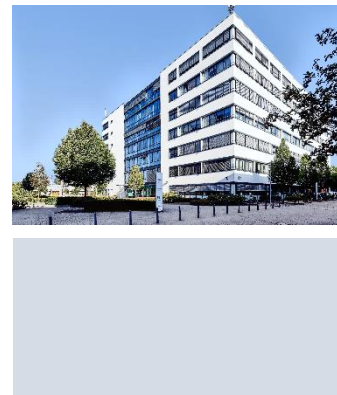
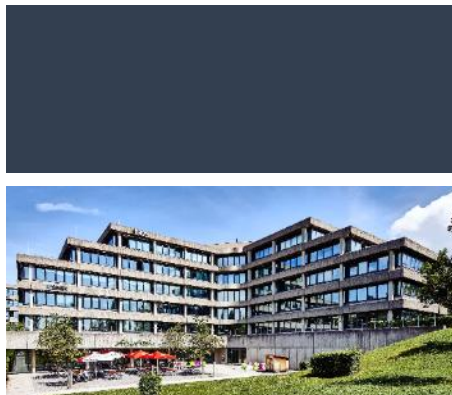




# Proposed Acquisition of Remaining 60% Stake in Spanish Office Portfolio

7 August 2020



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# Important Notice

This presentation should be read in conjunction with the announcement released by IREIT Global ("IREIT") on 7 August 2020 titled "Proposed Acquisition of the Balance 60.0% Interest in Four Freehold Office Buildings Located in Spain".

This presentation is for information only and does not constitute an invitation, offer or solicitation of any offer to acquire, purchase or subscribe for units in IREIT ("Units"). This presentation 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 other developments or companies, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training costs), property expenses, 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 on future events. The past performance of IREIT is not indicative of the future performance of IREIT. Similarly, the past performance of the Manager is not indicative of the future performance of the Manager. The value of units in IREIT and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by the Manager, DBS Trustee Limited (as trustee of IREIT) or any of their respective affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors should note that they will have no right to request the Manager to redeem or purchase their Units for so long as the Units are listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST"). It is intended that unitholders of IREIT 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 in Singapore or any other jurisdiction. Any discrepancies between the figures in the tables and charts and the listed amounts and total thereof are due to rounding.

The securities of IREIT have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") or under the securities laws of any state or jurisdiction of the United States of America ("United States"), and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable state securities laws. The Manager does not intend to conduct a public offering of any securities of IREIT in the United States.

# Agenda

		Slide
<b>1</b>	<b>Transaction Overview</b>	<b>4</b>
<b>2</b>	<b>Key Rationale and Benefits</b>	<b>10</b>
<b>3</b>	<b>Appendix</b>	<b>21</b>



1

## Transaction Overview



*Berlin Campus*

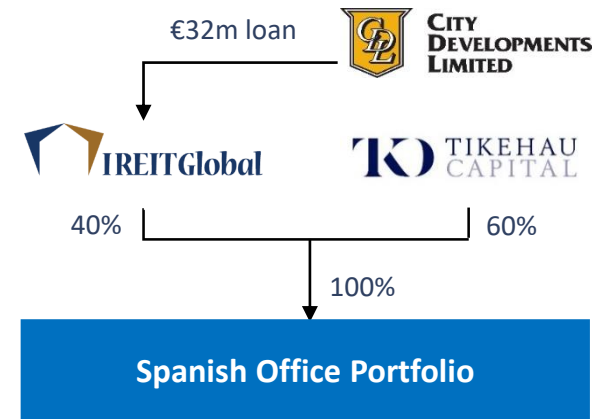


# Transaction Overview

## Proposed acquisition of the remaining 60% stake in the Spanish Office Portfolio

- On 7 December 2019, IREIT partnered with Tikehau Capital SCA ("Tikehau Capital") and City Developments Limited ("CDL") to acquire 100% interest of the entities holding a portfolio of 4 multi-tenanted freehold office properties located in the established secondary office areas of Madrid and Barcelona ("Initial Acquisition")
- The Spanish Office Portfolio is currently held through a 40:60 joint venture ("JV") by IREIT and Tikehau Capital, with CDL extending a €32.0m loan to IREIT to fund its proportionate capital contribution to the JV for the Initial Acquisition
- As part of the JV arrangements, Tikehau Capital granted IREIT a call option to acquire its interest in 60.0% of the shares in the JV for the period of 18 months following completion of the Initial Acquisition ("Call Option")
- IREIT proposes to acquire the balance 60.0% interest in the Spanish Office Portfolio by exercising the Call Option to acquire Tikehau Capital's interest in 60.0% of the shares in the JV (the "Acquisition")
- The purchase consideration of €47.8m is based on the NAV of the JV adjusted by the average of the market values of the Spanish Office Portfolio as at 31 July 2020 determined by two independent valuers
- The Manager intends to finance the Acquisition with part of the net proceeds from a renounceable non-underwritten rights issue of new units to the then existing unitholders of IREIT on a pro rata basis to raise proceeds of up to €90.0m ("Rights Issue"). Part of the net proceeds will also be used to repay CDL's €32.0m loan. Tikehau Capital, CDL, and AT Investments Limited have undertaken to subscribe for all the rights units thereafter

