



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

## **IREIT GLOBAL DIVESTS IL·LUMINA IN SPAIN AT A 5.2% PREMIUM TO VALUATION**

### **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. (the “**Vendor**”), a wholly-owned entity of IREIT, has entered into a conditional promissory private sale and purchase agreement (the “**Sale and Purchase Agreement**”) with Basid Ilumina, S.L.U. (the “**Purchaser**”) for the sale of Il·lumina (the “**Property**”), a property located in Spain (the “**Divestment**”). The Purchaser is an unrelated third party.

### **2. INFORMATION ON THE DIVESTMENT**

#### **2.1 Description of the Property**

The Property is a freehold office building located in Esplugues de Llobregat, a mixed-use office and industrial area including a technology and audio-visual office cluster which is 5 kilometres away from the financial district of Barcelona. It has a total lettable area of 20,922 sqm, with 310 parking spaces. The gross rental income of the Property is €2.4 million for FY2022.

#### **2.2 Sale Consideration and Valuation**

The sale consideration for the Divestment is €24.5 million. The sale consideration was negotiated on a willing-buyer and willing-seller basis considering the valuation of the Property. The sale consideration is 5.2% above the independent valuation of the Property as at 30 June 2023.

The Manager and the Trustee had commissioned an independent property valuer, BNP Paribas Real Estate Consult GmbH, to value the Property on 30 June 2023. The valuation of the Property as at 30 June 2023 is €23.3 million based on the discounted cash flow method approach.

#### **2.3 Principal Terms of the Sale and Purchase Agreement**

The Divestment shall be governed by the terms and conditions of the Sale and Purchase Agreement entered into between the Vendor and the Purchaser on 21 December 2023. The Sale and Purchase Agreement contains the agreed form of the deed of sale and purchase which would be executed on completion (the “**Deed of Sale and Purchase**”).

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

- The Purchaser has deposited before a notary public an amount equivalent to 7.5%

of the sale consideration as a guarantee of Purchaser's obligation, which shall be released as compensation in favour of the Vendor in case the Purchaser refuses to complete the Divestment in accordance with the terms of the Sale and Purchase Agreement.

- The Sale and Purchase Agreement and the Deed of Sale and Purchase include customary Vendor's and Purchaser's representations and warranties, as well as a standard Vendor's liability regime which sets forth quantitative and time limitations to the Vendor's liability.

The Divestment is expected to be completed by the end of January 2024.

### **3. RATIONALE FOR AND BENEFITS OF THE DIVESTMENT**

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

- While the Property has provided recurring income since its acquisition, its income yield is lower compared with that of the rest of the portfolio. In addition, the short weighted average lease expiry of 2.8 years (lower than the portfolio average at 4.9 years) may result in higher vacancy when the leases expire as the secondary office location of the property may pose challenges in leasing.
- The proposed divestment aligns with the Manager's proactive asset management strategy to improve the quality of IREIT's portfolio by recycling of assets when pricing is right and to optimise returns for unitholders of IREIT.

### **4. USE OF SALES PROCEEDS**

After taking into account the divestment fee of approximately €0.12 million payable in cash, other transaction related expenses (including divestment and other aforementioned transactions) of €0.38 million and repayment of bank loans related to the property of approximately €15.0 million, the net proceeds from the sale of the Property would be approximately €9.0 million.

The Manager intends to use the net proceeds to reduce debt and to assess opportunities for capital expenditures, acquisitions and asset enhancement.

The sale consideration is 5.2% above the 30 June 2023 independent valuation of €23.3 million. Accordingly, the gain from the Divestment is €1.2 million.

### **5. PRO FORMA FINANCIAL EFFECTS OF THE DIVESTMENT**

The pro forma financial effects of the Divestment on the distribution per Unit ("DPU") and net asset value ("NAV") per Unit presented below are strictly for illustrative purposes and were prepared based on the audited financial statements of IREIT for the financial year 2022 ("FY2022").

