



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

**IREIT GLOBAL
UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE
SECOND HALF YEAR AND FINANCIAL YEAR ENDED 31 DECEMBER 2021**

Introduction

IREIT Global (“IREIT”) is a Singapore real estate investment trust with the investment strategy of principally investing, directly or indirectly, in a portfolio of income-producing real estate in Europe which is used primarily for office, retail and industrial (including logistics) purposes, as well as real estate-related assets.

IREIT’s current portfolio comprises five office properties in Germany, strategically located in Berlin, Bonn, Darmstadt, Münster and Munich (the “German Portfolio”), five properties in Spain, located in Madrid and Barcelona (the “Spanish Portfolio”) and 27 retail properties in France (the “French Portfolio”).

German Portfolio

As at 31 December 2021, the German Portfolio has an aggregate net lettable area of approximately 201,100 square metres which comprises the Bonn Campus, Darmstadt Campus, Münster Campus, Concor Park and Berlin Campus.

Spanish Portfolio

As at 31 December 2021, the Spanish Portfolio has an aggregate lettable area of approximately 87,700 square metres which comprises Delta Nova IV, Delta VI, Il-lumina and Sant Cugat Green (the “Initial Spanish Portfolio”), which IREIT acquired a 40% interest in December 2019 and the remaining 60% interest in October 2020; and Parc Cugat, which was acquired in September 2021.

The acquisition of the remaining 60% interest in the Initial Spanish Portfolio in October 2020 (the “60% Acquisition”) was financed through a renounceable rights issue (the “Rights Issue”) of new units (“Units”) in IREIT. The acquisition of Parc Cugat in September 2021 was financed through a combination of external bank borrowings and internal cash resources.

French Portfolio

In July 2021, IREIT completed the acquisition of a portfolio of 27 retail properties (the “France Acquisition”) located in France (the “French Portfolio”). The French Portfolio has an aggregate lettable area of approximately 95,500 square metres.

The France Acquisition was financed through a combination of external borrowings and equity fund raising. The equity fund raising comprised a placement (the “Placement”) of new Units to an investor and a pro rata non-renounceable preferential offering (the “Preferential Offer”) of new Units in IREIT to existing unitholders (“Unitholders”).

IREIT is managed by IREIT Global Group Pte. Ltd. (the “Manager”).

Basis of preparation

The unaudited financial statements for the second half and financial year ended 31 December 2021 have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board, and are drawn up in accordance with the relevant provisions of the trust deed entered into on 1 November 2013 and as amended and restated by an amending and restating deed dated 14 July 2014, supplemental by the first supplemental deed dated 6 November 2015, second supplemental deed dated 9 May 2018 and third supplemental deed dated 30 March 2020 and the relevant requirements of the Code on Collective Investment Schemes (the “CIS Code”) issued by the Monetary Authority of Singapore (“MAS”). The unaudited financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the financial position and performance of IREIT and its subsidiaries (the “Group”) since the last annual financial statements for the year ended 31 December 2020.

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Distribution policy

IREIT's current distribution policy is to distribute at least 90% of its annual distributable income for each financial year, with distributions being made to the Unitholders on a semi-annual basis. The actual level of distribution will be determined at the Manager's discretion, having regard to funding requirements, other capital management considerations and ensuring the overall stability of distributions.

SUMMARY OF CONSOLIDATED RESULTS OF IREIT GLOBAL

| | 2H 2021 | 2H 2020 | Variance (%) | FY 2021 | FY 2020 | Variance (%) |
|---|---------|---------|--------------|---------|---------|--------------|
| Gross revenue (€'000) | 28,521 | 19,856 | 43.6 | 52,167 | 37,821 | 37.9 |
| Net property income (€'000) | 23,155 | 17,229 | 34.4 | 42,482 | 32,894 | 29.1 |
| Income available for distribution (€'000) | 19,237 | 14,478 | 32.9 | 34,386 | 27,434 | 25.3 |
| Less: Income retained (€'000) | (1,924) | (1,447) | 33.0 | (3,439) | (2,743) | 25.4 |
| Income to be distributed to Unitholders (€'000) | 17,313 | 13,031 | 32.9 | 30,947 | 24,691 | 25.3 |

| Distribution per Unit | | | | | | |
|------------------------------|---------------------|------|-----|---------------------|---------------------|------|
| Before retention | | | | | | |
| - € cents | 1.67 ⁽¹⁾ | 1.55 | 7.7 | 3.26 ⁽¹⁾ | 2.94 ⁽²⁾ | 10.9 |
| After retention | | | | | | |
| - € cents | 1.50 ⁽¹⁾ | 1.39 | 7.9 | 2.93 ⁽¹⁾ | 2.64 ⁽²⁾ | 11.0 |

DPU for FY2021 is calculated based on the summation of DPU for each period as follows:

| Distribution per Unit | | | | | |
|------------------------------|---------------------------|---------------------|---------|---------------------|---------|
| | 1 Jan 2021 to 29 Jun 2021 | 30 Jun 2021 | 1H 2021 | 2H 2021 | FY 2021 |
| Before retention | | | | | |
| - € cents | 1.58 ⁽³⁾ | 0.01 ⁽³⁾ | 1.59 | 1.67 ⁽³⁾ | 3.26 |
| After retention | | | | | |
| - € cents | 1.42 ⁽³⁾ | 0.01 ⁽³⁾ | 1.43 | 1.50 ⁽³⁾ | 2.93 |

Footnotes:

- (1) On 30 June 2021 and 21 July 2021, IREIT issued 11,372,868 new Placement Units at the issue price of S\$0.6155 per Unit and 201,137,870 new Preferential Offer Units at the issue price of S\$0.595 per Unit respectively. The Placement and Preferential Offer Units are entitled to the distribution for the financial period from 30 June 2021 to 31 December 2021. Please see further Note (3) below.
- (2) On 23 October 2020, IREIT issued 291,405,597 new Units (the "Rights Units") pursuant to the Rights Issue to finance the 60% Acquisition. For the purpose of comparison, FY 2020 DPU has been restated to reflect the effects of the Rights Units.
- (3) An advanced distribution (the "Advanced Distribution") for the period from 1 January 2021 to 29 June 2021, being the day immediately prior to the date on which the Placement Units were issued, was declared on 6 August 2021. The next distribution following the Advanced Distribution will comprise income to be distributed to Unitholders from 30 June 2021 to 31 December 2021. Please refer to Section 15(a) for details of the distribution. Calendar year semi-annual distributions will resume thereafter.

