



DELIVERING LONG-TERM VALUE

—
ANNUAL REPORT 2021





CONTENTS

03	IREIT Global, Tikehau Capital and City Developments Limited
06	Chairman and CEO Letter to Unitholders
14	Board of Directors
17	Management Team
20	Financial Review and Capital Management
24	Independent Market Review
54	Investor Relations
58	Portfolio Summary
64	Portfolio Overview
84	Four Pillars of Growth Strategy
85	Trust Structure
86	Risk Management
92	Sustainability Report
109	Corporate Governance Report
129	Financial Statements
180	Other Information
182	Statistics of Unitholdings
184	Notice of Annual General Meeting



DELIVERING LONG-TERM VALUE

Against the uncertain economic backdrop caused by the COVID-19 pandemic, IREIT Global (“IREIT”) has celebrated another year of achievements with the successful execution of its investment strategy. From the acquisitions of the Decathlon retail portfolio in France and an additional office building in Spain, the successful equity fund raising to fund the acquisitions, to the strong leasing activity accomplished within the portfolio, IREIT has effectively enhanced the long-term cash flows and resilience of its assets.

In view of the adoption of flexible working arrangement by companies and evolving demand for office space, IREIT will continue to pursue investment and capital recycling opportunities to further diversify its asset class exposure and income streams. IREIT will also continue to capitalise on the collective strengths of its joint sponsors and explore various funding options to broaden its financing sources and flexibility going forward, thereby delivering long-term value to the unitholders of IREIT.

KEY OBJECTIVES

The Manager's key financial objectives are to provide unitholders of IREIT ("Unitholders") with regular and stable distributions, and the potential for sustainable long-term growth in distribution per Unit ("DPU") and net asset value ("NAV") per Unit, while maintaining an appropriate capital structure for IREIT.

JOINT SPONSORS OF IREIT

IREIT is a unique pure play into the European commercial real estate market that benefits from the collective expertise, strong brand name and extensive local network of its two sponsors, Tikehau Capital and City Developments Limited ("CDL"), both of which are highly regarded in their respective markets in Europe and Asia. Sharing the same vision and long-term commitment to build on IREIT's capabilities, scale and diversification, Tikehau Capital and CDL will continue to collaborate actively and tap on each other's complementary strengths to enhance IREIT's visibility and geographical footprint, while staying aligned with the best interests of minority Unitholders.

ABOUT IREIT GLOBAL

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 for office, retail and industrial (including logistics) purposes, as well as real estate-related assets.

IREIT's current portfolio comprises five freehold office properties in Germany, five freehold office properties in Spain and 27 freehold retail properties in France.

IREIT is managed by IREIT Global Group Pte. Ltd. (the "Manager"), which is jointly owned by Tikehau Capital and CDL.

Tikehau Capital is global alternative asset management group listed in France, while CDL is a leading global real estate company listed in Singapore.

ABOUT TIKEHAU CAPITAL

Tikehau Capital is a global alternative asset management group with €34.3 billion of assets under management as at 31 December 2021. Tikehau Capital has developed a wide range of expertise across four asset classes (private debt, real assets, private equity and capital markets strategies) as well as multi-asset and special opportunities strategies. Tikehau Capital is a founder led team with a differentiated business model, a strong balance sheet, proprietary global deal flow and a track record of backing high quality companies and executives. Deeply rooted in the real economy, Tikehau Capital provides bespoke and innovative alternative financing solutions to companies it invests in and seeks to create long-term value for its investors, while generating positive impacts on society. Leveraging its strong equity base (€3.0 billion of shareholders' equity as at 31 December 2021), the firm invests its own capital alongside its investor-clients within each of its strategies. Controlled by its managers alongside leading institutional partners, Tikehau Capital is guided by a strong entrepreneurial spirit and DNA, shared by its 683 employees across its 12 offices in Europe, Asia and North America.

ABOUT CITY DEVELOPMENTS LIMITED

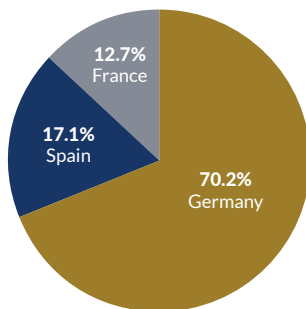
CDL is a leading global real estate company with a network spanning 104 locations in 29 countries and regions. Listed on the Singapore Exchange, CDL is one of the largest companies by market capitalisation. Its income-stable and geographically-diverse portfolio comprises residences, offices, hotels, serviced apartments, shopping malls and integrated developments. With a proven track record of over 55 years in real estate development, investment and management, CDL has developed over 48,000 homes and owns around 23 million square feet of gross floor area in residential for lease, commercial and hospitality assets globally. Its diversified global landbank offers 3.3 million square feet of land area. Along with its wholly-owned hotel subsidiary, Millennium & Copthorne Hotels Limited, CDL has over 130 hotels and over 40,000 rooms worldwide, many in key gateway cities.



KEY FIGURES FOR FINANCIAL YEAR ENDED 31 DECEMBER 2021



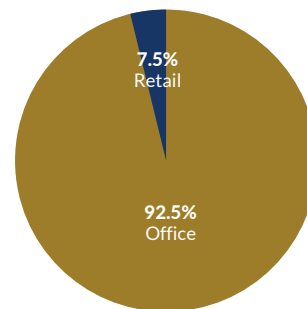
PORTFOLIO VALUATION
BY GEOGRAPHY



€ **974.9**m
+35.5% year-on-year



GROSS RENTAL INCOME
BY ASSET CLASS



€ **45.3**m
+12.5% year-on-year





PORTFOLIO OCCUPANCY RATE

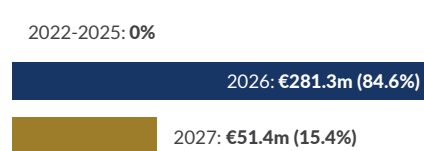


95.7%

95.8% as at 31 December 2020



AGGREGATE LEVERAGE AND DEBT MATURITY PROFILE



32.1%

34.8% as at 31 December 2020



100% OF RENTS COLLECTED IN FY2021



CHAIRMAN AND CEO LETTER TO UNITHOLDERS

THE CHALLENGES
BROUGHT ABOUT
BY COVID-19 HAVE
UNDERScoreD OUR
STRATEGIC FOCUS ON
HAVING A BLUE-CHIP
TENANT MIX AND A
PORTFOLIO OF GOOD
QUALITY ASSETS IN
ESTABLISHED AREAS
IN SELECTED WESTERN
EUROPEAN MARKETS.



MR LIM KOK MIN, JOHN
Chairman



MR LOUIS D'ESTIENNE D'ORVES
Chief Executive Officer

Dear Unitholders,

On behalf of the Board of Directors of IREIT Global Group Pte. Ltd., the manager of IREIT, we are pleased to present IREIT's annual report and sustainability report for the financial year ended 31 December 2021 ("FY2021").

NAVIGATING THROUGH UNCERTAIN TIMES

Since the outbreak of COVID-19 in the beginning of 2020, many corporates across the world have witnessed massive disruptions and challenges to their business operations. From the tightening of social distancing measures, work-from-home arrangements and increased sanitisation in the workplaces, companies and employees alike have had to grapple with the evolving COVID-19 situation, government regulations and business trends. While there has been significant progress on the vaccination programmes worldwide during 2021, the resurgence of the virus infections and emergence of new virus strains have continued to create significant uncertainty and challenges to businesses and necessitated a reshaping of how they will operate in the new normal. In more recent times, the outbreak of war in Ukraine has also adversely disrupted the businesses of companies in many parts of the world and added new challenges. While our due diligence has indicated that our business and those of our tenants have to date not been adversely affected and we do not expect any such disruption in the foreseeable future, we will continue to maintain our vigilance.

UNWAVERING EFFORTS TO PERFORM

In this challenging operating environment, our Board of Directors and management team have remained steadfast and nimble,

while staying focused on our investment strategy to safeguard and enhance the long-term value to our Unitholders. During this period, the teamwork, commitment and perseverance of all our employees have played a pivotal role in helping IREIT achieve several key transactions and emerge stronger as an organisation.

In April 2021, we announced the acquisition of a portfolio of 27 retail properties in France via a sale-and-leaseback from Decathlon, the largest sporting goods retailer in the world with approximately 1,650 stores in 57 countries. This marks IREIT's strategic foray into France and into the out-of-town retail asset class, which was a significant step forward towards our goal of building scale and diversification in IREIT's portfolio. We are heartened that the acquisition resonated well with Unitholders, who voted strongly in favour of the acquisition and supported the equity fund raising that was later launched to part finance the acquisition. Notably, the pro rata and non-renounceable preferential offering was 151.2% subscribed, including the commitment from Tikehau Capital, CDL and AT Investments Limited. In addition, an inaugural placement of new units was successfully made to a strategic investor, Bond Capital Partners Pte. Ltd..

In September 2021, we acquired a Grade A office building in Barcelona, Spain, adding another quality asset with blue-chip tenants to IREIT's portfolio and extending our footprint in Spain. This office building is located near another existing property of IREIT and has several sustainability certifications. With an appropriate mix of debt and equity, these two acquisitions are expected to lead to an accretion on IREIT's DPU.

The challenges brought about by COVID-19 have underscored our

strategic focus on having a blue-chip tenant mix and a portfolio of good quality assets in established areas in selected western European markets. Coupled with our strong asset management initiatives, we have delivered to our Unitholders some robust key operating performances as at 31 December 2021: portfolio value has increased by 14.4% year-on-year on a like-for-like basis, portfolio occupancy rate has remained stable at 95.7% and weighted average lease expiry has improved to 3.8 years from 3.5 years in prior year. Importantly, all tenants have continued to pay their rents in FY2021 and no rental rebates or deferrals have been requested.

During the year, we have attracted new tenants and secured a few lease extensions within IREIT's portfolio, notwithstanding the slower letting activity in the office space. For example, at Berlin Campus, the sole office tenant, Deutsche Rentenversicherung Bund ("DRV"), has chosen not to exercise its break option during the year to return part of its leased space in 2022. As such, the entire lease with DRV will now expire in 2024. At Münster Campus, we have also successfully secured a new lease with a German federal government body to take up all five floors of office space to be returned by Deutsche Telekom when its lease expires in March 2022. These positive letting outcomes are expected to strengthen IREIT's income certainty and uphold the resilience of IREIT's portfolio performance.

BROAD-BASED IMPROVEMENT IN PERFORMANCE

Supported by the acquisition of the retail properties in France and the office building in Spain as well as the consolidation of the operating results of the initial Spanish Portfolio, IREIT's FY2021 net property income increased

CHAIRMAN AND CEO LETTER TO UNITHOLDERS

by 29.1% year-on-year to €42.5 million, while distributable income came in 25.3% higher at €34.4 million. During the year, IREIT also saw a significant 35.5% uplift in its portfolio value on the back of the acquisitions and higher property valuations. This has led to a marked improvement in IREIT's aggregate leverage to 32.1% and NAV to €0.54 per Unit as at 31 December 2021. Based on the increase in NAV and the closing unit price of S\$0.65 at the end of 2021, IREIT is trading at an attractive discount of approximately 21.6% to its NAV.

DELIVERING LONG-TERM VALUE

In 2022, our immediate focus is to continue delivering on our proactive asset management strategies to maintain the occupancy rate and optimise the long-term attractiveness of IREIT's portfolio. With sustainability at the forefront of our key initiatives going forward, we have recently performed environmental audits on selected properties within IREIT's portfolio to pursue green building certifications, and will continue to drive our sustainability agenda throughout our business practices. In view of the adoption of flexible working arrangement by companies and evolving demand for office space, we will also be pursuing capital recycling opportunities while continuing to seek new investments in order to further diversify IREIT's portfolio of assets while strengthening the sustainability of its income streams. We will also explore different funding options to broaden IREIT's financing sources and flexibility.

APPRECIATION AND ACKNOWLEDGMENTS

On behalf of the Board of Directors and management team, we would like to express our sincere appreciation to our joint sponsors, valued tenants, business partners, financiers, DBS Trustee and Unitholders for your continued trust and support in IREIT. We would also like to extend our thanks to our Board members for their invaluable advice and guidance throughout the year. Our special acknowledgement goes to Mr Nir Ellenbogen, who retired as Independent Non-Executive Director on 31 December 2021, after serving eight years on the Board. We deeply appreciate his invaluable contributions and wish him well in his future endeavours. We also welcome Mr Mark Andrew Yeo Kah Chong, who joined our Board as Independent Non-Executive Director on 1 January 2022. Finally, to all our management team and employees, thank you for your hard work, fortitude and unwavering commitment in making possible the commendable performance achieved by IREIT in 2021.



主席与首席执行官致单位持有人的信函

COVID-19 疫情带来的挑战，让我们深刻地意识到在选定的西欧市场发展成熟地区拥有蓝筹租户组合和优质资产组合是我们的战略重点。

尊敬的单位持有者：

我们谨代表 IREIT Global Group Pte. Ltd.（IREIT 房地产信托基金管理公司）董事会向大家呈交截至 2021 年 12 月 31 日（2021 财年）IREIT Global (IREIT) 的年度报告与可持续性报告。

在形势不明的时期摸索前行

自 2020 年初 COVID-19 疫情爆发以来，全球各地的众多企业的运营活动因受疫情干扰而遭受重创，举步维艰。为抗疫而采取的紧缩社交距离措施、居家办公安排以及工作场所卫生从严管控，导致公司和员工不得不学会应对不断变化的 COVID-19 疫情形势、政府法规和商业趋势。虽然全球疫苗接种形势在 2021 年已经大有起色，但疫情复发和新毒株出现带来的巨大不确定性与严峻挑战依然困扰着企业，令他们不得不思考如何重塑自己的运营方式以适应这种新常态。最近一段时间，在乌克兰爆发的战争也对全球很多国家/地区的公司的业务运营带来了不良影响，制造了新的挑战。近期，乌克兰战争的爆发也对世界许多地区的企业业务造成了严重干扰，并增加了新的挑战。虽然我们的尽职调查结果表明我们的业务以及租户的业务迄今为止没有受到不利影响，并且我们预计在可预见的未来不会出现任何此类干扰，但我们将继续保持警惕。

坚定不移地为实现企业目标而努力

在如此充满挑战性的经营环境中，我们的董事会和管理团队依然坚守坚定立场、灵活应对的原则，同时专注于贯彻落实我们旨在为单位持有者维护并创造更多长期价值的投资策略。在这段时期里，IREIT 能够成功拿下几笔关键的交易并且跃升成为一家更强大的组织，离不开我们所有员工发挥出的团队合作、无私奉献和坚持不懈的精神。

2021 年 4 月，我们宣布通过售后回租的方式收购了迪卡侬 (Decathlon) 在法国的 27 个零售物业，迪卡侬是全球最大的体育用品零售商，在 57 个国家设有约 1650 家门店。这次收购标志着 IREIT 已启动向法国以及外地零售类资产进军战略，是我们为实现 IREIT 地产组合规模化和多元化目标迈出的重要一步。单位持有人对此接受良好，他们不但非常赞成这个计

划，而且积极响应我们后来的股权融资（旨在为本次收购争取到部分融资）计划，令我们备受鼓舞。值得一提的是，按比例配售和不可弃权的优先供股股份的认购比例达到了 151.2%，包括承诺认购方Tikehau Capital、City Developments Limited 和 AT Investments Limited。此外，我们还成功地向战略投资者 Bond Capital Partners Pte. Ltd. 进行了新单位首次私募。

2021 年 9 月，我们收购了位于西班牙巴塞罗那的一座甲级办公楼，IREIT 的地产组合因此新添了一项优质资产，我们在西班牙的业务也得以拓展。该办公楼位于 IREIT 的另一处现有物业附近，并获得了几项可持续发展认证。因为债务和股权搭配得宜，这两项收购预计将带动 IREIT 的每单位派息（“DPU”）增长。

COVID-19 疫情带来的挑战，让我们深刻地意识到在发展成熟地区拥有蓝筹租户组合和优质资产组合的战略价值。加上资产管理举措得力，到 2021 年 12 月 31 日截止，我们的一些关键运营表现也令单位持有人相当满意：在相似性比对的基础上，地产组合价值年同比增长 14.4%，地产组合入住率稳定在 95.7%，加权平均租赁期限由上一年的 3.5 年延长至 3.8 年。重要的是，所有租户在 2021 财年继续支付租金，没有人请求返还租金或延期缴纳租金。

在这一年里，尽管办公空间出租活动放缓，我们还是成功吸引到了新租户，而且拿下了 IREIT 地产组合中的一些

租约续期业务。例如，Berlin Campus 唯一的办公室租户 Deutsche Rentenversicherung Bund（“DRV”）选择在本年度不行使在 2022 年归还部分租赁空间的中断权。因此，DRV 的整个租约将于 2024 年到期。此外，Münster Campus 也即将迎来新租户：德国电信（Deutsche Telekom）租用的所有五层办公空间在 2022 年 3 月租期到期后，将由德国联邦政府麾下的一家机构接手。这些成功的续期及出租成果有望成为加强 IREIT 收益确定性和维持 IREIT 地产组合盈利韧性的保障。

业绩全面提升

IREIT 2021 财年的地产净收益同比增加了 29.1%，达到 4250 万欧元，可供分配收益增长了 25.3%，达到 3440 万欧元，这要归功于我们收购了在法国的零售物业和西班牙的办公楼和整合了西班牙初始地产组合的运营成果。在这一年内，在收购和物业估值上升的拉动下，IREIT 地产组合价值涨幅达到 35.5%。截至 2021 年 12 月 31 日，IREIT 的总杠杆率已获得显著改善，达到了 32.1%，资产净值（简称“NAV”）为每单位 0.54 欧元。基于 NAV 的增长和 2021 年终高达 0.65 新元的收盘价，IREIT 的每单位净值折价约 21.6%，非常诱人。

交付长期价值

进入 2022 年之后，我们的当务之急是继续落实我们的前瞻性资产管理策略以保持入住率并优化 IREIT 地产组合的长期吸引力。

鉴于我们未来的关键项目与计划将以实现可持续发展为目标，近期我们已对 IREIT 地产组合中选定的物业进行了环境审核，目的在于寻求绿色建筑认证，并继续推动可持续发展路线在我们的业务实践中的部署与落实。一方面是弹性工作模式在企业界的普及，另一方面是公司办公空间不断变化的需求，我们亦须随机应变，在捕捉循环利用资本的机会的同时继续寻求新的投资，进一步丰富完善 IREIT 资产组合并且加强对 IREIT 资产组合可持续性收益来源的建设工作。与此同时，我们也会探索不同的募资选择以拓宽 IREIT 融资渠道并且增加融资灵活性。

由衷感谢

我们谨代表董事会和管理团队，向协办单位、租户、商业合作伙伴、融资人、星展信托有限公司（DBS Trustee）以及单位持有人表示感谢，感谢大家一如既往的支持。我们亦十分感谢董事会成员在这一年为我们提供的宝贵意见和指导。我们特别向 Nir Ellenbogen 先生表达诚挚谢意，他在董事会担任独立非执行董事八年，于 2021 年 12 月 31 日退休。我们对于他作出的宝贵贡献深表感谢并且祝愿他未来一切顺利。我们也热烈欢迎于 2022 年 1 月 1 日加入董事会担任独立非执行董事的 Mark Andrew Yeo Kah Chong 先生。最后，我们想要感谢我们的管理团队和所有员工，感谢大家坚守岗位、辛勤工作，为 IREIT 在 2021 年度取得的所有可圈可点的业绩。

SEEKING DIVERSIFICATION

CREATING VALUE THROUGH
STRATEGIC ACQUISITIONS AND
A BIGGER TENANT BASE

In order to protect the future rental income and uphold the resilience of IREIT's portfolio, diversification remains the key focus in our investment strategy.

The expansion of our footprint into the out-of-town retail sector in France with the acquisition of the French Portfolio in 2021 is a clear testament of our initiatives to diversify IREIT's country and asset class exposure. Notably, the contribution by Deutsche Telekom to IREIT's total gross rental income has decreased significantly to approximately 31.8% as at 31 December 2021 from 45.8% two years ago.

NET PROPERTY
INCOME

€42.5m

+29.1% year-on-year

Delta Nova IV, Spain





BOARD OF DIRECTORS



MR LIM KOK MIN, JOHN

Chairman and
Independent Non-Executive Director

Date of First Appointment as Director

14 July 2014

Length of Service as Director (as at 31 December 2021)

7 years and 5 months

Mr Lim has more than 45 years of senior corporate experience in both the private and public sectors, and has worked in various countries in Southeast Asia, holding board appointments in these countries and in Australia and New Zealand. He has been the Chief Executive Officer of Cold Storage Holdings, President and Executive Deputy Chairman of LMA International NV, and Group Managing Director of Pan-United Corporation Ltd and JC-MPH Ltd.

Mr Lim is currently the Non-Executive Chairman of Boustead Projects Limited, a director of several private companies in education and retail services. He also serves as the Chairman of Centre for Governance and Sustainability, National University of Singapore as well as an Adviser to a European private equity fund.

He is the Immediate Past Chairman of Gas Supply Pte Ltd. He is a former Chairman of the Singapore Institute of Directors, Senoko Power Ltd and the Building & Construction Authority, and a former Deputy Chairman of NTUC FairPrice Cooperative, the Agri-Food & Veterinary Authority and the Singapore Institute of Management. He is also a former member of the Securities Industry Council, a former Chairman of the OECD-Asia Network on Corporate Governance of State-Owned Enterprises, and a former Vice-President of Global Compact Network Singapore.

Mr Lim was awarded the Public Service Medal by the President of Singapore in 2006.

Academic & Professional Qualifications

- Bachelor of Economics (Honours), University of Malaya
- Honorary Fellow of the Singapore Institute of Directors

Membership of Board Committee

- Member of Audit and Risk Committee
- Member of Nominating and Remuneration Committee

Present Directorships and Chairmanship in Other Listed Companies

- Boustead Projects Limited

Present Principal Commitments (other than directorships in other listed companies)

- Nexus International School Pte Ltd (Director)
- Taylors Education Pte Ltd (Director)
- TWG Tea Company Pte Ltd (Director)

Past Directorships and Chairmanship in Other Listed Companies held over the preceding three years

- Silverlake Axis Limited



MR CHNG LAY CHEW

Independent Non-Executive Director and
Chairman of the Audit and Risk Committee

Date of First Appointment as Director

1 January 2021

Length of Service as Director (as at 31 December 2021)

1 year

Mr Chng has over 35 years of experience in the financial industry. He retired from Singapore Exchange Limited after 9 years as its Chief Financial Officer. Prior to that, he was with DBS Bank and JP Morgan where he held senior finance positions in Singapore, Hong Kong, Tokyo and New York.

Mr Chng has contributed to the development of the accounting profession locally in the areas of education and professional development. He was a board member of the Singapore Accountancy Commission and immediate past President of the Singapore Division of CPA Australia. He also served on the Advisory Board of the School of Accountancy at the Singapore Management University.

Mr Chng currently serves on the board of AWWA Ltd, a social service agency in Singapore, and NUHS Fund Ltd. He was appointed as the Chairman of the Audit and Risk Committee with effect from 1 March 2021. He is a Fellow of the Institute of Singapore Chartered Accountants, Fellow of the Chartered Accountants Australia and New Zealand, and Fellow of CPA Australia.

Academic & Professional Qualifications

- Bachelor of Commerce and Administration, Victoria University of Wellington
- Fellow of Institute of Singapore Chartered Accountants
- Fellow of Chartered Accountants Australia and New Zealand
- Fellow of CPA Australia

Membership of Board Committee

- Chairman of the Audit and Risk Committee

Present Directorships and Chairmanship in Other Listed Companies

Nil

Present Principal Commitments (other than directorships in other listed companies)

- AWWA Ltd (Director)
- NUHS Fund Ltd (Director)

Past Directorships and Chairmanship in Other Listed Companies held over the preceding three years

Nil



MR MARK ANDREW YEO KAH CHONG

Independent Non-Executive Director
and Chairman of the Nominating and
Remuneration Committee

Date of First Appointment as Director

1 January 2022

Mr Yeo is a director of Changi Airports International Pte. Ltd. and Changi Airport Group (Singapore) Pte. Ltd. Mr Yeo also sits on the board of Keppel Infrastructure Fund Management Pte. Ltd., which is the trustee-manager of Keppel Infrastructure Trust. Prior to his current appointments, Mr Yeo was a former independent director of CitySpring Infrastructure Management Pte. Ltd., which was the trustee-manager of CitySpring Infrastructure Trust.

Mr Yeo has held various senior banking positions working on the infrastructure sector in Asia, Europe and Latin America mainly doing project finance advisory. He was based both in Singapore and London. Thereafter, he held several leadership positions in corporates in Asia and the Middle-East. He started his career in the Singapore civil service.

Mr Yeo graduated from the University of Oxford with a Master of Arts and obtained his Master of Laws from the National University of Singapore. He also completed the Advanced Management Programme with INSEAD.

Academic & Professional Qualifications

- Master of Arts, University of Oxford
- Master of Laws, National University of Singapore
- Advanced Management Programme, INSEAD

Membership of Board Committee

- Chairman of the Nominating and Remuneration Committee
- Member of Audit and Risk Committee

Present Directorships and Chairmanship in Other Listed Companies

Nil

Present Principal Commitments (other than directorships in other listed companies)

- Keppel Infrastructure Fund Management Pte. Ltd. (Director)
- Changi Airport Group (Singapore) Pte. Ltd. (Director)
- Changi Airports International Pte. Ltd. (Chairman)
- Basslink Pty Ltd (Director)
- Rio de Janeiro Airport SA (Chairman)

Past Directorships and Chairmanship in Other Listed Companies held over the preceding three years

Nil



MR NIR ELLENBOGEN

Former Independent Non-Executive Director
and Chairman of Nominating
and Remuneration Committee

Date of First Appointment as Director

5 December 2013

Length of Service as Director (as at 31 December 2021)

8 years

Date of Retirement as Director

31 December 2021

Mr Ellenbogen has more than 20 years of leadership and experience in the fields of medical technology and IT systems & software. He is the Managing Director of Eye-Lens Pte. Ltd., a multidisciplinary medical devices distributor, and the Chief Executive Officer of CeePro Pte. Ltd., a medical devices manufacturer. He is also the Managing Director of Focalpoint Asia, a sole proprietorship that provides medical consultancy services.

From 2000 to 2009, Mr Ellenbogen held senior management positions and directorships at NeuroVision, a medical devices manufacturer specialising in a visual improvement programme. While there, he served as Vice-President of R&D and Chief Operating Officer, and his last held positions were as Chief Executive Officer and Director.

Academic & Professional Qualifications

- Bachelor of Science, The Technion – Israel Institute of Technology
- Master of Business Administration, Tel Aviv University

Membership of Board Committee

- Chairman of Nominating and Remuneration Committee
- Member of Audit and Risk Committee

Present Directorships and Chairmanship in Other Listed Companies

Nil

Present Principal Commitments (other than directorships in other listed companies)

- Eye-Lens Pte. Ltd. (Director)
- Shinagawa Eye Centre Pte. Ltd. (Director)

Past Directorships and Chairmanship in Other Listed Companies held over the preceding three years

Nil

BOARD OF DIRECTORS



MR BRUNO DE PAMPELONNE

Non-Executive Director

Date of First Appointment as Director

11 November 2016

Length of Service as Director (as at 31 December 2021)

5 years 1 month

Mr de Pampelonne has approximately 36 years of experience in various segments of the financial markets, from debt and real estate to equity, and from banking to asset management. He is currently a Senior Partner of Tikehau Capital SCA and Chairman of Tikehau Investment Management SAS in Paris, and Chief Executive Officer of Tikehau Investment Management Asia Pte Ltd in Singapore.

He started his career at Crédit Lyonnais in 1983 in the United States. In 1985, he joined Goldman Sachs International Corp in London, where he became an Executive Director at its proprietary European trading desk. In 1990, he joined Credit Suisse First Boston as Managing Director to establish its Paris operations and was in charge of equity and debt sales and trading. In April 1993, he joined Merrill Lynch France as Managing Director and was appointed as the Country Head for France from 2003 to 2006.

Currently the Chairman of the Board of Governors of EDHEC Business School, he also serves on the International Advisory Board of the EDHEC Risk Institute.

Academic & Professional Qualifications

- Master of Finance, EDHEC Business School

Membership of Board Committee

- Member of Nominating and Remuneration Committee

Present Directorships and Chairmanship in Other Listed Companies

Nil

Present Principal Commitments (other than directorships in other listed companies)

- Tikehau Investment Management SAS (Chairman)
- Tikehau Investment Management Asia Pte. Ltd. (Director)
- Tikehau Investment Management, Japan K.K. (Director)
- EDHEC Business School (Chairman)
- FPE Investment Advisors (Singapore) Pte. Ltd. (Director)
- Scientific Beta Pte. Ltd. (Independent Director)

Past Directorships and Chairmanship in Other Listed Companies held over the preceding three years

Nil



MR KHOO SHAO HONG, FRANK

Non-Executive Director

Date of First Appointment as Director

29 April 2019

Length of Service as Director (as at 31 December 2021)

2 years 8 months

Mr Khoo is the Group Chief Investment Officer of City Developments Limited since February 2018. He assists the Group CEO to source and execute new investment opportunities, and also establish a dedicated fund management platform. With over 20 years of international experience in fund management, private equity, acquisition of real estate assets and the repositioning and restructuring of real estate businesses, Mr Khoo has an extensive network of investors, ranging from insurance companies, pension funds, sovereign wealth funds and high net worth individuals across Asia and Europe.

Previously, Mr Khoo was the Global Head of Asia of AXA Investment Manager – Real Assets (AXA IM Real Assets) where he oversaw all real estate activities for AXA IM Real Assets in Asia, including investment, transaction, fund management, asset management, capital raising and finance. He has also held various executive positions in Pacific Star Fund Management Pte Ltd, Guthrie GTS Ltd, Phileoland Bhd and Kestral Capital Partners.

He holds a Master of Business Administration from Nanyang Technological University of Singapore, as well as Bachelor of Engineering (Honours) and Bachelor of Science degrees from University of Queensland, Australia. He is also a Chartered Accountant in Singapore.

Academic & Professional Qualifications

- Master of Business Administration, Nanyang Technological University
- Bachelor of Engineering (Honours), University of Queensland Australia
- Bachelor of Science, University of Queensland Australia
- Chartered Accountant of Singapore

Membership of Board Committee

Nil

Present Directorships and Chairmanship in Other Listed Companies

Nil

Present Principal Commitments (other than directorships in other listed companies)

- City REIT Management Pte. Ltd. (Director)
- City Strategic Equity Pte. Ltd. (Director)
- CDL Real Estate Investment Managers Pte. Ltd. (Director)
- CDL Real Estate Asset Managers Pte. Ltd. (Director)

Past Directorships and Chairmanship in Other Listed Companies held over the preceding three years

Nil



MR SANJAY BAKLIWAL

Non-Executive Director

Date of First Appointment as Director

5 June 2020

Length of Service as Director (as at 31 December 2021)

1 year and 7 months

Mr Bakliwal has over 21 years of experience in corporate and project finance, private equity and fund management, initial public offerings, and mergers and acquisitions in the energy, real estate and financial services sectors.

Mr Bakliwal serves as a Director and Chief Investment Officer with AT Capital Pte Ltd since 2018, where he develops and implements the business plan and investment strategy of the group globally. Between 2012 and 2018, he was a Director and Chief Investment Officer with AT Capital Advisory India Pvt Ltd. Prior to that, he led the Corporate Finance function with Rattan India Power Limited and raised over US\$3.5 billion in debt and equity for a portfolio of over 5000 MW thermal power capacity. He has also worked at KPMG for about 10 years in the Audit and M&A advisory practices.

Mr Bakliwal is a Chartered Accountant with a national rank from the Institute of Chartered Accountants of India, and a commerce graduate (with honours) from Shri Ram College of Commerce, University of Delhi.

Membership of Board Committee

Nil

Present Directorships and Chairmanship in Other Listed Companies

Nil

Present Principal Commitments (other than directorships in other listed companies)

- AT Capital Pte Ltd (Director)
- AT Holdings Pte Ltd (Director)

Past Directorships and Chairmanship in Other Listed Companies held over the preceding three years

Nil

MANAGEMENT TEAM



MR LOUIS D'ESTIENNE D'ORVES

Chief Executive Officer

As Chief Executive Officer, Mr d'Estienne d'Orves is responsible for planning and implementing IREIT's investment strategy, the overall day-to-day management and operations of IREIT, as well as working with the Manager's investment, asset management, financial, legal and compliance personnel in meeting IREIT's strategic investment and operational objectives.

Mr d'Estienne d'Orves is based in London, United Kingdom and has over 15 years of experience in European real estate investments. He was previously an Executive Director at Tikehau Capital within the European Real Estate investment team. As Executive Director, his responsibilities included sourcing and executing deals across Europe in the office, retail, hotel, and residential sectors, securing external debt financing and capital raising for co-investment opportunities and funds.

Mr d'Estienne d'Orves started his career at AXA Real Estate Investment Managers in 2008 in London as an analyst. He then assumed different roles in Paris and Cologne across the Investment and Corporate finance teams before co-heading their European Transaction Special Situations team in 2017.

Academic & Professional Qualifications

Master Degree in Asset Management, Paris Dauphine University



MR CHOO BOON POH

Chief Financial Officer

As Chief Financial Officer, Mr Choo is responsible for applying the appropriate capital management strategy (including tax, treasury, finance and accounting matters), as well as overseeing the implementation of IREIT's short and medium-term business plans, fund management activities and financial condition.

Mr Choo has more than 21 years of experience in audit, banking and corporate finance-related work. From 1998 to 2009, he was with BNP Paribas Capital (Singapore) Ltd., where he served in various roles. His last position held there was as Director of Corporate Finance for Southeast Asia. In his role as a senior member of the corporate finance origination and execution team covering Southeast Asia, he successfully completed numerous domestic and cross-border mergers and acquisitions. Focusing mainly on the real estate sector and REIT transactions, he and his team successfully launched several initial public offerings of REITs in Singapore.

From 1994 to 1998, he was a supervisor with Price Waterhouse (now known as PricewaterhouseCoopers) in Singapore, where he led the financial audits of several high-profile corporations and public listed companies. At PricewaterhouseCoopers, he was also involved in transactions services including operational audits, due diligence reviews and special assignments for various corporates.

Academic & Professional Qualifications

- Bachelor of Accountancy (First Class Honours), Nanyang Technological University
- Fellow of the Institute of Singapore Chartered Accountants
- Chartered Financial Analyst (CFA) Charterholder

ADOPTING A LONG-TERM APPROACH

LEVERAGING ON EFFECTIVE STRATEGIES TO BUILD A SUSTAINABLE PORTFOLIO

Keeping sustainability in mind, we engage our tenants, business partners, investors and other stakeholders actively to nurture and build lasting relationships with them.

During the year, we have also performed environmental audits on selected properties within IREIT's portfolio in order to pursue green building certifications and to optimise the long-term attractiveness of the properties.

DISTRIBUTABLE INCOME

€34.4m

+25.3% year-on-year

Darmstadt Campus, Germany

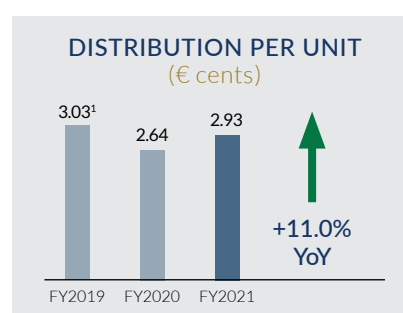
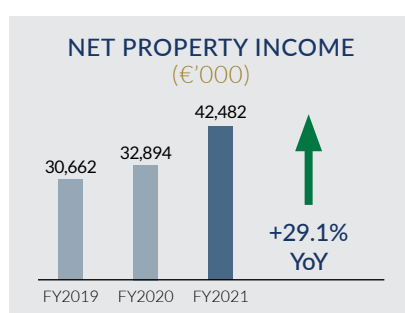
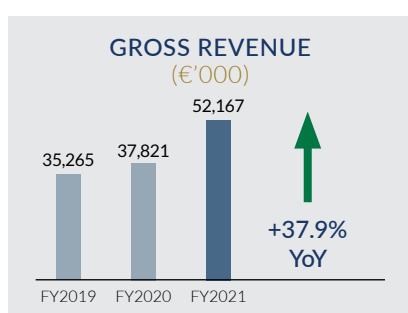




FINANCIAL REVIEW & CAPITAL MANAGEMENT

KEY FINANCIAL HIGHLIGHTS

	Actual FY2021 (€'000)	Actual FY2020 (€'000)	Change %
Gross Revenue	52,167	37,821	37.9
Property Operating Expenses	(9,685)	(4,927)	96.6
Net Property Income	42,482	32,894	29.1
Distributable Income	34,386	27,434	25.3
Income Distributed	30,947	24,691	25.3
Distribution per Unit (€ cents)	2.93 ¹	2.64 ²	11.0



PROPERTY PERFORMANCE

Gross revenue of IREIT and its subsidiaries (the "Group") for FY2021 registered an increase of €14,346,000 or 37.9% over that of FY2020, contributing to the increase in net property income ("NPI") of €9,588,000 or 29.1% over the same year. These were due mainly to:

- The consolidation of the operating results of the initial Spanish Portfolio, comprising Delta Nova IV, Delta Nova VI, Il-lumina and Sant Cugat (the "Initial Spanish Portfolio") in the financial statements of the Group, following the completion of the acquisition of the remaining 60% interest in the Initial Spanish Portfolio in October 2020 (the "60% Acquisition"); and
- The acquisition of the French Portfolio in July 2021 and Parc Cugat in Spain in September 2021.

DISTRIBUTIONS TO UNITHOLDERS

The DPU of 2.93¹ € cents for FY2021 was 11.0% higher than the DPU of 2.64² € cents for FY2020, driven by the increase in gross revenue and net operating income as explained above.

For both FY2020 and FY2021, IREIT distributed approximately 90% of its annual distributable income. The details of the distributions for FY2021 are as follows:

Period	Payment Date	Income Distributed (€'000)	DPU (€ cents)
1 January 2021 to 29 June 2021	27 August 2021	13,634	1.43
30 June 2021 to 31 December 2021	15 March 2022	17,313	1.50 ¹
Total FY2021		30,947	2.93¹

Included in the amount available for distribution in FY2021 was approximately €119,000 (DPU of 0.01 € cents) of rental guarantee received in relation to Parc Cugat.

TOTAL OPERATING EXPENSES

The total operating expenses of the Group including all fees and charges paid to the Manager and interested parties (and non-recurring acquisition and divestment-related fees and expenses) for FY2021, amounted to €17,695,000 (FY2020: €10,317,000), representing 2.86% of the net assets attributable to Unitholders as at 31 December 2021 (FY2020: 2.34%). The Group recognised an income tax credit on the real estate assets of €78,000 for FY2021 (FY2020: tax charge of €1,637,000).

For the year ended 31 December 2021, the total fees paid by the Group to the property managers were €609,000 (FY2020: €603,000).

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 ("2H 2021 DPU"). An advanced distribution for the period from 1 January 2021 to 29 June 2021 ("1H 2021 DPU"), being the day immediately prior to the date on which the Placement Units were issued, was declared on 6 August 2021. FY 2021 DPU is calculated based on the summation of 1H 2021 DPU and 2H 2021 DPU.

2 On 23 October 2020, IREIT issued 291,405,597 new Units (the "Rights Units") pursuant to the rights issue to finance the acquisition of the remaining 60% interest in the Initial Spanish Portfolio. For the purpose of comparison, the DPU for the financial period from 1 January 2020 to 30 June 2020 ("1H 2020 DPU") has been restated to reflect the effects of the Rights Units. FY 2020 DPU is calculated based on 1H 2020 DPU adjusted for the Rights Units and actual DPU for the financial period from 1 July 2020 to 31 December 2020.

VALUATION OF ASSETS

GERMANY

In November 2021, IREIT completed the divestment of the multi-storey carpark in Darmstadt Campus to Parkhaus DA GmbH & Co. KG, for a sale consideration of €9.5 million, which was negotiated on a willing-buyer and willing-seller basis. BNP Paribas Real Estate Consult GmbH had on 30 June 2021 valued the carpark at €8.6 million, as part of the semi-annual valuation of IREIT's portfolio. The sale consideration of €9.5 million was approximately 10.5% above the last valuation of €8.6 million.

As at 31 December 2021, the German Portfolio was valued at €684.3 million.

	Valuation (€'million) (as at 31 December 2021) ¹	Valuation (€'million) (as at 31 December 2020) ¹
Berlin Campus	323.2	226.1
Bonn Campus	121.8	113.7
Darmstadt Campus	71.5	90.4
Münster Campus	69.9	64.4
Concor Park	97.9	93.3
Total	684.3	587.9

SPAIN

In September 2021, IREIT completed the acquisition of Parc Cugat, an office building in Barcelona, Spain, from Inmobiliaria Colonial, SOCIMI, S.A., for a purchase consideration of €27.2 million. The purchase consideration was negotiated on a willing-buyer and willing-seller basis and represented a discount of approximately 4.5% to the valuation of the property as at 13 August 2021 of €28.5 million as stated by the independent valuer, BNP Paribas Real Estate Spain S.A.U., in its valuation report (based on the income capitalisation approach, discounted cash flow approach and direct sales comparison approach).

With the addition of Parc Cugat to the Initial Spanish Portfolio, IREIT's portfolio in Spain currently comprises 5 office buildings. As at 31 December 2021, the Spanish Portfolio were valued at €167.2 million in aggregate.

	Valuation (€'million) (as at 31 December 2021) ¹	Valuation (€'million) (as at 31 December 2020) ¹
Delta Nova IV	30.9	28.4
Delta Nova VI	40.6	38.6
Il·lumina	25.5	25.4
Sant Cugat Green	41.6	39.3
Parc Cugat	28.6	-
Total	167.2	131.7

FRANCE

In July 2021, IREIT completed the acquisition of a portfolio of 27 retail properties in France from Decathlon SE and its related entities, for a purchase consideration of €110.5 million. The purchase consideration was negotiated on a willing-buyer and willing-seller basis and represented a discount of approximately 3.0% to the valuation of the properties as at 26 April 2021 of €113.9 million as stated by the independent valuer, Savills Valuation SAS, in its valuation report (based on the income capitalisation method).

As at 31 December 2021, the French Portfolio were valued at €123.37 million in aggregate.

	Valuation (€'million) (as at 31 December 2021) ¹
Abbeville	2.87
Aurillac	4.44
Belfort Bessoncourt	4.29
Bergerac	3.57
Calais	5.05
Cergy	9.31
Châteauroux	6.28
Châtelleraut	3.65
Cholet	10.91
Concarneau	2.52
Dinan	2.52
Douai	3.44
Dreux	4.17
Evreux	6.12
Foix	4.43
Gap	4.43
Istres	4.15
Lannion	4.57
Laval	6.11
Mâcon	9.01
Pont-Audemer	1.87
Pontivy	2.45
Sables d'Olonne	3.30
Sarrebouurg	3.00
Sens	3.56
Verdun	3.17
Vichy	4.18
Total	123.37

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

FINANCIAL REVIEW & CAPITAL MANAGEMENT

NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

	As at 31 December 2021 (€'000)	As at 31 December 2020 (€'000)	Change %
Total Assets	1,035,499	769,029	34.7
Total Liabilities	416,053	327,286	27.1
Net Assets Attributable to Unitholders	619,446	441,743	40.2
Number of Units in issue and to be issued at end of year ('000)	1,155,891	938,963	23.1
NAV per Unit (€)	0.54	0.47	14.9

Total assets increased by 34.7% to €1,035.5 million as at 31 December 2021 as compared to €769.0 million as at 31 December 2020. The increase was mainly due to the increase in investment properties from €719.6 million to €974.9 million year-on-year. The increase in investment properties of €255.3 million was largely contributed by an uplift in the valuation of the German Portfolio by €96.4 million and the acquisition of the French Portfolio and Parc Cugat, which were valued at €123.4 million and €28.6 million as at 31 December 2021 respectively. Please refer to further details in the section above on "Valuation of Assets".

Total liabilities increased by 27.1% to €416.1 million as at 31 December 2021 as compared to €327.3 million as at 31 December 2020, mainly due to the increase in gross borrowings of the Group from €267.7 million to €332.7 million year-on-year. New borrowings were taken up in FY2021 to partially finance the acquisition of the French Portfolio and Parc Cugat in Spain. Please refer to further details in the section below on "Borrowings".

Net assets attributable to Unitholders increased by 40.2% to €619.4 million as at 31 December 2021 as compared to a year ago. NAV per Unit as at 31 December 2021 of €0.54 was 14.9% higher than the NAV per Unit as at 31 December 2020 of €0.47.

PRUDENT CAPITAL AND RISK MANAGEMENT

The Manager continues to adopt a proactive strategy to manage the Group's capital structure and takes a disciplined approach in addressing funding requirements and managing interest rate risks.

Borrowings

Key Financial Indicators	As at 31 December 2021	As at 31 December 2020
Total Gross Borrowings (€million)	332.7	267.7
Aggregate Leverage ¹	32.1%	34.8%
Interest Coverage Ratio ¹	7.7 times	7.4 times
Weighted Average Debt to Maturity	4.5 years	5.3 years
Weighted Average Effective Interest Rate (per annum) ²	1.8%	1.8%

Debt Maturity Profile

% of Total Gross Borrowings	Amount (€'000)	Maturity
60.3	200,760	January 2026
20.1	66,900	December 2026
15.5	51,400	July 2027
4.1	13,600	December 2026
100.0	332,660	

As at 31 December 2021, the Group's total gross borrowings stood at €332.7 million, as compared to €267.7 million as at 31 December 2020. All borrowings are secured and denominated in €. The Group's secured borrowings comprised the following facilities:

- (i) Term loan facility of €200.8 million taken up in February 2019 to refinance all the then existing borrowings;
- (ii) Term loan facility of €66.9 million taken up in December 2019 to partially finance the acquisition of the Initial Spanish Portfolio, and which was consolidated in the Group's financial statements following the 60% Acquisition;

¹ Aggregate leverage and interest coverage ratio are calculated based on the respective definitions under the Code on Collective Investment Schemes, Property Funds Appendix 6.
² Effective interest rate computed over the tenure of the gross borrowings including amortisation of upfront transaction costs.

- (iii) Term loan facility of €51.4 million taken up in July 2021 to partially finance the acquisition of the French Portfolio; and
- (iv) Term loan facility of €13.6 million taken up in September 2021 to partially finance the acquisition of Parc Cugat in Spain.

Interest Rate and Foreign Currency Management

The Manager has been actively managing the interest rate and foreign exchange exposure for the Group by adopting strategic hedging policies to optimise risk-adjusted returns to Unitholders, including the following initiatives:

- Use of interest rate swaps and interest rate caps to hedge the interest rate risk on borrowings;
- Use of € denominated borrowings as a natural hedge to match the currency of assets and cashflows at the property level; and
- Use of foreign currency forward contracts to hedge the currency risk for distribution to Unitholders up till 30 June 2021, where the distributions to Unitholders were denominated in Singapore Dollar. With effect from 1 July 2021, the distribution currency has been changed from Singapore Dollar to Euro and accordingly, there were no outstanding foreign currency forward contracts as at 31 December 2021.

100.0% (FY2020: 100.0%) of the gross borrowings, which are on floating interest rates, had been hedged with interest rate swap and interest rate cap contracts. For FY2021, the Group achieved a healthy interest coverage ratio of 7.7 times (FY2020: 7.4 times). The weighted average effective interest rate is 1.8% per annum (including amortisation of debt upfront transaction costs) (FY2020: 1.8% per annum) over the tenure of the gross borrowings.

Key Hedging Indicators

Financial derivatives	As at 31 December 2021 (€'000)	As at 31 December 2020 (€'000)
Net Liabilities ¹	(2,150)	(9,511)
As a percentage of total fund size ²	(0.21)	(1.24)
As a percentage of net assets	(0.35)	(2.15)

¹ This refers to the aggregate fair value of interest rate swaps, interest rate caps and foreign currency forward contracts of the Group.

² Total fund size refers to the total assets of the Group.

USE OF PROCEEDS

Pursuant to the rights issue ("2020 Rights Issue") in October 2020 to finance the 60% Acquisition, IREIT raised gross proceeds of €88.7 million, of which €7.9 million remained unutilised as of 31 December 2020. In July 2021, IREIT undertook an equity fund raising ("2021 Equity Fund Raising") comprising a placement and preferential offering of new units to raise gross proceeds of €79.2 million.

For FY2021, the use of the remaining balance of the 2020 Rights Issue proceeds and the 2021 Equity Fund Raising proceeds is set out below. As stated in the announcement dated 24 September 2021, the proceeds from the 2020 Rights Issue and the 2021 Equity Fund Raising have been fully utilised in accordance with the stated use and in accordance with the percentage allocated in the announcements of the 2020 Rights Issue and the 2021 Equity Fund Raising, save for the redeployment of €0.1 million (equivalent S\$0.2 million) from the balance proceeds of the 2020 Rights Issue proceeds and the redeployment of €0.3 million (equivalent S\$0.5 million) from the balance proceeds of the 2021 Equity Fund Raising to finance part of the total acquisition cost of the acquisition of Parc Cugat.

Use of Proceeds	2020 Rights Issue (€'million)	2021 Equity Fund Raising (€'million)
Balance proceeds as at 1 January 2021	7.9	-
Proceeds raised in FY2021	-	79.2
To finance part of the total acquisition cost of the acquisition of the French Portfolio and the associated costs	-	(70.9)
To pay the estimated fees and expenses, including professional fees and expenses, incurred in connection with the 2021 Equity Fund Raising	-	(0.9)
To finance part of the total acquisition cost of the acquisition of Parc Cugat and the associated costs	(7.9)	(7.4)
Balance proceeds as at 31 December 2021	-	-

ECO PERSPECTIVE EUROZONE

Source: BNP Paribas Eco Perspectives, 3 December 2021

AS INFLATION SOARS AND THE PANDEMIC RESURGES, GROWTH EASES

The resurgence of the COVID-19 pandemic and the emergence of the new Omicron variant make the ECB's task even harder. Although growth should hold at a high level, it is expected to ease, and this trend could worsen, at least in the short term. Meanwhile inflation continues to soar, while becoming more broad based, and the risk in the coming months is on the upside. Faced with greater uncertainty, the ECB is arguing in favour of patience and constancy while saying it is ready to act in any direction. According to our scenario, which is somewhat optimistic in terms of growth and calls for persistent inflation, the ECB would end its Pandemic Emergency Purchase Programme (PEPP) in March 2022 and begin raising its key deposit rate in mid-2023.

Just how high will inflation climb? To what extent will growth ease under the combined impact of this inflationary surge, supply-side constraints (which continue to crescendo), a new wave of the pandemic compounded by the emergence of a new variant, and the simple normalisation of the growth rate?

Numerous headwinds are straining growth prospects in the Eurozone. Yet our scenario is still somewhat optimistic. Business sentiment was strong through November 2021, which argues in our favour, and there is no lack of support factors to lift growth. The policy mix is still accommodative: although there is talk about reducing monetary and fiscal support, there is no question of eliminating them, much less tightening them. We estimate that NextGeneration EU, the European recovery package, will generate an additional 0.5 points of growth in 2022. Other support factors include the unblocking of excess household savings – at least partially – and a catching up movement in the services sector as it returns to pre-pandemic levels. Lastly, there are major restocking and investment needs (to fund the energy and digital transitions, and to secure supply chains), and financing conditions are still advantageous. Our scenario also assumes that supply chain disruptions will begin to fade as of 2H2022.

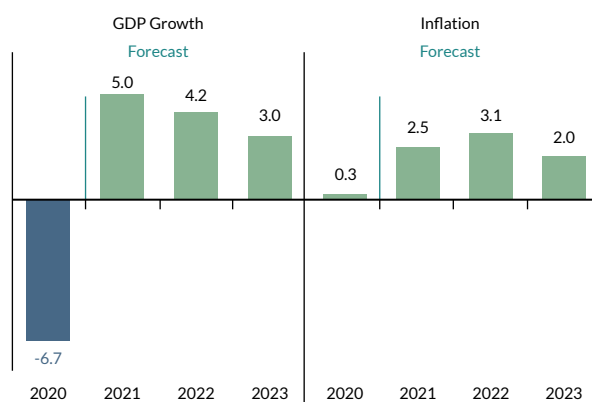
After another quarter of vigorous growth (2.2% q/q in 3Q2021), the 4Q2021 outlook is much less attractive (0.4% q/q according to our forecasts). We nonetheless estimate that full year growth will average 5% in 2021, the same as in

our September forecast. Stronger supply chain disruptions and inflationary pressures have a negative impact on 2022, explaining the 1-percentage point downgrade of our growth forecast, to 4.2% (essentially due to weaker German growth). Yet the main characteristic of growth in 2022 is that it will hold well above its long-term trend. In 2023, growth is expected to remain strong (3% compared to our September forecast of 2.3%), as the abovementioned support factors continue to have an impact, albeit a smaller one. Downside risks predominate from a 6-month horizon, but they seem to balance out with upside risks in the longer term.

INFLATION IS NOT SO "TRANSITORY"

Inflation continues to soar (4.9% y/y in November 2021 according to Eurostat flash estimate, near the all time high of 5% in July 1991). Moreover, it is becoming more widespread. Core inflation is now high at 2.6%, and about 45% of its components are growing at a rate equal to or higher than 2% y/y. Most of this inflationary surge is still transitory, but that does not mean that we expect it to ease rapidly. Inflationary pressures due to supply-demand imbalances will take a while to dissipate. Moreover, conditions are propitious for slightly stronger wage inflation and for non-negligible indirect and second round effects. This explains our rather high inflation outlook (average of 3.1% in 2022, after 2.5% in 2021, and 2% in 2023), which masks however an expected decline over the course of 2022. According to ECB President Christine Lagarde, inflation probably peaked in November 2021. Our scenario makes the same assumption, but unlike the ECB, we expect inflation to hold just above the 2% target by year-end 2022 and not to drop below this threshold¹.

Growth and inflation



BNP PARIBAS GLOBAL MARKETS

The resurgence of the pandemic coupled with the emergence of the new Omicron variant makes the ECB's task even harder. Greater uncertainty alone will have a negative impact on growth, even if the spread of the Omicron variant proves to be limited². A significant deterioration in the health situation could ease inflation (by placing a greater strain on demand) as much as fuel it (by placing a greater strain on supply). We think the balance of risks leans towards a net inflationary effect.

