IREIT GLOBAL

BUILDING A SUSTAINABLE FUTURE

ANNUAL REPORT 2022

BUILDING A SUSTAINABLE FUTURE

At IREIT Global ("IREIT"), our focus remains on ***building a sustainable future*** for our Unitholders. While new challenges such as rising interest rates and persistently high inflation have hampered the real estate leasing activity in Europe, we have managed to improve the weighted average lease expiry of IREIT's portfolio with the major lease extension at Bonn Campus and new long-term lease at Sant Cugat Green.

Our prudent approach of substantially hedging our existing bank borrowings over the tenor of the loans and maintaining a low gearing ratio have also helped IREIT to limit the impact from higher costs of financing. In view of the ongoing transformation of working arrangements at offices, we will continue to actively engage our existing tenants to retain them, focus on filling up the vacant spaces, as well as pursue investment opportunities to further diversify IREIT's asset class exposure and income streams. With sustainability being a core component of IREIT's strategy, we are also working to improve the energy efficiency and marketability of IREIT's portfolio properties through green certifications, thereby creating a more resilient and future-ready portfolio that can stand the test of time.

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.

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 City Developments Limited ("CDL").
- Tikehau Capital is a global alternative asset management group listed in France, while CDL is a leading global real estate company listed in Singapore.

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 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 interest of all unitholders.

ABOUT TIKEHAU CAPITAL

Tikehau Capital is a global alternative asset management group with €38.8 billion of assets under management as at 31 December 2022. 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 (€3.1 billion of shareholders' equity as at 31 December 2022), 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 742 employees across its 14 offices in Europe, Asia and North America. Tikehau Capital is listed in compartment A of the regulated Euronext Paris market.

ABOUT CITY DEVELOPMENTS LIMITED

CDL is a leading global real estate company with a network spanning 143 locations in 28 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, student accommodation, retail malls and integrated developments. With a proven track record of 60 years in real estate development, investment and management, the Group has developed over 50,000 homes and owns around 23 million square feet of gross floor area in residential for lease, commercial and hospitality assets globally. Along with its wholly-owned hotel subsidiary, Millennium & Copthorne Hotels Limited, CDL has over 150 hotels worldwide, many in key gateway cities.

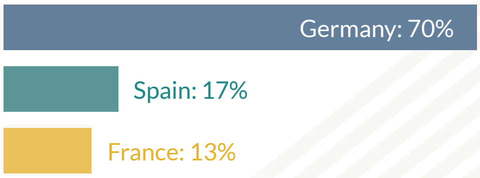
€48.8 MILLION
NET PROPERTY INCOME
+14.9% year-on-year

€61.7 MILLION
GROSS REVENUE
+18.2% year-on-year

2.69€ CENTS
DISTRIBUTION PER UNIT
-8.2% year-on-year

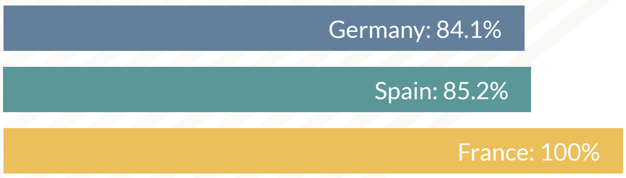
KEY FIGURES FOR FINANCIAL YEAR ENDED 31 DECEMBER 2022

€950.5 MILLION
PORTFOLIO VALUATION BY GEOGRAPHY
-2.5% year-on-year



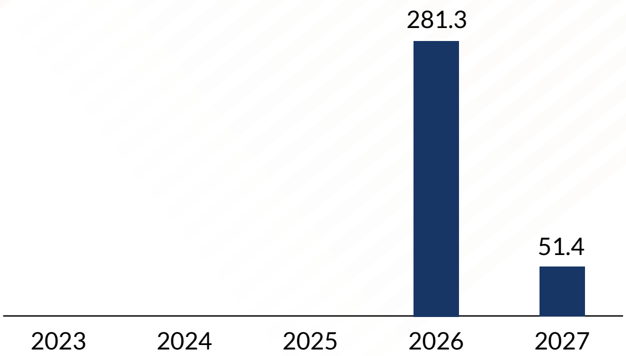
5.0 YEARS
WEIGHTED AVERAGE LEASE EXPIRY
3.8 years as at 31 December 2021

88.3%
PORTFOLIO OCCUPANCY RATE
95.7% as at 31 December 2021

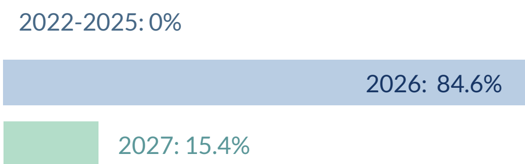


1.8%
WEIGHTED AVERAGE INTEREST RATE
1.8% as at 31 December 2021

DEBT MATURITY PROFILE (€ MILLION)



32.0%
AGGREGATE LEVERAGE
32.1% as at 31 December 2021



CHAIRMAN AND CEO LETTER TO UNITHOLDERS

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 2022 ("FY2022").

EMERGENCE OF NEW CHALLENGES

Looking back over the past 12 months, we are reminded that 2022 had been a volatile and challenging year. Despite the global economy moving to a COVID-19 endemic phase and showing signs of a sustained recovery in the first half of 2022, the emergence of new challenges such as the Ukraine-Russian war, high inflationary pressures and rising interest rates had quickly escalated the risks of recession and caused widespread ramifications on the global real estate leasing and investment activity.

STAYING FOCUSED TO DELIVER LONG-TERM VALUE

On the back of the uncertain operating environment, we have continued to focus on our investment strategy to safeguard and enhance the long-term value of our Unitholders. Operationally, our asset management team has remained steadfast in engaging the existing tenants to retain them as well as focusing on filling up the vacant spaces at IREIT's portfolio assets. As a result of these proactive initiatives, we successfully clinched a six-year lease extension for 100% of Bonn Campus and a new 12-year major lease for approximately 5,300 square metres ("sqm") of vacant data centre space at Sant Cugat Green during the year. Coupled with a few other new leases and lease extensions, these had led to a marked improvement in IREIT's portfolio weighted average lease expiry to 5.0 years as at 31 December 2022, compared to 3.8 years at the end of 2021.

On the capital management front, our prudent approach of substantially hedging our existing bank borrowings over the tenor of the loans and maintaining a low gearing ratio of approximately 32.0% have also helped IREIT to limit the impact from higher costs of financing. Notably, the all-in effective interest rate had remained unchanged at 1.8% per annum year-on-year, despite the rising interest rate environment. Furthermore, there are no near-term refinancing requirements as all of IREIT's existing borrowings will only mature in 2026 and beyond.

PERFORMANCE REMAINS RELATIVELY STABLE

Underpinned by the full-year contribution of acquisition of the retail properties in France and the office building in

> " OUR KEY FOCUS FOR 2023 AND THE IMMEDIATE FUTURE IS TO CONTINUE TO ACTIVELY ENGAGE OUR EXISTING TENANTS TO EXTEND THEIR LEASES WHILE ATTRACTING NEW TENANTS. WE WILL ALSO CONTINUE TO PURSUE INVESTMENT OPPORTUNITIES TO FURTHER DIVERSIFY AND GROW IREIT'S INCOME STREAMS. "

Spain in 3Q2021, step up rents and CPI indexation, IREIT's gross revenue for FY2022 increased by 18.2% year-on-year to €61.7 million, while net property income rose by 14.9% to €48.8 million. Income available for distribution was impacted mainly by higher property operating expenses related to higher portfolio vacancy, higher tax costs, and management fees payable 100% in cash (versus 50% in cash for FY2021). As a result, income available for distribution was largely flat at €34.6 million and distribution per Unit ("DPU") for the full-year registered 2.69 € cents, representing a decrease of 8.2% year-on-year.

At the end of November 2022, the sole tenant at Darmstadt Campus, Deutsche Telekom, had returned the entire space at the property upon its lease expiry. This contributed to the decline in IREIT's portfolio occupancy rate to 88.3% as at 31 December 2022 from 95.7% a year ago, as well as the 2.5% year-on-year decline in its portfolio valuation to €950.5 million as at 31 December 2022. Nonetheless, net asset value ("NAV") remained unchanged year-on-year at €0.54 per Unit. Based on IREIT's closing unit price of S$0.505 and an exchange rate of S$1.4331/€ at the end of 2022, IREIT is trading at an attractive discount of approximately 34.4% to its NAV.

BUILDING A SUSTAINABLE FUTURE

In view of the vacancy at Darmstadt Campus and the ongoing transformation of working arrangements at offices, our key focus for 2023 and the immediate future is to continue to actively engage our existing tenants to extend their leases while attracting new tenants. We will also continue to pursue investment opportunities to further diversify and grow IREIT's income streams and mitigate the impact on IREIT's future distributions. With the rise in interest rates, a downward repricing of assets has been experienced in several economies and this may give rise to attractive investment opportunities and property yields. In order to position IREIT well for such opportunities, we have established our inaugural US$1 billion multicurrency debt issuance programme in May 2022 and explored various avenues to broaden IREIT's funding sources. With sustainability being a core component of IREIT's strategy, we are also working to improve the energy efficiency and marketability of IREIT's portfolio properties through green certifications. We are hopeful that these efforts will bring us a step closer to our growth aspirations as being the landlord of choice in the European commercial real estate market and create a more resilient and future-ready portfolio that can stand the test of time.

AWARDS AND ACCOLADES

As a testament to the Manager's commitment towards excellence, good corporate governance and transparency, IREIT was named the overall winner within the Singapore real estate investment trusts ("S-REITs") sector by The Edge Singapore Centurion Club in November 2022, 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 is the second consecutive year that IREIT has been given this highest award. In November 2022, IREIT was also ranked 14th out of 43 S-REITs/Business Trusts in The Governance Index for Trusts ("GIFT") Index. In March 2023, IREIT won another two prestigious awards, namely the Platinum Award for "Best Office REIT (Singapore)" and Gold Award for "Best Investor Relations" at The Asia Pacific Best of the Breeds REITs Awards 2023 event. We congratulate the management team for these outstanding achievements.

APPRECIATION AND ACKNOWLEDGMENTS

On behalf of the Board of Directors and management team, we would like to thank our joint sponsors, valued tenants, business partners, financiers, DBS Trustee and Unitholders for your continued support and confidence in IREIT. We would also like to express our heartfelt appreciation to our Board members for their stewardship and advice throughout the year. Our special thanks go to Mr Frank Khoo Shao Hong, who retired as Non-Executive Director on 30 November 2022. We deeply appreciate his invaluable contributions and counsel during his service at our Board. We also welcome Mr Sherman Kwek Eik Tse, who joined us as Non-Executive Director on 1 December 2022. We are confident that his extensive industry experience, knowledge and expertise will augment the strength of our Board. In addition, we would like to thank Mr Choo Boon Poh who stepped down as Chief Financial Officer on 22 August 2022 after serving the Manager for almost nine years. He played a critical role in the listing of IREIT and has since contributed significantly to the growth of IREIT. We wish him every success in his future endeavours. We are also pleased to welcome Ms Chua Tai Hua, Anne who was appointed as Chief Financial Officer on 22 August 2022. As a veteran in the S-REITs sector, Ms Chua brings a wealth of real estate industry experience in financial reporting, fund raising, property investment, mergers and acquisitions and treasury risk management. Finally, to all our management team and employees, thank you for your commitment, hard work and dedication during this trying time.

PURSUING DIVERSIFICATION

BUILDING A STABLE AND SUSTAINABLE PORTFOLIO

NET PROPERTY INCOME

€48.8m

The expansion of our footprint into Spain and France over the last two years have significantly reduced IREIT's exposure to a single country and asset class.

To safeguard and enhance the long-term returns of our Unitholders, we will continue to focus on our diversification efforts into different asset classes and geographical markets through disciplined investments.

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 2022)
8 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 and a director of several private companies in education and retail services. He also serves as the Chairman of the Advisory Board of the 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)
- Taylors Education Pte Ltd (Director)
- V3 Gourmet 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 2022)
2 years

Mr Chng has over 35 years of experience in the financial industry. He retired in 2020 from Singapore Exchange Limited after nine 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 a 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, NUHS Fund Ltd, a charity and Worldwide Fund for Nature (Singapore) Ltd. 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. He completed the International Directors Program at INSEAD in 2021 and obtained a Certificate in Corporate Governance.

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)
- Worldwide Fund for Nature (Singapore) 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

Length of Service as Director (as at 31 December 2022)
1 year

Mr Yeo is a director of Keppel Infrastructure Fund Management Pte. Ltd., which is the trustee-manager of SGX listed Keppel Infrastructure Trust. He is a director of Changi Airport Group (Singapore) Pte. Ltd. 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)
- Windy EU Holdings Pte. Ltd. (Director)

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

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 2022)
6 years 1 month

Mr de Pampelonne has approximately 37 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.

Mr de Pampelonne is currently the Chairman of the Board of Governors of EDHEC Business School.

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. (CEO and Director)
- Tikehau Investment Management, Japan K.K. (Director)
- Tikehau Capital Korea Inc. (Director)
- EDHEC Business School (Chairman)
- FPE Investment Advisors (Singapore) Pte. Ltd. (Director)
- Scientific Beta Pte. Ltd. (Director)

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

BOARD OF DIRECTORS

Mr Sherman Kwek Eik Tse
Non-Executive Director

Date of First Appointment as Director
1 December 2022

Mr Kwek assumed his current role as Group Chief Executive Officer ("CEO") of City Developments Limited ("CDL") in January 2018 after serving as CEO-designate from August 2017. He was appointed as an Executive Director of CDL in May 2019 and concurrently holds the position of Executive Chairman of CDL China Limited since 2016. Mr Kwek was previously the Deputy CEO and Chief Investment Officer of CDL. He joined CDL in August 2010 as the CEO of CDL China Limited.

Prior to joining CDL, Mr Kwek was the CEO of City e-Solutions Limited (now known as China Tian Yuan Healthcare Group Limited), a Hong Kong-listed company that was formerly a subsidiary of CDL Group and engaged in the provision of hotel management and electronic distribution services to the global hospitality industry.

Mr Kwek was also formerly the Chief Operating Officer of Singapore-listed Thakral Corporation Ltd. and had worked at RECAP Investments Limited, a real estate private equity fund.

Mr Kwek started his career over two decades ago in New York working in venture capital followed by investment banking and subsequently hospitality management. He has experience in the areas of investments, mergers and acquisitions, real estate, hospitality and technology, and has worked in New York, Hong Kong, Shanghai and Singapore.

In 2020, Mr Kwek was appointed to the Board of Trustees of the Chinese Development Assistance Council ("CDAC"), a non-profit self-help group for the Chinese community, and in 2021, he was appointed as a Member of the SingHealth Property Committee of Singapore Health Services Pte Ltd. He was also appointed as a Member of the Advisory Board for the National Youth Achievement Award and as a Member of Business China's FutureChina Committee and Go East Committee in October 2022.

Mr Kwek had previously served as a Council Member of the Singapore Chinese Chamber of Commerce and Industry ("SCCCI") for nine years until he relinquished the position in March 2022. As a nominee of SCCCI to the board of Business China, he also stepped down from this role in September 2022 but was reappointed to the two committees within Business China mentioned above. He was also formerly a member of the Council for Board Diversity and a board member of the Building and Construction Authority ("BCA").

Academic & Professional Qualifications
- Bachelor of Science in Business Administration, Boston University, majoring in Finance and Marketing with a minor in Psychology

Membership of Board Committee
Nil

Present Directorships in Other Listed Companies
- City Developments Limited

Present Principal Commitments (other than directorships in other listed companies)
- Group Chief Executive Officer of City Developments Limited
- Executive Chairman of CDL China Limited

Other appointments
- Chinese Development Assistance Council (Board of Trustees)
- Singapore Health Services Pte Ltd (Member of SingHealth Property Committee)
- National Youth Achievement Award (Member of Advisory Board)
- Business China FutureChina Committee (Member)
- Business China Go East Committee (Member)

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

Mr Khoo Shao Hong, Frank
Former Non-Executive Director

Date of First Appointment as Director
29 April 2019

Date of Retirement as Director
30 November 2022

Mr Khoo was the former Group Chief Investment Officer of City Developments Limited. He assisted the Group CEO to source and execute new investment opportunities, and also established 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 in Other Listed Companies
Nil

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

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 2022)
2 years 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.

Academic & Professional Qualifications
- Commerce graduate (with honours) from Shri Ram of Commerce, University of Delhi
- Chartered Accountant from Institute of Chartered Accountants of India

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 Paris, France and has over 16 years of experience in European real estate investments. He was previously an Executive Director at Tikehau Capital within the European Real Estate investment team in London. 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 IM Alts (previously known as AXA Real Estate Investment Manager) 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 in London.

Academic & Professional Qualifications
- Master Degree in Asset Management, Paris Dauphine University

Ms Chua Tai Hua, Anne
Chief Financial Officer

As Chief Financial Officer, Anne is responsible for the financial accounting and reporting, tax, and capital structure for IREIT.

Anne has over 30 years of working experience at banks, financial institutions, local and multinational companies, with regional and global responsibilities on financial reporting, fund raising, property investment, mergers and acquisitions and treasury risk management. Prior to joining the Manager, Anne was the Chief Financial Officer of Daiwa House Asset Management Asia Pte. Ltd., the manager of Daiwa House Logistics Trust ("DHLT") and was instrumental in the successful initial public offering and listing of DHLT on the Singapore Exchange. She was also the Chief Financial Officer of CapitaLand Commercial Trust Management Limited, the manager of CapitaLand Commercial Trust, before joining DHLT.

Anne holds a Graduate Degree in Bachelor of Business Administration from the National University of Singapore, a Post-Graduate Degree in Master of Applied Finance from MacQuarie University of Australia (where she was the joint top graduand), and a Master of Professional Accounting from the Singapore Management University.

Academic & Professional Qualifications
- Bachelor of Business Administration, National University of Singapore
- Master of Applied Finance, MacQuarie of Australia
- Master of Professional Accounting, Singapore Management University

OUR STRATEGY

Our strategy is built upon our mandate to provide Unitholders with regular and stable distributions, through a resilient portfolio that can protect and create value over the long term. We adopt a three-pronged strategy to drive sustainable long-term growth in the DPU of IREIT.

CREATING VALUE VIA 3-PRONGED STRATEGY

IREIT GLOBAL

Synergistic Investments
(inorganic growth)

- Larger and diversified portfolio
- Increased resilience
- Sustainable and stable distribution

Active Asset Management
(organic growth)

- Optimised occupancy and rental rates of existing portfolio
- Well-staggered lease expiry profile
- Strong and diversified tenant mix
- Selective Asset Enhancement Initiatives

Prudent Capital Management

- Broadening financing sources
- Optimise use of debt and equity
- Lower overall funding costs

VALUE CREATION
For Unitholders

Synergistic Investments

We actively seek and pursue growth opportunities by making disciplined acquisitions of quality and well-located assets that complement our existing portfolio and diversify our tenant base across asset classes and geographical markets. We identify income-producing properties within the office, retail and industrial (including logistics) sectors in key developed markets across core western Europe such as Germany, France, Spain, Italy and the Benelux, where we can leverage our joint sponsors' expertise, brand name and extensive network. With the acquisition of the Decathlon retail portfolio in France and office portfolio in Spain over the past two years, we have successfully reduced our concentration risks to large tenants such as Deutsche Telekom and Deutsche Rentenversicherung Bund, a testament to our diversification efforts.

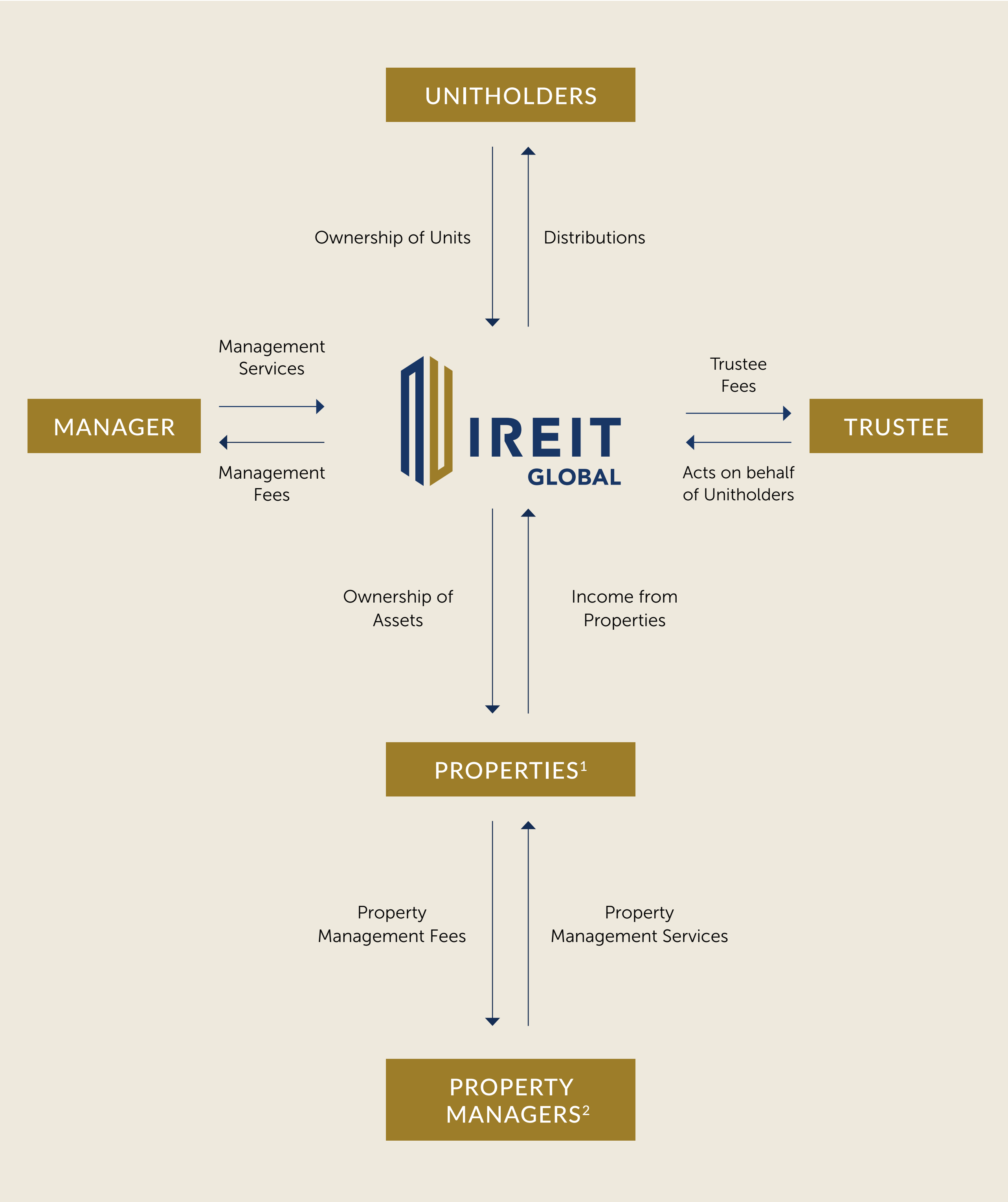
Active Asset Management

We manage our portfolio leases using a tailored approach to achieve a balanced mix of quality tenants and a well-staggered lease expiry profile for IREIT's portfolio. With a goal to achieve steady rental income growth, we seek various avenues to maintain a healthy portfolio occupancy and optimise the yield of the properties through operational efficiency, rental escalation and reversion, and asset enhancement initiatives. We also explore selective divestments of low-yielding properties with older specifications within the portfolio to recycle capital and rejuvenate IREIT's portfolio.

Prudent Capital Management

With a long-term view to maintain a healthy credit profile with diversified sources of funding, we constantly endeavour to maintain a prudent capital structure and explore different funding options to broaden IREIT's financing sources and flexibility. Always looking ahead to anticipate the capital needs of IREIT, we proactively manage our gearing ratio while ensuring that we have access to capital resources at competitive costs. In addition, we manage our exposure to market fluctuations in interest rate through appropriate hedging strategies. Our prudent approach of substantially hedging our existing bank borrowings over the tenor of the loans and maintaining a low gearing ratio of approximately 32.0% have also helped IREIT to limit the impact from higher costs of financing in 2022. Notably, the all-in effective interest rate had remained unchanged at 1.8% per annum year-on-year, despite the rising interest rate environment. Furthermore, there are no near-term refinancing requirements as all of IREIT's existing borrowings will only mature in 2026 and beyond.

TRUST STRUCTURE



Notes:

1 The German properties are held through property holding companies in the Netherlands, the Spanish properties through property holding companies in Spain and the French properties through property holdings in France.

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.

ADOPTING A LONG-TERM APPROACH

CREATING SUSTAINABLE VALUE FOR UNITHOLDERS

DISTRIBUTABLE INCOME

€34.6m

Keeping our eyes on the long term, we look at various ways to optimise IREIT's long-term income streams by actively engaging our existing tenants to retain them, while filling up the vacant spaces at IREIT's portfolio with strong tenants.

In order to build more resilient and future-ready portfolio that can stand the test of time, we are also working to improve the energy efficiency and marketability of IREIT's portfolio properties through green certifications.

FINANCIAL REVIEW AND CAPITAL MANAGEMENT

KEY FINANCIAL HIGHLIGHTS

	Actual FY2022 (€'000)	Actual FY2021 (€'000)	Change %
Gross Revenue	61,650	52,167	18.2
Property Operating Expenses	(12,853)	(9,685)	32.7
Net Property Income	48,797	42,482	14.9
Distributable Income	34,647	34,386	0.8
Income Distributed	31,182	30,947	0.8
Distribution per Unit (€ cents)	**2.69**	**2.93[1]**	**(8.2)**

By Geography	Gross Revenue		Net Property Income	
	FY2022 (€'000)	FY2021 (€'000)	FY2022 (€'000)	FY2021 (€'000)
German Portfolio	36,904	36,448	30,788	31,212
Spanish Portfolio[2]	15,004	12,196	10,018	7,895
French Portfolio[2,3]	9,742	3,523	7,991	3,375
Total	**61,650**	**52,167**	**48,797**	**42,482**

PROPERTY PERFORMANCE

Gross revenue of IREIT and its subsidiaries (the "Group") for FY2022 registered an increase of €9.5 million or 18.2% over that of FY2021, contributing to the increase in net property income ("NPI") of €6.3 million or 14.9% over the same year. These were due mainly to the acquisition of the French Portfolio and Parc Cugat in Spain in 3Q2021. Step-up rents and CPI Indexation further contributed to the increase, albeit offset by vacancies in some of the properties during FY2022.

DISTRIBUTIONS TO UNITHOLDERS

The distribution per Unit ("DPU") of 2.69 € cents for FY2022 was 8.2% lower than the DPU of 2.93[1] € cents for FY2021 due to higher finance and tax costs, and management fees payable 100% in cash (versus 50% in cash for FY2021) as well as 11,372,868 new Units issued pursuant to an equity placement offering on 30 June 2021 and 201,137,870 new Units issued pursuant to an equity preferential offering on 21 July 2021.

For both FY2021 and FY2022, IREIT distributed approximately 90% of its annual distributable income. The details of the distributions for FY2022 and FY2021 are as follows:

Period	Payment Date	Income Distributed €'000	DPU € cents
1 January 2022 to 30 June 2022	31 August 2022	16,410	1.41
1 July 2022 to 31 December 2022	23 March 2023	14,772	1.28
Total FY2022		**31,182**	**2.69**
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
Total FY2021		**30,947**	**2.93[1]**

Included in the amount available for distribution in FY2022 was approximately €438,000 (DPU of 0.03 € cents (2021: €119,000 (DPU of 0.01 € cents)) of rental guarantee received in relation to Parc Cugat.

1 IREIT issued 11,372,868 new Units pursuant to an equity placement offering on 30 June 2021 and 201,137,870 new Units pursuant to an equity preferential offering on 21 July 2021.
2 IREIT completed the acquisition of French portfolio in July 2021 and Parc Cugat in September 2021 respectively.
3 As at 1 January 2023, for French real estate wealth tax purposes, the value of the taxable proportion of IREIT's French real estate assets has been estimated at €42,574,404.

VALUATION OF ASSETS

As at 31 December 2022, the investment properties were valued at €950.5 million. Please refer to Statement of Portfolio for valuation of each property.

By Geography	Valuation (€'million) (as at 31 December 2022)[1]	Valuation (€'million) (as at 31 December 2021)[1]
German Portfolio	659.7	684.3
Spanish Portfolio	164.3	167.2
French Portfolio	126.5	123.4
Total	950.5	974.9

NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

	As at 31 December 2022 (€'000)	As at 31 December 2021 (€'000)	Change %
Total Assets	1,039,140	1,035,499	0.4
Total Liabilities	414,437	416,053	(0.4)
Net Assets Attributable to Unitholders	624,703	619,446	0.8
Number of Units in issue and to be issued at end of year ('000)	1,155,891	1,155,891	-
NAV per Unit (€)	0.54	0.54	-

Total assets increased by 0.4% to €1,039.1 million as at 31 December 2022 as compared to €1,035.5 million as at 31 December 2021. The increase was mainly due to the fair value gain of derivatives instruments compared to fair value loss of derivatives instruments in prior year. The fair value gains are generally consistent with the current environment of rising interest rate. The increase was partially offset by the decline in investment properties from €974.9 million to €950.5 million year-on-year. The decrease in investment properties of €24.4 million was largely impacted by the decrease in valuation of the German Portfolio by €24.6 million as at 31 December 2022. Please refer to further details in the section above on "Valuation of Assets".

Total liabilities decreased by 0.4% to €414.4 million as at 31 December 2022 as compared to €416.1 million as at 31 December 2021.

Net assets attributable to Unitholders increased by 0.8% to €624.7 million as at 31 December 2022 as compared to €619.4 million as at 31 December 2021. Net asset value ("NAV") per Unit as at 31 December 2022 of €0.54 remained stable.

PRUDENT CAPITAL 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 2022	As at 31 December 2021
Total Gross Borrowings (€'million)	332.7	332.7
Aggregate Leverage[2]	32.0%	32.1%
Interest Coverage Ratio[2]	7.9 times	7.7 times
Weighted Average Debt to Maturity	3.5 years	4.5 years
Weighted Average Interest Rate (per annum)[3]	1.8%	1.8%

Debt Maturity Profile

As at 31 December 2022, the Group's total gross borrowings stood at €332.7 million (FY2021: €332.7 million). All borrowings are secured and denominated in €. The Group's secured borrowings comprised the following facilities:

Term loan facility	% of Total Gross Borrowings	Amount (€'million)	Maturity
German Portfolio	60.4	200.8	January 2026
Spanish Portfolio	24.2	80.5	December 2026
French Portfolio	15.4	51.4	July 2027
	100.0	332.7	

In May 2022, IREIT established its US$1 billion Multicurrency Debt Issuance Programme ("EMTN Programme") which enables IREIT to issue notes and perpetual securities denominated in any currency from time to time. The EMTN Programme allows us to diversify our sources of funding, thereby creating financial flexibility to support our future growth. There is no drawdown on the EMTN Programme as at 31 December 2022.

1 Independent valuers for the investment properties located in Germany and Spain is BNP Paribas Real Estate Consult GmbH and the independent valuer for the investment properties located in France is BNP Paribas Real Estate Valuation France as at 31 December 2022 and 31 December 2021.
2 Aggregate leverage and interest coverage ratio are calculated based on the respective definitions under the MAS' Code on Collective Investment Schemes, Property Fund Appendix 6.
3 Interest rate computed over the tenor of the borrowings including amortisation of upfront transaction costs.

FINANCIAL REVIEW AND CAPITAL MANAGEMENT

Interest Rate and Foreign Currency Risk 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; and
- Use of € denominated borrowings as a natural hedge to match the currency of assets and cashflows at the property level.

As at 31 December 2022, 96.9% of the gross borrowings, which are on floating interest rates, had been hedged with interest rate swap and interest rate cap contracts. For FY2022, the Group achieved a healthy interest coverage ratio of 7.9 times (FY2021: 7.7 times). The weighted average interest rate is 1.8% per annum (including amortisation of upfront transaction costs) (FY2021: 1.8% per annum) over the tenor of the borrowings.

Key Hedging Indicators

Financial Derivatives	As at 31 December 2022 (€'000)	As at 31 December 2021 (€'000)
Net Assets /(Liabilities)[1]	30,851	(2,150)
As a percentage of total fund size (%)[2]	2.97	(0.21)
As a percentage of net assets (%)	4.94	(0.35)

1 This refers to the aggregate fair value of interest rate swaps and interest rate caps of the Group.
2 Total fund size refers to the total assets of the Group.

INDEPENDENT MARKET REVIEW

BNP PARIBAS REAL ESTATE

ECO PERSPECTIVE EUROZONE

Source: BNP Paribas Eco Perspectives, 15 December 2022

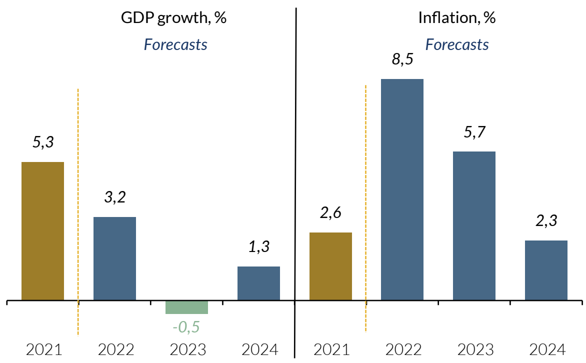
EUROZONE: WILL THERE BE A GROWTH OUTAGE THIS WINTER?

It seems highly likely that for the eurozone, 2023 will bring an easing in inflation, a contraction in GDP and a peak in the ECB's policy rates. The uncertainties lie in the scale of disinflation and of the recession, and in the level and timing of the peak in rates. According to our forecasts, the fall in inflation will be rapid on the surface (with headline inflation dropping from around 10% year-on-year in 4Q2022 to 3% in 4Q2023), but this will mask a slower fall in core inflation, which we expect to remain above 2% in a year's time, from 5% at present. In the face of this persistent inflation, we expect the ECB to hike its deposit rate by 100bp, to 3%, by the end of 1Q2023 and then maintain this restrictive level throughout the year, despite the recession. The recession, meanwhile, is expected to be shallow and short-lived, thanks in particular to fiscal support and the resilience of the labour market, which both allows and justifies the ECB's restrictive approach.

RECESSION LOOKS INEVITABLE...

Although eurozone growth provided another positive surprise in 3Q2022 (up 0.3% quarter-on-quarter, taking the growth carry-over to 3.4%) and thus dodged the expected contraction, repeating this performance in 4Q2022, and also the next two, is a tougher task. A recession is not a certainty, but we believe it is inevitable. Although consumer confidence saw some small signs of improvement in October and November, it remains depressed.

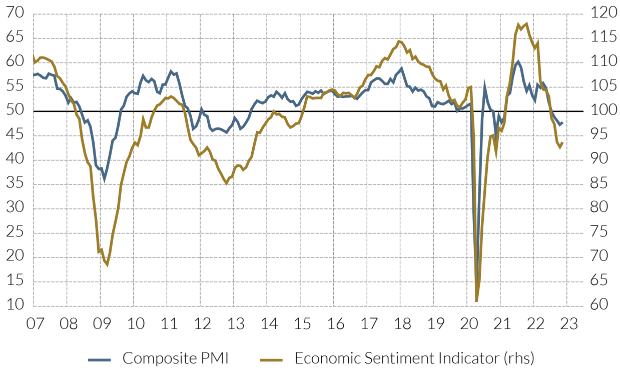
GDP growth & inflation



SOURCE: BNP PARIBAS GLOBAL MARKETS

The deterioration in business climate surveys remains relatively well contained, but in absolute terms are still pointing towards a contraction in activity. Above all, we are expecting that their decline will continue as we have not yet seen the full effects of the inflationary shock, the energy crisis and monetary tightening.

Eurozone: composite PMI and economic sentiment indicator



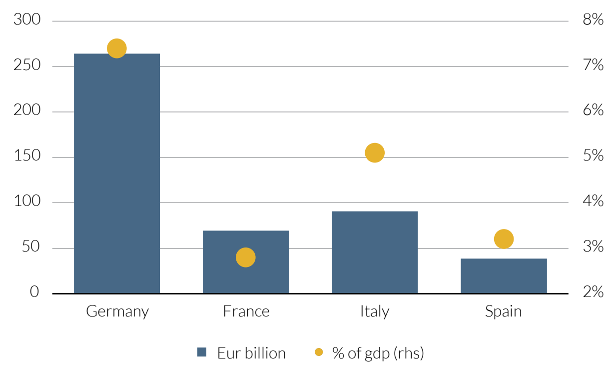
SOURCE: S&P GLOBAL, EUROPEAN COMMISSION, BNP PARIBAS

...BUT IT COULD BE SHALLOW AND SHORT

A severe and prolonged recession can not be ruled out given the unprecedented accumulation and scale of the shocks listed above. But for the time being we believe that the most likely scenario is a shallow and short-lived recession. Thus we expect GDP to contract by -0.4% quarter-on-quarter in 4Q2022, then -0.5% in 1Q2023 and -0.2% in 2Q2023 before a modest recovery in the second half. In annual average terms, we expect GDP growth of 3.2% in 2022, followed by a contraction of -0.5% in 2023 and then a recovery to 1.3% in 2024.

The first of the factors containing the expected recession is the substantial fiscal support introduced at the national and European levels .

Fiscal response to the inflationary shock and energy crisis



(Sept. 2021 - Nov. 2022: cumulative measures as discussed, proposed or enacted)

SOURCE: NATIONAL GOVERNMENTS, BRUEGEL DATASETS (LATEST UDPATE: 29/11/2022), BNP PARIBAS

In the short term, economic activity should continue to be supported by the continued catching up from the pandemic in sectors where this is not yet complete, although this effect is not far from reaching its end. The easing of supply chain

INDEPENDENT MARKET REVIEW

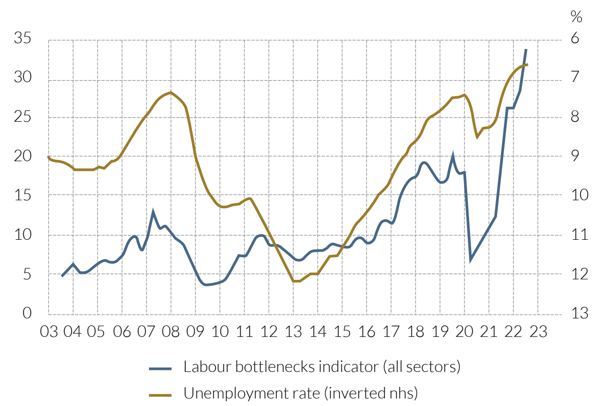
difficulties, allowing the order backlog to be addressed, is another factor in supporting the economy. More broadly, the extra savings built up by households during lockdown periods and the relatively good financial situation of businesses at the beginning of 2022 are significant shock absorbers: households and companies have had something of a buffer to absorb the current shocks and this will remain the case, albeit to a lesser extent as the shocks have started to eat into these reserves.

The scale and urgency of investment needs, particularly in the areas of digital technology and the energy transition, are another source of substantial support to growth, although these could be limited by hiring and skills constraints and less favourable financing conditions. This wave of green investment could help in a soft landing for the economy similar to that seen in the second half of the 1990s, when investment in new information and communications technologies contributed to a soft landing for the US economy.

The relatively good performance of the labour market thus far has been encouraging. We also see the persistent hiring difficulties (in part a reflection of the strength of employment) as a specific and significant source of resilience to the slowing of activity in this cycle; it will encourage companies to hoard staff. We are counting on these elements to limit the predictable increase in unemployment rates and the knock-on effects of the deterioration of the labour market on activity. In our scenario, the limited contraction in the economy and in employment will feed into each other.

The disinflation expected in 2023 represents another source of support, by easing the downward pressure on confidence, consumer purchasing power and company margins. Disinflation will also signal the end of policy rates hikes, which should also have a positive effect on expectations and behaviour.

Eurozone: Labour bottlenecks and unemployment rate



SOURCE: EUROPEAN COMMISSION, EUROSTAT, MACROBAND, BNP PARIBAS

SOURCES OF SUPPORT BUT DOWNSIDE RISK AS WELL

Our forecast for 2022 is in line with the December consensus average, but it is more negative for 2023 (by 0.4 of a point, bearing in mind that the consensus range is broad, from a high of +1.3% to a low of -1.4%). Although our scenario is relatively negative, we think that the risks still lie on the downside. The reaction of company margins, the labour market, real estate markets and the financial sphere to the ongoing shocks could be more negative than expected, with a possible additional contagion effect coming from the USA, where the expected recession will come later than that in the euro zone (between 2Q2023 and 4Q2023). The extent of disinflation remains uncertain. The COVID-19 pandemic remains a significant risk factor.

A financial shock, coming on top of the others, cannot be ruled out. Bank balance sheets are certainly more solid and consumers and companies are not more indebted than in 2007[1], on the eve of the subprime crisis, but government debt is much higher. And there are sizeable vulnerabilities amongst unregulated financial actors, in the riskier market segments and in those where liquidity could suddenly dry up.

The supply of energy, particularly gas, continues to hang over Europe like a particularly hefty sword of Damocles. This risk, which is specific to the eurozone, comes on top of an energy price effect that is already much higher than in the USA, for example, and as high as it was during the oil shocks of the 1970s[2]. The deterioration in the terms of trade and the associated loss of real income are even higher according to estimates from the ESM ("European Stability Mechanism"): in 1Q2022 this loss was estimated at 1.7% of GDP, a figure that was already higher than the 1.3% loss calculated for 1974 and which can only have increased since, given further rises in energy prices.

Lastly, central banks face the hefty challenge of calibrating monetary tightening: neither too much, which would damage growth, nor too little which would prevent inflation from being swiftly brought under control. Although our scenario assumes that they will rise to this challenge, the risk of mistakes is not inconsiderable. In its October 2022 World Economic Outlook, the IMF estimated at 25% the probability that global growth in 2023 will be less than 2% (something that has happened only five times since 1970, in 1973, 1981, 1982, 2009 and 2020): the high level of this probability illustrates the scale of downside risks.[3]

THE ECB IS DETERMINED

With its 50bp rate increase at its 15 December 2022 meeting (after successive 75bp increases in September and October), the ECB marked the first turning point in the monetary tightening cycle it began in July, made possible by the first encouraging signs in the expected disinflation coupled with more unfavourable signals on the growth front. Although it is nearing an end, the tightening cycle is not there yet: we are expecting the ECB to make two further rate increases in February and March 2023, of 50bp each, taking the deposit rate to 3% and the refinancing rate to 3.5%.

We expect the ECB will then hold them at this restrictive level throughout 2023, despite the recession, in the absence of core inflation falling sufficiently close to the 2%-target by the end of next year. To strengthen its action, the ECB will make another important monetary shift in 2023, with quantitative tightening ("QT") beginning to shrink its balance sheet. This normalisation, in contrast to the rapid and large hikes in interest rates, is likely to come in progressive steps. The ECB will have to balance flexibility and predictability.

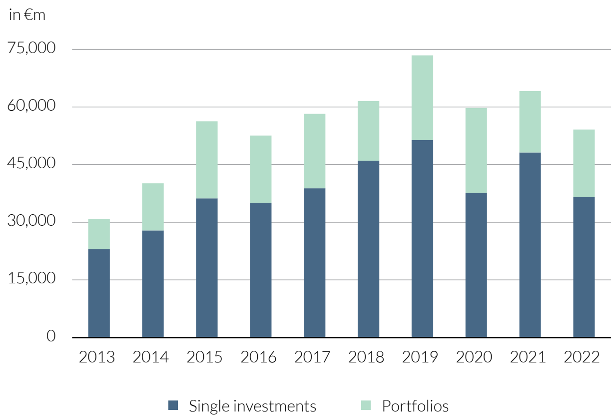
1 According to data compiled by the Banque de France (% of GDP).
2 According to data from BlackRock Investment Institute, drawn from BP's statistical review of world energy, which compares the weight of oil, gas and coal consumption to GDP (in USD). In 2022, this ratio was 11.7% for the EU and 5.3% for the USA, from 12% and 10% respectively in 1980.
3 This low scenario from the IMF would come about under the plausible combined effect of an unexpected fall in global oil supplies, an additional weakening in the Chinese real estate market, continued labour market tensions and tighter financing conditions (see box 1.3, pp 33-36, WEO October 2022).

INDEPENDENT MARKET REVIEW

INVESTMENT MARKET GERMANY 4Q2022

Source: BNP Paribas Real Estate GmbH, 31 December 2022

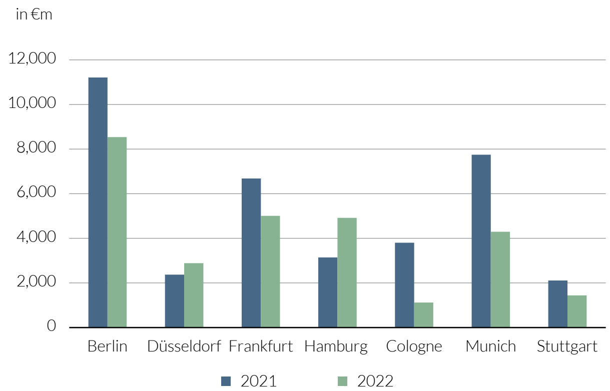
HIGH TURNOVER DESPITE CHALLENGING ENVIRONMENT



The German commercial investment volume totalled €54.1bn in 2022. This is 16% below the comparable figure for the previous year. However, the ten-year average was only missed by 2%. The record result of the first quarter is primarily responsible for this good performance in the longer term, whereas the fourth quarter in particular recorded a very low transaction volume in a historical comparison. As expected, the traditional year-end rally did not take place, which clearly shows how challenging the current macroeconomic and financial market environment is for the commercial investment markets. At €9.9 billion, the transaction volume in the fourth quarter was half the average of the last five years. The significant rise in interest rates, a weakening economy and inflation at record levels not only create a certain degree of uncertainty about the further development of the real estate markets, but have also contributed to the fact that many large transactions that were already being placed on the market could no longer be realised - many of them postponed to 2023.

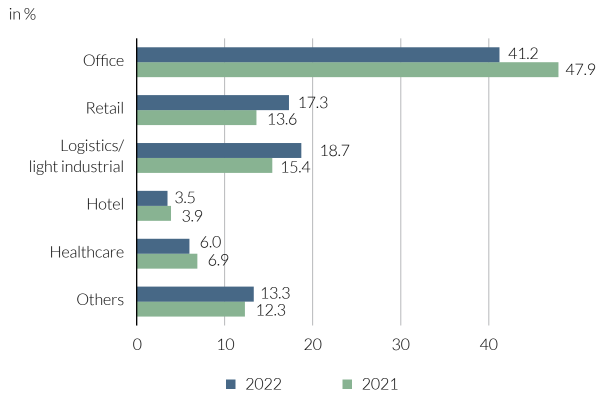
SIGNIFICANT DECLINE ALSO IN THE A-LOCATIONS

Turnover was also low in the A-locations (Berlin, Düsseldorf, Frankfurt, Hamburg, Cologne, Munich, Stuttgart). At €28.2 billion, it has dropped by 24% compared to previous year's level. The most investments were made in Berlin with €8.54 billion. Although this represents a decline of almost 24%, it is the fourth best result ever recorded. Frankfurt follows in second place with around €5 billion (-25%). The winner's podium is completed by Hamburg, where a good €4.9 billion was achieved. The Hanseatic city is thus one of two cities that were able to increase the volume (+57%). It is followed by Munich with just under €4.3 billion (-45%), Düsseldorf with almost €2.9 billion (+22%) and Stuttgart with a good €1.44 billion (-32%). By far the largest decline was recorded in Cologne (-70%) to €1.1 billion.

