

Media Release

IREIT Global makes further inroads into Spain with the acquisition of an office building in Barcelona

- Addition of a Grade A office asset with strong attributes to IREIT's portfolio in Spain, leveraging on the extensive network of its joint sponsor, Tikehau Capital
- New large blue-chip companies with long leases to strengthen IREIT's tenant base
- Potential upside from positive rental reversion and active asset management
- Acquisition to be DPU accretive at 3.4% on a pro forma adjusted FY2020 basis ⁽¹⁾

SINGAPORE | 24 SEPTEMBER 2021

For immediate release

IREIT Global (“IREIT”), a Europe-focused real estate investment trust managed by IREIT Global Group Pte. Ltd. (the “Manager”), is pleased to announce that Sadena Real Estate, S.L.U., a wholly-owned subsidiary of IREIT, 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 known as “Parc Cugat” located in Sant Cugat del Vallès, Barcelona, Spain (the “Property” or “Parc Cugat”, and the acquisition of the Property, the “Acquisition”) and completed the Acquisition on the same day.

Parc Cugat is a modern Grade A freehold office building with a gross lettable area of approximately 15,510 sqm and is located within a business park in Sant Cugat del Vallès. Currently leased to five large blue-chip companies, the Property has a committed occupancy rate of 64.0% (76.5% for office space only), a weighted average lease expiry (“WALE”) by gross rental income (“GRI”) of approximately 6.8 years and generates an annual GRI of approximately €1.5 million as at 23 September 2021. Pursuant to the terms of the Deed of Sale, the seller will provide rental guarantee for the vacant space on the ground floor for a period of approximately 15 months.⁽²⁾ The purchase consideration payable for Parc Cugat is €27.2

(1) Refer to IREIT's announcement titled “Acquisition of an office building located in Barcelona, Spain” dated 23 September 2021 for details.

(2) Pursuant to the Deed of Sale, the Seller will provide rental guarantee from the date of execution of the Deed of Sale until 31 December 2022 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.

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million (approximately S\$43.1 million). This represents a discount of approximately 4.5% to the independent valuation of the Property with rental guarantee.



Parc Cugat, a modern Grade A office building located in Barcelona, Spain

Mr Louis d’Estienne d’Orves, Chief Executive Officer of the Manager, said, “We are pleased to be able to secure this Property at an attractive purchase price, owing to the strong local expertise of Tikehau Capital. This enables us to offer modern Grade A space at competitive rents to any occupiers. Its quality asset features and long leases with blue-chip tenants will complement well with IREIT’s portfolio, as we continue to execute our strategy to grow and diversify IREIT’s tenant and geographical exposure.”

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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. Parc Cugat 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.

Modern Grade A office asset with strong attributes and sustainability certifications

Parc Cugat 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 Parc Cugat 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.

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Strong tenant profile with potential upside

Parc Cugat 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% ⁽³⁾ as at 30 June 2021 and secure several lease extensions to uphold the stability of the Spanish portfolio, notwithstanding the challenging economic backdrop.

Total acquisition cost and method of financing

The total cost of the Acquisition (the "Total Acquisition Cost") is estimated to be approximately €29.1 million (approximately S\$46.1 million), comprising the purchase consideration, acquisition fee, estimated debt financing costs and professional and other fees and expenses. The Manager intends to finance the Total Acquisition Cost through a combination of external bank borrowings and internal cash resources.

Mr d'Estienne d'Orves said, "Leveraging on the strong network from our joint sponsor, Tikehau Capital, we have continued to benefit from attractive bank financing terms. Based on the pro forma financial effects on IREIT's adjusted DPU for the financial year ended 31 December 2020, the Acquisition is expected to lead to a DPU accretion of 3.4% ⁽⁴⁾."

With the completion of the Acquisition, IREIT's portfolio now comprises five freehold office properties in Germany, five freehold office properties in Spain and 27 freehold retail properties in France, with a portfolio valuation of €889.7 million ⁽⁵⁾ (approximately S\$1,408.4 million).

(3) Overall occupancy rate of the Spanish portfolio increased from 80.7% to 85.2%.

(4) Refer to IREIT's announcement titled "Acquisition of an office building located in Barcelona, Spain" dated 23 September 2021 for details.

(5) Based on the independent valuations of the office properties in Germany and Spain as at 30 June 2021, valuations of the 27 retail properties in France as at 26 April 2021 and the valuation of the Property as at 13 August 2021.



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ABOUT IREIT GLOBAL

www.ireitglobal.com | SGX Main Board Listing

IREIT Global (SGX-UD1U) which was listed on 13 August 2014, is the first Singapore-listed real estate investment trust with the investment strategy of principally investing, directly or indirectly, in a portfolio of income-producing real estate in Europe which is used primarily for office, retail and industrial (including logistics) purposes, as well as real estate-related assets.

IREIT Global's current portfolio comprises 5 freehold office properties in Germany, 5 freehold office properties in Spain and 27 freehold retail properties in France.

IREIT Global is managed by IREIT Global Group Pte. Ltd. (the "Manager"), which is jointly owned by Tikehau Capital and City Developments Limited ("CDL"). Tikehau Capital is a global alternative asset management group listed in France, while CDL is a leading global real estate company listed in Singapore.

ABOUT TIKEHAU CAPITAL

www.tikehaucapital.com | Paris Euronext, Compartment A Listing

Tikehau Capital is a global alternative asset management group with €30.9 billion of assets under management as at 30 June 2021. Tikehau Capital has developed a wide range of expertise across four asset classes (private debt, real assets, private equity and capital markets strategies) as well as multi-asset and special opportunities strategies. Tikehau Capital is a founder led team with a differentiated business model, a strong balance sheet, proprietary global deal flow and a track record of backing high quality companies and executives.

Deeply rooted in the real economy, Tikehau Capital provides bespoke and innovative alternative financing solutions to companies it invests in and seeks to create long-term value for its investors, while generating positive impacts on society. Leveraging its strong equity base (€2.8 billion of shareholders' equity as at 31 December 2020), the firm invests its own capital alongside its investor-clients within each of its strategies.

Controlled by its managers alongside leading institutional partners, Tikehau Capital is guided by a strong entrepreneurial spirit and DNA, shared by its 629 employees across its 12 offices in

Joint Sponsors of IREIT Global:



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Europe, Asia and North America. Tikehau Capital is listed in compartment A of the regulated Euronext Paris market (ISIN code: FR0013230612; Ticker: TKO.FP).

ABOUT CITY DEVELOPMENTS LIMITED

www.cdl.com.sg | SGX Main Board Listing

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

FOR FURTHER ENQUIRIES

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The value of the 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 news release 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 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.

This news release is not an offer or sale of the Units in the United States. The Units have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or under the securities laws of any state or other jurisdiction of the United States and may not be offered or sold in the United States absent registration except pursuant to an exemption from, or in a transaction not subject to, the registration requirements under the U.S. Securities Act and in compliance with any applicable state securities laws. Any public offering of the Units to be made in the United States would be by means of a prospectus that may be obtained from an issuer and would contain detailed information about such issuer and its management, as well as financial statements. There will be no public offering of securities of IREIT in the United States.

This news release has not been reviewed by the Monetary Authority of Singapore.