Under this environment, the ECB's 16 December meeting takes on even greater importance. The ECB is expected to announce the end of the Pandemic Emergency Purchasing Programme (PEPP) according to the planned timeline, i.e. in March 2022, as well as the conditions under which the Asset Purchase Programme (APP) will pick up the slack (amount of monthly purchases, flexibility). The ECB is hardly likely to make

any further commitments thereafter, arguing for the need for caution and consistency while insisting that it is standing by, ready to act, in a more or less accommodating manner. Based on our scenario of high growth and inflation, we expect the end of the TLTRO rebate at 50 bp below the deposit rate in June 2022, net purchases to be halted in 1Q2023, and the key deposit rate to be raised for the first time in June 2023 (+10 bp), followed by two more rate hikes of 15 bp each in September and December.

1 Granted, we do not know the ECB's new inflation forecast, which will be released at the 16 December meeting. It seems highly likely, however, that it will be lower than our forecast, even though revised upwards from the September projections (2.2% in 2021, 1.7% in 2022 and 1.5% in 2023).

2 Yet the news concerning the health situation is not all bad: in addition to higher vaccination coverage rates, the arrival of the first treatments should help limit the number of severe cases and overloaded hospitals.



INDEPENDENT MARKET REVIEW

MAIN OFFICE MARKETS IN EUROPE 4Q2021

Source: BNP Paribas Real Estate, 27 January 2022

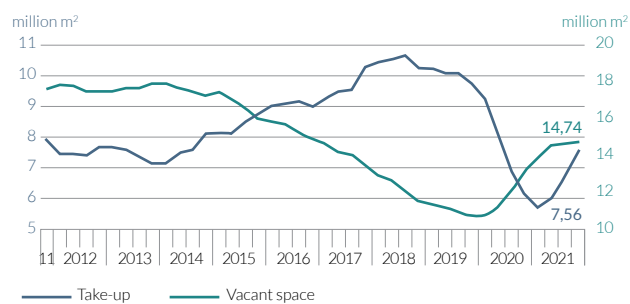
NORMALISATION OF THE MARKET IS IN SIGHT

Letting activity over 2021 unsurprisingly reflected the evolution of the sanitary policies imposed in all European countries. Indeed, take-up started to accelerate from 2Q2021 and showed continuous improvement afterwards. Even though the overall result for 2021 is – as expected – still below the pre-crisis levels, encouraging signs are undoubtedly in sight.

TAKE-UP

Volumes in the 15 markets achieved 7.56 million sqm in 2021, a +23% increase compared to 2020. The last quarter was particularly buoyant as volumes were in line with the pre-crisis 4Q activity in a significant number of markets. The four main German markets grew +26% on 2020, with Berlin (834,000 sqm, +17%) benefiting from a record number of leases for units above 10,000 sqm, among which is DKB Services (33,500 sqm) at the Central Station. Very dynamic 3Q and 4Q in Munich (661,000 sqm, +16%) were not enough for the market to reach its 10-year average due to a weak first half to the year, whereas Frankfurt (538,000 sqm, +40%) and Hamburg (477,000 sqm, +43%) significantly increased. Take-up in Central Paris (1.65m sqm) was up 36% on last year, notably thanks to 53 deals for more than 5,000 sqm signed in 2021 (vs. 23 in 2020) and to the dynamism of small and medium-sized units. However, the intense activity at the end of the year was not sufficient to reach the long-term average in the French capital. Volumes sharply grew in Central London (799,000 sqm, +46%). Here again, an evident dichotomy must be noted between 1H and 2H, with end of the year volumes in line with the last pre-crisis quarters. In other markets, volumes strongly accelerated in Brussels (451,000 sqm, +46%) and Milan (387,000 sqm, +34%) whereas declines were still seen in Amsterdam (-11%) and Luxembourg (-25%). Take-up should continue to improve in the coming months, even though pre-crisis levels may not be reached in 2022.

Office cycle-rolling year Europe (15 Cities)

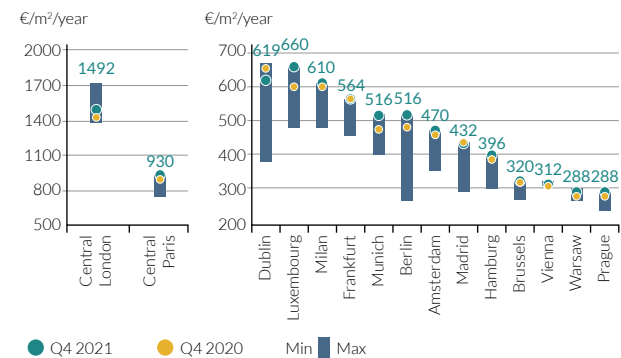


BNP Paribas Real Estate - Research - January 2022

RENTS

Prime rental values remained at high levels during the crisis. There was no significant decrease and even a number of increases compared to the pre-crisis values, proving that the appeal of the best assets remained mostly intact. We do not expect any downward movement in prime rents in 2022. In some markets, such as in Germany, they are even likely to experience further expansion.

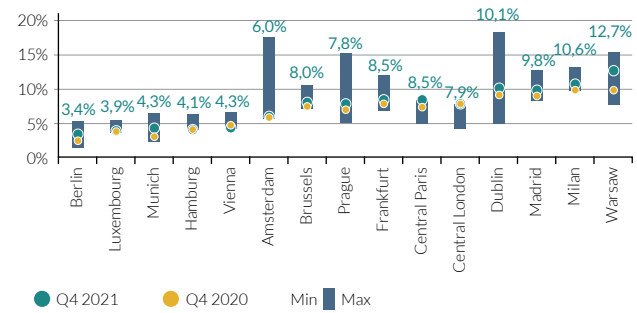
Office prime rents



BNP Paribas Real Estate - Research - January 2022

VACANCY

After a sharp increase over the course of 2020 and in 1H2021, vacancy rates began stabilizing from the end of 2Q2021, thanks to the progressive recovery of take-up. The overall vacancy rate stood at 7.1% at the end of 2021 in the 15 markets monitored, a +70 bps increase compared to 2020. Considering that it stood at historically low levels at the end of 2019, the growth in vacancy did not cause an oversupply situation in Europe. This is a significant difference compared to 2010, when the share of empty premises rose to a much larger extent during the GFC. Peripheral districts are considerably more affected by vacancy than central office districts, which could be a lasting trend of the market.



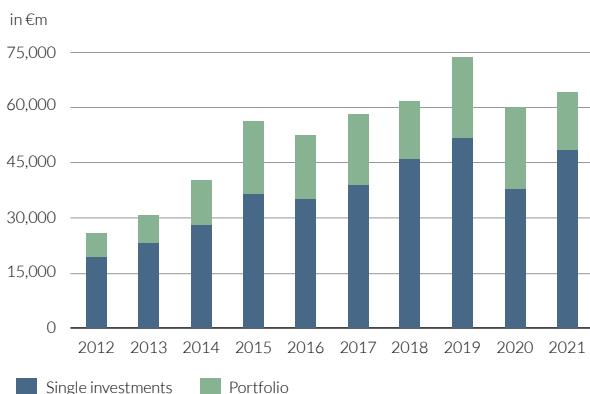
BNP Paribas Real Estate - Research - January 2022

GERMANY INVESTMENT MARKET 4Q2021

Source: BNP Paribas Real Estate GmbH, 31 December 2021

SECOND BEST RESULT THANKS TO YEAR-END RALLY

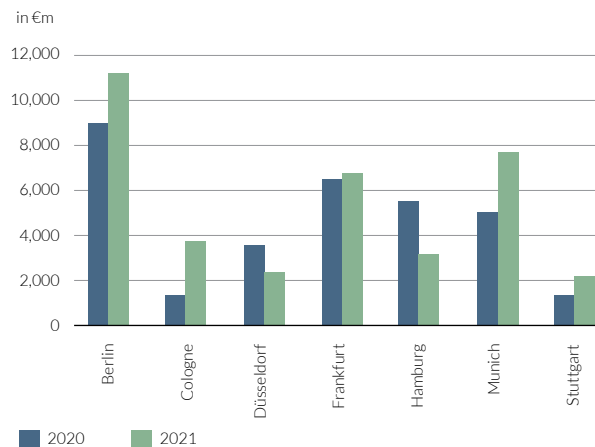
The momentum seen in previous quarters picked up once again significantly at the end of the year. With a transaction volume of around €24.7 billion, the second best final quarter of all time was recorded. At €64.1 billion, the result for the year as a whole was also exceptionally good, ranking second in the all time best list. This top result is particularly remarkable when one considers that there was a whole series of disruptive factors. These include the supply bottlenecks for primary products, the sharp rise in inflation and, not least, the recovery in the number of corona cases. In particular, the positive development of various business sectors, above all in the logistics sector, where new sales records were set, but also the office markets, which saw a rise in take-up by around a quarter, have given investors cause for optimism and serves as a confirmation of their positive basic attitude.



A-LOCATIONS ALSO SHOW STRONG GROWTH IN TAKE-UP

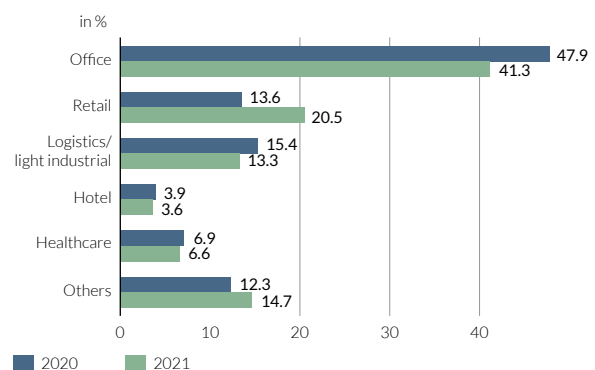
In the A locations (Berlin, Düsseldorf, Frankfurt, Hamburg, Cologne, Munich, Stuttgart), a sales volume of a good 37.1 billion was registered. The prior year figure was exceeded by 14%. The high proportion of single deals is remarkable, amounting to a market share of 88%. Berlin leads the way with €11.2 billion (+25%) invested, the second best result ever. The situation is comparable in Munich, where a good €7.7 billion (+53%) also represents the second best figure. Frankfurt follows in third place with just under €6.7 billion, which is roughly the same as the previous year. Cologne recorded the strongest growth and a new record with +182% to €3.8 billion. Stuttgart increased by a good 54% to €2.1 billion, where two

major transactions ensured a brilliant final spurt. By contrast, there were substantial declines in Hamburg at €3.1 billion (-43%) and Düsseldorf at just under €2.4 billion (-34%).



LOGISTICS WITH NEW RECORD

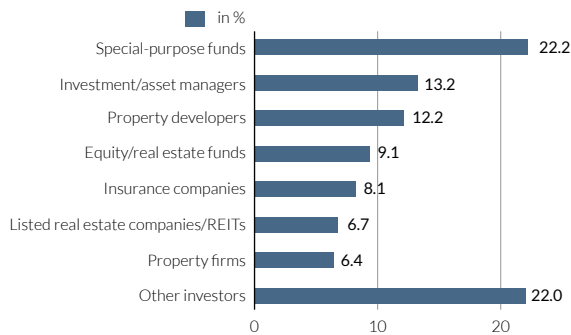
As expected, offices remain the top performer. With a good result of €30.7 billion, around 48% of transaction volume is attributable to this asset class. Logistics properties follow in second place with 15%. With a volume of just under €9.9 billion, they increased by around a quarter and set a new all time high. The winner's podium is completed by retail properties, which account for 14% (€8.7 billion) but suffered considerable losses. Despite an upturn in demand in the final quarter, hotels contributed only €2.5 billion, but were able to increase their prior year result by over 15%. Healthcare real estate is still on course for success with a good €4.4 billion and growth of almost 12%, setting a new record.



INDEPENDENT MARKET REVIEW

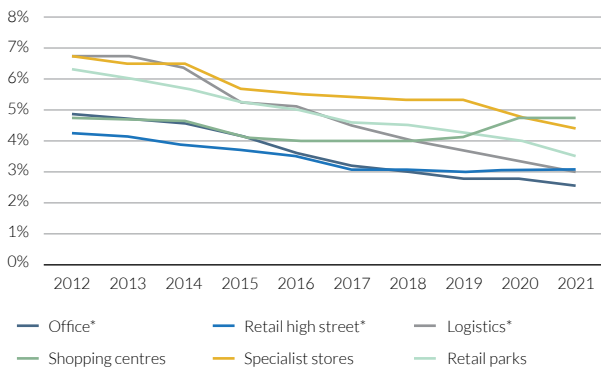
SHARE OF FOREIGN BUYERS AT PREVIOUS YEAR'S LEVEL

Foreign buyers invested around €24.8 billion. At just under 39%, their share is roughly the same as a year earlier. As usual, their share is significantly higher in the portfolio segment, currently almost 61%. Above all, the relaxation of contact and international travel restrictions in the second half of the year contributed to the fact that foreign buyers were again able to participate more in transactions and due diligence processes and deals were easier to conclude than during the lockdown phases.



YIELD COMPRESSION IN OFFICE AND LOGISTICS CONTINUES

An indication of the high level of investor interest is the further decline in yields in the most sought after asset classes and locations. A limited supply of premium properties meeting high demand led to a further rise in prices in selected cases. For offices, net prime yields fell by 5 to 20 basis points in some cities in the fourth quarter. This applies to Cologne (2.60%), Frankfurt (2.65%), Düsseldorf and Stuttgart (both 2.75%), among others. In the three most expensive locations, Berlin (2.40%), Munich (2.50%) and Hamburg (2.55%), however, they remained stable. The decline in yields also continued in the logistics segment. At 3.00%, net prime yields are 20 basis points lower than in 3Q2021. The price trend was even more pronounced for retail parks, where yields fell by 40 basis points to 3.50%. The trend is similar for retail parks, where they have slipped to 4.40%.



OUTLOOK

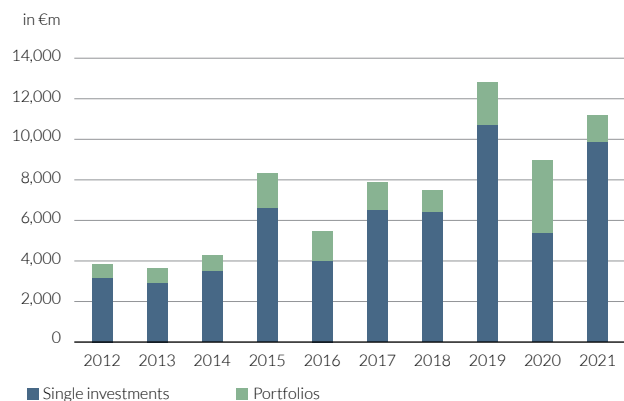
From today's perspective, there is much to suggest that the outlook remains positive. Investors' willingness to invest remains high and, at the same time, a number of larger transactions have been moved into the new year, so that a lively first quarter can be expected. The very good development of the rental markets is one of the supporting conditions that should continue to give momentum to the markets in 2022. If economic growth picks up fully after the transition from the pandemic to the endemic phase and supply bottlenecks are overcome leading to noticeable catch up effects, the positive trend is likely to accelerate appreciably once again. At the same time, new developments must be taken into account. These include in particular the growing importance of ESG issues. Therefore, it cannot be ruled out that there could be shifts, i.e. that traditional portfolio holders decide to sell older portfolios. Another question that remains is how inflation will develop. But even if interest rates were to rise slightly, financing conditions would still be very favourable from a historical perspective, meaning that real estate investments would remain extremely attractive from a risk-return perspective.

BERLIN INVESTMENT MARKET 4Q2021

Source: BNP Paribas Real Estate GmbH, 31 December 2021

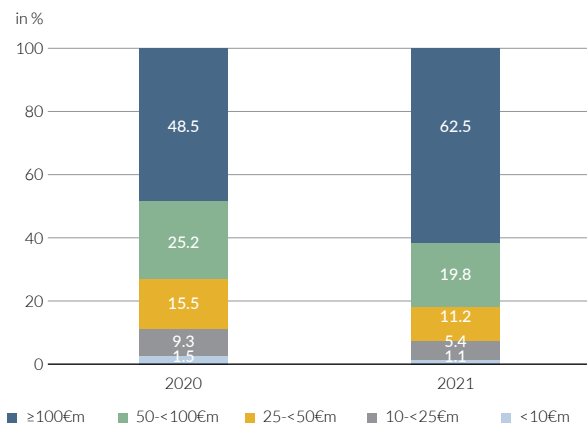
SECOND BEST RESULT IN HISTORY

In 2021, Berlin's investment market once again proved its attractiveness and appeal as a business and investment location. With an investment volume of €11.21 billion, the second best result in the history of the German capital was achieved and the market is once again moving towards the top level of 2019. The €10 billion mark was surpassed in remarkable manner and the previous year's volume was exceeded by around 25%. Once again, the best result among the German investment hotspots was achieved, with Munich (€7.7 billion) and Frankfurt (€6.7 billion) coming in second. Investment activity accelerated strongly, especially in individual transactions. With a volume of €9.8 billion, single deals are on a par with the record year 2019 (€10.6 billion).



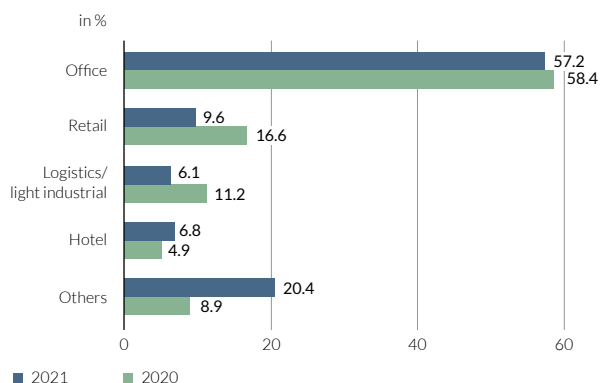
LARGE SINGLE TRANSACTIONS ARE MARKET DRIVERS

With a volume of around €7 billion, transactions in the size class beyond €100 million contributed around 63% to the very good 2021 result and have thus been the big drivers of the market in 2021. The latest result ranks second after 2019 (€7.6 billion) in the long-term time series and represents a 61% increase on the previous year. The number of deals in this segment is also impressive, with well over 25 transactions above average. And even in the size segment above €200 million the number of deals is in the double digit range. A stable high investment volume is reported for the €50-100 million size class, which has lost relative weight but remains very constant in absolute terms at €2.2 billion (-2% compared to 2021). Accordingly, the average deal volume has reached a new high of €74 million. This is also an unprecedented value in the Berlin market.



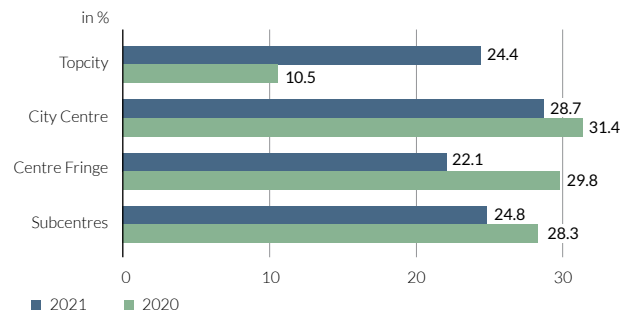
OFFICE INVESTMENTS REMAIN DOMINANT

Around €6.4 billion was placed in office properties. This value also corresponds to the second highest result after 2019 (+22% compared to 2021) and is a strong sign for this asset class. Despite an excellent result of almost €700 million, logistics properties missed the previous year's record result due to a lack of product (-32%). In contrast, hotels and the collective category "Other", which includes the coveted Berlin development properties, recorded above average results and increases of the investment volume of 72% and 186% respectively.



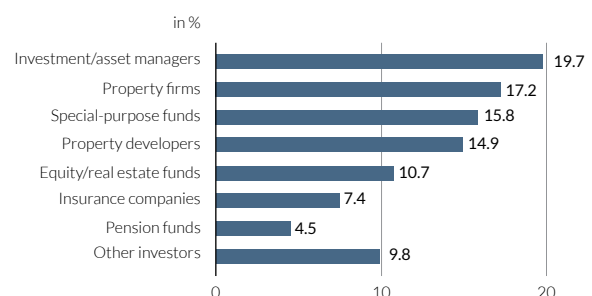
TOP CITY OR SECONDARY LOCATION? BERLIN IS THE MATTER!

For a long time, the result of the investment volume by location has not been so balanced. All submarket locations have a market share of between 22% and 29% in 2021. Particularly striking is the precision landing achieved by Topcity and the Subcentres with €2.7 billion and just under €2.8 billion respectively. While the strong result in Topcity was driven, among other things, by the major transaction of the development Fürst and other large volume individual transactions, the high number of transactions in the Subcentres is impressive. But here, too, 7 deals were concluded above the €100 million mark, which underlines the intrinsic value of Berlin's peripheral locations. The City was able to secure its top position from the previous year with a current volume of €3.2 billion.



INVESTMENT MANAGERS TAKE THE LEAD

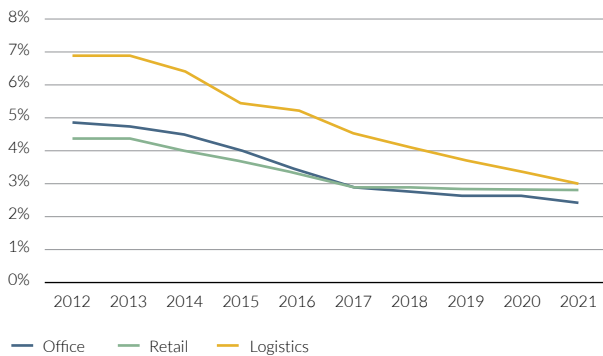
Investment managers placed around €2.2 billion in the Berlin market last year (+41%), posting their second best result after 2019. In addition to numerous transactions in the mid-sized segment, they also successfully concluded several deals beyond the €100 million mark. The focus was clearly on office properties, in which they invested more than €1 billion. Property firms achieved a brilliant result and exceeded the €1 billion mark for the first time (€1.9 billion). Special-purpose funds came in third with an investment volume of around €1.8 billion. Property developers realised a record result, almost tripling their previous year's total and also achieving a volume in the billion euro range for the first time with almost €1.7 billion. Their confidence in Berlin's growth potential is unbroken. As expected, their investment focus is on development properties, but in addition, hotels and office properties, among others, were also acquired for repositioning.



INDEPENDENT MARKET REVIEW

YIELD COMPRESSION CONTINUES

The high demand for investment product is clearly reflected in the yield development. Despite the already low level, yields for office properties have fallen by a further 15 basis points to 2.40%. Berlin is thus the most expensive location in Germany in this segment. The yield compression has also continued for logistics properties. The prime yield is now quoted at 3.00% (-35 basis points). For retail high street properties, 2.80% is registered unchanged.



PERSPECTIVES

Berlin is starting a strong investment year. The capital city story will continue, as investors are convinced of the city's great potential, and this applies to both national and international investors. A continuation of the yield compression cannot be ruled out in Berlin.

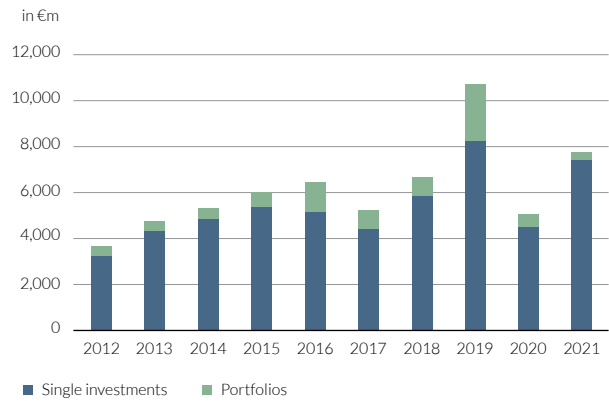
MUNICH INVESTMENT MARKET 4Q2021

Source: BNP Paribas Real Estate GmbH, 31 December 2021

SECOND BEST TRANSACTION VOLUME EVER

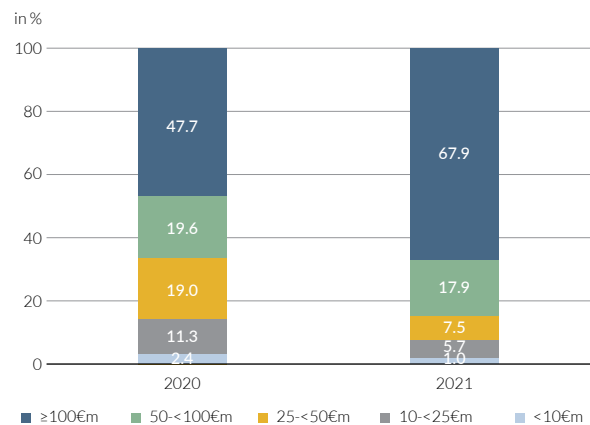
The Munich market experienced a brilliant investment year. With a total transaction volume of €7.75 billion, not only was the previous year's result exceeded by a good half, but the second best result of all time was also achieved. Only in 2019 was significantly more invested, albeit with a noticeably higher portfolio share. In a nationwide comparison, Munich thus ranks second behind Berlin. A number of very large volume transactions in the high triple digit million range are partly responsible for the exceptionally good transaction volume. These include the purchases of Uptown, Highlight Towers and Elementum brokered by BNPPRE. Munich can thus deservedly call itself the "capital of major deals". The decisive factor here is that the willingness to invest in such volumes in several cases at once impressively underscores investors' sustained confidence in the Bavarian capital. At the same time, it is unsurprising that 96% of the total volume is accounted for

by single deals, whereas portfolio deals, which are included on a pro rata basis, only account for around €343 million, the lowest figure in the last ten years.



6 OF THE 9 LARGEST DEALS WERE REALIZED IN MUNICH

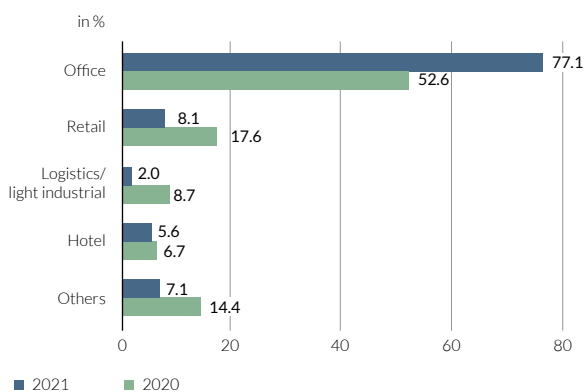
Given the large number of major deals, it is not surprising that more than two thirds of the transaction volume is accounted for by deals in the triple digit million range; the highest proportion ever recorded. In the second largest class of €50 million to €100 million, the relative share fell slightly to 18%, but in absolute terms, a very good result was also achieved here with just under €1.4 billion (+40%). However, the extent to which large transactions have dominated the market this year is best illustrated by the fact that six of the nine individual sales registered nationwide above the €500 million mark took place in Munich alone.



INVESTORS BELIEVE IN POSITIVE OFFICE MARKET PROSPECTS

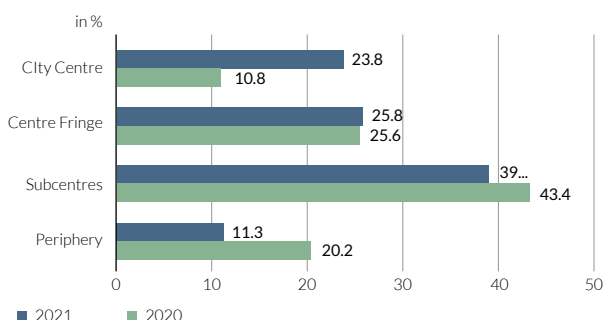
The fact that buyers believe in the long-term perspective of the Munich office market is reflected in the fact that 77% of the invested volume is attributable to this asset class. The already high ten-year average of two thirds was now exceeded by another 13 percentage points. Second place was taken by

retail properties, which accounted for just over 8% of the total volume invested and were thus almost 17% lower in absolute terms than the long-term average. It is encouraging that hotels were able to increase their result by 30%, to which the sale of the Hotel Königshof on Karlsplatz contributed significantly.



BROAD SPREAD ACROSS ALMOST ALL LOCATIONS

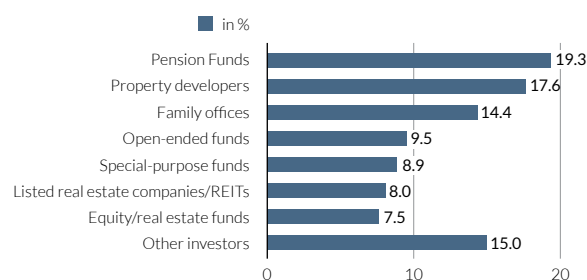
While the Subcentres and the Periphery were the main focus of market activity in 2020 and recorded disproportionately high shares of sales, the picture changed again in 2021. This is due not least to the noticeable increase in construction activity which has led to a rise in product also in the central locations. As a result, the current distribution of the transaction volume is again more closely approximating the structure familiar in the long-term. The Subcentres have once again taken the lead, contributing 39% to the result and thus underpinning their traditional position as the location with the highest turnover. The City, which at 24% is almost on a par with its long-term average, has made significant gains and is only just behind the Centre Fringe locations (26%) coming in at third place.



CORE INVESTORS WITH A STRONG RESULT

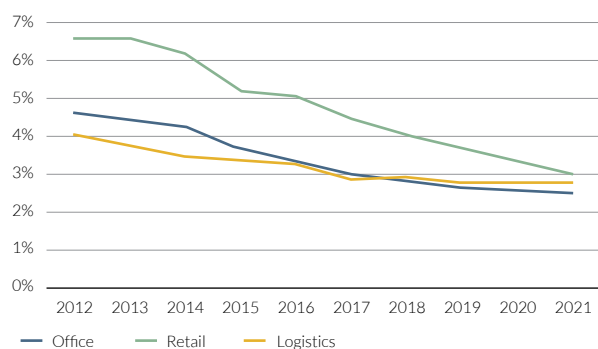
Munich's popularity, especially among long-term core investors, has long been known and is once again impressively demonstrated by the distribution of transaction volumes in 2021. With a share of a good 19%, pension funds lead the ranking of buyer groups. They have invested primarily in large-

volume office properties. However, family offices with a good 14% and open ended funds with 9.5%, which rank third and fourth, also belong to the group of equity-rich investors with a long-term investment horizon. In between, however, in second place, are property developers, who contribute almost 18% to the result. They have invested in both smaller and some large properties in order to reposition them on the market. This, too, can be seen as a clear vote of confidence in the outlook for the Munich market.



PRIME YIELDS CONTINUE TO DECLINE

The fact that Munich is a highly desirable investment location is reflected not only in the exceptional transaction volume, but also in a sustained compression of yields. The net initial yield for office properties has fallen by a further five basis points over the course of 2021 to its current level of 2.50%. Only the capital Berlin is even more expensive. The decline was even greater for logistics, where the current 3.00% corresponds to a reduction of 35 basis points within one year. The prime yield for high street property remains unchanged at 2.80%.



PERSPECTIVES

Although it is unlikely that 2022 will see the same number of large deals as 2021, everything points to another very good year and high transaction volumes. This is supported by the unbroken demand from many investors and by additional new construction product coming onto the market. As some of these projects are very high quality assets in central locations, a further slight decline in yields cannot be ruled out.

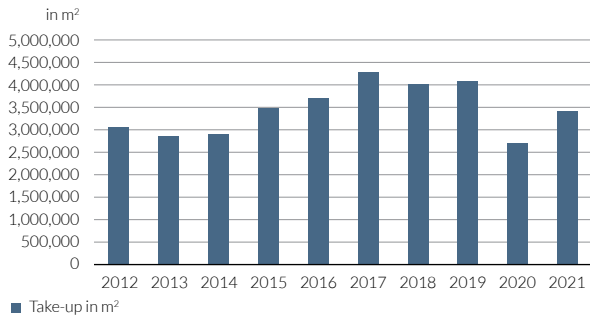
INDEPENDENT MARKET REVIEW

GERMANY OFFICE MARKET 4Q2021

Source: BNP Paribas Real Estate GmbH, 31 December 2021

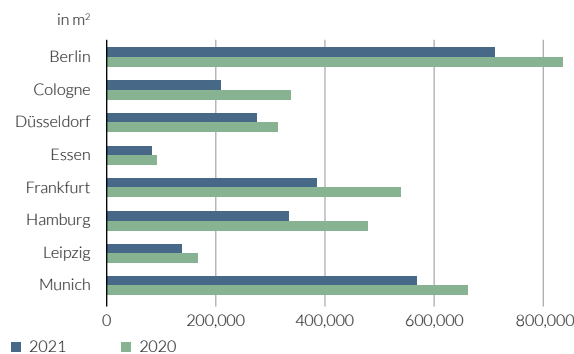
OFFICE MARKETS BACK ON TRACK

Although the Corona pandemic is still present, the economic recovery stalled in the fall and there is still uncertainty in many management floors regarding the future use of remote working, the major German office markets appear to be on the road to recovery overall. All major real estate centres recorded a significant increase in take-up in the second half of the year, and in many markets the final quarter was characterized by the traditional year-end rally, despite the Omicron wave. With take-up of around 3.4 million sqm, the previous year's result was exceeded by a substantial 26.5% and the outcome is roughly on a par with the 10-year average (3.5 million sqm).



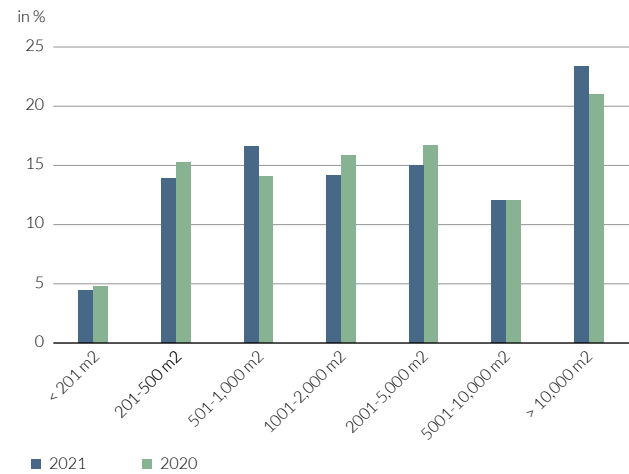
BERLIN CONTINUES TO PLAY IN ITS OWN LEAGUE

Once again, Berlin has been able to take the lead by a wide margin among Germany's locations. With a brilliant year-end rally, a total annual take-up of 834,000 sqm and thus a plus of 17.5% compared to 2020 was achieved. Munich, the capital of Bavaria, recorded take-up of 661,000 sqm or an increase of a good 16% y/y. Frankfurt took third place with an impressive year-end rally (4Q: 209,000 sqm). The banking metropolis can report a take-up of 538,000 sqm and thus growth of just under 40% compared with the previous year. Hamburg's office market is on a similar recovery path, with a total annual take-up of 477,000 sqm or an increase of a good 43% y/y. Cologne (337,000 sqm; +60%), Düsseldorf (314,000 sqm; +14%), Leipzig (168,000 sqm; +21%) and Essen (93,000 sqm; +9%) also reported significant growth.



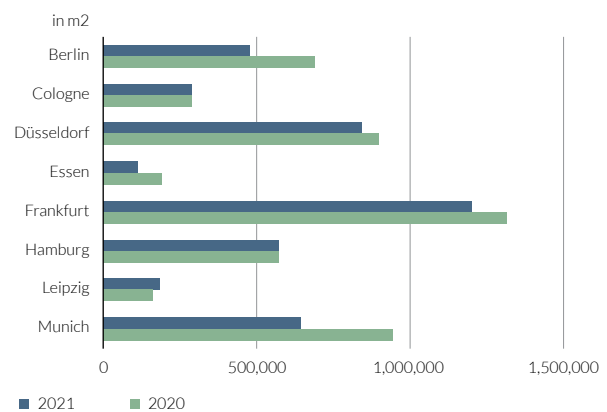
HIGH ACTIVITY IN THE MID-SIZED MARKET SEGMENT

In contrast to the first pandemic year, the analysis of take-up by size class shows high market momentum in the small to mid-sized market segment. The size classes 1,000 to 2,000 sqm and 2,000 to 5,000 sqm were able to increase significantly compared to the previous year. Likewise, more deals were registered in the small scale segment below 500 sqm. Irrespective of this, the category of large deals with a volume of over 10,000 sqm is responsible for the highest share of the annual result at 21%.



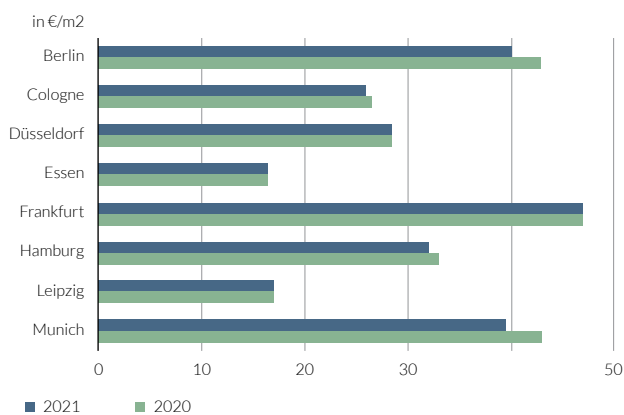
VACANCY RISES AT A SIGNIFICANTLY REDUCED PACE

In view of the continuing high level of construction activity and the subdued level of office take-up for much of the year, it is hardly surprising that the vacancy volume rose by 17% y/y to around 5.1 million sqm in the analysed markets. However, the pace of vacancy growth has slowed significantly in all locations over the past three months. For Cologne, a decline of 10% compared to 3Q2021 can even be reported.



RENT LEVELS STABLE TO RISING

Prime rents remained stable over the course of the year, with an upward trend. With the exception of Cologne, where an increase in rents to a still valid €26.50/sqm was already recorded in the second quarter of the year, the upward trend was particularly apparent in Munich (€43/sqm; +€3.50/sqm), Hamburg (€33/sqm; +€1/sqm) and Berlin (€43/sqm; +€3/sqm) in the latter half of 2021.



OUTLOOK

The year 2022 is also likely to be greatly influenced by the Corona pandemic. In the first few months of the year in particular, the Omicron wave will most likely have a noticeable impact on the German economy and probably also on large sections of social life. It remains to be seen to what extent rental activity in the first quarter will be unaffected by this. However, the second half of 2022 in particular is likely to see a sustained revival in take-up and the full year result should follow up on the strong years prior to 2019. There are signs of a further slowdown in the rise in vacancy rates.

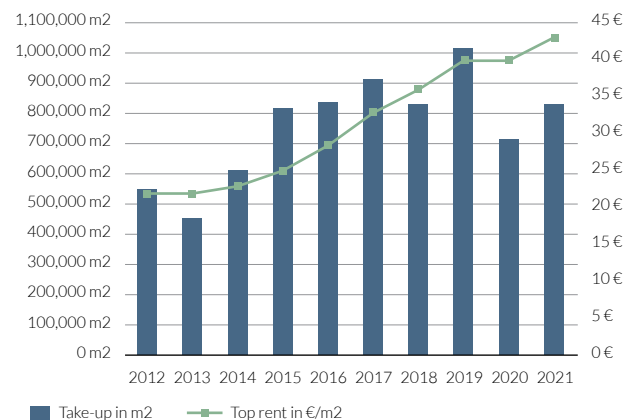
BERLIN OFFICE MARKET 4Q2021

Source: BNP Paribas Real Estate GmbH, 31 December 2021

BERLIN OFFICE MARKET ON THE WAY TO OLD STRENGTH

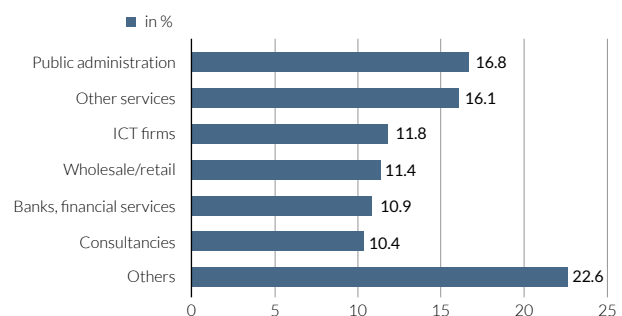
The Berlin office market carried the dynamic development from the summer months into the last quarter of the year. With 314,000 sqm, it achieved an outstanding final quarter. Overall, take-up in the Berlin market (including owner-occupiers) amounted to 834,000 sqm, an increase of around 17.5% on the previous year, which was heavily affected by the Corona pandemic. In addition, the long-term average was exceeded by a good 10%. For the third year in succession, Berlin has thus secured its position as the strongest office market in Germany,

ahead of Munich, which currently registered a significantly lower result of 661,000 sqm. As such, the capital's success story continues unabated. The city's position is partly due to a record number of leases in excess of 10,000 sqm: There has never been a greater number of leases in this segment. Among the largest are DKB Service, which will occupy 33,500 sqm at the Central Station, and deals concluded by the Bundesanstalt für Immobilienaufgaben for 21,400 sqm in the Government District and for 19,200 sqm in the Wedding/Prenzlauer Berg submarket. At 5%, the proportion of total take-up accounted for by owner-occupiers is at the low level seen in recent years. By far the strongest submarkets in terms of take-up in 2021 were Kreuzberg/Friedrichshain and Wedding/Prenzlauer Berg, with 149,000 sqm and 103,000 sqm respectively.



TYPICAL BERLIN USER MIX

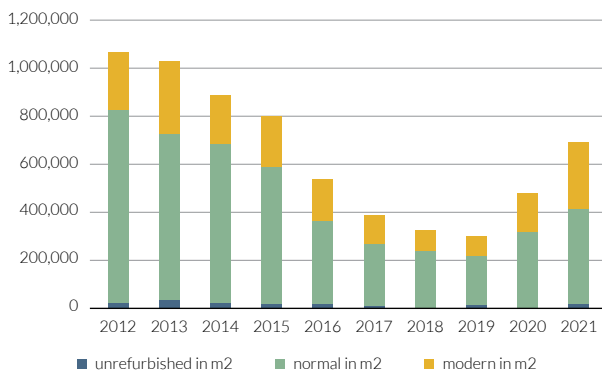
With no fewer than six sectors making double digit contributions to total take-up of between 10% and 17%, the demand side is very diversified. Typical sectors for the capital city are in the top positions, led by public administration, which accounted for just under 17% of take-up. Other services generated a further 16%. ICT firms are in third place with around 12%, ahead of wholesale/retail companies, which, like the banking and financial services sector, contribute 11%. At 10%, consultancies also have a double digit share.



INDEPENDENT MARKET REVIEW

SLIGHTLY MORE SUPPLY AVAILABLE

The vacancy volume rose again year-on-year by around 212,000 sqm to 691,000 sqm (+44%). Of this, around 41% is modern standard, which is in tenants' focus. In the course of the year, for the first time in a while the vacancy rate broke through the 3% mark again. At currently 3.4%, it is slowly approaching towards the fluctuation reserve. However, within the CBD the vacancy rate remains at an extremely low level of 2.1%.



PERSISTENTLY HIGH CONSTRUCTION ACTIVITY

Project developers continue to show great interest in the capital, and any signs of declining construction activity are not in sight even after almost two years of the Corona pandemic. With a volume of 1.28 million sqm, space under construction is almost at the previous year's level (-4%). Nevertheless, at 671,000 sqm, less space is still available than in the previous year (52%). Against this background, it is not surprising that plans for new projects are progressing. At over 4 million sqm, the project volume has risen by around 15%. Currently, most construction is taking place in the Mediaspree (177,000 sqm), Central Station (158,700 sqm) and Mitte (142,700 sqm) submarkets, with the highest amount of space still available in the last mentioned submarket (108,000 sqm).

SIGNIFICANT INCREASE IN TOP RENT

The scarcity of supply with modern quality in the most desired locations is shown by the top rent, which has risen by €3 to €43/sqm within the last year. It is achieved for new-build space in the submarket Topcity East. However, tsdamer/Leipziger Platz is now also recording a prime rent of €42/sqm. The overall rise in prices is also reflected in the average rent, which has increased to €28.20/sqm (+3%).

OUTLOOK

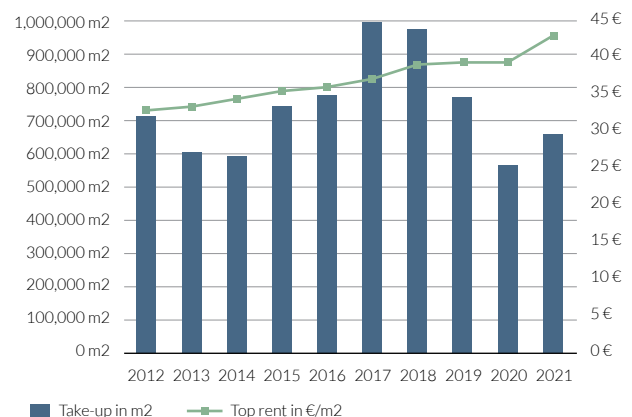
The Berlin office market is on the way to regaining its former strength after the decline in take-up last year. In particular, the development in rents is almost seamlessly following on from the pre-COVID-19 trend and confirms the market's resistance to the crisis. Against the background of the still low vacancy rate, a further increase in rent levels cannot be ruled out.

MUNICH OFFICE MARKET 4Q2021

Source: BNP Paribas Real Estate GmbH, 31 December 2021

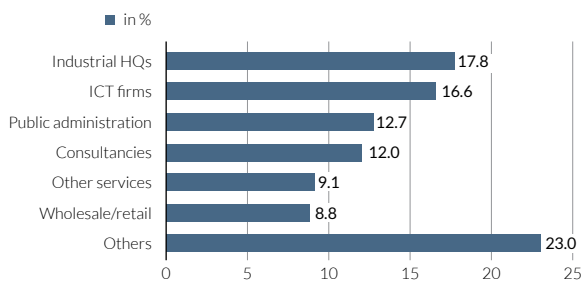
TAKE-UP INCREASED COMPARED TO PREVIOUS YEAR

The Munich office market continues to be on the upswing. With take-up of 661,000 sqm, the previous year's result was exceeded by a good 16%. It is particularly pleasing to note that the second half of the year showed a significant upturn in the market. Both the third and fourth quarter recorded take-up of more than 200,000 sqm. The result of 221,000 sqm in 4Q was already above the ten-year average again. In a nationwide comparison, the Bavarian capital is clearly in second place, beaten only by Berlin. The fact that the overall result is still below average in a long-term comparison is due, on the one hand, to the weak first half of the year and, on the other, to a comparatively low proportion of large deals. Some of these were only concluded again in the second half of the year. The most important contracts include two leases by the German Patent and Trademark Office (just under 45,000 sqm) and the Wacker Chemie (a good 14,000 sqm), both in Centrefringe East, as well as an owner-occupier deal by the Versicherungskammer Bayern in the Region North for just under 12,000 sqm.



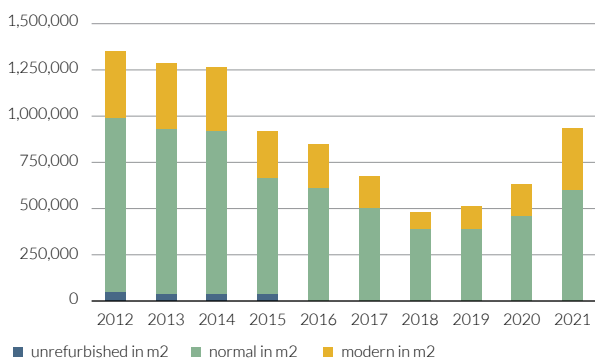
WELL KNOWN SECTOR STRUCTURE

The sectors with the highest take-up shares are well known on the Munich office market and traditionally make high contributions. In first place are the administrations of industrial companies, which account for just under 18%, followed by ICT firms with just under 17%. Public administration also ranks among the top three sectors, not least because of the German Patent and Trademark Office's lease, and contributes almost 13% to the result. Consultancies also achieved a double digit share, accounting for 12%.



RISE IN VACANCIES SLOWS DOWN

Vacancy has increased significantly by 47% to currently 947,000 sqm in the course of a year. However, the increase slowed noticeably in the last quarter of 2021 and amounted to only 7%. Modern vacancies, which are particularly preferred by tenants, have even almost doubled to 345,000 sqm. However, this represents only a good third of the total volume. Consequently, the vacancy rate is still at a moderate level of 4.3%. The well known problem that there is too little available space in the particularly sought after City remains unchanged, which is reflected in a vacancy rate of only 1.7% there.



CONSTRUCTION ACTIVITY: PEAK EXCEEDED

With a total volume of 984,000 sqm, space under construction is 3% lower than at the end of 2020, reaching the lowest level in the last four years. The peak of construction activity has thus been passed. By contrast, there has been a slight increase (+4%) in the space under construction still available to the rental market, which currently stands at 572,000 sqm, equivalent to 58% of all construction space. In other terms, more than 40% of the total volume has already been pre-let or is being built by owner-occupiers.

RENTS CONTINUE TO RISE

The fact that the supply/demand situation is still nowhere near overheating is clearly evidenced by the rising rents. The maximum rent has risen by 9% to €43/sqm within a year, as modern office space in central locations continues to be in short supply. The average rent has even picked up by a good 10% to €23.60/sqm. Not least due to the rise in construction and land costs, the particularly sought after new-build spaces come with a price.

OUTLOOK

The outlook for the Munich office market remains very good. Based on considerably accelerating economic growth in the course of 2022 and expected catch up effects from the pandemic period, especially for large deals, everything points to an increase in demand. Total supply is likely to have almost peaked and will only increase slightly at most. Against this backdrop and given the growing share of modern space in total take-up, further rises in rents are the most likely scenario.

INDEPENDENT MARKET REVIEW

GERMAN SECONDARY OFFICE MARKETS

BONN

Source: Thomas Daily and Larbig & Mortag

OFFICE MARKET CHARACTERISTICS

The former federal capital has experienced a positive development into a strong location for services and culture. The office property market with its size of 3.87 million sqm is of particular importance and one of the 10 largest office markets in Germany. Bonn is an office and administrative city, similar to Wiesbaden or Frankfurt. The number of office employees increased from 2008 to 2015 by 11%, with above average growth in the business services segment. It is a prospering economic location, however it tends to have a one sided economic structure. The federal government continues to be the largest real estate owner (especially of office space) and a strong investor in the city. In addition, around 59% of all lettings in 2020 were concluded by the public sector. Characterizing aspects for the Bonn market are the high number of large office properties, the modern stock of space (40% built after 1990) and a high proportion of owner-occupiers.

VERY LOW VACANCY

Corporations, international organizations and the university ensure a continuously high demand for office space, which however meet a shortage of supply. The vacancy rate in 2018 was very low at 1.54%. Currently the vacancy rate dropped from around 2.6% in 4Q2020 to 2.2% in 3Q2021.

TAKE-UP REMAINS ON HIGH LEVEL

Take-up in the past years has been over 100,000 sqm and in 2020 even over 120,000 sqm. At the end of the 3Q2021 take-up already stands at around 114,000 sqm. With 38,000 sqm, the third quarter was the second strongest quarterly result in recent years.

AVERAGE RENT INCREASED PRIME RENT DECREASED

The average rent increased continuously over the past years from €11.20/sqm in 2013 to €13.60/sqm in 2020. Within the third quarter, the average rent fell to approximately €13.00/sqm, but rent is expected to rise in the course of the fourth quarter, as many of the current lease agreements are being negotiated significantly above the average rent. The highest rent achieved on the Bonn office market continues to result from a letting from the second quarter of 2021 at €24.00/sqm. The prime rent decreased in the past year and stands currently at €21.00/sqm/month in 3Q2021.

DARMSTADT

Source: Thomas Daily and IHK Darmstadt

TAKE-UP BELOW LONG TERM AVERAGE

The economic structure at the location is characterized by IT, mechatronics, cosmetic research and the pharmaceutical industry. Furthermore numerous scientific and research institutions are located within the city. In 2020, a take-up of approx. 43,000 sqm was achieved on the office letting market in Darmstadt. Due to a lack of major deals, the positive market development of the previous years was not continued. The result is also below average in a long-term comparison. The lack of large volume deals also led to a change with regard to the sector distribution. With a share of sales of 16% and 6,800 sqm, the banking and financial sector has taken up the most office area followed by the public sector and IT sector.

UNCHANGED VACANCY

At the end of the year, around 70,000 sqm of office space was available corresponding to an unchanged vacancy rate of 3.5%. The supply continues to be dominated by existing rental units with simple and average fit out standards, while modern existing office spaces are only rarely offered.

AVERAGE DECREASED AND PRIME RENT SLIGHTLY INCREASED

The average rent decreased over the past year from €11.00/sqm to €10.60/sqm in 2020. The prime rent slightly increased from €13.55/sqm/month to €13.80/sqm/month. According to IHK Darmstadt, the rental range for offices in May 2019 in the submarket TZ Rhein-Main was €9.80 - €10.20/sqm for properties built before 1980, €10.00 - €12.00/sqm for properties built between 1980 - 2000 and €12.50 - €13.50/sqm for properties built after 2000. In 2021, IHK Darmstadt published a rental range for the submarket from 9.90 - 13.00 EUR/sqm without further categorization.

MÜNSTER

Source: Thomas Daily, BNP Paribas Real Estate GmbH

RELATIVELY SMALL OFFICE MARKET CHARACTERIZED BY UNIVERSITIES

The largest employers and at the same time strong real estate players are the universities together with their research and development landscape. The majority of employees work in the service sector (around 88% GDP in 2017). Therefore, the office market has traditionally been very important for Munster as a service center, but is rather small with around 2.275 million sqm. Construction is low and the supply of office space is scarce. In the past the office market has been dominated by owner-occupier developments and speculative construction has been rare, however, this seems to be changing, as office space was planned also speculative before the pandemic.

HISTORIC LOW VACANCY

Following the brief increase in 2019, vacancy fell to a new historic low of 28,200 sqm at the end of 2020. Apart from the brief interruption mentioned above, the downward trend since 2010 has thus continued. The large scale vacancy in Dahlweg (former tenant Telekom), which accounted for more than a quarter of the previous vacancy, was successfully let for the most part. As a result, the vacancy rate fell by an impressive 22% compared with the previous year. Specifically, the vacancy rate fell from 1.6% to 1.2% for an office portfolio of 2.275 million sqm. The absolute vacancy rate fell by 8,000 sqm and is thus still at an extremely low level that can only be found in very few office markets in Germany.

RELATIVELY STABLE OFFICE MARKET DESPITE CORONA

The impact of the Corona pandemic has also left its mark on the Munster office market. Under these restrictive conditions, however, demand has remained relatively stable. Although the take-up of 78,000 sqm in 2020 is significantly below the previous year's result of 102,000 sqm, this also marked the all time high recorded to date. This represents a 24% decline on the previous year's figure, but the 10-year average of 86,400 sqm was only underperformed by 10%. The total take-up includes 7,300 sqm of demand from owner-occupiers, so that the pure letting performance in Munster in 2020 is around 70,700 sqm. In terms of the exclusive letting performance, this is even close to the level of the 10-year average with a deviation of -4%.

