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

PROPOSED ACQUISITION OF THE BALANCE 60.0% INTEREST IN FOUR FREEHOLD OFFICE BUILDINGS LOCATED IN SPAIN

Unless otherwise indicated, certain Euro amounts in this Announcement have been translated into Singapore dollars based on the exchange rate of €1.00 = S$1.566 for illustrative purpose only.

1. INTRODUCTION

IREIT Global Group Pte. Ltd., in its capacity as the manager of IREIT Global (“**IREIT**”, and as manager of IREIT, the “**Manager**”) refers to the announcement dated 7 December 2019 wherein it was announced that DBS Trustee Limited, in its capacity as trustee of IREIT (the “**Trustee**”), entered into an agreement with Tikehau Capital SCA (the “**Vendor**” or “**Tikehau Capital**”) to jointly incorporate IREIT Global Holdings 5 Pte. Ltd. (the “**JVCo**”), which would be 40.0% held by IREIT and 60.0% held by Tikehau Capital, for the purposes of acquiring 100.0% of the issued share capital in each of the Spanish PropCos (as defined herein, and the acquisition of the shares in the Spanish PropCos, the “**Initial Acquisition**”) which owns four freehold office buildings located in Spain, namely: (i) Delta Nova IV, (ii) Delta Nova VI, (iii) Sant Cugat Green and (iv) Il·lumina (collectively, the “**Spain Properties**”). On 10 December 2019, the Trustee entered into a shareholders’ agreement (the “**Shareholders’ Agreement**”) with Tikehau Capital and the JVCo, pursuant to which Tikehau Capital granted the Trustee a call option (“**Call Option**”) to acquire its interest in 60.0% of the shares in the JVCo. The Initial Acquisition was completed on 20 December 2019.

The Manager is pleased to announce that the Trustee has today exercised the Call Option by way of the issuance of a Call Option Notice (as defined herein) and entered into a conditional share purchase agreement (the “**Share Purchase Agreement**”) with Tikehau Capital to acquire the balance 60.0% interest in the Spain Properties through the acquisition of 60.0% of the shares in the JVCo from Tikehau Capital (the “**Acquisition**”).

The Manager intends to finance the Acquisition with part of the net proceeds from a renounceable non-underwritten rights issue of new units in IREIT (“**Units**”) to the then existing unitholders of IREIT (the “**Unitholders**”) on a *pro rata* basis (the “**Rights Issue**”, and the new Units to be issued pursuant to the Rights Issue, the “**Rights Units**”). To demonstrate its support for IREIT and the Rights Issue, each of Tikehau Capital, City Strategic Equity Pte. Ltd. (“**CSEPL**”) and AT Investments Limited (“**AT Investments**”) has respectively provided the Undertakings (as defined herein) to the Manager to subscribe for all of the Rights Units. Accordingly, the Rights Issue will not be underwritten by a financial institution. As a result of the Undertakings provided by AT Investments pursuant to the Rights Issue, there may be a transfer of controlling interest in IREIT to AT Investments.

A circular (the "**Circular**") will be issued to the Unitholders in due course,[1] together with a notice of extraordinary general meeting ("**EGM**"), for the purpose of seeking the approval of Unitholders for the proposed Acquisition and the potential transfer of a controlling interest to AT Investments arising from the Rights Issue.

2. INFORMATION ON THE PROPOSED ACQUISITION

2.1 Description of the Spain Properties

The Spain Properties comprises 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.

Property Name	Address	City	GLA (sqm)	Land Tenure	No. of Tenants	Occupancy Rate (as at 30 June 2020)	Valuation (as at 31 July 2020) (€ m)	WALE by GRI (years) [(2)]
Delta Nova IV	Avenida de Manoteras 46 bis, Madrid	Madrid	10,256	Freehold	11	93.7%	29.5 (by Colliers) 29.7 (by Cushman)	3.6
Delta Nova VI	Avenida de Manoteras 46 bis, Madrid	Madrid	14,855	Freehold	9	94.5%	40.8 (by Colliers) 38.9 (by Cushman)	2.9
Sant Cugat Green	Parque de Actividades Eonómicas Can Joan, in Sant Cugat del Vallès	Barcelona	26,134	Freehold	4	77.1%	40.5 (by Colliers) 40.8 (by Cushman)	5.3
Il·lumina	Baronesa de Maldà, in Esplugues de Llobregat	Barcelona	20,922	Freehold	11	82.9%[(1)]	27.0 (by Colliers) 25.8 (by Cushman)	3.8

Note:

(1) 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.

(2) 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 was already in place as at 30 June 2020.

1 Colliers International Spain S.L. has been appointed as the independent market research consultant (the "**Independent Market Research Consultant**") for the Acquisition, and will issue the independent market research report which may be found appended to the Circular to be issued in due course.

2.2 Structure of the Acquisition

The current holding structure of the Spain Properties is that the JVCo owns 100.0% of the issued share capital in Sadena Real Estate, S.L.U., which in turn owns 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 (the entities holding the Spain Properties collectively referred to as, the “**Spanish PropCos**”).

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 upon written notice from the Trustee to Tikehau Capital (the “**Call Option Notice**”) 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**”).

2.3 Purchase Consideration and Valuation

The purchase consideration for the Acquisition payable to the Vendor (the “**Purchase Consideration**”) is derived from 60.0% of the Call Option Price calculated based on the consolidated net asset value (“**NAV**”) of the JVCo and its subsidiaries (the “**JVCo Group**”) on completion of the Acquisition (“**Completion**”, and the date of the Completion, “**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 consolidated NAV of the JVCo Group of €79.7 million[1] (approximately S$124.9 million) (on a 100% basis) as at 30 June 2020 after taking into account 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).

1 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

2.4 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);

(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); 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.

2.5 Principal Terms 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; and

  (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 the 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.

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1 As the Acquisition will constitute an "interested party transaction" under Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore (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.

3. METHOD OF FINANCING

The Manager intends to finance the Total Acquisition Cost (save for the Acquisition Fee) with part of the net proceeds from the Rights Issue. 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.

3.1 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, which are respectively expected to own an aggregate direct interest in 188,157,361[2], 134,956,458[3] and 35,123,146 Units representing approximately 29.3%[1], 21.0%[2] and 5.5% of the total number of Units in issue[4], has irrevocably undertaken to the Manager on the date of this Announcement (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*: the 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

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 Includes the 2,060,075 Units currently held by the Manager and the 1,437,931 Units to be issued to the Manager around end-August 2020 as payment of the management fee in Units for the period from 1 April 2020 to 30 June 2020, which are expected to be sold by the Manager equally to Tikehau Capital and CSEPL (as nominated by City REIT Management Pte Ltd ("**CRMPL**")) prior to the Units being traded ex-rights for the Rights Issue. As at the date of this Announcement, Tikehau Capital owns an aggregate interest in 186,408,358 Units, representing approximately 29.1% of the total number of 640,424,619 Units in issue as at the date of this Announcement.

3 Includes the 2,060,075 Units currently held by the Manager and the 1,437,931 Units to be issued to the Manager around end-August 2020 as payment of the management fee in Units for the period from 1 April 2020 to 30 June 2020, which are expected to be sold by the Manager equally to Tikehau Capital and CSEPL (as nominated by CRMPL) prior to the Units being traded ex-rights for the Rights Issue. As at the date of this Announcement, CSEPL owns an aggregate interest in 133,207,455 Units, representing approximately 20.8% of the total number of 640,424,619 Units in issue as at the date of this Announcement.