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SECOND HALF YEAR AND FINANCIAL YEAR ENDED 31 DECEMBER 2021

1(a)(i) Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income

| | Note | 2H 2021 (€'000) | 2H 2020 (€'000) | Variance (%) | Note | FY 2021 (€'000) | FY 2020 (€'000) | Variance (%) |
|--|-------------|--------------------------------|--------------------------------|-------------------------|-------------|--------------------------------|--------------------------------|-------------------------|
| Gross revenue | | 28,521 | 19,856 | 43.6 | | 52,167 | 37,821 | 37.9 |
| Property operating expenses | | (5,366) | (2,627) | 104.3 | | (9,685) | (4,927) | 96.6 |
| Net property income | 1 | 23,155 | 17,229 | 34.4 | 10 | 42,482 | 32,894 | 29.1 |
| Finance costs | 2 | (2,813) | (2,259) | 24.5 | 11 | (5,040) | (4,410) | 14.3 |
| Management fees | 3 | (2,025) | (1,447) | 39.9 | 12 | (3,620) | (2,743) | 32.0 |
| Trustee's fees | | (95) | (72) | 31.9 | | (171) | (135) | 26.7 |
| Administrative costs and other trust expenses | | (1,367) | (1,364) | 0.2 | 13 | (2,473) | (2,294) | 7.8 |
| Net change in fair value of financial derivatives | 4 | 3,842 | (590) | NM | 14 | 6,790 | (3,871) | NM |
| Net change in fair value of investment properties | 5 | 87,395 | 5,283 | NM | 15 | 115,000 | 4,038 | NM |
| Share of results of joint venture | 6 | - | 67 | NM | 16 | - | 1,151 | NM |
| Gain on derecognition of joint venture | 7 | - | 2,309 | NM | 17 | - | 2,309 | NM |
| Acquisition and divestment related costs | 8 | (1,509) | (1,284) | NM | 18 | (1,509) | (1,284) | NM |
| Profit before tax | | 106,583 | 17,872 | 496.4 | | 151,459 | 25,655 | 490.4 |
| Income tax expense | 9 | (16,988) | (4,116) | 312.7 | 19 | (22,969) | (5,934) | 287.1 |
| Profit for the period, before transactions with Unitholders | | 89,595 | 13,756 | 551.3 | | 128,490 | 19,721 | 551.5 |
| Distribution to Unitholders | | (17,313) | (13,031) | 32.9 | | (30,947) | (24,691) | 25.3 |
| Profit/(Loss) for the period, after transactions with Unitholders | | 72,282 | 725 | 9,869.9 | | 97,543 | (4,970) | (2,062.6) |
| <u>Distribution Statement</u> | | | | | | | | |
| Profit for the period, before transactions with Unitholders | | 89,595 | 13,756 | 551.3 | | 128,490 | 19,721 | 551.5 |
| Distribution adjustments | 21 | (70,358) | 722 | NM | 21 | (94,104) | 7,713 | NM |
| Amount available for distribution to Unitholders | | 19,237 | 14,478 | 32.9 | | 34,386 | 27,434 | 25.3 |
| Earnings per unit (€ cents) | | | | | | | | |
| Basic and diluted | 20 | 7.91 | 1.70 | 365.3 | 20 | 12.31 | 2.57 | 379.0 |

NM denotes "Not meaningful".

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UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE
SECOND HALF YEAR AND FINANCIAL YEAR ENDED 31 DECEMBER 2021

1(a)(i) Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income
(continued)

Notes to Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income

2H 2021

1. Gross revenue for 2H 2021 registered an increase of €8,665,000 or 43.6% compared to that of 2H 2020, contributing to the increase in net property income of €5,926,000 or 34.4% over the same period. These were due mainly to the consolidation of the operating results of the Initial Spanish Portfolio in the financial statements of the Group, following the completion of the 60% Acquisition in October 2020, as well as acquisition of the French Portfolio and Parc Cugat.
2. Finance costs comprise interest expense on loans and interest rate swaps, and amortisation of interest rate caps premiums and upfront debt transaction costs. The increase of €554,000 or 24.5% compared to that of 2H 2020 was mainly due to the finance costs incurred for term loan facility entered into in December 2019 for the acquisition of the Initial Spanish Portfolio, which were consolidated in the financial statements of the Group following the completion of the 60% Acquisition in October 2020, as well as the term loan facilities entered into for the acquisition of the French Portfolio and Parc Cugat. This increase in finance costs was offset by the absence of the finance costs incurred for the term loan facility from City Strategic Equity Pte. Ltd. which was fully repaid in October 2020.
3. Management fees is determined based on 10.0% per annum of the annual distributable income of IREIT. The increase in management fees was in line with the increase in distributable income for 2H 2021 compared to that of 2H 2020. The management fees for 2H 2021 are to be paid 50% in cash and 50% in Units, while the management fees for 2H 2020 were paid 100% in Units.
4. The net change in fair value of financial derivatives arose from the revaluation of interest rate swaps, interest rate caps and forward foreign currency exchange contracts entered into to hedge the interest rate risk on borrowings and currency risk for distribution to Unitholders respectively.
5. This relates to the difference between the carrying value and the fair value of the investment properties as at the end of each respective reporting period.

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UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE
SECOND HALF YEAR AND FINANCIAL YEAR ENDED 31 DECEMBER 2021

1(a)(i) Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income
(continued)

Notes to Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income
(continued)

6. The share of results of joint venture relates to the Group's 40% share of the net income in respect of the Initial Spanish Portfolio. Following the completion of the 60% Acquisition in October 2020, the operating results of the Initial Spanish Portfolio were fully consolidated in the Group's financial statements.

Details are as follows:

| | 1 Jul 2020 to 22 Oct 2020 (€'000) |
|---|--|
| <i>Share of results (net of tax) of joint venture</i> | |
| - Gross revenue | 1,386 |
| - Property operating expenses | (506) |
| - Net property income | 880 |
| - Finance costs | (205) |
| - Net change in fair value of investment properties | (319) |
| - Net change in fair value of financial derivatives | (46) |
| - Others | (243) |
| | 67 |

7. This gain on derecognition of joint venture arose from the remeasurement of the Group's previously held interest of 40% in the Initial Spanish Portfolio, following the completion of the 60% Acquisition in October 2020. Consequently, the operating results of the Initial Spanish Portfolio were fully consolidated in the Group's financial statements.
8. Acquisition and divestment related costs mainly include the acquisition fee of €1,376,000 (2H 2020: €818,000) paid to the Manager and legal and professional fees incurred for the acquisition of the French Portfolio and Parc Cugat (2H 2020: Initial Spanish Portfolio).
9. Income tax expense comprises current and deferred tax expenses. The increase for 2H 2021 was mainly due to the higher deferred tax liability provided on the temporary differences arising from the valuation of the investment properties as compared to the corresponding reporting period last year.

