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

ACQUISITION OF AN OFFICE BUILDING LOCATED IN BARCELONA, 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$1.583 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**") is pleased to announce that Sadena Real Estate, S.L.U., a wholly-owned subsidiary of IREIT (the "**Buyer**"), has on 23 September 2021 entered into a public deed of sale (the "**Deed of Sale**") with Inmobiliaria Colonial, SOCIMI, S.A. (the "**Seller**") to acquire an office building located in Sant Cugat del Vallès, Barcelona, Spain at Avenida Can Fatjó dels Aurons, 9 (the "**Property**" and the acquisition of the Property, the "**Acquisition**") and completed the Acquisition on the same day.

2. INFORMATION ON THE ACQUISITION

2.1 Description of the Property

The Property is a modern Grade A freehold office building known as "Parc Cugat" located within a business park in Sant Cugat del Vallès. The Property has a gross lettable area of 15,510 square metres ("**sqm**"), comprising 12,000 sqm of office space, 293 sqm of canteen space, 2,509 sqm of storage space and a 708-sqm auditorium. The committed occupancy of the Property is 64.0% (76.5% for office space only) with a weighted average lease expiry ("**WALE**") by gross rental income ("**GRI**") of approximately 6.8 years and an annual GRI of approximately €1.5 million as at 23 September 2021. The Property is currently leased to five tenants, including blue-chip companies such as Kyndryl (spin-off from IBM), KLB Group, and Grupo Escada. The Property is located in the first developed office area of the Sant Cugat del Vallès market, which offers various amenities, such as restaurants and hotels, as well as excellent transportation links (both public and private transport) to the city of Barcelona. In addition, it is located within five minutes walking distance away from the Sant Joan regional railway station.

2.2 Purchase Consideration and Valuation

Pursuant to the terms of the Deed of Sale, the purchase consideration (the "**Purchase Consideration**") payable for the Property is €27.2 million (approximately S$43.1 million) which was negotiated on a willing-buyer and willing-seller basis, taking into account the independent valuation of the Property with the Rental Guarantee (as defined herein).

The valuation of the Property as at 13 August 2021 is €28.5 million (approximately S$45.1 million) with the Rental Guarantee and €27.4 million (approximately S$43.4 million) without the Rental Guarantee, as stated by BNP Paribas Real Estate Spain S.A.U. (the "**Independent Valuer**") in its valuation report which was commissioned by the Manager and DBS Trustee Limited, in its capacity as trustee of IREIT. The Property has been valued based on the income capitalisation approach, discounted cash flow approach and direct sales comparison approach. The Purchase Price represents a discount of approximately 4.5% to the independent valuation of the Property with the Rental Guarantee.

2.3 Principal Terms of the Deed of Sale

The Acquisition shall be governed by the terms and conditions of the Deed of Sale entered into between the Buyer and the Seller. The Deed of Sale contains customary provisions relating to the Acquisition, including representations and warranties, indemnities and other commercial terms.

Pursuant to the Deed of Sale, the Seller will undertake to provide to the Buyer the Rental Guarantee in accordance with the provisions set out in the Deed of Sale.

2.4 Rental Guarantee for the Property

2.4.1 Terms of the Rental Guarantee

Pursuant to the Deed of Sale, the Seller will provide rental guarantee (the "**Rental Guarantee**") from the date of execution of the Deed of Sale until 31 December 2022 (the "**Rental Guarantee Period**") whereby the Seller guarantees rental income up to an amount of approximately €0.4 million equivalent to approximately 15 months of market rental income, in relation to the vacant ground floor of the Property (the "**Rental Guarantee Area**"), together with the common expenses of the Rental Guarantee Area up to an amount of approximately €0.2 million (together, the "**Rental Guarantee Amount**"). The Seller shall pay the Purchaser the Rental Guarantee Amount equivalent to the monthly rental amount, or the shortfall between the Rental Guarantee Amount and the monthly rent payable under the lease agreements entered into by the Buyer in relation to the Rental Guarantee Area, including any rent-free periods agreed. The amount payable by the Seller shall be calculated on a monthly basis and shall be paid by the Seller within 10 days following such date of calculation.

2.4.2 Directors' Opinion

The directors of the Manager ("**Directors**") are of the view that the Rental Guarantee is on normal commercial terms and is not prejudicial to the interests of IREIT and its unitholders, having taken into account the basis of the Independent Valuer's opinion that the Rental Guarantee Amount is in line with market rates.