4 Based on the total number of 641,862,550 Units in issue as at the date of the Circular, which includes 1,437,931 Units to be issued to the Manager around end-August 2020 as payment of the management fee in Units for the period from 1 April 2020 to 30 June 2020.

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 (as defined herein), but before AT Investments has been allotted the ATI Second Tranche Excess Units (as defined herein); and

(b) *AT Investments*: (1) the additional Rights 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) the 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 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.

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) Tikehau Capital, CSEPL and AT Investments will accept, subscribe and pay in full for each of their 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) CSEPL and AT Investments are fully allotted and will accept, subscribe and pay in full for the maximum number of Excess Units pursuant to the 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%	24.5%
AT Investments	5.5%	15.4%
Other Unitholders	44.2%	30.8%

Notes:

(1) Based on the total number of 641,862,550 Units in issue as at the date of the Circular, which includes 1,437,931 Units to be issued to the Manager around end-August 2020 as payment of the management fee in Units for the period from 1 April 2020 to 30 June 2020.
(2) Based on the total number of 923,640,550 Units in issue after completion of the Rights Issue assuming that 281,778,000 new Rights Units are offered at the illustrative issue price of S$0.500 per Rights Units pursuant to the Rights Issue.

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

3.2 Potential Transfer of a Controlling Interest to AT Investments as a result of the Rights Issue

As at the date of this Announcement, 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 142,654,179 Units, representing approximately 15.4% of the total number of Units in Issue after completion of the Rights Issue[2]. AT Investment may thus potentially become a controlling Unitholder, in respect of which approval of Unitholders is required pursuant to Rule 803 of the Listing Manual.

4. RATIONALE OF THE ACQUISITION[3]

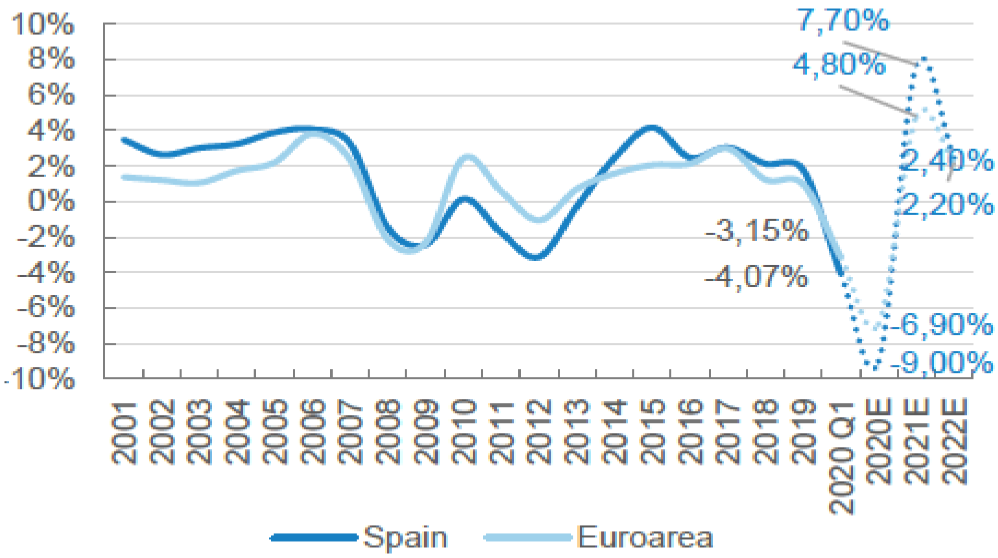
The Manager believes that the Acquisition will bring the following key benefits to Unitholders:

4.1 Deepens IREIT's strategic presence in Spain, the fifth largest economy in Europe by Gross Domestic Product ("GDP")

4.1.1 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 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 Eurozone GDP growth of 0.96%.

1 Based on the total number of 641,862,550 Units in issue as at the date of the Circular, which includes 1,437,931 Units to be issued to the Manager around end-August 2020 as payment of the management fee in Units for the period from 1 April 2020 to 30 June 2020.
2 Based on the total number of 923,640,550 Units in issue after completion of the Rights Issue assuming that 281,778,000 new Rights Units are offered at the illustrative issue price of S$0.500 per Rights Units pursuant to the Rights Issue.
3 The independent market research report to be issued by the Independent Market Research Consultant may be found appended to the Circular to be issued in due course. This paragraph 4 may be updated when the Circular is issued. Unitholders should review the Circular when issued.



According to the Independent Market Research Consultant, the recovery of Spain from the COVID-19 pandemic is expected to outpace that of the Eurozone, 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 remains intact:

- **Competitive market**: Spain is one of the largest markets in Europe, with a purchasing power in line with the European 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 recognized 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 European Union ("**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 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 Dec 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.

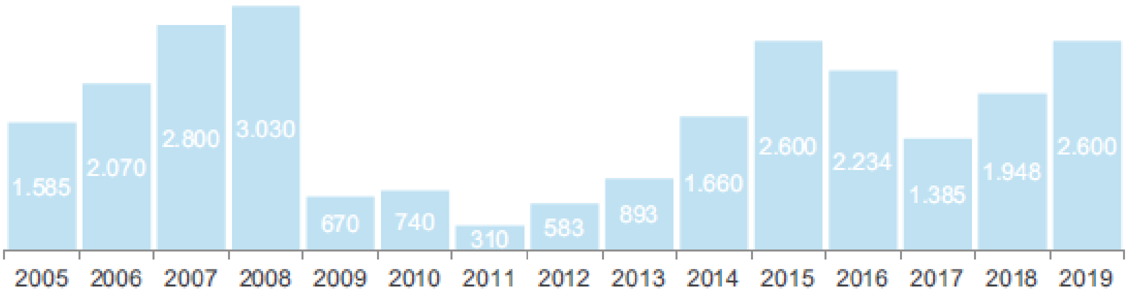
Spain, with its climate conditions, excellent quality of life and competitive market, benefitted with more than 30 large companies from different industries recently moving to the Madrid and Barcelona regions or have significantly expanded their activity in the country. Some examples include American 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.

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

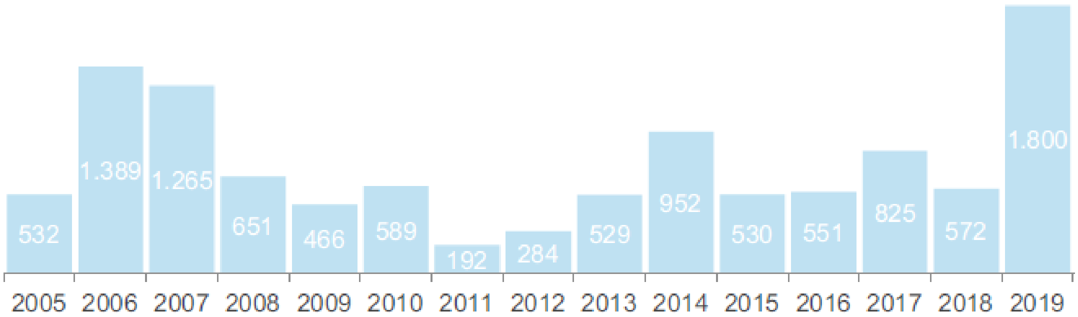
Madrid is the capital and largest city of Spain whilst Barcelona is the second largest city in Spain. Madrid is considered a major financial centre and leading economic hub of Spain and Southern Europe and is the third most populous city in Europe after London and Berlin accounting for 12% of Spanish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

