Based on the total number of 641,862,550 Units in issue as at the date of this Circular.

(2) Based on the total number of 944,179,550 Units in issue after completion of the Rights Issue assuming that 302,317,000 new Rights Units are offered at the illustrative issue price of S$0.466 per Rights Unit pursuant to the Rights Issue.

The amount payable by Tikehau Capital for its subscription of the Rights Units will be set-off against the amount due and payable by IREIT to Tikehau Capital for the Purchase Consideration pursuant to the Share Purchase Agreement."

5. RECOMMENDATION

In arriving at our opinion in respect of the terms of the Acquisition, we have taken into account the factors which we consider would have a significant bearing on our assessment as set out in the earlier paragraphs. We have carefully considered the key factors in forming our opinion pertaining to the Acquisition as summarised below, which should be read in conjunction with, and in the context of, the full text of the Circular and this Letter.

- rationale for and benefits of the Acquisition;

- the estimated Purchase Consideration of approximately €47.8 million is calculated based on the NAV of the JVCo Group as adjusted based on the Agreed Value of the Spain Properties;

- the implied prices per GLA for Delta Nova VI, Sant Cugat Green and Il·lumina are within the range, and below the mean and median prices per GLA of the Comparable Transactions;

- the implied price per GLA for Delta Nova IV is within the range, below the mean and above the median prices per GLA of the Comparable Transactions;

- the implied prices per GLA for Delta Nova IV and Delta Nova VI are within the range, and above the mean and median prices per GLA of the Comparable Transactions (excluding statistical outliers);

- the implied prices per GLA for Sant Cugat Green and Il·lumina are within the range, and below the mean and median prices per GLA of the Comparable Transactions (excluding statistical outlier);

- the implied NPI yield of the Spain Properties is within the range, and is above the mean and median NPI yields of the Selected Comparable REITs;

- based on the pro forma financial effects, IREIT's distributable income would have increased due to the Acquisition. However, the Acquisition is dilutive in terms of DPU and annualised DPU yield taking into consideration of the new Units to be issued under the Rights Issue and the Acquisition Fee to be paid in new Units. Pursuant to our discussions with the Manager and as stated in paragraphs 3.2 and 3.4 of the Circular, the Manager believes that (i) the Acquisition represents a unique opportunity to achieve full ownership of a high quality office portfolio despite the dilutive illustrative pro forma effects to DPU; and (ii) there are attractive asset management opportunities through potential positive rental reversions, uplifting of occupancies and potential benefits from decentralisation trend. We also noted the commitment of Tikehau Capital, CSEPL and AT Investments in relation to the Rights Issue as detailed in paragraph 2.7 of the Circular. Nevertheless, Unitholders should note that it is also not within our terms of reference to assess and/or express any view on the future growth prospects, value and earnings potential of IREIT and/or the JVCo Group; and

- other relevant considerations highlighted in paragraph 4.8 of this Letter.

Having regard to the considerations set out above and in this Letter and the information available to us as at the Latest Practicable Date, we are of the opinion that the Acquisition as an interested person transaction is on normal commercial terms and is not prejudicial to the interests of IREIT and its minority Unitholders. **We therefore advise the Independent Directors, the Non-Interested Directors and the ARC to recommend that minority Unitholders vote in favour of the Acquisition to be proposed at the EGM to be convened.**

The Independent Directors, the Non-Interested Directors and the ARC should note that our recommendation is based upon market, economic, industry, monetary and other conditions prevailing and information made available to us as at the Latest Practicable Date.

This Letter is prepared pursuant to Listing Rule 921(4)(a) as well as for the use and benefit of the Independent Directors, the Non-Interested Directors, the ARC and the Trustee. The recommendations made by the Independent Directors, the Non-Interested Directors and the ARC to the minority Unitholders in respect of the Acquisition shall remain their responsibility. Whilst a copy of this Letter may be reproduced in the Circular, neither the Manager, the Directors nor any other persons may reproduce, disseminate or quote this Letter (or any part thereof) for any other purpose other than for the purpose of the EGM and for the purpose of the Acquisition, at any time in any manner without our prior written consent in each specific case.