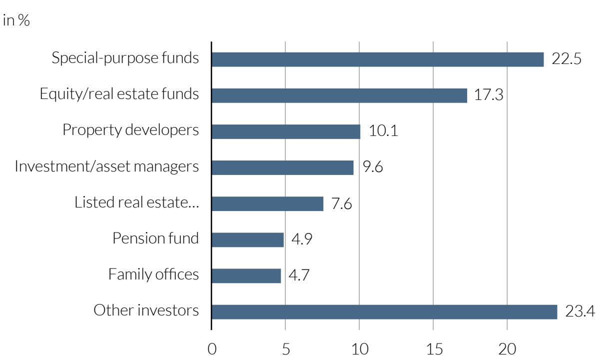


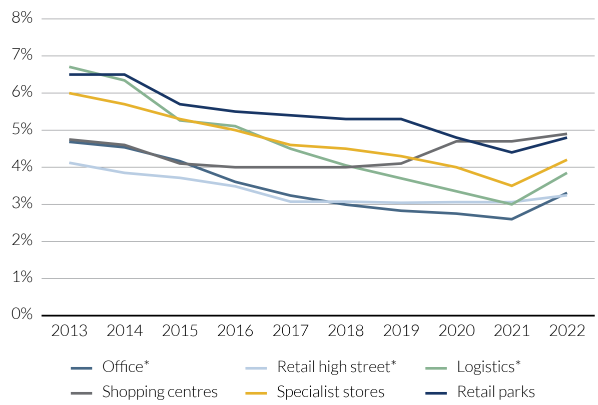
OFFICES STILL IN THE LEAD, LOGISTICS IN SECOND PLACE

Offices are in the lead, contributing €22.25 billion (41%) to turnover. Their share has decreased by around 7 percentage points. Logistics properties follow in second place, achieving a record result due to the very good first half-year. At just under €10.14 billion, they are responsible for almost 19%. Retail investments are close behind, having increased their share to a good 17%. At just under €9.4 billion, they are the only asset class to increase their transaction volume significantly (+7%). Hotel investments are responsible for a market share of 3.5% (€1.9 billion), which is just below the previous year's value. There was also less turnover in healthcare real estate, which at just under €3.3 billion accounted for a good 6%.



BROAD DISTRIBUTION OF BUYER GROUPS





The turnover is broadly distributed across many buyer groups. Special funds, which were very active in almost all asset classes, led the way with 22.5%. Equity/real estate funds came in second with a good 17%. This result reflects not least a number of larger mergers and acquisitions. But project developers also invested extensively, with a share of 10%, which indicates that they are convinced that the markets will continue to develop positively in the medium term. Foreign investors contributed 44.5% to the result and were able to increase their share by almost six percentage points.

YIELDS CONTINUED TO RISE IN THE FOURTH QUARTER

Against the backdrop of further increases in key interest rates, it is not surprising that financing costs for real estate and thus yields also continued to rise in the fourth quarter. For office properties, net prime yields increased by around 30 basis points on average in the fourth quarter. Berlin and Munich lead the way with 3.20% each. Hamburg and Cologne follow close behind with 3.30%. Frankfurt is currently at 3.35% and Düsseldorf and Stuttgart at 3.40%. The increase for inner-city retail buildings was somewhat more moderate. Here, 3.00% is assumed in Berlin and Munich, 3.15% in Hamburg, 3.30% in Frankfurt, 3.40% in Düsseldorf and Stuttgart and 3.45% in Cologne. For logistics properties, the prime yields nationwide have even risen by 50 basis points to 3.85%. Retail parks are currently listed 4.20% and individual retail warehouses at 4.80%. Shopping centres also saw a slight increase, so that they are now at 4.90%.

OUTLOOK

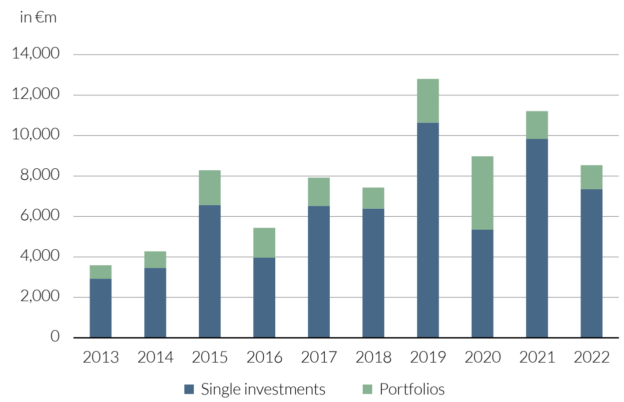
As expected, the fourth quarter was difficult. Financing costs and the ongoing pricing process in particular are reflected in low turnover. As this process is not yet complete, there is much to suggest that we will see a two-part investment year in 2023. The first half of the year is likely to still be characterised by rising key interest rates and financing costs. At the same time, it cannot be ruled out that Germany will slip into a slight recession. Based on this scenario, relatively moderate investment volumes are likely in a long-term comparison. In addition, there are many indications that an end to interest rate increases should be in sight from the second quarter onwards and that economic momentum will begin to improve. This will significantly accelerate the search for new price levels. Nevertheless, the transaction volume in 2023 as a whole will probably be lower than in previous years. The decisive reason for this is the significantly lower purchasing prices than in previous years, as the volume would fall even with comparable market dynamics. Furthermore, at least in the first quarter of 2023, a further slight increase in yields cannot be ruled out.

INDEPENDENT MARKET REVIEW

INVESTMENT MARKET BERLIN 4Q2022

Source: BNP Paribas Real Estate GmbH, 31 December 2022

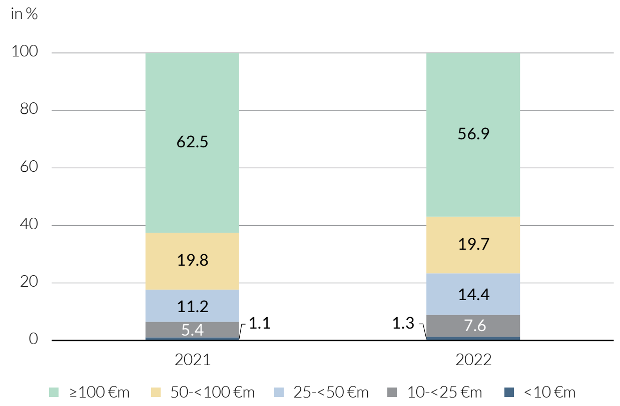
GOOD RESULT DESPITE DIFFICULT ENVIRONMENT



The Berlin investment market performed strongly in a difficult environment. Although transaction volume was almost 24% lower than in the previous year and totalled around €8.54 billion, it nevertheless represents the fourth best result ever recorded in the capital. Like all other locations, Berlin had to deal with considerable losses in volume, especially in the fourth quarter, for which, in addition to the moderate economic development, the increased financing costs are particularly responsible. As a result, the transaction volume in the last three months of the year only amounted to €1.63 billion, a value that is around 37% lower than the ten-year average. In a nationwide comparison, the capital continues to lead in the ranking of the A-cities by a wide margin in 2022. Even in the difficult fourth quarter, in no other city was a higher volume registered than in Berlin. This is a clear indication that Berlin continues to attract both national and international investors and that currently lower investment volumes are only due to the changed financing environment. The most prominent deals include Norges' 50% share in the Sony Center and the transaction of VoltAir brokered by BNPPRE.

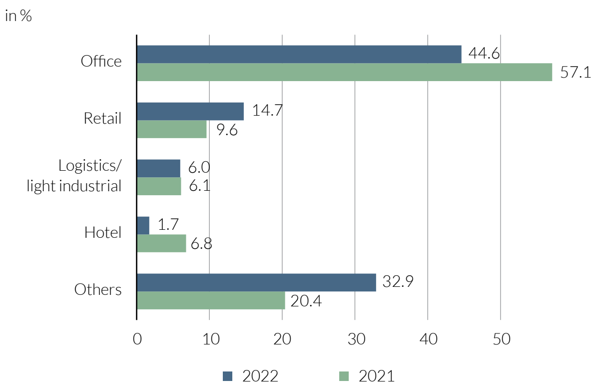
INVESTMENTS BY SIZE CATEGORY REMAINS UNCHANGED

In terms of distribution of investments among the individual size classes, there are hardly any changes compared to the previous year. Once again, deals in the three-digit million range contribute by far the most to the current result with almost 57% of the volume. Deals between €50 and €100 million contribute just under 20%, which represents exactly the same share as in 2021. In relative terms, smaller investments are also at a comparable level as in the previous year. This underlines the problem caused by the current difficult financing conditions, which have no effect on the fundamental demand structure.



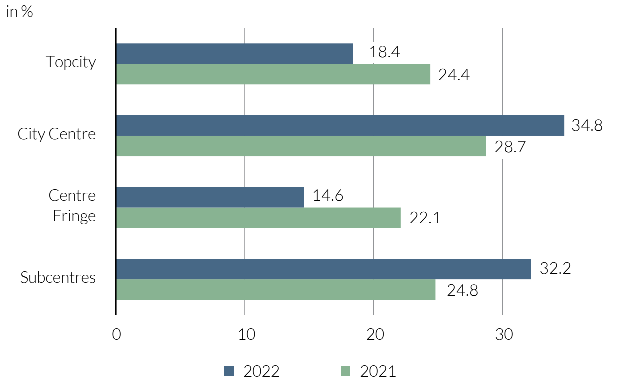
OFFICES AND RETAIL BUILDINGS IN HIGH DEMAND

As expected, most investments were made in office buildings, which contributed almost 45% to the transaction volume. In a long-term comparison, however, this share marks below average, which shows that large-volume core transactions are particularly affected by the changed financing environment. Retail properties follow in second place with almost 15% of investments. The transactions of a few large retail buildings contributed to this in particular. In addition, around one third of the result is accounted by the category "others", which primarily includes development sites and mixed-use properties.



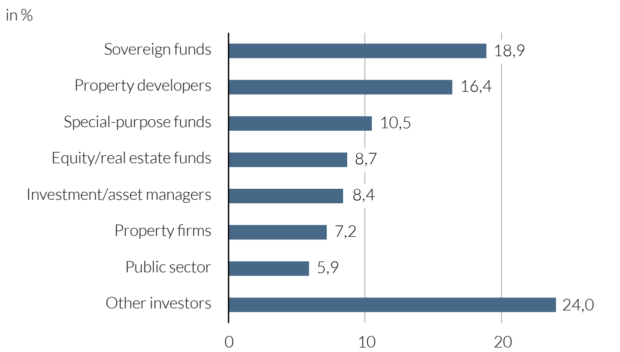
HIGH VOLUME IN CITY CENTRE AND SUBCENTRES

After a very homogeneous distribution of investments across all locations was recorded in 2021, the subcentres and the city centre in particular achieved disproportionately high volumes in 2022. With a good 32% (subcentres) and just under 35% (city centre), each contributed around one third of the transaction volume. In contrast, less than usual was invested in the top city and at the centre fringe. At just over 18% (Topcity) and just under 15% (centre fringe), they remain significantly behind their average transaction shares. Above all, the high volume of subcentres underlines the buyers great confidence in Berlin's further development potential overall.



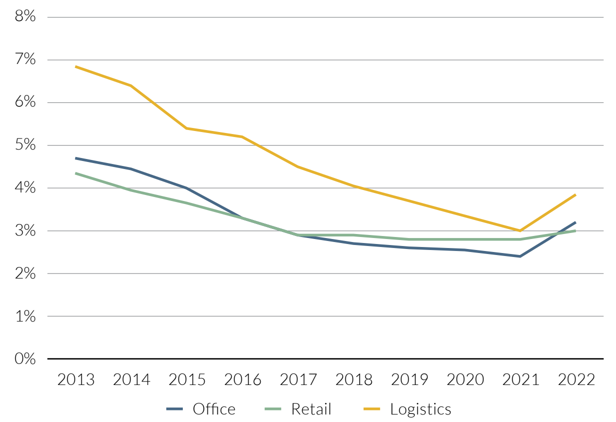
THREE BUYER GROUPS ACCOUNT FOR HALF OF THE VOLUME

Just under half of the transaction volume is accounted for by three buyer groups, which achieve double-digit shares each. Unusually, sovereign funds ranked in first place with 19% of the investment volume. Responsible for this were the two large purchases by Norges and the 90% share acquired by GIC in the TechnoCampus Berlin-Spandau. Property developers follow with a good 16%. This is an indication for the remaining conviction of the capital's long-term potential. Special funds rank third with a market share of 10.5%.



CONTINUING RISE IN YIELDS

Due to the not yet completed increase in the key interest rates by major central banks - which have made financing even more expensive - yields rose again in the fourth quarter. As a result, the net prime yield for offices increased by a further 35 basis points to 3.20%. The rise for inner-city retail buildings was somewhat lower at 10 basis points to 3.00%. The strongest increase in prime yields occurred in the logistics sector, with an additional 50 basis points to currently 3.85%.



OUTLOOK

In Berlin, the investment year 2023 is likely to develop in a split manner. Especially in the first few months, a further increase of interest rates by the central banks and a moderate economic development will probably continue to influence the market. From the second quarter onwards, there are many indications that the interest rate increases are likely to come to an end and the phase of finding new, fair price levels should accelerate. In conjunction with a recovery of the economy as a whole, a significant market revival is likely to set in. For the second half of the year, a very lively market is expected. However, a slightly higher yield in the first quarter cannot be completely ruled out.

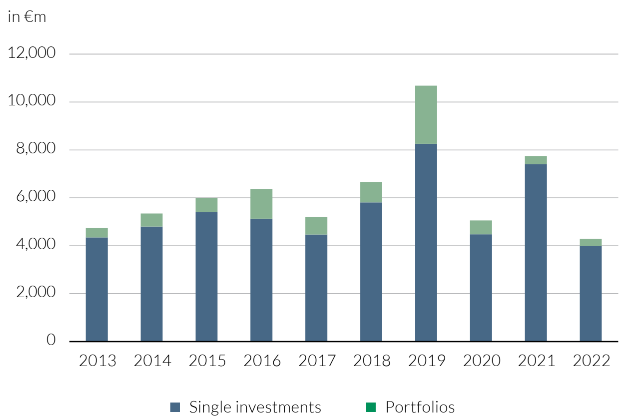
INDEPENDENT MARKET REVIEW

INVESTMENT MARKET MUNICH 4Q2022

Source: BNP Paribas Real Estate GmbH, 31 December 2022

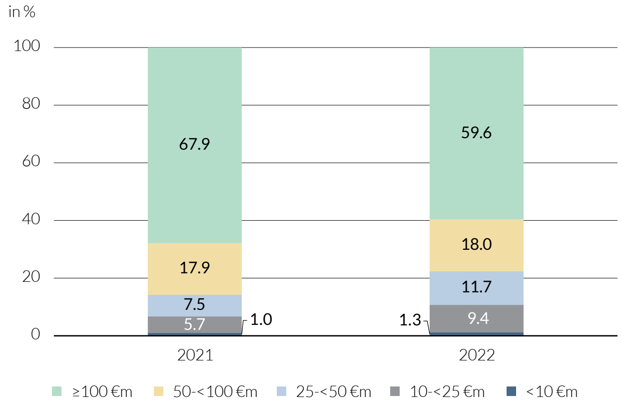
MUNICH IS STRUGGLING DUE TO THE FINANCIAL SITUATION

The transaction volume in Munich amounted to just under €4.3 billion, missing the very good result of the previous year by almost 45% and the ten-year average by 31%. Of all German A-locations, only Cologne recorded a larger decline in 2022. The Bavarian capital has been particularly affected by the rise in financing costs, which is reflected in this result. As the most expensive location in Germany on an average basis, the difference between the seller's and buyer's expectations of purchase prices is in many cases wider than in other cities, making the pricing process more difficult. In addition, in 2022 the contribution of portfolio segment is noticeably lower than usual at only 7%. For this reason, it is not surprising that Munich merely ranks in the midfield nationally, taking fourth place after Berlin, Frankfurt and Hamburg. However, Munich continues to be one of the most attractive locations is shown by the number of prominent major transactions that have taken place; incidentally, also in the difficult fourth quarter. The most important deals include the sale of the Olympia Business Center and the Brienner Campus brokered by BNPPRE.



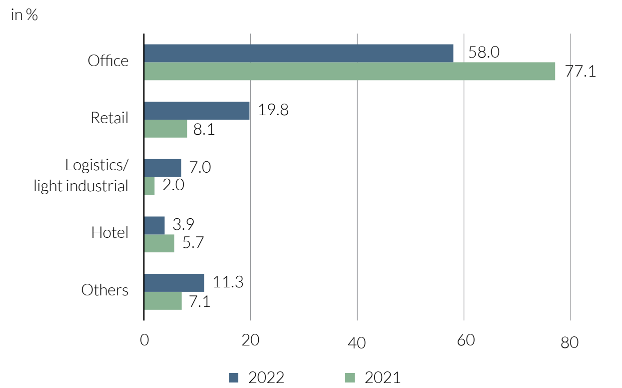
SIZE STRUCTURE ALMOST UNCHANGED

The relatively weak investment volume is not attributable to fundamental structural changes, but results primarily from temporarily difficult financing conditions, as shown by the distribution of the investments by size categories. In comparison to the previous year, only slight changes can be observed here. Most investments were again made in large deals of €100 million or more, which account for a share of almost 60%. In relative terms, this is slightly below the previous year's value, but at the same time above the long-term average. The other size categories also show similar shares of the total result as in the previous years.



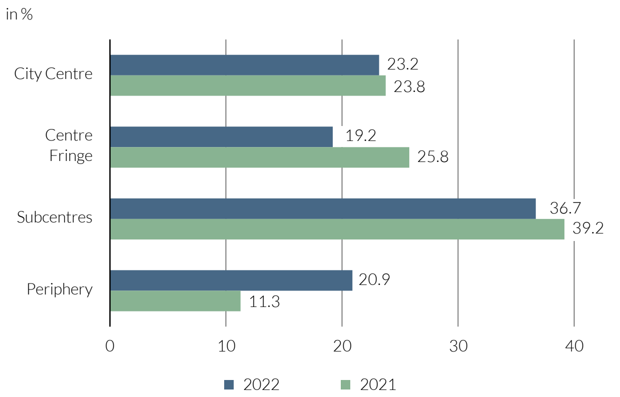
OFFICES IN FRONT, BUT BELOW LONG-TERM AVERAGE

As expected, the most investments were again made in office properties in 2022. With a share of 58%, they are clearly at the top of the asset classes. However, the value is around six percentage points lower than the ten-year average. At the same time, the absolute transaction volume for offices has more than halved compared to the previous year. The large-volume market segment is particularly affected by the changed financing environment. Retail properties follow with almost 20% and a considerable increase in significance, as well as logistics properties (7%) and hotels with 4%.



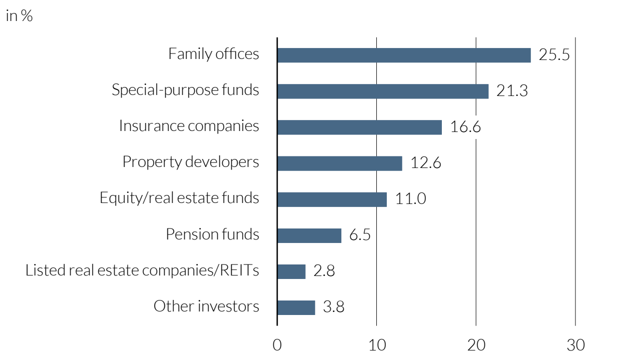
SUBCENTRES WITH HIGHEST INVESTMENT VOLUME

The distribution of total volume across the market area shows no real peculiarities. Similar to previous years, by far the highest investment activity has taken place in the subcentres, which contribute almost 37% to the result. No other major city has this level of dynamics in subcentres, which shows that Munich as a whole, and not just the central locations, is at the top of investors' bucket lists. Second place is taken by the city centre, which, accounts for 23% of the total volume, and exactly matches the usual level. The share of centre fringe locations is slightly below average (19%), while the periphery is slightly above average at 21%.



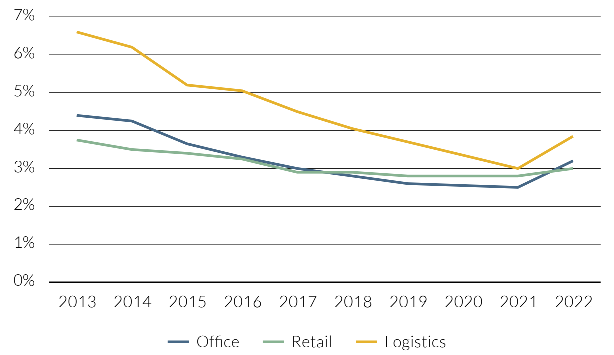
BROAD DISTRIBUTION AMONG BUYER GROUPS

In total, five buyer groups achieved double-digit transaction volume each. As a result, the range of buyers is more broadly positioned than in any other location and underlines Munich's position as one of the most important locations for investors with widely differing purchasing profiles. Family offices have taken the lead with a 25.5% of investment volume, having secured a number of large, prominent properties in particular. The remaining podium positions are occupied by special funds with a good 21% and insurance companies with just under 17%. In addition, project developers with almost 13% and equity/real estate funds with 11% made significant contributions to transaction volume.



RISE IN YIELDS NOT YET COMPLETED

The phase of rising yields has not yet ended and continued in the final quarter of the year. Due to additional interest rate increases by the major central banks, which were directly reflected in further rises in financing costs, net prime yields in all asset classes climbed further. For office assets, it increased by 40 basis points to currently 3.20% and for retail properties by 15 basis points to 3.00%. The strongest rise was recorded for logistics yields, which currently stand at 3.85% (+50 basis points).



OUTLOOK

As further interest rate increases by the major central banks are expected in the first months of 2023, markets are likely to be influenced by this at least in the first half of the year. In conjunction with a weak economic development or even a slight recession, investment volume will probably be comparatively moderate in the first half of the year. Even slightly rising yields might be possible. From today's perspective, however, there are many indications that interest rates may have peaked from the second quarter of 2023 and thus the price-fixing process is likely to be completed from that time onwards. With the economy recovering, a market revival is expected to set in and ensure a dynamic transaction activity in the second half of the year.

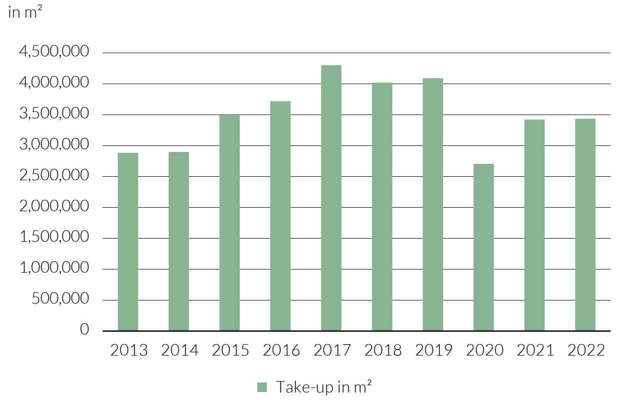
INDEPENDENT MARKET REVIEW

OFFICE MARKET GERMANY 4Q2022

Source: BNP Paribas Real Estate GmbH, 31 December 2022

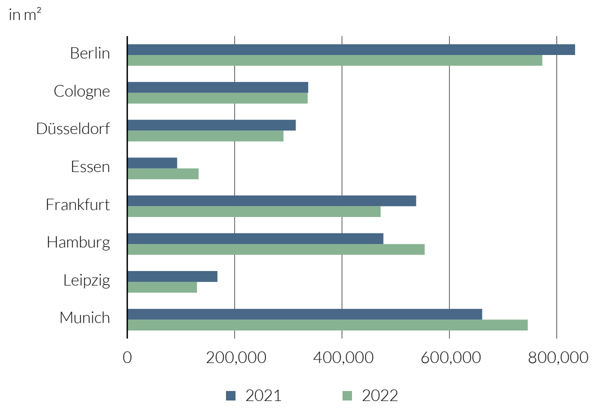
TAKE-UP AT PREVIOUS YEAR'S LEVEL

The German office markets held their ground convincingly in a difficult environment in 2022. Take-up in the eight locations Berlin, Düsseldorf, Essen, Frankfurt, Hamburg, Cologne, Leipzig and Munich amounted to a good 3.4 million m² at the end of the year. The previous year's result (also 3.4 million m²) was thus matched and is in line with the long-term average also. At the end of the year, however, the office markets were not able to evade the influence of the clearly cooling economic development. With the exception of Düsseldorf, where leasing activity accelerated again significantly at the end of the year, all major locations had to register in partly noticeable declines in take-up compared to the previous quarter.



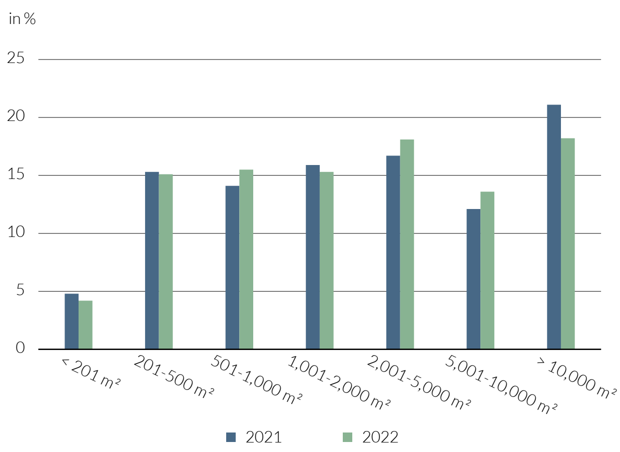
TAKE-UP MOSTLY ABOVE AVERAGE

For the fourth time in a row, the German capital Berlin leads the field of large office markets with a take-up of 773,000 m². Although the very good result of the previous year was missed by 7%, the market is still within the long-term average (779,000 m²). Munich ranked second with a letting volume of 746,000 m², which is on a par with the long-term average. The Hamburg market has also been driven by great market momentum. At the end of the year, a very strong result of 554,000 m² was recorded (+16% compared to the previous year). With a take-up of 472,000 m², Frankfurt missed the previous year's result by 12% as well as the 10-year average by 13%. However, the banking and financial metropolis has shown great consistency overall over the year, and although there have been increasing signs of a presumably weak recession for some months, the pace of lettings hardly slowed in the fourth quarter with 110,000 m² (-8% compared to 3Q2022).



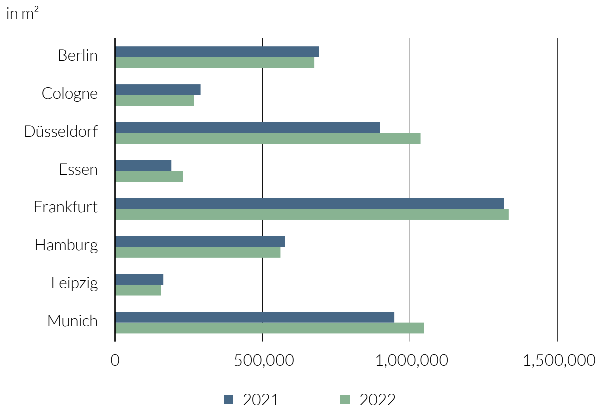
CONTINUED HIGH DYNAMISM IN THE MID-SIZE SEGMENT

The analysis of take-up by size class once again shows the current high dynamism in the mid-sized segment. While a decline of 12% compared to the previous year can be registered in the small segment below 200 m², an increase is recorded for many other size classes. The largest percentage growth was registered for transactions between 5,000 and 10,000 m² (+13% compared to the previous year) and 2,000 to 5,000 m² (+9%). However, the share of take-up in the size category above 10,000 m² fell by just under 13% compared to the previous year, but the most of take-up was still generated here in 2022.



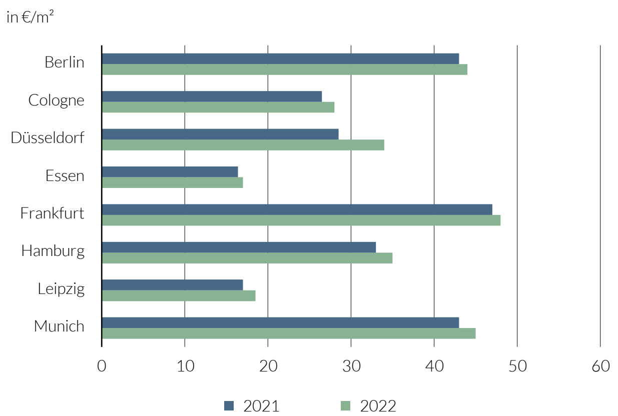
VACANCY RATES INCREASED

The vacancy volume in the eight major office locations currently totals 5.3 million m² (+5% compared to the previous year). However, the development of vacancies in the large office markets is heterogeneous. The vacancy rate is below the fluctuation reserve of 5% in Berlin (3.2%), Hamburg (3.9%), Cologne (3.3%), Leipzig (4.0%) and Munich (4.7%). In Frankfurt, it remains at 8.5%. For Essen and Düsseldorf there are increases to 7.3% and 10.6% respectively.



RENTS INCREASED IN ALL MARKETS

Rising prime and average rents can be reported across all locations for 2022. Frankfurt continues to lead the field of top locations with 48.00 €/m² at the peak. Düsseldorf takes a stand-out position. Driven by a special combination of factors, some properties were already successfully let for 38.00 €/m² by the end of the fourth quarter, which corresponds to an increase of 33% in rents in the absolute top segment on the Düsseldorf market. The realised prime rent calculated according to the German Society for Property Business Research "gif" is currently quoted at 34.00 €/m².



OUTLOOK

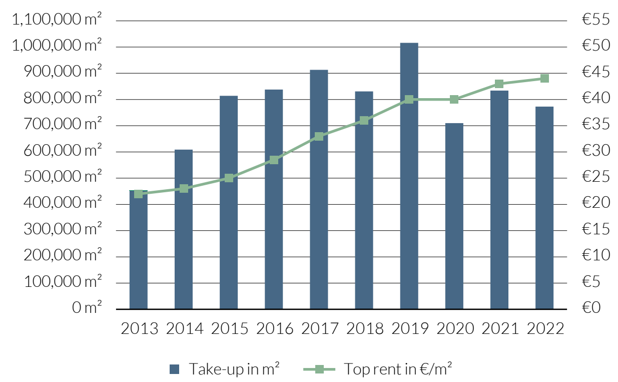
The outlook for 2023 is cautiously optimistic. The German economy and also the German office markets have remarkably demonstrated their resilience in the Covid years 2020/21 as well as in the difficult year 2022. In the slipstream of the expected economic recovery, a significant increase in market momentum is expected in the course of the year, with rent levels continuing to rise. The pace at which the individual office markets can return to their long-term levels should already become clear by the end of the first half of the year.

OFFICE MARKET BERLIN 4Q2022

Source: BNP Paribas Real Estate GmbH, 31 December 2022

BERLIN REMAINS AT TOP NATIONWIDE

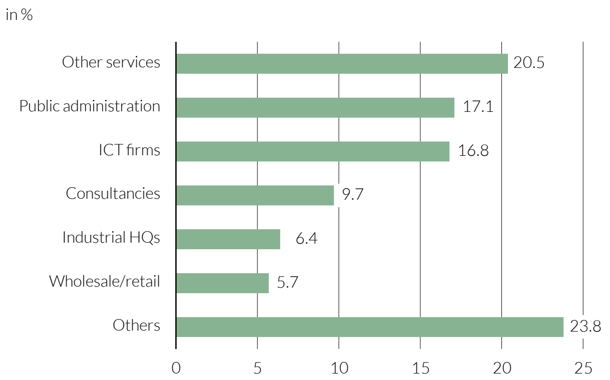
With a take-up of 773,000 m², Berlin's office market remains at the top nationwide. For the fourth year in a row, the federal capital thus leads the field of German prime locations ahead of Munich. After outstanding results were achieved in many of the previous years, however, 2022 was somewhat more moderate. Compared to the strong previous year of 2021, in which a high number of deals with more than 10,000 m² of lettable space were registered, the letting volume fell by 7% and the 10-year average was missed slightly by 1%. It was primarily the final quarter in which the market lost pace. After a brilliant third quarter with 263,000 m² of take-up, the traditional year-end rally in Berlin largely failed to materialise this year, and letting performance in the fourth quarter amounted to 146,000 m². Against the background of the still challenging economic environment, the Berlin market seems to be taking a deep breath for the time being. However, with the expected recovery of the German economy in the coming year, rental activity will also pick up again.



INDEPENDENT MARKET REVIEW

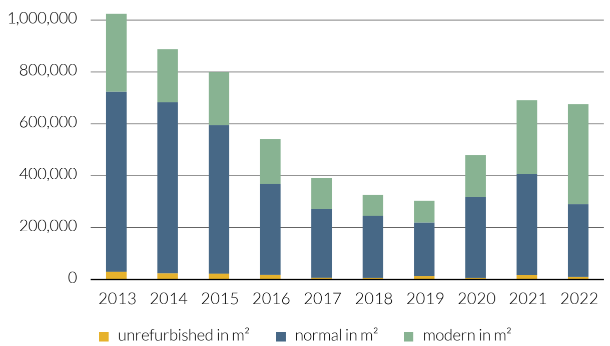
WIDE RANGE OF SECTORS

With a market share of a good 20%, other services led the field of take-up by sector last year. It was primarily the large number of small and medium-sized contracts that contributed to this result. Outstanding, however, was the letting by Enpal of 17,100 m² of rental space in the Officehome Ostkreuz Campus project. Public administration ranked second, achieving a result in line with the long-term average with a total of around 130,000 m². The largest completion of the year, the refurbishment of the 40,000 m² office space building "Haus der Statistik" by the state of Berlin and its subsequent use as a location for the tax authority, contributed significantly to this result. ICT firms also made a double-digit contribution to take-up (17%).



VACANCY DECLINED YEAR-ON-YEAR

After a continuous reduction in vacancies was observed in the first nine months of the year, a slight increase of around 28,000 m² was recorded in the final quarter. Vacant space thus currently totals around 676,000 m², which nevertheless corresponds to a year-on-year decline of 2%. The vacancy rate in the Berlin market area is therefore 3.2%, which is still the lowest among the German A-cities.



CONSTRUCTION ACTIVITY TEMPORARILY AT RECORD LEVEL

Despite the challenging market environment, construction activity reached 1.6 million m² (3Q2022) in the course of the year, a new record since the turn of the millennium. At the end of the year, space under construction totalled 1.49 million m². Although the projected volume has fallen by around 500,000 m² compared to the previous year, at 3.5 million m² it is still 55% above the 10-year average. In view of the currently comparatively low pre-letting rate of 34% and the high financing costs, some project developers are likely to adopt a more cautious approach in the coming months.

RENT LEVEL ON THE RISE

The prime rent has risen by 1 € to 44 €/m² within a year. It was achieved for newly built space in Topcity East. Meanwhile, the average rent has risen by 30 cents to 28.50 €/m². Not least because of the high proportion of modern space and the very low vacancy rate, the average rent level in the capital is still unrivalled nationwide.

OUTLOOK

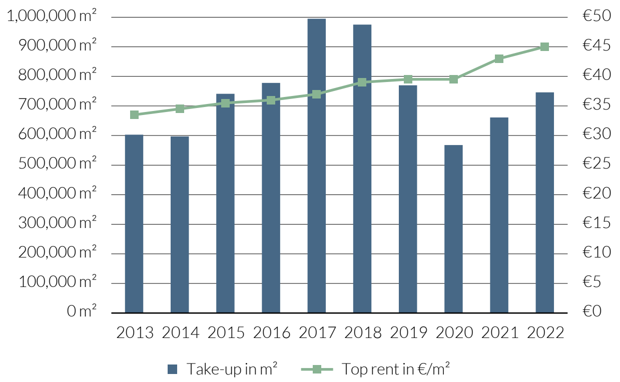
In view of the economic uncertainties, a noticeably more hesitant attitude of many companies could be observed in the fourth quarter. As a result, demand is currently being driven less by major expansion plans and more by expiring letting agreements, which are often being replaced with higher-quality space. This is keeping the pressure on rents high, particularly in the modern segment. Although this development is likely to continue at the beginning of the year 2023, from today's perspective it is not unlikely that letting activity will gather considerable momentum again from the middle of the year onwards.

OFFICE MARKET MUNICH 4Q2022

Source: BNP Paribas Real Estate GmbH, 31 December 2022

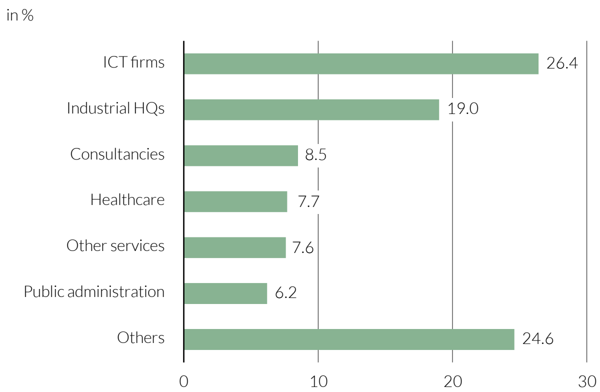
OFFICE MARKET CONTINUED ITS UPWARD TREND

With a take-up of 746,000 m², the Munich office market exceeded the previous year's result by 13% and continued its upward trend initiated at the end of 2021. Despite the difficult macroeconomic conditions, particularly in the second half of the year, the result is almost exactly in line with the ten-year average. Expectedly the year-end rally in the fourth quarter was slightly weaker than usual. In a nationwide comparison, the Bavarian capital ranked second place, just behind Berlin. Fortunately, take-up is broadly spread across all market segments as well as size categories and not disproportionately influenced by a few large deals. The most important contracts include 40,000 m² by Personio GmbH in the city centre, around 20,000 m² each by TÜV Süd AG in the municipal area west and Bosch Building Technologies in the municipal area south, as well as 17,300 m² by ProSiebenSat.1 Media in the region north submarket.



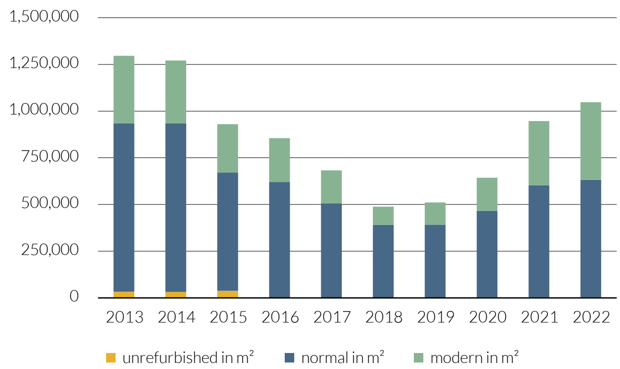
TRADITIONALLY STRONG SECTORS AT THE TOP

In 2022, some traditionally important industry groups again made the largest contribution to take-up. ICT firms took the lead, contributing more than a quarter of the result with a good 26% and clearly exceeding its long-term average of 19%. The industrial headquarters follow in second place with around 19%. Consultancies are slightly below average at just under 9%, but still ranking in third place. The public administration sector contributes only 6%, which is noticeably lower than usual.



NOTICEABLY INCREASE IN VACANCY VOLUME

Vacancy in Munich has once again increased noticeably in the past twelve months by almost 11% to currently just under 1.05 million m². This is the first time in eight years that the volume has exceeded the one million-mark. The segment of modern space, which is particularly favoured by tenants, accounts for around 416,000 m². It corresponds to a market volume of around 40% of the total vacantness. However, the spatial distribution must be taken into account. Almost three quarters of the volume is located in the subcentre locations, whereas only 8,000 m² of modern space is available in the city centre. This is also reflected in the vacancy rate, which has risen to 4.7% in the market as a whole, but remains at just 1.6% in the CBD.



LESS AVAILABLE SPACE UNDER CONSTRUCTION

In contrast to the development of vacancies, space under construction decreased slightly by 3% to currently 958,000 m² year-on-year. The decline in the segment of available space was much more pronounced. At 380,000 m², the volume is a third lower than a year ago. In fact, modern new-building space continues to be absorbed quickly by the market due to the high demand which is also reflected in the rising pre-letting rate of now 60% over the course of the year.

RENTS CONTINUE TO RISE

Due to external factors such as high demand, high inflation and increased construction prices, rents have continued to rise year-on-year. The prime rent, now marks 45 €/m², which is almost 5% above the previous year's level. The rental prices have increased across the board. This is also reflected in the average rent, which rose by 2.5% to currently 24.20 €/m².

OUTLOOK

The further development will depend not least on how strong the expected recession in Germany will be. Even if a rather flat course can be expected for the moment, a slightly more restrained demand by tenants is most presumably. Nevertheless, the start of the year is bound to be comparatively lively, as some major contracts are about to be concluded. For 2023 as a whole, take-up of around 700,000 m² seems realistic. The vacancy is anticipated to rise slightly, at least in the first half of the year, but will remain at a low level, especially in the city centre, so that a further increase in prime rents is very likely.

INDEPENDENT MARKET REVIEW

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 approximately 4 million m² 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 2016 to 2021 by 8.1%, with above-average growth in the business services segment. It is a prospering economic location, however 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 76% of all lettings in 2022 were concluded by the public sector (public administration and science/ education). 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 organisations and the university ensure a continuously high demand for office space, which however meets a shortage of supply. As of 3Q2022, the vacancy rate is 2.35%, slightly increasing by a further 0.15 percentage points year-on-year (3Q2021: 2.20%). This leaves only around 94,400 m² of office space available to the market.

TAKE-UP REMAINS ON HIGH LEVEL

Take-up in the past years has been in most years over 100,000 m². As of 3Q2022, the take-up amounts to 81,100 m² in 2022 and is therefore in line with previous years. Two sectors in particular are responsible for the positive market performance. On the one hand, public ad-ministration sector with around 47,000 m² of office space and, on the other, science/education sector with around 14,500 m² of office space.

POSITIVE RENT DEVELOPMENT

The average rent increased continuously over the past years from €11.20/m² in 2013 to €13.13/m² in 3Q2022. Rents below the €10 mark are almost exclusively finalised in the case of interim leases or leases concluded in submarkets with lower demand. The prime rent is in particular achieved in modern buildings or new developments in preferred locations such as Bundesviertel and stand at €22.30/m² as of 3Q2022.

DARMSTADT

Source: Thomas Daily, DZ Hyp, Bulwiengesa

TAKE-UP BELOW LONG TERM AVERAGE

The economic structure at the location is characterized by IT, mechatronics, cosmetic re-search and the pharmaceutical industry. Furthermore numerous scientific and research institutions have in the city. In 2021, a take-up of approx. 38,000 m² was achieved on the office letting market in Darmstadt. Due to a lack of major deals, the positive market development of the previous years like in 2017 and 2019 was not continued. The result is also below average in a long-term comparison.

SLIGHTLY INCREASING VACANCY

At the end of the year, around 70,000 m² 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.

STABLE RENT LEVELS

The average rent stands at €10.60/m² in 2020 and is therefore relatively stable since the past 5 years. The prime rent slightly increased from €13.55/m² in 2019 to €13.80/ m² per month in 2021. According to the real estate market report Darmstadt 2022 published by the committee of experts, Darmstadt office rents are ranging between €11.80/ m² to €13.50/m² within the submarket Telekom-City in which the subject property is located.

MÜNSTER

Source: Thomas Daily, BNP Paribas Real Estate Consult 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 Münster as a service centre, but is rather small with around 2.29 million m². 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.

VACANCY INCREASED AFTER 12 YEARS

Vacancy rate of 1.7% - after twelve years, the trend towards vacancy reduction has been broken. With an increase of 0.5 percentage points compared to the previous year, or an absolute growth of 9,600 m² to a total of 37,800 m², the vacancy rate in Münster has now risen again for the first time. Nevertheless, a comparison with the B locations shows that the vacancy rate is still lower nowhere else. This means that the office market still remains at a level well below the healthy fluctuation reserve of around 3.0%.

ALL TIME HIGH TAKE-UP

Take-up of 102,700 m² of office space represents a new all-time high for Münster. The take-up achieved is 18% significantly above the ten-year average of 87,000 m². Compared with the previous year, this represents an increase of 32%. The main drivers of this new high are the owner-occupiers. With 34,000 m² or a share of 33%, they have had an unusually strong impact on demand. Compared with other B locations, Münster is thus in line with the trend of renewed demand for office space after the initial shock of the COVID-19 pandemic.

AVERAGE AND PRIME RENT INCREASED

The prime rent in Münster is €16.00/m² per month. This represents an increase of 50 cents on the previous year. This prime rent is achieved in the Hafen and Cityrand Süd office market zones - but not yet in the city center. With this rent increase, Münster can largely maintain its level with the B locations Essen and Dortmund. This is the third consecutive increase in rents in Münster. The average rent increased by 30 cents to €11.50/m² last year.

INDEPENDENT MARKET REVIEW

INVESTMENT MARKET FRANCE 4Q2022

Source: BNP Paribas Real Estate, 31 December 2022

ECONOMIC CONTEXT

Despite a buoyant job market and a historically low unemployment rate (7.1% in 3Q2022), high inflation of +5.2% in 2022 severely damaged household confidence. Price inflation is expected to ease slowly in the coming months, after reaching 6.2% year-on-year in November, but will remain elevated in 2023.

After falling for the first two quarters, French purchasing power rebounded in 3Q2022. Despite coming in at +2.6% in 2022, the French economy has advanced little and the uncertain international context may limit 2023 GDP growth to +0.0%.

To fight inflation, the European Central Bank raised its key rates by 250 basis points in the second half of the year, bringing the deposit rate to 2.0%. It may add another 100 basis points in the first half of 2023, keeping a close eye on inflation and economic developments in the European Union. The 10-year OAT was hiked by a record 290 basis points in 2022 to stand at 3.1% at the end of the year.

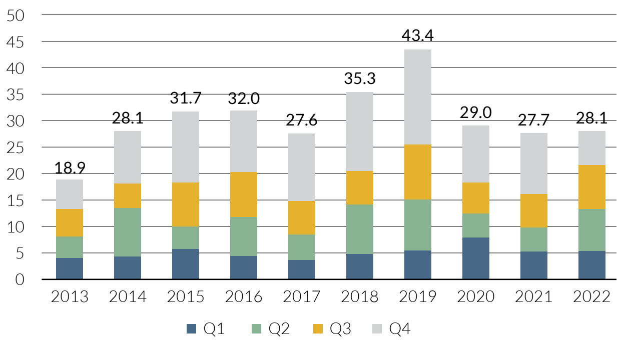
INVESTMENT IN FRANCE

€28.1 billion was invested in commercial real estate in 2022 in France. This was in line with 2021 (+1.4%), and slightly down on the ten-year average (-4%). The pace of investment has nevertheless been atypical. Indeed, after significant investment in 2Q2022 (€7.8 billion) and 3Q2022 (€8.3 billion), only €6.3 billion was invested in 4Q2022, down 43% vs the ten-year average for the last quarter (€11 billion). The rise in interest rates tightened financing conditions, playing a major role in slowing investment in 4Q2022. While office space remains the dominant asset class, the erosion of its share of total investment continues, with 49.5% (€13.9 billion) in 2022 versus 65% (€18.9 billion) in 2020. This reduction in office investment reflects the relative progress of investment in logistics (16.8% of the total at €4.7 billion) and retail (19.9%, €5.5 billion), which performed well in 2022.

