



**CROMWELL**  
EUROPEAN REIT

## CROMWELL EUROPEAN REAL ESTATE INVESTMENT TRUST

(a real estate investment trust constituted on 28 April 2017 under the laws of the Republic of Singapore)

Managed by **CROMWELL EREIT MANAGEMENT PTE. LTD.**

### CIRCULAR TO UNITHOLDERS IN RELATION TO:

- (1) THE PROPOSED ACQUISITION OF 16 PROPERTIES IN THE NETHERLANDS, FINLAND AND POLAND;
- (2) THE PROPOSED RIGHTS ISSUE;
- (3) THE PROPOSED PAYMENT OF THE GTCT SUB-UNDERWRITING COMMISSION; AND
- (4) THE PROPOSED PAYMENT OF THE HILLSBORO SUB-UNDERWRITING COMMISSION

Singapore Exchange Securities Trading Limited (the "SGX-ST") assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this circular to unitholders of Cromwell European Real Estate Investment Trust ("CEREIT"), and the unitholders of CEREIT, the "Unitholders") dated 30 October 2018 (this "Circular"). If you are in any doubt about its contents or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Approval in-principle has been obtained from the SGX-ST for the listing and quotation of the Rights Units (as defined herein) in CEREIT on the Main Board of the SGX-ST and the proposed Rights Issue (as defined herein). The SGX-ST's in-principle approval is not to be taken as an indication of the merits of the Rights Issue, the Rights Units, CEREIT and/or its subsidiaries.

If you have sold or transferred all your units in CEREIT ("Units"), please forward this Circular together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form (as defined herein) immediately to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Circular shall not constitute an offer to sell or a solicitation of an offer to buy Units or other securities, including the Rights Units and "nil-paid" provisional allotment of Rights Units to Eligible Unitholders (as defined herein) under the proposed Rights Issue (the "Rights Entitlements"). This Circular may not be sent to any person or any jurisdiction in which it would not be permissible to deliver the Rights Units and Rights Entitlements or make an offer of the Rights Units and

the Rights Entitlements, and the Rights Units and Rights Entitlements may not be offered, sold, resold, transferred or delivered, directly or indirectly, to any such person or in any such jurisdiction.

This Circular is not for distribution, directly or indirectly, in or into the United States and is not an offer of securities for sale in the United States or any other jurisdiction. The Rights Units and Rights Entitlements have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or under any securities laws of any state or other jurisdiction of the United States of America (the "U.S.") and may not be offered, sold, resold, allotted, taken up, exercised, pledged, transferred or delivered, directly or indirectly, within the U.S. except pursuant to an applicable exemption from, or a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the U.S. There will be no public offering of the Rights Units and/or Rights Entitlements in the U.S.

Goldman Sachs (Singapore) Pte. Ltd. and UBS AG, Singapore Branch were the joint issue managers for the initial public offering of CEREIT. DBS Bank Ltd., Goldman Sachs (Singapore) Pte. Ltd., and UBS AG, Singapore Branch were the joint global coordinators for the initial public offering of CEREIT. DBS Bank Ltd., Goldman Sachs (Singapore) Pte. Ltd., UBS AG, Singapore Branch, Daiwa Capital Markets Singapore Limited and CLSA Singapore Pte Ltd were the joint bookrunners and underwriters for the initial public offering of CEREIT.

### IMPORTANT DATES AND TIMES FOR UNITHOLDERS

Last date and time for lodgement of Proxy Forms

Monday, 12 November 2018  
at 10.00 a.m.

Date and time of Extraordinary General Meeting

Thursday, 15 November 2018  
at 10.00 a.m.

Place of Extraordinary General Meeting

Pickering Ballroom, Level 2  
PARKROYAL on Pickering  
3 Upper Pickering Street  
Singapore 058289

Joint Global Co-ordinators and Bookrunners  
in relation to the Rights Issue

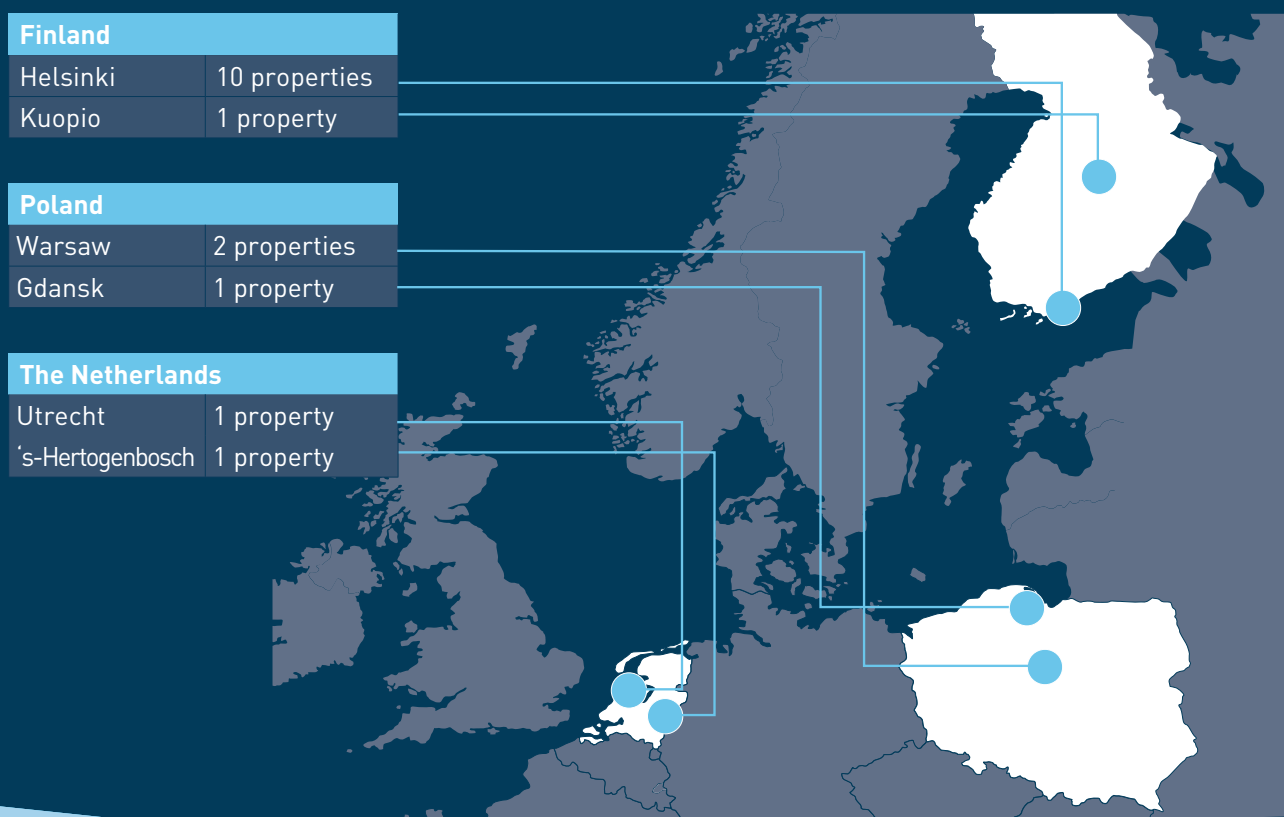


Independent Financial Adviser to the Independent Directors and Audit and Risk Committee of Cromwell EREIT Management Pte. Ltd. and to Perpetual (Asia) Limited (in its capacity as trustee of Cromwell European Real Estate Investment Trust)



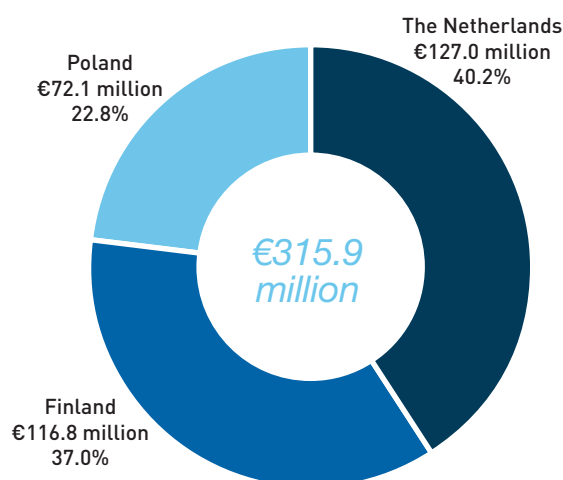
Ernst & Young Corporate Finance Pte. Ltd.

# PROPOSED ACQUISITION OF 16 PROPERTIES IN THE NETHERLANDS, FINLAND AND POLAND

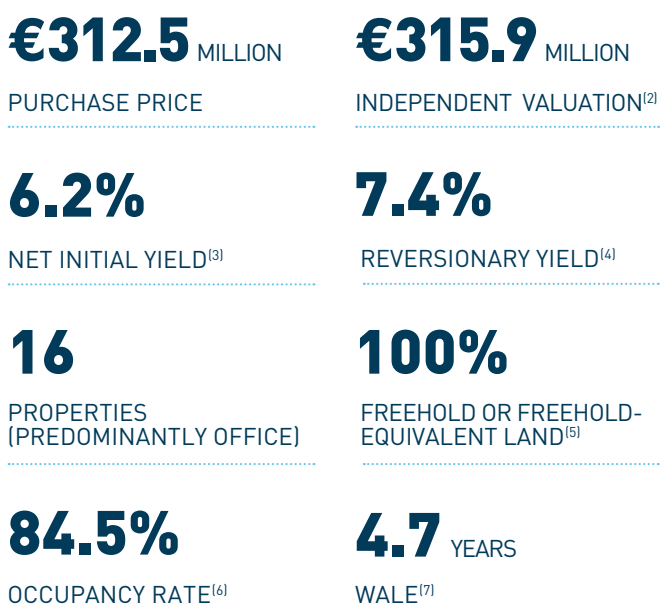


## NEW PROPERTIES<sup>(1)</sup>

### Breakdown by Country<sup>(2)</sup>



## NEW PROPERTIES<sup>(1)</sup> STATISTICS



#### Notes:

- (1) Refers to the 16 properties located in the Netherlands, Finland and Poland.
- (2) Based on the average of the two independent valuations of each New Property conducted by the Independent Valuers as at 27 September 2018.
- (3) "Net Initial Yield" means the average of the Independent Valuers' annualised current passing rental income net of non-recoverable property expenses, divided by the Property Purchase Price.
- (4) "Reversionary Yield" means the average of the Independent Valuers' estimated market rental income per annum net of non-recoverable property expenses, divided by the Property Purchase Price.
- (5) All New Properties are on freehold land except for Moeder Teresalaan 100-200 in Utrecht, which is on a leasehold land that is acquired in perpetuity. Leasehold acquired in perpetuity means a leasehold for an indefinite period of time and the ground rent has been paid off perpetually.
- (6) Occupancy rate as at 31 August 2018 (except for Willemsplein 2, 's-Hertogenbosch, the Netherlands ["Willemsplein 2"]). With respect to Willemsplein 2, the occupancy rate is as at 1 September 2018. For Arkonska Business Park, Gdansk, Poland, while the occupancy rate as at 31 August 2018 is only 46.7%, the committed occupancy rate is 69.1%.
- (7) "WALE" refers to the weighted average lease expiry by headline rent based on the final termination date of the agreement (assuming the tenant does not terminate the lease on any of the permissible break date(s), if applicable) as at 31 August 2018.

## CEREIT KEY OBJECTIVES

Provide Unitholders with regular and stable distributions

Achieve long-term growth in DPU<sup>(1)</sup> and NAV<sup>(2)</sup> per Unit while maintaining an appropriate capital structure

## CEREIT KEY STRATEGIES

### Active asset management and enhancement strategy

The Manager will seek to drive organic growth, and maintain a proactive tenant management strategy. Properties will be regularly evaluated for identification of potential property enhancement or redevelopment opportunities that can improve and/or enhance income streams.

### Acquisition growth strategy

The Manager will adopt a rigorous selection process focused on long term sector trends and fundamental real estate qualities to ensure that investments are focused on the right cities and sectors that can provide attractive cash flows and yields and which fit within CEREIT's investment strategy to enhance returns to Unitholders and improve opportunities for future income and capital growth. The Manager will leverage on the extensive on-the-ground teams of the Property Manager to increase acquisition opportunities available to CEREIT through participation in both competitive processes as well as non-competitive, off-market acquisitions.

### Prudent capital management strategy

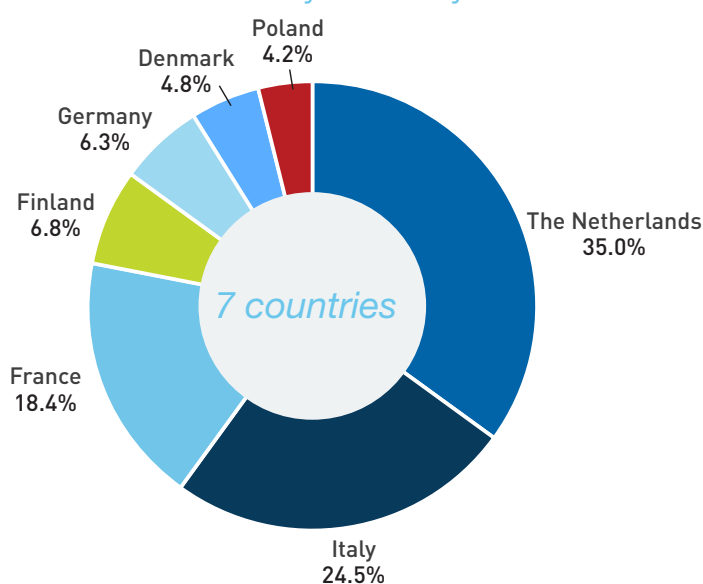
The Manager will endeavour to maintain a strong balance sheet, prudently employ an appropriate mix of debt and equity in financing acquisitions, optimise its cost of debt financing, and utilise interest rate and foreign exchange hedging strategies where appropriate, in order to minimise exposure to market volatility and maximise risk-adjusted returns to Unitholders.

### Best practice Sustainability, Corporate Governance, and Corporate Social Responsibility

The Manager will employ a best practice approach to sustainability, corporate governance and corporate social responsibility to achieve high sustainability standards in the operation and management of CEREIT.

## ENLARGED PORTFOLIO<sup>(3)</sup>

### Breakdown by Country<sup>(4)</sup>



## ENLARGED PORTFOLIO<sup>(3)</sup> STATISTICS

**€1.7** BILLION  
VALUATION<sup>(5)</sup>

**1.3** MILLION  
SQ M<sup>(6)</sup> OF NLA<sup>(7)</sup>

**91**  
PROPERTIES

**90.4%**  
FREEHOLD AND  
PERPETUAL  
LEASEHOLD<sup>(4)</sup>

**88.2%**  
OCCUPANCY<sup>(8)</sup>

**5.0** YEARS  
WALE<sup>(9)</sup>

#### Notes:

(1) Distribution per Unit.

(2) Net Asset Value.

(3) Comprises the Existing Portfolio and the New Properties.

(4) For the Existing Portfolio, by percentage of the sum of the valuation (except 13 Via Jervis, Ivrea, Italy ["Ivrea"]) as of 31 March 2018 and the valuation of Ivrea on 1 April 2018. For the New Properties, the valuation is based on the average of the two independent valuations of each New Property conducted by the Independent Valuers as at 27 September 2018.

(5) For the Existing Portfolio, valuation (except Ivrea) is as of 31 March 2018 and the valuation of Ivrea is as of 1 April 2018. For the New Properties, the valuation is based on the average of the two independent valuations of each New Property conducted by the Independent Valuers as at 27 September 2018.

(6) Square metres.

(7) Net Lettable Area.

(8) Committed occupancy as at 30 June 2018.

(9) "WALE" refers to the weighted average lease expiry by headline rent based on the final termination date of the agreement (assuming the tenant does not terminate the lease on any of the permissible break date(s), if applicable) as at 31 August 2018.

Grandinkulma,  
Helsinki Metropolitan Area,  
Finland

Liiketalo Myyrinraitti,  
Helsinki Metropolitan Area,  
Finland

Kuopion Kauppakeskus,  
Kuopio, Finland

Pakkalan Kartanonkoski 12,  
Helsinki Metropolitan Area,  
Finland

## RATIONALE AND KEY BENEFITS

### 1. Consistent with the Manager's Investment Strategy

- Good quality freehold and perpetual leasehold office assets
- Enhanced geographical diversification
- Enhanced tenant diversification
- 84.5%<sup>(1)</sup> occupied by quality tenants with a WALE<sup>(2)</sup> of 4.7 years
- Exposure to attractive Finnish and Polish office markets, which are among Europe's fastest growing economies

### 2. Opportunity to Invest in Attractive Office Markets of the Netherlands, Finland and Poland

- The Netherlands, Finland and Poland have outperformed the Eurozone economic growth

#### Strong Economic Growth



- Economy outperformed Eurozone average in 2017
- Tight labour market with wage growth

#### Finland



- GDP grew by 2.8% in 2017
- Continued job growth and rising confidence

#### Poland



- GDP grew by 4.6% in 2017
- Low unemployment and rising industrial activity

#### Attractive Office Sector Dynamics

- Increasing demand for quality, well-located assets
- Potential for positive rental growth

- Office sector has performed well in 2018
- Upward pressure on rents

- Warsaw remains hub of office activity
- Short-term supply shortage

#### Notes:

- (1) Occupancy as at 31 August 2018 (except for Willemsplein 2, 's-Hertogenbosch, the Netherlands ["Willemsplein 2"]). With respect to Willemsplein 2, the occupancy is as at 1 September 2018. For Arkonska Business Park, Gdansk, Poland, while the occupancy as at 31 August 2018 is only 46.7%, the committed occupancy rate is 69.1%.
- (2) "WALE" refers to the weighted average lease expiry by headline rent based on the final termination date of the agreement (assuming the tenant does not terminate the lease on any of the permissible break date(s), if applicable) as at 31 August 2018.



Plaza 2 Park (Plaza Allegro),  
Helsinki Metropolitan Area,  
Finland

Plaza 2 Park (Plaza Vivace),  
Helsinki Metropolitan Area,  
Finland

Plaza Forte,  
Helsinki Metropolitan Area,  
Finland

### 3. High Quality, Well-located Predominantly Freehold Properties

Very good accessibility to major transport infrastructure including:

#### The Netherlands



- A2 highway
- Utrecht Central Station, the busiest train station in the Netherlands
- 's-Hertogenbosch Central Station

#### Finland



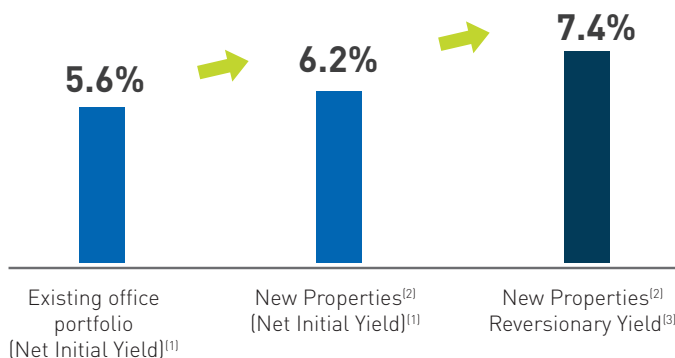
- Helsinki Airport, the largest airport in Finland catering to approximately 83.0% of the domestic and almost all of the international air traffic, having the shortest connecting flights to Asia of all European airports
- Ring Road III, being the most important road network in the Helsinki Metropolitan Area
- Urban city centre train stations

#### Poland



- Trasa Łazienkowska freeway and Wistostrada freeway
- Central Railway Station
- Chopin Airport and Gdansk Lech Walesa Airport
- Amber Highway

### 4. Portfolio Positioned for Long-Term Sustainable Growth



- Rental upside as Reversionary Yield<sup>(3)</sup> is significantly higher than Net Initial Yield<sup>(1)</sup>
- Growth upside from vacancy reduction
- Leases typically indexed to consumer price indices

#### Notes:

- (1) "Net Initial Yield" means the average of the Independent Valuers' annualised current passing rental income net of non-recoverable property expenses, divided by the Property Purchase Price.
- (2) Refers to the 16 properties located in the Netherlands, Finland and Poland.
- (3) "Reversionary Yield" means the average of the Independent Valuers' estimated market rental income per annum net of non-recoverable property expenses, divided by the Property Purchase Price; as at 27 September 2018.



Pakkalan Kartanonkoski 3,  
Helsinki Metropolitan Area,  
Finland



Opus 1,  
Helsinki, Finland



Mäkitorpantie 3,  
Helsinki, Finland



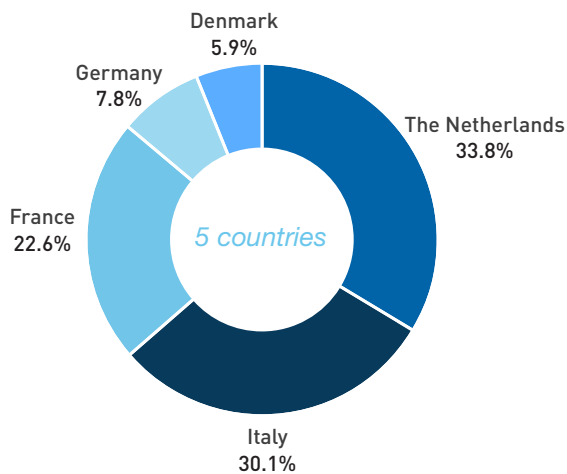
Purotie 1,  
Helsinki, Finland

## 5. Increased Resilience from Enlarged Size and Diversification

- Geographical diversification enhanced from 5 countries to 7 countries

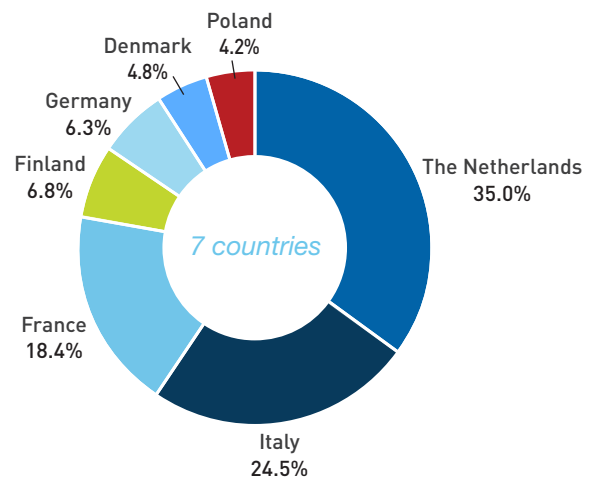
### Existing Portfolio<sup>(1)</sup>

Breakdown by Country<sup>(2)</sup>



### Enlarged Portfolio<sup>(3)</sup>

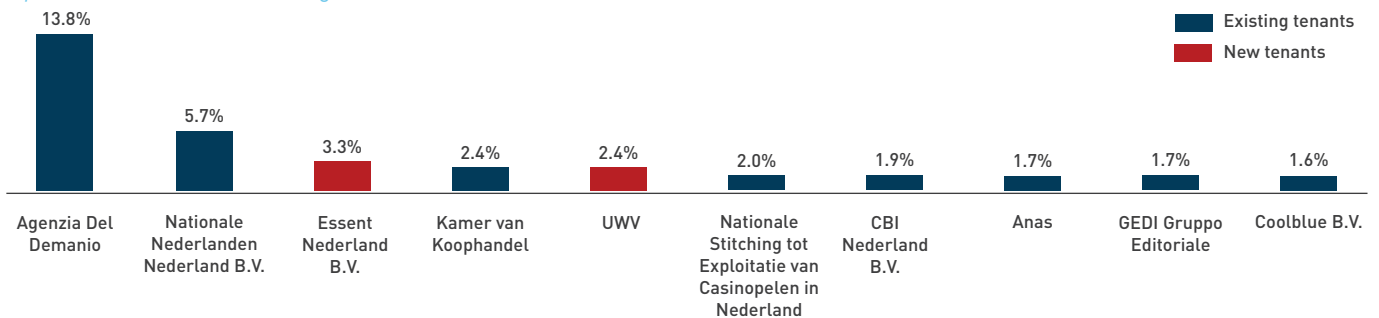
Breakdown by Country<sup>(2)(4)</sup>



- Top 10 tenants' contribution to the Gross Rental Income<sup>(5)</sup> decreases from 40.5% to 36.6%

### Enlarged Portfolio<sup>(3)</sup>

Top 10 tenants' contribution to Existing Portfolio's<sup>(1)</sup> Gross Rental Income<sup>(5)</sup>



#### Notes:

- (1) Refers to the existing portfolio of CEREIT that comprises 75 properties located in Denmark, France, Germany, Italy and the Netherlands.
- (2) By percentage of the sum of the valuation of the Existing Portfolio (except 13 Via Jervis, Ivrea, Italy) as of 31 March 2018 and the valuation of Ivrea on 1 April 2018.
- (3) Comprises the Existing Portfolio and the New Properties.
- (4) For the New Properties, the valuation is based on the average of the two independent valuations of each New Property conducted by the Independent Valuers as at 27 September 2018.
- (5) As at 30 June 2018.