2.4.3 Safeguards

The Seller is a Spain-based company engaged in the operation of a real estate investment trust and has been listed on the Madrid Stock Exchange (*Bolsa de Madrid*) since 1999. It has a gross asset value of €12.0 billion as at 30 June 2021 and a market capitalisation of €4.7 billion as at 22 September 2021. Accordingly, the Manager is of the view that the Seller will be able to fulfil the obligations undertaken in relation to the Rental Guarantee.

2.5 Total Acquisition Cost

The total cost of the Acquisition (the "**Total Acquisition Cost**") is estimated to be approximately €29.1 million (approximately S$46.1 million) comprising:

(i) the Purchase Consideration of approximately €27.2 million (approximately S$43.1 million);

(ii) the acquisition fee of approximately €0.3 million (approximately S$0.5 million) (the "**Acquisition Fee**") payable in cash to the Manager (being 1.0% of the Purchase Consideration pursuant to the Trust Deed (as defined herein)); and

(iii) the estimated professional and other fees and expenses (including debt financing costs) of approximately €1.6 million (approximately S$2.5 million) incurred or to be incurred by IREIT in connection with the Acquisition.

3. METHOD OF FINANCING

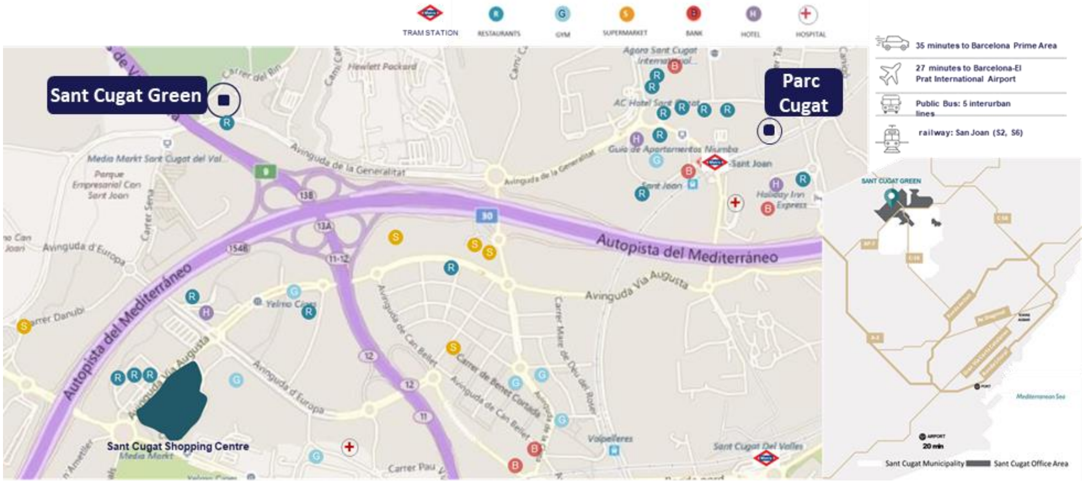
The Manager intends to finance the Total Acquisition Cost through a combination of external bank borrowings and internal cash resources, including (i) part of the net proceeds raised from the rights issue launched on 18 September 2020 (the "**Rights Issue**") and (ii) part of the net proceeds raised from the equity fund raising launched on 21 June 2021 (the "**Equity Fund Raising**").

4. RATIONALE OF THE ACQUISITION

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

4.1 Deepens IREIT's presence in the attractive Spanish office market

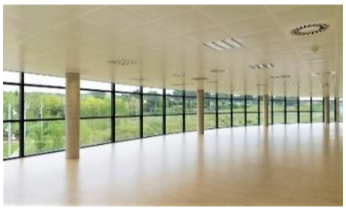
IREIT currently owns four freehold office properties in Spain, two of which are located in Madrid and the other two in Barcelona. Despite the COVID-19 pandemic, these quality properties have continued to remain resilient, with 100% of IREIT's contractual rents collected in the first half year ended 30 June 2021 and over 99% collected in FY2020. The Acquisition will add another quality asset to IREIT's portfolio and enhance its footprint in Spain. This is in line with IREIT's focus to pursue assets located in well-established secondary areas of key western European cities such as Barcelona. The Property is located in Sant Cugat del Vallès, which is 20 minutes from the financial district of Barcelona (Avenida Diagonal) and is considered to be one of the most sought-after areas in the metropolitan area of Barcelona. The area is also home to a large number of international blue-chip companies such as HP, Grifols, Roche, Sabadell Bank, Ricoh and Catalana Occidente. Notably, the Property is located near Sant Cugat Green, one of IREIT's four existing properties in Spain, and is accessible within a seven-minute drive by car.