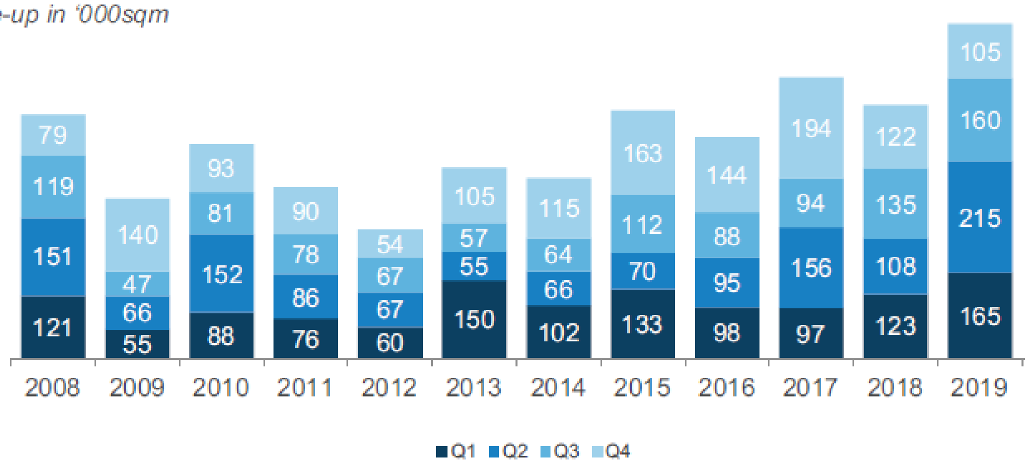


In 2019, the office market in Madrid saw an aggregate take up of 645,000 sqm, an increase of 32.2% from the aggregate take up of 488,000 sqm in 2018. Correspondingly, the office market in Barcelona also saw an aggregate take up of 387,000 sqm, an increase of 8.4% from the aggregate take up of 357,000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

Madrid Office Take Up

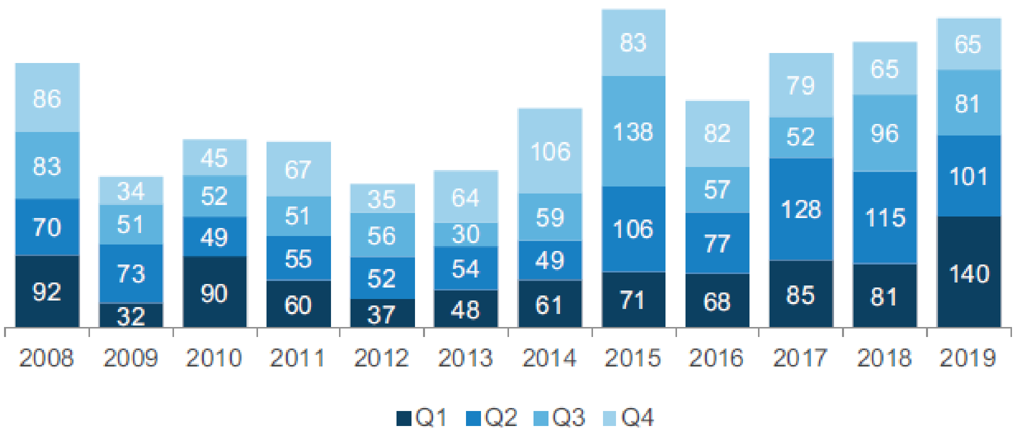
OFFICE TAKE UP PER QUARTER

Take-up in '000sqm



Barcelona Office Take Up

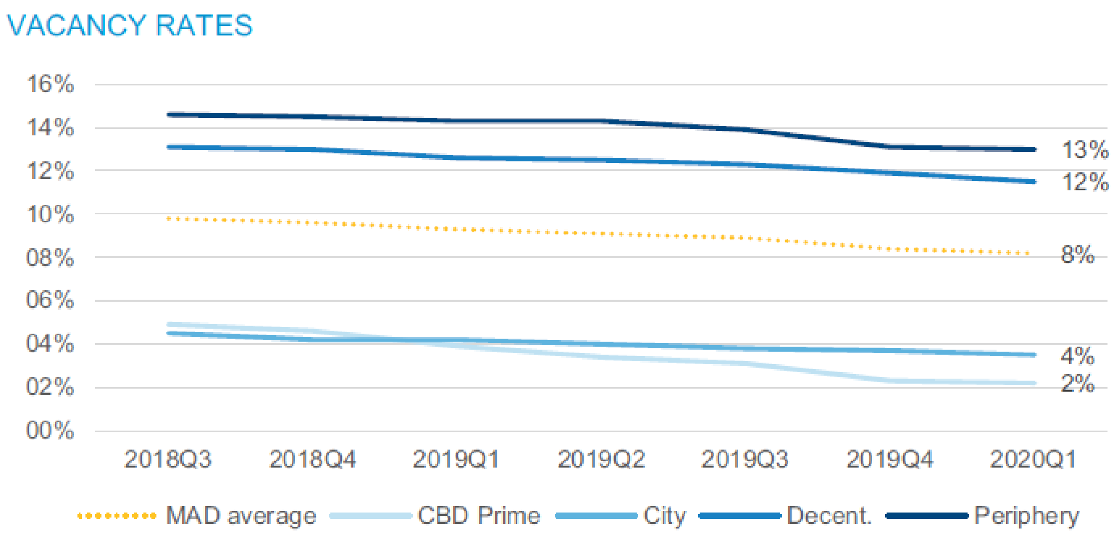
OFFICE TAKE UP PER QUARTER



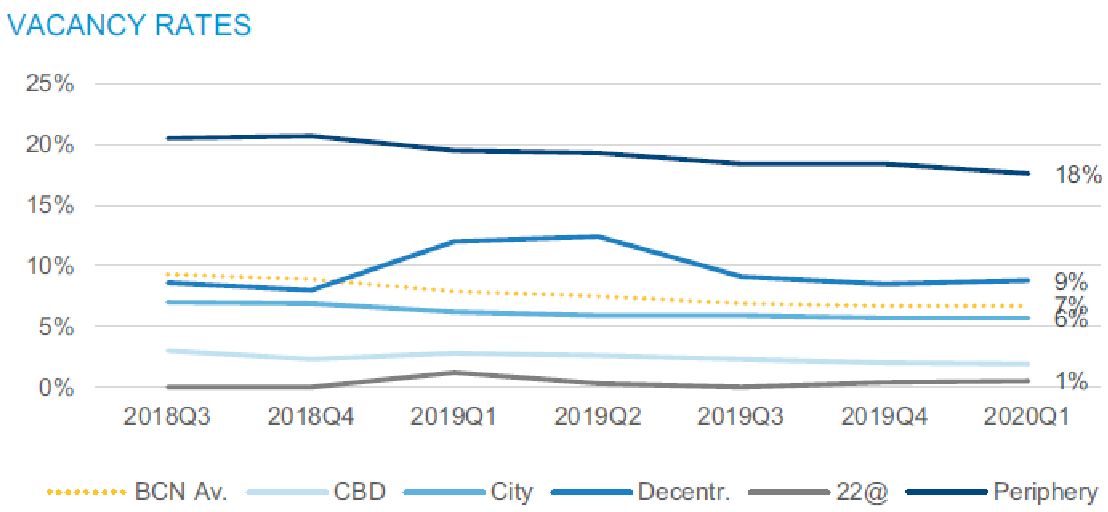
Take-up in '000sqm

The office vacancy rates in 1Q2020 for Madrid and Barcelona also stood strong at 8% and 7% respectively.