Arkonska Business Park,  
Gdansk, Poland



Moeder Teresalaan 100-200,  
Utrecht, The Netherlands



Grojecka 5,  
Warsaw, Poland



Willemsplein 2,  
's-Hertogenbosch,  
The Netherlands

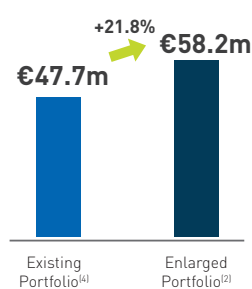
## 6. Acquisition of New Properties<sup>(1)</sup> at Attractive Yields

- Enlarged Portfolio<sup>(2)</sup> will have DPU<sup>(3)</sup> yield of 8.09% compared to 7.97% for Existing Portfolio<sup>(4)</sup>

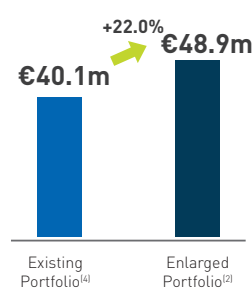
### Net Initial Yield<sup>(5)</sup>



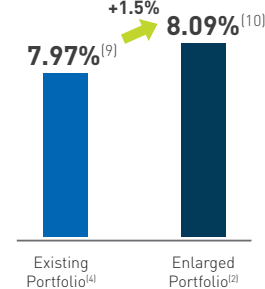
### Net Property Income<sup>(6)</sup>



### Distributable Income<sup>(7)</sup>

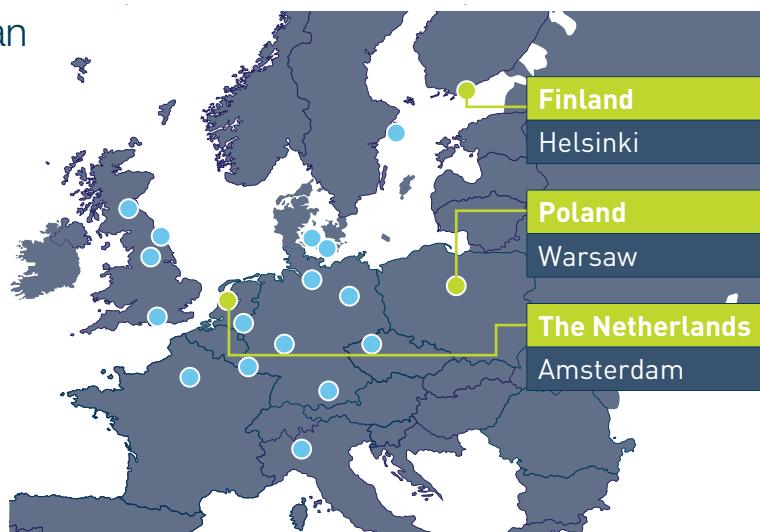


### Annualised DPU<sup>(3)</sup> Yield<sup>(8)</sup>



## 7. Sponsor's<sup>(11)</sup> Integrated European Asset Management Platform

- On the ground asset management team across the Netherlands, Finland and Poland
- Well-positioned to actively manage the assets to drive improved operating and financial performance
- Extensive experience in the management of office assets in Finland and Poland, with core competencies across the entire value chain
- Strong track record of enhancing value through Asset Enhancement Initiatives



- Sponsor's 17 regional offices, excluding those in the Netherlands, Finland and Poland
- Sponsor's 3 regional offices in the Netherlands, Finland and Poland

### Notes:

- (1) Refers to the 16 properties located in the Netherlands, Finland and Poland.
- (2) Comprises the Existing Portfolio and the New Properties.
- (3) Distribution per Unit.
- (4) The existing portfolio of CERIT that comprises 75 properties located in Denmark, France, Germany, Italy and the Netherlands.
- (5) "Net Initial Yield" means the average of the Independent Valuers' annualised current passing rental income net of non-recoverable property expenses, divided by the Property Purchase Price.
- (6) The *pro forma* financial effects of the Proposed Transaction for the financial period from 30 November 2017 (being the date of listing of CERIT) to 30 June 2018 ("FP2018"); Adjusted for the property management fees payable (assumed to be 0.67% of Proposed Acquisition Purchase Consideration).
- (7) The *pro forma* financial effects of the Proposed Transaction for FP2018; Adjusted for the Manager's management fees (assumed to be 0.23% of Proposed Acquisition Purchase Consideration, of which the Manager would receive 100.0% in the form of Units) and property management fees payable (assumed to be 0.67% of Proposed Acquisition Purchase Consideration, of which the Property Manager would receive 40.0% in the form of Units) and related tax effects.
- (8) The *pro forma* financial effects of the Proposed Transaction for FP2018.
- (9) Based on the closing price of €0.545 per Unit on the SGX-ST on 30 October 2018 being the last trading day of the Units prior to the announcement of the proposed Rights Issue.
- (10) Assumes that €170.8 million of the gross proceeds of the Rights Issue are used to partially fund the Total Cost of the Proposed Transaction, and €53.3 million of the gross proceeds of the Rights Issue are used to partially fund the Total Cost of the Recently Announced Acquisitions. DPU yield is computed based on annualised *pro forma* distributable income divided by the sum of CERIT's market capitalisation at the close of 30 October 2018 and the gross proceeds of the Rights Issue assumed to be attributable to each respective transaction.
- (11) Cromwell Property Group, a stapled group comprising Cromwell Corporation Limited and Cromwell Diversified Property Trust (the responsible entity of which is Cromwell Property Securities Limited).

# ABOUT CEREIF

CEREIT is the first Singapore real estate investment trust with a diversified Pan-European portfolio, established with the principal investment strategy of investing, directly or indirectly, in a diversified portfolio of income-producing real estate assets in Europe that are used primarily for office, logistics/light industrial and retail purposes<sup>(1)</sup>, as well as real estate-related assets in connection with the foregoing. CEREIT was listed on 30 November 2017, with trading of Units commencing on 30 November 2017.

As at 26 October 2018, being the latest practicable date prior to the printing of this Circular, CEREIT has a market capitalisation of approximately €861.7 million (equivalent to approximately S\$1,355.2 million). The existing portfolio of CEREIT comprises 75 properties located in Denmark, France, Germany, Italy and the Netherlands with an aggregate net LFA<sup>(2)</sup> of approximately 1.2 million sq m<sup>(3)</sup>. The Existing Portfolio<sup>(4)</sup> is valued at approximately €1.39 billion (approximately S\$2.19 billion)<sup>(5)</sup>.

The sponsor of CEREIT is Cromwell Property Group.

## ABOUT THE SPONSOR



Cromwell Property Group, a stapled group comprising Cromwell Corporation Limited and Cromwell Diversified Property Trust (the responsible entity of which is Cromwell Property Securities Limited), is a global real estate investment manager, which has been listed in its current form on the Australian Securities Exchange Ltd since 2006.



### Notes:

- (1) "Office" properties refer to real estate that are predominantly used for office purposes, whether in existence by themselves as a whole or as part of larger mixed-use developments, "logistics/light industrial" properties refer to real estate that are predominantly used for light industrial, warehouse, and logistics purposes, the majority of which may have an attached office component, and "retail" properties refer to real estate that are predominantly used for retail purposes.
- (2) Lettable floor area.
- (3) Square metres.
- (4) The existing portfolio of CEREIT that comprises 75 properties located in Denmark, France, Germany, Italy and Netherlands.
- (5) As at 31 March 2018 for the Existing Portfolio (excluding 13 Via Jervis, Ivrea, Italy) and as at 1 April 2018 for Ivrea.
- (6) Assets under Management as at 30 June 2018; in Australian dollars.
- (7) Net Lettable Area.



## TABLE OF CONTENTS

	Page
<b>CORPORATE INFORMATION</b> .....	iii
<b>SUMMARY</b> .....	1
<b>INDICATIVE TIMETABLE</b> .....	11
<b>LETTER TO UNITHOLDERS</b>	
1. Summary of Approvals Sought .....	12
2. Resolution 1: The Proposed Acquisition .....	13
3. Resolution 2: The Proposed Rights Issue .....	23
4. Resolution 3: The Proposed Payment of the GTCT Sub-Underwriting Commission . . .	33
5. Resolution 4: The Proposed Payment of the Hillsboro Sub-Underwriting Commission . .	34
6. Rationale For and Key Benefits of the Proposed Transaction .....	36
7. Requirement for Unitholders' Approval .....	42
8. Disclosure of Interest .....	45
9. Certain Financial Information Relating to the Proposed Transaction .....	48
10. Opinion of the Independent Financial Adviser .....	51
11. Recommendations .....	52
12. Extraordinary General Meeting .....	53
13. Abstentions from Voting .....	53
14. Action to be Taken by Unitholders .....	53
15. Directors' Responsibility Statement .....	54
16. Joint Global Co-ordinators and Bookrunners' Responsibility Statement .....	54
17. Consents .....	54
18. Documents Available for Inspection .....	55
<b>IMPORTANT NOTICE</b> .....	56
<b>GLOSSARY</b> .....	58

**APPENDICES**

Appendix A Details of the New Properties, the Existing Portfolio and the Enlarged Portfolio ..... A-1

Appendix B Independent Financial Adviser’s Letter ..... B-1

Appendix C Valuation Certificates ..... C-1

Appendix D Independent Market Research Report ..... D-1

Appendix E Tax Considerations ..... E-1

**NOTICE OF EXTRAORDINARY GENERAL MEETING** ..... F-1

**PROXY FORM**

## CORPORATE INFORMATION

<b>Directors of Cromwell EREIT Management Pte. Ltd. (the “Manager”)</b>	Lim Swe Guan (Chairman and Independent Non-Executive Director) Fang Ai Lian (Independent Non-Executive Director and Chairman of the Audit and Risk Committee) Christian Delaire (Independent Non-Executive Director and Chairman of the Nominating and Remuneration Committee) Paul Weightman (Non-Independent Non-Executive Director) Simon Garing (Executive Director and Chief Executive Officer)
<b>Registered Office of the Manager</b>	50 Collyer Quay, #07-02, OUE Bayfront, Singapore 049321
<b>Trustee of CEREIT (the “Trustee”)</b>	Perpetual (Asia) Limited 8 Marina Boulevard #05-02 Marina Bay Financial Centre Singapore 018981
<b>Legal Adviser to the Manager in relation to the Proposed Transaction (as defined herein)</b>	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
<b>Legal Adviser to the Manager in relation to the Proposed Acquisition as to the Laws of the Netherlands</b>	Greenberg Traurig LLP Leidseplein 29   1017 PS Amsterdam The Netherlands
<b>Legal Adviser to the Manager in relation to the Proposed Acquisition as to the Laws of Finland</b>	Roschier Kasarmikatu 21 A FI-00130 Helsinki Finland
<b>Legal Adviser to the Manager in relation to the Proposed Acquisition as to the Laws of Poland</b>	Greenberg Traurig Grzesiak sp.k. Stock Exchange Building ul Książęca 4   00-498 Warsaw Poland
<b>Legal Adviser to the Trustee</b>	Dentons Rodyk & Davidson LLP 80 Raffles Place #33-00 UOB Plaza 1 Singapore 048624

<b>Joint Global Co-ordinators and Bookrunners in relation to the proposed Rights Issue (the “Joint Global Co-ordinators and Bookrunners”)</b>	<p>UBS AG, Singapore Branch One Raffles Quay #50-01 North Tower Singapore 048583</p>
	<p>DBS Bank Ltd. 12 Marina Boulevard Marina Bay Financial Centre Tower 3 Singapore 018982</p>
	<p>Morgan Stanley Asia (Singapore) Pte. #16-01 Capital Square 23 Church Street Singapore 049481</p>
	<p>Daiwa Capital Markets Singapore Limited 7 Straits View #16-05 Marina One East Tower Singapore 018936</p>
<b>Unit Registrar and Unit Transfer Office</b>	<p>Boardroom Corporate &amp; Advisory Services Pte. Ltd. 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623</p>
<b>Independent Financial Adviser to the Independent Directors, Audit and Risk Committee of the Manager and the Trustee</b>	<p>Ernst &amp; Young Corporate Finance Pte. Ltd. One Raffles Quay North Tower, Level 18 Singapore 048583</p>
<b>Tax Advisor</b>	<p>KPMG Services Pte. Ltd. 16 Raffles Quay #22-00 Hong Leong Building Singapore 048581</p>
<b>Independent Valuers</b>	<p>Cushman &amp; Wakefield Debenham Tie Leung Limited (“<b>C&amp;W</b>”) 125 Old Broad Street London EC2N 1AR United Kingdom (appointed by the Trustee)</p>
	<p>Colliers International Valuation UK LLP (“<b>Colliers</b>”) 50 George Street London W1U 7GA United Kingdom (appointed by the Manager)</p>
<b>Independent Market Research Consultant</b>	<p>Cushman &amp; Wakefield Debenham Tie Leung Limited 125 Old Broad Street London EC2N 1AR United Kingdom</p>

## SUMMARY

*Unless otherwise stated, the S\$ equivalent of € figures in this Circular have been arrived at based on an assumed exchange rate of €1 : S\$1.5727.*

*The following summary is qualified in its entirety by, and should be read in conjunction with, the full text of this Circular. Meanings of defined terms may be found in the Glossary on pages 58 to 66 of this Circular.*

*Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.*

### OVERVIEW

#### Overview of CEREIF

CEREIT is the first Singapore real estate investment trust (“**REIT**”) with a diversified Pan-European portfolio, established with the principal investment strategy of investing, directly or indirectly, in a diversified portfolio of income-producing real estate assets in Europe that are used primarily for office, logistics/light industrial and retail purposes<sup>1</sup>, as well as real estate-related assets in connection with the foregoing. CEREIF was listed on 30 November 2017, with trading of Units commencing on 30 November 2017.

As at 26 October 2018, being the latest practicable date prior to the printing of this Circular (the “**Latest Practicable Date**”), CEREIF has a market capitalisation of approximately €861.7 million (equivalent to approximately S\$1,355.2 million). The existing portfolio of CEREIF (“**Existing Portfolio**”) comprises 75 properties located in Denmark, France, Germany, Italy and the Netherlands with an aggregate net lettable floor area (“**LFA**”) of approximately 1.2 million square metres (“**sq m**”). The Existing Portfolio is valued at approximately €1.39 billion (approximately S\$2.19 billion)<sup>2</sup>.

The sponsor of CEREIF is Cromwell Property Group, a stapled group comprising Cromwell Corporation Limited and Cromwell Diversified Property Trust (“**CDPT**”) (the responsible entity of which is Cromwell Property Securities Limited) (the “**Sponsor**”), a global real estate investment manager, which has been listed in its current form on the Australian Securities Exchange Ltd since 2006.

#### Overview of the Proposed Transaction

On 30 October 2018, the Manager announced the proposed acquisition of 16 properties located in the Netherlands, Finland and Poland (the “**New Properties**”) for an aggregate purchase price of approximately €312.5 million (approximately S\$491.5 million) (the “**Property Purchase Price**”) and the proposed acquisition of the New Properties, (the “**Proposed Acquisition**”).

1 “**Office**” properties refer to real estate that are predominantly used for office purposes, whether in existence by themselves as a whole or as part of larger mixed-use developments, “**logistics/light industrial**” properties refer to real estate that are predominantly used for light industrial, warehouse, and logistics purposes, the majority of which may have an attached office component, and “**retail**” properties refer to real estate that are predominantly used for retail purposes.

2 As at 31 March 2018 for the Existing Portfolio (excluding 13 Via Jervis, Ivrea, Italy (“**Ivrea**”) and as at 1 April 2018 for Ivrea.

In connection with the Proposed Acquisition, CEREIT, through Cromwell SG SPV 3 Pte. Ltd. (the “**CEREIT SPV**” or “**Purchaser**”), entered into a master share and asset sale and purchase agreement dated 30 October 2018 (the “**Master Purchase Agreement**” or “**MPA**”) with the various vendors (the “**Vendors**”) <sup>1</sup> of the New Properties (in the case of an asset sale) or the companies which directly or indirectly hold the New Properties (in the case of a share sale). (See **Appendix A** of this Circular for further details about the New Properties.)

The purchase consideration payable under the Master Purchase Agreement (the “**Proposed Acquisition Purchase Consideration**”) is approximately €308.8 million (approximately S\$485.7 million) and is based on the Property Purchase Price of €312.5 million (approximately S\$491.5 million), adjusted for certain estimated net liabilities of the Target Companies <sup>2</sup> (subject to further adjustments based on the actual consolidated net assets and liabilities of the Target Companies at completion of the Proposed Acquisition) <sup>3</sup>.

The acquisition of the New Properties is intended to be partially funded by way of an underwritten and renounceable rights issue (the “**Rights Issue**”) to Eligible Unitholders to raise gross proceeds of approximately €224.1 million (approximately S\$352.5 million).

### **Recently Announced Acquisitions**

CEREIT had on 27 June 2018 completed the acquisition of the property located at 13 Via Jervis, Ivrea, Italy (see announcement titled “Completion of Acquisition of 13 Via Jervis, Ivrea, Italy”). The Manager had on 30 October 2018 announced the proposed acquisition <sup>4</sup> of the following properties located in: (i) Corso Lungomare Trieste N.23, Bari, Italy, (ii) Via Camillo Finocchiaro Aprile N.1, Genova, Italy, (iii) 54 Avenue de Savigny, Aulnay-sous-bois, France (iv) 46-48 boulevard Dequevauvilliers, Gennevilliers, France (v) 105 Route d’Orléans, Sully-sur-Loire, France (vi) ZI du Papillon, Parçay-Meslay, France, and (vii) Rue Charles Nicolle, Villeneuve-lès-Béziers, France (see announcement titled “Announcement – (1) Acquisition of a Portfolio of 16 Office Assets in Netherlands, Finland, and Poland; (2) Acquisition of Two Office Assets in Italy; and (3) Binding Offer to Acquire Four Logistics Assets and Option to Acquire One Retail Big Box in France”) (together with the property located at 13 Via Jervis, Ivrea, Italy, the “**Recently Announced Acquisitions**”).

The aggregate purchase consideration of the Recently Announced Acquisitions is €88.7 million (approximately S\$139.5 million).

### **SUMMARY OF APPROVALS SOUGHT**

The Manager is convening an extraordinary general meeting (“**EGM**”) of CEREIT to seek approval from Unitholders in respect of the following ordinary resolutions <sup>5</sup>:

- 1 The Vendors are ELQ Holdings (Del) LLC, ELQ Investors VI Ltd, ELQ Omega UK Ltd, Sivpre Oy, Henry Investment Oy, Artemis Acquisition Poland S.a r.l, Hummingbird B.V.
- 2 “**Target Companies**” refers to the companies which directly or indirectly hold the New Properties that will be acquired by CEREIT in the case of a share acquisition. See “Glossary” for the list of companies.
- 3 The adjustments for net assets and liabilities are necessary for the New Properties that will be acquired by CEREIT through a share acquisition.
- 4 In relation to properties listed in paragraphs (iii) to (vii), the vendor has accepted a binding offer made by CEREIT but the proposed acquisition is still subject to legally binding sale and purchase agreement to be entered into by CEREIT and the vendor.
- 5 “**Ordinary Resolution**” means a resolution proposed and passed as such by a majority being greater than 50.0% or more of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the Trust Deed.

- (1) **Resolution 1:** The Proposed Acquisition (as a Related Party Transaction (as defined herein) and a major transaction);
  - (2) **Resolution 2:** The proposed Rights Issue;
  - (3) **Resolution 3:** The proposed Payment of the GTCT Sub-Underwriting Commission; and
  - (4) **Resolution 4:** The proposed Payment of the Hillsboro Sub-Underwriting Commission,
- (collectively, the “**Proposed Transaction**”)

**Unitholders should note that Resolution 1 (the Proposed Acquisition), Resolution 2 (the proposed Rights Issue), Resolution 3 (the proposed Payment of the GTCT Sub-Underwriting Commission) and Resolution 4 (the proposed Payment of the Hillsboro Sub-Underwriting Commission) are all inter-conditional on one another. This means that if any of Resolution 1, Resolution 2, Resolution 3 or Resolution 4 is not approved, none of Resolution 1, Resolution 2, Resolution 3 and Resolution 4 will be carried.**

#### **RESOLUTION 1: THE PROPOSED ACQUISITION**

The Manager seeks approval from Unitholders for the proposed acquisition of the New Properties for the Property Purchase Price of approximately €312.5 million (approximately S\$491.5 million).

#### **Description of the New Properties**

The portfolio of New Properties comprises a total of 16 predominantly office properties with two properties in the Netherlands (with an aggregate purchase price of approximately €127.6 million (approximately S\$200.6 million)), 11 properties in Finland (with an aggregate purchase price of approximately €113.1 million (approximately S\$177.9 million)), and three properties in Poland (with an aggregate purchase price of approximately €71.9 million (approximately S\$113.0 million)). The New Properties have an aggregate LFA of approximately 150,235 sq m. All 16 Properties are sited on freehold or freehold-equivalent land<sup>1</sup>.

The New Properties are geographically diverse and situated in dynamic cities such as:

- (i) Utrecht (part of the Randstad and 4th largest city in the Netherlands);
- (ii) 's-Hertogenbosch (capital city of the province of North Brabant, colloquially known as Den Bosch, in the Netherlands) which continues to benefit from urbanisation trends;
- (iii) Helsinki (capital city of Finland);
- (iv) Kuopio (rapidly growing regional hub and university city in Finland);
- (v) Warsaw (capital city of Poland); and
- (vi) Gdansk (capital city of the Pomerania region and 3rd largest urban area in Poland).

The New Properties benefit from very good accessibility to major transport infrastructure including the A2 highway, Utrecht Central Station, being the busiest train station in the Netherlands and 's-Hertogenbosch Central Station in the Netherlands, Helsinki Airport, the largest airport in

<sup>1</sup> All New Properties are on freehold land except for Moeder Teresalaan 100-200 in Utrecht, which is on a leasehold land that is acquired in perpetuity. Leasehold acquired in perpetuity means a leasehold for an indefinite period of time and the ground rent has been paid off perpetually.

Finland catering to approximately 83.0% of the domestic and almost all of the international air traffic, having the shortest connecting flights to Asia of all European airports, the Ring Road III, being the most important road network in the Helsinki Metropolitan Area, and urban city centre train stations in Finland; the Trasa Łazienkowska freeway, the Wisłostrada freeway, the Central Railway Station, Chopin Airport, the Gdansk Lech Walesa Airport and the Amber Highway in Poland. The table below sets out certain details on the New Properties. CEREIT will upon completion of the Proposed Acquisition own 100% of all the New Properties. The valuations by the Independent Valuers (as defined herein) in the table below have been rounded to one decimal place. The exact valuations as reported by the respective Independent Valuers is set out in **Appendix C**.

