

OFFER INFORMATION STATEMENT DATED 28 SEPTEMBER 2020

(Lodged with the Monetary Authority of Singapore on 28 September 2020)

THIS OFFER INFORMATION STATEMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax or other professional adviser.

The collective investment scheme offered in this Offer Information Statement is an authorised scheme under the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"). A copy of this Offer Information Statement, together with the application form ("ARE") for the new units in IREIT Global ("IREIT") to be issued for the purpose of the Rights Issue (as defined herein) ("Rights Units") and Excess Rights Units (as defined herein) and the application form and acceptance form ("ARS") for Rights Units to be issued to purchasers of the Rights Entitlements (as defined herein) under the Rights Issue traded on Singapore Exchange Securities Trading Limited (the "SGX-ST") under the book-entry (scripless) settlement system, has been lodged with the Monetary Authority of Singapore (the "Authority" or the "MAS"). The Authority assumes no responsibility for the contents of this Offer Information Statement, the ARE and the ARS. Lodgement of this Offer Information Statement with the Authority does not imply that the SFA, or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the units being offered, or in respect of which an invitation is made, for investment.

Approval in-principle has been obtained from the SGX-ST for the listing and quotation of the Rights Units on the Main Board of the SGX-ST. The SGX-ST's in-principle approval is not to be taken as an indication of the merits of the Rights Issue, the Rights Units, IREIT and/or its subsidiaries. The SGX-ST assumes no responsibility for the accuracy of any statements made, reports contained or opinions expressed in this Offer Information Statement. No units in IREIT ("Units") shall be allotted or allocated on the basis of this Offer Information Statement later than the date falling six months from the date of lodgement of this Offer Information Statement.

This Offer Information Statement may not be sent to any person or any jurisdiction in which it would not be permissible to deliver the Rights Units and the "nil-paid" provisional allotment of Rights Units to Eligible Unitholders (as defined herein) under the Rights Issue (the "Rights Entitlements") or make an offer of the Rights Units and the Rights Entitlements and the Rights Units and Rights Entitlements may not be offered, sold, resold, transferred or delivered, directly or indirectly, to any such person or in any such jurisdiction. Any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdictions. This Offer Information Statement is not for distribution, directly or indirectly, into the United States of America (the "US"). The Rights Units and Rights Entitlements have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act") or under any securities laws of any state or other jurisdiction of the US and may not be offered, sold, resold, allotted, taken up, exercised, pledged, transferred or delivered, directly or indirectly, within the US except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the US. The Rights Units and Rights Entitlements are being offered and sold outside the US in offshore transactions as defined in and in reliance on Regulation S under the Securities Act ("Regulation S"). Please refer to the section entitled "Offering, Selling and Transfer Restrictions" of this Offer Information Statement.



MANAGED BY
IREIT GLOBAL GROUP PTE. LTD.

Company Registration Number: 201331623K

RENOUNCEABLE AND NON-UNDERWRITTEN RIGHTS ISSUE (THE "RIGHTS ISSUE") OF 291,405,597 RIGHTS UNITS AT AN ISSUE PRICE OF S\$0.490 FOR EACH RIGHTS UNIT (THE "ISSUE PRICE"), ON THE BASIS OF 454 RIGHTS UNITS FOR EVERY 1,000 EXISTING UNITS (THE "RIGHTS RATIO") HELD BY ELIGIBLE UNITHOLDERS AS AT 28 SEPTEMBER 2020 AT 5.00 P.M. (THE "RIGHTS ISSUE RECORD DATE"), FRACTIONAL ENTITLEMENTS TO BE DISREGARDED

Joint Lead Managers for the Rights Issue



IMPORTANT DATES AND TIMES	
(The following is qualified by, and should be read in conjunction with, the section entitled "Timetable of Key Events" of this Offer Information Statement)	
Commencement of splitting and trading of Rights Entitlements	: 1 October 2020 from 9.00 a.m.
Last date and time for trading of Rights Entitlements	: 9 October 2020 at 5.00 p.m.
Last date and time for acceptance of the Rights Entitlements and payment for Rights Units	: 15 October 2020 at 5.00 p.m. (9.30 p.m. for Electronic Applications through ATMs of Participating Banks (each as defined herein))
Last date and time for acceptance of and payment by the renounee	: 15 October 2020 at 5.00 p.m. (9.30 p.m. for Electronic Applications through ATMs of Participating Banks)

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NOTICE TO UNITHOLDERS AND INVESTORS

No person has been authorised to give any information or make any representations other than those contained in this Offer Information Statement in connection with the Rights Issue and, if given or made, such information or representations must not be relied upon as having been authorised by or on behalf of IREIT, IREIT Global Group Pte. Ltd., as manager of IREIT (the “**Manager**”), DBS Trustee Limited, as trustee of IREIT (the “**Trustee**”), or Credit Suisse (Singapore) Limited and DBS Bank Ltd., as joint lead managers for the Rights Issue (collectively, the “**Joint Lead Managers**”). Save as expressly stated in this Offer Information Statement, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of IREIT or the Manager. Neither the delivery of this Offer Information Statement nor the issue of the Rights Units shall, under any circumstances, constitute a representation, or give rise to any implication, that there has been no material change in the affairs of IREIT or in any of the information contained herein since the date of this Offer Information Statement. Where such changes occur after the date of this Offer Information Statement and are material and required to be disclosed by law and/or the SGX-ST, the Manager will announce such changes via SGXNET¹, and if required, lodge a supplementary or replacement document with the Authority. All holders of Units (“**Unitholders**”) and investors should take note of any such announcement and, upon the release of such announcement or lodgement of such supplementary or replacement document, as the case may be, shall be deemed to have notice of such changes.

For Eligible Unitholders, acceptances of the Rights Entitlements and (if applicable) applications for Excess Rights Units may be made through The Central Depository (Pte) Limited (“**CDP**”) or through an automated teller machine (“**ATM**”) of DBS Bank Ltd. (including POSB), Oversea-Chinese Banking Corporation Limited or United Overseas Bank Limited (each a “**Participating Bank**”) in accordance with the terms and conditions of this Offer Information Statement (“**Electronic Application**”).

Central Provident Fund (“CPF”) Investment Scheme (“CPFIS”) investors, Supplementary Retirement Scheme (“SRS”) investors and investors who hold Units through a finance company and/or Depository Agent (as defined herein) should see the section entitled “Important Notice to A) CPFIS Investors, (B) SRS Investors and (C) Investors Who Hold Units Through a Finance Company and/or Depository Agent” of this Offer Information Statement for important details relating to the offer procedures for them.

This Offer Information Statement, the ARE and the ARS may not be used for the purpose of, and does not constitute, an offer, invitation or solicitation in any jurisdiction or in any circumstances in which such offer, invitation or solicitation is unlawful or unauthorised, or to any person to whom it is unlawful to make such offer, invitation or solicitation. In addition, no action has been or will be taken in any jurisdiction (other than Singapore) that would permit a public offering of the Rights Units or the possession, circulation or distribution of this Offer Information Statement or any other material relating to IREIT or the Rights Units in any jurisdiction (other than Singapore) where action for that purpose is required. The Rights Units may not be offered or sold, directly or indirectly, and neither this Offer Information Statement nor any other offering material or advertisements in connection with the Rights Units may be distributed or published in or from any country or jurisdiction, except, in each case, under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction, and the Manager and the Trustee expressly reserve the right to determine in their sole discretion whether to comply with any such applicable rules and regulations for the Rights Units to be offered and sold in such country or jurisdiction. No information in this Offer Information Statement should be considered to be business, financial, legal or tax advice regarding an investment in the Rights Units and/or Units.

¹ An internet-based corporate announcement submission system maintained by the SGX-ST.

The Manager, the Trustee, the Joint Lead Managers and each of their respective officers and employees make no representation, warranty or recommendation whatsoever as to the merits of the Rights Issue, the Rights Units, the Rights Entitlements, the Units, the Manager or IREIT and/or its subsidiaries, or any other matter related thereto or in connection therewith. Nothing in this Offer Information Statement or the accompanying documents shall be construed as a recommendation to subscribe for the Rights Units or to purchase the Rights Entitlements. Prospective subscribers of Rights Units and purchasers of Rights Entitlements should rely, and shall be deemed to have relied, on their own independent enquiries and investigations of the affairs of IREIT, including but not limited to, the assets and liabilities, profits and losses, financial position, financial performance, risk factors and prospects of IREIT, and their own appraisal and determination of the merits of investing in IREIT. Persons in doubt as to the action they should take should consult their business, financial, legal, tax or other professional adviser before deciding whether to subscribe for or purchase the Rights Units or the Rights Entitlements.

This Offer Information Statement and the accompanying documents have been prepared solely for the purposes of the Rights Issue and may not be relied upon for any other purposes.

The Rights Units and the Rights Entitlements have not been and will not be registered under the Securities Act or under any securities laws of any state or other jurisdiction of the US and may not be offered, sold, resold, allotted, taken up, exercised, pledged, transferred or delivered, directly or indirectly, within the US except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the US. The Rights Units and the Rights Entitlements are being offered and sold in offshore transactions (as defined under Regulation S) in reliance on Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the Rights Issue, any offer, sale or transfer of the Rights Entitlements or the Rights Units in or into the US by a dealer (whether or not participating in the Rights Issue) may violate the registration requirements of the Securities Act.

The distribution of this Offer Information Statement and/or its accompanying documents may be prohibited or restricted by law (either absolutely or subject to various securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of these jurisdictions. Eligible Unitholders, their renounees, Purchasers or any other persons having possession of this Offer Information Statement and/or its accompanying documents are advised to keep themselves informed of and observe such prohibitions and restrictions at their own expense and without liability to the Manager, the Trustee, the Joint Lead Managers or any other person involved in the Rights Issue.

Please refer to the section entitled “**Offering, Selling and Transfer Restrictions**” and “**Eligibility of Unitholders to Participate in the Rights Issue**” of this Offer Information Statement.

Selected financial data from the audited financial statements of IREIT for the financial year ended 31 December 2017 (“**FY2017**”, and the audited financial statements of IREIT for FY2017, the “**2017 Audited Financial Statements**”), the audited financial statements of IREIT for the financial year ended 31 December 2018 (“**FY2018**”, and the audited financial statements of IREIT for FY2018, the “**2018 Audited Financial Statements**”), the audited financial statements of IREIT for the financial year ended 31 December 2019 (“**FY2019**”, and the audited financial statements of IREIT for FY2019, the “**2019 Audited Financial Statements**”) and the unaudited financial statements of IREIT for the financial period ended 30 June 2020 (“**1H 2020**”, and the unaudited financial statements of IREIT for 1H 2020, the “**1H 2020 Unaudited Financial Statements**”) (collectively, the “**Financial Statements**”), is set out in **Appendix A** of this Offer Information Statement. Financial data relating to distribution per Unit (“**DPU**”), earnings per Unit (“**EPU**”) and net asset value (“**NAV**”) per Unit, before and after any adjustment to reflect the Acquisition (as defined herein) and the issue of the Rights Units are also set out in **Appendix A** of this Offer Information Statement.

Such selected financial data should be read together with the relevant notes to the Financial Statements, where applicable, which are available on the website of IREIT at the URL <http://www.ireitglobal.com/> and are also available for inspection during normal business hours at the registered office of the Manager at 1 Wallich Street, #15-03 Guoco Tower, Singapore 078881, from the date of this Offer Information Statement up to and including the date falling six months after the date of this Offer Information Statement¹.

Save for the Financial Statements which are deemed incorporated into this Offer Information Statement by reference, the information contained on the website of IREIT does not constitute part of this Offer Information Statement.

Prospective investors are advised to obtain and read the Financial Statements (including the relevant notes, where applicable) before making any investment decision in relation to the Rights Units and the Rights Entitlements.

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. None of the Manager or any of its affiliates guarantees the performance of IREIT or the repayment of capital from IREIT, or any particular rate of return.

Unitholders 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 Units on the SGX-ST does not guarantee a liquid market for the Units. The past performance of IREIT is not necessarily indicative of the future performance of IREIT.

Notice under Section 309B of the SFA: The Rights Units and Rights Entitlements are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Forward-Looking Statements

All statements contained in this Offer Information Statement, statements made in public announcements, press releases and oral statements that may be made by IREIT or the directors of the Manager (“**Directors**”), its officers or employees acting on its behalf, that are not statements of historical fact, constitute “forward-looking statements”. Some of these statements can be identified by words that have a bias towards the future or, are forward-looking such as, without limitation, “anticipate”, “aim”, “believe”, “could”, “estimate”, “expect”, “forecast”, “if”, “intend”, “may”, “plan”, “possible”, “predict”, “probable”, “project”, “seek”, “should”, “will” and “would” or other similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the future financial position, operating results, business strategies, plans and future prospects of IREIT and its subsidiaries (collectively, the “**IREIT Group**”) are forward-looking statements. The Manager, the Trustee, the Joint Lead Managers do not represent or warrant that the actual future performance, outcomes or results of IREIT will be as discussed in those statements. These forward-looking statements, including but not limited to statements as to the IREIT Group’s revenue and profitability, prospects, future plans and other matters discussed in this Offer Information Statement regarding matters that are not historical facts, are merely predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the IREIT Group’s actual, future results, performance or achievements to be materially different from any future results,

¹ Prior appointment with the Manager is required. Please contact IREIT Investor Relations team (telephone: +65 6718 0593).

performance or achievements expected, expressed or implied by such forward-looking statements. Representative examples of such other 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 property expenses and operating expenses, taxes and governmental and public policy changes. Any prediction, projection or forecast on the economy or economic trends of the markets in which the IREIT Group operates is not necessarily indicative of the future or likely performance of the IREIT Group. (See the section entitled “**Risk Factors**” of this Offer Information Statement for a discussion of certain factors to be considered in connection with an investment in the Rights Units and the Rights Entitlements.)

Given the risks, uncertainties and other factors that may cause IREIT’s actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Offer Information Statement, 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. Investors should read the whole of this Offer Information Statement and make their own assessment of the future performance of IREIT before deciding whether to subscribe for the Rights Units and/or apply for Excess Rights Units. Investors should also make their own independent investigations of any bases and assumptions upon which financial projections, if any, are made or based, and carefully consider this Offer Information Statement in the light of their personal circumstances. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax or other professional adviser.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding. Figures and percentages are rounded to an appropriate number of decimal places, where applicable.

This Offer Information Statement includes market and industry data and forecasts that have been obtained from internal surveys, reports and studies, where appropriate, as well as market research, publicly available information and industry publications. Industry publications, surveys and forecasts generally state that the information they contain has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such information.

Pro Forma Financial Information

The pro forma financial information contained in this Offer Information Statement (including the pro forma DPU yields) is based on historical statements reconstituted on a pro forma basis based on numerous assumptions and adjustments (as set out in the section entitled “**Pro Forma Financial Information**” of this Offer Information Statement) and is not necessarily indicative of the total returns and cash flows or financial position of IREIT that would have been attained and had the Acquisition and/or the Rights Issue (as defined herein) actually occurred in the relevant periods. Such pro forma financial information, because of its nature, may not give a true or accurate picture of IREIT’s actual total returns or financial position and the Manager, the Trustee and the Joint Lead Managers do not represent or warrant that the actual outcome of the Acquisition or the Rights Issue at the relevant dates or periods would have been as presented.

Under no circumstances should the inclusion of such information be regarded as a representation, warranty or prediction that these results would have been achieved, will be achieved or are likely to be achieved. In particular, Unitholders should note that the pro forma DPU yields, which are prepared for illustrative purposes only, are calculated based on certain assumptions and assumed price per Unit (as set out in the section entitled “**Pro Forma Financial Information**” of this Offer Information Statement) and even if Unitholder had purchased the Units at the relevant assumed price per Unit, there is no guarantee that the actual or future yields would be as indicated.

General

Each applicant for Units in the Rights Issue will be deemed to have represented and agreed that it is relying on this Offer Information Statement and not on any other information or representation not contained in this Offer Information Statement and none of IREIT, the Manager, the Trustee, the Joint Lead Managers or any other person responsible for this Offer Information Statement or any part of it will have any liability for any such other information or representation.

**IMPORTANT NOTICE TO (A) CPFIS INVESTORS, (B) SRS INVESTORS AND
(C) INVESTORS WHO HOLD UNITS THROUGH A FINANCE COMPANY
AND/OR DEPOSITORY AGENT**

Unitholders who have subscribed for or purchased Units under the CPFIS, the SRS or through a finance company and/or Depository Agent can only accept their Rights Entitlements and (if applicable) apply for Excess Rights Units by instructing the relevant banks, finance company and/or Depository Agent in which they hold their Units, CPFIS accounts and/or SRS Accounts (as defined herein) to do so on their behalf in accordance with this Offer Information Statement.

ANY ACCEPTANCE AND/OR APPLICATION MADE DIRECTLY BY THE ABOVE-MENTIONED UNITHOLDERS THROUGH CDP, THE UNIT REGISTRAR, THE MANAGER OR THROUGH ELECTRONIC APPLICATIONS AT ATMS OF PARTICIPATING BANKS WILL BE REJECTED.

The above-mentioned Unitholders, where applicable, will receive notification letter(s) from their respective approved bank, finance company and/or Depository Agent and should refer to such notification letter(s) for details of the last date and time to submit acceptances of the Rights Entitlements and (if applicable) applications for Excess Rights Units to their respective approved bank, finance company and/or Depository Agent.

Such Unitholders are advised to provide their respective approved bank, finance company and/or Depository Agent, as the case may be, with the appropriate instructions no later than the deadlines set by such intermediaries in order for such intermediaries to make the relevant acceptances of the Rights Entitlements and (if applicable) applications for Excess Rights Units on their behalf in accordance with the terms and conditions in this Offer Information Statement by the Closing Date.

(i) Use of CPF Funds

Unitholders participating under the CPFIS – Ordinary Account must use, subject to applicable CPF rules and regulations, monies standing to the credit of their respective CPF Investment Accounts to pay for the acceptance of their Rights Entitlements and (if applicable) application for Excess Rights Units, if they have previously bought their Units using their CPF Investible Savings (“**CPF Funds**”).

Such Unitholders who wish to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units using CPF Funds must have sufficient funds in their CPF Investment Accounts and must instruct their respective approved banks, where such Unitholders hold their CPF Investment Accounts, to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units on their behalf in accordance with this Offer Information Statement.

Such Unitholders who have insufficient funds in their CPF Investment Accounts may deposit cash into their CPF Investment Accounts with their approved banks to enable them to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units. CPF Funds may not, however, be used for the purchase of the Rights Entitlements directly from the market.

(ii) Use of SRS Funds

Unitholders who had purchased Units using their SRS Accounts and who wish to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units can only do so, subject to applicable SRS rules and regulations, using monies standing to the credit of their respective SRS Accounts.

Such Unitholders who wish to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units using SRS monies, must instruct the relevant approved banks in which they hold their SRS Accounts to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units on their behalf in accordance with this Offer Information Statement. Such Unitholders who have insufficient funds in their SRS Accounts may, subject to the SRS contribution cap, deposit cash into their SRS Accounts with their approved banks before instructing their respective approved banks to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units. SRS investors are advised to provide their respective approved banks in which they hold their SRS Accounts with the appropriate instructions no later than the deadlines set by their respective approved banks in order for their respective approved banks to make the relevant acceptance and (if applicable) application on their behalf by the last day for acceptance and payment of the Rights Units ("**Closing Date**"). Any acceptance and (if applicable) application made directly through CDP, Electronic Applications at ATMs of the Participating Banks, Boardroom Corporate & Advisory Services Pte. Ltd. (the "**Unit Registrar**") and/or IREIT will be rejected. For the avoidance of doubt, monies in SRS Accounts may not be used for the purchase of the provisional allotments of the Rights Units directly from the market.

(iii) Holdings through Finance Company and/or Depository Agent

Unitholders who hold Units through a finance company and/or Depository Agent must instruct the relevant finance company and/or Depository Agent to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units on their behalf in accordance with this Offer Information Statement.

ELIGIBILITY OF UNITHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

ELIGIBLE UNITHOLDERS

Eligible Unitholders are Unitholders with Units standing to the credit of their securities account with CDP (but do not include securities sub-accounts) (“**Securities Account**”) and whose registered addresses with CDP are in Singapore as at the Rights Issue Record Date or who have, at least three Market Days¹ prior to the Rights Issue Record Date, provided CDP with addresses in Singapore for the service of notices and documents, but exclude, subject to certain exceptions, Unitholders located, resident or with a registered address outside of Singapore (“**Eligible Unitholders**”).

Eligible Unitholders will receive their Rights Entitlements under the Rights Issue on the basis of their unitholdings in IREIT as at the Rights Issue Record Date and are entitled to participate in the Rights Issue and to receive this Offer Information Statement (including the ARE and the ARS) at their respective Singapore addresses. Eligible Unitholders who do not receive this Offer Information Statement, the ARE and the ARS may obtain them from CDP for the period up to the Closing Date.

Eligible Unitholders are at liberty to accept in part or in full, decline or otherwise renounce or trade (during the Rights Entitlements trading period prescribed by the SGX-ST) their Rights Entitlements and are eligible to apply for Excess Rights Units.

The Rights Units represented by the provisional allotments (A) of (i) Eligible Unitholders who decline, do not accept, and elect not to renounce or sell their Rights Entitlements under the Rights Issue (during the Rights Entitlements trading period prescribed by the SGX-ST) and/or (ii) Ineligible Unitholders (as defined herein) which have not been sold during the Rights Entitlements trading period or (B) that have not been validly taken up by the original allottees, renounees of the Rights Entitlements or the purchasers of Rights Entitlements (collectively, “**Excess Rights Units**”) will be aggregated and used to satisfy Excess Rights Units applications (if any) or disposed of or otherwise dealt with in such manner as the Manager may, in its absolute discretion, deem fit.

Subject to the requirements of or otherwise waived by the SGX-ST, in the allotment of Excess Rights Units, preference will be given to the rounding of odd lots (if any) followed by allotment to the Unitholders who are neither Directors nor Substantial Unitholders (as defined herein). Directors and Substantial Unitholders who have control or influence over IREIT or the Manager in connection with the day-to-day affairs of IREIT or the terms of the Rights Issue, or have representation (direct or through a nominee) on the board of Directors (“**Board**”), will rank last in priority for the rounding of odd lots and allotment of Excess Rights Units.

All dealings in and transactions of the Rights Entitlements through the SGX-ST will be effected under the book-entry (scripless) settlement system.

The procedures for, and the terms and conditions applicable to, acceptances, renunciation and/or sales of the Rights Entitlements and for the applications for Excess Rights Units, including the different modes of acceptance and application and payment, are contained in **Appendix B**, in **Appendix C** and in the ARE and the ARS.

¹ “**Market Day**” refers to any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore and the SGX-ST is open for trading.

Notwithstanding the foregoing, investors should note that the offer and sale of, or exercise or acceptance of, or subscription for, the Rights Entitlements and Rights Units to or by persons located or resident in jurisdictions other than Singapore may be restricted or prohibited by the laws of the relevant jurisdiction. Crediting of Rights Entitlements to any Securities Account, the receipt of any Rights Entitlements, or receipt of this Offer Information Statement and/or any of its accompanying documents, will not constitute an offer or sale in those jurisdictions in which it will be illegal to make such offer or sale, or where such offer or sale will otherwise violate the securities laws of such jurisdictions or be restricted or prohibited. The Manager reserves absolute discretion in determining whether any person may participate in the Rights Issue. Investors are cautioned to note the offering, selling and transfer restrictions set forth in the section “Offering, Selling and Transfer Restrictions” of this Offer Information Statement.

INELIGIBLE UNITHOLDERS

No Rights Entitlements will be provisionally allotted to Unitholders who are not Eligible Unitholders (“**Ineligible Unitholders**”) and no purported acceptance thereof or application for Excess Rights Units therefore by Ineligible Unitholders will be valid.

This Offer Information Statement and its accompanying documents (including the ARE and the ARS) will not be despatched to Ineligible Unitholders. This Offer Information Statement and its accompanying documents (including the ARE and the ARS) relating to the Rights Issue have not been and will not be lodged, registered or filed in any jurisdiction other than Singapore. Receipt of this Offer Information Statement and its accompanying documents or the crediting of Rights Entitlements to a securities account in CDP does not and will not constitute an offer in those jurisdictions in which it would be illegal and the Offer Information Statement and its accompanying documents should not be copied or redistributed.

The offer, sale and delivery of the Rights Units and the Rights Entitlements may be prohibited or restricted in certain jurisdictions under their relevant securities laws. Thus, for practical reasons and in order to avoid any violation of the securities legislation or other relevant laws applicable in countries (other than in Singapore) where Unitholders may have as their addresses registered with CDP, the Rights Issue will not be extended to Ineligible Unitholders.

The Rights Units and the Rights Entitlements have not been and will not be registered under the Securities Act or under any securities laws of any state or other jurisdiction of the US and may not be offered, sold, resold, allotted, taken up, exercised, pledged, transferred or delivered, directly or indirectly, within the US except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the US. The Rights Units and the Rights Entitlements will only be offered and sold in offshore transactions in reliance on Regulation S.

This Offer Information Statement and its accompanying documents will also not be despatched to persons purchasing or to transferees of the Rights Entitlements, whose registered addresses with CDP are outside Singapore (“**Foreign Purchasers**”). Foreign Purchasers are advised that their participation in the Rights Issue may be restricted or prohibited by the laws of the jurisdiction in which they are located or resident. Foreign Purchasers who wish to accept the Rights Entitlements credited to their Securities Accounts should ensure that they comply with the applicable rules, regulations and, subject to compliance with applicable laws and regulations, make the necessary arrangements with their Depository Agents or stockbrokers in Singapore.

The Manager reserves the right, but shall not be obliged, to treat as invalid any application or purported application, or decline to register such application or purported application which (i) appears to the Manager or its agents to have been executed in any jurisdiction outside Singapore or which the Manager believes may violate any applicable legislation of such jurisdiction, or (ii) purports to exclude any deemed representation or warranty.

Notwithstanding the above, Unitholders and any other person having possession of this Offer Information Statement and/or its accompanying documents are advised to inform themselves of and to observe all legal requirements applicable thereto at their own expense and without liability to the Manager, the Trustee, the Joint Lead Managers or any other person involved in the Rights Issue. No person in any territory outside Singapore receiving this Offer Information Statement may treat the same as an offer, invitation or solicitation to subscribe for any Rights Units unless such offer, invitation or solicitation could lawfully be made without violating any regulation or legal requirements in such territory.

If it is practicable to do so, the Manager may, in its absolute discretion, arrange for Rights Entitlements which would otherwise have been allotted to Ineligible Unitholders to be sold “nil-paid” on the SGX-ST as soon as practicable after dealings in the Rights Entitlements commence. Such sales may, however, only be effected if the Manager, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account all expenses to be incurred in relation thereto.

Where such Rights Entitlements are sold “nil-paid” on the SGX-ST, they will be sold at such price or prices as the Manager, may, in its absolute discretion, decide and no Ineligible Unitholder or persons acting for the account or benefit of any such persons, shall have any claim whatsoever against the Manager, the Trustee, the Joint Lead Managers, CDP or their respective officers in respect of such sales or the proceeds thereof, the Rights Entitlements or the Rights Units represented by such provisional allotments.

The net proceeds from all such sales, after deducting all expenses therefrom, will be pooled and thereafter distributed to Ineligible Unitholders in proportion to their respective unitholdings as at the Rights Issue Record Date and sent to them at their own risk by ordinary post, without interest or any share of revenue or other benefit arising therefrom, provided that where the amount of net proceeds to be distributed to any single Ineligible Unitholder is less than S\$10.00, the Manager shall be entitled to retain or deal with such net proceeds as the Manager may, in its absolute discretion, deem fit for the sole benefit of IREIT and no Ineligible Unitholder shall have any claim whatsoever against the Manager, the Trustee, the Joint Lead Managers or CDP in connection herewith.

If such Rights Entitlements cannot be or are not sold on the SGX-ST as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the Rights Entitlements, the Rights Units represented by such Rights Entitlements will be issued to satisfy applications for Excess Rights Units or dealt with in such manner as the Manager may, in its absolute discretion, deem fit in the interest of IREIT and no Ineligible Unitholder or persons acting for the account or benefit of any such persons, shall have any claim whatsoever against the Manager, the Trustee, the Joint Lead Managers, CDP and their respective officers in connection therewith.

Unitholders should note that the special arrangement described above will apply only to Ineligible Unitholders.

OFFERING, SELLING AND TRANSFER RESTRICTIONS

GENERAL

Investors are advised to consult their legal counsel prior to making any offer, sale, resale, pledge or other transfer of the Rights Entitlements and the Rights Units. No action has been taken or will be taken to permit a public offering of the Rights Units or the Rights Entitlements to occur in any jurisdiction, or the possession, circulation, or distribution of this Offer Information Statement, its accompanying documents or any other material relating to IREIT, the Rights Units or the Rights Entitlements in any jurisdiction where action for such purpose is required, except that this Offer Information Statement has been lodged with the Authority. Accordingly, the Rights Units or the Rights Entitlements may not be offered or sold, directly or indirectly, and none of this Offer Information Statement, its accompanying documents or any offering materials or advertisements in connection with the Rights Units or the Rights Entitlements may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. Investors are advised to consult their legal counsel prior to accepting any provisional allotment of Rights Units, applying for Excess Rights Units or making any offer, sale, resale, pledge or other transfer of the Rights Units or the Rights Entitlements.

This Offer Information Statement and its accompanying documents are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

The Rights Entitlements and the Rights Units have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the US or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights or the Rights Units or the accuracy or adequacy of this Offer Information Statement. Any representation to the contrary is a criminal offence in the US.

The Rights Entitlements and the Rights Units are being offered and sold outside the US in offshore transactions as defined in and in reliance on Regulation S under the Securities Act.

Each purchaser of the Rights Entitlements and/or the Rights Units offered and sold outside the US and in reliance on Regulation S will be deemed to have represented and agreed as follows (terms defined in Regulation S have the same meanings when used herein):

- (a) the purchaser (i) is, and the person, if any, for whose account it is acquiring such Rights Entitlements and/or the Rights Units is, outside the United States; and (ii) is acquiring the Rights Entitlements and/or the Rights Units in an offshore transaction meeting the requirements of Regulation S;
- (b) the purchaser is aware that the Rights Entitlements and/or the Rights Units have not been and will not be registered under the Securities Act and are being distributed and offered outside the United States in reliance on Regulation S; and
- (c) the purchaser acknowledges that the Manager and the Joint Lead Managers, their respective affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.

The Manager reserves the right, but shall not be obliged, to treat as invalid any application or purported application, or decline to register such application or purported application which (i) appears to the Manager or its agents to have been executed in any jurisdiction outside Singapore or which the Manager believes may violate any applicable legislation of such

jurisdiction, or (ii) purports to exclude any deemed representation or warranty. Notwithstanding the foregoing paragraphs, the Manager may in its sole discretion determine whether to allow the participation in the Rights Issue by Unitholders who are located, resident or with a registered address in other jurisdictions outside of Singapore, subject to and in compliance with the applicable securities and other laws of the relevant jurisdictions.

The Manager and the Joint Lead Managers have not taken any action, nor will the Manager and the Joint Lead Managers take any action, in any jurisdiction other than Singapore that would permit a public offering of the Rights Entitlements and Rights Units, or the possession, circulation or distribution of this Offer Information Statement or any other material relating to IREIT, the Manager, the Rights Entitlements or the Rights Units in any jurisdiction other than Singapore where action for that purpose is required.

The distribution of this Offer Information Statement and/or its accompanying documents may be prohibited or restricted by law (either absolutely or subject to various securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of these jurisdictions. Eligible Unitholders, their renounees, Purchasers or any other persons having possession of this Offer Information Statement and/or its accompanying documents are advised to keep themselves informed of and to observe such prohibitions and restrictions at their own expense and without liability to the Manager, the Trustee, the Joint Lead Managers or any other person involved in the Rights Issue. No person in any territory outside Singapore receiving this Offer Information Statement and/or its accompanying documents may treat the same as an offer, invitation or solicitation to subscribe for any Rights Units unless such offer, invitation or solicitation could lawfully be made without violating any regulation or legal requirements in such territory.

CERTAIN DEFINED TERMS AND CONVENTIONS

IREIT publishes its financial statements in Euros. In this Offer Information Statement, references to “Euros” or “€” are to the lawful currency of the European Union and references to “S\$”, “Singapore dollar” or “Singapore cent” are to the lawful currency of the Republic of Singapore. All references to dates and times are to Singapore dates and times.

Certain monetary amounts set out in this Offer Information Statement have been subject to rounding adjustments. Accordingly, figures shown as totals in tables may not be an arithmetic aggregation of the figures that precede them.

Capitalised terms used in this Offer Information Statement shall have the meanings set out in the Glossary on pages 73 to 81 of this Offer Information Statement.

Unless otherwise indicated, certain Euro and Singapore dollar amounts in this Offer Information Statement have been translated based on the exchange rate of €1.00 = S\$1.6098 for illustrative purpose only. Such translations should not be construed as representations that the Euro and Singapore dollar amounts have been, would have been or could be translated at those rates or any other rate, at any particular rate or at all.

References of “Appendix” or “Appendices” are to the appendices set out in this Offer Information Statement.

CORPORATE INFORMATION

Directors of the Manager	:	Mr Lim Kok Min, John (Chairman & Non-Executive Independent Director) Mr Tan Wee Peng, Kelvin (Non-Executive Independent Director) Mr Nir Ellenbogen (Non-Executive Independent Director) Mr Bruno de Pampelonne (Non-Executive Director) Mr Khoo Shao Hong, Frank (Non-Executive Director) Mr Sanjay Bakliwal (Non-Executive Director)
Registered office of the Manager	:	1 Wallich Street #15-03 Guoco Tower Singapore 078881
The Trustee	:	DBS Trustee Limited 12 Marina Boulevard Marina Bay Financial Centre Singapore 018982
Joint Lead Managers	:	Credit Suisse (Singapore) Limited One Raffles Link #03/#04-01 South Lobby Singapore 039393 DBS Bank Ltd. 12 Marina Boulevard Level 46 Marina Bay Financial Centre Tower 3 Singapore 018982
Legal Adviser for the Rights Issue and to the Manager	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Legal Adviser to the Joint Lead Managers	:	Allen & Overy LLP 50 Collyer Quay #09-01 OUE Bayfront Singapore 049321
Legal Adviser to the Trustee	:	Dentons Rodyk & Davidson LLP 80 Raffles Place #33-00 UOB Plaza 1 Singapore 048624
Unit Registrar and Unit Transfer Office	:	Boardroom Corporate & Advisory Services Pte. Ltd. 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623
Independent Market Research Consultant	:	Colliers International Spain S.L. Paseo de la Castellana, 141 28046, Madrid

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SUMMARY

The following summary is qualified in its entirety by, and is subject to, the more detailed information contained or referred to elsewhere in this Offer Information Statement. Meanings of defined terms may be found in the section entitled “Glossary” of this Offer Information Statement.

Unless otherwise indicated, certain Euro and Singapore dollar amounts in this Offer Information Statement have been translated based on the exchange rate of €1.00 = S\$1.6098 for illustrative purpose only. Such translations should not be construed as representations that the Euro and Singapore dollar amounts have been, would have been or could be translated at those rates or any other rate, at any particular rate or at all.

1. Overview of IREIT

IREIT is the first Singapore-listed real estate investment trust (“**REIT**”) established 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 has a market capitalisation of approximately S\$468.6 million¹. IREIT’s existing property portfolio (the “**Existing Property Portfolio**”) comprises five freehold office buildings located in Germany, namely (i) Berlin Campus, (ii) Bonn Campus, (iii) Darmstadt Campus, (iv) Münster Campus and (v) Concor Park, as well as a 40.0% interest in four freehold office buildings located in Spain, namely (i) Delta Nova IV, (ii) Delta Nova VI, (iii) Sant Cugat Green and (iv) Il·lumina (the “**Spain Properties**”). The Existing Property Portfolio has a combined value of approximately S\$1,012.6 million (approximately €629.0 million) as at 30 June 2020.²

IREIT is managed by IREIT Global Group Pte. Ltd., which is jointly owned by Tikehau Capital SCA (“**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.

2. Overview of the Acquisition

As announced on 7 December 2019, the Trustee entered into an agreement with Tikehau Capital to jointly incorporate a Singapore company (the “**JVCo**”), which would be 40.0% held by IREIT (the “**Initial Investment**”) and 60.0% held by Tikehau Capital, for the purposes of acting as the purchaser of the Spain Properties under three separate conditional share sale and purchase agreements to acquire the shares representing 100.0% of the issued share capital in each of (a) Gloin Investments, S.L.U. which holds Delta Nova IV and Delta Nova VI; (b) Chameleon (Sant Cugat Investment 2014), S.L.U. which holds Sant Cugat Green; and (c) Chameleon (Esplugues), S.L.U. which holds Il·lumina from Corona Patrimonial SOCIMI, S.A. (the “**Initial Acquisition**”, and the entities holding the Spain Properties, the “**Spanish PropCos**”). Pursuant to the aforementioned agreement, the JVCo, IREIT Global Holdings 5 Pte. Ltd., was incorporated on 9 December 2019 and the Trustee entered into a shareholders’ agreement (the “**Shareholders’ Agreement**”) with Tikehau Capital and the JVCo on 10 December 2019. The Initial Acquisition by the JVCo was completed on 20 December 2019. The total cost of IREIT’s investment in the JVCo in relation to the Initial Acquisition was approximately S\$92.7 million (approximately €57.6 million) (comprising approximately (i) S\$89.0 million (approximately €55.3 million), being IREIT’s proportionate

1 Based on the closing Unit price of S\$0.730 on 18 September 2020.

2 Based on IREIT’s 40.0% interest in the Spain Properties.

share of the Initial Acquisition's purchase consideration, (ii) S\$2.6 million (approximately €1.6 million), being IREIT's proportionate share of the professional and transaction expenses, (iii) S\$0.8 million (approximately €0.5 million), being the Manager's acquisition fee elected to be paid in cash, and (iv) S\$0.3 million (approximately €0.2 million), being other fees and expenses in connection with IREIT's investment in the JVCo, which was financed with the proceeds from the CDL Loan (as defined below), debt financing at the Spanish PropCos level and internal cash resources.

In the second quarter of 2020, Sadena Real Estate, S.L.U. (the "**Spanish HoldCo**") was incorporated and is 100.0% owned by the JVCo. Thereafter, the JVCo transferred its 100.0% interest in the Spanish PropCos to the Spanish HoldCo. The current holding structure of the Spain Properties is that the JVCo owns 100.0% of the issued share capital in the Spanish HoldCo, which in turn owns 100.0% of the issued share capital in each of the Spanish PropCos which owns the respective Spain Properties as described above.

Pursuant to the Shareholders' Agreement, Tikehau Capital granted the Trustee a call option to acquire its interest in 60.0% of the shares in the JVCo for the period of 18 months following completion of the Initial Acquisition upon written notice from the Trustee to Tikehau Capital ("**Call Option**") at 60.0% of the call option price calculated based on the consolidated net asset value of the JVCo and its subsidiaries, as adjusted based on the average of the market values of the Spain Properties in aggregate as determined by two independent property valuers, with one to be appointed by each of the Trustee and the Manager, respectively (the "**Call Option Price**").

As announced on 7 August 2020, the Trustee exercised the Call Option to acquire the balance 60.0% interest in the Spain Properties by way of a written notice to Tikehau Capital (the "**Call Option Notice**") to acquire Tikehau Capital's interest in 60.0% of the shares in the JVCo (the "**Acquisition**"), and the Trustee entered into a conditional share purchase agreement (the "**Share Purchase Agreement**") with Tikehau Capital on 7 August 2020 in connection with the Acquisition.

The purchase consideration for the Acquisition ("**Purchase Consideration**") is currently estimated at S\$77.0 million (approximately €47.8 million) based on the unaudited consolidated NAV of the JVCo Group of S\$128.4 million¹ (approximately €79.7 million) (on a 100% basis) as at 30 June 2020, as adjusted upwards² based on the agreed market value (the "**Agreed Value**") of the Spain Properties of S\$219.6 million (approximately €136.4 million) (on a 100% basis) which is the average of the two independent valuations of the Spain Properties as at 31 July 2020.

The final Purchase Consideration payable to the Vendor on Completion shall be subject to post-completion adjustments based on the NAV of the JVCo Group as at the date of completion of the Acquisition ("**Completion Date**") as provided for in the Share Purchase Agreement.

1 The NAV of the JVCo Group also takes into account the bank loan owed by the Spanish PropCos to certain financial institutions, which will remain in the Spanish PropCos after Completion.

2 Upwards adjustment of approximately €1.06 million from the independent valuation of the Spain Properties of €135.35 million as at 30 June 2020.

As at 22 September 2020, being the latest practicable date prior to the date of lodgement of this Offer Information Statement (the “**Latest Practicable Date**”), Tikehau Capital holds an aggregate interest in 188,157,361 Units, which is equivalent to approximately 29.3% of the total number of Units in issue¹, and is therefore regarded as a “controlling unitholder” of IREIT under both the Listing Manual of the SGX-ST (the “**Listing Manual**”) and Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore (the “**Property Funds Appendix**”). In addition, the Manager is jointly owned by City REIT Management Pte Ltd and Tikehau Capital in equal proportions. Tikehau Capital is therefore regarded as a “controlling shareholder” of the Manager under both the Listing Manual and the Property Funds Appendix.

Accordingly, Tikehau Capital is (for the purpose of the Listing Manual) an “interested person” and (for the purpose of the Property Funds Appendix) an “interested party” of IREIT.

Therefore, the Acquisition constitutes an “interested person transaction” under Chapter 9 of the Listing Manual as well as an “interested party transaction” under the Property Funds Appendix, in respect of which approval of the Unitholders is required.

At the extraordinary general meeting (“**EGM**”) of Unitholders held on 18 September 2020, the Manager obtained the approval of Unitholders in respect of the Acquisition.

The Manager intends to use part of the net proceeds from the Rights Issue to finance the Acquisition and the associated costs, as well as repay the CDL Loan.

(See the section entitled “**Information Relating to the Acquisition**” of this Offer Information Statement for further details.)

3. The Rights Issue

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 Unit for every 1,000 existing units in IREIT (“**Existing Units**”) held as at the Rights Issue Record Date (fractional entitlements to be disregarded), at the issue price of S\$0.490 per Rights Unit (“**Issue Price**”), to raise gross proceeds of approximately S\$142.8 million (approximately €88.7 million).

The Rights Issue would provide Unitholders with the opportunity to subscribe for their pro rata entitlement to the Rights Units at the Issue Price, which is at a discount of:

- (i) approximately 32.9% to the closing price of S\$0.730 per Unit on the SGX-ST on 18 September 2020, being the last trading day of the Units prior to the announcement of the Rights Issue (“**Closing Price**”); and
- (ii) approximately 25.2% to the theoretical ex-rights price (“**TERP**”) of S\$0.655 per Unit which is calculated as follows:

$$\text{TERP} = \frac{\text{Market capitalisation of IREIT based on the Closing Price} + \text{Gross proceeds from the Rights Issue}}{\text{Units outstanding immediately after the Rights Issue}}$$

¹ Based on the total number of 641,862,550 Units in issue as at the Latest Practicable Date.

The Rights Units will be issued pursuant to a general mandate (the “**General Mandate**”) that was approved by Unitholders to the Manager for the issue of new Units, pursuant to an ordinary resolution obtained at an annual general meeting of Unitholders held on 18 June 2020 to issue, among others, new Units (whether by way of rights, bonus or otherwise) of not more than 100.0% of the total number of issued Units as at the date the General Mandate was passed. Given that the number of Rights Units to be issued under the Rights Issue is within the 100% limit for the issue of new Units on a pro rata basis under the General Mandate, the prior approval of Unitholders is not required for the issuance of the Rights Units.

4. Use of Proceeds

The Rights Issue will raise gross proceeds of approximately S\$142.8 million (approximately €88.7 million), with the net proceeds of the Rights Issue, being the gross proceeds of the Rights Issue less the estimated fees and expenses (including professional fees and expenses) of approximately S\$1.1 million (approximately €0.7 million) incurred in connection with the Rights Issue, estimated to be approximately S\$141.7 million (approximately €88.0 million). The Manager intends to utilise the net proceeds of the Rights Issue as follows:

- (i) approximately S\$77.8 million (approximately €48.3 million) (which is equivalent to 54.9% of the net proceeds of the Rights Issue) for the estimated Purchase Consideration of S\$77.0 million (approximately €47.8 million) for the Acquisition and the estimated professional and other fees and expenses of approximately S\$0.8 million (approximately €0.5 million) incurred or to be incurred by IREIT in connection with the Acquisition;
- (ii) approximately S\$51.5 million (approximately €32.0 million) (which is equivalent to 36.4% of the net proceeds of the Rights Issue) for the repayment of the €32.0 million loan extended by City Strategic Equity Pte. Ltd. (“**CSEPL**”) to IREIT for the purposes of funding IREIT’s proportionate capital contribution to the JVCo for the Initial Acquisition (the “**CDL Loan**”)¹; and
- (iii) approximately S\$12.4 million (approximately €7.7 million) (which is equivalent to 8.7% of the net proceeds of the Rights Issue) for future capital expenditure, repayment of debt and/or acquisition.

Notwithstanding its current intention, the Manager may, subject to relevant laws and regulations, use the net proceeds from the Rights Issue at its absolute discretion for other purposes, including without limitation, the repayment of existing indebtedness and for funding capital expenditures and/or other potential acquisitions.

Pending deployment, the net proceeds from the Rights Issue may, subject to relevant laws and regulations, be deposited with banks and/or financial institutions or be used to repay outstanding borrowings or for any other purpose on a short-term basis as the Manager may, in its absolute discretion, deem fit.

The Manager will make periodic announcements via SGXNET on the utilisation of the net proceeds from the Rights Issue as and when such funds are materially disbursed and whether such a use is in accordance with the stated use and in accordance with the percentage allocated. The Manager will also provide a status report on the use of the net proceeds from the Rights Issue in the annual report of IREIT. Where there is any material deviation from the stated use of proceeds, the Manager will announce the reasons for such deviation.

¹ For the avoidance of doubt, as disclosed in the acquisition announcement dated 7 December 2019, the CDL Loan constitutes an interested person transaction pursuant to the Listing Manual.

5. Rationale for the Acquisition and the Rights Issue

The Manager intends to use part of the net proceeds from the Rights Issue to finance the Acquisition and the associated costs, as well as repay the CDL Loan¹.

The Rights Issue would provide Unitholders with the opportunity to subscribe for their pro rata entitlements to the Rights Units at the Issue Price which is at a discount of (i) approximately 32.9% to the Closing Price of S\$0.730 per Unit and (ii) approximately 25.2% to the TERP of S\$0.655 per Unit. Eligible Unitholders who do not wish to subscribe for the Rights Units may choose to sell their Rights Entitlements during the “nil-paid” rights trading period to realise the value of their Rights Entitlements.

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

- Deepens IREIT’s strategic presence in Spain, the fifth largest economy in Europe by Gross Domestic Product
- Achieve full ownership of a high quality office portfolio
- Increase portfolio strength through enhanced portfolio diversification
- Attractive asset management opportunities with benefits from decentralisation trends
- Leveraging on strategic investors’ strong platform and resources

(See the section entitled “**Information relating to the Acquisition – Rationale for and Key Benefits of the Acquisition**” of this Offer Information Statement for further details.)

6. Commitment of Tikehau Capital, CSEPL and AT Investments Limited (“AT Investments”)

To demonstrate its support for IREIT and the Rights Issue, each of Tikehau Capital, CSEPL and AT Investments, each being a key strategic investor of IREIT, which respectively owns an aggregate direct interest in 188,157,361, 134,956,458 and 35,123,146 Units representing approximately 29.3%, 21.0% and 5.5% respectively of the total number of Units in issue² as at the Latest Practicable Date, has irrevocably undertaken to the Manager (the “**Undertakings**”) that, among other things:

- (i) in accordance with the terms and conditions of the Rights Issue, it will by the last day for acceptance and payment of the Rights Units, accept, subscribe and pay in full for its total provisional allotment of the Rights Units corresponding to its direct interest in IREIT (such provisional allotment of the Rights Units of each of Tikehau Capital, CSEPL and AT Investments, the “**Pro Rata Units**”); and
- (ii) (in relation to CSEPL and AT Investments only) it will, in addition to paragraph (i) above, in accordance with the terms and conditions of the Rights Issue and in any case by no later than the last day for acceptance and payment of the Rights Units, accept, subscribe and pay in full for such number of additional Rights Units in excess of the Pro Rata Units of Tikehau Capital, CSEPL and AT Investments (the “**Excess Units**”) in the following amounts:

1 For the avoidance of doubt, as disclosed in the acquisition announcement dated 7 December 2019, the CDL Loan constitutes an interested person transaction pursuant to the Listing Manual.

2 Based on the total number of 641,862,550 Units in issue as at the Latest Practicable Date.

- (a) *CSEPL*: additional Rights Units amounting to S\$16.2 million (the “**CSEPL Excess Units**”), it being understood that CSEPL will be allotted the CSEPL Excess Units only to the extent that there remains any Rights Units unsubscribed after satisfaction of all applications by other eligible unitholders of IREIT for Rights Units (if any) and after AT Investments has been allotted the maximum number of ATI First Tranche Excess Units (as defined herein), but before AT Investments has been allotted the ATI Second Tranche Excess Units (as defined herein); and
- (b) *AT Investments*: (1) additional Rights Units in excess of the Pro-Rata Units amounting to S\$23.5 million (the “**ATI First Tranche Excess Units**”), it being understood that AT Investments will be allotted the ATI First Tranche Excess Units only to the extent that there remains any Rights Units unsubscribed after satisfaction of all applications by other eligible unitholders of IREIT for Rights Units (if any); and (2) additional Rights Units amounting to S\$23.5 million (the “**ATI Second Tranche Excess Units**”, together with the ATI First Tranche Excess Units, the “**ATI Excess Units**”) in excess of (a) the ATI First Tranche Excess Units set out in (1) above; and (b) the CSEPL Excess Units, it being understood that AT Investments will be allotted the ATI Second Tranche Excess Units only to the extent that there remains any Rights Units unsubscribed after satisfaction of the application for ATI First Tranche Excess Units set out in (1) above and after CSEPL has been allotted the maximum number of CSEPL Excess Units.

For the avoidance of doubt, Tikehau Capital, CSEPL and AT Investments, among others, will rank last in the allocation of excess Rights Units applications.

The provision of the Undertakings from Tikehau Capital, CSEPL and AT Investments will result in the subscription of all unsubscribed Rights Units remaining after the fulfilment of valid excess Rights Units applications by other Eligible Unitholders for the same under the terms of the Rights Issue, and accordingly, the Rights Issue will not be underwritten by a financial institution. For the avoidance of doubt, no commission or fee will be paid to Tikehau Capital, CSEPL and AT Investments in consideration of the Undertakings. Taking into account the Undertakings, the proceeds to be raised from the Rights Issue will be sufficient to meet IREIT’s present funding requirements including the intended use of proceeds for the Acquisition and repayment of the CDL Loan.

FOR ILLUSTRATIVE PURPOSES ONLY: The following table sets out the change in percentage unitholdings of Tikehau Capital, CSEPL and AT Investments, assuming: (a) the Rights Issue will raise gross proceeds of approximately S\$142.8 million (approximately €88.7 million); (b) each of Tikehau Capital, CSEPL and AT Investments will accept, subscribe and pay in full for their respective Pro Rata Units pursuant to the Undertakings; (c) no other Eligible Unitholders will accept any of their provisional allotments of the Rights Units; and (d) each of CSEPL and AT Investments is fully allotted and will accept, subscribe and pay in full for the maximum number of Excess Units pursuant to their respective Undertakings.

% of issued Units held by	Before the Issuance of the Rights Units⁽¹⁾	Immediately after the Issuance of the Rights Units⁽²⁾
Tikehau Capital	29.3%	29.3%
CSEPL	21.0%	24.6%
AT Investments	5.5%	15.7%
Other Unitholders	44.2%	30.4%

Notes:

(1) Based on the total number of 641,862,550 Units in issue as at the Latest Practicable Date.

(2) Based on the total number of 933,268,147 Units in issue after completion of the Rights Issue assuming that 291,405,597 new Rights Units are offered at the issue price of S\$0.490 per Rights Unit pursuant to the Rights Issue.

The amount payable by Tikehau Capital for its subscription of the Rights Units will be set-off against the amount due and payable by IREIT to Tikehau Capital for the Purchase Consideration pursuant to the Share Purchase Agreement.

7. Status of the Rights Issue

IREIT's current policy is to distribute its distributable income on a semi-annual basis to Unitholders. The Rights Units will, upon allotment and issue, rank *pari passu* in all respects with the existing Units in issue as at the date of issue of the Rights Units, including the right to any distributions which may accrue for the period from 1 July 2020 to 31 December 2020 as well as distributions thereafter.

Eligible Unitholders who validly accept, in full, their provisional allotments of Rights Units in accordance with the terms of this Offer Information Statement, will receive such amount of the accrued distributions for the period from 1 July 2020 to 31 December 2020 which they would have been entitled to had the Rights Issue not occurred. Eligible Unitholders who decide not to accept in full their provisional allotments of Rights Units can, where applicable, make arrangements to trade their Rights Entitlements on the SGX-ST under the book-entry (scripless) settlement system.

For Ineligible Unitholders, the Manager may, at its absolute discretion and if it is practicable to do so, arrange for the Rights Entitlements which would otherwise have been provisionally allotted to Ineligible Unitholders to be sold "nil-paid" on the SGX-ST as soon as practicable after dealings in the Rights Entitlements commence. Such sales may, however, only be effected if the Manager, in its absolute discretion, determines that the proceeds from such sales can at least cover the expenses to be incurred in relation thereto. There is no guarantee that such sale will be successful, and even if successful, the proceeds of any such sale may not be sufficient to compensate him fully for the dilution of his unitholding as a result of the Rights Issue.

(See the section entitled "**Eligibility of Unitholders to Participate in the Rights Issue – Ineligible Unitholders**" of this Offer Information Statement.)

PRINCIPAL TERMS OF THE RIGHTS ISSUE

The following principal terms and conditions of the Rights Issue are derived from, and should be read in conjunction with, the full text of this Offer Information Statement, and are qualified in their entirety by reference to information appearing elsewhere in this Offer Information Statement.

- Basis of Provisional Allotments** : Each Eligible Unitholder is entitled to subscribe for 454 Rights Unit for every 1,000 existing Units standing to the credit of his Securities Account with CDP as at the Rights Issue Record Date, fractional entitlements to be disregarded.
- Issue Size** : 291,405,597 Rights Units.
- The Rights Issue is expected to raise gross proceeds of approximately S\$142.8 million (approximately €88.7 million).
- Issue Price** : S\$0.490 per Rights Unit.
- The Rights Units are payable in full upon acceptance and/or application.
- The Issue Price represents a discount of:
- (a) approximately 32.9% to the Closing Price; and
 - (b) approximately 25.2% to the TERP
- Administrative Fee** : An administrative fee will be incurred by applicants for each Electronic Application made through the ATMs of the Participating Banks.
- Status of Rights Units** : The Rights Units will, upon allotment and issue, rank *pari passu* in all respects with the existing Units in issue as at the date of issue of the Rights Units, including the right to any distributions which may accrue for the period from 1 July 2020 to 31 December 2020 as well as all distributions thereafter.
- Eligible Unitholders who decide not to accept in full their Rights Entitlements can, where applicable, make arrangements to trade them on the SGX-ST under the book-entry (scripless) settlement system during the “nil-paid” rights trading period prescribed by the SGX-ST. If it is practicable to do so, the Manager may also, at its absolute discretion, make arrangements for the Rights Entitlements which would otherwise have been allotted to Ineligible Unitholders to be sold “nil-paid” on the SGX-ST as soon as practicable after dealings in the Rights Entitlements commence.
- Such sales may, however, only be effected if the Manager, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account all expenses to be incurred in relation thereto.

Use of Proceeds : The Manager intends to utilise the net proceeds from the Rights Issue, after deduction of the expenses of approximately S\$1.1 million (approximately €0.7 million) incurred in connection with the Rights Issue, to finance the Acquisition, the repayment of the CDL Loan (as defined herein), future capital expenditure, repayment of debt and/or acquisition the professional and other fees and expenses of approximately incurred or to be incurred by IREIT in connection with the Acquisition.

(See the section entitled “**Summary – Use of Proceeds**” for further details.)

Estimated Net Proceeds : The estimated net proceeds from the Rights Issue (after taking into account the estimated expenses of approximately S\$1.1 million (approximately €0.7 million) to be incurred in connection with the Rights Issue) are expected to be approximately S\$141.7 million (approximately €88.0 million).

Purpose of Rights Issue : In light of present market conditions and in consideration of the parameters of the Acquisition, including the amount to be raised to finance the Acquisition, the Rights Issue taken into account with the Undertakings provided by Tikehau Capital, CSEPL and AT Investments provides certainty of funding for the Acquisition. Further, the Rights Issue allows Unitholders the 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.

(See the section entitled “**Summary – Rationale for the Acquisition and the Rights Issue**” for further details.)

Eligible Unitholders : Eligible Unitholders are Unitholders with Units standing to the credit of their Securities Accounts and whose registered addresses with CDP are in Singapore as at the Rights Issue Record Date or who have, at least three Market Days¹ prior to the Rights Issue Record Date, provided CDP with addresses in Singapore for the service of notices and documents, but exclude, subject to certain exceptions, Unitholders located, resident or with a registered address outside of Singapore.

Eligible Unitholders are at liberty to accept in part or in full, decline, renounce or trade (during the Rights Entitlements trading period prescribed by the SGX-ST) their Rights Entitlements and are eligible to apply for Excess Rights Units.

¹ “**Market Day**” refers to any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore and the SGX-ST is open for trading.

Eligibility to participate in the Rights Issue : See the section entitled “**Eligibility of Unitholders to Participate in the Rights Issue**” of this Offer Information Statement for further details.

Rights Entitlements of Eligible Unitholders : Eligible Unitholders will receive their Rights Entitlements and are at liberty to accept in part or in full, decline, renounce or trade on the SGX-ST (during the Rights Entitlements trading period prescribed by the SGX-ST) their Rights Entitlements and are eligible to apply for the Excess Rights Units on 1 October 2020 from 9.00 a.m. up to the Closing Date as set out in the section entitled “**Timetable of Key Events**” of this Offer Information Statement.

Eligible Unitholders who wish to renounce their Rights Entitlements in favour of a third party should note that CDP requires three Market Days to effect such renunciation. As such, Eligible Unitholders who wish to renounce are advised to do so early to allow sufficient time for the renounee to accept his Rights Entitlements and make payment for the Rights Units.

Each Eligible Unitholder may, among other things, choose to:

- (i) accept all or a portion of his Rights Entitlements;
- (ii) renounce all or a portion of Rights Entitlements in favour of a third party; and/or
- (iii) trade all or a portion of his Rights Entitlements.

In addition, each Eligible Unitholder may also apply for Excess Rights Units.

The procedures for acceptance, payment, renunciation and application for Rights Units and/or Excess Rights Units by Eligible Unitholders are set out in **Appendix B** and in **Appendix C** of this Offer Information Statement.

Ineligible Unitholders : No provisional allotments of Rights Units will be made to Ineligible Unitholders and no purported acceptance thereof or application for Excess Rights Units thereof by Ineligible Unitholders will be valid.

Ineligible Unitholders should refer to the section entitled “**Eligibility of Unitholders to Participate in the Rights Issue – Ineligible Unitholders**” of this Offer Information Statement for further details.

Trading of the Rights Units/Rights Entitlements : Eligible Unitholders who wish to trade all or part of their Rights Entitlements on the SGX-ST can do so for the period commencing on 1 October 2020 from 9.00 a.m., being the date and time of commencement of the Rights Entitlements trading, and ending on 9 October 2020 at 5.00 p.m., being the last date and time of the Rights Entitlements trading.

The Rights Units and the Rights Entitlements will be traded on the Main Board of the SGX-ST under the book-entry (scripless) settlement system. For the purposes of trading on the Main Board of the SGX-ST, each board lot of Units will comprise 100 Units or Rights Entitlements (as the case may be). All dealings in and transactions (including transfers) of the Rights Units effected through the SGX-ST and/or CDP shall be made in accordance with the "Terms and Conditions for Operation of Securities Accounts with CDP", as the same may be amended from time to time, copies of which are available from CDP.

Manner of Refund : When any acceptance of Rights Entitlements and/or Excess Rights Units application is invalid or unsuccessful, the amount paid on acceptance and/or application will be returned or refunded to such applicants without interest or any share of revenue or other benefit arising therefrom within three business days after commencement of trading of the Rights Units by any one or a combination of the following:

- (i) where the acceptance and/or application had been made through CDP, by crediting their designated bank accounts via CDP's Direct Crediting Service or in the case where refunds are to be made to Depository Agents or Member Companies, by means of telegraphic transfer. In the event that an applicant is not subscribed to CDP's Direct Crediting Service, any monies to be returned or refunded will be retained by CDP and reflected under the Cash Transaction section of his CDP monthly account statement (such retention by CDP being a good discharge of the Manager's and Joint Lead Managers' obligations);
- (ii) where the acceptance and/or application had been made through the Share Registrar, by means of a crossed cheque in Singapore currency drawn on a bank in Singapore and sent by ordinary post at their own risk to their mailing address in Singapore as maintained in the records of the Share Registrar; and

(iii) where the acceptance and/or application had been made through Electronic Applications, by crediting their bank accounts with the relevant Participating Banks at their own risk, the receipt by such bank being a good discharge of the Manager's, Joint Lead Managers' and CDP's obligations.

Trading of Odd Lots of Units : Eligible Unitholders who hold odd lots of Units (that is, lots other than board lots of 100 Units) and who wish to trade in odd lots are able to trade odd lots of Units on the SGX-ST's Unit Share Market¹.

Listing of the Rights Units : Approval in-principle has been obtained from the SGX-ST on 18 September 2020 for the listing and quotation of, *inter alia*, the Rights Units on the Main Board of the SGX-ST subject to certain conditions being met.

The approval in-principle of the SGX-ST is not to be taken as an indication of the merits of the Rights Issue, the Rights Units, IREIT and/or its subsidiaries.

Unitholders who are SRS investors or who hold Units through a finance company and/or Depository Agent : **CPFIS investors, SRS investors and investors who hold Units through a finance company and/or Depository Agent should see the section entitled "Important Notice to (A) CPFIS investors, (B) SRS Investors and (C) Investors who Hold Units Through a Finance Company and/or Depository Agent" of this Offer Information Statement for important details.**

Underwriting : The Rights Issue is not underwritten by any financial institution.

Irrevocable Undertakings : Given that the Undertakings provided by Tikehau Capital, CSEPL and AT Investments will result in the subscription of all unsubscribed Rights Units remaining (if any) after the fulfilment of valid Excess Rights Units applications by other Eligible Unitholders for the same under the terms of the Rights Issue, accordingly, the Rights Issue will not be underwritten by any financial institutions.

(See the section entitled "**Summary – Commitment of Tikehau Capital, CSEPL and AT Investments**" for further details.)

Governing Law : Laws of the Republic of Singapore.

AS THE RIGHTS ISSUE IS MADE ON A RENOUNCEABLE BASIS, THE RIGHTS ENTITLEMENTS CAN BE RENOUNCED IN FAVOUR OF A THIRD PARTY OR, TRADED ON THE SGX-ST DURING THE RIGHTS ENTITLEMENTS TRADING PERIOD.

¹ "Unit Share Market" refers to the ready market of the SGX-ST for trading of odd lots of Units with a minimum size of one Unit.

TIMETABLE OF KEY EVENTS

The timetable for the Rights Issue is set out below.

Event	Date and Time
Last day of “cum-rights” trading for the Rights Issue	: 24 September 2020
First day of “ex-rights” trading for the Rights Issue	: 25 September 2020
Rights Issue Record Date	: 28 September 2020 at 5.00 p.m.
Despatch of this Offer Information Statement (together with the application forms) to Eligible Unitholders	: 1 October 2020
Commencement of splitting and trading of Rights Entitlements	: 1 October 2020 from 9.00 a.m.
Last date and time of trading of Rights Entitlements	: 9 October 2020 at 5.00 p.m.
Closing Date:	
Last date and time for acceptance of the Rights Entitlements and payment for Rights Units ⁽¹⁾	: 15 October 2020 at 5.00 p.m. ⁽²⁾ (15 October 2020 at 9.30 p.m. for Electronic Applications through ATMs of Participating Banks)
Last date and time for application and payment for Excess Rights Units ⁽¹⁾	: 15 October 2020 at 5.00 p.m. ⁽²⁾ (15 October 2020 at 9.30 p.m. for Electronic Applications through ATMs of Participating Banks)
Last date and time for acceptance of and payment by the renounee ⁽¹⁾	: 15 October 2020 at 5.00 p.m. ⁽³⁾ (15 October 2020 at 9.30 p.m. for Electronic Applications through ATMs of Participating Banks)
Expected date of the issuance of the Rights Units	: 22 October 2020
Expected date for crediting of Rights Units	: 23 October 2020
Expected date for commencement of trading of Rights Units on the SGX-ST	: 23 October 2020
Expected date for refund of unsuccessful applications (if made through CDP)	: 23 October 2020

Notes:

(1) This does not apply to CPFIS investors, SRS investors and investors who hold Units through a finance company and/or Depository Agent. CPFIS investors, SRS investors and investors who hold Units through a finance company and/or Depository Agent should see the section entitled “**Important Notice to (A) CPFIS Investors, (B) SRS**”

Investors and (C) Investors who hold Units through a Finance Company and/or Depository Agent” of this Offer Information Statement. **Any application made by these investors directly through CDP or through ATMs of Participating Banks, the Unit Registrar and/or the Manager will be rejected.** Such investors, where applicable, will receive notification letter(s) from their respective agent bank, approved bank, finance company and/or Depository Agent and should refer to such notification letter(s) for details of the last date and time to submit applications to their respective agent bank, approved bank, finance company and/or Depository Agent.

- (2) If acceptances of the Rights Entitlements and (if applicable) applications for Excess Rights Units, as the case may be, are made through CDP in accordance with the ARE and the ARS.
- (3) Eligible Unitholders who wish to renounce their Rights Entitlements in favour of a third party should note that CDP requires at least three Market Days to effect such renunciation. As such, Eligible Unitholders who wish to renounce their Rights Entitlements are advised to do so early to allow sufficient time for the renounee to accept his Rights Entitlements and make payment for Rights Units.

The above timetable is indicative only and subject to change. The Manager may, in consultation with the Joint Lead Managers and with the approval of the SGX-ST, modify the above timetable subject to any limitation under any applicable laws. In such an event, the Manager will announce the same via SGXNET. However, as at the date of this Offer Information Statement, the Manager does not expect the above timetable to be modified.

RESULTS OF THE ALLOTMENT

The Manager will announce the results of the Rights Issue through an SGXNET announcement to be posted on the SGX-ST website at <http://www.sgx.com>.

CREDITING OF RIGHTS ENTITLEMENTS AND RIGHTS UNITS

The Rights Entitlements will be provisionally allotted to Eligible Unitholders on or about 1 October 2020 by crediting the Rights Entitlements to the Eligible Unitholders’ Securities Accounts.

In the case of Eligible Unitholders and their renounees and purchasers of the Rights Entitlements with valid acceptances and (where applicable) successful applications for Excess Rights Units, a notification letter representing such number of Rights Units will be sent by CDP within 10 Market Days after the Closing Date. Such confirmation note shall be deemed to be documentary evidence evidencing title to the Rights Units issued, and CDP will thereafter credit such number of Rights Units to the relevant Securities Accounts. CDP will then send a notification letter to the relevant subscribers stating the number of Rights Units credited to their respective Securities Accounts.

(Please refer to **Appendix B** for further details relating to the procedures for acceptance, payment, renunciation and application for Rights Units and/or Excess Rights Units by Eligible Unitholders.)

OVERVIEW OF IREIT

BACKGROUND OF IREIT

IREIT is the first Singapore-listed REIT established 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 has a market capitalisation of approximately S\$468.6 million¹. IREIT's Existing Property Portfolio comprises five freehold office buildings located in Germany as well as a 40.0% interest in four freehold office buildings located in Spain.

- (i) **Berlin Campus (Germany):** The campus is located in Schreiberhauer Straße in the Lichtenberg district, 6km east of Berlin city centre and near the well-established Media Spree commercial centre. Within a five-minute walk to the Ostkreuz railway station, the campus is easily accessible by the S-Bahn (local railway) as well as regional trains and buses. The property consists of five connected building parts with eight to 13 upper floors which are used mainly for office purposes. An underground parking garage of two levels that spans across the entire property accommodates parking spaces for 432 motor vehicles. 64 additional external parking spaces are available at the entrance area and towards the rear of the property. The property has been occupied by Deutsche Rentenversicherung Bund (“DRV”) since its construction in 1994 and is connected by two bridges to the neighbouring property, which is also partly occupied by DRV. There are currently six other small retail/office tenants on the ground floor.
- (ii) **Bonn Campus (Germany):** Centrally located in Bonn's prime office area Bundesviertel (federal quarter), the campus is well connected to public transportation with the nearest underground train station, U-Bahn, only 100m away. Built to suit for Deutsche Telekom, Bonn Campus is connected by a pedestrian bridge to the global headquarters of Deutsche Telekom, located directly opposite the property. The U-shaped property comprises four connected buildings, each with three to five upper floors, which can easily be sub-divided into smaller offices or self-contained units. Built to high office specifications, with extensive and state-of-the-art technical equipment, the property allows for an easy implementation of new desk-sharing concepts. Bonn Campus currently operates as a single tenant property with a central entrance hall and a canteen facility for employees.
- (iii) **Darmstadt Campus (Germany):** The property is located on Heinrich-Hertz Straße 3-7 within a commercial zone in a prime office location (Europaviertel). The property is strategically located at the entrance of Europaviertel, benefitting from easy access to the train station and other public transports. Darmstadt main train station is reachable within 600m walking distance, while the nearest bus stop is within 150m walking distance. The property consists of six interconnected seven storey office buildings in a double H-shape with an additional link building. Parts of the property are only built with five storeys which provide for more effective natural lighting. The property has highly specified modern open plan office floors with subdivision flexibility. An underground parking garage spans over two levels, accommodating parking spaces for 353 motor vehicles. The property also benefits from a standalone seven storey parking garage providing a total of 826 parking spaces.
- (iv) **Münster Campus (Germany):** Located approximately 2.5km north of Münster city centre, the property is situated in one of the city's largest office submarkets known as “Zentrum Nord”. The regional railway station and bus stop are within walking distance and ensure optimal access to the city centre and the entire Münster region by public transport. The

¹ Based on the closing Unit price of S\$0.730 on 18 September 2020.

property consists of two self-contained and directly adjacent office buildings (Münster North and Münster South). They each have seven above-ground floors built around open inner courtyards for a maximum of natural light. The campus includes a standalone multi-storey car park with 422 parking spaces. Münster South has an underground parking garage with 100 parking spaces and there are a further 66 outdoor parking spaces on the campus premises.

- (v) **Concor Park (Germany):** Concor Park is located in the community of Aschheim-Dornach, within a large suburban business park situated about 10km from the centre of Munich. Due to its proximity to Munich, one of the strongest economic centres in Germany, the property benefits from an excellent macro and micro location and good accessibility by both private and public transport. The closest S-Bahn station (local railway) is 200m away and is easily reachable by foot. The five storey building with three independent wings and entrances was fully refurbished with a modern office fit-out in 2011. In 2016, Concor Park became the first redevelopment project in Germany to be awarded the prestigious Green Building Gold Certificate by the German Sustainable Building Council. The property operates as a multi-tenanted office property with a central canteen and coffee bar.
- (vi) **Delta Nova IV and Delta Nova VI (Spain):** Delta Nova IV and Delta Nova VI are two office buildings forming an office complex located in the consolidated business office area of Manoteras, north of Madrid. Built in 2005, the Delta Nova office complex has flexible and modular floor plates with high capacity and efficiency, benefitting from natural light. Delta Nova IV comprises a ground floor, four upper floors and two basement parking levels with 249 parking spaces, while Delta Nova VI comprises a ground floor, six upper floors and two basement parking levels with 384 parking spaces. In 2015, the two office buildings were awarded the Gold certification under the Leadership in Energy & Environmental Design (“LEED”) rating system from the US Green Building Council. Located in between the M-30 ring road and the A1 motorway as well as in close proximity to several bus stops, train and metro stations, the Delta Nova office complex is easily accessible by both private and public transportation systems. The closest metro station is within a five-minute walk away from the two office buildings. Delta Nova IV and Delta Nova VI are currently multi-tenanted and are leased to a number of blue-chip companies.
- (vii) **Sant Cugat Green (Spain):** Sant Cugat Green is a modern office building in Barcelona with a 5,146 sqm data centre space and a restaurant for internal use by its tenants. The property comprises three basement levels, a ground floor and four upper floors, and 580 parking spaces (of which 30 are for motorbikes). The property has floor plates with more than 3,000 sqm situated around a central atrium and enjoys good natural light throughout the building. Sant Cugat Green is LEED Gold certified. Sant Cugat is an attractive periphery office submarket within the metropolitan area of Barcelona. This has attracted a number of well-known companies to be situated in the area. Originally built in 1993 as Deutsche Bank’s Southern Europe headquarters, it then became the main local office for two important international companies, DXC Technology (spin-off from Hewlett-Packard) and Roche (Swiss multinational healthcare company).
- (viii) **Il·lumina (Spain):** Il·lumina is an office building located in Esplugues de Llobregata, a mixed use office and industrial area including a technology and audio-visual office cluster which is five kilometres away from the financial district of Barcelona. Built over two basements, a lower ground floor, a ground floor and three upper floors, the property comprises 310 parking spaces (of which 87 are for motorbikes). Il·lumina was fully refurbished in 2004 and following further recent investment to provide for recent technologies, the property obtained the LEED Silver certification. The property offers flexible office floors with ceiling heights from 2.7 metres up to four metres high and supplies a wide variety of services including meeting rooms, gym, changing rooms, a cafeteria and

an auditorium. Il·lumina also has over 3,800 sqm of fully equipped TV studios. Il·lumina is currently multi-tenanted and home to 12 tenants.

IREIT is managed by IREIT Global Group Pte. Ltd., which is jointly owned by Tikehau Capital and CDL. Tikehau Capital is an asset management and investment group with €25.8 billion of assets under management and shareholders' equity of €3.1 billion as at 31 December 2019. Tikehau Capital invests in various asset classes (private debt, real estate, private equity, capital markets strategies), including through its asset management subsidiaries, on behalf of institutional and private investors. 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, the CDL Group has 156 hotels and 45,000 rooms worldwide, many in key gateway cities.

GENERAL DEVELOPMENT OF IREIT

The general development of the business of IREIT from the beginning of the period comprising the three most recent completed financial years to the Latest Practicable Date, is set out below. Save as disclosed below, to the best of the Manager's knowledge and belief, there have been no material changes in the affairs of IREIT since the release of IREIT's financial results for the financial period ended 30 June 2020.

Date	Significant developments
9 March 2017	: Payment of base management fee by way of issue of Units for the period from 1 October 2016 to 31 December 2016 and payment of performance management fee by way of issue of Units for the period from 1 January 2016 to 31 December 2016
20 April 2017	: Obtained Unitholders' approval to broaden the investment mandate of IREIT
25 May 2017	: Payment of base management fee by way of issue of Units for the period from 1 January 2017 to 31 March 2017
24 August 2017	: Payment of base management fee by way of issue of Units for the period from 1 April 2017 to 30 June 2017
24 November 2017	: Payment of base management fee by way of issue of Units for the period from 1 July 2017 to 30 September 2017
13 March 2018	: Payment of base management fee by way of issue of Units for the period from 1 October 2017 to 31 December 2017
19 April 2018	: Obtained Unitholders' approval, <i>inter alia</i> , to amend the Trust Deed (as defined herein) to include the provisions regarding electronic communications of notices and documents to Unitholders
9 May 2018	: Announcement on the second supplemental deed to the Trust Deed entered into on 9 May 2018 to include the provisions regarding electronic communications of notices and documents to Unitholders

Date	Significant developments
23 May 2018	: Payment of base management fee by way of issue of Units for the period from 1 January 2018 to 31 March 2018
4 July 2018	: Announcement on entry into a sale and purchase agreement in relation to Tikehau Capital's acquisition of shares in the Manager and Units to boost its stakes in IREIT and the Manager
23 August 2018	: Payment of base management fee by way of issue of Units for the period from 1 April 2018 to 30 June 2018
12 November 2018	: Announcement on establishment of the Nominating and Remuneration Committee of the Manager
22 November 2018	: Payment of base management fee by way of issue of Units for the period from 1 July 2018 to 30 September 2018
11 December 2018	: Disclosure that the subsidiaries of IREIT have entered into a facility agreement or an aggregate principal amount of €200,760,000 (approximately S\$315.2 million) ¹ maturing in January 2026, pursuant to rule 704(31) of the Listing Manual
12 March 2019	: Payment of base management fee by way of issue of Units for the period from 1 October 2018 to 31 December 2018
30 April 2019	: Announcement on acquisition of Units and shares in the Manager by subsidiaries of CDL and changes to the Board of Directors in relation to entry of CDL as a new strategic investor of IREIT and the Manager
4 June 2019	: Payment of base management fee by way of issue of Units for the period from 1 January 2019 to 31 March 2019
22 August 2019	: Payment of base management fee by way of issue of Units for the period from 1 April 2019 to 30 June 2019
25 November 2019	: Payment of base management fee by way of issue of Units for the period from 1 July 2019 to 30 September 2019
7 December 2019	: Announcement in relation to proposed entry into the Shareholders' Agreement, incorporation of the JVCo, entry into loan agreement for CDL Loan and acquisition by JVCo of the Spain Properties
9 December 2019	: Announcement on incorporation of the JVCo which is 40.0% held by IREIT and 60.0% held by Tikehau Capital and entry into the Shareholders' Agreement
20 December 2019	: Completed acquisition by the JVCo of 100.0% of the issued share capital in each of the Spanish PropCos which hold the respective Spain Properties
3 March 2020	: Payment of base management fee by way of issue of Units for the period from 1 October 2019 to 31 December 2019
10 March 2020	: Adoption of half-yearly reporting pursuant to rule 705(2) of the Listing Manual

¹ Based on the assumed exchange rate of €1.00 = S\$1.57.