Office Vacancy Rates for Madrid



Office Vacancy Rates for Barcelona



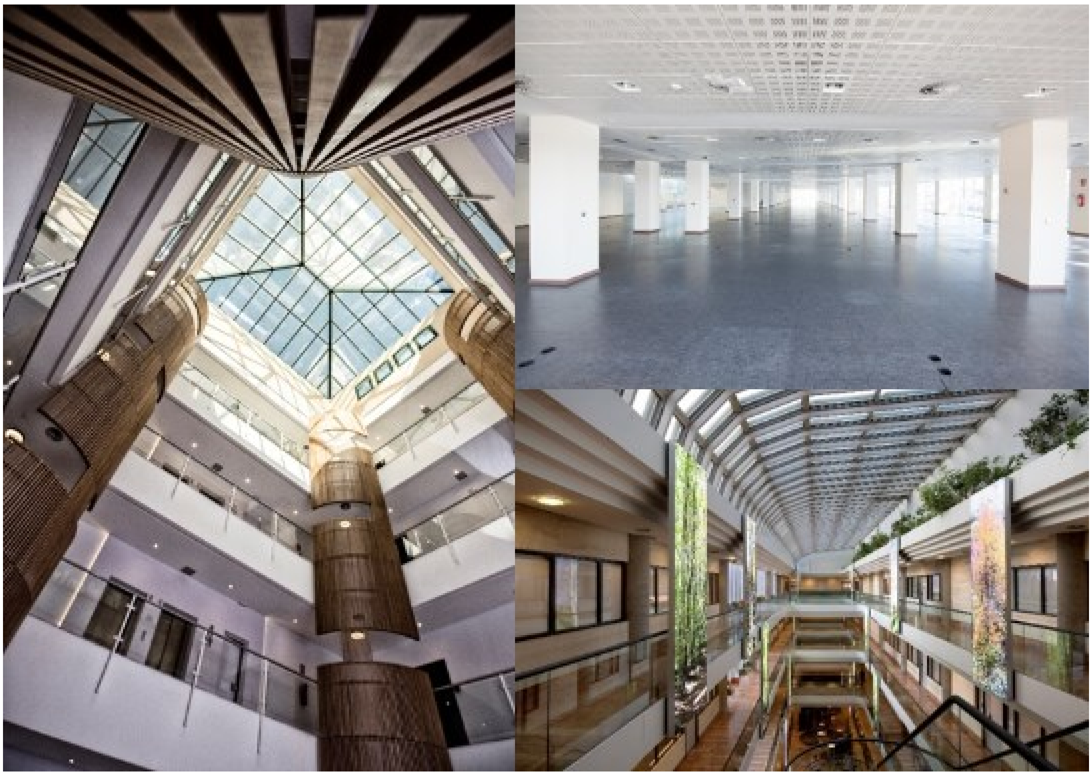
4.2 Achieve full ownership of a high quality office portfolio

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 DPU (as defined herein).

4.2.1 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.

<u>**Il·lumina**</u>

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 includes 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.

4.2.2 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 largest two 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 a 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 (as defined herein) 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.

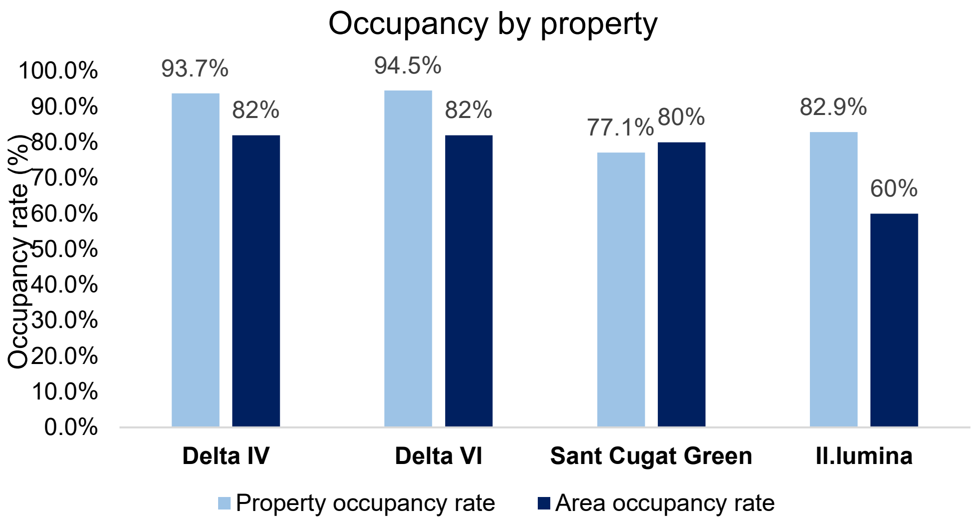
4.2.3 Strong occupancy with well-distributed lease expiry profile

Strong Occupancy

As a testament of the attractiveness and resiliency 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% 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. Following the Acquisition, the occupancy rate of the Enlarged Property Portfolio[1] will be 95.7%.

1 "Enlarged Property Portfolio" means the Existing Property Portfolio (as defined herein) and the 60.0% interest in the Spain Properties to be acquired.



Note:

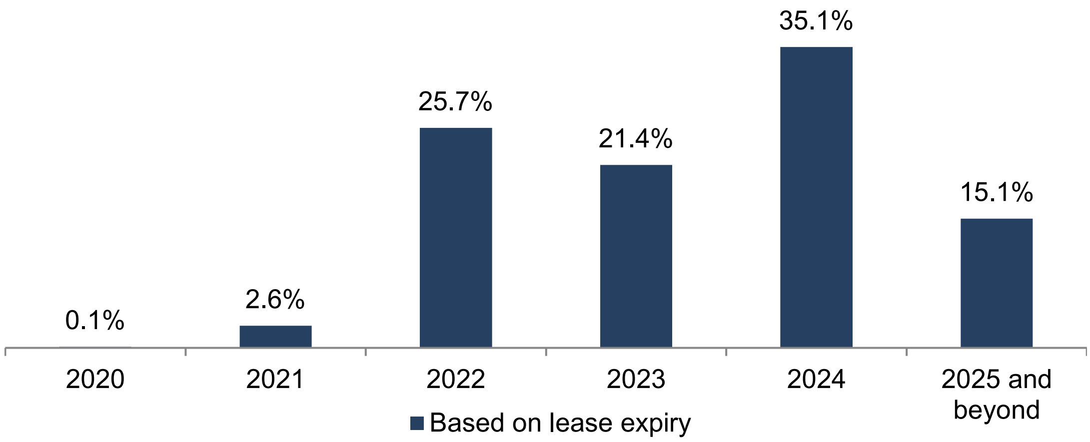
(1) In May 2020, a lease was secured with AREAS with the lease commencing in October 2020. Occupancy rate is computed based on the assumption that the lease with AREAS was already in place as at 30 June 2020.

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 December 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.