### Transaction structure



Pre-transaction

Post-transaction



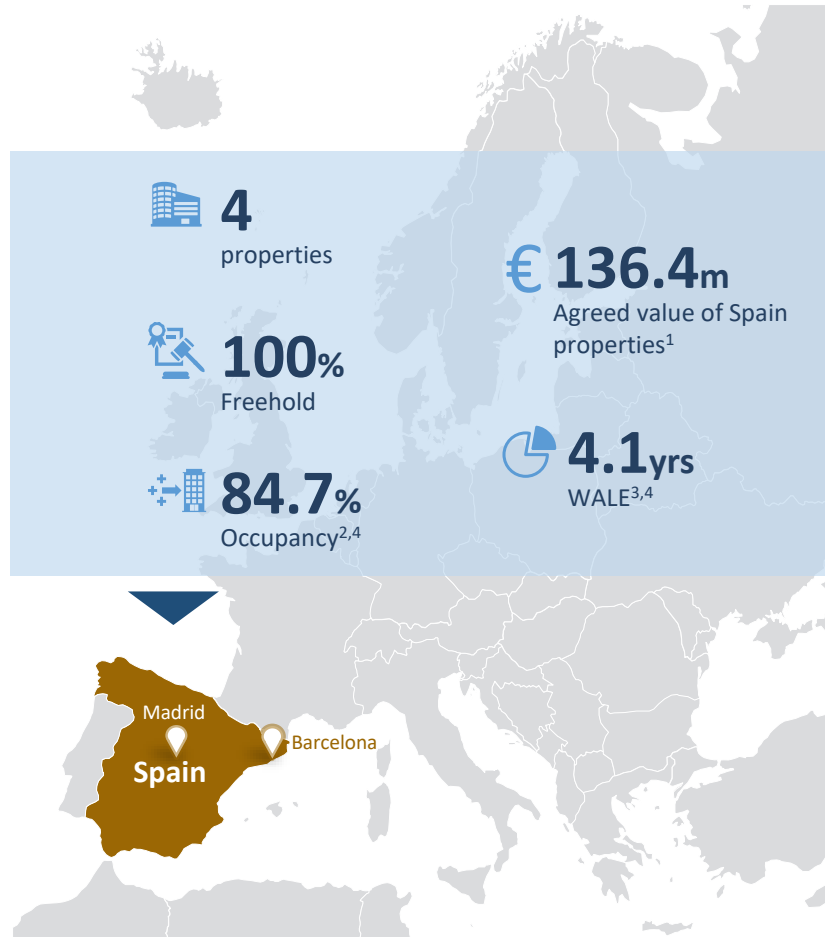
# Overview of the Spanish Office Portfolio

Delta Nova IV	
GLA (sqm)	10,256
Valuation (€m) <sup>1</sup>	29.6
Occupancy (%) <sup>2</sup>	93.7%
WALE (years) <sup>3</sup>	3.6

Delta Nova VI	
GLA (sqm)	14,855
Valuation (€m) <sup>1</sup>	39.8
Occupancy (%) <sup>2</sup>	94.5%
WALE (years) <sup>3</sup>	2.9

Sant Cugat Green	
GLA (sqm)	26,134
Valuation (€m) <sup>1</sup>	40.6
Occupancy (%) <sup>2</sup>	77.1%
WALE (years) <sup>3</sup>	5.3

Il·lumina	
GLA (sqm)	20,922
Valuation (€m) <sup>1</sup>	26.4
Occupancy (%) <sup>2,4</sup>	82.9%
WALE (years) <sup>3,4</sup>	3.8



<sup>1</sup> Based on average of the market values determined by Cushman and Colliers, as at 31 July 2020

<sup>2</sup> Based on all current leases in respect of the properties as at 30 June 2020

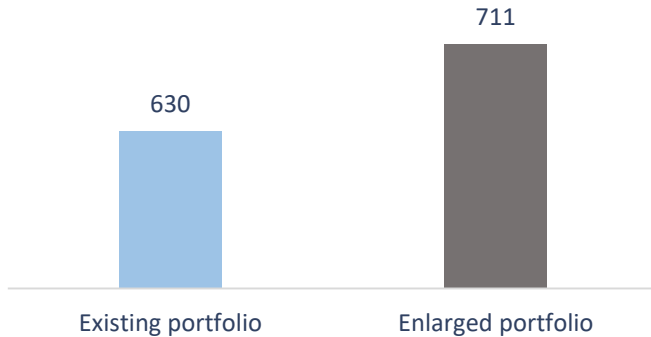
<sup>3</sup> Based on passing rental income information as at 30 June 2020

<sup>4</sup> The lease with AREAS was entered into in May 2020 with commencement in October 2020. Figures are computed based on the assumption that the AREAS lease was already in place as at 30 June 2020

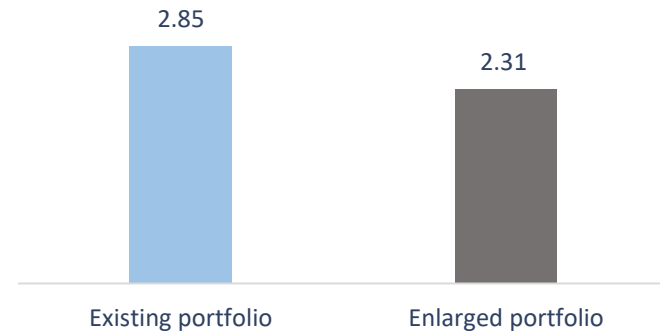
# Illustrative Financial Effects<sup>1</sup>

*Strictly for Illustrative Purposes Only*

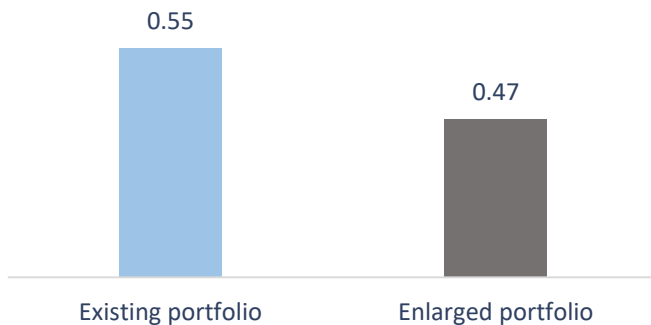
## Valuation (€ m)



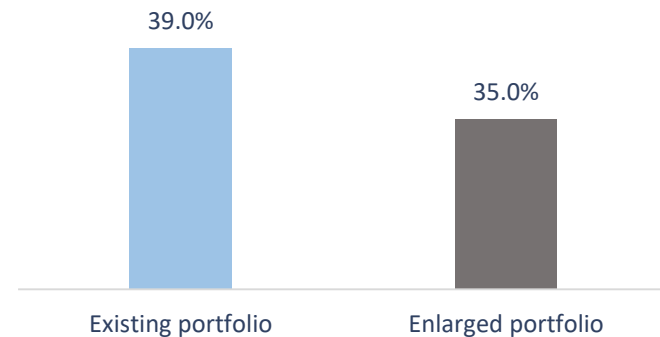
## Distribution Per Unit (Singapore cents)