No	Property	Land Tenure	LFA (sq m) <sup>(1)</sup>	Valuation by C&W (€ m) <sup>(2)</sup>	Valuation by Colliers (€ m) <sup>(2)</sup>	Purchase Price (€ m)	WALE (years) <sup>(3)</sup>	Occupancy Rate (%) <sup>(4)</sup>
<b>Netherlands</b>								
1.	Moeder Teresalaan 100-200, Utrecht	Leasehold plot acquired in perpetuity	21,922	50.1	51.5	50.7	6.3	86.1
2.	Willemsplein 2, 's-Hertogenbosch <sup>(5)*</sup>	Freehold	31,979	74.7	77.6	76.9	7.1	91.9
<b>Finland</b>								
3.	Plaza 2 Park (Plaza Vivace), Helsinki Metropolitan Area	Freehold	5,661	14.1	12.9	13.2	2.2	88.3
4.	Plaza 2 Park (Plaza Allegro), Helsinki Metropolitan Area	Freehold	4,620	11.4	10.8	11.2	1.8	91.7
5.	Plaza Forte, Helsinki Metropolitan Area	Freehold	6,054	13.8	12.9	12.6	2.0	86.9
6.	Grandinkulma, Helsinki Metropolitan Area	Freehold	6,189	12.5	12.8	12.5	3.5	98.4
7.	Liiketalo Myyrinraitti, Helsinki Metropolitan Area**	Freehold	7,515	12.2 <sup>(6)</sup>	12.0 <sup>(6)</sup>	12.0	4.9	94.1
8.	Pakkalan Kartanonkoski 3, Helsinki Metropolitan Area	Freehold	7,796	9.2	10.6	9.7	3.2	77.2
9.	Pakkalan Kartanonkoski 12, Helsinki Metropolitan Area	Freehold	3,425	6.7	6.4	6.1	1.6	100.0
10.	Purotie 1, Helsinki	Freehold	4,692	6.5	7.5	7.1	2.7	97.2
11.	Mäkitorpantie 3, Helsinki*	Freehold	4,367	7.6	7.8	7.6	3.4	85.6
12.	Opus 1, Helsinki	Freehold	6,821	15.4	15.7	13.5	7.2	77.1
13.	Kuopion Kauppakeskus, Kuopio*	Freehold	4,832	7.7	7.2	7.6	5.9	98.5
<b>Poland</b>								
14.	Riverside, Warsaw*	Freehold	12,478	31.9	30.5	31.3	4.6	72.9
15.	Grojecka 5, Warsaw*	Freehold	10,718	22.4	22.0	22.3	3.1	83.4
16.	Arkonska Business Park, Gdansk*	Freehold	11,166	18.4	19.0	18.2	3.4	46.7 <sup>(7)</sup>
<b>Total/Average</b>			<b>150,235<sup>(8)</sup></b>	<b>314.6</b>	<b>317.1</b>	<b>312.5</b>	<b>4.7</b>	<b>84.5</b>



**Notes:**

- (1) LFA as at 27 September 2018.
- (2) Valuation as at 27 September 2018.
- \*: Acquisition of property is via a direct asset acquisition.
- \*\*: Acquisition of land is via a direct asset acquisition. Acquisition of building is via a company acquisition.
- (3) “WALE” refers to the weighted average lease expiry by headline rent based on the final termination date of the agreement (assuming the tenant does not terminate the lease on any of the permissible break date(s), if applicable) as at 31 August 2018.
- (4) Occupancy rate as at 31 August 2018 (except for the property Willemsplein 2).
- (5) With respect to the property Willemsplein 2, the WALE and occupancy rate is as at 1 September 2018.
- (6) CEREIT will own 100% of the underlying land relating to Liiketalo Myyrinraitti and, through its ownership of 94% of the shares of Liiketalo Myyrinraitti Oy, own approximately 94% of the building in accordance with the articles of association of Liiketalo Myyrinraitti Oy, and the valuations as at 27 September 2018 are based on such ownership interest.
- (7) While the occupancy rate as at 31 August 2018 is only 46.7%, the committed occupancy rate is 69.1%.
- (8) The difference between the LFA value in this table and of that provided by the Independent Valuers (being 150,232 sq m) is attributable to the rounding of the values of each property in this table.

(See **Appendix A** of this Circular for further details about the New Properties.)

**Estimated Total Cost of the Proposed Transaction**

The estimated total cost of the Proposed Transaction (the “**Total Cost of the Proposed Transaction**”) is approximately €329.7 million (approximately S\$518.5 million), comprising:

- (i) the Proposed Acquisition Purchase Consideration of approximately €308.8 million (approximately S\$485.7 million);
- (ii) the acquisition fee payable in Units to the Manager for the Proposed Acquisition pursuant to the trust deed dated 28 April 2017 (as amended and supplemented) constituting CEREIT (the “**Trust Deed**”), which amounts to approximately €3.1 million (approximately S\$4.9 million) (the “**Acquisition Fee**”) <sup>1</sup>. The issue price of the Acquisition Fee Units (as defined herein) shall be determined based on the theoretical ex-rights price (“**TERP**”) per Unit in relation to the proposed Rights Issue. While Clause 15.2.1 of the Trust Deed allows the Manager to receive the Acquisition Fee Units at the Rights Issue Price of €0.373, the Manager has elected to receive the Acquisition Fee Units at the TERP of €0.498 per Unit instead;
- (iii) real estate transfer tax of approximately €10.3 million (approximately S\$16.2 million) <sup>2</sup>; and
- (iv) the estimated professional and other fees and expenses incurred or to be incurred by CEREIT in connection with the Proposed Transaction of approximately €7.5 million (approximately S\$11.7 million).

1 Although the Proposed Acquisition will not strictly constitute an “interested party transaction” under Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore (the “**Property Funds Appendix**”) (an “**Interested Party Transaction**”) and/or an “interested person transaction” under Chapter 9 of the listing manual of the SGX-ST, as may be amended or modified from time to time (the “**Listing Manual**”) (an “**Interested Person Transaction**”) (a “**Related Party Transaction**”), for the purposes of good corporate governance, the Acquisition Fee will be in the form of Units (the “**Acquisition Fee Units**”) which shall not be sold within one year from the date of issuance in accordance with Paragraph 5.7 of the Property Funds Appendix. The acquisition fee in respect of each of the New Properties is 1.0% of the Property Purchase Price of the New Properties, and will only be paid on completion of the Proposed Acquisition in accordance with the terms of the Master Purchase Agreement.

2 The real estate transfer tax of approximately €10.3 million (approximately S\$16.2 million) assumes that the acquisition of the Polish Properties are not subject to real estate transfer tax. If real estate transfer tax is applicable to the Polish Properties, the value of the real estate transfer tax will be approximately €1.4 million higher (approximately S\$2.3 million).

## Proposed Acquisition Purchase Consideration and Valuation

The Trustee has commissioned an independent valuer, C&W, and the Manager has commissioned an independent valuer, Colliers (together with C&W, the “**Independent Valuers**”), to value the New Properties.

The Property Purchase Price, being the agreed aggregate purchase price for the New Properties, which was negotiated on a willing-buyer and willing-seller basis taking into account the independent valuations conducted by the Independent Valuers, is approximately €312.5 million (approximately S\$491.5 million).

Based on the average of the Independent Valuers’ annualised current passing rental income<sup>1</sup> net of non-recoverable property expenses as estimated by the Independent Valuers, divided by the Property Purchase Price, the New Properties have a Net Initial Yield<sup>2</sup> of 6.2%, which compares favourably to the office assets within the Existing Portfolio, which have a Net Initial Yield of 5.6%. Additionally, the Reversionary Yield<sup>3</sup> of the New Properties (based on the average of the Independent Valuers’ estimated market rental income per annum net of non-recoverable property expenses) is 7.4%, which is significantly higher than its Net Initial Yield.

The Proposed Acquisition Purchase Consideration payable under the Master Purchase Agreement is approximately €308.8 million (approximately S\$485.7 million) and is based on the Property Purchase Price of €312.5 million (approximately S\$491.5 million), adjusted for certain estimated net liabilities of the Target Companies<sup>4</sup> (subject to further adjustments based on the actual consolidated net assets and liabilities of the Target Companies at completion of the Proposed Acquisition)<sup>5</sup>.

### Method of Financing

The Manager intends to finance the Total Cost of Proposed Acquisition with the proceeds from the proposed Rights Issue and debt financing.

### Related Party Transaction

As at the Latest Practicable Date, the Sponsor holds an aggregate deemed interest in 558,338,114 Units, which is equivalent to approximately 35.3% of the total number of existing Units as at the Latest Practicable Date (the “**Existing Units**”), and is therefore regarded as a “controlling unitholder” of CEREIT for the purposes of both the Listing Manual and the Property Funds Appendix. In addition, as the Manager is a wholly-owned subsidiary of the Sponsor, the Sponsor is therefore regarded as a “controlling shareholder” of the Manager for the purposes of both the Listing Manual and the Property Funds Appendix.

1 “**Passing rental income**” means the annualised rental income being received as at a certain date, excluding the net effects of amortisation of lease incentives. It is market practice to perform independent valuation based on passing rental income and this is in accordance with the valuation standards issued by Royal Institute of Chartered Surveyors, which is the valuation principles applied for European properties.

2 “**Net Initial Yield**” means the average of the Independent Valuers’ annualised current passing rental income net of non-recoverable property expenses, divided by the Property Purchase Price.

3 “**Reversionary Yield**” means the average of the Independent Valuers’ estimated market rental income per annum net of non-recoverable property expenses, divided by the Property Purchase Price.

4 “**Target Companies**” refers to the companies which directly or indirectly hold the New Properties that will be acquired by CEREIT in the case of a share acquisition. See “**Glossary**” for the list of companies.

5 The adjustments for net assets and liabilities are necessary for the New Properties that will be acquired by CEREIT through a share acquisition.

As the New Properties are managed by Cromwell Europe Limited and/or its group companies (“**Cromwell Europe**”) (which also owns a *de minimis* percentage of the equity, directly or indirectly, in some of the Vendors), and Cromwell Europe is a subsidiary of the Sponsor, in the interest of good corporate governance, CEREIT will be obtaining Unitholders’ approval for the Proposed Acquisition even though the Proposed Acquisition will not strictly constitute a Related Party Transaction.

Given that the Proposed Acquisition Purchase Consideration is approximately €308.8 million (approximately S\$485.7 million) (which is 34.4% of both the latest unaudited<sup>1</sup> net tangible assets (“**NTA**”) and the net asset value (“**NAV**”) of CEREIT as at 30 June 2018), the value of the Proposed Acquisition exceeds 5.0% of the NTA and the NAV of CEREIT. Accordingly, the Manager is seeking the approval of Unitholders by way of an Ordinary Resolution of the Unitholders for the Proposed Acquisition.

### **Major Transaction**

The Proposed Acquisition is a “major transaction” under Rule 1014(1) of the Listing Manual (read with Rule 1006(c) of the Listing Manual) as the Proposed Acquisition Purchase Consideration payable in connection with the Proposed Acquisition is approximately 36.0% of CEREIT’s market capitalisation as at 29 October 2018, being the market day preceding the date of signing of the Master Purchase Agreement.

(See paragraph 7.2 of the Letter to Unitholders for further details.)

### **RESOLUTION 2: THE PROPOSED RIGHTS ISSUE**

The Manager is seeking Unitholders’ approval for a proposed issue of new Units in CEREIT (the “**Rights Units**”) under an underwritten and renounceable Rights Issue on a basis of 38 Rights Units for every 100 Units in CEREIT (the “**Rights Ratio**”) held as at the time and date to be determined by the Manager at and on which the transfer books and register of Unitholders will be closed to determine the provisional allotments of the Rights Units to Eligible Unitholders under the proposed Rights Issue (the “**Books Closure Date**”), fractional entitlements to be disregarded, at an issue price of €0.373 per Rights Unit (the “**Rights Issue Price**”), in the manner described in this Circular. The Rights Units will, upon allotment and issue, rank *pari passu* in all respects with the Units in issue as at the date of issue of the Rights Units. Eligible Unitholders who validly accept, in full, their Rights Entitlements, will receive distributions in respect of the period from 1 July 2018 to 31 December 2018 to which they would have been entitled had the Rights Issue not occurred.

The Manager proposes to issue 600,834,459 new Rights Units under the Rights Issue at the Rights Issue Price, to raise gross proceeds of approximately €224.1 million (approximately S\$352.5 million) to partially fund the Proposed Acquisition Purchase Consideration for the Proposed Acquisition.

(See paragraph 3 of the Letter to Unitholders for further details.)

---

<sup>1</sup> CEREIT was only listed on the SGX-ST on 30 November 2017 and has not yet issued any audited financial statements.

### **RESOLUTION 3: THE PROPOSED PAYMENT OF THE GTCT SUB-UNDERWRITING COMMISSION**

The Manager is seeking Unitholders' approval for the proposed payment by the Joint Global Co-ordinators and Bookrunners to Tang Gordon @ Tang Yigang and Celine Tang @ Chen Huaidan, acting jointly and severally (the "**GTCT Sub-Underwriter**"), of the sub-underwriting commission (the "**GTCT Sub-Underwriting Commission**") of 1.5% of the Rights Issue Price multiplied by the total number of GTCT Additional Sub-Underwriting Rights Units (as defined herein) pursuant to the sub-underwriting agreement (the "**GTCT Sub-Underwriting Agreement**") entered into between the GTCT Sub-Underwriter and the Joint Global Co-ordinators and Bookrunners in relation to the proposed Rights Issue.

In connection with the proposed Rights Issue and the Underwriting Agreement (as defined herein), the GTCT Sub-Underwriter has entered into the GTCT Sub-Underwriting Agreement with the Joint Global Co-ordinators and Bookrunners pursuant to which it has agreed, on the terms and conditions of the GTCT Sub-Underwriting Agreement, to the extent that, *inter alia*, valid applications and valid excess applications for the Rights Units have not been received in the Rights Issue such that the Joint Global Co-ordinators and Bookrunners are required to subscribe and pay for any Underwritten Rights Units pursuant to their underwriting obligations in the Underwriting Agreement, the GTCT Sub-Underwriter will subscribe and pay for:

- (a) 82,908,770 of the total number of Rights Units offered under the Rights Issue, representing the number of Rights Entitlements to which the GTCT Sub-Underwriter is entitled, and only to the extent which the GTCT Sub-Underwriter has not validly accepted, subscribed and paid for such Rights Entitlements in accordance with the terms of the Rights Issue (the "**GTCT Base Sub-Underwriting Units**"); and
- (b) 24,329,000 of the total number of Rights Units offered under the Rights Issue (the "**GTCT Additional Sub-Underwriting Units**"), and collectively with the GTCT Base Sub-Underwriting Units, the "**GTCT Sub-Underwriting Rights Units**").

In consideration of the GTCT Sub-Underwriting Commitment, the Joint Global Co-ordinators and Bookrunners have agreed to pay the GTCT Sub-Underwriting Commission to the GTCT Sub-Underwriter in respect of the GTCT Additional Sub-Underwriting Units. For the avoidance of doubt, no fees or commissions are payable in respect of the GTCT Base Sub-Underwriting Units.

(See paragraph 4 of the Letter to Unitholders for further details.)

### **RESOLUTION 4: THE PROPOSED PAYMENT OF THE HILLSBORO SUB-UNDERWRITING COMMISSION**

The Manager is seeking Unitholders' approval for the proposed payment by the Joint Global Co-ordinators and Bookrunners to Hillsboro Capital, Ltd. (the "**Hillsboro Sub-Underwriter**") of the sub-underwriting commission (the "**Hillsboro Sub-Underwriting Commission**") of 1.5% of the Rights Issue Price multiplied by the total number of the Hillsboro Additional Sub-Underwriting Rights Units (as defined herein) pursuant to the sub-underwriting agreement (the "**Hillsboro Sub-Underwriting Agreement**") entered into between the Hillsboro Sub-Underwriter and the Joint Global Co-ordinators and Bookrunners in relation to the proposed Rights Issue.

In connection with the proposed Rights Issue and the Underwriting Agreement, the Hillsboro Sub-Underwriter has entered into the Hillsboro Sub-Underwriting Agreement with the Joint Global Co-ordinators and Bookrunners pursuant to which it has agreed, on the terms and conditions of the Hillsboro Sub-Underwriting Agreement, to the extent that, *inter alia*, valid applications and valid excess applications for the Rights Units have not been received in the Rights Issue such that the Joint Global Co-ordinators and Bookrunners are required to subscribe and pay for any

Underwritten Rights Units pursuant to their underwriting obligations in the Underwriting Agreement, the Hillsboro Sub-Underwriter will subscribe and pay for:

- (a) 69,091,590 of the total number of Rights Units offered under the Rights Issue representing the number of Rights Entitlements to which the Hillsboro Sub-Underwriter is entitled, and only to the extent which the Hillsboro Sub-Underwriter has not validly accepted, subscribed and paid for such Rights Entitlements in accordance with the terms of the Rights Issue (the “**Hillsboro Base Sub-Underwriting Units**”); and
- (b) 69,091,000 of the total number of Rights Units offered under the Rights Issue (the “**Hillsboro Additional Sub-Underwriting Units**”, and collectively with the Hillsboro Base Sub-Underwriting Units, the “**Hillsboro Sub-Underwriting Rights Units**”).

In consideration of the Hillsboro Sub-Underwriting Commitment, the Joint Global Co-ordinators and Bookrunners have agreed to pay the Hillsboro Sub-Underwriting Commission to the Hillsboro Sub-Underwriter in respect of the Hillsboro Additional Sub-Underwriting Units. For the avoidance of doubt, no fees or commissions are payable in respect of the Hillsboro Base Sub-Underwriting Units.

(See paragraph 5 of the Letter to Unitholders for further details.)

**Unitholders should note that Resolution 1 (the Proposed Acquisition), Resolution 2 (the proposed Rights Issue), Resolution 3 (the proposed Payment of the GTCT Sub-Underwriting Commission) and Resolution 4 (the proposed Payment of the Hillsboro Sub-Underwriting Commission) are all inter-conditional on one another. This means that if any of Resolution 1, Resolution 2, Resolution 3 or Resolution 4 is not approved, none of Resolution 1, Resolution 2, Resolution 3 and Resolution 4 will be carried.**

## **RATIONALE FOR AND KEY BENEFITS OF THE PROPOSED TRANSACTION**

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

### **1. Consistent with the Manager’s Investment Strategy**

The Proposed Acquisition is well aligned with CEREIT’s stated investment strategy and key objectives to provide sustainable, recurring and growing income and value to its Unitholders backed by a diversified European real-estate portfolio.

### **2. Opportunity to Invest in Attractive European Office Markets of the Netherlands, Finland and Poland**

- (i) The Netherlands, Finland and Poland have all outperformed the Eurozone economic growth providing attractive tailwinds for the office sector
- (ii) Attractive office sector dynamics with healthy occupier demand driving higher occupancy rates and positive rental momentum

### **3. High Quality Portfolio Comprising Well-located and Predominantly Freehold Properties**

- (i) Strategically located with excellent connectivity

- (ii) Increased proportion of freehold and perpetual leasehold assets in the enlarged portfolio comprising the Existing Portfolio and the New Properties (the “**Enlarged Portfolio**”)

#### **4. Portfolio Positioned for Long-Term Sustainable Growth**

- (i) Rental upside as Reversionary Yield (based on market rental income) is significantly higher than Net Initial Yield
- (ii) Leases are typically indexed to Consumer Price Indices

#### **5. Increased Resilience from Size and Diversification of CERET’s Enlarged Portfolio**

- (i) Geographical diversification of the portfolio is now enhanced into seven countries
- (ii) Increased tenant diversification and trade sector diversification
- (iii) Reduced concentration risk in the top 10 tenants, with the Enlarged Portfolio resulting in decrease from 40.5% to 36.6%

#### **6. Acquisition of New Properties at Attractive Yields**

- (i) Attractive Net Initial Yield of 6.2% compared to Net Initial Yield of 5.6% for the existing office portfolio
- (ii) Increased distributable income and distribution per Unit (“**DPU**”) yield accretion to the unitholders

#### **7. Leveraging the Sponsor’s Integrated European Asset Management Platform**

- (i) Sponsor’s on the ground asset management team across the Netherlands, Finland and Poland well-positioned to actively manage the assets to drive improved operating and financial performance for CERET
- (ii) Strong track record of enhancing value through asset enhancement initiatives (“**AEIs**”)

## INDICATIVE TIMETABLE

The timetable for the events which are scheduled to take place after the extraordinary general meeting of the Unitholders to be held on 15 November 2018 at PARKROYAL on Pickering, Pickering Ballroom, Level 2, 3 Upper Pickering Street, Singapore 058289 is indicative only and is subject to change at the Manager's absolute discretion as well as applicable regulatory requirements. Any changes (including any determination of the relevant dates) to the timetable below will be announced.

<b>Event</b>	<b>Date and Time</b>
Last date and time for lodgement of Proxy Forms	: 12 November 2018 at 10.00 a.m.
Date and time of the EGM	: 15 November 2018 at 10.00 a.m.
<b>If the approval for the Proposed Transaction is obtained at the EGM:</b>	
Target date for completion of the Proposed Acquisition under the Master Purchase Agreement	: See paragraph 2.7 of the Letter to Unitholders for details

## LETTER TO UNITHOLDERS

### CROMWELL EUROPEAN REAL ESTATE INVESTMENT TRUST

(a real estate investment trust constituted on 28 April 2017 under the laws of the Republic of Singapore)

#### MANAGED BY CROMWELL EREIT MANAGEMENT PTE. LTD.

#### Directors of the Manager

Lim Swe Guan (Chairman and Independent Non-Executive Director)  
Fang Ai Lian (Independent Non-Executive Director and  
Chairman of the Audit and Risk Committee)  
Christian Delaire (Independent Non-Executive Director and  
Chairman of the Nominating and Remuneration Committee)  
Paul Weightman (Non-Independent Non-Executive Director)  
Simon Garing (Executive Director and Chief Executive Officer)

#### Registered Office

50 Collyer Quay,  
#07-02, OUE Bayfront,  
Singapore 049321

30 October 2018

To: Unitholders of Cromwell European Real Estate Investment Trust

Dear Sir/Madam

#### 1. SUMMARY OF APPROVALS SOUGHT

The Manager is convening an EGM of CEREIT to seek approval from Unitholders in respect of the following resolutions:

- (i) **Resolution 1:** The Proposed Acquisition;
- (ii) **Resolution 2:** The proposed Rights Issue;
- (iii) **Resolution 3:** The proposed Payment of the GTCT Sub-Underwriting Commission;  
and
- (iv) **Resolution 4:** The proposed Payment of the Hillsboro Sub-Underwriting Commission.

**Unitholders should note that Resolution 1 (the Proposed Acquisition), Resolution 2 (the proposed Rights Issue), Resolution 3 (the proposed Payment of the GTCT Sub-Underwriting Commission) and Resolution 4 (the proposed Payment of the Hillsboro Sub-Underwriting Commission) are all inter-conditional on one another. This means that if any of Resolution 1, Resolution 2, Resolution 3 or Resolution 4 is not approved, none of Resolution 1, Resolution 2, Resolution 3 and Resolution 4 will be carried.**



## **2. RESOLUTION 1: THE PROPOSED ACQUISITION**

### **2.1 Introduction**

On 30 October 2018, CEREIT, through the CEREIT SPV, entered into the Master Purchase Agreement with the various Vendors<sup>1</sup> of the New Properties (in the case of an asset sale) or the companies which directly or indirectly holds the New Properties (in the case of a share sale).

(See **Appendix A** for further details about the New Properties and the proposed holding structure of the New Properties following the completion of the Proposed Transaction.)

### **2.2 Description of the New Properties**

#### **2.2.1 The Netherlands**

##### **(i) Moeder Teresalaan 100 – 200, Utrecht**

Moeder Teresalaan 100-200 is a building which provides an area of 21,922 sq m LFA spread over two office buildings with energy label A. Moeder Teresalaan 100 has five floors while Moeder Teresalaan 200 has eight floors and the building is 86.0% occupied by the largest tenant. The property is held on a leasehold plot which has been acquired in perpetuity.

Moeder Teresalaan 100-200 is located in the city centre of Utrecht, close to the central business district (“**CBD**”). It is two tram stops from Utrecht Central Station and a 2-minute drive from the main A2 motorway.

##### **(ii) Willemsplein 2, ‘s-Hertogenbosch**

Willemsplein 2 is a Grade A office property and provides a LFA of 31,979 sq m across eight floors, over six office wings (thereby making it easy for multi-tenant use) with EPC energy label A issued pursuant to the Energy Performance of Buildings Directive. While Willemsplein 2 recently became a multi-tenanted property, it is approximately 80.0% occupied by a large energy company in the Netherlands. The property is held on a freehold plot of 18,710 sq m.

Willemsplein 2 is located in the Paleiskwartier central business district of Den Bosch, a 10-minute walk from the central train station.

---

<sup>1</sup> The Vendors are ELQ Holdings (Del) LLC, ELQ Investors VI Ltd, ELQ Omega UK Ltd, Sivipre Oy, Henry Investment Oy, Artemis Acquisition Poland S.a r.l., Hummingbird B.V..

## 2.2.2 Finland<sup>1</sup>

### (i) Plaza 2 Park (Plaza Vivace), Helsinki Metropolitan Area

Plaza Vivace is a building which spans six floors and offers a variety of unit sizes making up a total LFA of 5,661 sq m. It is multi-tenanted with a diverse tenant base. There is a total of 192 parking spaces allocated to Vivace in the nearby parking garage and on the ground level parking lot. Plaza Vivace is held on a freehold basis.

Plaza Vivace is located in the Gate 8 Business Park in the Aviapolis area, which was developed by the Swedish developer NCC, one of the leading construction and property development companies in the Nordics. The park is popular with local businesses; however, it primarily attracts international tenants due to its proximity to the Helsinki Airport, which accounts for approximately 83% of all passenger traffic in Finland and almost all international air traffic. Helsinki Airport offers the highest number of direct flight connections to Asia of all northern European airports. Measured by the number of flight connections, Helsinki Airport is Europe's fifth largest flight hub between Europe and China. In addition, Helsinki airport offers more direct flight destinations to Japan than any other European airport.