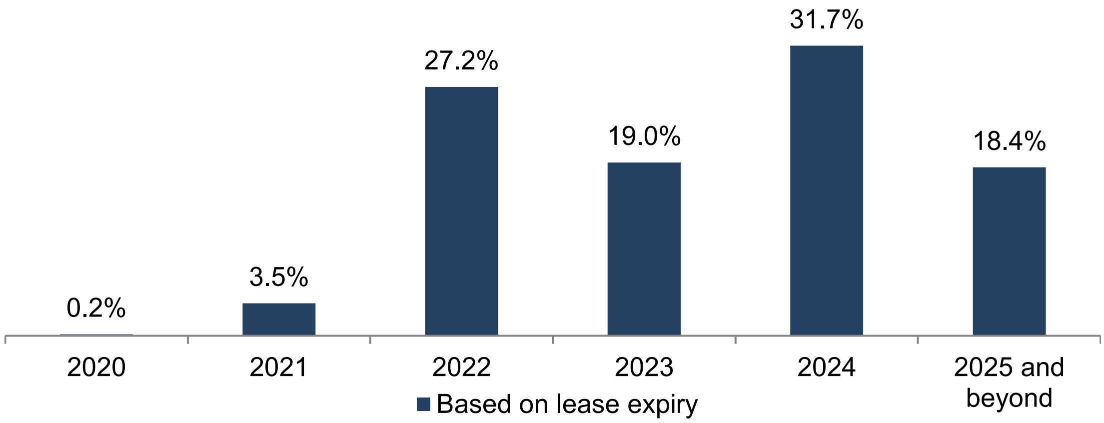
Lease Expiry Profile (by GRI) of Existing Property Portfolio as at 30 June 2020[(1)]



Note:

(1) In May 2020, a lease was secured with AREAS with the lease commencing in October 2020. In July 2020, the Manager 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.

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 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.

4.3 Increase portfolio strength through enhanced portfolio diversification

4.3.1 Geographic and asset diversification

Upon completion of the Acquisition, IREIT's aggregate valuation[1] will increase by 13.0%

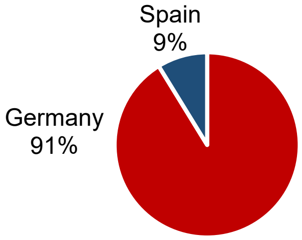
1 For the Spain Properties, based on the average of the two independent valuations as at 31 July 2020.

from €629.5 million to €711.3 million.

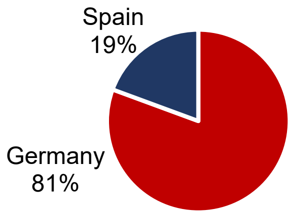
The Acquisition will increase IREIT's geographical exposure in Spain, from 9% of the value of IREIT's Existing Property Portfolio[1] to 19% of the value of IREIT's Enlarged Property Portfolio. This will correspondingly decrease IREIT's portfolio exposure to Germany from 91% to 81%.

Portfolio Valuation(1) by Country

Existing Property Portfolio



Enlarged Property Portfolio

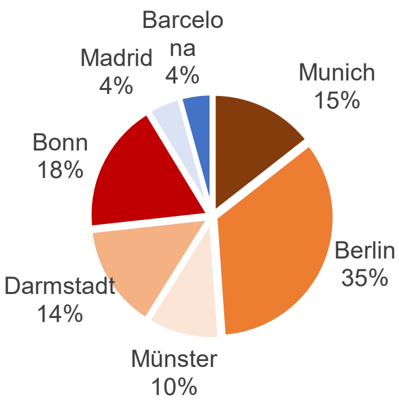


Note:
(1) For the Spain Properties, based on the average of the two independent valuations as at 31 July 2020.

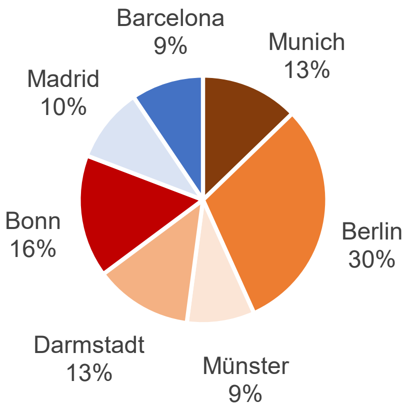
Further portfolio diversification will be achieved as IREIT's largest exposure to any single city will also be decreased from 35% to 30%.

Portfolio Valuation(1) by City

Existing Property Portfolio



Enlarged Property Portfolio

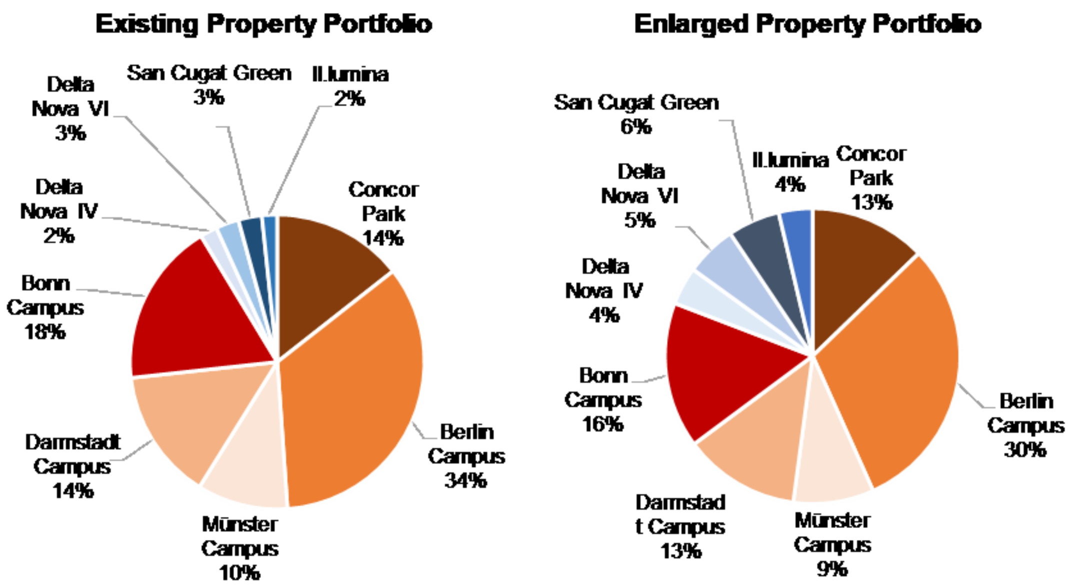


Note:
(1) For the Spain Properties, based on the average of the two independent valuations as at 31 July 2020.

1 "Existing Property Portfolio" means the portfolio of properties currently held by IREIT as at the date of this Announcement.

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%.