## NAV per Unit (€)



## Aggregate Leverage



Note: Pro forma numbers are based on 30 June 2020 data

<sup>1</sup> The total cost of the Acquisition is assumed to be fully financed with the Rights Issue. Approximately 281.8 million new Units are issued to raise gross proceeds of approximately €90.0 million to finance the Acquisition and repay the loan. The total cost of the Acquisition is estimated to be €49.1 million comprising: (i) the estimated Purchase Consideration of approximately €47.8 million; (ii) the acquisition fee of approximately €0.8 million payable in Units to the Manager; and (iii) the estimated professional and other fees and expenses of approximately €0.5 million incurred or to be incurred by IREIT in connection with the Acquisition

# Enlarged Property Portfolio Post Acquisition

Spain	
Properties	4
Lettable area (sqm)	72,167
Valuation <sup>1</sup> (€m)	136.4
% of portfolio	19.2%
Occupancy <sup>3</sup>	84.7%
WALE <sup>3</sup>	4.1

Germany	
Properties	5
Lettable area (sqm)	200,820
Valuation <sup>2</sup> (€m)	574.9
% of portfolio	80.8%
Occupancy	99.6%
WALE	3.7



- 9** properties
- 100%** Freehold
- 95.7%** Occupancy<sup>3</sup>
- 3.8yrs** WALE<sup>3</sup>
- €711m** Valuation

# Number of properties

<sup>1</sup> Based on average of the market values determined by Cushman and Colliers, as at 31 July 2020

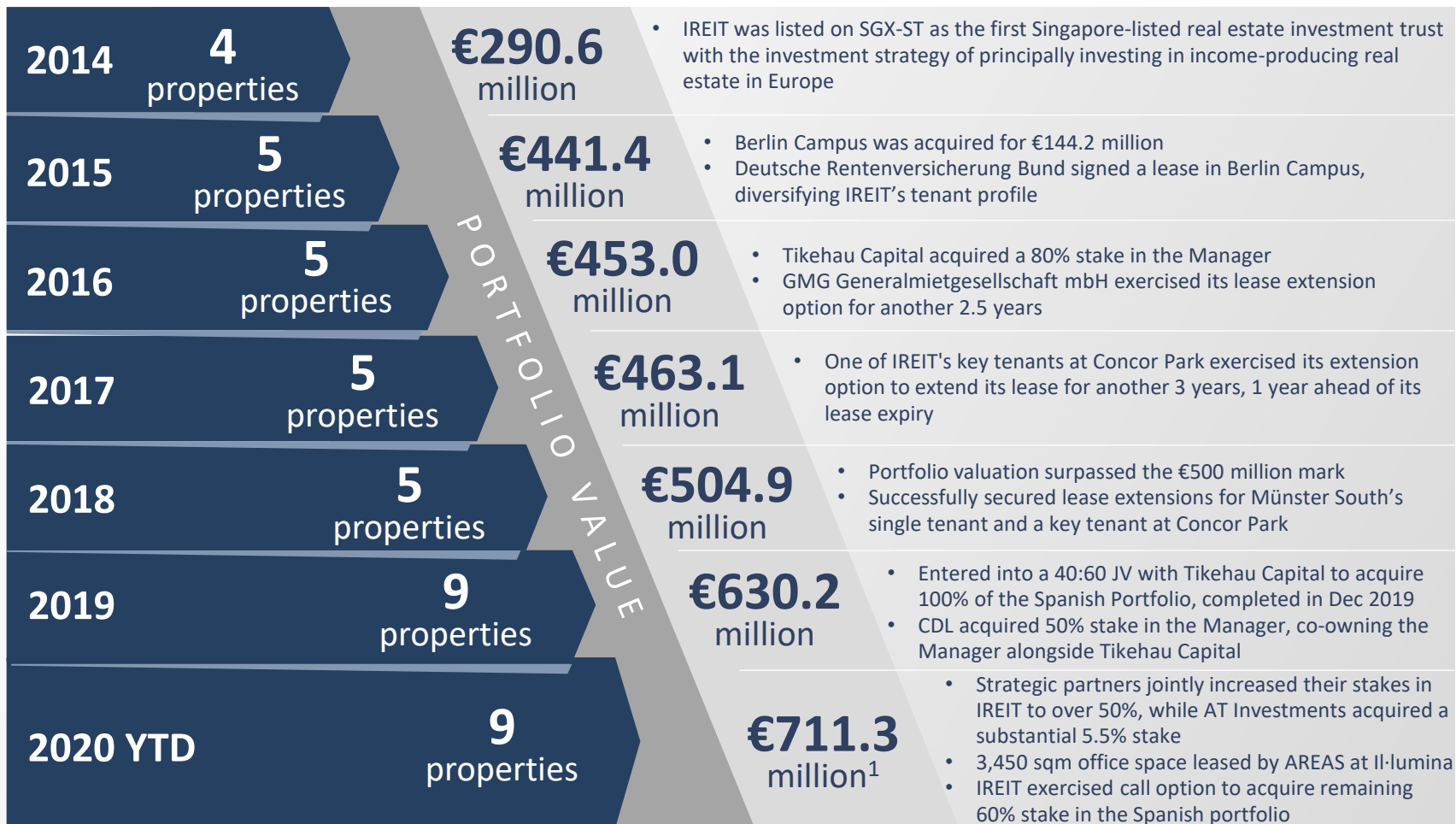
<sup>2</sup> Valuation as at 30 June 2020

<sup>3</sup> The lease with AREAS was entered into in May 2020 with commencement in October 2020. Figures are computed based on the assumption that the AREAS lease was already in place as at 30 June 2020



# IREIT Track Record Since IPO

**145% increase in portfolio value in 2020 YTD since IPO**



<sup>1</sup> Portfolio valuation post capital increase

# Key Rationale and Benefits

2



*Bonn Campus*

# Key Rationale and Benefits

**1**

**Deepens IREIT's Strategic Presence in Spain, the Fifth Largest Economy in Europe**

**2**

**Achieves Full Ownership of a High Quality Office Portfolio**

**3**

**Increases Portfolio Strength through Enhanced Portfolio Diversification**

**4**

**Asset Management Opportunities with Benefits from Decentralisation Trends**

**5**

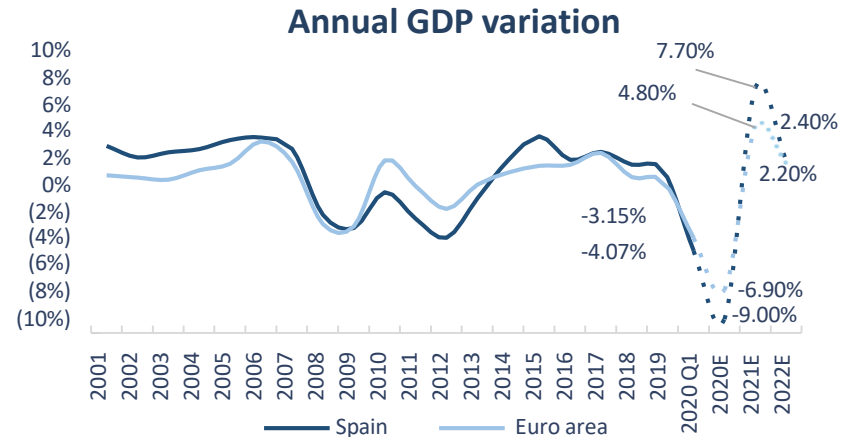
**Leveraging on Strategic Investors' Strong Platform and Resources**