The largest office tenant is a leading AC drives manufacturer. The second largest office tenant is an energy distribution company.

### (ii) Plaza 2 Park (Plaza Allegro), Helsinki Metropolitan Area

Plaza Allegro is a building which spans six floors and offers a variety of unit sizes making up a total LFA of 4,620 sq m. It is multi-tenanted with a diverse tenant base. There is a total of 114 parking spaces allocated to Plaza Allegro in the nearby parking garage and on the ground parking lot. Plaza Allegro is held on a freehold basis.

Plaza Allegro is located in the Gate 8 Business Park in the Aviapolis area, which was developed by the Swedish developer NCC, one of the leading construction and property development companies in the Nordics. The park is popular with local businesses. However, it primarily attracts international tenants due to its proximity to the Helsinki Airport, which accounts for approximately 83% of all passenger traffic in Finland and almost all international air traffic. Helsinki Airport offers the highest number of direct flight connections to Asia of all northern European airports. Measured by the number of flight connections, Helsinki Airport is Europe's fifth largest flight hub between Europe and China. In addition, Helsinki Airport offers more direct flight destinations to Japan than any other European airport.

---

<sup>1</sup> It should be noted that for the Finland assets, CEREIT will partially own (i) several parking facility operating companies, such ownership entitling CEREIT to possession of parking spaces or parking rights in the parking facilities owned by the parking facility operating companies in accordance with the articles of association of the relevant parking facility operating companies and (ii) two business park management companies which will provide their shareholders (which include indirectly CEREIT as owner of certain of the New Properties) with marketing, consulting and development services regarding the business park areas located in such New Properties. The charges for these services with respect to one business park management company will be shared by the shareholders in proportion to the area of the premises held by each shareholder, and, with respect to the other business park management company, in proportion to the shareholders' ownership in the business park management company, with the principles for such charges being determined for both companies annually by the shareholders and the Board of Directors, and are intended to cover costs incurred by the business park management companies. Ownership of the parking facility operating companies and business park management companies is within CEREIT's investment mandate as the ownership of such companies is ancillary to CEREIT's ownership of the New Properties.

The largest tenant is a Finnish building services company that specialises in building homes and care premises. The second largest tenant is the Finnish headquarters of an international logistics company.

**(iii) Plaza Forte, Helsinki Metropolitan Area**

Spanning seven floors, Plaza Forte is a building which offers a range of unit sizes making up a total LFA of 6,054 sq m. It is multi-tenanted with a diverse tenant base of 28 tenants. The typical lease is 3-5 years, with tenants taking up part of a floor. There is a total of 199 parking spaces in the adjacent co-owned parking garage as well as ground floor parking. Plaza Forte is held on a freehold basis.

Plaza Forte is located in the Gate 8 Business Park in the Aviapolis area, which was developed by the Swedish developer NCC, one of the leading construction and property development companies in the Nordics. The park is popular with local businesses. However, it primarily attracts international tenants due to its proximity to the Helsinki Airport, which accounts for approximately 83% of all passenger traffic in Finland and almost all international air traffic. Helsinki Airport offers the highest number of direct flight connections to Asia of all northern European airports. Measured by the number of flight connections, Helsinki Airport is Europe's fifth largest flight hub between Europe and China. In addition, Helsinki Airport offers more direct flight destinations to Japan than any other European airport.

One of the largest tenants is one of Finland's largest headhunting company, followed by an international medical appliances company.

**(iv) Grandinkulma, Helsinki Metropolitan Area**

Grandinkulma is a building with four-storeys which has retail and office premises. It has a total LFA of 6,189 sq m and is held on a freehold basis. There is a total of 79 parking spaces operated by Q-park.

Grandinkulma is located in the main commercial hub and regional centre of Vantaa municipality, Tikkurila. Tikkurila is located along the main railway line from Helsinki CBD and Ring Road III, the main east to west highway in the Helsinki region. The building is within walking distance of Tikkurila railway station and adjacent to bus stops, thereby offering excellent access to public transport.

The largest tenant is a health care and social services provider with more than 100 years of operation.

**(v) Liiketalo Myyrinraitti<sup>1</sup>, Helsinki Metropolitan Area**

Liiketalo Myyrinraitti is a building which has three floors and a basement and has a total LFA of 7,515 sq m. It hosts offices, retail shops, restaurants and gym premises. There are 83 parking spaces in the co-owned garage nearby. Liiketalo Myyrinraitti is held on a freehold basis.

---

<sup>1</sup> CEREIT will own 100% of the underlying land relating to Liiketalo Myyrinraitti and, through its ownership of 94% of the shares of Liiketalo Myyrinraitti Oy, own approximately 94% of the building in accordance with the articles of association of Liiketalo Myyrinraitti Oy.

Liiketalo Myyrinraitti is located next to Myyrmäki Square, adjacent to a large shopping centre and close to the principle train station, with trains running between the CBD and the Helsinki Airport. Myyrmäki is an urban city district and is positioned 10 kilometres north of the CBD and 15 kilometres south of the Helsinki Airport.

The largest tenant is a municipality-backed health care operator, operating 22 public hospitals.

**(vi) Pakkalan Kartanonkoski 3, Helsinki Metropolitan Area**

Pakkalan Kartanonkoski 3 is a building which has seven floors of which the majority are offices premises with a total LFA of 7,796 sq m. It is multi-tenanted with 20 tenants and no tenant occupies more than 10% of the total area. There is a total of 216 parking spaces, of which a majority are uncovered ground parking. Pakkalan Kartanonkoski 3 is held on a freehold basis.

Pakkalan Kartanonkoski 3 is part of the Vantaanporti Business Park in the Aviapolis area, benefitting from its close proximity to the Helsinki Airport and the Jumbo Shopping Centre, one of the largest shopping centres in Finland. The asset is located at the intersection between Rind Road III and Highway 45, providing excellent accessibility.

The largest tenant is a Danish retail operator selling household goods and furniture.

**(vii) Pakkalan Kartanonkoski 12, Helsinki Metropolitan Area**

Pakkalan Kartanonkoski 12 is a building which has three floors making up a total LFA of 3,425 sq m with a majority of the let spaces being offices. There is a total of 65 parking spaces, of which a majority are located on a neighbouring parking lot. Pakkalan Kartanonkoski 12 is held on a freehold basis.

Pakkalan Kartanonkoski 12 is part of the Vantaanporti Business Park in the Aviapolis area, benefitting from its close proximity to Helsinki Airport and the Jumbo Shopping Centre, one of the largest shopping centres in Finland. The asset is located at the intersection between Rind Road III and Highway 45, providing excellent accessibility.

The largest tenant is a pharmaceutical business advisor on commercial and regulatory issues. The second largest tenant is a home and multi-function facilities designer. Both of these tenants have their headquarters in Pakkalan Kartanonkoski 12.

**(viii) Purotie 1, Helsinki**

Purotie 1 is a building which has four storeys making up a total LFA of 4,692 sq m and hosts offices and retail premises. The property has 63 parking spaces, including surrounding ground level parking. Purotie 1 is held on a freehold basis.

Purotie 1 is located in Pitijänmäki which is a popular office location for large companies, with Fujitsu, CGI and Digia all having headquarters located in the area. The property benefits from good accessibility by public transportation as it has two train stations and several bus lines servicing the area.

The largest tenant is a Finnish energy group operating in Finland, Sweden and Norway. The second largest tenant is the one of the leading operators in the Nordics offering un-manned facilities for training throughout the day.

**(ix) Mäkitorpantie 3, Helsinki**

Mäkitorpantie 3 is a building which has three storeys and hosts offices, a restaurant with conference facilities, and a gym while the basement holds technical and social premises. The total LFA of Mäkitorpantie 3 is 4,367 sq m and it is held on a freehold basis.

Mäkitorpantie 3 is located in the city district of Käpylä in Helsinki, approximately seven kilometres north of Helsinki CBD. The property is located approximately 200 meters from the Käpylä train station thereby offering excellent connectivity by public transport with only an 8-minute journey to Helsinki CBD.

The largest tenant is a leading pet retailer in the Nordics. The second largest tenant is a service provider in the network design sector.

**(x) Opus 1, Helsinki**

Opus 1 is a building which has a H-shaped floor plan and can offer a flexible layout to cater to tenants needs ranging from 100 sq m to 1,300 sq m per floor, over four office floors. Opus 1 has a LFA of 6,821 sq m and is held on a freehold basis.

Built in 2008 as one of the three buildings making up Opus Business Park, Opus 1 is located next to the main road leading through the area, and is within a short walking distance from the Metro train station.

The largest tenant is a family-owned Finnish industrial conglomerate with operations across Finland, Sweden and the Baltics.

**(xi) Kuopion Kauppakeskus, Kuopio**

Kuopion Kauppakeskus is an office and retail property which offers a total LFA of 4,832 sq m spread over four floors above ground. The freehold property offers retail premises on the ground floor and office premises on the first to third floors. There is a total of 87 car parking spaces, the majority of which are provided in the underground parking garage, with additional parking spaces located on an adjacent plot.

Kuopion Kauppakeskus is located in Kuopio, a rapidly growing regional hub and university city located in eastern Finland approximately 400 kilometres from Helsinki. The property benefits from an exceptionally good micro location, one block away from the main market square in the city centre of Kuopio.

The largest tenant is a large private healthcare operator in Finland. The second largest tenant is a local cooperative of the Pohjois-Savo region part of the S-Group. The cooperative is active in a number of consumer goods segments including daily goods, hardware, restaurants, hotels and banking.

### **2.2.3 Poland**

#### **(i) Riverside, Warsaw, Poland**

Riverside is a building which offers a total office LFA of 12,478 sq m across five floors with a ceiling height of 2.98 meters. It has total of 98 parking spaces. Offices are equipped with suspended ceilings, air-conditioning, raised floors, smoke detectors and carpeting. Riverside is held on a freehold basis.

One of the largest tenant is one of Europe's leading media companies operating across 17 countries in Europe, America and Asia. Riverside is located on the periphery of the Warsaw city centre and is situated at the crossroads of Trasa Łazienkowska and Wisłostrada, two important highways.

#### **(ii) Grojecka 5, Warsaw, Poland**

Grojecka 5 is a building which offers a LFA of 10,718 sq m of office space across eight floors with a ceiling height of 2.8 meters and a total of 105 parking spaces. The building has efficient floor plates where each office can be arranged flexibly to become an open space work plan, closed private offices or a combination of both. It is held on a freehold basis.

Grojecka 5 is located in the Jerozolimskie office district in Warsaw, 10 to 15 minutes walking distance from the CBD. It is also on Jerozolimskie Street, a major road connecting with the motorway, and therefore enjoys good accessibility by car and has prominent visibility. The property is also well connected to public transportation. The nearest train station is located within 200 meters, the Central Railway Station is 1.5 km away and Chopin Airport is approximately 7 km away.

One of the largest tenants is one of the largest banks in Poland.

#### **(iii) Arkonska Business Park, Gdansk, Poland**

Arkonska Business Park is a building which comprises a LFA of 11,166 sq m of office space and is spread over five storeys with a total of 155 parking spaces. It is well connected to public transport with the nearest train station located within a 10-minute walk. Arkonska Business Park is held on a freehold basis.

Arkonska Business Park is in Gdansk which is part of the Tricity, one of the biggest urban areas in Poland consisting of Gdansk, Gdynia and Sopot. Tricity has one of the fastest developing office markets in Poland, where the majority of new development are A-class buildings.

One of the largest tenant is a Polish bank headquartered in Wroclaw. The bank offers a wide range of brokerage services, asset and investment fund management, leasing and factoring.

(See **Appendix A** of this Circular for further details about the New Properties.)

## 2.3 Estimated Total Cost of the Proposed Transaction

The estimated Total Cost of the Proposed Transaction is approximately €329.7 million comprising:

- (i) the Proposed Acquisition Purchase Consideration of approximately €308.8 million;
- (ii) the Acquisition Fee, which amounts to approximately €3.1 million. Although the Proposed Acquisition will not strictly constitute a Related Party Transaction, for the purposes of good corporate governance, the Acquisition Fee will be in the form of Units which shall not be sold within one year from the date of issuance in accordance with Paragraph 5.7 of the Property Funds Appendix. The acquisition fee in respect of each of the New Properties is 1.0% of the Property Purchase Price of the New Properties, and will only be paid on completion of the Proposed Acquisition in accordance with the terms of the Master Purchase Agreement.
- (iii) real estate transfer tax of approximately €10.3 million<sup>1</sup>; and
- (iv) the estimated professional and other fees and expenses incurred or to be incurred by CEREIT in connection with the Proposed Transaction of approximately €7.5 million.

## 2.4 Proposed Acquisition Purchase Consideration and Valuation

The Trustee has commissioned an independent valuer, C&W, and the Manager has commissioned an independent valuer, Colliers, to respectively value the New Properties.

The Property Purchase Price, being the agreed aggregate purchase price for the New Properties, which was negotiated on a willing-buyer and willing-seller basis taking into account the independent valuations conducted by the Independent Valuers, is approximately €312.5 million.

Based on the average of the Independent Valuers' annualised current passing rental income net of non-recoverable property expenses as estimated by the Independent Valuers, divided by the Property Purchase Price, the New Properties have a Net Initial Yield of 6.2%, which compares favourably to the office assets within the Existing Portfolio, which have a Net Initial Yield of 5.6%. Additionally, the Reversionary Yield of the New Properties (based on the average of the Independent Valuers' estimated market rental income per annum net of non-recoverable property expenses) is 7.4%, which is significantly higher than its Net Initial Yield.

The Proposed Acquisition Purchase Consideration payable under the Master Purchase Agreement is approximately €308.8 million and is based on the Property Purchase Price of €312.5 million, adjusted for certain estimated net liabilities of the Target Companies (subject to further adjustments based on the actual consolidated net assets and liabilities of the Target Companies at completion of the Proposed Acquisition)<sup>2</sup>.

---

1 The real estate transfer tax of approximately €10.3 million assumes that the acquisition of the Polish Properties are not subject to real estate transfer tax. If real estate transfer tax is applicable to the Polish Properties, the value of the real estate transfer tax will be approximately €1.4 million higher.

2 The adjustments for net assets and liabilities are necessary for the New Properties that will be acquired by CEREIT through a share acquisition.

## 2.5 Method of Financing

The Manager intends to finance the Total Cost of Proposed Acquisition with the proceeds from the proposed Rights Issue and debt financing.

## 2.6 Payment of Acquisition Fee in Units

Although the Proposed Acquisition will not strictly constitute a Related Party Transaction, for the purposes of good corporate governance, the Acquisition Fee will be in the form of Units which shall not be sold within one year from the date of issuance in accordance with Paragraph 5.7 of the Property Funds Appendix. The acquisition fee in respect of each of the New Properties is 1.0% of the Property Purchase Price of the New Properties, and will only be paid on completion of the Proposed Acquisition in accordance with the terms of the Master Purchase Agreement.

(See details on the proposed method of financing the Total Cost of the Proposed Transaction in paragraph 2.5 above.)

## 2.7 Certain Principal Terms of the Master Purchase Agreement

In connection with the Proposed Acquisition, on 30 October 2018, CEREIT, through the Purchaser, entered into the MPA with the Vendors, to acquire the predominantly freehold interests in the New Properties (in the case of an asset sale) or, subject to the following, all the issued shares held by the Vendors in the Target Companies, which will in turn (directly or indirectly) own equity interests in the property holding companies which hold the predominantly freehold interests in the New Properties (in the case of a share sale).

The principal terms of the MPA includes, among others, the following:

- (i) completion of the Proposed Acquisition is subject to the satisfaction of the following conditions: (a) approval from the unitholders of CEREIT having been obtained in accordance with CEREIT's regulatory obligations; (b) the ordinary resolution relating to the equity fundraising having been passed; and (c) any purchasing entity under the MPA remaining a wholly-owned subsidiary undertaking of CEREIT (the "**Ownership Condition**"). Conditions (a) and (b) are referred to as the "**Regulatory Conditions**" and these must be satisfied by a long stop date of 16 November 2018;
- (ii) following exchange of the MPA, certain newly incorporated special purpose vehicles (which will be wholly owned by CEREIT), shall be permitted to accede to the MPA (provided that they are incorporated in Luxembourg, the Netherlands or Finland) for the purpose of purchasing specific Target Properties (as defined herein) and/or shares in specific Target Companies in place of the named Purchaser in the MPA;
- (iii) the relevant Vendor has agreed to contact the City of Helsinki and request that it waives its rights in respect of the Finnish PE Right<sup>1</sup>. However, the receipt of a waiver to the Finnish PE Right is not a condition to completion under the MPA.

---

<sup>1</sup> The acquisition of three of the Finnish properties will trigger a statutory municipal pre-emption right pursuant to the Finnish Pre-Emption Act under which the City of Helsinki has the right to acquire the properties instead of the relevant Purchaser (the "**Finnish PE Right**"). In the event the Finnish PE Right is exercised, the City of Helsinki must reimburse the Purchaser as follows: (i) the consideration paid by the Purchaser for the properties (save for any consideration paid due to omissions of the Purchaser); (ii) costs related to financing and other necessary costs arising out of the acquisition of the three properties incurred by the Purchaser; and (iii) necessary costs related to the maintenance and upkeep of the properties incurred by the Purchaser;



- (iv) the MPA is an English law governed agreement. Any disputes under or in connection with the MPA shall be referred to, and finally settled, in arbitration in accordance with the London Court of International Arbitration Rules;
- (v) neither party can bring a claim against the other in respect of the Transfer Documents<sup>1</sup> unless such claim is required to give effect to the transfer of any Target Company or Target Property under the MPA. In the event that a claim is made in breach of the limited scope under which a claim can be made, the party making the claim will indemnify the other for any losses arising as a consequence of the claim;
- (vi) completion in the Netherlands and Finland (“**Completion**”) is expected to take place on the same day and the date fixed for Completion in the MPA is on 21 December 2018 or, if CEREIT has not completed its equity fund raising by such date, on 27 December 2018.
- (vii) the acquisition of each Polish Target Property (“**Poland Completion**”) shall be conditional on the receipt of a customary tax ruling<sup>2</sup> issued by the Polish tax authorities.
- (viii) one of the Polish Target Properties (the Riverside Property) is subject to a pre-emption right under which the Polish State Treasury has the right to acquire that Target Property instead of the Purchaser (“**Polish PE Right**”).<sup>3</sup> Completion of the acquisition of the Riverside Property will be conditional on the waiver or expiration of the Polish PE Right;
- (ix) the consideration for the Proposed Acquisition shall be an amount equal to: (a) the aggregate of the final net asset value of the Target Group (as defined herein); plus (b) the aggregate of the value of each Target Property; plus (c) the amount of the VAT levied under applicable law in respect of a Polish Target Property if a positive tax ruling is obtained; less (d) the outstanding tenant incentives in relation to the properties across the three jurisdictions; less (e) approximately one third the cost of the warranty and indemnity insurance policy<sup>4</sup>;
- (x) each party shall have the ability to terminate the MPA if the other party is in material breach of its obligations. A breach will be considered material in respect of the Purchaser if it fails to comply with its payment obligations and a breach will be considered material in respect of the Vendors if it fails to meet its obligations to provide the documents necessary to transfer all of its relevant sale interests and/or deliver other material deliverables (in each case, a “**Material Breach**”);
- (xi) one Business Day following the date of the MPA, the Purchaser shall, or shall procure, that a deposit in the amount of EUR 15,850,000 is transferred into an escrow account (with funds to clear in the escrow account no later than the following Business Day) (the “**Deposit**”). The Deposit can be released as follows: (a) in the event the Regulatory Conditions are not satisfied by 16 November 2018 and the MPA is terminated, €1,000,000 will be released to the Vendors and the rest will be

1 The transfer documents pursuant to which the transfers of the Target Properties and the shares in the Target Companies are completed (the “**Transfer Documents**”) are governed by the laws of the Target Properties and Target Companies respective jurisdictions/domicile.

2 See Appendix E, “Tax Considerations – Poland Tax Overview – Real Estate Transfer Tax” for details of the tax ruling being applied for by CEREIT.

3 The transfer Poland tax ruling application process and the Polish PE Right process shall run concurrently with the aim of achieving completion of the acquisition of each of the Polish Properties on or shortly after 1 February 2019.

4 Following Completion, the Purchaser and the Vendors will undertake a process to agree a completion statement that will set out any adjustments to the amount paid by the purchaser in respect of the net asset value of the Target Group.

returned to the Purchaser; (b) if the MPA is terminated because the Ownership Condition is not satisfied or the Purchaser commits a Material Breach, the Deposit will be released to the Vendors; (c) if the MPA is terminated due to a Material Breach by the Vendors, then the Deposit will be released to the Purchaser; (d) on each Poland Completion, the relevant pro rata amount of the Deposit attributable to that Property will be released to the Vendors; (e) in respect of a Poland Completion, if the MPA is terminated because the Ownership Condition is not satisfied or the Purchaser commits a Material Breach, the relevant pro rata amount of the Deposit attributable to that Property will be released to the Vendors; and (f) in respect of a Poland Completion, if the MPA is terminated because a Vendor commits a Material Breach, there is a Material Adverse Change (as defined below) subsisting at the Property or the Polish PE Right is exercised, the relevant pro rata amount of the Deposit attributable to that Property will be released to the Purchaser;

- (xii) in addition to the escrow account established for the Deposit, there will also be escrow accounts put in place: (a) to hold an amount equal to the assumed monthly headline rent and service charge ("**Rental Income**") for a period of 15 months in respect of certain leases that have not completed by Completion ("**TI Lease**"). If there is a shortfall between the expected Rental Income and the actual Rental Income received following completion of a TI Lease, such shortfall amount (up to the amount of the Rental Income) will be released to the Purchaser; and (b) following agreement of the completion statement, amounts will be released from an escrow account to the Purchaser and/or the Vendors as necessary to ensure that the parties are made whole. To the extent that the amount owed to the Purchaser following agreement of the completion statement is greater than the sum held in escrow, the Vendors will remain liable for the excess;
- (xiii) the properties are acquired on an 'as is, where is' basis;
- (xiv) in the event that either: (a) any of the Target Properties are damaged to the extent that rental income in respect of that Target Property is reduced by 30% or more; and either (i) there is not an insurance policy in place to cover the loss of rental income for a period of 36 months; or (ii) the damage cannot be repaired within 24 months; or (b) an occupational tenant by reason of insolvency is unable to pay rent which has the consequence of reducing the rental income received in respect of any Target Property by 30% or more (and provided such rent is not guaranteed), (a "**Material Adverse Change**") are subsisting on the Business Day prior to Completion or Poland Completion (as the case may be) the Purchaser shall have the right to be released from its obligations to complete on the purchase of the affected Target Property and the consideration will be reduced accordingly;
- (xv) the MPA will include indemnities in favour of the Purchaser in respect of certain liabilities that have been identified during the due diligence process;
- (xvi) subject to disclosure, at exchange, Completion and each Poland Completion, the Vendors will provide standard warranties in respect of the Target Companies and Properties to the Purchasers;
- (xvii) each Vendor will have several liability;
- (xviii) save in respect of any fundamental warranty claim, transfer pricing claim or certain other excluded tax claims, the Vendors' liability in respect of warranty claims will be capped at €1. Any claim made by the Purchaser in respect of the warranties, save as set out in the forgoing, will be made against a warranty and indemnity insurance policy placed with AIG; and

- (xix) the Purchaser will have seven years to make a tax claim, two years to make a claim under the general warranties and three years to make a claim under the fundamental warranties.

## 2.8 Property Manager in respect of the New Properties

In connection with the initial public offering of CEREIT, Cromwell Europe Limited was appointed on 22 November 2017 as the property manager (the “**Property Manager**”) in respect of properties of CEREIT pursuant to a master property and portfolio management agreement entered into between the Trustee, the Manager and the Property Manager (the “**Master Property and Portfolio Management Agreement**”). In connection with the Proposed Acquisition and pursuant to the terms of the Master Property and Portfolio Management Agreement, CEREIT, through each of the Property Holding Companies, will enter into individual property management agreements to appoint Cromwell Europe Limited and/or its subsidiaries to provide property management, lease management and marketing services in respect of the New Properties.

## 2.9 Completion of Proposed Acquisition

The completion of the Proposed Acquisition is likely to take place on various dates due to the different completion conditions. This table sets out the various completion conditions.