AVERAGE RENT CONSTANT AND PRIME RENT INCREASED

The prime rent is €15.50/sqm/month. Following the increase of €0.50/sqm/month in 2019, the prime rent in 2020 thus rose for the second time in a row by a further €1.00/sqm/month net cold. However, this new prime rent is currently only being achieved in very well-equipped new-build spaces in the city center, the port and the North Technology District. The average rent is constant at €11.50/sqm/month.

INDEPENDENT MARKET REVIEW

FRANCE INVESTMENT MARKET 4Q2021

Source: BNP Paribas Real Estate, 31 December 2021

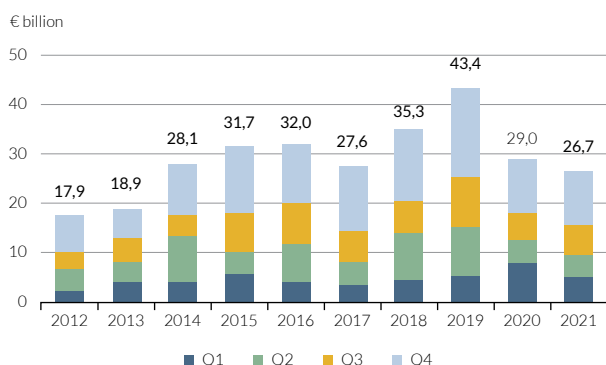
ECONOMIC ENVIRONMENT

Following the recession caused by the health crisis, the French economy improved significantly in 2021 (+6.7% GDP growth expected, compared to an average of +5.0% for the Eurozone). However, the protracted nature of the virus has slowed the recovery, which is likely to be spread out over 2022, with GDP expected to grow 4.2%. The economic upturn, fiscal measures and disruption of supply chains have pushed up prices, and inflation is estimated at +2.5% in France in 2022. The European Central Bank is actively monitoring the situation and should keep it well under control. Although key interest rates in the US and the UK could start to rise in 2022, the Eurozone rate should remain at -0.50% until 2023 to stimulate growth. Government bond yields may rise, but only moderately.

INVESTMENT IN FRANCE

Commercial real estate investment in France in 2021 came in at €26.7 billion, down 8% y/y. Despite the usual end-of-year rush, the final figure for 2021 was below the 10-year average (€28.2 billion). Following the health crisis and the drop in office take-up last year, investors have been cautious, preferring to wait and see, particularly with the Ile-de-France office market. This can be seen from the number of deals for over €100 million, of which there were only 60, whereas over the last five years these have averaged 80 in number. Yet not all the indicators are pointing south. Although figures are down, the last few months have been busy, suggesting a robust performance in 1Q2022.

Investment in commercial real estate in France



BNP Paribas Real Estate - Research - January 2022

INVESTMENT MARKET BY ASSET CLASSES

Investment in commercial real estate in France ran at two different speeds throughout the year: on the one hand, allocations to office and retail premises slowed dramatically; on the other, the boom for industrial assets continued.

The office market accounted for just under 60% of investment in France in 2021, lower than the five-year average (64%). Indeed, there was a 17% fall in investment in offices to €15.7 billion, down 17% compared to 2020. This contraction was due to the steep drop in Île-de-France (-23%). There were only 35 transactions for over €100 million during the year, compared to 51 in 2020. Conversely, regional markets have thrived, with just over €3 billion invested in the regional cities, i.e. a 19% increase from 2020. It is the third time that the market has exceeded the €3 billion mark, after 2018 and 2019. Lyon is still in top place, largely thanks to the culmination of three deals for over €100 million. Next was Bordeaux, which set a new record of €400 million. Lille was third, with around €350 million invested in offices in 2021.

After almost grinding to a halt in 1H2021, investment in retail picked up in 2H2021, although it was not enough to make up the shortfall. A total of €3 billion was invested in Retail in 2021, down 34% compared to 2020. Nevertheless, this figure merits closer inspection depending on the type of asset: although there was little enthusiasm for shopping centres or street level stores, many investors opted for out-of-town stores and particularly retail parks. Examples include the acquisition by Sofidy of Rives d'Arçin close to Bordeaux and the British fund TwentyTwo Real Estate, which bought Chasse Sud in Isère.

Not all asset types suffered in 2021. Industrial real estate broke the mould, setting a new record, with €6.7 billion invested in Logistics and Industrial premises in France in 2021. This segment accounted for 25% of investment in commercial real estate in France, compared to just 15% last year and less than 10% before 2018. Around 60% of the sum was transacted in portfolio transfers, with highlights including the VANTAGE portfolio bought by Blackstone and the OPTIMUS portfolio acquired by Hines. Indeed, over 30 portfolios changed hands

over the year. The biggest single asset deal was the sale of a 110,000 sqm warehouse in Bouches-du-Rhône, bought by a Singaporean fund for €126 million.

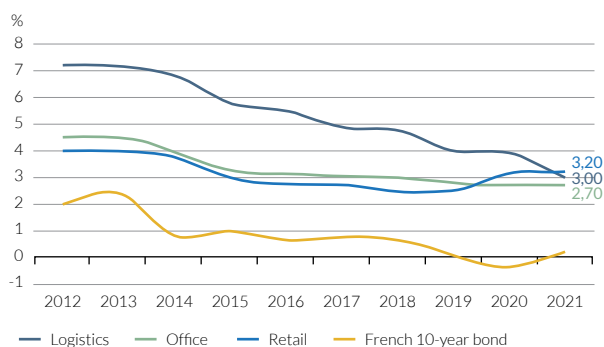
Around €1 billion was invested in the hotel sector in 2021, i.e. a shade more than in 2020, but below the 10-year average (€2 billion). Among the biggest deals were the sale of the SCSP portfolio for €92 million and the TIMHOTEL BERTHIER hotel in the 17th arrondissement of Paris, bought by Swisslife for €73 million.

Investment should rally in 2022, driven by improvement in the letting markets, the availability of capital and stable interest rates, which should remain appealing.

YIELDS

Unsurprisingly, two main trends have emerged for prime yields, which have held steady for Offices and Retail. As such, the prime yield for Offices in Paris CBD finished the year at 2.70%; so stable over the year. However, this should narrow by at least 10 basis points in 1Q2022. In the absence of a major deal in the street level segment, the prime yield for retail has changed little and is now estimated at around 3.20%. Conversely, the prime yield for Logistics continues to contract, finishing 2021 at 3.00%. The robust trend in this asset category suggest further compression in 2022.

Prime yields and French 10-year bond



INDEPENDENT MARKET REVIEW

FRANCE RETAIL MARKET 4Q2021

Source: BNP Paribas Real Estate, 31 December 2021

ECONOMIC CONTEXT

Although the first quarter was held back by health measures, the acceleration of the vaccination campaign in 2Q2021 made for a strong economic recovery in 2021. GDP growth is expected to come in at +6.7% in 2021, ahead of the +5% average for the Eurozone, with the trend set to continue in 2022 (+4.2% forecast).

INDEX FORECAST

The Commercial Rent Index, but above all the Cost of Construction Index (CCI) have seen steep increases in recent years. The CCI has risen sharply over the past few years, notably driven by raw material price hikes. There was particularly strong growth in 2021, before an expected fall back in 2022. For investors, the continued growth of these indices translates into increased rental income. Some retailers are arguing for a lease model with a variable rent indexed to the occupancy cost ratio, rather than a fixed rent. This model is more viable for retailers, especially during the health crisis.

SALES CONTINUED TO RECOVER IN 3Q2021

Retail sales increased 8.0% in 3Q2021. The acceleration of the vaccination campaign enabled a significant economic recovery, with GDP growth estimated at 6.7% in 2021. Household consumption is stable, but it is likely to have risen slightly over the end of 2021. Households have benefited from increased purchasing power following government measures. This could be used for consumption depending on their post-crisis expectations.

Retail sales

Growth in value termes (rolling year)



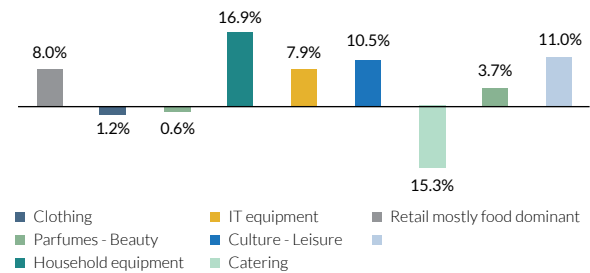
Insee

ACROSS ALL SECTORS

Sales for all sectors increased in 3Q2021. Indeed, over 12 rolling months, sales in the Home – Furnishing sector rose 16.9%. Households continue to furnish their homes and the Confédération des Artisans et des Petites Entreprises du Bâtiment said its 2019 figure was exceeded in September 2021. Although clothing stores were boosted by the sales, they have been structurally held back by the widespread shift to WFH.

Retail sales

Growth in value termes (rolling year)



Source: Insee

CONTINUED STRONG GROWTH FOR E-COMMERCE

In 3Q2021, Fevad reported 15.0% growth compared to the same period in 2020. Internet sales came to €92 billion over the first nine months of 2021, spread across over 1.5 billion transactions and an average basket of over sixty euros. It had seemed as though e-commerce was set to reach a plateau in 2019, but its potential was further unlocked by the health crisis. Pure e-tailers can still harness their logistics model, based on building out-of-town warehouses, unaffected by the moratorium on the development of new retail zones.

Chiffre d'affaires du e-commerce

Taux de croissance en valeur au T3 (données trimestrielles)

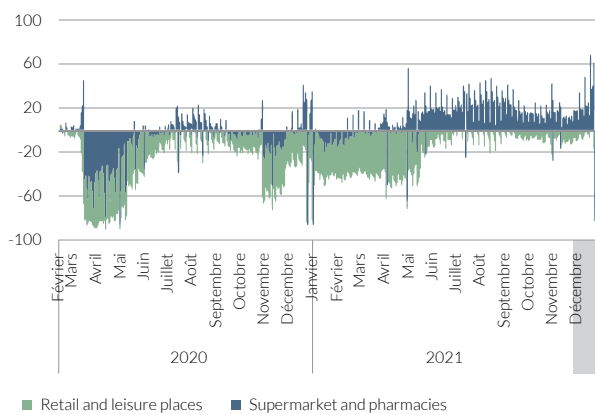


Source: Fevad

FOOTFALL GRADUALLY RETURNING TO PRE-COVID-19 LEVELS

The economic recovery has not been accompanied by a footfall surge in stores. The infectiousness of the Omicron variant is obscuring retailers' visibility on visitor numbers. Consumers are travelling less as a consequence. This means that the difference between the robust increase in footfall for supermarkets and pharmacies, and the more moderate rise for other stores and leisure destinations could widen in the coming weeks.

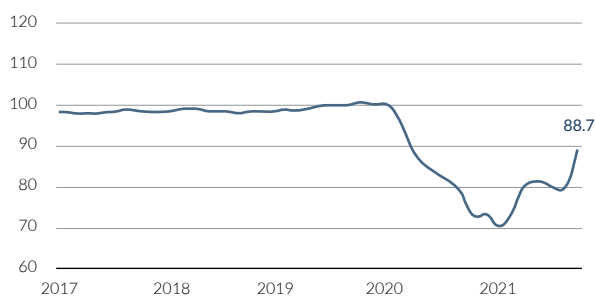
Footfall growth in retail streets and leisure places 7-day rolling



SALES PICKING UP AGAIN SLIGHTLY IN SHOPPING CENTRES

3Q2021 was when the health pass was introduced. Checks by shopping centre staff impacted footfall. This impact was limited in time, thanks to a decision by the administrative court in Yvelines and then in other départements from the end of August. We have identified several factors that will determine whether footfall will return to pre-COVID-19 levels: the end of restrictions, growth in household consumption, rebalancing of the retail mix around culture and leisure, and a little less clothing.

Footfall index in shopping centers All shopping centers



RETAIL PARK MODEL STRENGTHENED BY THE CRISIS

Before the health crisis, the single family home and car only model was being challenged by a section of public opinion, with tangible effects on urban planning. Retail parks were singled out especially, but were found to have benefited from the health crisis. Their tenants have developed a business model based on controlled costs, which are lower in these zones. Consumers benefit from the large outdoor areas so that they can shop with less risk of infection.

Retail parks main projects

Project	Town	Area in sqm	Type	Developer
Furnshopping Fourmies	Fourmies	13 000	New	De Vlier
L'île Roche	Sallanches	12 000	New	Les Arches Métropole
PopA	Autun	11 060	New	Redeim
L'Escale	Haumont	10 300	New	JMP Expansion
Parenthèse	Persan	29 900	New	Sopic
Open Sky	Epagny	11 700	New	Compagnie de Phalsbourg

Source: Presse

TRADE CONFERENCE REPORT TO BE HANDED TO THE PRESIDENT IN EARLY JANUARY

Trade Conference representatives will present the results of their work on 4 January 2021 to the French President. With the 2022 presidential elections just a few months away, some of their proposals could be included in Emmanuel Macron's manifesto. The event was instigated by the President himself, together with the Minister of the Economy Bruno le Maire, and the Deputy Minister for SMEs Alain Griset. The government sought to capitalise on the economic and consumer recovery to bring retailers together around the following themes: how to adapt retailing to new consumption patterns; how to preserve and develop retail in the regions; how to improve fairness and competitiveness among retailers; how to promote retail employment. The aim is to build a more sustainable economic and social model, as the economy becomes more digital and global competitiveness increases, driven by e-commerce.

MODERATE DECLINES IN PRIME RENTS

Rents on the Parisian thoroughfares have seen moderate declines since the beginning of the health crisis. Moreover, there were some major deals in 2021, on the big streets of the capital (PSG store at 92 Avenue des Champs-Élysées, Boulanger at 135 Rue de Rennes) but also in prime spots in the major cities (Etam at 69 Rue de la République in Lyon, Uniqlo at 17 Rue Saint Ferréol in Marseille). On the high street segment, large units in prime locations on the rental market should find takers due to falling rents and the market revival. In terms of sector, there are luxury and discount names actively monitoring the market.

INDEPENDENT MARKET REVIEW

Prime rents in Paris

In € against pre-COVID-19 rents

Street	Type of customers	Prime rents (Q4 2021)	Evolution
Champs-Élysées	Tourists/Employees/Proximity	14 000 - 16 000	↓
Rue Saint-Honoré	Tourists/Employees	12 000 - 15 000	↓
Montaigne	Tourists	11 000 - 14 000	↓
Haussmann	Tourists/Employees	4 500 - 5 500	↓
Marais	Tourists/Proximity	4 000 - 4 500	↓
Rivoli	Tourists/Employees/Proximity	2 000 - 2 500	↓
Rennes	Tourists/Proximity	2 000 - 3 000	↓

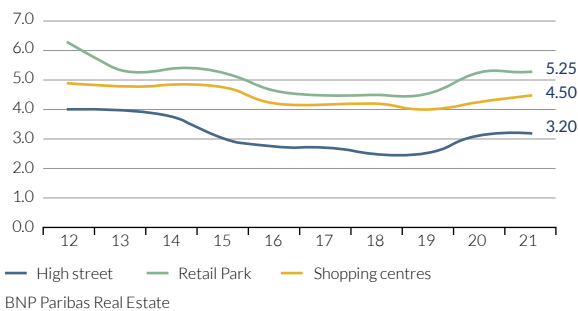
Source: BNP Paribas Real Estate

SLIGHT INCREASE IN YIELDS FOR SHOPPING CENTRES

In the wake of the health crisis, prime retail yields increased in 2020 and 2021. As such, the prime yield for street level stores expanded by 70bp in a year, rising from 2.50% at the end of 2019 to 3.20% by the end of 2020. Prime yields in shopping centres meanwhile are currently estimated at around 4.50%. Conversely, Retail Parks are still around 5.25%, as this asset type has been very popular with investors this year.

Prime rents

In percentage



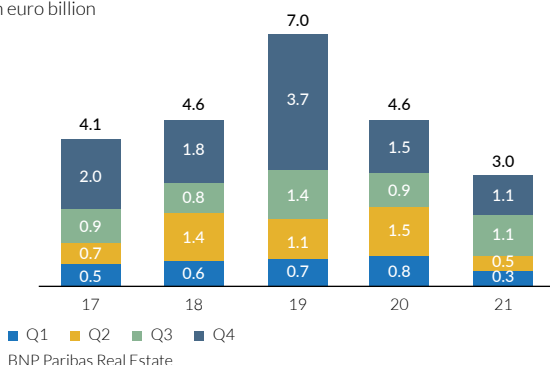
BNP Paribas Real Estate

MANY DEALS FINALISED AT THE END OF THE YEAR

Investment in 4Q2021 came in at €1.1 billion, taking the total invested in retail to €3.0 billion in 2021 (-33.5% vs 2020). Among the biggest deals, we note the acquisition of 49% of the Alta Retail Parks portfolio by Crédit Agricole Assurance, from Altarea. The South African fund Lighthouse Capital was particularly active over the year, buying four shopping centres in Dunkirk, Strasbourg and two in Rouen.

Investment in retail

In euro billion



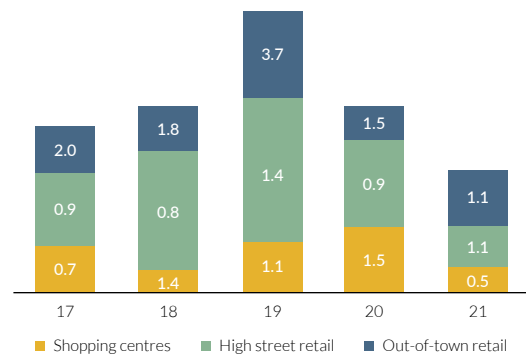
BNP Paribas Real Estate

INVESTMENT DRIVEN BY OUT-OF-TOWN RETAIL

Out-of-town retail stood out in 2021 with €1.4 billion invested, i.e. 7.8% above the 5-year average. One highlight was the acquisition of the Chasse Sud retail park by Twenty Two Real Estate with 52,000 sqm. However, in terms of the number of deals, street level stores are still in the majority. In the capital, the iconic Tati Barbès was sold to Immo France, which plans to turn it into a mixed-use building. This also applied in the regions, as in Marseille where CAAP Immo Invest and Groupe Sebban bought the premises of the Monoprix on Cours Saint-Louis.

Investment in retail

In euro billion



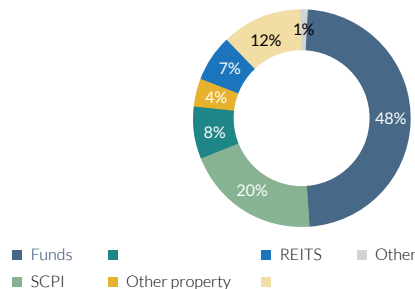
BNP Paribas Real Estate

FUNDS AND SCPI ARE THE BIGGEST INVESTORS

Funds and SCPIs account for a growing share of investment, representing 68% of the total in 2021 compared to an average of 47% over the last 10 years. This concentration of investment within a narrow investor category can also be seen in listed real estate companies, whose allocations have stabilised in recent years, contrary to unlisted real estate companies. Many retailers are choosing to sell their premises, such as Casino, which is selling seven supermarkets, including one-off plan in Île-de-France, and five hypermarkets in central and southern France. Meanwhile, Decathlon is selling the premises of 27 stores to the Singaporean fund IREIT Global.

Investment in retail

In euro billion



BNP Paribas Real Estate

SPAIN INVESTMENT MARKET 4Q2021

Source: BNP Paribas Real Estate, 31 December 2021

THE SPANISH ECONOMY WILL RETURN TO PRE-PANDEMIC LEVELS IN 2022

According to the latest forecasts by the Bank of Spain, the Spanish economy is continuing to make up ground lost in 2020 from the pandemic. However, a slowdown in the fourth quarter of 2021 may occur due to the sixth wave of COVID-19 with a quarterly decrease of 0.8% of GDP predicted.

The Bank of Spain's forecasts for 2021 as a whole suggest GDP growth of 5.5% and an increase of 5.9% in 2022. Employment figures have steadily improved in recent months. Accordingly, Bank of Spain forecasts indicate the unemployment rate will be 15.1% in 2021, decreasing to 14.3% in 2022 and 13.3% in 2023. The sectors and business activities that fared worst in the COVID-19 pandemic, such as hospitality, will see the most positive figures.

GETTING BACK UP TO SPEED IN THE LAST QUARTER

Activity in the real estate sector is returning to pre-pandemic levels, accelerated by a considerable increase in activity in the second half of the year. The sectors hardest hit by the pandemic (hotels, offices and retail) are gradually returning to their previous levels of activity and have a more positive outlook.

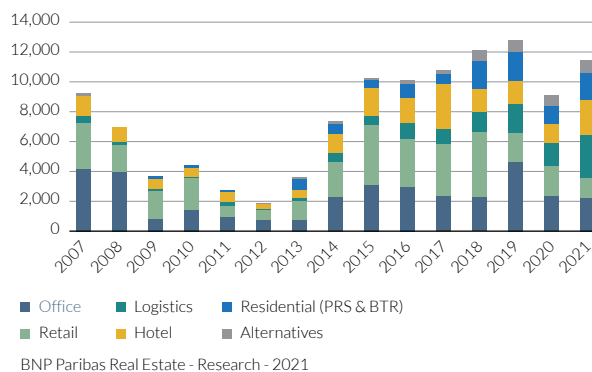
The real estate sector is now at similar levels of investment activity to 2019 (market peak). The positive outlook of the Spanish economy, as well as the current high level of capital in the markets and less attractive yields offered by other financial products continue to draw investors towards real estate.

Capital deployment is a clear illustration of investor confidence in the most buoyant sectors and the recovery of those hardest hit by the pandemic in the short to medium term.

The volume of direct investment made in office, retail, logistics, hotels, build to rent and alternative assets in the last quarter of the year will stand at approximately €3.3 - €3.5 billion, taking into account the transactions completed to date and those that are expected to be completed in the coming days.

In the cumulative figure for the year, investment will be around €11.8 billion, representing an increase of 30% compared to the same period in 2020, and will be just 6% less than the record levels seen in 2019.

Direct investment volume in Spanish real estate



THE LOGISTICS SECTOR LEADS INVESTMENT IN 2021

Almost seven quarters since the beginning of the pandemic, we are now able to analyse the performance of the real estate sector and the sector that has channelled most investment. From 1 April 2020 to 20 December 2021, investment transactions were approximately 17.12 billion euros. The logistics sector attracted most of the invested capital, with 25% of the seven-quarter total.

Investment over 2021 left the logistics sector in first place with a record level of investment of €2.92 billion. The 2021 result reflects an increase of 89% over 2020 and 58% compared to the previous market peak in 2019. The activity recorded in the last quarter was very high, with a volume of investment of €1.11 billion or 36% of the 4Q2021 total. The most significant transactions were the purchase by the Aberdeen fund of a portfolio of newly built logistics platforms situated in Los Gavilanes, Getafe, and the recent purchase by the Exeter investment fund of a Logicor logistics portfolio for almost €280 million. The high level of investor interest in this sector has translated into extremely competitive sale processes, a factor which has led to a significant drop in yields.

The activity seen in the office sector has accelerated considerably in recent months. The increased dynamism of demand results from organisations with a more accurate idea of their office space needs. The volume of investment in the fourth quarter stood at €646 million resulting in the aggregate figure for the year reaching €2.33 billion, similar to 2020.

Investment in Madrid was high where transactions volume reached €256.5 million. The most significant deals were

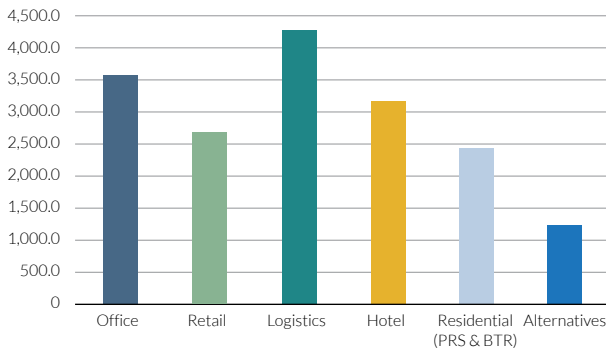
INDEPENDENT MARKET REVIEW

the sale of Retama 3 in Méndez Álvaro and the purchase by SEGIPSA of a building located on the RIO55 Business Park. Barcelona made up the majority of the annual investment at 68% of the national total. The most significant transactions in the last quarter were the purchase of Torre Diagonal, covering an area of 12,000 sqm, for a total of €90 million by the US fund Hines, and the recent acquisition of Tànger 66, in the Glories area of the 22@ district.

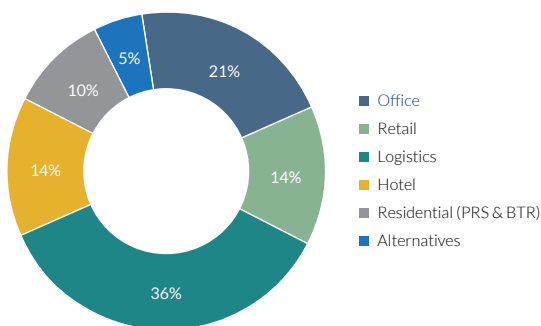
The hotel sector made up 14% of the 4Q2021 investment volume with €445 million, the lowest quarter for the sector. The major deal was the acquisition by Blasson Property of the Punta Negra Hotel, in Majorca, for 90 million euros. Also important were the acquisition in Barcelona of the Barcelona 1882 Hotel for approximately 60 million euros, and the sale of the Alexandra Curio Hotel for €32 million. In addition, the recent purchase by the US fund Starwood of the Las Dalias Hotel, in Tenerife (Costa Adeje), with 420 rooms is a key deal. Other locations such as the Balearic Islands, above all Majorca, and Andalusia are proving very attractive to investors.

The cumulative annual volume of hotel investment stood at €2.39 billion, representing an increase of almost 100% compared to 2020 and 49% more than 2019.

Investment volume
Q2 2020-20 Dec 2021



Investment per asset type
Q4 2021 (20 DECEMBER)



THE RESIDENTIAL MARKET CONSOLIDATED ITS POSITION AS ONE OF THE MOST ATTRACTIVE SECTORS IN 2021

The activity seen in the retail sector in recent months has been dynamic, with a volume of investment of €432 million in the fourth quarter, the highest of the year. Investment throughout the year (up to 20 December) stood at €1.32 billion. Within this sector, the biggest transactions occur in the food store segment, representing 49% of the volume in 2021. A major deal was the purchase by a US fund, Realty Income Corporation, of 30 Caprabo supermarkets from Merlin Properties, for approximately €110 million. The resilience of certain retail assets has been proven time and time again during a number of different adverse situations. Although if we had to choose one asset type that is recovering and less hard hit by the pandemic, it would be retail parks. Firstly, retail parks have more sustainable rents. Secondly, because in most cases these parks are associated with food or other activities that have not been subject to severe restrictions. A key example is the recent acquisition of the Las Mercedes retail park, with a GLA of 22,000 sqm, by LaSalle Investment. In the high street segment, activity is gradually starting to recover. Revived tourism and footfall will be crucial if we are to return to the sales levels seen in previous years. In the last quarter, the main shopping areas of Madrid, Barcelona and Seville saw many investment transactions carried out.

The residential sector is undoubtedly one of the most attractive to investors due to the potential growth of demand in Spain. It is also witnessing professionalization in its operation driven by the entry of institutional funds that utilise local knowledge. The volume of investment recorded in the last quarter amounted to €320 million, whilst the cumulative figure for the year went up to €1.67 billion. This figure represents an increase of 33% compared to 2020. One of the most significant transactions in recent months was the acquisition by Grupo Lar and Primonial of a BTR project in the Mahou-Calderón development in Madrid, consisting of 273 units in a 13-floor building. Locations such as Madrid, Barcelona, Seville, Malaga, Palma de Mallorca, Valencia, Murcia and Pamplona, among others, are most in demand among investors.

There are currently a number of high volume transactions in the final negotiation phase that are expected to complete in the first quarter of next year. This leads us to predict that there will be a very high level of activity in 2022.

INVESTOR TYPE AND ORIGIN

Institutional investment funds continue to dominate the market, representing half of the volume recorded in the whole of 2021, with a 47% share. The “SOCIMIS” (real estate investment companies) also carried out high level of activity, supported by private capital contributions aimed at stimulating the real estate sector.

An analysis of the origin of investors shows that US investors had a very high market share in 4Q, surpassed only by national investors, and played a key role in significant transactions in all sectors. In the overall total for the year, national investors once again stood out from the rest with a market share close to 40%, thus regaining the momentum of the pre-pandemic years. German capital should also be mentioned, which continued its growth in the Spanish market, reaching a share of 15% and doubling the amount it contributed in 2019.

Private or “family office” investors: Within the investment market, there is a niche which is gaining an increasing presence in investment transactions. Up to 1 December, this niche was responsible for investment transactions for a total of €622 million, representing growth of 58% compared to 2020.

These transactions are generally between €7 million and €35 million, but recently we have seen an increase in the share of purchase processes with a higher level of investment. In this regard, investment banks play a key role, offering funding possibility to private equity. In 2021, the banks’ market share was more than 11%, only surpassed by real estate agencies and investment funds. The number of bank transactions has increased considerably in recent years.

Once again, build to rent transactions in the residential sector, with a particular focus on Barcelona, are a growing niche. These types of BTR transactions now make up 50% of the transactions in residential portfolios.

PRIME YIELD

The high level of capital that leading funds have allocated to the real estate sector has squeezed yields in the most in-demand sectors.

The logistics sector is where yields have dropped most in recent months, down to 3.9% in 4Q2021. Even lower yields occur in transactions that have binding contractual situations supporting investor confidence such as longer minimum terms more than would usually be the case.

In the office market, the prime yield has dropped by approximately 15 basis points to 3.15% in the last three months.

Finally, prime yields in the high street segment remain at 3.5%, the same level seen in the previous quarter, in cities such as Madrid and Barcelona.

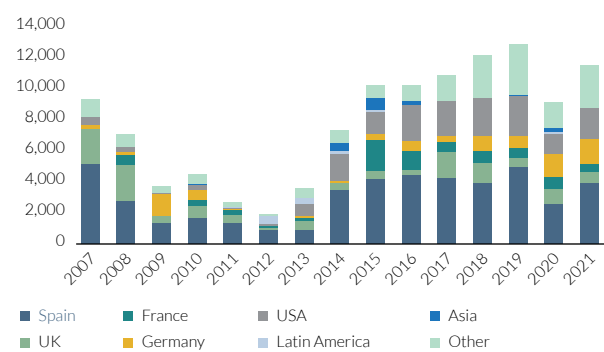
Buyer type

(Million €)

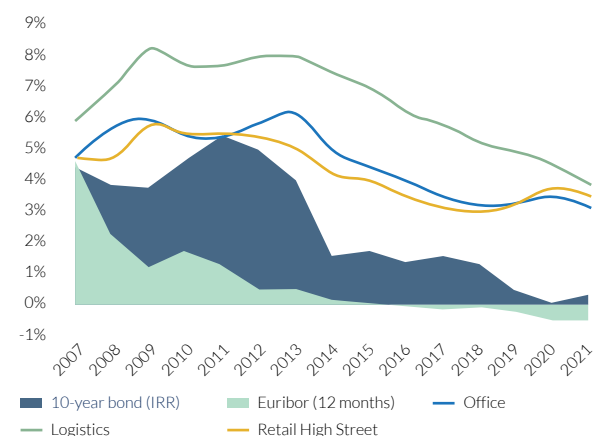


Buyer type

(Million €)



Prime yields vs Spanish 10-year bond & Euribor



INDEPENDENT MARKET REVIEW

SPAIN OFFICE MARKET 4Q2021

MADRID OFFICE MARKET

Source: BNP Paribas Real Estate, 31 December 2021

INFLATION AND AN UNCERTAIN HEALTH SITUATION MAY HOLD BACK ECONOMIC GROWTH

The pace of economic recovery forecast in Spain just a few months ago has been significantly curtailed. Renewed uncertainty about the health crisis from the Omicron variant is adding to the problems created by inflation and the global supply chain crisis.

These factors may trigger a slowdown in private consumption and a greater inclination on the part of households to save, thereby downgrading the growth forecast made in September.

The estimated quarterly growth for the 4Q2021 stands at 1.6%, while the yearly growth figure may be 4.5%. Looking ahead to 2022, forecasts fluctuate between around 5.4% and 5.8%. (Source: Bank of Spain; IMF & Consensus Economics Forecast).

DEMAND FOR SMALL PREMISES TO THE FORE

Analysis of how demand performed during the past 12 months reveals greater transactional activity than in 2020, yet an absence of large volume transactions of more than 10,000 sqm.

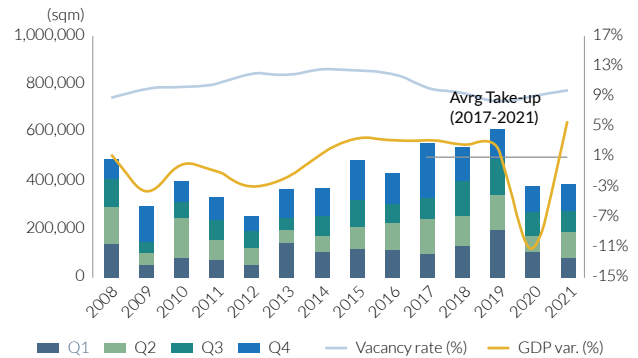
The take-up volume in the fourth quarter stood at 108,549 sqm, a figure representing a quarterly increase of 19.0%, and 2.5% compared with the same quarter in 2020: it is the highest quarterly absorption figure since 2019.

The total office space demand for the year rose to 386,186 sqm, 2.5% higher than the previous year. Despite the recovery seen in demand, the fact that no large volume transactions took place means that take-up is still far lower (-21.9%) than the average for the past five years.

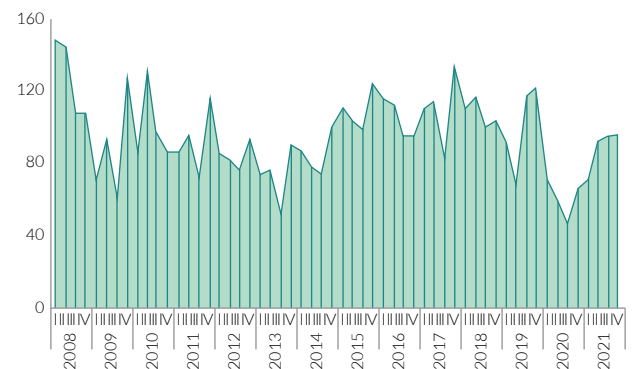
A total of 357 new contracts were signed during the year, 45.1% up on 2020, and 10.7% lower than in 2019. The average deal size during the year stood at 1,081 sqm, lower than the average seen in 2020, which was 1,423 sqm.

The largest deals were the leasing of an entire 13,752 sqm building at Rio 55, Indra's lease of 7,305 sqm of the Japón building in the San Fernando Business Park, and Arval's relocation to the Cedro building in Alcobendas, recently refurbished by its owners, where it will be taking up 6,738 sqm.

Take-up evolution (sqm)



Number of deals per quarter

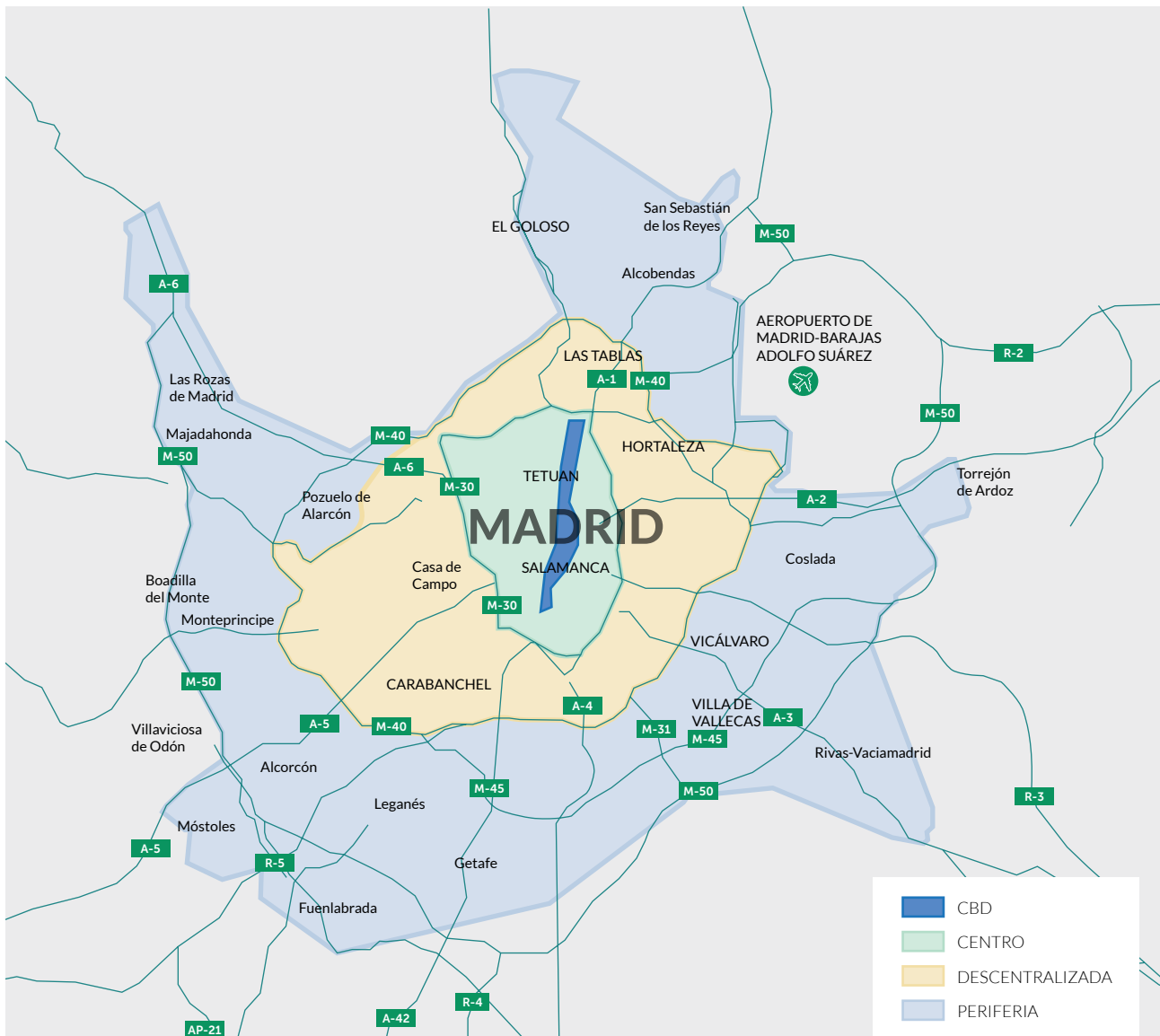


CBD ACCOUNTS FOR 30% OF TRANSACTIONS IN LAST QUARTER

The Decentralised and Periphery areas continue to account for the bulk of demand at 71.5% of take-up. The area lying between the M30 and M40 ring roads (Decentralised) attracted the greatest demand (49.6%). Within this area, the most dynamic markets during the quarter were Campo de las Naciones and Las Tablas, where over half of Decentralised area transactions were concluded.

The area with the second greatest letting volume was the Outskirts, with 22.0% of take-up. Within this area, the most attractive market for users remains Alcobendas. Also popular were the markets positioned on the A-6 highway and the A-2 highway, specifically in the Las Mercedes and San Fernando BP business parks.

Main office areas - Madrid and metropolitan periphery



The city's CBD registered 21.6% of take-up, although it led by number of contracts signed in 4Q2021. The bulk of the transactions are for areas of less than 500 sqm, which account for over half the CBD letting volume. Almost half of the leases were for rents of €30/sqm/month or higher. The area around Azca, the most exclusive stretch of Paseo de la Castellana, alongside the Salamanca and Cuatro Torres districts, remain highly attractive markets for users.

The Centre area attracted 6.8% of take-up, although the activity registered in the fourth quarter was more dynamic than the previous three months. The average deal size concluded in this area was around 350 sqm.

INCREASE IN ACTIVITY FROM CO-WORKING OPERATORS

There can be no doubt that the pandemic transformed the way we work over recent months. New working habits, accelerated by the pandemic, suggest there will be a real revolution in office properties, with co-working companies potentially exploiting this due to the flexibility they offer. Companies and employees are aware that flexibility is almost as important an asset as any other is. Remote working would seem to be here to stay, albeit with less intensity than during the months of lockdown.

INDEPENDENT MARKET REVIEW

One notable feature of the last quarter was the opening of a number of co-working centres by significant players such as Networkia and Lexington, with high occupancy levels of between around 60% and 70% prior to opening. Meanwhile, during the last quarter Lexington signed a significant deal at Castellana 79, where it will be expanding its existing working premises.

NO NOTABLE VARIATIONS IN RENT

The average rent in the city of Madrid has increased slightly over recent months, to €18.54/sqm/month, a rise of 1.8% compared with the previous quarter, and 0.8% higher than 4Q2020. It is still 4.6% lower than the same pre-pandemic period in 2019.

The prime rent remains at €36.00/sqm/month, registering a minimal annual adjustment of 0.7%. The average rent in the CBD has risen to €28.50/sqm/month, falling back only slightly from the previous quarter by 1.4%.

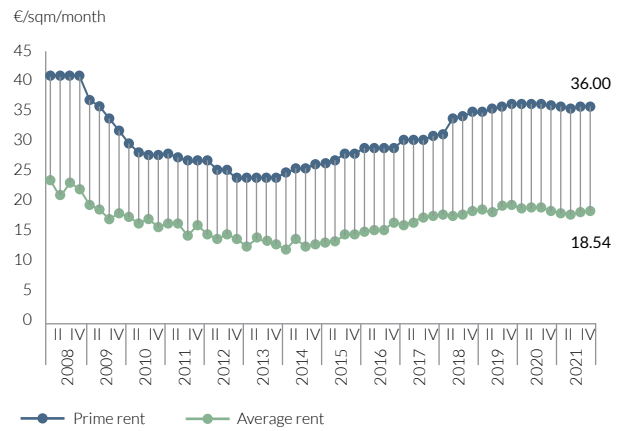
The highest rent agreed in the quarter was €39.00/sqm/month at Paseo de la Castellana 41, a building located in one of the most exclusive professional areas of the city's central business district.

In the Centre area, the average rent has increased very slightly compared with the previous quarter, to €18.80/sqm/month, with maximum levels as high as €24.00/sqm/month for the most exclusive buildings in the area.

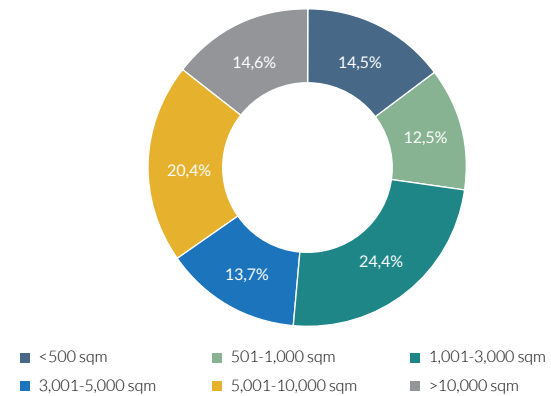
Outside the M30, the Decentralised area saw the highest rent increases, with an average rent of €15.40/sqm/month in the last quarter. This is the result of transactions concluded at the very end of the year for higher quality buildings in micro-markets such as Las Tablas and Campo de las Naciones.

Lastly, in the Periphery the average rents in the fourth quarter stood at €11.50/sqm/month, a minimal quarterly adjustment of 1.2%. Within this area, Pozuelo de Alarcón remains the market with the highest rents of €15.50/sqm/month.

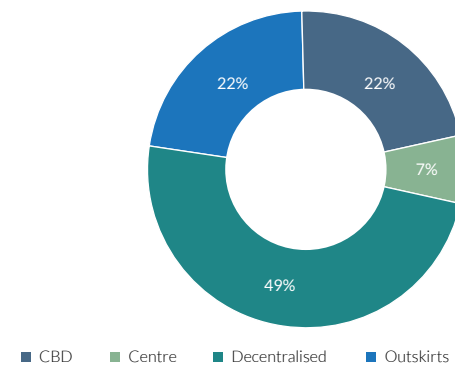
Rent evolution



Number of deals by range of surface Q4 - 2021



Take-up per areas (%) Q4 - 2021



INCREASE IN AVAILABILITY AT THE START OF THE YEAR

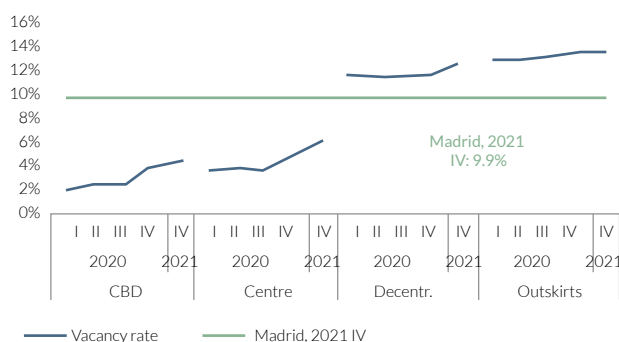
The vacancy rate in the Madrid office market stood at 9.9% on 1 January 2022, having increased by 90 basis points over the past 12 months.

Almost 2 years after the outbreak of the pandemic, the space released by companies and the influx of new projects led to a sharper increase in availability in late 2020 and early 2021. Most companies have now applied their occupancy plans, and no significant vacancies are therefore expected over the coming months.

Within the M30 ring road the vacancy rate is slightly below 5% in the CBD, while in the Centre area it has risen by 30 basis points, to 5.9%.

In the areas outside the M30, the vacancy rate stands at 12.6% in the Decentralised area, and 13.8% in the Periphery.

Vacancy rate evolution by area



NEW-BUILD, PROPERTY REFURBISHMENTS AND PROSPECTS FOR 2022

Despite the slowdown in demand over the pandemic with the increase in homeworking, the need for office premises reasserted itself. Offices that fulfil the latest environmental sustainability and efficiency requirements are a key requirement behind new demand.

Consequently, property development continues to progress, focusing on the city's northeastern corridor. Las Tablas, Manteras and Julián Camarillo are the areas bringing the greatest number of office projects to market in the coming months. One of the most significant completions scheduled for 2022 is the opening of Alcalá 546, the future headquarters of L'Oreal, as well as an adjacent building (Alcalá 544), comprising approximately 10,400 sqm which is now available.

In the medium term, Méndez Álvaro has a number of projects beginning development over the coming months, with potential completion from 2023. An office project of approximately 22,000 sqm in Arroyofresno, in the vicinity of the Metro station, will also complete in the medium term.

Significant refurbishment projects occurring include La Sierra Business Park in Mirasierra, with a total surface area of 14,722sqm and a scheduled completion in April 2022, and the refurbishment of five buildings totalling 50,000 sqm by Merlin Properties in Cerro de los Gamos (Pozuelo de Alarcón) where the first section of this major refurbishment is scheduled for completion in December 2022.

The prospects for 2022 are optimistic. It is expected that once the impact of the Omicron variant has passed, activity will remain at similar levels to the end of the year, with letting volumes in 2022 standing at around 425,000 sqm.

	Key Figures				
	CBD	Centre	Decentr.	Outskirts	Total
Stock (sqm)	2,718,371	3,948,980	4,473,542	4,084,239	15,225,132
Vacancy (sqm)	124,549	254,203	565,747	562,244	1,506,743
Vacancy Rate	4.6%	6.4%	12.6%	13.8%	9.9%
Take-up Q4 2021 (sqm) *	↓ 23,400	↓ 7,500	↑ 53,800	↑ 23,900	↑ 108,500
Annual Take-up 2021 (sqm) *	↓ 71,109	↓ 58,095	↑ 155,552	↑ 101,430	↑ 386,186
Max Rent Q4 2021 (€/sqm/month)	39.0	24.0	19.0	15.5	-
Avg Rent Q4 2021 (€/sqm/month)	↓ 28.5	↓ 18.8	↑ 15.4	↑ 11.5	↓ 18.5

* Figure analyzed and verified by BNP Paribas Real Estate not including lease renewals
* Arrows denote annual variation

INDEPENDENT MARKET REVIEW

BARCELONA OFFICE MARKET

Source: BNP Paribas Real Estate, 31 December 2021

INFLATION AND AN UNCERTAIN HEALTH SITUATION MAY HOLD BACK ECONOMIC GROWTH

The pace of economic recovery forecast in Spain just a few months ago has been significantly curtailed. Renewed uncertainty about the health crisis from the Omicron variant is adding to the problems created by inflation and the global supply chain crisis.

These factors may trigger a slowdown in private consumption and a greater inclination on the part of households to save, thereby downgrading the growth forecast made in September.

The estimated quarterly growth for the 4Q2021 stands at 1.6%, while the yearly growth figure may be 4.5%. Looking ahead to 2022, forecasts fluctuate between around 5.4% and 5.8%. (Source: Bank of Spain; IMF & Consensus Economics Forecast).

LETTINGS RETURN TO PRE-PANDEMIC VOLUMES

With 2021 now ended, analysis indicates that market demand in Barcelona is back at pre-pandemic levels.

The letting registered in the last quarter of the year were 93,830 sqm, a quarterly increase of 3.5%, and marking a quarter of volumes not seen since 2019. The take-up volume for 4Q2021 represents an increase of 80.5% compared with the same period in 2020.

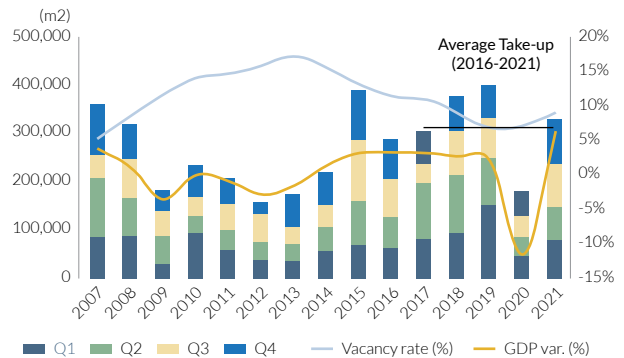
The overall figure for the year indicates that demand for office space broke through the 300,000 sqm barrier, to stand at 329,539 sqm. This represented growth of 85% compared against the previous year, and 17% lower than in 2019. Growth was also above the 5-year average unlike in 2020 when take-up fell well below.

Companies are keen to locate to the Catalan capital as 254 new contracts were signed during the year, with 81 transactions concluded in the last quarter. Transaction numbers are 12% higher than in 2020 and 18% below the figure for 2019.

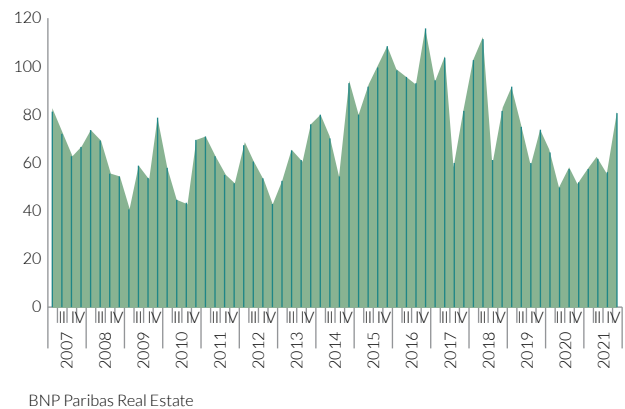
The average deal size during the year stood at 1,321 sqm, higher than the average seen in 2020, which was 819 sqm.

One of the largest deals was the GLOVO transaction in the 22@ district, where it will now occupy two buildings of the Mile 22@ business complex covering 30,000 sqm.

Take-up evolution (sqm)



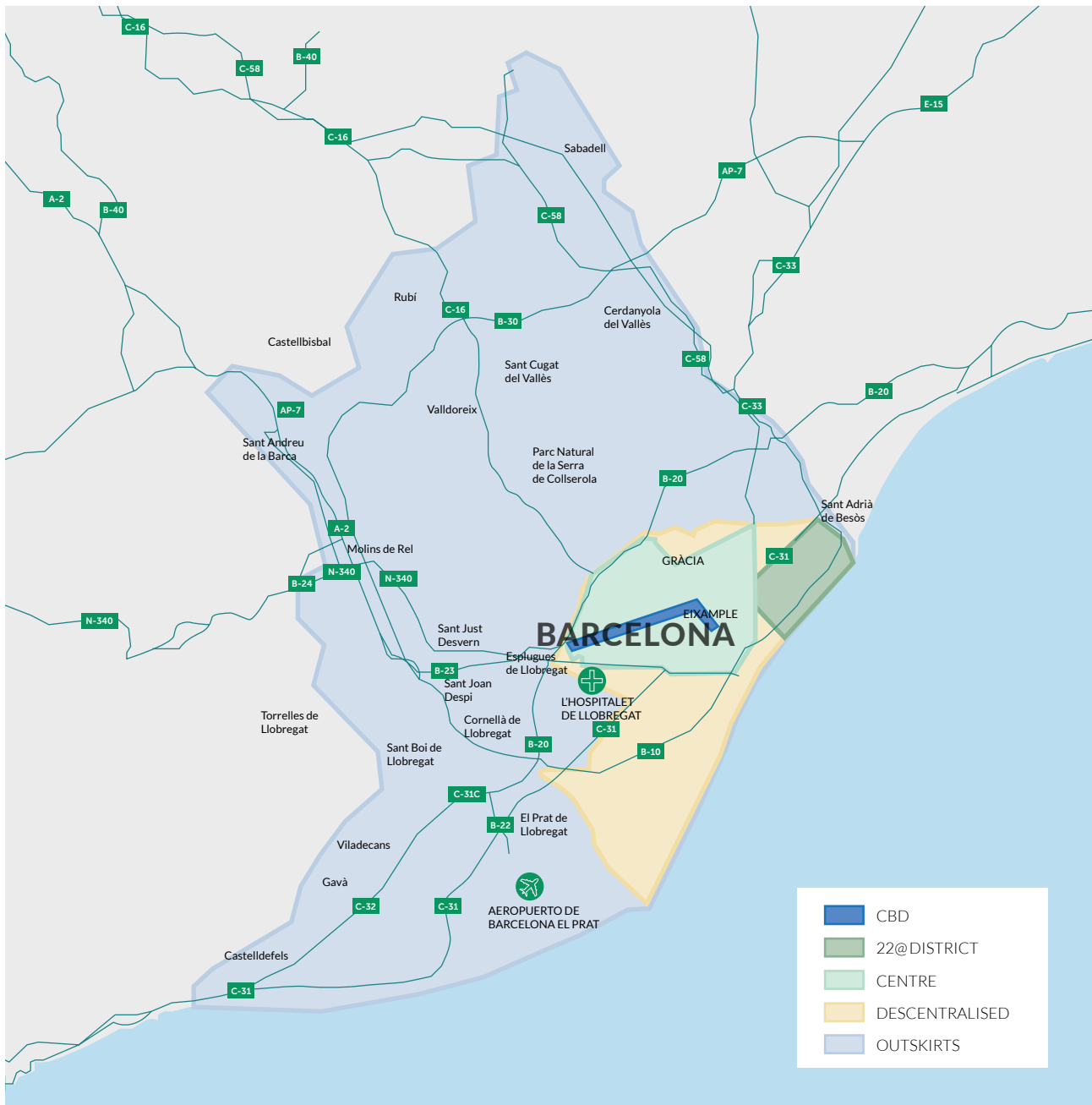
Number of deals per quarter



22@ DISTRICT RESUMES ITS POSITION AS THE MOST ATTRACTIVE MARKET FOR TENANTS

The 22@ district continues to stand out from the rest, accounting for 59% of take-up volume during the quarter, and almost a quarter of deal numbers. Following slowdown in 2020, the city's technology district has recovered its dynamism and demand from major firms. The third quarter witnessed resumption of big deals and the fourth quarter recorded the GLOVO transaction, the biggest of the year, as well as the 4,100 sqm leased by H&M on Calle Pallars.