FY 2021

10. Gross revenue for FY 2021 registered an increase of €14,346,000 or 37.9% compared to that of FY 2020, contributing to the increase in net property income of €9,588,000 or 29.1% over the same period. These were due mainly to the consolidation of the operating results of the Initial Spanish Portfolio in the financial statements of the Group, following the completion of the 60% Acquisition in October 2020.

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1(a)(i) Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income
(continued)

Notes to Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income
(continued)

FY 2021

11. Finance costs comprise interest expense on loans and interest rate swaps, and amortisation of interest rate caps premiums and upfront debt transaction costs. The increase of €630,000 or 14.3% compared to that of FY 2020 was mainly due to the finance costs incurred for term loan facility entered into in December 2019 for the acquisition of the Initial Spanish Portfolio, which were consolidated in the financial statements of the Group following the completion of the 60% Acquisition in October 2020, as well as the term loan facilities entered into for the acquisition of the French Portfolio and Parc Cugat. This increase in finance costs was offset by the absence of the finance costs incurred for the term loan facility from City Strategic Equity Pte. Ltd. which was fully repaid in October 2020. Please refer to Section 1b(ii) Aggregate Amount of Borrowings for details of the borrowings.
12. Management fees is determined based on 10.0% per annum of the annual distributable income of IREIT. The increase in management fees was in line with the increase in distributable income for FY 2021 compared to that of FY 2020. The management fees for FY 2021 are to be paid 50% in cash and 50% in Units, while the management fees for FY 2020 were paid 100% in Units.
13. Administrative costs and other trust expenses for FY 2021 were 7.8% higher compared to that of FY 2020. The increase of €179,000 in administrative costs and other trust expenses were mainly due to professional fees incurred following the acquisition of the French Portfolio and Parc Cugat, as well as the consolidation of the professional fee expenses in respect of the Initial Spanish Portfolio, following the completion of the 60% Acquisition in October 2020.
14. The net change in fair value of financial derivatives arose from the revaluation of interest rate swaps, interest rate caps and forward foreign currency exchange contracts entered into to hedge the interest rate risk on borrowings and currency risk for distribution to Unitholders respectively.
15. This relates to the difference between the carrying value and the fair value of the investment properties as at the end of each respective reporting period.
16. The share of results of joint venture relates to the Group's 40% share of the net income in respect of the Initial Spanish Portfolio. Following the completion of the 60% Acquisition in October 2020, the operating results of the Initial Spanish Portfolio were consolidated in the Group's financial statements.

Details are as follows:

| | 1 Jan 2020 to 22 Oct 2020 (€'000) |
|---|--|
| <i>Share of results (net of tax) of joint venture</i> | |
| - Gross revenue | 3,585 |
| - Property operating expenses | (1,345) |
| - Net property income | 2,240 |
| - Finance costs | (641) |
| - Net change in fair value of investment properties | 301 |
| - Net change in fair value of financial derivatives | (229) |
| - Others | (520) |
| | 1,151 |

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1(a)(i) Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income
(continued)

Notes to Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income
(continued)

17. The gain on derecognition of joint venture arose from the remeasurement of the Group's previously held interest of 40% in the Initial Spanish Portfolio following the completion of the 60% Acquisition in October 2020. Consequently, the operating results of the Initial Spanish Portfolio were consolidated in the Group's financial statements.
18. Acquisition and divestment related costs mainly include the acquisition fee of €1,376,000 (FY 2020: €818,000) paid to the Manager and legal and professional fees incurred for the acquisition of the French Portfolio and Parc Cugat (FY 2020: Initial Spanish Portfolio).
19. Income tax expense comprises current and deferred tax expenses. The increase for FY 2021 was mainly due to the higher deferred tax liability provided on the temporary differences arising from the valuation of the investment properties as compared to the corresponding reporting period last year.
20. Please refer to Section 6 for details.
21. Distribution adjustments

| | 2H 2021 (€'000) | 2H 2020 (€'000) | FY 2021 (€'000) | FY 2020 (€'000) |
|---|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| <u>Distribution adjustments</u> | | | | |
| - Difference between accounting and actual finance costs paid | 378 | 209 | 600 | 349 |
| - Management fees payable in Units | 1,013 | 1,447 | 1,810 | 2,743 |
| - Foreign exchange (gain)/loss | (311) | 872 | (272) | 1,065 |
| - Effects of recognising rental income on a straight line basis over the lease term | 684 | 347 | 991 | 441 |
| - Net change in fair value of financial derivatives | (3,842) | 590 | (6,790) | 3,871 |
| - Net change in fair value of investment properties | (87,395) | (5,283) | (115,000) | (4,038) |
| - Share of results of joint venture | - | (67) | - | (1,151) |
| - Distributable income from joint venture | - | 480 | - | 1,197 |
| - Gain on derecognition of joint venture | - | (2,309) | - | (2,309) |
| - Acquisition and divestment related costs | 1,509 | 1,284 | 1,509 | 1,284 |
| - Deferred tax expense | 17,606 | 3,152 | 23,048 | 4,261 |
| Net distribution adjustments | (70,358) | 722 | (94,104) | 7,713 |

IREIT GLOBAL
UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE
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1(b)(i) Unaudited Statements of Financial Position

| | Note | Group (€'000) | | Trust (€'000) | |
|---|------|------------------|----------------|------------------|----------------|
| | | 31 Dec 2021 | 31 Dec 2020 | 31 Dec 2021 | 31 Dec 2020 |
| Current assets | | | | | |
| Cash and cash equivalents | 1 | 51,669 | 43,109 | 2,981 | 10,135 |
| Trade and other receivables | 2 | 3,990 | 2,832 | 9,720 | 10,631 |
| Financial derivatives | 3 | 8 | - | - | - |
| | | 55,667 | 45,941 | 12,701 | 20,766 |
| Non-current assets | | | | | |
| Investment properties | 4 | 974,870 | 719,580 | - | - |
| Investment in subsidiaries | 5 | - | - | 400,948 | 336,225 |
| Other receivables | | 1,539 | 1,316 | - | - |
| Financial derivatives | 3 | 2,319 | 313 | - | - |
| Loans to subsidiaries | 6 | - | - | 37,800 | 31,000 |
| Deferred tax assets | | 1,104 | 1,879 | - | - |
| | | 979,832 | 723,088 | 438,748 | 367,225 |
| Total assets | | 1,035,499 | 769,029 | 451,449 | 387,991 |
| Current liabilities | | | | | |
| Trade and other payables | 7 | 7,505 | 4,690 | 1,168 | 548 |
| Distribution payable | | 17,600 | 13,031 | 17,600 | 13,031 |
| Financial derivatives | 3 | 1,981 | 2,019 | - | 429 |
| Income tax payable | | 769 | 1,490 | - | - |
| | | 27,855 | 21,230 | 18,768 | 14,008 |
| Non-current liabilities | | | | | |
| Borrowings | 8 | 328,922 | 264,628 | - | - |
| Other payables | | 2,315 | 1,430 | 77,021 | 77,021 |
| Financial derivatives | 3 | 2,496 | 7,805 | - | - |
| Deferred tax liabilities | 9 | 54,465 | 32,193 | - | - |
| | | 388,198 | 306,056 | 77,021 | 77,021 |
| Total liabilities | | 416,053 | 327,286 | 95,789 | 91,029 |
| Net assets attributable to Unitholders | | | | | |
| | | 619,446 | 441,743 | 355,660 | 296,962 |