<u>Portfolio Valuation(1) by Asset</u>



Note:

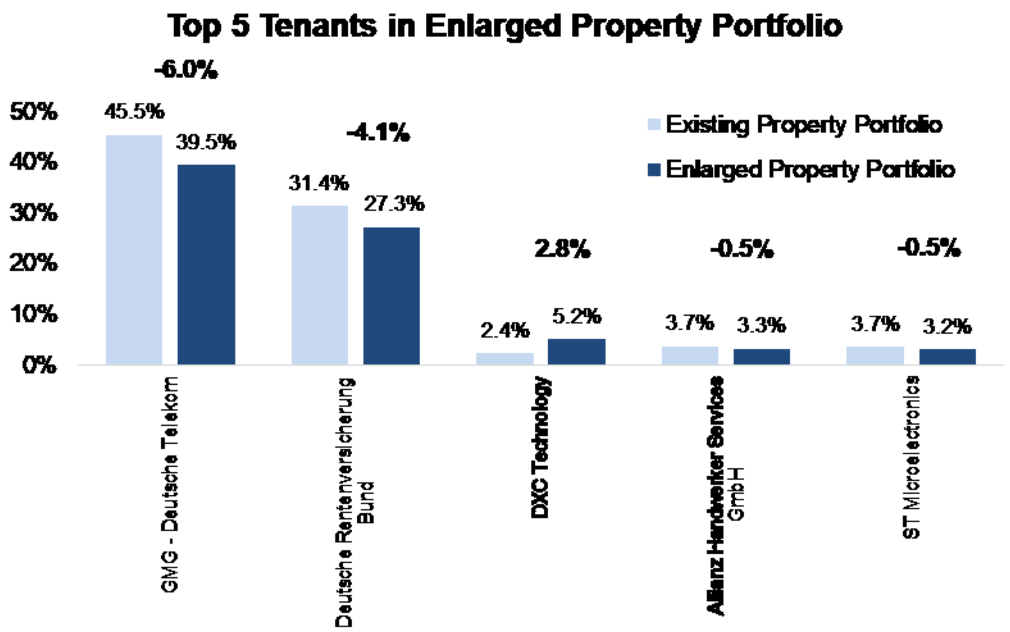
(1) For the Spain Properties, based on the average of the two independent valuations as at 31 July 2020.

4.3.2 Tenant diversification[1]

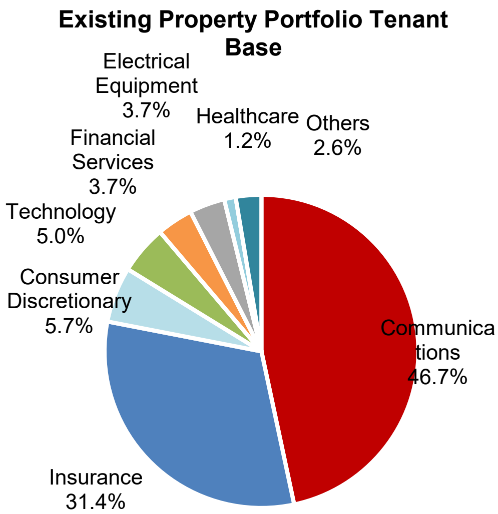
The Spain Properties are leased to a diversified tenant base which includes a number of large reputable companies. Following the Acquisition, the top five tenants' aggregate contribution to the Enlarged Property Portfolio's GRI as at 30 June 2020 will decrease from 87.2% to 78.4% on a pro-forma basis,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

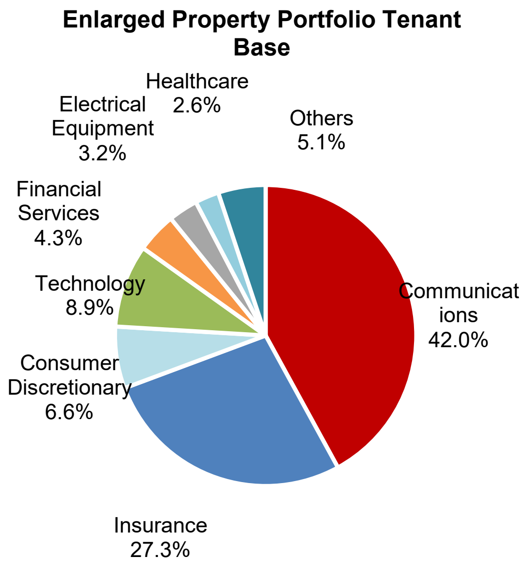
1 In May 2020, a lease was secured with AREAS with the lease commencing in October 2020. Figures are computed based on the assumption that the lease with AREAS was already in place as at 30 June 2020.

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



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%.





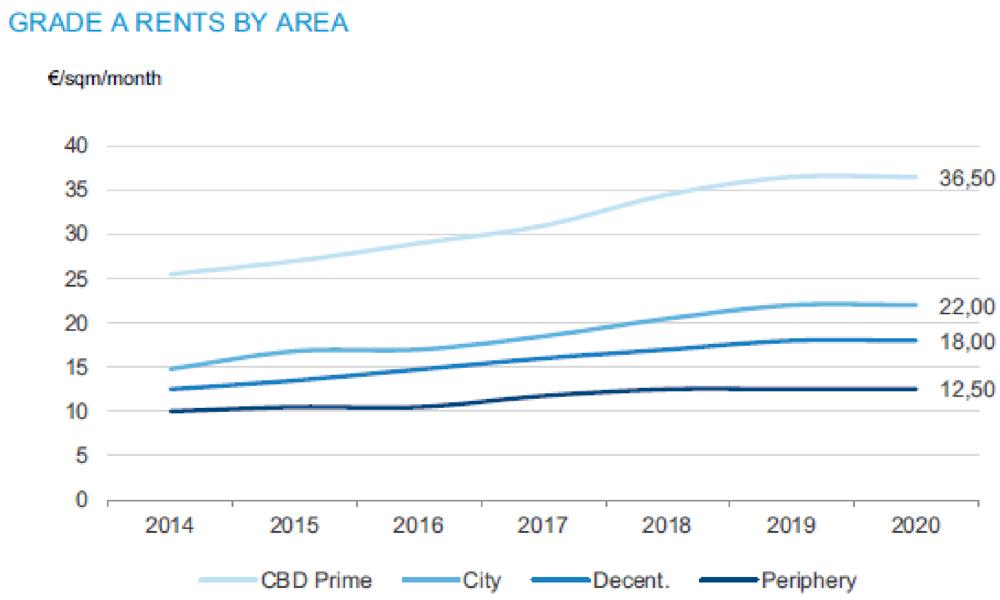
4.4 **Attractive asset management opportunities with benefits from decentralisation trends**

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

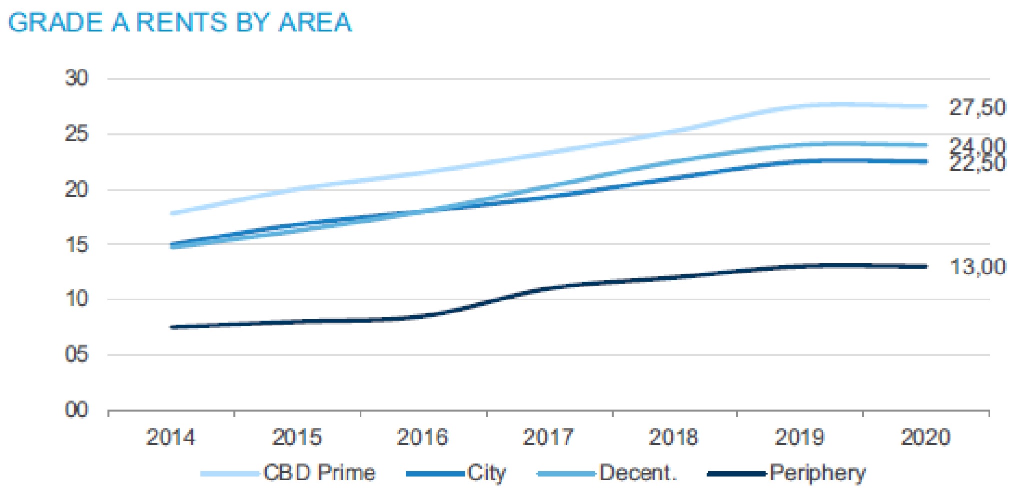
4.4.1 **Potential for positive rental reversions**

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.

