



(a real estate investment trust constituted on 1 November 2013 under the laws of the Republic of Singapore)  
Managed by IREIT Global Group Pte. Ltd. (Company Registration No: 201331623K)

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**ANNUAL GENERAL MEETING TO BE HELD ON 27 APRIL 2022  
RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS FROM UNITHOLDERS**

IREIT Global Group Pte. Ltd., as manager of IREIT Global (“**IREIT**” and the manager of IREIT, the “**Manager**”) would like to thank all unitholders of IREIT (“**Unitholders**”) for submitting their questions in advance of the annual general meeting (“**AGM**”) of IREIT to be held by way of electronic means on Wednesday, 27 April 2022 at 2.00 p.m. (Singapore time).

The Manager wishes to inform that the responses to all substantial and relevant questions which were received from Unitholders by 2.00 p.m. on 15 April 2022 shall be published in this announcement. Due to the significant overlap in the questions being asked, the Manager has summarised and grouped similar questions together under a few key topics when providing the responses to these substantial and relevant questions. The key topics are:

1. Asset Management
2. Acquisitions and Divestments
3. Annual Report

Please refer to the **Appendix** hereto for the list of substantial and relevant questions, and the Manager’s responses to these questions.

Following the conclusion of the AGM, the voting results of the AGM will be uploaded on SGXNet and IREIT’s website. The minutes of the AGM will be uploaded on SGXNet and IREIT’s website on or before 27 May 2022.

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

Lee Wei Hsiung  
Company Secretary  
21 April 2022

## APPENDIX

### Asset Management

#### 1. What is the impact of the war in Ukraine on IREIT's portfolio?

- The war in Ukraine has underscored IREIT's strategic focus on having a blue-chip tenant mix and good quality assets in established areas within selected western European markets. As all of the assets under IREIT's portfolio are located in Germany, France and Spain and not in Ukraine or Russia, there is no direct impact on the performance of IREIT.
- A review has also been conducted by the Manager via direct exchanges with IREIT's tenants and property advisors to assess the impact on IREIT's top five tenants (collectively contributing approximately 74.9% of IREIT's total gross rental income as at 31 December 2021) in connection with the war in Ukraine and the sanctions imposed on Russia. At this stage, the due diligence has indicated that IREIT's business and those of its tenants have not been adversely affected. While the Manager does not expect any such disruption in the foreseeable future, it will continue to maintain its vigilance.

#### 2. The occupancy rates for Delta Nova IV and Sant Cugat Green have not improved as at 31 Dec 2021 compared to 31 Dec 2020. Can the Manager share what has been done during the year to try to improve the occupancy rates for both properties? Why have prospective tenants not taken up the available space at these properties?

- The increased adoption of work-from-home and other flexible working arrangements triggered by the COVID-19 pandemic and global economic uncertainty had led to a general slowdown in the commercial letting activity, as tenants took more time to review their needs for office space as well as asked for shorter lease periods and more flexibility on their renewal options.
- While the leasing environment had remained challenging in 2021, all tenants in IREIT's portfolio had continued to pay their rents throughout the year and no rental rebates or deferrals had been requested. In addition, the Manager had successfully secured three lease extensions and two new leases at the Spanish properties. At Delta Nova IV and Sant Cugat Green, no major tenants had also terminated their leases during the year. In order to maintain a high tenant retention rate, the Manager had engaged the tenants regularly to address their needs. At the same time, it had actively worked to let out the vacant spaces at the Spanish properties.
- As a result of the Manager's active asset management efforts, the Manager had managed to secure one lease extension with an existing tenant at Delta Nova IV in July 2021. At Sant Cugat Green, the Manager is also in negotiations with a potential tenant for a long-term lease of approximately 5,400 sqm of the vacant data centre space. The Manager will provide more details once there are firm developments on this letting activity.

**3. How does the Manager intend to improve the occupancy rates for Delta Nova IV, Sant Cugat Green and Parc Cugat going forward?**

- The Manager will continue to engage the existing tenants regularly to retain their leases, while working actively to let out the vacant spaces at the Spanish properties. In addition, the Manager is looking to refurbish the common areas in the Spanish properties to enhance the quality of the assets and the level of services offered in order to make them more attractive to prospective tenants.