4.2 Modern Grade A office asset with strong attributes and sustainability certifications

The Property was built in 2009 and has received good rating for BREEAM (Building Research Establishment Environmental Assessment Method), silver rating for LEED (Leadership in Energy and Environmental Design) and CEE (Certificado de Eficiencia Energética) certifications. Both its façade and interior have been well-maintained to the highest standards. In addition, the Property offers open floor plates with high capacity and natural light, complemented by a wide range of services for its tenants, including an auditorium (the only one in the area), a canteen, storage spaces, private terraces and parking spaces for cars and motorcycles.

The surroundings of the Property also offer a variety of amenities, such as restaurants and hotels, as well as excellent transportation links (both public and private transport) to the city of Barcelona. Furthermore, it is located within five minutes walking distance away from the Sant Joan regional railway station.

4.3 Strong tenant profile with potential upside

The Property is occupied by five large blue-chip companies, including Kyndryl (spin-off from IBM), KLB Group and Grupo Escada, over long lease durations. With the Acquisition, the Property will add these new large blue-chip companies to IREIT’s tenant base.

The Property has also enjoyed high occupancy rates historically until the ground floor became vacant in May 2020. With active asset management initiatives, the Manager believes there is room for potential upside by filling up and optimising the use of the vacant spaces. Furthermore, there is opportunity for positive rental reversions by bringing some of the under-rented contracts to market levels. Since the acquisition of the four existing office properties in Spain in December 2019, the Manager has demonstrated that it has been able to increase the office occupancy rate of the Spanish portfolio from 89.2% to 93.5%[1] as at 30 June 2021 and secure several lease extensions to uphold the stability of the Spanish portfolio, notwithstanding the challenging economic backdrop.

5. PRO FORMA FINANCIAL EFFECTS OF THE ACQUISITION

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Acquisition (taking into account the Rental Guarantee Amount) on the distribution per unit ("**DPU**"), the net asset value ("**NAV**") per unit ("**Unit**") and aggregate leverage of IREIT presented below are strictly for illustrative purposes and were prepared based on the audited financial statements of IREIT for the financial year ended 31 December 2020 (the "**2020 Audited Financial Statements**") and the unaudited financial statements of IREIT for the financial period from 1 January 2021 to 30 June 2021 (the "**1H2021 Unaudited Financial Statements**").

IREIT had on 22 October 2020 completed the acquisition of the balance 60.0% interest in four freehold office buildings located in Spain (the "**Spain Properties**" and the acquisition of the Spain Properties, the "**Spain Acquisition**"), such that IREIT owns 100.0% of the Spain Properties. The Spanish Acquisition was fully funded through the Rights Issue of 291,405,597 new Units. In addition, IREIT had on 28 July 2021 completed the acquisition of a portfolio of 27 retail properties located in France (the "**France Properties**" and the acquisition of the France Properties, the "**France Acquisition**"). The France Acquisition was funded through a combination of the Equity Fund Raising and external bank borrowings. The Equity Fund Raising comprised a placement of 11,372,868 new Units and a *pro rata* non-renounceable preferential offering of 201,137,870 new Units to existing Unitholders.

In order to provide a more meaningful overview of the impact of the Acquisition on the distribution of IREIT, the pro forma financial effects of the Acquisition on the DPU per Unit were adjusted as follows and presented strictly for illustrative purposes only:

- for the full financial year ended 31 December 2020 ("**FY2020**"), adjusted as though the Spain Acquisition and the France Acquisition were completed on 1 January 2020 and IREIT had held and operated the Spain Properties and the France Properties through to 31 December 2020, and

- for the financial period from 1 January 2021 to 30 June 2021 ("**1H2021**"), adjusted as though the France Acquisition was completed on 1 January 2021 and IREIT had held and operated the France Properties through to 30 June 2021.

In order to provide a more meaningful overview of the impact of the Acquisition on the financial position of IREIT, the pro forma financial effects of the Acquisition on the NAV per Unit and aggregate leverage as at 31 December 2020 and 30 June 2021 were adjusted as though the France Acquisition was completed on 31 December 2020 and 30 June 2021 respectively, and presented strictly for illustrative purposes only.