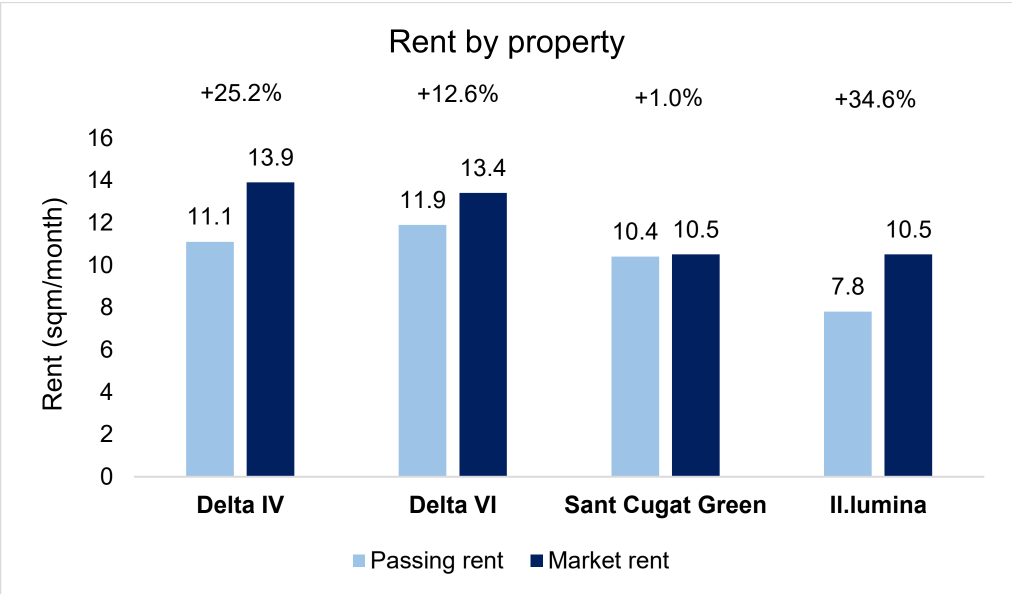
Madrid Rents



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 majority of the existing leases for the Spain Properties.



4.4.2 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.

4.5 Leveraging on strategic investors' strong platform and resources

Tikehau Capital, one of the key strategic investors of IREIT, has deep asset and investment management experience across Europe. Since its inception in 2004, Tikehau Capital's asset under management ("**AUM**") has scaled up to €25.7 billion (as at 30 June 2020) and 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 a leading global real estate company with a global 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, 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.

5. PRO FORMA FINANCIAL EFFECTS OF THE ACQUISITION

The pro forma financial effects of the Acquisition on the distribution per unit ("**DPU**") and net asset value ("**NAV**") per Unit presented below are strictly for illustrative purposes and are prepared based on the following:

For FY2019

- 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 281,778,000 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 and repay the €32.0 million loan extended by CSEPL to IREIT for the purposes of funding IREIT's proportionate capital contribution to the JVCo for the Initial Acquisition (the "**CDL Loan**"). The balance will be used for future capital expenditure, repayment of debt and/or acquisition, and to pay for estimated professional and other fees and expenses incurred or to be incurred by IREIT in connection to the Rights Issue;
- approximately 1,939,918 new Units[2] are issued for the Acquisition Fee[3] payable to the Manager; and
- approximately 1,004,493 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 "**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 281,778,000 new Units[1] are issued to raise gross proceeds of

1 Assuming that 281,778,000 new Rights Units are offered at the illustrative issue price of S$0.500 per Rights Units 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$0.667 and assuming exchange rate of €1.00 = S$1.581 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$0.667 and assuming exchange rate of €1.00 = S$1.566 for 1H2020.

approximately €90.0 million (approximately S$140.9 million) pursuant to the Rights Issue to finance the Acquisition and repay the CDL Loan. The balance will be used for future capital expenditure, repayment of debt and/or acquisition, and to pay for estimated professional and other fees and expenses incurred or to be incurred by IREIT in connection to the Rights Issue;

- approximately 1,921,268 new Units[4] are issued for the Acquisition Fee[3] payable to the Manager; and
- approximately 515,962 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.

5.1 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	After the Acquisition
Net Property Income (€'000)	30,662	37,185
Distributable Income (€'000)	25,264	29,502
Issued Units ('000)	637,223(1)	921,945(2)
DPU (€ cents)	3.57	2.88
DPU (S$ cents)	5.64	4.55
Annualised DPU Yield (%)	7.5%(3)	6.8%(4)
Annualised DPU Yield Accretion (%)	-	-8.6%

Notes:

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

(2) The total number of Units in issue at the end of the year includes approximately 281,778,000 new Units issuable in connection with the Rights Issue to finance the Acquisition and approximately 1,939,918 new Units issuable as payment of the Acquisition Fee payable to the Manager and approximately 1,004,493 new Units issuable as payment of the management fee payable to the Manager for FY 2019 in relation to the Spain Properties for the financial year ended 31 December 2019 pro forma at an illustrative TERP per Unit of S$0.667 and assuming exchange rate of €1.00 = S$1.581 for FY2019 (purely for illustrative purpose only).

(3) Annualised DPU yield is computed based on closing price per Unit of S$0.755 on 6 August 2020.

(4) Annualised DPU yield is computed based on the illustrative TERP per Unit of S$0.667.

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)	924,640(2)
DPU (€ cents)	1.82	1.47
DPU (S$ cents)	2.85	2.31
Annualised DPU Yield (%)	7.6%(3)	6.9%(4)
Annualised DPU Yield Accretion (%)	-	-8.3%

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 281,778,000 new Units issuable in connection with the Rights Issue to finance the Acquisition and approximately 1,921,268 new Units issuable as payment of the Acquisition Fee payable to the Manager and approximately 515,962 new Units issuable as payment of the management fee payable to the Manager for 1H2020 in relation to the Spain Properties for the financial year ended 30 June 2020 pro forma at an illustrative TERP per Unit of S$0.667 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$0.755 on 6 August 2020.

(4) Annualised DPU yield is computed based on the illustrative TERP per Unit of S$0.667.

5.2 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	**After the Acquisition**
NAV represented by Unitholders' funds (€'000)	354,293	449,248
Units in issue and to be issued at the end of the year ('000)	638,365(1)	922,082(2)
NAV represented by Unitholders' funds per Unit (€)	0.56	0.49

Notes:
(1) Number of Units issued and to be issued as at 31 December 2019.
(2) The total number of Units in issue at the end of the year includes approximately 281,778,000 new Units issuable in connection with the Rights Issue to finance the Acquisition and approximately 1,939,918 new Units issuable as payment of the Acquisition Fee payable to the Manager at an illustrative TERP per Unit of S$0.667 and assuming exchange rate of €1.00 = S$1.581 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	439,075
Units in issue and to be issued at the end of the year ('000)	641,863[(1)]	925,580[(2)]
NAV represented by Unitholders' funds per Unit (€)	0.55	0.47

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 281,778,000 new Units issuable in connection with the Rights Issue to finance the Acquisition and approximately 1,921,268 new Units issuable as payment of the Acquisition Fee payable to the Manager at an illustrative TERP per Unit of S$0.667 and assuming exchange rate of €1.00 = S$1.566 for 1H2020 (purely for illustrative purpose only).