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1(b)(i) Unaudited Statements of Financial Position

Notes to Unaudited Statements of Financial Position

1. The Group's cash and cash equivalents were €51.7 million as at 31 December 2021 as compared to €43.1 million as at 31 December 2020.

Please refer to the consolidated statement of cash flows for 2H 2021 and FY2021 on Page 11 of this announcement for further details on the movements in the Group's cash and cash equivalents during the respective reporting periods.

The decrease of €7.2 million in the Trust's cash and cash equivalents as at 31 December 2021 was mainly due to the balance of the proceeds from the Rights Issue as at 31 December 2020, which were used to part finance the acquisition of Parc Cugat in September 2021.

2. The increase of €1.2 million in the Group's trade and other receivables was mainly due to the trade receivables balances as at 31 December 2021, which was received subsequent to 31 December 2021.
3. This represents the fair value as at the reporting dates of interest rate swaps and interest rate caps which were entered into to hedge the interest rate risk on borrowings.
4. Investment properties are accounted for at fair value based on valuations undertaken by independent valuers as at 31 December 2021. Please refer to Section 9 on the details for the fair value measurement of investment properties.

Movement during the year:

| | Group (€'000) |
|---|--------------------------|
| As at 1 January 2021: | 719,580 |
| Capital expenditure on investment properties | 3,323 |
| Acquisition of investment properties | 147,227 |
| Disposal of investment property | (9,500) |
| Lease incentives | (760) |
| Change in fair value of investment properties during the year | 115,000 |
| Fair value of investment properties as at 31 December 2021 | 974,870 |

5. Investment in subsidiaries relates to entities directly or indirectly wholly-owned by Trust.
6. This relates to the shareholder loans extended to subsidiaries in connection with the acquisition of the Spanish Portfolio and French Portfolio.
7. The increase of €2.8 million in the Group's trade and other payables were mainly due to lower turnover of trade creditors for the period.
8. Please refer to Section 1b(ii) Aggregate Amount of Borrowings for details.
9. The increase in deferred tax liabilities was due to the higher deferred tax effect on the temporary differences arising from the valuation of the investment properties.

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1(b)(ii) Aggregate Amount of Borrowings

| | Group (€'000) | |
|---|--------------------------|--------------------|
| | 31 Dec 2021 | 31 Dec 2020 |
| Repayable after one year | | |
| Secured borrowings | 332,660 | 267,660 |
| Less: Upfront debt transaction costs ⁽¹⁾ | (3,738) | (3,032) |
| | 328,922 | 264,628 |
| Total | | |
| Secured borrowings | 332,660 | 267,660 |
| Less: Upfront debt transaction costs ⁽¹⁾ | (3,738) | (3,032) |
| | 328,922 | 264,628 |

The Group's aggregate leverage⁽²⁾ was 32.1% as at 31 December 2021. The interest coverage ratio⁽²⁾ stood at 7.7 times as at 31 December 2021.

Footnotes:

- (1) Upfront debt transaction costs are amortised over the life of the loan facilities.
- (2) Aggregate leverage and interest coverage ratio are calculated based on the respective definitions under Monetary Authority of Singapore's Code on Collective Investment Schemes, Property Funds Appendix 6.

Details of borrowings and collaterals

As at 31 December 2021, the Group's secured borrowings comprised the following facilities ("the Facilities"):

- (i) Term loan facility of €200.8 million taken up in February 2019 to refinance all the then existing borrowings in respect of the German Portfolio;
- (ii) Term loan facility of €66.9 million taken up in December 2019 to finance the acquisition of the Initial Spanish Portfolio;
- (iii) Term loan facility of €51.4 million taken up in July 2021 to finance the acquisition of the French Portfolio;
- (iv) Term loan facility of €13.6 million taken up in September 2021 to finance the acquisition of Parc Cugat

The Facilities are secured by way of the following:

- land charges over investment properties with an aggregate carrying value of €974.9 million as at 31 December 2021;
- pledges over the rent and other relevant bank accounts in relation to the properties;
- assignment of claims under the lease agreements, insurance agreements, sale and purchase agreements, property management agreements and other key agreements in relation to the properties;
- pledges over the shares in the borrowing entities;
- assignment of claims under the hedging agreements in relation to the Facilities; and
- assignment of claims over the intra-group loans granted to the borrowing entities (where applicable).

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1(c)(i) Unaudited Consolidated Statement of Cash Flows