Date	Significant developments
7 April 2020	: Disclosures in relation to increased unitholding of Tikehau Capital and CSEPL in IREIT, and entry of AT Investments as new strategic investor by acquisition of Units
30 June 2020	: Payment of base management fee by way of issue of Units for the period from 1 January 2020 to 31 March 2020
7 August 2020	: Announcement of the proposed Acquisition
20 August 2020	: Payment of base management fee by way of issue of Units for the period from 1 April 2020 to 30 June 2020
18 September 2020	: Obtained Unitholders' approval at the EGM for (1) the Acquisition and (2) the potential transfer of a controlling interest to AT Investments as a result of the Rights Issue

Latest Valuation

The latest valuation of the properties comprising the Existing Property Portfolio as at 30 June 2020 is approximately S\$1,012.6 million (approximately €629.0 million).¹

The Manager of IREIT

The manager of IREIT is IREIT Global Group Pte. Ltd. and its registered office is located at 1 Wallich Street #15-03 Guoco Tower Singapore 078881. The names and addresses of the Directors are set out below.

Name	Position	Address
Mr Lim Kok Min, John	Chairman & Non-Executive Independent Director	c/o 1 Wallich Street #15-03 Guoco Tower Singapore 078881
Mr Tan Wee Peng, Kelvin	Non-Executive Independent Director	c/o 1 Wallich Street #15-03 Guoco Tower Singapore 078881
Mr Nir Ellenbogen	Non-Executive Independent Director	c/o 1 Wallich Street #15-03 Guoco Tower Singapore 078881
Mr Bruno de Pampelonne	Non-Executive Director	c/o 1 Wallich Street #15-03 Guoco Tower Singapore 078881
Mr Khoo Shao Hong, Frank	Non-Executive Director	c/o 1 Wallich Street #15-03 Guoco Tower Singapore 078881
Mr Sanjay Bakliwal	Non-Executive Director	c/o 1 Wallich Street #15-03 Guoco Tower Singapore 078881

Information on the Units

As at the Latest Practicable Date, there were 641,862,550 Units in issue and outstanding.

¹ Based on IREIT's 40.0% interest in the Spain Properties.

Substantial Unitholders¹ of IREIT and their Unitholdings

Based on the information available to the Manager, the Substantial Unitholders of IREIT² and their interests in the Units as at the Latest Practicable Date are as follows:

Name of Substantial Unitholder	Direct Interest		Deemed Interest		Total No. of Units Held	% ⁽⁴⁾
	No. of Units	% ⁽⁴⁾	No. of Units	% ⁽⁴⁾		
Skyline Horizon Consortium Ltd	38,761,414	6.039	–	–	38,761,414	6.039
Shanghai Summit Pte. Ltd. ⁽¹⁾	–	–	38,761,414	6.039	38,761,414	6.039
Mr Tong Jinquan ⁽¹⁾	–	–	38,761,414	6.039	38,761,414	6.039
Tikehau Capital SCA	188,157,361	29.314	–	–	188,157,361	29.314
City Strategic Equity Pte. Ltd.	134,956,458	21.026	–	–	134,956,458	21.026
CDL Real Estate Investment Managers Pte. Ltd. ⁽²⁾	–	–	134,956,458	21.026	134,956,458	21.026
New Empire Investments Pte. Ltd. ⁽²⁾	–	–	134,956,458	21.026	134,956,458	21.026
City Developments Limited ⁽²⁾	–	–	134,956,458	21.026	134,956,458	21.026
Hong Leong Investment Holdings Pte. Ltd. ⁽²⁾	–	–	134,956,458	21.026	134,956,458	21.026
Davos Investment Holdings Private Limited ⁽²⁾	–	–	134,956,458	21.026	134,956,458	21.026
Kwek Holdings Pte. Ltd. ⁽²⁾	–	–	134,956,458	21.026	134,956,458	21.026
AT Investments Limited	35,123,146	5.472	–	–	35,123,146	5.472
Auctus Investments Limited ⁽³⁾	–	–	35,123,146	5.472	35,123,146	5.472
Mr Arvind Tiku ⁽³⁾	–	–	35,123,146	5.472	35,123,146	5.472

Notes:

- (1) 38,761,414 Units are held by Skyline Horizon Consortium Ltd (“**Skyline**”), which is a wholly-owned subsidiary of Shanghai Summit Pte. Ltd. (“**Shanghai Summit**”). Shanghai Summit is in turn wholly-owned by Mr Tong Jinquan. Accordingly, each of Mr Tong Jinquan and Shanghai Summit has a deemed interest in the 38,761,414 Units held by Skyline.
- (2) CDL Real Estate Investment Managers Pte. Ltd., New Empire Investments Pte. Ltd., City Developments Limited, 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, Chapter 289 to have an interest in the 134,956,458 Units held by City Strategic Equity Pte. Ltd.
- (3) AT Investments Limited is a wholly-owned subsidiary of Auctus Investments Limited. Auctus Investments Limited is in turn wholly-owned by Sai Charan Trust, which Mr Arvind Tiku is a beneficiary of. Accordingly, each of Auctus Investments Limited and Mr Arvind Tiku is deemed pursuant to the provisions of Section 4 of the Securities and Futures Act, Chapter 289 to have an interest in the 35,123,146 Units held by AT Investments Limited.
- (4) Based on the total number of 641,862,550 Units in issue as at the Latest Practicable Date.

1 “**Substantial Unitholders**” refer to Unitholders with interests in not less than 5.0% of all Units in issue.

2 The Substantial Unitholders do not have different voting rights from ordinary Unitholders.

History of Issuance of Units

The table below sets out the Units issued for cash or services within the 12 months immediately preceding the Latest Practicable Date.

Date	Number of Units Issued
25 November 2019	Issue of 1,242,638 Units to the Manager at an issue price of S\$0.7564 per Unit as payment of 100% of the base fee component of the management fee payable to the Manager for the period from 1 July 2019 to 30 September 2019.
3 March 2020	Issue of 1,141,759 Units to the Manager at an issue price of S\$0.8025 per Unit as payment of 100% of the base fee component of the management fee payable to the Manager for the period from 1 October 2019 to 31 December 2019.
30 June 2020	Issue of 2,060,075 Units to the Manager at an issue price of S\$0.4747 per Unit as payment of 100% of the base fee component of the management fee payable to the Manager for the period from 1 January 2020 to 31 March 2020.
20 August 2020	Issue of 1,437,931 Units to the Manager at an issue price of S\$0.7329 per Unit as payment of 100% of the base fee component of the management fee payable to the Manager for the period from 1 April 2020 to 30 June 2020.

Price Range and Trading Volume of the Units on the SGX-ST

The highest and lowest closing prices and the average daily volume of Units traded on the SGX-ST for the 12 calendar months immediately preceding the Latest Practicable Date and for the period commencing on 1 September 2020 to the Latest Practicable Date are as follows:

Month/Period	Price Range (S\$ per Unit)		Volume Weighted Average Price (S\$)	Average Daily Volume Traded Units
	Highest	Lowest		
August 2019	0.790	0.745	0.765	465,000
September 2019	0.760	0.745	0.754	495,924
October 2019	0.800	0.755	0.779	477,677
November 2019	0.805	0.785	0.795	346,619
December 2019	0.810	0.795	0.798	383,829
January 2020	0.835	0.810	0.819	375,548
February 2020	0.885	0.770	0.829	791,515
March 2020	0.815	0.415	0.549	2,739,068
April 2020	0.685	0.520	0.618	9,332,793
May 2020	0.720	0.655	0.680	481,261
June 2020	0.755	0.710	0.734	649,114
July 2020	0.750	0.730	0.739	282,933
August 2020	0.755	0.690	0.718	573,985
1 September 2020 to the Latest Practicable Date	0.730	0.680	0.700	894,513

Source: Bloomberg L.P. Bloomberg L.P. has not provided its consent, for purposes of Section 249 of the SFA (read with Sections 302 and 305B of the SFA), to the inclusion of the information extracted from the relevant report published by it and therefore is not liable for such information under Sections 253 and 254 of the SFA (both read with Sections 302 and 305B of the SFA). While the Manager has taken reasonable actions to ensure that the information from the relevant report published by Bloomberg L.P. is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such report, none of the Manager, the Joint Lead Managers or any other party has conducted an independent review of the information contained in such report or verified the accuracy of the contents of the relevant information.

Indebtedness

Existing Borrowings

As at the Latest Practicable Date, IREIT has drawn down the following borrowings aggregating approximately €259.6 million:

- (i) Seven-year term loan facility of €200.8 million;
- (ii) CDL Loan of €32.0 million; and
- (iii) Seven-year term loan facility of €26.8 million¹.

Approximately 87.7% of the borrowings, which were on a floating rate basis, had been hedged using interest rate swap and interest rate cap contracts entered into by IREIT to fix the interest rates on these borrowings. The interest on the remaining 12.3% of IREIT's borrowings continue to be on a floating rate basis.

¹ IREIT's proportionate share of the borrowings of the Spanish PropCos through its 40.0% interest in the JVCo.

USE OF PROCEEDS

OFFER PROCEEDS AND USE OF PROCEEDS

The Rights Issue is intended to raise gross proceeds of approximately S\$142.8 million (approximately €88.7 million), with the net proceeds of the Rights Issue, being the gross proceeds of the Rights Issue less the estimated fees and expenses (including professional fees and expenses) of approximately S\$1.1 million (approximately €0.7 million) incurred in connection with the Rights Issue, estimated to be approximately S\$141.7 million (approximately €88.0 million).

Out of the net proceeds of the Rights Issue, (a) approximately S\$77.8 million (approximately €48.3 million) will be used to pay the estimated Purchase Consideration for the Acquisition and costs related thereto; (b) approximately S\$51.5 million (approximately €32.0 million) will be used to repay the CDL loan; (c) and approximately S\$12.4 million (approximately €7.7 million) will be used for future capital expenditure, repayment of debt and/or acquisition.

For each dollar of the gross proceeds of approximately S\$142.8 million (approximately €88.7 million) that will be raised from the Rights Issue, the Manager intends to allocate the proceeds from the Rights Issue in the following manner:

- (i) approximately 54.5 cents for the estimated Purchase Consideration of approximately S\$77.0 million (approximately €47.8 million) for the Acquisition and the estimated professional and other fees and expenses of approximately S\$0.8 million (approximately €0.5 million) incurred or to be incurred by IREIT in connection with the Acquisition;
- (ii) approximately 36.1 cents for the repayment of the CDL Loan¹ of approximately S\$51.5 million (approximately €32.0 million);
- (iii) approximately 8.7 cents for future capital expenditure, repayment of debt and/or acquisition of approximately S\$12.4 million (approximately €7.7 million); and
- (iv) approximately 0.8 cents for the estimated professional and other fees and expenses incurred or to be incurred by IREIT in connection with the Rights Issue of approximately S\$1.1 million (approximately €0.7 million).

While the Rights Issue is not underwritten, the provision of the Undertakings from Tikehau Capital, CSEPL and AT Investments will result in the subscription of all unsubscribed Rights Units remaining after the fulfilment of valid excess Rights Units applications by other Unitholders for the same under the terms of the Rights Issue. Accordingly, the Manager has certainty that the Rights Issue will be fully subscribed.

Notwithstanding its current intention, the Manager may, subject to relevant laws and regulations, use the net proceeds from the Rights Issue at its absolute discretion for other purposes, including without limitation, the repayment of existing indebtedness and for funding capital expenditures and/or other potential acquisitions.

Pending deployment, the net proceeds from the Rights Issue may, subject to relevant laws and regulations, be deposited with banks and/or financial institutions or be used to repay outstanding borrowings or for any other purpose on a short-term basis as the Manager may, in its absolute discretion, deem fit.

¹ For the avoidance of doubt, as disclosed in the acquisition announcement dated 7 December 2019, the CDL Loan constitutes an interested person transaction pursuant to the Listing Manual.

The Manager will make periodic announcements on the utilisation of the net proceeds from the Rights Issue via SGXNET as and when such funds are materially disbursed and whether such a use is in accordance with the stated use and in accordance with the percentage allocated. The Manager will also provide a status report on the use of the net proceeds from the Rights Issue in the annual report of IREIT. Where there is any material deviation from the stated use of proceeds, the Manager will announce the reasons for such deviation.

Costs of the Rights Issue

IREIT will have to bear estimated fees and expenses (including professional fees and expenses) of S\$1.1 million incurred in connection with the Rights Issue in relation to the Rights Issue.

ADDITIONAL DETAILS ON THE USE OF PROCEEDS

The following sets out additional details on the use of proceeds if such proceeds are used to (i) acquire or refinance the acquisition of an asset (other than in the ordinary course of business), (ii) finance or refinance the acquisition of a business or (iii) discharge, reduce or retire the indebtedness of IREIT.

Acquisition or Refinancing the Acquisition of an Asset other than in the Ordinary Course of Business

None of the proceeds from the Rights Issue will be used to acquire or refinance the acquisition of an asset other than in the ordinary course of business. Part of the net proceeds from the Rights Issue will be used to finance the Acquisition, as described above. If IREIT does not proceed with the Acquisition, the net proceeds from the Rights Issue will be applied towards other purposes, including without limitation, the repayment of existing indebtedness and for funding capital expenditures and/or other potential future acquisitions.

Financing or Refinancing the Acquisition of a Business

None of the proceeds from the Rights Issue will be used to finance or refinance the acquisition of a business.

Discharge, Reduction or Retirement of the Indebtedness of IREIT

The Manager intends to utilise part of the net proceeds from the Rights Issue of approximately S\$51.5 million (approximately €32.0 million) for the repayment of the CDL Loan, as described above, which is due to mature in May 2021. The CDL Loan of €32.0 million was fully drawn down by IREIT in 2019 for the funding of IREIT's proportionate capital contribution to the JVCo for the Initial Acquisition.

In the event that the Acquisition and/or the repayment of the CDL Loan is not completed, the Manager may apply the net proceeds from the Rights Issue towards other purposes, including without limitation, the repayment of other existing indebtedness and for funding capital expenditures and/or other potential future acquisitions.

The actual indebtedness (other than the CDL Loan) which would be reduced by the Manager out of the proceeds of the Rights Issue and the order of repayment of the facilities set out in the table below would depend on, among other things, the outcome of the Manager's negotiations with the relevant lenders, the prevailing economic environment as well as the requirements of IREIT. Each such repayment would be announced by the Manager on SGXNET. The details of the indebtedness of IREIT (other than the CDL Loan) which the Manager may reduce in full or in part with the net proceeds from the Rights Issue (including the details of the maturity of such indebtedness and, in relation to indebtedness which IREIT has incurred over the past 12 months, the uses to which the proceeds giving rise to such indebtedness were put) are set out in the table below.

Indebtedness which may be reduced	Usage	Amount (€'million)	Maturity Date(s)
Seven-year term loan	Not applicable ⁽¹⁾	200.8	January 2026
Seven-year term loan ⁽²⁾	To refinance the then existing borrowings of the Spanish PropCos upon the Initial Acquisition and for acquisition-related costs and corporate purposes	26.8 ⁽²⁾	December 2026

Notes:

(1) Such indebtedness was not incurred by IREIT over the past 12 months.

(2) IREIT's proportionate share of the borrowings of the Spanish PropCos through its 40.0% interest in the JVCo.

WORKING CAPITAL

The Manager is of the view that, in its reasonable opinion, after taking into consideration the Undertakings, the present bank facilities and operating cash flows of IREIT, as well as the net proceeds from the Rights Issue, the working capital available to IREIT, as at the date of lodgement of this Offer Information Statement, is sufficient to meet IREIT's present requirements.

COMMISSION

No underwriting commission will be payable to the Joint Lead Managers as the Rights Issue will not be underwritten by the Joint Lead Managers. No commission or fee will be paid to Tikehau Capital, CSEPL and AT Investments in consideration of the Undertakings.

INFORMATION RELATING TO THE ACQUISITION

INFORMATION ON THE SPAIN PROPERTIES

The Spain Properties comprise four freehold office buildings in Spain with a total gross lettable area (“**GLA**”) of 72,167 square metres (“**sqm**”), an overall occupancy rate of 84.7% and a weighted average lease expiry (“**WALE**”) by gross rental income (“**GRI**”) of 4.1 years as at 30 June 2020.¹

The table below sets out a summary of selected information on the Spain Properties as at 30 June 2020 (based on a 100% basis), unless otherwise indicated.

	Delta Nova IV	Delta Nova VI	Sant Cugat Green	Il·lumina	Total
City	Madrid	Madrid	Barcelona	Barcelona	
Completion Year	2005 and refurbished in 2015	2005 and refurbished in 2015	1993	1970s and fully redeveloped in 2004	
Agreed Value (€ m)	29.6	39.8	40.6	26.4	136.4
GLA (sqm)	10,256	14,855	26,134	20,922	72,167
Land Tenure	Freehold	Freehold	Freehold	Freehold	
Occupancy Rate (%)	93.7	94.5	77.1	82.9 ⁽²⁾	84.7
Number of Tenants	11	9	4	11	35
WALE by GRI (years)⁽³⁾	3.6	2.9	5.3	3.8	4.1
Net Property Income (€'000)⁽⁴⁾	1,414 ⁽¹⁾		1,396	590	3,400

Notes:

- (1) Delta Nova IV and Delta Nova VI are both held by Gloin Investments, S.L.U..
- (2) Assuming that the lease agreement with AREAS, S.A.U. (“**AREAS**”) which was entered into in May 2020 for approximately 3,450 sqm has commenced, notwithstanding that actual occupancy date for AREAS is in October 2020.
- (3) In July 2020, the Manager also successfully extended several leases for the Spain Properties expiring in December 2020. Figures are computed based on the assumption that the lease with AREAS and the extension of leases were already in place as at 30 June 2020.
- (4) For the financial period from 1 January 2020 to 30 June 2020.

¹ In May 2020, a lease was secured with AREAS with the lease commencing in October 2020. In July 2020, the Manager also successfully extended several leases for the Spain Properties expiring in December 2020. Figures are computed based on the assumption that the lease with AREAS and the extension of leases were already in place as at 30 June 2020.

INFORMATION ON THE ENLARGED PORTFOLIO

Overview of the Enlarged Property Portfolio

The table below sets out selected information on IREIT's Existing Property Portfolio and the balance 60.0% of the Spain Properties (“**Enlarged Property Portfolio**”) as at 30 June 2020 (unless otherwise indicated).

Total/Weighted Average	The Spain Properties	Existing Property Portfolio	Enlarged Property Portfolio
GLA (sqm)	72,167	229,687	272,987
Number of Tenants	35	63	63
Occupancy Rate (%)	84.7	98.1	95.7
WALE by GRI (years)	4.1	3.7	3.8
Valuation (€ million)	136.4 (average of two independent valuations as at 31 July 2020)	629.0	711.3

DETAILS OF THE ACQUISITION

Purchase Consideration

The estimated Purchase Consideration is currently estimated at S\$77.0 million (approximately €47.8 million) based on the unaudited consolidated NAV of the JVCo Group of S\$128.4 million¹ (approximately €79.7 million) (on a 100% basis) as at 30 June 2020, as adjusted upwards² based on the Agreed Value of the Spain Properties of S\$219.6 million (approximately €136.4 million) (on a 100% basis).

The final Purchase Consideration payable to the Vendor on Completion shall be subject to post-completion adjustments based on the NAV of the JVCo Group as at the Completion Date as provided for in the Share Purchase Agreement.

Estimated Total Cost of the Acquisition

The total costs of the Acquisition (the “**Total Acquisition Cost**”) is estimated to be S\$79.0 million (approximately €49.1 million) comprising:

- (i) the estimated Purchase Consideration of approximately S\$77.0 million (approximately €47.8 million);
- (ii) the acquisition fee of approximately S\$1.3 million (approximately €0.8 million) (the “**Acquisition Fee**”) payable in Units to the Manager (the “**Acquisition Fee Units**”) ³ (being 1.0% of 60.0% of the Agreed Value of the Spain Properties pursuant to the Trust Deed); and

1 The NAV of the JVCo Group also takes into account the bank loan owed by the Spanish PropCos to certain financial institutions, which will remain in the Spanish PropCos after Completion.

2 Upwards adjustment of approximately €1.06 million from the independent valuation of the Spain Properties of €135.35 million as at 30 June 2020.

3 As the Acquisition will constitute an “interested party transaction” under the Property Funds Appendix, the Acquisition Fee is payable to the Manager in Units, and the Acquisition Fee Units shall not be sold within one year from the date of issuance in accordance with Paragraph 5.7 of the Property Funds Appendix.

- (iii) the estimated professional and other fees and expenses of approximately S\$0.8 million (approximately €0.5 million) incurred or to be incurred by IREIT in connection with the Acquisition.

The Manager intends to finance the Total Acquisition Cost (save for the Acquisition Fee) with part of the net proceeds from the Rights Issue.

PRINCIPAL TERMS OF THE SHARE PURCHASE AGREEMENT

Certain Terms and Conditions of the Share Purchase Agreement

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

- (i) the Completion is subject to and conditional upon the following conditions precedent:
 - (a) IREIT obtaining Unitholders' approval for the Acquisition;
 - (b) there being no resolution, proposal, scheme, order for the compulsory acquisition or intended acquisition by the relevant government or any other competent authority of the Spain Properties on or before the Completion Date;
 - (c) IREIT having secured adequate financing to undertake the Acquisition;
 - (d) there being no material damage to the Spain Properties on or before Completion; and
 - (e) there being no breach of any warranties which would result in a material adverse effect on JVCo; and
- (ii) in accordance with the Share Purchase Agreement, if any of the conditions precedent above are not satisfied on or before 5:00 pm (Singapore time) on 30 November 2020, any of the Trustee and Tikehau Capital shall have the right to terminate the Share Purchase Agreement and neither the Trustee nor Tikehau Capital shall have any claim against the other under it, save for any claim arising from antecedent breaches of the Share Purchase Agreement.

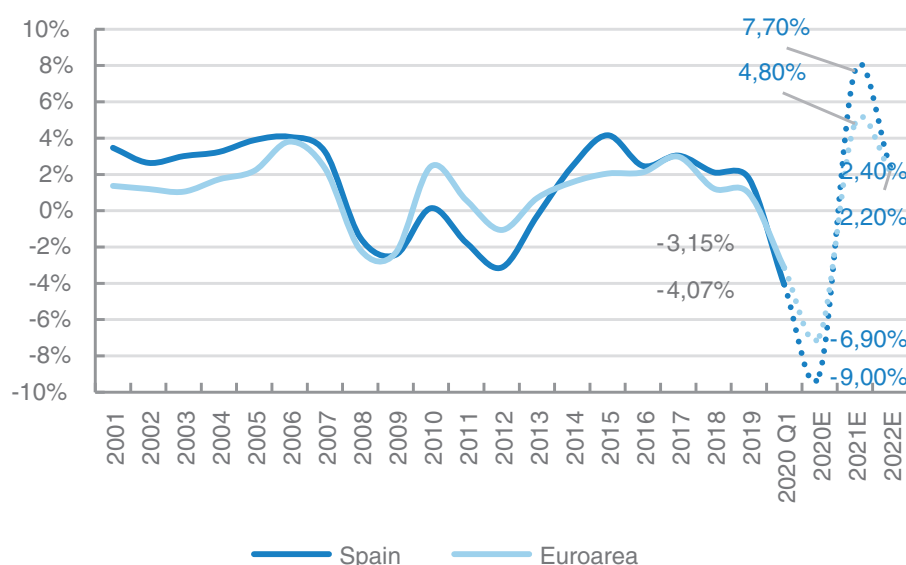
RATIONALE FOR AND KEY BENEFITS OF THE ACQUISITION

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

1 Deepens IREIT's strategic presence in Spain, the fifth largest economy in Europe by GDP

1.1 Benefit from the growth and recovery of the Spanish economy

According to the Independent Market Research Consultant, Spain is the fifth largest economy in Europe by GDP in 2019. Since 2014, the country has experienced a trend of economic expansion which outstripped the European Union ("EU") average, which is reflected in the lower unemployment rate (down from 23.6% in 2014 to 13.7% in 2019) and strong tourist arrivals (83.7 million visitors in 2019, compared to 75.3 million visitors in 2016). In 2019, Spain's GDP growth came in at 1.78%, 0.82% points higher than the EU GDP growth of 0.96%.



Source: BDE & Bankinter Research

According to Independent Market Research Consultant, the recovery of Spain from the COVID-19 pandemic is expected to outpace that of the EU, with an expected Spanish GDP growth of 7.7% and 2.4% forecasted for 2021 and 2022 respectively. According to the Independent Market Research Consultant, Spanish sectors will benefit from the following competitive strengths which remain intact:

- Competitive market:** Spain is one of the largest markets in Europe, with a purchasing power in line with the EU average. Spain's regulatory and institutional framework is modern, clear and transparent, aligned with the best practices and norms of the Organisation for Economic Co-operation and Development ("OECD"). In recent years, the implementation of a series of far-reaching structural reforms has reinforced the competitiveness of the business climate, increasing labour market flexibility and improving the conditions for the development and growth of new companies and corporate groups in the market. In addition, Spain has achieved a high degree of technological development and offers a highly qualified workforce that is recognised internationally, together generating an ideal, attractive framework for investment and business activities.

- **Robust Business platform:** Spain serves as a strong business platform for closing business between the EU and the Mediterranean area, including North Africa, the Middle East and Latin America. For example, Spain currently has the largest number of investment protection agreements with the countries of Latin America within the EU.
- **Favourable business climate:** Multinational companies currently existing within Spain benefit from very moderate tax policies, especially for the research and development (“R&D”) sector, where Spain is regarded as having the second most favourable policies among OECD countries. It benefits as well from an excellent climate and an exceptional social environment.
- **Excellent infrastructure and workforce:** Spain stands out with its communications and infrastructure network and its highly qualified and competitive workforce.
- **Technological Production Model:** Spain is currently focused on developing a new production model that creates business opportunities in sectors with high-added value and a strong technological component, such as the Chemical Industry; Information and Communication Technology (ICT); Health Science; Airplane Industry, Automotive Sector; Transports and Logistics, Energy and Ecological Transition, Tourism, Leisure and Food and Agriculture Sector. Among other advantages, a wide range of installations (science and technology parks, logistics platforms, etc.) and office space for these business activities have been developed and are already spread across the whole country. They are available for small and medium companies as well as multinationals, offering a suitable environment for the development of technological know-how and the promotion of innovation. An example of these new spaces would be 22@ district in Barcelona, attractive for many investors due to its good performance.
- **Resilience and adaptability:** During the COVID-19 crisis, many sectors within Spain have proven to be flexible and able to adapt to the new circumstances and trends such as smart working and e-commerce have accelerated.

Spain will also be the second biggest recipient of European aid, receiving over €140 billion over the next six years from the €750 billion COVID-19 recovery fund, of which €72.2 billion will take the form of grants that do not have to be repaid, lessening the impact of COVID-19 on the economy. The Spanish government has also extended a national government stimulus package which is serving as a vital support for the economy which includes measures such as the ERTE (*expediente de regulación temporal de empleo*) scheme, public credit guarantee schemes and tax moratoriums.

The Spanish economy is also expected to benefit from Brexit with the transition period scheduled to end by 31 December 2020. According to the Independent Market Research Consultant, the situation is creating positive effects on the important cities of Germany, France and Spain, and particularly Madrid and Barcelona and their metropolitan areas, with an increase in their investment figures and the number of companies that are renting office space in both of the cities.

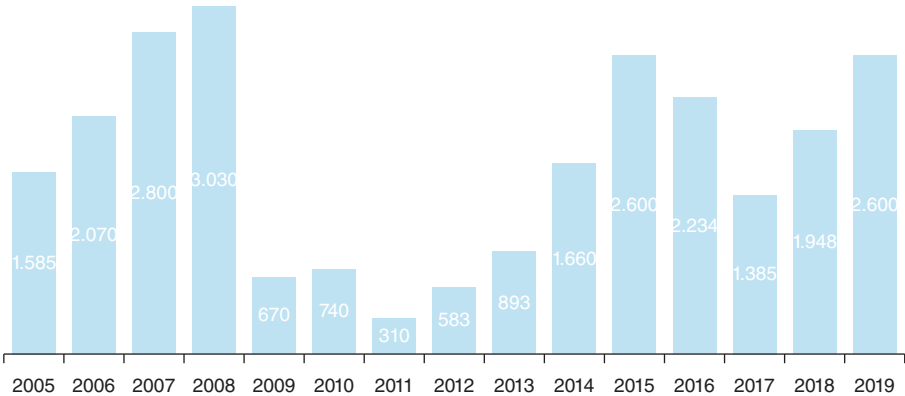
Spain, with its climate conditions, excellent quality of life and competitive market, benefitted with more than 30 large companies from different industries recently moving to the Madrid and Barcelona regions or have significantly expanded their activity in the country. Some examples include American Express opening a new headquarters in the Campo de las Naciones area in Madrid, Credit Suisse transferring an important part of its operations team to Spain which will lead operations within the Spanish, French, Italian and Nordic markets, and Uber opening its new operations centre for Southern Europe in the Arturo Soria area in Madrid.

1.2 Strong office fundamentals in the key cities of Madrid and Barcelona

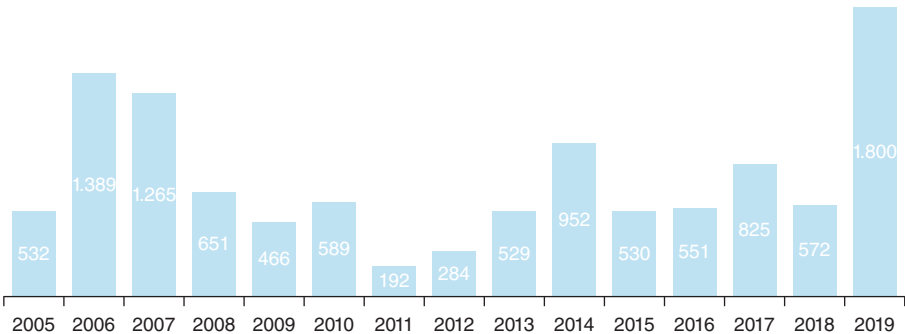
Madrid is the capital and largest city of Spain whilst Barcelona is the second largest city in Spain. Madrid is considered a major financial centre and leading economic hub of Spain and Southern Europe and is the third most populous city in Europe after London and Berlin accounting for 12% of Spanish GDP in 2018. Barcelona is a leading economic and cultural city in Europe and is the main biotech hub of Spain accounting for 6.8% of Spanish GDP in 2018.

The office sector is the most important within Spain in terms of investments, with the sector’s investment figures in 2019 exceeding €4.5 billion; doubling the 2018 volume. The office investment volume in 2019 has also increased significantly in both Madrid and Barcelona, at €2.6 billion (from €1.9 billion in 2018) and €1.8 billion (from €0.6 billion in 2018) respectively.

Madrid Office Investment Volume (€M)



Barcelona Office Investment Volume (€M)

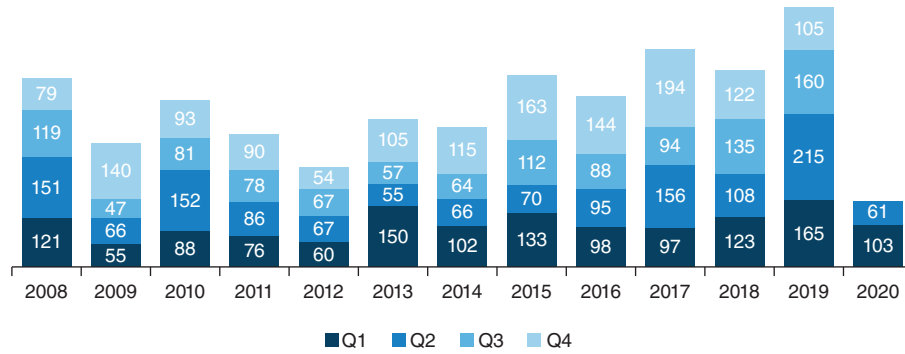


In 2019, the office market in Madrid saw an aggregate take up of 645,000 sqm, an increase of 32.2% from the aggregate take up of 488,000 sqm in 2018. Correspondingly, the office market in Barcelona also saw an aggregate take up of 387,000 sqm, an increase of 8.4% from the aggregate take up of 357,000 sqm in 2018.

Madrid Office Take Up

OFFICE TAKE UP PER QUARTER

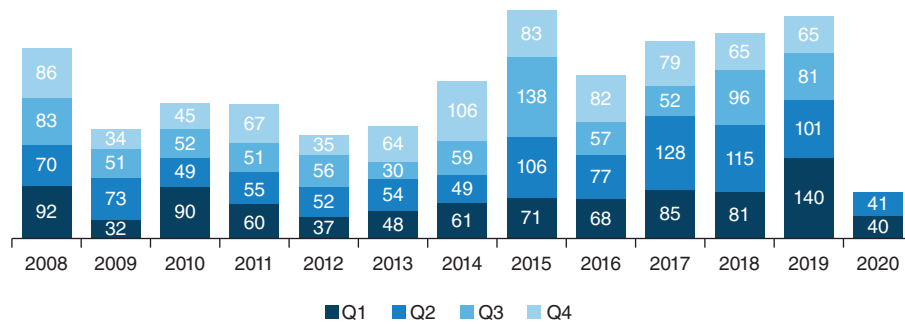
Take-up in '000sqm



Barcelona Office Take Up

OFFICE TAKE UP PER QUARTER

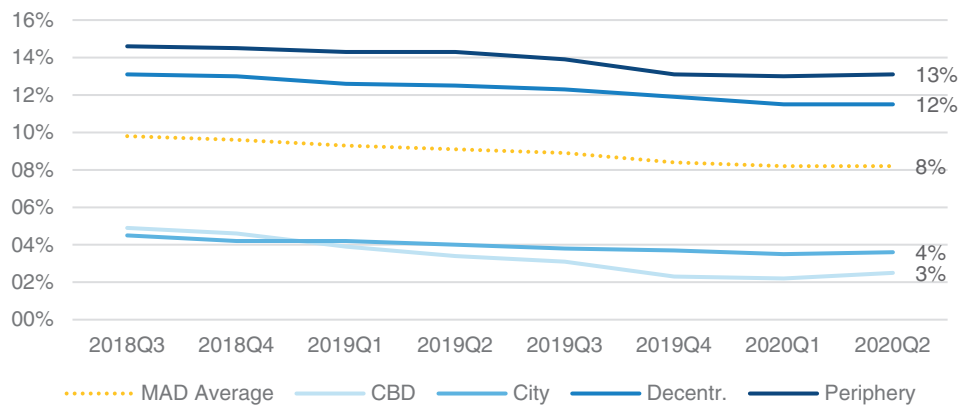
Take-up in '000sqm



The office vacancy rates in 2Q2020 for Madrid and Barcelona also stood strong at 8% and 7% respectively.

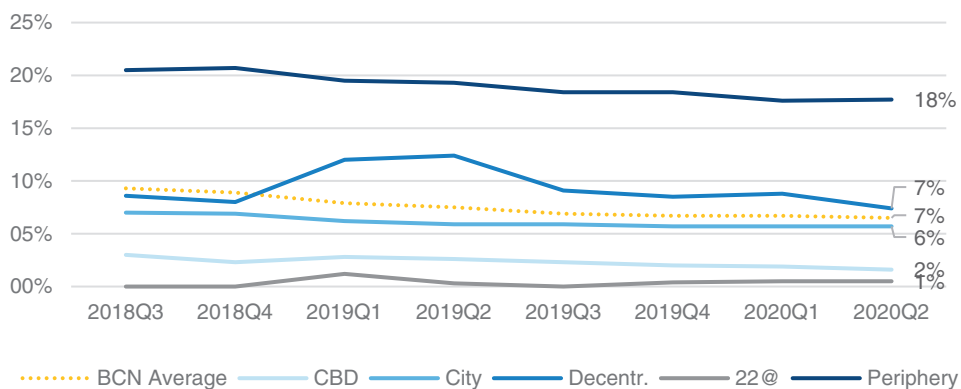
Office Vacancy Rates for Madrid

VACANCY RATES



Office Vacancy Rates for Barcelona

VACANCY RATES



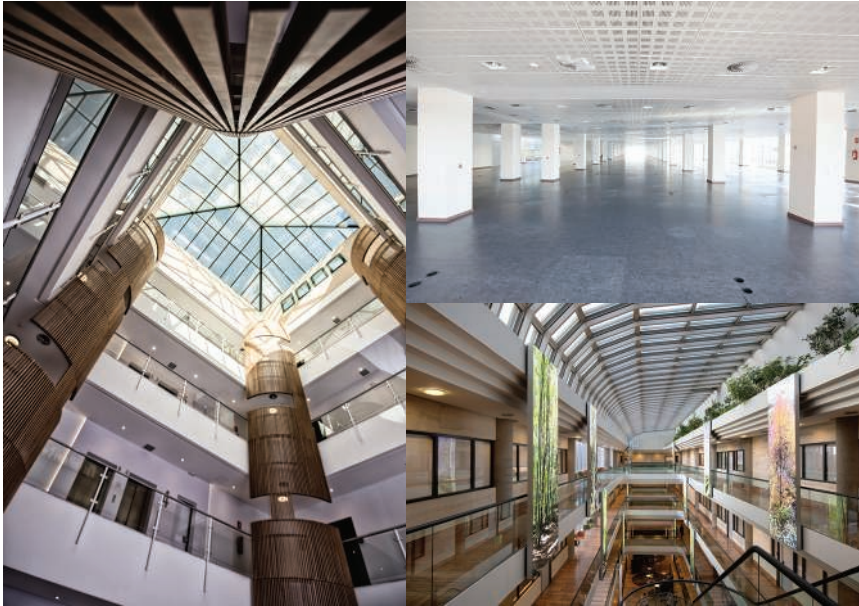
2 Achieve full ownership of a high quality office portfolio

The Manager believes that the Acquisition represents a unique opportunity to achieve full ownership of a high quality office portfolio, despite the dilutive illustrative pro forma effects to DPU (see the section entitled “**Pro Forma Financial Information – Pro Forma DPU**” below). In considering whether a building is a high quality property, the Manager may take into account, including, but not limited to, one or more of the following characteristics such as, for example, freehold with good accessibilities, high occupancy rates, well distributed lease expiry profile and strong diversified tenant base, each of which are elaborated further below.

2.1 Freehold office buildings with good accessibility

The Spain Properties are freehold office buildings that are located in the established secondary office areas of Madrid and Barcelona. They have large and easily divisible floor plates and enjoy natural lighting and connectivity to major commercial areas via different modes of transportation systems.

All of the Spain Properties have also been awarded the Leadership in Energy and Environmental Design (“LEED”) certification from the U.S. Green Building Council.



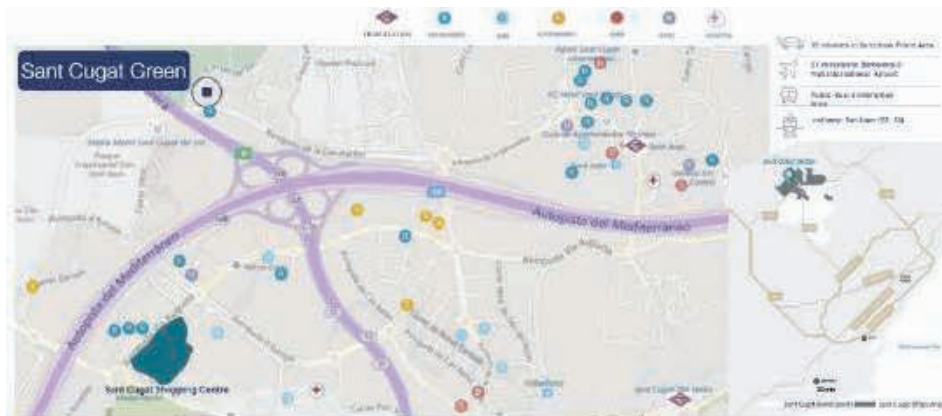
Delta Nova IV and VI



Delta Nova IV and Delta Nova VI are two office buildings forming an office complex located in the Manoteras, a well-connected office submarket in the north side of Madrid which many well-known companies such as Everis and Liberbank have their headquarters located. Having direct access to the M-11, A-1 and M-607 highways, Delta Nova IV and Delta Nova VI have access to a fast connection by private transport to the Madrid financial centre and the nearby Madrid-Barajas airport and Paseo de la Castellana, the main central route through Madrid. Delta Nova IV and Delta Nova VI are also located only minutes away from the closest rail, train or bus stations, which serve as public transport alternatives for commuters. The area also benefits from a wide range of services such as hotels, restaurants and entertainment venues.

Built in 2005, the Delta Nova office complex has flexible and modular floor plates with high capacity and efficiency (up to one workstation per 10 sqm), benefitting from natural light. In 2015, the two office buildings had renovations done to their facades, awnings, atriums, lobbies, central patio and green areas and was awarded the LEED Gold certification.

Sant Cugat Green



Sant Cugat Green is located in the municipality of Sant Cugat del Vallès, in an area commonly known as “Can Sant Joan”, which is a secondary office area of Barcelona developed along the B-30/AP-7 highways. The attractive surroundings of Sant Cugat has made it one of the most sought-after office submarkets in the Barcelona metropolitan area. Companies such as Grifols, Sabadell Bank, Ricoh, RTVE, Catalana Occident and Mapfre are settled in this area, which is served by many available services such as hotels, restaurants and even schools. Sant Cugat Green is specifically located in the northwest part of Can Sant Joan bounded by the C-16 road and AP-7 highway, in which well-known tenants such as Roche, HP and Nespresso have their headquarters.

Sant Cugat Green benefits from direct access to the B-30/AP-7 highway, and is less than 30 minutes away from both the Barcelona airport and city centre by private transport. It is also accessible via public transport with a bus stop located just in front of the property, which connects to the closest Sant Joan train stop only eight minutes away.

Sant Cugat Green was developed at a high standard, with excellent quality of finishes and installations, and has a good provision of common areas, such as meeting rooms, cafeteria, and kitchen, and floor plates with more than 3,000 sqm situated around a central atrium and enjoys good natural light throughout the building. Sant Cugat Green is LEED Gold certified.

Il·lumina



Il·lumina is located in “El Gall”, a consolidated secondary area location in Barcelona which serves as a mixed industrial and office area. Given the proximity to the major TV3 studio complex as well as centre of Barcelona, the area has since become a cluster location suitable for telecommunications, image, and audio-visual companies, high tech offices as well as back-office space facilities for certain companies. Il·lumina has direct access to the B-23 highway and is only 5km away from Barcelona’s CBD, and is easily accessible by public transport with bus stops located within a 300 metre radius, and the closest tram and metro stations located within walking distance. Nearby services can be found within the neighbouring Av. Cornellà and Av. Baix Llobregat areas which include schools, restaurants, supermarkets and petrol stations.

Il·lumina was originally built in the 1970s and was fully refurbished in 2004 into an office building, maintaining its original exterior whilst enhancing its functionality and design. Further recent investment was made to provide for recent technologies, earning it the LEED Silver certification. It provides flexible office floors with ceilings from 2.7 metres up to four metres high and supplies a wide variety of services including meeting rooms, gym, changing rooms, a cafeteria and an auditorium with 90 seats for its tenants. Il·lumina also offers over 3,800 sqm of fully equipped TV studios.

2.2 Strong diversified tenant base

The Spain Properties are leased to a diversified tenant base, with tenants across different sectors that include growing or defensive sectors such as technology and healthcare. Due to the diversified tenant base, there is limited concentration within the Spain Properties, with the two largest tenants contributing an aggregate of approximately 34.9% to the total GRI as at 30 June 2020.

The largest tenant of the Spain Properties is DXC Technology Company (“**DXC**”), which contributed approximately 23.6% of the total GRI as at 30 June 2020. DXC is an investment grade information technology services company listed on the NYSE which offers analytics, applications, business process, cloud and workload, consulting, and security services and solutions. DXC is a Fortune 500 company and is represented in the S&P 500 Index, and has established more than 200 industry-leading global relationships, including 14 strategic partners including Amazon Web Services, AT&T, Dell Technologies, Google Cloud, HP, HPE, IBM, Micro Focus, Microsoft, Oracle, PwC, SAP, ServiceNow and VMware.

The second largest tenant of the Spain Properties is Roche Diagnostics, S.L.U. (“**Roche Diagnostics**”), which contributed approximately 11.4% of the total GRI as at 30 June 2020. Roche Diagnostics develops innovative products and services that address the prevention, diagnosis, monitoring, screening and treatment of diseases, and is a division of F. Hoffmann-La Roche AG, a Swiss multinational healthcare company. The holding company, Roche Holdings AG (“**Roche**”), is an investment-grade company with shares listed on the SIX Swiss Exchange, and is the second largest pharmaceutical company worldwide after Johnson&Johnson. Roche has also been noted to be one of the few companies increasing their dividends every year, with 2018 being the 32nd consecutive year.

No.	Tenant	Business sector	% contribution to GRI of Spain Properties ⁽¹⁾
1	DXC Technology	Technology	23.6%
2	Roche Diagnostics, S.L.U.	Healthcare	11.4%
3	Corporacio Catalana De Mitjans Audiovisuals, S.A.	Communications (Public)	8.4%
4	Gesif, S.A.U. (Cabot)	Financial services	8.0%
5	Digitex Informatica	Technology	8.0%

Note:

(1) In May 2020, a lease was secured with AREAS with the lease commencing in October 2020. Percentage contribution of the tenants to GRI of the Spain Properties are computed based on the assumption that the lease with AREAS was already in place as at 30 June 2020.

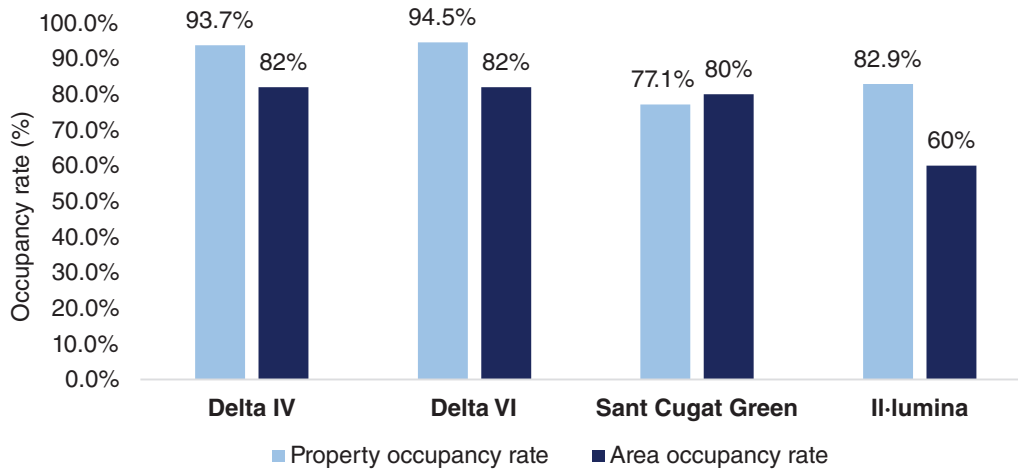
2.3 Strong occupancy with well-distributed lease expiry profile

Strong Occupancy

As a testament to the attractiveness and resilience of the Spain Properties, amidst the on-going COVID-19 pandemic, in May 2020, the Manager secured a five-year lease for approximately 3,450 sqm of office space with AREAS at Il·lumina. AREAS is one of the global leaders in food and beverage services and is the third largest provider of travel food and retail services worldwide. The new lease with AREAS represents one of the largest known rental transactions in Barcelona in 2020 to-date and will significantly increase the overall occupancy rate of Il·lumina from 65.8% as at 30 June 2020 to 82.9% on a pro forma basis.

At an overall occupancy rate of 84.7% as at 30 June 2020, the Spain Properties have on a portfolio basis out-performed the areas in which they are located in, demonstrating the strength and quality of the portfolio.

Occupancy by property



Note:

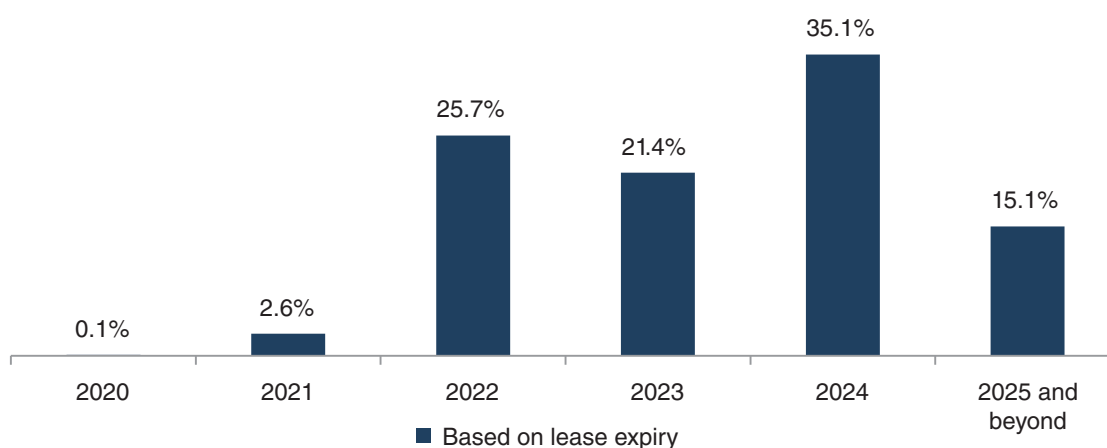
(1) In May 2020, a lease was secured with AREAS with the lease commencing in October 2020. Occupancy rate is computed based on the assumption that the lease with AREAS was already in place as at 30 June 2020.

Well-distributed lease expiry profile

The Manager expects the Spain Properties to be minimally affected by COVID-19 due to minimal expiries occurring in 2020 and 2021. Despite the outbreak and consequent lockdown, the Spain Properties remain resilient with less than 2% of tenants by rent requesting for rental rebates between April and June 2020. In July 2020, the Manager had also successfully extended approximately 95.0% of leases (by GRI as at 30 June 2020) expiring in 2020.

Following the Acquisition, the WALE by GRI of the Enlarged Property Portfolio as at 30 June 2020 is expected to increase to 3.8 years from 3.7 years, with less than 4% of leases expiring in 2020 and 2021 and no more than 31.7% of leases by GRI expiring in any given year, compared to 35.1% before the Acquisition.

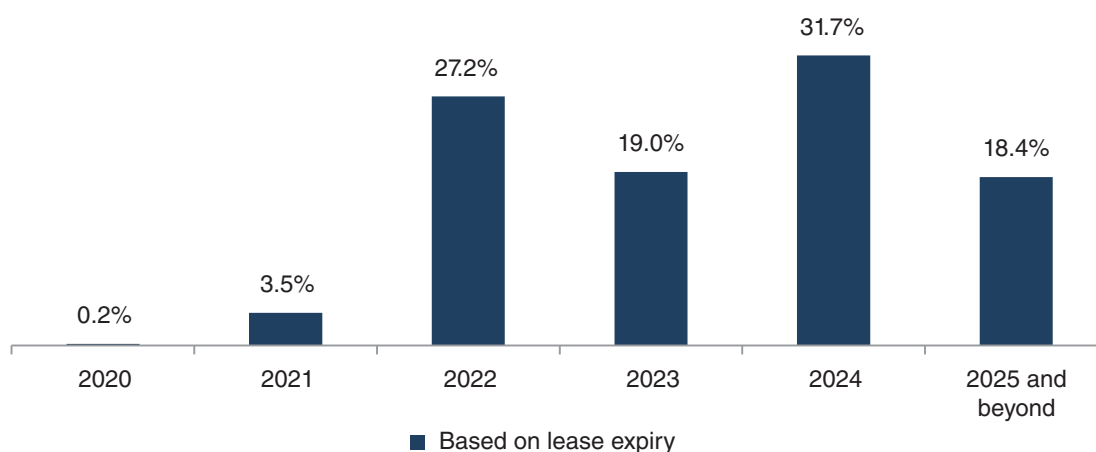
**Lease Expiry Profile (by GRI) of Existing Property Portfolio
as at 30 June 2020⁽¹⁾**



Note:

- (1) In May 2020, a lease was secured with AREAS with the lease commencing in October 2020. In July 2020, the Manager also successfully extended several leases for the Spain Properties expiring in December 2020. Figures are computed based on the assumption that the lease with AREAS and extension of leases were already in place as at 30 June 2020.

**Lease Expiry Profile (by GRI) of Enlarged Property Portfolio
as at 30 June 2020⁽¹⁾**



Note:

- (1) In May 2020, a lease was secured with AREAS with the lease commencing in October 2020. In July 2020, the Manager also successfully extended several leases for the Spain Properties expiring in December 2020. Figures are computed based on the assumption that the lease with AREAS and extension of leases were already in place as at 30 June 2020.

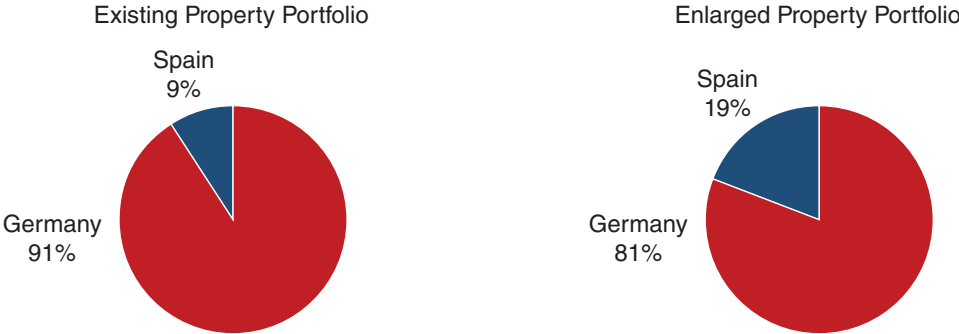
3 Increase portfolio strength through enhanced portfolio diversification

3.1 Geographic and asset diversification

Upon completion of the Acquisition, IREIT’s aggregate valuation¹ will increase by 13.0% from €629.5 million to €711.3 million.

The Acquisition will increase IREIT’s geographical exposure in Spain, from 9% of the value of IREIT’s Existing Property Portfolio to 19% of the value of IREIT’s Enlarged Property Portfolio. This will correspondingly decrease IREIT’s portfolio exposure to Germany from 91% to 81%.

Portfolio Valuation⁽¹⁾ by Country

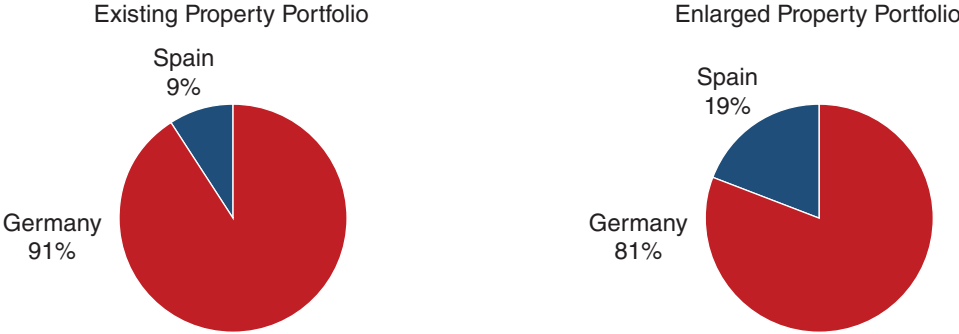


Note:

(1) For the Spain Properties, based on the average of the two independent valuations as at 31 July 2020.

Further portfolio diversification will be achieved as IREIT’s largest exposure to any single city will also be decreased from 35% to 30%.

Portfolio Valuation⁽¹⁾ by Country



Note:

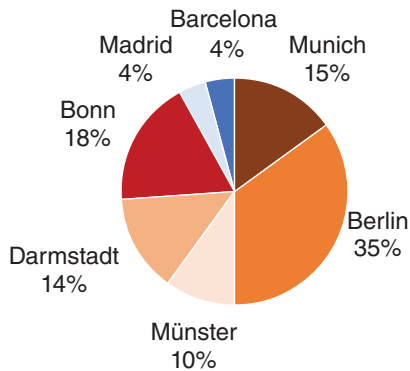
(1) For the Spain Properties, based on the average of the two independent valuations as at 31 July 2020.

Further portfolio diversification will be achieved as IREIT’s largest exposure to any single city will also be decreased from 35% to 30%.

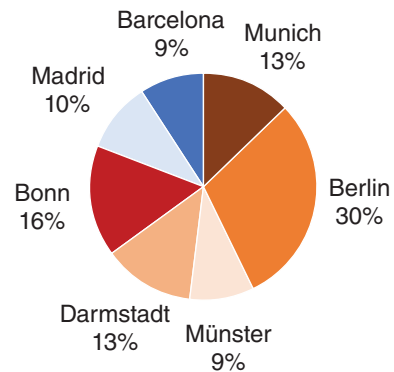
1 For the Spain Properties, based on the average of the two independent valuations as at 31 July 2020.

Portfolio Valuation⁽¹⁾ by City

Existing Property Portfolio



Enlarged Property Portfolio



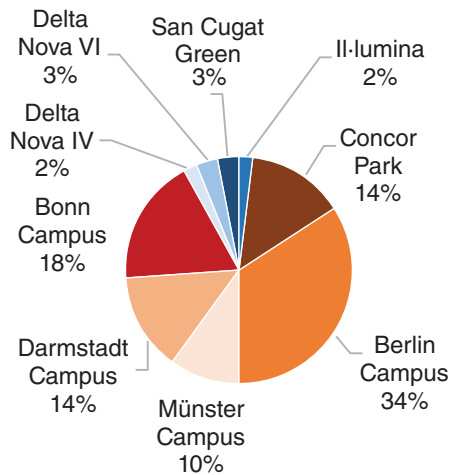
Note:

(1) For the Spain Properties, based on the average of the two independent valuations as at 31 July 2020.

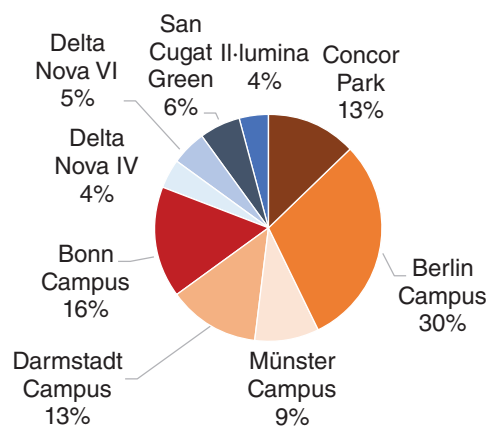
The Acquisition enables IREIT to achieve further portfolio diversification as it will reduce the portfolio's largest asset exposure (based on valuation), Berlin Campus, from 34% to 30%.

Portfolio Valuation⁽¹⁾ by Asset

Existing Property Portfolio



Enlarged Property Portfolio



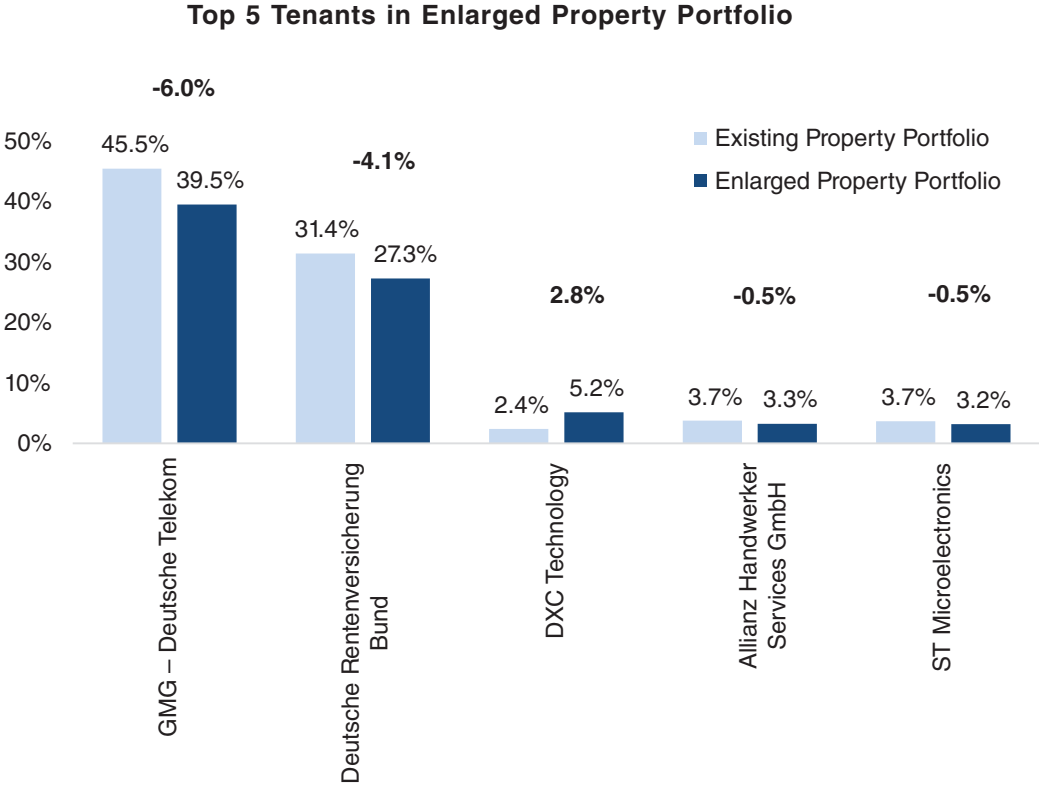
Note:

(1) For the Spain Properties, based on the average of the two independent valuations as at 31 July 2020.

3.2 Tenant diversification¹

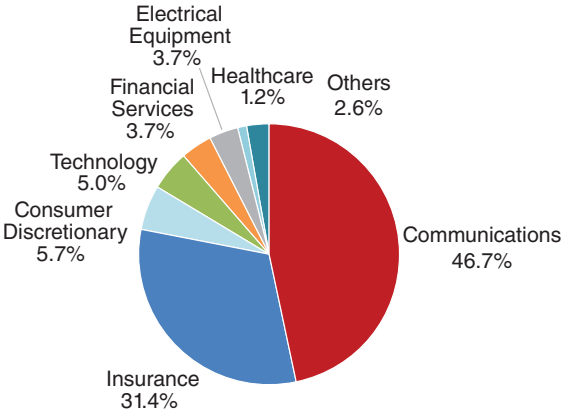
The Spain Properties are leased to a diversified tenant base which includes a number of large reputable companies. Following the Acquisition, the top five tenants' aggregate contribution to the Enlarged Property Portfolio's GRI as at 30 June 2020 will decrease from 87.2% to 78.4% on a pro-forma basis, and no single tenant will contribute more than 39.5% of IREIT's total GRI from 45.5% previously.

The top five tenants for the Enlarged Property Portfolio would be as follows:

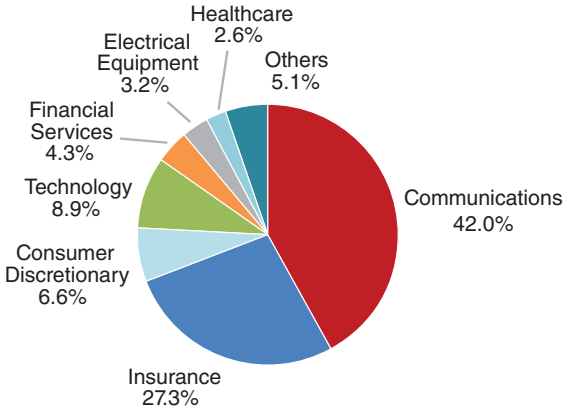


The Acquisition also enables IREIT to achieve further tenant sector diversification as it will reduce the portfolio's largest sector exposure (by GRI as at 30 June 2020), Communications, from 46.7% to 42.0%.

Existing Property Portfolio Tenant Base



Enlarged Property Portfolio Tenant Base



¹ In May 2020, a lease was secured with AREAS with the lease commencing in October 2020. Figures are computed based on the assumption that the lease with AREAS was already in place as at 30 June 2020.

4 Attractive asset management opportunities with benefits from decentralisation trends

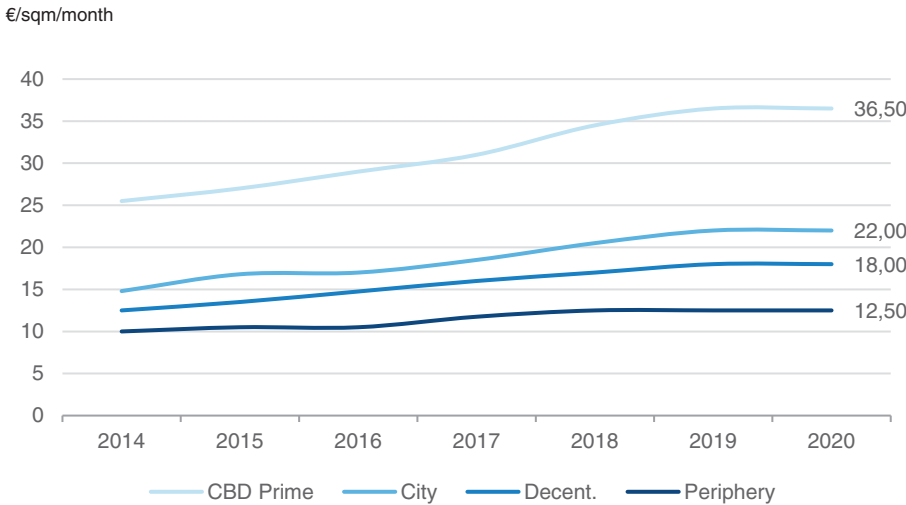
The Manager believes that the Spain Properties offers attractive asset management opportunities through potential for positive rental reversions and the uplifting of occupancies.

4.1 Potential for positive rental reversions

According to the Independent Market Research Consultant, the Grade A rents for both Madrid and Barcelona are characterised as rising since 2014. Between 2014 and 2019, the Grade A rents for the decentralised segment have increased with a compounded average growth rate of 7.6% and 10.2% for Madrid and Barcelona respectively.

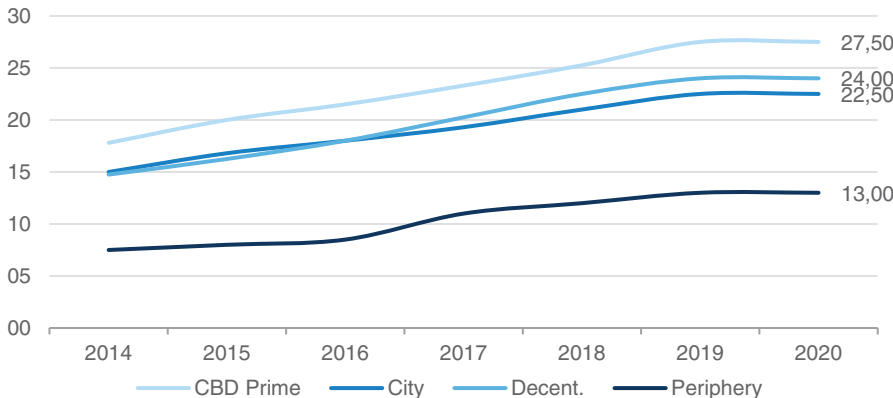
Madrid Office Rents

GRADE A RENTS BY AREA

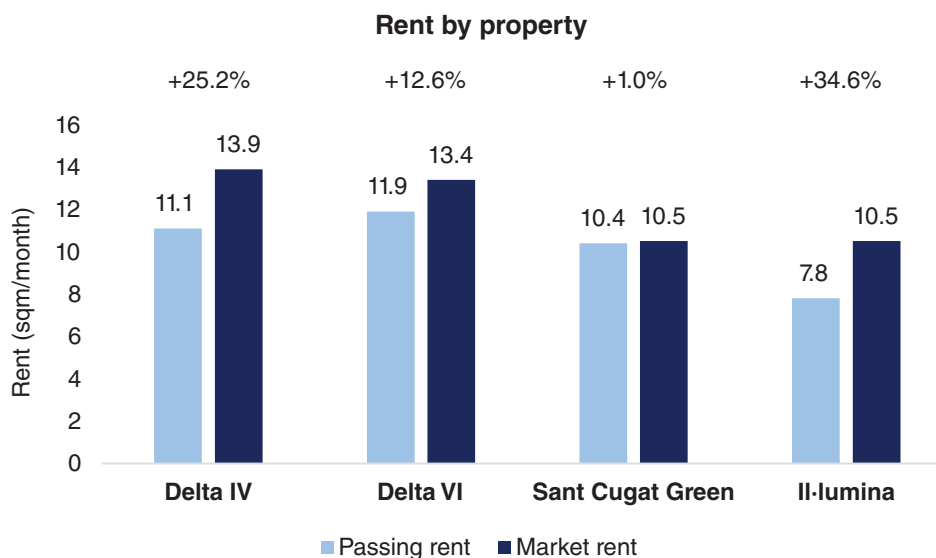


Barcelona Office Rents

GRADE A RENTS BY AREA



Based on the Independent Market Research Consultant, the passing rents of the Spanish Properties are on average 14.5% below their respective market rents, presenting an opportunity for further organic growth as leases are marked to market, either via rental reversions or market rental reviews built into select existing leases for the Spain Properties.



4.2 Decentralisation trend

According to the Independent Market Research Consultant, the take-up distribution shows that secondary locations, with good connections and services around, are gaining importance with respect to the CBD.

Companies that need more space tend to move to decentralised areas with higher availabilities and lower rents than the CBD, but still remain very well connected by private and public means of transport and has all the services available. Between 2019 and 2020, 54% of deals closed within the Madrid and Barcelona markets which had a surface area in excess of 5,000 sqm were in decentralised areas such as Manoteras. Some examples of such deals include ING’s lease of 35,000 sqm at Helios Building in Madrid, and Caixabank’s lease of 12,800 sqm on G.V. Corts Catalanes in Barcelona, both decentralised locations.

Both Madrid and Barcelona are internationally well-positioned as important centres of attraction for companies in the technology sector, as evidenced by the position of Google and Amazon within the Madrid market as well as the growth of the 22@ technology district in Barcelona, where the highest percentage of new developments is concentrated and leading companies such as Amazon, Glovo and Everis are established.

Specific areas of cities, such as Manoteras-Sanchinarro in Madrid, or 22@ in Barcelona, host a large number of technology companies such as Amazon and HP. Other areas, such as Can Sant Cugat, host a large number of companies related to the health and technology industries.

5 Leveraging on strategic investors' strong platform and resources

Tikehau Capital is one of the key strategic investors of IREIT and holds 50% of the shareholding in the Manager. Tikehau Capital has deep asset and investment management experience across Europe. Since its inception in 2004, Tikehau Capital's assets under management ("**AUM**") has scaled up to €25.7 billion (as at 30 June 2020) and shareholders' equity of €3.1 billion (as at 31 December 2019), with its real estate business being the largest operating segment at €9.6 billion of AUM as at 30 June 2020. Tikehau Capital employs more than 530 staff (as at 31 December 2019), including professionals with investment, legal, finance and technical expertise in its Paris, London, Amsterdam, Brussels, Luxembourg, Madrid, Milan, New York, Seoul, Singapore and Tokyo offices.

City Developments Limited ("**CDL**") is also one of the key strategic investors of IREIT (through its wholly-owned subsidiary, CSEPL) and holds 50% of the shareholding in the Manager (through its wholly-owned subsidiary, City REIT Management Pte Ltd). 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.

The Acquisition allows IREIT to increase its exposure to Spain by exercising the Call Option granted by Tikehau Capital, following the Initial Acquisition in December 2019. The successful completion of both the Initial Acquisition and the Acquisition will demonstrate the successful leveraging of IREIT's key strategic investors' strong platform and resources, allowing IREIT to completely own a quality portfolio of assets by acquiring the remaining stake currently held by Tikehau Capital.

Following the Acquisition, IREIT will continue to tap on Tikehau Capital and CDL's extensive networks, sourcing capabilities and intricate knowledge of the local markets for future strategic growth opportunities.

PRO FORMA FINANCIAL INFORMATION

Pro Forma Financial Effects of the Rights Issue and the Acquisition

The pro forma financial effects of the Rights Issue and the Acquisition on the DPU, the NAV per Unit and the aggregate leverage of IREIT presented below are strictly for illustrative purposes and have been prepared based on the following:

For FY2019

- the 2019 Audited Financial Statements;
- the unaudited financial statements of the Spanish PropCos for the financial year ended 31 December 2019 with adjustments made to reflect IREIT as the 100% owner as of 1 January 2019;

Taking into account the Purchase Consideration, and on the basis that:

- 291,405,597 new Units are issued to raise gross proceeds of approximately S\$142.8 million (approximately €88.7 million) pursuant to the Rights Issue to finance the Acquisition;
- 2,011,347 new Units are issued for the Acquisition Fee¹ payable to the Manager; and
- 1,041,479 new Units are issued for the management fee payable to the Manager in relation to the Spain Properties for the financial year ended 31 December 2019.

For 1H 2020

- the 1H 2020 Unaudited Financial Statements;
- the unaudited financial statements of the Spanish PropCos for the financial period ended 30 June 2020 with adjustments made to reflect IREIT as the 100% owner as of 1 January 2020;

Taking into account the Purchase Consideration, and on the basis that:

- 291,405,597 new Units are issued to raise gross proceeds of approximately S\$142.8 million (approximately €88.7 million) pursuant to the Rights Issue to finance the Acquisition;
- 2,011,347 new Units are issued for the Acquisition Fee¹ payable to the Manager; and
- 540,153 new Units are issued for the management fee payable to the Manager in relation to the Spain Properties for the financial period ended 30 June 2020.

¹ As the Acquisition will constitute an “interested party transaction” under the Property Funds Appendix issued by the MAS, the Acquisition Fee shall be in the form of Units and shall not be sold within one year from the date of issuance in accordance with Paragraph 5.7 of the Property Funds Appendix.

Pro Forma DPU

FOR ILLUSTRATIVE PURPOSES ONLY:

The pro forma financial effects of the Acquisition on IREIT's DPU for the financial year ended 31 December 2019, as if the Acquisition, and issuance of the Rights Units and the Acquisition Fee Units, were completed on 1 January 2019, and IREIT had held and operated 100% of the Spain Properties through to 31 December 2019, are as follows:

	Before the Acquisition	After the Acquisition
Net Property Income (€'000)	30,662	37,185
Amount available for distribution (€'000)	25,264	29,502
Issued Units ('000)	637,223 ⁽¹⁾	931,681 ⁽²⁾
DPU (€ cents)	3.57	2.85
DPU (S\$ cents)	5.64 ⁽³⁾	4.51 ⁽³⁾
Annualised DPU Yield (%)	7.7% ⁽⁴⁾	6.9% ⁽⁵⁾
Annualised DPU Yield Accretion (%)	–	-11.0%

Notes:

- (1) Number of Units issued as at 31 December 2019.
- (2) The total number of Units in issue at the end of the year includes 291,405,597 new Units issuable in connection with the Rights Issue to finance the Acquisition, 2,011,347 new Units issuable as payment of the Acquisition Fee payable to the Manager and 1,041,479 new units issuable as payment of the management fee payable to the Manager for FY2019 in relation to the Spain Properties for the financial year ended 31 December 2019 pro forma at a TERP per Unit of S\$0.655.
- (3) Based on the assumed exchange rate for FY2019 of €1.00 = S\$1.581.
- (4) Based on closing price per Unit of S\$0.730 on 18 September 2020.
- (5) Based on the TERP per Unit of S\$0.655.

FOR ILLUSTRATIVE PURPOSES ONLY:

The pro forma financial effects of the Acquisition on IREIT's DPU for the financial period ended 30 June 2020, as if the Acquisition, and issuance of the Rights Units and the Acquisition Fee Units, were completed on 1 January 2020, and IREIT had held and operated 100% of the Spain Properties through to 30 June 2020, are as follows:

	Before the Acquisition	After the Acquisition
Net Property Income (€'000)	15,665	19,065
Amount available for distribution (€'000)	12,956	15,153
Issued Units ('000)	640,425 ⁽¹⁾	934,382 ⁽²⁾
DPU (€ cents)	1.82	1.46
DPU (S\$ cents)	2.85 ⁽³⁾	2.29 ⁽³⁾
Annualised DPU Yield (%)	7.8% ⁽⁴⁾	7.0% ⁽⁵⁾
Annualised DPU Yield Accretion (%)	–	-10.7%

Notes:

- (1) Number of Units issued as at 30 June 2020.
- (2) The total number of Units in issue at the end of the period includes 291,405,597 new Units issuable in connection with the Rights Issue to finance the Acquisition and 2,011,347 new Units issuable as payment of the Acquisition Fee payable to the Manager and approximately 540,153 new Units issuable as payment of the management fee payable to the Manager for 1H2020 in relation to the Spain Properties for the financial period ended 30 June 2020 pro forma at a TERP per Unit of S\$0.655.
- (3) Based on the assumed exchange rate for 1H2020 of €1.00 = S\$1.566.
- (4) Based on closing price per Unit of S\$0.730 on 18 September 2020.
- (5) Based on the TERP per Unit of S\$0.655.