5.3 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.

6. INTERESTS OF DIRECTORS AND CONTROLLING UNITHOLDERS

As at the date of this Announcement, 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 with AT Capital Pte Ltd. In addition, Mr Bruno de Pampelonne also holds shares in Tikehau Capital.

Based on the Register of Directors' Unitholdings maintained by the Manager, the Directors and their interests in the Units as at the date of this Announcement are as follows:

Name of Director	Direct Interest		Deemed Interest		Total No. of Units Held	%(4)
	No. of Units	%(4)	No. of Units	%(4)		
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 date of this Announcement (unless otherwise stated) are as follows:

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

Name of Substantial Unitholder	Direct Interest		Deemed Interest		Total No. of Units Held	%[4]
	No. of Units	%[4]	No. of Units	%[4]		
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	188,157,361[3]	29.314	-	-	188,157,361	29.314
City Strategic Equity Pte. Ltd.	134,956,458[3]	21.026	-	-	134,956,458	21.026
CDL Real Estate Investment Managers Pte. Ltd.[2]	-	-	134,956,458[3]	21.026	134,956,458	21.026
New Empire Investments Pte. Ltd.[2]	-	-	134,956,458[3]	21.026	134,956,458	21.026
City Developments Limited[2]	-	-	134,956,458[3]	21.026	134,956,458	21.026
Hong Leong Investment Holdings Pte. Ltd.[2]	-	-	134,956,458[3]	21.026	134,956,458	21.026
Davos Investment Holdings Private Limited[2]	-	-	134,956,458[3]	21.026	134,956,458	21.026
Kwek Holdings Pte. Ltd.[2]	-	-	134,956,458[3]	21.026	134,956,458	21.026
AT Investments Limited[3]	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) 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.

(3) Including the 2,060,075 Units currently held by the Manager and the 1,437,931 Units to be issued to the Manager around end-August 2020 as payment of the management fee in Units for the period from 1 April 2020 to 30 June 2020, which are expected to be sold by the Manager equally to Tikehau Capital and CSEPL

(as nominated by CRMPL) prior to the Units being traded ex-rights for the Rights Issue.

(4) Based on the total number of 641,862,550 Units in issue as at the date of the Circular, which includes 1,437,931 Units to be issued to the Manager around end-August 2020 as payment of the management fee in Units for the period from 1 April 2020 to 30 June 2020.

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

7. INTERESTED PERSON TRANSACTION AND INTERESTED PARTY TRANSACTION

As at the date of the Circular, Tikehau Capital is expected to hold an aggregate interest 188,157,361 Units[1], which is equivalent to approximately 29.3%[1] of the total number of Units in issue[2], and is therefore regarded as a "controlling unitholder" of IREIT under both the Listing Manual ("**Listing Manual**") of the Singapore Exchange Securities Limited ("**SGX-ST**") and the Property Funds Appendix. In addition, the Manager is owned by (i) City REIT Management Pte Ltd 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 purposes of the Listing Manual) an "interested person" and (for the purpose of the Property Funds Appendix) "interested party" of IREIT.

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 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 JVCo Group'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.

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1 Includes the 2,060,075 Units currently held by the Manager and the 1,437,931 Units to be issued to the Manager around end-August 2020 as payment of the management fee in Units for the period from 1 April 2020 to 30 June 2020, which are expected to be sold by the Manager equally to Tikehau Capital and CSEPL (as nominated by CRMPL) prior to the Units being traded ex-rights for the Rights Issue. As at the date of this Announcement, Tikehau Capital owns an aggregate interest in 186,408,358 Units representing approximately 29.1% of the total number of 640,424,619 Units in issue as at the date of this Announcement.

2 Based on the total number of 641,862,550 Units in issue as at the date of the Circular, which includes 1,437,931 Units to be issued to the Manager around end-August 2020 as payment of the management fee in Units for the period from 1 April 2020 to 30 June 2020.

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 NTA of IREIT as at 31 December 2019 and 13.5% of the NAV of IREIT as at 31 December 2019. The value of the Acquisition will therefore exceed (i) 5.0% of IREIT's latest NTA and (ii) 5.0% of IREIT's latest 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.

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 date of this Announcement, other than the Acquisition, IREIT has not entered into any interested person transactions with Tikehau Capital during the course of the current financial year.

8. AUDIT AND RISK COMMITTEE STATEMENT

The Audit and Risk Committee of the Manager will obtain an opinion from RHB Securities Singapore Pte. Ltd. (the "**IFA**")[1], which has been appointed as the independent financial adviser, on the Acquisition before forming its view.

The opinion of the IFA as to whether the Acquisition is on normal commercial terms and is not prejudicial to the interests of IREIT and its minority Unitholders will be disclosed in the Circular.

9. OTHER INFORMATION

9.1 Directors' Service Contracts

No person is or 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.

9.2 Disclosure under Rule 1010(13) of the Listing Manual

Chapter 10 of the Listing Manual classifies transactions by IREIT into (i) non-discloseable transactions, (ii) discloseable transactions, (iii) major transactions and (iv) very substantial acquisitions or reverse takeovers, depending on the size of the relative figures computed on, *inter alia*, the following bases or comparison set out in Rules 1006(b) and 1006(c) of the

1 On 29 June 2020, RHB Bank Berhad ("**RHB Bank**") announced on Bursa Malaysia that it entered into a conditional share purchase agreement with Phillip Securities Pte. Ltd. to dispose of its entire equity interest in RHB Securities Singapore Pte. Ltd. ("**RHBSEC**"), an indirect wholly-owned subsidiary of RHB Bank (the "**Proposed Disposal**"). The Corporate Finance Department of RHBSEC which undertakes the engagement as the IFA will be transferred to RHB Bank Berhad through its Singapore branch ("**RHB Singapore**") prior to the completion of the Proposed Disposal (the "**Proposed Transfer**"). RHBSEC's engagement as the IFA will be novated to RHB Singapore, and RHB Singapore will replace RHBSEC as the IFA if the Proposed Transfer occurs before the completion of the EGM.

Listing Manual:

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

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

The relative figures for the Acquisition using the applicable bases of comparison described above in this sub-paragraph 9.2 are set out 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 estimated net property income of the Spain Properties for the period from 1 January 2020 to 30 June 2020 assuming the Spain Properties had a portfolio occupancy of 84.7% as of 30 June 2020 and all leases, whether existing or committed as at 6 August 2020, were in place since 1 January 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 Proposed 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.

9.3 Documents Available for Inspection

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:

(i) the Call Option Notice;

1 Prior appointment with the Manager is required. Please contact IREIT Investor Relations team (telephone: +65 6718 0590).

(ii) the Share Purchase Agreement;

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

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

(v) the 2019 Audited Financial Statements; and

(vi) 1H 2020 Unaudited Financial Statements.

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

BY ORDER OF THE BOARD
IREIT GLOBAL GROUP PTE. LTD.
(as manager of IREIT Global)
(Company Registration No. 201331623K)

Lee Wei Hsiung
Company Secretary
7 August 2020

Important Notice

This Announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for Units.

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. The past performance of IREIT is not necessarily indicative of the future performance of IREIT.

Investors have no right to request the Manager to redeem their Units while the Units are listed. 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.

This Announcement may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income and occupancy, changes in operating expenses, including employee wages, benefits and training, property expenses and 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 of future events.