The Centre and CBD areas in the city of Barcelona accounted for 26% of take-up during the quarter, with 16% and 9% respectively. The Centre had 30 transactions whilst 17 deals were finalised in the CBD resulting in the best figures since 2019.



Within the CBD, particular mention should be made of a mini headquarters leased by a major financial institution, covering nearly 1,895 sqm at the heart of Avenida Diagonal. The CBD also saw the highest rental agreement signed, above €26/sqm/month at the heart of Avenida Diagonal.

The Decentralised area maintains the dynamism that it recovered from late 2020 onwards. It accounted 11% of letting volume. Of particular note was the leasing of a complete building measuring 4,080 sqm in the Plaza Europa area, and

the 2,116 sqm leased by a videogame company, also in the vicinity of Plaza Europa / Paseo de la Zona Franca.

The Outskirts area made up 5% of lettings during the last three months. The Periphery stood out during the pandemic because of the affordability it offered companies looking to reduce costs. Now letting volumes have declined considerably, although market activity continues because of its cost saving potential.

INDEPENDENT MARKET REVIEW

AVERAGE RENTS STABILISING ACROSS THE CITY SUBMARKETS

After a year of corrections, the average citywide rent stabilised compared with the previous quarter at €16.30/sqm/month in 4Q2021. At the close of 2021 the average rent in Barcelona had fallen by 6.2% compared with 2020.

The average rent in each submarket registered a mean increase of nearly 10%, except for the Decentralised area where rents were lower than the previous quarter. In the CBD area, rents had undergone a considerable adjustment in 3Q2021 because the bulk of transactions were for lower quality units due to availability. In 4Q2021, the reverse happened with rents increasing due to the rapid take-up of modern offices that became available. Average rents were above €22/sqm/month in the CBD, an increase of 7.2% compared with the previous quarter.

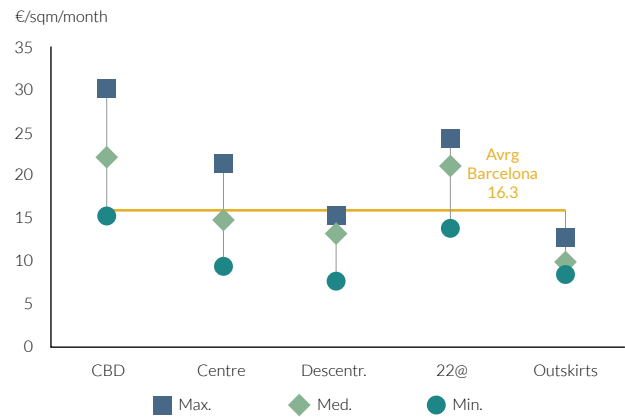
The dynamic performance of the 22@ district continues to stand out with increases in both letting volume and rent. Two of the year's biggest transactions took place in this area, with a combined volume of 50,000 sqm in 2021. The activity meant that 22@ registered an average rent of €21.3/sqm/month, with maximums of €24.5/sqm/month in Torre Glories.

The Decentralised area saw average rents fall compared with the previous quarter because of a 4,080 sqm building rented for less than €12/sqm/month. The average rent is now slightly lower (-0.8%), standing at €12.6/sqm/month.

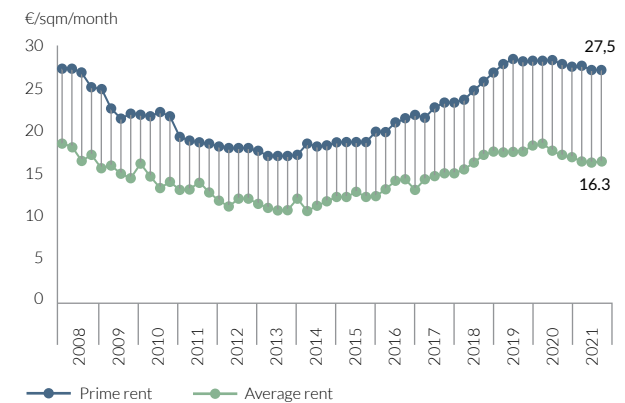
In the Centre and Periphery areas, the average rents were €14.70/sqm/month and €10.50/sqm/month respectively, representing an annual adjustment of 15.9% for the Centre and 3.1% for the Periphery.

The prime rent remained at €27.5/sqm/month in 4Q2021, 1.8% lower than 12 months ago. There were significant transactions concluded in one of the most prime office buildings located at the heart of Avenida Diagonal that set the maximum rent for the quarter.

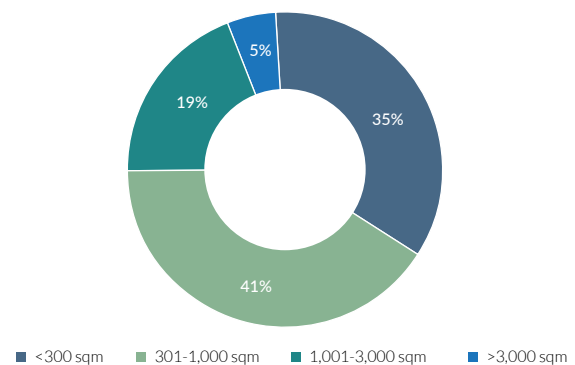
Maximum, minimum & average rents - Q4 2021



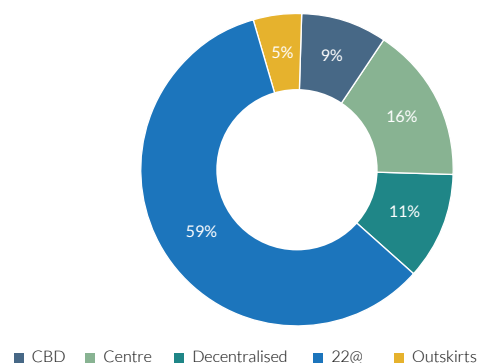
Rent evolution (€/sqm/month)



Number of deals per range of surface - Q4 2021



Take-up by zone (%) Q4 2021



VACANCY MOVED SLOWLY UPWARD IN THE FOURTH QUARTER

The vacancy rate in Barcelona increased slightly again by 20bps during the last three months of the year. At the close of 2021, availability stood at 8.9%, out of a total stock of more than 6 million sqm.

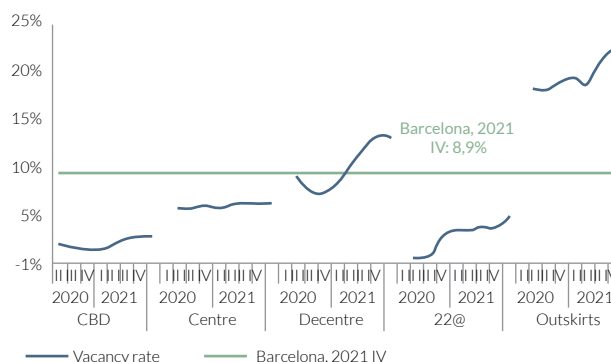
Despite 80% higher take-up levels than in 2020, availability continues to increase because of the space freed up by companies reorganising. The pace of adjustment may be shifting as the widespread use of home working and subsequent reorganisation by companies settles into new office space needs.

Most submarkets of the Barcelona office market experienced adjustment in vacancy, except in the CBD, where even allowing for several consecutive quarters of expansion, levels remained below 3%.

22@ District saw a slight increase in availability to above 4.5%. This rise is a result of the Step Up project owned by Codic joining the marketplace, as well as new availability at the future Everis headquarters, and Sea Towers, the H&M headquarters.

Vacancy increases are strongest in the Periphery and Decentralised areas. Both saw an adjustment of more than 1%, to levels of 21.9% and 13% respectively. In these areas, companies look to attain a more centrally located headquarters with more favourable and flexible conditions, so as to release excess space. Alternatively, they seek to take advantage of market conditions to renegotiate contracts or opt for a new contract with reduced space.

Vacancy rate evolution by zone



FUTURE SUPPLY

Property development activity continues to progress even with uncertainties presented by the Omicron variant. Owners and investors are still developing new projects, with high quality technical standards that fulfil current demand requirements.

Three new office complexes in the 22@ district stand out that have a combined area of 43,300 sqm, of which only 32% is currently available. These projects are the Sea Tower (Nova Icaria), Pallars 180 and Pamplona 104 (Codic Building).

PROSPECTS

The prospects for the coming months on the office market in Barcelona and its metropolitan periphery remain positive at the start of 2022.

The macroeconomic prospects for the coming months, and likelihood that the impact of the new Omicron variant will be contained, suggest take-up activity seen at the end of the year will roll forward. Letting volumes for 2022 could amount to 340,000 sqm - 360,000 sqm.

Key Figures						
	CBD	Centre	Decentr.	22@	Outskirts	Total
Stock (sqm)	897,542	2,491,314	518,254	1,077,835	1,093,902	6,078,847
Vacancy (sqm)	24,350	154,224	65,391	53,066	239,434	536,465
Vacancy Rate	2.7%	6.2%	12.6%	4.9%	21.9%	8.9%
Take-up Q4 2021 (sqm) *	↓ 8,612	↑ 15,408	↑ 10,227	↑ 55,324	↓ 4,259	↑ 93,830
Annual Take-up 2021 (sqm) *	44,813	49,726	57,630	123,791	53,579	329,539
Max Rent Q4 2021 (€/sqm/month)	30.3	21.5	15.5	24.5	13.0	-
Avg Rent Q4 2021 (€/sqm/month)	↓ 22.4	↓ 14.8	↓ 13.2	↑ 21.3	↓ 10.3	↓ 16.3

* Figure analyzed and verified by BNP Paribas Real Estate not including lease renewals

* Arrows denote annual variation

INVESTOR RELATIONS

COMMITMENT TO TRANSPARENCY AND GOOD CORPORATE GOVERNANCE

IREIT Global Group Pte. Ltd. (the “Manager”), as manager of IREIT is committed to high standards of communication with investors, analysts, media and the investment community and is committed to communicate in a timely, transparent, consistent, accurate, balanced and comprehensive manner on information such as the investment strategy, distribution policy, capital management and portfolio performance of IREIT.

In addition, the Manager is committed to ensure timely, unbiased and transparent disclosures of material information to the public, in accordance to the listing rules and regulations of the Singapore Exchange Securities Trading Limited (“SGX-ST”), the Singapore Code of Corporate Governance and current best practices. All announcements and press releases are promptly published on SGX-ST through SGXNet and are made available on IREIT’s corporate website at www.ireitglobal.com. General information on IREIT including the annual report, factsheet and portfolio information is also regularly updated on IREIT’s corporate website and is easily accessible to investors and the public.

PROACTIVE COMMUNICATIONS WITH STAKEHOLDERS

The management and investor relation teams use a number of communication channels to engage and interact with various stakeholders. This includes one-on-one meetings, lunchtime presentations, industry conferences, educational seminars, teleconferences, video conferences and corporate website email alert services to facilitate regular two-way communication with investment professionals, current investors and prospective investors. The Manager is also a member of the REIT Association of Singapore (“REITAS”), availing IREIT to seminars, investor conferences and retail education events that the association organises to promote the understanding and investment in Singapore real estate investment trusts.

As the COVID-19 situation in Singapore continues to evolve, the Manager has leveraged on various digital platforms to conduct virtual meetings, video conferences and teleconferences to maintain strong engagement with its stakeholders. In 2021, the Manager reached out to over 300 investment professionals, analysts, investors and media through events such as IREIT’s analyst/investor briefings, DBS-SGX-REITAS virtual conference and corporate presentations for CGS-CIMB Securities, Phillip Securities and UOB Kay Hian. In addition, the Manager participated in media interviews with Business Times and MoneyFM 89.3 to raise awareness and extend the outreach to the investment community.

ANNUAL GENERAL MEETING (“AGM”) AND EXTRAORDINARY GENERAL MEETING (“EGM”)

Unitholders are also given the opportunity to participate at the AGMs and EGMs to meet the management team and the



▼ Live webcasts for AGM and EGM held on 22 April 2021 and 17 June 2021, respectively

Directors of the Manager to communicate their views or concerns and ask questions. Due to the COVID-19 situation in Singapore, the AGM held on 22 April 2021 and EGM held on 17 June 2021 were conducted by way of electronic means. Unitholders who wished to attend the general meetings could pre-register electronically to participate via the live audio-visual webcast or listen to the live audio-only streams of the proceedings. Instead of the typical question and answer session during the general meetings, Unitholders were invited to submit questions related to the resolutions to be tabled for approval at the meetings in advance. The responses to substantial and relevant questions received from Unitholders were published on SGXNet and IREIT’s corporate website prior to the meetings. Some of these questions were also addressed in the presentations at the meetings.

All the resolutions set out at the AGM and EGM in 2021 were passed by Unitholders through valid proxies and the results were announced on SGXNet and IREIT’s corporate website on the same day of the respective meetings. In addition, the minutes of the meetings, including the responses to the substantial and relevant questions addressed during the meetings, were published on SGXNet and IREIT’s corporate website subsequently.

ENGAGEMENT WITH EQUITY RESEARCH ANALYSTS

The Manager also regards sell-side research analysts as an important stakeholder group, as they play a key role in helping to enhance the visibility of IREIT and bridge any communication gap between IREIT and investors. In 2021, the Manager organised a number of analyst briefings via conference calls to update the analysts on the financial and operational performance on IREIT. Due to the active engagement with analysts, the Manager is pleased to report that it has managed to increase the number of research house coverage during the year from two to four. As at 31 December 2021, IREIT was actively covered by DBS Group

Research, KGI Securities, Phillip Securities Research and RHB Research.

AWARDS AND ACCOLADES

In September 2021, IREIT was named the overall winner within the Singapore real estate investment trusts (“S-REITs”) sector by The Edge Singapore Centurion Club, through an event it conducts on a yearly basis to recognise excellence in companies that are listed on the Singapore Exchange and have a market value between S\$100 million and S\$1 billion. This award was given to IREIT after it won the top spots in both the three-year growth in profit after tax and the return on equity classifications specified by The Edge Singapore Centurion Club.

DUAL CURRENCY TRADING AND CHANGE IN DISTRIBUTION CURRENCY

In order to provide more options for Unitholders, the Manager has implemented dual currency trading for IREIT with effect from 17 August 2021. With this implementation, Unitholders can now trade units in IREIT through the newly established EUR trading counter, in addition to the existing SGD trading counter. Along with the dual currency trading, IREIT’s distribution currency was changed from SGD to EUR starting with the distribution for the period from 30 June 2021 to 31 December 2021. Nonetheless, Unitholders who have the direct crediting service accounts with CDP can continue to receive their distributions in SGD equivalent via the currency conversion service, a complimentary service provided by CDP to automatically convert the distributions from EUR to SGD.

FINANCIAL CALENDAR

Financial Year Ended 31 December 2021

6 August 2021	Announcement of first half year results
27 August 2021	Payment of distributions for period from 1 January 2021 to 29 June 2021
25 February 2022	Announcement of second half year results
15 March 2022	Payment of distributions for period from 30 June 2021 to 31 December 2021
27 April 2022	2022 Annual General Meeting

Financial Year Ended 31 December 2022 (Tentative)

August 2022	Announcement of first half year results
February 2023	Announcement of second half year results

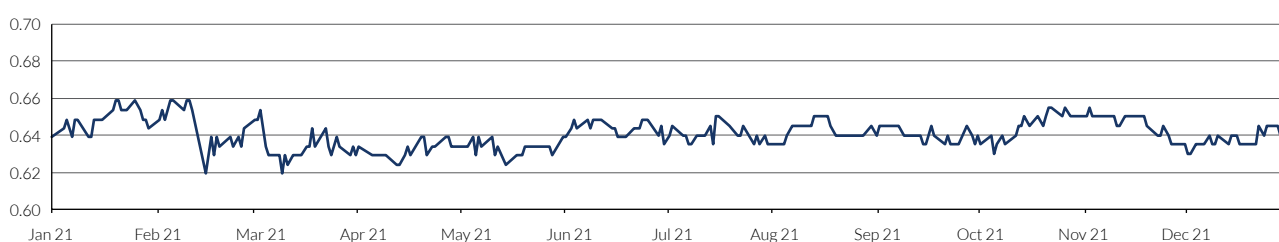
Trading Performance for IREIT SGD

Trading Counter ¹	FY2021	FY2020
Opening price (S\$)	0.639	0.720
Closing price (S\$)	0.650	0.639
Highest closing price (S\$)	0.658	0.787
Lowest closing price (S\$)	0.619	0.369
Total trading volume (million units)	156.1	415.6
Average daily volume traded ('000 units)	617.0	1,649.3

Total Returns with Distributions Reinvested (%)²

From 1 January 2021 to 31 December 2021 (1 year)	4.4%
From 1 January 2019 to 31 December 2021 (3 year)	14.0%
From 1 January 2017 to 31 December 2021 (5 years)	25.7%

Closing Unit Price Performance for Trading Period from 1 January 2021 to 31 December 2021³



Source: ShareInvestor.com

IREIT’s DPU yield has remained stable at around 7% for most periods, while the average daily traded volume has improved from approximately 393,000 in 2019 to approximately 612,000 in 2021.

Unitholders' Enquiries

If you have any enquiries or would like to find out more about IREIT Global, please contact:

The Manager

Mr Kevin Tan

Head of Investor Relations and Capital Markets

Phone: (65) 6718 0593

Email: ir@ireitglobal.com

Website: <http://www.ireitglobal.com>

Unit Registrar

Boardroom Corporate & Advisory Services Pte Ltd

Phone: (65) 6536 5355

Email: srs.teamc@boardroomlimited.com

Website: <https://www.boardroomlimited.com>

Unitholder Depository

For depository-related matters, such as change of personal details and other unitholding records, please contact:

The Central Depository (Pte) Limited

Phone: (65) 6535 7511

Email: asksgx@sgx.com

Website: <https://investors.sgx.com/dashboard>

- For the trading period from 1 January to 31 December, adjusted for the non-renounceable preferential offering and renounceable rights issue completed in July 2021 and October 2020, respectively.
- Total returns are computed based on the closing unit price on the last trading day of the preceding reporting period compared with the closing unit price on the last trading day of the current period and are adjusted for the non-renounceable preferential offering and renounceable rights issue completed in July 2021 and October 2020, respectively. Distributions paid are assumed to be reinvested at the closing unit prices on the respective ex-distribution dates.
- Adjusted for the non-renounceable preferential offering completed in July 2021.

ACHIEVING SCALE

SEIZING NEW OPPORTUNITIES TO
STRENGTHEN BRAND IDENTITY IN
KEY MARKETS

As part of our investment strategy to scale up and strengthen our market presence, we are constantly pursuing investment opportunities across the key developed markets in Europe. The successful equity fund raising exercise and the acquisitions of the French Portfolio in France and the office building in Spain are significant milestones towards our goal of building scale and marketability.

With the strong improvement in IREIT's aggregate leverage resulting from an increase in its portfolio valuation, we are also well poised to further our growth plans and maximise Unitholders' returns.

DISTRIBUTION
PER UNIT

2.93€cents

+11.0% year-on-year

Abbeville, France



ATHLON

ABBEVILLE

ENTRÉE

PORTFOLIO SUMMARY



TOTAL LETTABLE AREA
384,282 sqm



TOTAL NUMBER OF PROPERTIES
37



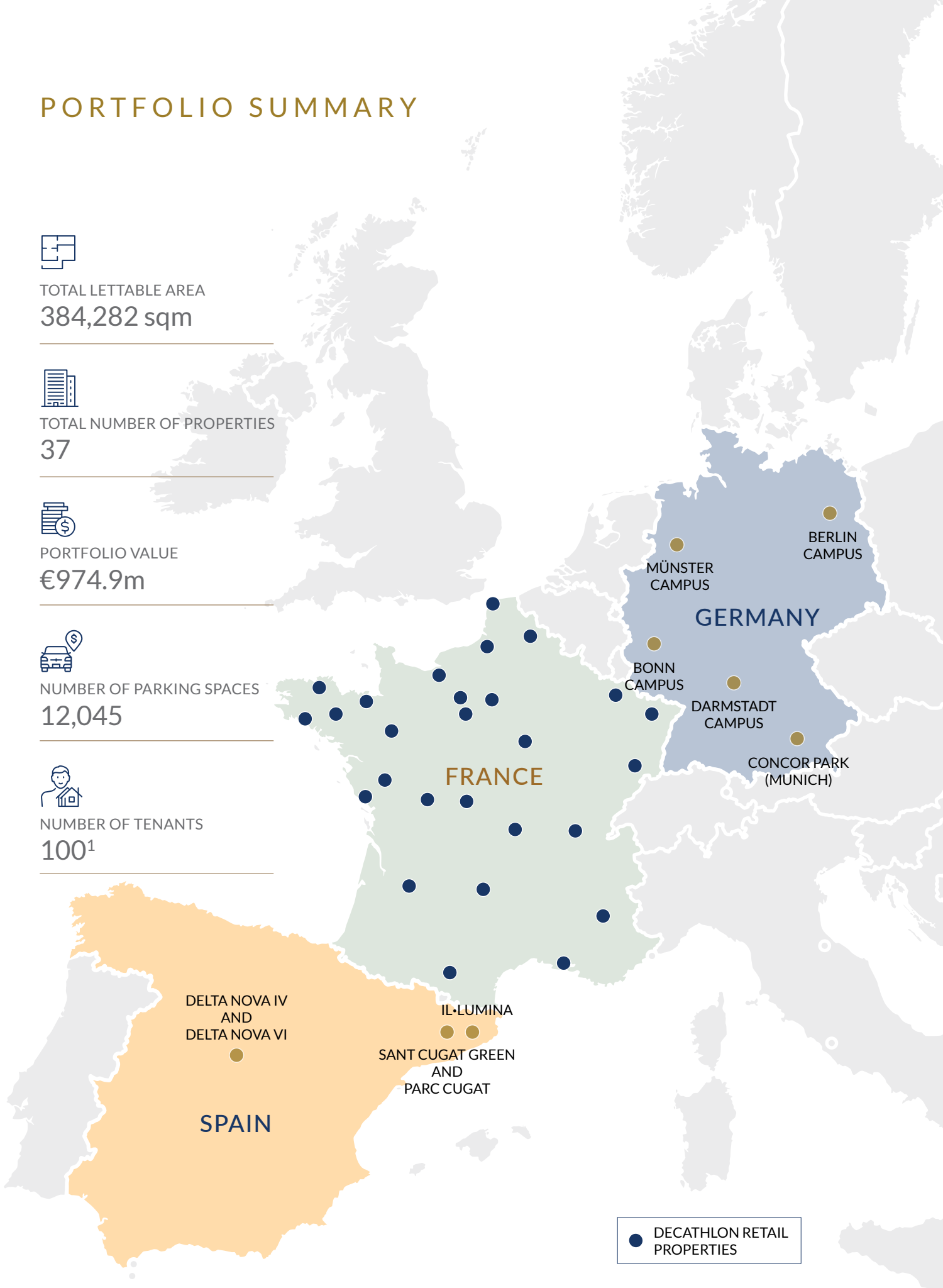
PORTFOLIO VALUE
€974.9m



NUMBER OF PARKING SPACES
12,045



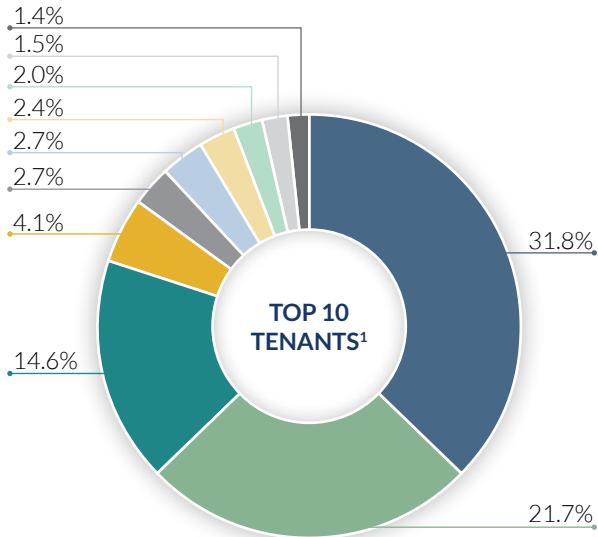
NUMBER OF TENANTS
100¹



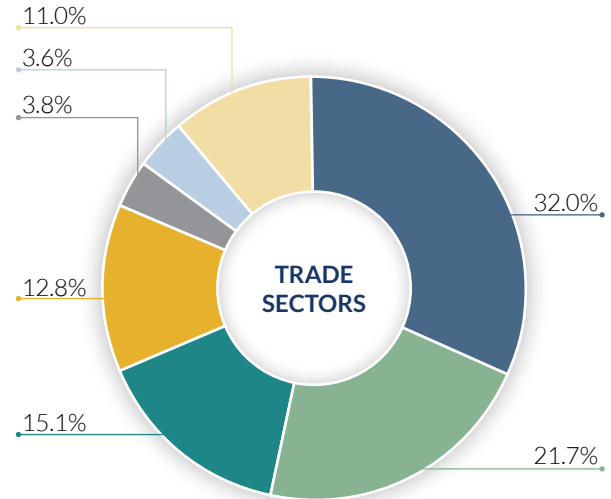
 DECATHLON RETAIL PROPERTIES

¹ Refer to pages 61 to 63 for more details.

PASSING RENTS AS AT 31 DECEMBER 2021

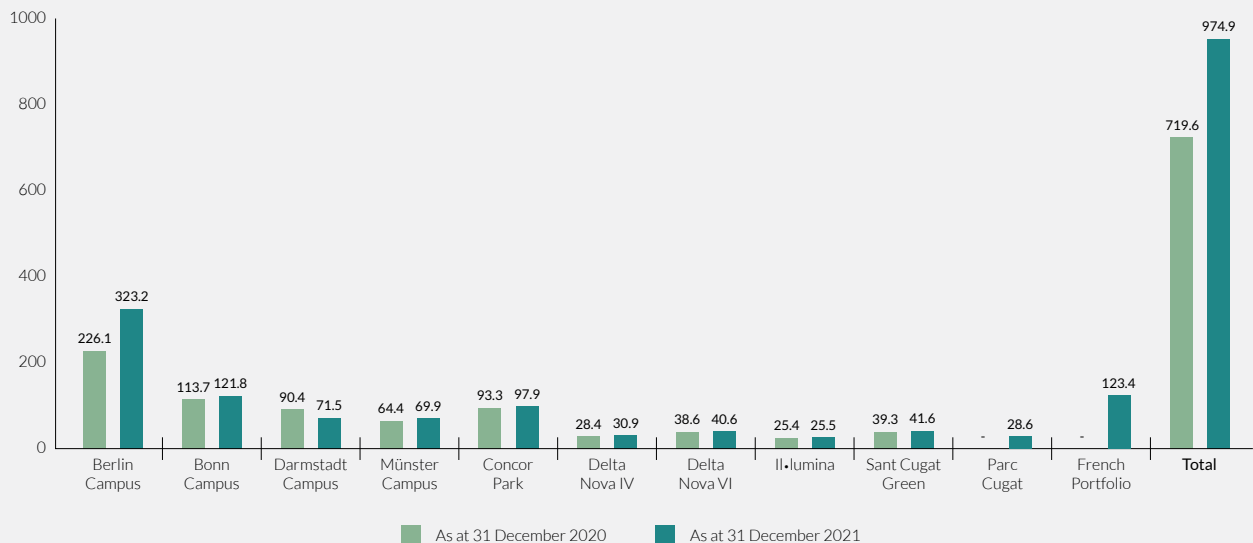


● GMG - Deutsche Telekom	31.8%
● Deutsche Rentenversicherung Bund	21.7%
● Decathlon	14.6%
● DXC Technology	4.1%
● Allianz Handwerker Services GmbH	2.7%
● ST Microelectronics	2.7%
● Ebase	2.4%
● Roche	2.0%
● Catalan Media Corporation	1.5%
● Gesif	1.4%



● Telecommunications	32.0%
● Government	21.7%
● Retail	15.1%
● IT & Electronics	12.8%
● Financial Services	3.8%
● Real Estate	3.6%
● Others	11.0%

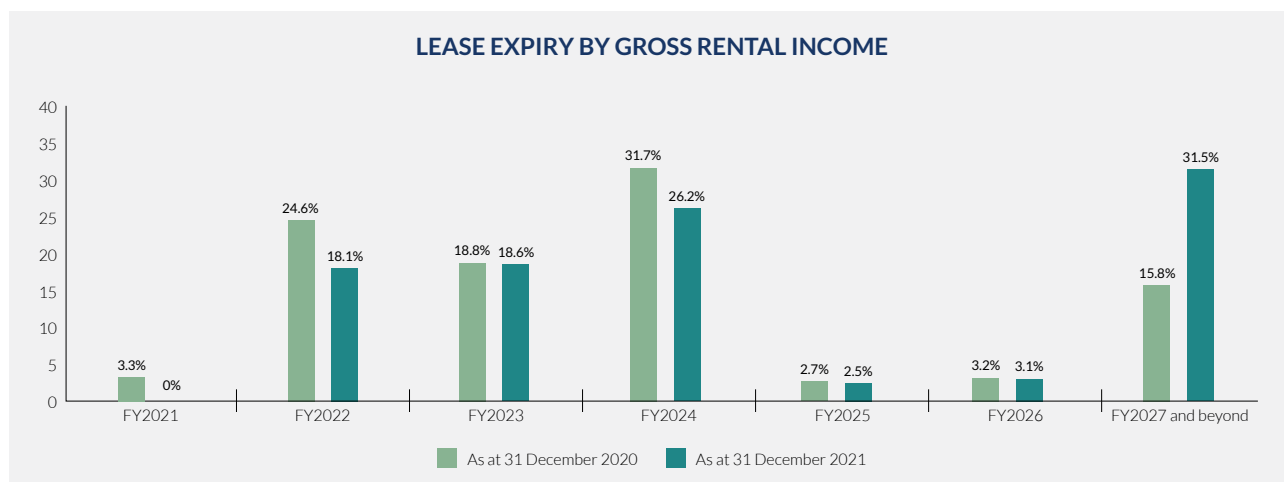
ASSET VALUATION BY PROPERTY



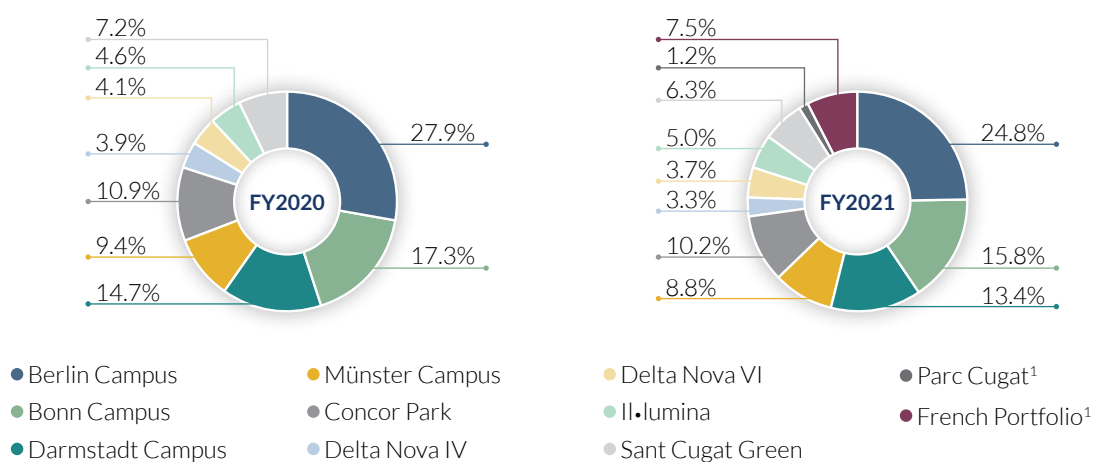
¹ Each tenant may have more than one leases across various properties. Refer to pages 61 to 63 for more details.

PORTFOLIO SUMMARY

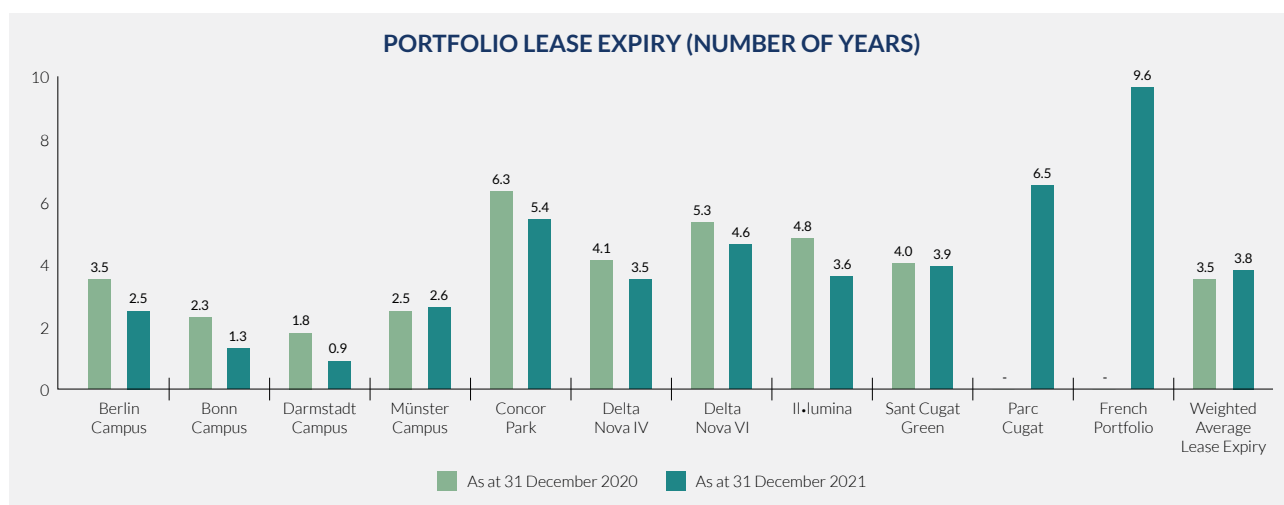
LEASE EXPIRY BY GROSS RENTAL INCOME



GROSS RENTAL INCOME BY PROPERTY



PORTFOLIO LEASE EXPIRY (NUMBER OF YEARS)



For new and renewed leases which commenced in FY2021, the weighted average lease term expiry ("WALE") based on the date of commencement of leases is 9.6 years as at 31 December 2021. Such leases contributed approximately 15.3% towards the portfolio's committed monthly gross rental income as at 31 December 2021.

¹ The acquisitions of French Portfolio and Parc Cugat were completed on 28 July 2021 and 23 September 2021 respectively.

GERMAN PORTFOLIO

	Berlin Campus	Bonn Campus	Darmstadt Campus	Münster Campus	Concor Park
Date of Building Completion	1994	2008	2007	2007	1978 and refurbished in 2011
Purchase Price (€ million)	144.2	99.5	74.1	50.9	58.6
Vendor	Immobilienfonds Deutschland 6 GmbH & Co. KG, managed by WealthCap	TC Bonn Objektgesellschaft mbH & Co. KG	TC Darmstadt Objektgesellschaft mbH & Co. KG	TC Münster Nord Objektgesellschaft mbH & Co. KG and TC Münster Süd	Münchner Grund Immobilien Bauträger AG
Book Value / Valuation as at 31 Dec 2021 (€ million)	323.2	121.8	71.5	69.9	97.9
Book Value / Valuation as at 31 Dec 2020 (€ million)	226.1	113.7	90.4	64.4	93.3
Gross Rental Income 2021 (€ million)	11.2	7.1	6.1	4.0	4.6
% of Total Gross Rental Income 2021	24.8%	15.8%	13.4%	8.9%	10.2%
Gross Rental Income 2020 (€ million)	11.2	7.0	5.9	3.8	4.4
% of Total Gross Rental Income 2020 ¹	27.9%	17.3%	14.7%	9.4%	10.9%
Occupancy Rate as at 31 Dec 2021	100.0%	100.0%	100.0%	100.0%	98.6%
Land Tenure	Freehold	Freehold	Freehold	Freehold	Freehold
WALE (by Gross Rental Income) as at 31 Dec 2021	2.5	1.3	0.9	2.6	5.4
Number of Tenants	7	1	1	3	12
Major Tenants	Deutsche Rentenversicherung Bund	GMG, a wholly-owned subsidiary of Deutsche Telekom	GMG, a wholly-owned subsidiary of Deutsche Telekom	GMG, a wholly-owned subsidiary of Deutsche Telekom	Allianz, ST Microelectronics, Ebase, Yamaichi

Total

€427.3m
Purchase Price

€33.1m
Gross Rental Income 2021

2.4 years
WALE (by Gross Rental Income) as at 31 Dec 2021

€684.3m
Book Value / Valuation as at 31 Dec 2021

99.8%
Occupancy Rate as at 31 Dec 2021

24
Number of Tenants

¹ Based on the full-year gross rental income of the Initial Spanish Portfolio on a 100% basis.

PORTFOLIO SUMMARY

SPANISH PORTFOLIO

	Delta Nova IV	Delta Nova VI	Il•lumina	Sant Cugat Green	Parc Cugat
Date of Building Completion	2005 and refurbished in 2015	2005 and refurbished in 2015	1970s and fully redeveloped in 2004	1993 and refurbished in 2018	2009
Purchase Price (€ million)	28.7	39.8	25.4	39.9	27.2
Vendor	Chameleon (REIT) Holdco S.à.r.l	Chameleon (REIT) Holdco S.à.r.l	Chameleon (REIT) Holdco S.à.r.l	Chameleon (REIT) Holdco S.à.r.l	Inmobiliaria Colonial, SOCIMI, S.A.
Book Value / Valuation as at 31 Dec 2021 (€ million)	30.9	40.6	25.5	41.6	28.6
Book Value / Valuation as at 31 Dec 2020 (€ million)	28.4	38.6	25.4	39.3	-
Gross Rental Income 2021 (€ million)	1.5	1.7	2.3	2.8	0.5
% of Total Gross Rental Income 2021	3.3%	3.7%	5.0%	6.3%	1.2%
Gross Rental Income 2020 ¹ (€ million)	1.6	1.6	1.9	2.9	-
% of Total Gross Rental Income 2020 ¹	3.9%	4.1%	4.6%	7.2%	-
Occupancy Rate as at 31 Dec 2021	84.8%	96.3%	91.1%	77.1%	61.0%
Land Tenure	Freehold	Freehold	Freehold	Freehold	Freehold
WALE (by Gross Rental Income) as at 31 Dec 2021	3.5	4.6	3.6	3.9	6.5
Number of Tenants	11	12	14	4	7
Major Tenants	Gesif, Anticipa, Plaza Salud24, Construcciones Sancho	Almaraz, Clece, Digitex	ÀREAS, Catalan Media, Digitex, Coca Cola Iberian Partners	DXC Technology, Roche	Cargill, Markem Imaje, IBM

Total

€161.0m
Purchase Price

€8.9m
Gross Rental Income 2021

4.3 years
WALE (by Gross Rental Income) as at 31 Dec 2021

€167.2m
Book Value / Valuation as at 31 Dec 2021

81.8%
Occupancy Rate as at 31 Dec 2021

48
Number of Tenants

¹ Based on the full-year gross rental income of the Spanish Portfolio on a 100% basis.

FRENCH PORTFOLIO

	Abbeville	Aurillac	Belfort Bessoncourt	Bergerac	Calais	Cergy	Châteauroux	Châtelleraut	Cholet
Date of Building Completion	2017	2003	2013	2012	2011	2013	1999	2010	2010
Purchase Price (€ million)	2.6	4.1	4.1	3.1	4.5	7.8	5.7	3.5	10.5
Vendor	Decathlon SE and other companies under the same control of Decathlon SE (Weddis, Exerceo 1, Exerceo 2, Deaucimmo 1, Deaucimmo 3 and Le Blanc Coulon)								
Book Value / Valuation as at 31 Dec 2021 (€ million)	2.9	4.4	4.3	3.6	5.1	9.3	6.3	3.7	10.9
Gross Rental Income 2021 (€ '000)	72	128	119	98	138	251	172	103	289
% of Total Gross Rental Income 2021	0.2%	0.3%	0.3%	0.2%	0.3%	0.6%	0.4%	0.2%	0.6%
Occupancy Rate as at 31 Dec 2021	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Land Tenure	Freehold	Freehold	Freehold	Freehold	Freehold	Freehold	Freehold	Freehold	Freehold
WALE (by Gross Rental Income) as at 31 Dec 2021	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.3
Number of Tenants	1	1	1	1	1	1	1	1	2
Tenant(s)	Decathlon	Decathlon	Decathlon	Decathlon	Decathlon	Decathlon	Decathlon	Decathlon	Decathlon, B&M

	Concarneau	Dinan	Douai	Dreux	Evreux	Foix	Gap	Istres	Lannion
Date of Building Completion	2013	2011	1998	2004	2000	2000	1995	2011	2012
Purchase Price (€ million)	2.3	2.3	3.1	3.6	5.5	4.0	4.0	3.6	3.9
Vendor	Decathlon SE and other companies under the same control of Decathlon SE (Weddis, Exerceo 1, Exerceo 2, Deaucimmo 1, Deaucimmo 3 and Le Blanc Coulon)								
Book Value / Valuation as at 31 Dec 2021 (€ million)	2.5	2.5	3.4	4.2	6.1	4.4	4.4	4.2	4.6
Gross Rental Income 2021 (€ '000)	70	68	95	108	174	127	118	112	121
% of Total Gross Rental Income 2021	0.2%	0.2%	0.2%	0.2%	0.4%	0.3%	0.3%	0.2%	0.3%
Occupancy Rate as at 31 Dec 2021	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Land Tenure	Freehold	Freehold	Freehold	Freehold	Freehold	Freehold	Freehold	Freehold	Freehold
WALE (by Gross Rental Income) as at 31 Dec 2021	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6
Number of Tenants	1	1	1	1	1	1	1	1	1
Tenant(s)	Decathlon	Decathlon	Decathlon	Decathlon	Decathlon	Decathlon	Decathlon	Decathlon	Decathlon

	Laval	Mâcon	Pont-Audemer	Pontivy	Sables d'Olonne	Sarrebouurg	Sens	Verdun	Vichy
Date of Building Completion	2001	1994	2000	2012	2014	2012	2009	1997	2002
Purchase Price (€ million)	5.3	7.7	1.6	2.2	3.3	2.7	3.1	3.0	3.6
Vendor	Decathlon SE and other companies under the same control of Decathlon SE (Weddis, Exerceo 1, Exerceo 2, Deaucimmo 1, Deaucimmo 3 and Le Blanc Coulon)								
Book Value / Valuation as at 31 Dec 2021 (€ million)	6.1	9.0	1.9	2.5	3.3	3.0	3.6	3.2	4.2
Gross Rental Income 2021 (€ '000)	168	243	50	70	93	86	97	93	117
% of Total Gross Rental Income 2021	0.4%	0.5%	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%	0.3%
Occupancy Rate as at 31 Dec 2021	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Land Tenure	Freehold	Freehold	Freehold	Freehold	Freehold	Freehold	Freehold	Freehold	Freehold
WALE (by Gross Rental Income) as at 31 Dec 2021	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6
Number of Tenants	1	1	1	1	1	1	1	1	1
Tenant(s)	Decathlon	Decathlon	Decathlon	Decathlon	Decathlon	Decathlon	Decathlon	Decathlon	Decathlon

Total

€110.5m
Purchase Price

€3.4m
Gross Rental Income 2021

9.6 years
WALE (by Gross Rental Income)
as at 31 Dec 2021

€123.4m
Book Value / Valuation
as at 31 Dec 2021

100%
Occupancy Rate
as at 31 Dec 2021

28
Number of Tenants

PORTFOLIO OVERVIEW

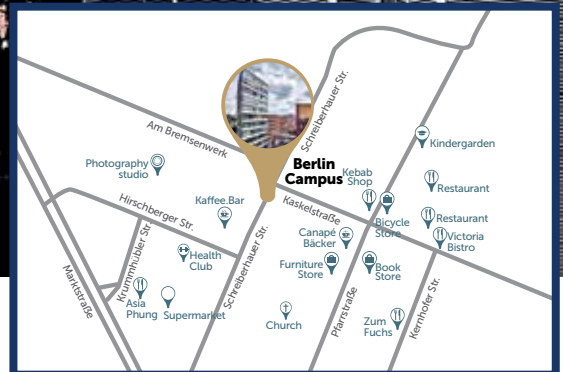
BERLIN CAMPUS

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 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.



AS AT 31 DECEMBER 2021

GROSS RENTAL
INCOME FOR FY2021

€11.2m

PARKING
SPACES

496

TOTAL LETTABLE AREA

79,097_{sqm}

OCCUPANCY
RATE

100%



PORTFOLIO OVERVIEW

BONN CAMPUS

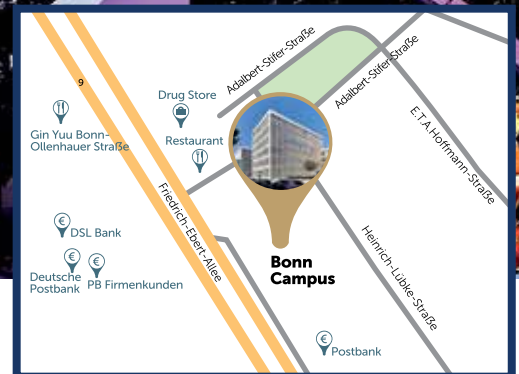
Centrally located in Bonn's prime office area Bundesviertel (federal quarter), the campus is well connected to public transportation with the nearest underground train station, U-Bahn, only 100m away.

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 subdivided 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.



AS AT 31 DECEMBER 2021

GROSS RENTAL
INCOME FOR FY2021

€7.1m

PARKING
SPACES

652

TOTAL LETTABLE AREA

32,736_{sqm}

OCCUPANCY
RATE

100%



PORTFOLIO OVERVIEW

DARMSTADT CAMPUS

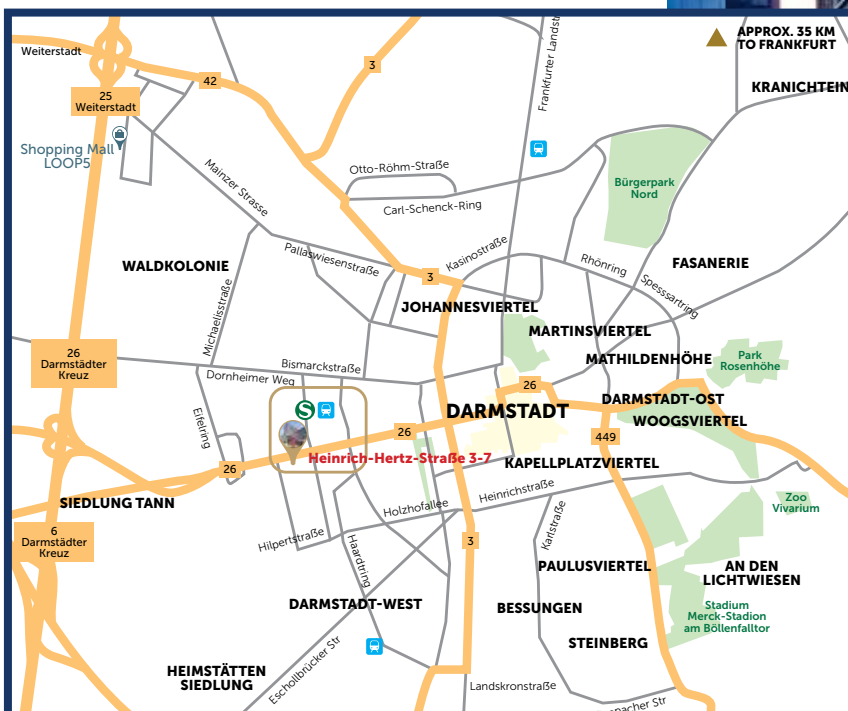
The property is located on Heinrich-Hertz Straße 3-7 within a commercial zone in a prime office location (Europaviertel). The property is strategically located at the entrance of Europaviertel, benefitting from easy access to the train station and other public transports.

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.

The property also benefits from 10 exterior parking spaces and an underground parking garage that spans over two levels, providing a total of 363 parking spaces.

Marketing of the office space is currently underway as the sole tenant, Deutsche Telekom, has indicated its intention to vacate the property when its lease expires in November 2022.



AS AT 31 DECEMBER 2021

GROSS RENTAL
INCOME FOR FY2021

€6.1m

PARKING
SPACES

363

TOTAL LETTABLE AREA

30,371_{sqm}

OCCUPANCY
RATE

100%



PORTFOLIO OVERVIEW

MÜNSTER CAMPUS

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 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.



AS AT 31 DECEMBER 2021

GROSS RENTAL
INCOME FOR FY2021

€4.0_m

PARKING
SPACES

588

TOTAL LETTABLE AREA

27,487_{sqm}

OCCUPANCY
RATE

100%



PORTFOLIO OVERVIEW

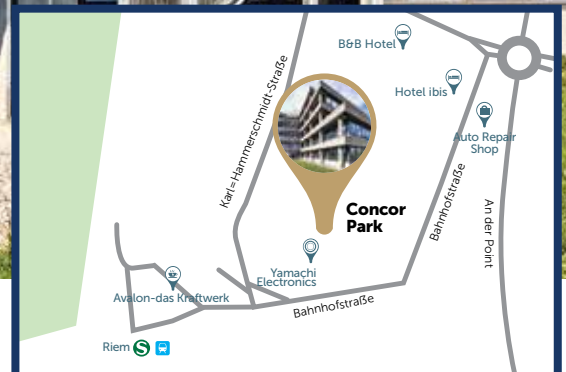
CONCOR PARK

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.



AS AT 31 DECEMBER 2021

GROSS RENTAL
INCOME FOR FY2021

€4.6m

PARKING
SPACES

572

TOTAL LETTABLE AREA

31,412_{sqm}

OCCUPANCY
RATE

98.6%



PORTFOLIO OVERVIEW

DELTA NOVA IV AND DELTA NOVA VI

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 U.S. 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.



AS AT 31 DECEMBER 2021

GROSS RENTAL
INCOME FOR FY2021

€3.2m

PARKING
SPACES

633

TOTAL LETTABLE AREA

25,112sqm

OCCUPANCY
RATE

91.6%

DELTA NOVA

PORTFOLIO OVERVIEW

IL·LUMINA

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 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. Il·lumina also has over 3,800 sqm of fully equipped TV studios.

Il·lumina is currently multi-tenanted and home to 14 tenants.



AS AT 31 DECEMBER 2021

GROSS RENTAL
INCOME FOR FY2021

€2.3m

PARKING
SPACES

310

TOTAL LETTABLE AREA

20,922sqm

OCCUPANCY
RATE

91.1%



PORTFOLIO OVERVIEW

SANT CUGAT GREEN

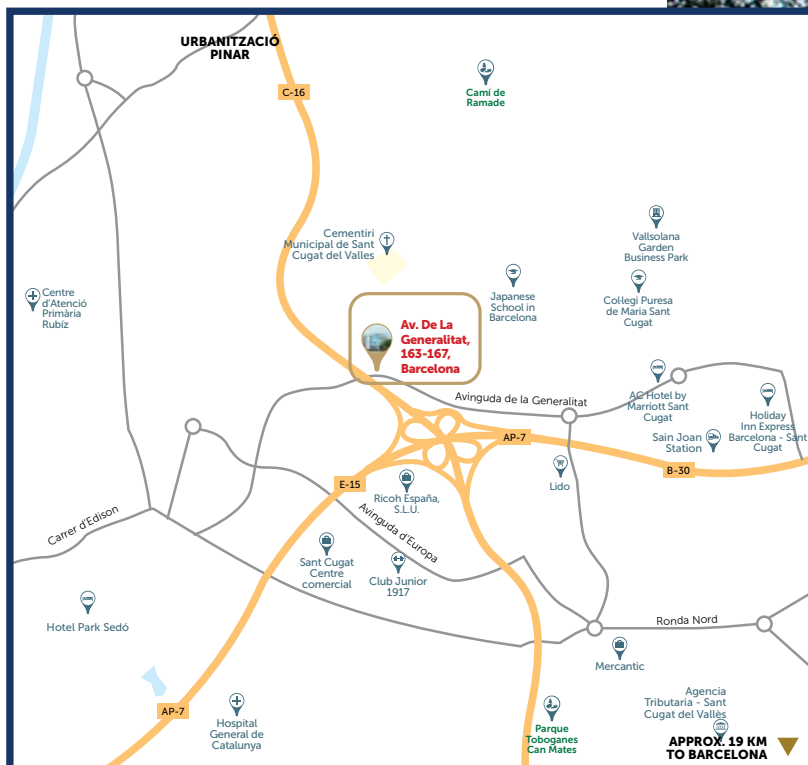
Sant Cugat Green is a modern office building in Barcelona with a 5,146 sqm data centre space and a restaurant for internal use by its tenants.

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).