New Properties	Completion
Dutch properties  Finnish properties	Completion of the acquisitions of the Netherlands and Finnish Properties is expected to occur on the same day simultaneously.  However, in relation to three Finnish properties, a transfer will trigger the pre-emption rights in favour of the City of Helsinki. The completion of these three properties will not be conditional on this pre-emption right not being exercised or being waived.
Polish properties	Acquisition of the Polish properties is likely to occur at a later date as completion for each Polish property is conditional upon receipt of a tax ruling from the Polish tax authorities. In addition and as regards the Polish property known as the Riverside Property, completion will be further subject to the pre-emption right of the State Treasury represented by the Mayor of Warsaw not being exercised or being waived.

## 3. RESOLUTION 2: THE PROPOSED RIGHTS ISSUE

### 3.1 The Proposed Rights Issue

The Manager proposes to issue 600,834,459 Rights Units (which is equivalent to approximately 38.0% of the 1,581,143,314 Existing Units) pursuant to the proposed Rights Issue to raise gross proceeds of approximately €224.1 million by way of an underwritten and renounceable Rights Issue to Eligible Unitholders on a *pro rata* basis of 38 Rights Units for every 100 Units held as at the Books Closure Date, fractional entitlements to be disregarded.

The transfer books and register of Unitholders of CEREIT will be closed at the time and date as the Manager may determine, for the purpose of determining the provisional allotments of Eligible Unitholders under the proposed Rights Issue.

**Unitholders should note that Resolution 1 (the Proposed Acquisition), Resolution 2 (the proposed Rights Issue), Resolution 3 (the proposed Payment of the GTCT Sub-Underwriting Commission) and Resolution 4 (the proposed Payment of the Hillsboro Sub-Underwriting Commission) are all inter-conditional on one another. This means that if any of Resolution 1, Resolution 2, Resolution 3 or Resolution 4 is not approved, none of Resolution 1, Resolution 2, Resolution 3 and Resolution 4 will be carried.**

### 3.1.1 Principal Terms of the Proposed Rights Issue

The following is a summary of the principal terms and conditions of the proposed Rights Issue:

Issue Size : 600,834,459 Rights Units to raise gross proceeds of approximately €224.1 million and net proceeds of approximately €219.9 million.

Basis of Provisional Allotment : Each Eligible Unitholder is entitled to subscribe for 38 Rights Units for every 100 Units standing to the credit of his securities account with The Central Depository (Pte) Limited (“**CDP**” and the securities account with CDP, the “**Securities Account**”) as at the Books Closure Date, fractional entitlements to be disregarded.

Rights Issue Price : €0.373 for each Rights Unit. The Rights Units are payable in full upon acceptance and/or application.

The Rights Issue Price represents a discount of approximately 31.6% to the closing price of €0.545 per Unit on the SGX-ST on 30 October 2018, being the last trading day of the Units prior to the announcement of the proposed Rights Issue (the “**Closing Price**”) and a discount of approximately 25.0% to the TERP of €0.498 per Unit.

Status of the Rights Units : The Rights Units will, upon allotment and issue, rank *pari passu* in all respects with the Units in issue as at the date of issue of the Rights Units. Eligible Unitholders who validly accept, in full, their Rights Entitlements, will receive distributions in respect of the period from 1 July 2018 to 31 December 2018 to which they would have been entitled had the Rights Issue not occurred.

Eligible Unitholders : Eligible Unitholders comprise Eligible Depositors and Eligible QIBs.

“**Eligible Depositors**” are Unitholders with Units standing to the credit of their Securities Accounts and whose registered addresses with CDP are in Singapore as at the Books Closure Date or who have, at least three Market Days<sup>1</sup> prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents, but exclude, subject to certain exceptions, Unitholders located, resident or with a registered address outside of Singapore.

“**Eligible QIBs**” are qualified institutional buyers (as defined in Rule 144A under the Securities Act) (a) whose identities have been agreed upon by the Manager and the Joint Global Co-ordinators and Bookrunners, (b) who have each provided the Manager with a signed investor representation letter (in the form to be attached to the offer information statement in connection with the proposed Rights Issue to be lodged with the Monetary Authority of Singapore (the “**MAS**”) and issued to Eligible Unitholders (the “**Offer Information Statement**”)), and (c) who are Eligible Depositors.

Eligibility of Unitholders to participate in the Rights Issue : Eligible Unitholders are at liberty to accept in part or in full, decline, renounce or trade on the SGX-ST (during the “nil-paid” rights trading period prescribed by the SGX-ST) their Rights Entitlements and are eligible to apply for the Rights Units represented by the provisional allotments (A) of (i) Eligible Unitholders who decline, do not accept, and elect not to renounce or trade their Rights Entitlements under the proposed Rights Issue (during the “nil-paid” rights trading period prescribed by the SGX-ST) and/or (ii) Ineligible Unitholders (as defined herein) which have not been sold during the “nil-paid” rights trading period; or (B) that have not been validly taken up by the original allottees, renounees of the Rights Entitlements or the purchasers of Rights Entitlements (collectively, the “**Excess Rights Units**”).

The procedures for acceptance, excess applications and payment by Eligible Unitholders will be set out in the Offer Information Statement.

---

<sup>1</sup> “**Market Day**” as defined in the Listing Manual refers to a day on which the SGX-ST is open for securities trading.

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

Ineligible Unitholders should refer to the paragraphs under the heading “Ineligible Unitholders” below.

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

Eligible Unitholders can trade in odd lots of Units on the SGX-ST’s Unit Share Market<sup>1</sup>.

Governing Law : Laws of the Republic of Singapore

**The actual terms and conditions of the proposed Rights Issue will be set out in the Offer Information Statement to be despatched by the Manager to Eligible Unitholders in due course.**

**AS THE PROPOSED RIGHTS ISSUE IS MADE ON A RENOUNCEABLE BASIS, THE PROVISIONAL ALLOTMENTS OF RIGHTS UNITS CAN BE RENOUNCED IN FAVOUR OF A THIRD PARTY OR TRADED ON THE SGX-ST.**

The proposed Rights Issue is further conditional upon the lodgement of the Offer Information Statement with the MAS.

### **3.1.2 Eligible Unitholders**

Eligible Unitholders comprise Eligible Depositors and Eligible QIBs.

Eligible Unitholders whose Securities Accounts are credited with Units as at 5.00 p.m. on the Books Closure Date will be provisionally allotted the Rights Entitlements on the basis of the number of Units standing to the credit of their Securities Accounts with CDP as at the Books Closure Date.

---

<sup>1</sup> “Unit Share Market” refers to the ready market of the SGX-ST for trading of odd lots of Units with a minimum size of one Unit.

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

For the avoidance of doubt, Eligible Unitholders who hold less than 100 Units as at the Books Closure Date will be provisionally allotted their Rights Entitlements on a *pro rata* basis based on the Rights Ratio, fractional entitlements to be disregarded. Eligible Unitholders who hold odd lots of Units (that is, lots other than board lots of 100 Units) and who wish to trade in odd lots are able to trade odd lots of Units on the SGX-ST’s Unit Share Market.

### **3.1.3 Ineligible Unitholders**

No provisional allotment of Rights Units will be made to Unitholders other than the Eligible Unitholders (the “**Ineligible Unitholders**”) and no purported acceptance thereof or application for Excess Rights Units therefor by Ineligible Unitholders will be valid.

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

In reliance on certain exemptions from registration under the Securities Act applicable to an offer and sale of securities which does not involve a public offering in the United States, the Manager may offer, by way of private placement, the Rights Units to a limited number of Eligible QIBs. The Manager reserves absolute discretion in determining whether to allow such participation as well as the identity of the persons who may be allowed to do so.

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

If it is practicable to do so, the Manager may, in its absolute discretion, arrange for Rights Entitlements which would otherwise have been allotted to Ineligible Unitholders to be sold “nil-paid” on the SGX-ST as soon as practicable after dealings in the Rights Entitlements commence.

Such sales may, however, only be effected if the Manager, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account expenses to be incurred in relation thereto.

Where such Rights Entitlements are sold “nil-paid” on the SGX-ST, they will be sold at such price or prices as the Manager may, in its absolute discretion, decide and no Ineligible Unitholder or persons acting for the account or benefit of any

such persons, shall have any claim whatsoever against the Manager, the Trustee, each of the Joint Global Co-ordinators and Bookrunners, the Unit Registrar or CDP or their respective officers in respect of such sales or the proceeds thereof, the Rights Units or the Rights Entitlements represented by such provisional allotments.

The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Ineligible Unitholders in proportion to their respective unitholdings in CEREIT (“**Unitholdings**”, and in relation to each Unitholder, “**Unitholding**”) determined as at the Books Closure Date and sent to them at their own risk by ordinary post, without interest or any share of revenue or other benefit arising therefrom, provided that where the amount to be distributed to any single Ineligible Unitholder is less than S\$10.00, the Manager shall be entitled to retain or deal with such net proceeds as the Manager may, in its absolute discretion, deem fit for the sole benefit of CEREIT and no Ineligible Unitholder shall have any claim whatsoever against the Manager, each of the Joint Global Co-ordinators and Bookrunners, the Unit Registrar, the Trustee or CDP and their respective officers in connection therewith.

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

#### **3.1.4 Excess Rights Units**

The Excess Rights Units will be aggregated and used to satisfy Excess Rights Units applications (if any) or disposed of or otherwise dealt with in such manner as the Manager may, in its discretion, deem fit.

In the allotment of Excess Rights Units, preference will be given to the rounding of odd lots (if any). Directors of the Manager (“**Directors**”) and Substantial Unitholders (as defined herein) who have control or influence over CEREIT or the Manager in connection with the day-to-day affairs of CEREIT or the terms of the proposed Rights Issue, or have representation (direct or through a nominee) on the board of Directors of the Manager (the “**Board of Directors**”), will rank last in priority for the rounding of odd lots and allotment of Excess Rights Units. The Manager reserves the right to refuse any application for Excess Rights Units, in whole or in part, without assigning any reason whatsoever therefor. In the event that the number of Excess Rights Units allotted to an Eligible Unitholder is less than the number of Excess Rights Units applied for, the Eligible Unitholder shall be deemed to have accepted the number of Excess Rights Units actually allotted to him.

#### **3.1.5 Rights Issue Price**

The Rights Issue Price represents a discount of:

- (i) approximately 31.6% to the Closing Price;



- (ii) approximately 25.0% to the TERP of €0.498 per Unit. For the avoidance of doubt, the TERP is calculated as follows:

$$\text{TERP} = \frac{\text{Market capitalisation of CEREIT}^1 + \text{Gross proceeds from the Rights Issue}}{\text{Units in issue after the Rights Issue}^2}$$

; and

- (iii) approximately 26.0% to the *pro forma* NAV per Unit after completion of the Proposed Transactions and the Recently Announced Acquisitions of €0.50 per Unit as at 30 June 2018. (See paragraph 9.1.2 of the Letter to Unitholders for the *pro forma* NAV per Unit.)

### 3.1.6 Use of Proceeds of the Proposed Rights Issue

The proposed Rights Issue is expected to raise gross proceeds of approximately €224.1 million and net proceeds of approximately €219.9 million. Based on the Manager's current estimates, the Manager expects to use the gross proceeds from the proposed Rights Issue as follows:

- (i) approximately €170.8 million (which is equivalent to 76.2% of the gross proceeds of the proposed Rights Issue) to partially fund the Total Cost of the Proposed Transaction; and
- (ii) approximately €53.3 million (which is equivalent to 23.8% of the gross proceeds of the proposed Rights Issue) to partially fund the total cost of the Recently Announced Acquisitions<sup>3</sup> of approximately €95.6 million (approximately S\$150.4 million) (the "**Total Cost of the Recently Announced Acquisitions**"); and

Notwithstanding its current intention, the Manager may, subject to relevant laws and regulations, use the gross proceeds from the proposed Rights Issue at its absolute discretion for other purposes.

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

The Manager will make periodic announcements on the utilisation of the net proceeds of the proposed Rights Issue via SGXNET<sup>4</sup> as and when such funds are materially utilised and whether such a use is in accordance with the stated use and in accordance with the percentage allocated, and provide a status report on the use of the proceeds from the proposed Rights Issue in the annual reports of CEREIT. Where there is any material deviation from the stated use of proceeds, the Manager will announce the reasons for such deviation.

1 Based on the Closing Price.

2 Comprising the Existing Units and the Rights Units.

3 The proceeds set aside to fund the acquisition may be used to repay bridging loans taken up to fund such acquisition.

4 An Internet-based corporate announcement submission system maintained by the SGX-ST.

It should be noted that CEREIT is currently not under pressure from its bankers to repay any of its existing borrowings and has sufficient resources to meet its current capital commitments. The Manager is of the opinion that, after taking into consideration CEREIT's internal resources, its available loan facilities and the net proceeds of the proposed Rights Issue, the working capital available to CEREIT is sufficient to meet its present obligations as and when they fall due.

### **3.1.7 Costs of the Proposed Rights Issue**

The estimated costs of the proposed Rights Issue that CEREIT will have to bear include the underwriting and selling commissions and related expenses of €4.2 million.

### **3.1.8 Commitment of Cromwell Singapore Holdings Pte Ltd**

To demonstrate its support for CEREIT and the proposed Rights Issue, Cromwell Singapore Holdings Pte Ltd ("**CSHPL**"), which, together with its related corporations (the "**Relevant Entities**"), owns 558,338,114 Units representing approximately 35.3% of the voting rights of CEREIT as at the Latest Practicable Date, has on 30 October 2018 provided to the Manager and the Joint Global Co-ordinators and Bookrunners an irrevocable undertaking (the "**CSHPL Irrevocable Undertaking**") that, among other things:

- (a) subject to any prohibitions or restrictions imposed by the relevant regulatory authorities (including the SGX-ST), it will vote and/or procure that its related corporations vote (in respect of all Units beneficially owned by it or its related corporations) in favour of the resolution to approve the proposed issue of up to 600,834,459 Rights Units under the proposed Rights Issue at the EGM and such other resolutions necessary or expedient for the purposes of the proposed Rights Issue; and
- (b) it will accept and/or procure that its Relevant Entities, subscribe and pay in full for the Relevant Entities' total provisional allotments of Rights Units.

### **3.1.9 Underwriting of the Proposed Rights Issue**

Save for the Rights Units which are the subject of the CSHPL Irrevocable Undertaking, the proposed Rights Issue is fully underwritten by the Joint Global Co-ordinators and Bookrunners, on the terms and conditions of the underwriting agreement entered into between the Manager and the Joint Global Co-ordinators and Bookrunners on 30 October 2018 (the "**Underwriting Agreement**"). Pursuant to the Underwriting Agreement, each of the Joint Global Co-ordinators and Bookrunners has agreed, subject to the terms and conditions of that agreement to use its reasonable endeavours to procure subscribers for, and failing which to subscribe for the Underwritten Rights Units (as defined herein) not taken up (but only to the extent that the number of Underwritten Rights Units not taken up exceeds the number of Rights Units which have been validly subscribed for pursuant to excess applications for the Rights Units) at the Rights Issue Price. The Joint Global Co-ordinators and Bookrunners will be entitled to a commission of 2.0% of the Rights Issue Price multiplied by the total number of Underwritten Rights Units and an incentive fee, payable at the sole discretion of the Manager, of up to 0.5% of the Rights Issue Price multiplied by the total number of Underwritten Rights Units (the "**Underwriting Commission**").

The Underwriting Agreement may be terminated upon the occurrence of certain events, including breaches by the Manager of certain terms of the Underwriting Agreement, certain material adverse changes relating to CEREIT and events of a *force majeure* nature. However, each of the Joint Global Co-ordinators and Bookrunners will not be entitled to rely on *force majeure* to terminate the Underwriting Agreement on or after the date on which ex-rights trading commences, in compliance with Rule 818 of the Listing Manual.

#### **3.1.10 Sub-Underwriting of the Proposed Rights Issue by the GTCT Sub-Underwriter**

In connection with the proposed Rights Issue and the Underwriting Agreement, the GTCT Sub-Underwriter has entered into the GTCT Sub-Underwriting Agreement with the Joint Global Co-ordinators and Bookrunners pursuant to which it has agreed, on the terms and conditions of the GTCT Sub-Underwriting Agreement, to the extent that, *inter alia*, valid applications and valid exam applications for the Rights Units have not been received in the Rights Issue such that the Joint Global Co-ordinators and Bookrunners are required to subscribe and pay for any Underwritten Rights Units pursuant to their underwriting obligations in the Underwriting Agreements, the GTCT Sub-Underwriter will subscribe and pay for the GTCT Sub-Underwriting Rights Units (the “**GTCT Sub-Underwriting Commitment**”).

In consideration of the GTCT Sub-Underwriting Commitment, the Joint Global Co-ordinators and Bookrunners have agreed to pay the GTCT Sub-Underwriting Commission of 1.5% of the Rights Issue Price multiplied by the total number of GTCT Additional Sub-Underwriting Rights Units to the GTCT Sub-Underwriter.

(See paragraph 4 of this Circular for further details on the proposed Payment of the GTCT Sub-Underwriting Commission.)

#### **3.1.11 Sub-Underwriting of the Proposed Rights Issue by the Hillsboro Sub-Underwriter**

In connection with the proposed Rights Issue and the Underwriting Agreement, the Hillsboro Sub-Underwriter has entered into the Hillsboro Sub-Underwriting Agreement with the Joint Global Co-ordinators and Bookrunners pursuant to which it has agreed, on the terms and conditions of the Hillsboro Sub-Underwriting Agreement, to the extent that, *inter alia*, valid applications and valid excess applications for the Rights Units have not been received in the Rights Issue such that the Joint Global Co-ordinators and Bookrunners are required to subscribe and pay for any Underwritten Rights Units pursuant to their underwriting obligations in the Underwriting Agreement, the Hillsboro Sub-Underwriter will subscribe and pay for the Hillsboro Sub-Underwriting Rights Units (the “**Hillsboro Sub-Underwriting Commitment**”).

In consideration of the Hillsboro Sub-Underwriting Commitment, the Joint Global Co-ordinators and Bookrunners have agreed to pay the Hillsboro Sub-Underwriting Commission of 1.5% of the Rights Issue Price multiplied by the total number of Hillsboro Additional Sub-Underwriting Rights Units to the Hillsboro Sub-Underwriter.

(Please refer to paragraph 5 of this Circular for further details on the proposed Payment of the Hillsboro Sub-Underwriting Commission.)

### **3.1.12 Status of the Rights Units**

The Rights Units will, upon allotment and issue, rank *pari passu* in all respects with the Units in issue as at the date of issue of the Rights Units. Eligible Unitholders who validly accept, in full, their Rights Entitlements, will receive distributions in respect of the period from 1 July 2018 to 31 December 2018 to which they would have been entitled had the Rights Issue not occurred.

### **3.1.13 Receipt of Approval in-Principle**

Approval in-principle has been obtained from the SGX-ST for the listing and quotation of the Rights Units on the Main Board of the SGX-ST and the proposed Rights Issue. The SGX-ST's in-principle approval is not to be taken as an indication of the merits of CEREIT and/or its subsidiaries, the Proposed Acquisition, the proposed Rights Issue, the Rights Units, the proposed Payment of the GTCT Sub-Underwriting Commission and/or the proposed Payment of the Hillsboro Sub-Underwriting Commission. The SGX-ST's in-principle approval is subject to the following:

- (i) compliance with the SGX-ST's listing requirements;
- (ii) Unitholders' approval for the Rights issue;
- (iii) submission of:
  - (a) a written undertaking from the Manager that it will comply with Rules 704(30), 815 and 1207(20) of the Listing Manual in relation to the use of the proceeds from the Rights Issue and where proceeds are to be used for working capital purposes, the Manager will disclose a breakdown with specific details on the use of proceeds for working capital in the Manager's announcements on use of proceeds and in the annual report;
  - (b) a written undertaking from the Manager that it will comply with Rule 877(10) of the Listing Manual with regards to the allotment of any Excess Rights Units; and
  - (c) a written confirmation from financial institution(s) as required under Rule 877(9) of the Listing Manual that the undertaking Unitholders who have given the irrevocable undertakings have sufficient financial resources to fulfil their obligations under its undertakings.

### **3.1.14 Requirement for Unitholders' Approval for the Proposed Rights Issue**

The Manager is seeking the approval of Unitholders for the proposed issue of 600,834,459 Rights Units (representing approximately 38.0% of the 1,581,143,314 Existing Units) under the proposed Rights Issue pursuant to Rule 805(1) of the Listing Manual. For the avoidance of doubt, the Manager will not be relying on the general mandate that was deemed to have been obtained by the Manager from Unitholders by subscribing for the Units under the initial public offering of CEREIT.

The transfer books and register of Unitholders of CEREIT will be closed at the time and date as the Manager may determine, for the purpose of determining the provisional allotments of Eligible Unitholders under the proposed Rights Issue.

#### **4. RESOLUTION 3: THE PROPOSED PAYMENT OF THE GTCT SUB-UNDERWRITING COMMISSION**

##### **4.1 Sub-Underwriting of the Proposed Rights Issue by the GTCT Sub-Underwriter**

In connection with the proposed Rights Issue and the Underwriting Agreement, the GTCT Sub-Underwriter has entered into the GTCT Sub-Underwriting Agreement with the Joint Global Co-ordinators and Bookrunners pursuant to which it has agreed, on the terms and conditions of the GTCT Sub-Underwriting Agreement, to the extent that, *inter alia*, valid applications and valid excess applications for the Rights Units have not been received in the Rights Issue such that the Joint Global Co-ordinators and Bookrunners are required to subscribe and pay for any Underwritten Rights Units pursuant to their underwriting obligations in the Underwriting Agreement, the GTCT Sub-Underwriter will subscribe and pay for the GTCT Sub-Underwriting Rights Units.

In consideration of the GTCT Sub-Underwriting Commitment, the Joint Global Co-ordinators and Bookrunners have agreed to pay the GTCT Sub-Underwriting Commission of 1.5% of the Rights Issue Price multiplied by the total number of GTCT Additional Sub-Underwriting Rights Units to the GTCT Sub-Underwriter. For the avoidance of doubt, no fees or commissions are payable in respect of the GTCT Base Sub-Underwriting Units.

As at the Latest Practicable Date, the GTCT Sub-Underwriter's aggregate interest, direct and deemed, in the Unitholdings of CEREIT is approximately 13.8%.

Assuming that the GTCT Sub-Underwriter takes up in full the GTCT Sub-Underwriting Rights Units, the GTCT Sub-Underwriter will hold 14.9% of the enlarged CEREIT unitholding base immediately following completion of the Rights Issue.

**As the GTCT Sub-Underwriter is a Substantial Unitholder of CEREIT, Paragraph 2.1 of Practice Note 8.2 of the Listing Manual requires the proposed Payment of the GTCT Sub-Underwriting Commission by the Joint Global Co-ordinators and Bookrunners to the GTCT Sub-Underwriter to be subject to specific Unitholders' approval.**

##### **4.2 Board Confirmation**

Having considered the terms of the Underwriting Agreement and the GTCT Sub-Underwriting Agreement (including the proposed payment of the Underwriting Commission by the Manager to the Joint Global Co-ordinators and Bookrunners and the proposed Payment of the GTCT Sub-Underwriting Commission by the Joint Global Co-ordinators and Bookrunners to the GTCT Sub-Underwriter), the Board of Directors is of the view that the terms of the Underwriting Agreement and the GTCT Sub-Underwriting Agreement (including the Underwriting Commission and the GTCT Sub-Underwriting Commission respectively) have been entered into on an arm's length basis and are on normal commercial terms.

In considering the structure of the underwriting of the proposed Rights Issue, the Board of Directors considered and noted, *inter alia*, the following:

- (a) the rationale for, and the use of proceeds from, the Rights Issue, as set out in this Circular;
- (b) the importance of the proposed Rights Issue to be fully undertaken and/or underwritten, given the execution risks posed by the proposed Rights Issue execution period; and
- (c) the written confirmation from the Joint Global Co-ordinators and Bookrunners to the Board of Directors that they will not underwrite the proposed Rights Issue unless the

GTCT Sub-Underwriter enters into the GTCT Sub-Underwriting Agreement, and that the discussion on the GTCT Sub-Underwriting Agreement with the GTCT Sub-Underwriter was initiated by the Joint Global Co-ordinators and Bookrunners and not by the GTCT Sub-Underwriter.