Pro Forma NAV

FOR ILLUSTRATIVE PURPOSES ONLY:

The pro forma financial effects of the Acquisition on the NAV per Unit as at 31 December 2019, as if the Acquisition, and issuance of the Rights Units and the Acquisition Fee Units were completed on 31 December 2019, are as follows:

	Before the Acquisition	After the Acquisition
NAV represented by Unitholders' funds (€'000)	354,293	447,969
Units in issue and to be issued at the end of the year ('000)	638,365 ⁽¹⁾	931,746 ⁽²⁾
NAV represented by Unitholders' funds per Unit (€)	0.56	0.48

Notes:

- (1) Number of Units issued and to be issued as at 31 December 2019.
- (2) The total number of Units in issue at the end of the year includes approximately 291,405,597 new Units issuable in connection with the Rights Issue to finance the Acquisition, and approximately 2,011,347 new Units issuable as payment of the Acquisition Fee payable to the Manager at a TERP per Unit of S\$0.655.

FOR ILLUSTRATIVE PURPOSES ONLY:

The pro forma financial effects of the Acquisition on the NAV per Unit as at 30 June 2020, as if the Acquisition, and issuance of the Rights Units and the Acquisition Fee Units were completed on 30 June 2020, are as follows:

	Before the Acquisition	After the Acquisition
NAV represented by Unitholders' funds (€'000)	349,894	437,795
Units in issue and to be issued at the end of the period ('000)	641,863 ⁽¹⁾	935,244 ⁽²⁾
NAV represented by Unitholders' funds per Unit (€)	0.55	0.47

Notes:

- (1) Number of Units issued and to be issued as at 30 June 2020.
- (2) The total number of Units in issue at the end of the period includes approximately 291,405,597 new Units issuable in connection with the Rights Issue to finance the Acquisition and approximately 2,011,347 new Units issuable as payment of the Acquisition Fee payable to the Manager at a TERP per Unit of S\$0.655.

Pro Forma Aggregate Leverage

FOR ILLUSTRATIVE PURPOSES ONLY:

The pro forma aggregate leverage of IREIT as at 31 December 2019, as if the Acquisition, and issuance of the Rights Units and the Acquisition Fee Units were completed on 31 December 2019, is as follows:

	Before the Acquisition	After the Acquisition ⁽¹⁾
Aggregate Leverage (pro forma as at 31 December 2019)	39.3%	35.0%

Note:

(1) Assuming that the CDL Loan has been repaid on 31 December 2019 with part of the net proceeds of the Rights Issue.

FOR ILLUSTRATIVE PURPOSES ONLY:

The pro forma aggregate leverage of IREIT as at 30 June 2020, as if the Acquisition, and issuance of the Rights Units and the Acquisition Fee Units were completed on 30 June 2020, is as follows:

	Before the Acquisition	After the Acquisition ⁽¹⁾
Aggregate Leverage (pro forma as at 30 June 2020)	39.0%	35.1%

Note:

(1) Assuming that the CDL Loan has been repaid on 30 June 2020 with part of the net proceeds of the Rights Issue.

OPERATING AND FINANCIAL REVIEW AND PROSPECTS

*This section should be read together with the selected financial data from the Financial Statements which are set out in **Appendix A** of this Offer Information Statement. Such selected financial data should be read together with the relevant notes to the Financial Statements, where applicable, which are available on the website of IREIT at the URL <http://www.ireitglobal.com/>.*

Save for the Financial Statements which are deemed incorporated into this Offer Information Statement by reference, the information contained in the website of IREIT does not constitute part of this Offer Information Statement.

OPERATING REVIEW

Statement of Profit or Loss and Other Comprehensive Income and Statement of Distribution

Selected financial data from the 2017 Audited Financial Statements, the 2018 Audited Financial Statements, the 2019 Audited Financial Statements and the 1H 2020 Unaudited Financial Statements is set out in **Appendix A** of this Offer Information Statement. Financial data relating to (i) DPU, (ii) EPU and (iii) EPU after adjustment to reflect the issuance of the Rights Units, among others, are also set out in **Appendix A** of this Offer Information Statement.

Such selected financial data should be read together with the relevant notes to the Financial Statements where applicable.

Consolidated Statement of Financial Position and Consolidated Statement of Cash Flows

Selected financial data from the 2019 Audited Financial Statements and the 1H 2020 Unaudited Financial Statements, including the line items in the consolidated statement of financial position (for the 1H 2020 Unaudited Financial Statements) and consolidated statement of cash flows of IREIT, as well as the number of Units after any adjustment to reflect the issuance of the Rights Units, NAV per Unit, and NAV per Unit after any adjustment to reflect the issuance of the Rights Units are also set out in **Appendix A** of this Offer Information Statement.

Such selected financial data should be read together with the relevant notes to the 2019 Audited Financial Statements and the 1H 2020 Unaudited Financial Statements.

Liquidity and Capital Resources

FY2019

IREIT's cash and cash equivalents was at €25.3 million as at 31 December 2019, compared with €18.4 million at the close of FY2018.

Net cash generated from operating activities for FY2019 was €29.2 million largely due to the net property income received for the financial year.

Net cash used in investing activities was €31.6 million during FY2019, which was primarily due to investment in joint venture in December 2019 and capital expenditure on investment properties during the financial year.

Net cash received from financing activities for FY2019 was €9.3 million. This was mainly attributed to proceeds from borrowings of €232.8 million, offset by repayment of borrowings of €193.5 million, costs related to borrowings of €4.2 million, interests of €2.9 million and distribution of €22.8 million to Unitholders.

1H 2020

IREIT's cash and cash equivalents was at €24.2 million as at 30 June 2020, compared with €25.3 million at the close of FY2019.

Net cash generated from operating activities for 1H 2020 was €13.2 million largely due to the net property income received for the financial period.

Net cash used in investing activities was €1.2 million during 1H 2020, which was primarily due to capital expenditure on investment properties during the financial period.

Net cash used in financing activities for 1H 2020 was €13.1 million. This was mainly attributed to interests of €2.0 million and distribution of €11.1 million to Unitholders.

FINANCIAL REVIEW

The following sets out the management's discussion and analysis on significant factors, including any unusual or infrequent event or new development, which materially affected income available for distribution to Unitholders after tax, including significant components of revenue or expenditure relating to distribution to Unitholders after tax for the financial periods referred to below.

Management's Discussion and Analysis of Financial Condition and Results of Operations

FY2017

Gross revenue was 1.6% higher at €35.0 million for FY2017 compared to FY2016. This was due mainly to higher contribution from Bonn Campus as a result of a 10% CPI-linked increase in rental income from December 2016, partially offset by lower rental income from Münster South Building as a result of the vacant floor with effect from April 2017.

Driven mainly by this increase in gross revenue, net property income increased by 2.2% from €30.9 million for FY2016 to €31.5 million for FY2017.

Amount available for distribution to Unitholders of €26.0 million for FY2017 was 1.7% higher than that in FY2016. IREIT distributed approximately 90% of the amount available for distribution to Unitholders for FY2017 as compared to 100% of the amount available for distribution to Unitholders for FY2016. This accounted mainly for FY2017 DPU of 3.72 € cents being 10.1% lower as compared to FY2016 DPU of 4.14 € cents.

As at 31 December 2017, IREIT had a portfolio of five properties with total assets and market capitalisation of €486.8 million and S\$485.7 million respectively.

FY2018

Gross revenue decreased marginally by 0.4% to €34.8 million compared to €35.0 million for FY2017.

Coupled with the increase in property operating expenses of €0.7 million in FY2018 due to costs arising from various initiatives taken by the Manager to better position the properties for the long term, net property income decreased by 2.8% from €31.5 million to €30.6 million over the same period.

Amount available for distribution to Unitholders of €25.1 million for FY2018 was 3.2% lower than that in FY2017. In line with this, the DPU of 3.59 € cents for FY2018 was 3.5% lower than the DPU

of 3.72 € cents for FY2017. For both FY2017 and FY2018, IREIT distributed approximately 90% of the amount available for distribution to Unitholders.

As at 31 December 2018, IREIT had a portfolio of five properties with total assets and market capitalisation of €528.9 million and S\$458.2 million respectively.

FY2019

Gross revenue increased by 1.3% to €35.3 million, compared to €34.8 million for FY2018, mainly attributable to the positive effects arising from the finalisation of prior years' service charge reconciliation.

The increase in gross revenue was, however, offset by the increase in property operating expenses due mainly to repair and maintenance expenses for the upkeep of the properties. This resulted in the net property income for FY2019 remaining relatively stable at €30.7 million as compared to €30.6 million for FY2018.

Whilst the amount available for distribution to Unitholders increased marginally by 0.5% year-on-year to €25.3 million compared to €25.1 million for FY2018, DPU for FY2019 was 3.57 € cents, which was 0.6% lower than the DPU of 3.59 € cents for FY2018, due to an enlarged number of Units in issue.

As at 31 December 2019, IREIT had a portfolio of five properties in Germany and four properties in Spain (through its 40% investment in the JVCo) with total assets and market capitalisation of €636.4 million and S\$516.1 million respectively.

1H 2020

Gross revenue for 1H2020 increased by 2.6% year-on-year to €18.0 million, which was mainly attributable to the new lease at Münster South Building which commenced in July 2019 and positive effects arising from the finalisation of prior years' service charge reconciliation.

The increase in gross revenue contributed to the 1.4% increase in net property income from €15.4 million for 1H2019 to €15.7 million for 1H2020. There was an increase in net property income for 1H2020 in spite of the increase in property operating expenses due mainly to repair and maintenance expenses for the upkeep of the properties.

Amount available for distribution to Unitholders remained stable at €13.0 million for 1H2020. DPU for 1H2020 was 1.82 € cents, which was 1.1% lower year-on-year as compared to 1.84 € cents for 1H2019, due to an enlarged number of Units in issue.

As at 30 June 2020, IREIT had a portfolio of five properties in Germany and four properties in Spain (through its 40% investment in the JVCo) with total assets and market capitalisation of €636.5 million and S\$461.1 million respectively.

Working Capital

IREIT's available financial resources have been sufficient for its working capital requirements for FY2017, FY2018 and FY2019.

BUSINESS PROSPECTS AND TREND INFORMATION

Business and Financial Prospects of IREIT and Significant Trends and Conditions of the Market

The COVID-19 pandemic has impacted the business activity in Europe, with major economies in the region expected to fall into recession in 2020. This has contributed to a slowdown in the take-up of office space and investment activity in Europe during the year.

However, office rents where IREIT's properties are located are not expected to be significantly affected due to their strong local fundamentals such as low vacancy rates, lack of supply and affordable rental levels. IREIT's portfolio which comprises nine high quality assets also have a majority of the leases that are supported by a blue-chip tenant base. As at 30 June 2020, the overall occupancy rate of IREIT's portfolio has improved from 94.7% a quarter ago to 95.7% as a result of a major new lease with AREAS, one of the global leaders in food and beverage services at Il·lumina in Spain.

Given IREIT's well-diversified portfolio and strong tenant base, its portfolio performance has remained stable during this period. However, in view of the ongoing global market uncertainties, the financial information disclosed in this Offer Information Statement may not necessarily be indicative of the future operating results or financial condition.

(See the section entitled "**Risk Factors**" of this Offer Information Statement for a discussion of certain business factors or risks pertaining to COVID-19 and ongoing geopolitical tensions which may have a material and adverse impact on the business, results of operations, financial condition and prospects of IREIT, should they take place.)

RISK FACTORS

*The risks described below should be carefully considered before making an investment decision in relation to the Rights Entitlements, the Rights Units or the Units. The risks described below are not the only ones relevant to IREIT, the Manager, the Trustee, the Rights Entitlements, the Rights Units or the Units. These risk factors are not intended to be exhaustive and, in particular, are not intended to repeat the risk factors set out in the prospectus dated 13 August 2014 in connection with the listing of IREIT on the SGX-ST (the “**Prospectus**”), certain of which may continue to be applicable to IREIT. Details of some of the risk factors relating to the Existing Property Portfolio which continue to be applicable to IREIT can be found in the Prospectus. Additional risks not described below or not presently known to the Manager and/or the Trustee or that it/they currently deem(s) immaterial may later become material and may also impair the business operations of IREIT. The business, financial condition or results of operations of IREIT could be materially and adversely affected by any of these risks.*

RISKS RELATING TO THE PROPERTIES

IREIT may be adversely affected by economic and real estate market conditions (including uncertainties and instability in global market conditions and increased competition in the real estate market), as well as changes in regulatory, fiscal and other governmental policies in Europe.

The properties including IREIT’s Existing Property Portfolio and the remaining 60.0% interest in the Spain Properties (the “**Properties**”) are located in Europe. As a result, IREIT’s gross revenue and results of operations depend upon the performance of the European economy. An economic decline in Europe could adversely affect IREIT’s results of operations and future growth.

In addition, Europe’s economy is affected by global economic conditions. The global credit markets have experienced, and may continue to experience, volatility and liquidity disruptions, which have resulted in the consolidation, failure or near failure of a number of institutions in the banking and insurance industries. There remains a concern that the debt crisis affecting Europe and the US will impinge upon the health of the global financial system. These events could adversely affect IREIT insofar as they result in:

- a negative impact on the ability of the tenants to pay their rents in a timely manner or continue their leases, thus reducing IREIT’s cash flow;
- an increase in counterparty risk (being the risk of monetary loss which IREIT may be exposed to if any of its counterparties encounters difficulty in meeting its obligations under the terms of its respective transaction); and/or
- an increased likelihood that one or more of (i) IREIT’s banking syndicates (if any), (ii) banks or insurers, as the case may be, providing bankers’ guarantees or performance bonds for the rental deposits or other types of deposits relating to or in connection with the Properties or IREIT’s operations or (iii) IREIT’s insurers, may be unable to honour their commitments to IREIT.

Investments in office and real estate-related assets in any particular country will expose IREIT to additional local real estate market conditions. Other real estate market conditions which may adversely affect the performance of IREIT include the attractiveness of competing real estate-related assets or an oversupply or reduced demand for such real estate-related assets.

Further, IREIT will be subject to real estate laws, regulations and policies of European jurisdictions as a result of its property investments in Europe. Measures and policies adopted by European governments and regulatory authorities at national, state or local levels, such as government control over property investments or foreign exchange regulations, may negatively impact IREIT's properties.

COVID-19 or any other infectious and communicable disease or serious public health issue may adversely impact IREIT.

In March 2020, the World Health Organisation declared the outbreak of a new infectious disease known as "COVID-19", to be a pandemic. COVID-19, has spread rapidly in almost all regions around the globe, and has resulted in a rapid deterioration of the political, socio-economic and financial situation globally. IREIT continues to monitor the impact which the COVID-19 outbreak could have on IREIT's lease arrangements, the jurisdictions in which the Properties are located and more broadly on the macro-economic outlook as further cases emerge and governments and international agencies impose a range of measures to deal with the outbreak. COVID-19 could adversely impact IREIT's results of operations and future growth.

In particular, government measures to alleviate the economic impact of COVID-19 such as compulsory rental rebates or subsidies provided to tenants by landlords, the imposition of restrictions on the termination of lease agreements and/or the application of enforcement measures and on taking steps with a view to initiating insolvency and/or enforcement proceedings could adversely affect IREIT's ability to enforce and require its tenants to perform their obligations under their lease agreements. A pandemic creates the risk of potential for volatility in financial markets (including interest rate and foreign exchange rate risks) and may adversely impact the cost, availability, duration or terms of financing and credit available to us. The potential exists for recession within individual countries, the failure of businesses and austerity measures, all of which might impact the future demand for office spaces.

IREIT cannot be assured that the risks from COVID-19 including those described above or from any other communicable or infectious disease or public health issue will not have a material adverse effect on IREIT in future. If the current COVID-19 situation deteriorates, or restrictions persist over longer periods (even intermittently), the business, financial condition and results of operations of IREIT may be adversely affected.

Barriers to trade or escalation of trade disputes could negatively affect demand for office spaces.

There is increased uncertainty with respect to trade relations, including as a result of potential retaliatory tariffs, between the United States and other countries, particularly China. Such ongoing geopolitical tensions have taken a toll on the business activity globally (including in Europe), with major economies in the region expected to fall into recession in 2020. These events could contribute to an economic decline in Europe, which may result in a material decrease in demand for office properties for sale or for lease, and in turn, adversely affect IREIT's results of operations and future growth. In particular, the focus on policy reforms that discourage US corporations from outsourcing manufacturing and production activities to foreign jurisdictions, including increased customs restrictions and tariffs or quotas or the imposition of additional duties and other charges on imports and exports, could change the way some of our tenants conduct their business and the countries in which they operate out of, which may in turn affect their ability to make rental payments to IREIT, or to renew their lease agreements when they expire.

The Properties and properties to be acquired by IREIT may require significant capital expenditure periodically beyond the Manager's current estimate and IREIT may not be able to secure funding.

The Properties and properties to be acquired by IREIT may require periodic capital expenditure beyond the Manager's current estimate for refurbishment, renovation for improvements and development of the Properties in order to remain competitive or be income-producing. IREIT may not be able to fund capital expenditure solely from cash provided from its operating activities and may not be able to obtain additional equity or debt financing on favourable terms or at all. If IREIT is not able to obtain such financing, the marketability of such property may be affected.

IREIT's assets might be adversely affected if the Manager and/or the property manager appointed to manage a property do not provide adequate management and maintenance.

Should the Manager and/or the property manager appointed to manage a property fail to provide adequate management and maintenance, the value of IREIT's assets might be adversely affected and this may result in a loss of tenants, which will adversely affect distributions to Unitholders.

IREIT may suffer material losses in excess of insurance proceeds or IREIT may not put in place or maintain adequate insurance in relation to the Properties and its potential liabilities to third parties.

The Properties face the risk of suffering physical damage caused by fire, terrorism, acts of God such as natural disasters or other causes, as well as potential public liability claims, including claims arising from the operations of the Properties.

In addition, certain types of risks (such as war risk and losses caused by the outbreak of contagious diseases or pandemic (such as COVID-19), contamination or other environmental breaches) may be uninsurable or the cost of insurance may be prohibitive when compared to the risk. Currently, IREIT's insurance policies for the Properties may not cover acts of war, outbreak of contagious diseases, contamination or other environmental breaches.

Should an uninsured loss or a loss in excess of insured limits occur, IREIT could be required to pay compensation and/or lose capital invested in the affected property as well as anticipated future revenue from that property as it may not be able to rent out or sell the affected property. IREIT will also be liable for any debt or other financial obligations related to that property. No assurance can be given that material losses in excess of insurance proceeds will not occur.

Renovation or redevelopment works or physical damage to the Properties may disrupt the operations of the Properties and collection of rental income or otherwise result in adverse impact on the financial condition of IREIT.

The quality and design of the Properties have a direct influence over the demand for space in, and the rental rates of, the Properties. The Properties may need to undergo renovation or redevelopment works from time to time to retain their competitiveness and may also require unforeseen ad hoc maintenance or repairs in respect of faults or problems that may develop or because of new planning laws or regulations. The costs of maintaining office properties and the risk of unforeseen maintenance or repair requirements tend to increase over time as the building ages. Although the tenants may be obliged to bear certain maintenance and repair costs to a certain extent, the business and operations of the Properties may suffer some disruption and it may not be possible to collect the full or any rental income on space affected by such renovation or redevelopment works.

In addition, physical damage to the Properties resulting from fire or other causes may lead to a significant disruption to the business and operation of the Properties and, together with the foregoing, may impose unbudgeted costs on IREIT and result in an adverse impact on the financial condition and results of operations of IREIT and its ability to make distributions.

IREIT could incur significant costs or liability related to environmental matters.

IREIT's operations are subject to various environmental laws, including those relating to air pollution control, water pollution control, waste disposal, noise pollution control and the storage of dangerous goods. Under these laws, an owner or operator of real property may be subject to liability, including a fine or imprisonment, for air pollution, noise pollution or the presence or discharge of hazardous or toxic chemicals at that property. In addition, IREIT may be required to make capital expenditures to comply with these environmental laws. The presence of contamination, air pollution, noise pollution or dangerous goods without a valid licence or the failure to remediate contamination, air pollution, noise pollution or dangerous goods may expose IREIT to liability or materially adversely affect its ability to sell or lease the real property or to borrow using the real property as collateral. Accordingly, if the Properties are affected by contamination or other environmental effects not previously identified and/or rectified, IREIT risks prosecution by environmental authorities and may be required to incur unbudgeted capital expenditure to remedy such issue and the financial position of tenants may be adversely impacted, affecting their ability to trade and to meet their tenancy obligations.

The due diligence exercise on the Properties, tenancies, buildings and equipment may not have identified all material defects, breaches of laws and regulations and other deficiencies and any losses or liabilities from latent property or equipment defects may adversely affect earnings and cash flows.

The Manager believes that reasonable due diligence investigations with respect to the Properties have been conducted prior to their acquisitions and that based on the due diligence commissioned by the Manager no material defects or deficiencies were found. However, notwithstanding the above there is no assurance that the Properties will not have defects or deficiencies requiring repair or maintenance (including design, construction or other latent property or equipment defects in the Properties which may require additional capital expenditure, special repair, maintenance expenses, the payment of damages or other obligations to third parties) or be affected by breaches of laws and regulations.

Statutory or contractual representations, warranties and indemnities given by any seller of office properties are unlikely to afford satisfactory protection from costs or liabilities arising from such property or equipment defects.

Costs or liabilities arising from such defects or deficiencies may require significant capital expenditures or obligations to third parties and may involve significant and potentially unpredictable patterns and levels of expenditure which may have a material adverse effect on IREIT's earnings and cash flows.

The Properties may face increased competition from other properties.

The Properties are located in areas where other competing properties are present and new properties may be developed which may compete with the Properties.

The income from and the market value of the Properties will be dependent on the ability of the Properties to compete against other properties for tenants. If competing properties are more successful in attracting and retaining tenants, or similar properties in their vicinity are substantially upgraded and refurbished, the income from the Properties could be reduced, thereby adversely affecting IREIT's cash flow and the amount of funds available for distribution to Unitholders.

The appraisals of the Properties are based on various assumptions and the price at which IREIT is able to sell a Property in the future may be different from the initial acquisition value of the Property.

There can be no assurance that the assumptions on which the appraisals of the Properties are based are accurate measures of the market, and the values of the Properties may be evaluated inaccurately. Valuations may have included a subjective determination of certain factors relating to the Properties such as their relative market positions, financial and competitive strengths, and physical condition and, accordingly, the valuation of the Properties (which affect the NAV per Unit) may be subjective.

In particular, the valuations of the Spain Properties are reported as being subject to ‘material valuation uncertainty’ as set out in VPS 3 and VPGA 10 of the RICS Valuation – Global Standards, for the reason that the outbreak of COVID-19 has impacted many aspects of daily life and the global economy – with some real estate markets experiencing significantly lower levels of transactional activity and liquidity. As at the valuation date of 31 July 2020, in respect of the Spain Properties there is a shortage of market evidence for comparison purposes, to inform opinions of value. Consequently, less certainty – and a higher degree of caution – should be attached to the valuations than would normally would be the case.

The valuation of any of the Properties does not guarantee a sale price at that value at present or in the future. The price at which IREIT may sell a property may be lower than its purchase price.

RISKS RELATING TO IREIT’S OPERATIONS

The Manager may not be able to successfully implement its investment strategy for IREIT.

There is no assurance that the Manager will be able to implement its investment strategy successfully or that it will be able to expand IREIT’s portfolio at any specified rate or to any specified size. The Manager may not be able to make acquisitions or investments on favourable terms or within a desired time frame.

IREIT faces active competition in acquiring suitable properties. IREIT’s ability to make new property acquisitions under its acquisition growth strategy may be adversely affected.

Even if IREIT were able to successfully acquire property or investments, there is no assurance that IREIT will achieve its intended return on such acquisitions or investments.

In addition, IREIT’s investment strategy of principally investing, directly or indirectly, in a portfolio of income-producing real estate in Europe which is used primarily for office purposes, as well as real estate-related assets, involves a higher level of risk as compared to a portfolio which has a more diverse range of investments.

Since the amount of borrowings that IREIT can incur to finance acquisitions is limited by the Property Funds Appendix, such acquisitions are likely to be largely dependent on IREIT’s ability to raise equity capital. This may result in a dilution of Unitholders’ holdings.

Potential vendors may view negatively the prolonged time frame and lack of certainty associated with the raising of equity capital to fund any such purchase. They may instead prefer other potential purchasers.

There may be significant competition for attractive investment opportunities from other property investors, including other REITs, office property development companies and private investment funds.

Any breach by the major tenants of their obligations under the lease agreements or a downturn in their businesses may have an adverse effect on IREIT.

In the event that any major tenants of IREIT are unable to pay their rent or breach their obligations under the lease agreements, the level of distributable income may be adversely affected. The performance of the major tenants' other businesses could also have an impact on their ability to make rental payments to IREIT.

Factors that affect the ability of such major tenants to meet their obligations include, but are not limited to:

- their financial position;
- the local economies in which they have business operations;
- the ability of such major tenants to compete with their competitors;
- in the instance where such major tenants have sub-leased the Properties, the failure of the sub-tenants to pay rent; and
- material losses in excess of insurance proceeds.

The amount IREIT may borrow is limited, which may affect the operations of IREIT.

Under the Property Funds Appendix, IREIT is permitted to borrow up to 50.0%¹ of the value of the Deposited Property. As at 31 December 2019, IREIT has an aggregate leverage of approximately 39.3%.

IREIT may, from time to time, require further debt financing to achieve its investment strategies. In the event that IREIT decides to incur additional borrowings in the future, IREIT may face adverse business consequences as a result of this limitation on future borrowings, and these may include:

- an inability to fund capital expenditure requirements in relation to IREIT's existing asset portfolio or in relation to IREIT's acquisitions to expand its portfolio;
- a decline in the value of the Deposited Property may cause the borrowing limit to be exceeded, thus affecting IREIT's ability to make further borrowings; and
- cash flow shortages (including with respect to distributions) which IREIT might otherwise be able to resolve by borrowing funds.

IREIT may face risks associated with debt financing.

IREIT is subject to risks associated with debt financing, including the risk that its cash flows will be insufficient to meet required payments of principal and interest under such financing, and to make distributions to Unitholders.

¹ From 1 January 2022, the aggregate leverage of IREIT may exceed 45.0% of the value of the Deposited Property (up to 50.0%) only if IREIT has a minimum adjusted interest coverage ratio of 2.5 times after taking into account the interest payment obligations arising from the new borrowings.

IREIT may be required to repay maturing debt with funds from additional debt or equity financing or both. There is no assurance that such financing will be available on acceptable terms or at all. If principal amounts due for repayment at maturity cannot be refinanced, extended or paid with proceeds of other capital transactions, such as new equity capital, IREIT will not be able to pay distributions at expected levels to Unitholders or to repay all maturing debt.

IREIT will also be subject to the risk that it may not be able to refinance its existing and/or future borrowings or that the terms of such refinancing will not be as favourable as the terms of its existing borrowings. In addition, IREIT may be subject to certain covenants in connection with any future borrowings that may limit or otherwise adversely affect its operations and IREIT's ability to make distributions to Unitholders. Such covenants may also restrict IREIT's ability to acquire properties or undertake other capital expenditure or may require it to set aside funds for maintenance or repayment of security deposits. Furthermore, if prevailing interest rates or other factors at the time of refinancing (such as the possible reluctance of lenders to make real estate loans) result in higher interest rates upon refinancing, the interest expense relating to such refinanced indebtedness would increase.

If the Manager's CMS Licence is cancelled or the authorisation of IREIT as a collective investment scheme under Section 286 of the SFA is suspended, revoked or withdrawn, the operations of IREIT will be adversely affected.

The CMS Licence issued to the Manager is subject to conditions unless otherwise cancelled. If the CMS Licence of the Manager is cancelled by the MAS, the operations of IREIT will be adversely affected, as the Manager would no longer be able to act as the manager of IREIT.

IREIT was authorised as a collective investment scheme on 4 August 2014 and must comply with the requirements under the SFA and the Property Funds Appendix. In the event that the authorisation of IREIT is suspended, revoked or withdrawn, its operations will also be adversely affected.

Acquisitions may not yield the returns expected, resulting in disruptions to IREIT's business and straining of management resources.

IREIT's external growth strategy and its asset selection process may not be successful and may not provide positive returns to Unitholders.

Acquisitions may cause disruptions to IREIT's operations and divert management's attention away from day-to-day operations.

The Manager's strategy to initiate asset enhancement on some of the Properties from time to time may not materialise.

The Manager may from time to time initiate asset enhancement on some of the Properties. There is no assurance that such plans for asset enhancement will materialise, or in the event that they do materialise, they may not achieve their desired results or may incur significant costs.

IREIT depends on certain key personnel and the loss of any key personnel may adversely affect its operations.

IREIT's performance depends, in part, upon the continued service and performance of the executive officers of the Manager. These key personnel may leave the employment of the Manager. If any of the above were to occur, the Manager will need to spend time searching for a replacement and the duties for which such executive officers are responsible may be affected. The loss of any of these individuals could have a material adverse effect on the financial condition and the results of operations of IREIT.

IREIT may from time to time be subject to legal proceedings and government proceedings.

Legal proceedings against IREIT and/or its subsidiaries relating to property management and disputes over tenancies may arise from time to time. There can be no assurance that IREIT and/or its subsidiaries will not be involved in such proceedings or that the outcome of these proceedings will not adversely affect the financial condition, results of operation or cash flow of IREIT.

IREIT is regulated by various government authorities and regulations. If any government authority believes that IREIT or any of its tenants are not in compliance with the regulations, it could shut down the relevant non-compliant entity or delay the approval process, refuse to grant or renew the relevant approvals or licences, institute legal proceedings to seize IREIT's properties, enjoin future action or (in the case of IREIT's subsidiaries not being in compliance with the regulations), assess civil and/or criminal penalties against IREIT, its officers or employees. Any such action by the government authority would have a material adverse effect on the business, financial condition and results of operations or cash flow of IREIT.

IREIT may engage in interest rate hedging transactions, which can limit gains and increase costs.

IREIT may enter into interest rate hedging transactions to protect itself from the effects of interest rate on floating rate debt. Interest rate hedging activities may not have the desired beneficial impact on the operations or financial condition of IREIT.

Interest rate hedging could fail to protect IREIT or adversely affect IREIT because, among others:

- available interest rate hedging may not correspond directly with the interest rate risk for which protection is sought;
- the party owing money in the hedging transaction may default on its obligation to pay;
- the credit quality of the party owing money on the hedge may be downgraded to such an extent that it impairs IREIT's ability to sell or assign its side of the hedging transaction; and
- the value of the derivatives used for hedging may be adjusted from time to time in accordance with accounting rules to reflect changes in fair value. Such changes although unrealised would reduce the NAV of IREIT if it is due to downward adjustments.

Interest rate hedging involves risks and transaction costs, which may reduce overall returns.

These costs increase as the period covered by the hedging increases and during periods of rising and volatile interest rates. These costs will also limit the amount of cash available for distributions to Unitholders.

Occurrence of any acts of God, natural disasters, severe environmental pollution, war and terrorist attacks may adversely and materially affect the business and operations of the Properties.

Acts of God, such as natural disasters, and severe environmental pollution (including severe smog), are beyond the control of IREIT or the Manager. These may materially and adversely affect the economy, infrastructure and livelihood of the local population. IREIT's business and income available for distribution may be adversely affected should such acts of God occur. There is no assurance that any war, terrorist attack or other hostilities in any part of the world, potential, threatened or otherwise, will not, directly or indirectly, have an adverse effect on the operations of the Properties and hence IREIT's income available for distribution.

In addition, physical damage to the Properties resulting from fire, earthquakes or other acts of God may lead to a significant disruption to the business and operation of the Properties. This may then result in an adverse impact on the business, financial condition and results of operations of IREIT and its capital growth.

IREIT's investment strategy may entail a higher level of risk as compared to other types of unit trusts that have a more diverse range of investments.

IREIT's investment strategy of principally investing, directly or indirectly, in a portfolio of income-producing real estate in Europe which is used primarily for office purposes, as well as real estate-related assets, will subject IREIT to risks inherent in concentrating in real estate. The level of risk could be higher as compared to other types of unit trusts that have a more diverse range of investments in other sectors.

A concentration of investments in real estate located in Europe and used primarily for office purposes exposes IREIT to the risk of a downturn in the European office property market and in Europe in general. Any economic slowdown in Europe could negatively affect the performance of the European office property market. The renewal of leases in IREIT's Properties will depend, in part, upon the success of the tenants. Any economic downturn may cause higher levels of non-renewals of leases or vacancies as a result of failures or defaults by tenants or the market pressures exerted by an increase in available space for properties used for office purposes. There can be no assurance that the tenants of IREIT's Properties will renew their leases or that the new lease terms will be as favourable as the existing leases. In the event that a tenant does not renew its lease, a replacement tenant or tenants would need to be identified, which could subject to IREIT's Properties to periods of vacancy and/or costly refittings, during which periods IREIT could experience reductions in rental income.

Such downturns may lead to a decline in occupancy for properties or real estate-related assets in IREIT's portfolio. This will affect IREIT's rental income from the Properties, and/or lead to a decline in the capital value of IREIT's portfolio, which will have an adverse impact on distributions to Unitholders and/or on the results of operations and the financial condition of IREIT.

IREIT may not be able to control or exercise any influence over entities in which it has minority interests.

IREIT may, in the course of acquisitions, acquire minority interests in real estate-related investment entities. There is no assurance that IREIT will be able to exercise active control over such entities and the management of such entities may make decisions which could adversely affect the operations of IREIT and its ability to make distributions to Unitholders.

RISKS RELATING TO EUROPE, GERMANY AND SPAIN

IREIT may be exposed to risks associated with exchange rate fluctuations and changes in foreign exchange regulations.

The revenue received from the Properties is in euros. The euros have to be converted into Singapore dollars for the distribution payments at IREIT's level. Accordingly, IREIT is exposed to risks associated with exchange rate fluctuations which may adversely affect IREIT's results of operations.

The value of euros against foreign currencies fluctuates and is affected by changes in Participating Member States and international political and economic conditions and by many other factors.

The value of the distributions received by a Unitholder may be adversely affected by fluctuations in the exchange rates between euros, the Singapore dollar and any other currencies which may be adopted from time to time. Significant fluctuations in the exchange rates between such currencies will also, among others, affect the NAV of the Units and the foreign currency value of the proceeds which a Unitholder would receive upon sale of the Units in Singapore.

IREIT's properties or any part of them may be acquired compulsorily.

Under the laws and regulations of Germany and Spain, there are various circumstances under which the various governments are empowered to acquire property.

In the event that the compensation paid for the compulsory acquisition of a property of IREIT is less than the market value of the property, such compulsory acquisitions would have an adverse effect on the revenue of IREIT and the value of its asset portfolio.

RISKS RELATING TO INVESTING IN REAL ESTATE

There are general risks attached to investments in real estate.

Investments in real estate and therefore the income generated from the Properties are subject to various risks, including but not limited to:

- adverse changes in political or economic conditions;
- adverse local market conditions (such as over-supply of properties or reduction in demand for properties in the market in which IREIT operates);
- the financial condition of tenants;
- the availability of financing such as changes in availability of debt or equity financing, which may result in an inability by IREIT to finance future acquisitions on favourable terms or at all;
- changes in interest rates and other operating expenses;
- changes in environmental laws and regulations, zoning laws and other governmental laws, regulations and rules and fiscal policies (including tax laws and regulations);
- environmental claims in respect of real estate;
- changes in market rents;
- changes in energy prices;
- changes in the relative popularity of property types and locations leading to an oversupply of space or a reduction in tenant demand for a particular type of property in a given market;
- competition among property owners for tenants which may lead to vacancies or an inability to rent space on favourable terms;
- inability to renew leases or re-let space as existing leases expire;
- inability to collect rents from tenants on a timely basis or at all due to bankruptcy or insolvency of the tenants or otherwise;
- insufficiency of insurance coverage or increases in insurance premiums;

- changes in the rate of inflation and consumer price indices;
- inability of the property managers to provide or procure the provision of adequate maintenance and other services;
- defects affecting the Properties which need to be rectified, or other required repair and maintenance of the Properties, leading to unforeseen capital expenditure;
- the relative illiquidity of real estate investments;
- considerable dependence on cash flow for the maintenance of, and improvements to, the Properties;
- increased operating costs, including real estate taxes;
- any defects or illegal structures that were not uncovered by physical inspection or due diligence review;
- management style and strategy of the Manager;
- the attractiveness of IREIT's properties to tenants;
- the cost of regulatory compliance;
- ability to rent out properties on favourable terms; and
- power supply failure, acts of God, wars, terrorist attacks, uninsurable losses and other factors.

Many of these factors may cause fluctuations in occupancy rates, rental or room rates or operating expenses, causing a negative effect on the value of real estate and income derived from real estate. The annual valuation of the Properties will reflect such factors and as a result may fluctuate upwards or downwards. The capital value of IREIT's real estate assets may be significantly diminished in the event of a sudden downturn in real estate market prices or the economy in Europe, which may adversely affect the financial condition of IREIT.

IREIT may be adversely affected by the illiquidity of real estate investments.

IREIT's investment strategy involves a higher level of risk, as compared to a portfolio which has a more diverse range of investments. Real estate investments are relatively illiquid and such illiquidity may affect IREIT's ability to vary its investment portfolio or liquidate part of its assets in response to changes in economic, property market or other conditions. IREIT may be unable to sell its assets on short notice or may be forced to give a substantial reduction in the price that may otherwise be sought for such assets in order to ensure a quick sale. IREIT may face difficulties in securing timely and commercially favourable financing in asset-based lending transactions secured by real estate due to the illiquid nature of real estate assets. These factors could have an adverse effect on IREIT's financial condition and results of operations, with a consequential adverse effect on IREIT's ability to deliver expected distributions to Unitholders.

IREIT's ability to make distributions to Unitholders may be adversely affected by increases in direct expenses and other operating expenses.

IREIT's ability to make distributions to Unitholders could be adversely affected if direct expenses and other operating expenses increase (save for such expenses for which IREIT is not responsible pursuant to the lease agreements) without a corresponding increase in revenue.

Factors which could lead to an increase in expenses include, but are not limited to, the following:

- increase in income and/or property tax assessments and other statutory charges;
- change in statutory laws, regulations or government policies which increase the cost of compliance with such laws, regulations or policies;
- change in direct or indirect tax policies, laws or regulations;
- increase in sub-contracted service costs;
- increase in labour costs;
- increase in repair and maintenance costs;
- increase in the rate of inflation;
- defects affecting, or environmental pollution in connection with, IREIT's properties which need to be rectified;
- increase in insurance premium; and
- increase in cost of utilities

The rate of increase in rentals (if any) of the Properties may be less than the inflation rate.

The rate of increase in rentals (if any) of the Properties may be less than the inflation rate and therefore an investment in IREIT may not provide an effective hedge against inflation.

RISKS ASSOCIATED WITH THE RIGHTS ISSUE

An active trading market may not develop for the Rights Entitlements and, if a market does develop, the Rights Entitlements may be subject to greater price volatility than the Unit.

A trading period for the Rights Entitlements has been fixed for 1 October 2020 to 9 October 2020. There is no assurance that an active trading market for the Rights Entitlements on the SGX-ST will develop during the Rights Entitlements trading period or that any over-the-counter trading market in the Rights Entitlements will develop. Even if active markets develop, the trading price of the Rights Entitlements, which depends on the trading price of the Units, may be volatile. As the Manager may arrange for the sales of the Rights Entitlements of the Ineligible Unitholders, the sales may give pressure to the trading price of the Rights Entitlements. In addition, the market price of the Rights Entitlements may not reflect their actual value.

Unitholders who do not or are not able to accept their provisional allotments of Rights Units, including Ineligible Unitholders, will experience a dilution in their interest in IREIT.

If Unitholders do not or are not able to accept their provisional allotments of Rights Units, their proportionate interest in IREIT will be reduced. They may also experience a dilution in the value of their Units. Even if a Unitholder sells his Rights Entitlements, or such Rights Entitlements are sold on his behalf, the consideration he receives may not be sufficient to compensate him fully for the dilution of his interest in IREIT as a result of the Rights Issue.

In particular, Ineligible Unitholders will not be permitted to participate in the Rights Issue. The Manager may, at its absolute discretion and if it is practicable to do so, arrange for the Rights Entitlements which would otherwise have been provisionally allotted to such Ineligible Unitholders to be sold “nil-paid” on the SGX-ST as soon as practicable after dealings in the Rights Entitlements commence. Such sales may, however, only be effected if the Manager, in its absolute discretion, determines that the proceeds from such sales can at least cover the expenses to be incurred in relation thereto. There is no guarantee that such sale will be successful, and even if successful, the proceeds of any such sale may not be sufficient to compensate an Ineligible Unitholder fully for the dilution of his unitholding as a result of the Rights Issue.

The Issue Price is not an indication of the underlying value of the Units.

The Issue Price was determined based on the last traded price of the Units on the SGX-ST on 18 September 2020, being the last trading day of the Units on the SGX-ST prior to the release of the announcement of the Rights Issue on 18 September 2020. The Issue Price was set at a discount to the Closing Price and to the TERP at that time. The Issue Price does not bear a direct relationship to the book value of IREIT’s assets, past operations, cash flow, earnings, financial condition or any other established criteria for value, and Unitholders should not consider the Issue Price to be any indication of the Units’ underlying value. The Units may trade at prices lower than the Issue Price in the future.

The Rights Issue may cause the price of the Units to decrease, and this decrease may continue.

The Issue Price represents a discount of approximately 32.9% to the Closing Price of S\$0.730 per Unit and approximately 25.2% to the TERP of S\$0.655 per Unit. This discount, along with the number of Rights Units, may result in a decrease in the trading price of the Units and this decrease may continue after the completion of the Rights Issue.

The market price for the Units on the SGX-ST (including the Rights Entitlements and the Rights Units) could also be subject to significant fluctuations due to the market’s perception of the likelihood of completion of the Rights Issue and/or be in response to various factors some of which are beyond IREIT’s control. Any of these events could result in a decline in the market price of the Units (including the Rights Entitlements and the Rights Units) during and after the Rights Issue.

There is no assurance that the market price of the Rights Units, upon or subsequent to the listing thereof and quotation therefor on the SGX-ST, will remain at or above the Issue Price, or that the Rights Units can be disposed of at or above the Issue Price.

Unitholders need to act promptly and follow subscription instructions, otherwise their exercise of Rights Entitlements may be rejected and their Rights Entitlements may expire without value and without any compensation.

Unitholders who desire to accept their Rights Entitlements or apply for Excess Rights Units in the Rights Issue must act promptly to ensure that all required forms, letters and payments are actually received by the relevant agents prior to the respective expiration dates and times as set forth under **Appendix B** and in **Appendix C** of this Offer Information Statement. Failure to complete and sign the required acceptance forms or letters, the sending of an incorrect payment amount, or otherwise failure to follow the procedures that apply to a Unitholder’s desired transaction may lead to rejection of the Unitholder’s acceptance of the Rights Entitlements and any Rights Entitlements not accepted will expire without value and without any compensation.

None of the Manager, the Unit Registrar, CDP, or the Joint Lead Managers undertakes to contact the Unitholder concerning, or attempt to correct, an incomplete or incorrect acceptance form, letter or payment. The Manager has sole discretion to determine whether an acceptance of Rights Entitlements and acceptance of or subscription for Rights Units properly follows the appropriate procedures. Unitholders who hold Units through a securities sub-account, brokerage account or other similar custodial account with a depository agent, broker, custodian or nominee other than CDP are urged to consult their depository agent, broker, custodian or nominee without delay regarding the procedures that they need to follow for the subscription and payment for the Rights Units.

RISKS RELATING TO AN INVESTMENT IN THE UNITS

The form of payment of the Management Fee will have an impact on the DPU.

The amount of distribution available to Unitholders is affected by the form of payment of the Management Fee. If the Manager elects to receive the payment of the Management Fee in the form of cash, the amount of distribution available for distribution to Unitholders will be affected. Similarly, if the Manager elects to receive the payment of the Management Fee in the form of Units, the distribution will be over a larger number of Units.

Market and economic conditions may affect the market price and demand for the Units.

Movements in domestic and international securities markets, economic conditions, foreign exchange rates and interest rates may affect the market price of, and demand for, the Units.

An increase in market interest rates may have an adverse impact on the market price of the Units if the annual yield on the price paid for the Units gives investors a lower return as compared to other investments.

The NAV per Unit may be diluted if further issues are priced below the then current NAV per Unit.

The Trust Deed contemplates new issues of Units, the offering price for which may be above, at or below the then current NAV per Unit. The DPU may be diluted if new Units are issued and the use of proceeds from such issue of Units generates insufficient cash flow to cover the dilution. Where new Units, including Units which may be issued to the Manager in payment of the Manager's management, acquisition and/or divestment fees, are issued at less than the NAV per Unit, the then current NAV of each existing Unit may be diluted.

The laws and regulations in Singapore, Germany and/or Spain and the International Financial Reporting Standards may change.

IREIT is a REIT constituted in Singapore and the Properties are located in Germany and/or Spain. The laws, regulations (including tax laws and regulations in Singapore, Germany and/or Spain) and the International Financial Reporting Standards are subject to change. New laws and regulations may also be introduced in these jurisdictions. As a result, the financial statements of IREIT may be affected by these changes. The extent and timing of these changes in accounting standards are currently unknown and subject to confirmation by the relevant authorities. The Manager has not quantified the effects of these proposed changes and there can be no assurance that these changes will not have a significant impact on the presentation of IREIT's financial statements or on IREIT's results of operations. In addition, such changes may adversely affect the ability of IREIT to make distributions to Unitholders. There can be no assurance that any such changes to laws, regulations and accounting standards will not materially and adversely affect the business, financial condition and results of operations of IREIT.

IREIT may be affected by the introduction of new or revised legislation, regulations, guidelines or directives affecting REITs.

IREIT may be affected by the introduction of new or revised legislation, regulations, guidelines or directives affecting REITs. There is no assurance that new or revised legislation, regulations, guidelines or directives will not adversely affect REITs in general or IREIT specifically.

Foreign Unitholders may not be permitted to participate in future rights issues or entitlements offerings by IREIT.

The Trust Deed provides that the Manager may, in its absolute discretion, elect not to extend an offer of Units under a rights issue to those Unitholders whose addresses, as registered with CDP, are outside Singapore. The rights or entitlements to the Units to which such Unitholders would have been entitled will be offered for sale and sold in such manner, at such price and on such other terms and conditions as the Manager may determine, subject to such other terms and conditions as the Trustee may impose. The proceeds of any such sale will be paid to the Unitholders whose rights or entitlements have been so sold, provided that where such proceeds payable to the relevant Unitholders are less than S\$10.00, the Manager is entitled to retain such proceeds as part of the Deposited Property. The holding of the relevant holder of the Units may be diluted as a result of such sale.

Property yield on real estate to be held by IREIT is not equivalent to distribution yield on the Units.

Generally, property yield depends on net property income and is calculated as the amount of revenue generated by the properties, less the expenses incurred in maintaining, operating, managing and leasing the properties compared against the current value of the properties.

Distribution yield on the Units, however, depends on the distributions payable on the Units, after taking into account other expenses including (i) taxes, (ii) interest cost for the debt facilities, (iii) REIT management fees and trustee's fees and (iv) other operating costs including administrative fees of IREIT, as compared with the purchase price of the Units.

The Manager is not obliged to redeem Units.

Unitholders have no right to request that the Manager redeem their Units while the Units are listed on the SGX-ST. Unitholders may only deal in their listed Units through trading on the SGX-ST. Accordingly, apart from selling their Units through trading on the SGX-ST, Unitholders may not be able to realise their investments in Units.

If the Units are de-listed from the SGX-ST and are unlisted on any other recognised stock exchange, the Manager may, but is not obliged to, repurchase or cause the redemption of Units more than once a year in accordance with the Property Funds Appendix and a Unitholder has no right to request the repurchase or redemption of Units more than once a year.

There is no assurance that the Units will remain listed on the SGX-ST.

Although it is intended that the Units will remain listed on the SGX-ST, there is no guarantee of the continued listing of the Units. Among other factors, IREIT may not continue to satisfy the listing requirements. Accordingly, Unitholders will not be able to sell their Units through trading on the SGX-ST if the Units are no longer listed on the SGX-ST.

Certain provisions of the Singapore Code on Take-overs and Mergers (the “Take-over Code”) could have the effect of discouraging, delaying or preventing a merger or acquisition which could adversely affect the market price of the Units.

Under the Take-over Code, an entity is required to make a mandatory offer for all the Units not already held by it and/or parties acting in concert with it (as defined by the Take-over Code) in the event that an increase in the aggregate unitholdings of it and/or parties acting in concert with it results in the aggregate unitholdings crossing specified thresholds.

While the Take-over Code seeks to ensure an equality of treatment among Unitholders, its provisions could substantially impede the ability of Unitholders to benefit from a change in control and, as a result, may adversely affect the market price of the Units and the ability to realise any potential change of control premium.

The trading price of the Units may be volatile.

The trading price of the Units may be subject to large fluctuations. The trading price of the Units will depend on many factors, including, but not limited to:

- the perceived prospects of IREIT’s business and investments and the market for properties used for office purposes or real estate-related assets;
- differences between IREIT’s actual financial and operating results and those expected by investors and analysts;
- changes in analysts’ recommendations or projections;
- changes in general economic or market conditions;
- the market value of IREIT’s assets;
- the perceived attractiveness of the Units against those of other equity or debt securities, including those not in the real estate sector;
- the balance of buyers and sellers of the Units;
- the size and liquidity of the Singapore REIT market from time to time;
- any changes from time to time to the regulatory system, including the tax system, both generally and specifically in relation to Singapore REITs;
- the ability on the Manager’s part to implement successfully its investment and growth strategies;
- foreign exchange rates; and
- broad market fluctuations, including increases in interest rates and weakness of the equity and debt markets.

Units may trade at prices that are higher or lower than the NAV per Unit. To the extent that IREIT retains operating cash flow for investment purposes, working capital reserves or other purposes, these retained funds, while increasing the value of IREIT’s underlying assets, may not correspondingly increase the market price of the Units. Any failure to meet market expectations with regards to future earnings and cash distributions may adversely affect the market price for the Units.

Where new Units are issued at less than the market price of Units, the value of an investment in Units may be affected. In addition, Unitholders who do not, or are not able to, participate in the new issuance of Units may experience a dilution of their interest in IREIT.

Third parties may be unable to recover in claims brought against the Manager as the Manager is not an entity with significant assets.

Third parties, in particular, Unitholders, may in future have claims against the Manager in connection with the carrying on of its duties as manager of IREIT (including in relation to the Offering and this Prospectus).

Under the terms of the Trust Deed, the Manager is indemnified from the Deposited Property against any actions, costs, claims, damages, expenses or demands to which it may be put as the manager of IREIT unless occasioned by the fraud, gross negligence, wilful default or breach of the Trust Deed by the Manager. In the event of any such fraud, gross negligence, wilful default or breach, only the assets of the Manager itself and not the Deposited Property would be available to satisfy a claim.

GENERAL INFORMATION

LEGAL AND ARBITRATION PROCEEDINGS

To the best of the Manager's knowledge and belief, there are no legal or arbitration proceedings, including those which are pending or known to be contemplated, which, in the opinion of the Manager, may have or have had in the last 12 months before the date of lodgement of this Offer Information Statement, a material effect on the financial position or profitability of IREIT.

MATERIAL CONTRACTS

There were no material contracts entered into by the Trustee or the Manager, other than contracts entered into in IREIT's ordinary course of business, for the period two years before the date of lodgement of this Offer Information Statement, save for:

- (i) the Undertakings provided by each of Tikehau Capital, CSEPL and AT Investments to the Manager; and
- (ii) the management agreement dated 18 September 2020 entered into between the Manager and the Joint Lead Managers in relation to the Rights Issue.

BREACH OF TERMS AND CONDITIONS OR COVENANTS OF CREDIT ARRANGEMENT OR BANK LOAN

To the best of the Manager's knowledge and belief, IREIT is not in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect IREIT's financial position and results or business operations, or the investments by Unitholders.

SIGNIFICANT CHANGES

Save as disclosed in this Offer Information Statement, to the best of the Manager's knowledge and belief, no event has occurred from 30 June 2020, being the last day of the period covered by the 1H 2020 Unaudited Financial Statements to the Latest Practicable Date, which may have a material effect on the financial position and results of IREIT.

TRADING OF UNITS

The Manager is not aware of any significant trading suspension on the SGX-ST during the three years immediately preceding the Latest Practicable Date.

The Manager believes that Units are regularly traded on the SGX-ST.

STATEMENTS BY EXPERTS

The Independent Market Research Report as at July 2020 in **Appendix E** of this Offer Information Statement was prepared by the Independent Market Research Consultant for the purpose of, among others, incorporation in this Offer Information Statement. The Independent Market Research Consultant has given, and has not, before the lodgement of this Offer Information Statement, withdrawn its written consent to the issue of this Offer Information Statement with the inclusion of its name as the Independent Market Research Consultant, the independent market research report as set out in **Appendix E** of this Offer Information Statement, and all references thereto, in the form and context in which they are included in this Offer Information Statement.

CONSENTS FROM THE JOINT LEAD MANAGERS

Each of Credit Suisse (Singapore) Limited and DBS Bank Ltd. has given, and has not, before the lodgement of this Offer Information Statement, withdrawn its written consent to being named in this Offer Information Statement as one of the Joint Lead Managers to the Rights Issue.

AUTHORITY TO ISSUE RIGHTS UNITS

The Manager's authority to issue the Rights Units is pursuant to the General Mandate that was approved by Unitholders to the Manager for the issue of new Units, pursuant to an ordinary resolution obtained at an annual general meeting of Unitholders held on 18 June 2020. Given that the number of Rights Units to be issued under the Rights Issue is within the 100% limit for the issue of new Units on a pro rata basis under the General Mandate, the prior approval of Unitholders is not required for the issuance of the Rights Units.

MISCELLANEOUS

IREIT is subject to the Code on Collective Investment Schemes issued by the Authority. The Code on Collective Investment Schemes can be found on the website of the Authority at <http://www.mas.gov.sg>.

Save as disclosed in this Offer Information Statement, including the Appendices to this Offer Information Statement, the Manager is not aware of any other matters which could materially affect, directly or indirectly, the operations or financial position or results of IREIT or investments by Unitholders.

Statements contained in this Offer Information Statement which do not state historical facts may be forward-looking statements. Such statements are based on certain assumptions and are subject to certain risks and uncertainties which could cause actual results to differ materially from those forecasts. See the section entitled "**Risk Factors**" of this Offer Information Statement for further details. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by the Manager or any other person or that these results will be achieved or are likely to be achieved.

Other than the Rights Entitlements under the Rights Issue, none of the Unitholders has pre-emptive rights to subscribe for or purchase the Rights Units.

As there may be prohibitions or restrictions against the offering of Rights Units in certain jurisdictions (other than Singapore), only Eligible Unitholders are eligible to participate in the Rights Issue. Please refer to the section entitled "**Eligibility of Unitholders to Participate in the Rights Issue**" of this Offer Information Statement for further information.

GLOSSARY

For the purpose of this Offer Information Statement, the following definitions apply throughout unless the context otherwise requires or otherwise stated:

%	:	Per centum or percentage
1H 2020	:	The six-month financial period ended 30 June 2020
1H 2020 Unaudited Financial Statements	:	The unaudited financial statements of IREIT for the financial period ended 30 June 2020
2017 Audited Financial Statements	:	The audited financial statements of IREIT for the financial year ended 31 December 2017
2018 Audited Financial Statements	:	The audited financial statements of IREIT for the financial year ended 31 December 2018
2019 Audited Financial Statements	:	The audited financial statements of IREIT for the financial year ended 31 December 2019
Acquisition	:	The acquisition of Tikehau Capital's 60.0% interest in the JVCo
Acquisition Fee	:	The acquisition fee for the Acquisition which the Manager will be entitled to receive from IREIT upon Completion
Acquisition Fee Units	:	The Units payable to the Manager as payment of the Acquisition Fee
Aggregate Leverage	:	The ratio of the value of total borrowings and deferred payments (if any) to the value of the Deposited Property
Agreed Value	:	The agreed market value of the Spain Properties of S\$219.6 million (approximately €136.4 million) (on a 100% basis) which is the average of the two independent valuations of the Spain Properties as at 31 July 2020
ARE	:	The application and acceptance form for Rights Units and Excess Rights Units issued to Eligible Unitholders in respect of their Rights Entitlements under the Rights Issue
ARS	:	The application and acceptance form for Rights Units to be issued to purchasers of the Rights Entitlements under the Rights Issue traded on the SGX-ST under the book-entry (scripless) settlement system
AT Investments	:	AT Investments Limited
ATI Excess Units	:	The aggregate of ATI First Tranche Excess Units and ATI Second Tranche Excess Units

ATI First Tranche Excess Units	:	The first tranche of additional Rights Units amounting to S\$23.5 million which AT Investments has undertaken to accept, subscribe and pay in full for, it being understood that AT Investments will be allotted the such additional Rights Units only to the extent that there remains any Rights Units unsubscribed after satisfaction of all applications by other eligible unitholders of IREIT for Rights Units (if any)
ATI Second Tranche Excess Units	:	The second tranche of additional Rights Units amounting to S\$23.5 million which AT Investments has undertaken to accept, subscribe and pay in full for, it being understood that AT Investments will be allotted the such additional Rights Units only to the extent that there remains any Rights Units unsubscribed after satisfaction of the application for ATI First Tranche Excess Units and after CSEPL has been allotted the maximum number of CSEPL Excess Units
ATM	:	Automated teller machine
Authority or MAS	:	Monetary Authority of Singapore
Board	:	The board of Directors of the Manager
Broker-linked Balance	:	When used in Appendix B of this Offer Information Statement, a sub-balance in a Securities Account that is linked to a Member Company such that the Member Company has control and rights over the securities contained in such sub-balance
Call Option	:	The call option granted to the Trustee to purchase Tikehau Capital's interest in 60.0% of shares in the JVCo
Call Option Notice	:	Written notice from the Trustee to Tikehau Capital upon which the Call Option is exercisable
Call Option Price	:	The consolidated net asset value of the JVCo and its subsidiaries as adjusted based on the average of the market values of the Spain Properties in aggregate as determined by two independent property valuers, with one independent valuer to be appointed by each of the Trustee and the Manager, respectively
CDL	:	City Developments Limited
CDL Loan	:	€32.0 million loan extended by CSEPL to IREIT pursuant to the Initial Investment for the purpose of funding IREIT's proportionate capital contribution to the JVCo
CDP	:	The Central Depository (Pte) Limited

Closing Date	:	(i) 15 October 2020 at 5.00 p.m. (or such other date(s) and/or time(s) as may be announced from time to time by or on behalf of the Manager), being the last date and time for acceptance of and payment for the Rights Units by the renounees (if acceptance is made through CDP); or (ii) 15 October 2020 at 9.30 p.m. (or such other date(s) and/or time(s) as may be announced from time to time by or on behalf of the Manager), being the last date and time for acceptance of and payment for the Rights Units by the renounees (if acceptance is made through an ATM of a Participating Bank)
Closing Price	:	The closing price of S\$0.730 per Unit on the SGX-ST on 18 September 2020, being the last trading day of the Units prior to the announcement of the Rights Issue
Completion	:	The completion of the Acquisition
Completion Date	:	The date of completion of the Acquisition
Controlling Unitholder	:	A person who holds directly or indirectly 15.0% or more of the nominal amount of all voting Units
CPF	:	Central Provident Fund
CPF Board	:	Central Provident Fund Board
CPFIS	:	CPF Investment Scheme
CPF Funds	:	CPF Investible Savings
CSEPL	:	City Strategic Equity Pte. Ltd., a wholly-owned subsidiary of CDL
CSEPL Excess Units	:	The additional Rights Units amounting to S\$16.2 million which CSEPL has undertaken to accept, subscribe and pay in full for, it being understood that CSEPL will be allotted the such additional Rights Units only to the extent that there remains any Rights Units unsubscribed after satisfaction of all applications by other eligible unitholders of IREIT for Rights Units (if any) and after AT Investments has been allotted the maximum number of ATI First Tranche Excess Units, but before AT Investments has been allotted the ATI Second Tranche Excess Units
Deposited Property	:	All the assets of IREIT for the time being held or deemed to be held upon the trusts of the Trust Deed
Directors	:	The directors of the Manager

DPU	:	Distribution per Unit
€ and cents	:	Euro dollars and cents
EGM	:	An extraordinary general meeting of Unitholders held on 18 September 2020
Electronic Application	:	Acceptance of the Rights Units and (if applicable) application for Excess Rights Units under the Rights Issue made through (i) an ATM of a Participating Bank; or (ii) the SGX-SFG Service, as the case may be, in accordance with the terms and conditions of this Offer Information Statement. For the purposes of this Offer Information Statement, any reference to any application by way of an Electronic Application without reference to such an Electronic Application being made through an ATM of a Participating Bank, where an Eligible Unitholder is a Depository Agent, shall be taken to include an application made via the SGX-SFG Service
Eligible Unitholders	:	Unitholders with Units standing to the credit of their Securities Account and whose registered addresses with CDP are in Singapore as at the Rights Issue Record Date or who have, at least three Market Days prior to the Rights Issue Record Date, provided CDP with addresses in Singapore for the service of notices and documents, but exclude, subject to certain exceptions, Unitholders located, resident or with a registered address outside of Singapore
Enlarged Property Portfolio	:	Existing Property Portfolio and the balance 60.0% of the Spain Properties
EPU	:	Earnings per Unit
Excess Rights Units	:	The Rights Units represented by the provisional allotments (A) of (i) Eligible Unitholders who decline, do not accept, and elect not to renounce or sell their Rights Entitlements under the Rights Issue (during the Rights Entitlements trading period prescribed by the SGX-ST) and/or (ii) Ineligible Unitholders which have not been sold during the Rights Entitlements trading period or (B) that have not been validly taken up by the original allottees, renounees of the Rights Entitlements or the purchasers of the Rights Entitlements
Excess Units	:	The Rights Units in excess of the Pro Rata Units of Tikehau Capital, CSEPL and AT Investments
Existing Property Portfolio	:	The portfolio of properties currently held by IREIT, comprising (i) Berlin Campus, (ii) Bonn Campus, (iii) Darmstadt Campus, (iv) Münster Campus, (v) Concor Park and (vi) a 40.0% interest in the Spain Properties

Existing Units	:	The existing Units as at the Rights Issue Record Date
Foreign Purchasers	:	Persons whose registered addresses with CDP are outside Singapore and who purchase the Rights Entitlements through the book-entry (scripless) settlement system
FY2017	:	The financial year ended 31 December 2017
FY2018	:	The financial year ended 31 December 2018
FY2019	:	The financial year ended 31 December 2019
General Mandate	:	The general mandate that was given by the Unitholders to the Manager for the issue of new Units, pursuant to an ordinary resolution obtained at an annual general meeting of Unitholders held on 18 June 2020 to issue, among others, new Units (whether by way of rights, bonus or otherwise) of not more than 100.0% of the total number of issued Units as at the date the general mandate was passed
GLA	:	Gross lettable area
GRI	:	Gross Rental income
Independent Market Research Consultant	:	Colliers International Spain S.L.
Ineligible Unitholders	:	Unitholders who are not Eligible Unitholders
Initial Acquisition	:	The acquisition by the JVCo of the shares representing 100.0% of the issued share capital in each of (a) Gloin Investments, S.L.U.; (b) Chameleon (Sant Cugat Investment 2014), S.L.U.; and (c) Chameleon (Esplugues), S.L.U. which holds the Spain Properties, that was completed on 20 December 2019
Initial Investment	:	The initial capital contribution by IREIT to the JVCo in December 2019 for its 40.0% interest
IREIT	:	IREIT Global
IREIT Group	:	IREIT and its subsidiaries
Issue Price	:	S\$0.490, being the issue price per Rights Unit
Joint Lead Managers	:	Credit Suisse (Singapore) Limited and DBS Bank Ltd., as joint lead managers for the Rights Issue
JVCo	:	IREIT Global Holdings 5 Pte. Ltd., a joint venture company 40.0% held by the Trustee and 60.0% held by Tikehau Capital

JVCo Group	:	JVCo and its subsidiaries
Latest Practicable Date	:	22 September 2020, being the latest practicable date prior to the lodgement of this Offer Information Statement with the Authority
Listing Date	:	13 August 2014, being the date of listing of IREIT on the Main Board of the SGX-ST
Listing Manual	:	The Listing Manual of the SGX-ST
Manager	:	IREIT Global Group Pte. Ltd., as manager of IREIT
Market Day	:	Any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore and the SGX-ST is open for trading
Member Company	:	When used in Appendix B of this Offering Information Statement, a Trading Member of the SGX-ST
NAV	:	Net asset value
Offer Information Statement	:	This offer information statement to Unitholders dated 28 September 2020
Participating Banks	:	The banks as set out in Appendix D of this Offer Information Statement
Pro Rata Units	:	Each of Tikehau Capital, CSEPL and AT Investments' total provisional allotment of the Rights Units corresponding to their direct interest in IREIT which they have each undertaken to accept, subscribe and pay in full for
Property Funds Appendix	:	Appendix 6 of the Code of Collective Investment Schemes issued by the Authority
Prospectus	:	The prospectus dated 13 August 2014 in connection with the listing of IREIT on the SGX-ST
Purchase Consideration	:	The estimated purchase consideration of approximately S\$77.0 million (approximately €47.8 million) for the Acquisition payable to the Vendor, derived from 60.0% of the Call Option Price calculated based on the unaudited consolidated NAV of the JVCo Group as at 30 June 2020 as adjusted upwards based on the Agreed Value of the Spain Properties as at 31 July 2020, which is subject to adjustments to the JVCo Group's NAV as at the Completion Date
Purchaser	:	Purchasers and/or transferees of Rights Entitlements
REIT	:	Real estate investment trust

Rights Entitlements	:	The provisional allotments of Rights Units to Eligible Unitholders under the Rights Issue
Rights Issue	:	The issue of new Units on a renounceable basis to Eligible Unitholders on the basis of the Rights Ratio at the Issue Price
Rights Issue Record Date	:	5.00 p.m. on 28 September 2020 being the time and date on which the Transfer Books and Register of Unitholders are closed to determine the Rights Entitlements of Eligible Unitholders under the Rights Issue
Rights Ratio	:	The rights ratio of 454 Rights Unit for every 1,000 existing Units standing to the credit of an Eligible Unitholders' Securities Account as at the Rights Issue Record Date, fractional entitlements to be disregarded
Rights Units	:	The new Units to be issued by the Manager pursuant to the Rights Issue
S\$ and cents	:	Singapore dollars and cents
Securities Act	:	US Securities Act of 1933, as amended
SFA	:	Securities and Futures Act, Chapter 289 of Singapore
SGX-ST	:	Singapore Exchange Securities Trading Limited
Share Purchase Agreement	:	The conditional share purchase agreement dated 7 August 2020 entered into by the Trustee and Tikehau Capital in relation to the Acquisition
Spain Properties	:	(i) Delta Nova IV, (ii) Delta Nova VI, (iii) Sant Cugat Green and (iv) Il·lumina, each located in Spain
Spanish HoldCo	:	Sadena Real Estate, S.L.U., which is 100.0% owned by the JVCo
Spanish PropCos	:	(i) Gloin Investments, S.L.U., (ii) Chameleon (Sant Cugat Investment 2014), and (iii) Chameleon (Esplugues), S.L.U., which hold the Spain Properties and are each 100.0% owned by the Spanish HoldCo
sq m	:	Square metres
SRS	:	Supplementary Retirement Scheme
SRS Account	:	An account opened by a participant in the SRS from which money may be withdrawn for, <i>inter alia</i> , payment of the Issue Price of the Rights Units and/or, excess Rights Units

Substantial Unitholders	:	Unitholders with interests in not less than 5.0% of all Units in issue
Take-over Code	:	Singapore Code on Take-overs and Mergers
TERP	:	The theoretical ex-rights price of S\$0.655 per Unit which is calculated as follows:
		$\text{TERP} = \frac{\text{Market capitalisation of IREIT based on the Closing Price} + \text{Gross proceeds from the Rights Issue}}{\text{Units outstanding immediately after the Rights Issue}}$
Tikehau Capital	:	Tikehau Capital SCA
Total Acquisition Cost	:	The total cost of the Acquisition to IREIT including the Purchase Consideration, Acquisition Fee and other transaction-related expenses
Trust Deed	:	The trust deed dated 1 November 2013 constituting IREIT, as supplemented, amended and restated from time to time
Trustee	:	DBS Trustee Limited, as trustee of IREIT
Undertakings	:	The irrevocable undertakings provided by each of Tikehau Capital, CSEPL and AT Investments in relation to the Rights Issue
Unit	:	A unit representing an undivided interest in IREIT
Unit Registrar	:	Boardroom Corporate & Advisory Services Pte. Ltd
Unit Share Market	:	The ready market of the SGX-ST for trading of odd lots of Units with a minimum size of one Unit
Unitholder	:	The registered holder for the time being of a Unit, including person(s) so registered as joint holders, except where the registered holder is CDP, the term "Unitholder" shall, in relation to Units registered in the name of CDP, mean, where the context requires, the Depositor whose Securities Account with CDP is credited with Units
Vendor	:	Tikehau Capital
WALE	:	Weighted average lease expiry
YTD	:	year-to-date

For the purpose of this Offer Information Statement, the following definitions apply throughout unless the context otherwise requires or otherwise stated:

The terms “**Depositor**” and “**Depository Agent**” shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

The term “**subsidiary**” shall have the meaning ascribed to it in Section 5 of the Companies Act. Any references to the Manager shall refer to it acting in its capacity as manager of IREIT unless the context of the statement otherwise requires.

Any reference in this Offer Information Statement, the ARE or the ARS to any enactment is a reference to that enactment for the time being amended or re-enacted. Any words defined in the Companies Act, the SFA, the Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations 2005, the Code on Collective Investment Schemes issued by the Authority, the Property Funds Appendix, the Listing Manual or any modification thereof and used in this Offer Information Statement, the ARE or the ARS shall, where applicable, have the same meaning ascribed to it in the Companies Act, the SFA, the Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations 2005, the Code on Collective Investment Schemes issued by the Authority, the Property Funds Appendix, the Listing Manual or such modification thereof, as the case may be, unless otherwise provided.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations.

Any reference in this Offer Information Statement to any enactment is a reference to that enactment for the time being amended or re-enacted.

Any reference to dates and to a time of day in this Offer Information Statement shall be a reference to Singapore dates and time unless otherwise stated.

Any discrepancies in the tables, graphs and charts between the listed amounts and totals thereof are due to rounding. Figures and percentages are rounded to an appropriate number of decimal places, where applicable.

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CERTAIN FINANCIAL INFORMATION RELATING TO IREIT

Selected financial data from the 2017 Audited Financial Statements, the 2018 Audited Financial Statements, the 2019 Audited Financial Statements and the 1H 2020 Unaudited Financial Statements including the line items in the consolidated statement of profit or loss and other comprehensive income and statement of distribution, consolidated statement of financial position and consolidated statement of cash flows of IREIT, is set out in this Appendix. Financial data relating to (i) DPU, (ii) EPU, (iii) EPU after adjustment for the issuance of the Rights Units, (iv) NAV per Unit and (v) NAV per Unit after any adjustment to reflect the issuance of the Rights Units is also set out below.

Such selected financial data should be read together with the relevant notes to the Financial Statements, where applicable, which are available on the website of IREIT at the URL <http://www.ireitglobal.com/>.

Save for the Financial Statements which are deemed incorporated into this Offer Information Statement by reference, the information contained on the website of IREIT does not constitute part of this Offer Information Statement.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	1H2020 Unaudited €'000s	Group		FY2017 Audited €'000s
		FY2019 Audited €'000s	FY2018 Audited €'000s	
Gross revenue	17,965	35,265	34,808	34,959
Property operating expenses	(2,300)	(4,603)	(4,178)	(3,431)
Net property income	15,665	30,662	30,630	31,528
Foreign exchange gain/(loss)	— ⁽¹⁾	284	244	(137)
Finance income	— ⁽¹⁾	11	14	16
Finance costs	(2,151)	(6,111)	(3,961)	(4,029)
Manager's fees	(1,296)	(2,526)	(2,515)	(2,598)
Trustee's fees	(63)	(109)	(99)	(95)
Administrative costs	(930)	(473)	(369)	(329)
Other trust expenses	— ⁽¹⁾	(897)	(732)	(858)
Change in fair value of financial derivatives	(3,281)	(6,834)	826	(305)
Change in fair value of investment properties	(1,245)	69,345	41,329	9,787
Share of results of joint venture	1,084	(535)	—	—
Acquisition-related costs	—	(615)	—	—
Profit before tax	7,783	82,202	65,367	32,980
Income tax expense	(1,818)	(13,304)	(8,335)	(3,384)
Profit for the year, before transactions with Unitholders	5,965	68,898	57,032	29,596
Distributions to Unitholders	(11,660)	(22,738)	(22,631)	(23,378)
Profit for the year, after transactions with Unitholders, representing total comprehensive profit for the year	(5,695)	46,160	34,401	6,218
Basic and diluted earnings per unit (€ cents)	0.93	10.86	9.06	4.74
Adjusted earnings per unit (€ cents) ⁽²⁾	0.64	7.44	6.20	3.24

STATEMENT OF DISTRIBUTION

Profit for the year, before transactions with Unitholders	5,965	68,898	57,032	29,596
Distribution adjustments	6,991	(43,634)	(31,886)	(3,620)
Amount available for distribution to Unitholders	12,956	25,264	25,146	25,976
Distribution per unit (€ cents)	1.82	3.57	3.59	3.72
Distribution per unit (S\$ cents)	2.85 ⁽³⁾	5.64 ⁽⁴⁾	5.80 ⁽⁵⁾	5.77 ⁽⁶⁾

Notes:

- (1) For the purposes of the unaudited 1H2020 financial statements, foreign exchange gain and other trust expenses have been included under administrative costs, and finance income has been included under finance costs.
- (2) Adjusted earnings per Unit is calculated on the assumption that the Rights Issue was completed, at the beginning of each financial period, without taking into account any income from the assets to be acquired with the proceeds from the Rights Issue.
- (3) Based on the exchange rate of €1.00 = S\$1.566.
- (4) Based on the exchange rate of €1.00 = S\$1.581.
- (5) Based on the exchange rate of €1.00 = S\$1.616.
- (6) Based on the exchange rate of €1.00 = S\$1.551.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Group As at 30 June 2020 Unaudited €'000s
Assets	
Current assets	
Cash and cash equivalents	24,215
Trade and other receivables	2,401
Financial derivatives	68
Total current assets	26,684
Non-current assets	
Investment properties	574,900
Investment in subsidiaries	–
Investment in joint venture	31,467
Other receivable	1,363
Deferred tax assets	2,050
Total non-current assets	609,780
Total assets	636,464
Current liabilities	
Borrowings	31,944
Trade and other payables	3,780
Distribution payable	11,660
Financial derivatives	1,937
Income tax payable	813
Total current liabilities	50,134
Non-current liabilities	
Borrowings	199,669
Financial derivatives	7,556
Deferred tax liabilities	29,211
Total non-current liabilities	236,436
Total liabilities	286,570
Net assets attributable to Unitholders	349,894
Net asset value per unit attributable to Unitholders (€)	0.55
Units in issue and to be issued, inclusive of new Rights Units	935,244
Adjusted net asset value per unit attributable to Unitholders (€)⁽¹⁾	0.47

Note:

(1) Adjusted net asset value per Unit is calculated on the assumption that the Rights Issue and the Acquisition were completed at the beginning of the financial period.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	1H2020 Unaudited €'000s	FY2019 Audited €'000s
Cash flows from operating activities		
(Loss)/Profit for the year, after transactions with Unitholders	(5,695)	46,160
Adjustments for:		
Manager's management fees payable in units	1,296	2,526
Finance costs	2,210	6,111
Finance income	–	(11)
Net change in fair value of financial derivatives	3,281	6,834
Net change in fair value of investment properties	1,245	(69,345)
Share of results of joint venture	(1,084)	535
Distribution to Unitholders	11,660	22,738
Income tax expense	1,818	13,304
Operating profit before working capital changes	14,731	28,852
Changes in working capital:		
Trade and other receivables	(592)	(44)
Trade and other payables	63	556
Income taxes paid	(968)	(187)
Cash generated from operations, representing net cash from operating activities	13,234	29,177
Cash flows from investing activities:		
Capital expenditure on investment properties	(1,245)	(655)
Investment in joint venture	–	(30,918)
Net cash used in investing activities	(1,245)	(31,573)
Cash flows from financing activities		
Proceeds from borrowings	–	232,760
Repayment of borrowings	–	(193,494)
Costs related to borrowings	–	(1,467)
Costs related to unwinding of previous borrowings	–	(2,731)
Distribution paid to Unitholders	(11,067)	(22,795)
Interest paid	(2,050)	(2,930)
Net cash (used in)/from financing activities	(13,117)	9,343
Net (decrease)/increase in cash and cash equivalents	(1,128)	6,947
Cash and cash equivalents at beginning of the year	25,343	18,396
Cash and cash equivalents at the end of the year	24,215	25,343

PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ELIGIBLE UNITHOLDERS

1. INTRODUCTION

- 1.1** Eligible Unitholders are entitled to receive this Offer Information Statement and the ARE which forms part of this Offer Information Statement. This Offer Information Statement (including the ARE) will not be despatched to Ineligible Unitholders. For the purposes of this Offer Information Statement, any reference to an application by way of an Electronic Application without reference to such an Electronic Application being made through an ATM of a Participating Bank shall, where the Eligible Unitholder is a Depository Agent, or where a Member Company is making an application in respect of a Broker-linked Balance linked to the Member Company, be taken to include an application made via the SGX-SFG Service.
- 1.2** The Rights Entitlements are governed by the terms and conditions of this Offer Information Statement, (if applicable) the Trust Deed and the instructions in the ARE.