Yours faithfully
For and on behalf of
RHB Bank Berhad, through its Singapore branch

Goh Ken-Yi **Head** **Corporate and Investment Banking**	**Wong Kee Seong** **Deputy Director** **Corporate Finance**

PROCEDURES FOR EXTRAORDINARY GENERAL MEETING

Steps for pre-registration, pre-submission of questions and voting at the EGM

Unitholders will be able to observe and/or listen to the EGM proceedings through a live audio-visual webcast or live audio-only stream by pre-registering, submit questions in advance of the EGM and vote by appointing the Chairman of the EGM as proxy to attend, speak and vote on their behalf at the EGM.

To do so, they will need to complete the following steps:

No.	Steps	Details
1.	Pre-registration	Unitholders and CPF/SRS investors must pre-register at IREIT's pre-registration website at https://sg.conveneagm.com/ireitglobal from now till 2.00 p.m. on 16 September 2020 to enable the Manager to verify their status as Unitholders. Following the verification, authenticated Unitholders will receive a Confirmation 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 EGM proceedings. Authenticated Unitholders who do not receive the Confirmation Email by 2.00 p.m. on 17 September 2020, but have registered by the 16 September 2020 deadline should contact the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at +65 6536 5355 or srs.teamc@boardroomlimited.com. Investors who hold Units through a relevant intermediary (other than CPF/SRS investors) will not be able to pre-register at https://sg.conveneagm.com/ireitglobal for the live broadcast of the EGM. Such investors who wish to participate in the live broadcast of the EGM should instead approach their relevant intermediary as soon as possible in order to make the necessary arrangements.
2.	Pre-submission of questions	**Unitholders will not be able to ask questions live at the EGM during the webcast or audio stream, and therefore it is important for Unitholders to pre-register and submit their questions in advance of the EGM.**

No.	Steps	Details
		Submission of questions: Unitholders may submit questions related to the resolution(s) to be tabled for approval at the EGM in advance of the EGM, in the following manner: (a) if submitted electronically, be submitted: i. via IREIT's pre-registration website at https://sg.conveneagm.com/ireitglobal; 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: • the Unitholder's full name; • the Unitholder's full NRIC/FIN/Passport Number • the Unitholder's address; and • the manner in which the Unitholder holds Units in IREIT (e.g., via CDP, CPF or SRS). In view of the current COVID-19 restriction orders 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 via the pre-registration website or by email. **Deadline to submit questions**: All questions must be submitted by 2.00 p.m. on 16 September 2020. **Addressing substantial and relevant questions**: The Manager will endeavour to address all substantial and relevant questions submitted in advance of the EGM prior to or during the EGM. The Manager will publish the responses to the substantial and relevant questions which the Manager is unable to address during the EGM, on IREIT's website and on SGXNET prior to the EGM. **Minutes of EGM**: The Manager will publish the minutes of the EGM on IREIT's website and on SGXNET, and the minutes will include the responses to substantial and relevant questions from Unitholders which are addressed during the EGM.

No.	Steps	Details
3.	Submission of Proxy Form to vote	**Appointment of Chairman of the EGM as proxy**: Unitholders (whether individual or corporate) who wish to vote on the resolution(s) to be tabled at the EGM must appoint the Chairman of the EGM as their proxy to attend, speak and vote on their behalf at the EGM, in accordance with the instructions on the Proxy Form. **Specific voting instructions to be given**: Where Unitholders (whether individual or corporate) appoint the Chairman of the EGM as their proxy, they 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 EGM as proxy will vote or abstain from voting at his/her discretion for that resolution. **Submission of Proxy Forms**: Proxy Forms must be submitted 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: i. via IREIT's pre-registration website at https://sg.conveneagm.com/ireitglobal; or ii. via email to IREIT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at srs.teamc@boardroomlimited.com; in either case, not later than 2.00 p.m. (Singapore time) on 16 September 2020, being not less than 48 hours before the time fixed for holding the EGM. A Unitholder who wishes to submit the Proxy Form by post or via email 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 restriction orders 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 IREIT's pre-registration website at https://sg.conveneagm.com/ireitglobal or via email**. CPF/SRS investors who wish to appoint the Chairman of the EGM as proxy should approach their respective CPF agent banks or SRS operators to submit their votes by 2.00 p.m. on 8 September 2020. Other persons holding Units through other relevant intermediary who wish to vote should approach their relevant intermediary as soon as possible to specify their voting instructions.