In particular, in considering the proposed Payment of the GTCT Sub-Underwriting Commission by the Joint Global Co-ordinators and Bookrunners to the GTCT Sub-Underwriter, the Board of Directors has further considered and noted the following:

- (a) by entering into the GTCT Sub-Underwriting Agreement with the Joint Global Co-ordinators and Bookrunners, the GTCT Sub-Underwriter has assumed market risks for the proposed Rights Issue; and
- (b) the GTCT Sub-Underwriting Commission to be paid by the Joint Global Co-ordinators and Bookrunners to the GTCT Sub-Underwriter (i) is not higher than the Underwriting Commission payable to the Joint Global Co-ordinators and Bookrunners; (ii) is paid by the Joint Global Co-ordinators and Bookrunners out of the Underwriting Commission; and (iii) does not lead to an additional cost to CEREIT over and above the Underwriting Commission payable to the Joint Global Co-ordinators and Bookrunners.

On the bases set out above, the Board of Directors is unanimously of the view that the terms of the GTCT Sub-Underwriting Agreement (which include the proposed Payment of the GTCT Sub-Underwriting Commission by the Joint Global Co-ordinators and Bookrunners to the GTCT Sub-Underwriter) are fair and not prejudicial to CEREIT and to other Unitholders (excluding the Hillsboro Sub-Underwriter).

## **5. RESOLUTION 4: THE PROPOSED PAYMENT OF THE HILLSBORO SUB-UNDERWRITING COMMISSION**

### **5.1 Sub-Underwriting of the Proposed Rights Issue by the Hillsboro Sub-Underwriter**

In connection with the proposed Rights Issue and the Underwriting Agreement, the Hillsboro Sub-Underwriter has entered into the Hillsboro Sub-Underwriting Agreement with the Joint Global Co-ordinators and Bookrunners pursuant to which it has agreed, on the terms and conditions of the Hillsboro Sub-Underwriting Agreement, to the extent that, *inter alia*, valid applications and valid excess applications for the Rights Units have not been received in the Rights Issue such that the Joint Global Co-ordinators and Bookrunners are required to subscribe and pay for any Underwritten Rights Units pursuant to their underwriting obligations in the Underwriting Agreement, the Hillsboro Sub-Underwriter will subscribe and pay for the Hillsboro Sub-Underwriting Rights Units.

In consideration of the Hillsboro Sub-Underwriting Commitment, the Joint Global Co-ordinators and Bookrunners have agreed to pay the Hillsboro Sub-Underwriting Commission of 1.5% of the Rights Issue Price multiplied by the total number of Hillsboro Additional Sub-Underwriting Rights Units to the Hillsboro Sub-Underwriter. For the avoidance of doubt, no fees or commissions are payable in respect of the Hillsboro Base Sub-Underwriting Units.

As at the Latest Practicable Date, the Hillsboro Sub-Underwriter's aggregate interest, direct and deemed, in the Unitholdings of CEREIT is approximately 11.5%.

Assuming that the Hillsboro Sub-Underwriter takes up in full the Hillsboro Sub-Underwriting Rights Units, the Hillsboro Sub-Underwriter will hold 14.7% of the enlarged CEREIT unitholding base immediately following completion of the Rights Issue.

**As the Hillsboro Sub-Underwriter is a Substantial Unitholder of CEREIT, Paragraph 2.1 of Practice Note 8.2 of the Listing Manual requires the proposed Payment of the Hillsboro Sub-Underwriting Commission by the Joint Global Co-ordinators and Bookrunners to the Hillsboro Sub-Underwriter to be subject to specific Unitholders' approval.**

## **5.2 Board Confirmation**

Having considered the terms of the Underwriting Agreement and the Hillsboro Sub-Underwriting Agreement (including the proposed payment of the Underwriting Commission by the Manager to the Joint Global Co-ordinators and Bookrunners and the proposed Payment of the Hillsboro Sub-Underwriting Commission by the Joint Global Co-ordinators and Bookrunners to the Hillsboro Sub-Underwriter), the Board of Directors is of the view that the terms of the Underwriting Agreement and the Hillsboro Sub-Underwriting Agreement (including the Underwriting Commission and the Hillsboro Sub-Underwriting Commission respectively) have been entered into on an arm's length basis and are on normal commercial terms.

In considering the structure of the underwriting of the proposed Rights Issue, the Board of Directors considered and noted, *inter alia*, the following:

- (a) the rationale for, and the use of proceeds from, the proposed Rights Issue, as set out in this Circular;
- (b) the importance of the proposed Rights Issue to be fully undertaken and/or underwritten, given the execution risks posed by the proposed Rights Issue execution period; and
- (c) the written confirmation from the Joint Global Co-ordinators and Bookrunners to the Board of Directors that they will not underwrite the proposed Rights Issue unless the Hillsboro Sub-Underwriter enters into the Hillsboro Sub-Underwriting Agreement, and that the discussion on the Hillsboro Sub-Underwriting Agreement with the Hillsboro Sub-Underwriter was initiated by the Joint Global Co-ordinators and Bookrunners and not by the Hillsboro Sub-Underwriter.

In particular, in considering the proposed Payment of the Hillsboro Sub-Underwriting Commission by the Joint Global Co-ordinators and Bookrunners to the Hillsboro Sub-Underwriter, the Board of Directors has further considered and noted the following:

- (a) by entering into the Hillsboro Sub-Underwriting Agreement with the Joint Global Co-ordinators and Bookrunners, the Hillsboro Sub-Underwriter has assumed market risks for the proposed Rights Issue; and
- (b) the Hillsboro Sub-Underwriting Commission to be paid by the Joint Global Co-ordinators and Bookrunners to the Hillsboro Sub-Underwriter (i) is not higher than the Underwriting Commission payable to the Joint Global Co-ordinators and Bookrunners; (ii) is paid by the Joint Global Co-ordinators and Bookrunners out of the Underwriting Commission; and (iii) does not lead to an additional cost to CEREIT over and above the Underwriting Commission payable to the Joint Global Co-ordinators and Bookrunners.

On the bases set out above, the Board of Directors is unanimously of the view that the terms of the Hillsboro Sub-Underwriting Agreement (which include the proposed Payment of the Hillsboro Sub-Underwriting Commission by the Joint Global Co-ordinators and Bookrunners to the Hillsboro Sub-Underwriter) are fair and not prejudicial to CEREIT and to other Unitholders (excluding the GTCT Sub-Underwriter).

## **6. RATIONALE FOR AND KEY BENEFITS OF THE PROPOSED TRANSACTION**

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

### **6.1 Consistent with the Manager's Investment Strategy**

The Proposed Acquisition is well aligned with CEREIT's stated investment strategy and key objectives of delivering stable and regular distributions as well as long-term DPU growth to Unitholders. The New Properties provide further geographical diversification to the Existing Portfolio, as well as access to the attractive Finnish and Polish office markets which are among Europe's fastest growing economies, and further strengthens CEREIT's position in the Dutch office market.

The New Properties comprises good quality freehold and perpetual leasehold office assets, which complement the Existing Portfolio. As at 31 August 2018, the New Properties are 84.5% occupied by quality tenants with a WALE of 4.7 years, majority of leases having consumer price index-linked indexation. The Enlarged Portfolio, through tenant diversification, reduces concentration risks for CEREIT's portfolio. Following the Proposed Acquisition, the Manager will continue to maintain an optimal capital mix and prudent capital management for CEREIT.

### **6.2 Opportunity to Invest in Attractive European Office Markets of the Netherlands, Finland and Poland**

#### **(i) The Netherlands, Finland and Poland have all outperformed the Eurozone economic growth providing attractive tailwinds for the office sector**

The Dutch economy outperformed the Eurozone average in 2017 which is expected to continue in 2018. Growth is forecast to track the Eurozone average from 2019 onwards.

2018 is expected to see growth of 2.7% despite a slowdown in activity mainly linked to a reduction in global trade which curtailed exports. Growth is underpinned by solid domestic conditions and a tight labour market with unemployment at 4.8% supporting wage growth.

Finland's gross domestic product ("GDP") growth has outperformed the Eurozone average each year since 2016, and the country's strong economic momentum looks set to continue in 2018 with economic expansion forecast at 2.7%. In 2017 GDP grew by 2.8%, the strongest growth rate since 2010 when the economy expanded by 3.0%. Key drivers of strong domestic demand and consumer confidence, in combination with solid job growth, which together, should support consumer spending over the remainder of the year and into 2019.

The Finnish unemployment rate is above the EU average, but it is trending downwards. The latest data show that it has already reached the lowest level in more than 5 years which is attributed to government reforms called 'The Competitiveness Pact'. Since 2017, this package has targeted moderate wage settlements, the introduction of an export industry-driven model in wage formation, and reforms to increase local agreement in the labour market.



The Polish economy expanded by 4.6% in 2017 – the strongest year since 2011, outperforming the Eurozone average of 2.5%. Domestic demand is the main driver of economic growth supported by a very healthy labour market with low unemployment, while the Zloty depreciation has helped net trade. Industrial activity has also seen an unexpected pick-up at a time when Eurozone demand is showing signs of stabilising, helping to further support the positive economic news.

2019 is expected to record robust growth of 3.5%, following strong positive economic expansion of 4.7% forecast for 2018. Domestic demand will remain the key driver of GDP growth underpinned by strong consumption growth of 4.4% in 2018, reducing slightly as higher oil prices take effect and erode consumer purchasing power.

**(ii) Attractive office sector dynamics with healthy occupier demand driving higher occupancy rates and positive rental momentum**

In the Netherlands, the nationwide office vacancy rate is 12.1% which includes some structural vacancy that is being worked through as some buildings are withdrawn from the market and redeveloped with a different use (e.g. hotels or residential). For good quality, well-located assets which are increasingly demanded by occupiers, the vacancy rate is much lower. This rate continues to fall, leading to a scaling back in incentive packages and the potential for positive rental growth in supply constrained locations.

The breadth of occupiers across the Dutch market provides depth to the occupational sector. Business services and finance are the most active sectors, but the technology, media, and telecommunication sector is currently one of the fastest growing.

In Finland, the Helsinki Metropolitan Area dominates activity in the office sector both from an investment and occupational perspective. 2018 has seen a strong performance from both, supported by economic momentum.

Occupier demand is driven by efficiency, quality and connectivity which have created a rental differential between the high quality, well-located buildings, where there is upward pressure on rents, and secondary areas where availability is higher, typically in out-dated stock and tenant incentives are evident.

In Poland, Warsaw remains the hub of office activity. Due to the relatively low volume of new office completions over the last 18 months and the limited amount scheduled for delivery in H2 2018 and in 2019, the Warsaw office market is experiencing a short-term supply shortage which is reducing tenant incentives. However, in 2020, Cushman & Wakefield forecast a supply peak with over 460,000 sqm office to be completed, limiting rental growth prospects.

(See **Appendix D** of this Circular for further details)

**6.3 High Quality Portfolio Comprising Well-located and Predominantly Freehold Properties**

**(i) Strategically located with excellent connectivity**

The New Properties benefit from very good accessibility to major transport infrastructure including the A2 highway, Utrecht Central Station, being the busiest train station in the Netherlands and 's-Hertogenbosch Central Station in the Netherlands, Helsinki Airport, the largest airport in Finland catering to 83% of the domestic and almost all of the international air traffic, having the shortest connecting flights to Asia

of all European airports, the Ring Road III, being the most important road network in the Helsinki Metropolitan Area, and urban city centre train stations in Finland; the Trasa Łazienkowska freeway, the Wisłostrada freeway, the Central Railway Station, Chopin Airport, the Gdansk Lech Walesa Airport, and the Amber Highway in Poland.

**(ii) Increased proportion of freehold and perpetual leasehold assets in the Enlarged Portfolio**

The Proposed Acquisition will increase the proportion of freehold and perpetual leasehold assets in the Existing Portfolio from 88.2% (under the Existing Portfolio) to 90.4% (under the Enlarged Portfolio).

	<b>Before the Proposed Acquisition<sup>(1)</sup> (€ million)</b>	<b>After the completion of the Proposed Acquisition<sup>(1)(2)</sup> (€ million)</b>
Freehold	970.3	1,235.3
Perpetual Leasehold	256.3	307.1
Leasehold	163.8	163.8

**Notes:**

- (1) By valuation of the Existing Portfolio (except Ivrea) as of 31 March 2018 and the valuation of Ivrea on 1 April 2018.
- (2) For the New Properties, the valuation is based on the average of the two independent valuations of each New Property conducted by the Independent Valuers as at 27 September 2018.

	<b>Before the Proposed Acquisition<sup>(1)</sup> (%)</b>	<b>After the completion of the Proposed Acquisition<sup>(1)(2)</sup> (%)</b>
Freehold	69.8	72.4
Perpetual Leasehold	18.4	18.0
Leasehold	11.8	9.6

**Notes:**

- (1) By percentage of the sum of the valuation of the Existing Portfolio (except Ivrea) as of 31 March 2018 and the valuation for Ivrea on 1 April 2018.
- (2) By percentage of valuation of the Enlarged Portfolio. For the New Properties, the valuation is based on the average of the two independent valuations of each New Property conducted by the Independent Valuers as at 27 September 2018.

**6.4 Portfolio Positioned for Long-Term Sustainable Growth**

**(i) Rental upside as Reversionary Yield (based on market rental income) is significantly higher than Net Initial Yield**

As at 27 September, the Reversionary Yield of the New Properties (based on the average of the Independent Valuers' estimated market rental income per annum net of non-recoverable property expenses is 7.4%, which implies a 18.6% rental upside compared to its Net Initial Yield of 6.2%.

As at 31 August 2018, the New Properties had an overall occupancy rate of 84.5%, which the Manager believes provides headroom for growth from vacancy reduction given the strong demand for space in the respective markets.

**(ii) Leases are typically indexed to Consumer Price Indices**

Leases are typically indexed to the Consumer Price Index of the respective jurisdictions in the case of the New Properties in the Netherlands and Finland, and to the Euro-zone consumer price index in the case of the New Properties in Poland, thereby providing steady and relatively predictable rental growth.

**6.5 Increased Resilience from Size and Diversification of CEREIF's Enlarged Portfolio**

**(i) Geographical diversification of the portfolio is now enhanced into 7 countries**

The Proposed Acquisition will allow CEREIF to enhance its portfolio diversification by entering the attractive Finnish and Polish office markets, in addition to the 5 countries (Denmark, France, Germany, Italy and the Netherlands) in which the Existing Portfolio is located in.

<b>Country</b>	<b>Before the Proposed Acquisition (based on valuation)</b>	<b>After the completion of the Proposed Acquisition (based on valuation)</b>
Netherlands	33.8%	35.0%
Italy	30.1%	24.5%
France	22.6%	18.4%
Germany	7.8%	6.3%
Denmark	5.9%	4.8%
Finland	0%	6.8%
Poland	0%	4.2%

**(ii) Increased tenant diversification and trade sector diversification**

The table below provides a breakdown by the different trade sectors represented in the Existing Portfolio and Enlarged Portfolio as a percentage of monthly Gross Rental Income (as defined herein) (based on Gross Rental Income Existing Portfolio for the month of June 2018 and Gross Rental Income Enlarged Portfolio for the month of August 2018 and excludes gross turnover rent).

<b>Before the Proposed Acquisition</b>		<b>After the completion of the Proposed Acquisition</b>	
	<b>% of Gross Rental Income</b>	<b>% of Gross Rental Income</b>	
Public Administration	18.3%	17.4%	Public Administration
Wholesale – Retail	15.5%	14.8%	Wholesale – Retail

Before the Proposed Acquisition		After the completion of the Proposed Acquisition	
	% of Gross Rental Income	% of Gross Rental Income	
Manufacturing	9.9%	9.1%	Financial – Insurance
Financial – Insurance	9.4%	8.8%	Manufacturing
Professional – Scientific	7.3%	7.1%	Professional – Scientific
Transportation – Storage	6.6%	6.6%	IT – Communication
IT – Communication	6.5%	5.7%	Transportation – Storage
Entertainment	5.2%	4.7%	Entertainment
Construction	4.3%	4.2%	Construction
Administrative	4.3%	4.0%	Utility
Real Estate	4.2%	4.0%	Real Estate
Others	8.4%	13.6%	Others
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>Total</b>

(iii) **Reduced concentration risk in the top 10 tenants, with the Enlarged Portfolio resulting in decrease from 40.5% to 36.6%**

The top 10 tenants' contribution to the Existing Portfolio's Gross Rental Income as at 30 June 2018 will decrease from 40.5% to 36.6% following the Proposed Acquisition.

Before the Proposed Acquisition		After the completion of the Proposed Acquisition	
Tenant	% of Gross Rental Income	% of Gross Rental Income	Tenant
Agenzia Del Demanio	16.8%	13.8%	Agenzia Del Demanio
Nationale Nederlanden Nederland B.V.	7.0%	5.7%	Nationale Nederlanden Nederland B.V.
Kamer van Koophandel	3.0%	3.3%	Essent Nederland B.V.
Nationale Stichting tot Exploitatie van Casinospelen in Nederland	2.5%	2.4%	Kamer van Koophandel
CBI Nederland B.V.	2.3%	2.4%	UWV

Before the Proposed Acquisition		After the completion of the Proposed Acquisition	
Tenant	% of Gross Rental Income	% of Gross Rental Income	Tenant
Anas	2.1%	2.0%	Nationale Stichting tot Exploitatie van Casinospelen in Nederland
GEDI Gruppo Editoriale	2.1%	1.9%	CBI Nederland B.V.
Coolblue B.V.	2.0%	1.7%	Anas
La Poste (French Post)	1.4%	1.7%	GEDI Gruppo Editoriale
Nilfisk	1.4%	1.6%	Coolblue B.V.
Top 10 Tenants	<b>40.5%</b>	<b>36.6%</b>	Top 10 Tenants

## 6.6 Acquisition of the New Properties at attractive Yields

### (i) Attractive Net Initial Yield of 6.2% compared to Net Initial Yield of 5.6% for the existing office portfolio

The New Properties are being acquired at attractive yields compared to the Existing Portfolio.

Based on the average of the Independent Valuers' annualised current passing rental income net of non-recoverable property expenses as estimated by the Independent Valuers, the New Properties have a Net Initial Yield of 6.2%, which compares favourably to the office assets within the Existing Portfolio, which have a Net Initial Yield of 5.6%. Additionally, the Reversionary Yield of the New Properties (based on the average of the Independent Valuers' estimated market rental income per annum net of non-recoverable property expenses) is 7.4%, which is significantly higher than its Net Initial Yield.

### (ii) Increased distributable income and DPU yield to the unitholders

Upon completion of the Proposed Transaction, CERET's Net Property Income (as defined herein), and distributable income for FP2018 are expected to increase by 21.8% and 22.0% respectively.

## 6.7 Leveraging the Sponsor's Integrated European Asset Management Platform

### (i) Sponsor's on the ground asset management team across the Netherlands, Finland and Poland well-positioned to actively manage the assets to drive improved operating and financial performance for CERET

CERET will be able to leverage on the Sponsor's existing integrated asset management teams in Finland and Poland. Similar to the Sponsor's platforms in Denmark, France, Germany, Italy and the Netherlands, Cromwell Europe Limited Group have extensive experience in the management of office assets in Finland and Poland, with core competencies across the entire value chain.

## (ii) Strong track record of enhancing value through AEs

The Sponsor's strength lies in its global platform and infrastructure, operating a fully integrated property, investment and asset management model, combined with local expertise, drawn from our local teams of experienced, real estate professionals. Cromwell Europe Limited and/or its subsidiaries has an active approach to property portfolio and asset management; constantly looking to implement strategic asset management initiatives that create income stability and growth at an asset level. The Cromwell Europe Limited and/or its subsidiaries are specialists at value-add projects and asset transformations.

The primary goal of its asset management teams is to build long term, mutually beneficial relationships with its tenant customers. This enables the Sponsor to understand its tenants' needs and flexibly meet their requirements. With 260+ assets and 3100 tenants that the Sponsor manages for various client mandates in Europe, the Sponsor has the expertise to look after the needs of wide range tenants in many different parts of Europe.

As at June 2018, the Sponsor has approximately €4 billion of real estate assets under their management in Europe and the real estate expertise is drawn from 200+ employees in 20 offices across 12 European countries.

## 7. REQUIREMENT FOR UNITHOLDERS' APPROVAL

### 7.1 Related Party Transaction

Under Chapter 9 of the Listing Manual, where the Trustee proposes to enter into a transaction with an interested person and the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S\$100,000, with the same interested person during the same financial year) is equal to or exceeds 5.0% of CEREIT's latest unaudited NTA, Unitholders' approval is required in respect of the transaction.

Based on the latest unaudited financial statements<sup>1</sup> of CEREIT ("**CEREIT Unaudited Financial Statements**") for the second quarter ended 30 June 2018 and the financial period from 30 November 2017 (being the date of listing of CEREIT) to 30 June 2018 as disclosed in the unaudited financial statements announcement of CEREIT issued on 13 August 2018, the NTA of CEREIT as at 30 June 2018 was €897.9 million. Accordingly, if the value of a transaction which is proposed to be entered into by the Trustee during the current financial year ending 31 December 2018 with an interested person is, either in itself or in aggregation with all other earlier transactions (each of a value equal to or greater than S\$100,000) entered into with the same interested person during the current financial year ending 31 December 2018, equal to or greater than €44.9 million, such a transaction would be subject to approval from Unitholders.

Paragraph 5 of the Property Funds Appendix also imposes a requirement for Unitholders' approval for an Interested Party Transaction by the Trustee whose value is equal to or exceeds 5.0% of CEREIT's latest NAV. Based on the CEREIT Unaudited Financial Statements<sup>2</sup>, the NAV of CEREIT as at 30 June 2018 was €897.9 million. Accordingly, if the value of a transaction which is proposed to be entered into by the Trustee with an interested

1 The CEREIT Unaudited Financial Statements are used as CEREIT was only listed on the SGX-ST on 30 November 2017 and has not yet issued any audited financial statements.

2 CEREIT was only listed on the SGX-ST on 30 November 2017 and has not yet issued any audited financial statements.

party during the current financial year ending 31 December 2018 is equal to or greater than €44.9 million, such a transaction would also be subject to approval from Unitholders.

CEREIT has not entered into any Related Party Transactions with the Sponsor and its subsidiaries and associates or any other interested persons of CEREIT during the course of the current financial year ending 31 December 2018 up to the Latest Practicable Date<sup>1</sup>.

### 7.1.1 The Proposed Acquisition

As at the Latest Practicable Date, the Sponsor holds an aggregate deemed interest in 558,338,114 Units, which is equivalent to approximately 35.3% of the Existing Units, and is therefore regarded as a “controlling unitholder” of CEREIT for the purposes of both the Listing Manual and the Property Funds Appendix. In addition, as the Manager is a wholly-owned subsidiary of the Sponsor, the Sponsor is therefore regarded as a “controlling shareholder” of the Manager under both the Listing Manual and the Property Funds Appendix.

As the New Properties are managed by Cromwell Europe (which also owns a *de minimis* percentage of the equity, directly or indirectly, in some of the Vendors), and Cromwell Europe is a subsidiary of the Sponsor, in the interest of good corporate governance, CEREIT will be obtaining Unitholders’ approval for the Proposed Acquisition, even though the Proposed Acquisition will not strictly constitute a Related Party Transaction.

Under the Master Purchase Agreement with the Vendor, CEREIT (through the CEREIT SPV) will pay the Proposed Acquisition Purchase Consideration of approximately €308.8 million (being 34.4% of CEREIT’s latest unaudited<sup>2</sup> NTA and NAV as at 30 June 2018). The value of the Proposed Acquisition exceeds 5.0% of the NTA and the NAV of CEREIT, being the respective thresholds under the Listing Manual and the Property Funds Appendix in respect of Related Party Transactions, and would therefore be subject to Unitholders’ approval if the Proposed Acquisition were a Related Party Transaction.

## 7.2 Relative Figures Computed on the Bases Set Out In Rule 1006 of the Listing Manual

### 7.2.1 Chapter 10 of the SGX-ST Listing Manual governs the acquisition or disposal of assets, including options to acquire or dispose of assets, by CEREIT. Such transactions are classified into the following categories:

- (i) non-discloseable transactions;
- (ii) discloseable transactions;
- (iii) major transactions; and
- (iv) very substantial acquisitions or reverse take-overs.

1 The payment to EHI France 5 for full and final settlement of all outstanding and future claims which any party to the EHI SPA (as defined in the prospectus of CEREIT dated 22 November 2017) may have in relation to the Deferred Consideration (as defined in the prospectus of CEREIT dated 22 November 2017) in relation to CEREIT’s purchase of Parc Des Docks was announced as an interested person transaction in the announcement dated 2 July 2018. However, the transaction was in fact not an interested person transaction as the fund was no longer managed by a subsidiary of the Sponsor at the point of entry into the settlement agreement.

2 The CEREIT Unaudited Financial Statements are used as CEREIT was only listed on the SGX-ST on 30 November 2017 and has not yet issued any audited financial statements.