The number of Rights Entitlements allotted to each Eligible Unitholder is indicated in the ARE (fractional entitlements (if any) having been disregarded). If an Eligible Unitholder has Broker-linked Balance(s) and there are Rights Entitlements allotted to the Eligible Unitholder in the Broker-linked Balance, a separate ARE will be issued for the number of Rights Entitlements allotted to the Eligible Unitholder in each such Broker-linked Balance.

The Securities Accounts of Eligible Unitholders have been credited by CDP with the Rights Entitlements as indicated in the ARE. Eligible Unitholders may accept their Rights Entitlements in whole or in part and are eligible to apply for Excess Rights Units under the Rights Issue, save as provided in paragraph 5.7 of this Appendix B. Full instructions for the acceptance of and payment for the Rights Entitlements and payment for Excess Rights Units are set out in the Offer Information Statement as well as the ARE.

Eligible Unitholders should note that any Rights Entitlements allotted in a Broker-linked Balance which are accepted and (if applicable) any Excess Rights Units credited pursuant to applications for Excess Rights Units in respect of a Broker-linked Balance shall be credited to the same Broker-linked Balance.

- 1.3** If an Eligible Unitholder wishes to accept his Rights Entitlements specified in the ARE, in full or in part, and (if applicable) apply for Excess Rights Units in addition to the Rights Entitlements allotted to him, he may do so by completing and signing the relevant sections of the ARE or by way of an Electronic Application (other than acceptances of and, if applicable, excess applications for Rights Units for an Eligible Unitholders' Broker-linked Balance which may not be by way of an Electronic Application made through an ATM of a Participating Bank). An Eligible Unitholder should ensure that the ARE is accurately completed and signed, failing which the acceptance of the Rights Entitlements and (if applicable) application for Excess Rights Units may be rejected.

For and on behalf of the Manager, CDP reserves the right to refuse to accept any acceptance(s) and (if applicable) excess application(s) if the ARE is not accurately completed and signed or if the "Free Balance" of your relevant Securities Account or Broker-linked Balance of your Securities Account (if applicable) is not credited with, or is credited with less than, the relevant number of Rights Entitlements accepted as at the last date and time for acceptance, (if applicable) application and payment or for any other

reason(s) whatsoever the acceptance and (if applicable) the excess application is in breach of the terms of the ARE or the Offer Information Statement, at CDP's absolute discretion, and to return all monies received to the person(s) entitled thereto **BY CREDITING HIS/THEIR BANK ACCOUNT(S) WITH THE RELEVANT PARTICIPATING BANK** (if he/they accept and (if applicable) apply through an ATM of a Participating Bank) or **BY CREDITING HIS/THEIR DESIGNATED BANK ACCOUNT(S) VIA CDP'S DIRECT CREDITING SERVICE**, as the case may be, (in each case) **AT HIS/THEIR OWN RISK** without interest or any share of revenue or other benefit arising therefrom (if he/they accept and (if applicable) apply through CDP). In the event that an Eligible Unitholder (who accepts and (if applicable) applies through CDP) is not subscribed to CDP's Direct Crediting Service, any monies to be returned will be retained by CDP and reflected under the Cash Transaction section of his CDP monthly account statement (the retention by CDP being a good discharge of the Manager's and the Joint Lead Managers' obligations).

AN ELIGIBLE UNITHOLDER MAY ACCEPT HIS RIGHTS ENTITLEMENTS SPECIFIED IN HIS ARE AND (IF APPLICABLE) APPLY FOR EXCESS RIGHTS UNITS EITHER THROUGH CDP AND/OR (OTHER THAN FOR RIGHTS ENTITLEMENTS ALLOTTED IN AN ELIGIBLE UNITHOLDERS' BROKER-LINKED BALANCE) BY WAY OF AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK AS DESCRIBED BELOW. WHERE AN ELIGIBLE UNITHOLDER IS A DEPOSITORY AGENT, OR WHERE A MEMBER COMPANY MAKES AN APPLICATION IN RESPECT OF A BROKER-LINKED BALANCE LINKED TO THE MEMBER COMPANY, IT MAY MAKE ITS ACCEPTANCE AND EXCESS APPLICATION (IF APPLICABLE) VIA THE SGX-SFG SERVICE.

Where an acceptance, (if applicable) application and/or payment does not conform strictly to the terms set out under this Offer Information Statement, the ARE, the ARS and/or any other application form for the Rights Units and/or Excess Rights Units in relation to the Rights Issue, or which does not comply with the instructions for an Electronic Application, or in the case of an application by the ARE, the ARS and/or any other application form for the Rights Shares and/or excess Rights Shares in relation to the Rights Issue which is illegible, incomplete, incorrectly completed, unsigned, signed but not in its originality or is accompanied by an improperly or insufficiently drawn remittance, or does not comply with the instructions for Electronic Application, or where the "Free Balance" of the Eligible Unitholder's Securities Account is not credited with or is credited with less than the relevant number of Rights Entitlements accepted as at the last date and time for acceptance of and excess application and payment for the Rights Units, the Manager and/or CDP may, at their/its absolute discretion, reject or treat as invalid any such acceptance, application, payment and/or other process of remittances at any time after receipt in such manner as they/it may deem fit.

The Manager and CDP shall be entitled to process each application submitted for the acceptance of Rights Entitlements, and where applicable, application of Excess Rights Units in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Eligible Unitholder or a Member Company in respect of a Broker-linked Balance linked to the Member Company, on its own, without regard to any other application and payment that may be submitted by the same Eligible Unitholder or where applicable, by the Member Company in respect of a Broker-linked Balance in the Eligible Unitholder's Securities Account linked to the Member Company. For the avoidance of doubt, insufficient payment for an application may render the application invalid; evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid acceptance of Rights Entitlements and (if applicable) application for Excess Rights Units.

- 1.4 Persons who have previously bought their Units under the CPF Investment Scheme – Ordinary Account (collectively, “CPFIS Members”) can only use, subject to applicable CPF rules and regulations, their CPF account savings (“CPF Funds”) for the payment of the Issue Price to accept their provisional allotments of Rights Entitlements and (if applicable) apply for Excess Rights Units. CPFIS Members who wish to accept their provisional allotments of Rights Entitlements and (if applicable) apply for Excess Rights Units using CPF Funds will need to instruct their respective approved banks, where such CPFIS Members hold their CPF Investment Accounts, to accept the Rights Entitlements and (if applicable) apply for the Excess Rights Units on their behalf in accordance with this Offer Information Statement. In the case of insufficient CPF Funds or stock limit, CPFIS Members could top-up cash into their CPF Investment Accounts before instructing their respective approved CPF agent banks to accept the Rights Entitlements and (if applicable) apply for Excess Rights Units. Any acceptance and (if applicable) application made directly to CDP, Electronic Applications at ATMs of the Participating Banks, the Unit Registrar and/or the Manager will be rejected. CPF Funds cannot, however, be used for the purchase of provisional allotments of Rights Entitlements directly from the market.**

SRS investors who had purchased Units using their SRS Accounts and who wish to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units can only do so, subject to applicable SRS rules and regulations, using monies standing to the credit of their respective SRS Accounts. Such Unitholders who wish to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units using SRS monies, must instruct the relevant approved banks in which they hold their SRS Accounts to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units on their behalf. Such Unitholders who have insufficient funds in their SRS Accounts may, subject to the SRS contribution cap, deposit cash into their SRS Accounts with their approved banks before instructing their respective approved banks to accept their Rights Entitlements and/or apply for Excess Rights Units. SRS investors are advised to provide their respective approved banks in which they hold their SRS Accounts with the appropriate instructions no later than the deadlines set by their respective approved banks in order for their respective approved banks to make the relevant acceptance and (if applicable) application on their behalf by the Closing Date. Any acceptance and/or application made directly through CDP, Electronic Applications at ATMs of the Participating Banks, the Unit Registrar and/or the Manager will be rejected. For the avoidance of doubt, monies in SRS Accounts may not be used for the purchase of the Rights Entitlements directly from the market.

- 1.5 Unless expressly provided to the contrary in this Offer Information Statement, the ARE and/or the ARS with respect to enforcement against Eligible Unitholders or their renounees, a person who is not a party to any contracts made pursuant to this Offer Information Statement, the ARE and/or the ARS has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore, to enforce any term of such contracts. Notwithstanding any term contained herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.**
- 1.6 An Eligible Unitholder with Rights Entitlements allocated in a Broker-linked Balance should note that the Member Company linked to the Broker-linked Balance may accept the Rights Entitlements held in the Broker-linked Balance and apply for Excess Rights Units for such Broker-linked Balance. CDP shall not be responsible for ascertaining, verifying or investigating, and has no duty to ascertain, verify or investigate any particulars relating to the acceptance of Rights Units held in a Broker-linked Balance and whether the Eligible Unitholder has authorised the acceptance of the Rights Entitlements and, where applicable, application for Excess Rights Units.**

- 1.7 Details on the acceptance for Rights Entitlements and, where applicable, application for Excess Rights Units (other than in respect of Broker-linked Balances) are set out in paragraphs 2 to 4 below.

Details on the acceptance for Rights Entitlements in an Eligible Unitholder's Broker-linked Balance and application for Excess Rights Units for a Broker-linked Balance are set out in paragraphs 5 to 7 below.

2. **MODE OF ACCEPTANCE AND APPLICATION (OTHER THAN FOR BROKER-LINKED BALANCES)**

2.1 **Acceptance/Application by way of Electronic Application through an ATM of a Participating Bank**

Instructions for Electronic Applications through ATMs to accept the Rights Entitlements or (if applicable) to apply for Excess Rights Units will appear on the ATM screens of the respective Participating Banks. Please refer to **Appendix C** of this Offer Information Statement for the additional terms and conditions for Electronic Applications through an ATM of a Participating Bank.

IF AN ELIGIBLE UNITHOLDER MAKES AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK, HE WOULD HAVE IRREVOCABLY AUTHORISED THE PARTICIPATING BANK TO DEDUCT THE FULL AMOUNT PAYABLE FROM HIS BANK ACCOUNT WITH SUCH PARTICIPATING BANK IN RESPECT OF SUCH APPLICATION. IN THE CASE OF AN ELIGIBLE UNITHOLDER WHO HAS ACCEPTED THE RIGHTS ENTITLEMENTS BY WAY OF THE ARE AND/OR THE ARS AND/OR HAS APPLIED FOR EXCESS RIGHTS UNITS BY WAY OF THE ARE AND ALSO BY WAY OF AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK, THE MANAGER AND/OR CDP SHALL BE AUTHORISED AND ENTITLED TO ACCEPT HIS INSTRUCTIONS IN WHICHEVER MODE OR COMBINATION AS THE MANAGER AND/OR CDP MAY, IN THEIR ABSOLUTE DISCRETION, DEEM FIT.

2.2 **Acceptance/Application through CDP**

If the Eligible Unitholder wishes to accept the Rights Entitlements and (if applicable) apply for Excess Rights Units through CDP, he must:

- (a) complete and sign the ARE. In particular, he must state in Part C(i) of the ARE the total number of Rights Entitlements provisionally allotted to him which he wishes to accept and the number of Excess Rights Units applied for and in Part C(ii) of the ARE the 6 digits of the Cashier's Order/Banker's Draft; and
- (b) deliver the duly completed and original signed ARE accompanied by **A SINGLE REMITTANCE** for payment in full for the relevant number of Rights Entitlements accepted and (if applicable) Excess Rights Units applied for by post, **AT THE SENDER'S OWN RISK**, in the self-addressed envelope provided, to **IREIT GLOBAL GROUP PTE. LTD., AS MANAGER OF IREIT, C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147,**

so as to arrive not later than **5.00 P.M. ON 15 OCTOBER 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager).

The payment for the relevant number of Rights Entitlements accepted and (if applicable) Excess Rights Units applied for at the Issue Price must be made in Singapore currency in the form of a Cashier's Order or a Banker's Draft drawn on a bank in Singapore and made payable to **"CDP—IREIT GLOBAL RIGHTS ISSUE ACCOUNT"** and crossed **"NOT**

NEGOTIABLE, A/C PAYEE ONLY” with the name and Securities Account number of the Eligible Unitholder clearly written in block letters on the reverse side of the Cashier’s Order or Banker’s Draft.

NO COMBINED CASHIER’S ORDER OR BANKER’S DRAFT FOR (A) DIFFERENT SECURITIES ACCOUNTS; OR (B) THE MAIN BALANCE AND ANY BROKER-LINKED BALANCE OF A SECURITIES ACCOUNT; OR (C) DIFFERENT BROKER-LINKED BALANCES OF A SECURITIES ACCOUNT, WILL BE ACCEPTED. NO OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.

FOR SRS INVESTORS AND INVESTORS WHO HOLD UNITS THROUGH FINANCE COMPANIES OR DEPOSITORY AGENTS, ACCEPTANCES OF THE RIGHTS ENTITLEMENTS AND (IF APPLICABLE) APPLICATIONS FOR EXCESS RIGHTS UNITS MUST BE DONE THROUGH THE RELEVANT APPROVED BANKS IN WHICH THEY HOLD THEIR SRS ACCOUNTS AND THE RESPECTIVE FINANCE COMPANIES OR DEPOSITORY AGENTS, RESPECTIVELY. SUCH INVESTORS ARE ADVISED TO PROVIDE THEIR RESPECTIVE BANKS IN WHICH THEY HOLD THEIR SRS ACCOUNTS, FINANCE COMPANIES OR DEPOSITORY AGENTS, AS THE CASE MAY BE, WITH THE APPROPRIATE INSTRUCTIONS NO LATER THAN THE DEADLINES SET BY THEM IN ORDER FOR SUCH INTERMEDIARIES TO MAKE THE RELEVANT ACCEPTANCE AND (IF APPLICABLE) APPLICATION ON THEIR BEHALF BY THE CLOSING DATE. ANY ACCEPTANCE AND/OR APPLICATION MADE DIRECTLY THROUGH CDP, ELECTRONIC APPLICATIONS AT ATMS OF PARTICIPATING BANKS, THE UNIT REGISTRAR AND/OR THE MANAGER WILL BE REJECTED.

WHERE AN ELIGIBLE UNITHOLDER IS A DEPOSITORY AGENT, IT MAY MAKE ITS ACCEPTANCE VIA THE SGX-SFG SERVICE.

2.3 Acceptance through the SGX-SFG Service (for Depository Agents only)

Depository Agents may accept Rights Entitlements and (if applicable) apply for Excess Rights Units through the SGX-SFG Service provided by CDP as listed in Schedule 3 of the Terms and Conditions for User Services for Depository Agents. CDP has been authorised by the Manager to receive acceptances and (if applicable) applications on its behalf. Such acceptances and (if applicable) applications will be deemed irrevocable and subject to each of the terms and conditions contained in the ARE and the Offer Information Statement as if the ARE had been completed and submitted to CDP.

2.4 Insufficient Payment

If no remittance is attached or the remittance attached is less than the full amount payable for the Rights Entitlements accepted by the Eligible Unitholder and (if applicable) the Excess Rights Units applied for by the Eligible Unitholder, the attention of the Eligible Unitholder is drawn to paragraphs 1.3 and 5.2 of this **Appendix B** of this Offer Information Statement which set out the circumstances and manner in which the Manager and CDP shall be authorised and entitled to determine and appropriate all amounts received by CDP on the Manager’s behalf whether under the ARE, the ARS or any other application form for Rights Units in relation to the Rights Issue.

2.5 Acceptance of Part of Rights Entitlements and Trading of Rights Entitlements

An Eligible Unitholder may choose to accept his Rights Entitlements specified in the ARE in full or in part. If an Eligible Unitholder wishes to accept part of his Rights Entitlements and trade the balance of his Rights Entitlements on the SGX-ST, he should:

- (a) complete and sign the ARE for the number of Rights Entitlements which he wishes to accept and submit the duly completed and original signed ARE together with payment in the prescribed manner as described above to CDP; or
- (b) accept and subscribe for that part of his Rights Entitlements by way of Electronic Application(s) in the prescribed manner as described in paragraph 2.1 or 2.3 above.

The balance of his Rights Entitlements may be sold as soon as dealings therein commence on the SGX-ST.

Eligible Unitholders who wish to trade all or part of their Rights Entitlements on the SGX-ST during the Rights Entitlements trading period should note that the Rights Entitlements will be tradable in board lots, each board lot comprising 100 Rights Entitlements, or any other board lot size which the SGX-ST may require. Such Eligible Unitholders may start trading in their Rights Entitlements as soon as dealings therein commence on the SGX-ST. Eligible Unitholders who wish to trade in lot sizes other than mentioned above may do so in the Unit Share Market of the SGX-ST during the Rights Entitlements trading period.

2.6 Sale of Rights Entitlements

The ARE need not be forwarded to the purchasers and/or transferees of the Rights Entitlements (“**Purchasers**”) as arrangements will be made by CDP for separate ARS to be issued to the Purchasers. Purchasers should note that CDP will, for and on behalf of the Manager, send the ARS, accompanied by this Offer Information Statement and other accompanying documents, **BY ORDINARY POST AND AT THE PURCHASERS’ OWN RISK**, to their respective Singapore addresses as maintained in the records of CDP. Purchasers should ensure that their ARS are accurately completed and signed, failing which their acceptances of the Rights Entitlements may be rejected. Purchasers who do not receive the ARS, accompanied by this Offer Information Statement and other accompanying documents, may obtain the same from CDP or the Unit Registrar, for the period up to **5.00 p.m. on 15 October 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager).

Purchasers should also note that if they make any purchase on or around the last trading day of the nil-paid Rights, this Offer Information Statement and its accompanying documents might not be despatched in time for the subscription of the Rights Entitlements. Purchasers may obtain a copy of this Offer Information Statement and its accompanying documents from CDP. Alternatively, Purchasers may accept and subscribe for their Rights Units by way of Electronic Applications in the prescribed manner as described in paragraph 2.1 above.

This Offer Information Statement and its accompanying documents will not be despatched to Purchasers whose registered addresses with CDP are outside Singapore (“**Foreign Purchasers**”). Subject to compliance with applicable laws, Foreign Purchasers who wish to accept the Rights Entitlements credited to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore.

PURCHASERS SHOULD INFORM THEIR FINANCE COMPANIES OR DEPOSITORY AGENTS IF THEIR PURCHASES OF SUCH RIGHTS ENTITLEMENTS ARE SETTLED THROUGH THESE INTERMEDIARIES. IN SUCH INSTANCES, IF THE PURCHASERS WISH TO ACCEPT THE RIGHTS ENTITLEMENTS REPRESENTED BY THE RIGHTS ENTITLEMENTS PURCHASED, THEY WILL NEED TO GO THROUGH THESE INTERMEDIARIES, WHO WILL THEN ACCEPT THE RIGHTS ENTITLEMENTS ON THEIR BEHALF.

2.7 Renunciation of Rights Entitlements

Eligible Unitholders who wish to renounce in full or in part their Rights Entitlements in favour of a third party should complete the relevant transfer forms with CDP (including any accompanying documents as may be required by CDP) for the number of Rights Entitlements which they wish to renounce. Such renunciation shall be made in accordance with the “Terms and Conditions for Operations of Securities Accounts with CDP”, as the same may be amended from time to time, copies of which are available from CDP. As CDP requires at least three (3) Market Days to effect such renunciation, Eligible Unitholders who wish to renounce their Rights Entitlements are advised to do so early to allow sufficient time for CDP to send the ARS and other accompanying documents, for and on behalf of the Manager, to the renounee by ordinary post and **AT HIS OWN RISK**, to his Singapore address as maintained in the records of CDP, and for the renounee to accept his Rights Entitlements. The last date and time for acceptance of the Rights Entitlements and payment for the Rights Units by the renounee is **5.00 p.m. on 15 October 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager) (if acceptance is made through CDP) or **9.30 p.m. on 15 October 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager) (if acceptance is made through an ATM of a Participating Bank).

2.8 Acceptance/Application using CPF Funds

Unitholders participating under the CPFIS – Ordinary Account must use, subject to applicable CPF rules and regulations, monies standing to the credit of their respective CPF Investment Accounts to pay for the acceptance of their Rights Entitlements and (if applicable) application for Excess Rights Units, if they have previously bought their Units using their CPF Funds.

Such Unitholders who wish to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units using CPF Funds must have sufficient funds in their CPF Investment Accounts and must instruct their respective approved banks, where such Unitholders hold their CPF Investment Accounts, to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units on their behalf in accordance with this Offer Information Statement.

Such Unitholders who have insufficient funds in their CPF Investment Accounts may deposit cash into their CPF Investment Accounts with their approved banks to enable them to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units. CPF Funds may not, however, be used for the purchase of the Rights Entitlements directly from the market.

2.9 Acceptance/Application using SRS Funds

Unitholders with SRS Accounts must use, subject to applicable SRS rules and regulations, monies standing to the credit of their respective SRS Accounts to pay for the acceptance of their Rights Entitlements and (if applicable) application for Excess Rights Units.

Such Unitholders who wish to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units using SRS monies will need to instruct the relevant approved banks in which they hold their SRS Accounts (“**SRS Banks**”) to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units on their behalf and make sure that they have sufficient funds in their SRS Accounts to pay for the number of Rights Units (including, if applicable, the Excess Rights Units) for which they intend to subscribe. They may also partially accept their Rights Entitlements and/or instruct their respective brokers to sell their Rights Entitlements held under their SRS Accounts during the Rights Entitlements trading period on the SGX-ST.

Unitholders who have insufficient funds in their SRS Accounts to fully accept their Rights Entitlements and/or apply for Excess Rights Units and who have:

- (a) **not reached their SRS contribution cap** may, subject to the SRS contribution cap, deposit cash into their SRS Accounts and (i) instruct their respective SRS Banks to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units on their behalf, to the extent of the funds available in their SRS Accounts, and/or (ii) to the extent that there are insufficient funds in their SRS Accounts after the said deposit to fully accept their Rights Entitlements, instruct their respective brokers to sell their Rights Entitlements during the Rights Entitlements trading period on the SGX-ST.
- (b) **reached their SRS contribution cap** may instruct their respective SRS Banks to (i) accept their Rights Entitlements and (if applicable) apply for Excess Rights Units to the extent of the funds available in their SRS Accounts, and/or (ii) to the extent that there are insufficient funds in their SRS Accounts to fully accept their Rights Entitlements, instruct their respective brokers to sell their Rights Entitlements during the Rights Entitlements trading period on the SGX-ST.

If a Unitholder instructs the relevant SRS Bank to subscribe for Rights Units and (if applicable) apply for Excess Rights Units offered under the Rights Issue and he does not have sufficient funds in his SRS Account to pay for the number of Rights Units which he intends to subscribe, his acceptance of Rights Entitlements under the Rights Issue and, if applicable, application for Excess Rights Units will be made in part to the extent of the funds available in his SRS Account with the balance rejected.

SRS monies may not be used for the purchase of Rights Entitlements directly from the market.

Any acceptance of Rights Entitlements and (if applicable) application for Excess Rights Units made by the above-mentioned Unitholders directly through CDP, Electronic Applications at ATMs of the Participating Banks, the Unit Registrar and/or the Manager will be rejected.

2.10 Acceptance/Application via Finance Company and/or Depository Agent

Unitholders who hold Units through a finance company and/or Depository Agent must instruct the relevant finance company and/or Depository Agent to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units on their behalf in accordance with this Offer Information Statement.

Any acceptance and (if applicable) application made by the above-mentioned Unitholders directly through CDP, Electronic Applications at ATMs of Participating Banks, the Unit Registrar and/or the Manager will be rejected.

2.11 Return of Surplus Application Monies

In the case of applications for Excess Rights Units, if no Excess Rights Units are allotted to an Eligible Unitholder or if the number of Excess Rights Units allotted to an Eligible Unitholder is less than that applied for, the amount paid on application or the surplus application monies, as the case may be, will be refunded to the Eligible Unitholder without interest or any share of revenue or other benefit arising therefrom within three business days after commencement of trading of the Rights Units, at the Eligible Unitholder's own risk by any one or a combination of the following: (i) by crediting the Eligible Unitholder's bank account with the relevant Participating Bank if the Eligible Unitholder accepts and (if applicable) applies through an ATM of a Participating Bank, the receipt by such bank being a good discharge to the Manager and CDP of their obligations, if any, thereunder; or (ii) crediting their designated bank accounts via CDP's Direct Crediting Service **AT THEIR OWN RISK** (if they had applied for Excess Rights Shares through CDP). In the event that an Eligible Unitholder (who had applied for Excess Rights Shares through CDP) is not subscribed to CDP's Direct Crediting Service, any monies to be refunded will be retained by CDP and reflected under the Cash Transaction section of his CDP monthly account statement (the retention by CDP being a good discharge of the Manager's and the Joint Lead Managers' obligations).

3. COMBINATION APPLICATION

In the event that the Eligible Unitholder or the Purchaser accepts the Rights Entitlements by way of the ARE and/or the ARS and/or has applied for Excess Rights Units by way of the ARE and also by way of Electronic Application(s), the Manager and/or CDP shall be authorised and entitled to accept his instructions in whichever mode or combination as the Manager and/or CDP may, in their/its absolute discretion, deem fit. Without prejudice to the generality of the foregoing, in such a case, the Eligible Unitholder and the Purchaser shall be regarded as having irrevocably authorised the Manager and/or CDP to apply all amounts received whether under the ARE, the ARS and (if applicable) any other acceptance of Rights Entitlements and/or application for Excess Rights Units (including by way of Electronic Application(s)) in whichever mode or combination as the Manager and/or CDP may, in their/its absolute discretion, deem fit.

4. ILLUSTRATIVE EXAMPLES

As an illustration, if an Eligible Unitholder has 1,000 Units standing to the credit of his Securities Account as at the Rights Issue Record Date, the Eligible Unitholder will be provisionally allotted 454 Rights Entitlements as set out in his ARE. The Eligible Unitholder's alternative courses of action, and the necessary procedures to be taken under each course of action, are summarised below:

Alternatives

- (a) Accept in full his entire 454 Rights Entitlements and (if applicable) apply for Excess Rights Units.

Procedures to be taken

By way of Electronic Application through an ATM of a Participating Bank

- (1) Accept in full his entire 454 Rights Entitlements and (if applicable) apply for Excess Rights Units by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than **9.30 p.m. on 15 October 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager); or

Through CDP

- (2) Complete and sign the ARE in accordance with the instructions contained herein for the acceptance in full of his 454 Rights Entitlements and (if applicable) the number of Excess Rights Units applied for and forward the original signed ARE together with a single remittance for S\$222.46 (or, if applicable, such higher amount in respect of the total number of Rights Entitlements accepted and Excess Rights Units applied for) by way of a Cashier's Order or Banker's Draft drawn in Singapore currency on a bank in Singapore, and made payable to "**CDP—IREIT GLOBAL RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" for the full amount due on acceptance and (if applicable) application by post, **AT HIS OWN RISK**, in the enclosed self-addressed envelope provided to **IREIT GLOBAL GROUP PTE. LTD., AS MANAGER OF IREIT, C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147** so as to arrive not later than **5.00 p.m. on 15 October 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager), and with the name and Securities Account number of the Eligible Unitholder clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft.

Alternatives

Procedures to be taken

NO COMBINED CASHIER'S ORDER OR BANKER'S DRAFT FOR DIFFERENT SECURITIES ACCOUNTS OR OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.

- (b) Accept a portion of his Rights Entitlements, for example 100 of his 454 Rights Entitlements, not apply for Excess Rights Units and trade the balance on the SGX-ST.

By way of Electronic Application through an ATM of a Participating bank

- (1) Accept 100 of his 454 Rights Entitlements by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than **9.30 p.m. on 15 October 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager); or

Through CDP

- (2) Complete and sign the ARE in accordance with the instructions contained therein for the acceptance of 100 of his 454 Rights Entitlements, and forward the original signed ARE, together with a single remittance for S\$49.00 in the prescribed manner described in alternative (a)(2) above, to CDP, so as to arrive not later than **5.00 p.m. on 15 October 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager).

The balance of the 354 Rights Entitlements which are not accepted by the Eligible Unitholder may be traded on the SGX-ST during the Rights Entitlements trading period. **Eligible Unitholders should note that the Rights Entitlements will be tradable in the ready market, with each board lot comprising 100 Rights Entitlements or any other board lot sizes which SGX-ST may require. Eligible Unitholders who wish to trade in other lot sizes can do so on the SGX-ST's Unit Share Market during the Rights trading period.**

Alternatives

Procedures to be taken

(c) Accept a portion of his Rights Entitlements, for example 100 of his 454 Rights Entitlements, not apply for Excess Rights Units and reject the balance.

By way of Electronic Application

(1) Accept 100 of his 454 Rights Entitlements by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than **9.30 p.m. on 15 October 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager); or

Through CDP

(2) Complete and sign the ARE in accordance with the instructions contained herein for the acceptance of 100 of his 454 Rights Entitlements, and forward the ARE, together with a single remittance for S\$49.00 in the prescribed manner described in alternative (a)(2) above, to CDP, so as to arrive not later than **5.00 p.m. on 15 October 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager).

The balance of his 354 Rights Entitlements which is not accepted by the Eligible Unitholder will automatically lapse and cease to be available for acceptance by that Eligible Unitholder if an acceptance is not made through an ATM of a Participating Bank by **9.30 p.m. on 15 October 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager) or if an acceptance is not made through CDP by **5.00 p.m. on 15 October 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager).

5. MODE OF ACCEPTANCE AND APPLICATION (FOR BROKER-LINKED BALANCE)

5.1 Acceptance/Application through CDP

The Eligible Unitholder should note that any Rights Entitlements accepted and, where applicable, any Excess Rights Units credited pursuant to applications for excess Rights Units made through an ARE in respect of a Broker-linked Balance shall be credited to the same Broker-linked Balance.

If the Eligible Unitholder wishes to accept the Rights Entitlements in a Broker-linked Balance and (if applicable) apply for Excess Rights Units for his Broker-linked Balance through CDP, he must:

(a) complete and sign the ARE in respect of the Rights Entitlements in the Broker-linked Balance. In particular, he must state in Part (C)(i) of the ARE the total number of Rights which he wishes to accept and (if applicable) the number of Excess Rights Units applied for, and in Part (C)(ii) of the ARE the 6 digits of the Cashier's Order or Banker's Draft; and

- (b) deliver the duly completed and original signed ARE accompanied by **A SINGLE REMITTANCE** for the full amount payable for the relevant number of Rights accepted and (if applicable) excess Rights Units applied for by post, **AT THE SENDER'S OWN RISK**, in the self-addressed envelope provided, to **IREIT GLOBAL GROUP PTE. LTD., AS MANAGER OF IREIT, C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147,**

so as to arrive not later than **5.00 p.m. on 15 October 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager).

The payment for the relevant number of Rights Entitlements accepted and, where applicable Excess Rights Units applied for at the Issue Price must be made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to "**CDP—IREIT GLOBAL RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the name of the Eligible Unitholder and the relevant Broker-linked Balance Identification Number identifying the Broker-linked Balance the Cashier's Order or Banker's Draft is submitted for clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft.

NO COMBINED CASHIER'S ORDER OR BANKER'S DRAFT FOR: (A) DIFFERENT SECURITIES ACCOUNTS; OR (B) THE MAIN BALANCE AND ANY BROKER-LINKED BALANCE OF A SECURITIES ACCOUNT; OR (C) DIFFERENT BROKER-LINKED BALANCES OF A SECURITIES ACCOUNT, WILL BE ACCEPTED. NO OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.

5.2 Acceptance/Application through the SGX-SFG Service (only for Member Companies making an application in respect of a Broker-linked Balance linked to the Member Company)

Member Companies may accept the Rights Entitlements allotted in a Broker-linked Balance linked to the Member Company and, where applicable apply for Excess Rights Units for a Broker-linked Balance linked to the Member Company through the SGX-SFG service provided by CDP as listed in Schedule 3 of the Terms and Conditions for User Services for Depository Agents and Member Companies. CDP has been authorised by the Manager to receive acceptances and, where applicable, applications on its behalf. Such acceptances and, where applicable, applications will be deemed irrevocable and are subject to each of the terms and conditions contained in the ARE and this Offer Information Statement as if the ARE had been completed, signed and submitted to CDP.

5.3 Insufficient Payment

If no remittance is attached or the remittance attached is less than the full amount payable for the Rights Entitlements accepted by the Eligible Unitholder and, where applicable, the Excess Rights Units applied for by the Eligible Unitholder, the attention of the Eligible Unitholder is drawn to paragraphs 1.3 above and 8.2 below which set out the circumstances and manner in which the Manager and CDP shall be authorised and entitled to determine and appropriate all amounts received by CDP on the Manager's behalf whether under the ARE, the ARS or any other application form for Rights Units in relation to the Rights Issue.

5.4 Acceptance of Part of Rights and Trading of Rights Entitlements

An Eligible Unitholder may choose to accept his Rights Entitlements specified in the ARE in full or in part. If an Eligible Unitholder wishes to accept part of his Rights Entitlements and trade the balance of his Rights Entitlements on the SGX-ST, he should complete and sign the ARE for the number of Rights Entitlements which he wishes to accept and submit the

duly completed and original signed ARE together with payment in the prescribed manner as described in paragraph 5.1 above to CDP.

The balance of his Rights Entitlements in a Broker-linked Balance may be sold as soon as dealings therein commence on the SGX-ST.

Eligible Unitholders who wish to trade all or part of their Rights Entitlements on the SGX-ST during the Rights Entitlement trading period should note that the Rights Entitlements will be tradable in board lots of 100 Rights Entitlements, or any other board lot size which the SGX-ST may require. Eligible Unitholders who wish to trade in lot sizes other than mentioned above may do so in the Unit Share Market of the SGX-ST during the Rights Entitlement trading period.

The ARE need not be forwarded to the Purchasers as arrangements will be made by CDP for a separate ARS to be issued to the Purchasers.

5.5 Trading of Rights Entitlements by Member Company

A Member Company may trade all or part of the Rights Entitlements in a Broker-linked Balance linked to the Member Company as soon as dealings therein commence on the SGX-ST. CDP shall not be responsible for ascertaining, verifying or investigating, and has no duty to ascertain, verify or investigate any particulars relating to the sale of Rights Entitlements by the Member Company and whether the Eligible Unitholder has authorised sale of the Rights Entitlement by the Member Company.

5.6 Renunciation of Rights Entitlements

Eligible Unitholders who wish to renounce in full or in part their Rights Entitlements in a Broker-linked Balance in favour of a third party should obtain the approval of the Member Company linked to the Broker-linked Balance for the transfer of such Rights Entitlements out of the Broker-linked Balance to the main balance of his Securities Account for such renunciation. An Eligible Unitholder may request for such approval either (1) through CDP Online if he has registered for CDP Internet Access Service; or (2) directly from the Member Company linked to the Broker-linked Balance. The Member Company should directly communicate its approval to CDP through the established communication channels between the Member Company and CDP, or initiate the transfer of such Rights Entitlements from the Broker-linked Balance to the main balance of the Eligible Unitholder's securities account.

Upon the transfer of the Rights Entitlements which the Eligible Unitholder wishes to renounce from the Broker-linked Balance to the main balance of the Eligible Unitholder's securities account, the Eligible Unitholder should complete the relevant transfer forms with CDP (including any accompanying documents as may be required by CDP) for the number of Rights Entitlements which they wish to renounce, and CDP shall only process the transfer forms for such renunciation only after such Rights Entitlements are credited to the main balance of the Eligible Unitholder's securities account. Renunciation shall be made in accordance with the "Terms and Conditions for Operations of Securities Accounts with CDP", as the same may be amended from time to time, copies of which are available from CDP. As CDP requires at least three (3) Market Days to effect such renunciation, Eligible Unitholders who wish to renounce their Rights Entitlements are advised to do so early to allow sufficient time for CDP to send the ARS and other accompanying documents, for and on behalf of the Manager, to the renounee by ordinary post and **AT HIS OWN RISK**, to his Singapore address as maintained in the records of CDP and for the renounee to accept his Rights Units. The last date and time for acceptance of the Rights Entitlements and payment for the Rights Units by the renounee is **5.00 p.m. on 15 October 2020** (or such other

time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager) (if acceptance is made through CDP) or **9.30 p.m. on 15 October 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager) (if acceptance is made through an ATM of a Participating Bank).

5.7 Transfers of Rights Entitlements from a Broker-linked Balance of the Eligible Unitholder's Securities Account

Eligible Unitholders who wish to transfer their Rights Entitlements in a Broker-linked Balance to the main balance or another Broker-linked Balance of the Eligible Unitholder's Securities Account should obtain the approval of the Member Company linked to the originating Broker-linked Balance for the transfer of such Rights Entitlements out of the Broker-linked Balance. An Eligible Unitholder may request for such approval either (1) through CDP Online if he has registered for CDP Internet Access Service; or (2) directly from the Member Company linked to the originating Broker-linked Balance (for transfer to the main balance of the Eligible Unitholder's Securities Account only). The Member Company should directly communicate its approval to CDP through the established communication channels between the Member Company and CDP, or initiate the transfer of such Rights Entitlements from the Broker-linked Balance to the main balance of the Eligible Unitholder's securities account.

Upon the transfer of the Rights Entitlements to the main balance or another Broker-linked Balance of the Securities Account, arrangements will be made by CDP for a separate ARS to be issued to the Eligible Unitholder in respect of the Rights Entitlements transferred to the main balance or another Broker-linked Balance of his Securities Account. As the Member Company may take up to the next Market Day to communicate its approval and effect the transfer, an Eligible Unitholder who wishes to transfer his Rights Entitlements from a Broker-linked Balance of his Securities Account is advised to do so early to allow sufficient time for CDP to send the ARS and other accompanying documents, for and on behalf of the Trustee-Manager, to the Eligible Unitholder by ordinary post and **AT HIS OWN RISK**, to his Singapore address as maintained in the records of CDP and for the Eligible Unitholder to accept his Rights Entitlements. The last date and time for acceptance of the Rights and payment for the Rights Units by the Entitled Unitholder is **5.00 p.m. on 15 October 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager) (if acceptance is made through CDP). Alternatively, the Eligible Unitholder may accept and subscribe for Rights Entitlements in the main balance of his Securities Account by way of Electronic Applications in the prescribed manner as described in paragraph 2.1 above. Eligible Unitholders who do not receive the ARS, accompanied by this Offer Information Statement and other accompanying documents, may obtain the same from CDP, for the period up to **5.00 p.m. on 15 October 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager).

An Eligible Unitholder who wishes to transfer his Rights Entitlements which were provisionally allotted to a Broker-linked Balance of his Securities Account should note that he will not be entitled to apply for Excess Rights Units in connection with his acceptance of such Rights Entitlements which have been transferred out of the originating Broker-linked Balance.

6. ACCEPTANCES AND APPLICATIONS BY BOTH AN ELIGIBLE UNITHOLDER AND THE MEMBER COMPANY LINKED TO THE BROKER-LINKED BALANCE

In the event that the Eligible Unitholder or the Purchaser accepts his Rights Entitlements in a Broker-linked Balance by way of the ARE and/or the ARS and/or has applied for Excess Rights Units by way of the ARE, and the Member Company linked to such Broker-linked Balance also accepts any Rights Entitlements in the Broker-linked Balance and/or applies

for Excess Rights Units in respect of the Broker-linked Balance, the Manager and/or CDP shall be authorised and entitled to accept his and his Member Company's instructions in whichever mode or combination as the Manager and/or CDP may, in their/its absolute discretion, deem fit. Without prejudice to the generality of the foregoing, in such a case, the Eligible Unitholder or the Purchaser and the Member Company shall be regarded as having irrevocably authorised the Manager and/or CDP to apply all amounts received whether under the ARE, the ARS and (if applicable) any other acceptance of Rights Entitlements allotted to him and/or application for Excess Rights Units whether made by him or the Member Company linked to the Broker-linked Balance in whichever mode or combination as the Manager and/or CDP may, in their/its absolute discretion, deem fit.

7. ILLUSTRATIVE EXAMPLES FOR RIGHTS ENTITLEMENTS PROVISIONALLY ALLOTTED TO A BROKER-LINKED BALANCE

As an illustration, if an Eligible Unitholder has 1,000 Units standing to the credit of a Broker-linked Balance of his Securities Account as at the Rights Issue Record Date, the Eligible Unitholder will be provisionally allotted 454 Rights Entitlements his Broker-linked Balance as set out in his ARE. The Eligible Unitholder's alternative courses of action, and the necessary procedures to be taken under each course of action, are summarised below:

Alternatives	Procedures to be taken
<p>(a) Accept his entire 454 Rights Entitlements in the Broker-linked Balance and (if applicable) apply for Excess Rights Units for the Broker-linked Balance.</p>	<p>(1) Complete and sign the ARE in accordance with the instructions contained herein for the acceptance in full of his 454 Rights Entitlements in the Broker-linked Balance and (if applicable) the number of Excess Rights Units applied for the Broker-linked Balance and forward the original signed ARE together with a single remittance for S\$222.46 (or, if applicable, such higher amount in respect of the total number of Rights Entitlements accepted and Excess Rights Units applied for) by way of a Cashier's Order or Banker's Draft drawn in Singapore currency on a bank in Singapore, and made payable to "CDP—IREIT GLOBAL RIGHTS ISSUE ACCOUNT" and crossed "NOT NEGOTIABLE, A/C PAYEE ONLY" for the full amount due on acceptance and (if applicable) application, by post, at his own risk, in the self-addressed envelope provided to IREIT GLOBAL GROUP PTE. LTD., AS MANAGER OF IREIT, C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147 so as to arrive not later than 5.00 p.m. on 15 October 2020 (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager) and with the name of the Eligible Unitholder and the relevant Broker-linked Balance Identification Number identifying the Broker-linked Balance, clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft.</p>

Alternatives

Procedures to be taken

NO COMBINED CASHIER'S ORDER OR BANKER'S DRAFT FOR: (A) DIFFERENT SECURITIES ACCOUNTS; OR (B) THE MAIN BALANCE AND ANY BROKER-LINKED BALANCE OF A SECURITIES ACCOUNT; OR (C) DIFFERENT BROKER-LINKED BALANCES OF A SECURITIES ACCOUNT, WILL BE ACCEPTED. NO OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.

- (b) Accept a portion of his Rights Entitlements in the Broker-linked Balance, for example 100 Rights Entitlements, not apply for Excess Rights Units and trade the balance on the SGX-ST.
- (1) Complete and sign the ARE in accordance with the instructions contained therein for the acceptance of his 100 Rights Entitlements in the Broker-linked Balance, and forward the original signed ARE, together with a single remittance for S\$49.00, in the prescribed manner described in alternative (a)(1) above, to CDP, so as to arrive not later than **5.00 p.m. on 15 October 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager).

The balance of the 354 Rights Entitlements which is not accepted by the Eligible Unitholder may be traded on the SGX-ST during the Rights Entitlements trading period. **Eligible Unitholders should note that the Rights Entitlements will be tradable in the ready market, each board lot comprising provisional allotments size of 100 Rights Units or any other board lot size which SGX-ST may require. Eligible Unitholders who wish to trade in other lot sizes can do so on the SGX-ST's Unit Share Market during the Rights trading period.**

- (c) Accept a portion of his provisionally allotted Rights Entitlements, for example 100 Rights Entitlements, and reject the balance.
- (1) Complete and sign the ARE in accordance with the instructions contained herein for the acceptance of 100 Rights Entitlements in the Broker-linked Balance and forward the original signed ARE, together with a single remittance for S\$49.00, in the prescribed manner described in alternative (a)(1) above to CDP so as to arrive not later than **5.00 p.m. on 15 October 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager). The balance of the 354 Rights Entitlement which is not accepted by the Eligible Unitholder will automatically lapse and cease to be available for acceptance by that Eligible Unitholder if an acceptance is not made through CDP by **5.00 p.m. on 15 October 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager).

8. TIMING AND OTHER IMPORTANT INFORMATION

8.1 Timing

THE LAST TIME AND DATE FOR ACCEPTANCE OF RIGHTS ENTITLEMENTS AND (IF APPLICABLE) APPLICATION FOR EXCESS RIGHTS UNITS AND PAYMENT FOR THE RIGHTS UNITS IN RELATION TO THE RIGHTS ISSUE IS:

- (A) 9.30 P.M. ON 15 OCTOBER 2020 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE MANAGER) IF AN ACCEPTANCE OF THE RIGHTS ENTITLEMENTS AND (IF APPLICABLE) AN APPLICATION FOR EXCESS RIGHTS UNITS AND PAYMENT IS MADE THROUGH AN ATM OF A PARTICIPATING BANK; OR**
- (B) 5.00 P.M. ON 15 OCTOBER 2020 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE MANAGER) IF AN ACCEPTANCE OF THE RIGHTS ENTITLEMENTS AND (IF APPLICABLE) AN APPLICATION FOR EXCESS RIGHTS UNITS AND PAYMENT IS MADE THROUGH CDP OR SGX-SFG SERVICE.**

If acceptance of Rights Entitlements and (if applicable) application for Excess Rights Units and payment in the prescribed manner as set out in this Offer Information Statement, the ARE and the ARS (as the case may be) is not received through an ATM of the Participating Banks by **9.30 p.m. on 15 October 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager) or through CDP by **5.00 p.m. on 15 October 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager) from any Eligible Unitholder or Purchaser or Member Company (in respect of a Broker-linked Balance), the Rights Entitlements shall be deemed to have been declined and shall forthwith lapse and become void, and such Rights Entitlements not so accepted will be used to satisfy applications for Excess Rights Units, if any, or be otherwise dealt with in such manner as the Manager may, in its absolute discretion, deem fit, in the interests of IREIT. All monies received subsequent to the dates and times specified above will be returned by CDP for and on behalf of the Manager to the Eligible Unitholders or the Purchasers, as the case may be, without interest or any share of revenue or other benefit arising therefrom, by crediting their designated bank accounts via CDP's Direct Crediting Service **AT THE ELIGIBLE UNITHOLDER'S OR PURCHASER'S OWN RISK (AS THE CASE MAY BE)**. In the event that he is not subscribed to CDP's Direct Crediting Service, any monies to be returned or refunded will be retained by CDP and reflected under the Cash Transaction section of his CDP monthly account statement (such retention by CDP being a good discharge of the Manager's and the Joint Lead Managers' obligations).

IF ANY ELIGIBLE UNITHOLDER OR PURCHASER (AS THE CASE MAY BE) IS IN ANY DOUBT AS TO THE ACTION HE SHOULD TAKE, HE SHOULD CONSULT HIS STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

8.2 Appropriation

Without prejudice to paragraph 1.3 of this **Appendix B**, an Eligible Unitholder should note that:

- (a) by accepting his Rights Entitlements and (if applicable) applying for Excess Rights Units, he acknowledges that, in the case where the amount of remittance payable to the Manager in respect of his acceptance of the Rights Entitlements and (if applicable) in respect of his application for Excess Rights Units as per the instructions received by CDP whether under the ARE, the ARS and/or in any other application form for Rights Units in relation to the Rights Issue differs from the amount actually received by CDP, the Manager and CDP shall be authorised and entitled to determine and appropriate all amounts received by CDP on the Manager's behalf for each application on its own whether under the ARE, the ARS and/or any other application form for Rights Units in relation to the Rights Issue as follows: firstly, towards payment of all amounts payable in respect of his acceptance of the Rights Entitlements; and secondly, (if applicable) towards payment of all amounts payable in respect of his application for Excess Rights Units. The determination and appropriation by the Manager and CDP shall be conclusive and binding;
- (b) if he has attached a remittance to the ARE, the ARS and/or any other application form for Rights Units in relation to the Rights Issue made through CDP, he would have irrevocably authorised the Manager and CDP, in applying the amounts payable for his acceptance of the Rights Entitlements and (if applicable) his application for Excess Rights Units, to apply the amount of the remittance which is attached to the ARE, the ARS and/or any other application form for Rights Units in relation to the Rights Issue made through CDP; and
- (c) in the event that the Eligible Unitholder accepts the Rights Entitlements by way of the ARE and/or the ARS and/or has applied for Excess Rights Units by way of the ARE and also by way of an Electronic Application, the Manager and/or CDP shall be authorised and entitled to accept his instructions in whichever mode or combination as the Manager and/or CDP may, in their/its absolute discretion, deem fit. Without prejudice to the generality of the foregoing, in such a case, the Eligible Unitholder shall be deemed as having irrevocably authorised the Manager and/or CDP to apply all amounts received whether under the ARE, the ARS and/or any other acceptance and/or application for Rights Units (including an Electronic Application) which he has authorised or deemed to have authorised to apply towards the payment for acceptance of the Rights Units and/or application for Excess Rights Units in whichever mode or combination as the Manager and/or CDP may, in their/its absolute discretion, deem fit.

8.3 Availability of Excess Rights Units

The Excess Rights Units available for application are subject to the terms and conditions contained in the ARE, this Offer Information Statement and (if applicable) the Trust Deed. Applications for Excess Rights Units will, at the Directors' absolute discretion, be satisfied from such Rights Units as are not validly taken up by the Eligible Unitholders, the original allottee(s) or their respective renounee(s) or the Purchaser(s) of the Rights Entitlements together with the aggregated fractional entitlements to the Rights Units, any unsold Rights Entitlements (if any) of Ineligible Unitholders and any Rights Units that are otherwise not allotted for whatever reason in accordance with the terms and conditions contained in the ARE, this Offer Information Statement and (if applicable) the Trust Deed. In the event that applications are received by the Manager for more Excess Rights Units than are available, the Excess Rights Units available will be allotted in such manner as the Directors may, in their absolute discretion, deem fit in the interests of IREIT. **CDP TAKES NO**

RESPONSIBILITY FOR ANY DECISION THAT THE DIRECTORS MAY MAKE. Subject to the requirements of or otherwise waived by SGX-ST, in the allotment of Excess Rights Units, preference will be given to the rounding of odd lots. Each of the Sponsor, the Relevant Entities, other Substantial Unitholders who have control or influence over IREIT or the Manager in connection with the day-to-day affairs of IREIT or the Manager or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board and Directors will rank last in priority for the rounding of odd lots and allotment of Excess Rights Units. The Manager reserves the right to refuse any application for Excess Rights Units, in whole or in part, without assigning any reason whatsoever. In the event that the number of Excess Rights Units allotted to an Eligible Unitholder is less than the number of Excess Rights Units applied for, the Eligible Unitholder shall be deemed to have accepted the number of Excess Rights Units actually allotted to him.

If no Excess Rights Units are allotted or if the number of Excess Rights Units allotted is less than that applied for, the amount paid on application or the surplus application monies, as the case may be, will be refunded to such Eligible Unitholders or Member Companies (in respect of applications for Rights Units made by Member Companies for Broker-linked Balances), without interest or any share of revenue or other benefit arising therefrom, within three business days after commencement of trading of the Rights Units, by crediting their bank accounts with the relevant Participating Bank **AT THEIR OWN RISK** (if they had applied for Excess Rights Units by way of an Electronic Application through an ATM of a Participating Bank), the receipt by such bank being a good discharge to the Manager, the Joint Lead Managers and CDP of their obligations, if any, thereunder, or by crediting their designated bank accounts via CDP's Direct Crediting Service **AT THEIR OWN RISK** (if they had applied for Excess Rights Shares through CDP). In the event that an Eligible Unitholder (who had applied for Excess Rights Shares through CDP) is not subscribed to CDP's Direct Crediting Service, any monies to be refunded will be retained by CDP and reflected under the Cash Transaction section of his CDP monthly account statement (the retention by CDP being a good discharge of the Manager's and the Joint Lead Managers' obligations).

8.4 Deadlines

It should be particularly noted that unless:

- (a) acceptance of Rights Entitlements is made by the Eligible Unitholders or the Purchasers (as the case may be) by way of an Electronic Application through an ATM of a Participating Bank and payment of the full amount payable for such Rights Units is effected by **9.30 p.m. on 15 October 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager); or
- (b) the duly completed and original signed ARE or ARS accompanied by a single remittance for the full amount payable for the relevant number of Rights Entitlements accepted and (if applicable) Excess Rights Units applied for at the Issue Price, made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to "**CDP—IREIT GLOBAL RIGHTS ISSUE ACCOUNT**" for the Rights Entitlements and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" for the full amount due on acceptance and/or application and with the names and Securities Account numbers of the Eligible Unitholders or the Purchasers (as the case may be) clearly written in block letters on the reverse side of the Cashier's order or Banker's Draft is submitted by post in the self-addressed envelope provided, **AT THE SENDER'S OWN RISK**, to **IREIT GLOBAL GROUP PTE. LTD., AS MANAGER OF IREIT, C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147** by **5.00 p.m. on 15 October 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager); or

- (c) acceptance is made by a Depository Agent or a Member Company in respect of a Broker-linked Balance linked to the Member Company via the SGX-SFG Service and payment (where applicable) in Singapore currency by way of telegraphic transfer by the Depository Agent for the Rights Units is effected by **5.00 p.m. on 15 October 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager),

the Rights Entitlements will be deemed to have been declined and shall forthwith lapse and become void and cease to be capable of acceptance.

All unsuccessful application moneys received in connection therewith will be returned to the Eligible Unitholders or the Purchasers or the Member Company (as the case may be) without interest or any share of revenue or other benefit arising therefrom by crediting their designated bank accounts via CDP's Direct Crediting Service where acceptance and/or application is made through CDP or by means of telegraphic transfer where refunds are to be made to a Depository Agent or Member Company and at the **ELIGIBLE UNITHOLDER'S OR PURCHASERS' OR DEPOSITORY AGENT'S OR MEMBER COMPANY'S OWN RISK (AS THE CASE MAY BE)**. In the event that the Eligible Unitholder or Purchaser is not subscribed to CDP's Direct Crediting Service, any monies to be returned or refunded will be retained by CDP and reflected under the Cash Transaction section of his CDP monthly account statement (such retention by CDP being a good discharge of the Manager's and the Joint Lead Managers' obligations).

ACCEPTANCES AND/OR APPLICATIONS ACCOMPANIED BY ANY OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL NOT BE ACCEPTED.

8.5 Confirmation Note

A confirmation note confirming the date of issue and the number of Rights Units issued will be issued by the Manager or the agent appointed by the Manager to CDP. Upon crediting of the Rights Units and Excess Rights Units, CDP will send to Eligible Unitholders and/or Purchasers, **BY ORDINARY POST AND AT THEIR OWN RISK**, notification letters showing the number of Rights Units and Excess Rights Units credited to their Securities Accounts.

8.6 General

For reasons of confidentiality, CDP will not entertain telephone enquiries relating to the number of Rights Entitlements provisionally allotted and credited to an Eligible Unitholder's Securities Account. An Eligible Unitholder can verify the number of Rights Entitlements provisionally allotted and credited to his Securities Account online if he has registered for CDP Internet Access. Alternatively, an Eligible Unitholder may proceed personally to CDP with his identity card or passport to verify the number of Rights Entitlements provisionally allotted and credited to his Securities Account.

It is the responsibility of an Eligible Unitholder and/or Purchaser to ensure that the ARE and/or ARS is accurately completed in all respects and signed. The Manager and/or CDP will be authorised and entitled to reject any acceptance and/or application which does not comply with the terms and instructions contained herein and in the ARE and/or ARS, or which is otherwise incomplete, incorrect, unsigned, signed but not in its originality or invalid in any respect. Any decision to reject the ARE and/or ARS on the grounds that it has been signed but not in its originality, incompletely, incorrectly or invalidly signed, completed or submitted will be final and binding, and neither CDP nor the Manager accepts any responsibility or liability for the consequences of such a decision.

EXCEPT AS SPECIFICALLY PROVIDED FOR IN THIS OFFER INFORMATION STATEMENT, ACCEPTANCE OF THE RIGHTS ENTITLEMENTS AND (IF APPLICABLE) APPLICATION FOR EXCESS RIGHTS UNITS IS IRREVOCABLE.

No acknowledgement will be given for any submissions sent by post.

All communications, notices, documents and remittances to be delivered or sent to an Eligible Unitholder and/or Purchaser will be sent by **ORDINARY POST** to his mailing address as maintained in the records of CDP, **AT HIS OWN RISK**.

8.7 Personal Data Privacy

By completing and delivering an ARE or an ARS and in the case of an Electronic Application, by pressing the “Enter” or “OK” or “Confirm” or “Yes” key, an Eligible Unitholder or a Purchaser (i) consents to the collection, use and disclosure of his personal data by the Participating Banks, the Unit Registrar, Securities Clearing and Computer Services (Pte) Ltd, CDP, the SGX-ST, the Manager and the Joint Lead Managers (the “**Relevant Persons**”) for the purpose of facilitating his application for the Rights Units, and in order for the Relevant Persons to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “**Purposes**”); (ii) warrants that where he discloses the personal data of another person, such disclosure is in compliance with applicable law; and (iii) agrees that he will indemnify the Relevant Persons in respect of any penalties, liabilities, claims, demands, losses and damages as a result of his breach of warranty.

PROCEDURE TO COMPLETE THE ARE/ARS

1. Know your holdings and entitlement

A. KNOW YOUR HOLDINGS & ENTITLEMENT

Number of Units
currently held by you

XX.XXX

This is your
Unitholding as at the
Rights Issue Record
Date.

Units as at
**5.00 P.M. ON 28 SEPTEMBER
2020**

This is the date to
determine your Rights
Entitlements.

Number of Rights
Units provisionally
allotted*

(Rights Issue Record Date)

XX.XXX

This is your number of
Rights Entitlements.

Issue Price

S\$0.490 per Rights Unit

This is price that you
need to pay when you
subscribe for one
Rights Unit.

2. Select your application options

B. SELECT YOUR APPLICATION OPTIONS

1. ATM Follow the procedures set out on the ATM screen and submit your application through an ATM of a Participating Bank by **15 OCTOBER 2020 AT 9.30 P.M.**

This is the last date
and time to subscribe
for the Rights Units
through ATM and
CDP.

Participating Banks for ATM applications are DBS Bank Ltd. (including POSB), Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited.

You can apply your
Rights Units through
ATMs of these
participating banks.

2. MAIL Complete section below and submit this form to CDP by **15 OCTOBER 2020 AT 5.00 P.M.**

(i) Only BANKER'S DRAFT/CASHIER'S ORDER payable to "**CDP-IREIT GLOBAL RIGHTS ISSUE ACCOUNT**" will be accepted

This is the payee name
to be issued on your
Cashier's Order
where IREIT Global is
the name of the issuer.

(ii) Applications using a **PERSONAL CHEQUE, POSTAL ORDER** or **MONEY ORDER** will be rejected

(iii) Write your name and securities account number on the back of the Banker's Draft/Cashier's Order

Note: Please refer to the ARE/ARS for the actual holdings, entitlements, Record Date, Issue Price, Closing Date for subscription, list of participating ATM banks and payee name on the Cashier's Order or Banker's Draft.

ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS THROUGH AN ATM OF A PARTICIPATING BANK

The procedures for Electronic Applications are set out on the ATM screens of the relevant Participating Banks (the “**Electronic Application Steps**”). Please read carefully the terms and conditions set out in this Offer Information Statement, the Electronic Application Steps and the terms and conditions for Electronic Applications set out below before making an Electronic Application. An ATM card issued by one Participating Bank cannot be used to accept Rights Entitlements and (if applicable) apply for Excess Rights Units at an ATM belonging to other Participating Banks. Any Electronic Application which does not strictly conform to the instructions set out on the screens of the ATM through which the Electronic Application is made will be rejected.

All references to “Rights Issue” and “Rights Application” on the ATM screens of the Participating Banks shall mean the offer of Rights Units under the Rights Issue and the acceptance of Rights Entitlements and (if applicable) the application for Excess Rights Units, respectively. All references to “Document” on the ATM screens of the Participating Banks shall mean this Offer Information Statement.

Any reference to the “Applicant” in the terms and conditions for Electronic Applications and the Electronic Application Steps shall mean the Eligible Unitholder or the Purchaser who accepts his Rights Entitlements and (if applicable) applies for Excess Rights Units through an ATM of a Participating Bank. An Applicant must have an existing bank account with and be an ATM cardholder of one of the Participating Banks before he can make an Electronic Application at the ATM of that Participating Bank. The actions that the Applicant must take at ATMs of the Participating Banks are set out on the ATM screens of the relevant Participating Banks. Upon the completion of his Electronic Application transaction, the Applicant will receive an ATM transaction record (the “**Transaction Record**”), confirming the details of his Electronic Application. The Transaction Record is for retention by the Applicant and should not be submitted with any ARE and/or ARS.

An Applicant, including one who has a joint bank account with a Participating Bank, must ensure that he enters his own Securities Account number when using the ATM card issued to him in his own name. Using his own Securities Account number with an ATM card which is not issued to him in his own name will render his acceptance of his Rights Entitlements and (if applicable) application for Excess Rights Units liable to be rejected.

Eligible Unitholders who have subscribed for or purchased Units under the CPFIS and/or the SRS or through a finance company and/or Depository Agent can only accept their Rights Entitlements and (if applicable) apply for Excess Rights Units by instructing the respective approved banks in which they hold their CPFIS accounts and/or SRS Accounts, finance company and/or Depository Agent to do so on their behalf. ANY APPLICATION MADE BY THE ABOVEMENTIONED ELIGIBLE UNITHOLDERS DIRECTLY THROUGH CDP OR THROUGH ATMS WILL BE REJECTED. Such Eligible Unitholders who have insufficient funds in their CPF Investment Accounts or SRS Accounts may deposit cash into their CPF Investment Accounts or SRS Accounts with their approved banks before instructing their respective approved banks to accept their Rights Entitlements and (if applicable) apply for Excess Rights Units. CPF Funds may not, however, be used for the purchase of the Rights Entitlements directly from the market.

Such Eligible Unitholders, where applicable, will receive notification letter(s) from their respective approved bank, finance company and/or Depository Agent and should refer to such notification letter(s) for details of the last date and time to submit applications to their respective approved bank, finance company and/or Depository Agent.

The Electronic Applications shall be made on, and subject to, the terms and conditions of this Offer Information Statement including, but not limited to, the terms and conditions appearing below:

- (1) In connection with his Electronic Application, the Applicant is required to confirm statements to the following effect in the course of activating the ATM for his Electronic Application:
 - (a) that he has received a copy of this Offer Information Statement and has read, understood and agreed to all the terms and conditions of acceptance of his Rights Entitlements and (if applicable) application for Excess Rights Units under the Rights Issue prior to effecting the Electronic Application and agrees to be bound by the same; and
 - (b) that he authorises CDP to give, provide, divulge, disclose or reveal information pertaining to his Securities Account maintained in CDP's record, including, without limitation, his name(s), his NRIC number(s) or passport number(s), Securities Account number(s), address(es), the number of Units standing to the credit of his Securities Account, the number of Rights Entitlements allotted to him, his acceptance and (if applicable) application for Excess Rights Units and any other information (the "**Relevant Particulars**") to the Manager and any other relevant parties (the "**Relevant Parties**") as CDP may deem fit for the purpose of the Rights Issue and his acceptance and (if applicable) application.

His acceptance of his Rights Entitlements and (if applicable) application for Excess Rights Units will not be successfully completed and cannot be recorded as a complete transaction in the ATM unless he presses the "Enter" or "OK" or "Confirm" or "Yes" key. By doing so, the Applicant shall be treated as signifying his confirmation of each of the two statements above. In respect of statement 1(b) above, his confirmation, by pressing the "Enter" or "OK" or "Confirm" or "Yes" key, shall signify and shall be treated as his written permission, given in accordance with the relevant laws of Singapore including Section 47(2) and the Third Schedule of the Banking Act, Chapter 19 of Singapore, to the disclosure by that Participating Bank of the Relevant Particulars to the Relevant Parties.

- (2) An Applicant may make an Electronic Application at an ATM of any Participating Bank for the Rights Entitlements and (if applicable) Excess Rights Units using cash only by authorising such Participating Bank to deduct the full amount payable from his account with such Participating Bank.
- (3) The Applicant irrevocably agrees and undertakes to subscribe for and accept up to the aggregate of the number of Rights Entitlements allotted and Excess Rights Units applied for as stated on the Transaction Record or the number of Rights Units standing to the credit of the "Free Balance" of his Securities Account as at the Closing Date. In the event that the Manager decides to allot any lesser number of Excess Rights Units or not to allot any number of Excess Rights Units to the Applicant, the Applicant agrees to accept the decision as final and binding.
- (4) If the Applicant's Electronic Application is successful, his confirmation (by his action of pressing the "Enter" or "OK" or "Confirm" or "Yes" key on the ATM) of the number of Rights Entitlements accepted and (if applicable) Excess Rights Units applied for shall signify and shall be treated as his acceptance of the number of Rights Units that may be allotted to him and (if applicable) his application for Excess Rights Units.

- (5) In the event that the Applicant accepts the Rights Entitlements both by way of the ARE and/or the ARS (as the case may be) through CDP and/or by way of Electronic Application through the ATM of a Participating Bank, the Manager and/or CDP shall be authorised and entitled to accept the Applicant's instructions in whichever mode or a combination thereof as it may, in its absolute discretion, deem fit. In determining the number of Rights Entitlements which the Applicant has validly given instructions to accept, the Applicant shall be deemed to have irrevocably given instructions to accept the lesser of the number of Rights Entitlements which are standing to the credit of the "Free Balance" of his Securities Account as at the Closing Date, and the aggregate number of Rights Entitlements which have been accepted by the Applicant by way of the ARE and/or the ARS (as the case may be) and by Electronic Application through an ATM of a Participating Bank, and the Manager and/or CDP, in determining the number of Rights Entitlements which the Applicant has validly given instructions to accept, shall be authorised and entitled to have regard to the aggregate amount of payment received for the acceptance of Rights Entitlements, whether by way of Cashier's Order or Banker's Draft drawn on a bank in Singapore accompanying the ARE and/or the ARS or by way of the acceptance through the Electronic Application through the ATM of a Participating Bank, which the Applicant has authorised or deemed to have authorised to be applied towards the payment in respect of the Applicant's application.
- (6) If applicable, in the event that the Applicant applies for Excess Rights Units both by way of ARE through CDP and by Electronic Application through the ATM of a Participating Bank, the Manager and/or CDP shall be authorised and entitled to accept the Applicant's instructions in whichever mode or a combination thereof as it may, in its absolute discretion, deem fit. In determining the number of Excess Rights Units which the Applicant has validly given instructions for the application of, the Applicant shall be deemed to have irrevocably given instructions to apply for and agreed to accept such number of Excess Rights Units not exceeding the aggregate number of Excess Rights Units for which he has applied by way of Electronic Application through the ATM of a Participating Bank and by way of ARE through CDP. The Manager and/or CDP, in determining the number of Excess Rights Units which the Applicant has given valid instructions for the application, shall be authorised and entitled to have regard to the aggregate amount of payment received for the application of Excess Rights Units, whether by way of Cashier's Order or Banker's Draft drawn on a bank in Singapore accompanying the ARE or by way of Electronic Application through an ATM of a Participating Bank, which the Applicant has authorised or deemed to have authorised to be applied towards the payment in respect of the Applicant's application.
- (7) The Applicant irrevocably requests and authorises the Manager to:
- (a) register, or procure the registration of the Rights Units allotted to the Applicant in the name of CDP for deposit into his Securities Account; and
 - (b) return or refund (without interest or any share of revenue or other benefit arising therefrom) the full amount or, as the case may be, the balance of the acceptance and/or application monies, should his Electronic Application in respect of the Rights Entitlements accepted and (if applicable) Excess Rights Units applied for, as the case may be, not be accepted or, as the case may be, be accepted in part only by or on behalf of the Manager for any reason, by automatically crediting the Applicant's bank account with the relevant Participating Bank with the relevant amount within three business days after commencement of trading of the Rights Units.
- (8) **BY MAKING AN ELECTRONIC APPLICATION, THE APPLICANT CONFIRMS THAT HE IS NOT ACCEPTING THE RIGHTS ENTITLEMENTS OR APPLYING FOR EXCESS RIGHTS UNITS AS A NOMINEE OF ANY OTHER PERSON.**

(9) The Applicant irrevocably agrees and acknowledges that his Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, fires, acts of God, mistakes, losses and theft (in each case whether or not within the control of CDP, the Participating Banks, the Joint Lead Managers and/or the Manager) and any events whatsoever beyond the control of CDP, the Participating Banks, the Joint Lead Managers and/or the Manager and if, in any such event, CDP, the Participating Banks, the Joint Lead Managers and/or the Manager do not record or receive the Applicant's Electronic Application by **9.30 p.m. on 15 October 2020**, or such data or the tape containing such data is lost, corrupted, destroyed or not otherwise accessible, whether wholly or partially for whatever reason, the Applicant shall be deemed not to have made an Electronic Application and the Applicant shall have no claim whatsoever against CDP, the Participating Banks, the Joint Lead Managers and/or the Manager for any purported acceptance of the Rights Entitlements and (if applicable) application for Excess Rights Units, or for any compensation, loss or damage in connection therewith or in relation thereto.

(10) Electronic Applications may only be made at the ATMs of the Participating Banks from Mondays to Saturdays (excluding public holidays) between **7.00 a.m. and 9.30 p.m.** This service will not be available on Sundays.

Electronic Applications shall close at **9.30 p.m. on 15 October 2020** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager).

(11) All particulars of the Applicant in the records of the relevant Participating Bank at the time he makes his Electronic Application shall be deemed to be true and correct and the relevant Participating Bank and the Relevant Parties shall be entitled to rely on the accuracy thereof. If there has been any change in the particulars of the Applicant after the time of the making of his Electronic Application, the Applicant shall promptly notify the relevant Participating Bank.

(12) The Applicant must have sufficient funds in his bank account(s) with the relevant Participating Bank at the time he makes his Electronic Application, failing which his Electronic Application will not be completed. Any Electronic Application made at the ATMs of Participating Banks which does not strictly conform to the instructions set out on the ATM screens of such Participating Banks will be rejected.

(13) Where an Electronic Application is not accepted, it is expected that the full amount of the acceptance and/or application monies will be refunded in Singapore dollars (without interest or any share of revenue or other benefit arising therefrom) to the Applicant by being automatically credited to the Applicant's account with the relevant Participating Bank within three business days after the commencement of trading of the Rights Units. An Electronic Application may also be accepted in part, in which case the balance amount of acceptance and/or application monies will be refunded on the same terms.

(14) In consideration of the Manager arranging for the Electronic Application facility through the ATMs of the Participating Banks and agreeing to close the Rights Issue at **9.30 p.m. on 15 October 2020** or such other time or date as the Manager may (in consultation with the Joint Lead Managers), in its absolute discretion, decide, and by making and completing an Electronic Application, the Applicant agrees that:

(a) his Electronic Application is irrevocable (whether or not, to the extent permitted by law, any supplementary document or replacement document is lodged with the Authority);

(b) he represents and warrants that he is not located within the United States (within the meaning of Regulation S) and is acquiring the Rights Units in an offshore transaction (within the meaning of Regulation S);

- (c) he represents, warrants and undertakes that he can subscribe for the Rights Units in accordance with all applicable laws and regulations;
- (d) his Electronic Application, the acceptance thereof by the relevant Participating Bank and the Manager and the contract resulting therefrom shall be governed by and construed in accordance with the laws of Singapore and for the benefit of CDP, the Manager, the Trustee, the Joint Lead Managers, the other Relevant Persons the Participating Banks and the Unit Registrar, and he irrevocably submits to the exclusive jurisdiction of the Singapore courts. Notwithstanding the foregoing, CDP, the Manager, the Trustee, the Joint Lead Managers, the other Relevant Persons Participating Banks and the Unit Registrar shall retain the right to bring proceedings against him in any other court of competent jurisdiction or concurrently in more than one jurisdiction;
- (e) none of CDP, the Manager, the Trustee, the Joint Lead Managers, the Unit Registrar or the Participating Banks shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to his Electronic Application to the Manager or CDP due to a breakdown or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 9 above or to any cause beyond their respective control;
- (f) any interest, share of revenue or other benefit accruing on or arising from in connection with any acceptance and (if applicable) application monies shall be for the benefit of the Manager and none of CDP, IREIT, the Manager, the Trustee, the Joint Lead Managers, the other Relevant Persons nor any other persons involved in the Rights Issue shall be under any obligations to account for such interest, share of revenue or other benefit to him or any other person;
- (g) in accepting his Rights Entitlements, reliance is placed solely on the information contained in this Offer Information Statement and that none of CDP, IREIT, the Manager, the Trustee, the Joint Lead Managers or any other person involved in the Rights Issue shall have any liability for any information not so contained, except for any liability which cannot by law be excluded; he has not relied on any information, representation or warranty supplied or made by or on behalf of the Relevant Persons; he has access to all information he believes is necessary or appropriate in connection with this purchase of the Rights Units; he has not relied on any investigation that the Joint Lead Managers or any of the Relevant Persons may have conducted with respect to the Rights Units or IREIT, and none of such persons has made any representation to him, express or implied, with respect to the Rights Units or IREIT; except for any liability which cannot by law be excluded, he will not hold any of the Relevant Persons responsible for any misstatements or omissions from any publicly available information concerning IREIT and none of the Relevant Persons owe nor accept any duty, liability or responsibility to him, whether in contract or in tort (including without limitation, negligence and breach of statutory duty) or otherwise and shall not be liable in respect of any loss, damage or expense whatsoever in relation to the Rights Issue;
- (h) he will not be entitled to exercise any remedy of rescission or misrepresentation at any time after acceptance of his Rights Entitlements and (if applicable) application for Excess Rights Units;
- (i) in respect of the Rights Entitlements and (if applicable) the Excess Rights Units for which his Electronic Application has been successfully completed and not rejected, acceptance of the Applicant's Electronic Application shall be constituted by written notification by or on behalf of the Manager and not otherwise, notwithstanding any payment received by or on behalf of the Manager; and

- (j) unless expressly provided to the contrary in this Offer Information Statement or the Electronic Application, a person who is not party to any contracts made pursuant to this Offer Information Statement or the Electronic Application (other than CDP, the Manager, the Joint Lead Managers, the other Relevant Persons, the Participating Banks and the Unit Registrar) has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore to enforce any term of such contracts. Notwithstanding any term contained in this Offer Information Statement or the Electronic Application, the consent of any third party is not required for any subsequent agreement by the parties thereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.
- (15) The Applicant should ensure that his personal particulars as recorded by both CDP and the relevant Participating Bank are correct and identical, otherwise, his Electronic Application may be liable to be rejected. The Applicant should promptly inform CDP of any change in his address, failing which the notification letter on successful allotment and other correspondences will be sent to his address last registered with CDP.
- (16) The existence of a trust will not be recognised. Any Electronic Application by an Applicant must be made in his own name and without qualification. The Manager will reject any application by any person acting as nominee.
- (17) In the event that the Applicant accepts the Rights Entitlements, by way of the ARE, the ARS, and/or by way of Electronic Application through ATMs of Participating Banks, the Rights Units and/or Excess Rights Units will be allotted in such manner as the Manager and/or CDP may, in their/its absolute discretion, deem fit and the surplus acceptance and (if applicable) application monies, as the case may be, will be refunded, without interest or any share of revenue or other benefit arising therefrom, within three business days after the commencement of trading of the Rights Units by any one or a combination of the following:
- (a) by crediting the Applicant's designated bank account via CDP's Direct Crediting Service **AT HIS OWN RISK** if he accepts and (if applicable) applies through CDP. In the event that such Applicant is not subscribed to CDP's Direct Crediting Service, any monies to be returned or refunded will be retained by CDP and reflected under the Cash Transaction section of his CDP monthly account statement (the retention by CDP being a good discharge of the Manager's and the Joint Lead Managers' obligations); and
 - (b) by crediting the Applicant's bank account with the Participating Bank at the relevant time at his own risk if he accepts and (if applicable) applies through an ATM of that Participating Bank, the receipt by such bank a good discharge of the Manager's, Joint Lead Managers' and CDP's obligations.
- (18) The Applicant hereby acknowledges that, in determining the total number of Rights Entitlements which the Applicant can validly accept, the Manager and CDP are entitled and the Applicant hereby authorises the Manager and CDP to take into consideration:
- (a) the total number of Rights Entitlements which the Applicant has validly accepted, whether by way of an ARE, ARS or any other form of application (including an Electronic Application) for the Rights Units;
 - (b) the total number of Rights Entitlements allotted to the Applicant and standing to the credit of the "Free Balance" of his Securities Account which is available for acceptance; and
 - (c) the total number of Rights Units represented by the Rights Entitlements which has been disposed of by the Applicant.

The Applicant hereby acknowledges that CDP's and the Manager's determination shall be conclusive and binding on him.