| | Group | | | |
|--|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | 2H 2021 (€'000) | 2H 2020 (€'000) | FY 2021 (€'000) | FY 2020 (€'000) |
| Cash flows from operating activities | | | | |
| Profit/(Loss) for the period, after transactions with Unitholders | 72,282 | 725 | 97,543 | (4,970) |
| Adjustments for: | | | | |
| Management fees payable in Units | 1,013 | 1,447 | 1,810 | 2,743 |
| Acquisition fees payable in Units | - | 818 | - | 818 |
| Effects of recognising rental income on a straight-line basis | 684 | 347 | 991 | 441 |
| Finance costs | 2,813 | 2,200 | 5,040 | 4,410 |
| Net change in fair value of financial derivatives | (3,842) | 590 | (6,790) | 3,871 |
| Net change in fair value of investment properties | (87,395) | (5,283) | (115,000) | (4,038) |
| Distribution to Unitholders | 17,313 | 13,031 | 30,947 | 24,691 |
| Income tax expense | 16,988 | 4,116 | 22,969 | 5,934 |
| Gain on derecognition of joint venture | - | (2,309) | - | (2,309) |
| Share of results of joint venture | - | (67) | - | (1,151) |
| Operating profit before working capital changes | 19,856 | 15,615 | 37,510 | 30,440 |
| Changes in working capital: | | | | |
| Trade and other receivables | (1,104) | (603) | (1,592) | (1,289) |
| Trade and other payables | 3,626 | (1,471) | 3,697 | (1,408) |
| Income taxes paid | (414) | (288) | (640) | (1,256) |
| Cash generated from operations, representing net cash from operating activities | 21,964 | 13,253 | 38,975 | 26,487 |
| Cash flows from investing activity | | | | |
| Acquisition of investment properties | (141,704) | - | (147,227) | - |
| Proceeds from the disposal of investment property | 9,500 | - | 9,500 | - |
| Capital expenditure on investment properties | (2,897) | 75 | (3,323) | (1,170) |
| Acquisition of subsidiary | - | (37,706) | - | (37,706) |
| Net cash used in investing activity | (135,101) | (37,631) | (141,050) | (38,876) |
| Cash flows from financing activities | | | | |
| Proceeds from issuance of units | 74,833 | 89,371 | 79,207 | 89,371 |
| Payments related to issuance of units | (857) | (512) | (857) | (512) |
| Proceeds from borrowings | 65,000 | - | 65,000 | - |
| Repayment of borrowings | - | (32,000) | - | (32,000) |
| Costs related to borrowings | (1,900) | - | (1,900) | - |
| Distribution paid to Unitholders | (13,347) | (11,660) | (26,378) | (22,727) |
| Net interest paid | (2,452) | (1,927) | (4,437) | (3,977) |
| Net cash from financing activities | 121,277 | 43,272 | 110,635 | 30,155 |
| Net increase in cash and cash equivalents | 8,140 | 18,894 | 8,560 | 17,766 |
| Cash and cash equivalents at beginning of the period | 43,529 | 24,215 | 43,109 | 25,343 |
| Cash and cash equivalents at end of the period | 51,669 | 43,109 | 51,669 | 43,109 |

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SECOND HALF YEAR AND FINANCIAL YEAR ENDED 31 DECEMBER 2021

1(d)(i) Unaudited Statement of Changes in Net Assets Attributable to Unitholders

| | Group | | Trust | |
|---|--------------------|--------------------|--------------------|--------------------|
| | 2H 2021 (€'000) | 2H 2020 (€'000) | 2H 2021 (€'000) | 2H 2020 (€'000) |
| Operations | | | | |
| Balance as at beginning of period | 90,602 | 64,616 | (90,491) | (72,440) |
| Profit for the period, before transactions with Unitholders | 89,595 | 13,756 | 6,902 | 6,031 |
| Distribution payable of 1.50€ cents per Unit for 2H 2021 | (17,313) | - | (17,313) | - |
| Distribution payable of 1.39€ cents per Unit for 2H 2020 | - | (13,031) | - | (13,031) |
| Balance as at the end of the period | 162,884 | 65,341 | (100,902) | (79,440) |
| Unitholders' transactions | | | | |
| Issue of Units: | | | | |
| Balance as at beginning of period | 381,573 | 285,278 | 381,573 | 285,278 |
| New Units issued ⁽¹⁾ | 74,833 | 89,371 | 74,833 | 89,371 |
| Issue expenses | (857) | (512) | (857) | (512) |
| Acquisition fee paid in Units | - | 818 | - | 818 |
| Management fees payable in Units | 1,013 | 1,447 | 1,013 | 1,447 |
| Net assets resulting from transactions | 456,562 | 376,402 | 456,562 | 376,402 |
| Net assets attributable to Unitholders as at end of period | 619,446 | 441,743 | 355,660 | 296,962 |

| | Group | | Trust | |
|---|--------------------|--------------------|--------------------|--------------------|
| | FY 2021 (€'000) | FY 2020 (€'000) | FY 2021 (€'000) | FY 2020 (€'000) |
| Operations | | | | |
| Balance as at beginning of period | 65,341 | 70,311 | (79,440) | (59,405) |
| Profit for the period, before transactions with Unitholders | 128,490 | 19,721 | 9,485 | 4,656 |
| Distribution payable of 1.43€ cents per Unit for 1H 2021 | (13,634) | - | (13,634) | - |
| Distribution payable of 1.50€ cents per Unit for 2H 2021 | (17,313) | - | (17,313) | - |
| Distribution payable of 1.82€ cents per Unit for 1H 2020 | - | (11,660) | - | (11,660) |
| Distribution payable of 1.39€ cents per Unit for 2H 2020 | - | (13,031) | - | (13,031) |
| Balance as at the end of the period | 162,884 | 65,341 | (100,902) | (79,440) |
| Unitholders' transactions | | | | |
| Issue of Units: | | | | |
| Balance as at beginning of period | 376,402 | 283,982 | 376,402 | 283,982 |
| New Units issued ⁽¹⁾ | 79,207 | 89,371 | 79,207 | 89,371 |
| Issue expenses | (857) | (512) | (857) | (512) |
| Acquisition fee paid in Units | - | 818 | - | 818 |
| Management fees payable in Units | 1,810 | 2,743 | 1,810 | 2,743 |
| Net assets resulting from transactions | 456,562 | 376,402 | 456,562 | 376,402 |
| Net assets attributable to Unitholders as at end of period | 619,446 | 441,743 | 355,660 | 296,962 |

- (1) This relates to the issuance of new Units on 30 June 2021 and 21 July 2021 pursuant to the Placement of 11,372,868 at an issue price of S\$0.6155 per Unit and Preferential Offer of 201,137,870 at an issue price of S\$0.595 per Unit.

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1(d)(ii) Details of Any Change in Units

| | Group | | | |
|--------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| | 2H 2021 (Units) | 2H 2020 (Units) | FY 2021 (Units) | FY 2020 (Units) |
| Unit in issue: | | | | |
| At beginning of the period | 951,269,461 | 640,424,619 | 937,046,380 | 637,222,785 |
| Issue of new Units: | | | | |
| - Pursuant to the Rights Issue | - | 291,405,597 | - | 291,405,597 |
| - Pursuant to the Placement | - | - | 11,372,868 | - |
| - Pursuant to the Preferential Offer | 201,137,870 | - | 201,137,870 | - |
| - Acquisition fee paid in Units | - | 2,053,542 | - | 2,053,542 |
| - Management fees paid in Units | 2,184,264 | 3,162,622 | 5,034,477 | 6,364,456 |
| At end of the period | 1,154,591,595 | 937,046,380 | 1,154,591,595 | 937,046,380 |
| Units to be issued: | | | | |
| Management fees payable in Units | 1,299,826 | 1,916,706 | 1,299,826 | 1,916,706 |
| At end of the period | 1,155,891,421 | 938,963,086 | 1,155,891,421 | 938,963,086 |

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial year and as at the end of the immediately preceding year

There are no treasury Units in issue as at 31 December 2021 and 31 December 2020. The total number of issued Units are as disclosed in paragraph 1d(ii).