IREIT Global

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting ("**EGM**") of the holders of units of IREIT Global ("**IREIT**", and the holders of units in IREIT, "**Unitholders**") will be convened and held by electronic means on Friday, 18 September 2020 at 2.00 p.m., for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolutions (capitalised terms not otherwise defined herein shall bear the meanings ascribed to them in the circular dated 3 September 2020 to Unitholders (the "**Circular**")):

ORDINARY RESOLUTION 1

THE PROPOSED ACQUISITION OF THE BALANCE 60.0% INTEREST IN THE SPAIN PROPERTIES THROUGH THE ACQUISITION OF 60.0% OF THE SHARES IN THE JVCO FROM TIKEHAU CAPITAL, AS AN INTERESTED PERSON TRANSACTION

That:

(i) approval be and is hereby given for the acquisition of 60.0% of the shares in IREIT Global Holdings 5 Pte. Ltd. (the "**JVCo**", and the acquisition of shares in the JVCo, the "**Acquisition**"), which holds (i) Delta Nova IV, (ii) Delta Nova VI, (iii) Sant Cugat Green and (iv) Il·lumina located in Spain (the "**Spain Properties**"), from Tikehau Capital SCA ("**Tikehau Capital**" or the "**Vendor**"), on the terms and conditions of the conditional share purchase agreement entered into by DBS Trustee Limited, in its capacity as the trustee of IREIT (the "**Trustee**") and the Vendor on 7 August 2020 in the form annexed to the call option notice issued by the Trustee to the Vendor on 7 August 2020 pursuant to the shareholders' agreement dated 10 December 2019 made between the Trustee, the Vendor and the JVCo (as described in the Circular);

(ii) approval be and is hereby given for the payment of all fees and expenses relating to the Acquisition; and

(iii) IREIT Global Group Pte. Ltd., as the manager of IREIT (the "**Manager**"), any director of 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, such director of the Manager or, as the case may be, the Trustee may consider expedient or necessary or in the interests of IREIT to give effect to the Acquisition and all transactions in connection therewith.

ORDINARY RESOLUTION 2

THE POTENTIAL TRANSFER OF A CONTROLLING INTEREST TO AT INVESTMENTS LIMITED AS A RESULT OF THE RIGHTS ISSUE, PURSUANT TO RULE 803 OF THE LISTING MANUAL

That:

(i) approval be and is hereby given for the allotment and issuance by the Manager of the ATI Excess Units to AT Investments Limited in accordance with the terms and conditions of the Rights Issue, the issuance of such ATI Excess Units resulting in the transfer of a controlling interest to AT Investments Limited pursuant to Rule 803 of the Listing Manual; and

(ii) the Manager, any director of the Manager, and the Trustee be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager, such director of the Manager or, as the case may be, the Trustee may consider expedient or necessary or in the interests of IREIT to give effect to the above.

Unitholders are invited to send in their questions to the Manager by 2.00 p.m. on 16 September 2020.

BY ORDER OF THE BOARD
IREIT Global Group Pte. Ltd.
(Company Registration Number: 201331623K)
As manager of IREIT

Lee Wei Hsiung
Company Secretary

Singapore
3 September 2020

Notes:

1. The EGM 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. Printed copies of this Notice will not be sent to Unitholders. Instead, this Notice will be sent to Unitholders by electronic means via publication on IREIT's website at the URL http://www.ireitglobal.com/. This Notice will also be made available on the SGX website at the URL https://www.sgx.com/securities/company-announcements.

2. **Due to the current COVID-19 restriction orders in Singapore, Unitholders will not be able to attend the EGM in person.** Alternative arrangements relating to attendance at the EGM 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 EGM in advance of the EGM, addressing of substantial and relevant questions at the EGM and voting by appointing the Chairman of the EGM as proxy at the EGM, are set out below and in the accompanying IREIT circular dated 3 September 2020. This circular 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/prospectus-circulars-offer-documents.