- (19) The Applicant irrevocably requests and authorises CDP to accept instructions from the relevant Participating Bank through whom the Electronic Application is made in respect of the Rights Entitlements accepted by the Applicant and (if applicable) the Excess Rights Units which the Applicant has applied for, and such instructions shall be binding and conclusive on the Applicant.
- (20) With regard to any acceptance of Rights Entitlements and (if applicable) application for Excess Rights Units which does not conform strictly to the instructions set out under this Offer Information Statement, the ARE, the ARS and/or any other application form for the Rights Units in relation to the Rights Issue, or which does not comply with the instructions for Electronic Application, or where the "Free Balance" of the Applicant's Securities Account is credited with less than the relevant number of Rights Units subscribed for as at the Closing Date, or in the case of an application by the ARE, the ARS and/or any other application form for the Rights Units in relation to the Rights Issue which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly or insufficiently drawn remittance, the Manager and/or CDP may, at their/its absolute discretion, reject or treat as invalid any such application and payment or otherwise process all remittances at any time after receipt in such manner as it deems fit.
- (21) The Manager and/or CDP shall be entitled to process each application submitted for the acceptance of Rights Entitlements and (if applicable) application of Excess Rights Units in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application on its own, without regard to any other application and payment that may be submitted by the Applicant. For the avoidance of doubt, insufficient payment for an application submitted for the acceptance of the Rights Entitlements and (if applicable) application for Excess Rights Units may render the application invalid; evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application submitted for the acceptance of Rights Entitlements and (if applicable) application for Excess Rights Units.

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LIST OF PARTICIPATING BANKS

- DBS Bank Ltd. (including POSB)
- Oversea-Chinese Banking Corporation Limited
- United Overseas Bank Limited

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INDEPENDENT MARKET RESEARCH REPORT



Market Research Report

Office Sector

Sadena Portfolio, Madrid & Barcelona

July 2020

Prepared for IREIT Global

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Sources of information:

In this report, we have taken into consideration the following sources of information:

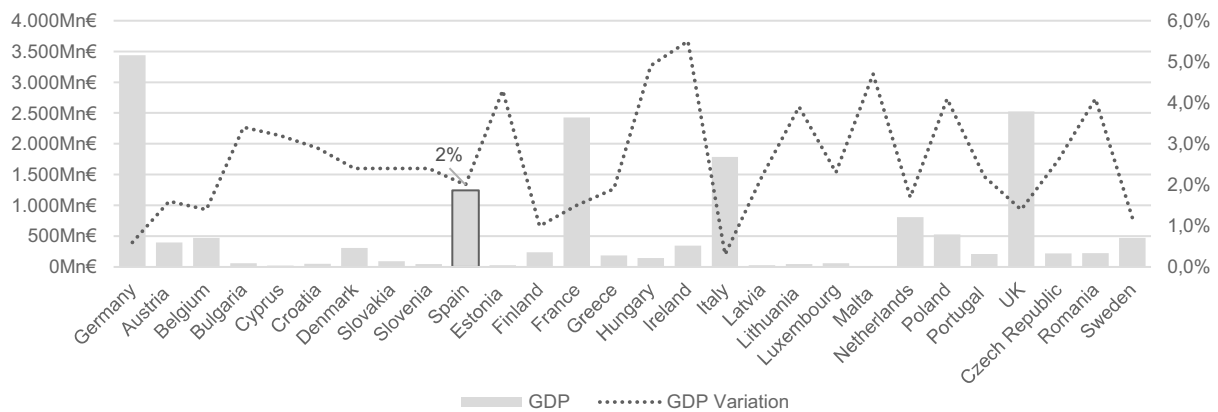
- ⊙ Bank of Spain (BDE).
- ⊙ Spanish Statistics Institute (INE).
- ⊙ Bankinter Research.
- ⊙ BBVA Research.
- ⊙ Funcas.
- ⊙ Datos Macro.
- ⊙ Eurostat.
- ⊙ Colliers' own elaboration.

1 EUROPE'S ECONOMY

1.1 Outlook for Europe's Economy

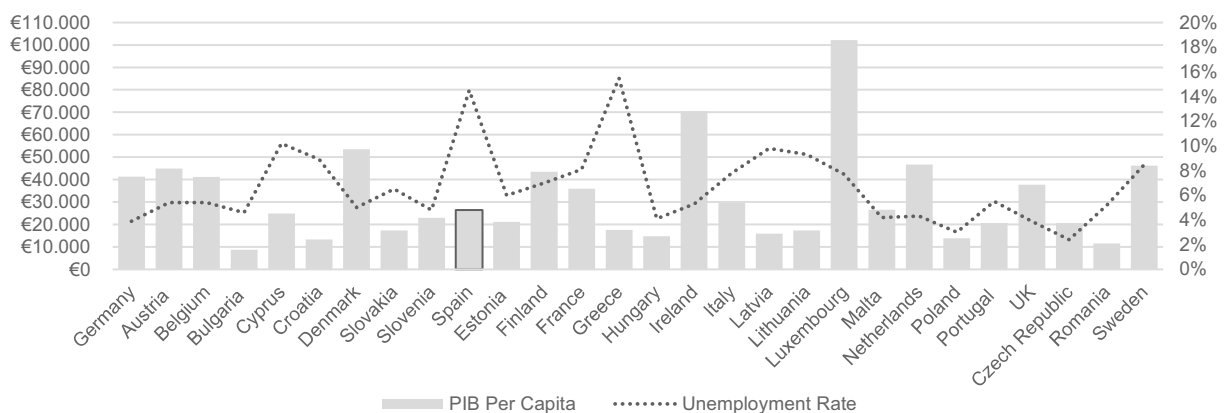
GDP VOLUMES AND GDP VARIATION (2019)

Europe is mainly characterised by its heterogeneity. In terms of nominal GDP, countries such as Germany, the United Kingdom, France, Italy, Russia or Spain stand out from the rest whereas the ones that registered the highest increase in GDP's figures in 2019 are Hungary (4.9%), Estonia (4.3%), Serbia (4.2%) or Moldova (4%), being all of them less mature economies, with more room for improvement. Spanish GDP variation (+2.0%) was considerably higher than other developed economies' such as Germany (+0.6%), Italy (+0.3%), the UK (+1.4%) or France (+1.5%), showing a better performance during recent years.



GDP PER CAPITA AND UNEMPLOMENT RATES (2019)

In terms of GDP per capita, countries as Luxembourg, Switzerland, Ireland or Norway stand out from the rest whereas Spain is in the middle of the chart, ranking 14th out of 28 countries. The highest unemployment rates are witnessed in Greece, Spain and Letonia.



ECONOMIC OUTLOOK – KEY POINTS

- ⊙ The Covid-19 pandemic has triggered an unprecedented recession in Europe which has hit the EU at a delicate moment. The impact has not been equal among all the European countries, either in epidemiological or in economic terms. In the last few months, southern countries have suffered a greater impact, as they were the first ones to experience outbreaks of the disease and are more dependant on tourism, one of the sectors mostly dealing with the economic consequences of the lockdown measures.
- ⊙ GDP growth figures during the 1st quarter of 2020 registered, amongst others, a fall of -2.3% for Germany, -5.0% for France or -5.5% for Italy. Spain, with a fall of -4.1%, showed a better performance than several countries within the EU. The real economic impact is expected to be revealed in the Q2 2020 figures, once the full consequences of the pandemic and lockdown measures can be fully analysed in all the countries.
- ⊙ The initial optimism for a V-shaped recession with a fast and strong recovery has moderated as the EU average unemployment rate is forecasted to rise from 7.3% at end of 2019 to over 9.40% by the end of 2020. However, as most European countries have now begun to lift the lockdown restrictions and labour and economic activity are gradually returning to normality, the situation is soon expected to start its recovery, with a slight improvement to 9.2% in 2021 and to 8.5% in 2022. Unemployment rate figures for Spain are slightly less optimistic, as they are expected to reach 18.10% at the end of 2020, improving to 17.10% in 2022.
- ⊙ The combined EU27 and UK GDP growth forecast for 2020 is predicted to be -6.9%, which represents a growth contraction of -7.86% in relation to 2019's figures. The 2020 forecast will be influenced heavily by many issues, like how European economies manage the Coronavirus going forward, the US-China Trade-War or the consequences of Brexit. Spanish recovery pace is expected to be significantly faster than the EU average, with a GDP growth of 7.70% for 2021 (EU average is forecasted to be 4.80%) and 2.40% for 2022 (2.20% for EU average).
- ⊙ Until the UK and EU agree on trade terms after Brexit, the 2020 forecast is likely to fluctuate until we gain a clearer picture. However, Spain and more specifically the cities of Madrid and Barcelona will widely benefit from Brexit consequences, being two of the European cities that might attract the highest number of multinational companies' headquarters within the EU as well as being in the spotlight for investors due to their lower rents and attractive returns.
- ⊙ Early signals of this change of trend, have been the recent offices openings of international companies such as: American Express, JP Morgan, Citigroup, Uber, Qualitas Auto, RIA, Metric, Ares, KKR, Meridiam, M&G or Axa, among others.
- ⊙ Spain will be the second biggest recipient of European aid, getting €140 billion over the next six years from the €750 billion Covid-19 recovery fund, of which €72.2 billion will take the form of grants that do not have to be repaid. The amount allocated to Spain is the equivalent of 11.2% of the country's GDP in 2019.

1.2 Spanish Economy vs Europe's Economy

The Spanish economy clearly outperformed the European Union in 2018. Since then and until the Coronavirus outbreak spread worldwide, the key indicators continued to show sound growth despite the weakness observed in various European partner countries for different causes.

Brexit and stagnation in Germany, amongst other causes, made the outlook for Spain's GDP growth rates remain significantly higher than forecasted in the rest of the EU. It was expected that Brexit would make many international companies currently operating from the main British cities move their headquarters to other European cities such as Frankfurt, Paris, Brussels, Milan, Madrid or Barcelona.

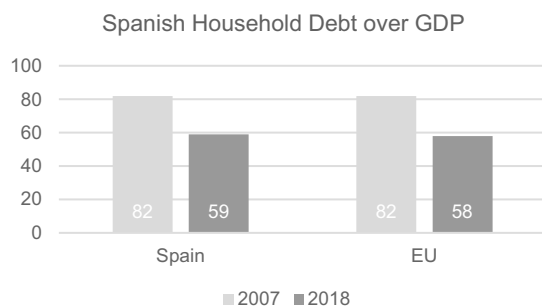
Both Madrid and Barcelona stand out from the others due to their excellence, their rich quality of life, the warmth of its population and all the possibilities they have to offer, being two of the largest and most competitive markets within Europe and great business platforms for closing deals within the EU, North Africa and specially Latin America. In addition, Spain offers a favourable climate for business, as companies can benefit from very moderate tax policies.

The Coronavirus pandemic has provoked an unprecedented recession in all Europe, Spain has suffered a great impact, due to two main reasons:

- ⊙ Spain was one of the first ones that started to experience the spread of the disease and one of the countries where the lockdown has been more strict and severe since its beginning.
- ⊙ As well as in other Southern Europe countries, Spanish economy is dependent on tourism, a sector which accounts for more than 14% of the total GDP volume and employs 2.8 million Spaniards (16.6% of the labour market). Touristic sector has been one of the most affected during these months because of the lockdown measures imposed, the restrictions on mobility and the closing of borders to avoid and minimise the spread of the infection.

Nevertheless, many arguments support the idea that, as Spanish position prior to the recession starting point was better than other European countries' ones, the impact in the long term would be minor and significantly lower than the one suffered after the previous crisis:

- ⊙ Prior to the recession starting point both households and companies were in a better position than in the previous economic crisis. Spanish Household Debt had been reduced by -28% whereas Spanish Companies Debt was -32.4% lower, putting them both close to the European average.



Source: Eurostat



Source: Eurostat

- ⊙ The economic sectors that are likely to be less affected by Covid-19 recession, represent more than 25% of GVA and 31% of the labour market. These sectors are telecommunications, pharma and medical products, public services, goods industry, and retail groceries.

- ⊙ On the other hand, some of the industries that are likely to suffer a larger impact on their revenues such as food and services, transport, accommodation or entertainment accounts for only 10.5% of the total Spanish GVA.
- ⊙ The magnitude of the Spanish government's response has been in line with the ones witnessed in other advanced economies, prioritising household needs, compensating and reducing labour spending, and providing companies with easier access to liquidity. Once the epidemic spread has been controlled, measures and restrictions have been softened, what is allowing the economic recovery to begin.
- ⊙ Spain will be the second biggest recipient of European aid, getting €140 billion over the next six years from the €750 billion Covid-19 recovery fund, of which €72.2 billion will take the form of grants that do not have to be repaid. The amount allocated to Spain is the equivalent of 11.2% of the country's GDP in 2019.

Assets included in Sadena portfolio are located within Madrid and Barcelona regions, which have the highest GDP in Spain. As being two of the regions where the labour market is more active within Spain and where service sector represents the highest percentage of the economy whereas the industry has a lower impact on, they are expected to be able to adapt more easily to the new conditions and circumstances and in that way suffer less the consequences of the recession.

In 2021, both Madrid and Barcelona will benefit from the increase in tourism and consumption figures, with better GDP performance than the Spanish average. In addition, both regions will benefit from Brexit, attracting both investors and companies' headquarters.

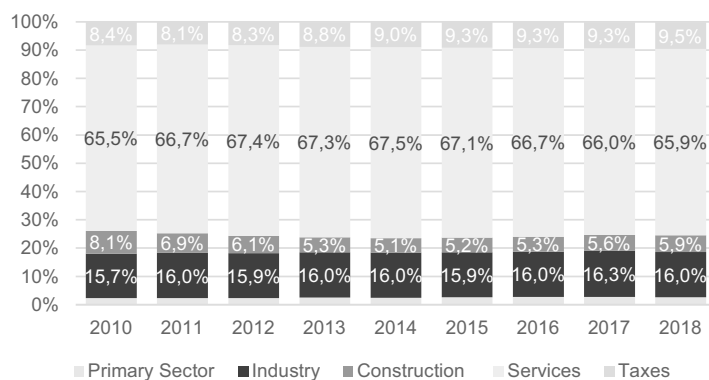
2 SPANISH ECONOMY

2.1 Structure of Spanish Economy

The structure of the Spanish economy corresponds to the one expected in a developed country, with the industrial and especially service sectors contributing the most to the total GDP of the country, representing more than 90% of its total.

The distribution of the economic activity within the Spanish territory is very heterogeneous. Certain urban areas, specially focused on industry, services or tourism and successfully adapted to the constantly changing competitive conditions, concentrate the most important part of the population and the economic activity whereas in the rest of the territory the activity is scarce. Assets included in Sadena portfolio are located within Madrid Capital City and Barcelona Metropolitan Area, being both of them two of these competitive urban areas which in addition have the highest GDP of Spain.

After the economic crisis of 2009, the collapse of the construction sector was absorbed by both service and industrial sector. However, as well as what happens with services and tourism, some industrial areas are much more active and profitable than others, and their markets work at different speeds. Both Madrid and Barcelona, the areas where assets are located, are two of the most active and profitable areas of Spain and both have fast rates of recovery due to their adaptability.

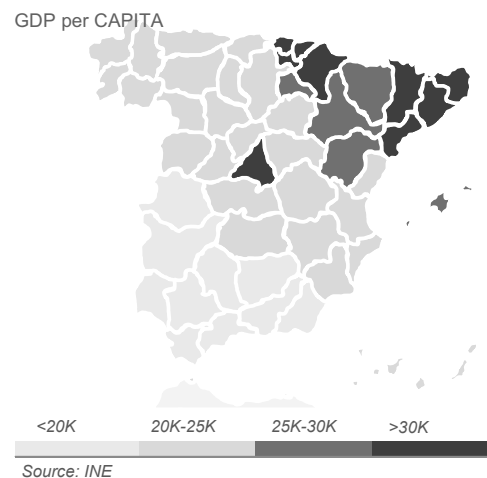
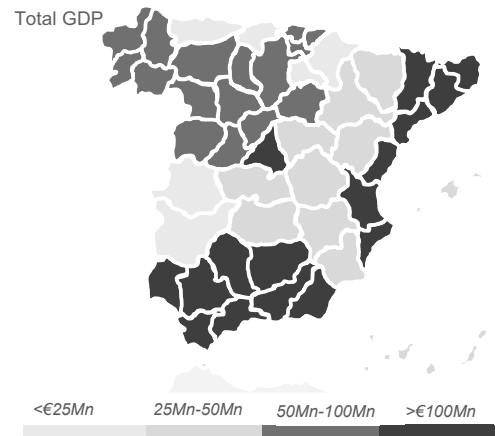


Source: INE

The distribution of nominal GDP is completely different from the income distribution among the Spanish regions. Taken into consideration the GDP per Capita figures, Madrid (€35,041), the Basque Country (€33,223), Navarra (€31,389) and Catalonia (€30,426), lead the ranking as the wealthiest regions in Spain.

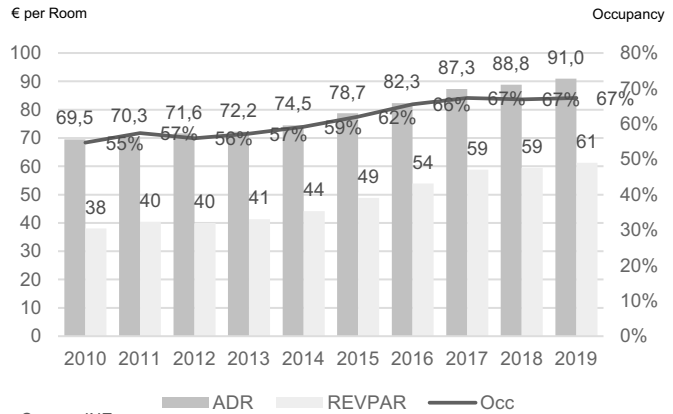
Their capital cities and most important towns (Madrid, S. Sebastián, Pamplona or Barcelona, amongst others) concentrate the most important part of the population and the economic activity of these areas. They are likely to suffer less and to recover more easily.

On the other side of the ranking, autonomies such as Andalusia (€19,107) and Extremadura (€18,769), do not exceed the amount of € 20,000 per inhabitant and year. This means that Madrid, the most prosperous region in Spain is around 87% wealthier than Extremadura, the least affluent.

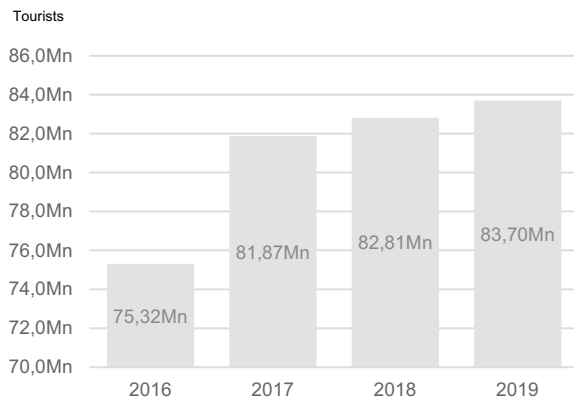


KEY POINTS

- ⊙ Spanish GDP is highly focused on the service sector, which represents more than 65% of the national wealth. Industry figures are just maintaining their position or are even slightly decreasing, accounting for a 16% of the total.
- ⊙ The real core of the Spanish economy is tourism, which accounts for more than 14% of the GDP total, a percentage significantly higher than the European average (10.1%), but overcome by Portugal (19.1%), Austria (15.4%), Estonia (15.2%), Greece (20.6%) and Croatia (24.9%).
- ⊙ Tourism sector employs 2.8 million Spaniards (16.6% of the labour market). In a European level the leader group is similar, as tourists give the most jobs to Croatians, Cypriots, Greeks and Portuguese. In recent years, tourism sector has shown an excellent performance and an outstanding growth.
- ⊙ Although during the Covid-19 pandemic, this economic engine suddenly practically stopped due to restrictions on mobility, the closing of borders and the conditions imposed to avoid a new wave of infections, its trend is expected to change as lockdown restrictions are being lifted and economic activity is gradually returning to normality. In addition, due to the amazing climate conditions of Spain and its wide range of touristic offer, once the situation has completely normalized, the country is likely to recover similar figures to the ones registered prior to the crisis.



Tourists Number Evolution



- ⊙ Spain, despite a relatively lower budget for R&D in comparison to the other advanced economies in the world, has an important position in several specific areas of innovation that are now consolidating as some of the main points in the Spanish new economic model, making it innovative and competitive.
 - Renewable energy
 - Biotechnology
 - Pharmaceutical sector
 - Transport
 - Small and medium-sized technological industries

2.2 Broad Economic Context

Previously to the Coronavirus epidemic spread throughout Europe several factors such as trade policy agreements, the headwinds caused by trade tariffs, Brexit and economic stagnation in Germany were worsening EU indicators since 2017, what was specially reflected on the EU average GDP variation, decreasing from 2.98% in 2017 to 0.96% in 2019.

Spanish economy showed strength in comparison with other European countries with GDP variation figures significantly above the EU average, although its uncertain political situation (fragmented Parliament after Elections, Catalanian political condition or the uncertain policies that might be implemented by the new Government, amongst others) could have been some of the causes of its minor slowdown (from 3.04% in 2017 to 1.78% in 2019).

Covid-19 has spread around the planet, sending billions of people into lockdown as health services struggled to cope and affecting very negatively the economy of all countries. The substantial reduction of industrial production, the decrease in consumption volumes and the significant increase of unemployment rate are some of the effects provoked by this recession all over the world.

Spain has been on a more vulnerable position than our European neighbours, as being one of the countries where the virus has spread the most and also due to our dependence on tourism, whose revenues have been reduced to practically zero while the lockdown measures were imposed.

The final repercussions for the countries' economies and the RE market are still unpredictable. The impact and the recovery will mainly depend on the different measures adopted by the governments and the EU and will be driven by the rebound of consumption and investment. Spain will benefit from a total of €140 billion over the next 6 years from the EU Covid-19 recovery fund (the equivalent of 11.2% of its GDP), which will help to alleviate the situation. In addition, several measures intended to control the deficit and make the labour market more competitive are expected to be introduced in the short term.

In addition, it has to be taken into consideration that Spanish position prior to the recession starting point was considerably better than the one registered before the previous crisis and that the nature of this crisis is due to a health issue pandemic that is expected to be controlled in the medium term, as global efforts are focused on finding a vaccine.

This recession is likely to be shorter than the previous one and its impact on the long term would be significantly lower than the one suffered after the previous crisis.

Spanish sectors will benefit from the following competitive strengths which remain intact:

- ⊙ **Competitive Market:** The Spanish market is one of the largest the EU, with a purchasing power in line with the EU average. Spain's regulatory and institutional framework is modern, clear, and transparent, aligned with the best practices and norms of the OECD. In recent years, the implementation of a series of far-reaching structural reforms has reinforced the competitiveness of the business climate, increasing labour market flexibility and improving the conditions for the development and growth of new companies and corporate groups in the market. In addition, Spain has achieved a high degree of technological development and offers a highly qualified workforce that is recognized internationally, together generating an ideal, attractive framework for investment and business activities.
- ⊙ **Business Platform:** Spain is a platform for closing business with the EU, the Mediterranean area, North Africa, the Middle East and especially Latin America, as having the largest number of investment protection agreements with the countries of Latin America within the EU.
- ⊙ **Favourable Business Climate:** Multinational companies currently existing within Spain benefit from very moderate tax policies, especially for the R&D sector, which has the 2nd most favourable policies among OECD countries. It benefits as well from an excellent climate and an exceptional social environment.

- ⊙ Excellence: Spain stands out for its communications and infrastructure network and its highly qualified and competitive workforce. Spain ranks among the top 3 European countries as regards number of employees holding university degrees (42.64%). In addition, Spain is home to three of Top 10 of the Europe's Best Business Schools.
- ⊙ Technological Production Model: Spain is currently is focused on developing a new production model that creates business opportunities in sectors with high-added value and a strong technological component, such as: Chemical Industry; Information and Communication Technology (ICT); Health Science; Airplane Industry, Automotive Sector; Transports and Logistics, Energy and Ecological Transition, Tourism, Leisure and Food and Agriculture Sector. Among other advantages, a wide range of installations (science and technology parks, logistics platforms...) and office space for these business activities have been developed and are already spread across the whole country. They are available for small and medium companies as well as multinationals, offering a suitable environment for the development of technological know-how and the promotion of innovation. An example of these new spaces would be 22@ district in Barcelona, attractive for many investors due to its good performance.
- ⊙ Resilience and adaptability: During this crisis, many sectors within Spain have proven to be flexible and able to adapt to the new circumstances and trends such as smart working and e-commerce have accelerated. Whereas in 2019, e-commerce reached a volume of €48,000Mn, (+24.4% YoY), in the last 4 months we have witnessed how e-commerce has expanded, reaching growth rates of over 70% in some activities. Because of this, it is expected that the logistics sector will have an excellent performance this year in Spain, being one of the leading players.

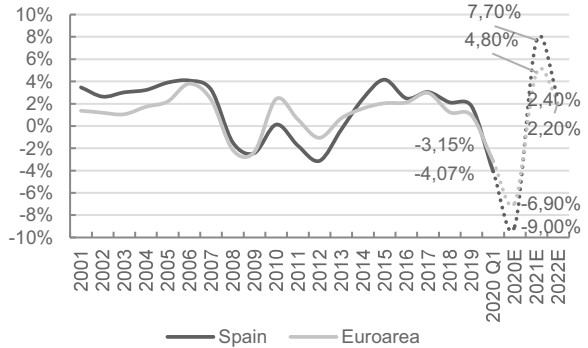
2.2.1 Key Economic Indicators

KEY POINTS

- ⊙ GDP growth figures during the 1st quarter of 2020 registered a fall of -3.15% for the EU average. Spain, with a fall of -4.1%, showed a better performance than several countries within the EU. The Euroarea GDP growth forecast for 2020 is predicted to be -6.9%, with an expected recovery in 2021 (+4.80%) and 2022 (+2.20%). The performance of each country will be influenced by many issues, especially by how they manage the Coronavirus pandemic and its consequences. Spanish recovery pace is expected to be significantly faster than the EU average, with a GDP growth of 7.70% for 2021 and 2.40% for 2022.
- ⊙ The Spanish unemployment rate is forecasted to rise from 13.70% at the end of 2019 to 18.40% at the end of 2021, recovering to 17.10% in 2022. The EU average rate is forecasted to rise from 7.3% at end of 2019 to over 9.40% by the end of 2020, with a slight improvement to 9.2% in 2021 and to 8.5% in 2022.
- ⊙ Spanish Inflation in the last 3 months has remained in negative figures (Apr. -0.7%, May -0.95% and Jun. -0.3%). By the end of 2019, it is estimated that it will be close to 0%, around 1.3% by 2021 and in the region of 1.6% by 2022, although it is possible that the ECB's measures to combat the pandemic might put prices on the upside.
- ⊙ Spain will be the second biggest recipient of European aid, getting €140 billion over the next six years from the €750 billion Covid-19 recovery fund, of which €72.2 billion will take the form of grants that do not have to be repaid. The amount allocated to Spain is the equivalent of 11.2% of the country's GDP in 2019.
- ⊙ In case of office sector, some adjustments, if any, and only in the short term, are more likely to be witnessed on rents instead of on cap rates, and as a very punctual situation with specific tenants. These adjustments could be incorporated as discounts in rent while the company recovers the ability to reach revenues levels similar to the ones that used to register prior to the pandemic. As lockdown restrictions have been lessen and labour and economic activity are gradually returning to normality, it is not expected that potential discounts in rents might last.
- ⊙ Other assets more exposed to risk, such as retail and more specifically secondary shopping centres, might experience slight increases in their cap rates, that were already being witnessed prior to the Coronavirus pandemic.

Annual GDP Variation

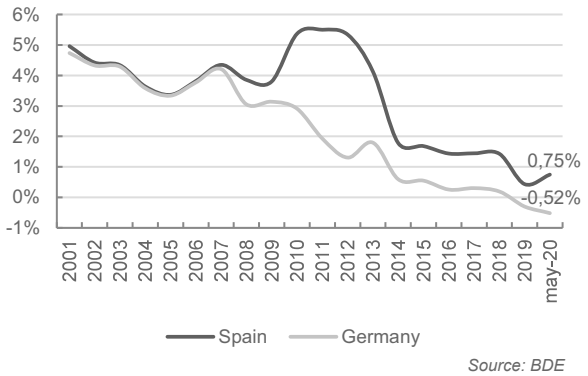
Before Covid-19 spread throughout Europe, Spanish growth outstripped the European average. Provisional figures show that Spain ended 2019 with a growth of 1.8% compared to the EU average of 0.96%. The 2020 GDP growth forecasts for Spain have been downgraded to -9.0% due to the repercussions of the Covid-19 for the economy. Nevertheless, Spanish recovery pace is expected to be significantly faster than the EU average, with a GDP growth of 7.70% for 2021 (4.80% for the EU) and 2.40% for 2022 (2.20% for the EU)



Risk Premium on 10-Year Bonds Variation

Before Covid-19 spread throughout Europe, yields on the 10-year bonds of the main EU economies showed a decreasing trend. At the end of 2019, negative yields were seen in countries such as the Netherlands and Germany while the Spanish bond yield stood at 0.44%. Last registered data, from May 2020, start to reflect the impact that Covid-19 is causing at this respect, with a slight increase to 0.75%.

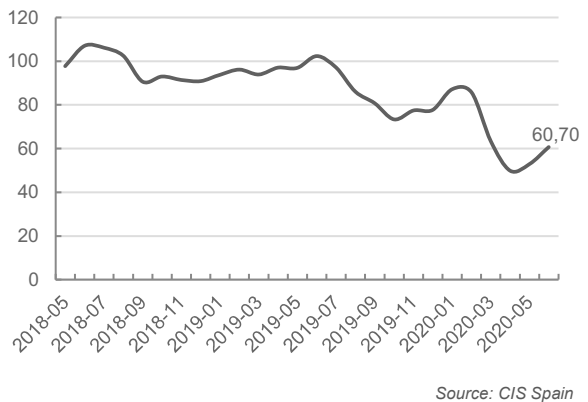
Spain's risk premium shrank to 74 bp in 2019 despite the political uncertainty. The result of the economic measures taken by different countries regarding the impact of Covid-19, will determine the effects on their risk premiums, now unpredictable.



Consumer Confidence Index

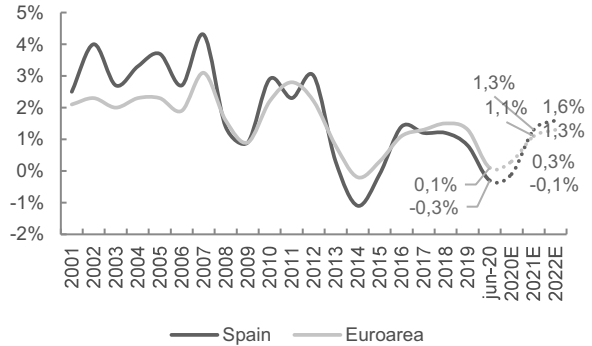
Consumer confidence remained stable during the first half of 2019. However, it waned significantly in the second six months of the year, ending the year at 77.7 points.

In January 2020 there was a very notable improvement versus the previous quarter, with the consumer confidence index substantially higher at 87.2 points. However, in March, after Covid-19 spread throughout Europe and Spain, the index dropped to 63.3 points, continuing with its decreasing trend in April, reaching a minimum of 49.9 points. In May, after lockdown measures have softened, we witnessed a slight improvement in the index, to 52.9 points. In June, this positive trend has continued, reaching 60.7 points.



CPI / Inflation

The YoY variation rate of the CPI in Spain in June 2020 was -0.3%, 6 tenths higher than the previous month. The forecasted 2020 CPI variation rate for Spain have been downgraded to -0.1% due to the repercussions of the Covid-19 for the economy. Nevertheless, Spanish recovery pace is expected to be faster than the EU average, as the IPC variation rate is forecasted to reach 1.3% by 2021 (1.1% in case of the EU) and 1.6% for 2022 (1.3% for the EU). In addition, it is possible that the both the Government and ECB's economic measures to combat the pandemic might put prices on the upside.

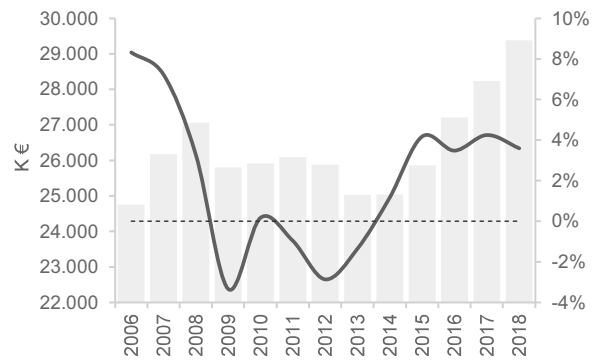


Source: BDE & Bankinter Research

GDP per Capita and Growth

The GDP per capita figure in December 2018 was €29,382, which represents a YoY variation of 3.0% with respect 2017's figures (€ 24,969).

This YoY variation is slightly lower than the one registered in 2017, when it accounted for 4.1%.



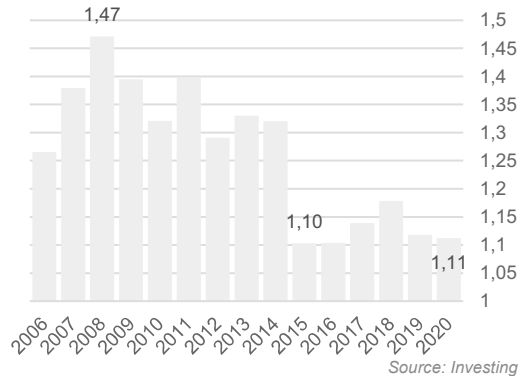
Source: INE

EUR / USD Exchange Rates

Current EUR/USD exchange rate (July 2020) stands at 1.14, although the average for the 7 first months would be at 1.11.

These figures are far from the average maximum of the series, 1.47, registered in 2008. EUR/USD reached its peak at 1.6038 in July 2008, and its lowest register in October 2000 (0.8231).

Future trend can be severely affected by other currencies' performance. Forecasts by Bankinter and Bloomberg state that EUR / USD exchange rate will be in the region of 1.10-1.15 by the end of 2020, reaching 1.12-1.17 by the end of 2021.

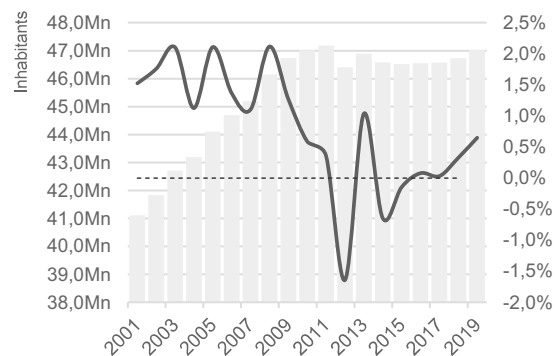


Source: Investing

Population Growth

Spanish population figures reached their peak in 2019, exceeding 47.1 Million of inhabitants, representing an increase of 0.65% in comparison with 2018's figures, mainly due to immigration.

As it has been happening in recent years, the growth of the population of foreign nationality continue its trend whereas the number of Spanish nationals decrease year by year.

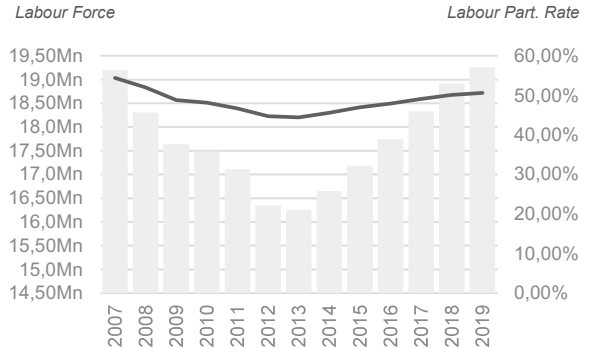


Source: INE

Labour Force – Labour Participation Rate

In recent years, Labour Force experienced a good performance, reaching a total of €19.3Mn in 2019, with a Labour Participation Rate of 50.64%.

Provisional figures for 1st quarter 2020 start to show the effects of the Covid-19 pandemic, as the labour force has decreased in 285,000 people with respect to the last quarter of 2019.

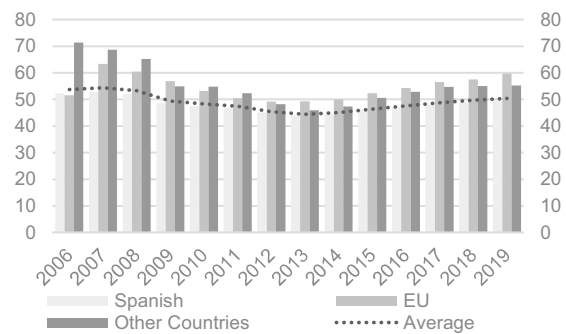


Source: INE

Labour Force per Nationality (Index)

Traditionally, expatriates from EU countries who work in Spain have the highest labour force index. In 2019, this difference significantly increased, as the index grew by 1.3% on average, but specifically by 1.2% for Spaniards, 3.7% for EU nationals and 0.4% for other countries nationals.

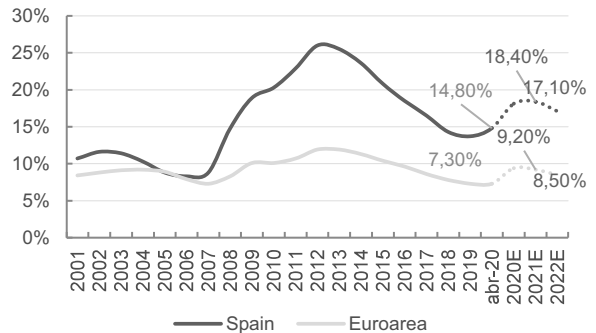
The latest figures available do not show yet the impact that Covid-19 is producing on the index, as the recession might affect more severely to expatriates from the outside of EU.



Source: INE

Unemployment Rate Variation

EU average unemployment rate is forecasted to rise from 7.3% at end of 2019 to over 9.40% by the end of 2020. However, as most European countries have now begun to lift the lockdown restrictions and labour and economic activity are gradually returning to normality, the situation is soon expected to start its recovery, with a slight improvement to 9.2% in 2021 and to 8.5% in 2022. Unemployment rate figures for Spain are slightly less optimistic, as they are expected to reach 18.10% at the end of 2020, improving to 17.10% in 2022.

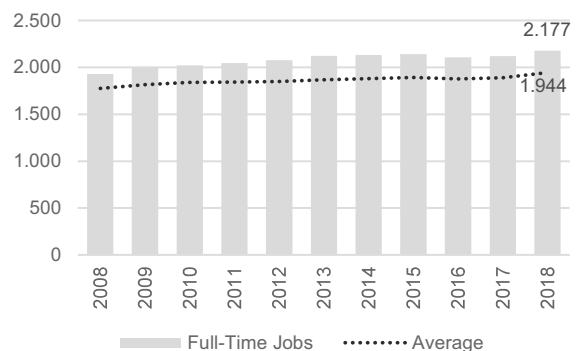


Source: BDE & Bankinter Research

Monthly Spain's Wage (Gross)

From 2016, when both Spanish average wages and Full-Time Jobs wages slightly reduced -0.8% YoY and -1.6% YoY respectively, this indicator has registered a positive trend.

Last published figures, from 2018, reflect that the average gross salary in Spain is €1,944 (+2.9% YoY) whereas the average salary, in case of Full-Time Jobs is €2,177 (+2.7% YoY)

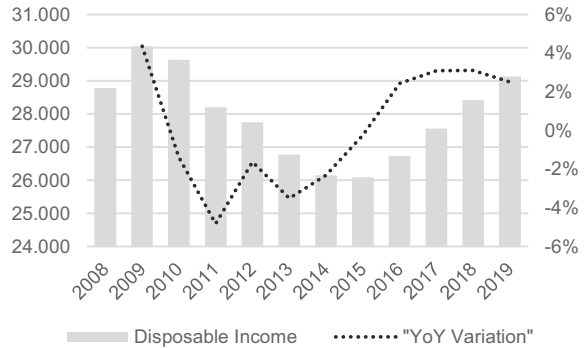


Source: INE

Spain's Disposable Income

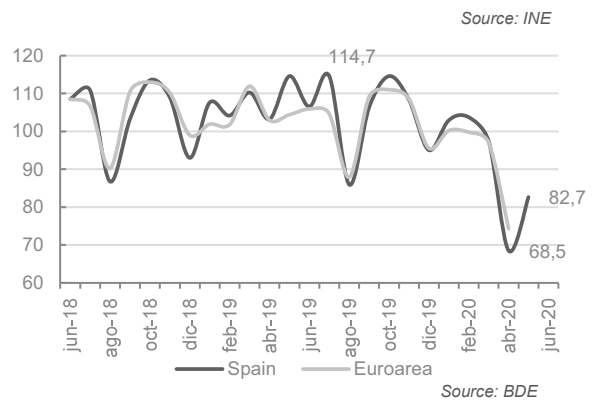
From 2015, Spanish disposable income has experienced a very positive trend.

Last published figures, from 2019, an average disposable income of €29,132, which represents a growth of 2.5% with respect to 2018's figures.



Industrial Production Index

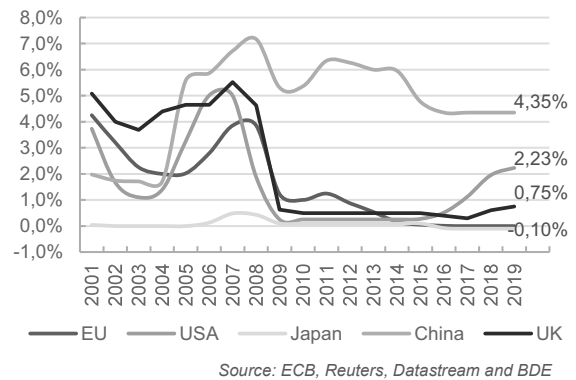
Because of the almost total paralysis of the production during the confinement, the industrial production index reached its lowest level in April 2020 (68.5 points) with a year-on-year drop of 33.6%. In May, activity partially recovered, and the index reached 82.7 points, but still very far from the levels of a year ago (-27.8%). All sectors and activities present rates of negative growth, with the largest decreases registering in consumer durables (-40.9%) and capital goods (-39.7%)



Euribor and Central Banks Interest Rates

This graph represents the Central Banks interest rates evolution, the interest at which banks can borrow money from the Central Bank, used to guide monetary policies.

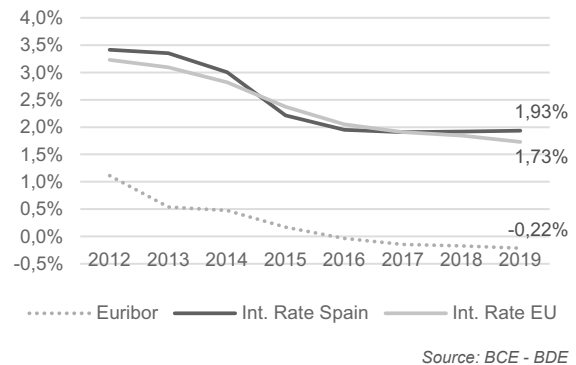
Since the beginning of 2020, and with the intention of containing the consequences of Covid-19 outbreak, most banks have reduced their rates, standing at 0.1%, in case of the UK, 0%, for the US, -0.1% in case of Japan or 3.85% in case of China.



Euribor – Mortgages Average Interest Rates

Interest rates' figures for 2020 continue their decrease according to the latest published information provided by the Bank of Spain, standing at at 1,744 for Spain and 1.58% for the EU.

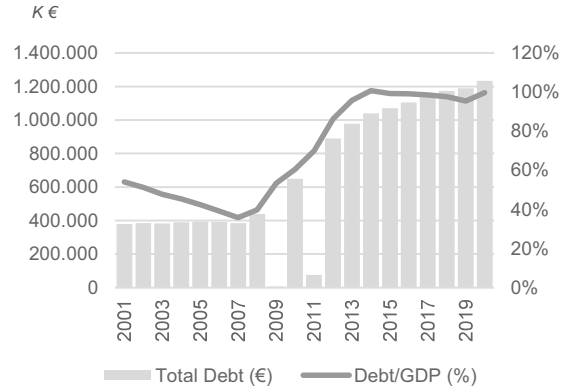
In June 2020, Euribor was -0.147%, 0.066% points lower than the previous month where it stood at -0.081%. However, the accumulated index so far in 2020 represents an increase of 0.106 points with respect to the data for January.



Spanish Debt (% over GDP)

Spain is one of the countries with the highest debt in the world. In April 2020, the public debt amounted to €1,234,694 Mn, which represented 99.76% of its GDP.

During the first quarter of the year, Spanish debt increased by €35,294 Mn, 3.4% more of Spanish GDP than in the last quarter of 2020. The country's current debt per capita amounts to € 26,087 per inhabitant.

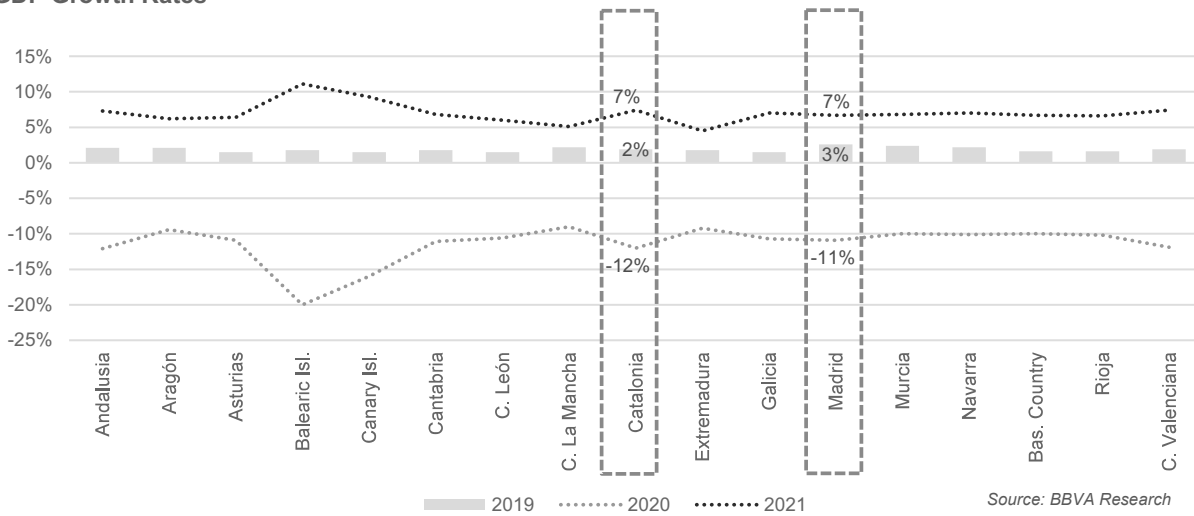


Source: Datos Macro

GDP FORECASTS FOR SPANISH REGIONS

It is expected that the recovery will have different paces within Spanish regions. Madrid and Catalonia, and more specifically their capital cities and metropolitan areas would experiment a faster recovery, mainly because of the strength of their economy and labour market.

GDP Growth Rates



Source: BBVA Research

2.2.2 Spanish Political Climate, Government Policies and Economic Impact

Spain presents a fragmented Parliament after the general elections of November 2019. Although political fragmentation, instability and Catalanian separatism has marked the Spanish political environment in the last years, these circumstances have had little impact on investors' interest, whereas Spanish economy performance was still better than the EU average.

Pedro Sánchez (socialist party) was invested as President of the Government on the 7th of January 2020, with simple majority, forming a coalition government with the left party Podemos, with the support of other regional parties.

The very different political agendas of the parties involved in the election made a continuation of the instability and uncertainty foreseeable as it is expected in a coalition government, where taking decisions is more difficult. The parties agreed on economic policies with increase in public spending and taxes although, as the EU will provide Spain with a total of €140 billion from the recovery fund, it will be constantly evaluating what the destination of that money is and what measures have been implemented in order to improve the economic situation as soon as possible.

Although in the first weeks of the Covid-19 pandemic in Spain the opposition and Government positions were very far and the political environment had a high tension, the situation has moderated and the political tensions between the government and the main opposition political party are now considerably more relaxed.

There are numerous economic forecasts for Spain as the virus situation evolves. The estimated impact, in terms of GDP decrease, unemployment increase and public debt increase, agreed by most organisations are as follows:

- ⊙ GDP: -9 to -15% annual decrease in 2020. An annual decrease of -15% has only be forecasted in the most pessimistic scenarios and, in every case, a faster recovery than the EU average is expected.
- ⊙ Public debt: 114 to 119% over GDP in end of 2020 after finishing 2019 with 95%.
- ⊙ Unemployment: 18% to 24% (2019 was 14.1%). An unemployment rate of 24% has only be forecasted in the most pessimistic scenarios. The increase in the unemployment rate will start to recover in 2021.

As in many other European countries, the national government stimulus package is serving as an important support for the economy, even when public debt is estimated to have a considerable increase in the following years.

The main measures related to increase companies' liquidity and activate business activity are the following:

- ⊙ ERTE (Expediente de Regulación Temporal de Empleo) Scheme: A regulation that temporarily suspends the contract of a worker – or reduces their working hours. Workers are still technically employed by the company which still pays their social security contributions but does not have to pay their salary. Instead the ERTE enables those who are entitled to it, to claim unemployment benefit which is up to 70 percent of their original salary. When the period covered by the ERTE is over, the worker then resume their role under the same contract and subject to the same conditions.
- ⊙ €100,000 Million in Public credit guarantee schemes for business and freelancers for working capital, bill payment or others.
- ⊙ €40,000 Million in Public credit guarantee schemes for new business investments.
- ⊙ Tax payment moratorium up to six months in income tax, business tax and VAT.
- ⊙ Tax debt moratorium below €30,000 up to six months.

On the other hand, the government has been interested in analysing other measures that might have negative effects on business activity, including real estate market:

- ⊙ 2012 centre-right party labour reform scrap: some sectors of the Government showed their interest in the total scrapping of the labour reform that the previous government carried out to provide flexibility to the labour market. However, Nadia Calviño, deputy prime minister for the economy, promised a gradual, consensual approach to labour reform, to minimize the impact on economy.
- ⊙ SOCIMI (Spanish REITs) regime reform to establish a minimum 15% business tax on non-distributed tax.
- ⊙ Increase taxation on SICAV regime.
- ⊙ Additional wealth tax of between 2% and 3.5% of personal wealth which was supported by the coalition party Podemos but is not supported by the socialist party.
- ⊙ New financial transaction tax.
- ⊙ Increase of business tax.
- ⊙ Reform of current wealth and inheritance tax, which has been practically abolished in the regions where the centre-right is in the government.
- ⊙ Income tax (IRPF) increase, one of the first agreements between the two coalition parties.
- ⊙ Creation of a digital business tax ("Google tax") which has caused USA to threaten imposition of additional tariffs.
- ⊙ New green taxation on plastics.

Nevertheless, and more especially now that Spain has been granted with a total of €140 billion from the EU recovery fund, the European Union will be constantly evaluating the destination of that money and the measures implemented by the government in order to decrease Spanish deficit in the medium/long term, especially by reducing expenditure, activating business activity and providing flexibility to the labour market. Because of that, it seems very unlikely that either an increase in public spending or a labour reform in the other direction could be witnessed in the medium time.

In addition to the abovementioned, an increase of VAT has been proposed by the Spanish Central Bank as a solution to increase the state revenues, as Spain is well below European standards in terms of VAT revenues due to the numerous exceptions and reduced types. However, as long as possible, the government would rather prioritise direct taxation as they find it more equitable.

Policies adopted at a European level are also supporting low financial costs. The European Central Bank (ECB) maintains interest rates in the euroarea at 0% and no increase is expected in the short term in 2020 and 2021 in any of the scenarios proposed. In addition, the ECB has provided a total of 742 entities with more than 1.30 trillion euros, the largest volume distributed by the institution through its refinancing operations. In fact, it has expanded its special program against the pandemic (purchase of emergency assets) by another 600,000 million euros until June 2021, with which the plan will reach purchases for Europe worth 1.35 trillion euros.

MEASURES TO REACTIVATE REAL ESTATE SECTOR

- ⊙ Most measures are mainly focused on the residential market.

- ⊙ As the possibility to afford a house continues to be one of the main problems of the real estate sector in Spain, and more specifically among young people, the Spanish Government is analysing the implementation of some endorsements or guarantees to encourage the purchase of a house, a similar plan to the “Help to Buy” program, launched by the British Government in 2013 and which granted public guarantees to obtain higher LTV percentages.

This measure will not imply any costs for the Public Administrations, but it is expected to increase Government’s revenues in more than €15 Billion in two years and will considerably improve sector conditions, generating more than 300,000 new dwellings and more than 800,000 new jobs

- ⊙ The Government has also created a new index to analyse the variation of rental prices. Until now, its intention is to evaluate the global situation, identifying the specific areas where rental prices are the highest and have registered the highest increases. The Bank of Spain has warned that any potential adjustment to rents should be made by increasing the supply or the existing park, not by controlling the prices. However, the Government has not mentioned any intentions of controlling rental prices in the medium term.

2.3 Spanish Real Estate Investment Market

The total investment volume in 2019 exceeded the amount of €12,000M, 5% higher than the previous year (if corporate deals are not considered). The investment volumes recorded during the Q1 2020 showed strong investor appetite in all sectors and a significant amount of available capital to allocate. However, these data neither reflect the impact of Covid-19 on investment figures nor manifest the current market sentiment, much more prudent.

In 2019, office sector's investment figures reached its peak, exceeding €4,500M and doubling 2018 total. Its good performance maintained in Q1 2020, with more than €850M closed. The scarcity of new speculative developments in prime locations and the strengthening of the demand had an impact in the shape of reductions in availability rates, upwards pressure on rents and downwards pressure on yields for high quality buildings in good locations. Redevelopment and renovation activities have also become essential, but locations with poor transport connections or lower level of services remain unattractive, regardless of building quality.

Rental transactions of the first half of 2020 have shown that the most active sectors in terms of demand, specially within Madrid and Barcelona areas are Consultancy and Services (50% of the deals) and Technology and Telecommunications (17.6% of the deals). Some of the most significant deals, in terms of rented area would be the ones signed by Accenture (14,895 sqm) and Idom (10,182 sqm, a sale and leaseback operation) in Madrid and the ones signed by Webhelp (31,000 sqm) and Apple (5,940 sqm) in Barcelona.

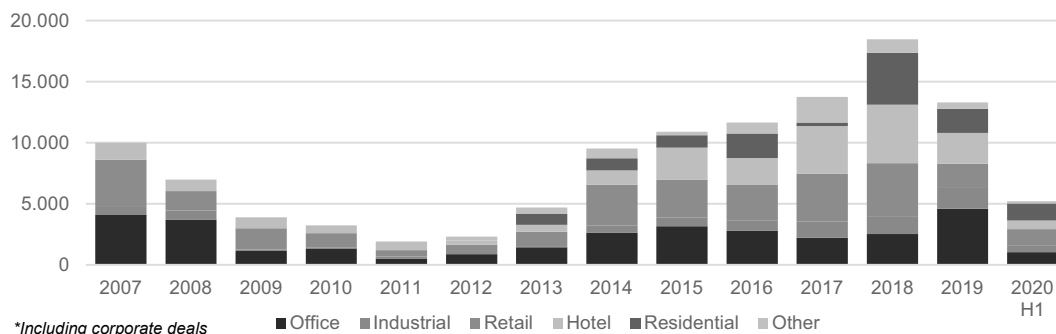
Retail sector experienced a downward trend in 2019 (54% less than in 2018) due to the shortage of prime assets and the feeling of uncertainty from investors and retailers concerning the impact of e-commerce. As most of the stores and commercial spaces were shut down to avoid Coronavirus' spread, the sector will be negatively affected, although some assets as supermarkets could attract the investors' interest. Contracts terms are likely to be renegotiated.

Logistics sector positioned itself as one of the most important components of the Spanish RE market in 2019, performing very well in terms of both investment and contracting, with an investment volume in excess of €1,700M, 40% higher than in 2018. Figures in the first quarter of 2020 were also optimistic until the arrival of Coronavirus, that slowed down their pace. The positive trend is expected to continue due to the driving force of e-commerce, which has proved to make logistics the most resilient sector all around the world, highlighting its importance during the Covid-19 pandemic.

The total investment volume in residential sector in 2019 surpassed €2,000Mn, representing 17% of the total investment volume in Spain. Private Rented Sector and Build to Rent deals accounted for €1,650Mn in 2019. During the first half of 2020, the investment volume exceeded the amount of €800Mn (+ 23% YoY).

It is expected that second-hand assets will experiment larger discounts in their prices than new developments. PRS/BTR sector will maintain its positive trend due to the strength of rental demand.

Following the tendencies witnessed during the global financial crisis, secondary assets' performance will suffer more and in turn, investor interest will remain thin therefore further impacting yield performance of such assets.



CURRENT ACTIVITY – KEY TRENDS

- ⊙ Rents were stabilising in general with a view to an upward shift, especially in offices and logistics sectors. The lockdown caused by Covid-19 is impacting some of the traditional sectors rents and performances, especially retail and more specifically, shopping centres.
- ⊙ Yields were experiencing a notable pressure as many private wealth and some funds had a pressure to purchase and were using real estate as a form of investment rather than resting in bank accounts, gaining little interest and under the insecurity of the banking system. The impact of the current recession on assets' yields is still uncertain.
- ⊙ Liquidity is now the main issue, uncertainty and fear has gripped the market; investor sentiment is low and cautious, and both yields and prices will reflect risk.
- ⊙ The investment volume forecasted at the beginning of the year will probably not be accomplished, due to the investors' wait-and-see attitude regarding the high uncertainty concerning Covid-19 recession duration and economic consequences. Nevertheless, they will keep an eye on the market opportunities that may appear.
- ⊙ Investors with portfolios which are diversified throughout various sectors may consider focusing away from what was previously considered a traditional sector i.e. retail, towards other sectors such as alternative and BTR/PRS investments and indeed would give consideration moving forward to reducing their retail exposure. Similarly, banks are reluctant to lend on shopping centres and retail parks. These factors are likely to push yields upwards.

INTERNATIONAL INVESTORS

In the context of strong market fundamentals and more optimistic growth forecasts than in other European markets such as the UK, France or Germany that we were experiencing before the Coronavirus outbreak, the Spanish real estate market was considered a very attractive one to international investors.

That is because its prices are lower and its returns more attractive than the ones provided by other more mature markets.

We are already witnessing some important deals closed by leading international investors. However, most of them were already in a very advanced state prior to the pandemic. The largest investment funds are currently adopting a wait-and-see attitude, waiting for the situation to return to normality to re-evaluate their approach but they are expected to continue with their investment plans.

In general, financial conditions are currently more selective and restrictive than in the first months of the year, with higher margins and lower leverage. International debt funds are gaining relevance, a role that will be reinforced in the coming months. Most of the international debt funds also consider Spain to be one of the main investment markets.

SPANISH ECONOMY AND BREXIT

Brexit is having a psychological impact on investors specially because of the uncertainty of future changes in the UK's regulations still not completely decided, especially regarding the difficulties and extra costs that international companies, especially the ones dedicated to trade are going to have.

Specially some sectors such as banks, funds, industrial, telecommunications or fintech are considering moving their headquarters to establish themselves in other states of the European Union in order to avoid a rise in exchanges rates and a greater regulatory complexity.

This situation is causing and is likely to continue causing very positive effects, especially on the most important cities of Germany, France and Spain and particularly Madrid and Barcelona and their metropolitan areas, with an increase in their investment figures and particularly, in the number of companies that are renting office space in both of the cities.

Spain, because of its climate conditions, excellent quality of life and competitive market is benefiting from this movements as more than 30 large companies working in very different industries have recently moved to both Madrid and Barcelona regions or have significantly expanded their activity within the country. Some of the main examples would be:

⊙ Bank Sector:

- American Express opened new headquarters in Campo de las Naciones area (decentralized), with more than 300 new professionals.
- Citigroup. Although part of the team will continue working from London, the American bank will soon transfer its private bank division to Spain, creating its third largest office in Europe area.
- Credit Suisse: the bank has transferred an important part of its operations and team to Spain, that will lead operations within Spanish, French, Italian and Nordic markets.

⊙ Funds:

- JP Morgan. The company has transferred part of its financial activity to Madrid, letting office space in Pso. Castellana, 31 (City)
- Ares Management: the fund has recently opened new headquarters in Madrid.
- Three Hills Capital Partners, Ben Oldman, KKR, Cornerstone-Barings, Axa Investment, Hines...

⊙ Services:

- Uber: Uber has opened its new operations centre for Southern Europe in Arturo Soria area (decentralized).
- Admiral: the British insurance company, owner of firms such as Qualitas Auto or Rastreador, and which moves more than € 3 Billion annually, has established its new European headquarters in Sevilla.
- RIA Transfer Money: The American company has recently expanded its office space in Alcobendas, transferring an important part of its London operations and staff. These offices will include now more than 300 new professionals.

The UK has consolidated as the largest foreign investor in Spain, as foreign direct investment (FDI) from the UK reached €4,9 Billion in 2019, representing an increase of 57% over the previous year and the best record since 2011. The regions that benefited from this investment the most were Madrid (€1.99 Bn) Castilla y León (€1.65Bn) and Catalonia €892 Mn).

The trend is likely to continue as the UK's foreign direct investment during 1Q2020 accounted for €810Mn and 46% of the total foreign investment in Spain. Brexit has positively affected its performance and as the trend is expected to maintain, this investment volume will help in the Spanish economic recovery after the Covid-19 recession.

2.4 Spanish Office Sector

Office sector is the most important within Spain in terms of investment. In 2019, office sector's investment figures reached its peak, exceeding €4,500M and doubling 2018 total volume. Its good performance maintained in Q1 2020, with more than €850M closed. It is expected that, even when investors are increasingly opening to diversifying and exploring non-traditional assets, both national and particularly international investors will continue to be interested in office sector, and it will remain as one of the most relevant.

During the first months of 2020, prior to Covid-19 outbreak, the investment market remained extremely active with huge capital pressure to invest and gain exposure to the Spanish market, however, product availability was scarce, and investors were willing to invest in fringe assets to allocate capital. Most transactions sit between Core and Core Plus investor profiles.

Regarding take-up figures, office sector closed 2019 with more than 650,000 sqm in deals, the best result in all decade, with a significant expansion of companies offering flexible spaces. Prior to the Covid-19 pandemic, it was already forecasted that, as a result of the economic and employment minor slowdown, take-up figures in 2020 might experiment a decrease as it precisely is being witnessed.

The measures to reduce the impact of Coronavirus outbreak left the market at an impasse from the month of March to the month of June, so take-up figures in the first half closed at 164,000 sqm in Madrid and 81,000 sqm in Barcelona, figures significantly lower than the average for the same period of the last five years. The total impact of the recession regarding take-up figures for 2020 is still uncertain.

The sector continues to be deeply impacted by strong demand for Grade-A assets and very low availability rates in the central business districts, leading investors to seek assets in more decentralized growth areas. This situation is expected to be softened by the large amount of space with completion expected in the next two years, mainly located outside the CBDs. Many decentralized areas such as 22@ in Barcelona or Las Tablas in Madrid, are now being considered as extensions of the CBD and, because of the services and facilities they provide, and its concentration of new office developments, many companies are becoming interested in moving to headquarters to these areas.

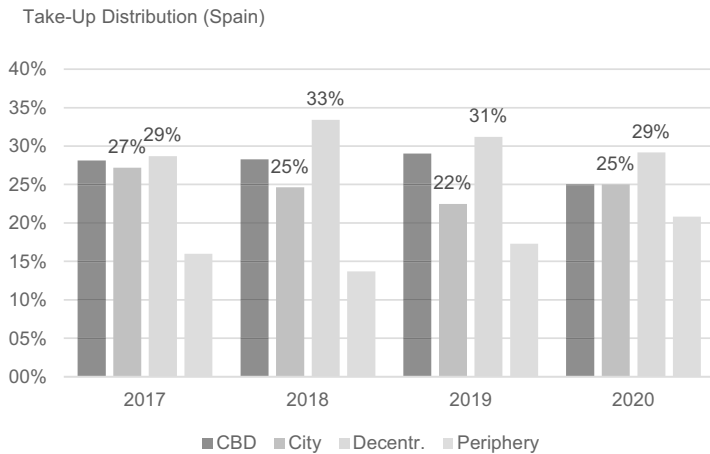
Companies with a strong digital and technological component will be specially willing to settle in one of these decentralized areas, as being located near their clients is not a must for them.

As talent attraction and retention becomes a key concern for companies, tenants are more and more demanding in terms of building quality. Because obsolete buildings continue to be very difficult to let, we are witnessing strong redevelopment and renovation activity during the last years, specially within the CBDs. However, locations with poor transport connections or lower level of services remain unattractive, regardless of building quality.

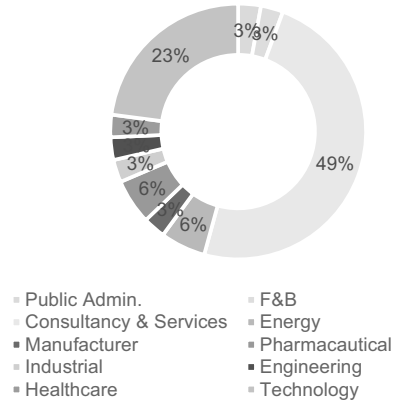
If working from home is managed and structured effectively, a reduction of core office space is a possibility due to less work settings being needed. However, as it has been seen that not everyone is able to work productively from home, it is expected that organisations will invest more in the quality of offices, create less dense environments with more collaboration and community spaces and facilities, which will imply an increase in office density.

The office is definitely not dead. However, the office is likely to change in its functionality and size both in the short-term and the medium to long-term. The potential impact will differ from organisation to organisation. As an organisation it is important to safely allow employees to return to the office in the short term with efficient and effective social distancing measures in place. Furthermore, it is imperative as an organisation to be proactive and not reactive by understanding now what the wide range of potential future real estate impacts could be.

DECENTRALIZATION TRENDS



Industries Breakdown within City & Decentralized Areas (2020)



Source: Colliers

Recent years take-up distribution shows that secondary locations, although with good connections and all the services around, are gaining importance with respect to the CBD, mainly because of the scarcity of prime assets available in it.

Companies with low to medium space requirements, and especially focused on Consultancy and Services sectors prefer to be located in the CBD or, in case they cannot afford its rent levels, within the City, in areas close to the city and with all the services available.

Companies that need more space tend to move to decentralized areas with higher availability and lower rents than CBD but very well connected by private and public means of transport and with all the services available. Between 2019 and 2020, 39 deals with a surface area in excess of 5,000 sqm were closed within Madrid and Barcelona markets. 54% of these deals were closed in decentralized areas, such as Manoteras, 21% within the CBD, 13% within the City and 13% on the periphery.

Some of the most important deals within 2019-2020 in terms of larger surface areas would be:

- ⊙ In Madrid: 35,000 sqm let ING at Helios Building (decentralized), 26,700 sqm let by Masmovil in Av. America area (decentralized), 19,900 sqm let by L’Oreal at Alcalá, 546 (decentralized), 18,500 sqm let by INE in Manoteras area (decentralized) and 14,900 sqm let by Accenture at Pso. Castellana, 89 (CBD).
- ⊙ In Barcelona: 12,800 sqm let by Caixabank on G.V. Corts Catalanes (decentralized), 11,000 sqm let by Wallbox in Zona Franca area (decentralized) or 31,000 sqm let by Webhelp in 22@ (decentralized).

Both Madrid and Barcelona are internationally well-positioned as important centres of attraction for companies in the technology sector, as it has recently been evidenced with the positioning of Google and Amazon within the Madrid market as well as the great boom of the 22@ technology district in Barcelona, where the highest percentage of new developments is concentrated and leading companies such as Amazon, Glovo or Everis have established. The good performance of this sector began around 2015 and has been increasing during the last 5 years.

Specific areas of cities, such as Manoteras-Sanchinarro in Madrid, or the area between Diagonal and Paseo de Gracia or 22 @ in Barcelona, host a large number of technology companies such as Amazon or HP. Other areas, such as Can Sant Cugat, host a large number of companies related to the health industry, as well as technology.

3 MADRID SUBMARKET

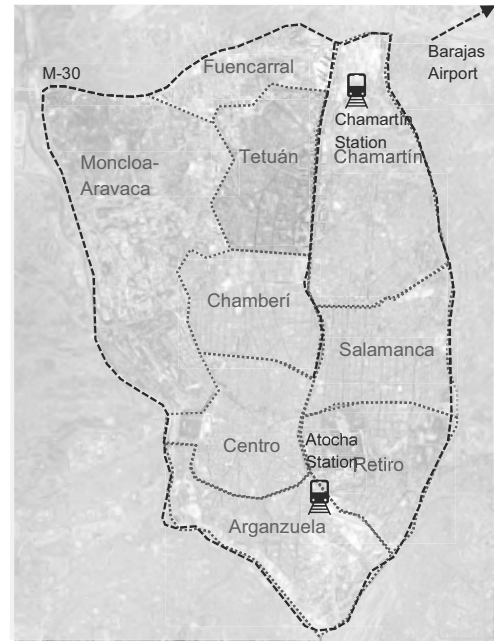
3.1 Madrid Context

Madrid is the capital and main city of Spain and Madrid region. Due to its economic output, high standard of living, and market size, it is considered the major financial centre and the leading economic hub of Spain and Southern Europe. It hosts the headquarters of most major Spanish companies, such as Telefónica or Repsol.

Madrid has a total population of 3,266,126 (INE, 2019) being the most populated city in Spain and the third in Europe after London and Berlin.

In 2018, the city showed a GDP growth of 3.3% with a total GDP over €145.8 billions, accounting for 63% of Madrid's regional GDP and 12% of Spain's GDP. Its metropolitan area is the most important in terms of economic activity, representing a 19% of the Spanish GDP. With €42,051, it is 44% above the average in terms of GDP per capita.

Madrid enjoys a rich quality of life, the most tantalising Spanish cuisine and abundant leisure activities. It is an important cultural spot, with internationally well-known museums such as el Prado, Reina. Sofia and Thyssen-Bornemisza. It also hosts internationally known fairs such as ARCO and FITUR.



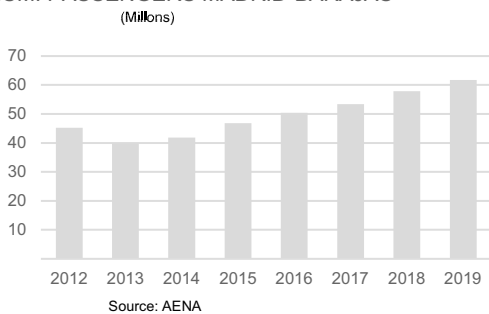
INFRASTRUCTURES

The Spanish roads and railways infrastructures' network has a radial configuration which has made Madrid the best connected node in the country's transportation network. Having a wide and well-connected metro and suburban trains network, Madrid outstands for the quality of its internal infrastructures system.

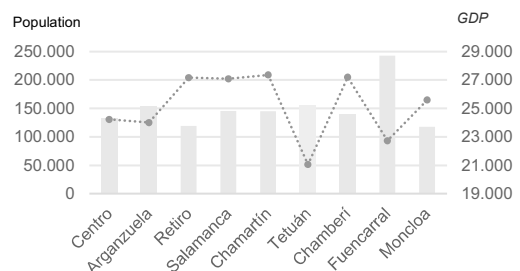
Madrid-Barajas is the most important airport in Spain as well as the 5th airport in Europe in terms of number of passengers (61.7 Mn) after Heathrow, Charles de Gaulle, Amsterdam and Frankfurt. Barajas stands out due to its proximity and good connections with the city centre, only a 15 minutes' drive away and 25 minutes away by underground.

The high-speed railway in Spain (AVE) is the second largest in the world. Madrid, with Chamartín and Atocha stations, is its main node which implies very good connections with a wide range of cities.

NUM. PASSENGERS MADRID-BARAJAS



POPULATION AND GDP BY DISTRICT



3.2 Madrid Office Market

Before Covid-19 spread throughout Europe, employment figures, private sector demand and the growth above average of productive activity in Madrid continued to drive the positive economic environment and boosted office investment volume. The stock in Madrid is approximately 16.9Mn sqm and the availability rate stands at around 8.2%.

Office take-up reached 164,000 sqm in 2020 H1, a slight decrease with respect previous years' results, mainly because of Covid-19 outbreak and the smaller size of the closed deals.

The scarcity of grade A space in the city centre (within M30 ring road) is reducing vacancy rates and pushing tenants towards decentralized areas, to consolidated locations with reasonable transport connections. Recently developed, high-quality buildings in these areas have registered rental increases during the latest terms.

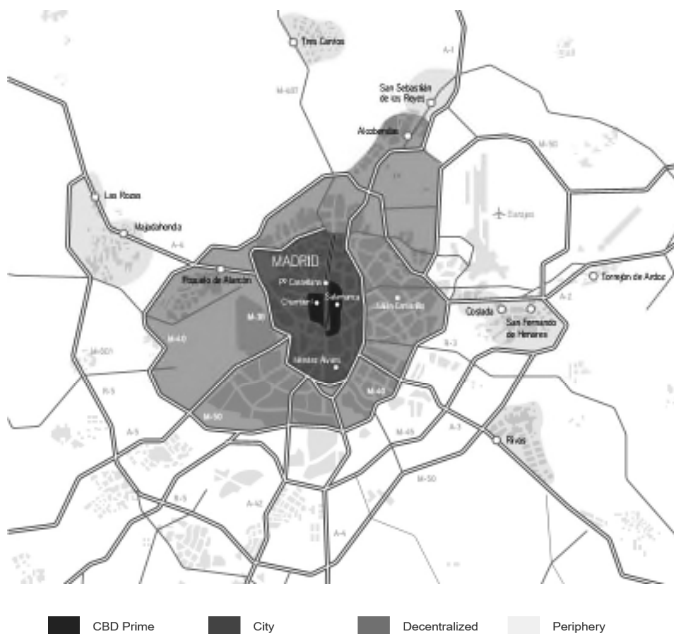
Until 2020Q1, letting continued to be more dynamic outside the M-30, where 67% of the total take-up (in terms of let area) was concentrated (54% comprising the decentralized zone and 12% on the periphery). The CBD and the city had considerably lower rates (of 14% and 20% respectively). These figures have slightly adjusted during 2020Q2.

In terms of rental market, some of the largest deals in H1 were the letting by BBVA of 9,135 sqm in Las Tablas and the letting of 8,700 sqm by Vocento in Josefa Valcárcel area.

Prior to the Covid-19 outbreak, prime markets were performing well, with sustained rental growth for high quality Grade A buildings. The prime market rent in the CBD reached €36.5 sqm/month. Prime rents in other areas of the City were in the region of €22 sqm/month whereas in decentralized locations they reached € 18 sqm/month. In the periphery, they remained stable in the region of €12.5 sqm/month.

We are now in a phase of uncertainty, with a significant decline in activity and a wait and see attitude due to the economic recession forecasted for the next years. Now more than ever, the office stock that has become obsolete will not be let until the landlords invest in renovations.

MADRID OFFICE MAP



Area	Office Stock (sqm)	Available Area (sqm)	Availability Rate (%)	Prime Rent (€ psm/mth)
Madrid	15,077,000	1,242,500	8.2%	-
CBD	2,686,000	66,100	2.5%	36.5
City	3,949,000	143,500	3.6%	22
Decentr.	4,376,800	502,000	11.5%	18
Periphery	4,065,200	530,900	13.1%	12.5

Figures from 2020 Q2

3.3 Political Climate

Besides the national and European measures (*please, check section 2.2.2 for further details regarding both national and European measures*), Madrid regional government has implemented several initiatives to protect and reactivate employment during this crisis. Most of them are related to economic subsidies to be granted to SMEs and Autonomous workers, that add up to 81.5M€ in several programs (i.e. Plan Impulsa and Plan Conecta). In addition, they have approved some measures directly affecting real estate sector, they have approved mainly two measures, intended to reactivate construction activity:

- ⊙ Speeding up urban planning licenses processes, implementing the model of “responsible declaration” instead of the current “construction license”, avoiding delays and reducing the necessary time to complete those urban milestones.
- ⊙ More flexibility in case of change of land use. As an example, an office could be reconverted into a dwelling or a commercial space could be built on a plot of land with industrial use.

Locally, Madrid Cityhall has approved several measures related to businesses regarding a wide range of issues:

- ⊙ Payment extension of taxes (6 months), loans (principal or interests, for 3 months) or contribution to Spanish National Health System among others.
- ⊙ Water and Electricity supply: SMEs and Autonomous workers could have suspended or adapted supplies contracts during the state of alarm and the three following months.
- ⊙ 25% discount in the Economic Activity Tax of 2020 for businesses maintaining employment.

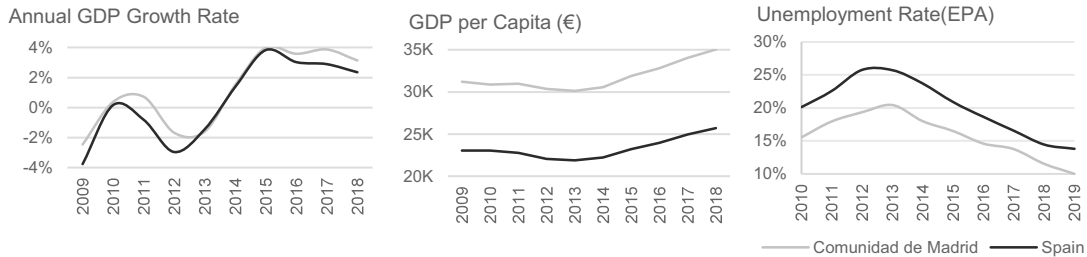
They have also approved some measures directly affecting real estate and construction sectors, in line with those implemented by the regional government:

- ⊙ Reduction in the length and complexity of the current regulations by 40%, making it more concise and simpler to understand.
- ⊙ Implementation of different phases for the construction licenses, with the possibility of including temporary activities.
- ⊙ Implementation of arbitration processes, solved by the administration, to reduce congestion in the Court and speed up the processes.