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial year reported on

Not applicable.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial year reported on.

Not applicable.

2. Whether the figures have been audited, or reviewed and in accordance with which standard, (e.g. the Singapore Standard on Auditing 2410 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have not been audited or reviewed.

3. Where the figures have been audited, or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recent audited annual financial statements have been applied

For the current reporting period, the Group has applied the same accounting policies and methods of computation as those applied in its audited financial statements for the financial year ended 31 December 2020, except for those explained in Section 5 below.

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5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of the change**

On 1 January 2021, the Group has adopted all the new and revised International Financial Reporting Standards that were effective from that date and relevant to its operations, including consequential amendments to other IFRSs. The adoption of these new/revised IFRSs does not result in changes to the Group's and IREIT's accounting policies and has no material effect on the amounts reported for the current or prior period.

6. **Earnings Per Unit ("EPU") and Distribution Per Unit ("DPU")**

| | Group | | | |
|---|----------------|----------------|----------------|------------------------|
| | 2H 2021 | 2H 2020 | FY 2021 | FY 2020 |
| <u>EPU</u> | | | | |
| <u>Adjusted to include effects of the Rights Issue and Preferential Offering</u> ⁽¹⁾ | | | | |
| Weighted average number of Units ('000) | 1,133,037 | 811,431 | 1,044,165 | 767,315 |
| Earnings per Unit | | | | |
| Basic and Diluted (€ cents) | 7.91 | 1.70 | 12.31 | 2.57 |
| <u>DPU</u> | | | | |
| <u>Restated to include effects of the Rights Issue</u> | | | | |
| Number of Units entitled to distribution ('000) | 1,154,592 | 937,046 | 1,154,592 | 937,046 ⁽²⁾ |
| Distribution per Unit | | | | |
| - € cents | 1.50 | 1.39 | 2.93 | 2.64 ⁽³⁾ |

Footnotes:

- (1) The figures have been adjusted for the effects of the bonus element of the Rights Issue of 291,405,597 Units issued on 23 October 2020 and Preferential Offer of 201,137,870 Units issued on 21 July 2021. This is in accordance with the requirements of IAS 33 "Earnings Per Share".
- (2) The number of Units entitled to distribution have been restated to include the Rights Units.
- (3) For the purpose of comparison, FY 2020 DPU has been restated to reflect the effects of the Rights Units.

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7. Net Asset Value and Net Tangible Asset Per Unit

| | Group | |
|--|--------------------|--------------------|
| | 31 Dec 2021 | 31 Dec 2020 |
| Number of Units in issue and to be issued at end of the period ('000) ⁽¹⁾ | 1,155,891 | 938,963 |
| Net asset value ("NAV") per Unit (€) | 0.54 | 0.47 |
| Net tangible asset ("NTA") per Unit (€) | 0.54 | 0.47 |

Footnote:

(1) The NAV and NTA per Unit were computed based on the net assets attributable to Unitholders as at 31 December 2021 and 31 December 2020 and the Units in issue and to be issued as at 31 December 2021 of 1,155,891,421 (31 December 2020: 938,963,086).

8. Use of judgements and estimates

In preparing the unaudited financial statements for the second half year and financial year ended 31 December 2021, the Manager has made estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

In preparing this financial information, significant judgements made by the Manager in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were described in the audited financial statements for the financial year ended 31 December 2020.

9. Fair value measurement

Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation input used as follows:

- Level 1:* inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2:* inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3:* inputs are unobservable inputs for the asset or liability.

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9. Fair value measurement (continued)

Assets and liabilities carried at fair value

Group

| | Level 1 | Level 2 | Level 3 |
|----------------------------------|----------------|----------------|----------------|
| | €'000 | €'000 | €'000 |
| 31 December 2021 | | | |
| Current assets | | | |
| Derivative financial instruments | - | 8 | - |
| Non-current assets | | | |
| Derivative financial instruments | - | 2,319 | - |
| Investment properties | - | - | 974,870 |
| Current liabilities | | | |
| Derivative financial instruments | - | (1,981) | - |
| Non-current liabilities | | | |
| Derivative financial instruments | - | (2,496) | - |
| 31 December 2020 | | | |
| Non-current assets | | | |
| Derivative financial instruments | - | 313 | - |
| Investment properties | - | - | 719,580 |
| Current liabilities | | | |
| Derivative financial instruments | - | (2,019) | - |
| Non-current liabilities | | | |
| Derivative financial instruments | - | (7,805) | - |
| Trust | | | |
| | Level 1 | Level 2 | Level 3 |
| | €'000 | €'000 | €'000 |
| 31 December 2021 | | | |
| Current assets | | | |
| Derivative financial instruments | - | - | - |
| 31 December 2020 | | | |
| Current liabilities | | | |
| Derivative financial instruments | - | (429) | - |

9. Fair value measurement (continued)

Assets and liabilities carried at fair value (continued)

Level 2 fair value measurements

The fair value of derivative financial instruments such as interest rate swaps, interest rate caps and foreign currency forward contracts is based on banks' quotes.

Level 3 fair value measurements

The fair value of the Group's investment properties have been determined on the basis of valuations carried out as at 31 December 2021 (2020 : As at 31 December 2020) by independent valuers⁽¹⁾, having appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued, and are not related to the Group. For the German Portfolio and the Spanish Portfolio, the fair value was determined based on the discounted cash flow method. For the French Portfolio, the fair value was determined based on a combination of the discounted cash flow method and income capitalisation method, as required by the valuation standards in France. In estimating the fair value of the properties, the Manager is of the view that the highest and best use of the properties is their current use.

| Valuation method | Discount rate | | Terminal Capitalisation rate | |
|----------------------|--------------------------|--------------------------|------------------------------|--------------------------|
| | 31 December 2021 | 31 December 2020 | 31 December 2021 | 31 December 2020 |
| Discounted cash flow | 3.75% to 8.00% per annum | 4.90% to 9.85% per annum | 3.25% to 8.00% per annum | 4.30% to 7.00% per annum |

| Valuation method | Income capitalisation rate | |
|-----------------------|----------------------------|------------------|
| | 31 December 2021 | 31 December 2020 |
| Income capitalisation | 5.50% to 6.25% per annum | NA |

There are inter-relationships between the above significant unobservable inputs. An increase/(decrease) in the discount rate, terminal capitalisation rate or income capitalisation rate will result in a (decrease)/increase to the fair value of the investment properties.