Investment in commercial real estate in France

Global - 2022

€ billion



SOURCE: BNP PARIBAS REAL ESTATE - 2022

INVESTMENT MARKET BY ASSET CATEGORIES

While overall investment in commercial real estate seems to have held up well in a complex 2022, the details by major asset class show divergent market situations.

OFFICES

Doubts were sown about the resilience of the tertiary investment market in 3Q2022, with volumes slightly below their ten-year average – these were exacerbated by a dramatic underperformance in 4Q2022. With only €3.5 billion invested in offices in 4Q2022, the largest quarterly underperformance since 2014, cumulative investment ended 2022 at €13.9 billion. As such, 2022 was 20% below the ten-year average of €17.4 billion. The office sector's share of overall real estate investment is also falling, reaching its lowest proportion of the decade at 49.6%. This proportion has been steadily declining since peaking in 2017, at 71.2% of the total. In detail, this decline is mainly explained by the scarcity of transactions above €200 million. Indeed, of the €13.9 billion invested in 2022, only €2.5 billion came from deals above this threshold, or 18.3% of the total, compared to a ten-year average of 30% of the total. Nine transactions above €200 million were signed in 2022, compared to an average of 18 per year since 2017. Only transactions between €5 million and €20 million stood out in 2022 compared to 2021, with a marked annual increase (+23.7%/€1.3 billion for the €10-20 million bracket and +11.7%/€0.65 billion for the €5-10 million bracket). Geographically, office investment remains unsurprisingly centralised in the Paris region (€10.3 billion in 2022 and 74.4% of the French total). Nevertheless, we note the ongoing rise in the Regions' importance (13.8% of office investment in 2020 vs 25.6% in 2022, almost doubling their share). In the Regions, office investment is primarily located in the Lyon market area, with €1.12 billion, followed by the Aix-Marseille market area, with €0.47 billion, and Lille market area in third place (€0.45 billion). In Île-de-France, the trend is downward for all market areas. Compared to the ten-year average investment figures, the most significant slowdowns were in La Défense (-68% to €0.45 billion), the Western Crescent (-47% to €1.85 billion) and the Inner Rim (-43% to €1.33 billion). Only Paris non-CBD is holding its own, remaining closely in line with its ten-year average (-1% at €3.38 billion). Paris CBD conceded 19%, with €2.48 billion invested in 2022.

RETAIL

Despite a steep fall in 4Q2022, with €0.9 billion invested in retail (-54% compared to an average 4Q2022), 2022 was still a strong year for investment in this asset category. Indeed, with a total of €5.56 billion invested in 2022, 15% higher than the ten-year average (€4.8 billion), post COVID-19 worries about the future of retail investment seem to be gradually lifting. This performance can be attributed to a large number of deals over €100 million, totalling €2.79 billion (50.1% of total investment). In detail, the increase was particularly notable in the €100-200 million bracket (+41% compared to the ten-year average). The flagship transactions of 2022 include the €650 million acquisition of 150 Avenue Champs Elysées (75008) by BROOKFIELD ASSET MANAGEMENT and a 45% stake in the Westfield Carré Sénart shopping centre to the SOCIETE GENERAL ASSURANCE / BNP PARIBAS CARDIF consortium for €450 million. Among the various types of retail, 2022 was characterised by the importance of transactions in out-of-town retail (€2.1 billion and 37.8% of the total), well above the ten-year average (+58%). While investment in shopping centres remains on trend (€1.5 billion), there has been a slight drop in investment in city centre retail (€1.92 billion), with a decline of 18% compared to the 2012-2022 period. In terms of regional retail investment locations, trends remain stable in 2022, with a 59%/41% split between Paris and the other regions. The Paris Region is divided into two main geographies, with 43% of investments located in Paris non-CBD (€0.97 billion), followed by 38.8% (€0.87 billion) in Outer Rim. The market is mainly driven by French players (78%) who have invested €4.3 billion in retail premises in 2022, up slightly from 2021 (64% and +14 points).

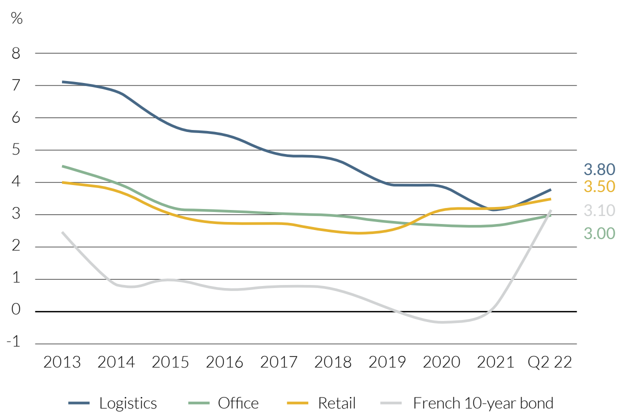
PERSPECTIVES

As of end 2022, investment players are expecting a significant revaluation of real estate asset prices. This revaluation, which has been evident in negotiations since the beginning of 2H2022, has led investors to anticipate an average reduction in sale prices of over 10%. At the end of 2022, transaction yields stood 30 basis points higher than at the end of 2021. This unprecedented situation, in which investment transactions are caught in a scissor effect between financing conditions, rising construction costs and falling interest rates, will nonetheless have varied effects depending on the type of investor. For example, investors such as SCPI with an asset management strategy, who rely mainly on equity and/or have little recourse to debt, should be able to benefit from the decline in real estate prices. Some players have seen their investment capacity hampered by the deterioration of the equity and bond markets, notably insurance companies and listed real estate companies. Insurers, faced with the depreciation of their financial assets, have seen the share of their real estate assets increase artificially and will have to switch and/or stop their acquisitions in order to comply with banking regulations. Similarly, the weakening share prices of listed real estate companies will constrain their real estate development capacities in 2023. From a real estate perspective, the specific characteristics of the asset classes position them differently in relation to this complex market situation. From now on, office investments will be characterized by greater geographical selectivity, with quality taking precedence over quantity. The future of office assets located in geographical sectors with high depreciation and/or requiring high refurbishment CAPEX will be an issue in 2023, with a potential change of use to be considered. The trend towards diversification that was observed in 2022 will be reinforced in 2023, particularly in favour of logistics/activity (especially urban logistics) and residential, with an increase in investment in managed residences.

YIELDS

Continuing the momentum observed in the 3Q2022, the sharp rise in the 10-year French OAT, which peaked at 3.10% at the end of 2022, compressed the risk premium for real estate assets. All prime yields were up at the end of 2022: In offices, there was an increase of 30 basis points to 3.0%. The risk premium thereby dipped into negative territory in 4Q2022, with a spread of -10 basis points ; In retail, a similar 30 basis point increase was observed, from 3.20% up to 3.50%; In logistics, there was a significant widening in the prime yield of 40 basis points to 3.80%.

Prime yields and French 10-year bond (OAT)



SOURCE: BNP PARIBAS REAL ESTATE - 2022

INDEPENDENT MARKET REVIEW

RETAIL MARKET FRANCE 4Q2022

Source: BNP Paribas Real Estate, 31 December 2022

2023: A PIVOTAL YEAR

After a year of weakening economic prospects throughout 2022, there are some grounds for optimism in 2023. The marked economic deterioration in 1H2022 was followed by a more resilient second half of the year than expected, and French GDP is projected to rise by 2.6% in 2022. However, real growth is very limited. It could be zero in 2023, while interest rates and prices stabilise, before starting to rise again in 2024 and 2025.

Inflation peaked in 4Q2022 at +6.2% year-on-year in November and the CPI is expected to average +5.2% for the year. Disinflation is likely to be slow in 2023, especially with government support being scaled back. In Europe, lower energy costs, inflation that has passed an inflexion point and an improvement in December's survey data suggest that the recession forecast for 2023 (-0.5% in the Eurozone) may be milder than expected.

However, even though the energy shortages that had been feared this winter have been staved off for now, inflation, estimated at +10.1% in the Eurozone in November, remains very high. It should start to ease off in 2023 before falling back to more normal levels from 2024. To combat widespread price increases, the European Central Bank raised its key interest rate by 250 basis points in 2H2022, bringing the refinancing rate to 2.0%.

INCREASE IN THE COMMERCIAL RENT INDEX

A large proportion of commercial rents are indexed to the CCI or CRI. The CCI is generally used for city centre shops. The latter surged in 2022, largely driven by rising commodity prices and shortages related to the conflict in Ukraine. Just like the CPI, the CCI began to rally in 2021 and continued to rise throughout 2022. It is expected to fall back from next year. The rents of almost all shopping centre units are indexed to the CRI. This gradually returned to growth in 2017; a trend that was confirmed in 2018 and 2019.

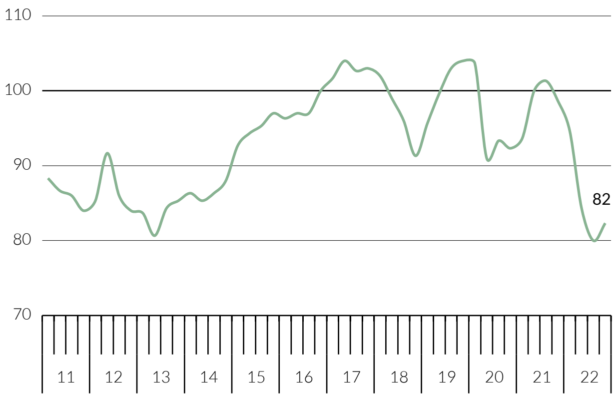
However, the recessionary shock in France (with a fall in GDP and retail sales) caused this index to fall in 2020. There was a substantial rebound in 2021 and 2022, prompting the government to cap rent indexation to the CRI at +3.5% for SMEs between 2Q2022 and 1Q2023.

INFLATION HAS SHAKEN HOUSEHOLD CONFIDENCE

After over a year at subdued levels, the two main household and business surveys recovered in 2Q2021, once the vaccination campaign picked up pace and the economy recovered. However, they plunged again with the outbreak of the conflict in Ukraine.

Rising inflation, potential loss of purchasing power (down in the first two quarters) and uncertainty over the Ukraine-Russia war drove household confidence to an all-time low, after four consecutive quarters of decline, before staging a very weak recovery in 4Q2022, up to 82 points.

Household confidence
Anxiety about inflation



SOURCE: INSEE

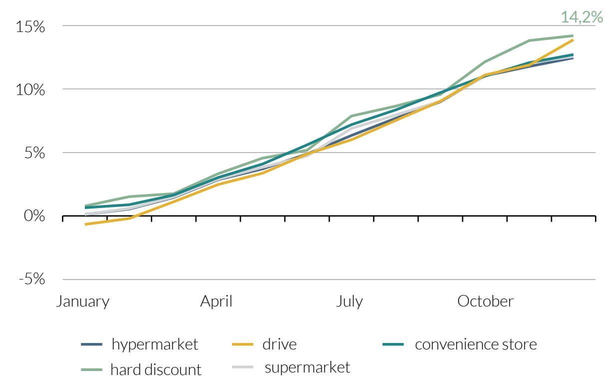
ALL CIRCUITS AFFECTED BY THE RISE IN CONSUMER GOODS

Average inflation rose throughout the year reaching +12.6% for all products combined by the end of 2022, although there was a slowdown. Inflation could continue in 1H2023.

Hard discount prices are up 14.2%, while click-and-collect prices are up 13.9%. Convenience store prices have risen by 12.7% since December 2021. Prices in hypermarkets and supermarkets are up by 12.5% and 12.6% respectively over one year.

Entry-level products saw their prices increase the most during the year (+18.2% in one year), ahead of private labels (+16.6%) and national brands (+10.8%).

Inflation over one year - Price changes in 2022 by format
Prices have risen for all circuits



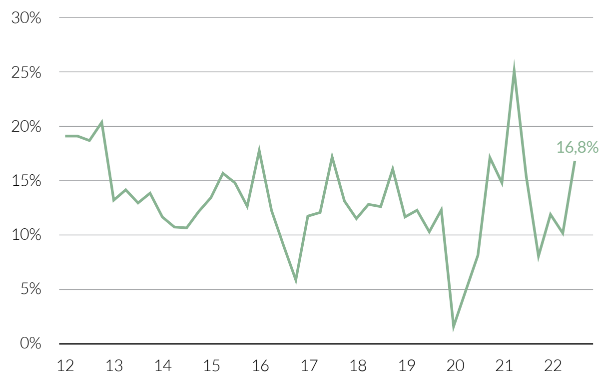
SOURCE: IRI

GROWTH FOR E-COMMERCE DESPITE INFLATION

FEVAD reported e-commerce growth of 16.8% in 3Q2022 compared to the same period in 2021. Sales continued to grow by €35.9 billion, reaching a cumulative €104.1 billion over the first three quarters of 2022. This represents an increase of 13% versus the first nine months of 2021. The average basket has also increased year-on-year, mirroring the inflation in its figures. However, inflation on the web is more contained than in physical stores. The growth in sales of services continues, +34% year-on-year, notably driven by online sales in the tourism and travel sectors. The potential of e-commerce was boosted by the health crisis, and it now accounts for 14.1% of the retail share (2021 figure).

E-commerce sales

Value growth in 3Q2022 (quarterly figures)



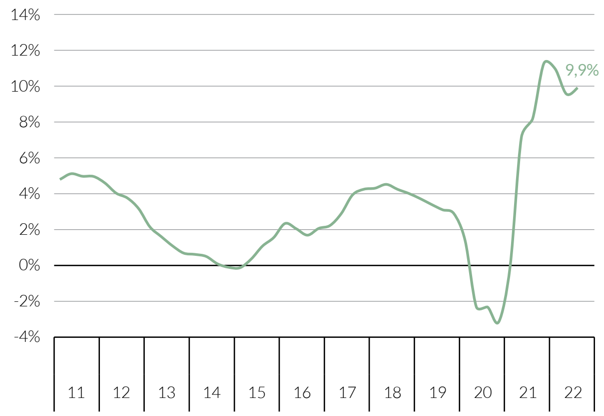
SOURCE: FEVAD

SLIGHT UPTURN IN RETAIL SALES

Retail sales grew by 9.9% year-on-year in 3Q2022, vs 10.9% in 1Q2022. Sales in August recovered well after a steep decline in July. However, the national and international environment is likely to dampen sales in the coming months. In view of the uncertain economic and geopolitical backdrop, purchasing managers' indices have fallen over the last two quarters, despite a very buoyant employment market (unemployment at 7.1% in 3Q2022). Price hikes will continue to hamper French people's purchasing power and consumption. As such, household confidence remains at a historically low level.

Retail sales

Value growth to 3Q2022 (rolling year)



SOURCE: INSEE

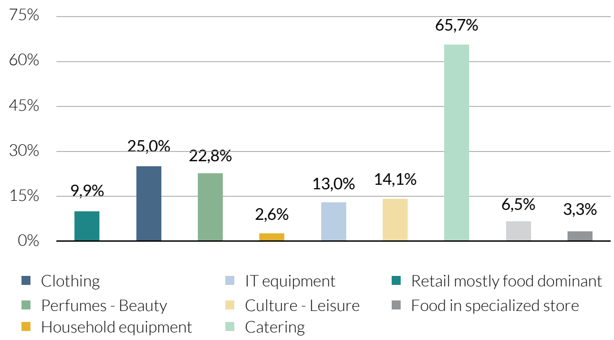
AN INCREASE IN OVERALL SALES FIGURES

As in previous quarters, all retail sectors saw sales increase in the third quarter. Catering grew by over 65%, recovering from the disruption of those quarters in 2020 and 2021 that were affected by COVID-19.

This phenomenon was also evident in the clothing sector, up by more than 25%, and in the perfumes & cosmetics sector, up by over 22%, after months of closures of so- called non-essential shops which hit sales hard.

Retail sales

Value growth to 3Q2022 (rolling year)



SOURCE: INSEE

INDEPENDENT MARKET REVIEW

PARIS PRIME RENTS REMAIN STABLE

Three Parisian thoroughfares saw their prime rents stabilise at between €15,000/m² and €16,000/m² in 4Q2022: the Champs-Elysées, Avenue Montaigne and Rue Saint-Honoré. These streets have the highest prime rents of our coverage. The prime rent on the Champs-Elysées is €16,000/m². Major retail premises have been taken up, such as 88 Champs-Elysées (former H&M), a strategic location that may be occupied by a sports equipment name. Visitors are definitely returning. Moreover, retailers are keen to occupy top locations in the run-up to the 2024 Olympic Games. Avenue Montaigne in the Parisian "Golden Triangle" is highly sought after. It also has a prime rent of €16,000/m². Other main streets in the "Golden Triangle" are picking up again, such as rue Pierre Charron, where the vacancy rate has fallen considerably.

Prime rents - 6 thoroughfares - Paris

In € / sqm / year

SOURCE: BNPPRE

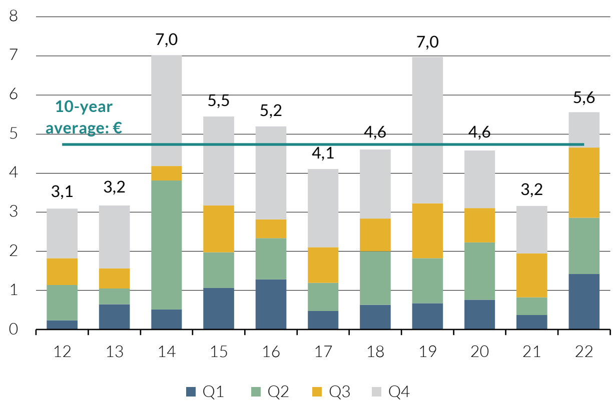
OUTSTANDING YEAR FOR INVESTMENT IN 2022 DESPITE A SLOWDOWN IN 4Q2022

Total investment in retail since the beginning of the year stands at €5.6 billion (+76% year-on-year). €0.9 billion was invested in 4Q2022, the lowest figure for a 4Q since 2014 (-26% vs 4Q2021). The sector will account for 20% of investment in 2022 (compared to an average of 17% over the last 10 years and just 11% in 2021).

The number of major transactions during the year was unprecedented. Deals for over €100 million accounted for more than 50% of the investment in retail assets. Portfolios represent a smaller proportion of investment (36%) as investors were more selective. The market was largely driven by French players (78%).

Retail investment by quarter

In € billion



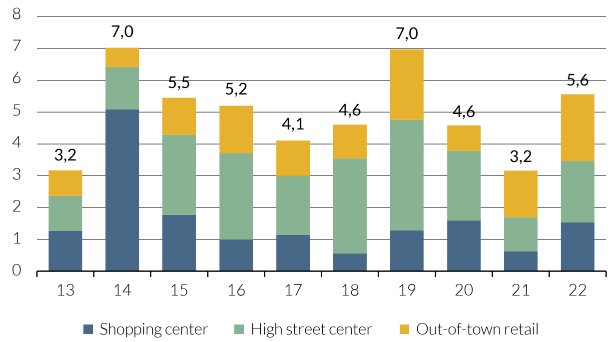
SOURCE: IMMOSTAT / BNPPRE

GROWTH FOR ALL TYPES OF RETAIL ASSETS

Out-of-town retail continued to attract the most investment. City centre retail accounted for 35%, but was largely driven by a few major deals. The biggest deals of the year included: the acquisition of the "150 Champs Elysées" building for €650 million by BROOKFIELD ASSET MANAGEMENT from GROUPAMA, a record for the famous Avenue and the Carré Sénart shopping centre sold for € 450m by UNIBAIL-RODAMCO-WESTFIELD to SOCIÉTÉ GÉNÉRALE ASSURANCES and BNP PARIBAS CARDIF.

Investment in retail - Breakdown by asset category

In € billion

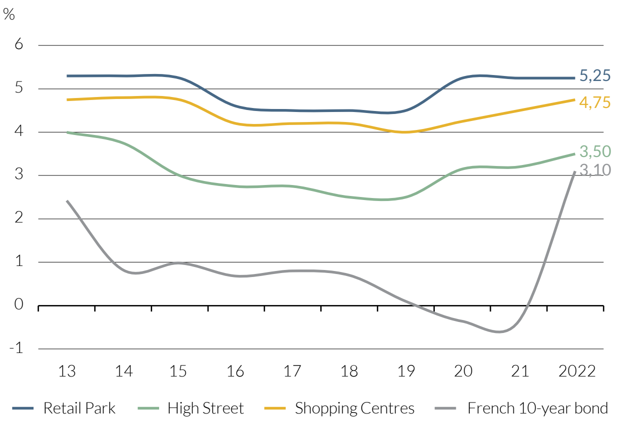


SOURCES: IMMOSTAT / BNPPRE

EXPANSION IN PRIME YIELDS

Following the trend of previous quarters, the surge in the French 10-year OAT, to 3.1% in 4Q2022, has greatly squeezed the risk premium for real estate assets. Prime yields are therefore rising. Retail prime yields have risen since the health crisis. The prime yield for street-level stores was flat in 4Q2022 at 3.50%, but it could rise further in the coming quarters. The prime yield for shopping centres stood at a theoretical level of 4.75% as of 1 January 2023. Meanwhile, retail parks are still highly sought-after by investors, although prime yields still widened to 5.25% for the best assets.

Prime retail yields and French 10-year bond



SOURCE: BNPPRE

INVESTMENT MARKET SPAIN 4Q2022

Source: BNP Paribas Real Estate, 31 December 2022

MACROECONOMIC ENVIRONMENT

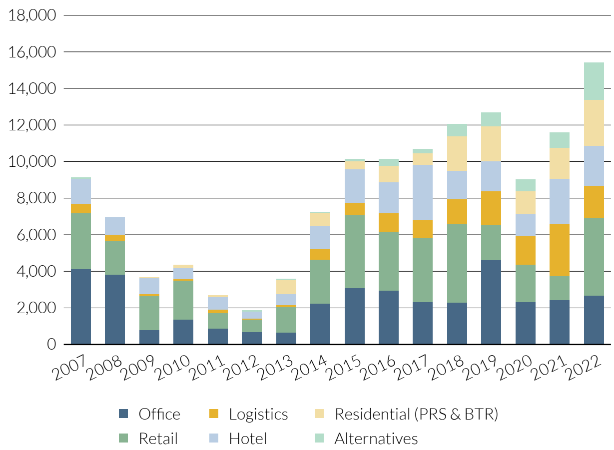
If we had to name just one economic term characterising 2022, it would be "inflation". With inflation comes rising interest rates and tougher financing conditions, so it is unsurprising that consumer confidence remains negative. Consensus Economics (international economic survey) suggests the Spanish economy will register year-on-year GDP growth in 2022 of 4.5%. Weaker output is likely for 2023 though, with GDP forecasts progressively adjusted downwards over the second half 2022, because inflation remains very high. This is a global problem with the world economy also likely to be weak. Consequently, GDP growth forecast at 0.8% for Spain over 2023. The peak for inflation may have occurred at the end of 2022 at above 8%. The headline rate may fall to 4.5% in 2023, and 2.3% in 2024.

HISTORIC RECORD AND THE BEGINNING OF A NEW CYCLE

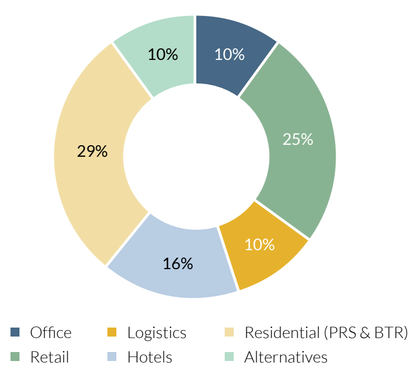
The consequences of the post COVID-19 era and the war in Eastern Europe have brought to an end the historically low levels of yields witnessed since the GFC in 2008. We are at a "wait & see" moment, where investors are adapting to a new financial framework. This results in situation of price discovery that affects the valuation of properties and from that the achievable returns. The faster the market adapts to these new conditions, the earlier the capital market will reawaken. It may not be until the second quarter of the coming year that activity becomes more dynamic again, once we have greater insight into the corrections taking place in valuations, plus stability and clarity in monetary policy.

Pricing issues meant the volume of direct investment in real estate assets during 4Q2022 saw a notable decline compared with the previous quarters of the year, standing at €2.305 billion, 52% lower than the previous quarter (3Q2022). Over the whole year, the investment in 2022 set an all-time record, with a volume of €15.415 billion, 35% up on 2021, and 21% higher than the previous market peak in 2019.

Furthermore, major corporate deals occurred during 2022, significantly raising the level of investment to in excess of €17 billion. Notable deals in the final quarter included the transfer of the Villa Magna and Bless Hotel Madrid hotels between Mexican companies, and the investment vehicle created by Mapfre and the German fund Meag, including the office building located at Avenida General Perón 40 in Madrid.



SOURCE: BNP PARIBAS REAL ESTATE - RESEARCH



SOURCE: BNP PARIBAS REAL ESTATE - RESEARCH

INDEPENDENT MARKET REVIEW

"LIVING" SECTOR AND RETAIL LEAD INVESTMENT IN FINAL QUARTER OF YEAR

From April 2020, with the onset of the pandemic, up until late 2022, investment in Spain amounted to approximately €32.75 billion. The Retail sector accounted for the greatest amount of capital investment, with 22% of the total (2Q2020 - 4Q2022). Despite the increase in activity seen in this segment, the retail sector's lead position in terms of market shares owes itself to the buyback deal of 659 bank branches by BBVA (€1.987 billion). Excluding that deal leaves the Office sector with highest market share of investment, demonstrating that despite the flexibility offered by homeworking, offices remain indispensable. Logistics, hotels and residential follow very closely behind offices.

In 4Q2022 specifically, the Residential market was the most active sector with €672 million or 28% of total investment for the quarter. The most notable transactions during the period analysed were the acquisitions of BTR projects by Dea Capital in Valencia and Seville, and the purchase by Vivenio of three BTR buildings in Malaga, comprising 350 home. Also important was the sale by Neinor Homes to a German fund of a BTR project with 150 homes, for €40 million. Over 2022, investment in BTR projects or PRS portfolios amounted to €2.56 billion, the highest level ever seen in this sector in Spain.

The Retail sector investment volume of €565 million, represents 24% of all investment for the quarter and second most popular sector. It should be emphasised that 86% of the volume registered corresponds to 3 major deals. The most notable deal was the sale by El Corte Inglés of Portal de Ángel 19-21, for €200 million, to Redevco and Ares. Another noteworthy transaction was the sale by the Nordic fund Sagax of a portfolio of 36 Cash & Carry points of sale in the food sector, for 180 million euros. Another of the most significant deals during the quarter was the sale by Generali for €105 million of a commercial asset located on one of Spain's most exclusive commercial thoroughfares, Portal del Ángel in Barcelona. The overall investment in Retail during the year stood at €4.261 billion, representing a year-on-year increase of 222%, almost equalling the peak levels seen in 2018. It should be noted that one transaction (BBVA/Merlin – €1.987 billion) accounted for 46% of all investment in 2022. Within this sector, the most resilient asset type continues to be food points of sale (supermarkets and hypermarkets) and shopping centres close to large cities. High Street and shopping centre activity, damaged severely by the impact of the pandemic, may now recover more gradually within this context of inflation and rising interest rates.

The Hotel sector continues to attract investors excited by growth potential with tourism recovery from the pandemic. Over recent months, investment totalling €374 million occurred. The locations most sought after by investors remain the established holiday markets, above all Andalusia and the Balearic Islands, and the leading city destinations of Madrid and Barcelona. The most notable deals over the past quarter were the purchases of the Hotel Incosol in Marbella and the Hotel Las Letras on Gran Vía in Madrid, and the sale by Mazabi of two hotels located in Madrid and Seville to a private investor. The investment for the whole year is around €2 billion, slightly lower than 2021. However, there are some large-scale transactions still at the final stage of negotiation meaning business at the start of 2023 will stay active.

The investment activity registered in the Office sector was not particularly substantial over the past quarter, attaining €240 million in 4Q2022. This represents a substantial reduction from the previous quarter and the same period in 2021, highlighting the "wait & see" approach currently adopted by many investors. Of the 12 investment transactions occurring in the fourth quarter, Madrid was the most dynamic market, accounting for six deals and 61% of the volume. The most notable transactions were the acquisition by Ibervalles of a building in the Arturo Soria district for €45 million, and the purchase of a business complex comprising three buildings in the Madbit district (Calle Albarracín 34), for €29.8 million. The Barcelona market was the second most dynamic with much of the activity concentrated in the final stretch of the year. The most notable deal was the acquisition by BC Partners and FREO Group of the Novartis headquarters (Gran Via de les Corts Catalanes 764) in the city centre. Other significant deals included the purchase by Perial Asset Management of the McCann headquarters in the 22@ district. There was notable activity registered in secondary markets such as Valladolid, where a French investor purchased a 6,162 m² property, and a deal in Santa Cruz de Tenerife. Overall 2022 investment in offices amounted to €2.685 billion, 11% higher than the volume registered in 2021, and 42% below the market peak in 2019. Demand is focusing on higher-quality buildings in each area, with sustainability criteria playing a decisive role in larger transactions, even ahead of the economic aspect (rent). The criterion that defines prime is the sustainability quality of the asset within each location.

In the Logistics sector, user demand remains robust, and some markets, such as central Spain (Madrid) attained record-breaking levels in 2022. Nonetheless, rising interest rates, bond yield acceleration and weaker macroeconomic prospects altered the prospects of investors in this sector. It has led to lengthening negotiations for deals in progress, and postponement of some sales. The outcome of this is a significant downturn in logistics investment volume that posted at €236 million in the fourth quarter. This is a 75% reduction compared with 3Q2022, and 78% lower than

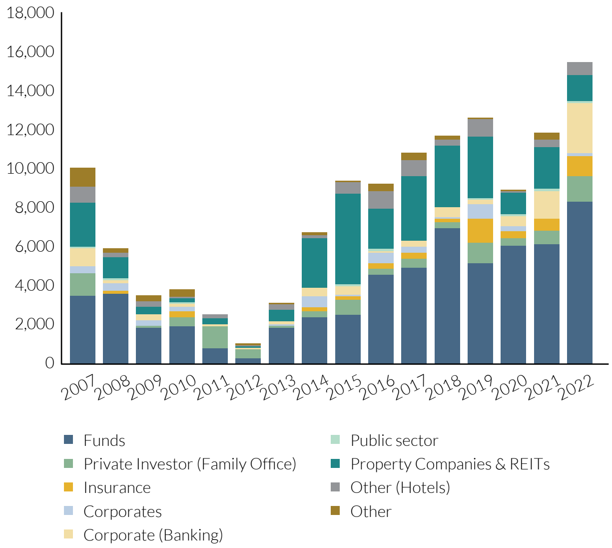
4Q2022, one of the busiest quarters ever with sales of major logistical platform portfolios. Last quarter, investment activity saw substantial geographical diversification. The most active markets were Madrid, Catalonia, Seville, Valencia, Malaga, Pamplona and the Basque Country. The most significant deal over the past three months was the purchase of a "turnkey" project for a 40,000 m² platform in Constantí, Tarragona. The other deal for €30 million came from Mutualidad de la Abogacía who sold a logistics platform in Getafe, Madrid operated by a food sector user.

The overall volume in the logistics sector for 2022 is €1.732 billion, 39% lower than the peak registered in 2021. A relative lack of major portfolios sales (mainly up until 1 October) characterized the year, aggravated by the pricing mismatch experienced throughout the real estate sector over 2H2022. Despite the backdrop, investment volumes are in line with 2019, and actually higher than other periods.

In the Alternatives sector, dominated by care homes and student halls of residence in Spain, the investment volume stood at €218 million in the last quarter of the year. A high degree of activity occurred in care homes, senior living, and medically equipped sites over 4Q2022. Over the year as a whole, investment set an all-time record of €2.005 billion.

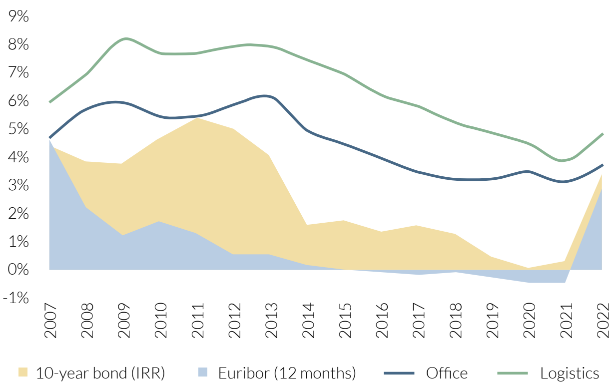
TYPOLOGY AND ORIGIN OF INVESTOR

Institutional investment funds continued to dominate the market again in 2022, with a market share of 54%. Since 2021, investment funds have increased their share in Spain by 35% indicating a serious push from this money source into Spanish real estate. Domestic investors dominate over everyone with a market share of close to 40%. Of foreign investors, the US stands out. US investors slowed their pace of investment in Spain in 4Q2022, although over 2022 they accounted for more than 14% market share. German capital is continuing to expand in the Spanish market and is now close to 13% share, twice the inflow seen in 2019. In 2022, French investors made major purchases in Spain, breaking through the €1.5 billion barrier. Gradual slowdown in investment from the UK has seen its share progressively shrink in Spain since 2018. Private Investors (Family Offices) continued acquiring real estate taking larger positions in investment transactions. Throughout the year they drove investment deals totalling €1.29 billion, an increase of 95% compared with the investment seen in 2021 from this investor profile. Over the course of 2022, insurers remained active in the domestic real estate market, accounting for more than €1 billion, achieving parity with the volume registered in 2019. The unique deal of the year came from the banking sector, with the purchase by BBVA of more than 800 branches for a price of almost €2 billion, 80% of the total volume of bank investment.



YIELDS

Much investment activity occurred in the 1H2022 as over 2H2022 (and especially 4Q2022), activity slowed considerably. The acceleration in inflation and rapid normalisation of interest rates as central banks moved to address the problem, led to poorer macroeconomic prospects. This created an environment of price discovery for real estate with mismatch between buyer and seller expectations inhibiting transactions. Although in most sectors and markets, yields have adjusted upwards, we think there is further adjustment to come. The market remains on its journey for price discovery. We are likely to see some measure of stability in the second quarter of 2023. Nonetheless, it should be emphasised that we are emerging from a period of historically low returns for bonds, with many international markets below 3%. This period of low yielding investment will not return and the new regime that emerges will create different opportunities for real estate. We continue to think that return will remain positive over 2023, thanks to a stable income return augmented by the ability of rents to respond to inflation increases through indexation in leases.



INDEPENDENT MARKET REVIEW

OFFICE MARKET SPAIN 4Q2022

Source: BNP Paribas Real Estate, 31 December 2022

MADRID OFFICE MARKET

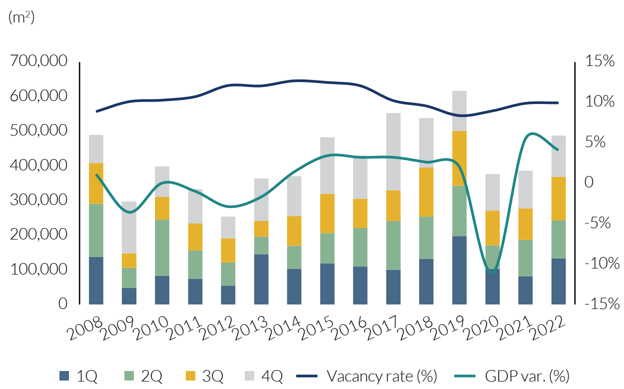
2022 MARKED STRONG RECOVERY IN DEMAND FOR OFFICES, ESPECIALLY FOR LARGER SPACE, RESULTING IN HIGHER RENTS FOR THE BEST QUALITY ASSETS INFLATION DICTATES THE PROGRESS OF THE ECONOMY

The Spanish economy continues to slow down due to geopolitical uncertainties, high inflation rates and reduced activity in export demand. According to the most recent OECD forecasts, national GDP grew by 4.7% in 2022. It is likely to drop to 1.3% in 2023 before improving to 1.7% in 2024. These forecasts represent a revision downwards on those issued in September that predicted growth of 4.4% in 2022 and 1.5% in 2023. The OECD emphasises the positive trend in labour markets seen over recent months. The most recent forecasts suggest an unemployment rate of 12.9%, in both 2022 and 2023.

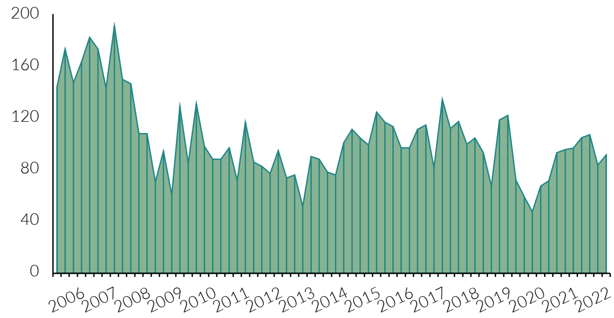
PICK UP IN LARGE OFFICE SPACE LETTINGS

As we initially suggested in late 2021, in 4Q2022 the figures reflect a consolidation in the resumption of demand for office space. We have seen a series of four consecutive months with contractual volumes in excess of 100,000 m², levels not seen since 2019. The take-up registered in 4Q2022 stood at 119,580 m², a 10% increase on the same quarter in 2021, and 5% more than 3Q2022. For 2022, volumes reached 487,771 m², which is 26.3% up on 2021. Over 4Q2022, 98 deals were signed, lower than in 4Q2021. Overall in 2022, 393 deals occurred, 36 more than in 2021, and just lower than the number registered in 2019, the most dynamic period. The average deal size during the quarter stood at 1,221 m², 28% higher than the average in 2021, demonstrating that larger volume demand returned to the market. The largest transactions of the quarter were the deals signed by a major supermarket chain for 19,200 m² at the Omega business park in Alcobendas, and IBM's contract for 10,492 m² in the Ruiz Picasso Building, in the heart of the Azca district.

Take-up evolution (sqm)



No. of deals per quarter



SOURCE: BNP PARIBAS REAL ESTATE - RESEARCH

CBD CLOSES THE YEAR WITH THE HIGHEST TAKE-UP LEVELS

The CBD and Outskirts accounted for the bulk of the lettings in 4Q2022 with 68% of demand. During the quarter, the Outskirts zone accounted for 35% of take-up, with one notable deal signed by a major supermarket chain in the Omega building in Alcobendas. The average deal size in this sub-zone was 1,982 m², a considerable increase on the previous quarter and mainly due to the Omega deal. The second-biggest take-up level was the CBD Zone, accounting for 33% market share. The largest deal signed was by IBM in the Ruiz Picasso Building. The average deal size was 947 m², higher than the previous quarter, when the figure stood at 858 m². The third-biggest take-up volume took place in the Decentralised zone, accounting for 25% of market demand. The average deal size was 1,403 m², though two large deals occurred in Las Tablas, in the Adequa business park, where a renewable energy firm let two units measuring 7,355 m² and 6,533 m² respectively. The Centre zone registered a considerable quarter-on-quarter downturn, following largest quarter large sized deals. The average deal size was 648 m², with the largest transaction for 2,884 m² in the Tribunal zone.

"FLIGHT TO QUALITY": ESG CRITERIA IN THE SPOTLIGHT

Continuing the trend of previous months, firms remain focused on the quality and efficiency of buildings, with ESG standards in the corporate spotlight. Companies increasingly look for workplaces that prioritise the balance with the environment and employee comfort. Other factors such as adaptability of the building, amenities in the vicinity or even within the property itself, are also essential when signing a new office contract.

Main office areas - Madrid and metropolitan periphery

Although development faces obstacles such as increased construction costs, major office owners continue to upgrade buildings. Major refurbishments concentrate in the CBD, along with new projects in developing areas such as Las Tablas. During 2022, many new built and refurbished buildings were occupied upon completion, highlighting strong tenant demand for the best buildings. Key deals here included the Fenwick Iribarren Architects project (Ruiz Picasso Building) with a final rent above €35/ m²/month, and a 10,000 m² refurbished building at €16/m²/month in the Adequa business park in Las Tablas.

RENTS HIGHER AT CLOSE OF YEAR

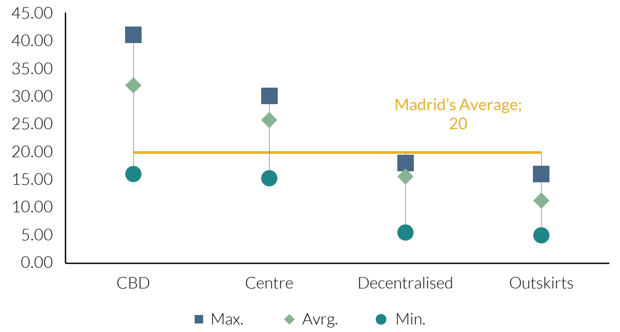
The average rent for the city of Madrid rose over recent months, standing at around €21.10/m²/month, a year-on-year increase of 13.8% compared with 4Q2021. By breaking back through the €20/m²/month barrier, it brings average rents back to levels last seen in 2007-2008. This considerable upturn is an outcome of many deals signed during the quarter for quality buildings. The prime rent is slightly up, at €36.75/m²/month. The highest rent signed during the quarter was €41.00/m²/month, in a property located in the Torre Serrano building, at Calle Serrano 47. The average rent in the CBD stands at €31.93/m²/month, a year-on-year increase of 12.2%.

In the Centre zone, the average rent fell compared with the previous quarter, to €25.70/m²/month. Outside the M-30, in the Decentralised zone, the average rent climbed to €15.50/m²/month in 4Q2022. Lastly, in the Outskirts the average rent in the 4Q2022 stood at €11.20/m²/month, with maximums seen in the Cerro de los Gamos de Pozuelo business park, at a rent of €16/m²/month.

INDEPENDENT MARKET REVIEW

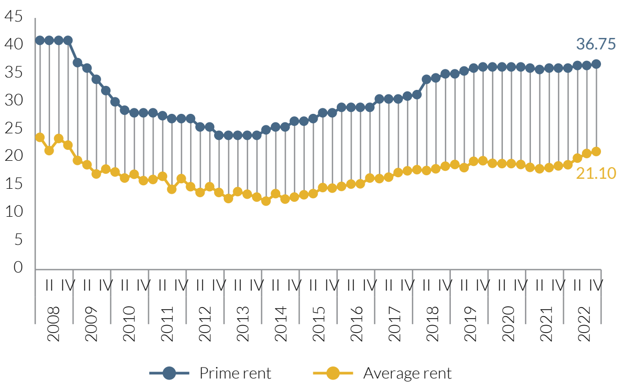
Maximum, minimum and average rents - 4Q2022

€/sqm/month

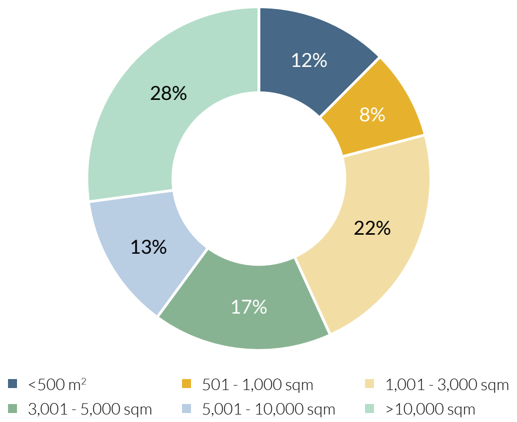


Rent evolution

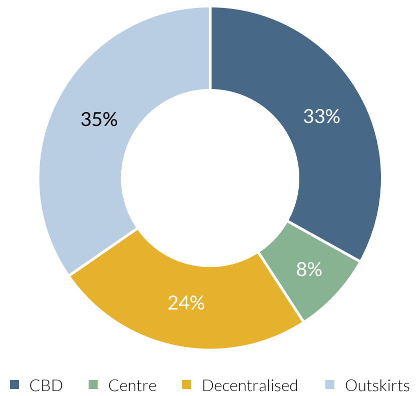
€/sqm/month



No. of deals by range of surface 4Q2022



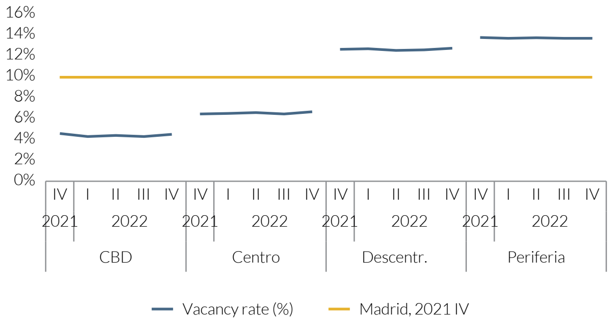
Take-up per areas (%) 4Q2022



STABLE VACANCY ESPECIALLY IN THE CBD

The increase in letting volume helped to stabilise the vacancy rate. With the pandemic behind, companies continued to follow up on the space requirements outlined in business plans. These plans have mostly included an emphasis on hybrid working and a preference for smaller but better space. This has inevitably resulted in the release of surplus space. Within this context, the vacancy rate in Madrid stood at 9.95% in 4Q2022, 14 basis points higher than the previous quarter. Within the M-30 ring road the vacancy rate stands at around 5%, with 4.5% in the CBD, and a slight increase in the Centre zone to 6.7%. In zones outside the M-30, vacancy is generally higher at between 12.8% and 13.7%. Though there is considerable variation in vacancy at local level in sub-markets.

Vacancy rate evolution per area



NEW-BUILD, PROPERTY REFURBISHMENTS AND PROSPECTS

Property development continues with the bulk of new projects focused mainly on the north-eastern corridor of the city, in the Las Tablas, Manoteras and Julián Camarillo markets. One of the most significant completions over recent months was the opening of Alcalá 546, the headquarters of L'Oreal. This complex also has a building alongside (Alcalá 544), with an available area of approximately 10,400 m², which will complete in the first quarter of 2023. Particular mention should also be made of the opening of the Puerto de Somport 8-10 building in the Las Tablas zone, owned by Catalana Occidente, with 11,677 m². Refurbishments concentrate in the Prime zone of the Madrid office market. Las Torres de Colón is one of the most eagerly awaited. The building, holding all certifications in sustainability and employee welfare, is generating very considerable viewing demand. Within the M-30 ring road, the completion of the refurbishment of the Ruiz Picasso Building in the Azca district is important. The 36,000 m² building's energy classification complies with the "Near Zero-Emission Building" standards of the European Commission, and has "LEED Platinum" pre-certification. Another notable building is the Colonial de Méndez Álvaro (Madnum), with 56,000 m² of offices, is due for completion in the first quarter of 2024. Outside the M-30, the Árima project in Pradillo, with 12,500 m² is the major development. Despite the existing macroeconomic uncertainties, the prospects for 2023 are positive. Be amazed if it does. Most European companies made their moves in 2022 and will probably sit tight in 2023 because of costs. Cost control is the number 1 thing for companies this year. Leases now sit on balance sheets as liabilities i.e a cost so few will willingly add to that with weak economic growth as a backdrop. The owners of office buildings will continue to adapt their properties to meet current demand standards, very much focused on fulfilling sustainability criteria (ESG).