1

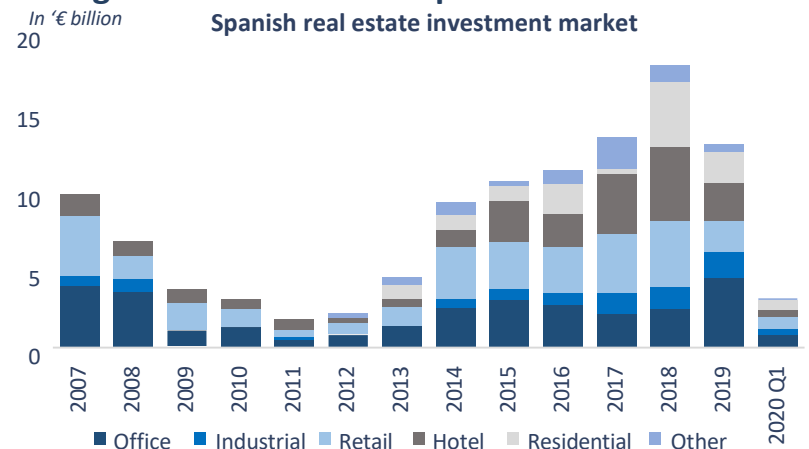
# Deepens Strategic Presence in Spain, the Fifth Largest Economy in Europe

**Spain is expected to benefit from structural tailwinds including Brexit opportunities and a robust COVID-19 recovery plan**

- The transaction will deepen IREIT’s strategic presence in Spain, where GDP growth is expected to outpace that of the Eurozone, at a forecasted 7.7% and 2.4% in 2021 and 2022 respectively
- The economic recovery is also supported by the national government stimulus plans, which includes the ETRE scheme, public credit guarantee schemes and tax moratoriums as well as over €140 billion from the European COVID-19 recovery fund
- Spain continues to be attractive to MNCs and is also a key beneficiary of Brexit, where notably over 30 large companies including American Express and Uber have increased their activity or relocated their headquarters to Spain in the recent years
- This can be attributed to its competitive positioning, strong infrastructure and workforce, Mediterranean climate and robust business policies



## Strong investor interest in Spanish real estate market



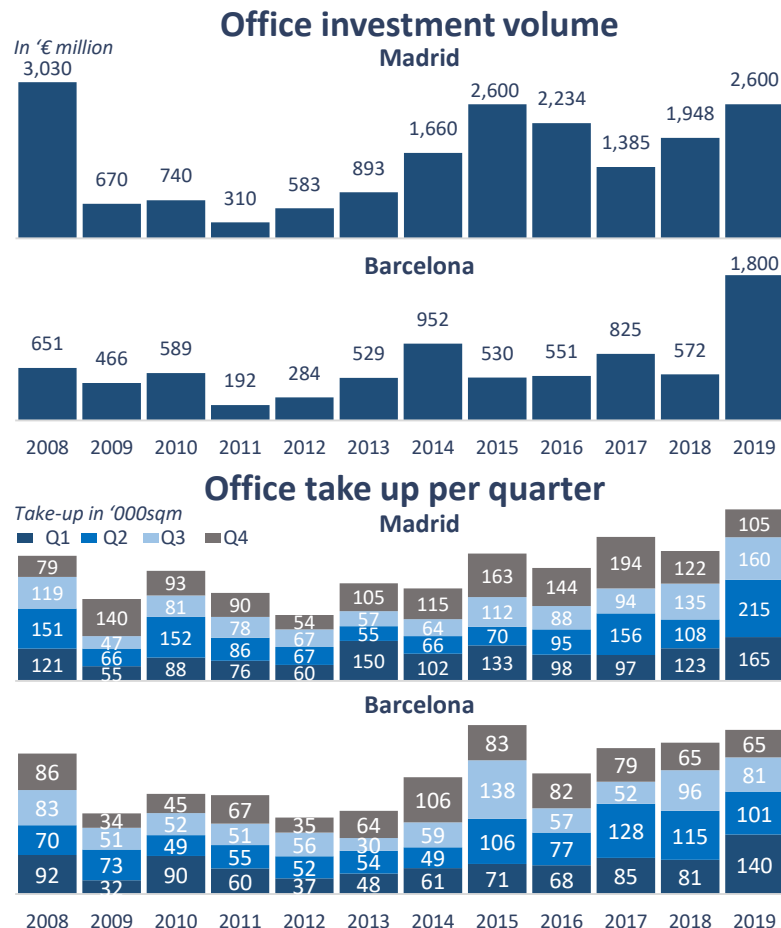
\*Including corporate deals

# 1

# Strong Growth Trends in Madrid and Barcelona Office Markets

## Office fundamentals are stronger in the key economic cities of Madrid and Barcelona

- Madrid is the Spanish capital and largest city in Spain whilst Barcelona is the second largest city. Madrid is a major financial centre and leading economic hub of Southern Europe, while Barcelona is a leading European economic and cultural city and the main biotech hub of Spain
- Spain's office market has seen strong investor interest due to its favourable sector fundamentals, evidenced by the doubling of investments in the Spanish office sector to €4.5 billion in 2019, €4.4 billion of which were Madrid and Barcelona transactions
- 2019 office take-up rates in Madrid and Barcelona grew 32% and 8% respectively while vacancy rates stood strong at 8% and 7%. This has incrementally supported the expansion of the Madrid and Barcelona office sectors into decentralised areas, where recent tenants such as ING and Caixabank are taking up 35,000 sqm and 12,800 sqm leases in the decentralised regions



