

IREIT announces rights issue to raise S\$142.8 million

- ◆ 291.4 million Rights Units to be issued on a 454-for-1,000 basis
- ◆ Issue price of S\$0.490 represents a discount of 32.9% to the Closing Price of S\$0.730 per Unit, and 25.2% to the theoretical ex-rights price of S\$0.655 per Unit
- ◆ IREIT's key strategic investors have committed to subscribe for their pro-rata entitlements and all unsubscribed Rights Units
- ◆ Proceeds raised to be mainly used for the acquisition of the remaining 60% interest in the Spain Properties and repayment of the CDL Loan in relation to the Spain Properties

SINGAPORE ◆ 18 SEPTEMBER 2020

For immediate release

On behalf of IREIT Global (IREIT), a Europe-focused real estate investment trust, IREIT Global Group Pte. Ltd., as manager of IREIT (the Manager), announced today that IREIT will be launching a Rights Issue to raise gross proceeds of approximately S\$142.8 million (approximately €88.7 million), which will be mainly used to finance the acquisition of the remaining 60% interest (Acquisition) in a portfolio of four freehold multi-tenanted office buildings located in Madrid and Barcelona, Spain (Spain Properties) from Tikehau Capital and repayment of the CDL Loan.

The Rights Issue comprises an offer of 291,405,597 Rights Units on a renounceable non-underwritten basis to eligible unitholders based on the Rights Ratio of 454 Rights Units for every 1,000 existing units in IREIT at an issue price of S\$0.490 per Rights Unit (Issue Price). The Issue Price represents a discount of approximately 32.9% to the closing price of S\$0.730 per Unit on the SGX-ST as of 18 September 2020, and approximately 25.2% to the theoretical ex-rights price (TERP) of S\$0.655 per Unit.

The Manager had received the requisite Unitholders' approval at its extraordinary general meeting (EGM) held earlier today for the Acquisition.

The Spain Properties is currently held through a 40:60 joint venture (JVCo) by IREIT and Tikehau Capital. On 7 December 2019, IREIT partnered with Tikehau Capital and City Developments Limited (CDL) to acquire 100% interest in the Spain Properties (Initial Acquisition), with CDL's wholly-owned subsidiary, City Strategic Equity Pte. Ltd. (CSEPL), extending a €32.0 million loan to IREIT to fund its 40% investment (CDL Loan). As part of the transaction, Tikehau Capital granted IREIT a call option to acquire its 60% shares in the JVCo within 18 months following completion of the Initial Acquisition.

On 7 August 2020, IREIT exercised the call option to acquire Tikehau Capital's 60% interest in the JVCo. The Purchase Consideration is estimated at €47.8 million, derived based on the consolidated net asset value of the JVCo as at 30 June 2020, as adjusted based on the agreed market value of the Spain Properties as at 31 July 2020. The final Purchase Consideration shall be subject to post-completion adjustments based on the consolidated net asset value of the JVCo as at the date of completion.

To demonstrate support for IREIT and the Rights Issue, Tikehau Capital, CSEPL and AT Investments Limited (AT Investments), will each subscribe for their respective total provisional allotments of the Rights Units corresponding to its direct interest in IREIT. Additionally, CSEPL and AT Investments will undertake to subscribe for any additional Rights Units that remain unsubscribed by other Unitholders.

Use of Proceeds

The Manager intends to utilise approximately S\$77.8 million (approximately €48.3 million) of the gross proceeds for the Purchase Consideration of the Acquisition and related expenses incurred and to be incurred by IREIT; approximately S\$51.5 million (approximately €32.0 million) for the repayment of the CDL Loan. The balance gross proceeds of S\$13.5 million (approximately €8.4 million) will be used towards future capital expenditure, repayment of debt and/or acquisition, and payment of professional and other fees in relation with the Acquisition and the Rights Issue.

Rationale for the Acquisition and Rights Issue

The Rights Issue would provide Unitholders an opportunity to participate in the future growth of IREIT through subscription of their pro-rata Rights Units entitlements, with flexibility afforded through the renounceable Rights Issue.

The Manager believes that the Acquisition will bring key benefits to Unitholders as it will deepen IREIT's presence in Spain, allow IREIT to achieve full ownership of a high-quality office portfolio and enhance IREIT's portfolio strength through diversification. The decentralisation trend in office take-ups will also provide attractive asset management opportunities to the Manager. Furthermore, IREIT will be able to leverage its strategic investors' strong platform and resources to capture other opportunities.

Mr Louis d'Estienne d'Orves, Chief Executive Officer of the Manager, said, "We are excited to fully acquire these properties in Spain as their strategic location and quality tenants allow us to further tap into defensive sectors such as technology and healthcare. With the Spain Properties' passing rents currently below market rates, there is potential for positive rental reversions. Importantly, the Spain Properties are also complementary to our existing portfolio and will increase our portfolio strength through diversification."

Post Acquisition Enlarged Portfolio

IREIT's enlarged portfolio post-Acquisition will comprise five properties in Germany and four properties in Spain. All nine properties are 100% freehold, boasting a high portfolio occupancy rate of approximately 95.7% and a healthy WALE of 3.8 years as at 30 June 2020.

"We are truly grateful for the strong vote of confidence from our key strategic investors and we strongly believe that the Acquisition will allow IREIT to unlock additional potential and benefits that will eventually lead to Unitholders' return over the long term," added Mr d'Estienne d'Orves.



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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 five freehold office properties in Germany, located in Berlin, Bonn, Darmstadt, Münster and Munich and four freehold office properties in Spain, located in Madrid and Barcelona.

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 an asset management and investment 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 an asset management and investment group with €25.7 billion of assets under management as at 30 June 2020 and shareholders' equity of €3.1 billion as at 31 December 2019. The Group invests in various asset classes (private debt, real estate, private equity and liquid strategies), including through its asset management subsidiaries, on behalf of institutional and private investors. Controlled by its managers, alongside leading institutional partners, Tikehau Capital employs more than 530 staff in its Paris, London, Amsterdam, Brussels, Luxembourg, Madrid, Milan, New York, Seoul, Singapore and Tokyo offices.

Tikehau Capital is listed on the regulated market of Euronext Paris, Compartment A (ISIN code: FR0013230612; Ticker: TKO.FP).





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ABOUT CITY DEVELOPMENTS LIMITED

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

City Developments Limited (CDL) is a leading global real estate company with a network spanning 106 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 Units and the income derived from them, if any, may fall or 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. The past performance of IREIT is not necessarily indicative of the future performance of IREIT.





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 SGX-ST. It is intended that holders of Units may only deal in their Units through trading on the SGX-ST. The listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This press release 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, 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 current view of future events.

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