**7.2.2 A proposed acquisition by CEREIT may fall into any of the categories set out above depending on the size of the relative figures computed on the following bases of comparison:**

- (i) the net profits attributable to the assets acquired, compared with CEREIT's net profits pursuant to Rule 1006(b) of the Listing Manual; and
- (ii) the aggregate value of the consideration given or received, compared with CEREIT's market capitalisation based on the total number of issued Units pursuant to Rule 1006(c) of the Listing Manual.

Rule 1006(d) of the Listing Manual is not applicable as CEREIT will not be issuing any units as consideration for the Proposed Acquisition.

**7.2.3 The relative figures computed on the bases set out in Rules 1006(b) and 1006(c) of the Listing Manual are as follows:**

<b>Comparison of:</b>	<b>The Proposed Acquisition</b>	<b>CEREIT</b>	<b>Relative Figure (%)</b>
<b>Net Profits (€ million)</b>	4.7 <sup>(1)</sup>	49.4 <sup>(2)</sup>	9.5%
<b>Proposed Acquisition Purchase Consideration against market capitalisation (€ million)</b>	308.8	858.4 <sup>(3)</sup>	36.0%

**Notes:**

- (1) Based on the Proposed Acquisition estimated financial results for a seven-month period, based on leases that are currently in place as of 30 September 2018.
- (2) Based on unaudited financial statements for the period from 30 November 2017 (being the date of listing of CEREIT) to 30 June 2018
- (3) Based on the weighted average price of the Units transacted on the SGX-ST on 29 October 2018, being the market day preceding the date of signing of the Master Purchase Agreement, of €0.543 per Unit.

As seen in the table above, the Proposed Acquisition constitutes a "major transaction" under Rule 1014(1) of the Listing Manual (read with Rule 1006(c) of the Listing Manual) as the Proposed Acquisition Purchase Consideration to be given for the Proposed Acquisition is approximately 36.0% of CEREIT's market capitalisation as at 29 October 2018, being the market day preceding the date of signing of the Master Purchase Agreement (based on the total number of issued Units in CEREIT).

**7.3 Specific Approval from Unitholders for the Proposed Rights Issue**

Pursuant to Rule 805(1) of the Listing Manual, the Manager is seeking the specific approval of Unitholders for the issue of the new Units under the proposed Rights Issue.



#### 7.4 Sub-Underwriting of the Proposed Rights Issue by the GTCT Sub-Underwriter and the Hillsboro Sub-Underwriter

As at the Latest Practicable Date, each of the GTCT Sub-Underwriter's and the Hillsboro Sub-Underwriter's aggregate interest, direct and deemed, in the Unitholdings of CEREIF is approximately 13.8% and 11.5% respectively.

As the GTCT Sub-Underwriter and the Hillsboro Sub-Underwriter are each Substantial Unitholders of CEREIF, Paragraph 2.1 of Practice Note 8.2 of the Listing Manual requires the proposed Payment of the GTCT Sub-Underwriting Commission and the proposed Payment of the Hillsboro Sub-Underwriting Commission by the Joint Global Co-ordinators and Bookrunners to the GTCT Sub-Underwriter and the Hillsboro Sub-Underwriter respectively, to be subject to specific Unitholders' approval.

### 8. DISCLOSURE OF INTEREST

#### 8.1 Interests of Directors and Substantial Unitholders

As at the Latest Practicable Date, certain directors of the Manager collectively hold an aggregate direct and indirect interest in 396,400 Units. Further details of the interests in Units of the directors of the Manager and Substantial Unitholders are set out below.

Paul Weightman is the Non-Independent Non-Executive Director of the Manager and the Chief Executive Officer and Managing Director of the Sponsor.

Based on the publicly released Directors' Unitholdings announcements on the SGXNet, the direct and deemed interests of the Directors in the Units as at the Latest Practicable Date are as follows:

Name of Director	Direct Interest		Deemed Interest		Total No. of Units held	%
	No. of Units held	%	No. of Units held	%		
Mr Lim Swe Guan	396,400	0.025	–	–	396,400	0.025
Mr Paul Weightman	–	–	–	–	–	–
Mr Simon Garing	–	–	–	–	–	–
Mr Christian Delaire	–	–	–	–	–	–
Ms Fang Ai Lian	–	–	–	–	–	–

Based on the publicly released Substantial Unitholders' Unitholdings announcements on the SGXNet, the Substantial Unitholders and their interests in the Units as at the Latest Practicable Date are as follows:

Name of Substantial Unitholder	Direct Interest		Deemed Interest		Total No. of Units held	%
	No. of Units held	%	No. of Units held	%		
Cromwell Property Group <sup>(1)</sup>	–	–	558,338,114	35.31	558,338,114	35.31
UBS Group AG <sup>(2)</sup>	–	–	110,073,985	6.98	110,073,985	6.98
UBS AG <sup>(3)</sup>	85	0.00	110,073,900	6.98	110,073,985	6.98
Cromwell Singapore Holdings Pte. Ltd.	539,270,800	34.19	–	–	539,270,800	34.19
CDPT Finance No. 2 Pty Ltd <sup>(4)</sup>	–	–	539,270,800	34.19	539,270,800	34.19
Cromwell Property Securities Limited (as Responsible Entity for Cromwell Diversified Property Trust) <sup>(5)</sup>	–	–	539,270,800	34.19	539,270,800	34.19
Mr Gordon Tang and Mrs Celine Tang <sup>(6)</sup>	218,181,000	13.8	–	–	218,181,000	13.8
Hillsboro Capital, Ltd.	181,820,000	11.5	–	–	181,820,000	11.5
Cerberus Singapore Investor LLC	183,618,000	11.61	–	–	183,618,000	11.61
Cerberus Lux, C.V. <sup>(7)</sup>	–	–	183,618,000	11.61	183,618,000	11.61
Cerberus Dutch GP, LLC <sup>(8)</sup>	–	–	183,618,000	11.61	183,618,000	11.61
Cerberus Institutional Partners V, L.P. <sup>(9)</sup>	–	–	183,618,000	11.61	183,618,000	11.61
Cerberus Institutional Associates II, L.L.C. <sup>(10)</sup>	–	–	183,618,000	11.61	183,618,000	11.61
Stephen A. Feinberg <sup>(11)</sup>	–	–	183,618,000	11.61	183,618,000	11.61

**Notes:**

- (1) CSHPL is a wholly-owned subsidiary of CDPT Finance No. 2 Pty Ltd., which is in turn a wholly-owned subsidiary of Cromwell BT Pty Ltd (as custodian (aka bare trustee) for Cromwell Property Securities Limited as responsible entity for CDPT). CDPT is part of Cromwell Property Group which is a stapled group comprising Cromwell Corporation Limited and CDPT. Accordingly, Cromwell Property Group is deemed to be interested in CSHPL's interests in the Units. Additionally, the Manager which holds Units, is a wholly-owned subsidiary of Cromwell Corporation Limited. Cromwell CEREIT Holdings Limited which holds Units, is a wholly-owned subsidiary of Cromwell Holdings Europe Limited, which is in turn a wholly-owned subsidiary of Cromwell Europe Limited, which is in turn a wholly-owned subsidiary of Cromwell European Holdings Limited, which is in turn a wholly-owned subsidiary of Cromwell Corporation Limited. As such, Cromwell Property Group is also deemed to be interested in Cromwell Corporation Limited's deemed interests in the Units held by the Manager and Cromwell CEREIT Holdings Limited.
- (2) Deemed interests arising by virtue of (a) UBS Group AG having an interest, or (b) Section 7(4) or 7(4A) of Companies Act, Chapter 50 of Singapore (the "**Companies Act**") in Units over which subsidiaries/affiliates of UBS Group AG have an interest, by reason of the ability to exercise voting discretion and to acquire/dispose of Units.
- (3) Deemed interests arising by virtue of (a) UBS AG having an interest, or (b) Section 7(4) or 7(4A) of the Companies Act in Units over which subsidiaries/affiliates of UBS AG have an interest, by reason of the ability to exercise voting discretion and to acquire/dispose of Units.
- (4) CSHPL is a wholly-owned subsidiary of CDPT Finance No. 2 Pty Ltd., which is in turn a wholly-owned subsidiary of Cromwell BT Pty Ltd (as custodian (aka bare trustee) for Cromwell Property Securities Limited as responsible entity for CDPT). CDPT is part of Cromwell Property Group which is a stapled group comprising Cromwell Corporation Limited and CDPT. Accordingly, CDPT Finance No. 2 Pty Ltd. is deemed to be interested in CSHPL's interests in the Units.
- (5) CSHPL is a wholly-owned subsidiary of CDPT Finance No. 2 Pty Ltd., which is in turn a wholly-owned subsidiary of Cromwell BT Pty Ltd (as custodian (aka bare trustee) for Cromwell Property Securities Limited as responsible entity for CDPT). CDPT is part of Cromwell Property Group which is a stapled group comprising Cromwell Corporation Limited and CDPT. Accordingly, Cromwell Property Securities Limited is deemed to be interested in CSHPL's interests in the Units.
- (6) The Units are held by joint account of Mr. Gordon Tang and Mrs. Celine Tang. Mr. Gordon Tang is the spouse of Mrs. Celine Tang.
- (7) Cerberus Lux, C.V. has a deemed interest in the Units as it is the sole member of Cerberus Singapore Investor LLC and has the ability to exercise control over the disposal of such Units.
- (8) Cerberus Dutch GP, LLC has a deemed interest in the Units as it is the general partner of Cerberus Lux, C.V. (which is, in turn, the sole member of Cerberus Singapore Investor LLC) and has the ability to exercise control over the disposal of such Units.
- (9) Cerberus Institutional Partners V, L.P. has a deemed interest in the Units as it is the managing member of Cerberus Dutch GP, LLC (which is, in turn, the general partner of Cerberus LUX, C.V. (which is, in turn, the sole member of Cerberus Singapore Investor LLC)) and has the ability to exercise control over the disposal of such Units.
- (10) Cerberus Institutional Associates II, L.L.C. has a deemed interest in the Units as it is the general partner of Cerberus Institutional Partners V, L.P. which is, in turn, the managing member of Cerberus Dutch GP, LLC (which is, in turn, the general partner of Cerberus LUX, C.V. (which is, in turn, the sole member of Cerberus Singapore Investor LLC)) and has the ability to exercise control over the disposal of such Units.
- (11) Stephen A. Feinberg has a deemed interest in the Units as the managing member of Cerberus Institutional Associates II, L.L.C. which is, in turn, the general partner of Cerberus Institutional Partners V, L.P. (which is, in turn, the managing member of Cerberus Dutch GP, LLC (which is, in turn, the general partner of Cerberus LUX, C.V. and which is, in turn, the sole member of Cerberus Singapore Investor LLC)) and has the ability to exercise control over the disposal of such Units.

Save as disclosed above and based on information available to the Manager as at the Latest Practicable Date, none of the Directors or the Substantial Unitholders has an interest, direct or indirect, in the Proposed Acquisition.

**8.2 Directors' Service Contracts**

No person is proposed to be appointed as a director of the Manager in connection with the Proposed Acquisition or any other transactions contemplated in relation to the Proposed Acquisition.

## 9. CERTAIN FINANCIAL INFORMATION RELATING TO THE PROPOSED TRANSACTION

### 9.1 *Pro Forma* Financial Effects of the Proposed Transaction based on the CEREIT Unaudited Financial Statements

The *pro forma* financial effects of the Proposed Transaction for the financial period from 30 November 2017 (being the date of listing of CEREIT) to 30 June 2018 (“**FP2018**”) on the DPU and NAV per Unit presented below are strictly for illustrative purposes only and were prepared based on:

- (i) the CEREIT Unaudited Financial Statements<sup>1</sup> for FP2018;
- (ii) the leases which were either in place or signed as of 30 September 2018 in relation to the Proposed Acquisition assuming that such leases were in place at the start of the financial period FP2018;
- (iii) the additional leases covered by the rental guarantee (as described in paragraph 2.7(x)) were in place at the start of the financial period FP2018;
- (iv) where leases in the New Properties include turnover rent, the turnover rent is estimated based on the turnover for 2017 and the 7 months from January to July 2018; and
- (v) tenants incentives for the New Properties are assumed to be funded by the Vendors where such arrangements have been agreed.

In respect of the Proposed Transaction, taking into account the Total Cost of the Proposed Transaction and certain assumptions including (but not limited to) the following:

- (a) for illustrative purposes, approximately 440.0 million new Units issued under the proposed Rights Issue are attributable to the funding of the Proposed Acquisition;
- (b) acquisition fee of approximately €3.1 million paid in Units to the Manager and/or the Property Manager in respect of the Proposed Acquisition;
- (c) the balance of the Total Cost of the Proposed Transaction is financed by borrowings; and
- (d) the Total Cost of the Proposed Transaction is converted at an exchange rate of €1 : S\$1.5727.

In respect of the Recently Announced Acquisitions, taking into account the Total Cost of the Recently Announced Acquisitions and certain assumptions including (but not limited to) the following:

- (a) for illustrative purposes, approximately 142.8 million new Units issued under the proposed Rights Issue are attributable to the funding of the Recently Announced Acquisitions;
- (b) acquisition fee of approximately €0.9 million paid to the Manager and/or Property Manager in respect of the Recently Announced Acquisitions;
- (c) the balance of the Total Cost of the Recently Announced Acquisitions is financed by borrowings; and

---

<sup>1</sup> In respect of the Existing Portfolio.

- (d) the Total Cost of the Recently Announced Acquisitions is translated at an exchange rate of €1 : S\$1.5727.

For the avoidance of doubt, notwithstanding its current intention, the Manager may, subject to relevant laws and regulations, apportion the gross proceeds of the proposed Rights Issue between the Proposed Transaction and Recently Announced Acquisitions at its absolute discretion.

## 9.2 Pro Forma DPU

The *pro forma* financial effects of the Proposed Transaction on the DPU for FP2018 are strictly for illustration purposes only, as if:

- CEREIT had purchased the New Properties and the Proposed Transaction had completed on 30 November 2017,
- all the New Properties are generating Net Property Income for FP2018,
- CEREIT had completed the Recently Announced Acquisitions on 30 November 2017, and
- all the Recently Announced Acquisition properties are generating Net Property Income for FP2018:

### FOR ILLUSTRATION PURPOSES ONLY

	Pro Forma Effects of the Proposed Transaction for FP2018			
	Financial period from 30 November 2017 to 30 June 2018	Immediately after completion of the Recently Announced Acquisitions <sup>(1)</sup>	Immediately after completion of the Proposed Transaction	Immediately after completion of the Recently Announced Acquisitions and the Proposed Transactions
<b>Net Property Income (€ m)<sup>(2)</sup></b>	47.7	51.5	58.2	61.9
<b>Distributable Income (€ m)<sup>(3)</sup></b>	40.1	42.8	48.9	51.7
<b>No. of Units (million)<sup>(4)</sup></b>	1,581.1	1,724.0	2,045.4	2,188.3
<b>DPU (€ cents)</b>	2.53	2.48	2.39	2.36
<b>Annualised DPU yield (%)</b>	7.97% <sup>(5)</sup>	8.03% <sup>(6)</sup>	8.09% <sup>(6)</sup>	8.13% <sup>(6)</sup>
<b>Annualised DPU yield (%) based on Rights Issue Price</b>	N/A	N/A	N/A	10.8% <sup>(7)</sup>

#### Notes:

- (1) Prepared based on (i) the CEREIT Unaudited Financial Statements for FP2018, (ii) the leases which are in place as of 30 September 2018 in relation to the Recently Announced Acquisitions assuming that such leases were in place at the start of the financial period FP2018, (iii) in relation to a tenant on a 6-month lease, that the lease would be renewed at a level in line with the latest termsheet proposed by the tenant.

- (2) Adjusted for the property management fees payable (assumed to be 0.67% of Proposed Acquisition Purchase Consideration).
- (3) Adjusted for the Manager's management fees (assumed to be 0.23% of Proposed Acquisition Purchase Consideration, of which the Manager would receive 100.0% in the form of Units) and property management fees payable (assumed to be 0.67% of Proposed Acquisition Purchase Consideration, of which the Property Manager would receive 40.0% in the form of Units) and related tax effects.
- (4) For CEREIT, based on the number of issued and issuable Units entitled to distribution as at 30 June 2018 as stated in the CEREIT Unaudited Financial Statements. For the Recently Announced Acquisitions also including 142,831,883 new Units issued under the proposed Rights Issue, as well as new units issuable as payment for the property management fees and Manager's management fees. For the Proposed Transaction also including 439,979,559 new Units issued under the proposed Rights Issue, as well as new units issuable as payment for the property management fees, Manager's management fees and acquisition fees for the New Properties.
- (5) Based on the Closing Price of €0.545 per Unit.
- (6) Assumes that €170.8 million of the gross proceeds of the Rights Issue are used to partially fund the Total Cost of the Proposed Transaction, and €53.3 million of the gross proceeds of the Rights Issue are used to partially fund the Total Cost of the Recently Announced Acquisitions. DPU yield is computed based on annualised pro forma distributable income divided by the sum of CEREIT's market capitalisation at the close of 30 October 2018 and the gross proceeds of the Rights Issue assumed to be attributable to each respective transaction.
- (7) Based on the Rights Issue Price of €0.373 per Unit.

### 9.3 Pro Forma NAV

The *pro forma* financial effects of the Proposed Transaction and the Recently Announced Acquisitions on the NAV per Unit as at 30 June 2018, as if the Proposed Transaction had been completed on 30 June 2018, are as follows:

	Pro Forma Effects of the Proposed Transaction as at 30 June 2018			
	As at 30 June	Immediately after completion of the Recently Announced Acquisitions	Immediately after completion of the Proposed Transaction	Immediately after completion of the Recently Announced Acquisitions and the Proposed Transactions <sup>(1)</sup>
<b>NAV (€ m)</b>	897.9	945.6	1,051.3	1,099.1
<b>No. of Units (million)</b>	1,574.0	1,716.8	2,038.3	2,181.1
<b>NAV per Unit (€)</b>	0.57	0.55	0.52	0.50

**Notes:**

- (1) Taking into account the proposed Rights Issue, and that the balance of the Total Cost of the Proposed Transaction and the Total Cost of the Recently Announced Acquisitions are financed with borrowings.
- (2) Based on the number of issued Units entitled to distribution as at 30 June 2018. For the Recently Announced Acquisitions also including 142,831,883 new Units issued under the proposed Rights Issue, as well as new units issuable as payment for the property management fees and Manager's management fees. For the Proposed Transaction also including 439,979,559 new Units issued under the proposed Rights Issue, as well as new units issuable as payment for the property management fees, Manager's management fees and acquisition fees for the New Properties.

#### 9.4 Pro Forma Capitalisation

The following table sets forth the *pro forma* capitalisation of CEREIT as at 30 June 2018, as if CEREIT had completed the Proposed Transaction and the Recently Announced Acquisitions on 30 June 2018.

	As at 30 June	Immediately after completion of the Recent Acquisitions	Immediately after completion of the Proposed Transaction	Immediately after completion of the Recent Acquisitions and the Proposed Transactions <sup>(1)</sup>
Total assets (€ m)	1,471.5	1,543.3	1,783.9	1,855.7
Total debt (€ m)	498.8	523.3	654.5	679.1
Total liabilities (€ m)	573.6	597.7	732.6	756.6
Total Unitholders' funds (excluding non-controlling interests) (€ m)	897.9	945.6	1,051.3	1,099.1
Total Capitalisation (€ m)	1,364.4	1,442.3	1,694.1	1,772.0
Aggregate Leverage Ratio (%)	33.9%	33.9%	36.7%	36.6%

**Note:**

(1) Taking into account the proposed Rights Issue, and that the balance of the Total Cost of the Proposed Transaction and the Total Cost of the Recently Announced Acquisitions are financed with borrowings.

#### 10. OPINION OF THE INDEPENDENT FINANCIAL ADVISER

The Manager has appointed Ernst & Young Corporate Finance Pte. Ltd. as the independent financial adviser (the “**IFA**”) to advise the independent Directors (the “**Independent Directors**”), the audit and risk committee of the Manager (the “**Audit and Risk Committee**”) and the Trustee in relation to the Proposed Acquisition.

A copy of the letter from the IFA to the Independent Directors, the Audit and Risk Committee and the Trustee (the “**IFA Letter**”), containing its advice in full in relation to the Proposed Acquisition is set out in **Appendix B** of this Circular. Unitholders are advised to read the IFA Letter in its entirety carefully.

Having considered the factors and made the assumptions set out in the IFA Letter, and subject to the qualifications set out therein, the IFA is of the opinion that the Proposed Acquisition is based on normal commercial terms and is not prejudicial to the interests of CEREIT and its minority Unitholders.

The IFA is of the opinion that the Independent Directors can recommend that Unitholders vote in favour of the resolution in connection with the Proposed Acquisition to be proposed at the EGM.

## **11. RECOMMENDATIONS**

### **11.1 The Proposed Acquisition**

Based on the opinion of the IFA (as set out in the IFA Letter in **Appendix B** of this Circular) and having regard to the rationale for and key benefits of the Proposed Acquisition as set out in paragraph 6 above, the Independent Directors and the Audit and Risk Committee are of the opinion that the Proposed Acquisition is based on normal commercial terms and would not be prejudicial to the interests of CEREIT and its minority Unitholders.

Accordingly, the Independent Directors recommend that the Unitholders vote at the EGM in favour of Resolution 1 relating to the Proposed Acquisition.

### **11.2 The Proposed Rights Issue**

Having considered the rationale for the Proposed Transaction as set out in paragraph 6 above, the Directors believe that the proposed Rights Issue would be beneficial to, and is in the interests of, CEREIT and its minority Unitholders.

Accordingly, the Directors recommend that the Unitholders vote at the EGM in favour of Resolution 2 relating to the issue of Rights Units under the proposed Rights Issue.

### **11.3 The Proposed Payment of the GTCT Sub-Underwriting Commission**

The Directors, having considered, among others, the rationale for the Proposed Transaction as set out in paragraph 6 above and the structure of the underwriting of the proposed Rights Issue and the proposed Payment of the GTCT Sub-Underwriting Commission as set out in paragraph 4 of this Circular, are of the opinion that the proposed Payment of the GTCT Sub-Underwriting Commission is fair and not prejudicial to CEREIT and to other Unitholders (excluding the GTCT Sub-Underwriter).

Accordingly, the Directors recommend that the Unitholders vote at the EGM in favour of Resolution 3 relating to the proposed Payment of the GTCT Sub-Underwriting Commission.

### **11.4 The Proposed Payment of the Hillsboro Sub-Underwriting Commission**

The Directors, having considered, among others, the rationale for the Proposed Transaction as set out in paragraph 6 above and the structure of the underwriting of the proposed Rights Issue and the proposed Payment of the Hillsboro Sub-Underwriting Commission as set out in paragraph 5 of this Circular, are of the opinion that the proposed Payment of the Hillsboro Sub-Underwriting Commission is fair and not prejudicial to CEREIT and to other Unitholders (excluding the Hillsboro Sub-Underwriter).

Accordingly, the Directors recommend that the Unitholders vote at the EGM in favour of Resolution 4 relating to the proposed Payment of the Hillsboro Sub-Underwriting Commission.



## **12. EXTRAORDINARY GENERAL MEETING**

The EGM will be held on 15 November 2018 at 10.00 a.m. at PARKROYAL on Pickering, Pickering Ballroom, Level 2, 3 Upper Pickering Street, Singapore 058289 for the purpose of considering and, if thought fit, passing with or without modification, the Ordinary Resolutions in the Notice of Extraordinary General Meeting, which is set out on pages F-1 to F-3 of this Circular. The purpose of this Circular is to provide Unitholders with relevant information about the resolutions.

Approval by way of an Ordinary Resolution is required in respect of all the resolutions.

A Depositor shall not be regarded as a Unitholder entitled to attend the EGM and to speak and vote unless he is shown to have Units entered against his name in the Depository Register, as certified by CDP as at 72 hours before the time fixed for the EGM.

## **13. ABSTENTIONS FROM VOTING**

Rule 919 of the Listing Manual prohibits interested persons and their associates (as defined in the Listing Manual) from voting on a resolution in relation to a matter in respect of which such persons are interested at the EGM.

Each of the Sponsor and the Manager (i) will abstain, and will procure their associates to abstain from voting at the EGM on the resolution to approve the Proposed Acquisition (Resolution 1) and (ii) will not, and will procure that their associates will not, accept appointments as proxies in relation to the resolution to approve the Proposed Acquisition (Resolution 1) unless specific instructions as to voting are given.