Source: Colliers, as at July 2020



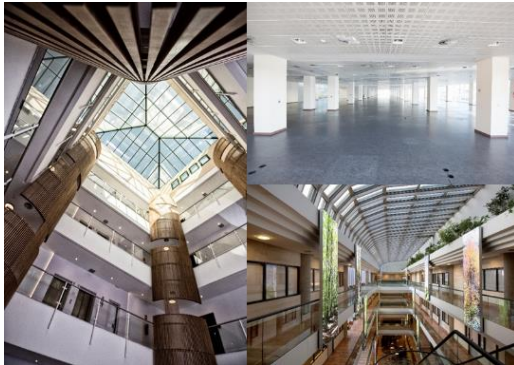
# 2

# High Quality Portfolio with Freehold and Highly Accessible Buildings

**IREIT will gain full control of four strategically located freehold office buildings**

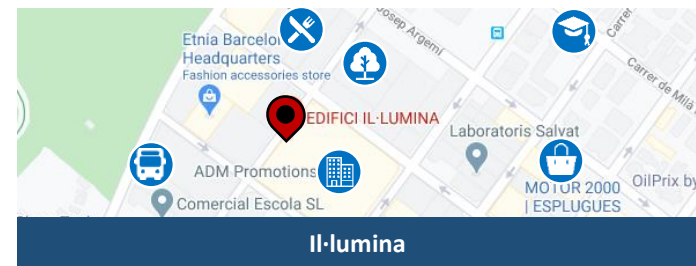
- Located in established secondary office areas of Madrid and Barcelona, the properties are in close proximity to a wide range of services, including entertainment venues, hotels and restaurants
- The properties are also within walking distance from public transportation stations, enhancing their accessibility and attractiveness as an office location
- All the properties have also been awarded the LEED certification from the U.S. Green Building Council, and have flexible and modular floor plates with high capacity and efficiency, benefitting from natural light

### LEED certified properties



Source: Colliers, as at July 2020

### Good location with access to nearby facilities



- Offices
- Clinics
- Schools
- Restaurants
- Location of property
- Retail
- Parks
- Bus stops

# Diversified Tenant Base of Strong Credit Quality

## Strong historical occupancy rates with blue-chip tenants and well-distributed WALE of Spanish Properties

- As a testament to the strength and quality of the Spanish Properties, all properties outperformed the areas in which they are located in, with an overall occupancy rate of 85%. Even amidst the ongoing COVID-19 pandemic, a 5-year lease in Il.lumina was secured with AREAS, a global leader in food and beverage services
- The Spanish Properties remained resilient with less than 2% of tenants by rent requesting for rental rebates between April and June 2020
- Post-acquisition, the WALE is expected to increase to 3.8 from 3.7 years, with less than 32% of leases expiring in any given year, compared to 35% before. With few leases expiring in 2020 to 2021, the COVID-19 impact on the properties is expected to be minimal

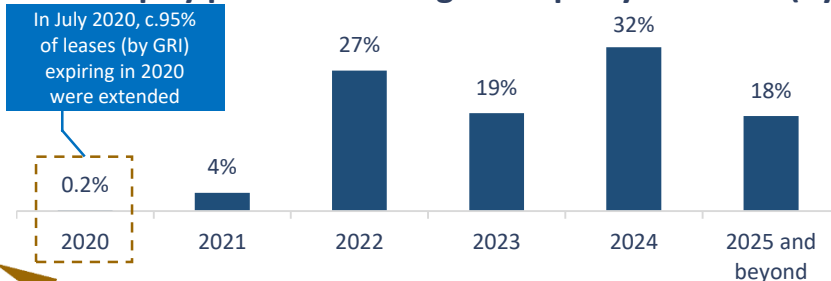
### Top tenants of the Spanish Portfolio

No.	Tenant	Business sector	Contribution to Portfolio GRI
1	DXC Technology	Technology	23.6%
2	Roche Diagnostics	Healthcare	11.4%
3	CCMA	Comms. (Public)	8.4%
4	Gesif (Cabot)	Financial services	8.0%
5	Digitex Informatica	Technology	8.0%

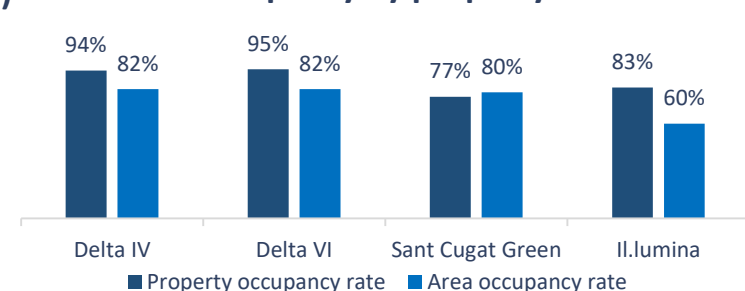
Investment grade Fortune 500 company listed on the NYSE

Diagnostics division of the 2<sup>nd</sup> largest pharmaceutical company globally

### Lease expiry profile of Enlarged Property Portfolio (by GRI)



### Occupancy by property



Source: Colliers, as at July 2020

Note: The lease with AREAS was entered into in May 2020 with commencement in October 2020. Figures are computed based on the assumption that the AREAS lease was already in place as at 30 June 2020