3. Unitholders will be able to observe and/or listen to the EGM 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://sg.conveneagm.com/ireitglobal from now till 2.00 p.m. on 16 September 2020 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 EGM proceedings, by 2.00 p.m. on 17 September 2020. Unitholders who do not receive an email by 2.00 p.m. on 17 September 2020 but have registered by the 16 September 2020 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 EGM, in advance of the EGM. In order to do so, their questions must be submitted in the following manner by 2.00 p.m. on 16 September 2020:

   (a) if submitted electronically, be submitted:

      (i) via IREIT's pre-registration website at the URL https://sg.conveneagm.com/ireitglobal; 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).

   The Manager will endeavour to address all substantial and relevant questions submitted in advance of the EGM prior to or during the EGM. The Manager will publish the responses to the substantial and relevant questions which the Manager is unable to address during the EGM, on IREIT's website and on SGXNET prior to the EGM. The Manager will publish the minutes of the EGM 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 EGM.

   Unitholders will not be able to ask questions at the EGM 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 EGM.

5. **A Unitholder will not be able to vote online on the resolution to be tabled for approval at the EGM. A Unitholder (whether individual or corporate) must appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM if such Unitholder wishes to exercise his/her/its voting rights at the EGM. The Chairman of the EGM, as proxy, need not be a Unitholder of IREIT.** The instrument appointing the Chairman of the EGM 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. Printed copies of the Proxy Form will not be sent to Unitholders.

   Where a Unitholder (whether individual or corporate) appoints the Chairman of the EGM 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 EGM 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:

      (i) via IREIT's pre-registration website at https://sg.conveneagm.com/ireitglobal; or

      (ii) via email to IREIT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at srs.teamc@boardroomlimited.com; in either case, not later than 2.00 p.m. (Singapore time) on 16 September 2020, being not less than 48 hours before the time fixed for holding the EGM.

   A Unitholder who wishes to submit the Proxy Form by post or via email 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 restriction orders 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 IREIT's pre-registration website at https://sg.conveneagm.com/ireitglobal or 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 EGM by (a) observing and/or listening to the EGM proceedings through live audio-visual webcast or live audio-only stream; (b) submitting questions in advance of the EGM; and/or (c) appointing the Chairman of the EGM as proxy to attend, speak and vote on their behalf at the EGM, 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 EGM. CPF and SRS investors who wish to appoint the Chairman of the EGM as proxy should approach their respective CPF agent banks or SRS operators to submit their votes by 2.00 p.m. (Singapore time) on 8 September 2020, being 7 clear working days before the date of the EGM.

   "**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 Chairman of the EGM, as proxy, need not be a Unitholder.

8. Due to the constantly evolving COVID-19 situation in Singapore, the Manager may be required to change the arrangements for the EGM 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 EGM.

Personal Data Privacy:

By submitting an instrument appointing the Chairman of the EGM as proxy to attend, speak and vote at the EGM of IREIT 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 proxies and representatives appointed for the EGM of IREIT (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM of IREIT (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.

IREIT GLOBAL

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

PROXY FORM
Extraordinary General Meeting

IMPORTANT:
1. For investors holding units of IREIT Global through a relevant intermediary and CPF/SRS investors, this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. Such investors should approach their relevant intermediary as soon as possible to specify voting instructions. CPF and SRS investors who wish to appoint the Chairman of the EGM as proxy should approach their respective CPF agent banks or SRS operators to submit their votes by 2.00 p.m. (Singapore time) on 8 September 2020, being 7 clear working days before the date of the EGM (please see Note 1 for the definition of "**relevant intermediary**").
2. The Extraordinary General Meeting will be held via electronic means.
3. **PLEASE READ THE NOTES TO THE PROXY FORM.**

Personal data privacy
By submitting an instrument appointing the Chairman of the Extraordinary General Meeting as proxy, the unitholder accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 3 September 2020.