1 Overall occupancy rate of the Spanish portfolio increased from 80.7% to 85.2%.

For FY2020

Taking into account the Purchase Consideration of the Property, and assuming that:

- the Total Acquisition Cost is partially financed with a bank loan of approximately €13.6 million (approximately S$21.5 million) and the balance of approximately €15.5 million (approximately S$24.6 million) is financed with internal cash resources.
- approximately 221,802 new units are issued at an illustrative price of S$0.615 per new Unit for the management fee payable to the Manager in relation to the Property for FY2020.
- 100.0% of the distributable income attributable to the Property is distributed to Unitholders. For the avoidance of doubt, the Manager will continue to maintain IREIT's current distribution policy of distributing at least 90.0% of its annual distributable income for each financial year; and
- Acquisition Fee payable to the Manager will be paid 100% in cash.

For 1H2021

Taking into account the Purchase Consideration of the Property, and assuming that:

- the Total Acquisition Cost is partially financed with a bank loan of approximately €13.6 million (approximately S$21.5 million) and the balance of approximately €15.5 million (approximately S$24.6 million) is financed with internal cash resources.
- approximately 36,876 new units are issued at an illustrative price of S$0.616 per new Unit for the management fee payable to the Manager in relation to the Property for 1H2021.
- 100.0% of the distributable income attributable to the Property is distributed to Unitholders. For the avoidance of doubt, the Manager will continue to maintain IREIT's current distribution policy of distributing at least 90.0% of its annual distributable income for each financial year; and
- Acquisition Fee payable to the Manager will be paid 100% in cash.

5.1 Pro Forma DPU

FOR ILLUSTRATIVE PURPOSES ONLY:

The pro forma financial effects of the Acquisition on IREIT's DPU for FY2020, as if the Acquisition was completed on 1 January 2020, and IREIT had held and operated the Property through to 31 December 2020, are as follows:

	Before the Acquisition	After the Acquisition
Net Property Income (€'000)	32,894	34,542
Adjusted Net Property Income (€'000)(1)	47,216	48,864
Distributable Income (€'000)	27,434	28,570

Adjusted Distributable Income (€'000)(1)	36,621	37,757
Issued Units ('000)	937,046(2)	937,268(3)
Adjusted Issued Units ('000)(1)	1,151,554	1,151,776(3)
DPU (€ cents)	3.21	3.36
DPU (S$ cents)	5.03	5.26
Adjusted DPU (€ cents)(1)	2.92	3.01
Adjusted DPU (S$ cents)(1)	4.57	4.72
DPU Accretion (%)	-	4.7%
Adjusted DPU Accretion (%)(1)	-	3.4%

Notes:

(1) Adjusted as though the Spain Acquisition and the France Acquisition were completed on 1 January 2020 and IREIT had held and operated the Spain Properties and the France Properties through to 31 December 2020.

(2) Number of Units issued as at 31 December 2020.

(3) The total number of Units in issue at the end of the year includes approximately 221,802 new Units issued as payment of the management fee payable to the Manager at an illustrative issue price of S$0.615 per new Unit for FY2020 in relation to the Property for FY2020.

The pro forma financial effects of the Acquisition on IREIT's DPU for 1H2021, as if the Acquisition was completed on 1 January 2021, and IREIT had held and operated the Property through to 30 June 2021, are as follows:

	Before the Acquisition(1)	**After the Acquisition**
Net Property Income (€'000)	23,261	24,085
Distributable Income (€'000)	18,144	18,698
Issued Units ('000)	1,152,612	1,152,649(2)
DPU (€ cents)	1.44	1.49
DPU (S$ cents)	2.32	2.40
DPU Accretion (%)	-	3.3%

Notes:

(1) Adjusted as though the France Acquisition was completed on 1 January 2021 and IREIT had held and operated the France Properties through to 30 June 2021.

(2) The total number of Units in issue at the end of the period includes approximately 36,876 new Units issued as payment of the management fee payable to the Manager at an illustrative issue price of S$0.616 per new Unit for 1H2021 in relation to the Property for 1H2021.