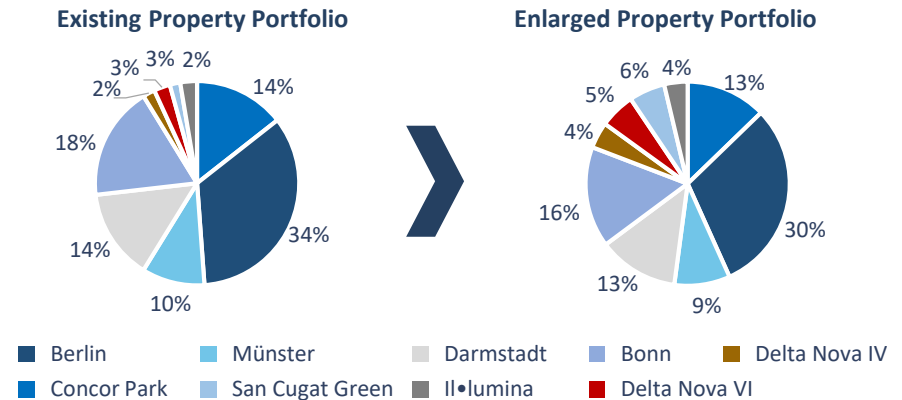
# 3

## Increased Portfolio Strength through Enhanced Portfolio Diversification

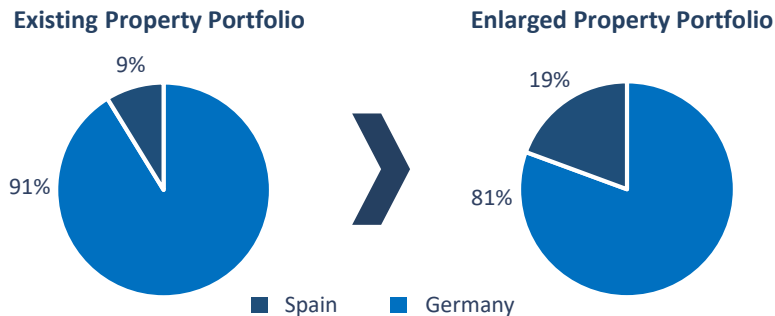
**Additional geographic and asset diversification to bolster portfolio strength and resilience**

- Upon completion of the acquisition, IREIT's aggregate valuation will increase by 13% from €630 million to €711 million
- The acquisition will decrease IREIT's portfolio exposure to Germany from 91% to 81% of its Enlarged Property Portfolio
- Additional asset diversification will also be achieved as no single property will contribute to more than 30% of IREIT's valuation. Largest exposure to any single city will also decrease from 35% to 30%

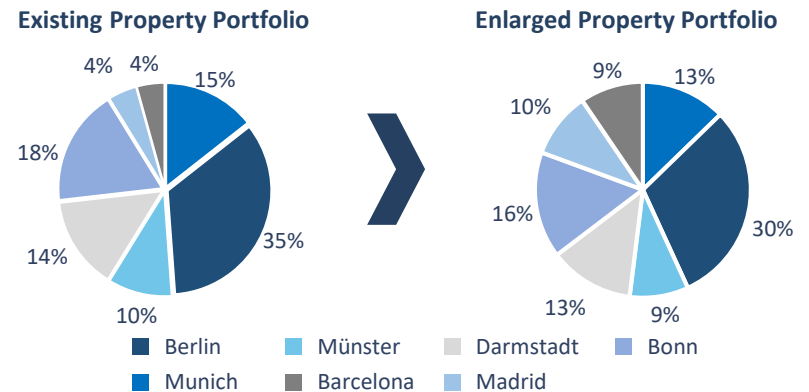
### Diversification across assets



### Diversification across countries



### Diversification across cities



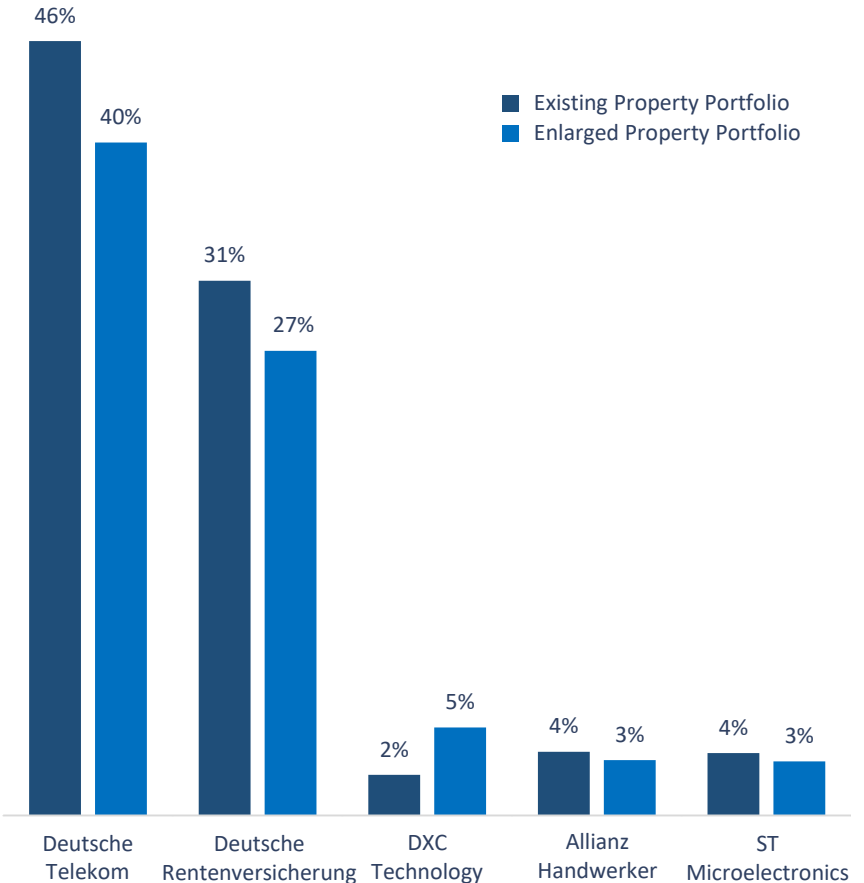
# 3

## Reduced Tenant and Sector Concentration

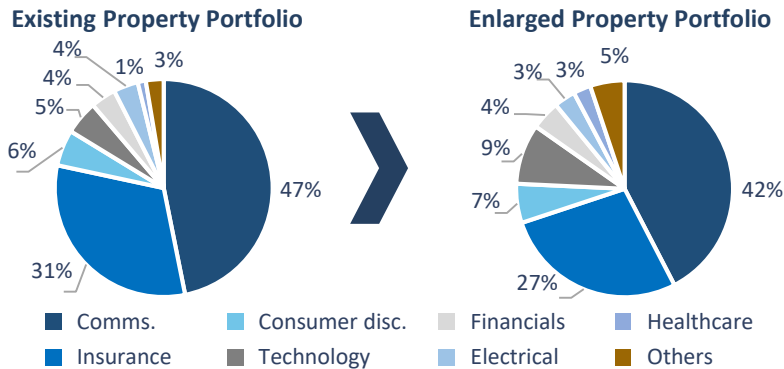
### Increased diversification of tenant sectors and reducing reliance on top tenants