The pro forma financial effects are for illustrative purposes only and do not represent IREIT's DPU and NAV per Unit following the completion of the Divestment.

## 5.1 Pro Forma DPU

### FOR ILLUSTRATIVE PURPOSES ONLY:

The pro forma financial effects of the Divestment on IREIT's DPU for FY2022, as if the Divestment was completed on 1 January 2022 are as follows:

	Before the Divestment	After the Divestment
Net Property Income (€'000)	48,797	46,814
Distributable Income (€'000)	34,647	33,006
DPU (€ cents)	2.69 <sup>(1)</sup>	2.57 <sup>(1)</sup>

**Note:**

- (1) Based on issued Units on date of record for distribution periods. The illustrative DPU does not include the effects of the acquisition of 17 B&M properties in France announced on 1 June 2023 and 5 September 2023 and the preferential offering to raise S\$75.9 million launched and announced on 19 June 2023.

## 5.2 Pro Forma NAV

### FOR ILLUSTRATIVE PURPOSES ONLY:

The pro forma financial effects of the Divestment on the NAV per Unit FY2022, as if the Divestment was completed on 31 December 2022, are as follows:

	Before the Divestment	After the Divestment
NAV represented by Unitholders' funds (€'000)	624,703	624,090 <sup>(1)</sup>
Units in issue and to be issued at the end of the year ('000)	1,155,891 <sup>(2)</sup>	1,155,891 <sup>(2)</sup>
NAV represented by Unitholders' funds per Unit (€)	0.54	0.54

**Note:**

- (1) Includes net proceeds of €9.0 million from divestment of Illumina and monetization of interest rate cap of notional amount of €10.0 million based on prevailing market interest rate.
- (2) Number of Units issued as at 31 December 2022

## 5.3 Aggregate Leverage

### FOR ILLUSTRATIVE PURPOSES ONLY:

The pro forma aggregate leverage of IREIT as at 31 December 2022, as if the Divestment were completed on 31 December 2022, is as follows:

	Before the Divestment	After the Divestment
Aggregate Leverage (pro forma as at 31 December 2022)	32.0%	31.0% <sup>(1)</sup>

**Note:**

- (1) Assumes repayment of Illumina's bank borrowings in accordance with the bank loan agreement

## 6. INTERESTS OF DIRECTORS AND SUBSTANTIAL UNITHOLDERS

As at the date of this Announcement, certain directors of the Manager collectively hold an aggregate direct and indirect interest in 845,399 Units. Further details of the interests in Units of the Directors and Substantial Unitholders<sup>1</sup> 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 Executive Chairman of Tikehau Investment Management SAS. Mr Sherman Kwek Eik Tse is a Non-Executive Director of the Manager and is also the Group Chief Executive Officer of CDL and Executive Chairman of CDL China Limited.

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	% <sup>(1)</sup>
	No. of Units	% <sup>(1)</sup>	No. of Units	% <sup>(1)</sup>		
Mr Mark Andrew Yeo Kah Chong	-	-	-	-	-	-
Mr Chng Lay Chew	-	-	-	-	-	-
Ms Cher Mui Sim Susanna	29,100	0.002	-	-	29,100	0.002
Mr Bruno de Pampelonne	406,350	0.030	409,949	0.030	816,299	0.061
Mr Sherman Kwek Eik Tse	-	-	-	-	-	-

**Notes:**

(1) Based on the total number of 1,344,837,568 Units in issue as at the date of this Announcement.