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 2020, as if the Acquisition was completed on 31 December 2020, are as follows:

	Before the Acquisition	**After the Acquisition**

NAV represented by Unitholders' funds (€'000)	441,743	440,576
Adjusted NAV represented by Unitholders' funds (€'000)[1]	509,422	508,255
Units in issue and to be issued at the end of the year ('000)	938,963[2]	938,963
Adjusted Units in issue and to be issued at the end of the year ('000)[1]	1,151,474	1,151,474
NAV represented by Unitholders' funds per Unit (€)	0.47	0.47
Adjusted NAV represented by Unitholders' funds per Unit (€)[1]	0.44	0.44

Notes:

(1) Adjusted as though the France Acquisition was completed on 31 December 2020.

(2) Number of Units issued and to be issued as at 31 December 2020.

The pro forma financial effects of the Acquisition on the NAV per Unit as at 30 June 2021, as if the Acquisition was completed on 30 June 2021, are as follows:

	Before the Acquisition[1]	**After the Acquisition**
NAV represented by Unitholders' funds (€'000)	535,479	534,312
Units in issue and to be issued at the end of the period ('000)	1,153,440	1,153,440
NAV represented by Unitholders' funds per Unit (€)	0.46	0.46

Notes:

(1) Adjusted as though the France Acquisition was completed on 30 June 2021.

5.3 Aggregate Leverage

FOR ILLUSTRATIVE PURPOSES ONLY:

The pro forma aggregate leverage of IREIT as at 31 December 2020, as if the Acquisition was completed on 31 December 2020, is as follows:

	Before the Acquisition[1]	**After the Acquisition**[2]
Aggregate Leverage (pro forma as at 31 December 2020)	36.0%	37.0%

Note:

(1) Adjusted as though the France Acquisition was completed on 31 December 2020.

(2) Assuming that the Total Acquisition Cost is partially financed with a bank loan of approximately €13.6 million (approximately S$21.5 million) and the balance of approximately €15.5 million (approximately S$24.6 million is financed with internal cash resources.

The pro forma aggregate leverage of IREIT as at 30 June 2021, as if the Acquisition was completed on 30 June 2021, is as follows:

	Before the Acquisition(1)	**After the Acquisition**(2)
Aggregate Leverage (pro forma as at 30 June 2021)	34.8%	35.8%

Note:

(1) Adjusted as though the France Acquisition was completed on 30 June 2021.

(2) Assuming that the Total Acquisition Cost is partially financed with a bank loan of approximately €13.6 million (approximately S$21.5 million) and the balance of approximately €15.5 million (approximately S$24.6 million) is financed with internal cash resources.

6. 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 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 are set out in the table below.

Comparison of	**Acquisition (€'000)**	**IREIT (€'000)**	**Relative figure (%)**
Net property income(1)	824(2)	19,327(3)	4.3%
Consideration against market capitalisation	27,200(4)	462,688(5)	5.9%

Notes:

(1) In the case of a real estate investment trust, the net property income is a close proxy to the net profits attributable to its assets.

(2) Based on the estimated net property income of the Property (inclusive of the Rental Guarantee Amount) for the period from 1 January 2021 to 30 June 2021 assuming that all leases, whether existing or committed, were in place since 1 January 2021.

(3) Based on IREIT's unaudited consolidated results for 1H2021.

(4) The figure represents the Purchase Consideration.

(5) Based on 1,153,440,147 Units in issue and the weighted average price of S$0.635 per Unit on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") as at 22 September 2021, being the market day immediately prior to the entry into the Deed of Sale and assuming exchange rate of €1.00 = S$1.583.

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.

As the relative figures computed on the bases set out above exceed 5.0% but do not exceed

20.0%, the Acquisition is classified as a discloseable transaction.

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL UNITHOLDERS

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.

7.1 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.

8. 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 from the date of this announcement up to and including the date falling three months after the date of this announcement:

(i) the Deed of Sale;

(ii) the full independent valuation report on the Property issued by the Independent Valuer;

(iii) the 2020 Audited Financial Statements; and

(iv) the 1H2021 Unaudited Financial Statements.

The trust deed dated 1 November 2013 constituting IREIT, as supplemented, amended and restated from time to time (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
24 September 2021

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

Important Notice

This announcement is for information purposes only and does not constitute or form part of an offer, invitation or solicitation of any securities of IREIT in Singapore or any other jurisdiction nor should it or any part of it form the basis of, or be relied upon in connection with, any contract or commitment whatsoever.

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

This announcement 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 similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's view of future events.

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.

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 has not been reviewed by the Monetary Authority of Singapore.