AS AT 31 DECEMBER 2021

GROSS RENTAL
INCOME FOR FY2021

€2.8_m

PARKING
SPACES

580

TOTAL LETTABLE AREA

26,134_{sqm}

OCCUPANCY
RATE

77.1%

PORTFOLIO OVERVIEW

PARC CUGAT

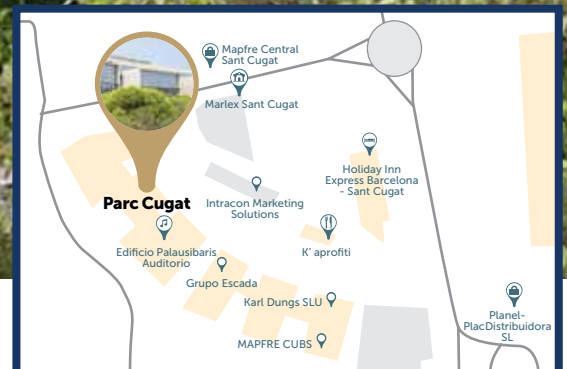
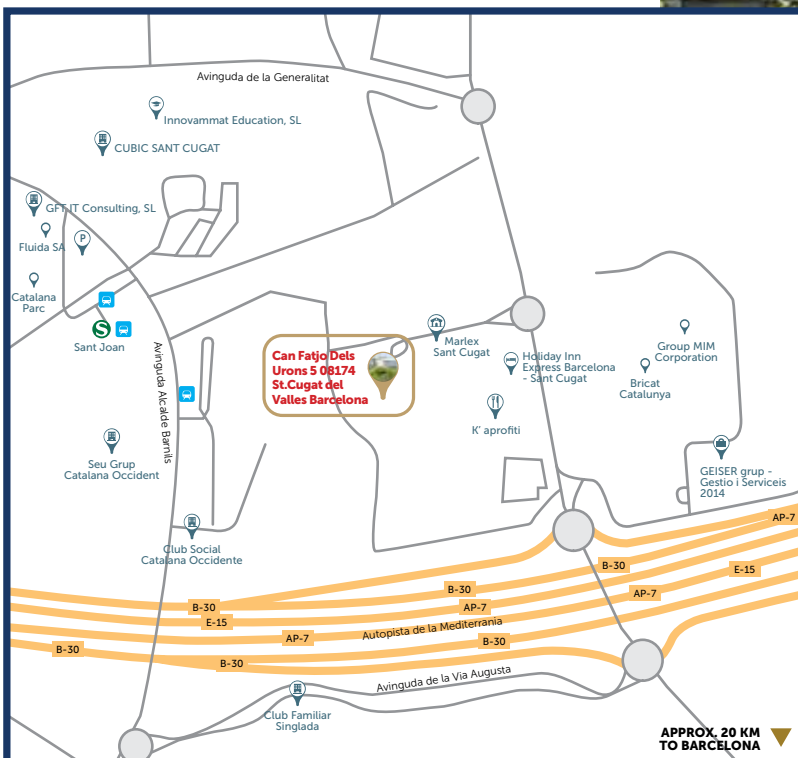
Parc Cugat is a modern office building situated within a business park in the office market of Sant Cugat del Vallès (Barcelona), which offers various amenities such as restaurants and hotels, as well as an efficient transport connection to the city of Barcelona. The property is located just 3km from Sant Cugat Green.

The property consists of 12,000 sqm of office space, an auditorium with capacity for 200 people and more than 400 parking spaces for cars and motorcycles.

With a modern façade and a versatile space distribution, the property comprises four basement levels, a ground floor and four upper floors of over 2,000 sqm each. Parc Cugat is LEED Silver certified.

Sant Cugat is an attractive periphery office submarket within the metropolitan area of Barcelona, attracting a number of well-known companies to be situated in the area.

Parc Cugat is currently multi-tenanted and leased to several international companies, such as IBM and Markem Imaje (global manufacturer and distributor specialised in products for the packaging industry).



AS AT 31 DECEMBER 2021

GROSS RENTAL
INCOME FOR FY2021

€0.5_m

PARKING
SPACES

442

TOTAL LETTABLE AREA

15,511_{sqm}

OCCUPANCY
RATE

61.0%



PORTFOLIO OVERVIEW

FRENCH PORTFOLIO

The French Portfolio comprises 27 freehold retail properties located in well-established retail areas across France, with a total retail space of 95,500 sqm, land area of 622,544 sqm and almost 7,500 parking spaces.

The properties form part of the out-of-town retail asset class, which has remained resilient despite the challenges within the retail sector.

Decathlon is the largest sporting goods retailer in the world with approximately 1,650 stores in nearly 1,000 cities in 57 countries and regions.

The properties were developed by Decathlon and have been owner-occupied for approximately 15 years on average.



Vichy



Aurillac



Concarneau



Pontivy



Douai



Evreux



Cholet

31 DECEMBER 2021

GROSS RENTAL
INCOME FOR FY2021

€3.4m

PARKING
SPACES

7,409

TOTAL LETTABLE AREA

95,500_{sqm}

OCCUPANCY
RATE

100%



FOUR PILLARS OF GROWTH STRATEGY



With a focus to provide Unitholders with a resilient and sustainable income stream, the Manager continues to implement a strategy based on the four strategic pillars, namely seeking diversification, adopting a long-term approach, achieving scale and leveraging on the joint sponsors' local presence. These fundamental building blocks are deeply infused in all aspects of the operational processes, strategic initiatives and business relationships of the Manager.

Building Tenant Relationships and Business Network

Strong tenant and stakeholder relationships form an integral part of the success and resilience of IREIT's portfolio performance. The Manager manages the portfolio leases proactively in order to maintain sustainable occupancy rates and high tenant retention, while reducing the tenant concentration risks. It also engages the tenants, business partners and other stakeholders regularly and forms lasting relationships with them, so as to strengthen IREIT's position as a landlord of choice for commercial real estate spaces in Europe. Despite the challenges brought about by COVID-19 in 2021, the Manager has managed to secure a few new leases and lease extensions in IREIT's portfolio, including the take-up of all five floors of office space at

Münster Campus by a German federal government body when the existing lease expires in March 2022. This clearly demonstrates the Manager's strong leasing efforts and tenant-centric approach, allowing it to deliver on its lease management strategies.

Proactive Asset Management and Property Enhancement

With sustainability at the forefront of its asset management focus, the Manager will continue to undertake various initiatives to drive the sustainability agenda throughout its business practices. This may involve the incurrence of repair and maintenance costs, as well as the appropriate capital expenditure on an ongoing basis. In addition, the Manager will monitor the property managers closely to ensure high standards of services to ensure positive long-term performance of the properties. These measures are necessary towards maintaining sustainable long-term income to Unitholders.

Prudent Capital and Interest Rate Management

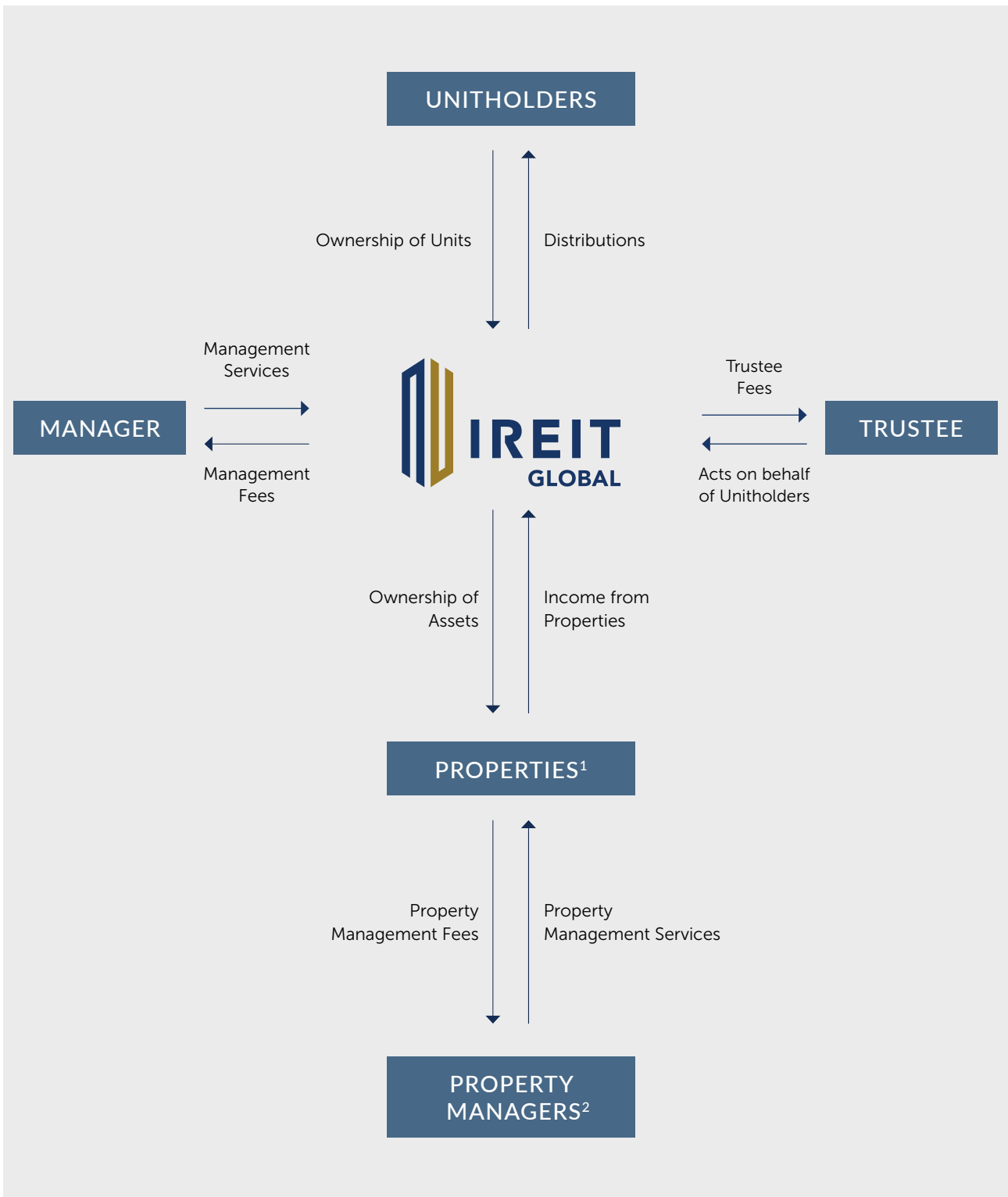
With a long-term view to maintain a healthy credit profile with diversified sources of funding, the Manager constantly endeavours to optimise IREIT's capital structure and explore different funding options to broaden IREIT's financing sources and flexibility.

It also looks ahead to anticipate the capital needs of IREIT, while keeping a close tab on the market interest rates. On the back of higher independent valuation of IREIT's properties, IREIT's aggregate leverage has been significantly strengthened to 32.1% as at 31 December 2021 compared to 34.8% a year ago, positioning it well to seize any attractive investment opportunities as they arise.

Strategic Acquisitions and Divestments

When searching for new investment opportunities, the Manager will adopt a disciplined approach in sourcing for assets that will complement its existing portfolio as well as diversify its tenant base across various asset classes and geographical locations. In addition, the Manager will explore potential divestment opportunities within IREIT's portfolio as part of its capital recycling initiatives to strengthen the sustainability of IREIT's income streams. The acquisition of the Decathlon retail portfolio in France and another modern office building in Spain, as well as the divestment of the multi-storey carpark in Darmstadt Campus during 2021 have added further diversification to IREIT's portfolio, not only in terms of tenant base but also sector and geographical exposure.

TRUST STRUCTURE



Notes:

- 1 The German properties are held through property holding companies in the Netherlands, while the Spanish and French properties are held through a property holding company in Spain and France, respectively.
- 2 Professional third-party property managers have been appointed pursuant to the property management agreements entered into between the relevant property holding company and the property manager.

RISK MANAGEMENT

ENTERPRISE RISK MANAGEMENT FRAMEWORK

The enterprise risk management (“ERM”) framework of the Manager provides a holistic and structured systematic approach towards managing risks in a systematic manner to support the business objectives and strategy of IREIT.



The Manager has established a risk management strategy which is aligned with the overall business objectives and strategy of IREIT, and which aim to balance risks and returns so as to optimise IREIT’s portfolio values and returns.

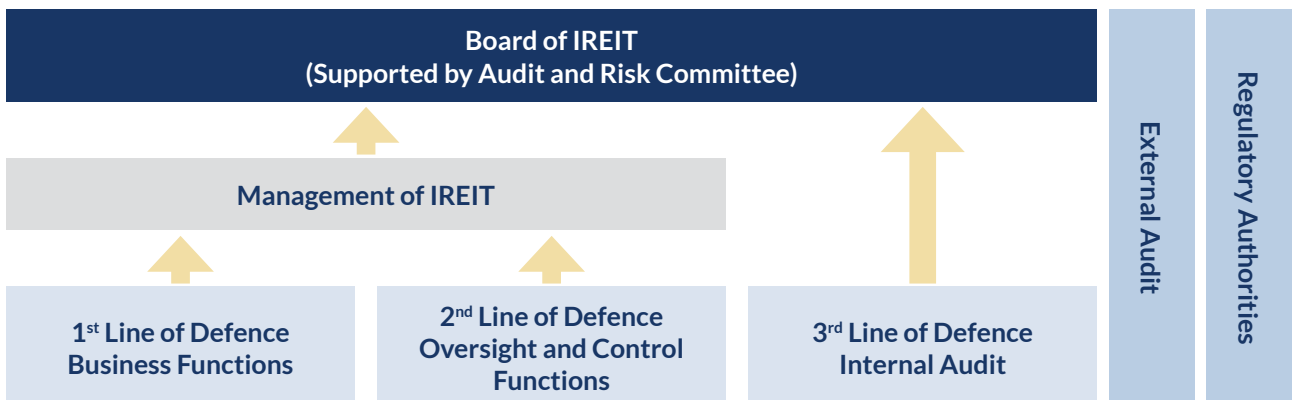
The Board, supported by the Audit and Risk Committee (“ARC”), is responsible for the governance of risk and ensuring that the Manager implements sound risk management and internal control systems

to safeguard Unitholders’ interests and IREIT’s assets.

The risk management process forms the core of the framework. This comprises risk identification and analysis, risk treatment and risk monitoring and reporting. Through a structured process, the Manager identifies key risks, assesses their likelihood and impact on the business, as well as establishes corresponding mitigating controls.

The framework is underpinned by a robust internal control system, an effective, independent review and audit process and the right risk culture. The culture of risk awareness begins with the tone set by the Board and Management, passed down to all staff within the organisation.

The ARC supports the Board in the oversight of risk management with a risk governance framework centred on the three lines of defence:



- IREIT's 1st line of defence lies with Management and the operational staff, who are responsible for maintaining effective internal controls and for executing risk and control procedures on a day-to-day basis. This consists of identifying and assessing controls and mitigating risks. They are involved in the development and implementation of internal policies and procedures and ensure that activities are consistent with IREIT's goals and objectives.
- The 2nd line of defence includes the oversight and control functions which support Management to help ensure risk and controls are effectively managed. Management establishes these functions to ensure the first line of defence is properly designed, in place, and operating as intended. These functions include the Finance, Risk Management and Compliance function. The Manager benefits from the support provided by the Risk Management function of

Tikehau Investment Management. In addition, the Manager has engaged KPMG Services Pte. Ltd. ("KPMG") to provide regulatory compliance advice and monitoring and support the Manager's compliance responsibilities.

- The 3rd line of defence comprises the internal audit function of the Manager, which provides independent assurance that controls are adequate, effective and appropriate taking into account the risks inherent in the business of IREIT, and that risk mitigation and oversight functions are effective in managing risks. The Manager has outsourced its internal audit function to PricewaterhouseCoopers Risk Services Pte. Ltd. ("PwC"). PwC reports directly to the ARC, but works with Management to perform its audit operationally, in accordance with an audit plan that is approved by the ARC. It has direct and unrestricted access to the ARC, to which it presents its findings directly.

MANAGING KEY RISKS

IREIT's key risks are those that the Manager considers could threaten its business model, future performance, capital or liquidity. External developments, regulatory requirements and market standards are taken into account to identify these risks. The Manager then assesses their likelihood and impact on the business, as well as establishes corresponding mitigating controls. The information is maintained in a risk register that is reviewed and updated regularly. The risk register is reviewed by the ARC on a quarterly basis.

The key risks described below are not the only risks that IREIT faces. Additional risks and uncertainties as yet unknown to the Manager, or which it considers insignificant to date could have a material adverse effect on IREIT's business, financial position, operating income or cash flow.

The key risks identified include but are not limited to the following:

Key Risks	Details	Key Mitigating Actions
Strategic Risks		
Investment and Divestment	<ul style="list-style-type: none"> • Inability to source appropriate assets for investment • Poor investment decisions or poorly executed transaction processes leading to underperforming assets and below-target returns • Inability to identify suitable divestment opportunities 	<ul style="list-style-type: none"> • Objectively evaluate all investment proposals against REIT's business strategy and investment criteria • Conduct comprehensive due diligence reviews and obtain independent valuations • Leverage on the collective expertise and extensive local network of IREIT's joint sponsors, Tikehau Capital and CDL • The Board reviews and approves all investment and divestment decisions
Economic and Market	<ul style="list-style-type: none"> • Downturn in economic and market conditions in Europe may have a negative impact on IREIT's financial performance • Adverse changes in leasing trends may impact demand for IREIT's properties and its financial performance • Competition from other asset managers for assets and tenants may affect IREIT's ability to grow its portfolio of assets and maintain/increase the occupancy rates of its properties 	<ul style="list-style-type: none"> • Proactively monitor economic developments and market trends in the markets that IREIT has a presence • Leverage on real estate expertise and local presence of Tikehau Capital in Europe • Proactively engage tenants to understand their leasing needs and ensure continuity of tenancy

RISK MANAGEMENT

Key Risks	Details	Key Mitigating Actions
Strategic Risks		
Diversification strategy	<ul style="list-style-type: none"> Excessive concentration of assets by country, sector and tenant may lead to negative impact on financial performance 	<ul style="list-style-type: none"> Criteria for investment and divestment decisions include country, sector and tenant concentration risks considerations Regular review of the asset and tenant profile by Management and Board to ensure there is an appropriate degree of diversification
Financial Risks		
Credit	<ul style="list-style-type: none"> Failure of tenant to meet lease payment obligations when due, causing financial loss 	<ul style="list-style-type: none"> Conduct tenant credit assessment as part of due diligence for potential property acquisitions, and signing on of new leases Maintain regular monitoring of the credit strength of tenants and collection of rent Collect security deposits prior to commencement of leases, where appropriate
Liquidity and Funding	<ul style="list-style-type: none"> Poor liquidity and cash flow management affecting the ability to meet payment obligations and/or fund operations Loss of investment opportunities due to the inability to secure funding 	<ul style="list-style-type: none"> Actively monitor IREIT's cash flow position and funding requirements to ensure sufficient liquid reserves to fund operations Maintain adequate debt headroom and financial flexibility for future acquisitions Monitor IREIT's aggregate leverage to ensure compliance with the Property Funds Appendix Maintain strong relationships with financial institutions and investors
Interest Rate and Foreign Exchange	<ul style="list-style-type: none"> Interest rate fluctuations leading to volatility in financing costs Foreign exchange rate fluctuations leading to realised or unrealised foreign exchange losses 	<ul style="list-style-type: none"> Maintain an appropriate mix of fixed and floating rate borrowings Mitigate interest rate risk exposure using derivative financial instruments for hedging, such as interest rate swaps and caps Borrow in the same currency as the assets and associated income stream generated to achieve natural foreign exchange hedging Adopt suitable hedging strategies, such as entering into foreign currency forward contracts where appropriate, to manage foreign exchange risk
Operational Risks		
Pandemic	<ul style="list-style-type: none"> Prolonged wide-scale spread of an infectious disease (such as the COVID-19 pandemic) globally or in locations where IREIT's properties are located. This can affect tenants, employees and vendors, as well as disrupt the real estate market leading to changes in demand for IREIT's properties. This could have an impact on IREIT's financial performance 	<ul style="list-style-type: none"> Have in place a business continuity plan and standard operating procedures, prioritising the well-being of tenants, employees and vendors Maintain a good quality and diversified country, sector and tenant profile that will enable IREIT to remain resilient

Key Risks	Details	Key Mitigating Actions
Operational Risks		
Property Damage / Business Interruption	<ul style="list-style-type: none"> Unforeseen sudden and major disaster events such as terrorist attacks, fires, and infrastructure or equipment failures could significantly damage IREIT's properties and disrupt operations 	<ul style="list-style-type: none"> Have in place a business continuity plan to enable business and operations resumption with minimal disruption and loss Ensure that the property managers have standard operating procedures in place at each of IREIT's our properties to manage the situation Ensure adequate insurance coverage for insurable risks
Property Management	<ul style="list-style-type: none"> Poor property management resulting in maintenance and repairs not properly planned and performed on a timely basis, tenant dissatisfaction, low tenant retention rate and cost overruns leading to financial loss for IREIT 	<ul style="list-style-type: none"> Appoint property managers based on key criteria including, capabilities and track record in the local market Ensure active and close supervision by imposing appropriate reporting and monitoring, including budgeting and other operational and financial planning processes Ensure sufficient reserves to cater for capital expenditure and ongoing maintenance and repairs Directly engage and foster close relationships with key tenants
Compliance Risks		
Regulatory	<ul style="list-style-type: none"> Non-compliance with applicable laws and regulations in the relevant jurisdictions that IREIT operates, resulting in adverse financial and non-financial impact 	<ul style="list-style-type: none"> Adequate and effective internal policies and procedures are established to ensure regulatory compliance Regulatory changes and its impact to the Manager and IREIT are actively monitored
Information Technology Risks		
Information Technology ("IT") and Cyber Security	<ul style="list-style-type: none"> IT system failures may cause substantial downtime in business operation and adversely affect operational efficiency or integrity of IREIT's information assets Increasing risks of cyber security attacks 	<ul style="list-style-type: none"> The information technology function is outsourced to TIM. Management ensures that TIM has policies and procedures in place to manage IT risks, including the following: <ul style="list-style-type: none"> Undertake ongoing review against existing/ evolving cyber threat landscapes Conduct external intrusion tests on a regular basis to check the robustness of the IT systems Roll out IT security trainings and internal phishing campaigns to institute awareness on evolving cyber security threats Test the disaster recovery plan periodically to ensure that business recovery objectives are met

Apart from the above key risks, the Manager is cognisant of evolving or emerging risks. Climate change and sustainability related matters are areas of risks noted. Such risks are regularly monitored to assess their potential impact on IREIT and to determine whether any action is necessary.

LEVERAGING ON LOCAL PRESENCE

CAPITALISING ON THE
EXPERIENCE AND EXPERTISE
OF OUR SPONSORS TO
PROPEL GROWTH

Backed by the long-term commitment of its joint sponsors, Tikehau Capital and City Developments Limited, IREIT is a sweet spot to harness their extensive network, financial resources and intricate knowledge of the local markets for future growth.

With €11.3 billion of real estate assets under management, Tikehau Capital offers deep asset and investment management experience in Europe, while CDL is a very familiar brand name in Asia with over 55 years of proven track record in developing and managing a diversified asset base.

PORTFOLIO
VALUATION

€974.9_m

Berlin Campus, Germany





SUSTAINABILITY REPORT



BOARD STATEMENT

It is our pleasure to publish IREIT Global's ("IREIT") Sustainability Report for the financial year ended 31 December 2021 ("FY2021").

Considering sustainability or environmental, social and governance ("ESG") topics entails a holistic understanding of both the risks and opportunities from a wide spectrum of factors, ranging from financial to physical aspects such as climate change. ESG considerations also take into account the positive and negative/adverse impacts ("externalities") of our operations on the environment, local communities and broader society (e.g. induced carbon emissions). Reputational risks arise where negative impacts are present.

The real estate sector is particularly exposed to key environmental issues including climate change, loss of biodiversity and change in land use. The real estate sector has also a clear role in the transition towards a more sustainable and inclusive economy, and as a result, this creates opportunities for REITs.

Given these circumstances, ESG risks and opportunities receive significant attention and the Board of Directors (the "Board") considers these sustainability issues as part of its strategic formulation, determines the material ESG factors and oversees the management and monitoring of the material ESG factors. This approach is supported by the Sustainability Steering Committee ("SSC") that is composed of senior management from the Manager as well as management-level representatives from Tikehau Capital, one of our two joint sponsors. In addition to the SSC, IREIT benefits from the experience and expertise of the other joint sponsor, City Developments Limited ("CDL"), and its property managers, positioning it well to take advantage of the robust ecosystem to accelerate its sustainability journey in 2022.

IREIT's sustainability report is guided by the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Rules 711A and 711B and is prepared with reference to the internationally recognised Global Reporting Initiative ("GRI") Standards (2016). IREIT has referenced the GRI standards, as it is the most commonly adopted set of sustainability reporting



standards in Singapore, and it helps organisations understand and disclose their impacts in a way that meets the needs of multiple stakeholders. In addition, IREIT will be guided by the guidelines on environmental risk management published by the Monetary Authority of Singapore (“MAS”) in December 2020, with the aim to enhance the resilience of asset managers and real estate investment trusts.

The Manager first established a sustainability roadmap in 2019 with the aim of enhancing the integration of ESG criteria across IREIT’s German Portfolio. This roadmap has since been extended to IREIT’s Spanish Portfolio in 2020 and French Portfolio in 2021 and the results on the implementation have been satisfactory. At the date of this report, the Manager has appointed an independent consultant to review this roadmap, identify improvements and better address the best practices highlighted in the MAS’ guidelines.

In December 2020, the Manager, through its joint sponsor, Tikehau Capital, also mandated an environmental expert to conduct a carbon footprint and physical risks assessment on IREIT’s office properties in Germany and Spain. This had enabled the Manager to have a better understanding of IREIT’s portfolio exposure to climate change as well as carbon emissions which need to be monitored and mitigated where possible. In February 2022, the Manager, through Tikehau Capital, mandated another environmental and real estate expert to perform a carbon footprint assessment of IREIT portfolio as at 31 December 2021 and the results will be available by June 2022.

ABOUT THIS REPORT

[GRI 102-46, GRI 102-50, GRI 102-54]

This report covers the ESG policies, practices, performances and targets of IREIT and the Manager for the period from 1 January 2021 to 31 December 2021. Pursuant to the terms of our lease agreements, several aspects of the operations at the property level are managed by several of our tenants. These include energy consumption, water usage, as well as waste disposal and recycling. While not directly involved in managing these operational aspects, as a responsible property owner, IREIT takes an active approach towards engaging tenants on the sustainability of the properties.

This report is guided by the SGX-ST Listing Rules 711A and 711B and prepared with reference to the GRI Standards (2016). The GRI Index and the relevant references are presented on pages 104 to 107.

No external assurances have been sought for this report, but may be considered for future reporting periods.

FEEDBACK

[GRI 102-53]

The Manager seeks to enhance the transparency of its report, and welcomes suggestions for improvements.

For feedback or specific enquiries on the sustainability report, please kindly contact us at ir@ireitglobal.com for further clarification.



SUSTAINABILITY REPORT

MANAGING SUSTAINABILITY

SUSTAINABILITY GOVERNANCE

[GRI 102-20] [GRI 102-32]

The Board oversees the sustainability strategy and performance of IREIT. This includes responsibilities such as approving key objectives, risk management framework and policies, setting clear roles and responsibilities of the various bodies (Board, management team and SSC). Finally, the Board also approves the sustainability report.

In order to improve the understanding of environmental risk by the Board and management team, the Manager is planning to engage an external consultant in the first half of 2022 to conduct an informational session for them as well as identify areas of improvement in the sustainability reporting processes.

The Board and management team are supported by the SSC, comprising senior management from the Manager and ESG specialists from Tikehau Capital. The SSC drives IREIT's

sustainability agenda and makes key decisions relating to ESG issues, in order to ensure that desired business outcomes are met.

The Sustainability Working Committee ("SWC"), comprising representatives from the various business units, implements the sustainability initiatives within IREIT and the Manager.

STAKEHOLDER ENGAGEMENT

[GRI 102-40] [GRI 102-43]

The Manager considers the concerns of IREIT's key stakeholders when making business decisions. The following table lists IREIT's key stakeholders and how they have been engaged. These stakeholders have been identified as key stakeholders due to their significant influence on IREIT's business performance and IREIT's significant dependence on them. The Manager strives to continue meaningful dialogue with IREIT's key stakeholders, enhancing transparency and accountability in the process.

Key Stakeholders	Engagement Methods
Tikehau Capital and CDL	<ul style="list-style-type: none"> Financial results reporting Meetings and discussions with various departments including the real estate, investor relations and corporate communication teams Briefings on corporate developments
Unitholders	<ul style="list-style-type: none"> Release of financial results, announcements, press releases, presentation slides and other relevant disclosures through SGXNet and IREIT's website Email alert subscriptions via IREIT's website Annual General Meeting Extraordinary General Meeting, where necessary Post-results meetings with senior management Updates through non-deal roadshows, one-on-one and group meetings, and investor conferences
Tenants	<ul style="list-style-type: none"> Periodic site visits, face-to-face meetings and telephone calls with existing and prospective tenants Routine notices and email updates
Property Managers and Advisors	<ul style="list-style-type: none"> Ongoing dialogue regarding asset strategies execution and day-to-day property management functions (including leasing, marketing, promotion, operations and missions with third-party consultants) Compliance with the terms of the property management agreement
Employees	<ul style="list-style-type: none"> Ongoing dialogue regarding any concerns Annual performance reviews
Regulators	<ul style="list-style-type: none"> Participation in briefings and consultation with regulators such as SGX-ST and MAS Compliance with regulatory requirements
Local Communities	<ul style="list-style-type: none"> Partnership with local organisations to engage underprivileged or disadvantaged kids, students, young entrepreneurs as well as needy seniors

MATERIALITY ASSESSMENT

[GRI 102-47]

The SSC, with Board validation, identifies the factors that are material to IREIT and the Manager. In order to prepare IREIT's inaugural sustainability report in 2017, a materiality assessment workshop was being organised with the support of an external consultant and reference to the GRI Principles to identify the factors that are material to IREIT and the Manager. Subsequently, industry sustainability

trends, guidance from sustainability bodies, sustainability reporting requirements, as well as insights gained from the engagement with key stakeholders have been considered in the update of the material ESG factors. At present, the SSC has identified six factors that are material to IREIT at the Manager level, as described in the table below. In view of the MAS' guidelines on the climate risk disclosures and recent SGX's amendments to the sustainability reporting requirements, the SSC intends to organise another workshop to reassess the material factors.

Category	No.	Material Factors	Description
Economic	1	Active Ownership	<ul style="list-style-type: none"> Integration of due diligence and ESG considerations into investment decisions Integration of environmental factors (including climate risks and carbon footprint) in portfolio monitoring
Social	2	Occupational Health and Safety	<ul style="list-style-type: none"> Promotion of employee health through measures facilitating the prevention of pandemic-related illness
	3	Training and Education	<ul style="list-style-type: none"> Provision of professional training and assistance to enrich staff
	4	Diversity and Equal Opportunity	<ul style="list-style-type: none"> Treatment of all employees and potential employees based on merit, regardless of backgrounds, nationalities, gender and age
	5	Talent Retention	<ul style="list-style-type: none"> Provision of benefits to retain performing staff
Governance	6	Regulatory Compliance, including: <ul style="list-style-type: none"> Anti-corruption Socioeconomic Compliance 	<ul style="list-style-type: none"> Socioeconomic compliance Compliance with various laws and regulations Anti-corruption Policies used to prevent and identify corrupt or fraudulent behaviour, such as whistle-blowing, bribery and other related policies



SUSTAINABILITY REPORT

ECONOMIC

ACTIVE OWNERSHIP

[GRI 102-15]

In 2019, we have defined a sustainability roadmap with the aim of enhancing the integration of ESG criteria across the German Portfolio. In 2021, an objective around environmental impact was added. This roadmap is progressively being extended to IREIT's properties in Spain

and France and the preliminary results on the implementation have been satisfactory.

In view of the MAS' guidelines on the climate risk disclosures and recent SGX's amendments to the sustainability reporting requirements, the SSC intends to update its Active Ownership roadmap.

Objective	Target Status
Objective 1: IREIT ESG monitoring questionnaire to cover 100% of the German and Spanish assets annually	The ESG monitoring questionnaire has been successfully deployed and completed on a best effort basis for 100% of the assets
Objective 2: To formalise ESG engagement with the property managers on a bi-annual basis	The Manager has been engaging the property managers on a regular basis
Objective 3: To formalise ESG engagement with tenants on a periodic basis where possible	All major tenants in the German Portfolio have been approached to participate in the annual ESG monitoring exercise
Objective 4: To introduce a green clause in IREIT standard lease agreement for new tenants	A standard ESG clause has been defined and included in two new tenant agreements in 2020
Objective 5: Green building expert to conduct a property assessment for 100% of the German assets in 2020	The Manager has selected a green building expert to conduct the relevant assessments of all German assets
Objective 6: Carbon footprint assessment to cover 100% of IREIT's assets	GreenSoluce has been appointed to perform an assessment on IREIT's carbon footprint in 2021. The results of the 2020 carbon footprint assessment are illustrated in the later part of this section



As a signatory of the United Nations Responsible Investment Principles (“UNPRI”) since 2014, Tikehau Capital integrates ESG criteria at every stage of its investment cycle. As a subsidiary unit of Tikehau Capital, the Manager has independently reviewed Tikehau Capital’s processes and identified processes that are applicable at IREIT level. In February 2019, the Board adopted a Responsible Investment Charter, stating that IREIT will integrate ESG criteria at every stage of the real estate investment cycle:

- At the stage of analysing investments, the team will perform a detailed review of each potential investment, which includes a range of ESG factors. Such analysis is being formalised by way of the implementation of a proprietary ESG analysis grid based on the global ESG benchmark for real assets (“GRESB”).
- During the investment period, the team will monitor key ESG KPIs for real estate assets on an annual basis. Towards the end of each calendar year, the ESG monitoring questionnaire will be circulated to the property managers of IREIT’s portfolio properties for completion and a meeting is held thereafter to review and discuss on the completed questionnaire. Where

possible, the asset manager and the team engage the property managers, ESG/CSR manager and/or tenants in the review process.

The Manager believes that the quality of IREIT’s investment decisions and investment management are key to sustaining IREIT’s stable performance. Regular engagement with tenants, technical and financial due diligence teams and other professional advisors provides insights into IREIT’s investment and monitoring decisions at both the property and portfolio levels. Where possible, IREIT seeks to monitor the environmental risks and impact of its real estate assets and to consider areas for improvement progressively.

Climate-Related Physical Risks Consideration – December 2020 Analysis

Towards the end of 2020, Tikehau Capital mandated an environmental expert to perform a carbon footprint and climate-related physical risk assessment of the IREIT’s portfolio. The highest physical risks to IREIT’s portfolio at that time (including only the German and Spanish assets) were water stress and river flood.

Number of assets at risk in a 2030 High Climate Change Scenario (RCP 8.5: warming in excess of 4°C by 2100)

Climate Hazard Indicator	Analysis Metric	Low Risk <=40	Medium Risk <40-<=60	High Risk >60
Water Stress	Water stress index	3/9	3/9	3/9
River Flood	River basin flood risk index	8/9	-	1/9
Heatwave	Heatwave days	9/9	-	-
Cold wave	Cold wave days	9/9	-	-
Wildfire	Burnt Area	NA	NA	NA
Sea Level Rise	Coastal inundation risk index	9/9	-	-

SUSTAINABILITY REPORT

ECONOMIC

Water stress is measured as the projected future ratio of water withdrawals to total renewable water supply in a given area or the probability of drought estimated on the basis of the Standardized Precipitation Evapotranspiration Index ("SPEI"). The SPEI measures the "climate water

balance", that is the difference between precipitation and evapotranspiration, indicating areas with increased or reduced risk of drought. Data is available at a resolution of 100km² to 200km². On the scale, 100 represents maximum water stress and 1 represents sufficient water resources:

Water stress index on IREIT portfolio (RCP 8.5 scenario by 2030)



At the date of this report, the Manager is looking for a tool that will enable to monitor such risks periodically.

Carbon Footprint Analysis

At the end of 2020, the Manager, through Tikehau Capital, mandated a carbon footprint assessment of IREIT's portfolio. In early 2022, the Manager, through Tikehau Capital, mandated another environmental and real estate expert to perform a carbon footprint assessment of all 37 assets in IREIT's portfolio as at 31 December 2021. At the date of this report, the analysis has not been finalised and the results will be available by June 2022.

FY2021 ESG Monitoring Results

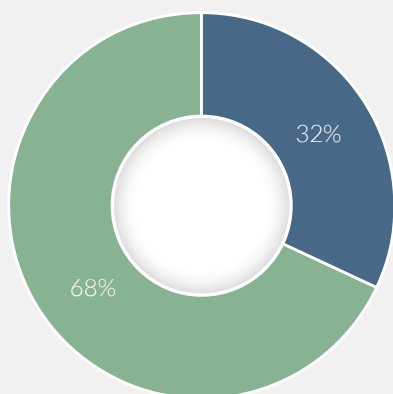
Engaging our property managers: During FY2021, the Manager has proactively engaged its property managers, CBRE and MVGM, and its property advisors, Catella and

Aquila, to promote sustainable development and to collect the consumption data (e.g. electricity, water and waste) across IREIT's properties.

Engaging our tenants: 100% of IREIT's tenants are willing to collaborate in sustainability initiatives. IREIT's top tenant, Deutsche Telekom, currently representing approximately 32% of IREIT's gross rental income via GMG Generalmietgesellschaft mbH ("GMG"), is committed to its ESG practice to reduce heat, hot water and electricity consumption. From 2020, IREIT is committed to include an ESG clause in every new tenant lease agreement, aiming at reinforcing its ESG engagement strategy.

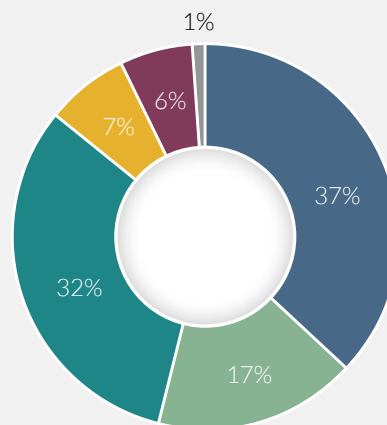
Green certification: 32% of IREIT's portfolio valuation is from certified assets.

Certified Assets in IREIT's Portfolio
(Based on valuation as at 31 December 2021)



● Certified Asset
● Non-certified Asset

Type of Certifications for IREIT's Certified Assets
(Based on valuation as at 31 December 2021)



● LEED Gold
● LEED Silver
● German Green Building Gold
● HQE Very Good
● HQE Good and below
● Other

As at 31 December 2021, 16 out of 37 assets have received internationally recognised certifications:

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.



All the Spanish properties are certified under the LEED (Leadership in Energy and Environmental Design) rating system, which is an internationally recognised green building certification by the US Green Building Council.

- Delta Nova IV and Delta Nova VI: Gold certified
- II•lumina: Silver certified
- Sant Cugat Green: Gold certified
- Parc Cugat: Silver certified



9 of the 27 assets under IREIT's French Portfolio are certified under the HQE (Haute Qualité Environnementale) rating system which is also an internationally recognized green building certification assessing environmental, energy, health and comfort aspects of buildings.



One asset under IREIT's French Portfolio (Decathlon Abbeville) is BREEAM certified. BREEAM is a UK certification covering the whole lifecycle of buildings with an assessment of an asset's environmental, social and economic sustainability performance, using standards developed by BRE.



In addition, 20 assets including 3 assets in Germany (Bonn Campus, Darmstadt Campus, Münster Campus) and 17 assets in France are currently going through a certification process.

SUSTAINABILITY REPORT

SOCIAL

OCCUPATIONAL HEALTH & SAFETY

[GRI 403-6]

Number of work-related incidents or injuries 2021		Target
Work-related incidents	0	Zero work-related incidents
Work-related injuries	0	Zero work-related injuries

The health and safety of everyone who works at or with IREIT is of paramount importance. With the evolution of the COVID-19 pandemic, numerous measures have been implemented and revised to protect the occupational health and safety of these personnel at all times. The Manager is making every effort to tackle the pandemic in an appropriate and responsive way, and strict measures have been undertaken at IREIT's office premises in Singapore. This includes the implementation of work-from-home arrangements, restrictions of business travel, increased sanitation efforts, temperature testing, weekly antigen rapid test reporting and contact tracing. As a result of these measures, all employees have remained healthy and IREIT's business continuity has been well preserved throughout the pandemic period.

As part of its business continuity plan, the Manager, with the support of Tikehau Capital, has also taken several initiatives to minimise the disruption to its day-to-day activities and to ensure that its operating systems continue to work safely as the pandemic evolves. This has helped the Manager to prepare its organisation, ensure business continuity under the best conditions, as well as handle the COVID-19 situation well:

- The IT and Compliance teams ensure that the business continuity plans are fully operational and that remote working can be fully deployed for every employee if necessary.
- Clear guidelines and working schedule are being enforced to limit any physical interaction among employees in order to mitigate any spread of COVID-19.
- The Manager monitors the government directives and constantly works to improve its operational capacity to reassure the employees and keep their morale high. Advice and prompt assistance are also given to employees whenever they are needed. As prevention is key, efforts are made in every possible way to fight this pandemic in an organised and effective manner.

TRAINING AND EDUCATION

[GRI 404-2]

Staff learning and development equip employees with relevant skills to continue delivering high quality work in the current fast-changing environment. In FY2021, each employee received an average of 15.0 training hours, albeit lower than the training hours of 18.2 hours achieved in FY2020 due mainly to the limited number of appropriate courses as a result of the virus pandemic.

During the year, the Manager availed its employees of various kind of courses under its online learning management system. The current training programme includes courses on Anti-Money Laundering, Cybersecurity and an introduction to ESG. Further, employees are encouraged to attend external training courses which are relevant to their work and improve their functional and core competencies (e.g. certified skills training programmes, industry seminars and conferences by various organisations).

All employees are eligible for training on topics such as technical upgrades, certifications, acquisition of new knowledge when taking on a new position or as part of an internal promotion, enhancement of managerial skills, reinforcement of sustainability initiatives, language learning, etc. In addition, throughout the year, employees receive, at their request, training related to the handling of new information technology ("IT") tools and software, in order to (i) maintain state-of-the-art command of the technology tools and (ii) ensure best practice from a legal and regulatory perspective.

Type	Example
Programmes for upgrading employee skills	<ul style="list-style-type: none"> • Anti-Money Laundering • Security Awareness • Cybersecurity • Environment, Social and Governance • Personal Data Protection Act (Singapore) and General Data Protection Regulation ("GDPR")

Apart from the above-mentioned courses, employees also attend trainings conducted by service providers such as real estate management software provider YARDI, associations including Institute of Singapore Chartered Accountants (“ISCA”), REIT Association of Singapore (“REITAS”), professional accounting firms, and other opportunities from banks and the SGX Academy from time to time. The Directors also receive training opportunities such as those organised by the Singapore Institute of Directors.

One such example was the refreshed Online Rules & Ethics Course organised by REITAS, which the employees enrolled in 2021 to further their understanding on the regulations on Singapore Real Estate Investment Trusts (“S-REITS”), conflicts management, capital fund raising, code of conduct, continuous listing obligations, anti-money laundering and technology and environmental risk management.

As an important aspect of the professional development, year-end appraisals are conducted to ensure IREIT and the Manager’s goals and objectives are clearly cascaded down to the employees. During the performance evaluations, employees are encouraged to provide feedbacks, training plans and suggestions to their supervisors.

A training budget has been set aside for the coming year to continue supporting the learning and development needs of the Manager’s employees.

DIVERSITY AND EQUAL OPPORTUNITY

[GRI 102-8][GRI 405-1]

A diverse workforce enables the sharing of different perspectives and insights, which can be invaluable in enhancing decision-making processes. The Manager employs staff based on their competencies and capabilities, regardless of their backgrounds, nationalities, gender and age.

The Manager has developed human resource strategies and policies that are premised upon equal opportunities and fair employment practices. The employee handbook contains a human resource manual which includes policies on equal employment opportunities.

Except in the case of a bona fide occupational qualification or need, the Manager provides equal opportunity to all employees and applicants without regard to race, colour, ancestry, gender, sexual orientation, disability, age, religion, marital status, national origin, or any other characteristic protected by applicable law and maintains fair, objective and consistent policies for all aspects and all terms and conditions of employment.

IREIT’s workforce is well balanced between female (50% of employees) and male employees (50%) within the Manager’s employee headcount. The Manager strives to foster an inclusive workplace that is free from discrimination. In 2022, the Manager will continue to hire based on merit and promote diversity in its workforce as its target.

The composition of the Board is also reviewed periodically to ensure that the board size is appropriate and comprises Directors with an appropriate mix of expertise, skills, experience and diversity to discharge their duties and responsibilities. In 2019, the Board established a board diversity policy which sets out the objectives and progress for promoting diversity on the Board. As part of the planned process of renewal of the independent directors, the Board will continue to take into account, amongst other factors, gender diversity in the appointment of new members to the Board. In addition, the Board reviews periodically and at least annually the independence of its Directors based on guidelines set out under the Code of Corporate Governance 2018 and Securities and Futures (Licensing and Conduct of Business Regulation).

The Manager is also convinced that giving back to local communities and participating actively in volunteering work will encourage the inclusiveness and equal opportunities in the community.

Promotion of Community Services

Helping needy seniors to reconnect with society

In January 2022, the employees of the Manager participated in the Chinese New Year Gift Pack Distribution event organised by a local social services agency Blossom Seeds. The employees were given a list of households to visit, where they would take the opportunity to check the well-being of the seniors, offer them assistance and share the activities offered by Blossom Seeds, while giving out gift packs to them.



SUSTAINABILITY REPORT

SOCIAL

TALENT RETENTION

[GRI 102-8][GRI 401-1]

Number of employees benefiting from a feedback session

2021	100%	Target: 100%
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Human resource is one of the most important assets to IREIT and the Manager. The Manager values individuals with the right competencies, experience, qualifications and mindset.

Various talent management initiatives are in place to ensure the satisfaction level of employees. Through the following procedures and policies, employee morale and career satisfaction are well maintained and monitored:

- **Feedback sessions:** The Manager has a performance appraisal process which focuses on employee recognition, reward for good performance and providing appropriate suggestions for improvement on a continuous and ongoing basis. In line with this objective, performance is formally evaluated in writing once a year by the employee's supervisors. This formalised evaluation session provides both the employee and supervisor with an opportunity to discuss the overall performance and to establish goals for improvement and further development. The objective is to enhance the employee's performance while establishing good communication channels between the employee and the supervisor.
- **Employee health and well-being programmes:** The Manager offers employees a slew of medical service offerings such as a panel of general practitioners and Traditional Chinese Medicine, dental and optical services via its group medical services plan. In 2020, the insurance and healthcare benefits were upgraded to provide better coverage for the employees and/or their spouses and children.

To ensure that employees receive adequate coaching and development throughout their careers, the Manager will continue to ensure that the performance appraisal process is comprehensively carried out for all employees.



GOVERNANCE

REGULATORY COMPLIANCE

[GRI 419-1] [GRI 307-1] [GRI 205-1]

Number of Fines or Sanctions for Non-Compliance in 2021		Target
Anti-Corruption	0	Zero incident of non-compliance with laws and regulations resulting in fines or legal action.
Socioeconomic Compliance	0	Zero incident of non-compliance with laws and regulations resulting in fines or legal action.

Any non-compliance and corruption cases within the organisation will cause damage to IREIT’s reputation and stakeholders’ trust. All employees of the Manager are required to make annual declarations that they do not engage in any unethical or corrupt practices.

The Manager strives to act in the best interests of IREIT and the Unitholders. The Manager ensures the compliance with applicable laws and regulations, such as those set out in the listing manual of SGX-ST, the Code on Collective Investment Schemes (the “CIS Code”) and the Capital Markets Services Licence for REIT management issued by the MAS, and the Securities and Futures Act, Chapter 289 of Singapore (“SFA”).

The Manager has also implemented the Code of Conduct and Ethics to guide employees in relation to issues such as fraud, bribery, segregation of duties and insider trading. In the event of any identified incidence of non-compliance, the management will assess the legal and regulatory impacts and suggest remedial plans. A whistle-blowing policy is established to communicate the responsibility of every employee, Director and officer to report any activity or suspected activity which might be prohibited by the Code of Conduct and Ethics, or which might otherwise be considered sensitive in preserving the corporate reputation.

The Manager has various internal policies and procedures to ensure regulatory compliance:

- Whistle-Blowing Policy
- Code of Conduct and Ethics
- Anti-Money Laundering and Anti-Terrorist Financing Policy

- Investor Relations Policy
- Ongoing Regulatory Obligations and Reporting License Conditions
- Business Continuity Management

The following processes are in place to monitor the implementation of policies:

- Update information when necessary
- Review accuracy of information on corporate website
- Review accuracy of all marketing materials before publication
- Conflict of interest declaration
- Fit and proper declaration
- Recording of all financial transactions according to financial and internal control policies and procedures
- Timely investigation and execution of preventive and corrective actions upon reported incidents by employees, tenants, consultants, vendors and other parties whom IREIT has a business relationship with

The Manager raises the awareness of regulatory compliance through educating its employees, such as those trainings related to Anti-Money Laundering and Cybersecurity. If there are related applicable regulatory updates, Directors and relevant employees will be notified by emails or meetings on a timely basis.

For prospective tenants of IREIT, Anti-Money Laundering risks are monitored during the Customer Due Diligence (“CDD”) process, which is part of the policies and procedures.

SUSTAINABILITY REPORT

GRI INDEX

This report is prepared with reference to the GRI Standards (2016). The GRI Index below sets out where we have drawn reference to the GRI principles and criteria against our disclosures in this report and other sections of the Annual Report.

GRI Standards (2016)		Notes/ Page number(s)
General Disclosures		
Organisational Profile		
102-1	Name of the organisation	IREIT
102-2	Activities, brands, products, and services	Annual Report, page 3 Portfolio Overview, page 64
102-3	Location of headquarter	Annual Report, page 3 Portfolio Overview, page 64
102-4	Location of operations	Annual Report, page 3 Portfolio Overview, page 64
102-5	Ownership and legal form	Annual Report, Structure of IREIT, page 85
102-6	Markets served	Annual Report, page 3 Portfolio Summary, page 58
102-7	Scale of the organisation	Annual Report, page 3 Portfolio Overview, page 64
102-8	Information on employees and other workers	Talent Retention, page 102
102-9	Supply chain	Not Applicable
102-10	Significant changes to organisation and its supply chain	Not Applicable
102-11	Precautionary principle or approach	Not Applicable
102-12	External initiatives	Not Applicable
102-13	Membership of associations	Not Applicable

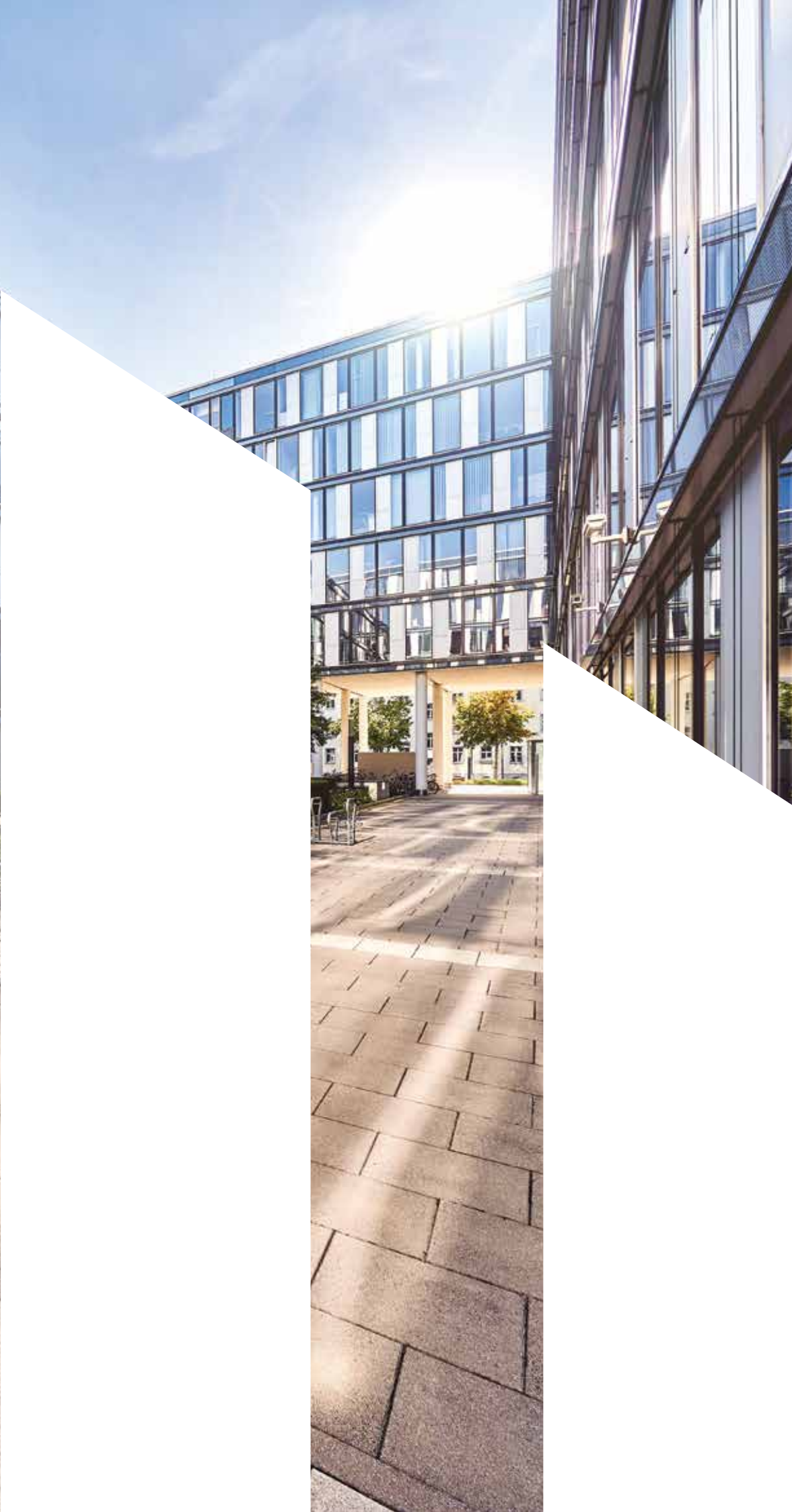
GRI Standards (2016)		Notes/ Page number(s)
General Disclosures		
Strategy		
102-14	Statement from senior decision-maker	Board Statement, page 92
Ethics and Integrity		
102-16	Values, principles, standards, and norms of behaviour	About IREIT Global, page 3
Governance		
102-18	Governance structure	About IREIT Global, page 3
Stakeholder Engagement		
102-40	List of stakeholder groups	Managing Sustainability, Stakeholder Engagement, page 94
102-41	Collective bargaining agreements	Not Applicable
102-42	Identifying and selecting stakeholders	Managing Sustainability, Stakeholder Engagement, page 94
102-43	Approach to stakeholder engagement	Managing Sustainability, Stakeholder Engagement, page 94
102-44	Key topics and concerns raised	Managing Sustainability, Stakeholder Engagement, page 94
Reporting Practice		
102-45	Entities included in the consolidated financial statements	Investment in Subsidiaries, page 161
102-46	Defining report content and topic Boundaries	About this Report, Reporting Scope, page 93
102-47	List of material topics	Stakeholder engagement, Materiality Assessment, page 95

SUSTAINABILITY REPORT

GRI INDEX

GRI Standards (2016)		Notes/ Page number(s)
General Disclosures		
Reporting Practice		
102-48	Restatements of information	Not Applicable
102-49	Changes in reporting	Not Applicable
102-50	Reporting period	1 January 2021 - 31 December 2021
102-51	Date of most recent report	Not Applicable
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	About this Report, page 93
102-54	Claims of reporting in accordance with GRI Standards	About this Report, Reporting Standard, page 93
102-55	GRI content index	GRI Index, page 104
102-56	External assurance	IREIT has not sought external assurance for this reporting period and may consider it for future periods.
Management Approach		
103-1	Explanation of the material topic and its boundary	Materiality Assessment, page 95 Material Topics, page 107
103-2	The management approach and its components	Materiality Assessment, page 95 Material Topics, page 107
103-3	Evaluation of the management approach	Materiality Assessment, page 95 Material Topics, page 107

GRI Standards (2016)		Notes/ Page number(s)
Material Topics		
Active Ownership		
PRI	Integrating ESG criteria into investment decisions	Economic, Active Ownership, page 96
Anti-Corruption		
205-3	Confirmed incidents of corruption and actions taken	Governance, Regulatory Compliance, page 103
Environmental Compliance		
307-1	Non-compliance with environmental laws and regulations	Governance, Regulatory Compliance, page 103
Employment		
401-1	New employee hires and employee turnover	Social, Talent Retention, page 102
Occupational Health and Safety		
403-6	Promotion of worker health	Social, Occupational Health and Safety, page 100
Socioeconomic Compliance		
419-1	Non-Compliance with various laws and regulations in social and economic area	Governance, Regulatory Compliance, page 103
Training and Education		
404-2	Programs for upgrading employee skills and transition assistance programs	Social, Training and Education, page 100
Diversity and Equal Opportunity		
405-1	Employing a diverse group of individuals. Diversity is based on gender, age, background and nationality. Treating all employees and potential employees the same and based on merit.	Social, Diversity and Equal Opportunity, page 101



CORPORATE GOVERNANCE REPORT

IREIT Global (“IREIT”) is a trust constituted by a deed of trust (as amended, the “Trust Deed”) entered into between IREIT Global Group Pte. Ltd., as manager of IREIT (the “Manager”), and DBS Trustee Limited, as trustee of IREIT (the “Trustee”).