3.4 Drivers of Demand and Main Industries

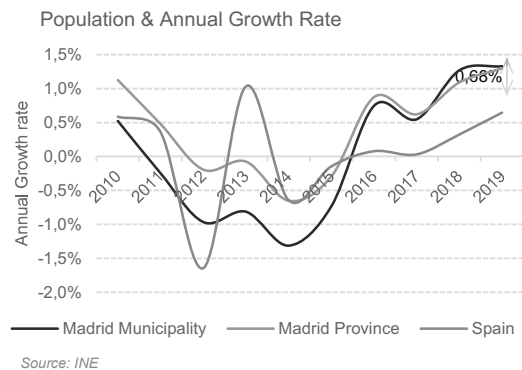
ECONOMIC OVERVIEW

- Madrid is the region with highest GDP per capita and total GDP in Spain. It has had a higher economic growth than Spain since 2009. In 2006 Madrid region GDP was 18.1% of the total Spanish GDP, 2nd second after Catalonia while in 2018 it surpassed Cataluña with 19.2% of the total vs 19.0%. According to BBVA Research, the GDP variation forecasts for 2020 for Madrid region are 0.6% above the Spanish average and 0.3% below it for 2021.
- Madrid region GDP per capita was in 2018 35K€, 136% of the Spanish average, while in 2006 it was 30,000€, 133% of the Spanish average.
- Madrid has a low unemployment rate by Spanish standards, with 9,9% vs 13.8% Spanish average. According to BBVA Research, employment rate variation forecasts for 2020 for Madrid region are 0.6% above the Spanish average and 0.2% below it for 2021



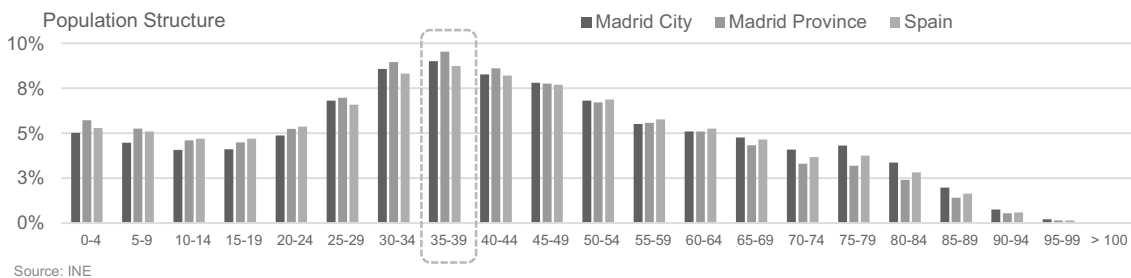
POPULATION GROWTH

- Madrid is the most populated city in Spain, with 3,26M inhabitants, while the province and region have 6,66M, being the third most populated region after Andalucía and Cataluña.
- Madrid city has gained 124,000 inhabitants since 2015 (3.95% total growth), while Spain has gained 505,000 inhabitants (1.09% total growth). This represents almost 25% of the total country population growth since 2015.



POPULATION STRUCTURE

- Madrid city presents a similar population structure to Spain, the province has a younger population. The average age in Madrid province is 42.5, the city one is 44 while the national one is 43.5. This compares to the European average (40 years), and the world average (36 years) showing that Spain has an aged population.



KEY DEMAND DRIVERS

- ⊙ **Business:** Madrid is the 8th city in the world in terms of multinational companies' presence, ahead of cities like Dubai or New York. Madrid is a great business platform for closing deals within the EU, North Africa and specially Latin America. In addition, the region offers a favourable climate for business, as companies can benefit from moderate tax policies.
- ⊙ **Socio-Economic:** Madrid has the highest GDP and GDP per capita in Spain. Madrid GDP per capita was in 2018 35K€, 136% of the Spanish average, while in 2006 it was 30,000€, 133% higher than the Spanish average. Salaries and average disposable income are also higher in Madrid in comparison to the Spanish average.
- ⊙ **Labour Market:** Madrid has a dynamic labour market with strong job creation and low unemployment (9.9% vs 13.8% Spain's average – 2019). This favours a positive migration rate, as the workforce migrates from other areas of Spain with worse labour market performance. Workforce is also attracted by the higher salaries and better work conditions that are offered in Madrid.
- ⊙ **Infrastructure and Services:** Madrid the best-connected node in the country's transportation network, offering good connections with other Spanish and European cities. In addition, it provides a wide range of services and facilities for expatriates such as international schools and a great public health system.
- ⊙ **Office Area CBD:** Madrid is divided into several business areas. Even when the current offer of grade A buildings is still insufficient, new developments and refurbishment projects are being added to the current supply. In addition, almost 500,000 sqm are already in the pipeline to be delivered within the next years.
- ⊙ **Office Market Performance:** The office market is showing a strong performance with positive forecasts. Investment figures reached its peak in 2019 with a total investment volume in excess of €2,600Mn and supported by the take-up figures registered. This is indicative of Madrid being an attractive location for companies' HQs, as having excellent climate conditions, quality of life and competitive market.
- ⊙ **Rents and Returns:** Madrid average rents are lower than the ones registered in other main European cities, which is an advantage for tenants in search of space. In addition, investors can obtain better returns than the ones expected in other European capital cities.
- ⊙ **Brexit:** Since several years ago Brexit preparations started, many companies are studying the possibility of transferring part of their teams to Madrid, in order to avoid a rise in exchanges rates and a greater regulatory complexity when doing business with other EU countries.
- ⊙ **Main Sectors:** Even when working from home might imply the reduction in office space, some sectors mainly found within Madrid city (finance services, consultancy, technology...) will need office space to be able to develop their activity. Technological sector and Flexible Spaces are forecasted to lead the demand necessities during the next terms, due to their flexibility and adaptability.
- ⊙ **Fairs and Events:** Madrid has a reputable fairs organisation IFEMA, situated close to the airport. Annual events and fairs are held in different fields, which attract thousands of participants every edition. Among them, FITUR (tourism), ARCO (art), Madrid Fusión (gastronomy) and Madrid Fashion Week (fashion) stand out. In 2018 35% of the registered tourism was due to business reasons.



Madrid Norte Business area. Cuatro Torres



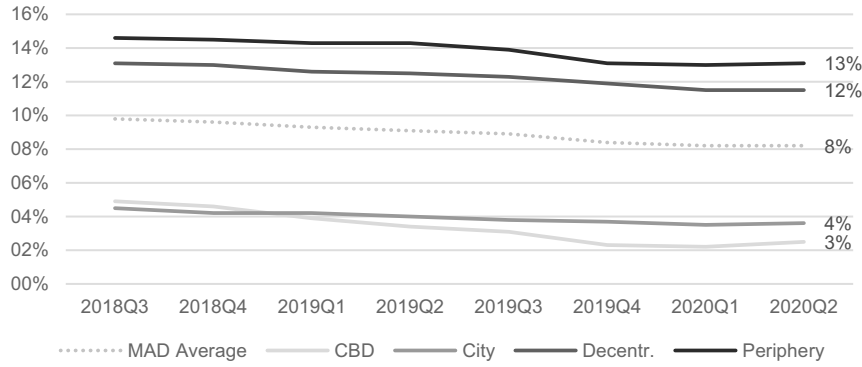
Calle Serrano



FITUR

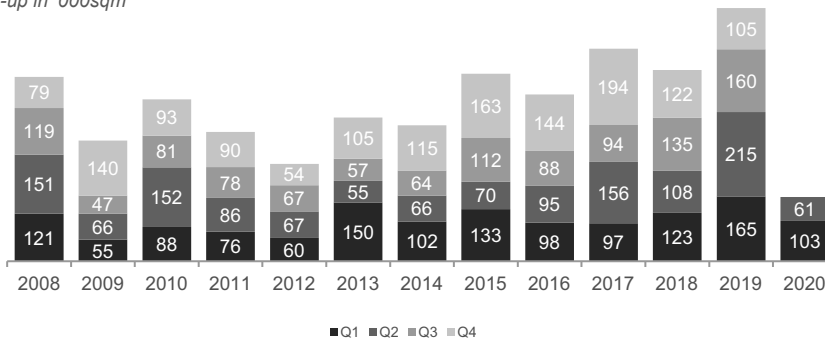
3.5 Office Market Key Indicators

VACANCY RATES



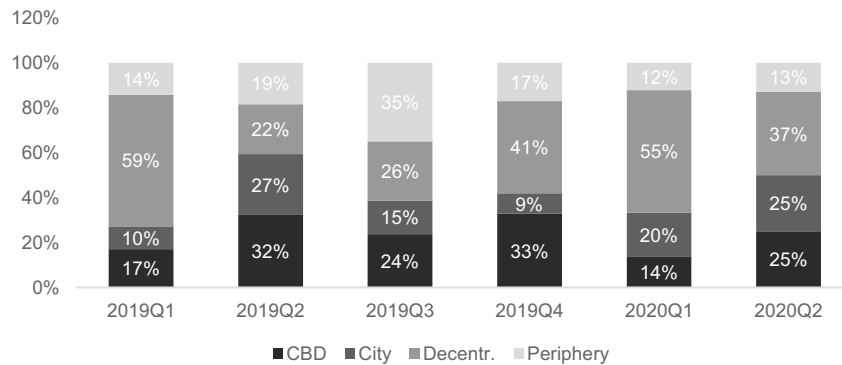
OFFICE TAKE UP PER QUARTER

Take-up in '000sqm

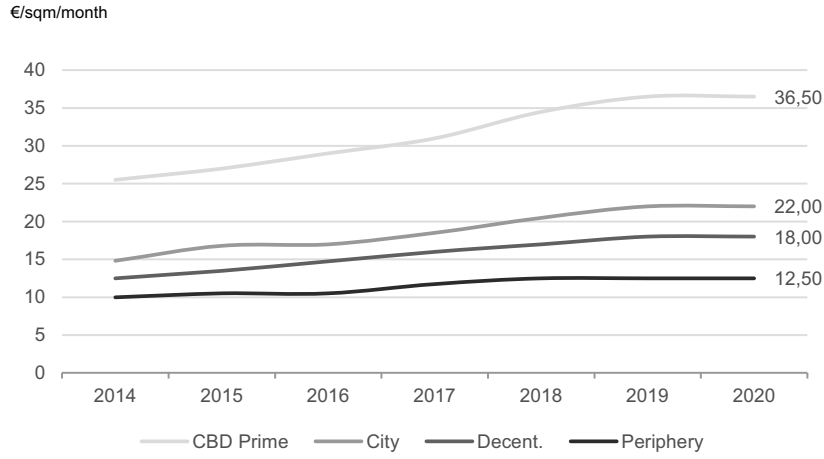


OFFICE TAKE UP BY AREA

Take-up in '000sqm



GRADE A RENTS BY AREA



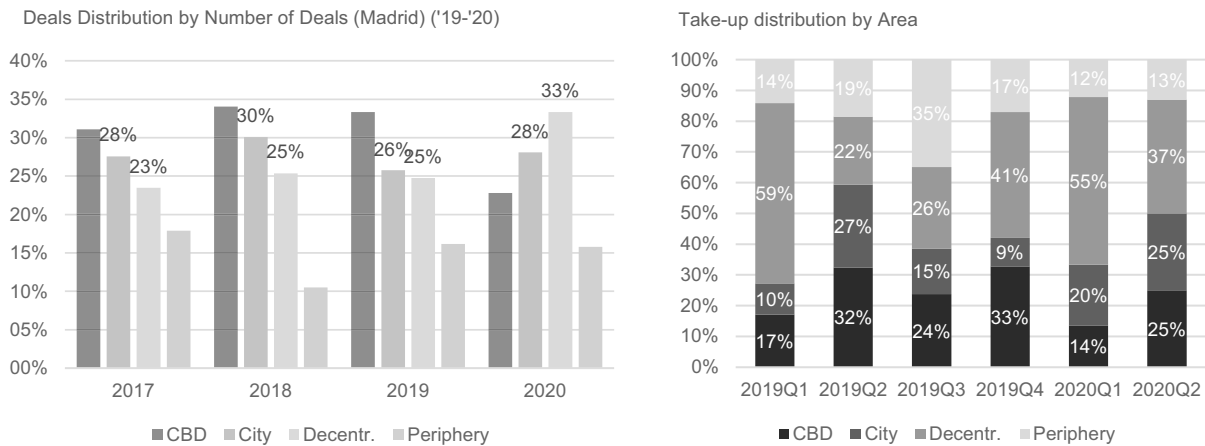
The average of rents in Madrid areas (including Grade A, B and C buildings) would be in the region of:

- ⊙ CBD: € 29-31 sqm/month
- ⊙ City: € 18-20 sqm/month
- ⊙ Decentral.: € 13-15 sqm/month
- ⊙ Periphery: € 9-11 sqm/month

Grade A rents in Madrid are characterized by a rising trend since 2014.

3.6 Tenants Trends

Recent years take-up distribution shows that secondary locations, although with good connections and all the services around, are gaining importance with respect to the CBD, mainly because of the scarcity of prime assets available in it.



Source: Colliers

We are witnessing two main trends, depending on the size of the companies that are in search of office space to let:

- ⊙ Small and medium-size companies, especially the ones that have constant direct contact with their clients:
 - They prefer to be located in the CBD of the city, as close as possible to Paseo de la Castellana axis, even if the high office prices imply reducing the amount of space let.
 - The reduction of space can be accomplished by making a more efficient use of it or by implementing internal policies that can reduce the number of employees working from the office simultaneously (Smart Working).
 - Office locations that were in vogue some years ago such as Las Rozas in A-6 axis, Pozuelo de Alarcón or Boadilla del Monte are now perceived as excessively far from the centre and we are witnessing some relocations in buildings located in the CBD or, in case this is not possible, in secondary locations but close and very well connected to the city centre such as Manoteras, Julián Camarillo or Campo de las Naciones.
- ⊙ Large companies:
 - They are conditioned by rents and the large amount of space they need, not easy to find within the CBD or the city.
 - They are normally situated in large and new developed buildings in secondary locations, in areas very well connected to the city centre. They normally offer parking spaces and all the services to their employees.

Between 2019 and 2020, 24 deals with a surface area in excess of 5,000 sqm were closed within Madrid markets. 46% of these deals were closed in decentralized areas, such as Manoteras, 29% within the CBD, 13% within the City and 13% on the periphery. Some of the largest transactions (in excess of 5,000 sqm) closed within Madrid market during 2019-2020 have been the following:

Date	Area	Zone	Dirección	Tenant	Industry	Area (sqm)
2019 Q1	Decentralized	Campo Naciones	Vía de los Poblados 1	ING	Bank	35,000
2019 Q1	City	Arganzuela	Virgen del Puerto 55	Banco Cetelem	Bank	14,000
2019 Q2	City	Av. América	Av. Bruselas 38	Masmovil	Technology	26,635
2019 Q2	CBD	Cuzco	P Castellana 165	Ministerio de Justicia	Public Admin.	9,372
2019 Q2	CBD	Salamanca	Prim 12	Wework	Coworking	5,561
2019 Q2	Periphery	S. Sebastián Reyes	Av. Tenerife 4-6	Schneider	Technology	7,860
2019 Q2	City	Salamanca	María de Molina 39	Wework	Coworking	6,660
2019 Q2	Decentralized	Josefa Valcárcel	Josefa Valcárcel 26	Banco Santander	Bank	11,875
2019 Q3	CBD	Cuatro Torres	P Castellana, 259	Amazon	Technology	11,585
2019 Q3	Decentralized	Julián Camarillo	Valentín Beato 21	Roche	Health	11,575
2019 Q3	Decentralized	Campo Naciones	Ribera del Loira 28	Engine	Engineering	5,167
2019 Q3	Decentralized	Manoterías	Av. Manoterías 52	INE	Public Admin.	18,503
2019 Q3	Periphery	S. Sebastián Reyes	Teide 4	Inst. Sup. FP Sanitaria	Health	6,159
2019 Q3	Decentralized	Manoterías	Dulce Chacón 55	Deloitte	Consultancy	6,368
2019 Q3	Periphery	S. Sebastián Reyes	Fuente Nueva 5	Inst. FP Sanitaria C. Galeno	Health	6,235
2019 Q4	Decentralized	Josefa Valcárcel	J.I. Luca de Tena 17	Grupo Planeta	Communication	13,434
2019 Q4	CBD	Salamanca	Serrano 88	Beka Finance	Consultancy	5,617
2019 Q4	CBD	Cuatro Torres	P Castellana, 259	Amazon	Technology	6,616
2019 Q4	Decentralized	Josefa Valcárcel	Josefa Valcárcel 40 B	Vocento	Communication	8,716
2019 Q4	Decentralized	Julián Camarillo	Alcalá 546	L'Oreal	Health	19,900
2019 Q4	CBD	Cuatro Torres	P Castellana 259A	Pérez-Llorca	Legal	6,616
2020 Q1	CBD	AZCA	P Castellana 89	Accenture	Consultancy	14,895
2020 Q1	Decentralized	Las Tablas	Monasterio Escorial 4	Idom	Engineering	10,182

Madrid is internationally well-positioned as an important centre of attraction for multinational companies' headquarters, specially in case of both consultancy and technology sectors.

Specific decentralized areas of cities, such as Manoterías-Sanchinarro or Campo de las Naciones are mini-hubs or clusters, with large concentration of companies of a specific sector.

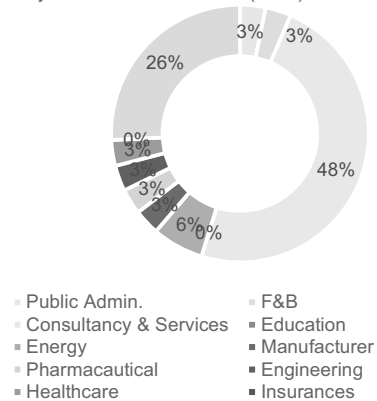
In addition, after Brexit, many companies previously operating from London have transferred some of their divisions to Madrid, opening new headquarters or renting more office space to avoid political difficulties and reduces their expenses amount. Some examples are:

- ⊙ American Express: In 2017, they let 4,800 sqm in Campo de las Naciones area (decentralized)
- ⊙ JP Morgan: They let 3,490 sqm in the CBD.
- ⊙ Hines: In 2019, they rented 415 sqm in the CBD
- ⊙ RIA Money: In 2019, they let 940 sqm in Alcobendas (A1-Periphery)
- ⊙ Google: In 2019, they have let more than 2,000 in Torre Picasso, within the CBD.
- ⊙ Amazon: In 2019, they have let more than 18,000 sqm in Las Cuatro Torres area.

Other companies, such as Citibank are now in search of office space, as is intended to create its third largest office in Europe area, focused on its private bank division.

After the Covid-19 outbreak, companies are now studying how to deal with the current health situation that obliges them to guarantee social distance among their employees. It does not seem probable that location trends change in the medium term. Even though specific measures might vary depending on the different companies and are still under analysis by the members of the board, it is expected that the requirements of social distancing after Covid-19 will be solved by implementing shifts that allow employees to work some days from home.

Industries Breakdown within City & Decentralized Areas (2020)



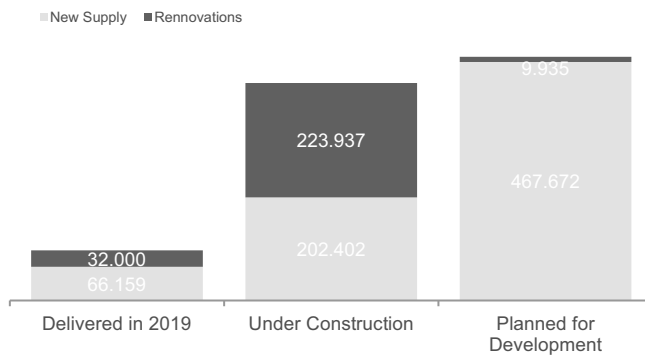
3.7 Future Supply

By the end of 2020, it is expected that more than 190,000 sqm of new developments will enter the market. In addition, more than 30,000 sqm (around 13% of the total new surface area considered) of refurbishment projects will be ready, the vast majority within the M-30. In 2021 the refurbishment projects are expected to increase their importance, representing more than 60% of the total expected future supply for that year.

The two submarkets with the current highest new development activity are Manoteras and Las Tablas in the north, Madbid and A2 area in the east and Méndez Álvaro in the south of the city. Within the M-30, the most active area is Barrio de Salamanca, mostly concentrating refurbishment projects.

After the Covid-19 recession started, the general trend observed is that both developers and investors are having a wait-and-see attitude, analysing the situation and future of the sector and postponing the start of new projects in the pipeline, even with their licences granted. Instead, they are concluding the projects whose construction is already in progress.

NEW OFFICE SUPPLY

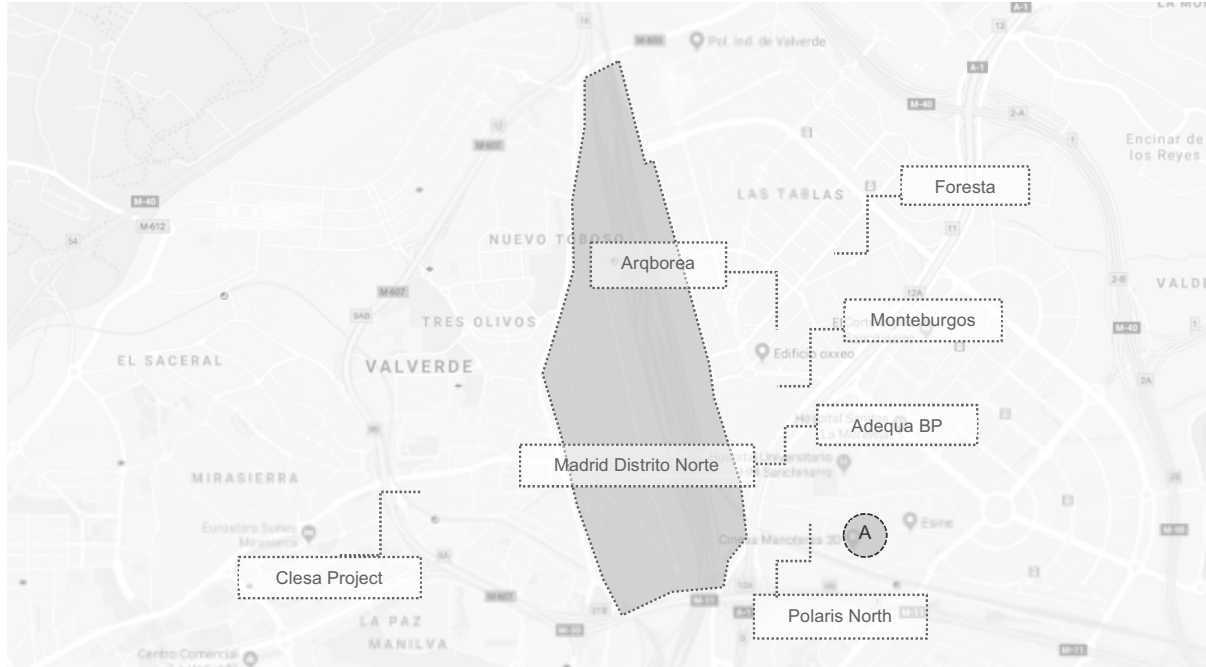


Plan Name	Area	GLA
Madrid Nuevo Norte	North (A1)	1,000,000
Valdebebas Fintech District	North (A1)	1,022,000
Aena Plan	North (A2)	642,000
Pegaso City	North (A2)	520,000
Las Tablas	North (A1)	150,000
Madbit (J. Camarillo)	Madbit	225,000

Some of the most significant projects currently in the pipeline within Madrid are the following:

Project Name	Owner	GLA	Status	Year
P. Castellana, 44	CCS	9,117	Refurb. Project	2020
Serrano, 88	Torimbía	6,211	Refurb. Project	2020
Goya, 36	Naturgy	3,541	Refurb. Project	2020
Celes Build.	Sant Croix HI	8,823	Refurb. Project	2020
Axis Building	GPF Cap.	2,512	Refurb. Project	2020
Julián Camarillo 49-51	Bouygues	18,000	New Develop.	2020
P. Somport 10-18	Colonial	23,200	New Develop.	2020
OM Infinito	Torre Rioja	36,400	New Develop.	2020
A6	Naropa	10,000	New Develop.	2020
Torre Adequa	Merlin	29,095	New Develop.	2020
Adequa (Extension Project)	Merlin	15,000	New Develop.	2020
Burgosol	CBRE	2,780	New Develop.	2020
A2 Plaza Phase 1	Iberdrola	25,000	New Develop.	2020
Polaris North, Manoteras 12	Onix CP	14,000	New Develop.	2020
Av. Europa 17	Arcano	8,100	New Develop.	2020
Arqboarea	GMP	15,293	New Develop.	2020
Velazquez, 88	Colonial	16,816	Refurb. Project	2021
Monteburgos (I)	Metrovacesa	29,000	New Develop.	2021
Colonial M. Álvaro	Colonial	69,000	New Develop.	2021
Cat. Occ. M. Álvaro	Catalana Occ.	20,275	New Develop.	2021
A2 Plaza (II)	Iberdrola	25,000	New Develop.	2021
Acciona M. Álvaro	Acciona	10,900	New Develop.	2021
Torres de Colón	M. Madrileña	12,200	Refurb. Project	2022
Castellana, 85	Merlin Prop.	12,978	Refurb. Project	2022
Miguel Ángel, 23	Colonial	8,057	Refurb. Project	2022
O. y Gasset, 100	Colonial	7,800	Refurb. Project	2022
Foresta	Catalana Occ.	11,250	New Develop.	2022
Monteburgos (II)	Metrovacesa	30,000	New Develop.	2023

FUTURE SUPPLY IN THE NORTH OF MADRID



We have identified a number of projects currently in the pipeline in the north of Madrid, however with different development timings:

MONTEBURGOS

Monteburgos is a business park projected in Las Tablas area. Originally owned by Metrovacesa, Tihsmán Speyer together with Allianz acquired in Q2 2018 76% of the shares to develop this 56,652 sqm project. The three plots will be developed in different phases.



ADEQUA BP

Adequa business park was developed by Bami in 2010. With seven projected buildings and a total area of 121,000sq m, two buildings with 45,500sq m were not developed. Merlin acquired the business park in 2016 and also owns other properties in the area; we understand that Merlin will not develop these two buildings until their nearby asset Torre Chamartín is not let. This tower is 18,295sq m, currently vacant. In the existing buildings in Adequa BP are available 22,100sqm.



MADRID DISTRITO NORTE

This extensive development is one of the largest city developments in Europe. Over 311 hectares of land will include residential, commercial and other uses on the current train infrastructure. Initial plans come from the early 90's and the masterplan has suffered many changes since then. Today is still not finally approved and there is still uncertainty on the final figures and development dates. Approx 1.2million sq m for office space were in the last available master plan.



CLESA PROJECT

Metrovacesa is developing a new project in a land of 38,000 sqm previously owned by Clesa and close to Ramón y Cajal Hospital. Metrovacesa bought the land in 2011 (with industrial use) and in 2014, when Clesa stopped its activity, they started conversations with the city council to change its use into tertiary.



The project is expected to start in 2019 and is intended to be finished by 2022-2033. Offices, with 44,000 sqm will be the predominant use.

ARQBÓREA PROJECT

In October 2018 Gmp started development on ARQBÓREA, a new office building on land in Las Tablas. Work is expected to be completed by the end of 2020.



Its architectural proposal includes 15,790 sqm with 450 parking spaces and a double-skin with terraces and vegetation on façades with greatest exposure to sunlight. The building has already obtained the LEED Platinum pre-certification.

POLARIS NORTH MADRID

Polaris North Madrid is a new project owned by ONIX Capital Partners and designed by b720 Fermín Vazquez Arquitectos, located in Manoteras.



It offers 14,248 sqm of office space and boasts open-plan, wholly column-free standard floors that span 2,794 sqm. It also features a 7.2m double height lobby and two basements boasting 212 parking spaces. It is one of the first properties in Spain to obtain LEED Core & Shell and WELL certifications, both at gold level.

FORESTA

Metrovacesa sold to Catalana Occidente a turnkey office project that will be built in Foresta street, in the area of Las Tablas. The project will have 11,250 sqm divided into six floors and two basements boosting 300 parking spaces.

The developer is intended to have finished the project by 2022.



3.8 Office Investment

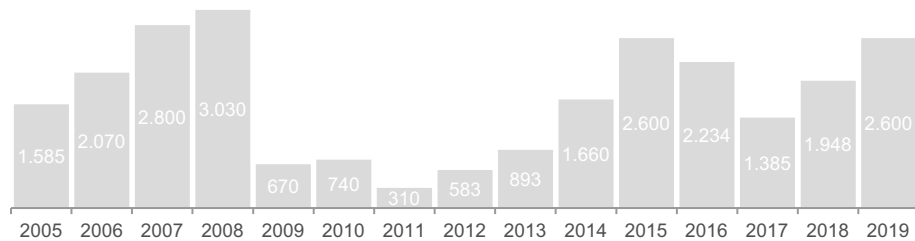
In 2019, Madrid office sector's investment figures reached its peak, exceeding €2,600Mn. The sector good performance maintained in Q1 2020, with a total investment volume closed in the region of €644Mn, although volume figures have significantly decreased during 2020 Q2 mainly as a consequence of lockdown measures and investors' wait-and-see attitude.

Deals in the first half of the year in Madrid region include the sale by Blackstone, of Helios Building (approx. €190 Mn) to Kiwoom Asset Management. The building is located in Campo de las Naciones area, close to Barajas Airport. Another Spanish REIT, GMP, sold the business park "Castellana Norte" (€127 Mn), where Huawei headquarters are located, to Harbert Management.

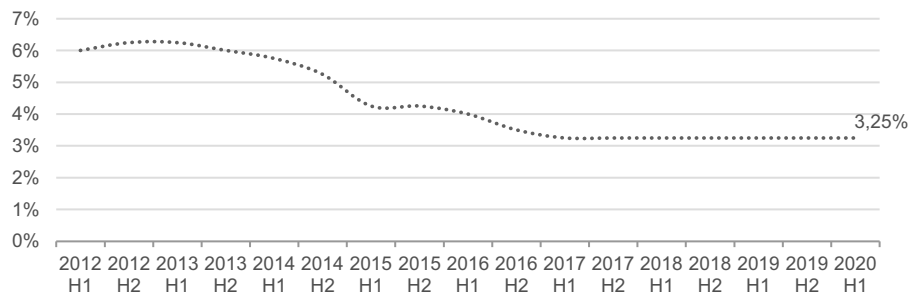
Prior to the Coronavirus outbreak, office investment product for sale remained scarce in comparison to high demand levels; as specially funds had large amounts of capital available to invest and were willing to consider Madrid's market in their approach. This scarcity of new speculative developments in prime locations and the strengthening of the demand put upwards pressure on rents and downwards pressure on yields for high quality buildings in good locations. Prime yields stabilized at around 3.25% Whereas decentralized but consolidated locations adjusted to levels in the region of 4.5%.

Although in recent weeks we have witnessed a significant return of activity, investors are now much more cautious and prudent regarding secondary assets. The performance and consideration of core and core + assets is completely different from value-add ones and, whereas for occupied grade A buildings located in prime locations, rents and yields have not experienced an important change, the increase in investors' risk aversion will be reflected in secondary assets' prices, yields and investment volumes, as their perspectives are more uncertain.

OFFICE INVESTMENT VOLUME (€M)



PRIME YIELDS



We list below the main office transactions closed in Madrid within 2015-2020:

#	Date	City	Identification	Investor	Vendor	GLA	Price	€ psm	Yield
1	2015 Q1	Madrid	Goya 29	Hermanos Revilla	Inm. Alhambra	4,783	27.0Mn	5,645	n.a.
2	2015 Q1	Madrid	Avenida de Burgos 118; BMW HQ	IBA Capital Partners	Gecina	13,500	41.0Mn	3,037	5.7%
3	2015 Q1	Madrid	Castellana 77; Ederra	Gmp	BBVA	16,000	87.0Mn	5,438	n.a.
4	2015 Q1	Madrid	Gran Vía 14	Mexican private	Dafor	4,600	21.0Mn	4,565	n.a.
5	2015 Q1	Madrid	Príncipe de Vergara 108	Hispania	IVG	7,324	25.0Mn	3,413	n.a.
6	2015 Q1	Madrid	Alcalá 38-40	Merlin Properties	Private	9,315	38.10Mn	4,090	n.a.
7	2015 Q2	Madrid	Edificio Tucuman	Axia RE	Blackstone	6,830	23.50Mn	3,441	n.a.
8	2015 Q2	Madrid	Serrano 73	Hofinac RE (Finaccess / Grupo Modelo)	Hemera Capital	4,242	39.50Mn	9,312	4.0%
9	2015 Q2	Madrid	Castellana 55	Catalana Occidente	Standard Life	5,625	60.0Mn	10,667	2.8%
10	2015 Q2	Madrid	Castellana 89 Ahorro Corporación HQ	Corporación Financiera Alba	Ahorro Corporación	17,818	147.0Mn	8,250	3.5%
11	2015 Q2	Madrid	Two buildings in Cristalia Business Park	Axia RE	Deutsche Asset & Wealth Management	17,587	49.0Mn	2,786	n.a.
12	2015 Q2	Madrid	Estébanez Calderón 3-5	Colonial	Varde Partners	10,499	30.0Mn	2,857	n.a.
13	2015 Q2	Madrid	Plaza de la Independencia 6	Mapfre	Mutualidad de Notarios	12,411	83.0Mn	6,688	n.a.
14	2015 Q2	Madrid	Príncipe de Vergara 125	Reale	Sabadell	7,040	45.0Mn	6,392	n.a.
15	2015 Q2	Madrid	Six floors in Padilla 17	Axia RE	SAREB	10,775	51.0Mn	4,733	n.a.
16	2015 Q2	Madrid	Portfolio 2 assets (Cristalia 4B&Las Rozas)	Hispania	DEKA	21,978	54.50Mn	2,480	6.5%
17	2015 Q3	Madrid	Príncipe de Vergara 112	Colonial	Alza RE	11,400	31.0Mn	2,719	n.a.
18	2015 Q3	Madrid	Ríos Rosas 26	M&G RE	WPP	40,000	n.a.	n.a.	n.a.
19	2015 Q3	Madrid	Génova 17	Colonial	HNA	4,676	36.0Mn	7,699	4.0%
20	2015 Q3	Madrid	Fox Portfolio (3 office buildings)	Axia RE	Private	46,748	n.a.	n.a.	n.a.
21	2015 Q3	Madrid	Titán 4	GMP	Invesco	10,310	36.0Mn	3,492	n.a.
22	2015 Q3	Madrid	Portfolio 2 assets (Trespaderne, 29, Llano Castellano 51)	GMP	GE Capital RE	52,322	55.0Mn	1,051	n.a.
23	2015 Q3	Madrid	Ciudad Adequa	Lone Star	Bami	120,000	630.0Mn	5,250	n.a.
24	2015 Q3	Madrid	PE Avalon (4 buildings)	Green Oak	Santander	21,170	40.0Mn	1,889	n.a.
25	2015 Q3	Madrid	Fuente de la Mora 1	Axa RE	Abu Dhabi Inv. Authority	42,945	n.a.	n.a.	n.a.
26	2015 Q3	Madrid	Porfolio 3 Buildings (Alcalá 506, Bruselas 38, Luca de Tena, 6)	Axia RE	n.a.	46,112	50.0Mn	1,084	n.a.
27	2015 Q3	Madrid	Office: Francisco de Rojas 8	Consejo General de Economistas	Private	1,016	n.a.	n.a.	n.a.
28	2015 Q4	Madrid	Avenida de América 115; new Vodafone HQ	IBA Capital Partners	London & Regional	50,600	150.0Mn	2,964	5.3%
29	2015 Q4	Madrid	Office Building: Hernandez de Tejada 26	HNA	Cemex	11,869	25.0Mn	2,106	5.6%
30	2015 Q4	Madrid	Torre Espacio	Grupo Emperador	OHL	56,786	558.0Mn	9,826	4.9%
31	2015 Q4	Madrid	Paseo de Recoletos 4	Abanca	GLL RE	3,704	44.0Mn	11,879	n.a.
32	2015 Q4	Madrid	Maria de Molina 39	Private	Private	5,909	28.25Mn	4,781	5.7%
33	2015 Q4	Madrid	Amura Office building, Alcobendas	AEW	Union Investment	18,135	37.0Mn	2,040	5.0%
34	2015 Q4	Madrid	Office building, Santa Engracia 120	Inm. Colonial	Torimbia	13,430	67.0Mn	4,989	5-7%
35	2015 Q4	Madrid	General Lacy 23-25	Royal Metropolitan/Takonic	Ares Mgment	6,208	21.0Mn	3,383	n.a.
36	2016 Q1	Madrid	Albarracin 33	Zurich	Metroinvest	19,920	n.a.	n.a.	n.a.
37	2016 Q1	Madrid	Serrano 240	AEW Europe	Contin. Prop. Invest.	12,305	26.0Mn	2,113	n.a.
38	2016 Q1	Madrid	Av. Manoteras 48	Trajano	Bami Newco	13,440	44.30Mn	3,296	n.a.
39	2016 Q2	Madrid, Pozuelo, Alcobendas	Portfolio 8 Buildings (Virgilio 2, J. Camarillo, Parque Omega)	Meridia Capital	Segurfondo Inversión/ Inverseguros	31,053	42.50Mn	1,369	n.a.
40	2016 Q2	Madrid	Jose Abascal 45, offices	Inm. Colonial	Private	5,508	35.0Mn	6,354	n.a.
41	2016 Q2	Madrid	Serrano 73, offices	Inm. Colonial	Finaccess	4,242	60.0Mn	14,144	n.a.

#	Date	City	Identification	Investor	Vendor	GLA	Price	€ psm	Yield
42	2016 Q2	Madrid	Av. America 26-28, IBM Building	Inm. Colonial	Finaccess	72,600	142.0Mn	1,956	n.a.
43	2016 Q2	Madrid	O'Donell 12	Mutualidad de la Abogacía	Private	8,571	30.0Mn	3,500	5.0%
44	2016 Q2	Madrid	Príncipe de Vergara 156	Hispania	Aegon	4,200	n.a.	n.a.	n.a.
45	2016 Q3	Madrid	Jose Abascal 51	Mutua Madrileña	Credit Suisse	3,716	30.80Mn	8,288	n.a.
46	2016 Q3	Madrid	Pº Castellana 259A. Torre Cepsa	Ipic+Muscari Property	Bankia	93,747	400.0Mn	4,267	n.a.
47	2016 Q3	Madrid	Pº Castellana 259A. Torre Cepsa	Pontegadea	Ipic+Muscari Property	93,747	490.0Mn	5,227	n.a.
48	2016 Q3	Madrid	Av. Europa 26. Atica. Building 5. Pozuelo de Alarcón	Merlin Properties	Grupo San Jose/ Varde Partners	9,550	25.0Mn	2,618	n.a.
49	2016 Q3	Madrid	Jose Echegaray 6A, Las Rozas	UBS RE	Private	13,195	36.50Mn	2,766	n.a.
50	2016 Q4	Madrid	Av. San Luis 77	IBA Capital Partners	Gas Natural Fenosa	30,000	120.0Mn	4,000	n.a.
51	2016 Q4	Madrid	Av. América 38	Ecke Immobilien	Gas Natural Fenosa	26,109	65.0Mn	2,490	n.a.
52	2016 Q4	Madrid	Sagasta 33	Axiare	Marzabal	7,054	41.80Mn	5,926	n.a.
53	2016 Q4	Madrid	Almagro 9	AXIARE	Reig Capital Group	15,093	124.0Mn	8,216	3.5%
54	2016 Q4	Madrid	Ignacio Luca de Tena 7	AXIARE	Vocento	10,000	35.0Mn	3,500	n.a.
55	2016 Q4	Madrid	Velázquez 33	Topland Invest.	Familia Vazquez	5,550	27.40Mn	4,937	n.a.
56	2016 Q4	Madrid	Genova 26	Prevision Sanitaria Nacional	Private	5,826	36.40Mn	6,248	n.a.
57	2016 Q4	Madrid	Alcalá 45	Ayuntamiento de Madrid	Testa	18,655	104.0Mn	5,575	n.a.
58	2016 Q4	Madrid	Pº Castellana 163	Inm. Colonial	Private	1,000	51.0Mn	51,000	n.a.
59	2017 Q4	Madrid	Colón 1	CBRE GI	Barclays	3,910	55.0Mn	14,066	n.a.
60	2016 Q4	Madrid	Serrano 73	Colonial	Dfinaccess	4,242	60.0Mn	14,144	n.a.
61	2017 Q1	Madrid	Puerto Sompport, 8. Las Tablas	Axiare	GMP	9,228	41.50Mn	4,497	3.5%
62	2017 Q1	Madrid	Anabel Segura 14, Cedro Building. Arroyo de la Vega, Alcobendas	Axiare	Blackstone	17,040	43.50Mn	2,553	5.5%
63	2017 Q1	Madrid	Manuel Cortina 2 & Manuel Silvela 15	GMP	Mapfre	14,424	72.0Mn	4,992	n.a.
64	2017 Q1	Madrid	Miguel Ángel 23	Axiare	LICO and Others	8,036	53.40Mn	6,645	n.a.
65	2017 Q2	Madrid, Alcorcón, Alcobendas	Portfolio 8 buildings (decentralized)	Oaktree +Free Group	BBVA	63,873	96.68Mn	1,514	n.a.
66	2017 Q2	Madrid	Ribera del Loira 56-58, Zurich Building	UBS RE	Zurich	11,850	38.50Mn	3,249	n.a.
67	2017 Q2	Madrid	Alcalá 17	Gubel	Casticapital	3,731	23.0Mn	6,165	n.a.
68	2017 Q2	Madrid	Aurelio Menéndez - Suero de Quiñones 40-42	Lladó	Hispania	n.a.	37.50Mn	n.a.	n.a.
69	2017 Q2	Madrid	Recoletos 5	Mutua General de Seguros	Peña Cardin	3,000	31.0Mn	10,333	3.0%
70	2017 Q2	Madrid	Gran Vía 18	CBRE GI+IBA Capital	Texas Pacific Group	5,500	44.0Mn	8,000	n.a.
71	2017 Q2	Madrid	Av. Manoteras 20. Isla Chamartin	Tristan Capital Partners+Zaphir AM	Lones Star	38,134	103.0Mn	2,701	n.a.
72	2017 Q3	Madrid	Cartera Hispania	Swiss Life REIM	Hispania	138,206	510.0Mn	3,690	5.0%
73	2017 Q3	Madrid	Avenida de Burgos 8	Lladó	Hispania	n.a.	n.a.	n.a.	5.0%
74	2017 Q3	Madrid	Castellana 14	CCS	Seguridad Social	4,900	40.25Mn	8,214	n.a.
75	2017 Q3	Madrid	Fernando el Santo 20	Royal Metropolitan/Takonik	Bancoval	2,858	20.10Mn	7,033	4.0%
76	2017 Q3	Madrid	Francisco Silvela 106	AEW	Dobacor	8,835	30.0Mn	3,396	n.a.
77	2017 Q3	Madrid	Carrera de San Jeronimo 15	Remer Investment	Mutua Madrileña	7,132	60.0Mn	8,413	n.a.
78	2017 Q3	Madrid	Serrano 47	Infinorsa	El Corte Inglés	n.a.	50.0Mn	n.a.	n.a.
79	2017 Q3	Madrid	Arturo Soria 336	Colonial	Lar	8,663	32.50Mn	3,752	4.5%
80	2018 Q2	Madrid	Plaza Santa Bárbara 1	UBS RE	Royal Metropolitan	10,625	120.0Mn	11,294	3.0%
81	2017 Q4	Madrid	Office Building, Los Cubos, c/ Albacete, 5	Therus Invest+Henderson Park	Realia	18,313	52.0Mn	2,840	n.a.

#	Date	City	Identification	Investor	Vendor	GLA	Price	€ psm	Yield
82	2017 Q4	Madrid	Manoteras 12	Onix Capital Partners	Hibu	12,000	27.50Mn	2,292	n.a.
83	2017 Q4	Madrid	Jose Valcárcel 40 Bis	Axia RE	Private	8,652	29.70Mn	3,433	n.a.
84	2017 Q4	Madrid	Santiago de Compostela 96	IBA Capital Partners	Private	12,627	54.60Mn	4,324	n.a.
85	2017 Q4	Madrid	Acanto 11, Méndez Álvaro	Lasalle Investment Management	Ecke Immobilien	10,559	30.0Mn	2,841	n.a.
86	2017 Q4	Madrid	Av. America 38	Private	Ecke Immobilien	26,109	70.0Mn	2,681	n.a.
87	2017 Q4	Madrid	office Building, Albarracin 25	IBA Capital Partners	Private	13,258	38.0Mn	2,866	n.a.
88	2017 Q4	Madrid	Fernando el Santo 15	Familia Llado	Axia RE	3,254	30.0Mn	9,219	n.a.
89	2017 Q4	Madrid	Gran Vía 4	ACEK	Autonomy Capital	4,925	43.0Mn	8,731	n.a.
90	2017 Q4	Madrid	Juan de Mariana 15	Kefren Capital	Private	5,630	n.a.	n.a.	n.a.
91	2017 Q4	Madrid	Pza Independencia 2	Private	Catalana Occidente	4,182	25.50Mn	6,098	n.a.
92	2018 Q1	Madrid	Santa Engracia 23	New Winds Group	Patron Capital Partners	1,984	n.a.	n.a.	n.a.
93	2018 Q1	Madrid	Titan 8	UBS RE	Banco Ceiss	10,634	53.0Mn	4,984	n.a.
94	2018 Q1	Las Rozas, Madrid	Portfolio 2 Buildings (J. Benavente, Vía Poblados, 7)	Signal Capital	Duro Felguera	20,599	30.0Mn	1,456	n.a.
95	2018 Q1	Madrid	Egeo Building	Colonial	Lar España	18,254	70.30Mn	3,851	n.a.
96	2018 Q1	Madrid	PE Rio 55	AEA	Inm. del Sur	28,000	43.0Mn	1,536	n.a.
97	2018 Q2	Madrid	Velázquez 108	RGA Rural Vida	Private	3,682	32.0Mn	8,691	n.a.
98	2018 Q2	Madrid	Av. Camino de Santiago 40	Safra Group	Gorbe Arrendamientos	21,000	115.0Mn	5,476	n.a.
99	2018 Q2	Madrid	Velázquez 123	Silicius	Mazabi	2,346	20.0Mn	8,525	n.a.
100	2018 Q2	San Fernando de Henares	Av. Castilla, 2	Starwood Capital	Oaktree Capital	86,000	121.0Mn	1,407	n.a.
101	2018 Q2	Madrid	Rios Rosas 24	International fund	Arcano	4,486	23.0Mn	5,127	n.a.
102	2018 Q2	Madrid	Juan Hurtado de Mendoza 4	Meridia Capital	Lico Leasing	8,680	26.50Mn	3,053	n.a.
103	2018 Q2	Madrid	Pº Virgen del Puerto 55, Parque Empresarial Rio 55 Norte	Familia Moya Yoldi	Inm. del Sur	14,000	70.0Mn	5,000	n.a.
104	2018 Q3	Madrid	Portico Building, Mahonia 2, Campo de las Naciones	Amundi RE	Union Investment	21,000	110.0Mn	5,238	n.a.
105	2018 Q3	Madrid	Santa Leonor 65. P. Emp. Avalon (5 buildings)	Barings RE	Meridia Capital	25,780	73.0Mn	2,832	n.a.
106	2018 Q3	Madrid	Albarracín, 34	Greenoak	Axa RE	9,800	24.0Mn	2,449	n.a.
107	2018 Q3	Madrid	Fuente de la Mora 1, Edificios A y B	IBA Capital Partners	Axa RE	42,495	90.0Mn	2,118	6.5%
108	2018 Q3	Madrid	Alcalá 30-32	Real IS	Colonial	9,118	60.0Mn	6,580	n.a.
109	2018 Q3	Madrid	Vía de los Poblados 3, Building 2, Empresarial Park Cristalia	Tristan Capital Partners+Zaphir AM	Colonial	8,700	30.0Mn	3,448	n.a.
110	2018 Q4	Madrid	Gran Vía 43	Henderson Park	Mutualidad de la Abogacia	7,302	61.0Mn	8,354	n.a.
111	2018 Q4		Vía de los Poblados 3, Building 5, Empresarial Park Cristalia	Tristan Capital Partner	Colonial	8,793	30.35Mn	3,452	n.a.
112	2018 Q4	Madrid, Alcobendas	Porfolio 6 buildings (Centro Norte, Arr. Vega, Luca de Tena 6&14, Cristalia 3&6)	Tristan Capital Partners	Colonial	79,142	219.7Mn	2,775	n.a.
113	2018 Q4	Madrid	Paseo de Castellana 30	Labe Abogados	Private	3,091	80.0Mn	25,882	n.a.
114	2018 Q4	Madrid	Santa Leonor 65. P. Emp. Avalon (4 buildings)	Barings RE	Greenoak	21,172	60.0Mn	2,834	n.a.
115	2018 Q4	Madrid	Claudio Coello 123	Greenoak	Credit Mutuel	4,655	24.50Mn	5,263	n.a.
116	2018 Q4	Alcobendas	Av. Industria, 51	Teleno RE	Private	12,000	25.0Mn	2,083	n.a.
117	2018 Q4	Madrid	Velázquez 94	Caser	Herederos de Darwin	5,460	41.0Mn	7,509	n.a.
118	2018 Q4	Madrid	Albarracín, 31	IBA Capital Partners	Acciona	19,537	50.0Mn	2,559	4.7%
119	2018 Q4	Madrid	Portfolio 2 Buildings (María Molina, 24&F. Bernardino Sahagún,24)	Arima	Bankia	6,253	31.0Mn	4,958	n.a.

#	Date	City	Identification	Investor	Vendor	GLA	Price	€ psm	Yield
120	2018 Q4	Madrid	General Lacy 23-25	Lasalle Investment	Royal Metropolitan	6,987	32.50Mn	4,651	4.1%
121	2019 Q1	Madrid	Llano castellano 51	Azora	GMP	23,108	28.30Mn	1,225	n.a.
122	2019 Q1	Alcobendas	Portfolio Omega Business Park (C,D,E&F)	Starwood Capital	Autonomy Capital	33,455	73.0Mn	2,182	n.a.
123	2019 Q1	Madrid	Torre Spinola. Cardenal Marcelo Spínola 42	Invesco	Lar España	8,875	37.0Mn	4,169	n.a.
124	2019 Q1	Madrid	Portfolio 5 Buildings (Albacete, C. Azcárraga, Pechuán)	Zurich	Hispania	35,951	170.35Mn	4,738	n.a.
125	2019 Q1	Madrid	Vía de los Poblados 3, Cristalia Business Park	Arima	Hispania	9,272	43.75Mn	4,719	n.a.
126	2019 Q1	Madrid	Gran Vía de Hortaleza 3 (7 Buildings)	Acciona Inm.	Banco Santander	60,000	145.0Mn	2,417	n.a.
127	2019 Q1	Madrid	Santa Lucrecia 11	Previsión Sanitaria Nacional	vemusa	6,766	22.0Mn	3,252	5.3%
128	2019 Q1	Madrid	Trespaderne 29	Iba Capital Partners+Angelo Gordon	GMP	29,400	37.50Mn	1,276	n.a.
129	2019 Q2	Alcobendas	Moraleja Building one, Av. Europa 19	Grosvenor	Blackstone	22,129	80.0Mn	3,615	4.9%
130	2019 Q2	Madrid	Eloy Gonzalo 27	Swiss Life REIM	Lar España	6,230	40.0Mn	6,421	4.3%
131	2019 Q2	Madrid	Pº Castellana 200	Allianz RE	Silvercode	20,340	250.0Mn	12,291	3.5%
132	2019 Q2	Las Rozas	Severo Ochoa 2	Barings RE	ING	13,637	30.50Mn	2,237	n.a.
133	2019 Q2	Madrid	Ramírez de Arellano 21, Iconic	Arima	Blackstone+Hispania	6,760	32.15Mn	4,756	4.1%
134	2019 Q2	Madrid	Agustín de Foxá 25	Private Investor	Signal Capital	6,688	37.50Mn	5,607	3.8%
135	2019 Q3	Madrid	9 Buildings. Las Mercedes, Campezo 1	Starwood Capital	Go Madrid Benz	78,500	200.0Mn	2,548	n.a.
136	2019 Q3	Madrid	Av. Manóteras 48	BNP Paribas RE	Trajano	13,442	62.87Mn	4,677	4.7%
137	2019 Q3	Madrid	Pº Castellana 62	Pictet	Private	6,240	55.0Mn	8,814	n.a.
138	2019 Q4	Alcobendas	Av. Bruselas 15	Pelayo	Hispani	3,458	11.0Mn	3,181	n.a.
139	2019 Q4	Madrid	Foresta 8	Catalana Occidente	Metrovacesa	11,250	67.0Mn	5,956	n.a.
140	2019 Q4	Madrid, Alcobendas, Las Rozas, Tres Cantos	Portfolio Juno (Madrid). Secondary Offices	Cain International-Freo Group	Merlin Properties	84,475	168.95Mn	2,000	5.2%
141	2019 Q4	Madrid	Portfolio Corona (Delta Norte IV & IV)	Tikeau Capital+Ireit Global	Blackstone	24,840	44.75Mn	1,802	n.a.
142	2019 Q4	Madrid	Albarracin 33	Ayto. Madrid	Zurich	21,220	55.0Mn	2,592	n.a.
143	2019 Q4	Alcobendas	Anabel Segura 11. Albatros (C&D)	Cain International+Freo Group	Acciona	28,145	65.0Mn	2,309	n.a.
144	2019 Q4	Madrid	Arturo Soria 125	Invesco	Jaba Inversiones Inm.s	5,526	22.0Mn	3,981	n.a.
145	2019 Q4	Madrid	Torre Spínola	HNA	Invesco	8,875	51.0Mn	5,746	4.2%
146	2019 Q4	Madrid	General Lacy 23-25	CBRE Global Investors	Lasalle IM	6,987	47.0Mn	6,727	n.a.
147	2019 Q4	Madrid	Plaza Colón 1	GPF RE	CBRE GI	3,929	100.0Mn	25,452	2.5%
148	2019 Q4	Madrid	Vía de los Poblados 7	Arima	Signal Capital	17,999	37.75Mn	2,097	n.a.
149	2020 Q1	Madrid	Juan Hurtado de Mendoza 4. Las Fuentes	Royal Metropolitan	Meridia Capital	8,680	38.0Mn	4,378	n.a.
150	2020 Q1	Madrid	Portfolio J. Camarillo	Partners Group	Meridia Capital	22,350	47.0Mn	2,103	n.a.
151	2020 Q1	Madrid	Julián Camarillo 49	Starwood Capital	Bouygues	19,000	55.0Mn	2,895	n.a.
152	2020 Q1	Madrid	Fernando el Santo 20	Private Investor	Royal Metropolitan	2,936	40.0Mn	13,624	n.a.
153	2020 Q1	Madrid	Monasterio Escorial 4	Grosvenor	Idom	10,182	45.0Mn	4,420	4.1%
154	2020 Q1	Madrid	Helios Building	Kiwoom AM	Blackstone	34,999	190.0Mn	5,429	n.a.
155	2020 Q1	Madrid	Huawei HQ	Harbert Mgmt.	GMP	44,068	127.0Mn	2,882	n.a.
156	2020 Q2	Madrid	Velázquez 34	Zurich	Grupo Rosales	7,508	120.0Mn	15,983	n.a.

3.9 Typical Lease Contract Agreement / Structure

We provide a brief summary of the typical lease contract agreement with details of normal tenancy information:

Tenant Responsibility	Landlord Responsibility
<ul style="list-style-type: none">⊙ All taxes and tariffs related to the property in its entirety including property taxes (IBI) and service charge where may be imposed.	<ul style="list-style-type: none">⊙ Costs of the management (including property management), administration, activities of the office management etc., (This cost can be recharged to the occupying tenants)
<ul style="list-style-type: none">⊙ All costs related to the maintenance, conservation, reparation, substitution and technical management of the building internally and to maintain the property in a good state of repair.	<ul style="list-style-type: none">⊙ taxes and fees of any kind assessed by the relevant tax office, other public authority, in the majority of cases this amount can be recharged to the tenant
<ul style="list-style-type: none">⊙ Service charge contribution according to individual contract usually based on area ratio basis, these include but are not limited to cleaning and maintenance of all common parts, this also includes an element related to paying for parking.	<ul style="list-style-type: none">⊙ Any leasing costs, renewal costs
<ul style="list-style-type: none">⊙ CPI Update of rent including a market rent at specific years.	<ul style="list-style-type: none">⊙ Any overhaul or large repair that is necessary within the office building that is of structural relevance
<ul style="list-style-type: none">⊙ the tenants have to pay any charges of services and performance directly related to the premises that they occupy.	
<ul style="list-style-type: none">⊙ Provide a legal deposit of two months' rent – additional guarantees are provided in some cases either through a number of months' rent or comfort letters from the group of companies.	

4 BARCELONA SUBMARKET

4.1 Barcelona Context

Barcelona is the second largest city in Spain, with a population of 1,636,762 (INE, 2019), and capital of the region of Catalonia. Its urban area is the fifth most populous urban area in the European Union after Paris, the Ruhr area, Madrid, and Milan.

It is a leading economic and cultural city in Europe, with a very powerful worldwide city brand, as well as the main biotech hub in Spain.

In 2018, the city presented a GDP growth of 2.6% with a total GDP over €81.3billions, which accounts for 33,5% of Catalonia's regional GDP and 6.8% of Spanish GDP. Barcelona with €49,9billions, is well above the Spanish average in terms of GDP per capita.

It has established itself as a sought after tourist destination due to the combination of leisure, culture and a formidable luxury sector, making it one of the top ranked international destinations.

Barcelona is one of the most important cities in congresses tourism, holding the 4th place in the ranking by number of International meetings.



INFRASTRUCTURES

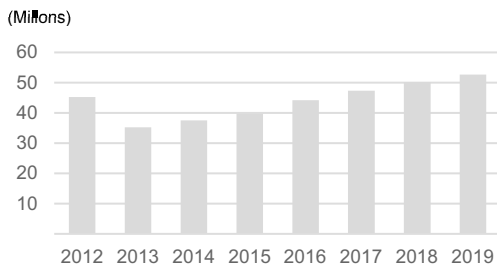
Barcelona lies on 3 international routes: E15, along the coast; E90, to Madrid and Lisbon, and E09, to Paris. It is also served by an extensive network of national highways throughout the metropolitan area and circled by 3 half ring roads that bypass the city. The city's main arteries include Diagonal and Gran Via de les Corts Catalanes.

Having a wide and well-connected underground, trams and suburban trains network, Barcelona outstands for the quality of its internal infrastructures system, that connects the city both national and internationally.

Barcelona's port is the leading European cruiser port within the Mediterranean, being as well the 9th largest container port. El Prat airport is the 2nd most important one in terms of number of passengers and operations in Spain, with a total of 52,7 million of passengers during 2019. It is located in El Prat de Llobregat, with very good connections with the city centre.

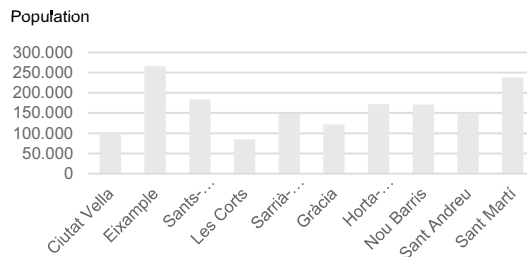
The high-speed railway in Spain (AVE) is the 2nd largest in the world. Barcelona, with the stations of Sants and França, is a major hub for the Spanish railway network, providing good connections with a wide range of cities within Spain and abroad.

NUM. PASSENGERS BARCELONA-EL PRAT



Source: AENA

POPULATION BY DISTRICT



Source: INE, Ayunt. BCN (2019)

4.2 Barcelona Office Market

Before Covid-19 spread throughout Europe, the political turmoil in Catalonia was not showing signs of mining the appetite of the investors. Employment figures, private sector demand and the growth above average of productive activity in Barcelona continued to boost office investment volume.

Office take up in 2019 Q4 reached 65,000 sqm, which represented an annual increase of 9% compared with 2018's figures. Provisional figures for 2020 H1 show a total take-up of 81,200 sqm, considerably lower than previous years' data, mainly due to the scarcity of available product and the market stagnation provoked by the lockdown measures and uncertainty. The strong demand experienced is reflected in its availability rates, currently at their lowest level (around 1.6% in the CBD).

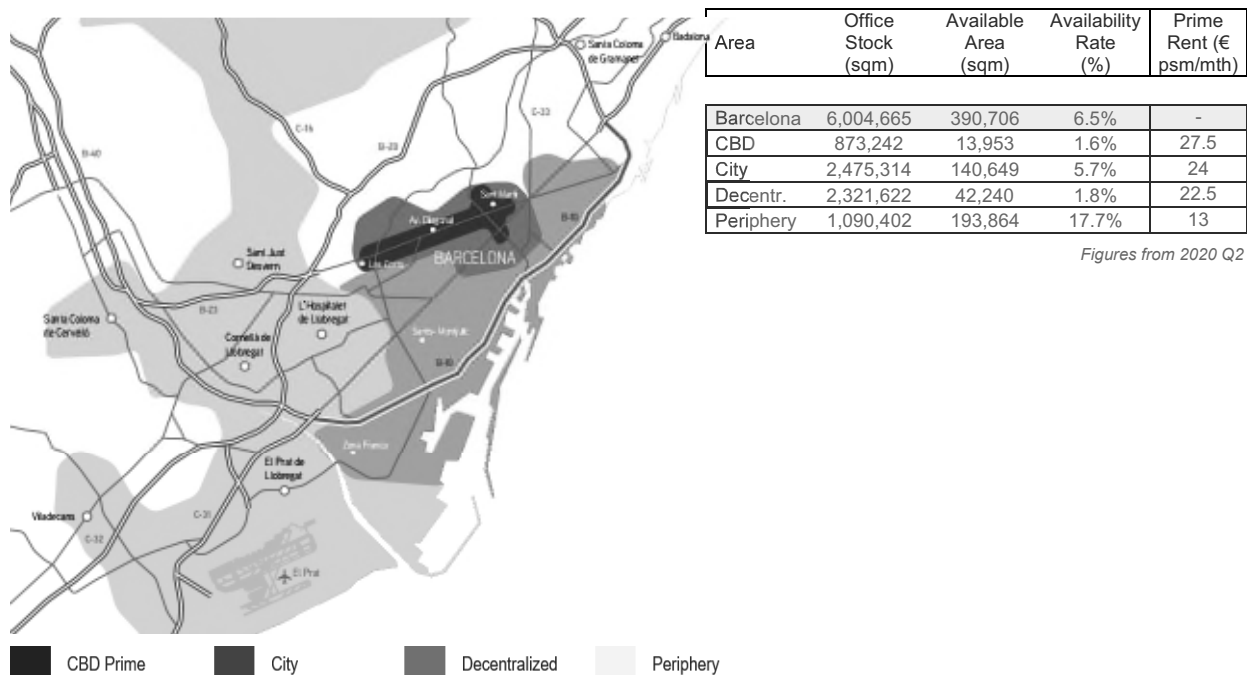
22@ district has confirmed as the extension of the CBD, becoming the only option for corporate occupiers in search of good quality, large spaces in central, well connected locations. Thus, most of the current pipeline for the next 24 months is concentrated in 22@. However, in 2020 Q1 a significant downturn in activity within the 22@ has been observed.

In terms of rental market, some of the largest deals in 2020 H1 have been the 3,000 sqm rented by ISS Facility in Cornellà de Llobregat and the 2,400 sqm rented in BCN Tower by Banc Sabadell.

Prior to the Covid-19 outbreak, market rents continued to increase, exceeding the peaks achieved in the previous cycle. The prime market rent in the CBD reached €27.5 sqm/month. Prime rents in other areas of the City were in the region of €22 sqm/month whereas in decentralized locations (including 22@) they reached € 24 sqm/month. In the periphery, they remained stable in the region of €13 sqm/month.

We are now in a phase of uncertainty, with a significant decline in activity and a wait and see attitude due to the economic recession forecasted for the next years. Now more than ever, the office stock that has become obsolete will not be let until the landlords invest in renovations.

BARCELONA OFFICE MAP



4.3 Political Climate

Besides the national and European measures (please, check section 2.1.3 for further details regarding both national and European measures), Catalonia regional government (Generalitat) has approved several measures regarding both subsidies and payment extensions:

- ⊙ Main initiative comprises 1,000M€ in Public Credit Guarantee to be granted to approx.4,000 SMEs through the ICF (Catalan Financial Institute). Catalonia government will guarantee for up to 75% of the loan.
- ⊙ Furthermore, 7.5M€ in Public Credit Guarantee to self employees.
- ⊙ Postponement of the tax related to touristic overnights from April to September.
- ⊙ Payment extension of regional taxes, loans (principal or interests, for 3 months) or contribution to Spanish National Health System among others.

In addition, they are intended to approve some regulations directly affecting residential sector, as they want to control rental prices of the dwellings to reduce their increase. Many organizations and associations have claimed against this measure.

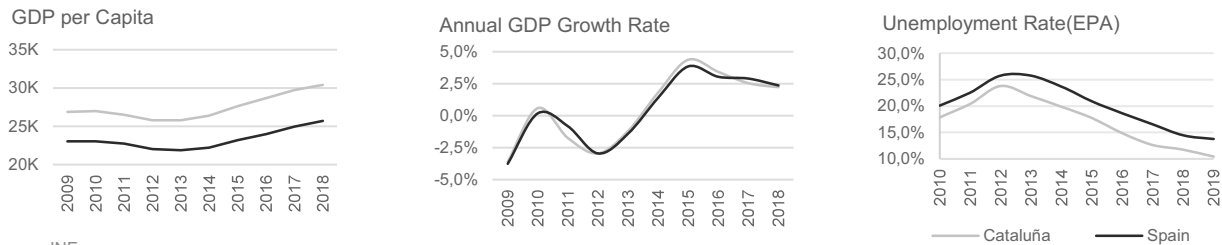
Additionally, Barcelona Cityhall has complemented these measures with others such as:

- ⊙ Creating a specific financing plan for water supply for SMEs and autonomous workers for the six months after the state of alarm.
- ⊙ Reducing payment times for businesses acting as local suppliers.

4.4 Drivers of Demand and Main Industries

ECONOMIC OVERVIEW

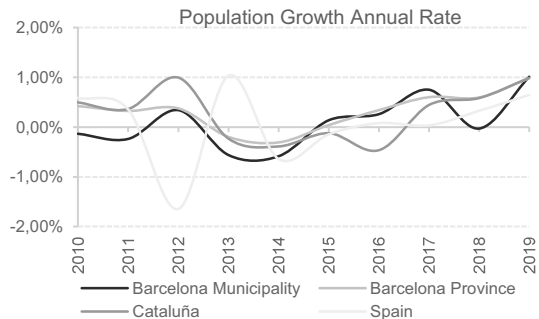
- ⊙ Cataluña is the fourth region in Spain by highest GDP per capita after Madrid, País Vasco and Navarra and second by total GDP after Madrid. It has had a similar economic growth to Spain since 2009. In 2006 Madrid region GDP was 18.1% of the total Spanish GDP second after Cataluña with 18.7%, while in 2018 it surpassed Cataluña with 19.2% of the total vs 19.0%. According to BBVA Research, the GDP variation forecasts for 2020 for Madrid region are 0.5% below the Spanish average and 0.4% above it for 2021.
- ⊙ Cataluña's region GDP per capita compared to Spain has remained stable. In 2018 it was 30K€, 118% of the Spanish average, and in 2006 it was 27,000€, 118% of the Spanish average.
- ⊙ Cataluña has a low unemployment rate by Spanish standards, with 10,5% vs 13.8% Spanish average. According to BBVA Research, employment rate variation forecasts for 2020 for Madrid region are 0.5% below the Spanish average and 7.4% above it for 2021.



Source: INE

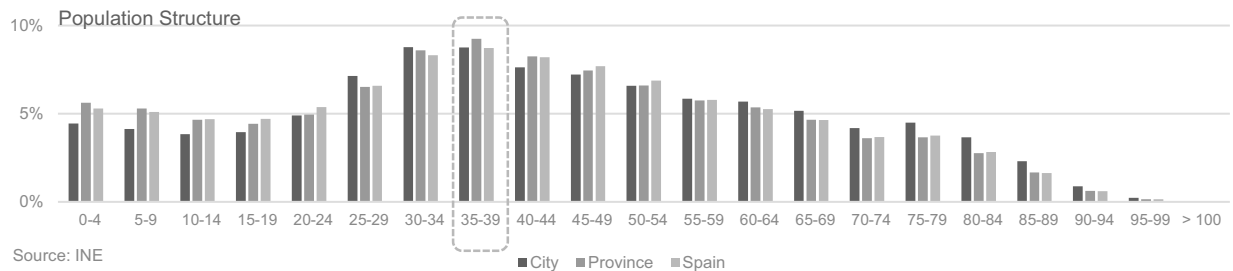
POPULATION GROWTH

- ⊙ Currently, Barcelona city has a total population of 1,64M inhabitants, while the province and Cataluña region have 5,66M and 7.7M respectively.
- ⊙ Barcelona is the second most populated city in Spain and at regional level Cataluña is the second most populated region after Andalucía.
- ⊙ Barcelona city has gained 32,000 inhabitants since 2015 (2.0% total growth), while Spain has gained 505,000 inhabitants (1.1% total growth).



POPULATION STRUCTURE

- ⊙ Barcelona city presents a similar population structure as the province and Spain, although a lower percentage of people between 0 and 24 years is noticed (21% in Barcelona city vs 25% in the province and Spain).
- ⊙ The average age in Barcelona province is 43, the city one is 44.5 while the national one is 43.5. This compares to the European average (40 years), and the world average (36 years) showing that Spain has an aged population.



Source: INE

KEY DEMAND DRIVERS

- ⊙ **Business:** As well as including many of the most renowned campuses related to Business, Barcelona is one of Europe's best and fastest improving business cities as well as a great business platform for closing deals within the EU, North Africa and specially Latin America.
- ⊙ **Socio-Economic:** Cataluña is the fourth region in Spain by highest GDP per capita after Madrid, País Vasco and Navarra and second by total GDP after Madrid. It has had a similar economic growth to Spain since 2009. In 2018, its GDP per capita was 30K€, 118% of the Spanish average. Workforce is also attracted by the higher salaries and better work conditions that are offered in Barcelona.
- ⊙ **Labour Market:** Barcelona has a dynamic labour market with strong job creation and low unemployment (10,5% vs 13.8% Spain's average – 2019). This favours a positive migration rate, as the workforce migrates from other areas with worse labour market performance.
- ⊙ **Infrastructure and Services:** Barcelona offers good connections with other Spanish and European cities. In addition, to the excellent climate conditions as being located at the seacoast, it provides a wide range of services and facilities for expatriates such as international schools and a great public health system. It is as well a relatively affordable city to live in comparison to other cities as London, Paris or Berlin.
- ⊙ **Office Area CBD:** Barcelona's office rents are very competitive when compared to other European cities. Even when the current offer of grade A buildings is still insufficient, new developments and refurbishment projects are being added to the current supply, specially within the 22@.
- ⊙ **Office Market Performance:** The office market is showing a strong performance with positive forecasts. Investment figures reached its peak in 2019 with a total investment volume in excess of €1,800Mn and supported by the take-up figures registered. This is indicative of Barcelona being an attractive location for companies' HQs, as having excellent climate conditions, quality of life and competitive market.
- ⊙ **Rental Levels and Returns:** Barcelona average rents are lower than the ones registered in Madrid and significantly lower than the ones registered in other main European cities, which is an advantage especially for tenants in search of large amount of space. In addition, investors can obtain better returns than the ones expected in other European capital cities.
- ⊙ **Brexit:** Since several years ago Brexit preparations started, many companies are studying the possibility of transferring part of their teams to Madrid, in order to avoid a rise in exchanges rates and a greater regulatory complexity when doing business with other EU countries.
- ⊙ **Main Sectors:** Even when working from home might imply the reduction in office space, some sectors mainly found within Barcelona city (finance services, consultancy, technology...) will need office space to be able to develop their activity. Technological sector and Flexible Spaces are forecasted to lead the demand necessities during the next terms, due to their flexibility and adaptability.



FIRA Barcelona



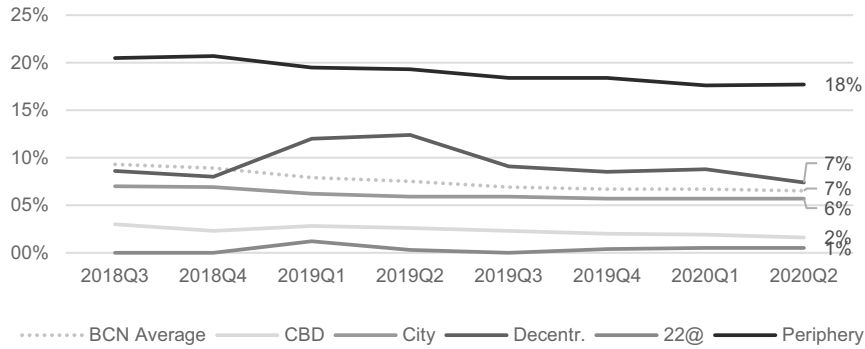
Paseo de Gràcia



Mobile World Congress

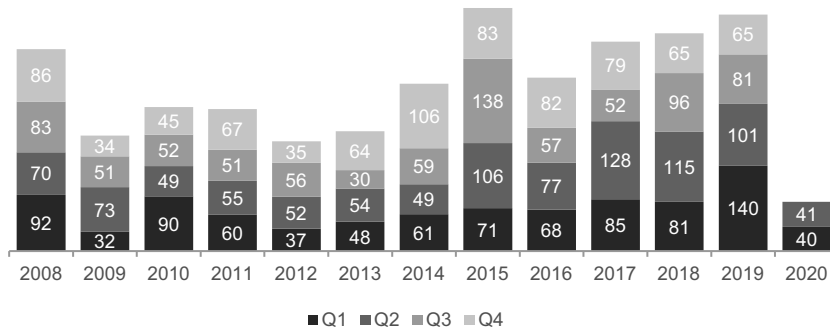
4.5 Office Market Key Indicators

VACANCY RATES



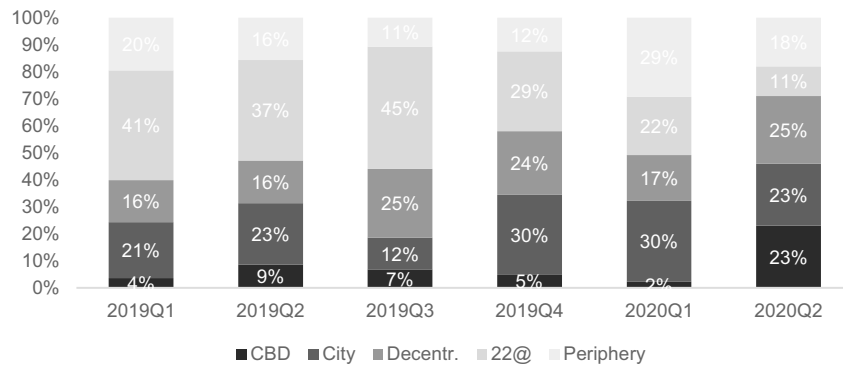
OFFICE TAKE UP PER QUARTER

Take-up in '000sqm

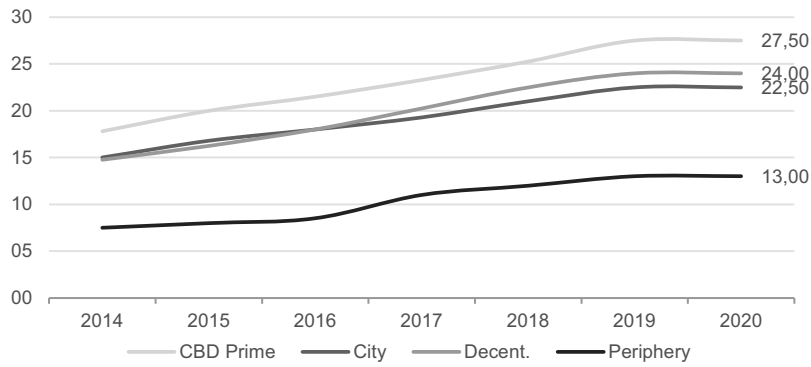


OFFICE TAKE UP PER AREA

Take-up in '000sqm



GRADE A RENTS BY AREA



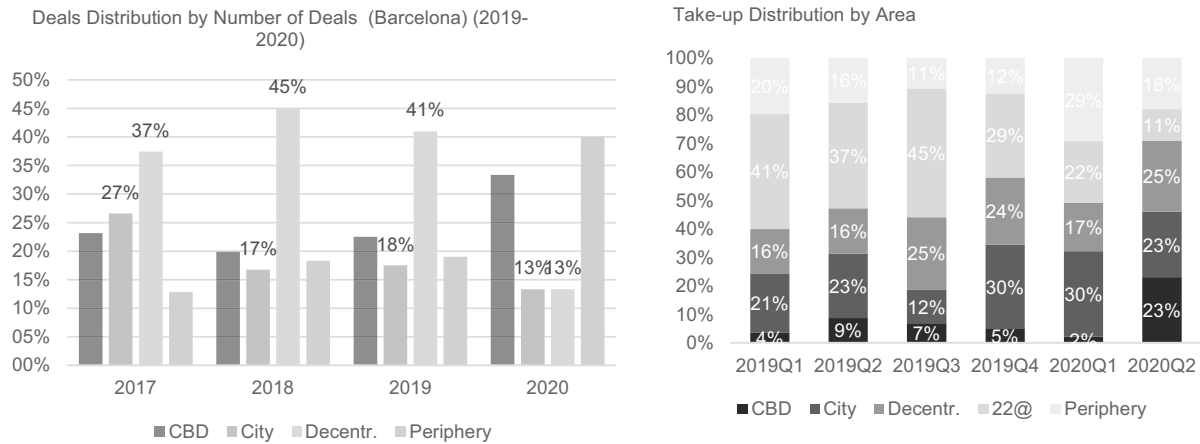
The average of rents in Madrid areas (including Grade A, B and C buildings) would be in the region of:

- ⊙ CBD: € 23-25 sqm/month
- ⊙ City: €18-21 sqm/month
- ⊙ Decentral.: €17-20 sqm/month
- ⊙ Periphery: €9-11 sqm/month

Grade A rents in Barcelona are characterized by a rising trend since 2014.