Key Figures					
	CBD	Centre	Descentr.	Outskirts	Total
Stock (sqm)	2,724,571	3,948,980	4,500,219	4,084,239	15,258,009
Vacancy (sqm)	122,877	263,322	573,819	558,717	1,518,735
Vacancy rate	4.5%	6.7%	12.8%	13.7%	10.0%
Take-up 2022 (sqm)*	39,574	9,262	29,322	41,422	119,580
Annual Take-up 2022 (sqm)*	147,955	98,408	125,944	113,841	486,148
Max Rent 4Q2022 (€/sqm/month)	41.0	30.0	18.0	16.0	-
Average Rent 4Q2022 (€/sqm/mes)	31.9	25.7	15.5	11.2	21.1

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

*Arrows denote anual variation

INDEPENDENT MARKET REVIEW

OFFICE MARKET BARCELONA

INFLATION DICTATES THE PROGRESS OF THE ECONOMY

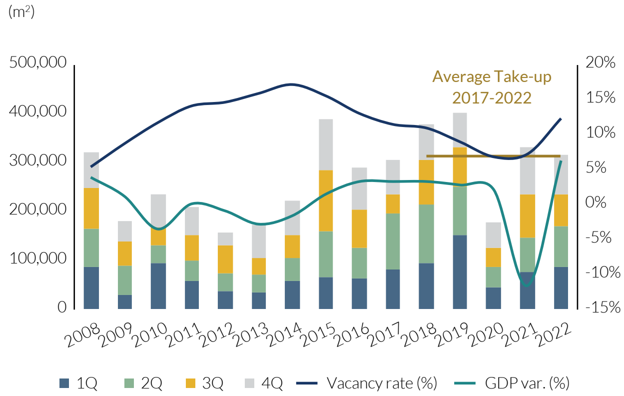
The Spanish economy continues to slow down due to geopolitical uncertainties, high inflation rates and reduced activity in export demand. According to the most recent OECD forecasts, national gross domestic product ("GDP") grew by 4.7% in 2022. It is likely to drop to 1.3% in 2023 before improving to 1.7% in 2024. These forecasts represent a revision downwards on those issued in September that predicted growth of 4.4% in 2022 and 1.5% in 2023.

The OECD emphasises the positive trend in labour markets seen over recent months. The most recent forecasts suggest an unemployment rate of 12.9%, in both 2022 and 2023.

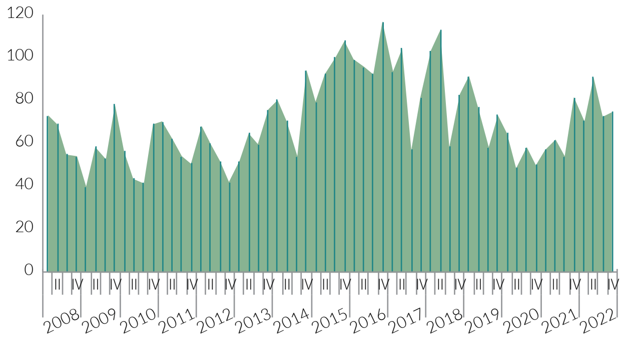
LETTNGS BOOSTED BY A HIGH NUMBER OF MID SIZED DEALS

Activity in the Catalan office market grew over 2022. Although no big space transactions were completed, the office market maintained an upward trend in take-up driven by the smaller sized segments. 4Q2022 take-up was 79,869 m², a quarterly increase of 23.5% and a 15% decrease compared to 4Q2021 (90,000 m²). Total take-up for 2022 is 315,126 m², similar to 2021 (-5.1%). This helped to consolidate demand recovery, almost two years since the start of a pandemic which had such far-reaching effects on office take-up. There were 75 deals signed from October to December, less than in 4Q2021. However, with more deals in this quarter than in 3Q2022, the overall year was above average in number of transactions. The deal size stood at 1,068 m², 13% higher than 3Q2022, although similar to 4Q2021. The largest transactions in the quarter were the agreement signed by TRANSPERFECT for 8,000 m² in Passeig de Grácia and the agreement signed by ATIC GROUP in the 22@ district.

Take-up evolution (sqm)



Number of deals per quarter

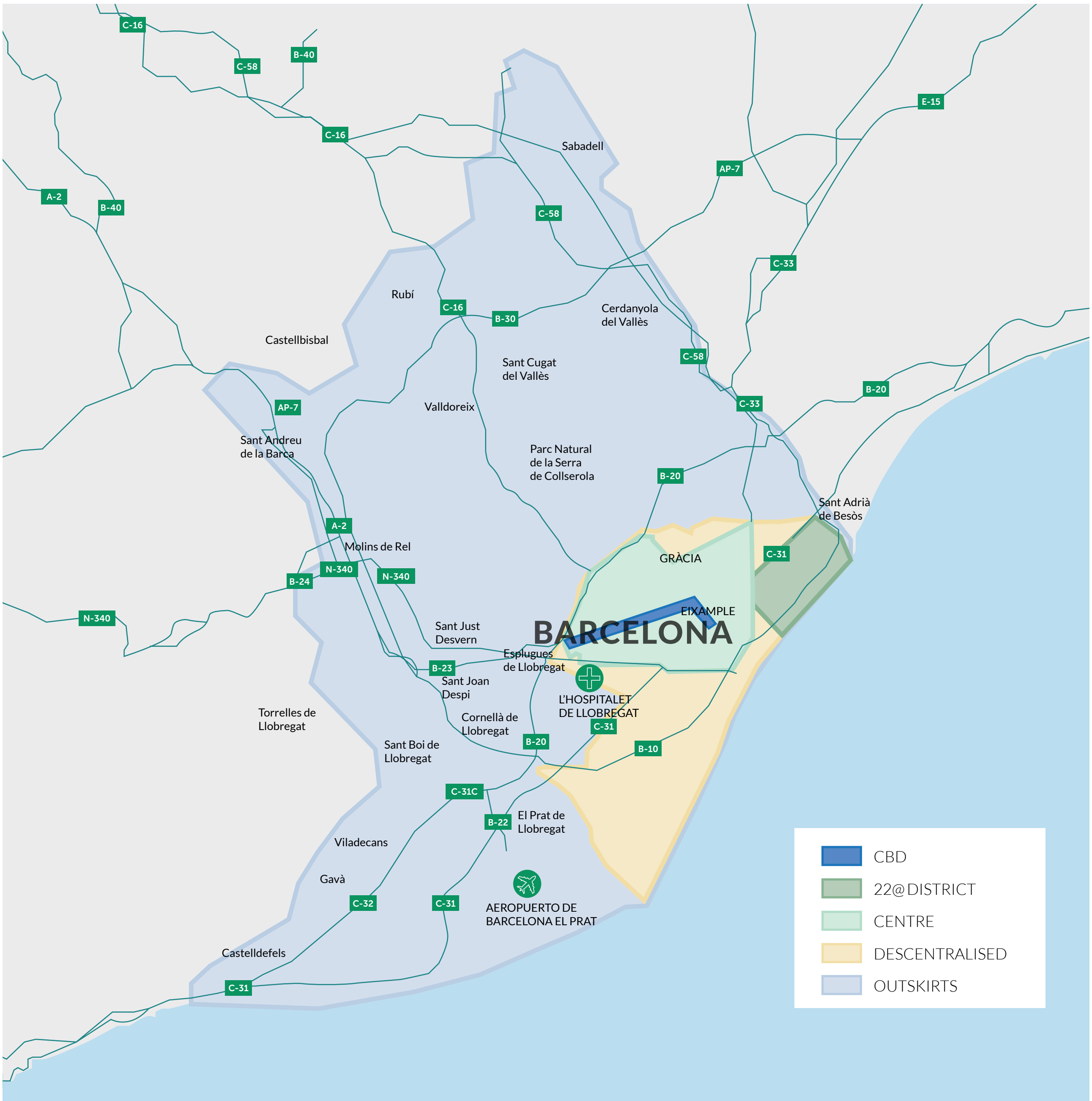


THE CBD RECORDS A HISTORIC QUARTER TO CLOSE 2022

The CBD ended 2022 with a record last quarter. Take-up was over 24,000 m², which represents 30% of the fourth quarter total. It also had the most deals. At the year-end, there were 6 transactions for floor areas of more than 1,000 m². It included the agreement completed by Transperfect for almost 8,000 m² in Passeig de Gracia, and the opening by the flexible workspace operator Lexington of 2,000 m² unit. The 22@ district accounted for 24% of quarterly take-up. For the whole year the 22@ district posted 85,000 m² or 27% of total take-up. The 22@ district proved to be more dynamic than the previous year with 12 more deals.

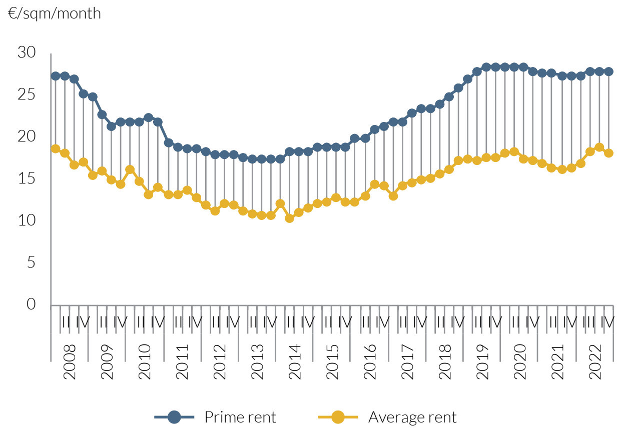
The Decentralised area maintained the same good letting activity seen since end 2020. It accounted for 21% of take-up in the last quarter of the year. The major deals were for 2,700 m² signed by MEDAC, and 1,200 m² taken up by OLYMPUS. There were also transactions in the Plaza Europa/Paseo de la Zona Franca. The FIRA Barcelona submarket remained one of the most in-demand niches over the year. This was due to the modernisation of some buildings and the addition of state-of-the-art buildings which were taken up on delivery.

The Outskirts area made up 13% of 4Q2022 take-up. Take-up in the area continues to retreat following the boost the submarket got during the pandemic with companies seeking low cost options. However, demand remained stable with 15 deals. The Central area saw a decrease in take up in the further quarter compared to the rest of the year. The Central area made up 12% of take-up with the largest deals signed for more than 2,000 m² by a healthcare company and the local flexible workspace operator Cloudworks.

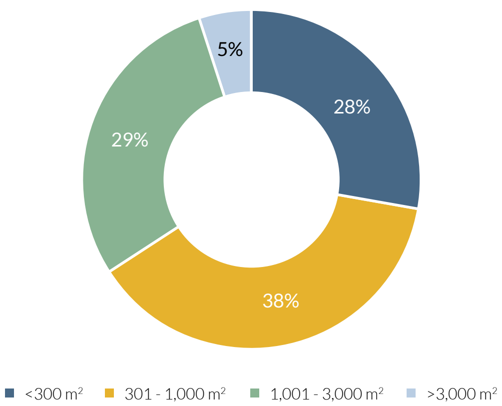

C-16
B-40
C-58
C-16
A-2
B-40
Sabadell
AP-7
E-15
C-58
C-33
Rubí
C-16
B-30
Cerdanyola
del Vallès
Castellbisbal
C-58
Sant Cugat
del Vallès
B-20
AP-7
Valldoreix
C-33
Sant Andreu
de la Barca
Parc Natural
de la Serra
de Collserola
B-20
Sant Adrià
de Besòs
A-2
Molins de Rel
GRÀCIA
C-31
N-340
N-340
B-24
N-340
EIXAMPLE
BARCELONA
Sant Just
Desvern
Esplugues
de Llobregat
B-23
Sant Joan
Despi
L'HOSPITALET
DE LLOBREGAT
Torrelles de
Llobregat
Cornellà de
Llobregat
C-31
Sant Boi de
Llobregat
B-20
B-10
C-31C
El Prat de
Llobregat
B-22
Viladecans
Gavà
C-32
C-31
AEROPUERTO DE
BARCELONA EL PRAT
Castelldefels
C-31
CBD
22@DISTRICT
CENTRE
DESCENTRALISED
OUTSKIRTS

INDEPENDENT MARKET REVIEW

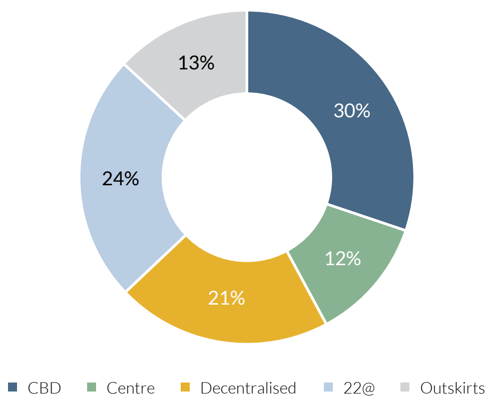
Rent evolution



No. of deals by range of surface 4Q2022



Take-up per areas (%) 4Q2022



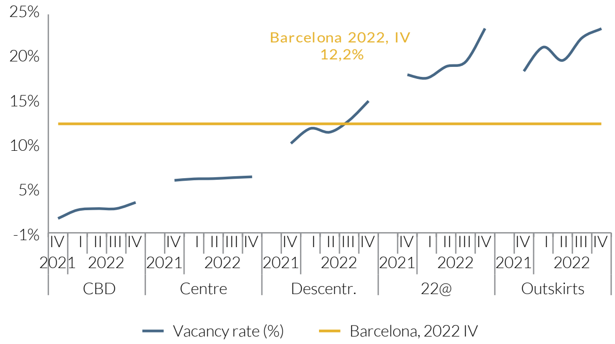
INCREASE IN RENTS

Average rents in Barcelona remained above the €18/m²/month barrier for a third consecutive quarter. Growth pattern in average rents by submarket varied across the year though all are above rents seen 4Q2021. The average rent in the city was €18.11/m²/month in the last quarter of the year. This figure represents a quarterly decrease of 4.6% although compared with 4Q2021, it is 10.3% higher. The growth moves average rents back towards the levels seen in the pre-pandemic period. The arrival of new projects in the decentralised area, specifically in the Zona Franca/Plaza Europa has served to increase rental levels in the submarket. The arrival of companies in the 22@ district, many with pre-letting agreements, has absorbed the highest quality projects here. The scarcity here have led to an increase in rents overall, as other transactions are completed in buildings with quality standards above the market average. The quality of the offices is the determining factor between the rent levels in many of the office submarkets. Average rents in Barcelona remained above the €18/m²/month barrier for a third consecutive quarter. Growth pattern in average rents by submarket varied across the year though all are above rents seen 4Q2021. The average rent in the city was €18.11/m²/month in the last quarter of the year. This figure represents a quarterly decrease of 4.6% although compared with 4Q2021, it is 10.3% higher. The growth moves average rents back towards the levels seen in the pre-pandemic period. The arrival of new projects in the decentralised area, specifically in the Zona Franca/Plaza Europa has served to increase rental levels in the submarket. The arrival of companies in the 22@ district, many with pre-letting agreements, has absorbed the highest quality projects here. The scarcity here have led to an increase in rents overall, as other transactions are completed in buildings with quality standards above the market average. The quality of the offices is the determining factor between the rent levels in many of the office submarkets.

VACANCY RATES STABLE IN THE CENTRE AND INCREASING IN THE PERIPHERY

The vacancy rate saw an upturn compared to the previous quarter. moving up from 10.4% in 3Q2022 to close the year at 12.2% against a total stock of more than six million square metres. Although take-up levels over the last 18 months are 80% higher than in 2020, vacancy increased due to space freed with post- pandemic moves and the addition of new office space. The increase in stock was primarily centred around the 22@ district, an area which still has extensive room for growth, as well as the Zona Franca in Barcelona. Vacancy remained stable in the central areas of the Barcelona office market, whereas it increased in other areas. The CBD and Central areas remained at similar occupancy levels to those seen at the start of the year. The CBD remains below 4% and in the Central area at around 6%. In the 22@ district, vacancy at the end of the year was 22%, primarily due to the handover of new projects delivered throughout 2022. In total, 245,000 m² is expected to have been added in the 22@ district alone throughout 2022. In spite of the current dynamic level of demand, the vacancy rate may increase in the coming months.

Vacancy rate evolution per area



NEW BUILD DEVELOPMENTS, REFURBISHED BUILDINGS AND OUTLOOK FOR 2023

Developer activity continues in the city. Owners and investors are willing to develop new projects with high-quality and sustainable technical standards that meet the requirements of current demand. The owners of office buildings are determined to adapt properties to meet the current standards to preserve value. There is a particular focus on meeting all sustainability (ESG) criteria. The price of materials and construction could inhibit the start of some developments. Projects already underway are likely to continue, although build inflation changes their rental prospects. For the rest of 2023, deliveries may occur in the 22@ district. In the coming years, the Central area, specifically L'Eixample, will see major refurbishments of buildings to offer modern space. Around 100,000 m² is expected to be delivered up to 2025. This will give a new boost to an area which was becoming obsolete.

The outlook for the coming months in the office market of Barcelona and its Metropolitan area is positive, Despite the ongoing macroeconomic uncertainties, the demand pattern may continue on the same trend as in 2022.

Key Figures						
	CBD	**Centre**	**Descentr.**	**22@**	**Outskirts**	**Total**
Office stock (m²)	897,542	2,491,314	518,254	1,302,476	1,093,902	6,303,488
Available floor area (m²)	30,597	156,530	76,668	257,159	250,734	771,688
Vacancy rate (%)	3.4%	6.3%	14.8%	22.9%	22.9%	12.2%
Take-up 4Q2022 (m²)	24,108	9,549	16,585	19,151	10,476	79,869
Annual take-up 2022 (m²)	45,728	67,947	57,603	85,075	56,464	312,816
Maximum rent 4Q2022 (€/m²/month)	30.0	21.6	19.0	27.0	12.5	-
Average rent 4Q2022 (€/m²/month)	23.4	16.3	17.5	23.3	10.4	18.2

*Data analysed and validated by BNP Paribas Real Estate which does not include renegotiations

INVESTOR RELATIONS

UPHOLDING GOOD CORPORATE GOVERNANCE AND TRANSPARENCY

IREIT Global Group Pte. Ltd. (the "Manager"), as manager of IREIT Global ("IREIT"), is committed to delivering the highest standards of communication with investors, analysts, media and the wider investment community. All investor relations practices are premised on its commitment 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. General information on IREIT including annual reports, presentation slides, factsheets 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, roadshows, 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 ("S-REITs").

As the COVID-19 situation in Singapore improved in 2022, the Manager resumed physical meetings to engage its stakeholders actively, while maintaining its flexibility and convenience to the stakeholders through the use of digital platforms to conduct virtual meetings and video conferences. During the year, the Manager reached out to over 200 investment professionals, analysts, investors and media through events such as IREIT's analyst/investor briefings, corporate luncheons, Smartkarma corporate webinar, roadshows with CLSA, DBS and RHB, and lunchtime presentation with Phillip Securities.

ANNUAL GENERAL MEETING ("AGM") AND EXTRAORDINARY GENERAL MEETING ("EGM")

Unitholders of IREIT ("Unitholders") are also given the opportunity to participate at the AGMs and EGMs to meet the management team and the Directors of the Manager to communicate their views and ask questions. Due to the COVID-19 situation in Singapore and the precautionary related safe distancing measures to keep the transmission risks to a minimum, the AGM held on 27 April 2022 was conducted by way of electronic means. Unitholders who wished to attend the AGM could pre-register electronically to participate via the live audio-visual webcast or listen to the live audio-only streams of the proceedings. In line with the virtual AGM best practices, 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. Unitholders were also given the opportunity to ask questions "live" at the AGM by typing in and submitting their questions through the live chat function.

All the resolutions set out at the AGM in 2022 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 AGM. The minutes of the AGM were subsequently published on 12 May 2022 via SGXNet and IREIT's corporate website, together with the responses to all questions received at the AGM.

ENGAGEMENT WITH EQUITY RESEARCH HOUSES AND MEDIA

The Manager also considers sell-side research analysts and media as an important stakeholder group, as they play a critical role in helping to raise the awareness of IREIT and bridge any communication gap between IREIT and investors. In 2022, the Manager held analyst-cum-media briefings via video conference calls on a quarterly basis to update the analysts and journalists on the financial and operational performance on IREIT. During the year, the Manager also attracted Lim & Tan Securities, a local stock broking house established in 1973, to initiate research coverage on IREIT. At the end of 2022, IREIT was actively covered by DBS Group Research, Lim & Tan Securities and RHB Research.

AWARDS AND ACCOLADES

As a testament to the Manager's commitment towards excellence, good corporate governance and transparency, IREIT was named the overall winner within the S-REITs sector by The Edge Singapore Centurion Club in November 2022, 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 is the second consecutive year that IREIT has been given this highest award. In November 2022, IREIT was also ranked 14th out of 43 S-REITs/Business Trusts in The Governance Index for Trusts ("GIFT") Index. In March 2023, IREIT won another two prestigious awards, namely the Platinum Award for "Best Office REIT (Singapore)" and Gold Award for "Best Investor Relations" at The Asia Pacific Best of the Breeds REITs Awards 2023 event.

FINANCIAL CALENDAR	
Financial Year Ended 31 December 2022	
11 August 2022	Announcement of first half year results
31 August 2022	Payment of distributions for period from 1 January 2022 to 30 June 2022
23 February 2023	Atnnouncement of second half year results
23 March 2023	Payment of distributions for period from 1 July 2022 to 31 December 2022
25 April 2023	2023 Annual General Meeting
Financial Year Ended 31 December 2023 (Tentative)	
August 2023	Announcement of first half year results
February 2024	Announcement of second half year results

Trading Performance during the Financial Period	FY2021[1]	FY2022
Opening price (S$)	0.639	**0.650**
Closing price (S$)	0.650	**0.505**
Highest closing price (S$)	0.658	**0.660**
Lowest closing price (S$)	0.619	**0.475**
Total trading volume (million units)	156.1	**113.4**
Average daily volume traded ('000 units)	617.0	**453.7**

Total Returns with Distributions Reinvested (%)[2]	
From 1 January 2022 to 31 December 2022 (1 year)	-13.3%
From 1 January 2020 to 31 December 2022 (3 year)	-5.3%
From 1 January 2018 to 31 December 2022 (5 years)	4.4%

Closing Unit Price Performance for Trading Period from 1 January 2022 to 31 December 2022

Source: ShareInvestor.com

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: https://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

1 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.

2 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.

ACHIEVING SCALE

ENHANCING BRAND IDENTITY IN KEY MARKETS

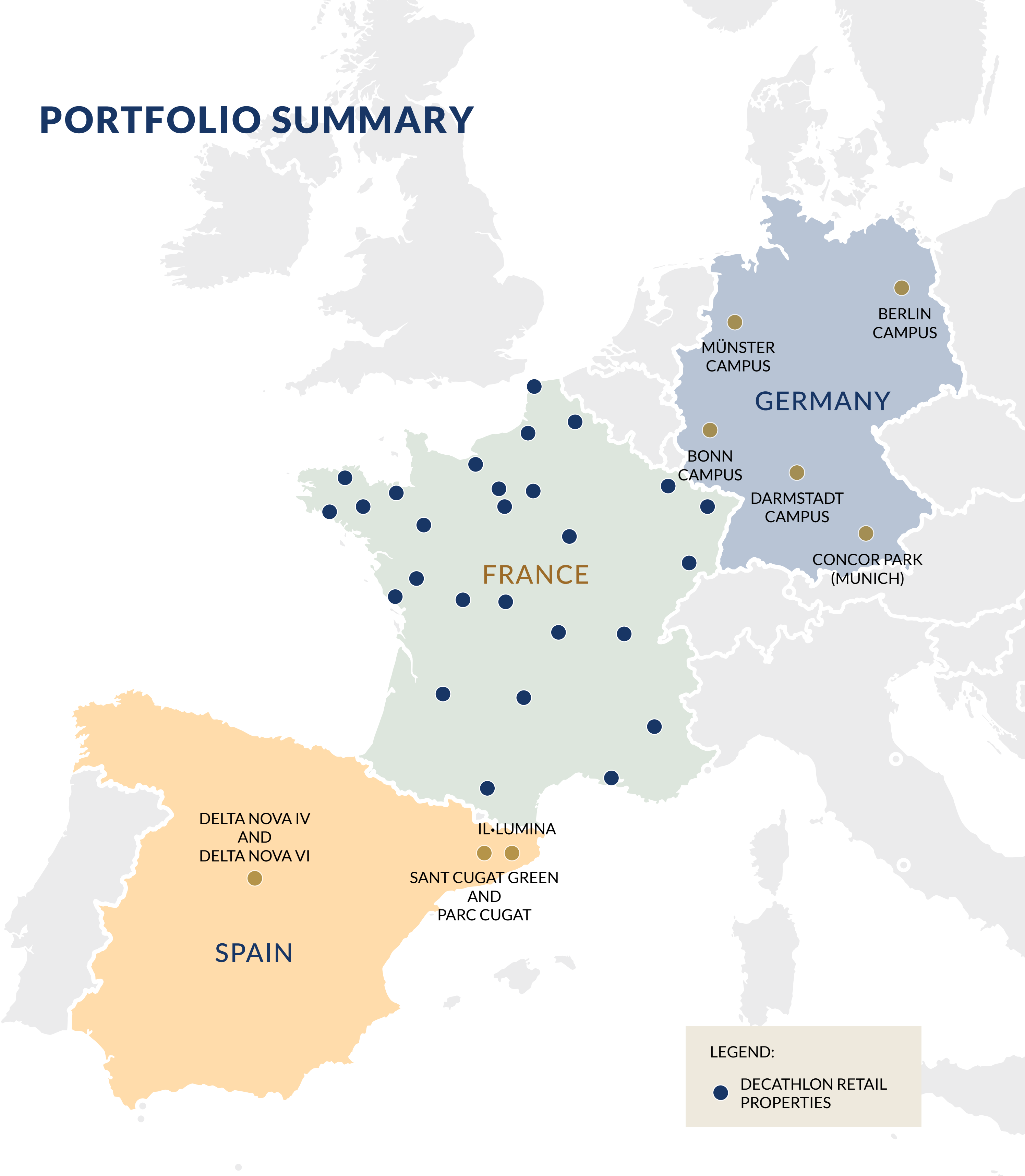
DISTRIBUTION PER UNIT

2.69€ cents

With our growth aspirations to be the choice landlord for high quality commercial spaces in Europe, we will continue to scale up and deepen our presence in key developed markets within Europe.

By maintaining a low gearing ratio and sourcing new funding sources such as IREIT's inaugural US$1 billion multicurrency debt issuance programme in May 2022, we are well positioned to capitalise on any attractive investment opportunities that may arise.

PORTFOLIO SUMMARY



TOTAL LETTABLE AREA
384,282 sqm

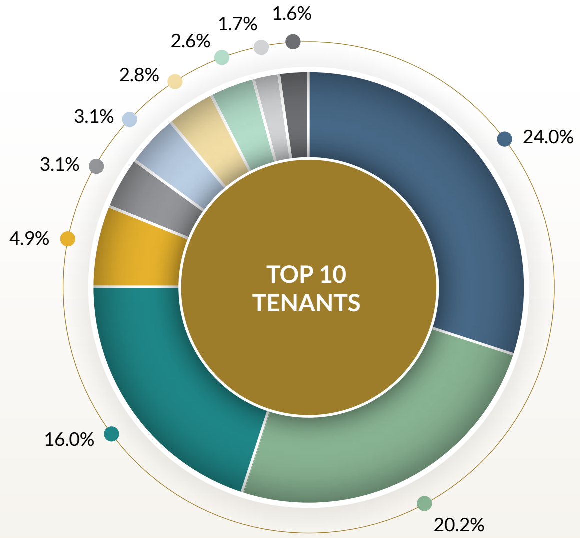
PORTFOLIO VALUE
€950.5m

NUMBER OF TENANTS
99

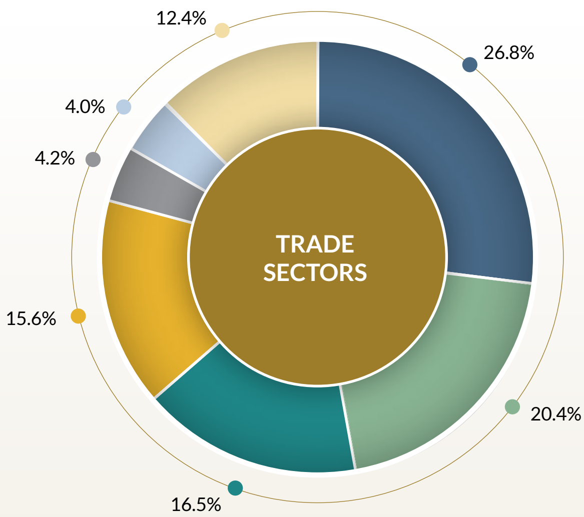
TOTAL NUMBER OF PROPERTIES
37

NUMBER OF PARKING SPACES
12,045

RENTAL INCOME AS AT 31 DECEMBER 2022



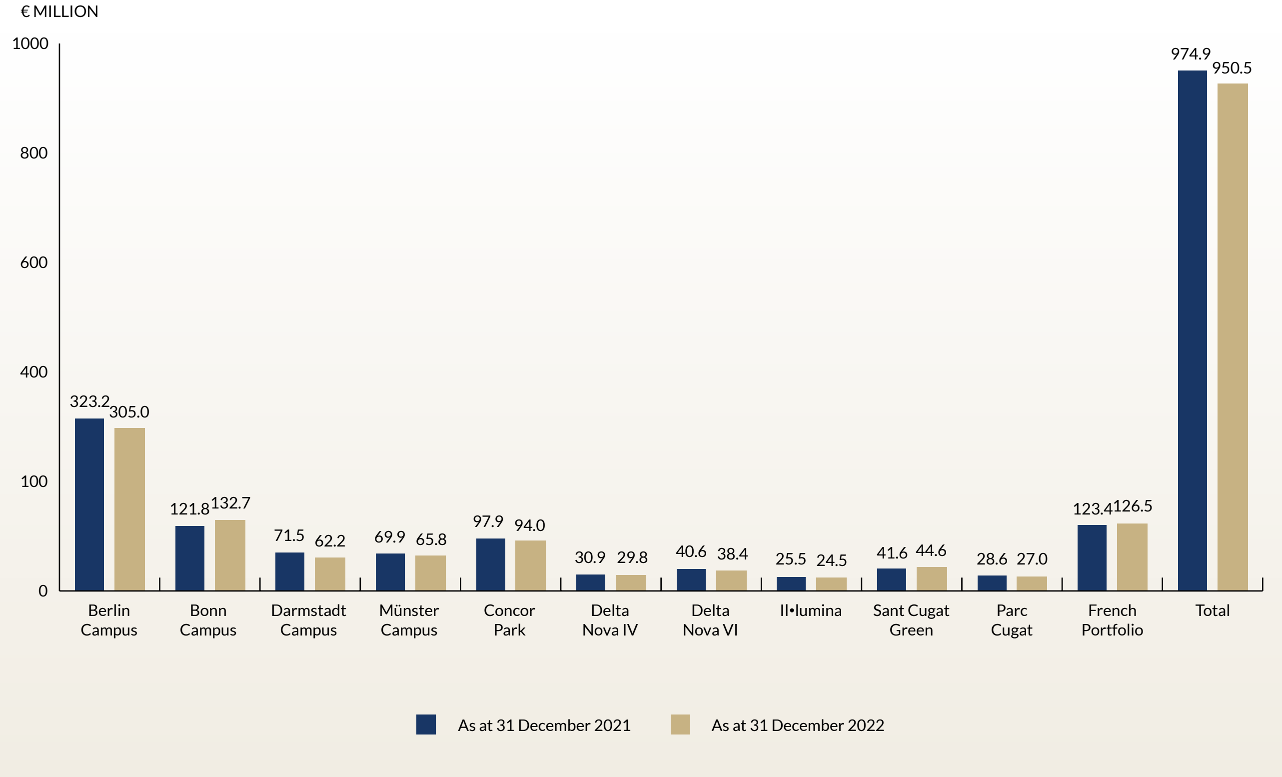
Deutsche Rentenversicherung Bund	24.0%	ST Microelectronics	3.1%
GMG - Deutsche Telekom	20.2%	Westfälisch-Lippische Vermögensverwaltungsgesellschaft mbH	2.8%
Decathlon	16.0%	Ebase	2.6%
DXC Technology	4.9%	Gesif	1.7%
Allianz Handwerker Services GmbH	3.1%	Catalan Media Corporation	1.6%



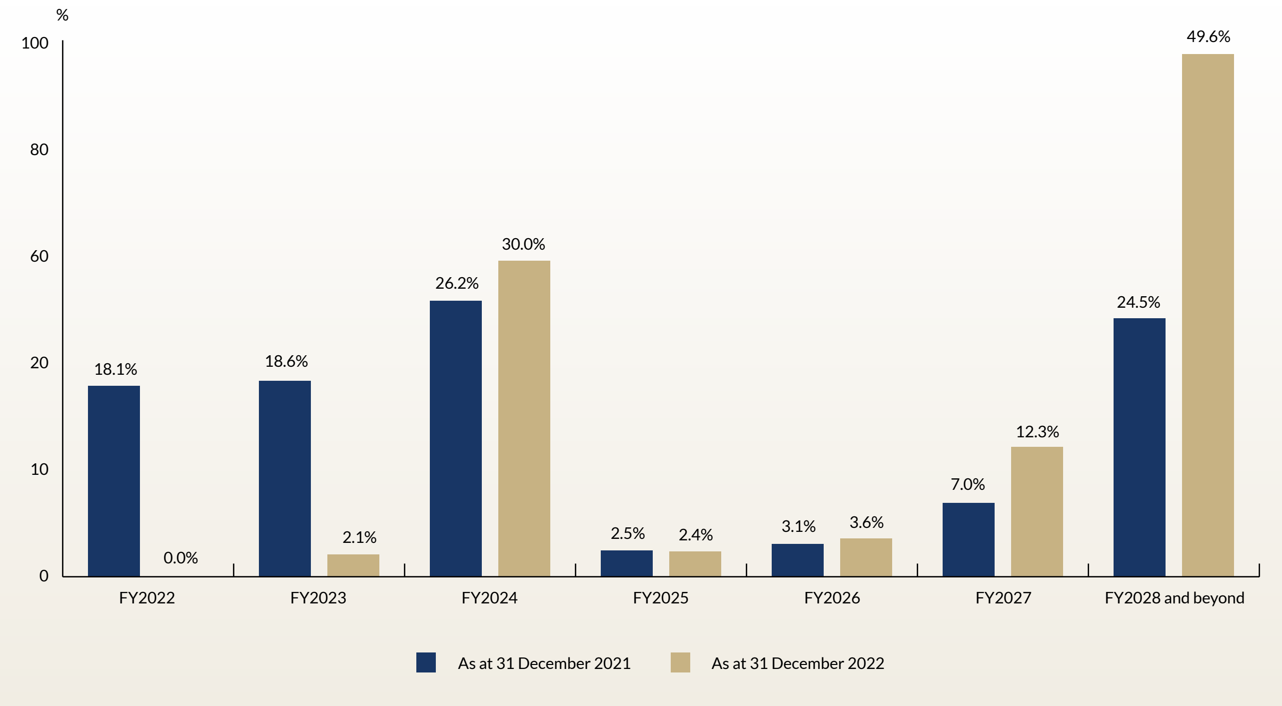
Government	26.8%	Financial Services	4.2%
Telecommunications	20.4%	Real Estate	4.0%
Retail	16.5%	Others	12.4%
IT & Electronics	15.6%		

PORTFOLIO SUMMARY

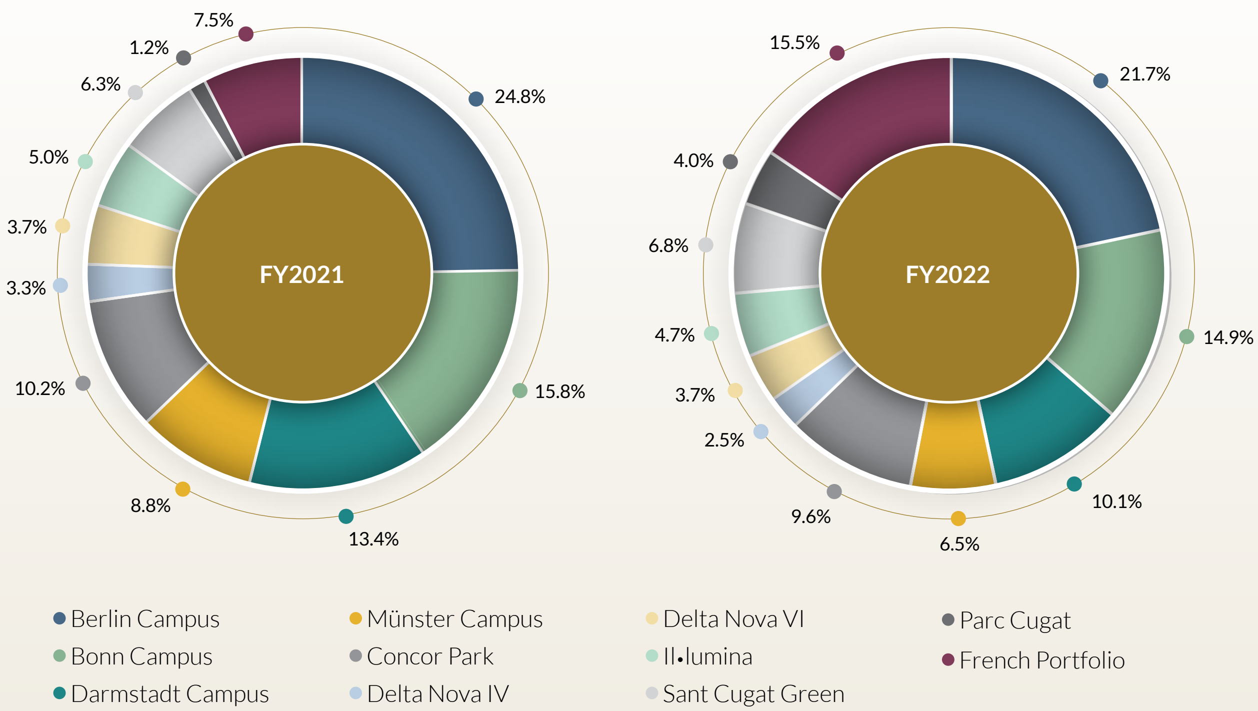
ASSET VALUATION BY PROPERTY



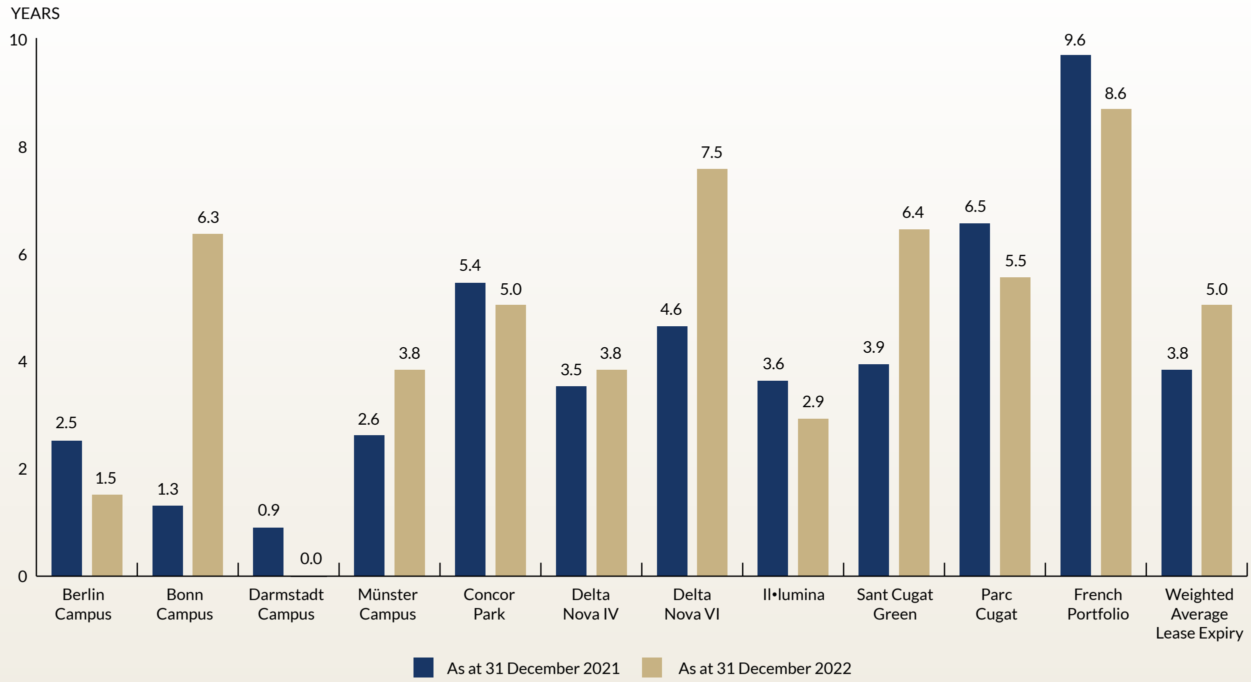
LEASE EXPIRY BY GROSS RENTAL INCOME



GROSS RENTAL INCOME BY PROPERTY



PORTFOLIO LEASE EXPIRY (NUMBER OF YEARS)



For new and renewed leases which commenced in FY2022, the weighted average lease ("WALE") term expiry based on the date of commencement of leases is 7.0 years. Such leases contributed approximately 23.8% towards the portfolio's committed monthly gross rental income as at 31 December 2022.