It is the duty and responsibility of the Manager to uphold high standards of corporate governance. The Manager believes that it has good corporate governance in place as there is proper oversight, good communication, a focus on risks and a commitment to transparency.

The Board of Directors of the Manager (each, a “Director” or collectively, the “Directors” or the “Board”) has ensured that the Manager has implemented corporate governance policies and industry best practices to protect IREIT’s assets and the interests of the unitholders of IREIT (the “Unitholders”) while enhancing and delivering value to Unitholders. The Manager is committed to uphold and adhere to the principles and provisions of the Code of Corporate Governance 2018 (the “Code”) in accordance with Rule 710 of the Listing Manual of Singapore Exchange Securities Trading Limited (the “SGX-ST”, and the Listing Manual of the SGX-ST, the “Listing Manual”). The Manager also ensures that all applicable requirements, laws and regulations are duly complied with. They include, but are not limited to, the Securities and Futures Act 2001 of Singapore (the “SFA”), the Securities and Futures (Licensing and Conduct of Business) Regulations (the “SF(LCB)R”), the Listing Manual, the Code on Collective Investment Schemes (the “CIS Code”) issued by the Monetary Authority of Singapore (the “MAS”), including Appendix 6 to the CIS Code (the “Property Funds Appendix”), and the Trust Deed.

The Manager is responsible for managing IREIT’s investments and liabilities as well as carrying out strategic expansion plans for the benefit of Unitholders. The Manager’s investment strategy is detailed and defined on page 84. The property manager’s performance is also under the care of the Manager to ensure that it meets the objectives pursuant to the property management agreement. The Manager has been issued a capital market services licence (the “CMS Licence”) by the MAS on 1 August 2014 to carry out REIT management under the SFA. Under its CMS Licence, the Manager appoints certain of its officers, employees and contractors as its representatives to conduct the same regulated activities on its behalf.

This report is focused on providing insights on the Manager’s corporate governance framework and practices in compliance with the Code. All principles of the Code are duly complied with, while any deviations from the provisions of the Code are explained.

BOARD MATTERS

The Board’s Conduct Of Affairs

Principle 1: The Manager is headed by an effective Board which is collectively responsible and works with Management for the long-term success of IREIT

The Board is collectively responsible for the long-term success of IREIT. The Board works with the management of the Manager (“Management”) which remains accountable to the Board for the achievement of this objective.

The Board is responsible for the overall corporate governance of the Manager, to lead and to supervise the management of the business and affairs of the Manager. The prime stewardship responsibility of the Board is to ensure that IREIT is managed in the best interests of all stakeholders, which include protecting IREIT’s assets and Unitholders’ interests and enhancing the long-term value of Unitholders’ investment in IREIT.

The functions of the Board are defined broadly as follows:

- to guide the corporate strategy and directions of the Manager;
- to ensure that Management discharges business leadership and demonstrates the highest quality of management skills with integrity and enterprise; and
- to oversee the proper conduct of the Manager.

CORPORATE GOVERNANCE REPORT

The Board has put in place a Code of Conduct and Ethics which includes policies and internal controls on conflicts of interests for the Manager and sets the appropriate tone from the top-down. The Board is committed to building an open, inclusive and collaborative culture by fostering open communication throughout all levels of employees and treating any issues encountered by them seriously. The Manager has adopted a framework of delegated authorisations which sets out the level of authorisation and their respective approval limits for all business activities which include, but are not limited to, acquisitions, divestments, leasing, operating and capital expenditures. Activities and matters that are specifically reserved for the Board's decision and approval include but are not limited to:

- financial restructuring;
- bank borrowings;
- acquisitions and disposals;
- capital expenditure and annual budget;
- financial performance of IREIT and approval of the release of financial results;
- audited financial statements;
- issue of new units;
- income distributions and other returns to Unitholders; and
- matters which involve a conflict of interest.

In the discharge of its functions, the Board is supported by the Audit and Risk Committee (the "ARC") and Nominating and Remuneration Committee (the "NRC") which operate under delegated authority from the Board. However, the Board retains overall responsibility for any decisions made by the ARC and NRC. The ARC was established to assist the Board in its oversight of IREIT and the Manager's governance in relation to financial, risk, audit and compliance matters. The scope of authority and responsibilities of the ARC are defined in its terms of reference (see disclosure in Principle 10).

The NRC was established to assist the Board in, inter alia, matters relating to the appointment and re-appointment of Directors, succession plans for Directors and the Chief Executive Officer (the "CEO"), training and professional development programs for the Board and Management, process for evaluation of the performance of the Board and its board committees, process of determining the independence of Directors, and remuneration for Directors and key management personnel of the Manager. The scope of authority and responsibilities of the NRC are defined in its terms of reference (see disclosure in Principles 4, 5, 6, 7 and 8).

The Board meets at least once every quarter and as and when its involvement is required, as deemed appropriate and necessary by the Board. The meetings are to review the key activities and business strategies of IREIT, including acquisitions and divestments, funding and hedging activities, approval of the annual budget and review of the performance of IREIT. Additionally, the Board will review IREIT's key financial risk areas and the outcome will be disclosed in the annual report or, where the findings are material, immediately announced via SGXNET.

The Manager's constitution permits Board meetings to be held by way of telephone conferences or any other means of similar communication equipment by which all persons participating in the meeting are able to hear and be heard by all other participants.

CORPORATE GOVERNANCE REPORT

The number of meetings of the Manager's Board, the ARC, the NRC and the Annual General Meeting (the "AGM") held for the financial year ended 31 December 2021, as well as the attendance of each Director at the Board, the ARC, the NRC meetings, the AGM held on 22 April 2021 and the EGM held on 17 June 2021 are as follows:

		Board	ARC	NRC	AGM	EGM
No. of Meetings in the Financial Year Ended 31 December 2021		6	4	2	1	1
Director	Membership					
Mr Lim Kok Min, John (Appointed on 14 July 2014)	Chairman and Independent Non-Executive Director and member of the ARC and the NRC	6	4	2	1	1
Mr Chng Lay Chew (Appointed on 1 January 2021)	Independent Non-Executive Director and Chairman of the ARC	6	4	N.A.	1	1
Mr Nir Ellenbogen ⁽¹⁾ (Appointed on 5 December 2013)	Independent Non-Executive Director and Chairman of the NRC	6	4	2	1	1
Mr Bruno de Pampelonne (Appointed on 11 November 2016)	Non-Executive Director and member of the NRC	6	N.A.	2	1	1
Mr Khoo Shao Hong, Frank (Appointed on 29 April 2019)	Non-Executive Director	6	N.A.	N.A.	1	1
Mr Sanjay Bakliwal (Appointed on 5 June 2020)	Non-Executive Director	6	N.A.	N.A.	1	1

N.A.: Not applicable as the Director is not a member of the ARC or NRC

(1) Mr Nir Ellenbogen retired as Independent Non-Executive Director, Chairman of the NRC and member of the ARC with effect from 31 December 2021, as part of the Manager's planned process of renewal of the independent Directors on the Board and Mr Mark Andrew Yeo Kah Chong was appointed as Independent Non-Executive Director, Chairman of the NRC and member of the ARC on 1 January 2022.

To enable the Board to be able to properly discharge its duties and responsibilities, the Board is provided with regular updates on developments and changes in the operating environment, including revisions to accounting standards, and laws and regulations affecting IREIT and/or the Manager. The Board participates regularly in industry conferences, seminars and training programmes in connection with its duties.

Newly appointed Directors are given induction training and are provided with comprehensive information and the constitutional documents of IREIT and the Manager, the contact information of each Board member, Management and the company secretary. The training covers business activities of IREIT, its strategic directions and policies, the regulatory environment in which IREIT and the Manager operate, and the Manager's corporate governance practices, and statutory and other duties and responsibilities as Directors. Where a Director has no prior experience as a director of a listed issuer of the SGX-ST, the Manager will ensure the first time Director attends the training as prescribed in the SGX Listing Rule 210(5) (a). During the period, Mr Chng Lay Chew had attended and completed four core and two elective modules of the Listed Entity Director ("LED") programme, fulfilling the requirement for first-time appointees on boards of listed companies to be equipped with the skills and knowledge to execute their roles effectively.

All Directors have access to IREIT's and the Manager's records and information.

The Board is provided with complete and adequate information on a timely basis so as to allow the Board to make informed decisions to discharge its duties and responsibilities. As a general rule, Board papers are sent out at least one week prior to the Board meetings to ensure that Directors have sufficient time to review them. However, sensitive matters may be tabled at the meeting itself, or discussed without papers being distributed.

At the quarterly Board meetings, Directors are provided with regular updates on developments and changes in the operating, business, operational and financial information to enable the Board to keep abreast of the performance and key developments. Explanatory background information relating to matters brought before the Board includes quarterly results performances, budgets, and copies of relevant disclosure documents related to the operational and financial performance, which enable the Board to be fully aware of the matters of IREIT and exercise effective oversight. Any material variance between budget projections and actual results are also disclosed and explained.

CORPORATE GOVERNANCE REPORT

In addition, as and when any significant matter arises, these matters are brought promptly to the Board's attention and the Board is provided with the relevant information. Parties who can provide relevant information and insights on matters tabled at Board meetings will be in attendance to provide any further information and respond to any queries from Directors.

Board meetings for each year are scheduled in advance to facilitate the Directors' administrative arrangements and commitments. If a Director is unable to attend the Board meetings, the Director will review the Board papers and advise the Chairman, ARC Chairman or NRC Chairman of his views on the matters to be discussed or conveyed to other Directors at the meetings. Where appropriate, meetings are also held to brief Directors on prospective transactions and potential developments in the early stages before formal Board approval is sought. Management is also required to furnish any additional information requested by the Board in a timely manner for the Board to make informed decisions.

The Board has separate and independent access to Management and the company secretary, as well as the internal auditors (the "IA") and external auditors (the "EA") at all times. The company secretary or a representative of the company secretary attends to all corporate secretarial administration matters and attends all Board meetings. The company secretary is the corporate governance advisor on corporate matters to the Board and Management, and is responsible for ensuring that the Manager's constitution and applicable rules and regulations are complied with. The appointment and removal of the company secretary is a matter for the Board as a whole. The Board also has access to and can seek independent professional advice where appropriate and when requested at the Manager's expense, with consent from the Chairman.

Board Composition And Guidance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of IREIT

The Board is represented by members with a breadth of expertise in finance and accounting, real estate and business management.

The Board seeks to ensure that the composition of the Board provides an appropriate balance and diversity of skills, experience and knowledge of the industry and that the Directors, as a group, have the necessary core competencies relevant to the business of the Manager and IREIT. The Board recognises the benefits of having a diverse board. Diversity in the Board's composition not only contributes to the quality of its decision-making through diversity of perspectives in its boardroom deliberations. The varied backgrounds of the Directors also enable Management to benefit from their respective expertise and diverse backgrounds.

The Board is committed to diversity and currently has a composition that meets most of the diversity elements so as to foster constructive debate and avoid groupthink. The Board has established a board diversity policy which sets out the objectives and progress for promoting diversity on the Board and will continue to consider the differences in the skill sets, gender, age, ethnicity and educational background in determining the optimal composition of the Board. The composition will be reviewed periodically to ensure that the board size is appropriate and has the appropriate mix of skills, experience, gender, age and knowledge, taking into consideration the nature and scope of IREIT's operations, to discharge their duties and responsibilities. The Board is actively seeking to appoint a suitably qualified female director in its next appointment.

The Board comprises six members, all of whom are Non-Executive Directors and half are Independent Non-Executive Directors. In addition, the Chairman is an Independent Non-Executive Director.

The criterion of independence is based on the definition given in the Code, the SF(LCB)R and the Listing Manual. A Director is considered independent if he is independent in conduct, character and judgement, and has no relationship with the Manager and IREIT, its related corporations, any shareholders or Unitholders (as the case may be) with a voting interest of 5% or more in the Manager or IREIT (as the case may be), or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interests of the Manager and IREIT. This allows the Directors to engage in robust deliberations with Management and provide independent, diverse and objective insights into issues brought before the Board.

Further, such composition and separation of the roles of the Chairman and the CEO provides oversight to ensure that Management discharges its roles with integrity. Each of the Independent Directors had carried out an assessment on whether there were any relationships or circumstances which may impact their independent status and had made a negative declaration.

CORPORATE GOVERNANCE REPORT

The Board members as at the date of this Annual Report are as follows; and the profiles of the Directors are found on pages 14 to 17:

Board Member	Designation
Mr Lim Kok Min, John	Chairman and Independent Non-Executive Director
Mr Chng Lay Chew	Chairman of the ARC and Independent Non-Executive Director
Mr Mark Andrew Yeo Kah Chong	Chairman of the NRC and Independent Non-Executive Director
Mr Bruno de Pampelonne	Non-Executive Director
Mr Khoo Shao Hong, Frank	Non-Executive Director
Mr Sanjay Bakliwal	Non-Executive Director

The Board believes that the current board size, composition and balance is appropriate and provides sufficient diversity without interfering with efficient and effective decision-making. It allows for a balanced exchange of views, robust deliberations and debate among members and effective oversight over Management, ensuring no individual or small group dominates the Board's decisions or its process.

The Board is of the view that the background, skills, experience and core competencies of its members provide an appropriate mix of expertise, experience and skills needed in the strategic direction, planning and oversight of the business of IREIT.

The composition of the Board will be reviewed periodically to ensure that the board size is appropriate and comprises Directors with an appropriate mix of expertise, skills, experience and diversity to discharge their duties and responsibilities.

The Board also reviews periodically and at least annually the independence of its Directors based on guidelines set out under the Code and the SF(LCB)R. In respect of the financial year ended 31 December 2021, the Board is of the view that the Board composition complies with the Code's requirement and the SF(LCB)R. Its Independent Non-Executive Directors are considered independent in character and judgement, and there are no relationships or circumstances which are likely to affect, or could appear to affect, the Directors' independent business judgement. Each Independent Non-Executive Director is independent from Management and business relationships with the Manager and IREIT, and is also independent from every substantial shareholder of the Manager and substantial Unitholder of IREIT.

Independent Directors are encouraged to participate actively at Board meetings in the development of the Manager's strategic plans and direction, and in the review and monitoring of Management's performance against targets. To facilitate this, they are kept informed of the businesses and performance through reports from Management, and have access to IREIT's and the Manager's records and information. They also provide constructive input and the necessary review and monitoring of performance of the Manager and Management. Led by the independent Chairman or other independent Director as appropriate, the Non-Executive Directors and/or Independent Directors would also confer among themselves at least once a year without the presence of Management. The lead Chairman or Director of such meetings will provide feedback received during the meetings to the Board and/or Chairman as appropriate.

Chairman And CEO

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making

There is a clear separation of the roles and responsibilities between the Chairman and the CEO of the Manager. The Chairman of the Board, Mr Lim Kok Min, John, is an Independent Non-Executive Director while the CEO of the Manager is Mr Louis d'Estienne d'Orves. Mr Louis d'Estienne d'Orves is seconded by Tikehau Investment Management ("TIM") to the Manager to assume the role of the Manager's CEO, pursuant to a services agreement (the "Services Agreement") entered into between TIM and the Manager. TIM is a wholly owned subsidiary of Tikehau Capital, the immediate holding company of the Manager. Under the Services Agreement, TIM provides certain services to the Manager, which include the secondment of the CEO to the Manager. Mr Louis d'Estienne d'Orves is ultimately responsible for the overall operations of the Manager and reports directly to the Board.

The Chairman and the CEO of the Manager are not related to each other, have no close family ties and there is no business relationship between them. This is consistent with the principle of instituting an appropriate balance of power and authority.

CORPORATE GOVERNANCE REPORT

The Chairman is responsible for leading the Board and overall management of the Manager. He is tasked to ensure the Board and Management work together with integrity and competency. His role also includes:

- promoting constructive debate and open discussions at the Board with Management on strategy, business operations, enterprise risk and other plans; and
- promoting high standards of corporate governance in general.

The CEO of the Manager has full executive responsibilities over the business direction and operational decisions in the day-to-day management of IREIT. He ensures the quality and timeliness of the flow of information between Management and the Board, Unitholders and other stakeholders.

The separation of the roles and responsibilities of the Chairman and the CEO, which is established and set out in writing, provides a healthy professional relationship between the Board and Management, and facilitates robust deliberations on the business activities and the exchange of ideas and views to help shape the strategic process. Accordingly, the Manager has not appointed a Lead Independent Director. In the case where the Chairman is not an Independent Director, or under situations where the Chairman is conflicted, the Board will appoint an Independent Director to be the Lead Independent Director.

Board Membership

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board

The Board is supported by the NRC in the nomination of Directors and succession plan for the Board. As at 31 December 2021, the NRC comprises three Directors, of whom Mr Nir Ellenbogen is the Chairman of the NRC and Mr Lim Kok Min, John and Mr Bruno de Pampelonne are members of the NRC. All the three Directors are non-Executive Directors and majority of whom (including the Chairman of the NRC) are independent.

The NRC has written terms of reference setting out its scope and authority in performing the functions of a nominating committee, which include making recommendations to the Board on relevant matters relating to:

- the review of board succession plans for Directors, in particular for the Chairman, the CEO and key management personnel;
- the development of a process for evaluation of the performance of the Board, its board committees and Directors;
- the review of training and professional development programs for the Board and Management;
- the appointment and re-appointment of Directors (including alternate directors, if applicable), taking into account, among other things, their principal commitments and multiple board memberships; and
- the review of the size and composition of the Board, the required expertise and independence of the Directors to ensure that the Board has the appropriate balance, diversity and competencies to discharge their respective functions effectively.

Any appointment of new Directors will be carefully evaluated. The candidate's skill, experience, ability to perform, other commitments, independence and the needs of the Board will be taken into consideration. All appointments of Board members are approved by the Board. In addition, the criteria under the Guidelines on Fit and Proper Criteria issued by the MAS for such appointments and re-appointments will also be taken into consideration.

Candidates may be put forward or sought through contacts and recommendations by the Directors when a vacancy arises under any circumstances. Any nomination, which may be made by any of the Manager's shareholders, is carefully evaluated by the NRC before any appointment is made. If necessary, the NRC may seek advice from the Singapore Institute of Directors, external search consultants or through external referrals. Potential Directors will be considered and appointed primarily based on merit and diversity requirements of the Board. All appointments of Directors are also subject to the MAS' approval. The letter of appointment that is issued to each Director sets out the duties and responsibilities to the Manager and IREIT. None of the Directors has entered into any service contract directly with IREIT.

CORPORATE GOVERNANCE REPORT

Directors are normally appointed for an initial period of three years and may be re-elected for such further period or periods of one year each at the discretion of the Board. Directors are not subject to periodic retirement by rotation, nor re-appointment through voting by Unitholders, although the Board has a planned process of renewal of the independent Directors. As at the date of this Annual Report, none of the Directors has served on the Board beyond nine years from the date of his first appointment.

The Board recommends the seeking of endorsement and re-endorsement of Directors for approval, having regard to the Director's contribution and performance, with reference to the results of the assessment of the performance of the individual Director. All Directors are subject to an annual review of their commitment and performance to the Board. The criteria for re-appointment and re-endorsement of existing Director is similar to the criteria set out in relation to the appointment of new Director.

During the financial year ended 31 December 2021, Mr Chng Lay Chew was appointed Non-Executive Director, while Mr Tan Wee Peng, Kelvin retired as Non-Executive Director of the Board. In addition, the Board has sought and approved the endorsement by way of resolution for the re-appointment of:

- Mr Lim Kok Min, John, to continue as Chairman and Independent Non-Executive Director,
- Mr Nir Ellenbogen, to continue as Chairman of the NRC and Independent Non-Executive Director till 31 December 2021,
- Mr Bruno de Pampelonne, to continue as Non-Executive Director,
- Mr Khoo Shao Hong Frank, to continue as Non-Executive Director.

There are no alternate Directors appointed to the Board.

On 1 January 2022, Mr Mark Andrew Yeo Kah Chong was appointed as an Independent Non-Executive Director and Chairman of the NRC and a member of the ARC, following the retirement of Mr Nir Ellenbogen with effect from 31 December 2021 as part of the Manager's planned process of renewal of the Independent Directors.

The Board believes that it is not practicable to fix the amount of time that each Director should devote to the affairs of the Manager or impose a limit on the maximum number of listed company board representations each Director may hold. The Manager believes that putting a maximum limit on the number of directorships a Director can hold is arbitrary, given that time requirements and complexity for each vary, and thus should not be prescriptive. The effectiveness of the Board and contributions of each Director cannot be assessed solely on a quantitative basis. The limit on the number of listed company board representations should be considered on a case-by-case basis, as a person's available time and attention may be affected by different factors such as whether they are in full-time employment and the nature of their other responsibilities. The Board does not wish to exclude from consideration suitable individuals who, despite the demands on their time, have the capacity to participate and contribute as members of the Board. The Board has determined through assessment of the Board's performance that each individual Director has devoted sufficient time and attention to his role as a Director and to the affairs of the Manager.

In respect of the financial year ended 31 December 2021, the Directors attended the Board meetings, had given feedback and participated constructively when discussing matters pertaining to the Manager and IREIT. Accordingly, the Board is of the view that such appointments do not hinder the Directors from carrying out their duties as Directors of the Manager and therefore believes that it would not be necessary to prescribe a maximum number of listed company board representations a Director may hold.

Board Performance

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors

The NRC has a formal system in place to evaluate the Board performance and assess the effectiveness of the Board, the board committees and the individual Directors through the use of performance evaluation forms.

CORPORATE GOVERNANCE REPORT

An annual review of the Board is carried out to assess the effectiveness of the Board, the ARC, the NRC and their respective Chairmen. The review process includes getting feedback from individual Directors on areas relating to the Board's, the ARC's and the NRC's competencies and effectiveness, and the respective Chairmen's leadership. The areas being assessed are broadly classified under Board composition, process, accountability, risk management and internal control, recruitment and evaluation and compensation, among others.

Directors are requested to complete an assessment and evaluation form that is tailored to seek their input on the various aspects of the performance of the Board, the ARC and the NRC. The purpose of the evaluation is to assess the overall effectiveness and efficiency of the Board as a whole. The criteria for the evaluation of individual Directors include, amongst others, the Directors' attendance and participation at the Board, the ARC and NRC meetings, and contributions of each Director to the Board.

The Board has not engaged any external consultant or facilitator to conduct an assessment of the performance of the Board and each individual Director. To ensure that the assessments are done promptly and fairly, the Board has appointed the company secretary to assist in collating and organising the returns of the Board members. The company secretary does not have any other connection with IREIT, the Manager or any of its Directors.

The last performance evaluation was carried out in February 2022 in respect of the financial year ended 31 December 2021. The Board is of the view that the ARC, the NRC and the Board as a whole are effective and are contributing effectively and efficiently.

REMUNERATION MATTERS

Procedures For Developing Remuneration Policies

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration

Level And Mix Of Remuneration

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of IREIT, taking into account the strategic objectives of IREIT

Disclosure On Remuneration

Principle 8: The Manager is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation

Constituted as a trust, IREIT is externally managed by the Manager and has no personnel of its own. IREIT does not pay Directors' fees and remuneration of the CEO and the employees of the Manager. Their fees and remuneration are paid by the Manager, save for the remuneration of the CEO, which is paid by TIM under the Services Agreement.

The Board is supported by the NRC in the remuneration matters of the Manager. As at 31 December 2021, the NRC comprises three Directors, all of whom are non-Executive Directors and majority of whom (including the Chairman of the NRC) are independent.

The NRC has written terms of reference setting out its scope and authority in performing the functions of a remuneration committee, which include:

- the review and recommendation to the Board on the framework of remuneration for the Board and key management personnel, as well as the specific remuneration packages for each Director and key management personnel;
- establishment of a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors; and
- the review of the Manager's obligations arising in the event of termination of the Executive Directors' and key management personnel's contracts of service.

CORPORATE GOVERNANCE REPORT

The remuneration will cover all aspects of remuneration including Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, benefits-in-kind and termination payments, and should aim to be fair and to avoid rewarding poor performance. The Manager has adopted a balanced remuneration policy, aimed to ensure market competitiveness and alignment to best industry practices and Unitholders' interests.

Independent Directors and Non-Executive Directors are paid basic fees for their Board, the ARC Committee and the NRC Committee memberships.

Individual Non-Executive Directors' fees were determined based on the following factors:

- roles and responsibilities;
- benchmarking against peers;
- effort committed; and
- skills and expertise.

In order to maintain the independence of the Non-Executive Directors, the remuneration is not over-compensated, and was considered appropriate and in accordance with their level of contribution, taking into account the factors mentioned above.

Directors' fees are reviewed periodically to benchmark such fees against the amounts paid by other managers of listed real estate investment trusts ("REITs") in order to ensure the remuneration is appropriate to attract, retain and motivate the Directors to provide good stewardship of the Manager. The Directors do not decide their own fees, as each Director shall abstain from decisions by the Board involving his remuneration. The total costs of governance, as well as the average Director's fees were targeted around the median of the market.

The remuneration policy for Management and key employees is:

- to provide a fair and competitive compensation;
- to motivate a high level of performance;
- to ensure quality employee retention; and
- to correlate with the individuals' performance as well as IREIT and the Manager's performance.

Individual executives' remuneration levels were determined based on the following factors:

- roles and responsibilities;
- benchmarking against industry peers;
- unique skills and expertise; and
- experience.

To achieve an equitable and fair reward system that drives organisational performance, the remuneration policy is designed to attract, motivate, reward and retain high-performing employees, taking into consideration the employees' responsibilities, work experience and educational qualifications. The Manager also conducts an annual performance review process where the individual's performance is assessed based on the Manager's performance relative to IREIT's long-term performance. The review also reinforces strengths, identify improvements and plan for the progressive development of the employees.

The remuneration components include a guaranteed fixed salary, a variable bonus and a long-term incentive. The variable bonus is determined as a significant component in the remuneration of the C-level executives and should be paid in full upon full achievement of all IREIT's Key Performance Indicators (the "KPIs") or proportionally to the percentage of KPIs achieved. There are currently no option schemes or other long-term incentive schemes being implemented by the Manager for Directors, Management and employees. As the Manager is a subsidiary of Tikehau Capital, certain employees of the Manager are entitled to receive performance shares of Tikehau Capital under its share plans, as described later in this section.

CORPORATE GOVERNANCE REPORT

The KPIs, which are set at the start of the financial year, are aligned to the business strategy of IREIT and linked to the individual performance and the long-term performance of IREIT. This allows the Manager to better align the compensation of its C-level executives towards the performance of IREIT, which would also help align the interest of the C-level executives with that of Unitholders. The Board is of the view that the KPIs were achieved and that remuneration is aligned to performance in respect of the financial year ended 31 December 2021.

The Board has access to expert advice from external consultants where required. During the year under review, no external consultant was engaged.

The Manager does not rely on any contractual provisions to reclaim incentive components of remuneration from its key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss. The Manager should be able to avail itself to remedies against its key management personnel in the event of such breach of fiduciary duties.

The level and mix of the remuneration of each of the Directors for the financial year ended 31 December 2021 are as follows:

Name of Director	Fees ⁽¹⁾ (S\$'000)	Base/Fixed Salary (S\$'000)	Bonus (S\$'000)	Allowances and Benefits (S\$'000)
Mr Lim Kok Min, John	98	-	-	-
Mr Chng Lay Chew	77	-	-	-
Mr Tan Wee Peng, Kelvin	13	-	-	-
Mr Nir Ellenbogen	74	-	-	-
Mr Bruno de Pampelonne	53	-	-	-
Mr Khoo Shao Hong, Frank	50	-	-	-
Mr Sanjay Bakliwal	50	-	-	-

Note:

(1) Paid in cash.

The level and mix of the remuneration of the CEO for the financial year ended 31 December 2021 is as follows:

Remuneration Band and Name of CEO	Base/Fixed Salary ⁽³⁾ (%)	Performance- related Cash Bonus (%)	Performance- related Long-Term Incentives ⁽⁴⁾ (%)	Allowances and Benefits (%)
Above S\$750,000 to S\$1,000,000				
Mr Louis d'Estienne d'Orves ⁽¹⁾	40	36	24	- ⁽⁵⁾

The level and mix of the aggregate remuneration of the other key management personnel for the financial year ended 31 December 2021 is as follows:

Remuneration Band and Number of Key Management Personnel ⁽²⁾	Base/Fixed Salary ⁽³⁾ (%)	Performance- related Cash Bonus (%)	Performance- related Long-Term Incentives ⁽⁴⁾ (%)	Allowances and Benefits (%)
Above S\$1,500,000 to S\$1,750,000 ⁽²⁾				
3	44	24	32	- ⁽⁵⁾

Notes:

(1) Mr Louis d'Estienne d'Orves' remuneration for the financial year ended 31 December 2021 was paid by TIM under the Services Agreement.

(2) The Manager has less than five key management personnel other than the CEO. The remuneration band corresponds to the aggregate remuneration of the three key management personnel.

(3) Paid in cash.

(4) Paid in the form of unvested performance shares under Tikehau Capital's 2022 Plans as described on page 119.

(5) Not material. Less than 1%.

CORPORATE GOVERNANCE REPORT

The Board has assessed and decided to provide disclosure of the remuneration of the Directors on a named basis in exact quantum. In addition, the Board has also decided to provide disclosure of the remuneration of the CEO in bands of S\$250,000. In respect of Provision 8.1 of the Code, it has assessed and decided against disclosing the remuneration of the CEO in exact quantum and the remuneration of the three key management personnel (who are not Directors or the CEO) on a named individual basis but in aggregate and in bands of S\$250,000. The Board took into account confidentiality concerns and also considered the importance of maintaining stability and continuity in the key management team of the Manager. Given the competitive pressures in the talent market, the Board considers that such disclosure may subject the Manager to negative impact including talent retention issues and the risk of unnecessary key management turnover, which in turn, will not be in the best interests of IREIT and its Unitholders. The Board is of the view that such non-disclosure will not be prejudicial to the interests of Unitholders.

In addition to their cash remuneration in the form of fixed monthly basic and annual performance bonus, certain employees of the Manager which is a subsidiary of Tikehau Capital are also eligible to receive grants of performance shares of Tikehau Capital as part of Tikehau Capital's share plans.

For 2022, these plans comprise the 2022 Performance Share Plan and the 2022 Retention Plan (the "2022 Plans") which were set up to grant unvested performance shares to employees of the Tikehau Capital Group (the "Group").

The 2022 Performance Share Plan has a vesting period of three years with up to two thirds of the amount granted eligible for vesting at the end of the second year and the balance at the end of the third year. The 2022 Retention Plan has a vesting period of five years with up to one quarter of the amount granted eligible for vesting in each year from the second year onwards.

While the granting of Tikehau Capital's performance shares under the 2022 Plans and their quantum to the employees of the Manager is dependent on the performance of these individuals as employees of the Manager for the financial year ended 31 December 2021 and the implementation of a retention mechanism, the vesting of each tranche of the 2022 Plans will be dependent on the collective performance of the various lines of businesses of TIM which is the Group's main platform dedicated to its asset management activity in each of the relevant vesting period.

The Board has reviewed Tikehau Capital's 2022 Plans and is of the view that these plans provide an added performance incentive, a retention mechanism and potential increase in remuneration for these employees of the Manager and are not prejudicial to the interests of Unitholders of IREIT. Additionally, all cost of the 2022 Plans is wholly borne by Tikehau Capital.

There are no employees of the Manager who are immediate family members of any Director, the CEO, or a substantial shareholder nor are there employees who are substantial shareholders of the Manager during the financial year ended 31 December 2021.

No compensation is payable to any Director, key management personnel or employee of the Manager in the form of options in Units or pursuant to any bonus or profit-sharing plan or any other profit-linked agreement or arrangement in respect of the Manager and/or IREIT. The Directors, the CEO and the key management personnel (who are not Directors or the CEO) are remunerated on an earned basis and there are no termination, retirement or post-employment benefits that are granted over and above what have been disclosed.

The Board reviews the Manager's obligations arising in the event of the appointment and reasons for resignations and terminations of the CEO (if not a Director), and key management personnel's contract of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

In respect of the year ended 31 December 2021, the Board is of the view that the remuneration policy and packages are aligned with the interests of Unitholders and are designed to attract and retain talented staff, while taking into account the prevailing market conditions within the industry. The remuneration is also aligned to performance and all the performance conditions used to determine the remuneration of Directors and key management personnel, as set out on pages 116 to 119, were met during the year.

CORPORATE GOVERNANCE REPORT

Risk Management And Internal Controls

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of IREIT and its unitholders

The Manager has put in place adequate and effective risk management and internal controls measures to address financial, operational, compliance, information technology, and other potential risks. This is to safeguard Unitholders' interests and manage risk. The Board is responsible for the governance of risks and for overseeing the enforcement of a sound system of risk management and internal controls.

The Manager has adopted an enterprise-wide risk management ("ERM") framework to provide a holistic and structured systematic approach towards managing risks in a systematic manner to support the business objectives and strategy of IREIT. The risk management process, which comprises risk identification and analysis, risk treatment and risk monitoring and reporting, forms the core of the ERM framework. Through a structured process, the Manager identifies key risks, assesses their likelihood and impact on the business, as well as establishes corresponding mitigating controls. An outline of the Manager's ERM framework is set out on pages 86 to 89.

The Board meets every quarter to review the operations of the Manager and IREIT and track their financial performance against approved budgets and prior periods. It also reviews and assesses business risks, taking into consideration the property market and economic conditions where IREIT's properties are located in achieving its strategic objectives and value creation. The Board reviews management reports and feasibility studies on individual investment projects prior to approving major transactions.

In addition, the Board also reviews the risks to the assets of IREIT, examines the management of liabilities, and acts upon any comments from the IA and the EA.

In view of the importance of risk management and internal controls, the ARC is assigned the duty to assist the Board in overseeing this aspect of the Manager's and IREIT's operations.

The ARC reviews and reports to the Board at least annually on the adequacy and effectiveness of the risk management and internal control systems (including financial, operational, compliance and information technology controls) established by Management.

The Manager has appointed experienced and well-qualified management personnel to manage the day-to-day operations of the Manager and IREIT.

The Board has received assurance from the CEO and Chief Financial Officer ("CFO") that as at 31 December 2021:

- The financial records of IREIT have been properly maintained and the financial statements for the financial year ended 31 December 2021 give a true and fair view of IREIT's operations and finances; and
- The Manager's risk management and internal control systems are adequate and effective to address the key risks and material issues which IREIT may face, taking into account IREIT's business and operations.

Based on the risk management and internal control systems established by the Manager, work performed by the IA, the EA and other service providers, and reviews performed by Management, the ARC and the Board, as well as the said assurances set out above, the Board, with the concurrence of the ARC, is of the opinion that the Manager's risk management and internal control systems (including financial, operational, compliance and information technology controls) were adequate and effective as at 31 December 2021 to address the risks that the Manager considers relevant and material to IREIT's operations.

The Manager's risk management and internal control systems provide reasonable assurance against foreseeable events that may adversely affect IREIT's business objectives. The Board notes that no risk management and internal control systems can provide absolute assurance in this regard, or against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud or other irregularities.

CORPORATE GOVERNANCE REPORT

Audit and Risk Committee

Principle 10: The Board has an Audit and Risk Committee which discharges its duties objectively

The ARC comprises Mr Chng Lay Chew (Chairman of the ARC), Mr Lim Kok Min, John and Mr Nir Ellenbogen, all of whom are Independent Non-Executive Directors as at 31 December 2021. Following the retirement of Mr Nir Ellenbogen with effect from 31 December 2021 as part of the Manager's planned process of renewal of the independent Directors, Mr Mark Andrew Yeo Kah Chong was appointed as a member of the ARC with effect from 1 January 2022.

None of the ARC members were previously partners or Directors of the Manager's or IREIT's EA within the previous two years nor does any of the ARC members hold any financial interest in the EA.

The key objectives of the ARC are to assist the Board with its oversight responsibilities in key areas including financial statement preparation and reporting, risk management and internal controls, internal audit and external audit.

The ARC's responsibilities include:

- reviewing the accounting principles adopted, significant financial reporting issues and judgements so as to obtain reasonable assurance as to the integrity and fairness of the financial statements of IREIT and any announcements relating to financial reporting, before making recommendations to the Board for approval;
- reviewing and reporting to the Board at least annually on the adequacy and effectiveness of the risk management and internal control systems (including financial, operational, compliance and information technology controls);
- reviewing the assurances provided by the CEO and the CFO on the financial records and financial statements, and the adequacy and effectiveness of the risk management and internal control systems;
- reviewing and recommending to the Board for approval the appointment, re-appointment or removal of the IA and the EA and the remuneration of the IA and the EA;
- reviewing the adequacy, effectiveness, scope and audit findings of the IA and EA as well as Management's responses to them;
- reviewing the independence and objectivity of the EA, and considering (a) the aggregate amount of fees paid to the EA for that financial year, (b) a breakdown of the fees paid in total for audit and non-audit services and (c) the nature of non-audit services, seeking to balance the independence of the EA with the business and operational needs of IREIT;
- meeting separately with the IA and EA, without the presence of Management, at least on an annual basis;
- reviewing the internal control system established to regulate and ensure compliance with the provisions of Chapter 9 of the Listing Manual relating to "interested person transactions" ("Interested Person Transactions") and the provisions of the Property Funds Appendix relating to "interested party transactions" ("Interested Party Transactions"). Interested Person Transactions and Interested Party Transactions are together referred to as "Related Party Transactions";
- reviewing and approving the enterprise risk management framework for managing risks, and making recommendations to the Board on the type and level of risks that IREIT undertakes to achieve its business strategy;
- reviewing the adequacy and effectiveness of the compliance function, and the policies and procedures in place to comply with applicable regulations;
- reviewing, monitoring and making recommendations to the Board on IREIT's risk of being subject to, or violating, any sanctions-related law or regulation, and ensuring timely and accurate disclosures to SGX and other relevant authorities. If required, to assess whether there is a need for IREIT to obtain independent legal advice or appoint a compliance adviser in relation to the sanctions-related risks applicable to IREIT, and the continuous monitoring of the validity of the information provided to Unitholders and SGX;

CORPORATE GOVERNANCE REPORT

- reviewing and approving the whistle-blowing policy and arrangements by which employees and external parties may, in confidence, safely raise probable improprieties in matters of financial reporting or other matters and if required, ensuring that whistle-blowing cases are independently investigated for appropriate follow-up and action;
- investigating any matters within the ARC's terms of reference, whenever it deems necessary; and
- reporting to the Board on material matters, findings and recommendations.

The ARC is authorised to investigate any matters within its terms of reference. It has full access to and co-operation from Management and enjoys full discretion to invite any Director and executive officer of the Manager to attend its meetings. The ARC also has full access to reasonable resources to enable it to discharge its function properly. Regular updates and advice from both the IA and EA are provided to enable the ARC to keep abreast of relevant changes to accounting standards and issues which have a direct impact on financial statements. Such updates include briefings conducted by the IA or EA during ARC meetings and advice provided from time to time. In addition, the Manager has engaged KPMG Services Pte. Ltd. ("KPMG") to provide regulatory compliance monitoring and advice and support the Manager's compliance function where necessary. The ARC is kept updated on findings reported by KPMG, and the ARC takes these findings into consideration when assessing the Manager's risk appetite.

The ARC has conducted a review of all non-audit services provided by the EA of IREIT, Deloitte & Touche LLP and is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the EA.

For the financial year ended 31 December 2021, the aggregate amount of fees paid and payable by IREIT to the EA was €666,000, comprising audit service fees of €286,000 and other non-audit service fees of €380,000.

ARC meetings are generally held after the end of every financial quarter. In respect of the financial year ended 31 December 2021, the ARC has also met with the IA and EA separately, without the presence of Management, to discuss the reasonableness of the financial reporting process, the system of internal controls, and the significant comments and recommendations by the auditors.

In appointing the EA for IREIT, the ARC is satisfied that IREIT has complied with the requirement of Rules 712 and 715 of the Listing Manual. The ARC has assessed the performance of the EA based on factors such as the performance and quality of their audit and the independence of the auditors.

The ARC typically meets with the EA several months before the end of the financial year to discuss the year's audit plans and progress, during which significant financial reporting issues including identification of KAMs are discussed.

As with the case last year, the EA has identified the valuation of investment properties as a KAM. The EA has communicated their findings that the fair valuation of the properties and various inputs used by the independent valuers are within a reasonable range of the EA's expectations. In arriving at its conclusion, the EA has undertaken the appropriate audit procedures, which include reviewing the qualifications, competence and independence of the independent valuers and understanding how the valuers have considered the implications of COVID-19 and market uncertainty in the valuations.

The ARC reviewed the outcomes of the independent valuation process and discussed the details of the valuation with both Management and the EA. The ARC is satisfied with the valuation methodologies and the underlying key assumptions applied. However, given that the assumptions are subjective and are highly susceptible to changes in the business environment, the ARC similarly cautions Unitholders against relying solely on the investment property valuations in assessing the financial performance of IREIT. This is particularly so as such valuations do not give any assurance that the investment properties will be sold at such prices in the event such a sale is to be effected. Any changes in such valuations from prior periods alone will also not have any impact on IREIT's distributions to Unitholders. Instead, the ARC advises Unitholders to focus on factors such as the net property income, tenant profile, tenancy duration, and their changes over the years to assess how well IREIT's portfolio has performed.

CORPORATE GOVERNANCE REPORT

The ARC noted that the valuers have highlighted that the outbreak of COVID-19 continue to affect real estate markets globally. Nevertheless, as at the valuation date, some property markets have started to function again, with transaction volumes and other relevant evidence at levels where an adequate level of market evidence exists upon which to base opinions of value. However, in recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19, they have highlighted the importance of the valuation date. The valuations were based on the information available as at 31 December 2021. The ARC will continue to monitor the situation and seek professional advice on the property values as and when necessary.

Other than the KAM identified in the EA's report, the ARC also reviewed matters such as revenue recognition, liquidity and going concern risks, and Management's override of controls with the EA and Management. The ARC is pleased to inform the Unitholders that there are no significant issues relating to such matters that warrant special mention this year as they have all been dealt with according to established procedures and control measures, generally accepted accounting principles, and financial reporting standards.

The internal audit function of the Manager is outsourced to PricewaterhouseCoopers Risk Services Pte. Ltd. ("PwC"), an independent assurance service provider. The PwC internal audit team is led by a partner with significant experience performing internal audit services for Singapore listed companies and the team members supporting the partner are dedicated internal audit specialists with knowledge and experience. The ARC reviews the adequacy, effectiveness, independence, scope and results of the IA at least once a year. The ARC is satisfied that the IA has the relevant qualifications and experience and has met the standards established by internationally recognised professional bodies including the International Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

The IA reports directly to the ARC on audit matters and has unfettered access to all the Manager's documents, records, properties and personnel, including the ARC, and has appropriate standing within the company. The ARC approves the hiring, removal, evaluation and fees of the IA and also reviews and approves the annual internal audit plan and reviews the internal audit reports and activities. The ARC meets with the IA, without the presence of Management, at least once a year. The ARC is of the view that the IA is effective, has adequate resources to perform its functions and has to the best of its ability, maintained its independence from the activities that it audits.

UNITHOLDER RIGHTS AND ENGAGEMENT

Unitholder Rights and Conduct of General Meetings

Principle 11: The Manager treats all unitholders fairly and equitably in order to enable them to exercise unitholders' rights and have the opportunity to communicate their views on matters affecting IREIT. The Manager gives unitholders a balanced and understandable assessment of IREIT's performance, position and prospects

Engagement With Unitholders

Principle 12: The Manager communicates regularly with its unitholders and facilitates the participation of unitholders during general meetings and other dialogues to allow unitholders to communicate their views on various matters affecting IREIT

The Board is responsible to give a balanced and comprehensive report on the performance, position, prospects, strategy and market outlook including other price-sensitive reports to the regulators (if required). To ensure this is accomplished efficiently, Management provides timely, accurate and adequate information to the Board, which includes management accounts and such explanation and information, to enable the Board to keep abreast, and make a balanced and informed assessment of the performance, position and prospects of IREIT.

The Board has been releasing quarterly business updates, half-yearly results and annual results of IREIT as well as price-sensitive announcements and all other regulatory announcements, as required by regulators. These announcements and information are disseminated to Unitholders via SGXNET, press releases, IREIT's website, media and analyst briefings.

The Manager will continue to maintain a proactive and transparent approach towards its engagement with stakeholders through its various communication channels, including providing timely and relevant updates on material developments between the announcements of the half-yearly financial statements.

CORPORATE GOVERNANCE REPORT

The Manager upholds a strong culture of continuous disclosure and transparent communication with Unitholders, the investing community and other stakeholders. The Manager has in place an investor relations policy which sets the principles and practices that it applies in order to provide investors of IREIT with timely information necessary to make informed investment decisions and to ensure a level playing field. The Manager has developed a disclosure policy, which requires timely and full disclosure of financial reports and all material information relating to IREIT by way of public releases or announcements via SGXNET. The published materials will also be posted on IREIT's website at www.ireitglobal.com.

IREIT's website also has the option for visitors to subscribe for a free email alert service on public materials released by the Manager.

The Manager has a dedicated Head of Investor Relations and Capital Markets who regularly communicates major developments in IREIT's businesses, operations, financial position, distribution policy and prospects to the Unitholders, analysts and other interested parties. The Manager believes in providing transparent communication. The Manager conducts regular briefings for analysts, which generally coincide with the release of IREIT's financial results. During these briefings, the Manager will review IREIT's most recent performance, as well as discuss the business outlook for IREIT.

To achieve the Manager's objective of providing transparent communication, briefing materials are released on SGXNET and made available on IREIT's website. IREIT's distribution policy is also communicated in the briefing materials that are released on SGXNET and made available on IREIT's website.

The Manager will also meet investors through institutional investor conferences, non-deal road shows and private meetings on a regular basis. In compliance with the Property Funds Appendix, an AGM will be held after the close of the financial year to allow the Manager to interact with Unitholders, particularly retail investors, as well as providing the investors a direct channel to get responses to any queries they might have.

The notice of the AGM will be published on SGXNET, newspapers and IREIT's website. The AGM results will be screened at the meeting and announced via SGXNET after the meeting. All Unitholders are informed via a physical notification on how to obtain the electronic copy of IREIT's annual report and how to request a physical copy of the annual report prior to the AGM. As and when an extraordinary general meeting (the "EGM") is to be convened, a circular containing detail of the matters proposed for the Unitholders' consideration and approval will also be sent to Unitholders. The notice of the EGM will also be published on SGXNET, newspapers and IREIT's website.

Directors, Management and EA will be present at the AGM or EGM to address questions and concerns of Unitholders. The attendance of Directors for the AGM held on 22 April 2021 and EGM held on 17 June 2021 are disclosed on page 111.

Separate resolutions are proposed for each distinct issue at the AGM or EGM. Where the resolutions are "bundled", the Manager will explain the reasons and material implications in the notice of meeting. Unitholders will be invited to vote on each of the resolution by poll, using an electronic voting system. This will allow all Unitholders present, or represented at the meeting to vote on a one unit, one vote basis. An independent scrutineer is also appointed to validate the vote tabulation procedures. The Manager is not implementing absentia voting (as recommended by Provision 11.4) methods such as voting via mail, e-mail or fax until security, integrity and other pertinent issues are satisfactorily resolved. The voting results will be screened at the meeting and announced via SGXNET after the meeting.

To encourage Unitholders' participation at the AGM or EGM, a question and answer session will be held during the AGM or EGM to allow Unitholders the opportunity to put forth any questions and clarify any issues they may have with the Board, Management or EA regarding the business operations, strategy and financial standing of IREIT.

Due to the COVID-19 restriction orders in Singapore, the AGM held on 22 April 2021 and EGM held on 17 June 2021 were conducted by way of electronic means. Unitholders who wished to attend the AGM and EGM could pre-register electronically to participate via the live audio-visual webcast or listen to the live audio-only streams of the proceedings. Unitholders were also invited to submit questions related to the resolutions to be tabled for approval at the AGM and EGM in advance. The responses to substantial and relevant questions received from Unitholders were published on SGXNET and IREIT's website prior to the AGM and EGM. Some of these questions were also addressed in the presentations at the AGM and EGM. All the resolutions set out at the AGM and EGM were passed by Unitholders through valid proxies and the results of the AGM and EGM were announced on SGXNET and IREIT's website on the same day of the AGM and EGM, respectively.

CORPORATE GOVERNANCE REPORT

Minutes of general meetings which include substantial and relevant comments or queries from Unitholders relating to the agenda of the meeting, and responses from the Board and the Management, will be prepared and made available to Unitholders via IREIT's website.

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of IREIT are served

The Manager strives to maintain open and fair communication with its key stakeholders, to understand their views, concerns, and objectives in order to work towards more sustainable growth for IREIT. The Manager has identified stakeholder groups which have a significant influence and interest in IREIT's operations and business, and will engage these stakeholders actively to understand their expectations. The key stakeholders identified are the Unitholders, the tenants of IREIT's properties, the property managers and advisors, the relevant regulatory bodies of countries in which IREIT operates in, the local communities, the Manager's employees and the shareholders of the Manager, Tikehau Capital and City Developments Limited ("CDL"). In the Sustainability Report section, there are also details reported about the strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period.

IREIT maintains a current corporate website at www.ireitglobal.com, with contact details for investors and various stakeholders to channel their comments and queries.

BUSINESS CONDUCT

Dealings In Units

Each Director and the CEO of the Manager is to give notice to the Manager of his acquisition of or any changes in the number of Units which he holds or in which he has an interest, within two business days after such acquisition or the occurrence of the event giving rise to changes in the number of Units which he holds or in which he has an interest.

All dealings in Units by the Directors will be announced via SGXNET, with the announcement to be posted on the SGX-ST website at <http://www.sgx.com>.

Pursuant to Section 137ZC of the SFA, the Manager is required to, inter alia, announce to the SGX-ST the particulars of any acquisition or disposal of interest in Units by the Manager as soon as practicable, and in any case no later than the end of the business day following the day on which the Manager became aware of the acquisition or disposal. In addition, all dealings in Units by the CEO will also need to be announced by the Manager via SGXNET, with the announcement to be posted on the SGX-ST website at <http://www.sgx.com> and in such form and manner as the authority may prescribe.

The Manager has an internal compliance policy which provides guidance to the Directors, Management and employees of the Manager with regards to dealings in the Units.

The Directors, Management and employees of the Manager are prohibited from dealing in the Units:

- in the period commencing one month before the public announcement of IREIT's half-yearly and annual results and ending on the date of announcement of the relevant results ("black-out period"); and
- at any time while in possession of undisclosed price-sensitive information.

The Manager also does not deal in the Units during the same black-out period. In addition, the Directors, Management and employees of the Manager are prohibited from dealing with the Units on short-term basis and communicating price-sensitive information to any person. They are expected to observe the insider trading laws at all times even when dealing with Units within permitted trading periods. The Manager also adopts the practice of sending out reminders by electronic mail to the Directors, Management and employees on such prohibition on dealing in Units prior to each relevant black-out period.

CORPORATE GOVERNANCE REPORT

During the period under review, the Manager was made aware of an incident of non-compliance with the abovementioned internal trading policy by the spouse of a Director during the black-out period before the public announcement of IREIT's results for the financial year ended 31 December 2020 and at a time when the Director was in possession of undisclosed price-sensitive information. The relevant authorities have been notified and the Manager has confirmed that no further action would be taken against the Director. In addition, the Manager reiterated the internal trading policy to the Director who acknowledged and confirmed that he will adhere to the Manager's internal trading policy on Units.