4.6 Tenants Trends

Recent years take-up distribution shows that secondary locations, although with good connections and all the services around, are gaining importance with respect to the CBD, mainly because of the scarcity of prime assets available in it.



Source: Colliers

*Very few transactions (15) have been closed within Barcelona Area in 2020, so results for that year are still inconclusive.

We are witnessing two main trends, depending on the size of the companies that are in search of office space to let:

- ⊙ Small and medium-size companies:
 - They prefer to be located in the city centre, both in the CBD or in other locations such as 22@, even if the high office prices imply reducing the amount of space let.
 - The reduction of space can be accomplished by making a more efficient use of it or by implementing internal policies that can reduce the number of employees working from the office simultaneously.
- ⊙ Large companies:
 - They are conditioned by rents and the large amount of space they need, not easy to find within the CBD or the city.
 - They are normally situated in large and new developed buildings in secondary locations, even in office areas of other municipalities such as Sant Cugat del Vallés. They normally offer parking spaces and all the services to their employees.

Between 2019 and 2020, 24 deals with a surface area in excess of 5,000 sqm were closed within Madrid markets. 46% of these deals were closed in decentralized areas, such as Manoteras, 29% within the CBD, 13% within the City and 13% on the periphery. Some of the largest transactions (in excess of 5,000 sqm) closed within Madrid market during 2019-2020 have been the following:

Date	Area	Zone	Direcció	Tenant	Industry	Area (sqm)
2019 Q1	Decentralized	22@	Pallars 190	Wework	Coworking	8,298
2019 Q1	Decentralized	FIRA	GV. Corts Catalanes 159	Caixabank	Bank	12,868
2019 Q1	City	CBD	Josep Tarradellas 123	Aticco	Coworking	5,010
2019 Q1	Decentralized	22@	Pallars 108	Aticco	Coworking	6,510
2019 Q1	Decentralized	22@	Pallars 200	Institut Municipal d'Hisenda	Public Admin.	6,093
2019 Q1	City	CBD	Josep Tarradellas 123	Cospace Aticco	Coworking	5,910
2019 Q2	Decentralized	22@	Sancho de Ávila 65	Wojo	Coworking	8,303
2019 Q2	Decentralized	22@	Sancho de Ávila 55	Gartner	Consultancy	6,200
2019 Q2	Periphery	S. Joan Despi	Carrer Samonta 21-25	Indra	Consultancy	6,975
2019 Q3	Periphery	Cornellá Llobregat	Ctra. Esplugues 225	Servihabitat	Bank	6,050
2019 Q3	Decentralized	22@	Venezuela 108	TBS Business School	Education	8,760
2019 Q4	Decentralized	FIRA	Foc 70	Wallbox	Industrial	11,000
2020 Q1	Decentralized	22@	Selva de Mar 125	Webhelp	Industrial	31,000
2020 Q2	CBD	CBD	Paseo Gracia 2-4	Apple	Technology	5,940

Barcelona is internationally well-positioned as an important centre of attraction for companies in the technology sector, as it has recently been evidenced with the great boom of the 22@ technology district in Barcelona, where the highest percentage of new developments is concentrated and leading companies such as Amazon, Glovo or Everis have established. The good performance of this sector began around 2015 and has been increasing during the last 5 years.

Specific areas, such as the area between Diagonal and Paseo de Gracia or 22@, host a large number of technology companies such as Amazon or HP. Other areas, such as Can Sant Cugat, host a large number of companies related to the health industry, as well as technology.

Barcelona is attracting many technological-profile companies, such as IT and videogames companies. Even companies whose main HQs are located in other EU countries are outsourcing many of their services or transferring some of their largest departments to Barcelona.

The main reason for this attraction is the affordability of Barcelona's offices rent. Every year, new developed buildings located either on the CBD or in other main areas such as 22@ are being incorporated to the market and the stock is still not sufficient. Because of that, in secondary areas even located in other municipalities (periphery) many deals are currently being closed.

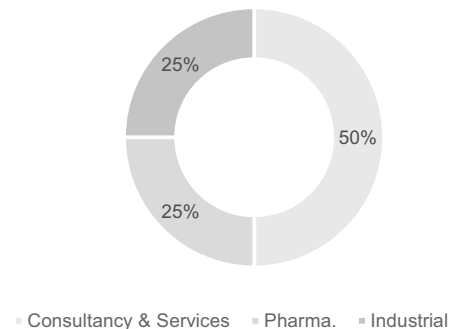
Barcelona city hall has opened "The Brexit Point", a permanent service located in the 22@ area and a pioneer initiative to respond to the British companies. After Brexit, many companies previously operating from London are intended to transfer some of their divisions to Barcelona. Some examples are:

- ⊙ Tokio Marine Europe S.A: In 2019, they let 485 sqm in Diagonal Mar Building.
- ⊙ Oracle: In 2018, they let 3,500 sqm in Torre Glories.

Other companies, such as Facebook are intended to open an office in the city, but they are still in search for professionals with the demanded profile.

After the Covid-19 outbreak, companies are now studying how to deal with the current health situation that obliges them to guarantee social distance among their employees. It does not seem probable that location trends change in the medium term. Even though specific measures might vary depending on the different companies and are still under analysis by the members of the board, it is expected that the requirements of social distancing after Covid-19 will be solved by implementing shifts that allow employees to work some days from home.

Industries Breakdown within City & Decentralized Areas (2020)



4.7 Future Supply

By the end of 2021, it is expected that more than 340,000 sqm of new stock will enter the market, including new developments and refurbishment projects but more than 30% area is already let.

More than 70% of this future supply will be concentrated in the New Business Areas (NBA) of the city, specially within 22@ district. These submarkets are not just an alternative to the scarcity of prime product within the CBD, but an attractive market for demand.

NEW OFFICE SUPPLY

Some of the most significant projects currently in the pipeline within Madrid are the following:

Project Name	Owner	GLA	Status	Year	Project Name	Owner	GLA	Status	Year
Casa Pascual i Pons	Catalana Occidente	9,300	Refurb. Project	2020	Av. d'Icària, 213	Meridia	25,000	New Develop.	2021
Doctor Trueta 205	n.a.	8,180	New Develop.	2020	B97	Conren Tramway	17,500	New Develop.	2022
Pallars 186	Emesa	9,200	New Develop.	2020	Luxa Project	Castellví	18,000	New Develop.	2022
Cristobal de Moura	Mitshubishi	11,500	New Develop.	2021	Almogavers, 162	Conren Tramway	9,000	New Develop.	2022
125 Selva de Mar	Acciona y Tristan Capital	31,000	New Develop.	2021	Av Paral.lel, 51 "La Canadencia"	Conren Tramway	33,800	Refurb. Project	n.a.
Perú 62	n.a.	4,950	Refurb. Project	2021	SA65 (22@)	Conren Tramway	8,300	New Develop.	n.a.
Llevant & Ponent	Iberdrola Inmobiliaria	45,798	New Develop.	2021	100 Selva de Mar	Praedium	30,000	New Develop.	n.a.
Alaba 111	La Llave de Oro	17,550	New Develop.	2021	Mile (B57)	Freo Investments	30,160	New Develop.	2022

FUTURE SUPPLY IN THE ASSETS' SURROUNDINGS

There are no projects currently in the pipeline in the area of Sant Cugat del Vallès. In case of Esplugues de Llobregat, there are a few projects to be developed, although in the medium-long term. We could identify the following:

ARE MONTESA - RAYO AMARILLO

ARE Montesa is a large project that will be focused on the development of more than 2,000 new dwellings and a shopping center. It is likely to include a small portion of offices as well.



PROJECT FINESTRELLES

This location includes three different uses: residential, with more than 90,000 sqm; retail, with a shopping centre of more than 99,000 sqm and offices, where a business park is intended to be constructed, over a 37,000 sqm site.



4.8 Office Investment

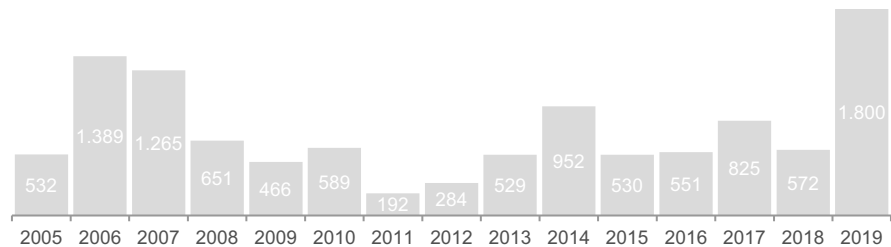
In 2019, Barcelona office sector's investment figures reached its peak, exceeding €1,800Mn. The sector good performance maintained in Q1 2020 as, before the Coronavirus spread throughout Europe, Barcelona investment figures represented an increase of 42% in comparison with 2019's, showing its strength. Investment volume during the 2nd quarter has been significantly lower, due to the decrease in activity after the Coronavirus outbreak and the lockdown measures.

Deals in the first half of the year in Barcelona region included the purchase, by DWS, of Urban BCN 22@ building, located in 22@ district for approximately €90Mn and the sale by Tramway of an office building project, located on Sancho de Avila street to Amundi for approximately €56Mn. This project is already pre-let to Wojo, one of the most important flexible spaces companies of France.

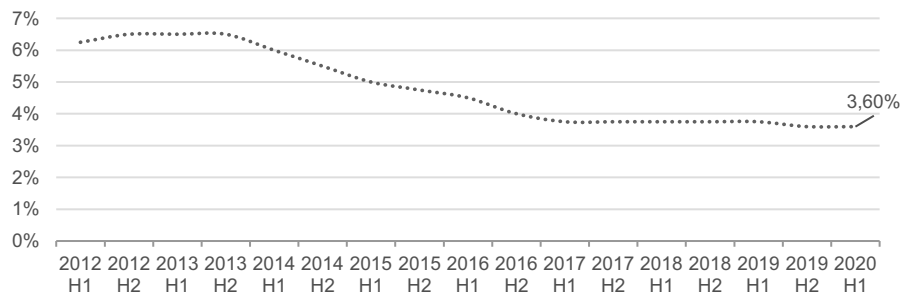
Prior to the Covid-19 outbreak, offices investment product for sale remained scarce in comparison to high demand levels. However, as Barcelona is impacted by the political uncertainty, investors still demand slightly higher returns than in Madrid area.

Although in recent weeks we have witnessed a significant return of activity, investors are now much more cautious and prudent regarding secondary assets and locations. The performance and consideration of core and core + assets is completely different from value-add ones and, whereas for occupied grade A buildings located in prime locations, rents and yields have not experienced an important change, the increase in investors' risk aversion will be reflected in secondary assets' prices, yields and investment volumes, as their perspectives are still uncertain.

OFFICE INVESTMENT VOLUME (€M)



PRIME YIELDS



We list below the main office transactions closed in Barcelona in 2015-2020:

#	Date	City	Identification	Investor	Vendor	GLA	Price	€ psm	Yield
1	2015 Q1	Cornellá de Llobregat	WTC Almeda P. Bd.8	Merlin Properties	UBS RE	14,543	36.50Mn	2,510	4.8%
2	2015 Q2	Barcelona	Two office buildings	Private	Generalitat	21,600	65.0Mn	3,009	n.a.
3	2015 Q2	Barcelona	Torre Nissan Norte	Segurcaixa	Private	n.a.	14.50Mn	n.a.	n.a.
4	2015 Q2	Cornellá de Llobregat	WTC Almeda P. Bd.4	Standard Life	Morgan Stanley	10,300	30.0Mn	2,913	n.a.
5	2015 Q2	Barcelona	Corsega	Platinum Estates	CDC	4,500	15.0Mn	3,333	n.a.
6	2015 Q2	Barcelona	Joan Miró 21	LAR	Pelayo	11,325	19.70Mn	1,740	5.6%
7	2015 Q2	Barcelona	Portfolio 2 offices (Sepúlveda 148, Torre Muñoz)	Nadlan BCN	Generalitat	19,792	63.50Mn	3,208	4.4%
8	2015 Q3	Cornellá de Llobregat	Cornerstone building	UBS	Benson Elliot	20,700	80.0Mn	3,865	n.a.
9	2015 Q3	Barcelona	Torre Tarragona	UBS	Omega Capital	27,000	72.0Mn	2,667	n.a.
10	2015 Q3	Barcelona	Girona 2	Bonavista Developments	Generalitat de Catalunya	4,944	n.a.	n.a.	n.a.
11	2015 Q3	Barcelona	Josep Tarradellas 2-6	Deutsche Asset & Wealth Management	Bancale	27,787	70.0Mn	2,519	5.8%
12	2015 Q3	Barcelona	Can Ametller	Axa RE	Abu Dhabi Inv. Authority	28,500	n.a.	n.a.	n.a.
13	2015 Q4	Barcelona	Av.Paisos Catalans 51	Meridia Capital	Nestlé	49,999	40.0Mn	800	n.a.
14	2015 Q4	Barberá del Vallés	Barberá del Vallés	Hispania	Iberoproperty	11,090	10.0Mn	902	8.5%
15	2016 Q1	Barcelona	Fontanella 9	Private	ECI	4,670	17.0Mn	3,640	n.a.
16	2016 Q2	Barcelona	Av. Diagonal 648	Santa Lucia	Private	n.a.	10.0Mn	n.a.	n.a.
17	2016 Q3	Barcelona	Llull 297	M&G RE	Axa RE	9,000	30.0Mn	3,333	n.a.
18	2016 Q3	Barcelona	Roc Boronat 78	Catalana Occidente	General Electric	3,819	11.0Mn	2,880	n.a.
19	2016 Q3	Barcelona	Marina 206	Has Capital	Novartis Farmacéutica	8,837	13.50Mn	1,528	n.a.
20	2016 Q3	Barcelona	Via Laietana 12	Private	Private	2,665	10.30Mn	3,865	n.a.
21	2016 Q3	Barcelona	Aribau 138	UBS RE	Inversiones Hemisferio	11,230	55.10Mn	4,907	n.a.
22	2016 Q3	Barcelona	Valldaura 66-74	Baech Bienes	Telefónica	5,299	10.0Mn	1,887	n.a.
23	2016 Q3	Viladecans	Viladecans. Australia&Brasil Buildings	Meridia Capital	Oak Tree	22,646	30.0Mn	1,325	n.a.
24	2016 Q3	Espluges de Llobregat	Av. Pais. Catalans 36	Meridia Capital	Private	7,656	11.50Mn	1,502	n.a.
25	2016 Q4	Barcelona	Ronda Sant Pere 5	Invesco	Deka	4,000	29.0Mn	7,250	n.a.
26	2016 Q4	Barcelona	Pº Gracia 81	Caboel	Generali	3,741	29.18Mn	7,800	n.a.
27	2016 Q4	Sant Cugat del Vallés	Can Camp, Vallsolana Business Park,	Green Oak	UBS RE	19,640	26.0Mn	1,324	n.a.
28	2016 Q4	Barcelona	Travessera de Gracia 47-49	Grupo Colonial	Fundacion Betelsmann	11,200	40.0Mn	3,571	n.a.
29	2016 Q4	Barcelona	Pere IV 291	Plus Ultra	La Llave de Oro	5,762	21.0Mn	3,645	n.a.
30	2017 Q1	Barcelona	Glories Tower. Av. Diagonal 211	Merlin Properties	Aguas de Barcelona	47,267	142.0Mn	3,004	6.5%
31	2017 Q1	Barcelona	GV. C. Catalanes 583	Caboel	Standard Life	5,500	n.a.	n.a.	n.a.
32	2017 Q1	Barcelona	Av. Diagonal 131	Private	Altamira RE	3,150	n.a.	n.a.	n.a.
33	2017 Q1	Sant Cugat del Vallés	Aurons 9,	Axiare	ING	12,000	19.50Mn	1,625	6.4%
34	2017 Q2	Barcelona	Zamora 54	Med.s/ Fronteras	Urprasa	8,245	28.0Mn	3,396	n.a.
35	2017 Q2	Barcelona	Torre Puig, Plaza Europa 48, Hospitalet de Llobregat	Familia Puig	BBVA	23,000	55.0Mn	2,391	n.a.
36	2017 Q2	S. Joan Despí, Bcn, Espluges, Rubí, Cerdanyola	Porfolio 7 assets. Several locations	Oaktree +Free Group	BBVA	48,951	74.09Mn	1,514	n.a.
37	2017 Q2	Barcelona	Av. Diagonal 444	Emesa	Private	3,277	35.0Mn	10,681	n.a.
38	2017 Q2	Barcelona	Fontanella 6-8	Private	Avignon Capital + Betenech Investment	8,705	64.70Mn	7,433	n.a.
39	2017 Q3	Barcelona	Cartera Hispania	Swiss Life REIM	Hispania Socimi	39,506	n.a.	n.a.	5.0%
40	2017 Q3	Sant Cugat del Vallés	Can Ametller 24,	Metropolis	Axa RE	28,469	40.0Mn	1,405	n.a.
41	2017 Q3	Barcelona	Badajoz-Tánger	Catalana Occidente	Castellvi+Stoneweg+1810 Capital Investment	17,000	90.0Mn	5,294	n.a.

#	Date	City	Identification	Investor	Vendor	GLA	Price	€ psm	Yield
42	2017 Q3	Barcelona	Gal-La Placidia 1	Colonial	BBVA	5,000	15.0Mn	3,000	n.a.
43	2017 Q4	Barcelona	Vila i Vila 44	Tramway + Indigo Capital	Lone Star	35,000	20.0Mn	571	n.a.
44	2017 Q4	Barcelona	Joan de Austria 37-39	AKM Inmuebles	Meridia Capital	8,295	30.0Mn	3,617	n.a.
45	2018 Q1	Barcelona	Bailén 105	Mutua Médica de Catalunya	Abello Linde	3,639	12.0Mn	3,298	n.a.
46	2018 Q2	Barcelona	Av. Diagonal 177. Imagina Building	Hines	Mediapro + Ayto. Barcelona	23,901	56.0Mn	2,343	n.a.
47	2018 Q2	Barcelona	Llacuna 72 Building 3	Catalana Occidente	Barcelonesa de Inmuebles	5,100	21.0Mn	4,118	n.a.
48	2018 Q2	Barcelona	Av. Diagonal 662	Blackstone	Inversiones Hemisferio	23,693	210.0Mn	8,863	n.a.
49	2018 Q3	Barcelona	Ciutat Granada 121	Catalana Occidente	Stoneweg + Catellvi	4,500	20.0Mn	4,444	n.a.
50	2018 Q3	Barcelona	Av. Diagonal 523-525, Atalaya Building	Colonial	Mercury Capital	4,595	32.0Mn	6,964	n.a.
51	2018 Q3	Espluges de Llobregat	Av. Paisos Catalanes 51,	Private	Private	n.a.	n.a.	n.a.	n.a.
52	2018 Q4	Poblenou	Peru 52, Can Jaumeandreu	Universitat Oberta Catalunya	Invesco	12,284	30.60Mn	2,491	n.a.
53	2018 Q4	Barcelona	Hexagon Building,	Metropolis	Britten Inmobiliaria	10,800	50.0Mn	4,630	n.a.
54	2018 Q4	Barcelona	Icaria Building	AEW Europe	Lar España Socimi	11,325	28.80Mn	2,543	n.a.
55	2018 Q4	Barcelona	Pº Zona Franca 48-50.	BNP Paribas RE	Goldman Sachs	19,285	60.0Mn	3,111	n.a.
56	2019 Q1	Barcelona	Ciutat Granada 123	Patrizia	Laboratorios Kin	2,740	12.0Mn	4,380	n.a.
57	2019 Q1	Hosp. Llobregat	P. Europa 10, G.V Sud	Private	Arcano	5,000	15.0Mn	3,000	n.a.
58	2019 Q1	Hosp. Llobregat	Plaza Europa 22-24, G.V.Sud	Private	Arcano	7,275	25.0Mn	3,436	n.a.
59	2019 Q1	Poblenou	Pallars 193-195	Starwood Capital	Autonomy Capital	12,600	55.0Mn	4,365	n.a.
60	2019 Q2	Barcelona	Llull, 331, Torrassapel	InmoCaixa	GLL RE	7,980	31.0Mn	3,885	3.4%
61	2019 Q2	Barcelona	Portal Firal Torre Auditori	Aberdeen Standard Life	Iberdrola	22,890	98.0Mn	4,281	n.a.
62	2019 Q2	Barcelona	Diagonal 00	Emperador	Telefonica	32,942	137.0Mn	4,159	n.a.
63	2019 Q2	Barcelona	45% MareNostrum	Colonial	Naturgy	n.a.	n.a.	n.a.	n.a.
64	2019 Q2	Barcelona	Portfolio 7 Office Buildings Barcelona	Kanam	Axa RE	29,710	73.50Mn	2,474	n.a.
65	2019 Q3	Barcelona	Av. Diagonal 67	Real IS	Private	8,860	24.50Mn	2,765	3.0%
66	2019 Q3	Barcelona	Almogavers 162	Amundi RE	Tramway	7,998	53.50Mn	6,689	n.a.
67	2019 Q3	Barcelona	Torre Tarragona	Blackstone	UBS RE	24,637	100.0Mn	4,059	n.a.
68	2019 Q3	Barcelona, El Prat, S. Joan Despí	Portfolio 3 Build. BCN	AEW Europe	Inmobiliaria Norte Sur	21,054	26.0Mn	1,235	n.a.
69	2019 Q3	Barcelona	Felipe II 108-110.	Catella AM	Shaftsbury AM	5,801	17.0Mn	2,931	n.a.
70	2019 Q4	Barcelona	G.V. Corts Catalanes 184	Renta Corporación	Family Office	8,000	22.0Mn	2,750	4.0%
71	2019 Q4	Barcelona	Torre Llacuna	Principal RE	Goldman Sachs	10,270	33.0Mn	3,213	n.a.
72	2019 Q4	Barcelona	Almogavers 160	Commerzbank	Tramway	9,000	51.65Mn	5,739	n.a.
73	2019 Q4	Barcelona	Badajoz 97	Commerzbank	Tramway	14,000	80.35Mn	5,739	n.a.
74	2019 Q4	Barcelona	Sancho de Avila 110	Colonial	Castellvi	17,711	88.75Mn	5,011	n.a.
75	2019 Q4	Barcelona	Plaza Catalunya 16	Daniel Mate	Telefonica	8,530	100.0Mn	11,723	n.a.
76	2019 Q4	S.C. Valles y Esp. Llobregat	Portfolio Corona (2 Buildings)	Tikeau Capital + Ireit Global	Blackstone	48,444	85.75Mn	1,770	n.a.
77	2019 Q4	Corn. & P. Llobregat	Project Juno Barcelona (5 Buildings in Citipark & Masblau)	Cain International-Freo Group	Merlin Properties	46,756	90.18Mn	1,929	5.2%
78	2020 Q1	Viladecans	2 Buildings Viladecans B.Park	Partners Group	Meridia Capital	22,586	39.0Mn	1,727	n.a.
79	2020 Q1	Corn. Llobregat	7 WTC Alameda Park	Aberdeen Standard Life	UBS RE	14,825	60.0Mn	4,047	n.a.
80	2020 Q1	Barcelona	Almogavers 136	Blackstone	La Llave de Oro	17,352	100.0Mn	5,763	n.a.
81	2020 Q2	Barcelona	Urban BCN 22@	DWS	Actual Capital Adv.	22,900	90.0Mn	3,930	n.a.
82	2020 Q2	Barcelona	Sancho de Ávila 56	Amundi RE	Tramway	8,303	56.0Mn	6,745	3.8%

4.9 Typical Lease Contract Agreement / Structure

We provide a brief summary of the typical lease contract agreement with details of normal tenancy information:

Tenant Responsibility	Landlord Responsibility
⊙ All taxes and tariffs related to the property in its entirety including property taxes (IBI) and service charge where may be imposed.	⊙ Costs of the management (including property management), administration, activities of the office management etc., (This cost can be recharged to the occupying tenants)
⊙ All costs related to the maintenance, conservation, reparation, substitution and technical management of the building internally and to maintain the property in a good state of repair.	⊙ taxes and fees of any kind assessed by the relevant tax office, other public authority, in the majority of cases this amount can be recharged to the tenant
⊙ Service charge contribution according to individual contract usually based on area ratio basis, these include but are not limited to cleaning and maintenance of all common parts, this also includes an element related to paying for parking.	⊙ Any leasing costs, renewal costs
⊙ CPI Update of rent including a market rent at specific years.	⊙ Any overhaul or large repair that is necessary within the office building that is of structural relevance
⊙ the tenants have to pay any charges of services and performance directly related to the premises that they occupy.	
⊙ Provide a legal deposit of two months' rent – additional guarantees are provided in some cases either through a number of months' rent or comfort letters from the group of companies.	

5 COVID-19

5.1 Impact on European Economy

Covid-19 has spread around the European Union and, as millions of people have been put into lockdown to avoid a collapse of the countries' health services, the reduction in activity and consumption volumes has affected very negatively the economy of all countries. GDP growth figures during the 1st quarter of 2020 showed a better Spanish performance (-2.3%) when compared to several other countries within the EU such as France (-5.0%) or Italy (-5.5%).

The European Commission published that the euroarea economy operated between 25% and 30% below its capacity during the period of the strictest lockdown, which produced that, between the months of April and June, the euro area economy is estimated to have declined by around -13.5%. That has produced that the initial optimism for a V-shaped recession with a very fast and strong recovery has moderated but, as most European countries have begun to lift the lockdown restrictions and labour and economic activity are gradually returning to normality, the situation is soon expected to start its recovery if further resurgences are early controlled.

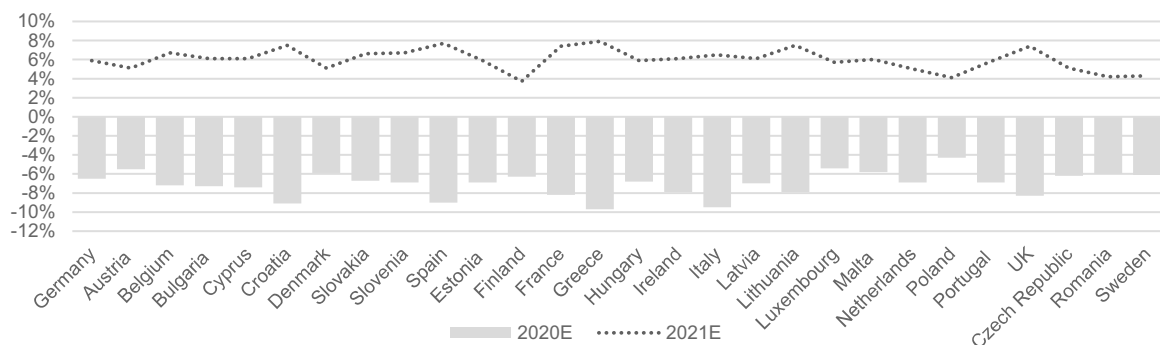
The combined EU27 and UK GDP growth forecast for 2020 is predicted to be -6.9%, which represents a growth contraction of -3.75% in relation to 2019's figures. Spanish recovery pace is expected to be significantly faster than the EU average, with a GDP growth of 7.70% for 2021 (EU average 4.80%) and 2.40% for 2022 (EU average 2.20%).

Economic divergence is estimated to increase in Europe, as the Covid-19 pandemic has not supposed an equal shock to all European countries' economies. The economic costs of lockdowns, social distancing and other restrictions vary from different countries and regions, especially depending on the impact of the pandemic, on how their economy is structured and the available resources they dispose.

- ⊙ The lockdowns in countries with larger Covid-19 outbreaks (France, Spain, Italy and the UK) lasted longer. For each month of lockdown forecasts indicate around 3% of annual GDP loss.
- ⊙ Regions and countries with a high tourism and F&B sectors proportion on GDP will suffer the most, as these sectors are estimated to be the hardest hit and the ones with the slowest recovery.
- ⊙ Southern European countries have a more difficult fiscal situation, as dealing with higher deficit and debt levels.

Both the impact and the recovery will mainly depend on the different measures adopted by the governments and the EU and will be driven by the rebound of consumption and investment.

FORECASTS FOR GDP VARIATIONS



Spain has been on a more vulnerable position than its European neighbours, as being one of the countries where the virus has spread the most and due to its high debt levels and its dependence on tourism, whose revenues have been reduced to practically zero while the lockdown measures were imposed.

Nevertheless, it has to be taken into consideration that Spanish position prior to the recession starting point was considerably better than the one registered before the previous crisis. In addition, this recession has been provoked by a health pandemic that is expected to be controlled in the medium term, as global efforts are focused on finding a vaccine.

Because of that, this recession is likely to be shorter than the preceding one and its impact in the long term would be significantly lower than the one suffered after the previous crisis. The economic measures implemented by the Spanish Government are starting to show their results whereas the economic activity is starting their recovery. Additionally, Spain will benefit from a total of €140 billion over the next 6 years from the EU Covid-19 recovery fund, which will also help to alleviate the situation.

Because of the above, Spanish recovery pace is expected to be significantly faster than the EU average, with a GDP growth of 7.70% for 2021 and 2.40% for 2022. In comparison, the Euroarea GDP growth forecast for 2020 is predicted to be -6.9%, with a slower recovery in 2021 (+4.80%) and 2022 (+2.20%).

However, until a vaccine for the disease is found, precautions have still to be taken to avoid new resurgences and outbreaks that might have a more significant impact on global economy.

5.2 Impact on the Office Sector

The impact of Covid-19 on the office sector will come from two main drivers that might affect to demand for office space in the short time and the way both companies and employees understand the concept of “office” in the long time:

- ⊙ European economic recession, provoked by the lockdown measures implemented to avoid a massive spread of the virus, and that is expected to mitigate after restrictions on mobility and economic activity are gradually returning to normality and even more, once the vaccine is found.

By now, there have not been significant adjustments to rents. These have happened only as minor discounts within a very limited period of time, and mainly depending on the tenant quality but not as a global trend.

- ⊙ Remote working test effects in the short/medium/long term. Covid-19 lockdown has dramatically impacted the way we work, and this might affect not only in the short-term but might have far-reaching effects on work and the workplace

For the first time in history, employees were forced into working from home and had to adapt quickly to the new situation. For those organisations which had established flexible work practices in place, it was just an evolution. However, it caught others by surprise, and these required an intense and rigorous focus to ensure they could continue to function.

If people can be effective working from home, then what is the purpose of the office? The office is not only a place to work as an individual but also and more importantly, a place to connect and collaborate with other members of the team. This connection and intense collaboration are difficult to achieve from home, even via Teams, Zoom or Skype.

Although in many cases productivity has not significantly decreased, working from the office can make more difficult to separate work from private life, dedicating longer hours to work and never disconnecting from work problems. In addition, not everybody lives in a house with enough space to work comfortably and without interruptions. Renting or buying a house with a spare room for these purposes can be considerably more expensive so most employees will not be willing to do it.

We cannot deny that this experience has proven that more flexibility could help employees to organise themselves in a better way. Because of that, most companies are now thinking how to restructure the back to the offices, guaranteeing schedules

and shifts as the minimum space per employee and among employees is expected to increase. Very few of them have already thought in their long-term strategy.

Although a reduction of core office space is a possibility due to less work settings being needed, it is expected that organisations will invest more in the quality of offices, create less dense environments with more collaboration and community spaces, which will require extra space that used to be previously used as individual desks.

FORECASTS

Colliers estimations for Covid-19 impact on the office sector in European capitals show that Madrid and Barcelona are estimated to suffer a vacancy level increase from 8.5% to 12.5% and headline rent decline between -5% to -20% until the recession mitigates. The reduction in rents and the increase in vacancy rates are more likely to produce first in areas with higher available supply and more specifically, in the most obsolete buildings.

We still have not witnessed a considerable decrease in prime rents mainly due to the scarcity of high-quality assets in good locations, with very low vacancy rates in both Madrid (2%) and Barcelona (<1%). Significant decreases in both vacancy and rents in this type of assets are unlikely to be registered.

City	Q1 2020 Vacancy Rate %	Local Prediction- End 2020 Vacancy Rate %	End 2020 Vacancy Change %	Headline Rent: No change	Headline Rent: <5% Decline	Headline Rent: 5-9.9% Decline	Headline Rent: 10-19.9% Decline	Headline Rent: >=20% Decline
Amsterdam	5.3	7.6	2.3	X				
Budapest	6.2	8.8	2.6	X				
Paris	5.5	7	1.5	X				
Prague	5.4	6.9	1.5	X				
Berlin	1.2	3.4	2.2	X	X			
Frankfurt	6.9	8.8	1.9	X	X			
Munich	2.4	4	1.6	X	X			
Copenhagen	6.7	9.2	2.5		X			
Dublin	6	7	1		X			
Tel Aviv	3.7	5.7	2		X			
Warsaw	7.5	9	1.5		X			
London	5	6.5	1.5		X			
Milan	9.8	10.8	1		X			
Dubai	32	42	10 (to15)			X		
Paris LD	5.3	7	1.7			X		
Madrid	8.5	12.5	4			X	X	
Moscow	5.9	7	1.1				X	
Johannesburg	14.25	25	11+					X

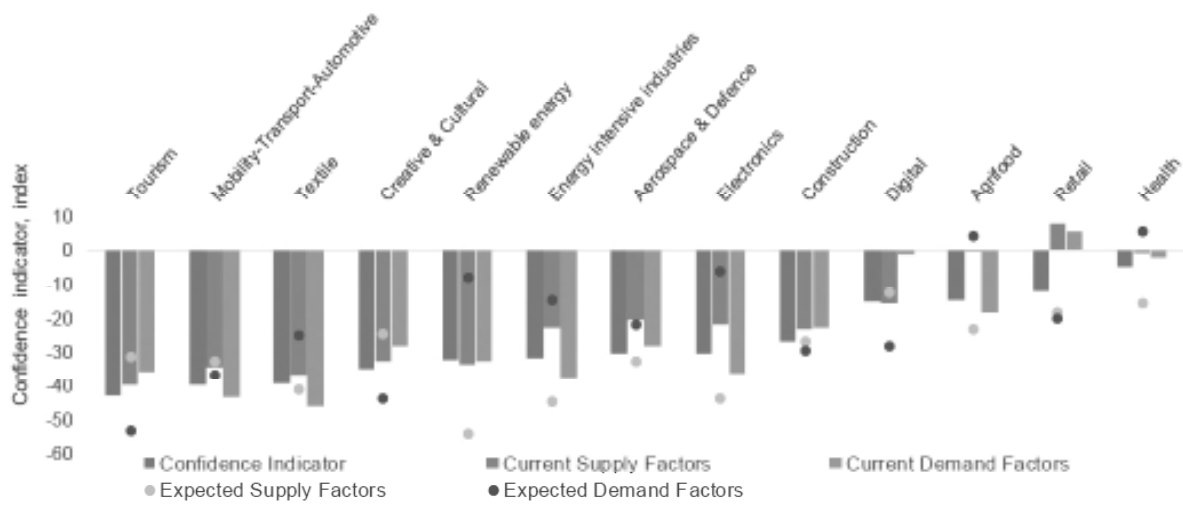
Regarding yields, despite the current scenario of low interest rates that is expected to remain for a long period, office yields, as well as other sectors' yields, could experience a slight rise, mainly affected by the investors' perception of risk. Unless major changes in the Spanish labour market structure occur, as a result of smart working policies, this adjustment will only last until the improvement of the situation caused by the pandemic, taking place mainly in secondary assets.

MOST AFFECTED INDUSTRIES

- ⊙ The sectors that are suffering the greatest impact from the Covid-19 recession are accommodation, leisure, transport and F&B. These sectors have a double impact on both their lower percentage of revenues and an estimated longer recovery to pre-crisis levels, as their product is difficult to adapt to the restrictions and the increase of social distance. The impact during the lockdown was very high, in some cases close to 100%. After the lockdown has ended, some of them still face restrictions or rely on local demand when a large percentage of their revenues came from international demand.

- ⊙ Other sectors that rely on discretionary consumer spending like textile or automotive faced a collapse in demand but are potential candidates for a quicker recovery due to the revitalization of consumer spending in case of textile and the increase of public subsidies in the case of automotive.
- ⊙ The economic sectors that are likely to be less affected by Covid-19 recession, represent more than 25% of Spanish GVA and 31% of the Spanish labour market. whereas some of the industries that are likely to suffer a larger impact on their revenues such as food and services, transport, accommodation or entertainment accounts for only 10.5% of the total Spanish GVA.

We provide below a graph from the European Commission that show their estimations of hardest hit sectors.



Source: European Commission

6 SUBJECT PROPERTIES & MARKET ANALYSIS

6.1 Delta IV

6.1.1 Location

The property is situated in the north of the municipality of Madrid, in the office area commonly known as Manoteras, bounded by Avda. Manoteras (to the north and east), the A-1 highway (to the west) and the railway (to the south).

Manoteras is a well-connected office submarket developed in the north area in the early XXI. The completion of the first buildings took place in 2002-2003. Nevertheless, adjacent to it to the north, on the other side of Avda. Manoteras, there is a residential area that was built in the 70's. Having direct access to M-11 and the A-1 highways, the area is well communicated by private transport, although, as can be expected in consolidated areas of Madrid, there is traffic congestion at peak times and parking can be difficult in the area. Manoteras is also communicated by public means of transport, with two tram stations (Fuente de la Mora and Virgen del Cortijo, both in ML1), one train station (Fuente de la Mora, in lines C1 and C10) and several bus stops.

Manoteras is relatively close to Las Tablas and Sanchinarro areas. However, Las Tablas and Sanchinarro have easier access to both the A-1 and M-40 axes. The zone where the asset is located is an office-focused area where many well-known companies such as Everis or Liberbank have their headquarters settled. It benefits from a number of nearby services including, among others, a shopping centre, several gyms and restaurants.

We provide location plans:



Manoteras office area is a well consolidated nucleus and does not include any opportunities of development land. However, the close area of Las Tablas is currently experiencing a significant growth in office supply by the construction of several new complexes such as Foresta, Arqboarea and Monteburgos.

The following is a link to the location of the property in Google Maps: <https://goo.gl/maps/csDdk1iTmwYfibuo7>

GPS coordinates are: 40.487678, -3.664250

6.1.2 Site

The site is well communicated by road due to its proximity to the M-11 highway, which joins the road junction formed by the M-30, A-1 and M-607 highways with Madrid-Barajas airport and its direct access to the A-1 highway, which connects Madrid with the north of Spain. This provides a fast connection to the airport (located around a 10 minutes' drive away) and with Paseo de la Castellana, the main central route way through Madrid.



Although private car is the most comfortable way of arriving at the subject property, the area is also served by different public means of transport:

- ⊙ By Rail: Fuente de la Mora Cercanias train station is 400m walking distance (around 4 min) from the asset.
- ⊙ By Tram: The nearest tram station is Virgen del Cortijo (Line ML1), located 270 metres (3min) from the asset. Fuente de la Mora tram station is 400 metres (4 min) from the asset.
- ⊙ By Bus: Two bus stops (lines 150, 174 and N1), located just on the other side of Avda. Manoteras, directly serve the property.
- ⊙ By Air: The nearest airport, "Aeropuerto Adolfo Suarez Madrid-Barajas" is located some 11 kilometres from the property via the M-11 highway. There are various terminals in the airport serving national and international destinations.

As happens in most major cities traffic problems can be experienced at peak traffic times including congestion and parking difficulties in the surrounding areas.

In conclusion, the property is well located and is served by several different public transport alternatives which can be accessed in a relatively short time by foot. Access to the property via private transport is also good.

DRIVERS OF DEMAND

Some of the reasons that make Manoteras an attractive office location for both tenants and investors are the following:

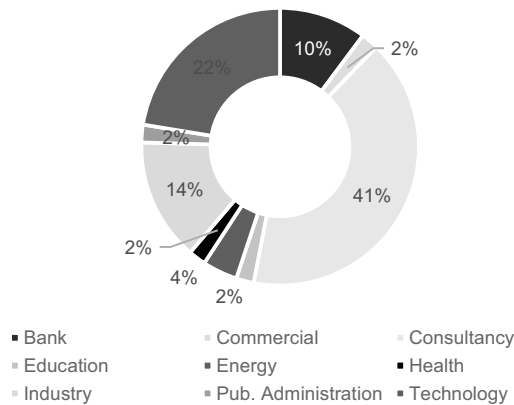
- ⊙ Consolidated Office Area: Manoteras is a consolidated office area, one of the most important included under the “decentralized” submarket, located out of the M-30 ring.
- ⊙ Excellent Location: Located in the north area of Madrid city. Traditionally, the north of Madrid has been wealthier than the south and the main office locations have been located to the north and east of the city, mainly due to the fact that they are closer and better connected to Paseo de la Castellana, the main axis within Madrid, and the CBD. In addition, the airport is located only some 11 kilometres (10 minutes driving) from Manoteras area, which makes meetings with international clients easier to arrange.
- ⊙ Road Access: As having direct exit to both the A-1 highway and the M-11 highway, Manoteras is very easy to access by car. Most buildings have private parking spaces and there are several parking facilities as well but, in addition, parking in the street is neither restricted nor regulated.
- ⊙ Public Transport: Manoteras can be easily accessed by different means of public transport such as tram (with 2 stations in the area), train (that connects the area with Atocha Station in less than 20 minutes and with the airport in less than 15 minutes) or bus.
- ⊙ Services: The area is served by a wide range of services to make employees’ lives easier including hospitals, shops and a shopping centre, a petrol station, schools and kindergartens, garages and even a 4-star hotel.
- ⊙ Buildings: Most of the buildings are multitenant making easier for companies in search of office space to find something more adequate to their necessities in terms of both surface area and facilities.

TENANTS TRENDS

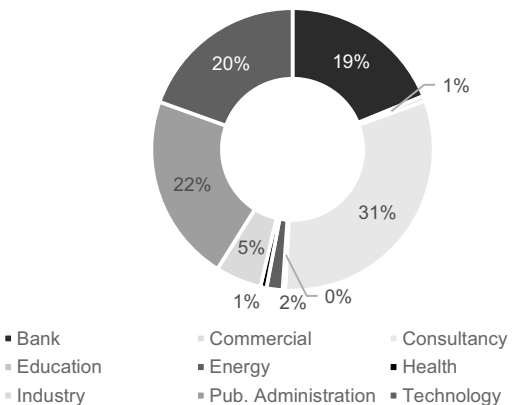
All rental transactions closed in the area within the last 5 years have been analysed. In both surface area and number of deals aspects, tenants operating in the consultancy sector have registered the highest percentage (41% and 31% respectively), followed by companies operating in technology and bank sectors.

The arrival of INE (National Statistics Institute), renting more than 18,000sqm from 2019Q3, has been an important milestone for the area. Within the last 5 years, 50% of the deals in the area have included less than 1,000 sqm and only 20% have included more than 2,000 sqm.

Industries Breakdown by Number of Deals



Industries Breakdown by Area



We have identified the exact location of some of the most important tenants settled in the area



#	Building	Address	Tenant	Type of Tenant	Area (sqm)
1	-	Fuente de la Mora, 9	AVIVA	Insurance	4,400
2	-	Av. Manoteras 48	Everis	Technology	560
3	-	Av. Manoteras 32	Everis	Technology	1,611
4	-	Av. Manoteras 6	Rhode Swartz	Industrial	2,070
5	I. Chamartín	Av. Manoteras 20	La Caixa	Bank	9,385
6	Edificio Este	Fuente de la Mora 1A	Everis	Technology	3,560
7	-	Av. Manoteras 48	Sopra	Technology	1,120
8	I. Chamartín	Av. Manoteras 20	Sopra	Technology	3,860
9	Albor Plaza	Av. Manoteras 52	INE	Pub. Administration	18,503
10	Torre Chamartín	Dulce Chacón 55	Deloitte	Consultancy	12,366

6.1.3 Property Description

The asset, commonly known as Delta Nova 4 Building is located at Av. Manoteras, 46, in the north of Madrid. It consists of a four-storey stand-alone office building with two underground floors and rectangular in shape.

Built in 2005, the Delta Nova office complex has flexible and modular floor plates with high capacity and efficiency (up to one workstation per 10 sqm), benefitting from natural light. In 2015, the two office buildings (Delta IV and VI) had renovations done to their facades, awnings, atriums, lobbies, central patio and green areas and was awarded the LEED Gold certification.

The property is set on a plot of some 9,200 sqm that includes two additional buildings and a common exterior area (shared with Delta 6 Building) with paved and green areas. The property is easily visible from the north area of Avda. Manoteras, however, it has no visibility from either other surrounding streets, the A-1 highway or the railway. The site is at a good location, being well connected by both private and public transport. Its front façade and main entrance are situated on Avda. Manoteras, which provides direct access to the A-1 highway. The M-11 highway is not far from the property, via Av. Ing. Emilio Herrera.

The property comprises a total lettable area of 10,256 sqm, divided into 9,513 sqm of offices, currently let to different tenants (Cabot, Anticipa Real Estate, E-Volucionaria, Aliseda, Canal Cosmopolitan, Vodafone, Clece...), 244 sqm of storage spaces and 499 sqm of retail premises, currently let to Cronocoffee. According to the rent roll provided by the client, 548 sqm are currently vacant. In addition, the building includes 249 parking spaces, 28 of which are currently vacant.



The breakdown of the property would be the following:

- ⊙ Underground Areas: There are two underground floors dedicated to parking facilities (with 249 units), ancillary accommodation and technical installations. The parking is accessed by car by the entrance situated on its east façade. Pedestrian access to the parking is via either stairwell or via lifts.
- ⊙ Ground Floor: The floor includes the main entrance (through the main façade of the building), a lobby area, located in the centre of a covered patio that also provides access to the common exterior areas, retail premises and a loading and unloading zone, directly connected to the service lift. Lift shafts are situated on both sides of the lobby.
- ⊙ First to Fourth Floors: The floor plate is rectangular in shape considered as open plan offices. The floor is virtually divided into four parts, although all of them can be connected on each level. Communications cores are located on both sides of the central covered patio and include four lifts (two per wing) and a service lift (in the service corridor of the east wing). There are two staircases situated in the centre of each wing, accessible from both sides of the wing. We assume the floor to ceiling height is 3.01 metres in office areas.
- ⊙ Roof: M&E installations (some 208.22 sqm according to land registry excerpt)

ACCOMODATION

The main entrance is from the building main façade, on Avda. Manoteras. The car parking entrance is located on the east façade of the building, through the perpendicular street. Vertical communication within the building is made mainly with two cores (one per wing) with 1 stairwell and 4 lift shafts each. In addition, the east wing core includes a service lift.

Storage, plant and machinery including installations related to the whole complex on site are located mainly on basement levels and on the roof.

Layout and distribution within the property complex is adapted to the architectural design. Both layout and distribution of the office area are decent for the current purpose. The building includes technical floors, HVAC installations for each area and suspended ceiling in most zones.

The size of the floors is circa 64 x 32 metres, with centralized services in the cores allowing a large open space. The columns are located in six longitudinal lines, in the middle of the plan and supporting the façades.

PARKING FACILITIES

Based on information provided there are some 249 car parking spaces located on underground levels. There is good layout within the parking and the internal roads are sufficient for circulating vehicles. The offices have direct access to the parking spaces.

6.1.4 Tenure and Key Tenants

TENURE

We provide the information included in both the registry excerpt (dated 9th January 2020) and the cadastral information of the property:

Information	Registry Land	Cadastrre
Address	Avda. Manoteras, 46, Madrid	Av. Manoteras, 46 Bl:2. 28050 Madrid
Land Registry ID	36037	n.a.
Land Registry	Madrid number 55	n.a.
CRU	28116003222410	n.a.
Cadastral Reference	3722024VK4832B0001LL	3722024VK4832B0001LL
Constructed Area	10,810.68 sqm	16,442 sqm
Land Plot Area	14,000 sqm	9,222 sqm
Construction Year	n.a.	2005
Owner	Gloin Investments S.L. Unipersonal (VAT number B87026241)	n.a.
Ownership	100% freehold	n.a.
Charges	In addition to fiscal affections and easements, there were two mortgages in favour of Euro Dinero SARL with the following characteristics: Plot 36037: €9,788,174.14 and €1,957,634.83. Currently cancelled. We consider the above charges do not have a negative impact on the value of the property nor in its marketability. The property is owned under the equivalent of freehold.	n.a.

TENANCY

#	Tenant	Area (sqm)	Units (#)	Headline Rent (€/pa)	Annual Passing Rent (€/pa)	Passing rent per sqm/mth or unit	Start date	Break Option Date	Expiry Date	Remaining lease term incl. breaks (yrs)	Remaining lease term without breaks (yrs)
1	Aliseda	836	-	110,596	110,596	11.03	01/02/2018	30/09/2020	30/09/2022	0.3	2.3
2	Aliseda	-	15	10,679	10,679	59.33	01/02/2018	30/09/2020	30/09/2022	0.3	2.3
3	Anticipa	1,076	-	143,929	143,929	11.14	01/07/2015	31/10/2020	31/10/2022	0.3	2.3
4	Anticipa	-	40	24,312	24,312	50.65	01/07/2015	31/10/2020	31/10/2022	0.3	2.3
5	Anticipa	518	-	70,083	70,083	11.26	15/03/2019	31/10/2020	31/10/2020	0.3	0.3
6	Anticipa	-	20	12,288	12,288	51.20	15/03/2019	31/10/2020	31/07/2020	0.3	0.1
7	Cabot	4,340	-	677,043	543,044	10.43	15/08/2017	31/01/2023	01/02/2025	2.6	4.6
8	Cabot	-	81	45,960	45,960	47.28	15/08/2017	31/01/2023	01/02/2025	2.6	4.6
9	Cabot	143	-	7,744	7,744	4.50	15/08/2017	31/01/2023	01/02/2025	2.6	4.6
10	Cosmopolitan	545	-	85,508	85,508	13.09	31/08/2006	31/07/2020	31/08/2023	0.1	3.2
11	Cosmopolitan	-	12	14,462	14,462	100.43	31/08/2006	31/07/2020	31/08/2023	0.1	3.2
12	Clece(**)	-	13	5,070	4,808	30.82	31/12/2013	31/12/2022	31/12/2030	2.5	10.5
13	Sando	574	-	89,611	89,611	13.00	01/05/2016	-	30/04/2022	1.8	1.8
14	Sando	-	26	28,389	28,389	90.99	01/05/2016	31/07/2020	30/04/2022	0.1	1.8
15	Cronocoffe	499	-	84,135	-	-	11/12/2006	31/07/2020	30/06/2025	0.1	5.0
16	E-voluciona	1,075	-	145,744	145,744	11.30	01/07/2017	31/07/2020	30/06/2022	0.1	2.0
17	E-voluciona	-	13	12,202	12,202	78.22	01/07/2017	31/07/2020	30/06/2022	0.1	2.0
18	Vodafone (*)	-	-	12,571	12,571	1,047.60	03/11/2008	17/01/2022	17/01/2032	1.5	11.5
19	Vacant (off.)	548	-	-	-	-	-	-	-	n.a.	n.a.
20	Vacant (stor.)	101	-	-	-	-	-	-	-	n.a.	n.a.
21	Vacant (pk)	-	29	-	-	-	-	-	-	n.a.	n.a.
	Total	10,256	249	1,580K	1,362K	11.07				1.4	3.3

RENTAL STEPS

#	Tenant	Area (sqm)	Start Date	End Date	Discount to contractual rent
7	Cabot	4,340	01/06/2020	31/01/2021	19.8%
12	Clece	-	01/06/2020	31/12/2020	5.2%
15	Cronocoffe	499	01/03/2020	31/08/2020	100.0%

TENANTS DESCRIPTION

We provide information about some of the key tenants of the building.

CABOT FINANCIAL SPAIN S.A

- ⊙ GESIF was founded in 1991 to offer an external management service to financial entities and large companies. In November 2015 GESIF was acquired by Cabot Credit Management Group (CCM), a leading British company in the European credit management market. GESIF was renamed Cabot Financial Spain in March 2017, after completing its integration as a subsidiary of the CCM group.
- ⊙ Cabot Credit Management is one of the largest providers of credit management services at European level and the market leader in the United Kingdom and Ireland, based on estimated future gross receipts from collections. Cabot offers a range of credit management services to a broad customer base.
- ⊙ In March 2016 Cabot became the first UK credit management services company to be licensed by the FCA, and in May 2017 Cabot became the first credit management services company in Ireland to be licensed by the Central Bank of Ireland.

Cabot Financial Spain's Key Figures

According to the last registered accounts, corresponding to 2018:

- ⊙ Cabot Financial Spain's gross income result reached €6,7 million, (-32.2% vs. 2017).
- ⊙ Cabot Financial Spain's EBITDA result reached €-8.3 million, (-5,493% vs. 2017).
- ⊙ Cabot Financial Spain obtained an attributable profit of €-9.5 million (-999% vs. 2017)
- ⊙ It has been published that the Company was preparing a Labour Force adjustment plan, that could affect more than 90 employees. This adjustment plan will be produced as a consequence of the acquisition by Cabot Financial of Luciana. The merge process was closed on 29th April 2019.

As a result of this merge process, the P&L figures could be distorted as well. In addition, if a tenant has not requested any rental discount during that "State of Alarm" period (from 15th March to 21st of June), being that the case of Cabot Financial, that is a good indication that the tenant financial situation is healthy enough to pay the rent.

E-VOLUCIONA S.L.

- ⊙ E-volucion S.L was created in 2015. Its aim is helping companies to improve the productivity, efficiency and accuracy of each transaction by reengineering processes, orchestrating technologies and through the extensive use of automation. They are pioneers in Digital Process Outsourcing.

Evolucion S.L's Key Figures

According to the last registered accounts, corresponding to 2018:

- E-volucion's gross income result reached €6,9 million, (-2.8% vs. 2017).
- E-volucion's EBITDA result reached € 58.5K, (-88.2% vs. 2017).
- E-volucion's obtained an attributable profit of €-4.4 million (-360% vs. 2017)
- Number of employees: 105. It has been published that E-Volucion is planning to increase the number of employees in more than 60 people, as it gained 14 new clients in 2018.

If E-Volucion is planning to increase the number of employees in more than 60 people due to its good results, the P&L figures could be distorted. In addition, as Evolucion S.L has not requested any rental discount during that "State of Alarm" period (from 15th March to 21st of June), that is a good indication that the tenant financial situation is healthy enough to pay the rent.

6.1.5 SWOT

A SWOT analysis has been made to reflect the Strengths, Weaknesses, Opportunities and Threats of the asset.

STRENGTHS	<ul style="list-style-type: none"> ⊙ High occupancy rate ⊙ Secondary but successful office location, in a consolidated office area. ⊙ Stable cashflow with CPI indexation ⊙ The property benefits of a Leed Gold certificate ⊙ Public transport facilities are excellent in the area. ⊙ Excellent road access. ⊙ Flexible layout; it is possible to let each floor to several tenants. ⊙ Wide range of services in the area, as retail or restoration 	WEAKNESSES
OPPORTUNITIES	<ul style="list-style-type: none"> ⊙ Let up of the vacant space ⊙ Include additional facilities for tenants (gym, nursing home...) ⊙ Increase current under-rented leases to market levels 	THREATS
	<ul style="list-style-type: none"> ⊙ Value upside only limited to CPI indexations and/or yield compressions. ⊙ Low visibility as fronting a secondary street and being surrounded by large buildings. 	
	<ul style="list-style-type: none"> ⊙ High uncertainty related to Covid-19 and its consequences on i) national economy and ii) office users' medium term trends. ⊙ Potential increase of interest rates and therefore potential effect on the real estate yields ⊙ High supply of lettable offices in the surrounding area. ⊙ Significant office development pipeline to the north of Madrid. 	

6.1.6 Office Building Analysis – Comparable Evidence

ASKING RENTAL PRICES

The property is located in a consolidated office area, where there is a high concentration of buildings, some of them owned by renowned companies and with well-known tenants. Market rents vary significantly from modern or well-maintained buildings to older facilities not complying with the standards currently required by most of the companies (raised floor, energy efficiency, etc).

After analysing recent transactions closed within Manoteras and the asking prices of the properties currently being marketed, we believe market rent in the area would be in the region of €12.00-13.00 psm/month. Occupancy rate in the area would be in the region of 82%.

We provide a photographic plan of the main office buildings which could be considered competitors in the vicinity:



The aforementioned properties are listed below:

1. Albor Building - Avda. Manoteras, 50-52



Owner	Grupo Ciel
Office GLA (sqm)	26,804
Standard Floors (sqm)	2,338 sqm
Number of floors	B+GF+5
Year of Construction / Refurbishment	2008 / -
Occupancy (%)	100%
Vacant GLA (sqm)	0 sqm
Asking Rents (€ psm/month)	€16.50 sqm/month
Service Charge (€ psm/month)	-

2. Delta Nova VI - Avda. Manoteras, 46B



Owner	Tikehau Capital
Office GLA (sqm)	14855
Standard Floors (sqm)	2,242 sqm
Number of floors	B+GF+6
Year of Construction / Refurbishment	2005 / 2015
Occupancy (%)	95%
Vacant GLA (sqm)	821 sqm
Asking Rents (€ psm/month)	€13.00 sqm/month
Service Charge (€ psm/month)	€4.05 sqm/month

3. - Avda. Manoteras, 44



Owner	Starwood Capital Group
Office GLA (sqm)	15,099
Standard Floors (sqm)	2,149 sqm
Number of floors	B+GF+6
Year of Construction / Refurbishment	2008 / 2018
Occupancy (%)	88%
Vacant GLA (sqm)	1,750 sqm
Asking Rents (€ psm/month)	€13.00 sqm/month
Service Charge (€ psm/month)	€3.05 sqm/month

4. - Avda. Manoteras, 32



Owner	Avis
Office GLA (sqm)	4,568
Standard Floors (sqm)	755 sqm
Number of floors	B+GF+6
Year of Construction / Refurbishment	2004 / -
Occupancy (%)	73%
Vacant GLA (sqm)	1,218 sqm
Asking Rents (€ psm/month)	€10.90 sqm/month
Service Charge (€ psm/month)	€3.25 sqm/month

5. - Avda. Manoteras, 38



Owner	Multiowner
Office GLA (sqm)	19,625
Standard Floors (sqm)	-
Number of floors	B+GF+5
Year of Construction / Refurbishment	2007 / -
Occupancy (%)	97%
Vacant GLA (sqm)	632 sqm
Asking Rents (€ psm/month)	€11.84 sqm/month
Service Charge (€ psm/month)	-

6. - Avda. Manoteras, 30



Owner	Multiowner
Office GLA (sqm)	13,799
Standard Floors (sqm)	1,870 sqm
Number of floors	B+GF+4
Year of Construction / Refurbishment	2008 / -
Occupancy (%)	97%
Vacant GLA (sqm)	446 sqm
Asking Rents (€ psm/month)	€9.23 sqm/month
Service Charge (€ psm/month)	-

7. Orión Building - Avda. Manoteras, 26



Owner	FREO Investments
Office GLA (sqm)	7,708
Standard Floors (sqm)	1,192 sqm
Number of floors	B+GF+7
Year of Construction / Refurbishment	2001 / 2018
Occupancy (%)	53%
Vacant GLA (sqm)	3,657 sqm
Asking Rents (€ psm/month)	€11.50 sqm/month
Service Charge (€ psm/month)	€4.65 sqm/month

8. Neos 20 - Avda. Manoteras, 20



Owner	Tristan Capital
Office GLA (sqm)	38,141
Standard Floors (sqm)	1,404 sqm
Number of floors	B+GF+6
Year of Construction / Refurbishment	2009 / -
Occupancy (%)	72%
Vacant GLA (sqm)	10,824 sqm
Asking Rents (€ psm/month)	€16.00 sqm/month
Service Charge (€ psm/month)	€2.53 sqm/month

9. Elipse Building - Avda. Manoteras, 18



Owner	Merlin Properties
Office GLA (sqm)	7,516
Standard Floors (sqm)	1,065 sqm
Number of floors	B+GF+6
Year of Construction / Refurbishment	1969 / 2005
Occupancy (%)	26%
Vacant GLA (sqm)	5,557 sqm
Asking Rents (€ psm/month)	€9.00 sqm/month
Service Charge (€ psm/month)	€3.65 sqm/month

10. Cetil II Building - Avda. Manoteras, 6



Owner	Cetil
Office GLA (sqm)	10,555
Standard Floors (sqm)	1,544 sqm
Number of floors	B+GF+6
Year of Construction / Refurbishment	2005 / -
Occupancy (%)	93%
Vacant GLA (sqm)	780 sqm
Asking Rents (€ psm/month)	€12.50 sqm/month
Service Charge (€ psm/month)	-

11. Cetil I Building - Avda. Manoteras, 4



Owner	Cetil
Office GLA (sqm)	12,505
Standard Floors (sqm)	1,330 sqm
Number of floors	B+GF+7
Year of Construction / Refurbishment	2005 / -
Occupancy (%)	100%
Vacant GLA (sqm)	0 sqm
Asking Rents (€ psm/month)	€11.50 sqm/month
Service Charge (€ psm/month)	€3.60 sqm/month

12. Building A - Avda. Manoteras, 10



Owner	Civisa
Office GLA (sqm)	2,715
Standard Floors (sqm)	423 sqm
Number of floors	B+GF+6
Year of Construction / Refurbishment	2006 / -
Occupancy (%)	0%
Vacant GLA (sqm)	2,715 sqm
Asking Rents (€ psm/month)	€16.55 sqm/month
Service Charge (€ psm/month)	€3.50 sqm/month

In the area there is a new project currently under development which will soon be incorporated to the supply:



POLARIS NORTH MADRID – AVDA. MANOTERAS, 12

Polaris North Madrid is a new project owned by ONIX Capital Partners and designed by b720 F. Vazquez. It is estimated to be completed in 2020.

It offers 14,284 sqm of office space divided in seven floors and boasts open-plan, wholly column-free standard floors that span 2,794 sqm. It also features a 7.2m double height lobby and two basements boasting 212 parking spaces. It is one of the first properties in Spain to obtain LEED Core & Shell and WELL certifications, both at gold level.

RECENT RENTAL TRANSACTIONS IN THE AREA

We have considered rental transactions at a local level for properties within the subject area and areas that have been considered similar. It should be noted we have not considered all transactions as some properties are obsolete, poorly located in comparison or are not a relevant comparable reflecting the type of office scheme envisaged. We provide details of transactions at local level:

There have been numerous rental transactions throughout 2018-2019 within the subject area.

Manoterás					
Building	Address	Tenant	sqm	€/sqm/mt	Date
1.-Cetil II	Av. Manoterás 6	Datapoint	765	10.25	2018 Q1
2.-Delta Norte I	Av. Manoterás 44	Hoist Finance	1,155	12	2018 Q1
3.-Isla de Chamartín	Av. Manoterás 20	Sopra	2,240	15	2018 Q2
4.-Delta Norte II	Av. Manoterás 46	Aliseda Inmobiliaria	835	13	2018 Q2
5.-Elipse	Av. Manoterás 18	Isolux Corsan	1,687	9	2018 Q3
6.-Delta Norte I	Av. Manoterás 44	Laboratoire Biostetique	600	11.5	2018 Q3
7.-Delta Norte II	Av. Manoterás 46	Aliseda Inmobiliaria	1,135	11.5	2018 Q3
8.-Orion	Av. Manoterás 26	Innova	255	10.75	2018 Q3
9.-Delta Norte I	Av. Manoterás 44	Strategy Big Data	350	10.5	2018 Q3
10.-Fuente de la Mora	Fuente de la Mora 9	Anton Para	435	11.25	2018 Q3
11.-Cetil I	Av Burgos 114	Knauf	940	10	2018 Q2
12.- Neos 20 Business Park	Av. Manoterás, 20	Vallid Soluciones Tec.	n.a	15	2019 Q1
13.- Delta Norte I	Av. Manoterás, 44	Bankia	1,725	13	2019 Q1
14.- Delta Norte I	Av. Manoterás, 44	Scheider Elect. Software	1,160	11.5	2019 Q1
15.- Cetil I	Av. Burgos, 114	Cetil	400	9.5	2019 Q1
16.- Fuente de la Mora	Fuente de la Mora, 9	Zankyou Ventures	400	11.25	2019 Q1
17.- Orion	Av. Manoterás, 26	Viavi	300	11.75	2019 Q1
18.- Orion	Av. Manoterás, 26	Control Montajes Indust.	300	11.75	2019 Q1
19.- Delta Norte I	Av. Manoterás, 44	Next Technologies	1,165	11.5	2019 Q2
20.- Delta Norte I	Av. Manoterás, 44	BBVA	1,155	11.5	2019 Q2
21.- Albor Plaza	Av. Manoterás, 52	INE	18,503	14	2019 Q3
22.- Fuente de la Mora	Fuente de la Mora, 9	Ced Spain	1,095	11.5	2019 Q3
23.- Elipse	Av. Manoterás, 18	Imporges	900	9.3	2019 Q3
24.- Fuente de la Mora	Fuente de la Mora, 9	Zankyou Ventures	550	11.3	2019 Q3
25.- Cetil I	Av. Burgos 114	Jungle Box	470	10.5	2019 Q4
26.- Orion	Av. Manoterás 26	Mivet	370	11	2020 Q1
27.- Orion	Av. Manoterás 26	Ebsco	625	11	2020 Q1
28.- Fuente de la Mora	Fuente de la Mora 9	Century XXI	385	12.5	2020 Q1
29.- Neos 20 Business Park	Av. Manoterás 20	Jaggear	700	15	2020 Q2

Isla de Chamartín					
Building	Address	Tenant	sqm	€/sqm/mt	Date
1.- Torre Chamartín	Dulce Chacón, 55	Deloitte	5,998	17	2019 Q3
2.-Torre Chamartín	Dulce Chacón, 55	Loom House	1,060	18	2019 Q3
3.-Torre Chamartín	Dulce Chacón, 55	Buran Energy	1,065	18	2019 Q3
4.-Torre Chamartín	Dulce Chacón, 55	Deloitte	6,368	18	2019 Q3
5.-Torre Chamartín	Dulce Chacón, 55	Alcatelecom	1,060	18.50	2019 Q4

La Moraleja					
Building	Address	Tenant	sqm	€/sqm/mt	Date
1.-Europa 1	Av. Europa 1	Vass	2,055	10.25	2018 Q1
2.- Edificio Torona	Av. Europa 24	Quint Group	425	13	2018 Q2
3.-Moraleja Building One	Av. Europa 19	Italtel	1,080	14	2018 Q2
4.-Moraleja Building One	Av. Europa 19	Italtel	530	14.45	2019 Q1
5.- Edificio Villar	Av. Europa 6	Ib Swiss	840	12.5	2019 Q1
6.- Edificio Torona	Av. Europa 24	Vatech	340	11.5	2019 Q2
7.- Avda. Europa 22	Av. Europa 22	Plus Ultra Líneas Aéreas	1600	13	2019 Q4
8.-Moraleja Building One	Av. Europa 19	Commscope	1015	16.5	2019 Q4
9.- Edificio Torona	Av. Europa 24	Fidia Farmacéutica	385	11.4	2020 Q1

Sanchinarro – Las Tablas					
Building	Address	Tenant	sgm	€/sgm/mt	Date
1.-Burgos 210	Av. Burgos 210	Allfunds Bank	5,986	12.5	2018 Q1
2.-Arcis	Quintanapalla 8	Schindler	2,000	12	2018 Q1
3.-Oxseo	Quintanadueñas 2	CapGemini	2,000	12	2018 Q2
4.-Starbox	Sobrado 2	Travis	280	10	2018 Q3
5.-P. Emp. Las Tablas.	Federico Mompou 5	IDL	215	13	2018 Q3
6.-Bilma	María Tubau 9	BBVA Informática	1,866	10.75	2018 Q3
7.- P. Emp. Las Tablas I	Federico Mompou, 5	Covance Clinical	1,500	11.5	2019 Q1
8.- Pombo Angulo, 20	M. Pombo Angulo, 20	Zeppelin	1,625	11	2019 Q1
9.- Quintanavides, 13	Quintanavides, 13	Construcia	1,160	15.25	2019 Q1
10.- Quintanavides, 13	Quintanavides, 13	Construcia	770	14.25	2019 Q1
11.- María Portugal, 1	María Portugal, 1-3-5	Grupouno	1,535	14.5	2019 Q1
12.- Oxseo	Quintanadueñas, 2	Do Eat	400	15	2019 Q1
13.- Oxseo	Quintanadueñas, 2	Lenovo	1,325	16.5	2019 Q2
14.- Quintanavides, 13	Quintanavides, 13	Zoetis	1,540	14	2019 Q4
15.- Oxseo	Quintanadueñas 2	Tea Cegos	1,165	17	2019 Q4
16.- Quintanavides, 13	Quintanavides, 13	Landmark Prop. Mgment	770	14	2019 Q4
17.- Oxseo	Quintanadueñas 2	PFS	455	16.5	2019 Q4
18.- Quintanavides, 13	Quintanavides, 13	Metalúrgica de Levira	380	15	2019 Q4
19.-Quintapanalla, 2	Quintapanalla, 2	n.a.	460	13.6	2020 Q1
20.-Quintanavides, 17	Quintanavides, 17	Clece	680	14	2020 Q1
21.-Quintanavides, 19	Quintanavides, 19	Telecom Iberia	200	14.5	2020 Q1

6.2 Delta VI

6.2.1 Location

The property is situated in the north of the municipality of Madrid, in the office area commonly known as Manoteras, bounded by Avda. Manoteras (to the north and east), the A-1 highway (to the west) and the railway (to the south).

Manoteras is a well-connected office submarket developed in the north area in the early XXI. The completion of the first buildings took place in 2002-2003. Nevertheless, adjacent to it to the north, on the other side of Avda. Manoteras, there is a residential area that was built in the 70's. Having direct access to M-11 and the A-1 highways, the area is well communicated by private transport, although, as can be expected in consolidated areas of Madrid, there is traffic congestion at peak times and parking can be difficult in the area. Manoteras is also communicated by public means of transport, with two tram stations (Fuente de la Mora and Virgen del Cortijo, both in ML1), one train station (Fuente de la Mora, in lines C1 and C10) and several bus stops.

Manoteras is relatively close to Las Tablas and Sanchinarro areas. However, Las Tablas and Sanchinarro have easier access to both the A-1 and M-40 axes. The zone where the asset is located is an office-focused area where many well-known companies such as Everis or Liberbank have their headquarters settled. It benefits from a number of nearby services including, among others, a shopping centre, several gyms and restaurants.

We provide location plans:



Manoteras office area is a well consolidated nucleus and does not include any opportunities of development land. However, the close area of Las Tablas is currently experiencing a significant growth in office supply by the construction of several new complexes such as Foresta, Arqboarea and Monteburgos.

The following is a link to the location of the property in Google Maps: <https://goo.gl/maps/csDdk1iTmwYfibuo7>

GPS coordinates are: 40.487678, -3.664250

6.2.2 Site

The site is well communicated by road due to its proximity to the M-11 highway, which joins the road junction formed by the M-30, A-1 and M-607 highways with Madrid-Barajas airport and its direct access to the A-1 highway, which connects Madrid with the north of Spain. This provides a fast connection to the airport (located around a 10 minutes' drive away) and with Paseo de la Castellana, the main central route way through Madrid.



Although private car is the most comfortable way of arriving at the subject property, the area is also served by different public means of transport:

- ⊙ By Rail: Fuente de la Mora Cercanias train station is 400m walking distance (around 4 min) from the asset.
- ⊙ By Tram: The nearest tram station is Virgen del Cortijo (Line ML1), located 270 metres (3min) from the asset. Fuente de la Mora tram station is 400 metres (4 min) from the asset.
- ⊙ By Bus: Two bus stops (lines 150, 174 and N1), located just on the other side of Avda. Manoteras, directly serve the property.
- ⊙ By Air: The nearest airport, "Aeropuerto Adolfo Suarez Madrid-Barajas" is located some 11 kilometres from the property via the M-11 highway. There are various terminals in the airport serving national and international destinations.

As happens in most major cities traffic problems can be experienced at peak traffic times including congestion and parking difficulties in the surrounding areas.

In conclusion, the property is well located and is served by several different public transport alternatives which can be accessed in a relatively short time by foot. Access to the property via private transport is also good.

DRIVERS OF DEMAND

Some of the reasons that make Manoteras an attractive office location for both tenants and investors are the following:

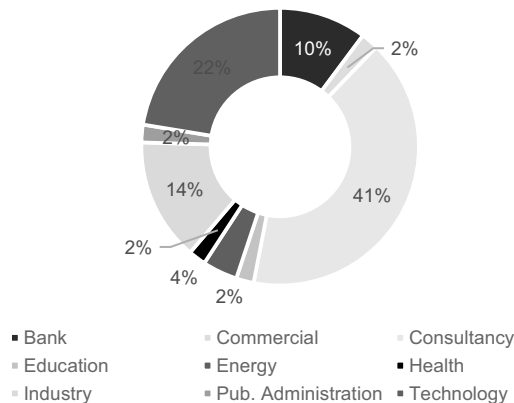
- ⊙ Consolidated Office Area: Manoteras is a consolidated office area, one of the most important included under the “decentralized” submarket, located out of the M-30 ring.
- ⊙ Excellent Location: Located in the north area of Madrid city. Traditionally, the north of Madrid has been wealthier than the south and the main office locations have been located to the north and east of the city, mainly due to the fact that they are closer and better connected to Paseo de la Castellana, the main axis within Madrid, and the CBD. In addition, the airport is located only some 11 kilometres (10 minutes driving) from Manoteras area, which makes meetings with international clients easier to arrange.
- ⊙ Road Access: As having direct exit to both the A-1 highway and the M-11 highway, Manoteras is very easy to access by car. Most buildings have private parking spaces and there are several parking facilities as well but, in addition, parking in the street is neither restricted nor regulated.
- ⊙ Public Transport: Manoteras can be easily accessed by different means of public transport such as tram (with 2 stations in the area), train (that connects the area with Atocha Station in less than 20 minutes and with the airport in less than 15 minutes) or bus.
- ⊙ Services: The area is served by a wide range of services to make employees’ lives easier including hospitals, shops and a shopping centre, a petrol station, schools and kindergartens, garages and even a 4-star hotel.
- ⊙ Buildings: Most of the buildings are multitenant making easier for companies in search of office space to find something more adequate to their necessities in terms of both surface area and facilities.

TENANTS TRENDS

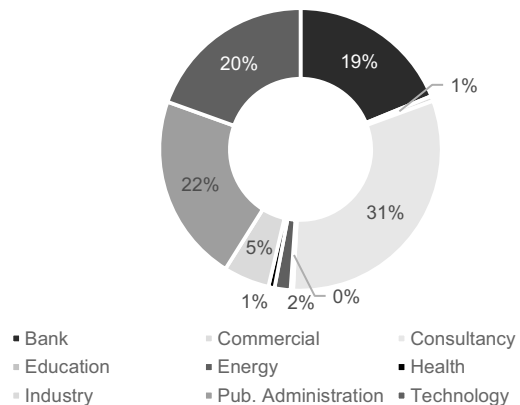
All rental transactions closed in the area within the last 5 years have been analysed. In both surface area and number of deals aspects, tenants operating in the consultancy sector have registered the highest percentage (41% and 31% respectively), followed by companies operating in technology and bank sectors.

The arrival of INE (National Statistics Institute), renting more than 18,000sqm from 2019Q3, has been an important milestone for the area. Within the last 5 years, 50% of the deals in the area have included less than 1,000 sqm and only 20% have included more than 2,000 sqm.