PORTFOLIO OVERVIEW

GERMAN PORTFOLIO

€427.3m
Purchase Price

€32.5m
Gross Rental Income 2022

3.7 years
WALE (by Gross Rental Income) as at 31 Dec 2022

€659.7m
Book Value / Valuation as at 31 Dec 2022

84.1%
Occupancy Rate as at 31 Dec 2022

24
Number of Tenants

BERLIN CAMPUS

LEASE PROFILE	
Occupancy Rate as at 31 Dec 2022	100%
WALE (by Gross Rental Income) as at 31 Dec 2022	1.5
Number of Tenants	6
Major Tenants	Deutsche Rentenversicherung Bund

PROPERTY INFORMATION	
Date of Building Completion	1994
Land Tenure	Freehold
Purchase Price (€ million)	144.2
Vendor	Immobilienfonds Deutschland 6 GmbH & Co. KG, managed by WealthCap

AS AT 31 DECEMBER	2022	2021
Book Value / Valuation(€ million)	**305.0**	323.2
Gross Rental Income (€ million)	**11.2**	11.2
% of Total Gross Rental Income	**21.7%**	24.8%

BONN CAMPUS

LEASE PROFILE	
Occupancy Rate as at 31 Dec 2022	100.0%
WALE (by Gross Rental Income) as at 31 Dec 2022	6.3
Number of Tenants	1
Major Tenants	GMG, a wholly-owned subsidiary of Deutsche Telekom

PROPERTY INFORMATION	
Date of Building Completion	2008
Land Tenure	Freehold
Purchase Price (€ million)	99.5
Vendor	TC Bonn Objektgesellschaft mbH & Co. KG

AS AT 31 DECEMBER	2022	2021
Book Value / Valuation (€ million)	**132.7**	121.8
Gross Rental Income (€ million)	**7.7**	7.1
% of Total Gross Rental Income	**14.9%**	15.8%

DARMSTADT CAMPUS

LEASE PROFILE	
Occupancy Rate as at 31 Dec 2022	0.0%
WALE (by Gross Rental Income) as at 31 Dec 2022	0.0
Number of Tenants	0
Major Tenants	-

PROPERTY INFORMATION	
Date of Building Completion	2007
Land Tenure	Freehold
Purchase Price (€ million)	74.1
Vendor	TC Darmstadt Objektgesellschaft mbH & Co. KG

AS AT 31 DECEMBER	2022[1]	2021
Book Value / Valuation (€ million)	**62.2**	71.5
Gross Rental Income (€ million)	**5.2**	6.1
% of Total Gross Rental Income	**10.1%**	13.4%

1 Darmstadt Campus has been vacant since December 2022 with the departure of it sole tenant, Deutsche Telekom.

PORTFOLIO OVERVIEW

GERMAN PORTFOLIO

MÜNSTER CAMPUS

LEASE PROFILE	
Occupancy Rate as at 31 Dec 2022	95.7%
WALE (by Gross Rental Income) as at 31 Dec 2022	3.8
Number of Tenants	6
Major Tenants	GMG, a wholly-owned subsidiary of Deutsche Telekom

PROPERTY INFORMATION	
Date of Building Completion	2007
Land Tenure	Freehold
Purchase Price (€ million)	50.9
Vendor	TC Münster Nord Objektgesellschaft mbH & Co. KG and TC Münster Süd

AS AT 31 DECEMBER	2022	2021
Book Value / Valuation (€ million)	**65.8**	69.9
Gross Rental Income (€ million)	**3.4**	4.0
% of Total Gross Rental Income	**6.5%**	8.9%

CONCOR PARK

LEASE PROFILE	
Occupancy Rate as at 31 Dec 2022	98.6%
WALE (by Gross Rental Income) as at 31 Dec 2022	5.0
Number of Tenants	11
Major Tenants	Allianz, ST Microelectronics, Ebase, Yamaichi

PROPERTY INFORMATION	
Date of Building Completion	1978 and refurbished in 2011
Land Tenure	Freehold
Purchase Price (€ million)	58.6
Vendor	Münchner Grund Immobilien Bauträger AG

AS AT 31 DECEMBER	2022	2021
Book Value / Valuation (€ million)	**94.0**	97.9
Gross Rental Income (€ million)	**5.0**	4.6
% of Total Gross Rental Income	**9.6%**	10.2%

SPANISH PORTFOLIO

€161.0m Purchase Price	€11.2m Gross Rental Income 2022	5.4 years WALE (by Gross Rental Income) as at 31 Dec 2022
€164.3m Book Value / Valuation as at 31 Dec 2022	85.2% Occupancy Rate as at 31 Dec 2022	47 Number of Tenants

DELTA NOVA IV

LEASE PROFILE	
Occupancy Rate as at 31 Dec 2022	80.5%
WALE (by Gross Rental Income) as at 31 Dec 2022	3.8
Number of Tenants	9
Major Tenants	Gesif, Plaza Salud24, Aliseda

PROPERTY INFORMATION	
Date of Building Completion	2005 and refurbished in 2015
Land Tenure	Freehold
Purchase Price (€ million)	28.7
Vendor	Chameleon (REIT) Holdco S.à.r.l

AS AT 31 DECEMBER	2022	2021
Book Value / Valuation (€ million)	**29.8**	30.9
Gross Rental Income (€ million)	**1.3**	1.5
% of Total Gross Rental Income	**2.5%**	3.3%

PORTFOLIO OVERVIEW

SPANISH PORTFOLIO

DELTA NOVA VI

LEASE PROFILE	
Occupancy Rate as at 31 Dec 2022	94.9%
WALE (by Gross Rental Income) as at 31 Dec 2022	7.5
Number of Tenants	13
Major Tenants	Almaraz, Clece, Digitex

PROPERTY INFORMATION	
Date of Building Completion	2005 and refurbished in 2015
Land Tenure	Freehold
Purchase Price (€ million)	39.8
Vendor	Chameleon (REIT) Holdco S.à.r.l

AS AT 31 DECEMBER	2022	2021
Book Value / Valuation (€ million)	**38.4**	40.6
Gross Rental Income (€ million)	**1.9**	1.7
% of Total Gross Rental Income	**3.7%**	3.7%

IL•LUMINA

LEASE PROFILE	
Occupancy Rate as at 31 Dec 2022	83.5%
WALE (by Gross Rental Income) as at 31 Dec 2022	2.9
Number of Tenants	13
Major Tenants	ÁREAS, Catalan Media

PROPERTY INFORMATION	
Date of Building Completion	1970s and fully redeveloped in 2004
Land Tenure	Freehold
Purchase Price (€ million)	25.4
Vendor	Chameleon (REIT) Holdco S.à.r.l

AS AT 31 DECEMBER	2022	2021
Book Value / Valuation (€ million)	**24.5**	25.5
Gross Rental Income (€ million)	**2.4**	2.3
% of Total Gross Rental Income	**4.7%**	5.0%

SANT CUGAT GREEN

LEASE PROFILE	
Occupancy Rate as at 31 Dec 2022	97.2%
WALE (by Gross Rental Income) as at 31 Dec 2022	6.4
Number of Tenants	6
Major Tenants	DXC Technology, Powernet, Uriach

PROPERTY INFORMATION	
Date of Building Completion	1993 and refurbished in 2018
Land Tenure	Freehold
Purchase Price (€ million)	39.9
Vendor	Chameleon (REIT) Holdco S.à.r.l

AS AT 31 DECEMBER	2022	2021
Book Value / Valuation (€ million)	**44.6**	41.6
Gross Rental Income (€ million)	**3.5**	2.8
% of Total Gross Rental Income	**6.8%**	6.3%

PARC CUGAT

LEASE PROFILE	
Occupancy Rate as at 31 Dec 2022	61.0%
WALE (by Gross Rental Income) as at 31 Dec 2022	5.5
Number of Tenants	6
Major Tenants	Cargill, Markem Imaje, IBM

PROPERTY INFORMATION	
Date of Building Completion	2009
Land Tenure	Freehold
Purchase Price (€ million)	27.2
Vendor	Inmobiliaria Colonial, SOCIMI, S.A.vv

AS AT 31 DECEMBER	2022	2021[1]
Book Value / Valuation (€ million)	**27.0**	28.6
Gross Rental Income (€ million)	**2.1**	0.5
% of Total Gross Rental Income	**4.0%**	1.2%

1 The acquisition of Parc Cugat was completed on 23 September 2021.

PORTFOLIO OVERVIEW

FRENCH PORTFOLIO[1]

€110.5m
Purchase Price

€8.0m
Gross Rental Income 2022

8.6 years
WALE (by Gross Rental Income) as at 31 Dec 2022

€126.5m
Book Value / Valuation as at 31 Dec 2022

100%
Occupancy Rate as at 31 Dec 2022

28
Number of Tenants

1 The acquisition of the French Portfolio was completed on 28 July 2021.

ABBEVILLE

LEASE PROFILE	
Occupancy Rate as at 31 Dec 2022	100%
WALE (by Gross Rental Income) as at 31 Dec 2022	8.6
Number of Tenants	1
Major Tenants	Decathlon

PROPERTY INFORMATION	
Date of Building Completion	2017
Land Tenure	Freehold
Purchase Price (€ million)	2.6
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)

AS AT 31 DECEMBER	2022	2021
Book Value / Valuation (€ million)	**2.9**	2.9
Gross Rental Income (€'000)	**171**	72
% of Total Gross Rental Income	**0.3%**	0.2%

AURILLAC

LEASE PROFILE	
Occupancy Rate as at 31 Dec 2022	100%
WALE (by Gross Rental Income) as at 31 Dec 2022	8.6
Number of Tenants	1
Major Tenants	Decathlon

PROPERTY INFORMATION	
Date of Building Completion	2003
Land Tenure	Freehold
Purchase Price (€ million)	4.1
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)

AS AT 31 DECEMBER	2022	2021
Book Value / Valuation (€ million)	**4.6**	4.4
Gross Rental Income (€'000)	**303**	128
% of Total Gross Rental Income	**0.6%**	0.3%

BELFORT BESSONCOURT

LEASE PROFILE	
Occupancy Rate as at 31 Dec 2022	100%
WALE (by Gross Rental Income) as at 31 Dec 2022	8.6
Number of Tenants	1
Major Tenants	Decathlon

PROPERTY INFORMATION	
Date of Building Completion	2013
Land Tenure	Freehold
Purchase Price (€ million)	4.1
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)

AS AT 31 DECEMBER	2022	2021
Book Value / Valuation (€ million)	**4.5**	4.3
Gross Rental Income (€'000)	**282**	119
% of Total Gross Rental Income	**0.6%**	0.3%

PORTFOLIO OVERVIEW

BERGERAC

LEASE PROFILE	
Occupancy Rate as at 31 Dec 2022	100%
WALE (by Gross Rental Income) as at 31 Dec 2022	8.6
Number of Tenants	1
Major Tenants	Decathlon

PROPERTY INFORMATION	
Date of Building Completion	2012
Land Tenure	Freehold
Purchase Price (€ million)	3.1
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)

AS AT 31 DECEMBER	2022	2021
Book Value / Valuation (€ million)	**3.7**	3.6
Gross Rental Income (€'000)	**231**	98
% of Total Gross Rental Income	**0.5%**	0.2%

CALAIS

LEASE PROFILE	
Occupancy Rate as at 31 Dec 2022	100%
WALE (by Gross Rental Income) as at 31 Dec 2022	8.6
Number of Tenants	1
Major Tenants	Decathlon

PROPERTY INFORMATION	
Date of Building Completion	2011
Land Tenure	Freehold
Purchase Price (€ million)	4.5
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)

AS AT 31 DECEMBER	2022	2021
Book Value / Valuation (€ million)	**5.2**	5.1
Gross Rental Income (€'000)	**328**	138
% of Total Gross Rental Income	**0.6%**	0.3%

CERGY

LEASE PROFILE	
Occupancy Rate as at 31 Dec 2022	100%
WALE (by Gross Rental Income) as at 31 Dec 2022	8.6
Number of Tenants	1
Major Tenants	Decathlon

PROPERTY INFORMATION	
Date of Building Completion	2013
Land Tenure	Freehold
Purchase Price (€ million)	7.8
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)

AS AT 31 DECEMBER	2022	2021
Book Value / Valuation (€ million)	**9.7**	9.3
Gross Rental Income (€'000)	**596**	251
% of Total Gross Rental Income	**1.2%**	0.6%

CHÂTEAUROUX

LEASE PROFILE	
Occupancy Rate as at 31 Dec 2022	100%
WALE (by Gross Rental Income) as at 31 Dec 2022	8.6
Number of Tenants	1
Major Tenants	Decathlon

PROPERTY INFORMATION	
Date of Building Completion	1999
Land Tenure	Freehold
Purchase Price (€ million)	5.7
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)

AS AT 31 DECEMBER	2022	2021
Book Value / Valuation (€ million)	**6.4**	6.3
Gross Rental Income (€'000)	**407**	172
% of Total Gross Rental Income	**0.8%**	0.4%

PORTFOLIO OVERVIEW

CHÂTELLERAULT

LEASE PROFILE	
Occupancy Rate as at 31 Dec 2022	100%
WALE (by Gross Rental Income) as at 31 Dec 2022	8.6
Number of Tenants	1
Major Tenants	Decathlon

PROPERTY INFORMATION	
Date of Building Completion	2010
Land Tenure	Freehold
Purchase Price (€ million)	3.5
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)

AS AT 31 DECEMBER	2022	2021
Book Value / Valuation (€ million)	**3.7**	3.7
Gross Rental Income (€'000)	**258**	103
% of Total Gross Rental Income	**0.5%**	0.2%

CHOLET

LEASE PROFILE	
Occupancy Rate as at 31 Dec 2022	100%
WALE (by Gross Rental Income) as at 31 Dec 2022	8.3
Number of Tenants	2
Major Tenants	Decathlon

PROPERTY INFORMATION	
Date of Building Completion	2010
Land Tenure	Freehold
Purchase Price (€ million)	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)

AS AT 31 DECEMBER	2022	2021
Book Value / Valuation (€ million)	**11.1**	10.9
Gross Rental Income (€'000)	**642**	289
% of Total Gross Rental Income	**1.2%**	0.6%

CONCARNEAU

LEASE PROFILE	
Occupancy Rate as at 31 Dec 2022	100%
WALE (by Gross Rental Income) as at 31 Dec 2022	8.6
Number of Tenants	1
Major Tenants	Decathlon

PROPERTY INFORMATION	
Date of Building Completion	2013
Land Tenure	Freehold
Purchase Price (€ million)	2.3
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)

AS AT 31 DECEMBER	2022	2021
Book Value / Valuation (€ million)	**2.6**	2.5
Gross Rental Income (€'000)	**165**	70
% of Total Gross Rental Income	**0.3%**	0.2%

DINAN

LEASE PROFILE	
Occupancy Rate as at 31 Dec 2022	100%
WALE (by Gross Rental Income) as at 31 Dec 2022	8.6
Number of Tenants	1
Major Tenants	Decathlon

PROPERTY INFORMATION	
Date of Building Completion	2011
Land Tenure	Freehold
Purchase Price (€ million)	2.3
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)

AS AT 31 DECEMBER	2022	2021
Book Value / Valuation (€ million)	**2.6**	2.5
Gross Rental Income (€'000)	**161**	68
% of Total Gross Rental Income	**0.3%**	0.2%

PORTFOLIO OVERVIEW

DOUAI

LEASE PROFILE	
Occupancy Rate as at 31 Dec 2022	100%
WALE (by Gross Rental Income) as at 31 Dec 2022	8.6
Number of Tenants	1
Major Tenants	Decathlon

PROPERTY INFORMATION	
Date of Building Completion	1998
Land Tenure	Freehold
Purchase Price (€ million)	3.1
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)

AS AT 31 DECEMBER	2022	2021
Book Value / Valuation (€ million)	**3.5**	3.4
Gross Rental Income (€'000)	**224**	95
% of Total Gross Rental Income	**0.4%**	0.2%

DREUX

LEASE PROFILE	
Occupancy Rate as at 31 Dec 2022	100%
WALE (by Gross Rental Income) as at 31 Dec 2022	8.6
Number of Tenants	1
Major Tenants	Decathlon

PROPERTY INFORMATION	
Date of Building Completion	2004
Land Tenure	Freehold
Purchase Price (€ million)	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)

AS AT 31 DECEMBER	2022	2021
Book Value / Valuation (€ million)	**4.3**	4.2
Gross Rental Income (€'000)	**255**	108
% of Total Gross Rental Income	**0.5%**	0.2%

EVREUX

LEASE PROFILE	
Occupancy Rate as at 31 Dec 2022	100%
WALE (by Gross Rental Income) as at 31 Dec 2022	8.6
Number of Tenants	1
Major Tenants	Decathlon

PROPERTY INFORMATION	
Date of Building Completion	2000
Land Tenure	Freehold
Purchase Price (€ million)	5.5
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)

AS AT 31 DECEMBER	2022	2021
Book Value / Valuation (€ million)	**6.3**	6.1
Gross Rental Income (€'000)	**370**	174
% of Total Gross Rental Income	**0.7%**	0.4%

FOIX

LEASE PROFILE	
Occupancy Rate as at 31 Dec 2022	100%
WALE (by Gross Rental Income) as at 31 Dec 2022	8.6
Number of Tenants	1
Major Tenants	Decathlon

PROPERTY INFORMATION	
Date of Building Completion	2000
Land Tenure	Freehold
Purchase Price (€ million)	4.0
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)

AS AT 31 DECEMBER	2022	2021
Book Value / Valuation (€ million)	**4.5**	4.4
Gross Rental Income (€'000)	**325**	127
% of Total Gross Rental Income	**0.6%**	0.3%

PORTFOLIO OVERVIEW

GAP

LEASE PROFILE	
Occupancy Rate as at 31 Dec 2022	100%
WALE (by Gross Rental Income) as at 31 Dec 2022	8.6
Number of Tenants	1
Major Tenants	Decathlon

PROPERTY INFORMATION	
Date of Building Completion	1995
Land Tenure	Freehold
Purchase Price (€ million)	4.0
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)

AS AT 31 DECEMBER	2022	2021
Book Value / Valuation (€ million)	**4.5**	4.4
Gross Rental Income (€'000)	**276**	118
% of Total Gross Rental Income	**0.5%**	0.3%

ISTRES

LEASE PROFILE	
Occupancy Rate as at 31 Dec 2022	100%
WALE (by Gross Rental Income) as at 31 Dec 2022	8.6
Number of Tenants	1
Major Tenants	Decathlon

PROPERTY INFORMATION	
Date of Building Completion	2011
Land Tenure	Freehold
Purchase Price (€ million)	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)

AS AT 31 DECEMBER	2022	2021
Book Value / Valuation (€ million)	**4.2**	4.2
Gross Rental Income (€'000)	**257**	112
% of Total Gross Rental Income	**0.5%**	0.2%

LANNION

LEASE PROFILE	
Occupancy Rate as at 31 Dec 2022	100%
WALE (by Gross Rental Income) as at 31 Dec 2022	8.6
Number of Tenants	1
Major Tenants	Decathlon

PROPERTY INFORMATION	
Date of Building Completion	2012
Land Tenure	Freehold
Purchase Price (€ million)	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)

AS AT 31 DECEMBER	2022	2021
Book Value / Valuation (€ million)	**4.7**	4.6
Gross Rental Income (€'000)	**286**	121
% of Total Gross Rental Income	**0.6%**	0.3%

LAVAL

LEASE PROFILE	
Occupancy Rate as at 31 Dec 2022	100%
WALE (by Gross Rental Income) as at 31 Dec 2022	8.6
Number of Tenants	1
Major Tenants	Decathlon

PROPERTY INFORMATION	
Date of Building Completion	2001
Land Tenure	Freehold
Purchase Price (€ million)	5.3
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)

AS AT 31 DECEMBER	2022	2021
Book Value / Valuation (€ million)	**6.3**	6.1
Gross Rental Income (€'000)	**354**	168
% of Total Gross Rental Income	**0.7%**	0.4%

PORTFOLIO OVERVIEW

MÂCON

LEASE PROFILE	
Occupancy Rate as at 31 Dec 2022	100%
WALE (by Gross Rental Income) as at 31 Dec 2022	8.6
Number of Tenants	1
Major Tenants	Decathlon

PROPERTY INFORMATION	
Date of Building Completion	1994
Land Tenure	Freehold
Purchase Price (€ million)	7.7
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)

AS AT 31 DECEMBER	2022	2021
Book Value / Valuation (€ million)	**9.2**	9.0
Gross Rental Income (€'000)	**576**	243
% of Total Gross Rental Income	**1.1%**	0.5%

PONT-AUDEMER

LEASE PROFILE	
Occupancy Rate as at 31 Dec 2022	100%
WALE (by Gross Rental Income) as at 31 Dec 2022	8.6
Number of Tenants	1
Major Tenants	Decathlon

PROPERTY INFORMATION	
Date of Building Completion	2000
Land Tenure	Freehold
Purchase Price (€ million)	1.6
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)

AS AT 31 DECEMBER	2022	2021
Book Value / Valuation (€ million)	**1.9**	1.9
Gross Rental Income (€'000)	**191**	50
% of Total Gross Rental Income	**0.4%**	0.1%

PONTIVY

LEASE PROFILE	
Occupancy Rate as at 31 Dec 2022	100%
WALE (by Gross Rental Income) as at 31 Dec 2022	8.6
Number of Tenants	1
Major Tenants	Decathlon

PROPERTY INFORMATION	
Date of Building Completion	2012
Land Tenure	Freehold
Purchase Price (€ million)	2.2
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)

AS AT 31 DECEMBER	2022	2021
Book Value / Valuation (€ million)	**2.5**	2.5
Gross Rental Income (€'000)	**164**	70
% of Total Gross Rental Income	**0.3%**	0.2%

SABLES D'OLONNE

LEASE PROFILE	
Occupancy Rate as at 31 Dec 2022	100%
WALE (by Gross Rental Income) as at 31 Dec 2022	8.6
Number of Tenants	1
Major Tenants	Decathlon

PROPERTY INFORMATION	
Date of Building Completion	2014
Land Tenure	Freehold
Purchase Price (€ million)	3.3
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)

AS AT 31 DECEMBER	2022	2021
Book Value / Valuation (€ million)	**3.4**	3.3
Gross Rental Income (€'000)	**281**	93
% of Total Gross Rental Income	**0.5%**	0.2%

PORTFOLIO OVERVIEW

SARREBOURG

LEASE PROFILE	
Occupancy Rate as at 31 Dec 2022	100%
WALE (by Gross Rental Income) as at 31 Dec 2022	8.6
Number of Tenants	1
Major Tenants	Decathlon

PROPERTY INFORMATION	
Date of Building Completion	2012
Land Tenure	Freehold
Purchase Price (€ million)	2.7
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)

AS AT 31 DECEMBER	2022	2021
Book Value / Valuation (€ million)	**3.1**	3.0
Gross Rental Income (€'000)	**202**	86
% of Total Gross Rental Income	**0.4%**	0.2%

SENS

LEASE PROFILE	
Occupancy Rate as at 31 Dec 2022	100%
WALE (by Gross Rental Income) as at 31 Dec 2022	8.6
Number of Tenants	1
Major Tenants	Decathlon

PROPERTY INFORMATION	
Date of Building Completion	2009
Land Tenure	Freehold
Purchase Price (€ million)	3.1
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)

AS AT 31 DECEMBER	2022	2021
Book Value / Valuation (€ million)	**3.6**	3.6
Gross Rental Income (€'000)	**201**	97
% of Total Gross Rental Income	**0.4%**	0.2%

VERDUN

LEASE PROFILE	
Occupancy Rate as at 31 Dec 2022	100%
WALE (by Gross Rental Income) as at 31 Dec 2022	8.6
Number of Tenants	1
Major Tenants	Decathlon

PROPERTY INFORMATION	
Date of Building Completion	1997
Land Tenure	Freehold
Purchase Price (€ million)	3.0
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)

AS AT 31 DECEMBER	2022	2021
Book Value / Valuation (€ million)	**3.2**	3.2
Gross Rental Income (€'000)	**219**	93
% of Total Gross Rental Income	**0.4%**	0.2%

VICHY

LEASE PROFILE	
Occupancy Rate as at 31 Dec 2022	100%
WALE (by Gross Rental Income) as at 31 Dec 2022	8.6
Number of Tenants	1
Major Tenants	Decathlon

PROPERTY INFORMATION	
Date of Building Completion	2002
Land Tenure	Freehold
Purchase Price (€ million)	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)

AS AT 31 DECEMBER	2022	2021
Book Value / Valuation (€ million)	**4.3**	4.2
Gross Rental Income (€'000)	**278**	117
% of Total Gross Rental Income	**0.6%**	0.3%

PORTFOLIO OVERVIEW

31 DECEMBER 2022

GROSS RENTAL INCOME FOR FY2022	TOTAL LETTABLE AREA	CAR PARK SPACES	OCCUPANCY RATE
€11.2m	79,097 sqm	496	100 %

BERLIN CAMPUS

- Berlin 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.
- Berlin Campus 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.
- Berlin Campus has been occupied by Deutsche Rentenversicherung Bund ("DRV") since its construction in 1994 and is connected by two bridges to the neighbouring property, which is also partly occupied by DRV.
- There are currently six other small retail/office tenants on the ground floor.

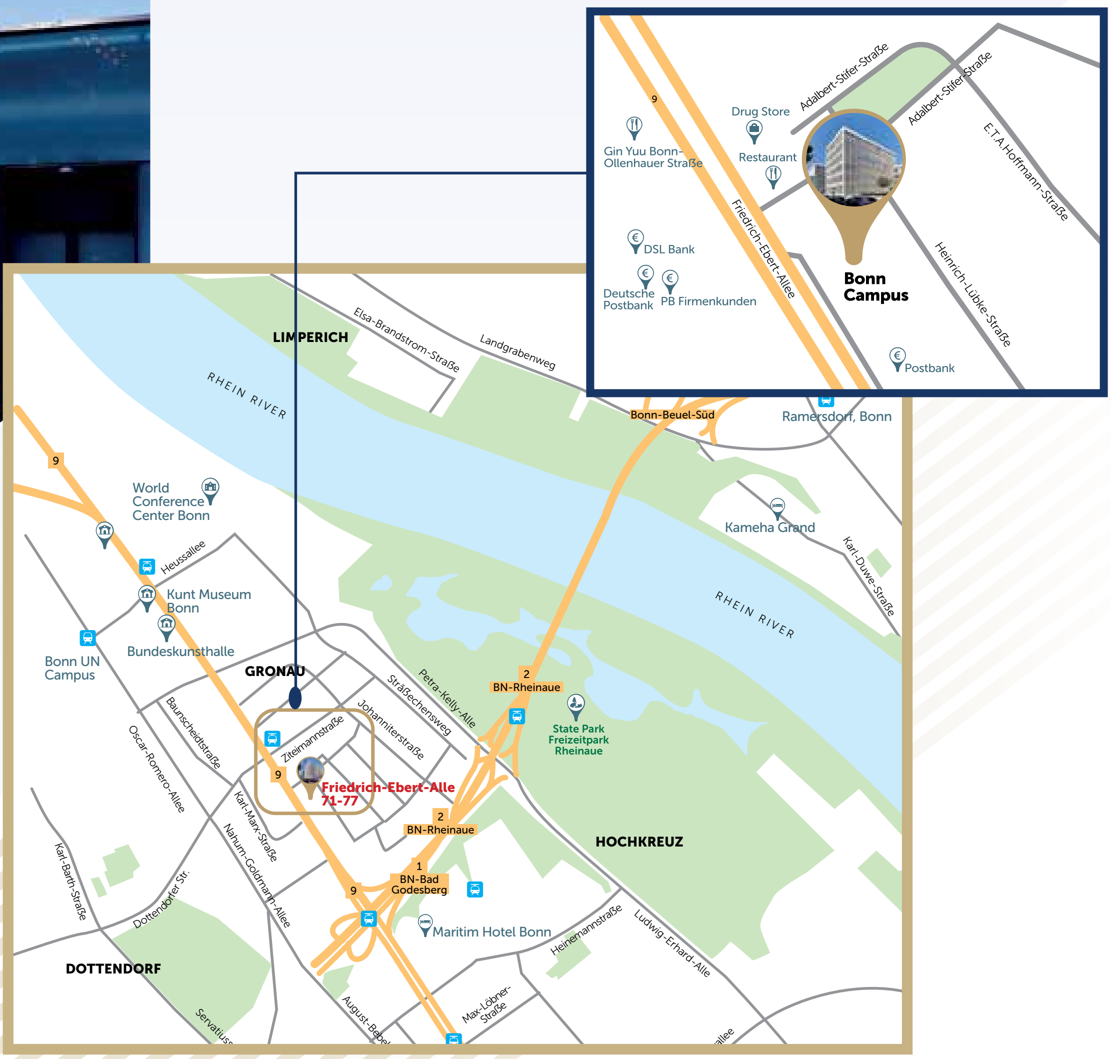
PORTFOLIO OVERVIEW

31 DECEMBER 2022

GROSS RENTAL INCOME FOR FY2022	TOTAL LETTABLE AREA	CAR PARK SPACES	OCCUPANCY RATE
€7.7m	32,736 sqm	652	100 %

BONN CAMPUS

- Centrally located in Bonn's prime office area Bundesviertel (federal quarter), Bonn Campus is well connected to public transportation with the nearest underground train station, U-Bahn, only 100m away.
- Built to suit for Deutsche Telekom, Bonn Campus is connected by a pedestrian bridge to the global headquarters of Deutsche Telekom, located directly opposite the property.
- The U-shaped property comprises four connected buildings, each with three to five upper floors, which can easily be sub-divided into smaller offices or self-contained units.
- Built to high office specifications, with extensive and state-of-the-art technical equipment, Bonn Campus 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.



PORTFOLIO OVERVIEW

31 DECEMBER 2022

GROSS RENTAL INCOME FOR FY2022	TOTAL LETTABLE AREA	CAR PARK SPACES	OCCUPANCY RATE
€5.2m	30,371 sqm	363	0 %

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.
- Darmstadt Campus has been vacant since December 2022 with the departure of its sole tenant, Deutsche Telekom. The Manager is currently in advanced discussions with a few potential tenants for leases at the property.

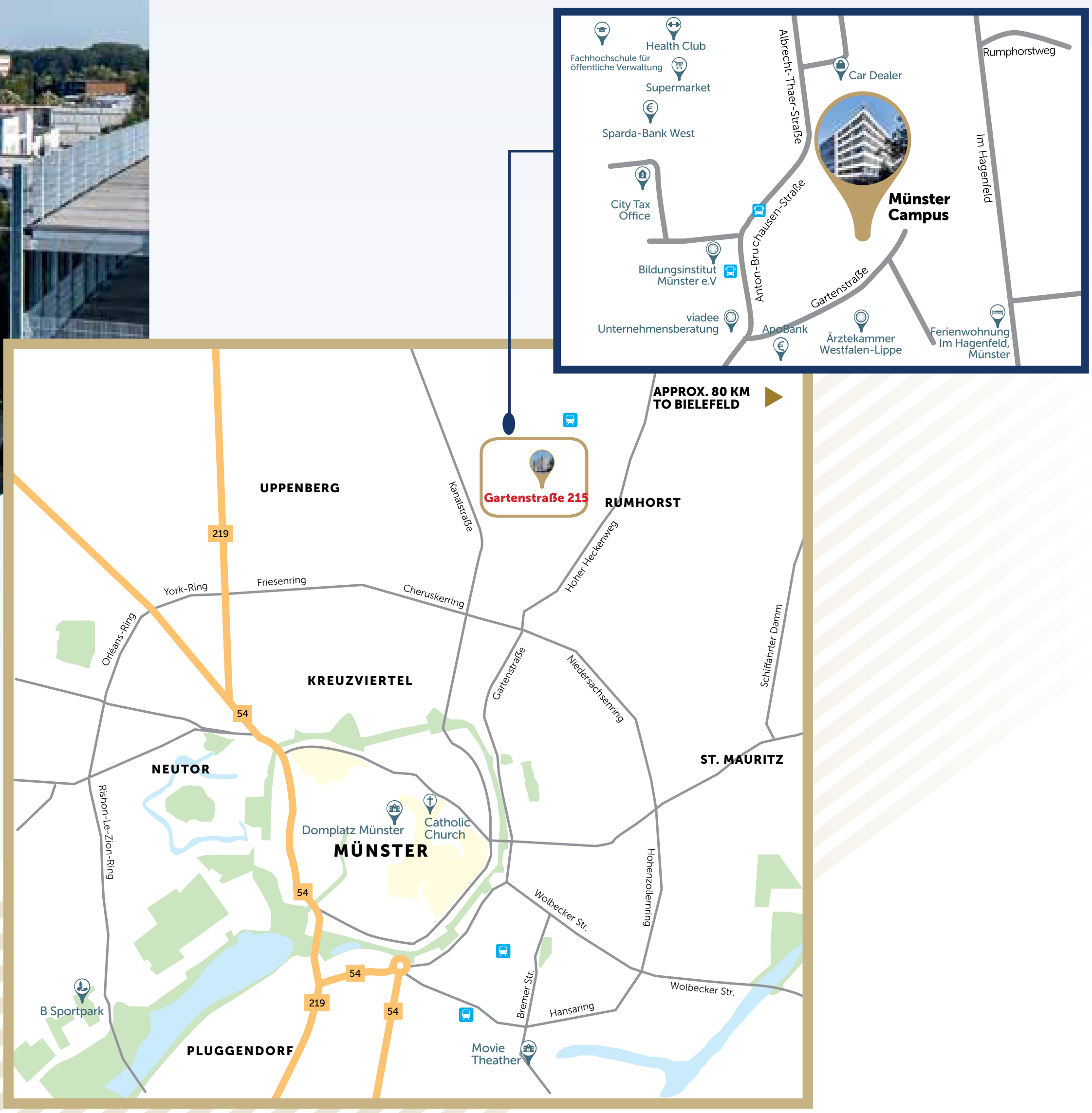
PORTFOLIO OVERVIEW

31 DECEMBER 2022

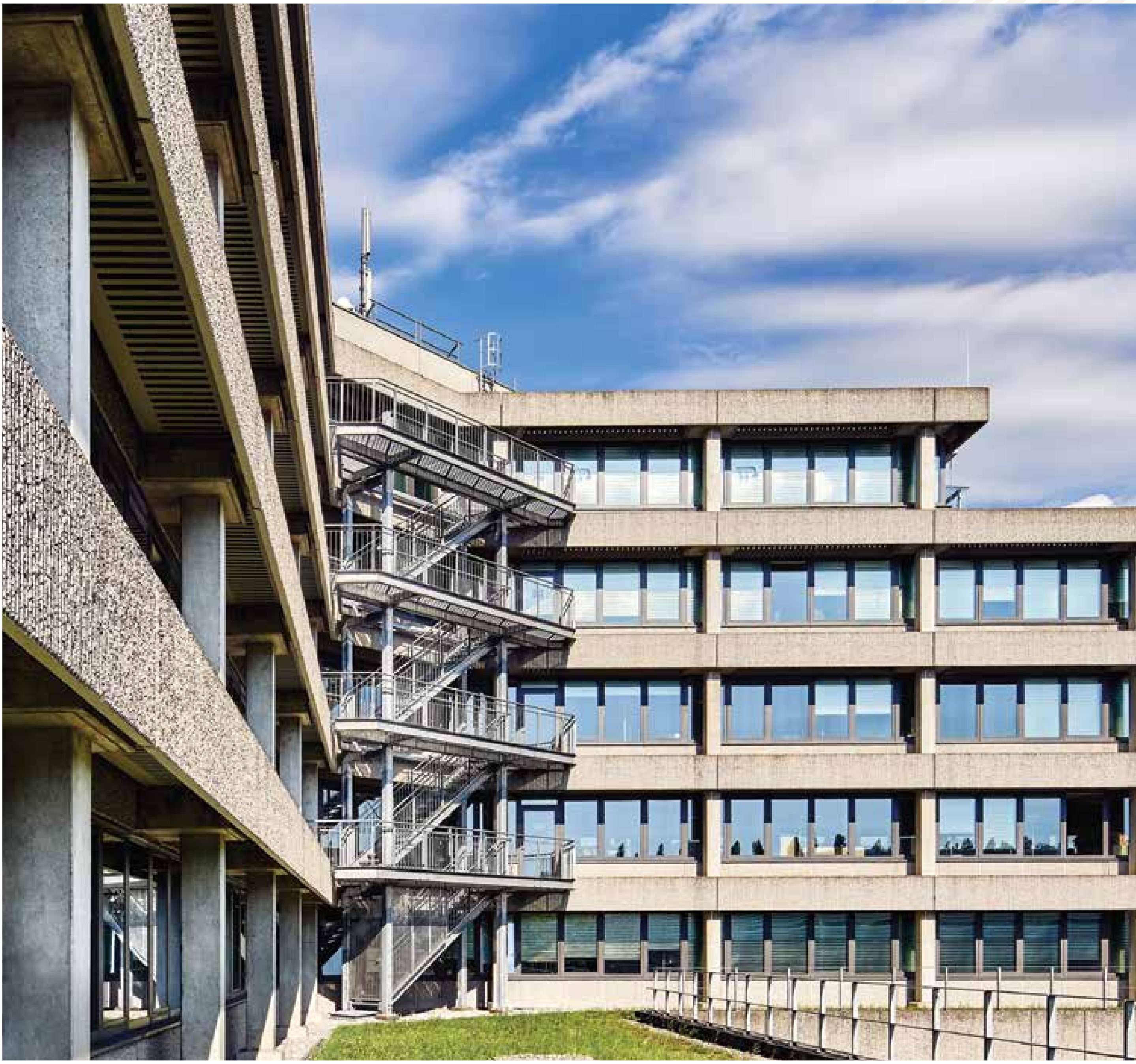
GROSS RENTAL INCOME FOR FY2022	TOTAL LETTABLE AREA	CAR PARK SPACES	OCCUPANCY RATE
€3.4m	27,487 sqm	588	95.7%

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.



PORTFOLIO OVERVIEW



31 DECEMBER 2022

GROSS RENTAL INCOME FOR FY2022	TOTAL LETTABLE AREA	CAR PARK SPACES	OCCUPANCY RATE
€5.0m	31,412 sqm	572	98.6%

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.

PORTFOLIO OVERVIEW

31 DECEMBER 2022

GROSS RENTAL INCOME FOR FY2022	TOTAL LETTABLE AREA	CAR PARK SPACES	OCCUPANCY RATE
€3.2m	25,112 sqm	633	89.0%

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.

PORTFOLIO OVERVIEW

31 DECEMBER 2022

GROSS RENTAL INCOME FOR FY2022	TOTAL LETTABLE AREA	CAR PARK SPACES	OCCUPANCY RATE
€2.4m	20,922 sqm	310	83.5%

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 5km 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 2.7m up to 4m 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 13 tenants.

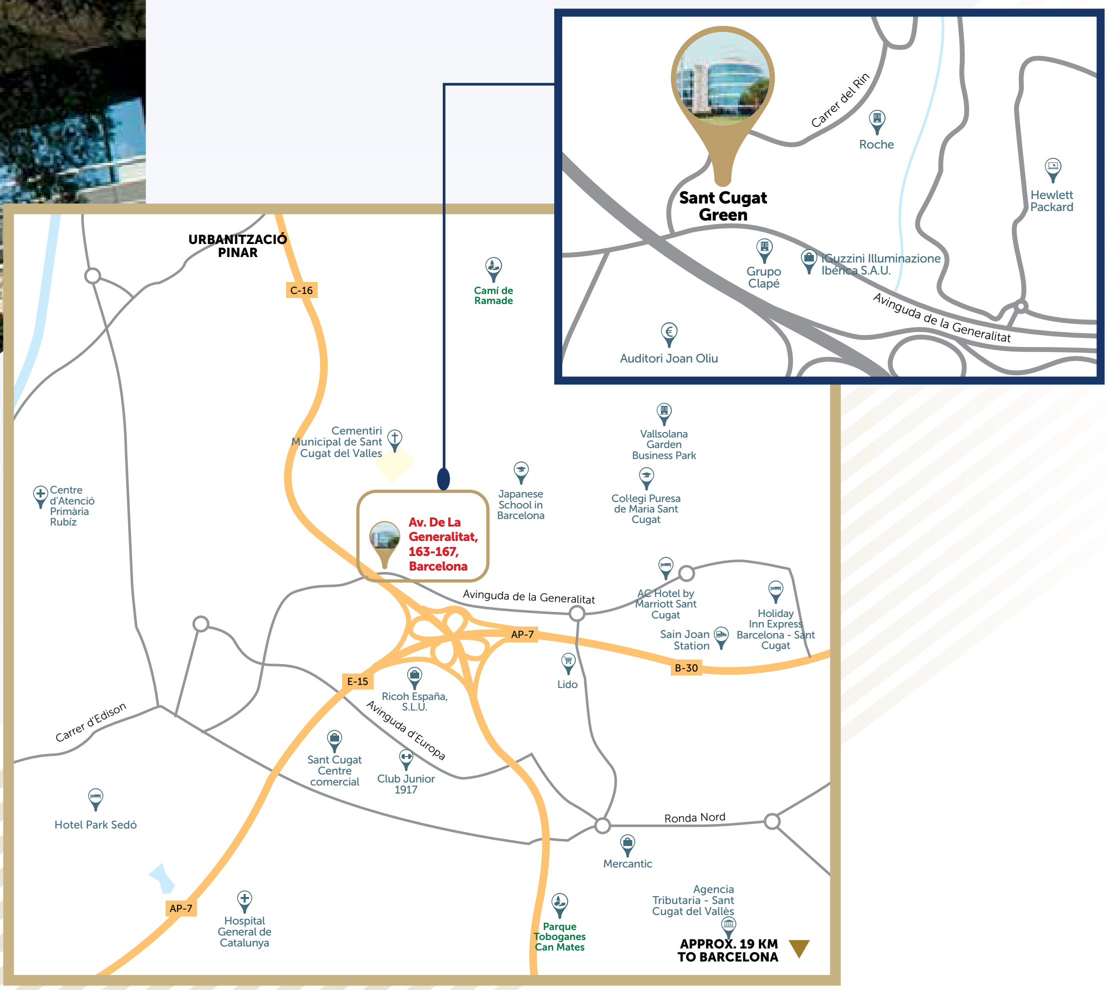
PORTFOLIO OVERVIEW

31 DECEMBER 2022

GROSS RENTAL INCOME FOR FY2022	TOTAL LETTABLE AREA	CAR PARK SPACES	OCCUPANCY RATE
€3.5m	26,134 sqm	580	97.2%

SANT CUGAT GREEN

- Sant Cugat Green is a modern office building in Barcelona with a 5,256 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 become the main local office for DXC Technology (spin-off from Hewlett-Packard).
- In 2022, a 12-year major new lease for the vacant data centre space was secured at the property, bringing up the occupancy rate of the property to 97.2% as at 31 December 2022 from 77.1% a year ago.



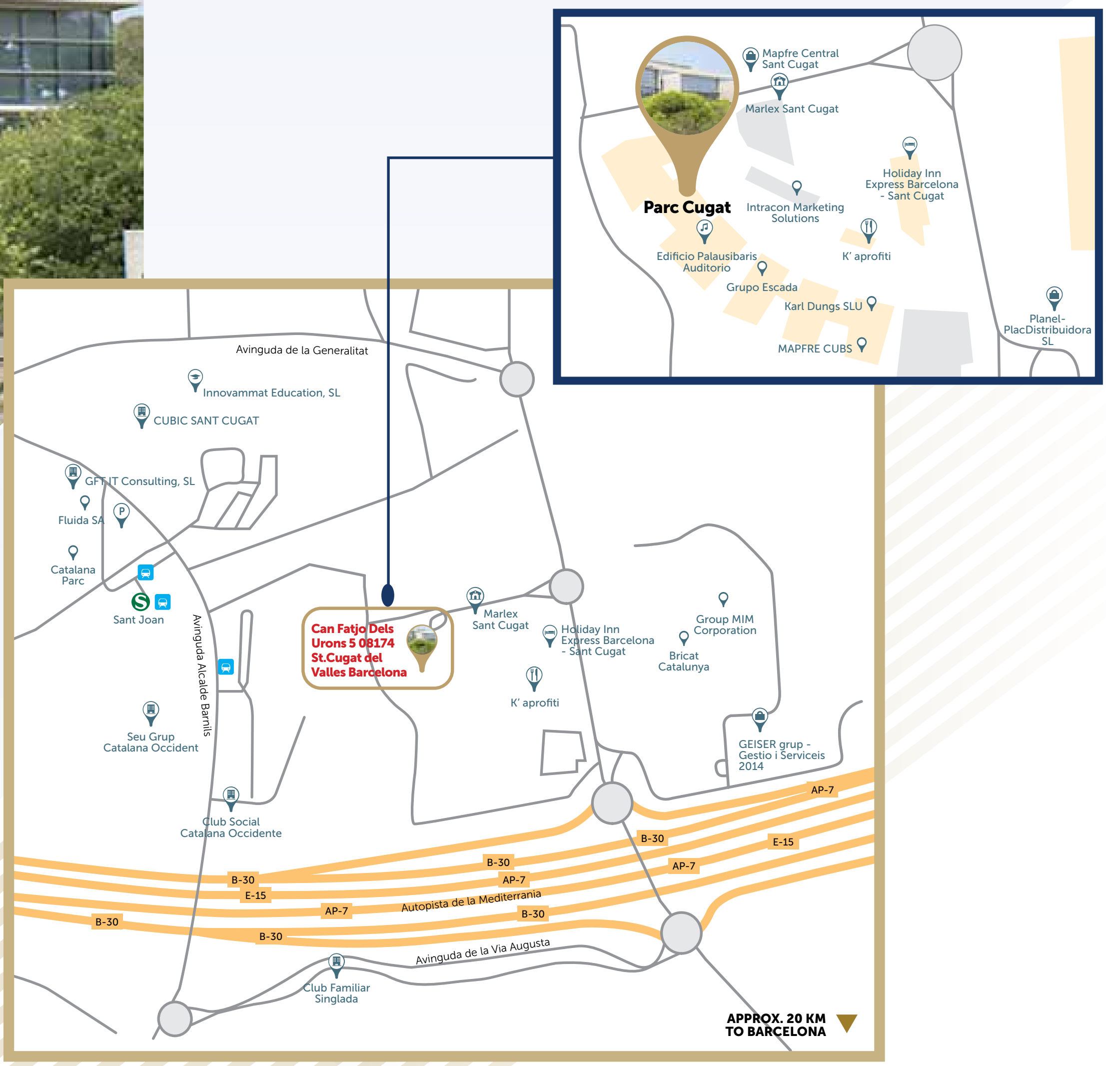
PORTFOLIO OVERVIEW

31 DECEMBER 2022

GROSS RENTAL INCOME FOR FY2022	TOTAL LETTABLE AREA	CAR PARK SPACES	OCCUPANCY RATE
€2.1m	15,511 sqm	442	61.0%

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 services 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 building 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 with more than 2,000 sqm. Parc Cugat is LEED Silver certified.
- Sant Cugat is an attractive periphery office submarket within the metropolitan area of Barcelona. This has attracted several well-known companies to be situated in the area.
- Parc Cugat is currently multi-tenanted and leased to a number of important international companies, such as IBM and Markem Imaje (global manufacturer and distributor specialised in products for the packaging industry).



PORTFOLIO OVERVIEW

MÂCON

BELFORT BESSONCOURT

LANNION


DINAN


CHÂTEAUROUX

DREUX

VERDUN

SARREBOURG

CALAIS

ABBEVILLE


CERGY

PONT-AUDEMER

CHÂTELLERAULT

FOIX

LAVAL

SABLES D'OLONNE

GAP

SENS

ISTRES

BERGERAC

31 DECEMBER 2022

GROSS RENTAL INCOME FOR FY2022	TOTAL LETTABLE AREA	CAR PARK SPACES	OCCUPANCY RATE
€8.0m	95,500 sqm	7,409	100%

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 7,409 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 over 1,700 stores in 60 countries.
- The properties were developed by Decathlon and have been owner-occupied for approximately 15 years on average. 15 properties under the French Portfolio have received Building Research Establishment Environmental Assessment Method ("BREEAM") green certifications by BRE Group, with the remaining 12 properties on track to attain their certifications by the first quarter of 2023.

AURILLAC

Vichy

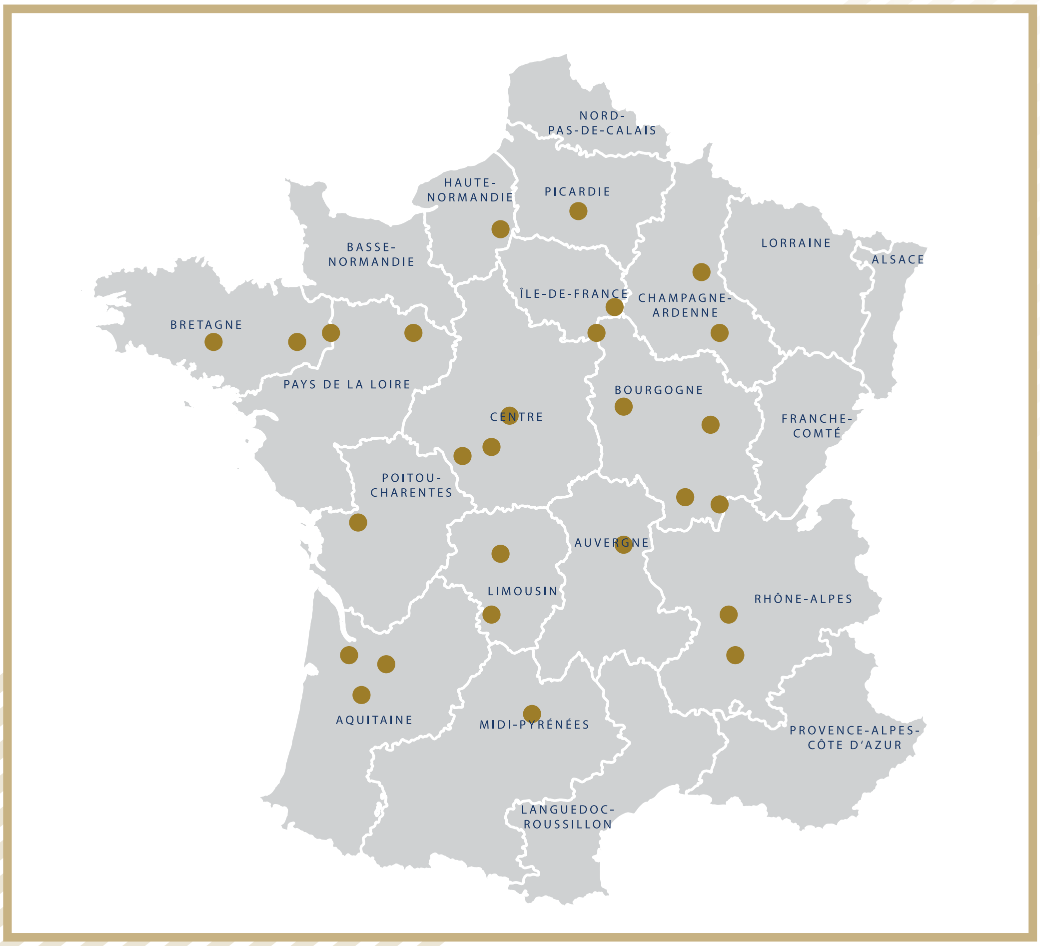
PONTIVY

CONCARNEAU

DOUAI

CHOLET

EVREUX



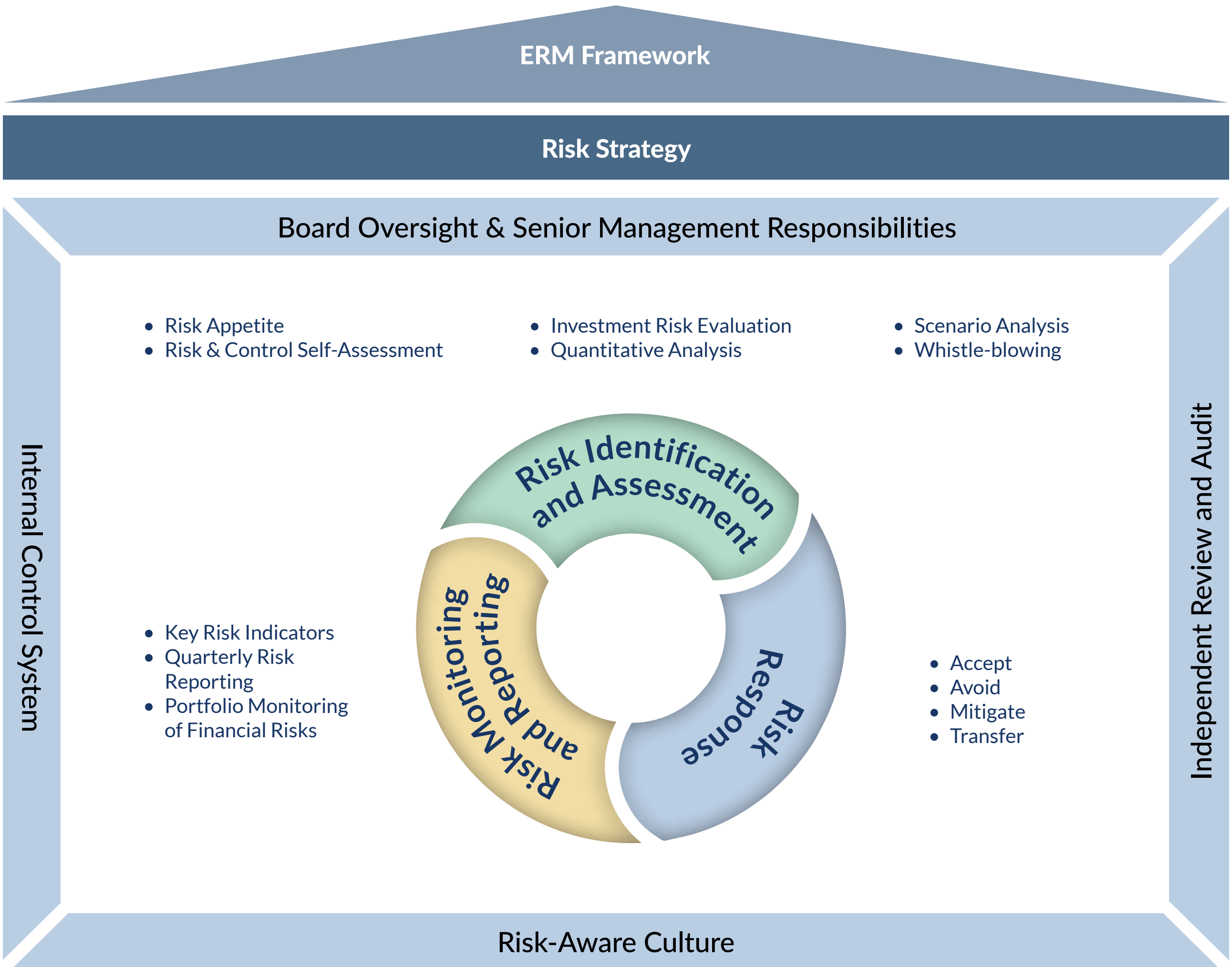
RISK MANAGEMENT

ENTERPRISE RISK MANAGEMENT FRAMEWORK

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

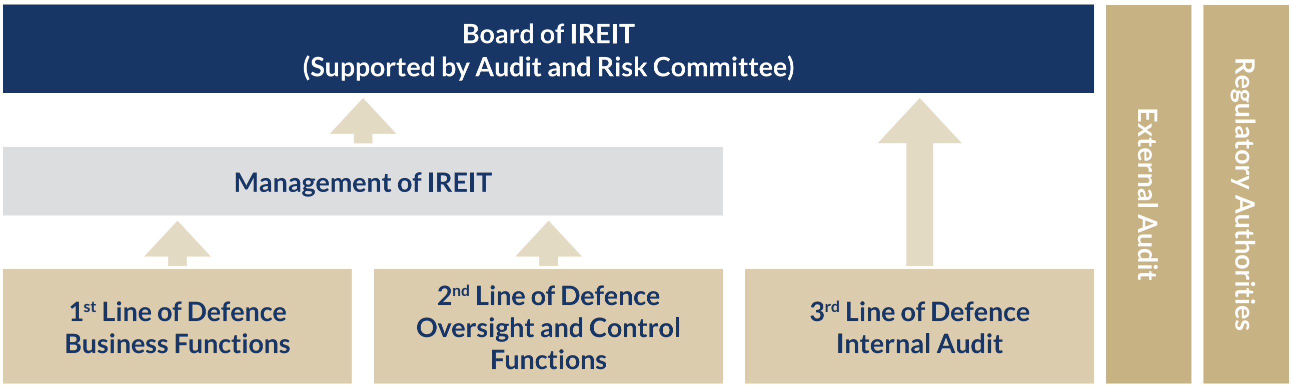
The Manager has established a risk management strategy which is aligned with the overall business objectives and strategy of IREIT and pursues a risk strategy of opportunity optimisation within the approved risk appetite levels, instead of risk minimisation, to position IREIT for long-term sustainable results.