Dealing With Conflicts Of Interest

The Manager has instituted the following procedures to deal with potential conflict of interest issues:

- The Manager will not manage any other REIT which invests in the same type of properties as IREIT;
- Management will be working exclusively for the Manager and will not hold other executive positions in other entities;
- All resolutions in writing of the Directors in relation to matters concerning IREIT must be approved by at least a majority of the Directors (excluding any interested Director), including at least one Independent Director;
- At least one-third of the Board shall comprise Independent Directors, except that in certain stipulated circumstances, at least half of the Board shall comprise Independent Directors;
- In respect of matters in which a Director or his associates (as defined in the Listing Manual) has an interest, direct or indirect, such interested Director will abstain from voting. In such matters, the quorum must comprise a majority of the Directors and must exclude such interested Director;
- In respect of matters in which Tikehau Capital and/or its subsidiaries have an interest, direct or indirect, any nominees appointed by Tikehau Capital and/or its subsidiaries to the Board to represent their interests will abstain from deliberation and voting on such matters. In such matters, the quorum must comprise a majority of the Independent Directors and must exclude nominee Directors of Tikehau Capital and/or its subsidiaries;
- In respect of matters in which CDL and/or its subsidiaries have an interest, direct or indirect, any nominees appointed by CDL and/or its associates or subsidiaries to the Board to represent their interests will abstain from deliberation and voting on such matters. In such matters, the quorum must comprise a majority of the Independent Directors and must exclude nominee Directors of CDL and/or its associates or subsidiaries;
- In respect of matters in which AT Investments Limited and the AT Capital Group and/or their subsidiaries have an interest, direct or indirect, any nominees appointed by those companies to the Board to represent their interests will abstain from deliberation and voting on such matters. In such matters, the quorum must comprise a majority of the independent directors and must exclude any nominees appointed by AT Investments Limited and/or any AT Capital Group companies;
- Except for resolutions relating to the removal of the Manager, the Manager and its associates are prohibited from voting or being counted as part of a quorum for any meeting of the Unitholders convened to approve any matters in which the Manager and/or any of its associates has a material interest; and
- It is also provided in the Trust Deed that if the Manager is required to decide whether or not to take any action against any person in relation to any breach of any agreement entered into by the Trustee for and on behalf of IREIT with a related party of the Manager ("Related Party"), the Manager shall be obliged to consult with a reputable law firm (acceptable to the Trustee) who shall provide legal advice on the matter. If the said law firm is of the opinion that the Trustee, on behalf of IREIT, has a prima facie case against the party allegedly in breach under such agreement, the Manager shall be obliged to take appropriate action in relation to such agreement. The Directors (including its Independent Directors) will have a duty to ensure that the Manager so complies. Notwithstanding the foregoing, the Manager shall inform the Trustee as soon as it becomes aware of any breach of any agreement entered into by the Trustee for and on behalf of IREIT with a Related Party of the Manager, and the Trustee may take such action as it deems necessary to protect the rights of the Unitholders and/or which is in the interests of the Unitholders. Any decision by the Manager not to take action against a Related Party of the Manager shall not constitute a waiver of the Trustee's right to take such action as it deems fit against such Related Party.

CORPORATE GOVERNANCE REPORT

The Manager's Internal Control System

The Manager has established an internal control system to ensure that all future Related Party Transactions (which term includes an "Interested Person Transaction" as defined under the Listing Manual and an "Interested Party Transaction" as defined under the Property Funds Appendix):

- will be undertaken on an arm's length basis with normal commercial terms;
- will not be prejudicial to the interests of IREIT and the minority Unitholders; and
- will be in accordance with the applicable requirements of the Listing Manual and all applicable guidelines that may from time to time be prescribed.

As a general rule, the Manager must demonstrate to the ARC that such transactions satisfy the foregoing criteria. This may entail:

- obtaining (where practicable) quotations from parties unrelated to the Manager; or
- obtaining two or more valuations from independent professional valuers (in compliance with the Property Funds Appendix).

The Manager maintains a register to record all Related Party Transactions that are entered into by IREIT and the bases, including any quotations from unrelated parties and independent valuations, on which they are entered into.

The Manager will also incorporate into its internal audit plan a review of all Related Party Transactions entered into by IREIT. The ARC shall review the internal audit reports to ascertain that the guidelines and procedures established to monitor Related Party Transactions have been complied with. The Trustee will also have the right to review such audit reports to ascertain that the Property Funds Appendix has been complied with.

The following procedures will be undertaken:

- Transactions (either individually or as part of a series or if aggregated with other transactions involving the same Related Party during the same financial year) equal to or exceeding S\$100,000 in value but below 3.0% of the value of IREIT's net tangible assets will be subject to review by the ARC at regular intervals.
- Transactions (either individually or as part of a series or if aggregated with other transactions involving the same Related Party during the same financial year) equal to or exceeding 3.0% but below 5.0% of the value of IREIT's net tangible assets will be subject to the review and prior approval of the ARC.
- Such approval shall only be given if the transactions are on normal commercial terms and not prejudicial to the interests of IREIT and the Unitholders and are consistent with similar types of transactions made by the Trustee with third parties which are unrelated to the Manager.
- Transactions (either individually or as part of a series or if aggregated with other transactions involving the same Related Party during the same financial year) equal to or exceeding 5.0% of the value of IREIT's net tangible assets will be reviewed and approved prior to such transactions being entered into, on the basis described in the preceding paragraph, by the ARC which may, as it deems fit, request advice on the transaction from independent sources or advisers, including the obtaining of valuations from independent professional valuers. Furthermore, under the Listing Manual and the Property Funds Appendix, such transactions would have to be approved by the Unitholders at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed.

CORPORATE GOVERNANCE REPORT

Where matters concerning IREIT relate to transactions entered into or to be entered into by the Trustee for and on behalf of IREIT with a Related Party of the Manager (which would include relevant Associates (as defined in the Listing Manual) thereof) or IREIT, the Trustee is required to consider the terms of such transactions to satisfy itself that such transactions are conducted:

- on an arm's length basis with normal commercial terms;
- are not prejudicial to the interests of IREIT and the minority Unitholders; and
- will be in accordance with the applicable requirements of the Listing Manual and all applicable guidelines that may from time to time be prescribed.

The Trustee has the discretion under the Trust Deed to decide whether or not to enter into a transaction involving a Related Party of the Manager or IREIT. If the Trustee is to enter into any transaction with a Related Party of the Manager or IREIT, the Trustee will review the proposed transaction to ensure that it complies with the relevant requirements relating to Related Party Transactions (as may be amended from time to time) as well as such other guidelines as may from time to time be prescribed by the MAS and the SGX-ST to apply to REITs.

IREIT will comply with Rules 905 and 906 of the Listing Manual, as follows:

- make an immediate announcement of any interested person transaction of a value equal to, or more than, 3.0% of IREIT's latest audited net tangible assets;
- if the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to 3.0% or more of IREIT's latest audited net tangible assets, IREIT must make an immediate announcement of the latest transaction and all future transactions entered into with that same interested person during that financial year; and
- obtain unitholder approval for any interested person transaction of a value equal to, or more than 5.0% of IREIT's latest audited net tangible assets; or 5.0% of IREIT's latest audited net tangible assets, when aggregated with other transactions entered into with the same interested person during the same financial year. However, a transaction which has been approved by unitholders, or is the subject of aggregation with another transaction that has been approved by unitholders, need not be included in any subsequent aggregation.

The above do not apply to transaction below \$100,000.

The aggregate value of all Related Party Transactions which are subject to Rules 905 and 906 of the Listing Manual in a particular financial year will be disclosed in the annual report of IREIT for the relevant financial year.

The ARC will periodically review all Related Party Transactions to ensure compliance with the Manager's internal control systems, the relevant provisions of the Listing Manual and the Property Funds Appendix.

The review will include the examination of the nature of the transaction and supporting documents or such other data deemed necessary by the ARC. If a member of the ARC has an interest in a transaction, the interested member is to abstain from participating in the review and approval process in relation to that transaction.

Whistle-Blowing Policy

The Manager has also set in place a whistle-blowing policy, providing an avenue for its employees and external parties to raise concerns about possible improprieties in matters of financial reporting or other matters in good faith, with the confidence that the relevant persons making the reports will be treated fairly and protected from reprisal. External parties are able to lodge their concerns via IREIT's website at www.ireitglobal.com. All whistle-blower complaints will be reviewed by the ARC to ensure that investigations and follow-up actions are carried out, if needed. For the financial year ended 31 December 2021, the ARC did not receive any whistle-blower complaints.

REPORT OF THE TRUSTEE

For the year ended 31 December 2021

DBS Trustee Limited (the “Trustee”) is under a duty to take into custody and hold the assets of IREIT Global (“IREIT”) held by it or through its subsidiaries (the “Group”) in trust for the holders of units in IREIT (the “Unitholders”). In accordance with the Securities and Futures Act 2001 of Singapore, its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of IREIT Global Group Pte. Ltd. (the “Manager”) for compliance with the limitations imposed on the investment and borrowing powers as set out in the trust deed dated 1 November 2013 and as amended and restated by an amending and restating deed dated 14 July 2014, supplemented by the first supplemental deed dated 6 November 2015, second supplemental deed dated 9 May 2018 and third supplemental deed dated 30 March 2020 (collectively, the “Trust Deed”) made between the Manager and the Trustee in each annual accounting period and report thereon to the Unitholders.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed IREIT and the Group during the financial year covered by these financial statements set out on pages 135 to 179, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee,
DBS Trustee Limited

Jane Lim Puay Yuen
Director

Singapore
16 March 2022

STATEMENT BY THE MANAGER

For the year ended 31 December 2021

In the opinion of the directors of IREIT Global Group Pte. Ltd. (the “Manager”), the accompanying financial statements of IREIT Global (“IREIT”) and its subsidiaries (collectively referred to as the “Group”) as set out on pages 135 to 179, comprising the consolidated financial statements of the Group and the statement of financial position and the statement of changes in net assets attributable to Unitholders of IREIT, are drawn up so as to present a true and fair view, in all material respects, of the financial positions of the Group and IREIT as at 31 December 2021, and the consolidated financial performance, consolidated distribution, consolidated changes in net assets attributable to Unitholders and consolidated cash flows of the Group and of the changes in net assets attributable to Unitholders of IREIT, for the year ended, in accordance with the International Financial Reporting Standards and the provisions of the Trust Deed. At the date of this statement, there are reasonable grounds to believe that the Group and IREIT will be able to meet the financial obligations as and when they materialise.

For and on behalf of the Manager,
IREIT Global Group Pte. Ltd.

Lim Kok Min John
Director

Singapore
16 March 2022

INDEPENDENT AUDITOR'S REPORT

To the Unitholders of IREIT Global

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of IREIT Global ("IREIT") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of IREIT as at 31 December 2021, and the consolidated statement of profit or loss and other comprehensive income, statement of distribution, consolidated statement of changes in net assets attributable to Unitholders and consolidated statement of cash flows of the Group and the statement of changes in net assets attributable to Unitholders of IREIT for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 135 to 179.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in net assets attributable to Unitholders of IREIT are properly drawn up in accordance with International Financial Reporting Standards ("IFRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of IREIT as at 31 December 2021, and of the consolidated financial performance, consolidated distribution, consolidated changes in net assets attributable to Unitholders and consolidated cash flows of the Group and of the changes in net assets attributable to Unitholders of IREIT, for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT

To the Unitholders of IREIT Global

Key Audit Matter	How the matter was addressed in the audit
<p><i>Fair Valuation and Disclosure of Fair Value for Investment Properties</i></p>	
<p>The Group owns a portfolio of investment properties comprising commercial office complexes located in Germany and Spain, and retail spaces in France. The investment properties represent the single largest category of assets with a carrying amount of €974.9 million as at 31 December 2021.</p>	<p>We have assessed the Group's process of appointment and determination of the scope of work of the Valuers, as well as their process of reviewing, and accepting the Valuers' investment property valuations.</p>
<p>The Group has adopted the fair value model under IAS 40 <i>Investment Property</i> which requires all the investment properties to be measured at fair value. The Group has engaged external independent valuers ("Valuers") to perform the fair value assessment of the investment properties.</p>	<p>We have reviewed the qualifications, competence, independence, and the terms of engagement of the Valuers with the Group to determine whether there were any matters which might affect the objectivity of the Valuers or impede their scope of work.</p>
<p>The fair valuation of investment properties is considered to be a matter of significance as the valuation process requires the application of judgement in determining the appropriate valuation methodology to be used, and the use of subjective assumptions and various unobservable inputs. The fair valuations are sensitive to underlying assumptions applied in deriving the underlying cash flows, discount rate, terminal capitalisation rate and income capitalisation rate as a small change in these assumptions can result in an increase or decrease in fair valuation of the investment properties.</p>	<p>We held discussions with management and the Valuers on the valuation reports, and engaged our valuation specialists to assist in:</p>
<p>The Valuers have highlighted that the outbreak of the Novel Coronavirus ("COVID-19") continue to affect real estate markets globally. Nevertheless, as at the valuation date, property markets are mostly functioning again, with transaction volumes and other relevant evidence at levels where enough market evidence exists upon which to base opinions of value.</p>	<ul style="list-style-type: none">• assessing the valuation methodology, assumptions and estimates used by the Valuers against general market practice for similar types of properties;• comparing valuation assumptions and the underlying cash flows, discount rate, terminal capitalisation rate and income capitalisation rate to historical rates, and available industry data for comparable markets and properties;• reviewing the integrity of the valuation calculations, valuation inputs, including review of lease schedules, lease agreements and comparing it to the inputs made to the projected cash flows; and• understanding how the Valuers have considered the implications of COVID-19 and market uncertainty in the valuations.
<p>The valuation methodology, their key inputs and the inter-relationships between the inputs and the valuation have been disclosed in Note 7 to the financial statements.</p>	<p>Based on the audit procedures performed, the fair valuation of the properties and the various inputs used are within a reasonable range of our expectations.</p>
	<p>We have also assessed and validated the adequacy and appropriateness of the disclosures made in the financial statements.</p>

INDEPENDENT AUDITOR'S REPORT

To the Unitholders of IREIT Global

Information Other than the Financial Statements and Auditor's Report Thereon

IREIT Global Group Pte. Ltd. (the "Manager" of IREIT) is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. We have obtained the Report of the Trustee and Statement by the Manager prior to the date of this auditor's report. The other sections of the annual report ("the Reports") are expected to be made available to us after the date of that date.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Manager and take appropriate actions in accordance with SSAs.

Responsibilities of the Manager and Directors of the Manager for the Financial Statements

The Manager is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and comply with the relevant provisions of the Trust Deed dated 1 November 2013 and amended by the amending and restating deed dated 14 July 2014, supplemented by the first supplemental deed dated 6 November 2015, second supplemental deed dated 9 May 2018 and third supplemental deed dated 30 March 2020 (collectively, the "Trust Deed"), and the relevant requirements of the Code on Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The responsibilities of the directors of the Manager include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITOR'S REPORT

To the Unitholders of IREIT Global

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors of the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors of the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors of the Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the financial statements have been properly prepared in accordance with the relevant provisions of the Trust Deed and the relevant requirements of the CIS Code.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Patrick Tan Hak Pheng.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

16 March 2022

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2021

	Note	Group		IREIT	
		2021 EUR'000	2020 EUR'000	2021 EUR'000	2020 EUR'000
Current assets					
Cash and cash equivalents	4	51,669	43,109	2,981	10,135
Trade and other receivables	5	3,990	2,832	9,720	10,631
Financial derivatives	6	8	-	-	-
		<u>55,667</u>	<u>45,941</u>	<u>12,701</u>	<u>20,766</u>
Non-current assets					
Investment properties	7	974,870	719,580	-	-
Investment in subsidiaries	8	-	-	400,948	336,225
Other receivables	5	1,539	1,316	-	-
Financial derivatives	6	2,319	313	-	-
Loans to subsidiaries	5	-	-	37,800	31,000
Deferred tax assets	9	1,104	1,879	-	-
		<u>979,832</u>	<u>723,088</u>	<u>438,748</u>	<u>367,225</u>
Total assets		<u>1,035,499</u>	<u>769,029</u>	<u>451,449</u>	<u>387,991</u>
Current liabilities					
Trade and other payables	10	7,505	4,690	1,168	548
Distribution payable		17,600	13,031	17,600	13,031
Financial derivatives	6	1,981	2,019	-	429
Income tax payable		769	1,490	-	-
		<u>27,855</u>	<u>21,230</u>	<u>18,768</u>	<u>14,008</u>
Non-current liabilities					
Borrowings	11	328,922	264,628	-	-
Other payables	10	2,315	1,430	77,021	77,021
Financial derivatives	6	2,496	7,805	-	-
Deferred tax liabilities	9	54,465	32,193	-	-
		<u>388,198</u>	<u>306,056</u>	<u>77,021</u>	<u>77,021</u>
Total liabilities		<u>416,053</u>	<u>327,286</u>	<u>95,789</u>	<u>91,029</u>
Net assets attributable to Unitholders		<u>619,446</u>	<u>441,743</u>	<u>355,660</u>	<u>296,962</u>
Units in issue and to be issued ('000)	12	<u>1,155,891</u>	<u>938,963</u>	<u>1,155,891</u>	<u>938,963</u>
Net asset value per unit (€) attributable to Unitholders	13	<u>0.54</u>	<u>0.47</u>	<u>0.31</u>	<u>0.32</u>

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2021

	Note	Group	
		2021	2020
		EUR'000	EUR'000
Gross revenue	14	52,167	37,821
Property operating expenses	15	(9,685)	(4,927)
Net property income		<u>42,482</u>	<u>32,894</u>
Finance income		-	2
Finance costs	16	(5,040)	(4,412)
Management fees	17	(3,620)	(2,743)
Trustee's fees		(171)	(135)
Administrative costs		(1,043)	(338)
Other trust expenses	18	(1,430)	(1,956)
Change in fair value of financial derivatives		6,790	(3,871)
Change in fair value of investment properties	7	115,000	4,038
Share of results of joint venture		-	1,151
Gain on derecognition of joint venture		-	2,309
Acquisition and divestment related costs		(1,509)	(1,284)
Profit before taxation and transactions with Unitholders		151,459	25,655
Income tax expense	19	(22,969)	(5,934)
Profit for the year, before transactions with Unitholders		128,490	19,721
Distributions to Unitholders		(30,947)	(24,691)
Profit/(Loss) for the year, after transactions with Unitholders, representing total comprehensive income (loss) for the year		97,543	(4,970)
Basic and diluted earnings per unit (€ cents)	20	12.31	2.57

The accompanying notes form an integral part of these financial statements.

STATEMENT OF DISTRIBUTION

For the year ended 31 December 2021

	Note	Group	
		2021 EUR'000	2020 EUR'000
Profit for the year, before transactions with Unitholders		128,490	19,721
Adjustments:			
Difference between accounting and actual finance costs paid		600	349
Management fees payable in units		1,810	2,743
Foreign exchange (gain)/loss		(272)	1,065
Effects of recognising rental income on a straight-line basis over the lease term		992	441
Change in fair value of financial derivatives		(6,790)	3,871
Change in fair value of investment properties		(115,000)	(4,038)
Share of results of joint venture		-	(1,151)
Distributable income from joint venture		-	1,197
Gain on derecognition of joint venture		-	(2,309)
Acquisition and divestment related costs		1,509	1,284
Deferred tax expense		23,047	4,261
Amount available for distribution		34,386	27,434
Distribution to Unitholders:			
Distribution of €1.43 cents per unit for the period from 1 January 2021 to 30 June 2021		(13,634)	-
Distribution of €1.50 cents per unit for the period from 1 July 2021 to 31 December 2021		(17,313)	-
Distribution of €1.82 cents per unit for the period from 1 January 2020 to 30 June 2020		-	(11,660)
Distribution of €1.39 cents per unit for the period from 1 July 2020 to 31 December 2020		-	(13,031)
Total Unitholders' distribution		(30,947)	(24,691)
Amount retained for working capital		3,439	2,743
Units in issue at the end of the year ('000)	12	1,154,591	937,046
Distribution per unit (€ cents)	2(r)	2.93	3.21

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the year ended 31 December 2021

Group	Units in issue and to be issued EUR'000	Unit issue costs EUR'000	Accumulated profits EUR'000	Total EUR'000
Net assets attributable to Unitholders as at 1 January 2020	292,215	(8,233)	70,311	354,293
OPERATIONS				
Profit for the year, before transactions with Unitholders	-	-	19,721	19,721
Distribution paid of €1.82 cents per unit for the period from 1 January 2020 to 30 June 2020	-	-	(11,660)	(11,660)
Distribution payable of €1.39 cents per unit for the period from 1 July 2020 to 31 December 2020	-	-	(13,031)	(13,031)
Total comprehensive income for the year	-	-	(4,970)	(4,970)
UNITHOLDERS' TRANSACTIONS				
Issue of units:				
Pursuant to the Rights Issue	89,371	-	-	89,371
Issue expenses	-	(512)	-	(512)
Acquisition fees paid in units	818	-	-	818
Management fees payable in units	2,743	-	-	2,743
Increase in net assets resulting from Unitholders' transactions	92,932	(512)	-	92,420
Net assets attributable to Unitholders as at 31 December 2020	385,147	(8,745)	65,341	441,743
OPERATIONS				
Profit for the year, before transactions with Unitholders	-	-	128,490	128,490
Distribution paid of €1.43 cents per unit for the period from 1 January 2021 to 30 June 2021	-	-	(13,634)	(13,634)
Distribution payable of €1.50 cents per unit for the period from 1 July 2021 to 31 December 2021	-	-	(17,313)	(17,313)
Total comprehensive income for the year	-	-	97,543	97,543
UNITHOLDERS' TRANSACTIONS				
Issue of units:				
Pursuant to the Placement and Preferential Offer	79,207	-	-	79,207
Issue expenses	-	(857)	-	(857)
Management fees payable in units	1,810	-	-	1,810
Increase in net assets resulting from Unitholders' transactions	81,017	(857)	-	80,160
Net assets attributable to Unitholders as at 31 December 2021	466,164	(9,602)	162,884	619,446

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the year ended 31 December 2021

IREIT	Units in issue and to be issued EUR'000	Unit issue costs EUR'000	Accumulated losses EUR'000	Total EUR'000
Net assets attributable to Unitholders as at 1 January 2020	292,215	(8,233)	(59,405)	224,577
OPERATIONS				
Profit for the year, before transactions with Unitholders	-	-	4,656	4,656
Distribution paid of €1.82 cents per unit for the period from 1 January 2020 to 30 June 2020	-	-	(11,660)	(11,660)
Distribution payable of €1.39 cents per unit for the period from 1 July 2020 to 31 December 2020	-	-	(13,031)	(13,031)
Total comprehensive income for the year	-	-	(20,035)	(20,035)
UNITHOLDERS' TRANSACTIONS				
Issue of units:				
Pursuant to the Rights Issue	89,371	-	-	89,371
Issue expenses	-	(512)	-	(512)
Acquisition fees paid in units	818	-	-	818
Management fees payable in units	2,743	-	-	2,743
Increase in net assets resulting from Unitholders' transactions	92,932	(512)	-	92,420
Net assets attributable to Unitholders as at 31 December 2020	385,147	(8,745)	(79,440)	296,962
OPERATIONS				
Profit for the year, before transactions with Unitholders	-	-	9,485	9,485
Distribution paid of €1.43 cents per unit for the period from 1 January 2021 to 30 June 2021	-	-	(13,634)	(13,634)
Distribution payable of €1.50 cents per unit for the period from 1 July 2021 to 31 December 2021	-	-	(17,313)	(17,313)
Total comprehensive income for the year	-	-	(21,462)	(21,462)
UNITHOLDERS' TRANSACTIONS				
Issue of units:				
Pursuant to the Placement and Preferential Offer	79,207	-	-	79,207
Issue expenses	-	(857)	-	(857)
Management fees payable in units	1,810	-	-	1,810
Increase in net assets resulting from Unitholders' transactions	81,017	(857)	-	80,160
Net assets attributable to Unitholders as at 31 December 2021	466,164	(9,602)	(100,902)	355,660

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2021

	Note	Group	
		2021 EUR'000	2020 EUR'000
Cash flows from operating activities			
Profit/(loss) for the year, after transactions with Unitholders		97,543	(4,970)
Adjustments for:			
Management fees payable/paid in units		1,810	2,743
Acquisition fees paid in units		-	818
Effects of recognising rental income on a straight-line basis		992	441
Finance costs		5,040	4,412
Finance income		-	(2)
Net change in fair value of financial derivatives		(6,790)	3,871
Net change in fair value of investment properties		(115,000)	(4,038)
Distribution to Unitholders		30,947	24,691
Income tax expense		22,969	5,934
Gain on derecognition of joint venture		-	(2,309)
Share of results of joint venture		-	(1,151)
Operating profit before working capital changes		37,511	30,440
Changes in working capital:			
Trade and other receivables		(1,593)	(1,289)
Trade and other payables		3,697	(1,408)
Income taxes paid		(640)	(1,256)
Cash generated from operations, representing net cash from operating activities		38,975	26,487
Cash flows from investing activities			
Acquisition of investment properties	7	(147,227)	-
Proceeds from the disposal of investment property	7	9,500	-
Capital expenditure on investment properties		(3,323)	(1,170)
Acquisition of subsidiary	21	-	(37,706)
Net cash used in investing activities		(141,050)	(38,876)
Cash flows from financing activities			
Proceeds from issuance of units		79,207	89,371
Payments related to issuance of units		(857)	(512)
Proceeds from borrowings	27	65,000	-
Repayment of borrowings	27	-	(32,000)
Costs related to borrowings	27	(1,900)	-
Distribution paid to Unitholders	27	(26,378)	(22,727)
Net interest paid		(4,437)	(3,977)
Net cash from financing activities		110,635	30,155
Net increase in cash and cash equivalents		8,560	17,766
Cash and cash equivalents at beginning of the year		43,109	25,343
Cash and cash equivalents at end of the year	4	51,669	43,109

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2021

SIGNIFICANT NON-CASH TRANSACTIONS

During the financial year ended 31 December 2021:

- 4,417,597 new Units amounting to €1,810,000 were issued or will be issued at issue prices ranging from \$0.6395 to \$0.6455 per unit for the payment of management fees to the Manager in Units.

During the financial year ended 31 December 2020:

- 7,139,402 new Units amounting to €2,743,000 were issued or will be issued at issue prices ranging from \$0.4747 to \$0.7329 per unit for the payment of management fees to the Manager in Units.
- 2,053,542 new Units amounting to €818,000 were issued at an issue price of \$0.6402 per unit for the payment of acquisition fees to the Manager for the acquisition of the remaining 60% interest in four Spanish properties (the "Initial Spanish Portfolio") in October 2020.

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

1. GENERAL

IREIT Global (“IREIT”) is a real estate investment trust constituted by a trust deed entered into on 1 November 2013 and as amended and restated by an amending and restating deed dated 14 July 2014, supplemented by the first supplemental deed dated 6 November 2015, second supplemental deed dated 9 May 2018 and third supplemental deed dated 30 March 2020 (collectively, the “Trust Deed”) made between IREIT Global Group Pte. Ltd. as the manager of IREIT (the “Manager”), and DBS Trustee Limited, as the trustee of IREIT (the “Trustee”). IREIT was listed on the Singapore Exchange Securities Trading Limited (the “SGX-ST”) on 13 August 2014 (“Listing Date”).

The registered office and principal place of business of the Manager is 1 Wallich Street, #15-03, Guoco Tower, Singapore 078881.

The registered office and principal place of business of the Trustee is 12 Marina Boulevard, Level 44, Marina Bay Financial Centre Tower 3, Singapore 018982.

The consolidated financial statements of IREIT as at and for the year ended 31 December 2021 comprise IREIT and its subsidiaries (together referred to as the “Group”).

The principal activity of IREIT is investment holding whereas that of its subsidiaries are to own and invest in a portfolio of office and retail properties in Europe. Collectively, the Manager’s key financial objectives are to provide Unitholders with regular and stable distributions and the potential for sustainable long-term growth in distribution per unit and net asset value per unit, while maintaining an appropriate capital structure for IREIT.

The consolidated financial statements of the Group and the statement of financial position of IREIT as at 31 December 2021 and statement of changes in net assets attributable to Unitholders of IREIT for the financial year then ended 31 December 2021 were authorised for issue by the Manager on 16 March 2022.

The financial statements are presented in Euro (“€” or “EUR”).

The Group has entered into several service agreements in relation to the management of IREIT and its property operations. The fee structures of these services are as follows:

(a) Management fees

The Manager is entitled to receive the following remuneration for managing IREIT:

Base fee

Pursuant to the Trust Deed, the Manager is entitled to a Base Fee of 10.0% per annum of IREIT’s Annual Distributable Income (calculated before accounting for the Base Fee and the Performance Fee). The Base Fee is payable to the Manager either in the form of cash or units as the Manager may elect. The Manager has elected to receive 50.0% of its Base Fee in the form of units and 50.0% of its Base Fee in the form of cash for the financial year ended 31 December 2021 (Note 17 and 26).

The portion of the Base Fee, payable either in the form of cash or units is payable in arrears for the relevant period. Where the Base Fee is payable in units, the units will be issued based on the volume weighted average price for a unit for all trades transacted on SGX-ST in the ordinary course of trading for a period of 10 Business Days (as defined in the Trust Deed) immediately preceding the end date of the period to which the fee relates.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

1. GENERAL (CONTINUED)

(a) Management fees (continued)

Performance fee

Pursuant to the Trust Deed, the Manager is entitled to a Performance Fee of 25.0% of the difference in distribution per Unit ("DPU") in a financial period with the DPU in the preceding financial period (calculated before accounting for the Performance Fee but after accounting for the Base Fee in each financial period) multiplied by the weighted average number of units in issue for such financial period.

The Performance Fee is payable if the DPU in any financial period exceeds the DPU in the preceding financial period, notwithstanding that the DPU in such financial period may be less than the DPU in any preceding financial period.

Acquisition fee

Under the Trust Deed, the Manager is entitled to receive an acquisition fee not exceeding 1.0% of the acquisition price for any real estate purchased directly or indirectly by IREIT (pro-rated if applicable to the proportion of IREIT's interest in the real estate acquired) in the form of cash and/or units (Note 26).

Divestment fee

Under the Trust Deed, the Manager is entitled to receive a divestment fee not exceeding 0.5% of the sale price of any real estate directly or indirectly sold or divested by IREIT (pro-rated if applicable to proportion of IREIT's interest in the real estate sold) in the form of cash and/or units.

(b) Trustee's fees

The Trustee's fees shall not exceed 0.1% per annum of the value of all the assets of the Group ("Deposited Property") subject to a minimum of S\$10,000 per month, excluding out-of-pocket expenses and GST in accordance with the Trust Deed.

(c) Property management fees

The property managers provide management and leasing services to the property-owning subsidiaries of the Group, carrying out the day to day maintenance and leasing activities for the investment properties.

Under the property management agreements, the property managers of IREIT's current portfolio are entitled to receive monthly property management fees calculated based on a percentage of the rental income or an agreed fixed fee, subject to certain minimum thresholds on a property by property basis. The property managers are not related parties of the Manager.

For leasing services, the property managers are entitled to additional remuneration upon the conclusion of the lease agreement.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation of financial statements

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and are drawn up in accordance with the relevant provisions of the Trust Deed and the relevant requirements of the Code on Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore ("MAS").

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation of financial statements (continued)

The financial statements have been prepared on the historical cost basis, except as disclosed in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of IFRS 16 *Leases*, and the measurements that have same similarities to fair value but are not fair value, such as value in use in IAS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are 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.

NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

On 1 January 2021, the Group adopted all the new and revised IFRSs that were effective from that date and were relevant to its operations. The adoption of these new/revised IFRSs did not result in changes to the Group's and IREIT's accounting policies and had no material effect on the amounts reported for the current or prior years.

At the date of authorisation of these financial statements, the below IFRS relevant to the Group were issued but not effective:

Amendments to IFRS 3	<i>Reference to the Conceptual Framework¹</i>
Annual Improvements to IFRS Standards 2018-2020	<i>Amendments to IFRS 9 Financial Instruments¹</i>
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-Current²</i>
Amendments to IAS 1 and IFRS Practice Statement 2	<i>Disclosure of Accounting Policies²</i>
Amendments to IAS 8	<i>Definition of Accounting Estimates²</i>
Amendments to IAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction²</i>
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture³</i>

1 Applies to annual periods beginning on or after 1 January 2022, with early application permitted.

2 Applies to annual periods beginning on or after 1 January 2023, with early application permitted.

3 Effective date is deferred indefinitely.

The adoption of the standards mentioned above are not expected to have a material impact on the Group's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of consolidation

The consolidated financial statements incorporate the financial statements of IREIT and entities controlled by IREIT ("subsidiaries"). Control is achieved when IREIT:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

IREIT reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when IREIT obtains control over the subsidiary and ceases when IREIT loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the date IREIT gains control until the date when IREIT ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intra-group assets and liabilities, income, expenses and cash flows are eliminated in full on consolidation.

Profit or loss and each component of the other comprehensive income are attributed to the Unitholders of IREIT and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the Unitholders of IREIT and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are recognised in profit or loss as incurred.

A business for business combination purposes is defined as an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income (such as dividends or interest) or generating other income from ordinary activities.

Entities acquired, that do not meet the definition of a business are accounted for as acquisition of an asset or a group of assets. This is generally the case if the value of the assets acquired is substantially all concentrated in a single asset or group of similar assets such as investment properties. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax is recognised.

When a business combination is achieved in stages, the Group's previously held interests (including joint operations) in the acquired entity are remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

(c) Investment in subsidiaries

Investment in subsidiaries are included in IREIT's statement of financial position at cost less any identified impairment loss.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Investment properties

Investment properties are properties held to earn rental income and/or for capital appreciation.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured using the fair value model. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

The carrying value of investment properties include components relating to lease incentives and other items relating to increases in lease rentals in future periods.

Lessees may be offered incentives as an inducement to enter into non-cancellable operating leases. Lease incentives form part, as a deduction, of total rent receivable from Group's operating lease contracts and as such are recognised on a straight-line basis over the lease term.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the investment property is derecognised.

(e) Financial instruments

Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(f) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Financial assets at amortised cost

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, the financial assets (including trade and other receivables and bank balances and cash) are measured at amortised cost using the effective interest rate method, less any identified impairment losses as disclosed in Note 24(a).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Financial assets (continued)

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the financial asset, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Financial assets at fair value through profit or loss ("FVTPL")

Financial assets that do not meet the criteria for being measured at amortised cost or fair value through other comprehensive income ("FVTOCI") are measured at FVTPL. Financial assets at FVTPL are measured at fair value as at each reporting date, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. IREIT has financial derivative instruments designated as at FVTPL. Fair value is determined in the manner described in Note 6.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically,

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss; and
- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") for all its financial assets at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

The Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12 months ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring. The Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Financial assets (continued)

Impairment of financial assets (continued)

For trade and other receivables, the Group applies a simplified approach in calculating ECLs. Based on historical credit losses experience (past due status of the trade receivables), the expected credit losses are adjusted to reflect current conditions and estimates of future economic conditions at the reporting date.

Definition of default

The Group may consider an event of default for internal credit risk management purposes:

- when a financial asset is more than 90 days past due; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group)

unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any subsequent recoveries are recognised in profit or loss.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

(g) Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the group entity after deducting all its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Transaction costs relating to the equity instrument are recognised directly in equity.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Financial liabilities and equity instruments (continued)

Compound instruments

Compound instruments contains both a liability and an equity component, and such components are classified separately as financial liabilities or equity instruments.

Financial liabilities

All financial liabilities (including trade and other payables, distribution payable and borrowings) are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL are stated at fair value with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liabilities. Fair value is determined in the manner described in Note 6.

Financial liabilities that are not 1) contingent consideration of an acquirer in a business combination, 2) held-for-trading, or 3) designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost as at each reporting date, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the profit or loss for financial liabilities that are not part of a designated hedging relationship.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(h) Derivative financial instruments

The Group uses derivative financial instruments (primarily interest rate swaps, interest rate caps and foreign currency forward contracts) to economically hedge its significant future transactions and cash flows in the management of its interest rate and exchange rate exposures. Further details of derivative financial instruments are disclosed in Note 6.

IREIT does not perform hedge accounting, therefore derivative financial instruments are initially measured at fair value at the date the derivative contracts are entered into and are subsequently re-measured to fair value at the end of each reporting period. All changes in fair value are taken to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Leases

The Group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Subsequent to initial recognition, the Group regularly reviews the estimated unguaranteed residual value and applies the impairment requirements of IFRS 9, recognising an allowance for expected credit losses on the lease receivables.

(j) Issue costs

Unit issue costs are transaction costs relating to issuance of units in IREIT which are accounted for as a deduction from the proceeds raised to the extent, they are incremental costs directly attributable to the transaction that otherwise would have been avoided. Other transaction costs are recognised as an expense in profit or loss.

(k) Revenue recognition

The Group recognises revenue from the following major sources:

- Rental income
- Service charge income
- Carpark income

Rental income

Rental income under operating leases, except for contingent rentals (including those based on inflation index) are recognised in profit or loss on a straight-line basis over the term of the relevant lease.

Service charge income

Service charge income is an income generated from providing essential building management and maintenance services to the tenants at the properties held by the Group. It consists of payments in respect of the operations of the properties and is recognised as income over time.

Carpark income

Carpark income derived from tenants of the properties under operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

(l) Finance costs

Finance costs comprise interest expense on loans and interest rate swaps, and amortisation of interest rate cap premiums and upfront debt transaction costs. Finance costs are recognised in profit or loss using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

(n) Foreign currencies

The functional currency (the currency of the primary economic environment in which the entity operates) of IREIT and its subsidiaries is Euro.

In preparing the financial statements of each individual entity within the Group, transactions in currencies other than Euro are recorded in Euro at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise.

(o) Impairment of investment in subsidiaries

At the end of the reporting period, IREIT reviews the carrying amounts of its investments in each of the subsidiaries to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amount of the investment in subsidiaries and joint venture is estimated in order to determine the extent of the impairment loss, if any.

Recoverable amount is the higher of fair value less cost to sell or value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of the investments is estimated to be less than its carrying amount, the carrying amount of investments is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of investments is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for investments in prior years. A reversal of an impairment loss is recognised as income immediately.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from “profit before taxation” as reported in the statement of profit or loss and other comprehensive income because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The Group’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax is recognised on the temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all temporary difference to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such deferred assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax liabilities or deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

Current and deferred tax are recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Operating segments

Segment information is reported in a manner consistent with the internal reporting provided to the Group's Chief Operating Decision Maker ("CODM") who conducts a regular review for allocation of resources and assessment of the performance of the operating segments.

(r) Distribution policy

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

(s) Cash and cash equivalents in the statement of cash flows

Cash and cash equivalents in the statement of cash flows comprise cash at bank and on hand that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2, the Manager is required to make 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 the process of applying the Group's accounting policies, the Manager is of the opinion that there are no instances of application of judgments or the use of estimation techniques which may have a significant effect on the amounts recognised in the financial statements other than described below.

(a) Valuation of investment properties

As described in Notes 2(d) and 7, investment properties are stated at fair value based on the valuation performed by independent professional valuers ("Valuers"). In determining the fair values of the properties, the Valuers have used and considered the discounted cash flow method and income capitalisation method, which involve the making of certain assumptions and estimates. The Manager has exercised its judgment and is satisfied that the valuation methodology, assumptions and estimates are reflective of the prevailing conditions in the respective geographical locations, where the investment properties are located. Information about the assumptions, estimation, and other uncertainties that have a significant effect on the amounts recognised and the fair values of the investment properties are set out in Note 7.

(b) Current and deferred taxes

The Manager has also applied consistent judgement and estimates to current and deferred taxes disclosed in Notes 19 and 9 respectively. Judgement is required in determining the deductible amount of certain expenses during the estimation of provision for income taxes in current year and prior years. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax provisions in the period in which such determination is made.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

4. CASH AND CASH EQUIVALENTS

	Group		IREIT	
	2021 EUR'000	2020 EUR'000	2021 EUR'000	2020 EUR'000
Cash at bank and on hand	51,669	43,109	2,981	10,135

5. TRADE AND OTHER RECEIVABLES AND LOANS TO SUBSIDIARIES

	Group		IREIT	
	2021 EUR'000	2020 EUR'000	2021 EUR'000	2020 EUR'000
(a) Trade receivables				
Outside parties	1,545	942	-	-
(b) Other receivables and prepayments				
Other receivables	1,571	1,025	9,714	10,623
Prepayments	874	865	6	8
	2,445	1,890	9,720	10,631
Current trade and other receivables	3,990	2,832	9,720	10,631
(c) Other receivables and loans to subsidiaries				
Outside parties	1,539	1,316	-	-
Loans to subsidiaries	-	-	37,800	31,000
	1,539	1,316	37,800	31,000
Non-current other receivables and loans to subsidiaries	1,539	1,316	37,800	31,000

The Group's trade receivables as at the end of the reporting period comprise amounts owing by tenants of the investment properties. The credit terms for trade receivables are not more than 30 days. As at 31 December 2021, an amount of €73,000 (2020: €76,000) is past due but not impaired. No interest is charged on the trade receivables.

Included in IREIT's other receivables is an amount receivable from subsidiaries of €9.2 million (2020: €10.4 million) mainly comprising approximately €8.7 million (2020: €8.2 million) of dividends receivable and loans receivable from subsidiaries, which were collected subsequent to year end.

As at 31 December 2021, loans to subsidiaries bear a fixed nominal interest rate of 7.45% (2020: 7.45%) per annum. The interest is payable quarterly while the principal is payable upon maturity date. The fair value of the loans to subsidiaries approximates its carrying amount.

In determining the recoverability of receivables, the Group considers any change in the credit quality of the receivables from the date credit was initially granted. The Group applies a simplified approach in calculating ECLs which is based on historical credit losses experienced (past due status of the trade receivables), adjusted as appropriate to reflect current conditions and estimates of future economic conditions at the reporting date. As at financial year end, expected credit losses from receivables are expected to be insignificant.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

6. FINANCIAL DERIVATIVES

	Group		IREIT	
	2021 EUR'000	2020 EUR'000	2021 EUR'000	2020 EUR'000
Current assets				
Interest rate caps	8	-	-	-
Non-current assets				
Interest rate caps	2,319	313	-	-
Current liabilities				
Foreign currency forward contracts	-	429	-	429
Interest rate swaps	1,981	1,590	-	-
	1,981	2,019	-	429
Non-current liabilities				
Interest rate swaps	2,496	7,805	-	-

(a) Foreign currency forward contracts

Up till 30 June 2021, the distributions to Unitholders were denominated in Singapore Dollar. In order to economically hedge the potential foreign currency fluctuation between Euro and Singapore Dollar, IREIT had entered into foreign currency forward contracts to economically hedge the foreign currency exposure. With effect from 1 July 2021, the distribution currency has been changed from Singapore Dollar to Euro and accordingly, there were no outstanding foreign currency forward contracts as at 31 December 2021.

The fair value of the foreign currency forward contracts falls under Level 2 of the fair value hierarchy and is based on banks' quotes.

(b) Interest rate caps

The Group has entered into interest rate cap contracts to hedge its exposure to interest rate risks associated with movements in the interest rate on the borrowings of the Group in Note 11.

As at the end of the financial year, the total notional amount of outstanding interest rate cap contracts to which the Group is committed to is approximately €121.6 million (2020: €66.9 million).

The fair value of the interest rate caps falls under Level 2 of the fair value hierarchy and is based on banks' quotes.

(c) Interest rate swaps

The Group has entered into interest rate swap contracts to hedge its exposure to interest rate risks associated with movements in the interest rate on the borrowings of the Group in Note 11.

As at the end of the financial year, the total notional amount of outstanding interest rate swap contracts to which the Group is committed to is approximately €200.8 million (2020: €200.8 million).

The fair value of the interest rate swaps falls under Level 2 of the fair value hierarchy and is based on banks' quotes.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

7. INVESTMENT PROPERTIES

	Note	Group	
		2021 EUR'000	2020 EUR'000
Beginning of the year		719,580	574,900
Capital expenditure on investment properties		3,323	1,170
Acquisition of investment properties	(a)	147,227	136,400
Disposal of investment property	(b)	(9,500)	-
Lease incentives and rent straight-lining		(760)	3,072
Net change in fair value of investment properties during the year		115,000	4,038
End of the year	(c)	974,870	719,580

(a) Details of investment properties acquired during the year ended 31 December 2021 are as follows:

<i>Transactions during the year</i>	Acquisition price ⁽ⁱⁱ⁾ EUR'000	Carrying amount as at 31 Dec 2021 EUR'000
27 retail properties located in France (the "French Portfolio")	110,460	123,370
Office property located in Spain	27,200	28,600
Total for the year	137,660	151,970

During the year ended 31 December 2020, IREIT acquired the remaining 60% interest of IREIT Global Holdings 5 Pte. Ltd. ("JVCo") which owns 100% interest in the Initial Spanish Portfolio. This was completed on 22 October 2020. The Group has classified its 100% interest in JVCo as a subsidiary, as disclosed in Note 8.

- (b) On 29 October 2021, IREIT completed its divestment of the multi-storey car park in Darmstadt campus, Germany for a consideration of €9.5 million.
- (c) The fair value of the Group's investment properties at year end have been determined on the basis of valuations carried out on 31 December 2021 (2020: 31 December 2020) by independent valuers⁽ⁱ⁾, having appropriate recognised professional qualifications and at least five years' of relevant practical experience in the location and category of the properties being valued, and are not related to the Group. The valuations were prepared in accordance with RICS Valuation-Global Standards, which incorporate the International Valuation Standards. 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.

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

⁽ⁱⁱ⁾ Excluding acquisition-related expenses of €9,567,000.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

7. INVESTMENT PROPERTIES (CONTINUED)

The independent valuers have highlighted that the pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally. Nevertheless, as at the valuation date, some property markets have started to function again, with transaction volumes and other relevant evidence at levels where an adequate quantum of market evidence exists upon which to base opinions of value. The independent valuers have stated that the valuations are not subject to material valuation uncertainty. However, in recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19, they have highlighted the importance of the valuation date.

The Manager reviewed the appropriateness of the valuation methodology, assumptions and estimates adopted and is of the view that they are reflective of the market conditions as at 31 December 2021. The valuations were based on the information available as at 31 December 2021.

Details of the investment properties as at 31 December 2021 and 2020 which are located in Germany, Spain and France are set out below:

Description of property	Type	Leasehold term	Location	Appraised value	
				2021 EUR'000	2020 EUR'000
Germany					
Bonn Campus	Office	Freehold	Friedrich-Ebert-Allee,71, 73, 75, 77, Bonn	121,800	113,700
Darmstadt Campus	Office	Freehold	Heinrich-Hertz-Straße 3, 5, 7, Darmstadt, Germany Mina-Rees- Straße 4, Darmstadt	71,500	90,400
Münster Campus	Office	Freehold	Gartenstraße 215, 217, Münster	69,900	64,400
Concor Park	Office	Freehold	Bahnhofstraße 12 and Dywidagstraße 1, Bahnhofstraße 16, 18, 20, München	97,900	93,300
Berlin Campus	Office	Freehold	Schreiberhauer Straße 2, 4, 6, 8, 10, 12, 14, 16, 18, 20 and 22, Berlin 10317	323,200	226,100
Total - Germany				684,300	587,900
Spain					
Delta Nova IV	Office	Freehold	Av. Manoteras, 46, Madrid	30,900	28,380
Delta Nova VI	Office	Freehold	Av. Manoteras, 46BIS, Madrid	40,600	38,600
Il·Lumina	Office	Freehold	Carrer De Gaspar Fabregas I Roses, 81, Barcelona	25,500	25,400
Sant Cugat Green	Office	Freehold	Av. De La Generalitat, 163-167, Barcelona	41,600	39,300
Parc Cugat	Office	Freehold	Can Fatjo Dels Urons 5, St Cugat del Valles, Barcelona	28,600	-
Total - Spain				167,200	131,680

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

7. INVESTMENT PROPERTIES (CONTINUED)

Description of property	Type	Leasehold term	Location	Appraised value	
				2021	2020
				EUR'000	EUR'000
France					
Vichy	Retail	Freehold	Route de Charmeil Zone d'Activites Commerciales La	4,180	-
Aurillac	Retail	Freehold	Ponetie	4,440	-
Macon	Retail	Freehold	Route Nationale 6 Zone Jacquard	9,010	-
Belfort Bessoncourt	Retail	Freehold	Zone Commerciale Porte des Vosges	4,290	-
Lannion	Retail	Freehold	ZA Du Cruguil, rue Lucien Vidie	4,570	-
Dinan	Retail	Freehold	Cap Rance, Route de Dinard	2,520	-
Concarneau	Retail	Freehold	Rue Aime Cesaire, ZA du Colguen	2,520	-
Pontivy	Retail	Freehold	40, avenue des Cites Unies	2,450	-
Chateauroux	Retail	Freehold	ZAC Cap Sud	6,280	-
Dreux	Retail	Freehold	Rue Henry Potez	4,170	-
Verdun	Retail	Freehold	Zone du Dragon	3,170	-
Sarrebouurg	Retail	Freehold	Zone Artisanale Les Terrasses de la Sarre	3,000	-
Douai	Retail	Freehold	1 rue du Faubourg de Paris	3,440	-
Calais	Retail	Freehold	Rue Danton, ZAC des Cailloux, rue de Verdun	5,050	-
Abbeville	Retail	Freehold	6 rue de l'Egalite	2,870	-
Cergy	Retail	Freehold	Pontoise FR, 2, avenue des la Plaine des Sports	9,310	-
Pont-Audemer	Retail	Freehold	Avenue Jean Monnet	1,870	-
Evreux	Retail	Freehold	Chemin des Coudres	6,120	-
Chatellerault	Retail	Freehold	25 rue de la Desiree	3,650	-
Foix	Retail	Freehold	Zone Industrielle Foix Nord	4,430	-
Laval	Retail	Freehold	Rue du Commandant Cousteau	6,110	-
Sables d'Olonne	Retail	Freehold	32 boulevard du Vendee Globe	3,300	-
Cholet	Retail	Freehold	L 'Autre Faubourg	10,910	-
Gap	Retail	Freehold	65 avenue 2millie Didier	4,430	-
Istres	Retail	Freehold	Zone du Tube, avenue Clement Ader	4,150	-
Sens	Retail	Freehold	Zone Commerciale Porte de Bourgogne	3,560	-
Bergerac	Retail	Freehold	ZA les Sardines	3,570	-
Total - France				123,370	-
Total				974,870	719,580

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

7. INVESTMENT PROPERTIES (CONTINUED)

The following table presents the valuation method and key unobservable inputs that were used to determine the fair value of investment properties categorised under Level 3 of the fair value hierarchy:

Valuation method	Discount rate		Terminal capitalisation rate	
	2021	2020	2021	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	
	2021	2020
Income capitalisation	5.50% to 6.25% per annum	N.A.

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 investment properties. An analysis of the sensitivity of each of the significant unobservable inputs is as follows:

German Portfolio

Valuation method	Impact on carrying value of properties
Discounted cash flow	<p>If terminal capitalisation rate were to increase by 0.5%, the carrying value of the investment properties would decrease by approximately €82.0 million (2020: €42.3 million).</p> <p>If discount rate were to increase by 0.5%, the carrying value of the investment properties would decrease by approximately €21.9 million (2020: €19.7 million).</p>

Spanish Portfolio

Valuation method	Impact on carrying value of properties
Discounted cash flow	<p>If terminal capitalisation rate were to increase by 0.5%, the carrying value of the investment properties would decrease by approximately €7.9 million (2020: €5.9 million).</p> <p>If discount rate were to increase by 0.5%, the carrying value of the investment properties would decrease by approximately €6.2 million (2020: €4.7 million).</p>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

7. INVESTMENT PROPERTIES (CONTINUED)

French Portfolio

Valuation method	Impact on carrying value of properties
Discounted cash flow	If terminal capitalisation rate were to increase by 0.5%, the carrying value of the investment properties would decrease by approximately €5.8 million. If discount rate were to increase by 0.5%, the carrying value of the investment properties would decrease by approximately €4.7 million.

Valuation method	Impact on carrying value of properties
Income capitalisation	If income capitalisation rate were to increase by 0.5%, the carrying value of the investment properties would decrease by approximately €10.1 million.

The above investment properties have been pledged as security for bank loans (Note 11).

8. INVESTMENT IN SUBSIDIARIES

	IREIT	
	2021 EUR'000	2020 EUR'000
Unquoted equity shares, at cost	231,406	153,683
Loans to subsidiaries (Note a)	169,542	182,542
Total	400,948	336,225

- (a) The loans to subsidiaries relate to the loans to certain Singapore subsidiaries, which are ultimately used to fund the property investment holding subsidiaries for the purchase of the investment properties. The loans are long term in nature, unsecured, do not bear interest and are repayable at the sole discretion of the subsidiaries when they have the necessary cash flow to repay the loans.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

8. INVESTMENT IN SUBSIDIARIES (CONTINUED)

IREIT has held the following wholly-owned subsidiaries as at 31 December 2021 and 2020:

Name of entity	Principal activities	Country/ Place of incorporation	Proportion of ownership interest and voting rights held	
			2021 %	2020 %
<i>Directly held:</i>				
IREIT Global Holdings Pte. Ltd. ^(a)	Investment holding	Singapore	100	100
IREIT Global Holdings 1 Pte. Ltd. ^(a)	Investment holding	Singapore	100	100
IREIT Global Holdings 2 Pte. Ltd. ^(a)	Investment holding	Singapore	100	100
IREIT Global Holdings 3 Pte. Ltd. ^(a)	Investment holding	Singapore	100	100
IREIT Global Holdings 4 Pte. Ltd. ^(a)	Investment holding	Singapore	100	100
IREIT Global Holdings 5 Pte. Ltd. ^(d)	Investment holding	Singapore	100	100
IREIT Global Holdings 6 Pte. Ltd. ^(a)	Investment holding	Singapore	100	-
IREIT Global Investments Pte. Ltd. ^(a)	Group lending	Singapore	100	100
IREIT Global Investments 1 Pte. Ltd. ^(a)	Group lending	Singapore	100	100
IREIT Global Investments 2 Pte. Ltd. ^(a)	Group lending	Singapore	100	100
IREIT Global Investments 3 Pte. Ltd. ^(a)	Group lending	Singapore	100	100
IREIT Global Investments 4 Pte. Ltd. ^(a)	Group lending	Singapore	100	100
Sadena Real Estate S.L.U. ^(c)	Real estate investment	Spain	100	100
FIT 2 ^(e)	Investment holding	France	100	-
<i>Indirectly held:</i>				
Laughing Rock 1 B.V. ^(b)	Real estate investment	Netherlands	100	100
Laughing Rock 2 B.V. ^(b)	Real estate investment	Netherlands	100	100
Laughing Rock 3 B.V. ^(b)	Real estate investment	Netherlands	100	100
Laughing Rock 4 B.V. ^(b)	Real estate investment	Netherlands	100	100
Laughing Rock 5 B.V. ^(b)	Real estate investment	Netherlands	100	100
Laughing Rock 6 B.V. ^(b)	Real estate investment	Netherlands	100	100
Laughing Rock 7 B.V. ^(b)	Real estate investment	Netherlands	100	100
Laughing Rock 8 B.V. ^(b)	Real estate investment	Netherlands	100	100
Laughing Rock 9 B.V. ^(b)	Real estate investment	Netherlands	100	100
Laughing Rock 11 B.V. ^(b)	Real estate investment	Netherlands	100	100
Laughing Rock 12 B.V. ^(b)	Real estate investment	Netherlands	100	100
Laughing Rock 13 B.V. ^(b)	Real estate investment	Netherlands	100	100
Laughing Rock 14 B.V. ^(b)	Real estate investment	Netherlands	100	100
FIT 1 ^(b)	Real estate investment	France	100	-

^(a) Audited by Deloitte & Touche LLP, Singapore.

^(b) Audited by overseas practices of Deloitte Touche Tohmatsu Limited for consolidation purposes.