**4. Are there any triple-net leases in IREIT's portfolio? Which leases does IREIT need to bear the utilities costs?**

- The French portfolio and majority of the gross rental income under the Spanish portfolio are based on triple-net leases, hence utilities costs for such leases are borne by the tenants.
- While the leases under the German portfolio are not structured as triple-net leases, all tenants generally pay the ancillary costs in accordance with the German regulations (German Operating Costs Ordinance and the German Calculation Ordinance) as part of the service charge settlement. As such, a large proportion of the costs, including utilities costs, is passed on to the tenants.

**Acquisitions and Divestments**

**5. Can the Manager provide details on its investment strategy and growth plans, particularly in terms of geography, asset class and sub-market? What are the main opportunities and challenges?**

- The Manager will continue to execute its investment strategy of focusing on blue-chip tenant mix and good quality assets across the office, retail and industrial (including logistics) asset classes, in established areas within selected western European markets.
- Staying guided by IREIT's four pillars of growth, namely diversification, long-term approach, scale and local presence, the Manager aims to build further scale and diversification in IREIT's portfolio, while leveraging on the collective strengths and local market expertise of its joint sponsors, Tikehau Capital and City Developments Limited ("CDL"), to optimise IREIT's long-term performance.
- When searching for new investment opportunities, the Manager will adopt a disciplined approach in sourcing for assets that will complement its existing portfolio as well as diversify its tenant base across the office, retail and industrial (including logistics) asset classes and target geographical markets in Europe (core western European countries such as France, Germany, Spain, Italy and Benelux).

- With the gradual relaxation of the COVID-19 social distancing measures and progressive reopening of the European economies, the commercial investment market in Europe has also improved in tandem. This has availed the Manager to several attractive investment opportunities across the various asset classes in its target geographical markets. However, immediate yield accretion to IREIT's portfolio remains a challenge as the property yields of good quality assets continue to be depressed on the back of the competitive investment market and higher asking prices. As such, the Manager will continue to look at investment opportunities on a holistic basis, beyond short-term returns, to determine how they complement the existing portfolio and how they strengthen the stability of IREIT's income streams.

**6. Can the Manager provide details on its acquisition and divestment criteria, particularly in terms of size, city, country, asset class and tenant?**

- Based on the investment strategy described in the response to Question 5, the Manager will pursue investment and divestment opportunities which will strengthen IREIT's portfolio and the long-term sustainable returns to its unitholders. While the Manager is broadly guided by the long-term positive trends of the various asset classes in its target geographical markets, it will stay nimble and opportunistic in its investment opportunities while building further scale and diversification to IREIT's portfolio.
- Divestment decisions include concentration risks (country, asset class and tenant exposure), growth potential and long-term viability considerations. The divestment of the non-core asset, a multi-storey carpark in Darmstadt Campus in November 2021, for example, has reduced IREIT's portfolio exposure to Germany as well as its top tenant, GMG Generalmietgesellschaft mbH (a subsidiary of Deutsche Telekom).

**Annual Report**

**7. Why did IREIT report an earnings per unit of 12.31 € cents for FY2021 but only distribution per unit of 2.93 € cents?**

- The earnings per unit ("EPU") is derived from the accounting profit for the year of €128.5 million. The distribution per unit ("DPU") is derived from the income available for distribution of €34.4 million. Certain adjustments have been made to the accounting profit to arrive at the income available for distribution, as set out in the Statement of Distribution on Page 137 of the Annual Report. Included in the adjustments was the gain in fair value of investment properties of €115.0 million, which was deducted from the accounting profit, as it is a non-cash item. This, together with the other adjustments, has contributed largely to the substantially lower DPU as compared to the EPU for FY2021.

**8. What is the percentage of your total borrowings at fixed rates? What is the proportion of IREIT's total borrowings expiring from 2022 till 2026?**

- 100.0% of IREIT's gross borrowings of €332.7 million, which are on floating interest rates, had been hedged with interest rate swap and interest rate cap contracts over the tenor of the gross borrowings.
- The debt maturity profile of IREIT's gross borrowings is shown below. More details on the gross borrowings can also be found on page 22 of the Annual Report.

<b>% of Total Gross Borrowings</b>	<b>Amount (€ million)</b>	<b>Maturity</b>
60.3	200.8	January 2026
24.2	80.5	December 2026
15.5	51.4	July 2027
100.0	332.7	

## **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 in IREIT ("**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 publication has not been reviewed by the Monetary Authority of Singapore.