The ERM Framework is reviewed annually to ensure its continued relevance and practicality. It sets out the required environmental and organisational components needed to identify, assess, respond, monitor and report material risks in an integrated, systematic and consistent manner as shown below:



The Manager's 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 Board approves IREIT's risk appetite, which articulates IREIT's risk tolerance levels for the material risks that it is prepared to accept in achieving its strategic and business objectives. The ERM framework seeks to manage such risks within the approved risk appetite and tolerance levels.

The Board also oversees the ERM Framework, reviews IREIT's risk profile, material risks and mitigation strategies, and ensures the adequacy and effectiveness of the risk management framework and policies.



- 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.

DEVELOPING A STRONG RISK-AWARE CULTURE

The Manager works closely with the various specialist support functions to ensure risk management practices are implemented consistently. The Management team reinforces the risk-aware culture by setting the 'tone at the top' and lead by example and communicates the risk strategy to all staff within the organisation.

MANAGING KEY RISKS

A risk and control self-assessment ("RCSA") is conducted annually to identify the material risks, including new and emerging events, that IREIT faces in delivering business and strategic objectives, the mitigating measures that IREIT may adopt and the opportunities available for IREIT. 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 considered to identify these risks. The Manager then assesses their likelihood and impact on the business, as well as establishes corresponding mitigating controls.

The key risks described below are not the only risks that IREIT faces. Additional risks and uncertainties 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	- 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	- 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 City Developments Limited - The Board reviews and approves all investment and divestment decisions

RISK MANAGEMENT

Key Risks	Details	Key Mitigating Actions
Economic and Market	- 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	- 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
Diversification strategy	- Excessive concentration of assets by country, sector and tenant may lead to negative impact on financial performance	- 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	- Failure of tenant to meet lease payment obligations when due, causing financial loss	- 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	- 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	- 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 Fund Appendix - Maintain strong relationships with financial institutions and investors
Interest Rate and Foreign Exchange	- Interest rate fluctuations leading to volatility in financing costs - Foreign exchange rate fluctuations leading to realised or unrealised foreign exchange losses	- Maintain an appropriate mix of fixed and floating rate borrowings - Mitigate interest rate risk exposure using derivative financial instruments for hedging - 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 forward exchange contracts where appropriate, to manage foreign exchange risk
Operational Risks		
Pandemic	- 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	- 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
Property Damage / Business Interruption	- 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	- 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 properties to manage the situation - Ensure adequate insurance coverage for insurable risks
Property Management	- 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	- 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
Sales & Leasing	- Strong competition, poor economic and market conditions are some key factors that could result in key tenants not renewing their leases, adversely affecting the leasing performance of IREIT's properties	- Establish and maintain a diversified tenant base and sustainable trade mix - Proactive tenant management strategies to understand and address customers' changing needs - Plan Asset Enhancement Initiatives to maintain relevance and appeal of IREIT's assets
Compliance Risks		
Regulatory	- Non-compliance with applicable laws and regulations in the relevant jurisdictions that IREIT operates, resulting in adverse financial and non-financial impact	- 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 and reported to ARC and the Board
Information Technology Risks		

Information Technology ("IT") and Cyber Security	- 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
		- The information technology function is outsourced to Tikehau Investment Management "TIM", a wholly owned subsidiary of Tikehau Capital. Management ensures that TIM has policies and procedures in place to manage IT risks, including the following:
		  - 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

Environment		

Climate Change	- Physical risks such as rising sea levels, violent storms, long intense heat waves, flash floods and fresh water depletion.
	- Transition risks include potentially more stringent regulations and increased expectations from stakeholders
		- Assessment of physical risks in the assessment of any new acquisitions
		- Regularly review IREIT's mitigation and adaptation efforts, which include:
		  - Future proofing our portfolio against changing climatic conditions from the design stage
		  - Improving the operational efficiency of our properties
		  - Setting targets for carbon emissions, water, energy and waste efficiency

LEVERAGING ON LOCAL PRESENCE

TAPPING ON THE EXTENSIVE EXPERIENCE AND NETWORK OF JOINT SPONSORS

PORTFOLIO VALUATION

€950.5m

Supported by the long-term commitment of its joint sponsors, Tikehau Capital and City Developments Limited, IREIT provides Unitholders a unique platform into the European real estate market that harnesses the collective strengths, strong brand name and intricate local market knowledge of its two sponsors.

With both joint sponsors owning approximately 50% stake in IREIT, they share the same vision to grow IREIT, while keeping full aligned with minority Unitholders' interests to deliver regular and stable distributions.


CATHLON
ABBEVILLE
ENTRÉE

SUSTAINABILITY REPORT

BOARD STATEMENT

[GRI 2-22]

We are pleased to present IREIT Global's ("IREIT") sustainability report for the financial year ended 31 December 2022 ("FY2022"). This report is IREIT's sixth sustainability report and represents IREIT's continual efforts to strengthen its sustainability performance.

As a real estate investment trust, IREIT is responsible for maintaining and upgrading the sustainability standards of its properties in Europe. The disruption to societies, businesses and economic systems, globally, as a result of the COVID-19 pandemic, has further brought Environmental, Social and Governance ("ESG") issues to the forefront and reiterated their significance. As the world enters a post pandemic chapter, IREIT recommits to take active measures for the benefit of its key stakeholders, including its investors, employees, and tenants, and others. We have diligently assessed the material ESG factors for IREIT's business in order to implement relevant tangible solutions. We have been progressively identifying the climate-related risks IREIT is exposed to in its operations and investments to adopt prompt mitigating actions. At the same time, we continue to proliferate IREIT's sustainability objectives and goals, valuing its duty as a responsible real estate owner and investor.

During FY2022, a key focus for IREIT was ensuring alignment with the relevant sustainability regulatory regimes and standards that are applicable to the organisation. IREIT's manager, IREIT Global Group Pte. Ltd. ("the Manager") is a licensed real estate investment manager in Singapore and thus falls under the purview of the Monetary Authority of Singapore ("MAS") Environmental Risk Management Guidelines for Asset Managers. In 2022, IREIT engaged an external consultant to perform a gap analysis for the organisation's existing environmental risk management practices, against the MAS Guidelines and adopted a progressive implementation plan to guide IREIT's commitments as it continues to enhance and reiterate its environmental risk management approach. As a listed REIT on the Singapore Exchange Securities Trading Limited ("SGX-ST"), IREIT also embraced the updated SGX-ST listing requirements, including the climate-related disclosure requirements in line with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"). Thus, this is IREIT's first TCFD report, which we intend to publish and build on, on an annual basis.

IREIT prepares its sustainability report taking guidance from the standards of the Global Reporting Initiative ("GRI") which were updated in 2021. Our sustainability report is prepared with reference to the updated GRI Standards including GRI's revised definition of materiality. IREIT appreciates GRI's focus on external impact to the economy, environment and people, including human rights, and has refreshed the organisation's materiality assessment in FY2022 to take into consideration both actual, potential, negative and positive impacts. The Board of Directors (the "Board") was involved in the review of the materiality assessment process and provided inputs and validation for material ESG factors that have been identified for IREIT. The Board will oversee the strategic direction that IREIT takes with regards to each of the material topics, including the targets it sets for the coming years, and will ensure that IREIT adopts a progressive approach towards each of the topics. The Board is supported by the efforts of the Sustainability Steering Committee ("SSC") to which it has delegated the responsibility of managing the day-to-day implementation of IREIT's sustainability initiatives. The SSC comprises of senior management from the Manager as well as management-level representatives from Tikehau Capital, one of the two joint sponsors. Additionally, IREIT also leverages on the sustainability practice of its other joint sponsor, City Developments Limited ("CDL"), a pioneering organisation in the field of sustainability.

The Board would like to thank all its key stakeholders for their continued support in our sustainability efforts. Looking forward, IREIT will continue to step up its efforts towards achieving its ESG targets and aspirations. This includes solidifying its greenhouse gas ("GHG") commitments, actively building capabilities in addressing climate-related and biodiversity risks, employing a more diverse workforce and further strengthening its internal controls. In the long-term, IREIT will persistently explore new avenues to keep up with the ESG developments in the industry and in the regions where it invests.

MR LIM KOK MIN, JOHN
Chairman and Independent Non-Executive Director

SUSTAINABILITY REPORT

ABOUT THE REPORT

[GRI 2-2, GRI 2-3, GRI 2-4]

The IREIT's sixth annual sustainability report covers ESG policies, performances, and targets of IREIT and the Manager for FY2022. The scope of reporting includes properties located in Germany, France and Spain under the IREIT's portfolio as reported in the financial statements pages 164-165.

The IREIT sustainability report has been prepared in accordance with the SGX-ST Listing Rules 711A and 711B, including climate-related disclosures according to the TCFD recommendations. The report is prepared with reference to the GRI Sustainability Reporting Standards, given GRI is a widely recognised, credible global standard for sustainability reporting.

Note: There were no restatement of information for previous reporting periods.

Internal Review

The sustainability report was approved by the Board and included in the internal audit plan for 2023. IREIT is also considering external assurance for future reporting periods.

Feedback

[GRI 2-3]

IREIT is committed to increasing transparency in its reports and welcomes any suggestions for improvement. If you have any comments or specific questions regarding the sustainability report, please reach out to us at ir@ireitglobal.com for further clarification.

2022 SUSTAINABILITY HIGHLIGHTS

- In 2022, 13 French properties received BREEAM certifications.
- Additionally, IREIT has renewed LEED certifications for 4/5 of its Spanish properties in fourth quarter of 2022.
- December 2022 – IREIT's employees participated in ESG training organised by Tikehau Capital.
- In 2022, IREIT's Board of Directors underwent sustainability (ESG) training by SGX verified providers – Singapore Institute of Directors ("SID") and REIT Association of Singapore ("REITAS").
- December 2022 – IREIT sponsored and volunteered at an event organised by Care Corner Senior Services for promoting social interaction and preventing isolation to improve seniors' quality of life.
- January 2022 – IREIT's employees participated in the "Chinese New Year Gift Pack Distribution" event organised by a local social services agency Blossom Seeds where the employees were given a list of households to visit, where they took the opportunity to check the wellbeing of senior citizens, share activities and offer them assistance.
- IREIT has defined a policy to reduce greenhouse gas emissions from its buildings, in line with the Paris Agreement and the Net Zero Asset Manager Initiative, at Tikehau Capital level.

As one of the joint sponsors of the IREIT, Tikehau Capital, believes that it has a responsibility as an alternative asset manager to allocate capital to support sustainable development in the real economy. Hence all personnel at the firm are trained on sustainable development and empowered to act and deliver its ambition to scale up thematic and impactful strategies across its four priority themes: **climate & biodiversity**, **innovation, economic development & social inclusion**, and **healthcare**. **Tikehau Sustainability University** is a platform that is dedicated to training programmes that cover ESG-related topics.

APPROACH TO SUSTAINABILITY

ESG Governance

IREIT has an established sustainability governance structure to guide its sustainability agenda and strategy, as described below:

- The Board has the ultimate oversight and accountability for its sustainability strategy and performance. The Board is responsible for approving IREIT's relevant sustainability objectives, policies, frameworks, and sustainability report, including material topics.
- The Sustainability Steering Committee, led by the CEO, comprises senior management of the Manager and ESG specialists from its sponsor, Tikehau Capital, and supports the Board and the Management in their sustainability efforts. The aim of SSC is to accomplish the sustainability commitments agreed upon with the Board by making actionable decisions relating to determined ESG risks, targets, and KPIs, furthering IREIT's sustainability practice.
- The Sustainability Working Committee ("SWC") supports the SSC, which includes representatives from IREIT's various business units – finance, asset management, investment, investor relations, compliance, and human resources – in executing the sustainability initiatives within IREIT and its joint sponsor, Tikehau Capital.

Materiality Assessment

GRI 3-1, GRI 3-2]

The SSC is responsible for identifying the material topics that are material for IREIT and the Manager. To conduct the materiality assessment, the SSC engaged with internal and external stakeholders and has used the guidance to determine material topics described in GRI 3: Material topics 2021. The process included:

- Analysed peers and industry trends to identify potential material topics.
- Prepared a long list of material topics.
- Identified the actual, potential, negative and positive impacts of each material topic.
- Scored the impacts based on their significance, considering factors such as scale[1], scope[2], irremediable character[3], and likelihood of occurrence.
- Shortlisted the final set of 11 material topics that were both most relevant and impactful to the organisation, its stakeholders, human rights, the environment, the economy and community that IREIT operates in.
- Obtained review and approval of the material topics from the Board.

IREIT continues to improve its materiality assessment process and plans to conduct external stakeholder engagement for future reporting periods.

Resulting from this process, IREIT's 11 material topics are described in the table below:

Category	Material Topics	Targets
Environment	Reducing emissions and energy consumption	1. Align by 2030 the carbon and energy intensity of French assets of more than 1,000 square meters with a trajectory compatible with limiting global warming to 1.5°C.
	Adapting to climate-related risks	1. Perform a transition risk assessment for IREIT's portfolio in France, Germany and Spain by 2025 at latest. 2. Continue to adopt measures to progress along the implementation plan developed for IREIT in response to the MAS ERM Guidelines.
	Managing water consumption	1. Continue to track water consumption data and implement relevant steps to improve water efficiency.
	Addressing biodiversity risks	1. Develop and implement a biodiversity charter in coordination with IREIT's joint sponsor Tikehau Capital in 2023. 2. Undertake proactive efforts to implement actions plan in line with the said biodiversity charter.
Social	Empowering the workforce through diversity and inclusion	1. Source for a female director in 2023 2. Maintain 0 incidents of discrimination. 3. Maintain 100% participation rate for performance approval.
	Enhancing community engagement	1. Continue to conduct CSR activities to support local communities around IREIT's operations. 2. Continue to seek investments in properties that are well-connected to public transportation.
	Improving product and service quality	1. Achieve green certification for 100% of IREIT's portfolio assets by 2023 (excluding Berlin Campus). 2. Implement a strategy to achieve certification for future acquisitions. 3. Maintain the standard of the properties within IREIT's portfolio through regular checks and onsite visits.
	Building a responsible supply chain	1. Maintain the quality of services procured by IREIT by diligently following the guidelines under the Property Management Handbook.
Governance	Adhering to laws and regulation	1. Maintain 0 incidents of non-compliance in 2023.
	Promoting ethical business and anti-corruption	1. Maintain 100% attendance rate of employees for the anti-corruption training in 2023.
	Prioritising trust and transparency	1. Maintain strong relationships with stakeholders through continued clear and consistent disclosures.

1 How adverse is the impact, e.g., whether the resulting harm is minor or the worst case possible.
2 How widespread is the impact on the basis of the area or persons affected.
3 Whether the harm on the negative impact is temporary or long lasting.

SUSTAINABILITY REPORT

The last year's material topics such as Active Ownership, Training and Education, and Talent Retention were identified based on the GRI 2016 standards and are not considered material topics for this 2022 sustainability report. The material topics for this report have instead been identified using GRI 3 under the updated GRI 2021 standards, with Diversity and Inclusion, Regulatory Compliance as well as Occupational Health and Safety continue to be material topics.

Stakeholder Engagement

[GRI 2-29]

The Manager engages with stakeholders to identify material impacts on its business, to mitigate any negative impacts, and to improve the organisation's performance in areas that are important to them. The purpose of stakeholder engagement is to ensure that the views and interests of all stakeholders are considered when making business decisions, conducting materiality assessment, and to promote transparency and accountability in the decision-making process. The Manager engages with the key stakeholders with the following engagement methods:

Key Stakeholders	Engagement methods
Tikehau Capital and CDL	• Financial results reporting • Meetings and discussions with various departments including the real estate, investor relations and corporate communication teams • Briefings on corporate developments
Unitholders	• 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	• Periodic site visits, face-to-face meetings, and telephone calls with existing and prospective tenants • Routine notices and email updates
Property Managers and Advisors	• 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	• Ongoing dialogue regarding any concerns • Annual performance reviews
Regulators	• Participation in briefings and consultation with regulators such as SGX-ST and MAS • Compliance with regulatory requirements
Local Communities	• Partnership with local organisations to engage underprivileged or disadvantaged kids, students, young entrepreneurs as well as needy seniors
Trustee	• Annual General Meeting • Email alert subscriptions via IREIT's website • Release of financial results, announcements, press releases, presentation slides and other relevant disclosures through SGXNet and IREIT's website. • Ongoing dialogue on corporate developments

ESG targets and commitments

- IREIT has launched the green certification process for four German and all its French properties and plans to complete it in the first quarter of 2023. Additionally, IREIT has successfully achieved LEED certifications for four out of its five Spanish properties in the fourth quarter of 2022, as part of its commitment to renew the certifications. The remaining Spanish property is already certified LEED Silver and the certification is due to expire in May 2024.
- One of IREIT's joint sponsors, Tikehau Capital, has committed to the Net Zero Asset Managers ("NZAM") initiative, an international group of asset managers with the common goal of supporting and investing in alignment with net zero greenhouse gas emissions, which is in line with the global efforts to limit warming to 1.5°C. As a first step, in 2022, a commitment has been made to align French assets of more than 1,000 square meters with a trajectory compatible with the Paris agreement, by 2030.

- IREIT is dedicated to making its properties and tenant services accessible to all, including vulnerable and disadvantaged individuals. To achieve this, IREIT targets investments in properties with easy access to public transportation and ensures that all office properties are disability-friendly.
- IREIT aims to appoint a suitable qualified female director in its next appointment of Director to improve the board diversity.
- The Manager has committed to allocate a charity budget for the upcoming year.
- IREIT commits to performing regular checks on its properties to maintain the quality of the buildings and update, and improve as much as possible, the green certificates' renewal requirements every three years.

ENVIRONMENT

Building resilience to climate-related risks and resource scarcity

[GRI 3-3]

The Manager acknowledges its responsibility to preserve and protect the environment in which IREIT's offices and properties operate. To this end, the Manager adopts the Sustainable Investing Charter[4] of its joint sponsor, Tikehau Capital, which outlines its approach towards the management of sustainability risks, opportunities and externalities.

Tikehau Capital recognises that in order to realise appropriate energy, water and waste savings opportunities and implement corresponding initiatives, a key first step is to obtain the relevant data. To maintain alignment with its joint sponsor's strategy, the Manager has thus constituted clauses as part of the lease agreements for the properties in France that require tenants to provide information regarding the amount of energy and water, they consume monthly, as well as the amount of waste they generate on an annually. For the properties in Spain, tenants are required to submit their energy and water consumption data as well, on an annual basis, in consequence of a clause relating to LEED certification that has been incorporated in the lease agreements.

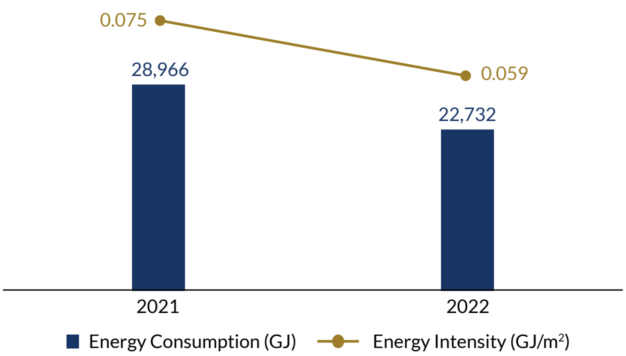
The Manager will over the coming years continue to diligently gather utility data from its tenants and monitor changes in utility consumption as a result of the sustainability initiatives the Manager implements at IREIT's properties as detailed in the subsequent sections.

Reducing emissions and energy consumption

[GRI 302-1] [GRI 302-3] [GRI 302-4]

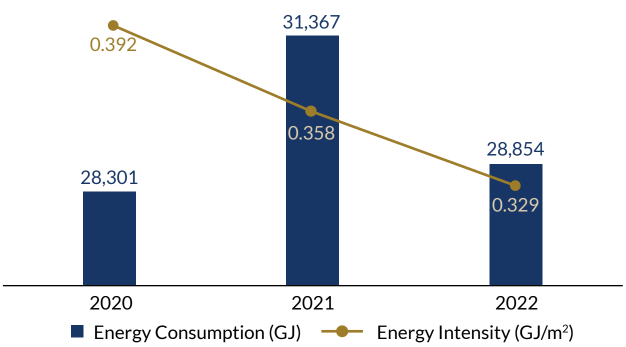
The Manager recognises that inefficient energy use in its own and tenants' operations contributes to negative environmental (e.g., greenhouse gases and air pollutant emissions), financial and business impact. Hence, the Manager considers emissions and energy reduction a priority that it will continue to act on by adopting a forward-looking approach and ensuring robust engagement on the same with its stakeholders. According to the existing leases implemented for the properties in France and Spain, energy consumption data of the tenants is collected annually whereas for the properties in Germany, energy consumption data may be collected if agreed upon between the landlord and the tenant. Going forward, the Manager will ensure that all new leases under IREIT's portfolio allow for energy consumption data to be collected.

Energy Consumption and Intensity for France



The France properties were only acquired in 2021. Hence, there is no data available for 2020.

Energy Consumption and Intensity for Spain



The energy consumption and intensity data for 2020 does not account for the Spanish property, Parc Cugat, as it was not part of IREIT's portfolio at the time.

Total energy consumption at IREIT's properties in Spain saw an 8% decline in 2022 from 2021 due to a change in the occupancy of some assets and the actions implemented to reduce energy consumption.

In early 2022, the Manager, through Tikehau Capital, also engaged an environmental and real estate expert to perform a carbon footprint assessment of all 37 assets in IREIT's portfolio as of 31 December 2021. The Manager considers this the baseline carbon footprint assessment for IREIT's portfolio. Scope 1, 2 and 3 emissions were measured using the GHG Protocol methodology for all of IREIT's portfolio assets across Spain, France and Germany.

4 For more information, please refer to publicly available Sustainable Investing Charter as of November 2022: https://www.tikehaucapital.com/~/media/Files/T/Tikehau-Capital/publications/ri-charter-en-2017-12-06.pdf

SUSTAINABILITY REPORT

Scope 1, 2 and 3 Calculation for 2021 Baseline Carbon Footprint Assessment

Scope 1	Scope 2	Scope 3
• Direct emissions from stationary combustion sources, such as gas and oil consumption in common areas • Direct fugitive emissions, such as refrigerant leaks	• Indirect emissions related to electricity consumption in common areas • Indirect emissions related to the consumption of cold or hot steam generated by centralised heating and ventilation systems in urban networks	• Indirect emissions related to energy consumption by tenants

Results of 2021 Baseline Carbon Footprint Assessment

Number of Assets	Total Area
37	384,282 m^2

Total GHG Emissions	GHG Intensity
25,945 tCO_2eq	68 $kgCO_2/m^2$

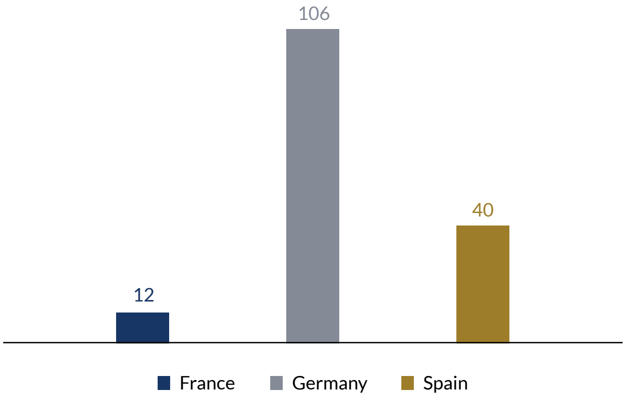
Scope 1, 2 and 3 Total GHG Emissions (tCO_2eq)

Scope 1	Scope 2		Scope 3
4,068	Germany	5,216	15,980
	Spain	585	
	France	96	

Total Scope 1, 2 and 3 GHG Emissions (tCO_2eq)

	Scope 1	Scope 2	Scope 3
France	676	96	386
Germany	2,868	5,216	13,256
Spain	524	585	2,338
Sub-Total	4,068	5,897	15,980
Grand Total	25,945		

GHG Intesity per Country



The differences in GHG intensity mainly reflect the differences between the GHG intensity of the electricity grids in France, Germany and Spain as different energy sources (coal, nuclear, gas, etc) are used in each of the three countries.

Hence, the differences in GHG intensity reflect the specificities of each portfolio. For instance, in France, the intensity of IREIT's retail assets is lower than the benchmark intensity of 16.9 kgCO2eq/m^2 for France, as the retail buildings that form a part of IREIT's portfolio are relatively new and are powered solely by grid electricity, not gas, whereas for the office assets in Spain, the lower GHG intensity can be explained by multiple factors including the recent construction or renovation of the buildings, the presence of energy efficient equipment such as heat pumps, etc.

As part of its commitment to responsibly manage GHG consumption, IREIT has and will continue to implement measures to manage IREIT's GHG emissions as deemed necessary and economically feasible. IREIT's portfolio has three properties across Germany, France and Spain that are equipped with solar panels. Furthermore, 33% of the properties across France are currently utilising solar powered hot water tanks, thermal solar panels or solar water heating to produce hot water for domestic use.

Above: Solar panels installed at Darmstadt Campus

To ensure effective management and reduction of GHG emissions, the Manager has set a target to reduce emissions by 40% by 2030 at least for the French portfolio (tertiary decree). In order to meet the target, the Manager will conduct energy audits and implement other relevant plans to reduce energy consumption of the tenants.

Adapting to climate-related risks

[GRI 2-13, 2-16]

The Manager is committed to adopting a proactive stand towards the adaptation and mitigation of climate-related risks, including physical and transition risks.

At the end of 2020, IREIT's joint sponsor, Tikehau Capital engaged an environmental expert to perform a first carbon footprint and climate-related physical risk assessment of the IREIT's portfolio.

In March 2021, Tikehau Capital, joined the Net Zero Asset Managers ("NZAM") initiative, an international group of asset managers (representing circa US$60 trillion) committed to supporting the goal of net zero greenhouse gas emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5 °C. In the context of this commitment, Tikehau Capital will publish in March 2023, emission reduction targets for its investments using the most appropriate target methodology for each asset class. For real estate, alignment of carbon and energy intensity with the CRREM (Carbon Risk Real Estate Monitor) v1 pathways appear to be the most relevant. As a first step, in 2022, a commitment has been made to align by 2030 the carbon and energy intensity of French assets of more than 1,000 square meters with a trajectory compatible with limiting global warming to 1.5°C. In 2022, a physical-risk assessment was conducted for properties across all three locations – France, Germany and Spain. Results of the exercise are detailed in the "Strategy" section of the TCFD disclosure below. In the near future, the Manager aims to continue to address the physical risks identified as a result of the assessment by implementing mitigating solutions. The Manager also aims to expand the climate-related risks assessment to account for transition risks, which could include regulatory risks, market risks, technological risks caused by climate change, and will work on an implementation plan for the same in the near future.

In the beginning of 2022, the Manager also engaged an external consultant to perform a gap analysis of its existing environmental risk management procedures against the MAS Environmental Risk Management Guidelines for Asset Managers, as well as the TCFD recommendations. The Manager has since started implementing the first part of the three-year implementation plan to strengthen its environmental risk management practice in line with the MAS expectations and the TCFD requirements and will continue to complete the implementation within the next two years.

The Manager is a supporter of the Financial Stability Board's Task Force on Climate-related Financial Disclosures, and this report marks the beginning of its reporting in alignment with the TCFD recommendations. The following table summarizes IREIT's TCFD disclosure and highlights its dedication to advancing its approach across the four pillars of the TCFD recommendations: Governance, Strategy, Risk Management and Metrics and Targets. In subsequent years, IREIT will continue to review, revise and update its TCFD disclosure, to the extent deemed necessary, on an annual basis.

TCFD pillar	IREIT's Activity
Governance	IREIT has an established governance structure to guide its sustainability agenda and approach, including management of climate change risks and opportunities. The Board has ultimate oversight of and accountability for its sustainability strategy and performance, and is responsible for approving IREIT's relevant sustainability objectives, policies, frameworks as well as the sustainability report, including material topics. The Board considers ESG issues, risks and opportunities, including climate change related risks and opportunities, as part of its strategic formulation. The Board also allocates roles and responsibilities for the various sustainability personnel and meets at least twice a year and on an ad-hoc basis to discuss sustainability-related matters as well as stakeholder expectations on climate change. The SSC led by the CEO, comprises of senior management of the Manager, as well as ESG specialists from its joint sponsor, Tikehau Capital, and supports the Board and the Management in their sustainability efforts. The aim of the SSC is to accomplish the sustainability commitments agreed upon with the Board, by making actionable decisions relating to determined ESG risks, targets and KPIs, thereby furthering IREIT's sustainability practice. The SSC reports to the Board twice a year on material ESG matters. For urgent ESG issues, reporting to the Board is on an ad-hoc basis, as and when the issues arise.

TCFD pillar	IREIT's Activity
	To support the SSC, the SWC, which includes representatives from IREIT's various business units – finance, asset management, investment, investor relations, compliance, and human resources – executes the sustainability initiatives within IREIT and the Manager. The Asset Management ("AM") team, supported by the members of the SWC, works closely with the property managers and tenants on the management of environmental, including climate-related, issues and regulations, and reports directly to the SSC on a monthly basis.
Strategy	The Manager recognises the potential adverse impacts climate change could have on its business activities, portfolio valuation and operations and overall corporate strategy and hence deems sustainability and climate change risks to be medium-rated risks within its risk register with corresponding mitigating factors identified. Towards the end of 2020, Tikehau Capital engaged an environmental expert to perform a carbon footprint and climate-related physical risk assessment of the IREIT's portfolio. In 2022, the physical risk assessment was refreshed and scoped in all of IREIT's properties across France, Germany and Spain. The assessment was performed using the tools BAT-Adapt (France) and R4RE (Europe), which use geo-coordinates of the properties to conduct scenario analysis on different time horizons for each risk. The tools were chosen as they allow for the customisation of each asset with additional data to sharpen the analysis. The assessment covered the following risks: · Cold days and frost days · Floods and rainfall hazards · Heat hazards · Biodiversity[5] The three IPCC scenarios considered were: · The ambitious scenario – RCP2.6 · The intermediate scenario – RCP 4.5 · The Business-as-Usual scenario – RCP 8.5 The time horizons for which the scenarios and risks were analysed were short-medium term – 2030 – and the long-term – 2050. The results of the exercise are summarised in the table below:

Risk	Geography	2030			2050		
		Ambitious	Intermediate	Business as usual	Ambitious	Intermediate	Business as usual
Cold and Frost Days	**France**	Low	Low	Low	Low	Low	Low
	Spain	Low	Low	Low	Low	Low	Low
	Germany	Medium	Medium	Medium	Low	Low	Low
Floods and Rainfall Hazards	**France**	Low	Low	Low	Low	Low	Low
	Spain	Medium	Low	Low	Low	Low	Medium
	Germany	Low	Medium	Medium	Medium	Medium	Medium
Heat Hazards	**France**	Low	Low	Low	Low	Low	Low
	Spain	Low	Low	Low	Low	Low	Low
	Germany	Low	Low	Low	Low	Low	Medium

Score Rating utilised: Low – 0-30%, Medium – 31%-60%, High – 61%-100%

5 Biodiversity risks were only assessed for the properties in France as only the BAT-Adapt model provided parameters to assess exposure to biodiversity risks. Biodiversity risks will be disclosed in the next reporting cycle when the relevant data is sourced for the German and Spanish properties as well.

TCFD pillar	IREIT's Activity
	IREIT's strategy to address climate change risks is aligned with that of its sponsor's and when considered appropriate, IREIT leverages on Tikehau Capital's sustainability policies and risk assessments. Hence, IREIT adopts Tikehau's Sustainable Investing ("SI") charter as IREIT has assessed and identified that the charter is adequately applicable to itself as well. The SI charter details the sustainable investing approach of the sponsor including its governance, policies and processes relating to the management of ESG, biodiversity and climate change risks and opportunities. In 2021, Tikehau Capital launched the Climate Action Centre and announced its ambition to manage at least €5 billion of assets under management dedicated exclusively to combatting climate change and supporting biodiversity by 2025. Initiatives implemented as part of this pledge will be extended to IREIT as deemed relevant.
Risk Management	IREIT considers climate change risks to be key risks to the organisation and integrates them within its risk register along with other operational, financial, governance risks. IREIT's Responsible Property Investment Policy details its process for assessing ESG risks, including climate change risks, when IREIT is sourcing for investments. At the stage of analysing the investments, a detailed review of each potential investment, which includes a range of ESG factors, such as checks for green building standards, energy efficiency requirements, generation of onsite renewable energy, energy ratings, water conservation requirements, socio-economic impact of the project on local communities, etc, is performed by the respective investment team. The analysis is currently being formalised through the implementation of a proprietary ESG analysis grid based on the global ESG benchmark for real estate assets ("GRESB"). Subsequently, during the investment period, the key ESG KPIs determined for the properties on an annual basis by circulating an ESG monitoring questionnaire to the property managers at the end of each year, are monitored by the respective investment team. After the questionnaire is completed, a meeting is held to review and discuss the questionnaire. Where possible, the Manager and the investment team attempts to engage the property managers, ESG / CSR managers and / or tenants in this review process. As part of the monitoring phase of IREIT's portfolios, the AM team monitors and reports to the SSC immediately if the pre-determined thresholds of the following material factors – water and electricity consumption data, heatwave and flood / drought risks – are triggered at any of IREIT's portfolio properties. For any material factor flagged which is assessed to be of critical concern, the Board is informed by the SSC and mitigating measures are adopted accordingly.
Metrics and Targets	In the past year IREIT committed to certain targets relating to certifications. It launched the green certification process for all the French and German assets, except for Berlin Campus, which IREIT aims to complete in the first quarter of 2023. IREIT also undertook the renewal of LEED certifications on 4 out of 5 Spanish properties, which IREIT successfully managed to attain in the four quarter of 2022. IREIT's joint sponsor, Tikehau Capital, has committed to the NZAM initiative, an international group of asset managers with the common goal of supporting and investing in alignment with net zero greenhouse gas emissions by 2050 or sooner, which is in line with the global efforts to limit warming to 1.5 °C. As a first step, in 2022, a commitment has been made to align French assets of more than 1,000 square meters with a trajectory compatible with the Paris agreement, by 2030.

Managing water consumption

[GRI 3-3] [GRI 303-1] [GRI 303-5]

Tenant business operations and facility management activities at properties consume water, a valuable resource. To mitigate potential negative environmental and social impacts from excessive use of water, the Manager has and will continue to employ water conservation measures.

Water Consumption[6] (m^3)	2020	2021	2022
France	-	-	-
Germany[7]	310,878	143,861	200,444
Spain	21,467	25,834	25,033

The Manager has taken steps to install water leakage detectors, as well as motion sensor faucets at its properties to ensure minimal water loss. Property managers conduct quarterly visits to IREIT's properties and perform an extensive check of the physical condition of the property which also comprise of checks for damage to water equipment including any water leakages. The subsequent report is shared with and reviewed by IREIT. All wastewater is disposed through the public wastewater system.

While currently none of IREIT's properties are in water-stressed areas, certain regions in which the Spanish properties are located are at risk of becoming water-stressed and are exposed to potential river floods. Therefore, the Manager will continue to carefully monitor the situation and act accordingly. At present, there are no water intensive activities carried out at the properties.

Addressing biodiversity risks

[GRI 3-2]

The Manager realises that business activities can cause disturbance to flora and fauna and thus is committed to minimising biodiversity risks and engaging in additional efforts to preserve biodiversity. One of the predominant ways in which the Manager ensures minimal harm to biodiversity around IREIT's properties is by ensuring compliance with environmental laws and regulations which serves to reduce adverse biodiversity impacts resulting from potential noise, land, air and water pollution.

In early 2023, IREIT's joint sponsor, Tikehau Capital has commissioned Gondwana, a specialist of ecology and biodiversity, to assess biodiversity risks across various real estate portfolios including the IREIT portfolio and to develop a biodiversity charter for real estate. The charter will entail the strategy to be pursued with regards to enhancing biodiversity around the assets and the key areas to screen for during the investment phase. Action plans to improve biodiversity in each asset class will also be defined in collaboration with the specialised ecologist.

SOCIAL

Strong partnership and service quality

The organisation is committed to making its buildings accessible and contributing to low-carbon mobility, with electric chargers available and CSR activities to benefit the local community. IREIT's strategy includes investing in properties near public transportation and committing to green certification for its properties. The Manager aims to provide safe and green spaces for tenants, creating employment opportunities and facilitating business. 62% of IREIT's assets are already certified under various green building programs.

Empowering the workforce through diversity and inclusion

[GRI 3-3] [GRI 2-7] [GRI 2-9] [GRI 405-1] [GRI 406-1]

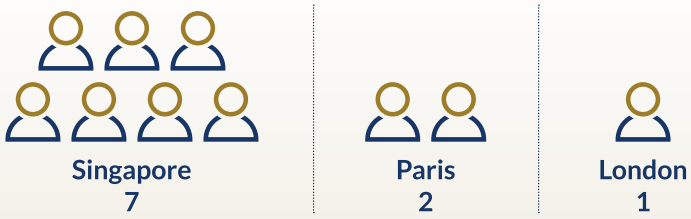
Diversity and inclusion is a material topic for IREIT, and the organisation is committed to promoting a diverse and inclusive workplace. Current workforce includes employees from different nationalities, religions, and backgrounds. IREIT is committed to promoting diversity and inclusion in the workplace, with policies in place to ensure equal opportunities and fair employment practices. The Manager recognises the benefits of a diverse workforce and is actively working to have a gender-balanced team. The Manager recognises the positive impacts of promoting diversity and inclusion in the workplace by embracing non-discrimination based on gender, religion, race, and nationality, a diverse workforce enables the sharing of different perspectives and insights, which can be invaluable in enhancing decision-making processes.

To this end, IREIT has developed human resource policies and procedures that are based on equal opportunities and fair employment practices. These policies and procedures are included in the Employee Handbook, which is available to all employees. To manage the topic of diversity and inclusion, IREIT conducts periodic dialogue with employees and key stakeholders on topics such as unconscious bias in the workplace, how to work across multiple cultures, etc. Additionally, the Board of Directors has established a Board Diversity Policy and is actively working to appoint a suitably qualified female director in its next appointment.

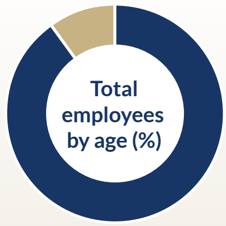
6 Furthermore, according to the leases implemented for the properties in France and Spain, water consumption data of the tenants is collected on a monthly basis. For the leases implemented for the properties in Germany, water consumption data may be collected if agreed upon between the landlord and the tenants.
7 The water consumption data was collected for only 40% of the German portfolio in 2021, while 70% was collected for both 2020 and 2022.

SUSTAINABILITY REPORT

IREIT had zero incidents of reported discrimination in the financial year ended 31 December 2022.

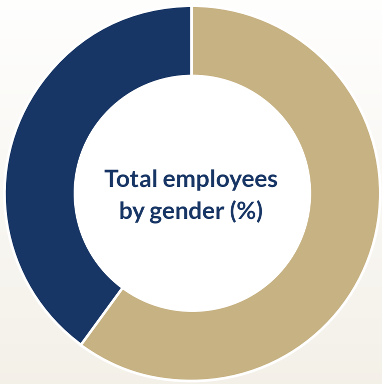


Total number of employees by location



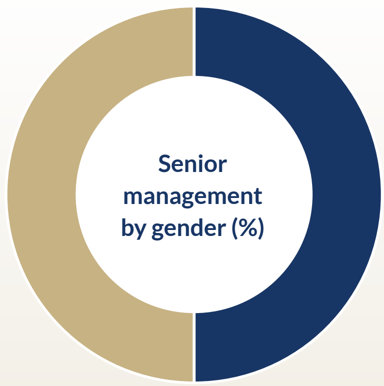
- 30-50 years old **90%**
- >50 years old **10%**

IREIT's employees by Gender (%)



- Male **40%**
- Female **60%**

IREIT's senior management's gender diversity (%)



- Male **50%**
- Female **50%**

Taking care of IREIT's talent

In addition to promoting a diverse and inclusive workplace, IREIT also puts a priority in taking care of our employee's morale and well-being by providing upskilling and career progression opportunities, fair compensation and health and well-being programmes.

The Manager pay attention to employees' professional development. All employees are eligible to attend conferences, courses, seminars and meetings, which benefit their professional development. IREIT regularly analyses the necessary competencies and experience among employees to build strategic plans for their further development and training.

Team bonding between management and employees

The Manager also conducts review and assessment of the work performance of its employees on an annual basis and adjust remuneration reward packages accordingly. Additionally, IREIT has a Compensation Policy in place to provide fair and competitive compensation as well as motivate a high level of performance, in correlation with employees' and IREIT's performance. IREIT has been successful in achieving the goal of a 100% participation rate for performance appraisal.

IREIT's takes optimum measures to take care of its employee's health and wellbeing by providing all employees and their dependants/spouses a comprehensive group insurance package, covering health screening and various medical and optical benefits.

IREIT also has an appointed Nominating and Remuneration committee ("NRC") which is responsible for reviewing the composition of the Board 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 its operations, to discharge their duties and responsibilities.

Enhancing community engagement

[GRI 3-3] [GRI 2-28]

IREIT believes in uplifting communities wherever it operates by supporting initiatives that build lasting positive relationships, as well as through conducting its business responsibly.

IREIT aims to make its buildings (and the corresponding services offered by tenants) accessible to all, including vulnerable and disadvantaged individuals. Consequently, IREIT's strategy is to invest in properties that have access to public transportation, as well as ensure that all office properties are accessible for individuals with disabilities. At least 75% of IREIT's properties are well connected to public transportation mode and 27% are connected to the underground.

By placing properties within proximity of public transportation nodes, IREIT also contributes to promoting low-carbon mobility. To provide its tenants and building users with additional options of lowering their carbon footprint, IREIT has also installed electric chargers in its properties.

Note: IREIT has 16 superchargers in its France Properties, 4 electric chargers in its German properties and 2 electric chargers in its Spanish properties.

The Manager also closely monitors the effectiveness of these actions, setting goals and targets such as maintaining a certain number of electric chargers in properties and evaluating progress through the data on usage and the number of electric cars charged.

IREIT also actively engages in CSR activities to benefit the local communities and keeps up to the latest trends by actively attending and being a part of associations such as REITAS. In January 2022, IREIT's employees participated in the "**Chinese New Year Gift Pack Distribution**" event organised by a local social services agency Blossom Seeds where the employees were given a list of households to visit, where they took the opportunity to check the wellbeing of senior citizens, share activities and offer them assistance. IREIT sponsored and volunteered at an event organised by **Care Corner Senior Services** in Singapore, December 2022. The main idea of the event was to promote social interaction and prevent isolation to improve seniors' quality of life. All employees from IREIT manager participated enthusiastically to the event whereby the employees chaperoned a group of approximately 40 seniors for a visit to Singapore Botanical Gardens, Orchid enclosure and followed with a sumptuous lunch.

Improving product and service quality

[GRI 413-2]

IREIT is committed to providing tenants with safe and green properties. By providing safe and clean office and retail spaces, IREIT facilitates the conduct of business for its tenants and also indirectly create employment in the communities through jobs at its retail tenant stores. The organisation strives to create accessibility to amenities such as food, and beverages, under one roof.