- The top 5 tenants' aggregate contribution to the portfolio's GRI will decrease from 87% to 78% on a pro-forma basis, and no single tenant will contribute over 40% of aggregate GRI from 46% previously
- The tenant base includes companies from a wide range of sectors, with 12% coming from sectors which are growing or defensive such as technology and healthcare
- Further tenant sector diversification will be achieved, reducing the portfolio's largest sector exposure by GRI, communications, from 47% to 42%

**Top 5 tenants in Enlarged Property Portfolio**



**Diversification across sectors**



Source: Cushman and Colliers, as at 31 July 2020

Note: The lease with AREAS was entered into in May 2020 with commencement in October 2020. Figures are computed based on the assumption that the AREAS lease was already in place as at 30 June 2020

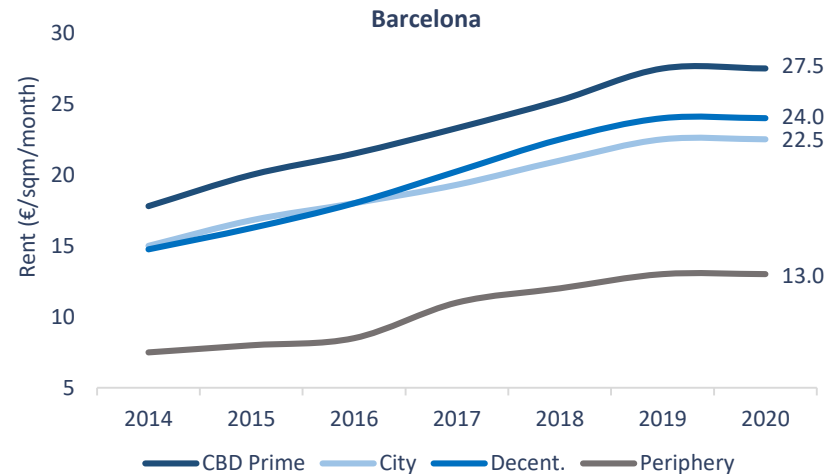
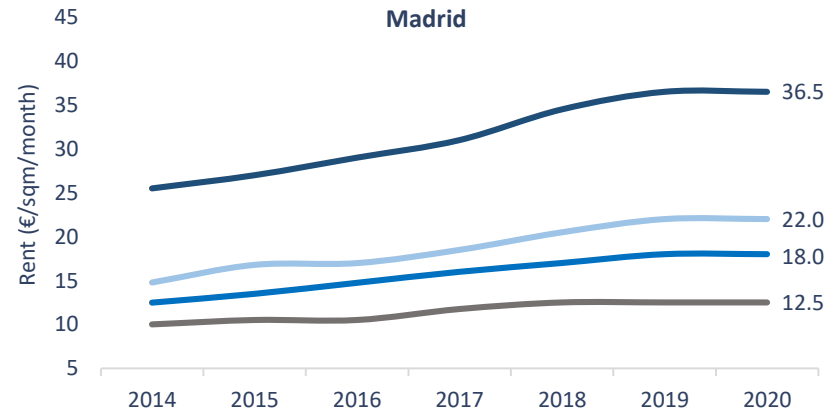
# 4

## Asset Management Opportunities to Drive Strong Organic Growth

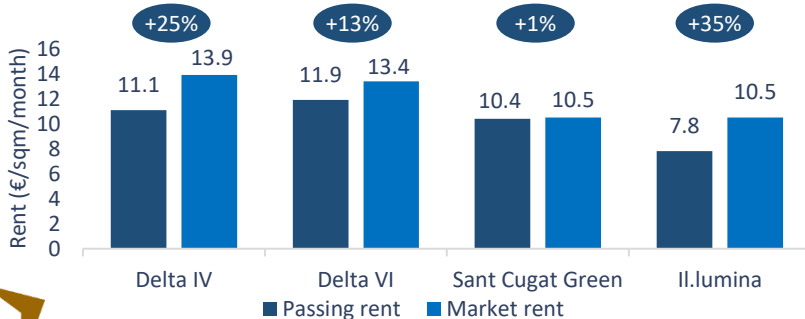
Strong potential for organic growth via rental reversions and peak rental upside

- Grade A office rents for both Madrid and Barcelona have been rising since 2014, and rents in decentralised areas have increased with compounded average growth rates of 8% and 10% between 2014 to 2019 respectively
- This is supported by the high occupancy rates of 85% which are expected to continue in 2021 due to the favourable business climate, dynamic labour market and good infrastructure
- Passing rents of the properties are on average 15% below their respective market rents, presenting future organic growth opportunities as leases are marked to market