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:

Name of Substantial Unitholder	Direct Interest		Deemed Interest		Total No. of Units Held	% <sup>(4)</sup>
	No. of Units	% <sup>(4)</sup>	No. of Units	% <sup>(4)</sup>		
Tikehau Capital SCA <sup>(1)</sup>	385,619,280	28.7	8,556,298	0.6	394,175,578	29.3
City Strategic Equity Pte. Ltd.	278,572,900	20.7	-	-	278,572,900	20.7
CDL Real Estate Investment Managers Pte. Ltd. <sup>(2)</sup>	-	-	287,129,198	21.4	287,129,198	21.4
New Empire Investments Pte. Ltd. <sup>(2)</sup>	-	-	287,129,198	21.4	287,129,198	21.4
City Developments Limited <sup>(2)</sup>	-	-	287,129,198	21.4	287,129,198	21.4

<sup>1</sup> "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	% <sup>(4)</sup>
	No. of Units	% <sup>(4)</sup>	No. of Units	% <sup>(4)</sup>		
Hong Leong Investment Holdings Pte. Ltd. <sup>(3)</sup>	-	-	287,364,198	21.4	287,364,198	21.4
Davos Investment Holdings Private Limited <sup>(3)</sup>	-	-	287,364,198	21.4	287,364,198	21.4
Kwek Holdings Pte. Ltd. <sup>(3)</sup>	-	-	287,364,198	21.4	287,364,198	21.4

**Notes:**

- (1) Tikehau Capital SCA is deemed pursuant to the provisions of Section 4 of the Securities and Futures Act 2001 to have an interest in the 8,556,298 Units held by IREIT Global Group Pte. Ltd.
- (2) CDL Real Estate Investment Managers Pte. Ltd., New Empire Investments Pte. Ltd. and City Developments Limited are deemed pursuant to the provisions of Section 4 of the Securities and Futures Act 2001 to have an interest in the 278,572,900 Units held by City Strategic Equity Pte. Ltd. and 8,556,298 Units held by IREIT Global Group Pte. Ltd.
- (3) 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 2001 to have an interest in the 278,572,900 Units held by City Strategic Equity Pte. Ltd., 8,556,298 Units held by the Manager and 235,000 Units held by Millennium Securities Pte. Ltd.
- (4) Based on the total number of 1,344,837,568 Units in issue as at the date of this Announcement.

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 Divestment.

## **7. OTHER INFORMATION**

### **7.1 Directors' Service Contracts**

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

### **7.2 Disclosure under Rule 1010(10) of the Listing Manual**

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

- (a) non-discloseable transactions;
- (b) discloseable transactions;
- (c) major transactions; and
- (d) very substantial acquisitions or reverse takeovers.

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

- (i) the NAV of the assets to be disposed of, compared with IREIT's NAV;
- (ii) the net profits attributable to the assets disposed of, compared with IREIT's net

- profits;
- (iii) the aggregate value of the consideration received, compared with IREIT's market capitalisation; and
  - (iv) the number of Units issued by IREIT as consideration for an acquisition, compared with the number of Units previously in issue.

The relative figures for the Divestment using the applicable bases of comparison described above in this sub-paragraph 7.2 are set out in the table below.

Comparison of	Divestment (€'000)	IREIT (€'000)	Relative figure (%)
<b>Rule 1006(a)</b> NAV of the assets to be disposed of, compared with IREIT's NAV	613	624,703	0,1%
<b>Rule 1006(b)</b> Net property income <sup>(1)</sup>	1,983	48,797	4.1%
<b>Rule 1006(c)</b> Consideration against market capitalisation <sup>(2)</sup>	24,500	355,211 <sup>(2)</sup>	6.7%

**Notes:**

- (1) In the case of real estate investment trust, the net property income is a better representation compared with the net profits attributable to its assets.
- (2) Based on IREIT's closing price of S\$0.385 per Unit on 20 December 2023 at the exchange rate of 1€=S\$1.46, being the market day immediately prior to the date of the Sale and Purchase Agreement.

Rule 1006(d) is not applicable as this is a divestment.

### 7.3 Documents Available for Inspection

Copies of the following documents are available for inspection during normal business hours at the registered office of the Manager<sup>1</sup> 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 Sale and Purchase Agreement;
- (ii) the independent valuation report on the Property issued by BNP Paribas Real Estate Consult GmbH; and
- (iii) the 2022 Audited 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.

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

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

Siau Kuei Lian  
Company Secretary  
22 December 2023

**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.