Team participation at Care Corner Senior Services event

France: B&M discount retailer in Cholet property (2090 m^2), **Spain**: Restaurant available in one of IREIT's Madrid Assets (500 m^2), **Germany**: Hairdresser in Berlin Campus (86 m^2), Charity foundation in Berlin Campus (176 m^2), Media centre in Berlin Campus (419 m^2).

To achieve these impacts, IREIT has implemented several initiatives. One of the main initiatives is the green certification of its properties. IREIT is committed to certifying its entire portfolio by the end of first quarter of 2023, except for Berlin Campus[8]. IREIT has achieved Leader in Energy and Environmental Design ("LEED") certifications for its Spanish properties, including two Platinum, two Gold, and one Silver certifications, with four out of five properties had their LEED certification renewed in the fourth quarter of 2022. In addition, IREIT received Building Research Establishment Environmental Assessment Method ("BREEAM") certifications and High Environmental Quality ("HQE") very good certifications for several of its French properties. As at 31 December 2022, 62% of IREIT's total assets are certified under various green building programs.

8 Berlin Campus has a total lettable surface of 79,097 m^2, and may be subject to refurbishment works.

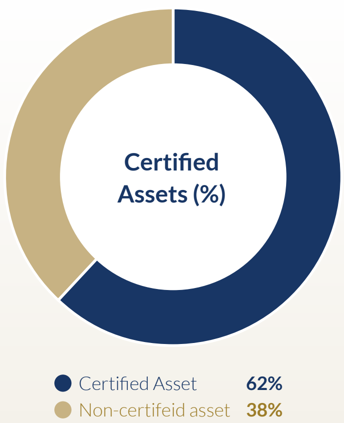
SUSTAINABILITY REPORT

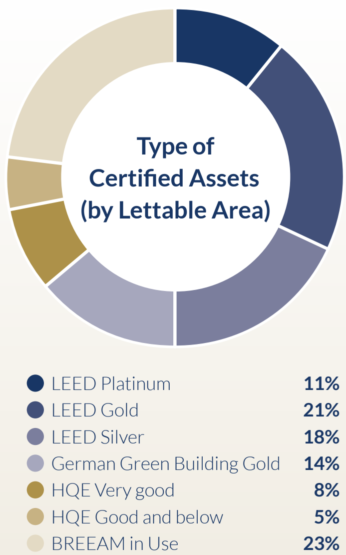
IREIT's Green Certified Assets with LEED Platinum, Gold, HQE/BREEAM very good Certifications:

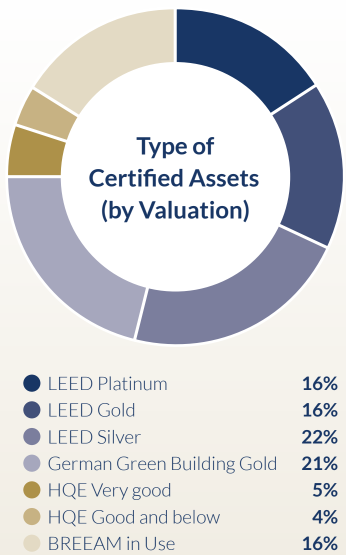
Certifications	Number of Assets	Lettable Area (m²)
LEED Platinum	2	25,112
LEED Gold	2	47,057
HQE Very good	6	17,672
German Green Building Gold	1	31,412
BREEAM Very good	1	5,909

IREIT's total Green Certified/Non-Certified Assets (%):

Certifications	Number of Assets	Lettable Area (m²)
Certified Asset	23	177,121
Non-Certified Asset	14	207,161
Certified in total	**62%**	**46%**







To ensure the quality of the assets and level of service, IREIT maintains strong communication with its tenants through the property and facility managers. To track the effectiveness of these actions, IREIT monitors its building maintenance and construction works and conducts regular building visits.

Building a responsible supply chain

Responsible supply chain management matters to IREIT to mitigate the social and environmental impacts of its value chain. Examples of these impacts identified include human rights and health and safety of IREIT's contractor workers, as well as environmental and social footprint and resources used in the production of materials and equipment IREIT procures.

The Manager has a comprehensive Property Management Handbook that outlines IREIT's policies and commitments in the organisation's conduct of business, including vendor management. Supplier selection is subject to an established set of standards including for example, anti-corruption clauses and human rights. The supplier procurement process and health and safety protocols are subject to regular internal audits, which are conducted by the Manager at each jurisdiction every two to three years. These audits evaluate progress towards goals, targets, and indicators, and any lessons learned are incorporated into Manager's operational policies and procedures.

Engagement with stakeholders is also essential to the Manager's responsible supply chain management approach. The Manager regularly communicates the findings of internal audits to its management and the property managers and incorporates feedback from these stakeholders into IREIT's ongoing efforts to improve its supply chain practices.

GOVERNANCE

Governance and responsible business practices

IREIT strives to act in the best interest of the stakeholders and ensures the compliance with the laws and regulations as per the 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 a set of Code of Conduct and Ethics to guide its employees in case of bribery, insider trading and other circumstances. Also, the Manager has internal policies and procedures to ensure compliance, not limited to the following:

- Whistle Blowing Policy
- Code of Conduct and Ethics
- Anti-Money Laundering and Anti-Terrorist Financing Policy
- Investor Regulation Policy
- Ongoing Regulatory Obligations and Reporting License Conditions
- Business Continuity Management

Additionally, certain policies issued by IREIT's joint sponsor, Tikehau Capital, apply to the Manager, including but not limited to:

- Group Anti-Bribery and Corruption Code
- Group Code of Ethics
- Group Anti-Fraud Policy

Adhering to laws and regulations

[GRI 3-3], [GRI 2-27]

Compliance with laws and regulations is essential for the sustainability of IREIT's operations. By adhering to legal and regulatory requirements and industry standards, and the organisation reduces its business and financial risks.

The Manager has implemented a robust compliance framework. The Manager reviews changes to regulations from authorities to assess whether it needs to make any adjustments to the organisation's policies and practices and implements them as required.

IREIT follows the following processes to monitor the implementation of its policies:

- Update information when necessary.
- Review accuracy of information on corporate website.
- Review accuracy of all marketing materials before publication.
- Conflict of interest declaration upon joining the firm and quarterly.
- 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.

Importantly, IREIT has a track record of effectively managing compliance, as evidenced by the fact that **the organisation has not reported any major non-compliance incidents for the financial year ended 2022**. The effectiveness of its compliance efforts is evaluated through regular updates provided to the Board of directors and feedback from stakeholders such as employees and shareholders.

Promoting ethical business and anti-corruption

[GRI 2-25] [GRI 3-3] [GRI 205-2] [GRI 205-3]

IREIT recognises the importance of ethical business, such as anti-bribery and corruption and anti-money laundering practices, to protect the integrity and reputation of the organisation, which are important to retain the organisation's shareholders and tenants. Through implementation of sound governance and risk management practices, IREIT aims to facilitate healthy financial growth and prevent any potential business and financial loss due to corruption incidences.

IREIT has in place several policies and measures to manage these topics and promote ethical business. The two key policies include the Anti-Money Laundering and Countering Terrorist Financing policy ("AML and CFT") and the Group Anti-Bribery, Corruption and Influence Peddling Code ("ABC"), issued by Tikehau Capital and applicable to IREIT. These policies set out the organisation's commitment to compliance with laws and regulations related to anti-corruption and AML / CFT and provide guidance on identifying and reporting suspicious activities. To ensure that all employees are aware of these policies, understand their obligations and know how to implement the associated procedures, IREIT provides relevant training to all employees at least every year, and new employees are required to complete the training within six months of their employment.

All employees of IREIT are also required to make annual declarations that they do not engage in any unethical or corrupt practices.

100% of IREIT's employees received anti-corruption and AML / CFT training for the reporting period.

IREIT also performs annual due diligence checks on outsourced service providers, which are considered material service providers according to MAS outsourcing guidelines. The assessments are reviewed by internal auditors where necessary, and the service providers' know your customer

("KYC") and AML processes are reviewed to ensure compliance with MAS guidelines. In the event of a confirmed incident of corruption, IREIT has a whistle-blowing policy[9] to encourage employees and its stakeholders to report any concerns they may have a person who has submitted notice/report is guaranteed confidentiality of the information received, as well as such person's personal data. The organisation also includes anti-corruption and anti-bribery clauses in agreements with suppliers to ensure compliance with laws and regulations.

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.

IREIT had zero incidents of Anti-corruption reported for this year.

Prioritising trust and transparency

[GRI 3-3]

Trust and transparency are crucial for maintaining strong relationships with stakeholders and ensuring fair business practices. The Manager understands that strong stakeholder engagement through various forms of communication helps to maintain trust and transparency.

IREIT provides the organisation's shareholders and other stakeholders with business updates on a regular basis.

Information furnished by IREIT	Method of Dissemination to shareholders	Frequency
Annual Report, including sustainability report and audited financial statement	Website/Email	Annual
Unaudited Financial Statement	Website/Email	Semi-annual (1H and 2H)
Business Updates	Website/Email	Semi-annual (1Q and 3Q)
Investor Relations Prospectus	Website/Email	Ad-hoc
Investor Relations Circular	Website/Email	Ad-hoc
Investor Relations Presentation and Press Release	Website/Email	Ad-hoc
Investor Relations Factsheet	Website/Email	Quarterly

The Annual Report furnishes information on IREIT's corporate governance, overall financial performance, as well as the organisation's latest sustainability efforts. In addition to the Annual Report, IREIT also publishes a Financial Review and Capital Management, Portfolio Overview, Strategy and Financial Statements, which are disseminated to shareholders on their email and can be accessed on IREIT's website. These publications provide detailed information on IREIT's financial performance, portfolio composition, and strategic direction, allowing investors to make informed decisions about their investment in the organisation.

In addition to these actions, IREIT engages in a variety of other initiatives to build trust and transparency among stakeholders. These include financial results announcements, business updates, investor presentation slides, press releases, and factsheets. The organisation also participates in one-to-one meetings, investor roadshows, and lunchtime presentations with equity and fixed-income investors. The organisation also closely liaises with the media to facilitate the publication of news articles, such as those in the Business Times on European and UK REITs. Furthermore, IREIT actively participates in discussions with regulators such as SGX-ST and Monetary Authority of Singapore ("MAS"), its joint sponsors, Tikehau Capital and CDL, and service providers to ensure that it is meeting the expectations of all its stakeholders.

The organisation's investor engagement activities are guided by IREIT's Investor Relations Policy to ensure timely and clear communication with the investment community. IREIT also solicits feedback from various stakeholders and ensures that any complaints received from investors are logged and promptly followed up. To track the effectiveness of these actions, IREIT sets goals and targets, such as maintaining zero complaints for the financial year. IREIT's efforts has been recognised by external awards such as the overall sector winner for The Edge Singapore Centurion Club 2022 under the S-REITs category and new sell-side research coverage from Lim & Tan Securities in 2022.

9 For more information on whistle-blowing, please refer to publicly available policy and reporting channels on the website link below: http://ireitglobal.com/whistle-blowing.html

GRI INDEX

GRI standard	Indicator No.	Indicator	Section	Page
GRI 2: General Disclosures	2-1	Organisational details	Annual Report	3
	2-2	Entities included in the organisation's sustainability reporting	About the report	110
	2-3	Reporting period, frequency, and contact point	About the report; Feedback	110
	2-4	Restatements of information	About the report	110
	2-7	Employees	Diversity and Inclusion	119
	2-9	Governance structure and composition	Annual report, Corporate Governance Report	131
	2-10	Nomination and selection of the highest governance body	Annual report, Corporate Governance Report	133
	2-11	Chair of the highest governance body	Annual report, Corporate Governance Report	132
	2-12	Role of the highest governance body in overseeing the management of impacts	Annual report, Corporate Governance Report	131
	2-13	Delegation of responsibility for managing impacts	TCFD pillar, Governance	116
	2-14	Role of the highest governance body in sustainability reporting	About the report	110
	2-15	Conflicts of interest	Annual report, Corporate Governance Report	147
	2-16	Communication of critical concerns	TCFD pillar, Governance	116
	2-17	Collective knowledge of the highest governance body	Annual report, Governance section	131
	2-18	Evaluation of the performance of the highest governance body	Annual report, Corporate Governance Report	133
	2-19	Renumeration Policies	Annual report, Corporate Governance Report	135
	2-20	Process to determine remuneration	Annual report, Corporate Governance Report	135
	2-22	Statement on sustainable development strategy; Board statement	Board Statement	109
	2-23	Policy commitments	Annual report, Corporate Governance Report	128
	2-24	Embedding policy commitments	Annual report, Corporate Governance Report	128
	2-25	Processes to remediate negative impacts	Promoting ethical business and anti-corruption Annual report, Corporate Governance Report	123, 150
	2-26	Mechanisms for seeking advice and raising concerns	Annual report, Corporate Governance Report	124, 149

SUSTAINABILITY REPORT

GRI standard	Indicator No.	Indicator	Section	Page
	2-27	Compliance with laws and regulations	Compliance with laws and regulations	123
	2-28	Membership associations	Enhancing community engagement	121
	2-29	Approach to stakeholder engagement	Stakeholder engagement	112
	2-30	Collective bargaining agreements	Not applicable. None of our employees are covered by collective bargaining agreements	
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Process to determine material topics	111
	3-2	List of material topics	Materiality Assessment	111
	3-3	Management of material topics	Environment; Strong partnership and service quality; Governance and responsible business practises	113. 121, 123
GRI 205: Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	Promoting ethical business and anti-corruption	123
	205-3	Confirmed incidents of corruption and actions taken	Ethical Business and Anti-corruption	123
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	Reducing emissions and energy consumption	113
	302-3	Energy intensity	Reducing emissions and energy consumption	113
	302-4	Reduction of energy consumption	Reducing emissions and energy consumption	113
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Managing water consumption	118, 119
	303-5	Water consumption	Managing water consumption	118, 119
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Reducing emissions and energy consumption	114
	305-2	Energy indirect (Scope 2) GHG emissions	Reducing emissions and energy consumption	114
	305-3	Other indirect (Scope 3) GHG emissions	Reducing emissions and energy consumption	114
	305-4	GHG emissions intensity	Reducing emissions and energy consumption	114
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Building a diverse and inclusive workforce	119
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Building a diverse and inclusive workforce	119
GRI 413: Local Communities 2016	413-2	Operations with significant actual and potential negative impacts on local communities	Enhancing community engagement	121

CORPORATE GOVERNANCE REPORT

IREIT Global ("IREIT") is a real estate investment trust listed on the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 13 August 2014. IREIT is managed by IREIT Global Group Pte. Ltd., as manager of IREIT (the "Manager").

The Manager sets the strategic direction of IREIT and make recommendations to DBS Trustee Limited, in its capacity as trustee of IREIT (the "Trustee"), on any investment or divestment opportunities for IREIT and the enhancement of the assets and liabilities of IREIT for the benefit of the unitholders of IREIT ("Unitholders"). The research, evaluation and analysis required for these objectives are coordinated and carried out by the Manager. The Manager focuses on generating rental income and enhancing asset value over time, to provide Unitholders with stable and growing DPU and NAV per Unit over the long term, while maintaining an appropriate capital structure. The Manager is also responsible for the risk management of IREIT.

The other functions and responsibilities of the Manager include:

(a) Using best endeavours to conduct IREIT's business in a proper and efficient manner;

(b) Preparing annual business plans for review by the directors of the Manager ("Directors"), including forecasts on revenue, net income, and capital expenditure, explanations on major variances to previous year's financial results, written commentaries on key issues and underlying assumptions on rental rates, operating expenses and any other relevant assumptions;

(c) Ensuring compliance with relevant laws and regulations, including the Listing Manual of SGX-ST (Listing Manual), the Code on Collective Investment Schemes ("CIS Code") issued by the Monetary Authority of Singapore ("MAS"), the Securities and Futures Act 2001 of Singapore (the "SFA"), the Securities and Futures (Licensing and Conduct of Business) Regulations (the "SF(LCB)R"), written directions, notices, codes and other guidelines that MAS may issue from time to time, the tax rulings by the Inland Revenue Authority of Singapore on the taxation of IREIT;

(d) Attending to all regular communications with Unitholders;

(e) Responsible for sustainability (including environmental and social factors); and

(f) Supervising the property managers and property advisors which perform the day-to-day property management functions for IREIT's properties.

IREIT is constituted by a deed of trust (the "Trust Deed") dated 1 November 2013 (as amended), entered into between the Manager and the Trustee. IREIT is externally managed by the Manager. The Manager appoints experienced and well qualified personnel to run its day-to-day operations. All Directors' fees and employees' remunerations are paid by the Manager, and not by IREIT. The Trust Deed outlines certain circumstances under which the Manager can be removed, including by notice in writing given by the Trustee upon the occurrence of certain events, or by resolutions passed by a simple majority of Unitholders present and voting at a meeting of Unitholders duly convened and held in accordance with the provision of the Trust Deed.

The Manager is jointly owned by Tikehau Capital SCA ("Tikehau Capital") and City Developments Limited ("CDL") through City REIT Management Pte Ltd. Tikehau Capital is a global alternative asset management group listed in France, while CDL is a leading global real estate company listed on SGX-ST. Tikehau Capital and CDL both hold significant unitholding interest in IREIT, which demonstrates their commitments to IREIT and as a result, their interests are aligned with that of other Unitholders.

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.

CORPORATE GOVERNANCE REPORT

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.

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.

Board Committees

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).

Directors' Development

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, the Manager's corporate governance practices, and statutory and other duties and responsibilities as Directors.

In view of the increasing demands, complex and multi-dimensional role of a director, the Board recognises the importance of continual training and development for its Directors to equip them to discharge the duties and responsibilities of their office as Directors to the best of their abilities. The NRC ensures that the Manager has in place a training and professional development framework to guide and support the Manager towards meeting the objective of having a Board which comprises individuals who are competent and possess up-to-date knowledge and skills necessary to discharge their duties and responsibilities. Directors who have no prior experience as director of an issuer listed on the SGX-ST will be provided with training on the roles and responsibilities of a director of a listed issuer in accordance with the listing rules of the SGX-ST. The costs of training are borne by the Manager.

The Directors are provided with opportunities for continuing education in areas such as directors' duties and responsibilities, changes to regulations and accounting standards, and industry-related matters, so as to be updated on matters that affect or may enhance their performance as Directors or Board committee members. The Directors may also contribute by recommending suitable training and development programmes to the Board. In the financial year ended 31 December 2022 ("FY2022"), the training and professional development programmes for the Directors included seminars conducted by experts and senior business leaders on board practices and issues faced by the Board. All the Board members attended the mandatory sustainability course during FY2022.

Meetings of Board and Board Committees

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 or Board Committee meetings, the Director may provide his or her comments to the Chairman or the relevant Board Committee Chairman ahead of the meeting and these comments are taken into consideration in the deliberations. The Board and Board Committees may also make decisions by way of written resolutions. 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 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.

The Board is scheduled to meet at least once every quarter. In addition to scheduled meetings, the Board may also hold ad-hoc meetings as required by business imperatives. At each scheduled Board meeting, the Board is apprised of the following:

(a) significant matters discussed at the ARC meeting which is typically scheduled before the Board meeting;

(b) ARC's recommendation on IREIT's periodic and year-end financial results following ARC's review of the same;

(c) Decisions made by Board Committees in the period under review;

(d) Updates on IREIT's business and operations in the period under review, including market developments and trends, as well as business initiatives and opportunities;

(e) Financial performance, budgetary and capital management related matters in the period under review, including any material variance between any projections in budget or business plans and the actual results from business activities and operations;

(f) Any risk management issues that materially impact IREIT's operations or financial performance;

(g) Sustainability update on a semi-annual basis; and

(h) Prospective transactions which management is exploring.

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.

This allows the Board to develop a good understanding of the progress of IREIT's business as well as the issues and challenges faced by IREIT, and promotes active engagement with Management.

The Board is provided with complete and adequate information on a timely basis to allow the Board to make informed decisions to discharge its duties and responsibilities. As a 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.

The Manager adopts and practices the principle of collective decisions and therefore, with no individual Director influencing or dominating the decision-making process. There is mutual respect and trust among the Directors and Management and therefore, IREIT benefits from a culture of frank and rigorous discussions. Such discussions conducted on a professional basis contribute to the dynamism and effectiveness of the Board. The Board composition is such that there is diversity in views and perspectives which enriches deliberations and contributes to better decision-making of the Board in the best interests of IREIT. At Board and Board Committee meetings, all the Directors actively participate in discussions and engage in open and constructive debate and challenge Management on its assumptions and recommendations.

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 2022, as well as the attendance of each Director at the Board, the ARC, the NRC meetings, the AGM held on 27 April 2022 are as follows:

		Board	ARC	NRC	AGM
No. of Meetings in the Financial Year Ended 31 December 2022		**5**	**4**	**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	5	4	1	1
Mr Chng Lay Chew (Appointed on 1 January 2021)	Independent Non-Executive Director and Chairman of the ARC	5	4	N.A.	1
Mr Mark Andrew Yeo Kah Chong (Appointed on 1 January 2022)	Independent Non-Executive Director and Chairman of the NRC	5	4	1	1
Mr Bruno de Pampelonne (Appointed on 11 November 2016)	Non-Executive Director and member of the NRC	3	N.A.	1	1
Mr Sherman Kwek Eik Tse (Appointed on 1 December 2022) [1]	Non-Executive Director	0[1]	N.A.	N.A.	0[1]
Mr Khoo Shao Hong, Frank (Appointed on 29 April 2019) [2]	Non-Executive Director	5	0[2]	0[2]	1
Mr Sanjay Bakliwal (Appointed on 5 June 2020)	Non-Executive Director	4	N.A.	N.A.	1

N.A.: Not applicable as the Director is not a member of the ARC or NRC
(1) Mr Sherman Kwek Eik Tse appointed on 1 December 2022
(2) Mr Khoo Shao Hong, Frank resigned on 30 November 2022

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, but 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 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.

The Board members as at the date of this Annual Report are as follows; and the profiles of the Directors are found on pages 10 to 13:

Board Member Designation

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 Sherman Kwek Eik Tse	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 2022, 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. 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 2022, the NRC comprises three Directors, of whom Mr Mark Andrew Yeo 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.

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 are similar to the criteria set out in relation to the appointment of new Director.

During the financial year ended 31 December 2022, Mr Mark Andrew Yeo was appointed as an Independent Non-Executive Director and as Chairman of NRC on 1 January 2022, Mr Sherman Kwek Eik Tse was appointed as a Non-Executive Director on 1 December 2022 while Mr Khoo Shao Hong, Frank resigned as Non-Executive Director on 30 November 2022. In addition, the Board has sought and approved the endorsement by way of resolution for the re-appointment of:

- Mr Mark Andrew Yeo, to continue as Chairman of the NRC and Independent Non-Executive Director,
- Mr Bruno de Pampelonne, to continue as Non-Executive Director,

There are no alternate Directors appointed to the Board.

The Manager does not currently prescribe the number of listed company board representations that each Director may hold as long as the Director is able to commit his or her time and attention to the affairs of the Manager, including attending Board meetings and contributing constructively to the management of the Manager and IREIT. Instead of prescribing a maximum number of directorships that each Director may have, the Manager adopts a holistic assessment of each Director's individual capacity and circumstances to carry out his or her duties in the best interests of the Manager and IREIT, taking into consideration not only the number of other board held by each Director, but also the nature and complexity of such commitments. In respect of the financial year ended 31 December 2022, taking into account the meeting attendance records as well as the contribution and performance of each Director at and outside such meetings, the Board is of the view that each Director has been able to effectively discharge his or her duties as a Director of the Manager.

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 using performance evaluation forms.

An annual review of the Board is carried out to assess the effectiveness of the Board, the ARC, the NRC and their respective Chairman. 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 Chairman'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 assess 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 2023 in respect of the financial year ended 31 December 2022. NRC has evaluated and discussed the results of the annual Board Performance review with a view towards improving the effectiveness of the Board. There is nothing so far in the conduct of the Board or in the evaluation to suggest otherwise as stated in the report.

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 and recharged to the Manager.

CORPORATE GOVERNANCE REPORT

The Board is supported by the NRC in the remuneration matters of the Manager. As at 31 December 2022, 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.

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 and the NRC 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.

Directors' fees are reviewed periodically to benchmark such fees against the amounts paid by other managers of listed real estate investment trusts ("REITs") 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 or her 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 plan. 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.

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 2022.

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 2022 are as follows:

Name of Director	Fees [1] (S$'000)	Base/Fixed Salary (S$'000)	Bonus (S$'000)	Benefits-in-kind (S$'000)
Mr Lim Kok Min, John	100	–	–	–
Mr Chng Lay Chew	80	–	–	–
Mark Andrew Yeo	75	–	–	–
Mr Bruno de Pampelonne	55	–	–	–
Mr Sherman Kwek	4			
Mr Khoo Shao Hong, Frank	46	–	–	–
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 2022 is as follows:

Remuneration Band and Name	Base/Fixed Salary [3] (%)	Performance-related Cash Bonus (%)	Performance-related Long-Term Incentives [4] (%)	Allowances and Benefit (%)
Above S$750,000 to S$1,000,000				
Mr Louis d'Estienne d'Orves [1]	43	16	41	- [5]

The level and mix of the aggregate remuneration of the other key management personnel for the financial year ended 31 December 2022 is as follows:

Remuneration Band and Number

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 Benefit (%)
Above S$1,000,000 to S$1,250,000				
4 [6]	67	10	23	- [5]

Notes:
(1) Mr Louis d'Estienne d'Orves' remuneration for the financial year ended 31 December 2022 was paid by TIM under the Services Agreement and charged to the Manager
(2) The Manager has less than five key management personnel other than the CEO. The remuneration band corresponds to the aggregate remuneration of the four key management personnel.
(3) Paid in cash.
(4) Paid in the form of unvested performance shares under Tikehau Capital's 2023 Plans as described on page 138 to 139.
(5) Not material. Less than 1%.
(6) Four key management personnel as at 31 December 2022. Mr Choo Boon Poh left the Manager on 9 September 2022 and Ms Chua Tai Hua, Anne joined the Manager on 22 August 2022.

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 four 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 2023, these plans comprise the 2023 Performance Share Plan and the 2023 Retention Plan (the "2023 Plans") which were set up to grant unvested performance shares to employees of the Tikehau Capital Group (the "Group").

The 2023 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 2023 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 2023 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 2022 and the implementation of a retention mechanism, the vesting of each tranche of the 2023 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 2023 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 2023 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 2022. 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 2022, 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 135 to 139, were met during the year.

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 to safeguard Unitholders' interests and IREIT's assets. 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 102 to 105.

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 2022:

- The financial records of IREIT have been properly maintained and the financial statements for the financial year ended 31 December 2022 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 2022 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.

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 Mark Andrew Yeo, all of whom are Independent Non-Executive Directors as at 31 December 2022. The ARC Chairman and members bring with them invaluable recent and relevant managerial and professional expertise in related financial management domains. The ARC Chairman has contributed to the development of the accounting profession locally in the areas of education and professional development.

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 policies 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 of 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;

- 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. A compliance officer was appointed with effect from 1 September 2022, who reports to the CEO.

The ARC undertook a review of the independence of the EA and all the non-audit services provided by the EA of IREIT, Deloitte & Touche LLP, taking into consideration, among other factors, IREIT's relationships with the EA in FY2022, as well as the processes and safeguards adopted by the Manager and the EA relating to audit independence. Based on the review, the ARC is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the EA. The EA has also provided confirmation of their independence to the ARC.

CORPORATE GOVERNANCE REPORT

The aggregate amount of fees paid and payable by IREIT to the EA for the financial year ended 31 December 2022 amounted to €660,000. This is made up of Audit fees which amounted to €326,000 relating to audit of the financial statements and Non-audit fees comprising of Audit-related services of €108,000 and Non-audit related services of €226,000. Audit-related services included quarterly reviews of financial results of the Group, annual compliance certification of financial information required by lender and review of financial information for the establishment of a Multicurrency Debt Issuance Programme ("EMTN") including issuance of comfort letter to the arrangers of EMTN. Non-audit related services were mainly for general tax and goods and services tax or value added tax compliance. Management has taken and will continue to take steps to reduce the amount on Non-audit related services fees.

ARC meetings are generally held after the end of every financial quarter. In respect of the financial year ended 31 December 2022, 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 key audit matters ("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 the war in Ukraine, the ongoing COVID-19 epidemic, increasing interest rates and inflation, disrupted supply chains and high volatility on the stock markets have led to an increased uncertainty for the development of economies and real estate markets globally 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 because 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.

The ARC noted that the valuers have highlighted that the war in Ukraine, the ongoing COVID-19 epidemic, increasing interest rates and inflation, disrupted supply chains and high volatility on the stock markets have led to an increased uncertainty for the development of economies and 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. The valuations were based on the information available as at 31 December 2022. 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.

UNITHOLDERS' RIGHTS AND ENGAGEMENT

Unitholders' 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

The Manager is committed to treat all Unitholders fairly and equitably. All Unitholders enjoy specific rights under the Trust Deed and the relevant laws and regulations. These rights include, among other things, the right to participate in profit distributions. They are also entitled to attend general meetings and are accorded the opportunity to participate effectively and vote at general meetings (including through appointment of up to two proxies, if they are unable to attend in person or in the case of a corporate Unitholder, through its appointed representative). Unitholders such as nominee companies which provide custodial services for securities are not constrained by the two-proxy limitation and are able to appoint more than two proxies to attend, speak and vote at general meetings of IREIT.

General Meetings

IREIT supports the principle of encouraging Unitholder participation and voting at general meetings. IREIT's Annual Report is provided to Unitholders within 120 days from the end of IREIT's financial year. Unitholders may download the Annual Report (printed copies are available upon request) and notice of the general meeting from the IREIT's website. Usually, IREIT provides more than the legally required notice period for general meetings. The notice of the general meeting is also available on SGXNet. The rationale and explanation of each agenda item which requires Unitholders' approval at a general meeting are provided in the notice of the general meeting or in the accompanying circular (if any) issued to Unitholders in respect of the matter(s) for approval at the general meeting. This enables Unitholders to exercise their votes on an informed basis. To safeguard the Unitholders' interest and rights, a separate resolution is proposed for each substantially separate matter to be approved at a general meeting.

At AGMs, Management makes a presentation to Unitholders to update them on IREIT's performance, position and prospects. The presentation materials are made available to Unitholders on IREIT's website and also on SGXNet. Unitholders are given the opportunity to ask questions by submitting them to the Manager in advance of the meeting. Representatives of the Trustee, Directors (including the chairman of the respective Board Committees), key management personnel and the external auditors of IREIT, are present for the entire duration of the AGMs. Under normal circumstances, Directors and Management interact with Unitholders after the AGMs conducted in a physical format.

An independent scrutineer is also appointed to validate the vote tabulation procedures. Votes cast, for or against and the respective percentages, on each resolution are tallied and displayed 'live' on-screen to Unitholders after each resolution is voted on at the general meetings. The total number of votes cast for or against each resolution and the respective percentages are also announced on SGXNet after the general meetings.

CORPORATE GOVERNANCE REPORT

In FY2022, IREIT's AGM was convened and held on 27 April 2022 ("AGM 2022") 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 (COVID-19 Temporary Measures Order) and in accordance with the checklist jointly issued by ACRA, MAS and Singapore Exchange Regulation which gave guidance to listed and non-listed entities on the conduct of general meetings amid the evolving COVID-19 situation.

The alternative arrangements put in place for the conduct of AGM 2022 included attendance at the AGM 2022 via electronic means under which Unitholders could observe and/or listen to the AGM 2022 proceedings via live audio-visual webcast or live audio-only stream, submission of questions in advance of the AGM 2022, addressing of substantial and relevant questions prior to or at the AGM 2022 and appointing the chairman of the meeting as proxy to vote on their behalf, at the AGM 2022. All Directors, CEO and CFO attended the AGM 2022 either in-person or via electronic means. The attendance of Directors for the AGM held on 27 April 2022 is disclosed on page 130. The results and minutes of the AGM 2022 was published on IREIT's website at www.ireitglobal.com on 27 April 2022 and 12 May 2022, respectively. The minutes of AGM2022 included substantial and relevant comments or queries from Unitholders relating to the agenda of the meeting, and responses from the Board and the Management.

The upcoming AGM to be held on 25 April 2023 will be in-person meeting to be held at Bridge+, Metro 2 Event Space, Level 2, 79 Robinson Road, CapitaSky, Singapore 068897.

The Manager is of the view that Unitholders have opportunities to communicate their views on matters affecting IREIT even when they are not in attendance at general meetings. For example, Unitholders may appoint proxies to attend, speak and vote, on their behalf, at general meetings. Minutes of the general meetings recording the substantial and relevant comments made, questions raised and answers provided, are prepared and are available to Unitholders for their inspection upon request. Minutes of general meetings are also made available on IREIT's website. Accordingly, the rights of the Unitholders are consistent with the intent of Principle 11 of the Code.

Distribution Policy

IREIT's distribution policy is to distribute at least 90.0% of its annual distributable income for each financial year, with distributions being made to the Unitholders on a semi-annual basis. The Manager has discretion to distribute any additional amounts, having regard to funding requirements, other capital management considerations and ensuring the overall stability of distributions.

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

Timely Disclosure of Information

The Manager is committed to keeping all Unitholders, other stakeholders, analysts and the media informed of IREIT's performance and any changes in the IREIT or its business which would likely to materially affect the price or value of the Units.

For FY2022, the Manager provided Unitholders with half-yearly and full-yearly financial statements within the relevant periods prescribed by the Listing Manual. These half-yearly and full-yearly financial statements were reviewed and approved by the Board prior to release to Unitholders by announcement on SGXNet. The release of the half-yearly and full-yearly financial statements were accompanied by news releases and results presentation slides which were also made available on SGXNet. In presenting the half-yearly and full-yearly financial statements to Unitholders, the Board sought to provide Unitholders with a balanced, clear and comprehensible assessment of IREIT and its performance, position and prospects.

In addition to the announcement of half-yearly and full-yearly financial statements in FY2022, in keeping with the Manager's commitment to provide its Unitholders with information promptly, the Manager also provided Unitholders, on a voluntary basis, with quarterly business updates in between the announcement of the half-yearly and full-yearly financial statements. Such business updates contain, among other things, information on the IREIT's key operating metrics. In addition to the release of financial statements, the Manager also keeps IREIT's Unitholders, stakeholders and analysts informed of the performance and key developments at IREIT or its business which would likely materially affect the price or value of the Units on a timely and consistent basis, so as to assist Unitholders and investors in their investment decisions. This is performed through the release on SGXNet of announcements in compliance with regulatory reporting requirements and news releases for the media, on a timely and consistent basis. These announcements and news releases are also posted on IREIT's website. In addition, the Manager also conducts regular analysts' and media briefings, and the materials used for such briefings are uploaded on SGXNet.

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 are also posted on IREIT's website.

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

Investor Relations

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 Manager believes in conducting the business of IREIT in ways that seek to deliver sustainable value to Unitholders. Best practices are promoted to build an excellent business for IREIT and the Manager's accountability to Unitholders for IREIT's performance. Prompt fulfilment of statutory reporting requirements is but one way to maintain Unitholders' confidence and trust in the capability and integrity of the Manager.

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

Managing Stakeholder Relationships

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 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, 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 must give notice to the Manager of his acquisition of or any changes in the number of Units which he or his family members hold or in which he or his family members 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 or his family members holds or in which he or his family members 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 https://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 https://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, IREIT personnel and employees of the Manager with regards to dealings in the Units.

The Directors, Management, IREIT personnel 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 full-yearly 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.

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;
- 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.

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 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 IA plan a review of all Related Party Transactions entered into by IREIT. The ARC shall review the IA 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 transactions below S$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 2022, the ARC did not receive any whistle-blower complaints.

CORPORATE GOVERNANCE REPORT

Code of Business Conduct

The Manager adheres to an ethics and code of business conduct policy which deals with issues such as confidentiality, conduct and work discipline, corporate gifts and concessionary offers. Clear policies and guidelines on how to handle workplace harassment and grievances are also in place.

The policies that the Manager has implemented aim to help to detect and prevent occupational fraud in mainly three ways, as set out below.

First, the Manager offers fair compensation packages, based on practices of pay-for-performance and promotion based on merit to its employees. The Manager also provides various healthcare subsidies and to alleviate the common financial pressures its employees may face.

Second, clearly documented policies and work procedures incorporate internal controls which ensure that adequate checks and balances are in place. Periodic audits are also conducted to evaluate the efficacy of these internal controls.

Finally, the Manager seeks to build and maintain the right organisational culture through its core values, educating its employees on good business conduct and ethical values.

Business Continuity Management

The Manager has implemented a Business Continuity Management ("BCM") programme that puts in place measures to prevent, detect, mitigate, and respond to adverse business interruptions or unforeseen events on IREIT's operations. The Manager has in place a Business Continuity Plan ("BCP") that details the actions Management and employees should take if such an event should occur. As part of the BCP, periodic desktop exercises and drills, taking into consideration different specific activities and tasks necessary to recover from disaster or disruption are divided into three phases. Tests are carried out to assess the effectiveness of processes, procedures and escalation protocols. This holistic approach under the BCP serves to ensure organisational and staff preparedness and readiness to deal with adverse business disruptions such as acts of terrorism resulting in loss of primary worksite and epidemics. This approach aims to minimise financial loss to IREIT, allow the Manager to continue to function as the manager of IREIT and mitigate any negative effects that the disruptions could have on the Manager's reputation, operations and ability to remain in compliance with relevant laws and regulations. The Manager has also acquired insurance policies for the IREIT on business interruption events.

Anti-Money Laundering and Countering the Financing of Terrorism Measures

As a holder of a Capital Markets Services Licence issued by MAS, the Manager abides by the MAS' guidelines on the prevention of money laundering and countering the financing of terrorism. Under these guidelines, the main obligations of the Manager are:

(a) evaluation of risk;

(b) customer due diligence;

(c) suspicious transaction reporting;

(d) record keeping;

(e) employee and Capital Market Services Licence "CMSL" Representative screening; and

(f) training.

The Manager has in place a policy on the prevention of money laundering and terrorism financing and remains alert at all times to suspicious transactions. Enhanced due diligence checks are performed on counterparties where there is a higher risk of money laundering or terrorism financing. Suspicious transactions will also be reported to the Suspicious Transaction Reporting Office of the Commercial Affairs Department.

Under this policy, all relevant records or documents relating to business relations with the IREIT's customers or transactions entered into must be retained for a period of at least five years following the termination of such business relations or the completion of such transactions.

All prospective employees, officers and CMSL Representatives of the Manager are also screened against various money laundering and terrorism financing information sources and lists of designated entities and individuals provided by MAS. Periodic training is provided by the Manager to its Directors, employees and CMSL Representatives to ensure that they are updated and aware of applicable anti-money laundering and countering of terrorism financing regulations, the prevailing techniques and trends in money laundering and terrorism financing and the measures adopted by the Manager to combat money laundering and terrorism financing.

REPORT OF THE TRUSTEE

FOR THE YEAR ENDED 31 DECEMBER 2022

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 the Group during the year covered by these financial statements set out on pages 158 to 199, 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
17 March 2023

STATEMENT BY THE MANAGER

FOR THE YEAR ENDED 31 DECEMBER 2022

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 158 to 199, which comprise the consolidated statement of financial position of the Group, statement of financial position of IREIT and statement of portfolio of the Group as at 31 December 2022, and the consolidated statement of total return and other comprehensive income, consolidated statement of distribution, consolidated statement of changes in net assets attributable to Unitholders, consolidated statement of cash flows and statement of changes in net assets attributable to Unitholders of IREIT for the year then ended, are drawn up so as to present fairly, in all material respects, the financial positions of the Group and IREIT and the portfolio holdings of the Group as at 31 December 2022, and the financial performance, distribution, changes in net assets attributable to Unitholders and cash flows of the Group and of the changes in net assets attributable to Unitholders of IREIT, for the year ended 31 December 2022, in accordance with the International Financial Reporting Standards adopted by the International Accounting Standards Board, the recommendations of *Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts"* issued by the Institute of Singapore Chartered Accountants 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
17 March 2023

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, statement of financial position of IREIT and statement of portfolio of the Group as at 31 December 2022, and the consolidated statement of total return and other comprehensive income, consolidated statement of distribution, consolidated statement of changes in net assets attributable to Unitholders, consolidated statement of cash flows and statement of changes in net assets attributable to Unitholders of IREIT for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 158 to 199.

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") and the recommendations of *Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts*" issued by the Institute of Singapore Chartered Accountants so as to give a true and fair view of the consolidated financial position of the Group, the financial position of IREIT and portfolio of the Group as at 31 December 2022, 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 *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.

Key Audit Matter	How the matter was addressed in the audit
Fair Valuation and Disclosure of Fair Value for Investment Properties	
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 €950.5 million as at 31 December 2022. The Group has adopted the fair value model under IAS 40 *Investment Property* 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. 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 certain key 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. The Valuers have highlighted that the war in Ukraine, the ongoing Coronavirus ("COVID–19") epidemic, increasing interest rates and inflation, disrupted supply chains and high volatility on the stock markets have led to an increased uncertainty for the development of economies and real estate markets globally. In light of the heightened overall level of uncertainty and reduced investment activities, the valuation is based on information available at the date of valuation. The valuation methodology, their key assumptions and the inter–relationships between the assumptions and the valuation have been disclosed in Note 7 to the financial statements.	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. 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. We held discussions with management and the Valuers on the valuation reports, and engaged our valuation specialists to assist us in our audit. Our audit procedures include: • assessing the valuation methodology, key assumptions and estimates used by the Valuers against general market practice for similar types of properties; • assessing the reasonableness of the key 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 and valuation inputs, including review of lease schedules, lease agreements and comparing these to the inputs made to the projected cash flows; and • understanding how the Valuers have considered the implications of the war in Ukraine, COVID–19, increasing interest rates and inflation, and market uncertainty in the valuations. 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. We have also assessed the adequacy and appropriateness of the disclosures made in the financial statements.

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.

Our opinion on the financial statements does not cover the other information and we do 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 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, 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.

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 IFRSs issued by the International Accounting Standards Board, the recommendations of *The Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts"* issued by the Institute of Singapore Chartered Accountants 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.

- 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 year 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

17 March 2023

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Note	Group		IREIT	
		2022 EUR'000	2021 EUR'000	2022 EUR'000	2021 EUR'000
Current assets					
Cash and cash equivalents	4	49,171	51,669	1,266	2,981
Trade and other receivables	5	5,036	3,990	6,826	9,720
Financial derivatives	6	8,015	8	–	–
		62,222	55,667	8,092	12,701
Non-current assets					
Investment properties	7	950,500	974,870	–	–
Investment in subsidiaries	8	–	–	310,363	400,948
Other receivables	5	1,727	1,539	–	–
Financial derivatives	6	22,836	2,319	–	–
Loan to subsidiary	5	–	–	37,800	37,800
Deferred tax assets	9	1,855	1,104	–	–
		976,918	979,832	348,163	438,748
Total assets		**1,039,140**	**1,035,499**	**356,255**	**451,449**
Current liabilities					
Trade and other payables	10	8,075	7,505	1,444	1,168
Distribution payable		15,053	17,600	15,053	17,600
Financial derivatives	6	–	1,981	–	–
Income tax payable		1,803	769	193	–
		24,931	27,855	16,690	18,768
Non-current liabilities					
Borrowings	11	329,694	328,922	–	–
Other payables	10	1,809	2,315	–	77,021
Financial derivatives	6	–	2,496	–	–
Deferred tax liabilities	9	58,003	54,465	–	–
		389,506	388,198	–	77,021
Total liabilities, excluding net assets attributable to Unitholders		**414,437**	**416,053**	**16,690**	**95,789**
Net assets attributable to Unitholders[1]		**624,703**	**619,446**	**339,565**	**355,660**
Units in issue and to be issued ('000)	12	**1,155,891**	**1,155,891**	**1,155,891**	**1,155,891**
Net asset value per unit (€) attributable to Unitholders	13	**0.54**	**0.54**	**0.29**	**0.31**

[1] Adjusted for distribution payable to Unitholders.

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

CONSOLIDATED STATEMENT OF TOTAL RETURN AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Group 2022 EUR'000	Group 2021 EUR'000
Gross revenue	14	61,650	52,167
Property operating expenses	15	(12,853)	(9,685)
Net property income		**48,797**	**42,482**
Finance costs	16	(5,968)	(5,040)
Management fees	17	(3,465)	(3,620)
Trustee's fees		(213)	(171)
Administrative costs		(1,737)	(1,043)
Other trust expenses	18	(2,239)	(1,430)
Acquisition and divestment related costs		–	(1,509)
Net income before tax and changes in fair value		**35,175**	**29,669**
Change in fair value of financial derivatives		33,079	6,790
Change in fair value of investment properties	7	(27,641)	115,000
Total return before income tax		**40,613**	**151,459**
Income tax expense	19	(4,174)	(22,969)
Total return for the year attributable to Unitholders		**36,439**	**128,490**
Distributions to Unitholders		(31,182)	(30,947)
Total return for the year, after distributions to Unitholders, representing total comprehensive income for the year		**5,257**	**97,543**
Earnings per unit			
Basic and diluted earnings per unit (€ cents)	20	**3.15**	**12.31**

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

CONSOLIDATED STATEMENT OF DISTRIBUTION

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Group 2022 EUR'000	Group 2021 EUR'000
Total return for the year attributable to Unitholders		36,439	128,490
Adjustments:			
Amortisation of debt upfront transaction costs		828	600
Management fees payable in units		–	1,810
Unrealised foreign exchange loss/(gain)		12	(272)
Effects of recognising rental income on a straight–line basis over the lease term		20	992
Change in fair value of financial derivatives		(33,079)	(6,790)
Change in fair value of investment properties		27,641	(115,000)
Acquisition and divestment related costs		–	1,509
Deferred tax expense		2,786	23,047
Total distribution adjustments		**(1,792)**	**(94,104)**
Amount available for distribution		**34,647**	**34,386**
Distribution to Unitholders:			
Distribution of €1.41 cents per unit for the period from 1 January 2022 to 30 June 2022		(16,410)	–
Distribution of €1.28 cents per unit for the period from 1 July 2022 to 31 December 2022		(14,772)	–
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)
Total Unitholders' distribution		**(31,182)**	**(30,947)**
Amount retained for working capital		**3,465**	**3,439**
Units in issue at the end of the year ('000)	12	**1,155,891**	**1,154,591**
Distribution per unit (€ cents)	2(r)	**2.69**	**2.93**

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 2022

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 2021	**385,147**	**(8,745)**	**65,341**	**441,743**
OPERATIONS				
Total return for the year attributable to Unitholders	–	–	128,490	**128,490**
Distributions to Unitholders	–	–	(30,947)	**(30,947)**
Net increase in net assets resulting from operations	**–**	**–**	**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**
Net 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**
OPERATIONS				
Total return for the year attributable to Unitholders	–	–	36,439	**36,439**
Distributions to Unitholders	–	–	(31,182)	**(31,182)**
Net increase in net assets resulting from operations	**–**	**–**	**5,257**	**5,257**
UNITHOLDERS' TRANSACTIONS				
Issue of units:				
Management fees payable in units[1]	–	–	–	–
Net increase in net assets resulting from Unitholders' transactions	–	–	–	–
Net assets attributable to Unitholders as at 31 December 2022	**466,164**	**(9,602)**	**168,141**	**624,703**

[1] The management fees for FY2022 are payable 100% in cash.