Footnote:

(1) Independent valuers for the investment properties located in Germany and Spain is BNP Real Estate Consult GmbH (31 December 2020: Messrs CBRE Germany GmbH and Messrs Cushman & Wakefield Spain Limited respectively) and the independent valuers for the investment properties located in France is BNP Paribas Real Estate Valuation France (31 December 2020: Not applicable).

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9. Fair value measurement (continued)

Categories of financial instruments

| | Group | | Trust | |
|--|------------------------------|------------------------------|------------------------------|------------------------------|
| | 31 December 2021 €'000 | 31 December 2020 €'000 | 31 December 2021 €'000 | 31 December 2020 €'000 |
| Financial assets | | | | |
| <i>At amortised cost</i> | | | | |
| - Cash and cash equivalents | 51,669 | 43,109 | 2,981 | 10,135 |
| - Trade and other receivables | 3,168 | 2,354 | 47,025 | 41,623 |
| | 54,837 | 45,463 | 50,006 | 51,758 |
| <i>Fair value through profit or loss</i> | | | | |
| Derivative financial instruments | 2,327 | 313 | - | - |
| Financial liabilities | | | | |
| <i>At amortised cost</i> | | | | |
| - Trade and other payables | 9,238 | 5,715 | 78,186 | 77,569 |
| - Distribution payable | 17,603 | 13,031 | 17,603 | 13,031 |
| - Borrowings | 328,922 | 264,628 | - | - |
| | 355,763 | 283,374 | 95,789 | 90,600 |
| <i>Fair value through profit or loss</i> | | | | |
| Derivative financial Instruments | 4,477 | 9,824 | - | 429 |

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10. Segmental Reporting

Operating segments are identified on the basis of internal reports on components of the Group that are regularly reviewed by the Group's Chief Operating Decision Maker ("CODM"), in order to allocate resources to segments and to assess their performance. The Group's operating segments are its property portfolio by geography as each of these property portfolios have different performance characteristics. This forms the basis of identifying of operating segments of the Group under IFRS 8 Operating Segments.

Segment revenue comprises mainly income generated from its tenants. Segment net property income represents the income earned by each segment after allocating property operating expenses. This is the measure reported to the CODM for the purpose of assessment of segment performance.

Segment results, assets and liabilities include items directly attributable to segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly management fees, trust expenses, finance costs, and related assets and liabilities.

Segment results

| Group | Germany | Spain | France | Total |
|---|----------------|----------------|---------------|-----------------------|
| | FY 2021 | FY 2021 | FY 2021 | FY 2021 |
| | €'000 | €'000 | €'000 | €'000 |
| Gross revenue | 36,448 | 12,196 | 3,523 | 52,167 |
| Property operating expenses | <u>(5,236)</u> | <u>(4,301)</u> | <u>(148)</u> | <u>(9,685)</u> |
| Segment net property income | <u>31,212</u> | <u>7,895</u> | <u>3,375</u> | <u>42,482</u> |
| Change in fair value of investment properties | <u>103,386</u> | <u>7,428</u> | <u>4,186</u> | <u>115,000</u> |
| Profit before taxation – Segments | <u>134,562</u> | <u>15,359</u> | <u>7,561</u> | <u>157,482</u> |
| <i>Unallocated items:</i> | | | | |
| Finance costs | | | | (5,040) |
| Management fees | | | | (3,620) |
| Trustee's fees | | | | (171) |
| Administrative costs and other trust expenses | | | | (2,473) |
| Change in fair value of financial derivatives | | | | 6,790 |
| Acquisition and divestment related costs | | | | (1,509) |
| Profit before taxation | | | | <u>151,459</u> |
| Income tax expense | | | | <u>(22,969)</u> |
| Profit for the year | | | | <u><u>128,490</u></u> |

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10. Segmental Reporting (continued)

Segment results (continued)

Group

| | Germany | Spain | France | Total |
|---|----------------|----------------|---------------|----------------------|
| | FY 2020 | FY 2020 | FY 2020 | FY 2020 |
| | €'000 | €'000 | €'000 | €'000 |
| Gross revenue | 35,756 | 2,065 | - | 37,821 |
| Property operating expenses | <u>(4,376)</u> | <u>(551)</u> | <u>-</u> | <u>(4,927)</u> |
| Segment net property income | <u>31,380</u> | <u>1,514</u> | <u>-</u> | <u>32,894</u> |
| Change in fair value of investment properties | <u>10,563</u> | <u>(6,525)</u> | <u>-</u> | <u>4,038</u> |
| Profit before taxation – Segments | <u>41,943</u> | <u>(5,011)</u> | <u>-</u> | <u>36,932</u> |
| <i>Unallocated items:</i> | | | | |
| Finance income | | | | 2 |
| Finance costs | | | | (4,412) |
| Management fees | | | | (2,743) |
| Trustee's fees | | | | (135) |
| Administrative costs and other trust expenses | | | | (2,294) |
| Change in fair value of financial derivatives | | | | (3,871) |
| Share of results of joint venture | | | | 1,151 |
| Gain on derecognition of joint venture | | | | 2,309 |
| Acquisition related costs | | | | <u>(1,284)</u> |
| Profit before taxation | | | | 25,655 |
| Income tax expense | | | | <u>(5,934)</u> |
| Profit for the year | | | | <u><u>19,721</u></u> |

Segment Assets and Liabilities

Group

| | Germany | Spain | France | Total |
|-------------------------|----------------|--------------|---------------|-------------------------|
| | FY2021 | FY2021 | FY2021 | FY2021 |
| | €'000 | €'000 | €'000 | €'000 |
| Segment assets | 719,897 | 180,590 | 130,329 | 1,030,816 |
| Unallocated assets | | | | <u>4,683</u> |
| Total assets | | | | <u><u>1,035,499</u></u> |
| Segment liabilities | 258,418 | 81,816 | 57,015 | 397,249 |
| Unallocated liabilities | | | | <u>18,804</u> |
| Total liabilities | | | | <u><u>416,053</u></u> |

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UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE
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10. Segmental Reporting (continued)

Segment Assets and Liabilities (continued)

| Group | Germany | Spain | France | Total |
|-------------------------|---------|---------|---------|-----------------------|
| | FY 2020 | FY 2020 | FY 2020 | FY 2020 |
| | €'000 | €'000 | €'000 | €'000 |
| Segment assets | 613,506 | 144,530 | - | 758,036 |
| Unallocated assets | | | | <u>10,993</u> |
| Total assets | | | | <u><u>769,029</u></u> |
| Segment liabilities | 245,138 | 68,008 | - | 313,146 |
| Unallocated liabilities | | | | <u>14,140</u> |
| Total liabilities | | | | <u><u>327,286</u></u> |

Major customers

There are certain major customers of the Group, being tenants of the properties in Germany that each account for 10% or more of the Group's gross revenue. For the financial year ended 31 December 2021, gross revenue derived from 2 such tenants amounted to €18.1 million and €11.3 million (31 December 2020: €17.5 million and €11.3 million) respectively.