Office market characterized by increasing rents



Gap between passing and market rental rates



Source: Colliers, as at July 2020



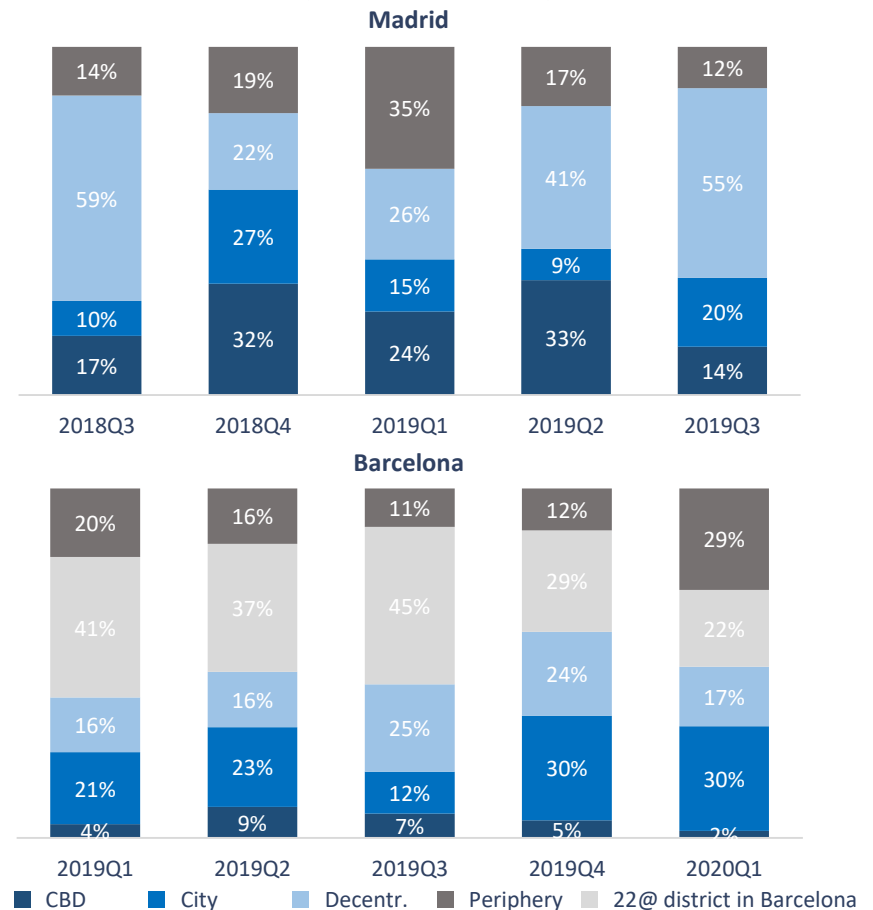
# 4

## Decentralisation Trends to Drive Demand and Occupancy Rates

Clear reduction in CBD area take-up observed in favour of decentralised locations

- Decentralisation trends have been observed in recent years as the distribution of take-up rates in secondary locations have increased relative to CBD
- Companies that require more office space are more likely to move to decentralised submarkets due to higher availability rates and lower rents compared to CBD. However, the decentralised locations still need to be well-connected with a range of services available in the area in order to be attractive
- In 2019 and 2020, 54% of deals closed within Madrid and Barcelona with a surface area in excess of 5,000 sqm were in decentralised areas such as Manoteras
- The growth in popularity of decentralised locations is evidenced by the steadily declining vacancy rates in 22@, a decentralised technology district in Barcelona, as demand for office space in these submarkets increased over the years. Other areas, such as Sant Cugat also hosts a large number of companies in the health and technology industries

Take-up distribution by area



Source: Colliers, as at July 2020

# Leveraging on Strategic Investors' Strong Platform and Resources

**IREIT will continue to tap on the extensive networks, sourcing capabilities and intricate knowledge of the local markets for future strategic growth opportunities**

- The Acquisition would complete IREIT's 100% ownership of the Spanish Office Portfolio
- IREIT will benefit from an improved outlook with the support of its Joint Sponsors, as the acquisition demonstrates its ability to leverage on their strong platform and resources
- Tikehau Capital has deep asset and investment management experience across Europe. Its real estate business is the largest operating segment, with assets under management ("AUM") of €9.6 billion as at 30 June 2020
- CDL is a leading global real estate company with a network spanning 106 locations in 29 countries and regions, and over 55 years of proven track record in real estate development, investment and management

**TIKEHAU**  
CAPITAL



Spain



Italy



Singapore



Belgium



Netherlands



South Korea



France



Luxembourg



Japan



United States



United Kingdom



**CITY**  
**DEVELOPMENTS**  
**LIMITED**



3

## Appendix



*Münster Campus*

# Overview of the German Properties



**Berlin Campus**



**Bonn Campus**



**Darmstadt Campus**



**Münster Campus**



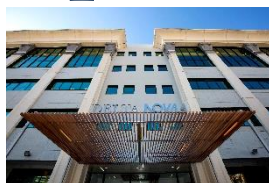
**Concor Park**

<b>Location</b>	Berlin	Bonn	Darmstadt	Münster	Munich
<b>Date of building completion</b>	1994	2008	2007	2007	1978 and fully refurbished in 2011
<b>Valuation as at 30 June 2020 (€ million)</b>	217.0	113.7	90.5	62.9	90.8
<b>Lettable area (sqm)</b>	79,097	32,736	30,371	27,204	31,412
<b>Occupancy rate as at 30 June 2020</b>	100.0%	100.0%	100.0%	100.0%	97.5%
<b>Land tenure</b>	Freehold	Freehold	Freehold	Freehold	Freehold
<b>WALE (by gross rental income, as at 30 June 2020)</b>	4.0	2.8	2.3	2.7	6.8
<b>Number of tenants</b>	7	1	1	2	15
<b>Major tenants</b>	Deutsche Rentenversicherung Bund	GMG, a wholly-owned subsidiary of Deutsche Telekom	GMG, a wholly-owned subsidiary of Deutsche Telekom	GMG, a wholly-owned subsidiary of Deutsche Telekom	ST Microelectronics, Allianz, Ebase, Yamaichi

# Overview of the Spanish Properties



Delta Nova IV



Delta Nova VI



Sant Cugat Green



Il·lumina

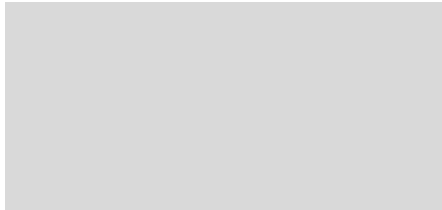
Location	Madrid	Madrid	Barcelona	Barcelona
Date of building completion	2005 and refurbished in 2015	2005 and refurbished in 2015	1993	1970s and fully redeveloped in 2004
Valuation as at 31 July 2020 (€ million) <sup>1</sup>	29.6	39.8	40.6	26.4
Lettable area (sqm)	10,256	14,855	26,134	20,922
Occupancy rate as at 30 June 2020	93.7%	94.5%	77.1%	82.9% <sup>2</sup>
Land tenure	Freehold	Freehold	Freehold	Freehold
WALE (by gross rental income, as at 30 June 2020) <sup>3</sup>	3.6	2.9	5.3	3.8 <sup>2</sup>
Number of tenants	11	9	4	11
Major tenants	Gesif, Anticipa, E Voluciona, Aliseda	Almaraz, Clece, Digitex	DXC Technology, Roche, Sodexo	ÁREAS, Catalan Media, Digitex, Coca Cola European Partners

<sup>1</sup> Based on average of the market values determined by Cushman and Colliers, as at 31 July 2020

<sup>2</sup> The lease with AREAS was entered into in May 2020 with commencement in October 2020. Figures are computed based on the assumption that the AREAS lease was already in place as at 30 June 2020

<sup>3</sup> The Manager had also successfully extended several leases in July 2020 for the Spain Properties expiring in December 2020. Figures are computed based on the assumption that the extension of leases was already in place as at 30 June 2020





# Thank You

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