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 2022

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 2021	**385,147**	**(8,745)**	**(79,440)**	**296,962**
OPERATIONS				
Total return for the year attributable to Unitholders	–	–	9,485	**9,485**
Distributions to Unitholders	–	–	(30,947)	**(30,947)**
Decrease in net assets resulting from operations	**–**	**–**	**(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**
Net 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**
OPERATIONS				
Total return for the year attributable to Unitholders	–	–	15,087	**15,087**
Distributions to Unitholders	–	–	(31,182)	**(31,182)**
Decrease in net assets resulting from operations	–	–	(16,095)	**(16,095)**
UNITHOLDERS' TRANSACTIONS				
Issue of units:				
Management fees payable in units[1]	–	–	–	–
Net increase in net assets resulting from Unitholders' transactions	–	–	–	–
Net assets attributable to Unitholders as at 31 December 2022	**466,164**	**(9,602)**	**(116,997)**	**339,565**

[1] The management fees for FY2022 are payable 100% in cash.

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Group 2022 EUR'000	Group 2021 EUR'000
Cash flows from operating activities			
Total return for the year attributable to Unitholders		36,439	128,490
Adjustments for:			
Management fees payable in units		–	1,810
Effects of recognising rental income on a straight–line basis		252	992
Finance costs		5,968	5,040
Change in fair value of financial derivatives		(33,079)	(6,790)
Change in fair value of investment properties		27,641	(115,000)
Income tax expense		4,174	22,969
Operating cash flows before working capital changes		41,395	37,511
Changes in working capital:			
Trade and other receivables		(1,234)	(1,593)
Trade and other payables		70	3,697
Cash generated from operations		40,231	39,615
Income taxes paid		(354)	(640)
Net cash from operating activities		39,877	38,975
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	7	(3,523)	(3,323)
Net cash used in investing activities		(3,523)	(141,050)
Cash flows from financing activities			
Proceeds from issuance of units		–	79,207
Payments related to issuance of units		–	(857)
Proceeds from borrowings	26	–	65,000
Costs related to borrowings	26	–	(1,900)
Distribution paid to Unitholders	26	(33,729)	(26,378)
Net interest paid		(5,123)	(4,437)
Net cash (used in)/from financing activities		(38,852)	110,635
Net (decrease)/increase in cash and cash equivalents		**(2,498)**	**8,560**
Cash and cash equivalents at beginning of the year		51,669	43,109
Cash and cash equivalents at end of the year	4	**49,171**	**51,669**

SIGNIFICANT NON–CASH TRANSACTIONS

During the financial year ended 31 December 2021:

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

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

STATEMENT OF PORTFOLIO

AS AT 31 DECEMBER 2022

Property *(by Geography)*	**Land Tenure**	**Location**	**Carrying Value** 2022 EUR'000	**Carrying Value** 2021 EUR'000	**Percentage of Net Assets attributable to Unitholders** 2022 %	**Percentage of Net Assets attributable to Unitholders** 2021 %
Germany						
Berlin Campus	Freehold	Schreiberhauer Straße 2, 4, 6, 8, 10, 12, 14, 16, 18, 20 and 22, Berlin 10317	305,000	323,200	48.8	52.2
Bonn Campus	Freehold	Friedrich–Ebert–Allee,71, 73, 75, 77, Bonn	132,700	121,800	21.2	19.7
Darmstadt Campus	Freehold	Heinrich–Hertz–Straße 3, 5, 7, Darmstadt, Germany Mina–Rees–Straße 4, Darmstadt	62,200	71,500	10.0	11.5
Munster Campus	Freehold	Gartenstraße 215, 217, Münster	65,800	69,900	10.5	11.3
Concor Park	Freehold	Bahnhofstraße 12 and Dywidagstraße 1, Bahnhofstraße 16, 18, 20, München	94,000	97,900	15.1	15.8
Spain						
Delta Nova IV	Freehold	Av. Manoteras, 46, Madrid	29,800	30,900	4.8	5.0
Delta Nova VI	Freehold	Av. Manoteras, 46BIS, Madrid	38,400	40,600	6.2	6.5
Il–lumina	Freehold	Carrer De Gaspar Fabregas I Roses, 81, Barcelona	24,500	25,500	3.9	4.1
Sant Cugat Green	Freehold	Av. De La Generalitat, 163–167, Barcelona	44,600	41,600	7.1	6.7
Parc Cugat	Freehold	Can Fatjo Dels Urons 5, St Cugat del Valles, Barcelona	27,000	28,600	4.3	4.6
France						
Abbeville	Freehold	6 rue de l'Egalite	2,940	2,870	0.5	0.5
Aurillac	Freehold	Zone d'Activites Commerciales La Ponetie	4,570	4,440	0.7	0.7
Belfort Bessoncourt	Freehold	Zone Commerciale Porte des Vosges	4,480	4,290	0.7	0.7
Bergerac	Freehold	ZA les Sardines	3,660	3,570	0.6	0.6
Calais	Freehold	Rue Danton, ZAC des Cailloux, rue de Verdun	5,250	5,050	0.8	0.8
Cergy	Freehold	Pontoise FR, 2, avenue des la Plaine des Sports	9,690	9,310	1.6	1.5
Châteauroux	Freehold	ZAC Cap Sud	6,410	6,280	1.0	1.0
Châtellerault	Freehold	25 rue de la Desiree	3,730	3,650	0.6	0.6
Cholet	Freehold	L 'Autre Faubourg	11,120	10,910	1.8	1.8
Concarneau	Freehold	Rue Aime Cesaire, ZA du Colguen	2,570	2,520	0.4	0.4
Balance carried forward			**878,420**	**904,390**	**140.6**	**146.0**

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

STATEMENT OF PORTFOLIO

AS AT 31 DECEMBER 2022

Property *(by Geography)*	**Land Tenure**	**Location**	**Carrying Value**		**Percentage of Net Assets attributable to Unitholders**	
			2022	**2021**	**2022**	**2021**
			EUR'000	EUR'000	%	%
Balance brought forward			**878,420**	**904,390**	**140.6**	**146.0**
France						
Dinan	Freehold	Cap Rance, Route de Dinard	2,570	2,520	0.4	0.4
Douai	Freehold	1 rue du Faubourg de Paris	3,510	3,440	0.6	0.5
Dreux	Freehold	Rue Henry Potez	4,260	4,170	0.7	0.7
Evreux	Freehold	Chemin des Coudres	6,270	6,120	1.0	1.0
Foix	Freehold	Zone Industrielle Foix Nord	4,530	4,430	0.7	0.7
Gap	Freehold	65 avenue 2millie Didier	4,530	4,430	0.7	0.7
Istres	Freehold	Zone du Tube, avenue Clement Ader	4,240	4,150	0.7	0.7
Lannion	Freehold	ZA Du Cruguil, rue Lucien Vidie	4,680	4,570	0.8	0.7
Laval	Freehold	Rue du Commandant Cousteau	6,260	6,110	1.0	1.0
Mâcon	Freehold	Route Nationale 6 Zone Jacquard	9,210	9,010	1.5	1.5
Pont-Audemer	Freehold	Avenue Jean Monnet	1,910	1,870	0.3	0.3
Pontivy	Freehold	40, avenue des Cites Unies	2,510	2,450	0.4	0.4
Sables d'Olonne	Freehold	32 boulevard du Vendee Globe	3,380	3,300	0.5	0.5
Sarrebourg	Freehold	Zone Artisanale Les Terrasses de la Sarre	3,070	3,000	0.5	0.5
Sens	Freehold	Zone Commerciale Porte de Bourgogne	3,640	3,560	0.6	0.6
Verdun	Freehold	Zone du Dragon	3,240	3,170	0.5	0.5
Vichy	Freehold	Route de Charmeil	4,270	4,180	0.7	0.7
Investment properties, at fair value (Note 7)			**950,500**	**974,870**	**152.2**	**157.4**
Other assets and liabilities, net			(325,797)	(355,424)	(52.2)	(57.4)
Net assets attributable to Unitholders			**624,703**	**619,446**	**100.0**	**100.0**

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

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 2022 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 2022 and statement of changes in net assets attributable to Unitholders of IREIT for the financial year then ended 31 December 2022 were authorised for issue by the Manager on 17 March 2023.

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 100.0% of its Base Fee in the form of cash for the financial year ended 31 December 2022. The Manager had 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 25).

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.

1. GENERAL (CONTINUED)

(a) Manager's 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.

There was no performance fee paid to the Manager for the financial year ended 31 December 2022 (2021: Nil).

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 25).

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 (Note 25).

(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 the recommendations of *Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts"* issued by the Institute of Singapore Chartered Accountants ("RAP 7") 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"). These financial statements for the year ended 31 December 2022 are the first set that the Group and IREIT have prepared in accordance with RAP 7.

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 Group 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 2022, the Group adopted all the new and revised IFRSs that are mandatorily effective and are 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 disclosures or 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 IAS 1	*Classification of Liabilities as Current or Non–Current*[2]
Amendments to IAS 1 and IFRS Practice Statement 2	*Disclosure of Accounting Policies*[1]
Amendments to IAS 8	*Definition of Accounting Estimates*[1]
Amendments to IAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*[1]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]

1 Applies to annual periods beginning on or after 1 January 2023, with early application permitted.
2 Applies to annual periods beginning on or after 1 January 2024, with early application permitted.
3 Effective date is deferred indefinitely.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

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

(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 total return 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 consolidated statement of total return and other comprehensive income 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of consolidation (continued)

Business Combinations (continued)

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) Investments in subsidiaries

Investments in subsidiaries are included in IREIT's statement of financial position at cost less any identified impairment in net recoverable value.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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 cash and cash equivalents) are measured at amortised cost using the effective interest rate method, less any identified expected credit losses as disclosed in Note 23(a).

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Financial assets (continued)

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. ECL 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.

For trade receivables, the Group applies a simplified approach in calculating ECL. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL at each reporting date. The Group has established a provision matrix that is based on its 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.

For other financial assets, 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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Financial assets (continued)

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Financial liabilities and equity instruments (continued)

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 and interest rate caps) to economically hedge its significant future transactions and cash flows in the management of its interest rate exposures. Further details of derivative financial instruments are disclosed in Note 6.

The Group does not apply 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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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 investments 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 investments in subsidiaries 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.

(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 consolidated statement of total return 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Taxation (continued)

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 directly in equity, in which case, the current and deferred tax are also recognised directly in equity. 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.

(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

In accordance with the Trust Deed, IREIT's current distribution policy is to distribute at least 90% of its annual distributable income for each financial year, which is a contractual obligation to unitholders. Accordingly, the units issued are compound instruments in accordance with IAS 32 *Financial Instruments Presentation*.

The Manager has the discretion to distribute any additional amounts, having regard to funding requirements, other capital management considerations and ensuring the overall stability of distributions.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Cash and cash equivalents in the consolidated statement of cash flows

Cash and cash equivalents in the consolidated 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 judgements 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 judgement 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.

4. CASH AND CASH EQUIVALENTS

	Group		IREIT	
	2022	2021	2022	2021
	EUR'000	EUR'000	EUR'000	EUR'000
Cash at bank and on hand	49,171	51,669	1,266	2,981

5. TRADE AND OTHER RECEIVABLES AND LOAN TO SUBSIDIARY

	Group		IREIT	
	2022	2021	2022	2021
	EUR'000	EUR'000	EUR'000	EUR'000
(a) Trade receivables				
Outside parties	2,344	1,545	–	–
(b) Other receivables and prepayments				
Other receivables	1,229	1,571	6,821	9,714
Prepayments	1,463	874	5	6
	2,692	2,445	6,826	9,720
Current trade and other receivables	**5,036**	**3,990**	**6,826**	**9,720**
(c) Other receivables and loan to subsidiary				
Outside parties	1,727	1,539	–	–
Loan to subsidiary	–	–	37,800	37,800
	1,727	1,539	37,800	37,800
Non-current other receivables and loan to subsidiary	**1,727**	**1,539**	**37,800**	**37,800**

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 2022, an amount of €73,000 (2021: €73,000) 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 €6.8 million (2021: €9.2 million) mainly comprising approximately €6.3 million (2021: €8.7 million) of dividends receivable, interest receivable and loans receivable from subsidiaries, which were collected subsequent to year end.

As at 31 December 2022, loan to subsidiary bear a fixed nominal interest rate of 7.45% (2021: 7.45%) per annum. The interest is payable quarterly while the principal is payable upon maturity date. The fair value of the loan to subsidiary approximates its carrying amount.

In determining the recoverability of trade 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 ECL which is based on historical credit losses experienced (past due status of the trade receivables), adjusted as appropriate to reflect current conditions, estimates of future economic conditions at the reporting date and security deposits held.

The other receivables are considered to have low credit risk as they are not due for payment at the end of the financial year end and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment, the loss allowance is measured at an amount equal to 12-month ECL, which is determined based on historical default experience and the financial position of the counterparties. As at financial year end, expected credit losses from trade and other receivables are expected to be insignificant.

6. FINANCIAL DERIVATIVES

	Group	
	2022	**2021**
	EUR'000	EUR'000
Current assets		
Interest rate caps	3,352	8
Interest rate swaps	4,663	–
	8,015	**8**
Non-current assets		
Interest rate caps	10,939	2,319
Interest rate swaps	11,897	–
	22,836	**2,319**
Current liabilities		
Interest rate swaps	**–**	**1,981**
Non-current liabilities		
Interest rate swaps	**–**	**2,496**

(a) 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 (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 (2021: €121.6 million).

The fair value of the interest rate caps falls under Level 2 of the fair value hierarchy and is based on banks' quotes.

(b) 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 (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 (2021: €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.

7. INVESTMENT PROPERTIES

	Note	Group 2022 EUR'000	Group 2021 EUR'000
Beginning of the year		974,870	719,580
Capital expenditure on investment properties		3,523	3,323
Acquisition of investment properties	(a)	–	147,227
Disposal of investment property	(b)	–	(9,500)
Lease incentives and rent straight–lining		(252)	(760)
Net change in fair value of investment properties during the year		(27,641)	115,000
End of the year	(c)	**950,500**	**974,870**

During the year ended 31 December 2022, there were no acquisition or disposal of investment property.

(a) Details of investment properties acquired during the year ended 31 December 2021 are as follows:

Transactions during the year	Acquisition price[2] 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 2021, IREIT acquired 27 retail properties located across France and one office property (Parc Cugat) in Spain.

(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 2022 (2021: 31 December 2021) by independent valuers[1], 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 the average of the discounted cash flow method and income capitalisation method. 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.

[1] Independent valuers for the investment properties located in Germany and Spain is BNP Paribas Real Estate Consult GmbH and the independent valuer for the investment properties located in France is BNP Paribas Real Estate Valuation France as at 31 December 2022 and 31 December 2021.

[2] Excluding acquisition–related expenses of €9,567,000.

7. INVESTMENT PROPERTIES (CONTINUED)

The Valuers have highlighted that the war in Ukraine, the ongoing Coronavirus ("COVID–19") epidemic, increasing interest rates and inflation, disrupted supply chains and high volatility on the stock markets have led to an increased uncertainty for the development of economies and real estate markets globally. In light of the heightened overall level of uncertainty and reduced investment activities, the valuation is based on information available at the date of valuation.

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 2022. The valuations were based on the information available as at 31 December 2022.

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	
	2022	2021	2022	2021
Discounted cash flow	4.00% to 8.30% per annum	3.75% to 8.00% per annum	3.35% to 7.75% per annum	3.25% to 8.00% per annum

Valuation method	Income capitalisation rate	
	2022	2021
Income capitalisation	5.50% to 6.00% per annum	5.50% to 6.25% per annum

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	If terminal capitalisation rate were to increase by 0.5%, the carrying value of the investment properties would decrease by approximately €70.9 million (2021: €82.0 million). If discount rate were to increase by 0.5%, the carrying value of the investment properties would decrease by approximately €30.6 million (2021: €21.9 million).

7. INVESTMENT PROPERTIES (CONTINUED)

Spanish 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 €7.5 million (2021: €7.9 million).
	If discount rate were to increase by 0.5%, the carrying value of the investment properties would decrease by approximately €5.9 million (2021: €6.2 million).

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 €5.7 million (2021: €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 (2021: €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 €9.2 million (2021: €10.1 million).

The above investment properties have been pledged as security for bank loans (Note 11).

8. INVESTMENT IN SUBSIDIARIES

	IREIT	
	2022	2021
	EUR'000	EUR'000
Unquoted equity shares, at cost	147,921	231,406
Loans to subsidiaries (Note a)	162,442	169,542
Total	**310,363**	**400,948**

(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.

8. INVESTMENT IN SUBSIDIARIES (CONTINUED)

IREIT has held the following wholly–owned subsidiaries as at 31 December 2022 and 2021:

Name of entity	Principal activities	Country/Place of incorporation	Proportion of ownership interest and voting rights held 2022 %	2021 %
Directly held:				
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
IREIT Global Holdings 6 Pte. Ltd.[(a)]	Investment holding	Singapore	100	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	100
Indirectly held:				
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[(c)]	Real estate investment	France	100	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. The entity was dissolved with effect from 18 October 2022.
(e) Not required to be audited by the local regulations in France.

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	Revaluation difference of investment properties	Revaluation difference of interest rate swaps and caps	Total
		EUR'000	EUR'000	EUR'000	EUR'000
Deferred tax assets					
Balance as at 1 January 2021		**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**
Recognised in profit or loss	19	1,460	–	(709)	751
Balance as at 31 December 2022		**1,811**	**44**	**–**	**1,855**
Deferred tax liabilities					
Balance as at 1 January 2021		**(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)**
Recognised in profit or loss	19	11	214	(3,763)	(3,538)
Balance as at 31 December 2022		**–**	**(54,103)**	**(3,900)**	**(58,003)**

10. TRADE AND OTHER PAYABLES

		Group		IREIT	
		2022	2021	2022	2021
		EUR'000	EUR'000	EUR'000	EUR'000
(a)	Trade payables				
	Outside parties	**1,059**	**926**	**17**	**20**
(b)	Other payables				
	Deferred rent	403	2,082	–	–
	Accrued expenses and other payables	6,613	4,497	1,427	1,148
		7,016	**6,579**	**1,427**	**1,148**
	Current trade and other payables	**8,075**	**7,505**	**1,444**	**1,168**
(c)	Non-current other payables				
	Other payables	**1,809**	**2,315**	**–**	**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.

10. TRADE AND OTHER PAYABLES (CONTINUED)

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. The subsidiary was dissolved with effect from 18 October 2022.

11. BORROWINGS

	Group	
	2022	**2021**
	EUR'000	EUR'000
Secured loans	332,660	332,660
Less: Unamortised transaction costs	(2,966)	(3,738)
Amount due for settlement after 12 months	**329,694**	**328,922**

As at 31 December 2022, the Group's secured borrowings comprised the following facilities ("the Facilities"):

(i) Term loan facility of €200.8 million (2021: €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 (2021: €66.9 million) taken up in December 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 of 1.80% per annum.

(iii) Term loan facility of €51.4 million (2021: €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 (2021: €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 €950.5 million as at 31 December 2022 (2021: €974.9 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).

11. BORROWINGS (CONTINUED)

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 fair value of the borrowings approximates its carrying amount. The Group does not apply hedge accounting.

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 2022 and 2021 mainly represent financial liabilities.

	Group and IREIT	
	2022	**2021**
	'000	'000
Units in issue:		
Beginning of the year	1,154,591	937,046
Issuance of new units:		
Pursuant to the Placement	–	11,373
Pursuant to the Preferential Offer	–	201,138
Management fees paid in units	1,300	5,034
End of the year	1,155,891	1,154,591
Units to be issued:		
Management fees payable in units[1]	–	1,300
Total units in issue and to be issued at end of year	**1,155,891**	**1,155,891**

[1] The management fees for 2022 are payable wholly in cash.

13. NET ASSET VALUE PER UNIT

Net asset value per unit is based on:

	Group		IREIT	
	2022	**2021**	**2022**	**2021**
	EUR'000	EUR'000	EUR'000	EUR'000
Net assets	624,703	619,446	339,565	355,660
Number of units in issue and to be issued at the end of the year ('000) (Note 12)	1,155,891	1,155,891	1,155,891	1,155,891
Net asset value per unit (€)	**0.54**	**0.54**	**0.29**	**0.31**

14. GROSS REVENUE

	Group	
	2022	2021
	EUR'000	EUR'000
Rental income	48,039	41,122
Service charge income	9,924	6,837
Carpark income	3,535	4,064
Other income	152	144
Total	**61,650**	**52,167**

15. PROPERTY OPERATING EXPENSES

	Group	
	2022	2021
	EUR'000	EUR'000
Property management expenses	720	555
Repair and maintenance expenses	5,264	5,007
Utilities expenses	2,717	1,513
Property tax expenses	3,716	2,212
Other expenses	436	398
Total	**12,853**	**9,685**

16. FINANCE COSTS

	Group	
	2022	2021
	EUR'000	EUR'000
Interest on borrowings	5,196	4,440
Amortisation of debt upfront transaction costs	772	600
Total	**5,968**	**5,040**

17. MANAGEMENT FEES

	Group	
	2022	2021
	EUR'000	EUR'000
Management fees paid in units and cash	3,465	3,620

The management fees for 2022 are payable wholly in cash. The management fees for 2021 comprise an aggregate of 4,417,597 units and €1,810,000 cash, amounting to approximately €3,620,000, which have been issued to the Manager at S$0.6395 to S$0.6455 per unit.

18. OTHER TRUST EXPENSES

	Group	
	2022	2021
	EUR'000	EUR'000
Audit and audit related services fees – Auditors of the Group	434	286
Non–audit services fees – Auditors of the Group	226	380
Tax related fees	120	66
Legal and professional fees	630	423
Property valuation fees	207	152
Foreign exchange loss/(gain)	2	(237)
Others	620	360
Total	**2,239**	**1,430**

19. INCOME TAX EXPENSE

	Group	
	2022	2021
	EUR'000	EUR'000
Current taxation		
– Under/(Over) provision of tax in prior years	343	(113)
– Current year	901	(89)
	1,244	(202)
Deferred taxation		
– Current year (Note 9)	2,787	23,047
Withholding tax	143	124
Total	**4,174**	**22,969**

IREIT is subjected to Singapore income tax at 17% (2021: 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	
	2022	2021
	EUR'000	EUR'000
Total return before income tax	40,613	151,459
Tax at 17% (2021: 17%)	6,904	25,748
Tax effect of expenses not deductible for tax purposes	3,480	724
Tax effect of income not taxable for tax purposes	(6,147)	(3,279)
Effect of different tax rates of overseas operations	812	(377)
Under/(Over) provision of tax in the prior years	343	(113)
Tax effect of utilisation of tax losses not previously recognised	(1,518)	–
Withholding tax	143	124
Others	157	142
Tax expense for the year	**4,174**	**22,969**

20. BASIC AND DILUTED EARNINGS PER UNIT

The calculation of basic earnings per unit is based on:

	Group	
	2022	2021
	EUR'000	EUR'000
Total return for the year before transactions with Unitholders	36,439	128,490
Weighted average number of units	1,155,550	1,044,165[1]
Basic and diluted earnings per unit (€ cents)	**3.15**	**12.31**

[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 respectively.

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 2022 and 31 December 2021.

21. 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.

21. OPERATING SEGMENTS (CONTINUED)

Segment results

	Germany EUR'000	Spain EUR'000	France EUR'000	Total EUR'000
2022				
Gross revenue	36,904	15,004	9,742	61,650
Property operating expenses	(6,116)	(4,986)	(1,751)	(12,853)
Segment net property income	30,788	10,018	7,991	48,797
Change in fair value of investment properties	(26,475)	(4,296)	3,130	(27,641)
Return before income tax - Segments	4,313	5,722	11,121	21,156
Unallocated items:				
Finance costs				(5,968)
Management fees				(3,465)
Trustee's fees				(213)
Administrative costs				(1,737)
Other trust expenses				(2,239)
Change in fair value of financial derivatives				33,079
Total return before income tax				**40,613**
Income tax expense				(4,174)
Total return after income tax for the year				**36,439**
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
Return before income tax – Segments	134,598	15,323	7,561	157,482
Unallocated items:				
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)
Total return before income tax				**151,459**
Income tax expense				(22,969)
Total return after income tax for the year				**128,490**

21. OPERATING SEGMENTS (CONTINUED)

Segment assets and liabilities

	Germany EUR'000	Spain EUR'000	France EUR'000	Total EUR'000
2022				
Segment assets	711,806	182,786	137,130	1,031,722
Unallocated assets				7,418
Total assets				**1,039,140**
Segment liabilities	256,173	83,241	58,276	397,690
Unallocated liabilities				16,747
Total liabilities				**414,437**
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**

Major customers

There are certain major customers of the Group, being tenants of the properties in Germany and France that each account for 10% or more of the Group's gross revenue. For the financial year ended 31 December 2022, gross revenue derived from 3 such tenants (2021: 2 such tenants) amounted to €38.9 million (2021: €29.4 million).

22. 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 an aggregate leverage not exceeding 45% (2021: 50%) of the fund's Deposited Property of the Group in accordance with the CIS Code issued by MAS. The aggregate leverage of a property fund may exceed 45% of the fund's Deposited Property (up to a maximum of 50%) only if the property fund has a minimum adjusted interest coverage ratio of 2.5 times after taking into account the interest payment obligations arising from the new borrowings. A breach will result in non–compliance to the regulation.

As at 31 December 2022, the Group's aggregate borrowings amounted to €329.7 million (2021: €328.9 million) representing 32.0% (2021: 32.1%) of the fund's Deposited Property of the Group.

The interest coverage ratio stood at approximately 7.9 times (2021: 7.7 times) for the trailing 12 months period from 1 January 2022 to 31 December 2022.

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 2022.

23. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	Group		IREIT	
	2022	2021	2022	2021
	EUR'000	EUR'000	EUR'000	EUR'000
Financial assets				
At amortised cost				
– Cash and cash equivalents	49,171	51,669	1,266	2,981
– Trade and other receivables	4,155	3,168	44,611	47,025
	53,326	**54,837**	**45,877**	**50,006**
Fair value through profit or loss				
Derivative financial instruments	**30,851**	**2,327**	**–**	**–**
Financial liabilities				
At amortised cost				
– Trade and other payables	9,130	7,156	1,444	78,186
– Distribution payable	15,053	17,600	15,053	17,600
– Borrowings	329,694	328,922	–	–
	353,877	**353,678**	**16,497**	**95,786**
Fair value through profit or loss				
Derivative financial Instruments	**–**	**4,477**	**–**	**–**

(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 substantially 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

23. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (continued)

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 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. For other receivables, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. As at financial year 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 20.3% (2021: 33.8%) of the Group's trade receivables as at 31 December 2022 and 63.1% (2021: 63.1%) of the Group's revenue for the financial year are from three groups of companies in Germany and France.

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	Undiscounted cash flows 2 years to 5 years	Undiscounted cash flows after 5 years	Adjustments	Total
	%	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Non–derivative financial instrument – liabilities						
31 December 2022						
Non–interest bearing	–	24,183	–	–	–	24,183
Floating interest rate instrument	1.50%	5,521	348,286	–	(24,113)	329,694
		29,704	**348,286**	**–**	**(24,113)**	**353,877**
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**

23. 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
Non-derivative financial instrument – liabilities						
31 December 2022						
Non-interest bearing	–	16,497	–	–	–	16,497
31 December 2021						
Non-interest bearing	–	18,765	77,021	–	–	95,786

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
Non-derivative financial instrument – assets						
31 December 2022						
Non-interest bearing	–	51,599	1,727	–	–	53,326
31 December 2021						
Non-interest bearing	–	53,298	1,539	–	–	54,837

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

23. 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
Non-derivative financial instrument – assets						
31 December 2022						
Non-interest bearing	–	8,077	–	–	–	8,077
Fixed interest rate instrument	7.45%	2,855	46,287	–	(11,342)	37,800
		10,932	**46,287**	**–**	**(11,342)**	**45,877**
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**

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 (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 EUR'000	Within 2 years to 5 years EUR'000	After 5 years EUR'000
Derivative financial instruments			
31 December 2022			
Net settled:			
Interest rate caps	3,352	10,939	–
Interest rate swaps	4,663	11,897	–
	8,015	**22,836**	**–**
Derivative financial instruments			
31 December 2021			
Net settled:			
Interest rate caps	8	1,336	983
Interest rate swaps	(1,981)	(2,496)	–
	(1,973)	**(1,160)**	**983**

23. 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	
	2022	2021	2022	2021
	EUR'000	EUR'000	EUR'000	EUR'000
Singapore dollars	911	1,744	1,416	1,079

IREIT

	Assets		Liabilities	
	2022	2021	2022	2021
	EUR'000	EUR'000	EUR'000	EUR'000
Singapore dollars	911	1,744	1,364	1,019

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	
	2022	2021	2022	2021
	EUR'000	EUR'000	EUR'000	EUR'000
Singapore dollars	25	33	23	36

(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.

24. 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	
	2022	2021
	EUR'000	EUR'000
Year 1	43,884	51,264
Year 2	40,172	37,789
Year 3	32,500	27,217
Year 4	31,678	20,548
Year 5	28,378	19,385
Year 6 and onwards	66,590	22,845
Total	**243,202**	**179,048**

25. 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	
	2022	2021
	EUR'000	EUR'000
DBS Trustee Limited as Trustee		
Trustee's fees	213	171
Acquisition–related costs	–	21
IREIT Global Group Pte. Ltd. as Manager		
Acquisition and divestment fees	–	1,424
Management fees	3,465	3,620

26. 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.

			Non–cash changes		
	At 1 January 2022	Financing cash flows	Distribution to Unitholders	Amortisation of upfront debt transaction costs	At 31 December 2022
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Borrowings (Note 11)	328,922	–	–	772	329,694
Distribution payable	17,600	(33,729)	31,182	–	15,053
	346,522	**(33,729)**	**31,182**	**772**	**344,747**

			Non–cash changes		
	At 1 January 2021	Financing cash flows	Distribution to Unitholders	Amortisation of upfront debt transaction costs	At 31 December 2021
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Borrowings (Note 11)	264,628	63,694[1]	–	600	328,922
Distribution payable	13,031	(26,378)	30,947	–	17,600
	277,659	**37,316**	**30,947**	**600**	**346,522**

[1] The financing cash flows comprise €65.0 million of proceeds from borrowings and €1.3 million upfront debt transaction costs paid during the year.

27. FINANCIAL RATIOS

	Group	
	FY 2022	FY 2021
	%	%
Expenses to weighted average net assets [1]		
– including performance component of Manager's management fees	1.19	1.30
– excluding performance component of Manager's management fees	1.19	1.30
Portfolio turnover ratio [2]	**–**	**27.6**

[1] The annualised ratios are computed in accordance with the guidelines of Investment Management Association of Singapore. The expenses used in the computation relate to expenses of the Group, excluding property operating expenses, finance costs, net foreign exchange differences and income tax expense.

[2] The annualised ratio is computed based on the lesser of purchases or sales of underlying investment properties of the Group expressed as a percentage of weighted average net asset value. There were no purchases or sales of underlying investment properties in 2022.

28. EVENTS OCCURING AFTER REPORTING DATE

On 23 February 2023, IREIT announced distribution of 1.28 Euro cents per unit, for the period from 1 July 2022 to 31 December 2022.

OTHER INFORMATION

INTERESTED PERSON TRANSACTIONS

For the financial year ended 31 December 2022

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	213	–
IREIT Global Group Pte. Ltd.		
– Management fees	3,465	–

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.

STATISTICS OF UNITHOLDINGS

AS AT 16 MARCH 2023

DISTRIBUTION OF UNITHOLDINGS

SIZE OF UNITHOLDINGS	NO. OF UNITHOLDERS	%	NO. OF UNITS	%
1 - 99	70	1.06	3,004	0.00
100 - 1,000	394	5.96	314,794	0.03
1,001 - 10,000	2,560	38.71	13,705,485	1.18
10,001 - 1,000,000	3,561	53.85	208,867,374	18.07
1,000,001 AND ABOVE	28	0.42	933,000,764	80.72
TOTAL	**6,613**	**100.00**	**1,155,891,421**	**100.00**

LOCATION OF UNITHOLDERS

COUNTRY	NO. OF UNITHOLDERS	%	NO. OF UNITS	%
SINGAPORE	6,440	97.38	1,150,309,393	99.52
MALAYSIA	122	1.85	3,751,818	0.32
OTHERS	51	0.77	1,830,210	0.16
TOTAL	**6,613**	**100.00**	**1,155,891,421**	**100.00**

TWENTY LARGEST UNITHOLDERS

NO.	NAME	NO. OF UNITS	%
1	HSBC (SINGAPORE) NOMINEES PTE LTD	337,888,536	29.23
2	CITY STRATEGIC EQUITY PTE LTD	239,942,191	20.76
3	DBS NOMINEES (PRIVATE) LIMITED	135,439,692	11.72
4	BANK OF CHINA NOMINEES (PTE) LTD	56,359,095	4.88
5	CITIBANK NOMINEES SINGAPORE PTE LTD	46,085,579	3.99
6	RAFFLES NOMINEES (PTE.) LIMITED	20,953,589	1.81
7	BOND CAPITAL PARTNERS PTE LTD	16,246,955	1.41
8	PHILLIP SECURITIES PTE LTD	9,093,564	0.79
9	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	7,523,462	0.65
10	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	7,479,089	0.65
11	IFAST FINANCIAL PTE. LTD.	7,166,860	0.62
12	MAYBANK SECURITIES PTE. LTD.	7,061,449	0.61
13	ABN AMRO CLEARING BANK N.V.	6,550,856	0.57
14	IREIT GLOBAL GROUP PTE LTD	4,917,028	0.43
15	OCBC SECURITIES PRIVATE LIMITED	4,400,781	0.38
16	UOB KAY HIAN PRIVATE LIMITED	4,213,381	0.36
17	DB NOMINEES (SINGAPORE) PTE LTD	4,052,989	0.35
18	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	3,356,827	0.29
19	SNG KAY BOON TERENCE	2,432,200	0.21
20	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	1,928,092	0.17
	TOTAL	**923,092,215**	**79.88**

STATISTICS OF UNITHOLDINGS

AS AT 16 MARCH 2023

ISSUED UNITS

There were 1,155,891,421 Units (voting rights: one vote per Unit) issued in IREIT as at 16 March 2023.

Market capitalisation: S$577,945,710.5 (based on closing price of S$0.50 per unit on 16 March 2023).

UNITHOLDINGS OF DIRECTORS OF THE MANAGER AS AT 21 JANUARY 2023

No	Name of Director	Direct Interest	Deemed Interest
1	Mr Lim Kok Min, John	562,000	–
2	Mr Chng Lay Chew	–	–
3	Mr Mark Andrew Yeo Kah Chong	–	–
4	Mr Bruno de Pampelonne	703,100	–
5	Mr Sherman Kwek Eik Tse	–	–
6	Mr Sanjay Bakliwal	118,300	–

SUBSTANTIAL UNITHOLDERS AS AT 16 MARCH 2023

No	Name of Substantial Unitholders	Direct Interest	Deemed Interest
1	Tikehau Capital SCA [(a)]	332,144,083	4,917,028
2	City Strategic Equity Pte. Ltd.	239,942,191	–
3	CDL Real Estate Investment Managers Pte. Ltd. [(b)]	–	244,859,219
4	New Empire Investments Pte. Ltd. [(b)]	–	244,859,219
5	City Developments Limited [(b)]	–	244,859,219
6	Hong Leong Investment Holdings Pte. Ltd. [(c)]	–	245,059,219
7	Davos Investment Holdings Private Limited [(c)]	–	245,059,219
8	Kwek Holdings Pte. Ltd. [(c)]	–	245,059,219

(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 4,917,028 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 4,917,028 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., 4,917,028 Units held by IREIT Global Group Pte. Ltd. and 200,000 Units held by Millennium Securities Pte. Ltd.

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 2023, approximately 49.94% 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 2023.

NOTICE OF ANNUAL GENERAL MEETING

IREIT GLOBAL

(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 held at Bridge+, Metro 2 Event Space, Level 2, 79 Robinson Road, CapitaSky, Singapore 068897 on Tuesday, 25 April 2023 at 10.00 a.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 2022 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);

(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 sub-paragraph (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
3 April 2023

IMPORTANT NOTICE:

1. Printed copies of this Notice will be sent to Unitholders. This Notice will also be made available via publication on the SGX-ST website at the URL https://www.sgx.com/securities/company-announcements and on IREIT's website at the URL https://www.ireitglobal.com/.

2. A Unitholder who is not a relevant intermediary entitled to attend and vote at the AGM is entitled to appoint not more than two proxies to attend and vote in the Unitholder's stead. A proxy need not be a Unitholder.

3. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless the Unitholder specifies in the proxy form the proportion of the Unitholder's holdings (expressed as a percentage of the whole) to be represented by each proxy.

4. A Unitholder who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than two proxies to attend and vote instead of the Unitholder, but each proxy must be appointed to exercise the rights attached to a different Unit or Units held by such Unitholder. Where such Unitholder appoints more than one proxy, the appointments shall be invalid unless the Unitholder specifies the number of Units in relation to which each proxy has been appointed.

   "relevant intermediary" means:

   (a) a banking corporation licensed under the Banking Act 1970 of Singapore 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;

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds Units in that capacity;

   (c) the Central Provident Fund Board (**"CPF Board"**) established by the Central Provident Fund Act 1953 of Singapore, in respect of Units purchased under the subsidiary legislation made under that Act 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.

5. The accompanying proxy form for the AGM (**"Proxy Form"**) may be downloaded from the SGX-ST website at the URL https://www.sgx.com/securities/company-announcements and on IREIT's website at the URL https://www.ireitglobal.com/. For convenience, printed copies of the Proxy Form will also be sent by post to Unitholders. Additional printed copies of the Proxy Form, if required, can be requested from IREIT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., by calling +65 6536 5355 (during office hours) or via email at IREITGlobalAGM2023@boardroomlimited.com. Requests for printed copies of the Proxy Form should be made by Monday, 17 April 2023.

6. 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 at 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 IREITGlobalAGM2023@boardroomlimited.com;

   in either case, not later than 10.00 a.m. (Singapore time) on Sunday, 23 April 2023, being not less than 48 hours before the time fixed for the AGM.

   A Unitholder who wishes to submit a Proxy Form by post or via email 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 from the SGX-ST website or IREIT's website, 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.

NOTICE OF ANNUAL GENERAL MEETING

7. CPF and SRS investors who wish to vote at the AGM, should approach their respective CPF Agent Banks or SRS Operators to submit their votes by Thursday, 13 April 2023, being seven business days before the date of the AGM.

8. Unitholders, including CPF/SRS investors, may submit questions related to the resolutions to be tabled for approval at the AGM in advance of the AGM. In order for Unitholders to submit questions in advance of the AGM, the questions must be submitted in the following manner by 10.00 a.m. on Friday, 14 April 2023:

   (a) deposited at the registered office of the Manager at 1 Wallich Street #15-03 Guoco Tower Singapore 078881; or

   (b) via email to the Manager, at ir@ireitglobal.com.

   Unitholders who submit questions via post or email must provide the following information for authentication: (a) the Unitholder's full name; (b) the Unitholder's address; and (c) the manner in which the Unitholder holds the Units (e.g., via CDP, CPF or SRS).

9. The annual report for the financial year ended 31 December 2022 (**"Annual Report"**) may be viewed and downloaded at IREIT's website at the URL https://www.ireitglobal.com/. Printed copies of the request form will be sent to Unitholders for Unitholders to request for a printed copy of the Annual Report (the **"Request Form"**). Requests for a physical copy of the Annual Report should be made by submitting the Request Form to 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 at 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 IREITGlobalAGM2023@boardroomlimited.com.

   in either case, by no later than Monday, 17 April 2023.

10. Due to the constantly 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 https://www.ireitglobal.com/ 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.

NOTICE OF ANNUAL GENERAL MEETING

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a Unitholder (i) consents to the collection, use and disclosure of the Unitholder's personal data by the Manager and the Trustee (or their agents or service providers) for the purpose of the processing and administration by the Manager and the Trustee (or their agents or service providers) of proxies and representatives appointed 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 or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the Unitholder discloses the personal data of the Unitholder's proxy(ies) and/or representative(s) to the Manager and the Trustee (or their agents or service providers), the Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Manager and the Trustee (or their agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Unitholder will indemnify the Manager and the Trustee (or their agents or service providers) in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Unitholder's breach of warranty.

This page has been intentionally left blank.

IREIT GLOBAL

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

IMPORTANT:
1. Relevant intermediaries (as defined in the Notes Overleaf), may appoint more than two proxies to attend and vote at the Annual General Meeting.
2. 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.

Personal data privacy
By submitting an instrument appointing a proxy or proxies and/or representative(s), a unitholder of IREIT Global accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 3 April 2023.

PROXY FORM
ANNUAL GENERAL MEETING

IMPORTANT:
The Annual General Meeting (**"AGM"**) of the holders of units of IREIT Global (**"IREIT"**, the units of IREIT, **"Units"**, and the holders of units of IREIT, **"Unitholders"**) will be held at Bridge+, Metro 2 Event Space, Level 2, 79 Robinson Road, CapitaSky, Singapore 068897 on Tuesday, 25 April 2023 at 10.00 a.m. (Singapore time). Printed copies of the Notice of AGM dated 3 April 2023 will be sent to the Unitholders and will also be made available through electronic means via publication on the website of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") at the URL https://www.sgx.com/securities/company-announcements and IREIT's website at the URL https://www.ireitglobal.com/.

I/We ______________________________ (Name(s) and NRIC Number(s)/Passport Number(s)/Company Registration Number)

of ____ (Address)
being a unitholder/unitholders of IREIT, hereby appoint:

Name	**Address**	**NRIC/Passport Number**	**Proportion of Unitholdings**	
			Number of Units	**%**

and/or (delete as appropriate)

Name	**Address**	**NRIC/Passport Number**	**Proportion of Unitholdings**	
			Number of Units	**%**

or failing the person, or either or both of the persons, referred to above, the Chairman of the AGM of IREIT, as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the AGM of IREIT to be held at Bridge+, Metro 2 Event Space, Level 2, 79 Robinson Road, CapitaSky, Singapore 068897 on Tuesday, 25 April 2023 at 10.00 a.m. (Singapore time) and any adjournment thereof. I/We direct my/our proxy/ proxies to vote for or against the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they may on any other matter arising at the AGM (or any adjournment thereof). If no person is named in the above boxes, the Chairman of the AGM shall be my/our proxy/proxies to vote, for or against, or to abstain from voting on, the resolution to be proposed at the AGM for me/us and on my/our behalf at the AGM and at any adjournment thereof.

No.	**Resolutions relating to:**	**Number of Votes For(*)**	**Number of Votes Against(*)**	**Number of Votes 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 2022 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 ____________________ 2023

Total number of Units held

____
Signature of Unitholder (s)/ Common Seal of Corporate Unitholder

IMPORTANT: Please read the notes overleaf before completing this Proxy Form

Notes to the Proxy Form

1. A Unitholder who is not a relevant intermediary entitled to attend and vote at the AGM is entitled to appoint not more than two proxies to attend and vote in the Unitholder's stead. A proxy need not be a Unitholder. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless the Unitholder specifies in the proxy form the proportion of the Unitholder's holdings (expressed as a percentage of the whole) to be represented by each proxy.

2. A Unitholder who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than two proxies to attend and vote instead of the Unitholder, but each proxy must be appointed to exercise the rights attached to a different Unit or Units held by such Unitholder. Where such Unitholder appoints more than one proxy, the appointments shall be invalid unless the Unitholder specifies the number of Units in relation to which each proxy has been appointed.

   "relevant intermediary" means:

   (a) a banking corporation licensed under the Banking Act 1970 of Singapore 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;

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds Units in that capacity;

   (c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act 1953 of Singapore, in respect of Units purchased under the subsidiary legislation made under that Act 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.

3. The accompanying proxy form for the AGM ("**Proxy Form**") may be downloaded from the SGX-ST website at the URL https://www.sgx.com/securities/company-announcements and on IREIT's website at the URL https://www.ireitglobal.com/. For convenience, printed copies of the Proxy Form will also be sent by post to Unitholders. Additional printed copies of the Proxy Form, if required, can be requested from IREIT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., by calling +65 6536 5355 (during office hours) or via email at IREITGlobalAGM2023@boardroomlimited.com. Requests for printed copies of the Proxy Form should be made by Monday, 17 April 2023.

4. 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 at 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 IREITGlobalAGM2023@boardroomlimited.com;

   in either case, not later than 10.00 a.m. (Singapore time) on Sunday, 23 April 2023, being not less than 48 hours before the time fixed for the AGM.

   A Unitholder who wishes to submit a Proxy Form by post or via email 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 from the SGX-ST website or IREIT's website, 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.

5. Completion and return of this Proxy Form shall not preclude a Unitholder from attending and voting at the AGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a Unitholder attends the AGM in person, and in such event, the Manager reserves the right to refuse to admit any person or persons appointed under this Proxy Form, to the AGM.

6. A Unitholder should insert the total number of Units held. If the Unitholder has Units entered against the Unitholder's name in the Depository Register maintained by the Central Depository (Pte) Limited ("**CDP**"), the Unitholder should insert that number of Units. If the Unitholder has Units registered in the Unitholder's name in the Register of Unitholders of IREIT, the Unitholder should insert that number of Units. If the Unitholder has Units entered against the Unitholder's name in the said Depository Register and registered in the Unitholder's name in the Register of Unitholders, the Unitholder 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.

7. The Proxy Form must be executed under the hand of the appointor or of his/her attorney duly authorised in writing or if the appointer 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.

8. 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.

9. 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.

10. A proxy need not be a Unitholder. CPF and SRS investors who wish to vote at the AGM, should approach their respective CPF Agent Banks or SRS Operators to submit their votes by Thursday, 13 April 2023, being seven business days before the date of the AGM.

11. The annual report for the financial year ended 31 December 2022 ("**Annual Report**") may be viewed and downloaded at IREIT's website at the URL https://www.ireitglobal.com/. Printed copies of the request form will be sent to Unitholders for Unitholders to request for a printed copy of the Annual Report (the "**Request Form**"). Requests for a physical copy of the Annual Report should be made by submitting the Request Form to 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 at 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 IREITGlobalAGM2023@boardroomlimited.com.

    in either case, by no later than Monday, 17 April 2023.

12. Due to the constantly 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 https://www.ireitglobal.com/ for the latest updates on the status of the AGM.

13. 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 Sherman Kwek Eik Tse
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
Sitz: Frankfurt am Main
Amtsgericht Frankfurt am Main
HRB Nr. 115721 I Steuernummer: 045 239 99962

CBRE Real Estate, S.A.
Paseo de la Castellana 202, Planta 8
Madrid, 28046

CBRE Property Management
43 rue Paul Meurice
75020, Paris

COMPANY SECRETARIES
Mr Lee Wei Hsiung, ACIS
Ms Ang Siew Koon, ACIS

UNIT TRUST REGISTRAR
Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
#14-03/07 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

IREIT Global Group Pte. Ltd.

(As Manager of IREIT Global)
Company Registration No. 201331623K

Joint Sponsors of IREIT Global

City Developments Limited   TIKEHAU CAPITAL

1 Wallich Street
#15-03 Guoco Tower,
Singapore 078881
Tel: (65) 6718 0590
Fax:(65) 6718 0599

www.ireitglobal.com