Breakdown of sales

| | Group | | |
|---|---------|---------|---------------------|
| | FY 2021 | FY 2020 | Increase/(Decrease) |
| | €'000 | €'000 | % |
| Gross revenue reported for first half year | 23,646 | 17,965 | 31.6 |
| Profit after tax for first half year | 38,895 | 5,965 | 552.1 |
| Gross revenue reported for second half year | 28,521 | 19,856 | 43.6 |
| Profit after tax for second half year | 89,595 | 13,756 | 551.3 |

11. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the geographical segments

Gross revenue for the German Portfolio has increased by €692,000 or 1.9% compared to that of FY 2020, contributed mainly by the rental uplifts triggered by the increase in the consumer price index. The increase in gross revenue was more than offset by the higher property operating expenses contributed by the increase in repairs and maintenance expenses for the upkeep of the properties. Accordingly, net property income for the German Portfolio registered a slight decrease of €168,000 or 0.5% compared to that of FY 2020.

The higher gross revenue and net property income of the Spanish Portfolio in FY 2021 were mainly due to the consolidation of the operating results of the Initial Spanish Portfolio in the financial statements of the Group, following the completion of the 60% Acquisition in October 2020 and the acquisition of Parc Cugat in September 2021.

The gross revenue and net property income of the French Portfolio arose only in FY 2021 following the acquisition of the portfolio in July 2021.

12. Review of the Performance for the Second Half Year and Financial Year ended 31 December 2021

A review of the performance for 2H 2021 and FY 2021 is set out in Section 1(a)(i) Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income and Section 1(b)(i) Unaudited Statements of Financial Position as at 31 December 2021.

13. Variance between actual and forecast

Not applicable as no forecast has been previously disclosed.

14. Commentary on the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting and next 12 months

Office letting activity across the key European cities in 2021 has increased significantly compared to the prior year, with 2H 2021 showing signs of normalisation in take-up. Coupled with the economic recovery and favourable financing conditions, investor demand for commercial real estate in Europe has also improved over the same period.

Supported by a blue-chip tenant mix and diversified asset base, IREIT's portfolio performance has continued to be resilient in 2021. During the year, the Manager performed environmental audits on selected properties within IREIT's portfolio to pursue green building certifications. In November 2021, the Manager successfully secured a new lease with a German federal government body to take up all five floors of office space to be vacated by the existing key tenant, GMG Generalmietgesellschaft GmbH, at Münster Campus when its lease expires in March 2022. This five-year lease secured with the new tenant at competitive rental rates is a reflection of IREIT's good quality assets in well-connected locations and will strengthen IREIT's lease profile and income certainty. In 2022, the Manager will continue to focus its efforts on asset management to maintain IREIT's portfolio occupancy rate and optimise the long-term attractiveness of the assets through its sustainability initiatives.

In view of the adoption of flexible working arrangement by companies and evolving demand for office space, the Manager will also continue to pursue investment and capital recycling opportunities to further diversify IREIT's asset class exposure and strengthen its income streams. At the same time, the Manager is exploring various funding options to broaden IREIT's financing sources and flexibility.

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15. Distributions

(a) Current financial period

Any distributions declared for the current financial period? Yes

Name of distribution Distribution for the period from 30 June 2021 to 31 December 2021

| Distribution Type | Tax exempt | Capital | Total |
|---------------------------|------------|---------|-------|
| Amount (€ cents per Unit) | 0.52 | 0.99 | 1.51 |

Tax rate

Tax exempt income distribution

The tax exempt income distribution component is exempt from Singapore income tax in the hands of all Unitholders, regardless of their nationality, corporate identity or tax residence status. No tax will be deducted from such component.

Capital distribution

The capital distribution component represents a return of capital to Unitholders for Singapore income tax purposes. The amount of the capital distribution component will be applied to reduce the cost base of Unitholders' Units for Singapore income tax purposes. For Unitholders who are liable to Singapore income tax on profits from the sale of their Units, the reduced cost base of their Units will be used to calculate any taxable trading gains arising from the disposal of the Units.

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15. Distributions (continued)

(b) Corresponding period of the preceding financial period

Any distributions declared for the corresponding period of the immediate preceding financial period? Yes

Name of distribution Distribution for the period from 1 July 2020 to 31 December 2020

| Distribution Type ⁽¹⁾ | Tax exempt | Capital | Total |
|----------------------------------|------------|---------|-------|
| Amount (€ cents per Unit) | 0.57 | 0.82 | 1.39 |

Tax rate

Tax exempt income distribution

The tax exempt income distribution component is exempt from Singapore income tax in the hands of all Unitholders, regardless of their nationality, corporate identity or tax residence status. No tax will be deducted from such component.

Capital distribution

The capital distribution component represents a return of capital to Unitholders for Singapore income tax purposes. The amount of the capital distribution component will be applied to reduce the cost base of Unitholders' Units for Singapore income tax purposes. For Unitholders who are liable to Singapore income tax on profits from the sale of their Units, the reduced cost base of their Units will be used to calculate any taxable trading gains arising from the disposal of the Units.

(1) Distribution type has been restated as it has been brought to the attention of the Manager by the Inland Revenue Authority of Singapore that IREIT has declared certain income in prior years as tax exempt income distributions instead of capital distributions.

(c) Books closure date 7 March 2022

(d) Date payable 15 March 2022

16. If no distribution has been declared/(recommended), a statement to that effect.

Not applicable.

17. If IREIT has obtained a general mandate from shareholders for IPTs, the aggregate value of each transaction as required under Rule 920(i)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

IREIT has not obtained a general mandate from Unitholders for Interested Person Transactions.

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- 18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Manager confirms that there is no person occupying a managerial position in the Manager, who is a relative of a director or chief executive officer or substantial shareholder of the Manager or substantial Unitholder of IREIT.

- 19. Confirmation pursuant to Rule 705(5) of the Listing Manual**

Not applicable.

- 20. Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1)**

The Manager confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

- 21. Additional Information Required Pursuant to Rule 706A of the Listing Manual**

Not applicable.

BY ORDER OF THE BOARD OF DIRECTORS

IREIT Global Group Pte. Ltd.
(Company Registration No. 201331623K)
(As manager for IREIT GLOBAL)

Lee Wei Hsiung
Company Secretary
25 February 2022

This announcement may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies and venues for the sale/ distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management of future events.

Any discrepancies in the tables included in this announcement between the listed amounts and total thereof are due to rounding.