^(c) Audited by overseas practices of Deloitte Touche Tohmatsu Limited.

^(d) Not required to be audited as the entity has been placed under Members' Voluntary Winding Up.

^(e) Not required to be audited by the local regulations in France.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

9. DEFERRED TAX ASSETS/ (LIABILITIES)

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

The following are the major components of deferred tax assets/(liabilities) recognised and movements therein during the current and prior reporting period:

Group	Note	Unutilised tax losses EUR'000	Revaluation difference of investment properties EUR'000	Revaluation difference of interest rate swaps and caps EUR'000	Total EUR'000
Deferred tax assets					
As at 1 January 2020		1,960	44	-	2,004
Recognised in profit or loss	19	(1,612)	-	1,487	(125)
Balance as at 31 December 2020		348	44	1,487	1,879
Recognised in profit or loss	19	3	-	(778)	(775)
Balance as at 31 December 2021		351	44	709	1,104
Deferred tax liabilities					
As at 1 January 2020		(11)	(28,046)	-	(28,057)
Recognised in profit or loss	19	-	(4,136)	-	(4,136)
Balance as at 31 December 2020		(11)	(32,182)	-	(32,193)
Recognised in profit or loss	19	-	(22,135)	(137)	(22,272)
Balance as at 31 December 2021		(11)	(54,317)	(137)	(54,465)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

10. TRADE AND OTHER PAYABLES

	Group		IREIT	
	2021 EUR'000	2020 EUR'000	2021 EUR'000	2020 EUR'000
(a) Trade payables Outside parties	926	785	20	40
(b) Other payables				
Deferred rent	2,082	-	-	-
Accrued expenses and other payables	4,497	3,905	1,148	508
	6,579	3,905	1,148	508
Current trade and other payables	7,505	4,690	1,168	548
(c) Non-current other payables				
Other payables	2,315	1,430	77,021	77,021

Trade payables and other payables principally comprise amounts outstanding for goods and services provided to the Group. The average credit period is 30 days.

The Group's deferred rent relates to rental income received in advance from the tenants.

IREIT's non-current other payables represents an amount due to a subsidiary which is unsecured, interest-free and not repayable on demand. The fair value of the amount due to the subsidiary approximates its carrying amount.

11. BORROWINGS

	Group		IREIT	
	2021 EUR'000	2020 EUR'000	2021 EUR'000	2020 EUR'000
Secured loans	332,660	267,660	-	-
Less: Unamortised transaction costs	(3,738)	(3,032)	-	-
Amount due for settlement after 12 months	328,922	264,628	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

11. BORROWINGS (CONTINUED)

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

- (i) Term loan facility of €200.8 million (2020: €200.8 million) taken up in February 2019. The facility will mature on a bullet basis in 2026. Interest is payable at three-monthly intervals at variable rates based on the EURIBOR 3 months plus a loan margin ranging from 0.73% to 1.23% per annum; and
- (ii) Term loan facility of €66.9 million (2020: €66.9 million) taken up in December 2019 and which was consolidated in the Group's financial statements following the acquisition of the Initial Spanish Portfolio (Note 21). The facility will mature on a bullet basis in 2026. Interest is payable at three-monthly intervals at variable rates based on the EURIBOR 3 months plus a loan margin of 1.80% per annum.
- (iii) Term loan facility of €51.4 million taken up in July 2021. The facility will mature on a bullet basis in 2027. Interest is payable at three-monthly intervals at variable rates based on the EURIBOR 3 months plus a loan margin of 1.50% per annum.
- (iv) Term loan facility of €13.6 million taken up in September 2021. The facility will mature on a bullet basis in 2026. Interest is payable at three-monthly intervals at variable rates based on the EURIBOR 3 months plus a loan margin of 1.80% per annum.

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 (2020: €719.6 million);
- 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).

The Facilities are denominated in Euro. Interest rate swap and interest rate cap contracts have been entered into to hedge the exposure to interest rate risks associated with movements in the interest rate on the borrowings of the Group (Note 6). The Group does not apply hedge accounting.

The fair value of the bank borrowings as at 31 December 2021 is approximately €332.7 million (2020: €267.7 million). The fair value of the borrowings approximates its carrying amount.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

12. UNITS IN ISSUE AND TO BE ISSUED

In accordance with the Trust Deed, IREIT's distribution policy provides the Unitholders with a right to receive distribution which IREIT has a contractual obligation to distribute to Unitholders. Accordingly, the units issued are compound instruments in accordance with IAS 32 *Financial Instruments Presentation*.

The Manager considers the equity component of the issued units to be insignificant and that the net assets attributable to Unitholders presented on the statements of financial position as at 31 December 2021 and 2020 mainly represent financial liabilities.

	Group and IREIT	
	2021 '000	2020 '000
Units in issue:		
Beginning of the year	937,046	637,223
Issuance of new units:		
Pursuant to the Rights Issue	-	291,406
Pursuant to the Placement	11,373	-
Pursuant to the Preferential Offer	201,138	-
Acquisition fees paid in units	-	2,053
Management fees paid in units	5,034	6,364
End of the year	<u>1,154,591</u>	<u>937,046</u>
Units to be issued:		
Management fees payable in units	<u>1,300</u>	<u>1,917</u>
Total units in issue and to be issued at end of year	<u>1,155,891</u>	<u>938,963</u>

13. NET ASSET VALUE PER UNIT

Net asset value per unit is based on:

	Group		IREIT	
	2021 EUR'000	2020 EUR'000	2021 EUR'000	2020 EUR'000
Net assets	619,446	441,743	355,660	296,962
Number of units in issue and to be issued at the end of the year ('000) (Note 12)	1,155,891	938,963	1,155,891	938,963
Net asset value per unit (€)	<u>0.54</u>	<u>0.47</u>	<u>0.31</u>	<u>0.32</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

14. GROSS REVENUE

	Group	
	2021	2020
	EUR'000	EUR'000
Rental income	40,903	31,372
Service charge income	6,837	3,429
Carpark income	4,064	2,949
Other income	363	71
Total	52,167	37,821

15. PROPERTY OPERATING EXPENSES

	Group	
	2021	2020
	EUR'000	EUR'000
Property management expenses	555	312
Repair and maintenance expenses	5,007	1,729
Utilities expenses	1,513	670
Property tax expenses	2,212	1,232
Other expenses	398	984
Total	9,685	4,927

16. FINANCE COSTS

	Group	
	2021	2020
	EUR'000	EUR'000
Interest on borrowings	4,440	4,063
Amortisation of debt upfront transaction costs	600	349
Total	5,040	4,412

17. MANAGEMENT FEES

	Group	
	2021	2020
	EUR'000	EUR'000
Management fees paid in units and cash	3,620	2,743

The Management fees comprise an aggregate of 4,417,597 (2020: 7,050,569) units and €1,810,000 (2020: Nil) cash, amounting to approximately €3,620,000 (2020: €2,743,000), which have been or will be issued to the Manager at S\$0.6395 to S\$0.6455 (2020: S\$0.4747 to S\$0.7329) per unit.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

18. OTHER TRUST EXPENSES

	Group	
	2021	2020
	EUR'000	EUR'000
Audit fees	286	180
Non-audit fees	380	296
Legal and professional fees	489	274
Property valuation fees	152	51
Foreign exchange (gain)/loss	(272)	1,065
Others	395	90
Total	1,430	1,956

19. INCOME TAX EXPENSE

	Group	
	2021	2020
	EUR'000	EUR'000
Current taxation		
- (Over)/Under provision of tax in prior years	(113)	267
- Current year	35	1,406
	(78)	1,673
Deferred taxation		
- Current year (Note 9)	23,047	4,261
Total	22,969	5,934

IREIT is subjected to Singapore income tax at 17% (2020: 17%). Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The income tax for the year can be reconciled to the accounting result as follows:

	Group	
	2021	2020
	EUR'000	EUR'000
Profit before taxation and transactions with Unitholders	151,459	25,655
Tax at 17% (2020: 17%)	25,748	4,361
Tax effect of expenses not deductible for tax purposes	724	2,809
Tax effect of income not taxable for tax purposes	(3,279)	(1,433)
Effect of different tax rates of overseas operations	(377)	(329)
(Over)/Under provision of tax in the prior years	(113)	267
Others	266	259
Tax expense for the year	22,969	5,934

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

20. BASIC AND DILUTED EARNINGS PER UNIT

The calculation of basic earnings per unit is based on:

	Group	
	2021	2020
	EUR'000	EUR'000
Profit for the year before transactions with Unitholders	128,490	19,721
Weighted average number of units, after adjusting for the effects of the Rights Issue and Preferential Offer ⁽¹⁾	1,044,165	767,315
Basic and diluted earnings per unit (€ cents)	12.31	2.57

(1) The weighted average number of units have been adjusted for the effects of the bonus element of the Rights Issue and Preferential Offer issued on 23 October 2020 and 21 July 2021.

The diluted earnings per unit is the same as the basic earnings per unit as there were no dilutive instruments issued during the year ended 31 December 2021 and 31 December 2020.

21. ACQUISITION OF SUBSIDIARY

Following the acquisition of the remaining 60% interest in JVCo on 22 October 2020, IREIT owns 100% of the Initial Spanish Portfolio. The acquisition was accounted for as an acquisition of assets.

Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the acquisition date.

	2020 EUR'000
Current assets	11,479
Investment properties	136,400
Non-current assets	1,397
Total assets	149,276
Current liabilities	(2,372)
Non-current liabilities	(66,182)
Total liabilities	(68,554)
Net identifiable assets and liabilities	80,722
Net identifiable assets and liabilities assumed, representing 60% of net identifiable assets and liabilities of JVCo	48,433

Net cash outflow on acquisition

	2020 EUR'000
Consideration paid	(48,433)
Add : Cash acquired	10,727
Total net cash outflow	(37,706)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

22. OPERATING SEGMENTS

Operating segments are identified on the basis of internal reports on components of the Group that are regularly reviewed by the CODM, in order to allocate resources to segments and to assess their performance. The Group's operating segments are its property portfolios by location 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 a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly management fees, trust expenses, finance income, finance costs and related assets and liabilities.

Information regarding the Group's reportable segments is presented in the tables below.

Segment results

	Germany EUR'000	Spain EUR'000	France EUR'000	Total EUR'000
2021				
Gross revenue	36,448	12,196	3,523	52,167
Property operating expenses	(5,236)	(4,301)	(148)	(9,685)
Segment net property income	31,212	7,895	3,375	42,482
Change in fair value of investment properties	103,386	7,428	4,186	115,000
Profit before taxation – Segments	134,598	15,323	7,561	157,482
<i>Unallocated items:</i>				
Finance costs				(5,040)
Management fees				(3,620)
Trustee's fees				(171)
Administrative costs				(1,043)
Other trust expenses				(1,430)
Change in fair value of financial derivatives				6,790
Acquisition and divestment related costs				(1,509)
Profit before taxation				151,459
Income tax expense				(22,969)
Profit for the year				128,490

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

22. OPERATING SEGMENTS (CONTINUED)

Segment results

	Germany EUR'000	Spain EUR'000	France EUR'000	Total EUR'000
2020				
Gross revenue	35,756	2,065	-	37,821
Property operating expenses	(4,376)	(551)	-	(4,927)
Segment net property income	31,380	1,514	-	32,894
Change in fair value of investment properties	10,563	(6,525)	-	4,038
Profit before taxation – Segments	41,943	(5,011)	-	36,932
<i>Unallocated items:</i>				
Finance income				2
Finance costs				(4,412)
Management fees				(2,743)
Trustee's fees				(135)
Administrative costs				(338)
Other trust expenses				(1,956)
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				(1,284)
Profit before taxation				25,655
Income tax expense				(5,934)
Profit for the year				19,721

Segment assets and liabilities

	Germany EUR'000	Spain EUR'000	France EUR'000	Total EUR'000
2021				
Segment assets	719,897	180,590	130,329	1,030,816
Unallocated assets				4,683
Total assets				1,035,499
Segment liabilities	258,418	81,816	57,015	397,249
Unallocated liabilities				18,804
Total liabilities				416,053
2020				
Segment assets	613,506	144,530	-	758,036
Unallocated assets				10,993
Total assets				769,029
Segment liabilities	245,138	68,008	-	313,146
Unallocated liabilities				14,140
Total liabilities				327,286

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

22. OPERATING SEGMENTS (CONTINUED)

Major customers

There are certain major customers of the Group 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 the 2 tenants in Germany amounted to €18.1 million (2020: €17.5 million) and €11.3 million (2020: €11.3 million) respectively.

23. CAPITAL RISK MANAGEMENT POLICIES AND OBJECTIVES

The Manager manages the capital of the Group to ensure that entities in the Group will be able to continue as a going concern while maximising the return to Unitholders through the optimisation of debt and net assets attributable to Unitholders, and to ensure that all other externally imposed capital requirements are complied with.

The capital structure of the Group consists of debts, which include bank borrowings, and net assets attributable to Unitholders comprising issued and issuable units, and reserves. Effective 16 April 2020, the Group is required to maintain aggregate leverage not exceeding 50% (2020: 50%) of the fund's Deposited Property of the Group in accordance with the CIS Code issued by MAS. A breach will result in a non-compliance to the regulation.

As at 31 December 2021, the Group's aggregate borrowings amounted to €328.9 million (2020: €264.6 million) representing 32.1% (2020: 34.8%) of the fund's Deposited Property of the Group.

There were no changes in the Manager's approach to capital risk management during the financial year. The Group is in compliance with the bank covenants as at 31 December 2021.

24. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	Group		IREIT	
	2021 EUR'000	2020 EUR'000	2021 EUR'000	2020 EUR'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	7,156	5,715	78,186	77,569
- Distribution payable	17,600	13,031	17,600	13,031
- Borrowings	328,922	264,628	-	-
	353,678	283,374	95,786	90,600
<i>Fair value through profit or loss</i>				
Derivative financial Instruments	4,477	9,824	-	429

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

24. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies

Details of the Group's and IREIT's financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include interest rate risk, credit risk, liquidity risk and foreign currency risk.

The policies on how to mitigate these risks are set out below. The Manager manages and monitors these risks to ensure appropriate measures are implemented on a timely and effective manner.

Interest rate risk management

The Group's exposure to changes in interest rates relates primarily to interest-bearing financial liabilities. The Group's policy is to undertake appropriate hedging for the floating rate exposures in respect of its borrowings. As at the financial year end, the Group had entered into interest rate swap and interest rate cap contracts to hedge its exposure to interest rate risks associated with movements in the interest rate on its floating rate borrowings. Further details of the interest rate swap and interest rate cap contracts can be found in Note 6.

No sensitivity analysis is prepared as the Group does not expect any material effect on the Group's profit or loss and equity arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the reporting period.

Credit risk management

Credit risk is the potential financial loss resulting from the failure of a tenant or counterparty to settle its financial and contractual obligations to the Group, as and when they fall due. For trade and other receivables, the Group applies a simplified approach in calculating expected credit losses. Based on historical credit losses experience (past due status of the trade receivables), the expected credit losses are adjusted to reflect current conditions and estimates of future economic conditions at the reporting date. As at financial period end, expected credit losses from trade and other receivables are expected to be insignificant.

The credit risk on liquid funds and derivative financial instruments is limited as the counterparties are reputable financial institutions which are regulated and carry high credit ratings assigned by international credit-rating agencies. The maximum exposure to credit risk is represented by the carrying value of each financial asset on the statements of financial position.

Approximately 27.7% (2020: 66.1%) of the Group's trade receivables as at 31 December 2021 and 56.5% (2020: 76.2%) of Group revenue for the financial period are from two groups of companies in Germany.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

24. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (continued)

Liquidity risk management

The Manager monitors and maintains a level of cash and cash equivalents deemed adequate by the Manager to finance the Group's and IREIT's operations. In addition, the Manager also monitors and observes the CIS Code concerning limits on total borrowings.

Liquidity risk analysis

The following table details the Group's and IREIT's remaining contractual maturity for its non-derivative financial liabilities (other than issued and issuable units) based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and IREIT can be required to pay.

GROUP	Weighted average interest rate %	On demand or less than 12 months EUR'000	Undiscounted cash flows 2 years to 5 years EUR'000	Undiscounted cash flows after 5 years EUR'000	Adjustments EUR'000	Total EUR'000
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Non-derivative financial instrument - liabilities

31 December 2021

Non-interest bearing	-	24,756	-	-	-	24,756
Floating interest rate instrument	1.50%	5,069	298,787	51,848	(26,782)	328,922
		29,825	298,787	51,848	(26,782)	353,678

31 December 2020

Non-interest bearing	-	18,746	-	-	-	18,746
Floating interest rate instrument	1.49%	4,002	16,019	269,006	(24,399)	264,628
		22,748	16,019	269,006	(24,399)	283,374

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

24. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (continued)

Liquidity risk management (continued)

IREIT	Weighted average interest rate %	On demand or less than 12 months EUR'000	Undiscounted cash flows 2 years to 5 years EUR'000	Undiscounted cash flows after 5 years EUR'000	Adjustments EUR'000	Total EUR'000
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Non-derivative financial instrument - liabilities

31 December 2021

Non-interest bearing	-	18,765	77,021	-	-	95,786
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31 December 2020

Non-interest bearing	-	13,579	77,021	-	-	90,600
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The following table details the Group's and IREIT's expected maturity for non-derivative financial assets. The tables have been drawn up based on the undiscounted cash flows of financial assets including interest that will be earned on those assets except where the Group and IREIT anticipates that the cash flow will occur in a different period.

GROUP	Weighted average interest rate %	On demand or less than 12 months EUR'000	Undiscounted cash flows 2 years to 5 years EUR'000	Undiscounted cash flows after 5 years EUR'000	Adjustments EUR'000	Total EUR'000
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Non-derivative financial instrument - assets

31 December 2021

Non-interest bearing	-	53,298	1,539	-	-	54,837
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31 December 2020

Non-interest bearing	-	45,463	1,316	-	-	46,779
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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

24. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (continued)

Liquidity risk management (continued)

IREIT	Weighted average interest rate %	On demand or less than 12 months EUR'000	Undiscounted cash flows		Adjustments EUR'000	Total EUR'000
			2 years to 5 years EUR'000	Undiscounted cash flows after 5 years EUR'000		

Non-derivative financial instrument – assets

31 December 2021

Non-interest bearing	-	12,206	-	-	-	12,206
Fixed interest rate instrument	7.45%	2,482	51,998	-	(16,680)	37,800
		14,688	51,998	-	(16,680)	50,006

31 December 2020

Non-interest bearing	-	20,758	-	-	-	20,758
Fixed interest rate instrument	7.45%	2,342	9,373	33,271	(13,986)	31,000
		23,100	9,373	33,271	(13,986)	51,758

The following table details the liquidity analysis for derivative financial instruments. The table has been drawn up based on the undiscounted net cash inflows (outflows) on the derivative instrument that settle on a net basis and the undiscounted gross inflows and (outflows) on the derivative that require gross settlement. When the amount payable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves existing at the reporting date. The liquidity analysis for derivative financial instruments is prepared based on the contractual maturities as the management considers the contractual maturities are essential for an understanding of the timing of the cash flows of the derivatives.

Group	On demand or within 1 year	Within 2 years to 5 years	After 5 years
	EUR'000	EUR'000	EUR'000

Derivative financial instruments

31 December 2021

Gross settled:			
Foreign exchange forward contracts			
Gross inflow	-	-	-
Gross outflow	-	-	-
Net settled:			
Interest rate caps	8	1,336	983
Interest rate swaps	(1,981)	(2,496)	-
	(1,973)	(1,160)	983

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

24. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (continued)

Liquidity risk management (continued)

Group	On demand or within 1 year EUR'000	Within 2 years to 5 years EUR'000	After 5 years EUR'000
Derivative financial instruments			
31 December 2020			
Gross settled:			
Foreign exchange forward contracts			
Gross inflow	-	-	-
Gross outflow	(429)	-	-
Net settled:			
Interest rate caps			
	-	313	-
Interest rate swaps			
	(1,590)	(7,805)	-
	(2,019)	(7,492)	-
IREIT			
Derivative financial instruments			
31 December 2021			
Gross settled:			
Foreign exchange forward contracts			
Gross inflow	-	-	-
Gross outflow	-	-	-
	-	-	-
31 December 2020			
Gross settled:			
Foreign exchange forward contracts			
Gross inflow	-	-	-
Gross outflow	(429)	-	-
	(429)	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

24. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (continued)

Foreign currency risk management

The functional currency of IREIT and its subsidiaries is Euro.

The foreign currency risk is managed by the Manager on an ongoing basis. At the end of the reporting period, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the functional currency of the Group entities are as follows:

Group

	Assets		Liabilities	
	2021 EUR'000	2020 EUR'000	2021 EUR'000	2020 EUR'000
Singapore dollars	1,744	8,400	1,079	569

IREIT

	Assets		Liabilities	
	2021 EUR'000	2020 EUR'000	2021 EUR'000	2020 EUR'000
Singapore dollars	1,744	8,400	1,019	459

Foreign currency sensitivity

The sensitivity rate used when reporting foreign currency risk to key management personnel is 5%, which is the change in foreign exchange rate that the Manager deems reasonably possible which will affect outstanding foreign currency denominated monetary items at the end of the reporting period.

If the relevant foreign currency strengthens by 5% against the functional currency of the Group entities, profit or loss will increase by:

	Group		IREIT	
	2021 EUR'000	2020 EUR'000	2021 EUR'000	2020 EUR'000
Singapore dollars	33	1,162	36	1,167

(c) Fair value of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, trade and other receivables and trade and other payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

The fair value of the other financial assets and financial liabilities is disclosed in the respective notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

25. OPERATING LEASE ARRANGEMENTS

Operating leases, in which the Group is the lessor, relate to investment properties owned by the Group with lease terms of between 1 to 12 years. Most operating lease contracts contain indexation clauses and/or adjusted terms in the event that the lessee exercise their renewal options. The lessee does not have an option to purchase the property at the expiry of the lease period.

Maturity analysis of operating lease payments:

	Group	
	2021	2020
	EUR'000	EUR'000
Year 1	51,264	40,847
Year 2	37,789	36,675
Year 3	27,217	23,090
Year 4	20,548	15,153
Year 5	19,385	8,910
Year 6 and onwards	22,845	26,318
Total	179,048	150,993

26. SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability to directly or indirectly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or the Group with the Trustee, the Manager, and substantial Unitholders. Related parties may be individuals or other entities.

In the normal course of the operations of the Group, management fees and Trustee's fees have been paid or are payable to the Manager and Trustee respectively.

During the year, other than the transactions disclosed elsewhere in the financial statements, there were the following related party transactions:

	Group	
	2021	2020
	EUR'000	EUR'000
<u>DBS Trustee Limited as Trustee</u>		
Trustee's fees	171	135
Acquisition-related costs	21	19
<u>IREIT Global Group Pte. Ltd. as Manager</u>		
Acquisition and divestment fees	1,424	818
Management fees	3,620	2,743
<u>City Strategic Equity Pte. Ltd. as Unitholder</u>		
Interest expense on term loan facility	-	1,044

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

27. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	At 1 January 2021 EUR'000	Financing cash flows EUR'000	Non-cash changes			At 31 December 2021 EUR'000
			Distribution to Unitholders EUR'000	Acquisition of subsidiary EUR'000	Amortisation of upfront debt transaction costs EUR'000	
Bank borrowings (Note 11)	264,628	63,694 ⁽ⁱ⁾	-	-	600	328,922
Distribution payable	13,031	(26,378)	30,947	-	-	17,600
	277,659	37,316	30,947	-	600	346,522

⁽ⁱ⁾ The financing cash flows comprise €65.0 million of proceeds from borrowings and €1.3 million upfront debt transaction costs paid during the year.

	At 1 January 2020 EUR'000	Financing cash flows EUR'000	Non-cash changes			At 31 December 2020 EUR'000
			Distribution to Unitholders EUR'000	Acquisition of subsidiary EUR'000	Amortisation of upfront debt transaction costs EUR'000	
Bank borrowings (Note 11)	231,453	(32,000)	-	66,900	(1,725)	264,628
Distribution payable	11,067	(22,727)	24,691	-	-	13,031
	242,520	(54,727)	24,691	66,900	(1,725)	277,659

28. EVENTS OCCURRING AFTER REPORTING DATE

On 15 March 2022, IREIT paid a distribution of 1.51 Euro cents per unit, for the period from 30 June 2021 to 31 December 2021. In addition, IREIT will issue 1,299,826 units at an issue price of S\$0.6429 per unit to the Manager as payment of 50.0% of the Management fees payable to the Manager for the period from 1 October 2021 to 31 December 2021.

OTHER INFORMATION

INTERESTED PERSON TRANSACTIONS

For the financial year ended 31 December 2021

The transactions entered into with interested persons during the financial year, which fall under the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") and the Property Funds Appendix of the Code on Collective Investment Schemes (excluding transactions of less than S\$100,000 each) are as follows:

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) €'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) €'000
DBS Trustee Limited		
- Trustee's fee	171	-
- Acquisition-related costs	21	-
IREIT Global Group Pte. Ltd.		
- Acquisition and divestment fees	1,424	-
- Management fees	3,620	-

Save as disclosed above, there were no additional interested person transactions and IREIT has not obtained a general mandate from Unitholders for interested person transactions.

FEES PAYABLE TO THE MANAGER

The Manager's key financial objectives are to provide Unitholders with regular and stable distributions and the potential for sustainable long-term growth in DPU and NAV per Unit, while maintaining an appropriate capital structure for IREIT. The fees payable to the Manager are structured to motivate the Manager towards achieving the key financial objectives.

The management fees which the Manager is entitled to for the management of IREIT's portfolio comprise the following two components:

Base Fee^{1,2}

Under Clause 15.1.1 of the Trust Deed, the Manager is entitled to a Base Fee which is computed based on 10.0% per annum of the Annual Distributable Income of IREIT (calculated before accounting for the Base Fee and the Performance Fee).

Performance Fee¹

Under Clause 15.1.2 of the Trust Deed, the Manager is entitled to a Performance Fee which is computed based on 25.0% of the difference in DPU of IREIT in a financial year with the DPU in the preceding financial year (calculated before accounting for the Performance Fee but after accounting for the Base Fee in each financial year) multiplied by the weighted average number of Units in issue for such financial year.

OTHER INFORMATION

The management fees have an incentive-based element which has been designed to align the interest of the Manager with those of the Unitholders through incentivising the Manager to grow distributable income. In addition, the Performance Fee rewards the Manager appropriately by associating the fee payable with the value the Manager delivers to the Unitholders as a whole in the form of higher DPU. The Manager is incentivised to improve the long-term performance of IREIT's assets on a sustainable basis (as opposed to taking excessive short-term risks) through proactive portfolio management in line with IREIT's strategy, efficient asset management and employing an optimum mix of debt and equity. This deters the Manager from exposing IREIT to excessive short-term risks by deferring asset enhancement initiatives or repairs and maintenance as it would be in the Manager's interest to aim for long-term sustainability.

The Manager is also entitled to the following fees upon the successful completion of an acquisition or divestment.

Acquisition Fee^{1,3}

Under Clause 15.2.1(i) of the Trust Deed, the Manager is entitled to receive an Acquisition Fee at a rate not exceeding 1.0% of the acquisition price for any real estate purchased directly or indirectly by IREIT (pro-rated if applicable to the proportion of IREIT's interest in the real estate acquired).

Divestment Fee^{1,3}

Under Clause 15.2.1(ii) of the Trust Deed, the Manager is entitled to receive a Divestment Fee at a rate not exceeding 0.5% of the sale price of any real estate directly or indirectly sold or divested by IREIT (pro-rated if applicable to the proportion of IREIT's interest in the real estate sold).

The Acquisition Fee and Divestment Fee seek to incentivise the Manager to actively seek potential opportunities to acquire new properties and/or to unlock the underlying value of existing properties within IREIT's asset portfolio through divestments, in order to generate long term benefits to the Unitholders. As the Manager undertakes these activities over and above the provision of ongoing management services, the fees also serve to compensate the Manager for the additional costs and resources expended.

Note:

- 1 The Manager may elect to receive the fees in cash or Units or a combination of cash and Units (as it may in its sole discretion determine).
- 2 The Manager has elected to receive 50.0% of its Base Fee in the form of Units for the year ended 31 December 2021. The balance of the Base Fee is paid/payable in the form of cash.
- 3 As set out under Clause 15.2.4 of the Trust Deed and as stipulated in Appendix 6 – Investment: Property Funds of the CIS Code, in the case of an interested party transaction, the fee is paid in the form of Units at the prevailing market price and such Units should not be sold within one year from their date of issuance.

STATISTICS OF UNITHOLDINGS

As at 16 March 2022

DISTRIBUTION OF UNITHOLDINGS

SIZE OF UNITHOLDINGS	NO. OF UNITHOLDERS	%	NO. OF UNITS	%
1 - 99	54	0.84	2,225	0.00
100 - 1,000	386	6.03	315,277	0.03
1,001 - 10,000	2,533	39.55	13,382,959	1.16
10,001 - 1,000,000	3,405	53.17	197,562,795	17.11
1,000,001 AND ABOVE	26	0.41	943,328,339	81.70
TOTAL	6,404	100.00	1,154,591,595	100.00

LOCATION OF UNITHOLDERS

COUNTRY	NO. OF UNITHOLDERS	%	NO. OF UNITS	%
SINGAPORE	6,226	97.22	1,149,223,500	99.53
MALAYSIA	122	1.91	3,107,685	0.27
OTHERS	56	0.87	2,260,410	0.20
TOTAL	6,404	100.00	1,154,591,595	100.00

TWENTY LARGEST UNITHOLDERS

NO.	NAME	NO. OF UNITS	%
1	HSBC (SINGAPORE) NOMINEES PTE LTD	342,211,151	29.64
2	CITY STRATEGIC EQUITY PTE LTD	239,942,191	20.78
3	DBS NOMINEES (PRIVATE) LIMITED	138,865,676	12.03
4	BANK OF CHINA NOMINEES (PTE) LTD	56,359,095	4.88
5	CITIBANK NOMINEES SINGAPORE PTE LTD	50,044,264	4.33
6	RAFFLES NOMINEES (PTE.) LIMITED	23,247,143	2.01
7	BOND CAPITAL PARTNERS PTE LTD	16,246,955	1.41
8	PHILLIP SECURITIES PTE LTD	11,389,537	0.99
9	ABN AMRO CLEARING BANK N.V.	7,039,646	0.61
10	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	6,894,300	0.60
11	MAYBANK KIM ENG SECURITIES PTE. LTD.	6,416,405	0.56
12	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	6,016,071	0.52
13	IFAST FINANCIAL PTE LTD	5,260,494	0.46
14	OCBC SECURITIES PRIVATE LTD	4,606,381	0.40
15	UOB KAY HIAN PRIVATE LIMITED	4,129,681	0.36
16	IREIT GLOBAL GROUP PTE LTD	3,617,202	0.31
17	DB NOMINEES (SINGAPORE) PTE LTD	3,578,469	0.31
18	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	3,244,435	0.28
19	YIM HOLDINGS PTE LTD	2,875,261	0.25
20	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	2,393,292	0.21
TOTAL		934,377,649	80.94

STATISTICS OF UNITHOLDINGS

As at 16 March 2022

ISSUED UNITS

There were 1,154,591,595 Units (voting rights: one vote per Unit) issued in IREIT as at 16 March 2022.

Market capitalisation: S\$710,073,830.9 (based on closing price of S\$0.615 per unit on 16 March 2022).

UNITHOLDINGS OF DIRECTORS OF THE MANAGER AS AT 21 JANUARY 2022

No	Name of Director	Direct Interest	Deemed Interest
1	Mr Lim Kok Min, John	512,000	-
2	Mr Chng Lay Chew	-	-
3	Mr Mark Andrew Yeo Kah Chong	-	-
4	Mr Bruno de Pampelonne	703,100	-
5	Mr Khoo Shao Hong, Frank	-	96,003
6	Mr Sanjay Bakliwal	118,300	-

SUBSTANTIAL UNITHOLDERS AS AT 16 MARCH 2022

No	Name of Substantial Unitholders	Direct Interest	Deemed Interest
1	Tikehau Capital SCA ^(a)	332,144,083	3,617,202
2	City Strategic Equity Pte. Ltd.	239,942,191	-
3	CDL Real Estate Investment Managers Pte. Ltd. ^(b)	-	243,559,393
4	New Empire Investments Pte. Ltd. ^(b)	-	243,559,393
5	City Developments Limited ^(b)	-	243,559,393
6	Hong Leong Investment Holdings Pte. Ltd. ^(c)	-	243,759,393
7	Davos Investment Holdings Private Limited ^(c)	-	243,759,393
8	Kwek Holdings Pte. Ltd. ^(c)	-	243,759,393
9	AT Investments Limited	58,483,987	-
10	Auctus Investments Limited ^(d)	-	58,483,987
11	Sai Charan Trust ^(d)	-	58,483,987
12	Mr Arvind Tikku ^(d)	-	58,483,987

Note

- (a) Tikehau Capital SCA is deemed pursuant to the provisions of Section 4 of the Securities and Futures Act 2001 to have an interest in the 3,617,202 Units held by IREIT Global Group Pte. Ltd.
- (b) CDL Real Estate Investment Managers Pte. Ltd., New Empire Investments Pte. Ltd. and City Developments Limited are deemed pursuant to the provisions of Section 4 of the Securities and Futures Act 2001 to have an interest in the 239,942,191 Units held by City Strategic Equity Pte. Ltd. and 3,617,202 Units held by IREIT Global Group Pte. Ltd.
- (c) 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 2001 to have an interest in the 239,942,191 Units held by City Strategic Equity Pte. Ltd., 3,617,202 Units held by IREIT Global Group Pte. Ltd. and 200,000 Units held by Millennium Securities Pte. Ltd.
- (d) Auctus Investments Limited, Sai Charan Trust and Mr Arvind Tikku are deemed pursuant to the provisions of Section 4 of the Securities and Futures Act 2001 to have an interest in the 58,483,987 Units held by AT Investments Limited.

PUBLIC FLOAT

Under Rule 723 of the Listing Manual of the SGX-ST, a listed issuer must ensure at least 10% of its listed securities are at all times held by the public. Based on the information made to the Manager as at 16 March 2022, approximately 44.94% of IREIT's Units were held in the hands of the public. Accordingly, Rule 723 of the Listing Manual of the SGX-ST has been complied with.

IREIT did not hold any treasury units as at 16 March 2022.

NOTICE OF ANNUAL GENERAL MEETING



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

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“**AGM**”) of the holders of units of IREIT Global (“**IREIT**”, and the holders of units of IREIT, “**Unitholders**”) will be convened and held by way of electronic means on Wednesday, 27 April 2022 at 2.00 p.m. (Singapore time) to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Report of DBS Trustee Limited, as trustee of IREIT (the “**Trustee**”), the Statement by IREIT Global Group Pte. Ltd., as manager of IREIT (the “**Manager**”) and the Audited Financial Statements of IREIT for the financial year ended 31 December 2021 together with the Auditor’s Report thereon.

(Ordinary Resolution 1)
2. To re-appoint Deloitte & Touche LLP as Independent Auditors of IREIT and to hold office until the conclusion of the next AGM of IREIT and to authorise the Manager to fix their remuneration.

(Ordinary Resolution 2)

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions, with or without any modifications:

3. That authority be and is hereby given to the Manager, to:
 - (a)
 - (i) issue units in IREIT (“**Units**”) whether by way of rights, bonus or otherwise; and/or
 - (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, debentures or other instruments convertible into Units,

at any time and upon such terms and conditions and for such purposes and to such persons as the Manager may in its absolute discretion deem fit; and
 - (b) issue Units in pursuance of any Instruments made or granted by the Manager while this Resolution was in force (notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time such Units are issued),

provided that:

- (1) the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed fifty per cent (50%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Units to be issued other than on a *pro rata* basis to Unitholders (including Units to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed twenty per cent (20%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (2) below);

NOTICE OF ANNUAL GENERAL MEETING

- (2) subject to such manner of calculation as may be prescribed by Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the purpose of determining the aggregate number of Units that may be issued under subparagraph (1) above, the total number of issued Units (excluding treasury Units, if any) shall be based on the number of issued Units (excluding treasury Units, if any) at the time of the passing of this Resolution, after adjusting for:
- (a) any new Units arising from the conversion or exercise of any Instruments which are outstanding at the time this Resolution is passed; and
 - (b) any subsequent bonus issue, consolidation or subdivision of Units.
- (3) in exercising the authority conferred by this Resolution, the Manager shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the trust deed constituting IREIT (as amended, varied and/or supplemented) (the “**Trust Deed**”) for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore);
- (4) unless revoked or varied by Unitholders in a general meeting of IREIT, the authority conferred by this Resolution shall continue in force until (i) the conclusion of the next AGM of IREIT or (ii) the date by which the next AGM of IREIT is required by the applicable laws and regulations or the Trust Deed to be held, whichever is earlier;
- (5) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted in the event of rights, bonus or other capitalisation issues or any other events, the Manager is authorised to issue additional Instruments or Units pursuant to such adjustment notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments or Units are issued; and
- (6) the Manager and the Trustee, be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager or, as the case may be, the Trustee may consider expedient or necessary or in the interest of IREIT to give effect to the authority conferred by this Resolution.

(Ordinary Resolution 3)

(Please see Explanatory Note)

BY ORDER OF THE BOARD
IREIT GLOBAL GROUP PTE. LTD.
(Company Registration No. 201331623K)
As manager of IREIT Global

Lee Wei Hsiung
Company Secretary

Singapore
5 April 2022

NOTICE OF ANNUAL GENERAL MEETING

IMPORTANT NOTICE:

1. The AGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Accordingly, this Notice will be sent to Unitholders by electronic means via publication on IREIT's website at the URL <http://www.ireitglobal.com/> and on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. For convenience, printed copies of this Notice will also be sent by post to Unitholders.
2. **As a precautionary measure due to the current COVID-19 situation in Singapore, a Unitholder will not be able to attend the AGM in person.** Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the AGM in advance of, or "live" at, the AGM, addressing of substantial and relevant questions in advance of, or "live" at, the AGM and voting by appointing the Chairman of the AGM as proxy at the AGM, are set out in the accompanying IREIT announcement dated 5 April 2022. This announcement may be accessed at IREIT's website at the URL <http://www.ireitglobal.com/>, and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
3. Unitholders will be able to observe and/or listen to the AGM proceedings through a live audio-visual webcast or live audio-only stream via their mobile phones, tablets or computers. In order to do so, Unitholders must pre-register at IREIT's pre-registration website at the URL <https://bit.ly/IREITGlobal2022AGM> from now till 2.00 p.m. on 25 April 2022 to enable the Manager to verify their status as Unitholders.

Following the verification, authenticated Unitholders will receive an email, which will contain the instructions as well as the link to access the live audio-visual webcast and a toll-free telephone number to access the live audio-only stream of the AGM proceedings, by 2.00 p.m. on 26 April 2022. Unitholders who do not receive an email by 2.00 p.m. on 26 April 2022 but have registered by the 25 April 2022 deadline should contact IREIT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at +65 6536 5355 (during office hours) or srs.teamc@boardroomlimited.com.

4. Unitholders may submit questions related to the resolutions to be tabled for approval at the AGM, in advance of the AGM. In order to do so, their questions must be submitted in the following manner by 2.00 p.m. on 15 April 2022:
 - (a) if submitted electronically, be submitted:
 - (i) via the IREIT pre-registration website at the URL <https://bit.ly/IREITGlobal2022AGM>; or
 - (ii) via email to IREIT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at srs.teamc@boardroomlimited.com; or
 - (b) if submitted by post, be deposited at the office of IREIT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632.

Unitholders who submit questions via email or by post to IREIT's Unit Registrar must provide the following information:

- (1) the Unitholder's full name;
 - (2) the Unitholder's full NRIC / FIN / Passport Number;
 - (3) the Unitholder's address; and
 - (4) the manner in which the Unitholder holds Units in IREIT (e.g., via CDP, CPF or SRS).
5. Unitholders may also ask substantial and relevant questions related to the resolutions to be tabled for approval at the AGM, "live" at the AGM by typing in and submitting their questions through the live chat function via the audio-visual webcast platform. Unitholders who wish to ask questions "live" at the AGM must first pre-register at the pre-registration website and be authenticated at the URL <https://bit.ly/IREITGlobal2022AGM>.

Unitholders must access the AGM proceedings via the live audio-visual webcast in order to ask questions "live" at the AGM, and will not be able to do so via the audio-only stream of the AGM proceedings.

NOTICE OF ANNUAL GENERAL MEETING

6. The Manager will endeavour to address all substantial and relevant questions related to the resolutions to be tabled for approval at the AGM which are submitted in advance of the AGM on IREIT's website and SGX website prior to the AGM on 21 April 2022. The Manager will, during the AGM itself, also endeavour to address the substantial and relevant questions which are submitted after 2.00 p.m. on 15 April 2022 and have not already been addressed prior to the AGM, as well as those received "live" at the AGM itself. Where substantially similar questions are received, the Manager will consolidate such questions and consequently not all questions may be individually addressed. The Manager will publish the minutes of the AGM on IREIT's website and on SGXNet, and the minutes will include the responses to substantial and relevant questions from Unitholders which are addressed during the AGM.
7. **A Unitholder will not be able to vote online on the resolutions to be tabled for approval at the AGM. A Unitholder (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such Unitholder wishes to exercise his/her/its voting rights at the AGM. The Chairman of the AGM, as proxy, need not be a Unitholder of IREIT.** The instrument appointing the Chairman of the AGM as proxy ("**Proxy Form**") may be accessed at IREIT's website at the URL <http://www.ireitglobal.com/>, and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. For convenience, printed copies of the Proxy Form will also be sent by post to Unitholders.

Where a Unitholder (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the Chairman of the AGM as proxy will vote or abstain from voting at his/her discretion for that resolution.

8. The Proxy Form must be submitted to the Manager c/o IREIT's Unit Registrar Boardroom Corporate & Advisory Services Pte. Ltd., in the following manner:
- (a) if submitted by post, be lodged at the registered office of IREIT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
 - (b) if submitted electronically, be submitted via email to IREIT's Unit Registrar at srs.teamc@boardroomlimited.com;
- in either case, not later than 2.00 p.m. (Singapore time) on 25 April 2022, being not less than 48 hours before the time fixed for holding the AGM.

A Unitholder who wishes to submit the Proxy Form can either use the printed copy of the Proxy Form which is sent to the Unitholder by post or download a copy of the Proxy Form, and complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation in Singapore, Unitholders are strongly encouraged to submit completed Proxy Forms electronically via email.

Unitholders who hold their Units through a relevant intermediary (as defined below), other than CPF and SRS investors, and who wish to participate in the AGM by (a) observing and/or listening to the AGM proceedings through live audio-visual webcast or live audio-only stream; (b) submitting questions in advance of, or "live" at, the AGM; and/or (c) appointing the Chairman of the AGM as proxy to attend, speak and vote on their behalf at the AGM, should approach their respective relevant intermediary through which they hold such Units as soon as possible in order to make the necessary arrangements for them to participate in the AGM. CPF and SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 2.00 p.m. (Singapore time) on 17 April 2022, being 7 clear working days before the date of the AGM.

"relevant intermediary" means:

- (i) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;
- (ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds Units in that capacity; or

NOTICE OF ANNUAL GENERAL MEETING

- (iii) the Central Provident Fund Board (“**CPF Board**”) established by the Central Provident Fund Act 1953, in respect of Units purchased under the subsidiary legislation made under the Central Provident Fund Act 1953 providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
9. The Annual Report 2021, which has been published on 5 April 2022, may be accessed at IREIT’s website at the URL <http://www.ireitglobal.com/> and SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
10. Due to the evolving COVID-19 situation in Singapore, the Manager may be required to change the arrangements for the AGM at short notice. Unitholders should check IREIT’s website at the URL <http://www.ireitglobal.com/> or SGX website at the URL <https://www.sgx.com/securities/company-announcements> for the latest updates on the status of the AGM.

EXPLANATORY NOTE:

Ordinary Resolution 3

Ordinary Resolution 3 above, if passed, will empower the Manager from the date of this AGM until (i) the conclusion of the next AGM of IREIT, (ii) the date by which the next AGM of IREIT is required by the applicable laws and regulations or the Trust Deed to be held, or (iii) such authority is varied or revoked by the Unitholders in a general meeting of IREIT, whichever is the earliest, to issue Units, make or grant Instruments and to issue Units pursuant to such Instruments, up to a number not exceeding fifty per cent (50%) of the total number of issued Units (excluding treasury Units, if any), of which up to twenty per cent (20%) may be issued other than on a *pro rata* basis to Unitholders (excluding treasury Units, if any).

For the purpose of determining the aggregate number of Units that may be issued, the percentage of issued Units will be calculated based on the total number of issued Units (excluding treasury Units, if any) at the time this Ordinary Resolution 3 above is passed, after adjusting for (a) new Units arising from the conversion or exercise of any Instruments which were issued and outstanding or subsisting at the time of the passing of this Ordinary Resolution 3 and (b) any subsequent bonus issue, consolidation or subdivision of Units.

Fund raising by issuance of new Units may be required in instances of property acquisition or debt repayments. In any event, if the approval of Unitholders is required under the Listing Manual of the SGX-ST and the Trust Deed or any applicable laws and regulations in such instances, the Manager will then obtain the approval of Unitholders accordingly.

PERSONAL DATA PRIVACY

By submitting an instrument appointing the Chairman of the AGM as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, a Unitholder consents to the collection, use and disclosure of the Unitholder’s personal data by the Manager and the Trustee (or their agents) for the purpose of the processing and administration by the Manager and the Trustee (or their agents) of the appointment of the Chairman of the AGM as proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Manager and the Trustee (or their agents) to comply with any applicable laws, listing rules, regulations and/or guidelines.



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

This Proxy Form has been made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements> and may be accessed at IREIT Global's ("IREIT") website at the URL <http://www.ireitglobal.com/>. For convenience, printed copies of the Proxy Form will also be sent by post to unitholders of IREIT ("Unitholders").

PROXY FORM

ANNUAL GENERAL MEETING

IMPORTANT:

- The AGM (as defined below) is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Accordingly, the Notice of AGM will be sent to Unitholders by electronic means via publication on IREIT's website at the URL <http://www.ireitglobal.com/> and on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. For convenience, printed copies of the Notice will also be sent by post to Unitholders.
- Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the AGM in advance of, or "live" at, the AGM, addressing of substantial and relevant questions at the AGM and voting by appointing the Chairman of the AGM as proxy at the AGM, are set out in the accompanying IREIT announcement dated 5 April 2022. This announcement may be accessed at IREIT's website at the URL <http://www.ireitglobal.com/>, and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
- As a precautionary measure due to the current COVID-19 situation in Singapore, a Unitholder will not be able to attend the AGM in person. A Unitholder will also not be able to vote online on the resolutions to be tabled for approval at the AGM. A Unitholder (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such Unitholder wishes to exercise his/her/its voting rights at the AGM. The Chairman of the AGM, as proxy, need not be a Unitholder of IREIT.
- This Proxy Form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF or SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 2.00 p.m. (Singapore time) on 17 April 2022, being 7 clear working days before the date of the AGM.
- Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of the Chairman as a Unitholder's proxy to attend, speak and vote on his/her/its behalf at the AGM.

Personal data privacy

By submitting an instrument appointing the Chairman of the AGM as proxy, the Unitholder accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 5 April 2022.

I/We _____ (Name(s) and NRIC Number(s)/Passport Number(s)/Company Registration Number) of _____ (Address)

being a unitholder/unitholders of IREIT, hereby appoint the Chairman of the Annual General Meeting ("AGM") of IREIT, as my/our proxy to attend, speak and vote for me/us on my/our behalf at the AGM of IREIT to be convened and held by way of electronic means on Wednesday, 27 April 2022 at 2.00 p.m. (Singapore time) and any adjournment thereof. I/We direct the Chairman of the AGM as my/our proxy to vote for, against or to abstain from voting on, the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion, as he/she will on any other matter arising at the AGM.

No.	Resolutions relating to:	Number of Votes For ^(*)	Number of Votes Against ^(*)	Abstain ^(*)
	ORDINARY BUSINESS			
1.	To receive and adopt the Report of the Trustee, the Statement by the Manager and Audited Financial Statements of IREIT for the financial year ended 31 December 2021 and the Auditor's Report thereon.			
2.	To re-appoint Deloitte & Touche LLP as the Independent Auditors of IREIT and authorise the Manager to fix their remuneration.			
	SPECIAL BUSINESS			
3.	To authorise the Manager to issue Units and to make or grant convertible instruments.			

* If you wish to exercise all your votes "For", "Against" or "Abstain", please mark with an "X" within the relevant box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2022

Total number of Units held

Signature of Unitholder (s)/ Common Seal of Corporate Unitholder

f

NOTES TO THE PROXY FORM

1. As a precautionary measure due to the current COVID-19 situation in Singapore, a Unitholder will not be able to attend the AGM in person. A Unitholder will also not be able to vote online on the resolutions to be tabled for approval at the AGM. A Unitholder (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such Unitholder wishes to exercise his/her/its voting rights at the AGM. The Chairman of the AGM, as proxy, need not be a Unitholder of IREIT. This Proxy Form may be accessed at IREIT's website at the URL <http://www.ireitglobal.com/>, and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. Where a Unitholder (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the Chairman of the AGM as proxy will vote or abstain from voting at his/her discretion for that resolution.
2. CPF and SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 2.00 p.m. (Singapore time) on 17 April 2022, being 7 clear working days before the date of the AGM.
3. The Proxy Form must be submitted to the Manager c/o IREIT's Unit Registrar Boardroom Corporate & Advisory Services Pte. Ltd., in the following manner:
 - (a) if submitted by post, be lodged at the registered office of IREIT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
 - (b) if submitted electronically, be submitted via email to IREIT's Unit Registrar at srs.teamc@boardroomlimited.com;

in either case, not later than 2.00 p.m. (Singapore time) on 25 April 2022, being not less than 48 hours before the time fixed for holding the AGM.

A Unitholder who wishes to submit the Proxy Form can either use the printed copy of the Proxy Form which is sent to the Unitholder by post or download a copy of the Proxy Form, and complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation in Singapore, Unitholders are strongly encouraged to submit completed Proxy Forms electronically via email.

4. A Unitholder should insert the total number of Units held. If the Unitholder has Units entered against his/her/its name in the Depository Register maintained by The Central Depository (Pte) Limited ("CDP"), he should insert that number of Units. If the Unitholder has Units registered in his/her/its name in the Register of Unitholders of IREIT, he should insert that number of Units. If the Unitholder has Units entered against his/her/its name in the said Depository Register and registered in his/her/its name in the Register of Unitholders, he should insert the aggregate number of Units. If no number is inserted, this Proxy Form will be deemed to relate to all the Units held by the Unitholder.
5. The Proxy Form must be executed under the hand of the appointor or of his/her attorney duly authorised in writing or if the appointor is a corporation either under the common seal or under the hand of an officer or attorney so authorised. The Manager and the Trustee shall be entitled and be bound, in determining the rights to vote and other matters in respect of a completed Proxy Form submitted to it, to have regard to any instructions and/or notes set out in the Proxy Form. The Manager and the Trustee shall have the right to reject any Proxy Form which has not been duly completed.
6. Where the Proxy Form is signed on behalf of the appointor by an attorney or a duly authorised officer, the power of attorney or other authority (if any) under which it is signed, or a duly certified copy of such power of attorney must (failing previous registration with the Manager), if the Proxy Form is submitted by post, be lodged with the Proxy Form, or, if the Proxy Form is submitted electronically via email, be emailed with the Proxy Form, failing which the Proxy Form may be treated as invalid.
7. The Manager and the Trustee shall have the right to reject a Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on and/or attached to the Proxy Form (including any related attachment). In addition, in the case of Units entered in the Depository Register, each of the Trustee and the Manager may reject a Proxy Form if the Unitholder, being the appointor, is not shown to have Units entered against his name in the Depository Register not less than 48 hours before the time fixed for holding the AGM, as certified by CDP to the Manager.
8. All Unitholders will be bound by the outcome of the AGM regardless of whether they have attended or voted at the AGM.

CORPORATE DIRECTORY

THE MANAGER

IREIT Global Group Pte. Ltd.

1 Wallich Street
#15-03 Guoco Tower
Singapore 078881
Tel: (65) 6718 0590
Fax: (65) 6718 0599

TRUSTEE

DBS Trustee Limited

12 Marina Boulevard
Level 44, DBS Asia Central
Marina Bay Financial Centre Tower 3
Singapore 018982
Tel: (65) 6878 8888
Fax: (65) 6878 3977

BOARD OF DIRECTORS (THE MANAGER)

Mr Lim Kok Min, John

Chairman and Independent Non-Executive Director

Mr Chng Lay Chew

Independent Non-Executive Director

Mr Mark Andrew Yeo Kah Chong

Independent Non-Executive Director

Mr Bruno de Pampelonne

Non-Executive Director

Mr Khoo Shao Hong, Frank

Non-Executive Director

Mr Sanjay Bakliwal

Non-Executive Director

AUDIT AND RISK COMMITTEE (THE MANAGER)

Mr Chng Lay Chew

Chairman

Mr Lim Kok Min, John

Member

Mr Mark Andrew Yeo Kah Chong

Member

NOMINATING AND REMUNERATION COMMITTEE (THE MANAGER)

Mr Mark Andrew Yeo Kah Chong

Chairman

Mr Lim Kok Min, John

Member

Mr Bruno de Pampelonne

Member

AUDITORS

Deloitte & Touche LLP

6 Shenton Way
#33-00 OUE Downtown 2
Singapore 068809
Partner-in-charge: Mr Patrick Tan
(Appointed with effect from financial year ended
31 December 2020)

PROPERTY MANAGERS

MVGM Property Management Deutschland GmbH

Bleichstr. 64-66
Frankfurt am Main 60313

CBRE Real Estate, S.A.

Paseo de la Castellana 202, Planta 8
Madrid 28046

CBRE Property Management

43 rue Paul Meurice
Paris 75020

COMPANY SECRETARIES

Mr Lee Wei Hsiung, ACIS

Ms Ang Siew Koon, ACIS

UNIT TRUST REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.

1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632
Tel: (65) 6536 5355
Fax: (65) 6536 1360

STOCK EXCHANGE QUOTATIONS

SGX Stock Code: UD1U and 8U7U

Bloomberg Code: IREIT:SP

Reuters Code: IREI.SI

ISIN: SG1AB8000006



IREIT Global Group Pte. Ltd.

(As manager of IREIT Global)

Company Registration No. 201331623K

Joint Sponsors of IREIT Global



**CITY
DEVELOPMENTS
LIMITED**

TK **TIKEHAU
CAPITAL**

1 Wallich Street
#15-03 Guoco Tower
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Fax: (65) 6718 0599



www.ireitglobal.com