I/We ______________________________ (Name), ____________________

(NRIC/Passport/Company Registration Number) of ____________________ ***(Address)***
being a unitholder/unitholders of IREIT Global ("**IREIT**"), hereby appoint the Chairman of the Extraordinary General Meeting of IREIT ("**EGM**") as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf at the EGM of unitholders of IREIT Global ("**Unitholders**") to be convened and held by electronic means on Friday, 18 September 2020 at 2.00 p.m. (Singapore time), and at any adjournment thereof. I/We direct the Chairman of the EGM to vote for or against the resolution to be proposed at the EGM as indicated hereunder. If no specific direction as to voting is given, the Chairman of the EGM as proxy will vote or abstain from voting at his/her discretion, as he/she will on any other matter arising at the EGM.

If you wish the Chairman of the EGM as your proxy to cast all your votes "For" or "Against" a resolution, please indicate with a "√" within the relevant box provided. Alternatively, please indicate the number of votes as appropriate. If you wish the Chairman of the EGM as your proxy to abstain from voting on a resolution, please indicate with a "√" in the "Abstain" box provided. Alternatively, please indicate the number of votes that the Chairman of the EGM as your proxy is directed to abstain from voting.

No	Ordinary Resolution	For*	Against*	Abstain*
1	To approve the proposed acquisition of the balance 60.0% interest in the Spain Properties through the acquisition of 60.0% of the shares in the JVCo from Tikehau Capital, as an interested person transaction			
2	To approve the potential transfer of a controlling interest to AT Investments as a result of the Rights Issue, pursuant to Rule 803 of the Listing Manual			

Dated this ____________ day of __________________ 2020

Total Number of Units Held

____
Signature(s) of Unitholder(s)/Common Seal of Corporate Unitholder

IMPORTANT: PLEASE READ NOTES TO PROXY FORM OVERLEAF

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Affix
Postage
Stamp

IREIT Global Group Pte. Ltd.
(as manager of IREIT Global)

c/o Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

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NOTES TO PROXY FORM:

1. **Due to the current COVID-19 restriction orders in Singapore, Unitholders will not be able to attend the EGM in person.** Alternative arrangements relating to attendance at the EGM 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 EGM in advance of the EGM, addressing of substantial and relevant questions at the EGM and voting by appointing the Chairman of the EGM as proxy at the EGM, are set out below and in the accompanying IREIT circular dated 3 September 2020. This circular 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/prospectus-circulars-offer-documents.

2. CPF and SRS investors who wish to appoint the Chairman of the EGM as proxy should approach their respective CPF agent banks or SRS operators to submit their votes by 2.00 p.m. (Singapore time) on 8 September 2020, being 7 clear working days before the date of the EGM.

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 (i) via IREIT's pre-registration website at https://sg.conveneagm.com/ireitglobal, or (ii) via email to IREIT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at srs.teamc@boardroomlimited.com; in either case, not later than 2.00 p.m. (Singapore time) on 16 September 2020, being not less than 48 hours before the time fixed for holding the EGM.

   A Unitholder who wishes to submit the Proxy Form by post or email 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 restriction orders 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 IREIT's pre-registration website at https://sg.conveneagm.com/ireitglobal or via email.

4. A unitholder should insert the total number of units held. If the unitholder has units entered against the unitholder's name in the Depository Register maintained by The Central Depository (Pte) Limited ("**CDP**"), the unitholder should insert that number of units. If the unitholder has units registered in the unitholder's name in the Register of Unitholders of IREIT, the unitholder should insert that number of units. If the unitholder has units entered against the unitholder's name in the said Depository Register and registered in the unitholder's name in the Register of Unitholders of IREIT, the unitholder 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.

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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 any 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 unitholders whose units are entered against their names in the Depository Register, each of the Manager and the Trustee may reject any Proxy Form if the unitholder, being the appointor, is not shown to have units entered against the unitholder's name in the Depository Register not less than 48 hours before the time appointed for holding the EGM, as certified by CDP to the Manager.

8. All Unitholders will be bound by the outcome of the EGM regardless of whether they have attended or voted at the EGM.

IREIT Global Group Pte. Ltd.
(As manager of IREIT Global)

1 Wallich Street
#15-03 Guoco Tower
Singapore 078881

http://www.ireitglobal.com/