Industries Breakdown by Number of Deals



Industries Breakdown by Area



We have identified the exact location of some of the most important tenants settled in the area



#	Building	Address	Tenant	Type of Tenant	Area (sqm)
1	-	Fuente de la Mora, 9	AVIVA	Insurance	4,400
2	-	Av. Manoteras 48	Everis	Technology	560
3	-	Av. Manoteras 32	Everis	Technology	1,611
4	-	Av. Manoteras 6	Rhode Swartz	Industrial	2,070
5	I. Chamartín	Av. Manoteras 20	La Caixa	Bank	9,385
6	Edificio Este	Fuente de la Mora 1A	Everis	Technology	3,560
7	-	Av. Manoteras 48	Sopra	Technology	1,120
8	I. Chamartín	Av. Manoteras 20	Sopra	Technology	3,860
9	Albor Plaza	Av. Manoteras 52	INE	Pub. Administration	18,503
10	Torre Chamartín	Dulce Chacón 55	Deloitte	Consultancy	12,366

6.2.3 Property Description

The asset, commonly known as Delta Nova 6 Building, is located at Av. Manoteras, 46 Bis, in the north of Madrid. It consists of a seven-storey standalone office building with two underground floors and rectangular in shape.

Built in 2005, the Delta Nova office complex has flexible and modular floor plates with high capacity and efficiency (up to one workstation per 10 sqm), benefitting from natural light. In 2015, the two office buildings (Delta IV and VI) had renovations done to their facades, awnings, atriums, lobbies, central patio and green areas and was awarded the LEED Gold certification.

The property is set on a plot of some 9,200 sqm that includes two additional buildings and a common exterior area (shared with Delta Nova 4 Building) with paved and green areas. The property is easily visible from the north area of Avda. Manoteras, however, it has no visibility from either other surrounding streets, the A-1 highway or the railway. The site is at a good location, being well connected by both private and public transport. Its front façade and main entrance are situated on Avda. Manoteras, which provides h direct access to the A-1 highway. The M-11 highway is not far from the property, through Av. Ing. Emilio Herrera.

The property comprises a total lettable area of 14,855 sqm, divided into 14,328 sqm of offices, (13,765 of which currently let (or in process of being let) to different tenants (Clece, Digitex, Centrales nucleares, Aliseda, Talher, S2 Grupo...)) and 527 sqm of storage space.



The breakdown of the property would be the following:

- ⊙ Underground Areas: There are two underground floors dedicated to parking facilities (with 384 units), ancillary accommodation and technical installations. The parking is accessed by car by the entrances situated on the building's north façade. Pedestrian access to the parking is via either stairwell (there are three stairwell that connect the parking levels with the exterior common areas) or via lifts.
- ⊙ Ground Floor: The floor includes the main entrance (through the main façade of the building), a lobby area, located in the centre of a covered patio that also provides access to the common exterior areas, storage spaces and two loading and unloading zone, directly connected to the service lifts. Lift shafts are situated on both sides of the lobby.
- ⊙ First to Seventh Floors: The floor plate is rectangular in shape considered as open plan offices. The floor is virtually divided into four parts, although all of them can be connected on each level. Communications cores are located on both sides of the central covered patio and include four lifts (two per wing) and two service lift (one per wing). There are two staircases situated in the centre of each wing, accessible from both sides of the wing and an emergency staircase, located on the west façade of the building. We assume the floor to ceiling height is. 3.01 metres in office areas.
- ⊙ Roof: M&E installations (some 265.92 sqm according to land registry excerpt)

ACCOMODATION

The main entrance is from the building north and main façade, on Avda. Manoteras. Two car parking entrances are located also on the north façade of the building. Vertical communication within the building is made mainly with two cores (one per wing) with 2 stairwell and 4 lift shafts each. In addition, both wings cores include a service lift.

Storage, plant and machinery including installations related to the whole complex on site are located mainly on basement levels and on the roof.

Layout and distribution within the property complex is adapted to the architectural design. Both layout and distribution of the office area are decent for the current purpose. The building includes technical floors, HVAC installations for each area and suspended ceiling in most zones.

The size of the floors is circa 70x34 metres, with centralized services in the cores allowing a large open space. The columns are located in six longitudinal lines, in the middle of the plan and supporting the façades..

PARKING FACILITIES

Based on information provided there are some 384 car parking spaces located on underground levels. There is good layout within the parking and the internal roads are sufficient for circulating vehicles. The offices have direct access to the parking spaces. The spaces are also adequate in terms of size.

6.2.4 Tenure and Key Tenants

TENURE

We provide the information included in both the registry excerpt (dated 9th January 2020) and the cadastral information of the property:

Information	Registry Land	Cadastrre
Address	Avda. Manoteras, 46, Madrid	Av. Manoteras, 46 Bl:3. 28050 Madrid
Land Registry ID	36038	n.a.
Land Registry	Madrid number 55	n.a.
CRU	28116003222427	n.a.
Cadastral Reference	3722024VK4832B0002BB	3722024VK4832B0002BB
Constructed Area	25,689.66 sqm	25,652 sqm
Land Plot Area	14,000 sqm	9,222 sqm
Construction Year	n.a.	2005
Owner	Gloin Investments S.L. Unipersonal (VAT number B87026241)	n.a.
Ownership	100% freehold	n.a.
Charges	In addition to fiscal affections and easements, there were two mortgages in favour of Euro Dinero SARL with the following characteristics: Plot 36038: €14,531,825.86 and €2,906,365.17. Currently cancelled. We consider the above charges do not have a negative impact on the value of the property nor in its marketability. The property is owned under the equivalent of freehold.	n.a.

TENANCY

#	Tenant	Area (sqm)	Units (#)	Headline Rent (€/pa)	Annual Passing Rent (€/pa)	Passing rent per sqm/mth or unit	Start date	Break Option Date	Expiry Date	Remaining lease term incl. breaks (yrs)	Remaining lease term without breaks (yrs)
1	Aliseda	1,466	-	193,963	193,963	11.03	01/02/2018	30/05/2020	30/09/2022	(0.1)	2.3
2	Aliseda	-	25	18,729	18,729	62.43	01/02/2018	30/05/2020	30/09/2022	(0.1)	2.3
3	Centrales Nucleares	2,913	-	375,322	375,322	10.74	01/01/2013		31/12/2022	2.5	2.5
4	Centrales Nucleares	-	141	159,562	159,562	94.30	01/01/2013		31/12/2022	2.5	2.5
5	Clece (*)	1,446	-	214,340	197,193	11.36	01/05/2013	31/12/2022	31/12/2030	2.5	10.5
6	Clece (*)	-	40	15,600	14,794	30.82	01/05/2013	31/12/2022	31/12/2030	2.5	10.5
7	Clece (*)	2,855	-	423,084	389,238	11.36	01/05/2013	31/12/2022	31/12/2030	2.5	10.5
8	Clece (*)	-	100	39,000	36,984	30.82	01/05/2013	31/12/2022	31/12/2030	2.5	10.5
9	Sando	122	-	14,543	14,543	9.90	01/12/2011	30/09/2020	30/11/2021	0.3	1.4
10	Digitex	3,733	-	475,559	475,559	10.62	01/06/2017	31/01/2023	31/05/2024	2.6	3.9
11	Digitex	-	40	29,030	29,030	60.48	01/06/2017	31/01/2023	31/05/2024	2.6	3.9
12	Digitex	147	-	9,894	9,894	5.60	01/06/2017	31/01/2023	31/05/2024	2.6	3.9
13	S2	531	-	85,930	85,930	13.49	15/02/2018	14/08/2021	14/02/2024	1.1	3.6
14	S2	-	5	3,982	3,982	66.37	15/02/2018	14/08/2021	14/02/2024	1.1	3.6
15	Talher (*)	820	-	121,588	111,861	11.36	01/05/2013	31/12/2022	31/12/2030	2.5	10.5
16	Talher (*)	-	8	3,120	2,959	30.82	01/05/2013	31/12/2022	31/12/2030	2.5	10.5
17	Vacant	564	6	-	-	-				n.a.	n.a.
18	Vacant (stor.)	71	-	-	-	-				n.a.	n.a.
19	Vacant (stor.)	106	-	-	-	-				n.a.	n.a.
20	Vacant (stor.)	80	-	-	-	-				n.a.	n.a.
21	Vacant (pk)	-	19	-	-	-				n.a.	n.a.
	Total	14,885	384	2,183K	2,120K	11.89				2.2	5.7

Tenants including * have already signed a Head of Terms, included in the expiry date and future steps considered

RENTAL STEPS

#	Tenant	Area (sqm)	Step 1			Step 2			Step 3		
			Start Date	End Date	Discount to contractual rent	Start Date	End Date	Discount to contractual rent	Start Date	End Date	Discount to contractual rent
5	Clece	1,446	01/01/2021	31/12/2021	8.0%	01/01/2022	31/12/2022	4.0%	01/01/2023	31/12/2023	2.0%
6	Clece*	-	01/01/2021	31/12/2021	5.2%						
7	Clece*	2,855	01/01/2021	31/12/2021	8.0%	01/01/2022	31/12/2022	4.0%	01/01/2023	31/12/2023	2.0%
8	Clece*	-	01/01/2021	31/12/2021	5.2%						
15	Talher*	820	01/01/2021	31/12/2021	8.0%	01/01/2022	31/12/2022	4.0%	01/01/2023	31/12/2023	2.0%
16	Talher*	-	01/01/2021	31/12/2021	5.2%						

TENANTS DESCRIPTION

We provide information about some of the key tenants of the building.

CLECE S.A.

- ⊙ Clece was formed in 1992. Today, it has 79,000 people working for the company across Spain, Portugal and the United Kingdom.
- ⊙ Its multiple services aim to improve the quality of life of people, maintaining and improving the efficiency of our buildings, and caring for and protecting the environment, whether in our cities or as part of our natural heritage.
- ⊙ Some services offered: social services, services for the elderly, Logistics, Energy, Facility Management, Maintenance, Environmental Services...

Clece's Key Figures

According to the last registered accounts, corresponding to 2018:

- ⊙ Clece's gross income result reached €1.036 million, (-0.3% vs. 2017).
- ⊙ Clece's EBITDA result reached €54.4million, (+9.5% vs. 2017).
- ⊙ Clece obtained an attributable profit of €43.6 million (+12.5% vs. 2017)
- ⊙ Number of employees: 51,324

DIGITEX INFORMATICA S.L.

- ⊙ Digitex is part of Comdata group. It is located in several cities within Spain (Aranda, Barcelona, Bilbao, Granada, la Carolina, León, Madrid, Málaga, Oviedo, Santander, Sevilla and Talavera) and several countries worldwide.
- ⊙ Their services are focused on consultancy, helping their client to maximise the customer value, in several type of industries.

Digitex Informatica's Key Figures

According to the last registered accounts, corresponding to 2018:

- Digitex Informatica's gross income result reached €62.0 million, (+0.5% vs. 2017).
- Digitex Informatica's EBITDA result reached €2.9Mn, (-18.1% vs. 2017).
- Digitex Informatica obtained an attributable profit of €1.7 million (-31.4% vs. 2017)
- Number of employees: 3,094

6.2.5 SWOT

A SWOT analysis has been made to reflect the Strengths, Weaknesses, Opportunities and Threats of the asset.

<p>STRENGTHS</p> <ul style="list-style-type: none"> ⊙ High occupancy rate ⊙ Secondary but successful office location, in a consolidated office area. ⊙ Stable cashflow with CPI indexation ⊙ The property benefits of a Leed Gold certificate ⊙ Public transport facilities are excellent in the area. ⊙ Excellent road access. ⊙ Flexible layout; it is possible to let each floor to several tenants. ⊙ Wide range of services in the area, as retail or restoration 	<p>WEAKNESSES</p> <ul style="list-style-type: none"> ⊙ Value upside only limited to CPI indexations and/or yield compressions. ⊙ Low visibility as fronting a secondary street and being surrounded by large buildings.
<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> ⊙ Let up of the vacant space ⊙ Include additional facilities for tenants (gym, nursing home...) ⊙ Increase current under-rented leases to market levels 	<p>THREATS</p> <ul style="list-style-type: none"> ⊙ High uncertainty related to Covid-19 and its consequences on i) national economy and ii) office users' medium term trends. ⊙ Potential increase of interest rates and therefore potential effect on the real estate yields ⊙ High supply of lettable offices in the surrounding area. ⊙ Significant office development pipeline to the north of Madrid.

6.2.6 Office Building Analysis – Comparable Evidence

ASKING RENTAL PRICES

The property is located in a consolidated office area, where there is a high concentration of buildings, some of them owned by renowned companies and with well-known tenants. Market rents vary significantly from modern or well-maintained buildings to older facilities not complying with the standards currently required by most of the companies (raised floor, energy efficiency, etc).

After analysing recent transactions closed within Manoteras and the asking prices of the properties currently being marketed, we believe market rent in the area would be in the region of €12.00-13.00 psm/month. Occupancy rate in the area would be in the region of 82%.

We provide a photographic plan of the main office buildings which could be considered competitors in the vicinity:



The aforementioned properties are listed below:

1. Albor Building - Avda. Manoteras, 50-52



Owner	Grupo Ciel
Office GLA (sqm)	26,804
Standard Floors (sqm)	2,338 sqm
Number of floors	B+GF+5
Year of Construction / Refurbishment	2008 / -
Occupancy (%)	100%
Vacant GLA (sqm)	0 sqm
Asking Rents (€ psm/month)	€16.50 sqm/month
Service Charge (€ psm/month)	-

2. Delta Nova IV - Avda. Manoteras, 46



Owner	Tikehau Capital
Office GLA (sqm)	10,256
Standard Floors (sqm)	2,149 sqm
Number of floors	B+GF+4
Year of Construction / Refurbishment	2002 / 2015
Occupancy (%)	94%
Vacant GLA (sqm)	548 sqm
Asking Rents (€ psm/month)	€14.50 sqm/month
Service Charge (€ psm/month)	€4.05 sqm/month

3. - Avda. Manoteras, 44



Owner	Starwood Capital Group
Office GLA (sqm)	15,099
Standard Floors (sqm)	2,149 sqm
Number of floors	B+GF+6
Year of Construction / Refurbishment	2008 / 2018
Occupancy (%)	88%
Vacant GLA (sqm)	1,750 sqm
Asking Rents (€ psm/month)	€13.00 sqm/month
Service Charge (€ psm/month)	€3.05 sqm/month

4. - Avda. Manoteras, 32



Owner	Avis
Office GLA (sqm)	4,568
Standard Floors (sqm)	755 sqm
Number of floors	B+GF+6
Year of Construction / Refurbishment	2004 / -
Occupancy (%)	73%
Vacant GLA (sqm)	1,218 sqm
Asking Rents (€ psm/month)	€10.90 sqm/month
Service Charge (€ psm/month)	€3.25 sqm/month

5. - Avda. Manoteras, 38



Owner	Multiowner
Office GLA (sqm)	19,625
Standard Floors (sqm)	-
Number of floors	B+GF+5
Year of Construction / Refurbishment	2007 / -
Occupancy (%)	97%
Vacant GLA (sqm)	632 sqm
Asking Rents (€ psm/month)	€11.84 sqm/month
Service Charge (€ psm/month)	-

6. - Avda. Manoteras, 30



Owner	Multiowner
Office GLA (sqm)	13,799
Standard Floors (sqm)	1,870 sqm
Number of floors	B+GF+4
Year of Construction / Refurbishment	2008 / -
Occupancy (%)	97%
Vacant GLA (sqm)	446 sqm
Asking Rents (€ psm/month)	€9.23 sqm/month
Service Charge (€ psm/month)	-

7. Orión Building - Avda. Manoteras, 26



Owner	FREO Investments
Office GLA (sqm)	7,708
Standard Floors (sqm)	1,192 sqm
Number of floors	B+GF+7
Year of Construction / Refurbishment	2001 / 2018
Occupancy (%)	53%
Vacant GLA (sqm)	3,657 sqm
Asking Rents (€ psm/month)	€11.50 sqm/month
Service Charge (€ psm/month)	€4.65 sqm/month

8. Neos 20 - Avda. Manoteras, 20



Owner	Tristan Capital
Office GLA (sqm)	38,141
Standard Floors (sqm)	1,404 sqm
Number of floors	B+GF+6
Year of Construction / Refurbishment	2009 / -
Occupancy (%)	72%
Vacant GLA (sqm)	10,824 sqm
Asking Rents (€ psm/month)	€16.00 sqm/month
Service Charge (€ psm/month)	€2.53 sqm/month

9. Elipse Building - Avda. Manoteras, 18



Owner	Merlin Properties
Office GLA (sqm)	7,516
Standard Floors (sqm)	1,065 sqm
Number of floors	B+GF+6
Year of Construction / Refurbishment	1969 / 2005
Occupancy (%)	26%
Vacant GLA (sqm)	5,557 sqm
Asking Rents (€ psm/month)	€9.00 sqm/month
Service Charge (€ psm/month)	€3.65 sqm/month

10. Cetil II Building - Avda. Manoteras, 6



Owner	Cetil
Office GLA (sqm)	10,555
Standard Floors (sqm)	1,544 sqm
Number of floors	B+GF+6
Year of Construction / Refurbishment	2005 / -
Occupancy (%)	93%
Vacant GLA (sqm)	780 sqm
Asking Rents (€ psm/month)	€12.50 sqm/month
Service Charge (€ psm/month)	-

11. Cetil I Building - Avda. Manoteras, 4



Owner	Cetil
Office GLA (sqm)	12,505
Standard Floors (sqm)	1,330 sqm
Number of floors	B+GF+7
Year of Construction / Refurbishment	2005 / -
Occupancy (%)	100%
Vacant GLA (sqm)	0 sqm
Asking Rents (€ psm/month)	€11.50 sqm/month
Service Charge (€ psm/month)	€3.60 sqm/month

12. Building A - Avda. Manoteras, 10



Owner	Civisa
Office GLA (sqm)	2,715
Standard Floors (sqm)	423 sqm
Number of floors	B+GF+6
Year of Construction / Refurbishment	2006 / -
Occupancy (%)	0%
Vacant GLA (sqm)	2,715 sqm
Asking Rents (€ psm/month)	€16.55 sqm/month
Service Charge (€ psm/month)	€3.50 sqm/month

In the area there is a new project currently under development which will soon be incorporated to the supply:



POLARIS NORTH MADRID – AVDA. MANOTERAS, 12

Polaris North Madrid is a new project owned by ONIX Capital Partners and designed by b720 F. Vazquez. It is estimated to be completed in 2020.

It offers 14,284 sqm of office space divided in seven floors and boasts open-plan, wholly column-free standard floors that span 2,794 sqm. It also features a 7.2m double height lobby and two basements boasting 212 parking spaces. It is one of the first properties in Spain to obtain LEED Core & Shell and WELL certifications, both at gold level.

RECENT RENTAL TRANSACTIONS IN THE AREA

We have considered rental transactions at a local level for properties within the subject area and areas that have been considered similar. It should be noted we have not considered all transactions as some properties are obsolete, poorly located in comparison or are not a relevant comparable reflecting the type of office scheme envisaged. We provide details of transactions at local level:

There have been numerous rental transactions throughout 2018-2019 within the subject area.

Manoterás					
Building	Address	Tenant	sqm	€/sqm/mt	Date
1.-Cetil II	Av. Manoterás 6	Datapoint	765	10.25	2018 Q1
2.-Delta Norte I	Av. Manoterás 44	Hoist Finance	1,155	12	2018 Q1
3.-Isla de Chamartín	Av. Manoterás 20	Sopra	2,240	15	2018 Q2
4.-Delta Norte II	Av. Manoterás 46	Aliseda Inmobiliaria	835	13	2018 Q2
5.-Elipse	Av. Manoterás 18	Isolux Corsan	1,687	9	2018 Q3
6.-Delta Norte I	Av. Manoterás 44	Laboratoire Biostétique	600	11.5	2018 Q3
7.-Delta Norte II	Av. Manoterás 46	Aliseda Inmobiliaria	1,135	11.5	2018 Q3
8.-Orion	Av. Manoterás 26	Innova	255	10.75	2018 Q3
9.-Delta Norte I	Av. Manoterás 44	Strategy Big Data	350	10.5	2018 Q3
10.-Fuente de la Mora	Fuente de la Mora 9	Anton Para	435	11.25	2018 Q3
11.-Cetil I	Av Burgos 114	Knauf	940	10	2018 Q2
12.- Neos 20 Business Park	Av. Manoterás, 20	Vallid Soluciones Tec.	n.a	15	2019 Q1
13.- Delta Norte I	Av. Manoterás, 44	Bankia	1,725	13	2019 Q1
14.- Delta Norte I	Av. Manoterás, 44	Scheider Elect. Software	1,160	11.5	2019 Q1
15.- Cetil I	Av. Burgos, 114	Cetil	400	9.5	2019 Q1
16.- Fuente de la Mora	Fuente de la Mora, 9	Zankyou Ventures	400	11.25	2019 Q1
17.- Orion	Av. Manoterás, 26	Viavi	300	11.75	2019 Q1
18.- Orion	Av. Manoterás, 26	Control Montajes Indust.	300	11.75	2019 Q1
19.- Delta Norte I	Av. Manoterás, 44	Next Technologies	1,165	11.5	2019 Q2
20.- Delta Norte I	Av. Manoterás, 44	BBVA	1,155	11.5	2019 Q2
21.- Albor Plaza	Av. Manoterás, 52	INE	18,503	14	2019 Q3
22.- Fuente de la Mora	Fuente de la Mora, 9	Ced Spain	1,095	11.5	2019 Q3
23.- Elipse	Av. Manoterás, 18	Imporges	900	9.3	2019 Q3
24.- Fuente de la Mora	Fuente de la Mora, 9	Zankyou Ventures	550	11.3	2019 Q3
25.- Cetil I	Av. Burgos 114	Jungle Box	470	10.5	2019 Q4
26.- Orion	Av. Manoterás 26	Mivet	370	11	2020 Q1
27.- Orion	Av. Manoterás 26	Ebsco	625	11	2020 Q1
28.- Fuente de la Mora	Fuente de la Mora 9	Century XXI	385	12.5	2020 Q1
29.- Neos 20 Business Park	Av. Manoterás 20	Jaggear	700	15	2020 Q2

Isla de Chamartín					
Building	Address	Tenant	sqm	€/sqm/mt	Date
1.- Torre Chamartín	Dulce Chacón, 55	Deloitte	5,998	17	2019 Q3
2.-Torre Chamartín	Dulce Chacón, 55	Loom House	1,060	18	2019 Q3
3.-Torre Chamartín	Dulce Chacón, 55	Buran Energy	1,065	18	2019 Q3
4.-Torre Chamartín	Dulce Chacón, 55	Deloitte	6,368	18	2019 Q3
5.-Torre Chamartín	Dulce Chacón, 55	Alcatelecom	1,060	18.50	2019 Q4

La Moraleja					
Building	Address	Tenant	sqm	€/sqm/mt	Date
1.-Europa 1	Av. Europa 1	Vass	2,055	10.25	2018 Q1
2.- Edificio Torona	Av. Europa 24	Quint Group	425	13	2018 Q2
3.-Moraleja Building One	Av. Europa 19	Italtel	1,080	14	2018 Q2
4.-Moraleja Building One	Av. Europa 19	Italtel	530	14.45	2019 Q1
5.- Edificio Villar	Av. Europa 6	Ib Swiss	840	12.5	2019 Q1
6.- Edificio Torona	Av. Europa 24	Vatech	340	11.5	2019 Q2
7.- Avda. Europa 22	Av. Europa 22	Plus Ultra Líneas Aéreas	1600	13	2019 Q4
8.-Moraleja Building One	Av. Europa 19	Commscope	1015	16.5	2019 Q4
9.- Edificio Torona	Av. Europa 24	Fidia Farmacéutica	385	11.4	2020 Q1

Sanchinarro – Las Tablas					
Building	Address	Tenant	sgm	€/sgm/mt	Date
1.-Burgos 210	Av. Burgos 210	Allfunds Bank	5,986	12.5	2018 Q1
2.-Arcis	Quintanapalla 8	Schindler	2,000	12	2018 Q1
3.-Oxseo	Quintanadueñas 2	CapGemini	2,000	12	2018 Q2
4.-Starbox	Sobrado 2	Travis	280	10	2018 Q3
5.-P. Emp. Las Tablas.	Federico Mompou 5	IDL	215	13	2018 Q3
6.-Bilma	María Tubau 9	BBVA Informática	1,866	10.75	2018 Q3
7.- P. Emp. Las Tablas I	Federico Mompou, 5	Covance Clinical	1,500	11.5	2019 Q1
8.- Pombo Angulo, 20	M. Pombo Angulo, 20	Zeppelin	1,625	11	2019 Q1
9.- Quintanavides, 13	Quintanavides, 13	Construcia	1,160	15.25	2019 Q1
10.- Quintanavides, 13	Quintanavides, 13	Construcia	770	14.25	2019 Q1
11.- María Portugal, 1	María Portugal, 1-3-5	Grupouno	1,535	14.5	2019 Q1
12.- Oxseo	Quintanadueñas, 2	Do Eat	400	15	2019 Q1
13.- Oxseo	Quintanadueñas, 2	Lenovo	1,325	16.5	2019 Q2
14.- Quintanavides, 13	Quintanavides, 13	Zoetis	1,540	14	2019 Q4
15.- Oxseo	Quintanadueñas 2	Tea Cegos	1,165	17	2019 Q4
16.- Quintanavides, 13	Quintanavides, 13	Landmark Prop. Mgment	770	14	2019 Q4
17.- Oxseo	Quintanadueñas 2	PFS	455	16.5	2019 Q4
18.- Quintanavides, 13	Quintanavides, 13	Metalúrgica de Levira	380	15	2019 Q4
19.-Quintapanalla, 2	Quintapanalla, 2	n.a.	460	13.6	2020 Q1
20.-Quintanavides, 17	Quintanavides, 17	Clece	680	14	2020 Q1
21.-Quintanavides, 19	Quintanavides, 19	Telecom Iberia	200	14.5	2020 Q1

6.3 Sant Cugat Green

6.3.1 Location

The property is situated in the municipality of Sant Cugat del Vallès, in the province of Barcelona, in the area commonly known as “Can Sant Joan”, a secondary office area located in the periphery of Barcelona, developed along the B-30/AP-7 highways, 6 Km to the north of Sant Cugat del Vallès and 6 Km to the east of Rubí. The attractive surroundings of Sant Cugat have made one of the most sought-after office submarkets in the Barcelona metropolitan area. Companies such as Grifols, Sabadell Bank, Ricoh, RTVE, Catalana Occidente, or Mapfre are settled in this Business Park, which is also served by many available services such as hotels, restaurants and even schools.

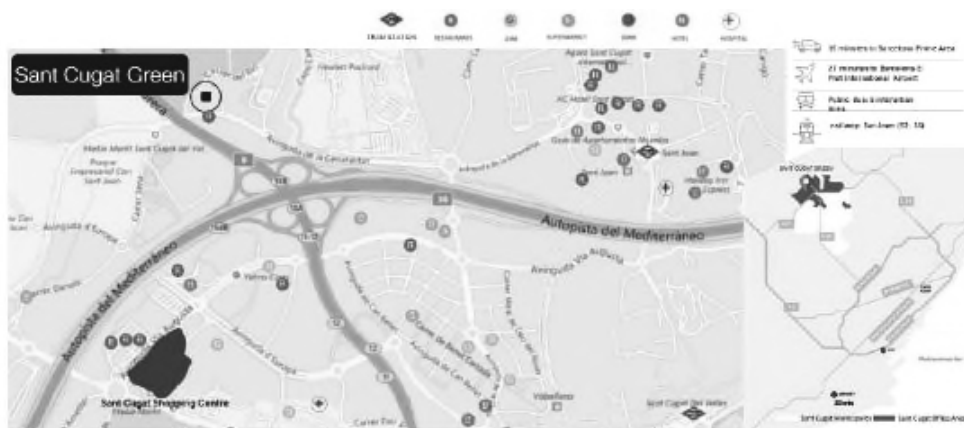
The asset is located in the northwest part of Can Sant Joan. This specific area where the asset is settled is bounded by the C-16 road and the AP-7 highway (to the south), Carrer del Rin (to the west) and Cami de Can Graells (to the east). Well-known tenants such as Roche, HP or Nespresso have their headquarters in this specific area.

The area is surrounded by other business and commercial areas, including a shopping centre located on the other side of the AP-7 Highway. The residential area of Bellaterra, mainly comprised by detached houses and the Autònoma University of Barcelona are located to the east.

The subject property fronts Av. De la Generalitat, the main avenue in the area which provides direct access to the B-30/AP-7 highway and easily connects with the municipality of Rubí. In the avenue there are also different bus stops which provide connection with Sant Joan train station, from where it’s easy to reach Barcelona and Sabadell municipalities.

The zone where the asset is located is an office-focused area with several nearby services. Nevertheless, they are located on its east part, on the other side of Plaça de la Recerca and within a several minutes walking distance. Although the area is well consolidated and most of the companies have been settled here for a long time, there is still vacant land in the area and different opportunities of project development.

We provide location plans:



The following is a link to the location of the property in Google Maps: <https://goo.gl/maps/3hGHKgeqdPxfMFCa8>

GPS coordinates are: 41.492859, 2.055248

6.3.2 Site

Can Sant Joan area includes many nearby services such as schools, supermarkets, hotels and a shopping centre, among others. The area is well consolidated and most of the companies have been settled here for a long time, but there is still vacant land in the area and different opportunities of project development.

Private car is the most comfortable way of arriving at the subject property, because the immediate area is only served by several bus stops that only connect to Sant Joan train station.

Due to the fact that the property fronts Av. De la Generalitat, the main avenue in the area which provides direct access to the B-30/AP-7 highway, the access by road is easy. It takes less than 30 minutes to get Barcelona airport and the same amount of time to get to Barcelona city centre.



Getting to the site using public means of transport is also possible:

- ⊙ By Train: The closest train stop is Sant Joan (in lines ES, S2 and S6) located some 2 Km (30 minutes walking, 8 minutes by bus) from the subject site.
- ⊙ By Bus: The area is served by a bus stop, located on Avinguda de la Generalitat , just in front of Sant Cugat Green building. The line that serves the zone is SJ, a circular line, specific for this office area, that connects all the different buildings settled in the area with Sant Joan train station.
- ⊙ By Air: The nearest airport, “Josep Tarradellas - El Prat” is located some 33 kilometres and 25 minutes from the property via the A-2 highway. There are various terminals in the airport providing national and international destinations.

As with most major cities traffic problems can be experienced at peak traffic times including congestion and parking difficulties in the surrounding areas. In conclusion the property is settled on a secondary location, served by a number of different public transport alternatives which can be accessed in a relatively short time by foot. Access to the property via private transport is also decent.

DRIVERS OF DEMAND

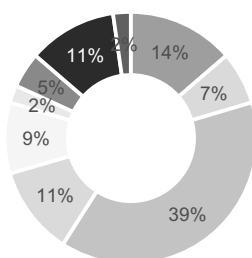
Some of the reasons that make Can Sant Joan an attractive office location for both tenants and investors are the following:

- ⊙ **Attractive Location:** Located in Can Sant Joan, a consolidated economic area developed alongside the B-30/AP-7 highway, in the municipality of Sant Cugat del Vallès, one of the most active cities in the Barcelona metropolitan region. The B-30/AP-7 axis connects the area with other cities even in the south of Europe.
- ⊙ **Consolidated Office Area:** Since its creation and development, Can Sant Joan has consolidated as one of the main office areas within the “periphery” submarket. Incasòl, the Catalonian public administration in charge of land, was the owner of many plots in Can Sant Joan, and took an active part in its development.
- ⊙ **Road Access:** As it has been developed alongside and with direct access to the B-30/AP-7 highway, Can Sant Joan is easy to access by car. It takes less than 30 minutes to get to either Barcelona airport or Barcelona city centre. In the area, most buildings have private parking spaces and moreover parking in the street is neither restricted nor regulated.
- ⊙ **Public Transport:** Can Sant Joan can be accessed by train and bus. A circular line that connects all the buildings in the area with the train station has been implemented, with many available buses stops, even one just in front of the subject asset. It takes just 30 minutes to arrive to Barcelona city centre by train.
- ⊙ **Services:** The area is served by a wide range of services including sports facilities, supermarkets and shops, a shopping centre, several international schools, kindergartens and even several hotels.
- ⊙ **Well-known tenants:** in the area, the corporate headquarters of major companies, mainly from technology sector, are settled. In addition, the main headquarters of the RTVE (the public television channel) are settled here.
- ⊙ **Buildings:** Most of the buildings are multitenant making easier for companies in search of office space to find something more adequate to their necessities in terms of both surface area and facilities.

TENANTS TRENDS

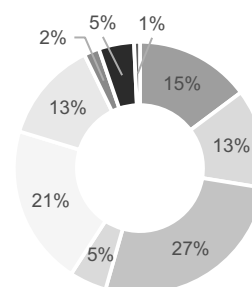
All rental transactions closed in the area within the last 5 years have been analysed. In both surface area and number of deals aspects, tenants operating in the technology sector have registered the highest percentage (39% and 27% respectively), followed by companies operating in consultancy and bank sectors. Within the last 5 years, 64% of the deals in the area have included less than 1,000 sqm and only 23% have included more than 2,000 sqm.

Industries Breakdown per Number of Deals



- Consultancy
- Pharmacy
- Technology
- Commercial
- Bank
- Insurance
- F&B
- Industry
- Communication

Industries Breakdown per Area



- Consultancy
- Pharmacy
- Technology
- Commercial
- Bank
- Insurance
- F&B
- Industry
- Communication

We have identified the exact location of some of the most important tenants settled in the area



#	Building	Address	Tenant	Type of Tenant	Area (sqm)
1	Edificio Catalana Park 4	Jesus Serra Santamans 8	Hewlett Packard	Technology	2,825
2	Catalana Parc 2	Jesus Serra Santamans 4	GFT	Consultancy	2,200
3	Sant Cugat Nord C	Plaza Xavier Cugat 2	Banc Sabadell	Bank	6,006
4	Mapfre Cubs	Camí Can Graells 1-21	Hewlett Packard	Technology	2,500
5	Mapfre Cubs	Camí Can Fatjo del Aurons	Mapfre	Insurance	8,500
6	Sant Cugat Nord D	Plaza Xavier Cugat 2	Banc Sabadell	Bank	1,684
7	Vinson	Camí Can Camps 17-19	Everis	Technology	1,120
8	Catalana Parc 3	Jesus Serra Santamans 6	Boehringer Ingelheim	Pharmacy	1,650
9	Parcugat	Av. Can Fatjo dels Aurons 9	Banc Sabadell	Bank	4,845
10	Parcugat	Av. Can Fatjo dels Aurons 9	Markem-Imaje	Technology	2,530
11	Parcugat	Av. Can Fatjo dels Aurons 9	Carhill	Consultancy	2,530
12	Catalana Parc	Alcalde Barnils 71	Hewlett Packard	Technology	1,100
13	Sant Cugat Nord A	Plaza Xavier Cugat 2	Consultora Tècnica de Obras	Consultancy	3,004
14	Vinson	Camí Can Camps 17-19	Ekon Cloud Computing	Technology	2,325

6.3.3 Property Description

The asset, commonly known as Sant Cugat Green Building is located at Av. De la Generalitat, 163-167, in Can Sant Joan technological area, in the municipality of Sant Cugat del Vallès, Barcelona. It consists of a five-storey standalone office building with four underground floors. It is set on a plot of some 14,500 sqm that includes the main building, an annex with four basement floors used as parking, and common exterior areas with paved and green areas that include two uncovered parkings. Fronting Av. De la Generalitat, the property is easily visible even from the B-30/AP-7.

The building was specifically developed for Deutsche Bank in 1993, at a high-end standard and with excellent quality of finishes and installations. It has a good provision of common areas, such as meeting rooms, cafeteria, and kitchen. Its floor plates have more than 3,000 sqm situated around a central atrium, enjoying good natural light throughout the building. Sant Cugat Green is LEED Gold certified. Now it is let to different tenants and well maintained.

The property comprises a total lettable area of 26,134 sqm, divided into 16,738 sqm of offices, currently let to different tenants (DXC Technology, Roche Diagnostics, Sodexo España and Ufinet Telecom), 5,066 sqm of Data Center (mostly vacant), 2,635 of Storage Space (also mostly vacant) and 1,695 sqm for other spaces such as meeting rooms or lunch areas. According to the rent roll provided by the client, 5,983 sqm (Data Center and Storage units) are currently vacant. In addition, the building includes 580 parking spaces.



The breakdown of the property would be the following:

- ⊙ Underground Areas: The main building include three underground levels dedicated to Data Room, storage units, staff facilities and technical and ancillary premises. The annex consists of four underground levels dedicated to parking spaces and ancillary accommodation and technical installations. The annexed parking premise is accessed by car through an entrance situated on its west part. For security purposes, there is no direct connection between the main building and the annex so the pedestrian access to the parking is via three lifts and a stairwell located on the ground floor in the north part of the site.
- ⊙ Ground Floor: The floor includes the main entrance (through the main façade of the building), a lobby area, a canteen and some office space. As well as in the rest of the above ground floors, there is also a central covered patio that includes different common areas and a communication core, that includes five lifts. On both sides of the building (east and west façades), there are two emergency stairs and on the east part, there are two goods lifts. The property also includes three exterior parking premises, located in the north, west and east part of the site.
- ⊙ First to Fourth Floors: The floor plate is considered as open plan offices that can be divided into different areas depending on the necessities of each tenant. All floors are connected by open stairs located on the central lobby and the communication core located in the north part of each floor. Each floor includes also two cores that give access to the toilets and the emergency stairs. In addition, third and fourth floors include terrace areas. We assume the floor to ceiling height is 2.7 metres in office areas.
- ⊙ Roof: M&E installations.

ACCOMODATION

The main building is settled in the central part of the plot, surrounded by green areas and three parking premises located adjacent to the east, west and north façades. The main car access is located on Avda. Generalitat, in the southwest corner of the plot and gives direct access to the exterior parking premises located to the west and north and the underground parking annex. For security purposes, there is no connection between the parking premises and the main building so there is a secondary car entrance on Carrer del Rin that gives access to the parking premise located to the west.

The main pedestrian access to the building is through the south façade, fronting Av. De la Generalitat although there is a secondary access on the north west façade. Vertical communication within the building is solved mainly by a core that include a stairwell and five lifts and various open stairwells located on the central covered patio that have a distinctive design. In addition, the building includes two emergency stairs located on its east and west façades and two goods lifts.

Basement levels are mainly intended to support the Data Centre located on the basement -2, including machinery and installation related to it. Nevertheless, basement -1, includes the shipping area and some space has been recently reconverted to offices. On basement -3, there are different spaces mainly used for services and for storage purposes.

On the roof, there are more machinery and installations related to the whole complex including, among others, the HVAC system, AHU units and VRV systems.

Layout and distribution within the property complex is adapted to the architectural design and both layout and distribution of the office area are good for the current purpose. Most of the office space include technical floor and suspended ceiling. On the other hand, basement floors that include the Data Centre and the spaces intended to support the Data Centre are more difficult to adapt to different uses and purposes and will be more difficult to let.

The size of the floors is circa 86 x 47 m with centralized services in different cores allowing a large open space suitable for office use. The columns are located in 8 longitudinal lines, supporting the curtain wall of the façades and in the middle part.

PARKING FACILITIES

Based on information provided there are some 580 car parking spaces located both on underground levels and on the ground floor. There is good layout within the parking and the internal roads are sufficient for circulating vehicles. The offices do not have direct access to the parking spaces. The spaces are also adequate in terms of size.

6.3.4 Tenure and Key Tenants

TENURE

We provide the data included in the registry excerpt (dated 9th January 2020) and in the cadastral information of the property:

Information	Registry Land	Cadastrre
Address	n.a.	Av. Generalitat 2 08174. Sant Cugat del Vallès (Barcelona)
Land Registry ID	40855	
Land Registry	Sant Cugat del Vallès number 1	
CRU	8123000443041	
Cadastral Reference	1441106DF2914S0001QR	1441106DF2914S0001QR
Constructed Area	16,440 sqm above ground 21,147.25 sqm below ground.	38,186 sqm
Land Plot Area	14,000 sqm	14,513 sqm
Construction Year	n.a.	1993
Owner	Chameleon (Sant Cugat Investment 2014) S.L.U. (VAT number B86969714)	
Ownership	100% freehold	
Charges	In addition to fiscal affections and easements, there was a mortgage in favour of Euro Dinero SARL with the following characteristics: Plot 40855: €23,777,731 and €4,755,546.20. Currently cancelled. We consider the above charges do not have a negative impact on the value of the property nor in its marketability. The property is owned under the equivalent of freehold.	

TENANCY

#	Tenant	Area (sqm)	Units (#)	Headline Rent (€/pa)	Annual Passing Rent (€/pa)	Passing rent per sqm/mth or unit	Start date	Break Option Date	Expiry Date	Remaining lease term incl. breaks (yrs)	Remaining lease term without breaks (yrs)
1	DXC	1,553	-	232,884	232,884	12.50	15/06/2011	31/03/2023	31/03/2029	2.7	8.8
2	DXC	8,930	-	1,339,512	1,339,512	12.50	15/06/2011	31/03/2025	31/03/2029	4.8	8.8
3	DXC	-	235	319,750	319,750	113.39	15/06/2011	31/03/2023	31/03/2029	2.7	8.8
4	DXC	-	107	-	-	-	15/06/2011	31/03/2023	31/03/2029	2.7	8.8
5	DXC	-	30	-	-	-	15/06/2011	31/03/2023	31/03/2029	2.7	8.8
6	DXC	2,456	-	250,479	250,479	8.50	15/06/2011	31/03/2023	31/03/2029	2.7	8.8
7	Lyntia	-	1	14,851	14,851	1,237.58	01/01/2017	-	31/12/2020	0.5	0.5
8	Roche	6,255	-	863,701	863,701	11.51	01/02/2015	-	31/12/2022	2.5	2.5
9	Roche	-	122	169,998	169,998	116.12	01/02/2015	-	31/12/2022	2.5	2.5
10	Roche	-	86	-	-	-	01/02/2015	-	31/12/2022	2.5	2.5
11	Roche	179	-	-	-	-	01/02/2015	-	31/12/2022	2.5	2.5
12	Sodexo	778	-	64,512	64,512	6.91	01/01/2006	-	31/12/2023	3.5	3.5
13	Vacant	1,331	-	-	-	-	-	-	-	n.a.	n.a.
14	Vacant	3,736	-	-	-	-	-	-	-	n.a.	n.a.
15	Vacant	917	-	-	-	-	-	-	-	n.a.	n.a.
Total		26,134	581	3,256K	3,256K	10.38				3.5	6.6

RENTAL STEPS

No rental steps are included.

TENANTS DESCRIPTION

We provide information about some of the key tenants of the building.

DXC

- ⊙ DXC is an investment grade information technology services company listed on the NYSE which offers analytics, applications, business process, cloud and workload, consulting, and security services and solutions. DXC is a Fortune 500 company and is represented in the S&P 500 Index, and has established more than 200 industry-leading global relationships, including 14 strategic partners including Amazon Web Services, AT&T, Dell Technologies, Google Cloud, HP, HPE, IBM, Micro Focus, Microsoft, Oracle, PwC, SAP, ServiceNow and VMware.
- ⊙ DXC Technology was founded in 2017 as the result of the spin-off of Hewlett Packard Enterprise's Enterprise Service segment and its merger with Computer Sciences Corporation (CSC).
- ⊙ DXC Technology helps customers across the entire Enterprise Technology Stack with differentiated industry solutions. They modernize IT, optimize data architectures, and make everything secure, scalable and orchestrated across public, private and hybrid clouds.

DXC key figures

- ⊙ 138,000 employees in 70 countries
- ⊙ \$19.6 Billion revenues in FY 2020 (vs \$20.75 Billion FY 2019)
- ⊙ \$2.1 Billion adjusted EBIT in FY 2020 (v 3.27 Billion in FY 2019)

ROCHE

- ⊙ Roche Diagnostics is a Swiss multinational healthcare company founded 1986 by Fritz Hoffmann-La Roche which develops innovative products and services that address the prevention, diagnosis, monitoring, screening and treatment of diseases.
- ⊙ The holding company, Roche Holdings AG ("Roche"), a Swiss multinational healthcare company, is an investment-grade company with shares listed on the SIX Swiss Exchange.
- ⊙ Roche operates worldwide under two divisions: Pharmaceuticals and Diagnostics.
- ⊙ Roche is the second-largest pharmaceutical company worldwide after Johnson&Johnson.
- ⊙ Descendants of the founding Hoffmann and Oeri families own slightly over half of the bearer shares with voting rights (a pool of family shareholders 45%, and Maja Oeri a further 5% apart), with Swiss pharma firm Novartis owning a further third of its shares.
- ⊙ Roche is one of the few companies increasing their dividend every year, for 2018 as the 32nd consecutive year.

Roche key figures

- ⊙ CHF 61.5 Billion revenues in 2019 (constant increase YOY from 48.1 Billion in 2015).
- ⊙ Core net income 18.1 Billion in 2019 (constant increase YOY from 11.8 in 2015).
- ⊙ Roche has 97,735 employees worldwide.

6.3.5 SWOT

A SWOT analysis has been made to reflect the Strengths, Weaknesses, Opportunities and Threats of the asset.

<p>STRENGTHS</p> <ul style="list-style-type: none"> ⊙ Office space fully let. ⊙ Contractual terms to perceived good covenant strength. ⊙ Current rents are at market levels ⊙ Stable cashflow with CPI indexation ⊙ The property was developed at a high standard, with excellent quality of finishes and installations ⊙ The property benefits of a Leed Gold certificate ⊙ Good provision of common areas, such as meeting rooms, cafeteria, kitchen, etc. ⊙ Good visibility as fronting the main avenue in the area. 	<p>WEAKNESSES</p> <ul style="list-style-type: none"> ⊙ Secondary office location ⊙ Limited offer of services in the immediate area, as retail or restoration ⊙ Train station 30 minutes' walk from the asset. ⊙ Data centre area currently vacant. ⊙ Materials and design slightly out of date, although of very good quality. ⊙ Installations to be soon in need of refurbishment. ⊙ There is no direct connection between the parking facilities and the office areas.
<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> ⊙ Possibility to reorganize space on underground floors to provide more common areas and facilities and make the asset more attractive to tenants. ⊙ Alternatively, let the data centre to a specialized company. ⊙ Reduce service charges and/or transfer part of the service charges attributable to the data centre to the office space. ⊙ Increase current under-rented leases to market levels. 	<p>THREATS</p> <ul style="list-style-type: none"> ⊙ High uncertainty related to Covid-19 and its consequences on i) national economy and ii) office users' medium term trends. ⊙ Potential increase of interest rates and therefore potential effect on the real estate yields ⊙ Large supply of vacant office area and plots to be developed in the surroundings.

6.3.6 Office Building Analysis – Comparable Evidence

ASKING RENTAL PRICES

The property is located in a consolidated office area, where there is a high concentration of buildings, some of them owned by renowned companies and with well-known tenants. Market rents vary significantly from modern or well-maintained buildings to older facilities not complying with the standards currently required by most of the companies (raised floor, energy efficiency, etc).

After analysing recent transactions closed within Sant Cugat de Llobregat and the asking prices of the properties currently being marketed, we believe market rent in the area would be in the region of €10.50-11.50 psm/month. Occupancy rate in the area would be in the region of 80%.

We provide a photographic plan of the main office buildings which could be considered competitors in the vicinity:



The aforementioned properties are listed below:

1. Sant Cugat Business Park - Via Augusta, 15



Owner	n.a.
Office GLA (sqm)	25,000
Standard Floors (sqm)	-
Number of floors	B+GF+8
Year of Construction / Refurbishment	2009 / -
Occupancy (%)	96%
Vacant GLA (sqm)	1,000 sqm
Asking Rents (€ psm/month)	€10.50 sqm/month
Service Charge (€ psm/month)	-

2. Sant Cugat Nord - Plaça Xavier Cugat, 2



Owner	Colonial
Office GLA (sqm)	27,903
Standard Floors (sqm)	3,000 sqm
Number of floors	B+GF+3
Year of Construction / Refurbishment	1999 / -
Occupancy (%)	94%
Vacant GLA (sqm)	1,730 sqm
Asking Rents (€ psm/month)	€10.50 sqm/month
Service Charge (€ psm/month)	-

3. Testa, 10 - Vía Augusta, 71



Owner	Testa
Office GLA (sqm)	10,008
Standard Floors (sqm)	530 sqm
Number of floors	B+GF+9
Year of Construction / Refurbishment	2000 / -
Occupancy (%)	94%
Vacant GLA (sqm)	556 sqm
Asking Rents (€ psm/month)	€ 9.0-12.5 sqm/month
Service Charge (€ psm/month)	€3.10 sqm/month

4. - Alcalde Barnils, 64



Owner	n.a.
Office GLA (sqm)	15,374
Standard Floors (sqm)	3,566 sqm
Number of floors	B+GF+5
Year of Construction / Refurbishment	2010 /
Occupancy (%)	87%
Vacant GLA (sqm)	2,006 sqm
Asking Rents (€ psm/month)	€ 10.0-12.5 sqm/month
Service Charge (€ psm/month)	€3.85 sqm/month

5. Cubic Sant Joan - Alcalde Barnils, 72-74



Owner	n.a.
Office GLA (sqm)	3,708
Standard Floors (sqm)	-
Number of floors	B+GF+2
Year of Construction / Refurbishment	1991 /
Occupancy (%)	62%
Vacant GLA (sqm)	1,394 sqm
Asking Rents (€ psm/month)	€ 10.5-11.0 sqm/month
Service Charge (€ psm/month)	€2.50 sqm/month

6. TCA Building - Carrer d' Henri Dunant, 9-11,



Owner	n.a.
Office GLA (sqm)	28,934
Standard Floors (sqm)	-
Number of floors	B+GF+4
Year of Construction / Refurbishment	2008 /
Occupancy (%)	90%
Vacant GLA (sqm)	2,843 sqm
Asking Rents (€ psm/month)	€10.50 sqm/month
Service Charge (€ psm/month)	-

RECENT RENTAL TRANSACTIONS IN THE AREA

We have considered rental transactions at a local level for properties within the subject area and areas that have been considered similar. It should be noted we have not considered all transactions as some properties are obsolete, poorly located in comparison or are not a relevant comparable reflecting the type of office scheme envisaged.

There have been several rental transactions throughout 2018-2020 within the subject area:

Sant Cugat del Vallés					
Building	Address	Tenant	sqm	€/sqm/mt	Date
Sant Cugat Nord B	Plaza Xavier Cugat 2	Erni Consulting	550	11.5	2018 Q2
n.a.	Av. Can Fatjo dels Aurons 9	Markem-Imaje	2,530	12	2018 Q2
Can Ametller	Camí Can Ametller 24	Nortia Corporation	1,480	11	2018 Q2
Onada	Alcalde Barnils 70. Sant Joan	Sociedad de Ultracongelados	385	9	2018 Q2
Parcugat	Av. Can Fatjo dels Aurons 9	Carhill	2,530	13	2018 Q3
Catalana Parc	Alcalde Barnils 71	Hewlett Packard	1,100	10	2018 Q3
Vinson. Vallsolana Garden BP	Camí Can Camps 17-19	Bmm	700	7.25	2018 Q3
Can Ametller	Camí Can Ametller 24	Mercedes Benz	680	12	2018 Q3
Can Ametller	Camí Can Ametller 24	Ubisoft	480	12	2018 Q3
Sant Cugat B.P.	Av. Via Augusta 15-25	Client Solutions	600	13	2018 Q4
n.a.	Via Augusta 103	Moventia	3,564	11.2	2018 Q4
Mapfre Cubs	Camí Can Fatjo dels Aurons	Beyond Software	720	11	2018 Q4
Sant Cugat Nord D	Plaza Xavier Cugat 2	Magic Box	325	11	2019 Q1
n.a.	Orient 78-84	Versatil Lay	415	6	2019 Q1
Sant Cugat Nord A	Plaza Xavier Cugat 2	Consultora Técnica de Obras	3,004	12	2019 Q3
Sant Cugat Nord A	Plaza Xavier Cugat 2	Magic Box	687	11.5	2019 Q3
Vinson. Vallsolana Garden BP	Camí Can Camps 17-19	Staedler	500	11.5	2019 Q3
Kibo. Vallsolana Garden BP	Camí Can Camps 17-19	Win Systems	495	12	2019 Q3
Can Ametller	Camí Can Ametller 24	Spontex España	800	10	2019 Q3
Vinson. Vallsolana Garden BP	Camí Can Camps 17-19	Ekon Cloud Computing	1,095	10.3	2019 Q4
Sant Cugat I	Av. Alcalde Barnils 64-68	Rocasalvatella	415	11.5	2019 Q4
Sant Cugat B.P.	Via Augusta 15-25	Nolimits Travel	1,135	9.5	2020 Q1
Vinson. Vallsolana Garden BP	Camí Can Camps 17-19	Ekon Cloud Computing	1,230	11.5	2020 Q1

6.4.2 Site

The site is well communicated due to its proximity to the B-23 highway, which connects the area with Barcelona city centre (Avda. Diagonal) and the A-2 highway. This provides easy access to Josep Tarradellas international airport, which is located around 19 Km and 18 minutes away. In addition, the N-340 road located at the end of Avda. Cornellá goes directly towards Sants st, one of the main axes of Barcelona city.



Private car is the most comfortable way of arriving at the subject property, although the area is served by several public means of transport.

- ⊙ By Tram: The closest tram stops are Montesa and La Sardana (in lines T1, T2 and T3) located some 600 from the subject site.
- ⊙ By Bus: The area is served by different bus stops, located within a 300 metres radius. The lines that serve the zone are 78, L11, L46 and N15 (with several stops located on Avda. Baix Llobregat) and L-10 (with a bus stops located on Josep Argemi).
- ⊙ By Metro: The closest metro and train stations are located some 15 min walking from the property.
- ⊙ By Air: The nearest airport, "Josep Tarradellas - El Prat" is located some 19 kilometres and 18 minutes from the property via the A-2 highway. There are various terminals in the airport providing national and international destinations.

As with most major cities traffic problems can be experienced at peak traffic times including congestion and parking difficulties in the surrounding areas.

DRIVERS OF DEMAND

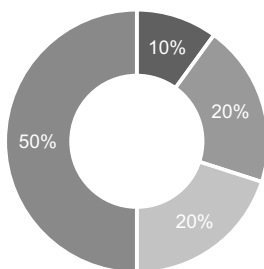
Some of the reasons that make Esplugues de Llobregat and “El Gall” an attractive office location for both tenants and investors are the following:

- ⊙ Good Location and access: Esplugues de Llobregat is located only 5 km from Barcelona’s CBD, offering great access to Barcelona city centre as being directly connected with Diagonal Av, one of the main axes of Barcelona city via the N-340 road, where Avda. Cornellá ends. In addition, El Prat airport can also be easily reached.
- ⊙ Opportunities: As the area is currently being re-developed, there are many opportunities for refurbishments and renovations on existing buildings, obtaining as a result unique office buildings. In addition, several urban renovations (several parks and streets) are intended to be finished by the city hall in the short term, which will improve the aesthetic of the zone.
- ⊙ Public Transport: Esplugues and particularly El Gall area can be accessed by several means of public transport, that connect it to Barcelona city centre and other municipalities of the region. Two tram stops, one metro station and several bus stops serve the area.
- ⊙ Services: The area is served by a wide range of services including schools, restaurants, shops, supermarkets or petrol stations are some of the services that can currently be found. In addition, it benefits from the services included in the nearby vicinities, including some international schools such as “Colegio Alemán”.
- ⊙ Rental Level: Despite being really close to Barcelona city centre and very well connected with it, rents in the area are considerably more affordable than in other submarkets, as office sector is still not very developed. Tenants can benefit from that circumstance.

TENANTS TRENDS

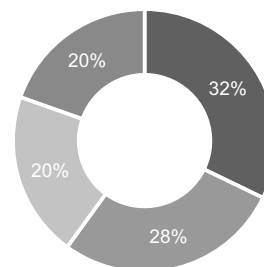
All rental transactions closed in the area within the last 5 years have been analysed in both surface area and number of deals aspects. Although by number of deals, companies operating in the technology sector are the most majority, consultancy sector is the one that obtain a higher percentage in terms of let surface area. Within the last 5 years, 40% of the deals in the area have included more than 1,500 sqm.

Industries Breakdown per Number of Deals



■ Consultancy ■ F&B ■ Pharmacy ■ Technology

Industries Breakdown per Area



■ Consultancy ■ F&B ■ Pharmacy ■ Technology

Some of the main tenants located within Esplugues de Llobregat municipality include: Salvat (publishing), Bayer (Pharmacy), TV3 (Television, located within Sant Joan Despi municipality, but close to Esplugues de Llobregat).

In addition, we provide some of the tenants recently settled in Esplugues de Llobregat area.

#	Building	Address	Tenant	Type of Tenant	Area (sqm)
1	Lekla	Carretera Cornellá 140	Consultoría Informática y Telecomunicaciones	Technology	340
2	n.a.	Av. Paisos Catalans 51	Nestlé	F&B	2,873
3	Alta 1	Av. Paisos Catalanes 34-36	Fufh	Technology	475
4	Alta 1	Av. Paisos Catalanes 34-36	Bioibérica	Pharmacy	1,914
5	Alta 1	Av. Paisos Catalanes 34-36	Bioiberica	Pharmacy	1,914
6	n.a.	Ctra. Esplugues 225	Servihabitat	Consultancy	6,050

6.4.3 Property Description

The asset, a standalone building commonly known as Il.lumina, is located at Gaspar Fàbregas I Roses, 81 in the municipality of Esplugues de Llobregat. The property consists of a three-storey office building with four underground floors. Il.lumina was originally built in the 1970s as the Corberó factory and fully refurbished in 2004 into an office building, maintaining its original exterior whilst enhancing its functionality and design. Those refurbishment works consisted in the complete internal demolition, preserving just some parts of the original façades and adapting the property to the offices and TV studio uses.

Further recent investment was made to provide for recent technologies, earning it the LEED Silver certification. It provides flexible office floors with ceilings from 2.7 metres up to four metres high and supplies a wide variety of services including meeting rooms, gym, changing rooms, a cafeteria and an auditorium with 90 seats for its tenants. Il.lumina also offers over 3,800 sqm of fully equipped TV studios and is currently well maintained.

The property is set on a plot of some 6,200 sqm, bounded by Carrer del Gall, Avda. Cornella, Avda. Baix Llobregat and Carrer Àngel Guimerà. As it fronts a public park to the north, it is easily visible from Carrer Josep Argemi. Nevertheless, its main access is not very noticeable or representative.

According to information provided by the client, the property comprises a total lettable area of 20,922 sqm, divided into 16,971 sqm of offices mostly let (or in process of being let) to different tenants (CCMA, Digitex, Aruba, Agfa, Powernet, ADM promotions, Arcasa, Cobega and Axians), 293 sqm of Studio TV use, 3,658 sqm of storage space. According to the rent roll, 656 sqm of offices, 1,099 sqm of storage space and 293 sqm of Studio TV use are currently vacant. In addition, the building includes 310 parking spaces.



The breakdown of the property would be the following:

- ⊙ Underground Areas: There are three underground floors dedicated to parking facilities (with 310 units including car and motorbike units), ancillary accommodation and technical installations. The parking is accessed by car by the entrance situated on Gaspar Fàbregas I Roses façade whereas its exit is located on Baronessa de Malda street. Pedestrian access to the parking is via either stairwell or via lifts.
- ⊙ Ground Floor (Semi-basement): It includes the areas dedicated to TV studios (with 5 sets of different areas), the spaces serving those studios and the loading and unloading zone, connected to the service lift.
- ⊙ First Floor: First floor includes the main entrance and lobby, connected to street level via ramp or lift. It also includes common areas such as meeting rooms, a gym and an auditorium. It also includes office space, where the floor to ceiling height is in the region of 2.50-3.00 metres.
- ⊙ Second to Third Floors: Mostly dedicated to office space but also including different common areas such a canteen. Open plan offices that can be divided into different areas depending on the necessities of each tenant. All floors are connected by open stairs located on the central lobby and the communication cores located in each corner of the central lobby. Floor to ceiling height is in the region of 3.50-4.00 metres in the office areas of these floors.
- ⊙ Roof: M&E installations.

ACCOMODATION

The main entrance is on its east façade, through Gaspar Fàbregas I Roses street. There is a steep-sloped ramp that connects the street with the main lobby and reception area, located on the first floor. There are secondary accesses mainly used for maintenance purposes and as loading and unloading area.

The car parking is accessed also by Gaspar Fàbregas I Roses street whereas its exit is located on Baronessa de Malda street. One of the main lifts connects the parking floors with the rest of the building and other two communicate the parking floors with the main entrance.

All levels are connected via 7 lifts and open staircases located on the central area. There are also 4 emergency staircases located in each corner of the central module. One lift connects the street level with the main hall level at 1st floor, making it accessible to people with disabilities. 2 service lifts connect the technical rooms, storage areas and kitchen with street level.

There are some storage, plant and machinery including installation related to the whole complex on site, at basement and semibasement levels and on the roof.

Layout and distribution within the property complex is adapted to the architectural design and in many ways both layout and distribution are good for the current purpose. Ground and first floors are partial renovations of the old Corberó factory. Second and third floors include curtain wall and double skin technology with sheets of glass at a 45° angle.

Office areas located on first and second floors include technical floors and suspended ceilings. Offices located on third floor and the TV studios does not include them.

The existence of centralized services in the cores allowing a large open space. The columns are located in ten longitudinal lines, even supporting the façades. The central area does not have any pillars, allowing the existence of the TV studios, of large areas and heights.

PARKING FACILITIES

Based on information provided there are some 310 car parking spaces located on underground levels. There is good layout within the parking and the internal roads are sufficient for circulating vehicles. The offices have direct access to the parking spaces. The spaces are also adequate in terms of size.

6.4.4 Tenure and Key Tenants

TENURE

We provide the information included in both the registry excerpt (dated 9th January 2020) and the cadastral information of the property:

Information	Registry Land	Cadastre
Address	n.a.	Ci. Baronessa de Malda, 48. 08950 E.Llobregat (Barcelona)
Land Registry ID	2956 and 22992	n.a.
Land Registry	Esplugues de Llobregat number 1	n.a.
CRU	08076000052099 and 08076000052082	n.a.
Cadastral Reference	n.a.	3007801DF2830E0001QA
Constructed Area	Id 2956: 4,743 sqm below ground and 10,154.13 sqm above ground Id 22992: 4,743 sqm below ground and 10,010.37 above ground	29,934 sqm
Land Plot Area	6,230.50 sqm	6,232 sqm
Construction Year	n.a.	2004
Owner	Chameleon (Esplugues) S.L.U (VAT number B87013496)	n.a.
Ownership	100% freehold	n.a.
Charges	In addition to fiscal affections and easements, there were two mortgages in favour of Euro Dinero SARL with the following characteristics: Plot 2956: €6,975,260.23 and €1,395,052.05. Currently cancelled. Plot 22992: €6,907,947.77 and €1,381,589. Currently cancelled.	n.a.

TENANCY

#	Tenant	Area (sqm)	Units (#)	Headline Rent (€/pa)	Passing Rent (€/pa)	Passing rent per m ² mth or unit	Start date	Break Option Date	Expiry Date	Remain. lease term inc. breaks (yrs)	Remain. lease term w/o breaks (yrs)
1	ADM	855	-	88,546	88,546	8.63	01/01/2016	31/12/2023	31/12/2023	3.5	3.5
2	ADM	-	8	6,365	6,365	66.31	01/01/2016	31/12/2023	31/12/2023	3.5	3.5
3	ADM	42	-	1,805	1,805	3.57	01/01/2016	31/12/2023	31/12/2023	3.5	3.5
4	Agfa	281	-	27,275	27,275	8.09	15/02/2019	31/12/2023	14/02/2024	3.5	3.6
5	Agfa	-	12	8,735	8,735	60.66	15/02/2019	31/12/2020	14/02/2024	0.5	3.6
6	Agfa	1,044	-	114,005	114,005	9.10	15/02/2019	31/12/2020	14/02/2024	0.5	3.6
7	Agfa	-	35	25,477	25,477	60.66	15/02/2019	31/12/2020	14/02/2024	0.5	3.6
8	Agfa	42	-	1,022	1,022	2.02	15/02/2019	-	14/02/2024	3.6	3.6
9	Aruba	816	-	127,911	127,911	13.06	01/09/2018	-	31/08/2021	1.2	1.2
10	Aruba	304	-	16,479	16,479	4.51	01/09/2018	-	31/08/2021	1.2	1.2
11	Arcasa	599	-	57,979	57,979	8.06	01/01/2016	-	31/12/2025	5.5	5.5
12	Arcasa	-	5	4,234	4,234	70.56	01/01/2016	-	31/12/2025	5.5	5.5
13	Arcasa	108	-	7,806	7,806	6.05	01/01/2016	30/11/2022	31/12/2025	2.4	5.5
14	Arcasa	-	-	24,000	16,800	1,400.00	01/01/2016	31/12/2022	31/12/2025	2.5	5.5
15	Cobega	2,383	-	213,390	213,390	7.46	01/11/2015	31/12/2022	31/12/2025	2.5	5.5
16	Cobega	-	25	19,500	19,500	65.00	01/11/2015	31/12/2022	31/12/2025	2.5	5.5
17	Cobega	297	-	12,477	12,477	3.50	01/11/2015	29/09/2025	31/12/2025	5.2	5.5
18	CCMA	3,764	-	686,179	686,179	15.19	01/10/2016	29/09/2025	30/09/2021	5.2	1.3
19	CCMA	-	4	3,984	3,984	83.00	01/10/2016	29/09/2025	30/09/2021	5.2	1.3
20	CCMA	896	-	70,674	70,674	6.58	01/10/2016	-	30/09/2021	1.3	1.3
21	Digitex	1,586	-	207,113	207,113	10.88	15/08/2016	-	15/08/2022	2.1	2.1
22	Digitex	-	7	5,504	5,504	65.52	15/08/2016	-	15/08/2022	2.1	2.1
23	Orange	-	-	1,038	1,038	86.53	01/11/2017	-	30/11/2022	2.4	2.4
24	Powernet	283	-	34,290	34,290	10.08	01/01/2014	-	31/12/2024	4.5	4.5
25	Powernet	-	8	4,838	4,838	50.40	01/01/2014	-	31/12/2024	4.5	4.5
26	Powernet	466	-	16,897	16,897	3.02	01/01/2014	-	31/12/2024	4.5	4.5
27	Areas	3,451	-	320,939	-	-	01/10/2020	-	29/09/2030	10.2	10.2
28	Areas	-	30	28,800	28,800	80.00	01/10/2020	-	29/09/2030	10.2	10.2
29	Areas	135	-	7,273	7,273	4.50	01/10/2020	-	29/09/2030	10.2	10.2
30	Axians (*)	1,250	-	157,510	105,007	7.00	01/04/2021	30/09/2025	29/09/2030	5.3	10.2
31	Vacant	261	-	-	-	-	-	-	-	n.a.	n.a.
32	Axians (*)*	135	-	6,465	5,657	3.50	01/04/2021	30/09/2025	29/09/2030	5.3	10.2
33	Vacant	131	-	-	-	-	-	-	-	n.a.	n.a.
34	Vacant*	189	2	-	-	-	-	-	-	n.a.	n.a.
35	Vacant*	287	3	-	-	-	-	-	-	n.a.	n.a.
36	Vacant*	180	2	-	-	-	-	-	-	n.a.	n.a.

37	Vacant	50	-	-	-	-	-	-	-	n.a.	n.a.
38	Vacant	54	-	-	-	-	-	-	-	n.a.	n.a.
39	Vacant*	132	2	-	-	-	-	-	-	n.a.	n.a.
40	Vacant*	160	2	-	-	-	-	-	-	n.a.	n.a.
41	Vacant	527	-	-	-	-	-	-	-	n.a.	n.a.
42	Vacant	75	-	-	-	-	-	-	-	n.a.	n.a.
43	Axians (*)	135	-	6,465	5,657	3.50	01/04/2021	30/09/2025	29/09/2030	5.3	10.2
44	Car prking	33	19,165	19,165	48.40	01/01/2020			31/07/2020	0.1	0.1
45	Axians (*)	20	16,800	12,000	50.00	01/04/2021	30/09/2025	29/09/2030		5.3	10.2
46	Vc. (pk)	25	-	-	-	-	-	-	-	n.a.	n.a.
47	Vc. (mbke)	87	-	-	-	-	-	-	-	n.a.	n.a.
Total		20,922	310	2,351K	1,964K	7.82				2.3	3.2

Vacant* refers to the space currently vacant but already with a Head of Terms signed by Axians, of a future contract that will start in 04/2021.

RENTAL STEPS

#	Tenant	Area (sqm)	Step 1			Step 2			Step 3		
			Start Date	End Date	Discount to contr. rent	Start Date	End Date	Discount to contr. rent	Start Date	End Date	Discount to contr. rent
14	Arcasa	-	01/06/2020	30/09/2020	30.0%						
27	Areas	3,451	01/10/2020	31/03/2021	100.0%						
30	Axians (HoT)	1,250	01/10/2020	30/09/2021	33.3%	01/10/2021	30/09/2022	33.3%	01/10/2022	30/09/2025	23.8%
32	Axians (HoT)	135	01/10/2020	30/09/2021	12.5%						
43	Axians (HoT)	135	01/10/2020	30/09/2021	12.5%						
45	Axians (HoT)		01/10/2020	30/09/2021	28.6%	01/10/2021	30/09/2025	14.3%			

TENANTS DESCRIPTION

We provide information about some of the key tenants of the building.

Areas

- ⊙ Areas was formed in 1968 in Spain. Today, it has 22,562 people working for the company across 12 countries.
- ⊙ Areas is one of the global leaders in Food & Beverage and travel retail. Areas welcomes 348 million customers each year in 1,928 restaurants and points of sale in 12 countries around the world.
- ⊙ Areas offers a broad range of services designed to meet the specific needs and expectations of domestic and international travellers.

Areas' Key Figures

According to the last registered accounts, corresponding to 2018:

- ⊙ Areas generated €1,900 billion revenues in 2018/2019.
- ⊙ 348 million customers per year. 22,562 employees across 12 countries
- ⊙ 3rd in travel food and retail services worldwide. Leader in France and Spain

CCMA

- ⊙ CCMA was created in 1983 as the public regional entity to manage the public television and radio.
- ⊙ The TV part comprises 2 generalist and 3 thematic channels, with TV3 as their most known channel.
- ⊙ The radio comprises four channels.
- ⊙ CCME also comprises 5 digital media sites associated with the TV and radio channels

- ⊙ The Corporació Catalana de Mitjans Audiovisuals is a public organisation that manages the audiovisual media of the Generalitat de Catalunya and the Grup d'Emissores de Catalunya Ràdio, in addition to the digital contents created by these media sources.

CCMA key figures

- ⊙ TV3 channel is the regional leader in terms of share, with 13.8%.
- ⊙ Catalunya Radio has 644,000 daily listeners increasing from 492,000 in 2010.
- ⊙ CCMA had an income of €317.31 Million in 2018 and net result of -€17,000 due to deficit of €7.3 Million in 2017.
- ⊙ CCMA has 2,313 employees.

6.4.5 SWOT

A SWOT analysis has been made to reflect the Strengths, Weaknesses, Opportunities and Threats of the asset.

<p>STRENGTHS</p> <ul style="list-style-type: none"> ⊙ The property was refurbished at a high standard ⊙ Excellent quality of finishes and installations ⊙ The property benefits of a Leed Silver certificate ⊙ Public transport facilities are decent in the area. ⊙ Possibility to let the property to several tenants. ⊙ Good provision of common areas, such as meeting rooms, cafeteria, etc. ⊙ Good car parking provision, with a 67 sqm/space ratio. ⊙ Scarcity of parking spaces in the surrounding area. 	<p>WEAKNESSES</p> <ul style="list-style-type: none"> ⊙ Secondary office location. ⊙ Settled in an industrial area with old buildings. ⊙ Access to the building not clearly visible or recognizable. ⊙ Limited offer of services in the area, as retail or restoration.
<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> ⊙ Let up of the vacant space. ⊙ Increase current under-rented leases to market levels 	<p>THREATS</p> <ul style="list-style-type: none"> ⊙ High uncertainty related to Covid-19 and its consequences on i) national economy and ii) office users' medium term trends. ⊙ In case of vacancy the TV studios would be more difficult to let. ⊙ Potential increase of interest rates and therefore potential effect on the real estate yields ⊙ Possible new office developments in the pipeline (Finestrelles).

6.4.6 Office Building Analysis – Comparable Evidence

ASKING RENTAL PRICES

The property is located in a mainly industrial area, without a high concentration of office buildings. As only two office buildings have been found in the surroundings, including the subject asset, we have broadened the perimeter to similar areas to find comparable evidence.

After analysing recent transactions closed within Esplugues de Llobregat and the asking prices of the properties currently being marketed, we believe market rent in the area would be in the region of €8.50-9.50 psm/month. Occupancy rate in the area would be in the region of 60%.

We provide a photographic plan of the main office buildings which could be considered competitors in somehow similar areas of the city:



The aforementioned properties are listed below:

1. - Tomás Bretón, 32



Owner	n.a.
Office GLA (sqm)	2,790
Standard Floors (sqm)	530 sqm
Number of floors	B+GF+4
Year of Construction / Refurbishment	1991 / -
Occupancy (%)	56%
Vacant GLA (sqm)	1,238 sqm
Asking Rents (€ psm/month)	€9.00 sqm/month
Service Charge (€ psm/month)	-

2. - Antón Fortuny, 14



Owner	n.a.
Office GLA (sqm)	4,300
Standard Floors (sqm)	-
Number of floors	B+GF+4
Year of Construction / Refurbishment	1999 / -
Occupancy (%)	40%
Vacant GLA (sqm)	2,567 sqm
Asking Rents (€ psm/month)	€8.00 sqm/month
Service Charge (€ psm/month)	-

3. Diagonal Business Park VI - Paisos Catalanes, 34



Owner	n.a.
Office GLA (sqm)	4,000
Standard Floors (sqm)	-
Number of floors	B+GF+7
Year of Construction / Refurbishment	2005 / -
Occupancy (%)	94%
Vacant GLA (sqm)	222 sqm
Asking Rents (€ psm/month)	€15.00 sqm/month
Service Charge (€ psm/month)	-

4. Esplugues 225 - Ctra. D'Esplugues, 225



Owner	n.a.
Office GLA (sqm)	9,500
Standard Floors (sqm)	789 sqm
Number of floors	B+GF+10
Year of Construction / Refurbishment	2010 /
Occupancy (%)	66%
Vacant GLA (sqm)	3,184 sqm
Asking Rents (€ psm/month)	€14.00 sqm/month
Service Charge (€ psm/month)	€0.00 sqm/month

5. Il.lumina Building - Gaspar Fabregas i Roses, 81



Owner	Tikeau
Office GLA (sqm)	20,922
Standard Floors (sqm)	4,450 sqm
Number of floors	B+GF+3
Year of Construction / Refurbishment	1960 / 2004
Occupancy (%)	83%
Vacant GLA (sqm)	3,568 sqm
Asking Rents (€ psm/month)	€11.50 sqm/month
Service Charge (€ psm/month)	€3.65 sqm/month

RECENT RENTAL TRANSACTIONS IN THE AREA

We have considered rental transactions at a local level for properties within the subject area and areas that have been considered similar. It should be noted we have not considered all transactions as some properties are obsolete, poorly located in comparison or are not a relevant comparable reflecting the type of office scheme envisaged. We provide details of transactions at local level:

There have been several rental transactions throughout 2018-2020 within the subject area:

Esplugues de Llobregat					
Building	Address	Tenant	sqm	€/sqm/mt	Date
n.a.	Av. Paisos Catalans 51	Nestle	2,873	11.90	2017 Q2
Alta 1	Av. Paisos Catalanes 34-36	Fufh	475	12.50	2018 Q1
n.a.	C. Esplugues, 225	Servi habitat	6,050	11.00	2019 Q3
Alta 1	Av. Paisos Catalanes 34-36	Bioibérica	1,914	13.75	2019 Q4
Alta 1	Av. Paisos Catalanes 34-36	Bioibérica	1,914	11.50	2020 Q1

6.5 Summary

The properties are freehold office buildings located in established secondary office areas of Madrid and Barcelona Metropolitan Area. They have large and easily divisible floor plates and enjoy natural lighting and connectivity to major commercial areas via different modes of transportation systems.

All of them have been awarded the Leadership in Energy and Environmental Design (“LEED”) certification from the U.S. Green Building Council:

#	Property	GLA (sqm)	Headline Rent (€)	Headline Rent (€/sqm)	Passing Rent (€)	Passing Rent (€/sqm)	Market Rent (€)	Market Rent (€/sqm)
1	Delta Nova 4	10.256	1.580.327	12,8	1.361.930	11,1	1.709.728	13,9
2	Delta Nova 6	14.855	2.183.246	12,2	2.119.542	11,9	2.387.139	13,4
3	Sant Cugat Green	26.134	3.255.688	10,4	3.255.688	10,4	3.301.557	10,5
4	Illumina	20.922	2.350.943	9,4	1.963.884	7,8	2.642.222	10,5
	Total	72.167	9.370.204	10,8	8.701.044	10,0	10.040.646	11,6



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For and on behalf of
Colliers International Spain SL

In relation to this Offer Information Statement
Dated 28 September 2020

**Directors of IREIT GLOBAL GROUP PTE. LTD.
(as manager of IREIT Global)**

Mr Lim Kok Min, John
Chairman & Non-Executive Independent
Director

Mr Tan Wee Peng, Kelvin
Non-Executive Independent Director

Mr Nir Ellenbogen
Non-Executive Independent Director

Mr Bruno de Pampelonne
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Mr Khoo Shao Hong, Frank
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