Given that the GTCT Sub-Underwriter will receive the GTCT Sub-Underwriting Commission under the proposed Payment of the GTCT Sub-Underwriting Commission, the GTCT Sub-Underwriter will abstain, and will ensure that their subsidiaries and associates (as defined in the Listing Manual) will abstain, from voting on Resolution 3.

Given that the Hillsboro Sub-Underwriter will receive the Hillsboro Sub-Underwriting Commission under the proposed Payment of the Hillsboro Sub-Underwriting Commission, the Hillsboro Sub-Underwriter will abstain, and will ensure that its subsidiaries and associates (as defined in the Listing Manual) will abstain, from voting on Resolution 4.

## **14. ACTION TO BE TAKEN BY UNITHOLDERS**

Unitholders will find enclosed in this Circular the Notice of Extraordinary General Meeting and a Proxy Form.

If a Unitholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the enclosed Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the company secretary of the Manager at the office of the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01, Singapore 048623, not later than 12 November 2018 at 10.00 a.m., being 72 hours before the time fixed for the EGM. The completion and return of the Proxy Form by a Unitholder will not prevent him from attending and voting in person if he so wishes.

Persons who have an interest in the approval of the resolutions must decline to accept appointment as proxies unless the Unitholder concerned has specific instructions in his Proxy Form as to the manner in which his votes are to be cast in respect of the resolutions.

If a Unitholder (being an independent Unitholder) wishes to appoint Mr Paul Weightman or Mr Simon Garing as his/her proxy/proxies for Resolution 1, he/she should give specific instructions in his/her Proxy Form as to the manner in which his/her vote is to be cast in respect of Resolution 1.

#### **15. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Acquisition, the proposed Rights Issue, the proposed Payment of the GTCT Sub-Underwriting Commission, the proposed Payment of the Hillsboro Sub-Underwriting Commission, CEREIT and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

#### **16. JOINT GLOBAL CO-ORDINATORS AND BOOKRUNNERS' RESPONSIBILITY STATEMENT**

To the best of the Joint Global Co-ordinators and Bookrunners' knowledge and belief, the information about the proposed Rights Issue, the proposed Payment of the GTCT Sub-Underwriting Commission to the GTCT Sub-Underwriter, and the proposed Payment of the Hillsboro Sub-Underwriting Commission to the Hillsboro Sub-Underwriter contained in paragraphs 3.1.1 to 3.1.5 and 3.1.8 to 3.1.14, 4.1, and 5.1 respectively above constitutes full and true disclosure of all material facts about the proposed Rights Issue, the proposed Payment of the GTCT Sub-Underwriting Commission to the GTCT Sub-Underwriter, and the proposed Payment of the Hillsboro Sub-Underwriting Commission to the Hillsboro Sub-Underwriter respectively, and the Joint Global Co-ordinators and Bookrunners are not aware of any facts the omission of which would make any statement about the proposed Rights Issue, the proposed Payment of the GTCT Sub-Underwriting Commission to the GTCT Sub-Underwriter, and the proposed Payment of the Hillsboro Sub-Underwriting Commission to the Hillsboro Sub-Underwriter contained in the said paragraphs misleading.

#### **17. CONSENTS**

Each of the IFA, the Independent Valuers and the Independent Market Research Consultant (as defined herein) has given and not withdrawn its written consent to the issue of this Circular with the inclusion of its name and, respectively, the IFA Letter, the Valuation Certificates and the Independent Market Research Report, and all references thereto, in the form and context in which they appear in this Circular.

## 18. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the registered office of the Manager<sup>1</sup> at 50 Collyer Quay, #07-02, OUE Bayfront, Singapore 049321, from the date of this Circular up to and including the date falling three months after the date of this Circular:

- (i) the Master Purchase Agreement;
- (ii) the IFA Letter;
- (iii) the valuation summaries and the full valuation reports on the New Properties issued by the Independent Valuers;
- (iv) the Independent Market Research Report; and
- (v) the CEREIT Unaudited Financial Statements.

The Trust Deed will be available for inspection at the registered office of the Manager for so long as CEREIT is in existence.

Yours faithfully

for and on behalf of the Board of Directors of  
Cromwell EREIT Management Pte. Ltd.  
(as manager of Cromwell European Real Estate Investment Trust)

**Lim Swe Guan**  
Chairman and Independent Non-Executive Director

30 October 2018

---

<sup>1</sup> Prior appointment with the Manager (telephone number: +65 6920 7539) will be appreciated.

## IMPORTANT NOTICE

**This Circular is not for distribution, directly or indirectly, in or into the United States and is not an offer of securities for sale in the United States or any other jurisdictions.**

The value of Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of CEREIT is not necessarily indicative of the future performance of CEREIT.

This Circular may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.

If you have sold or transferred all your Units, you should immediately forward this Circular, together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Circular shall not constitute an offer to sell or a solicitation of an offer to buy Units or other securities, including the Rights Units and Rights Entitlements, of CEREIT in any jurisdiction nor shall there be any sale of any Units or other securities, including the Rights Units and Rights Entitlements, of CEREIT in any jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. Any offering of Rights Units will only be made in, and accompanied by, the Offer Information Statement.

This Circular is issued to Unitholders solely for the purpose of convening the Extraordinary General Meeting and seeking their approval for the resolutions to be considered at such meeting. Unitholders are authorised to use this Circular solely for the purpose of considering the approvals sought. Persons to whom a copy of this Circular has been issued shall not circulate to any other person, reproduce or otherwise distribute this Circular or any information herein for any purpose whatsoever nor permit or cause the same to occur.

This Circular may not be sent to anyone in the United States, or any person or any jurisdiction in which it would not be permissible to deliver the Rights Units and Rights Entitlements or make an offer of the Rights Units and the Rights Entitlements and the Rights Units and Rights Entitlements may not be offered, sold, resold, transferred or delivered, directly or indirectly, to any such person or in any such jurisdiction.

This Circular is not an offer of securities for sale in the United States. The Rights Units and Rights Entitlements have not been and will not be registered under the Securities Act or under any securities laws of any state or other jurisdiction of the U.S. and may not be offered, sold, resold, allotted, taken up, exercised, pledged, transferred or delivered, directly or indirectly, within the U.S. except pursuant to an applicable exemption from, or a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the U.S. There will be no public offering of the Rights Units and/or Rights Entitlements in the U.S.

**Notification under Section 309B of the Securities and Futures Act, Chapter 289 of Singapore:** The Units are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

## GLOSSARY

In this Circular, the following definitions apply throughout unless otherwise stated:

<b>Acquisition Fee</b>	:	The acquisition fee payable to the Manager for the Proposed Acquisition pursuant to the Trust Deed which amounts to approximately €3.1 million (approximately S\$4.9 million) (being 1.0% of the Property Purchase Price)
<b>Acquisition Fee Units</b>	:	Units to be issued to the Manager as payment of the Acquisition Fee
<b>AEIs</b>	:	Asset enhancement initiatives
<b>Audit and Risk Committee</b>	:	The audit and risk committee of the Manager
<b>Board of Directors</b>	:	The board of Directors of the Manager
<b>Books Closure Date</b>	:	The time and date to be determined by the Manager at and on which the transfer books and register of Unitholders will be closed to determine the provisional allotments of the Rights Units to Eligible Unitholders under the proposed Rights Issue
<b>C&amp;W</b>	:	Cushman & Wakefield Debenham Tie Leung Limited
<b>CBD</b>	:	The central business district
<b>CDP</b>	:	The Central Depository (Pte) Limited
<b>CDPT</b>	:	Cromwell Diversified Property Trust
<b>CEREIT</b>	:	Cromwell European Real Estate Investment Trust
<b>CEREIT SPV or Purchaser</b>	:	Cromwell SG SPV 3 Pte. Ltd.
<b>CEREIT Unaudited Financial Statements</b>	:	The unaudited financial statements of CEREIT in respect of the second quarter ended 30 June 2018 and the financial period from 30 November 2017 (being the date of listing of CEREIT) to 30 June 2018
<b>Circular</b>	:	Circular dated 30 October 2018 issued by the Manager to the Unitholders
<b>Closing Price</b>	:	The closing price of €0.545 per Unit on the SGX-ST on 30 October 2018, being the last trading day of the Units prior to the announcement of the proposed Rights Issue
<b>Colliers</b>	:	Colliers International Valuation UK LLP
<b>Companies Act</b>	:	Companies Act, Chapter 50 of Singapore

<b>Cromwell Europe</b>	:	Cromwell Europe Limited and/or any of its group companies
<b>CSHPL</b>	:	Cromwell Singapore Holdings Pte. Ltd.
<b>CSHPL Irrevocable Undertaking</b>	:	The irrevocable undertaking provided by Cromwell Singapore Holdings Pte Ltd to the Manager and the Joint Global Co-ordinators and Bookrunners dated 30 October 2018
<b>Directors</b>	:	Directors of the Manager
<b>DPU</b>	:	Distribution per Unit
<b>EGM</b>	:	Extraordinary general meeting
<b>Eligible Depositors</b>	:	Unitholders with Units standing to the credit of their Securities Accounts and whose registered addresses with CDP are in Singapore as at the Books Closure Date or who have, at least three Market Days prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents, but exclude, subject to certain exceptions, Unitholders located, resident or with a registered address outside of Singapore
<b>Eligible QIBs</b>	:	Qualified institutional buyers (as defined in Rule 144A under the Securities Act, as amended) (a) whose identities have been agreed upon by the Manager and the Joint Global Co-ordinators and Bookrunners, (b) who have each provided the Manager with a signed investor representation letter (in the form to be attached to the Offer Information Statement), and (c) who are Eligible Depositors
<b>Eligible Unitholders</b>	:	Comprises Eligible Depositors and Eligible QIBs
<b>Enlarged Portfolio</b>	:	The Existing Portfolio and the New Properties, collectively
<b>Excess Rights Units</b>	:	The Rights Units represented by the provisional allotments (A) of (i) Eligible Unitholders who decline, do not accept, and elect not to renounce or trade their Rights Entitlements under the proposed Rights Issue (during the “nil-paid” rights trading period prescribed by the SGX-ST) and/or (ii) Ineligible Unitholders which have not been sold during the “nil-paid” rights trading period; or (B) that have not been validly taken up by the original allottees, renounees of the Rights Entitlements or the purchasers of Rights Entitlements
<b>Existing Portfolio</b>	:	CEREIT’s existing portfolio comprising 75 properties in Denmark, France, Germany, Italy and the Netherlands

<b>Existing Units</b>	:	The existing Units in CEREIT as at the Latest Practicable Date
<b>EU</b>	:	The European Union
<b>FP2018</b>	:	Financial period from 30 November 2017 to 30 June 2018
<b>GDP</b>	:	Gross domestic product
<b>Gross Rental Income</b>	:	In respect of the New Properties, the contracted rental income and estimated recoverable outgoings of the New Properties. In respect of the Existing Portfolio, the contracted rental income and estimated recoverable outgoings of the Existing Portfolio  “Recoverable outgoings” means outgoings payable in relation to a New Property (e.g. council rates and charges) that are charged to the tenants of the New Properties in accordance with the terms of their lease or (as the case may be) agreement for lease. Such recoverable outgoings may include costs in relation to cleaning or the provision of security
<b>GTCT Additional Sub-Underwriting Units</b>	:	24,329,000 of the total number of Rights Units offered under the Rights Issue
<b>GTCT Base Sub-Underwriting Units</b>	:	82,908,770 of the total number of Rights Units offered under the Rights Issue, representing the number of Rights Entitlements to which the GTCT Sub-Underwriter is entitled, and only to the extent which the GTCT Sub-Underwriter has not validly accepted, subscribed and paid for such Rights Entitlements in accordance with the terms of the Rights Issue
<b>GTCT Sub-Underwriter</b>	:	Tang Gordon @ Tang Yigang and Celine Tang @ Chen Huaidan, acting jointly and severally
<b>GTCT Sub-Underwriting Agreement</b>	:	The sub-underwriting agreement entered into between the GTCT Sub-Underwriter and the Joint Global Co-ordinators and Bookrunners in relation to the proposed Rights Issue
<b>GTCT Sub-Underwriting Commission</b>	:	The sub-underwriting commission of 1.5% of the Rights Issue Price multiplied by the total number of the GTCT Additional Sub-Underwriting Rights Units payable by the Joint Global Co-ordinators and Bookrunners to the GTCT Sub-Underwriter under the GTCT Sub-Underwriting Agreement
<b>GTCT Sub-Underwriting Commitment</b>	:	The commitment by the GTCT Sub-Underwriter, on the terms and conditions of the GTCT Sub-Underwriting Agreement, to subscribe and pay for the GTCT Sub-Underwriting Rights Units



<b>GTCT Sub-Underwriting Rights Units</b>	:	The GTCT Base Sub-Underwriting Units and the GTCT Additional Sub-Underwriting Units
<b>Hillsboro Capital</b>	:	Hillsboro Capital, Ltd.
<b>Hillsboro Additional Sub-Underwriting Units</b>	:	69,091,000 of the total number of Rights Units offered under the Rights Issue
<b>Hillsboro Base Sub-Underwriting Units</b>	:	69,091,590 of the total number of Rights Units offered under the Rights Issue, representing the number of Rights Entitlements to which the Hillsboro Sub-Underwriter is entitled, and only to the extent which the Hillsboro Sub-Underwriter has not validly accepted, subscribed and paid for such Rights Entitlements in accordance with the terms of the Rights Issue
<b>Hillsboro Sub-Underwriter</b>	:	Hillsboro Capital, Ltd.
<b>Hillsboro Sub-Underwriting Agreement</b>	:	The sub-underwriting agreement entered into between the Hillsboro Sub-Underwriter and the Joint Global Co-ordinators and Bookrunners in relation to the proposed Rights Issue
<b>Hillsboro Sub-Underwriting Commission</b>	:	The sub-underwriting commission of 1.5% of the Rights Issue Price multiplied by the total number of the Hillsboro Additional Sub-Underwriting Rights Units payable by the Joint Global Co-ordinators and Bookrunners to the Hillsboro Sub-Underwriter under the Hillsboro Sub-Underwriting Agreement
<b>Hillsboro Sub-Underwriting Commitment</b>	:	The commitment by the Hillsboro Sub-Underwriter, on the terms and conditions of the Hillsboro Sub-Underwriting Agreement, to subscribe and pay for the Hillsboro Sub-Underwriting Rights Units
<b>Hillsboro Sub-Underwriting Rights Units</b>	:	The Hillsboro Base Sub-Underwriting Units and the Hillsboro Additional Sub-Underwriting Units
<b>IFA</b>	:	Ernst & Young Corporate Finance Pte. Ltd., in its capacity as the independent financial adviser
<b>IFA Letter</b>	:	The letter from the IFA to the Independent Directors, the Audit and Risk Committee and to the Trustee containing its advice as set out in <b>Appendix B</b> of this Circular
<b>Independent Directors</b>	:	The independent directors of the Manager
<b>Independent Market Research Consultant</b>	:	Cushman & Wakefield Debenham Tie Leung Limited

<b>Independent Valuers</b>	:	Cushman & Wakefield Debenham Tie Leung Limited and Colliers International Valuation UK LLP
<b>Ineligible Unitholders</b>	:	Unitholders other than the Eligible Unitholders, to whom no provisional allotment of Rights Units will be made
<b>Interested Party Transaction</b>	:	An “interested party transaction” under the Property Funds Appendix
<b>Interested Person Transaction</b>	:	An “interested person transaction” under Chapter 9 of the Listing Manual
<b>Ivrea</b>	:	13 Via Jervis, Ivrea, Italy
<b>Joint Global Co-ordinators and Bookrunners</b>	:	UBS AG, Singapore Branch, DBS Bank Ltd., Morgan Stanley Asia (Singapore) Pte., and Daiwa Capital Markets Singapore Limited
<b>Latest Practicable Date</b>	:	26 October 2018, being the latest practicable date prior to the printing of this Circular
<b>LFA</b>	:	Net lettable floor area
<b>Listing Manual</b>	:	The Listing Manual of the SGX-ST
<b>Manager</b>	:	Cromwell EREIT Management Pte. Ltd., as manager of CEREIT
<b>Market Day</b>	:	A day on which the SGX-ST is open for securities trading
<b>MAS</b>	:	Monetary Authority of Singapore
<b>Master Property and Portfolio Management Agreement</b>	:	The master property and portfolio management agreement dated 22 November 2017 entered into between the Trustee, the Manager and the Property Manager in respect of properties of CEREIT
<b>Master Purchase Agreement or MPA</b>	:	The master share and asset sale and purchase agreement dated 30 October 2018 entered into between the Vendors and the CEREIT SPV in respect of the New Properties
<b>NAV</b>	:	Net asset value
<b>Net Initial Yield</b>	:	The annualised current passing rental income net of non-recoverable property expenses, divided by aggregate purchase price
<b>Net Property Income</b>	:	Gross Rental Income less property operating expenses

<b>New Properties</b>	:	The 16 properties located in the Netherlands, Finland and Poland, proposed to be acquired by CEREIT. The New Properties comprise two properties in the Netherlands, 11 properties in Finland and three properties in Poland
<b>NTA</b>	:	Net tangible assets
<b>Offer Information Statement</b>	:	The offer information statement in connection with the proposed Rights Issue to be lodged with the MAS and issued to Eligible Unitholders
<b>Ordinary Resolution</b>	:	A resolution proposed and passed as such by a majority of votes being greater than 50.0% or more of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the Trust Deed
<b>Payment of the GTCT Sub-Underwriting Commission</b>	:	The payment by the Joint Global Co-ordinators and Bookrunners to the GTCT Sub-Underwriter of the GTCT Sub-Underwriting Commission
<b>Payment of the Hillsboro Sub-Underwriting Commission</b>	:	The payment by the Joint Global Co-ordinators and Bookrunners to the Hillsboro Sub-Underwriter of the Hillsboro Sub-Underwriting Commission
<b>Property Funds Appendix</b>	:	Appendix 6 of the Code on Collective Investment Schemes issued by the MAS
<b>Property Holding Companies</b>	:	The property holding companies which hold predominantly freehold interests in the New Properties
<b>Property Manager</b>	:	Cromwell Europe Limited
<b>Property Purchase Price</b>	:	The agreed aggregate purchase price for the New Properties of approximately €312.5 million
<b>Proposed Acquisition</b>	:	The acquisition by CEREIT of the New Properties
<b>Proposed Acquisition Purchase Consideration</b>	:	The purchase consideration payable to the Vendors in respect of the Target Companies (which ultimately holds predominantly freehold interests in the New Properties) under the Master Purchase Agreement
<b>Proposed Transaction</b>	:	The Proposed Acquisition, the proposed Rights Issue, the proposed Payment of the GTCT Sub-Underwriting Commission to the GTCT Sub-Underwriter and the proposed Payment of the Hillsboro Sub-Underwriting Commission to the Hillsboro Sub-Underwriter
<b>Proxy Form</b>	:	The instrument appointing a proxy or proxies

<b>Recently Announced Acquisitions</b>	:	The announced acquisitions of the following properties located at (i) 13 Via Jervis, Ivrea, Italy, (ii) Corso Lungomare Trieste N.29, Bari, Italy, (iii) Via Camillo Finocchiaro Aprile N.1, Genova, Italy, (iv) 54 Avenue de Savigny, Aulnay-sous-bois, France (v) 46-48 boulevard Dequevauvilliers, Gennevilliers, France (vi) 105 Route d'Orléans, Sully-sur-Loire, France (vii) ZI du Papillon, Parçay Meslay, France, and (viii) Rue Charles Nicolle, Villeneuve-lès-Béziers, France
<b>REIT</b>	:	Real estate investment trust
<b>Related Party Transaction</b>	:	An Interested Person Transaction and/or an Interested Party Transaction
<b>Relevant Entities</b>	:	Cromwell EREIT Management Pte. Ltd. and Cromwell Europe Limited or, as the case may be, its nominee(s) or custodian(s)
<b>Reversionary Yield</b>	:	The estimated market rental income per annum net of non-recoverable property expenses, divided by aggregate purchase price
<b>Rights Entitlements</b>	:	The "nil-paid" provisional allotment of Rights Units to Eligible Unitholders under the proposed Rights Issue
<b>Rights Issue</b>	:	The proposed underwritten and renounceable rights issue to Eligible Unitholders to raise gross proceeds of approximately €224.1 million
<b>Rights Issue Price</b>	:	The issue price of €0.373 per Rights Unit
<b>Rights Ratio</b>	:	The issue of 38 Rights Units for every 100 Units held as at the Books Closure Date (fractional entitlements to be disregarded)
<b>Rights Units</b>	:	New Units in CEREIT to be issued pursuant to the proposed Rights Issue
<b>Securities Account</b>	:	Securities account maintained by a Depositor with the CDP
<b>Securities Act</b>	:	The U.S. Securities Act of 1933, as amended
<b>SGX-ST</b>	:	Singapore Exchange Securities Trading Limited
<b>Sponsor</b>	:	Cromwell Property Group
<b>Sq m</b>	:	Square metres
<b>Substantial Unitholder</b>	:	A person with an interest in Units constituting not less than 5.0% of the total number of Units in issue

<b>Target Companies</b>	:	(i) Peacock Real Estate B.V. (company number: 34271151) (Netherlands); (ii) Vioto Oy (company number: 2535102-6) (Finland); (iii) Liiketalo Myyrinraitti Oy (company number: 0575996-4) (Finland); (iv) Artemis Acquisition Finland Oy (company number: 2829098-6) (Finland); (v) Kiinteistö Oy Pakkalan Kartanonkoski 3 (company number: 0747925-3) (Finland); (vi) Kiint. Oy Pakkalan Kartanonkoski 12 (company number: 0747938-4) (Finland); (vii) Kiinteistö Oy Plaza Forte (company number: 1545879-4) (Finland); and (viii) Yrityspuiston Autopaikat Oy (company number: 0747928-8) (Finland)
<b>Target Group</b>	:	The Target Companies and each of the subsidiaries, being (i) Kiinteistö Oy Opus 1 (company number: 1649383-1) (Finland); (ii) Kiinteistö Oy Plaza Vivace (company number: 1934083-0) (Finland); (iii) Kiinteistö Oy Plaza Allegro (company number: 1934080-6); (iv) Kiinteistö Oy Plaza 2 Park (company number: 1934090-2) (Finland); (v) Airport Plaza Business Park Oy (company number: 1532068-0) (Finland); (vi) Opus Business Park Oy (company number: 1623511-1) (Finland); (vii) Ruukkukujan Autopaikat Oy (company number: 0362841-8) (Finland); (viii) Yrityspuiston Autopaikat Oy (company number: 0747928-8) (Finland); and (ix) Kiinteistö Oy Plaza Park (company number: 1545885-8)
<b>Target Properties</b>	:	The properties located at (i) Moeder Teresalaan 100-200, Utrecht, The Netherlands (ii) Mäkitorpantie 3b, Helsinki, Finland, (iii) Myyrmäenraitti 2, Vantaa, Finland, (iv) Kauppakatu 39, Kuopio, Finland, (v) ul. Fabryczna 5 and 5A, Warsaw, Poland, (vi) ul. Grojecka 5, Warsaw, Poland, (vii) ul. Ulica Arkonska 6, Gdansk, Poland
<b>TERP</b>	:	Theoretical ex-rights price
<b>Total Cost of the Recently Announced Acquisitions</b>	:	The total cost of the Recently Announced Acquisitions of approximately €95.6 million (approximately S\$150.4 million)
<b>Total Cost of the Proposed Transaction</b>	:	The total cost of the Proposed Transaction of approximately €329.7 (approximately S\$518.5 million)
<b>Trustee</b>	:	Perpetual (Asia) Limited, in its capacity as trustee of CEREIT
<b>Trust Deed</b>	:	The trust deed dated 28 April 2017 (as amended, restated and supplemented) constituting CEREIT
<b>Underwriting Agreement</b>	:	The underwriting agreement dated 30 October 2018 entered into between the Manager and the Joint Global Co-ordinators and Bookrunners in respect of the proposed Rights Issue

<b>Underwriting Commission</b>	:	The underwriting commission of 2.0% of the Rights Issue Price multiplied by the total number of Underwritten Rights Units which each of the Joint Global Co-ordinators and Bookrunners will be entitled to under the Underwriting Agreement and up to 0.5% of the Rights Issue Price, payable at the sole discretion of the Manager, multiplied by the total number of Underwritten Rights Units
<b>Underwritten Rights Units</b>	:	The total number of Rights Units excluding the Rights Units which are the subject of the CSHPL Irrevocable Undertaking
<b>Unit Share Market</b>	:	The ready market of the SGX-ST for trading of odd lots of Units with a minimum size of one Unit
<b>Unitholders</b>	:	Unitholders of CEREIT
<b>Unitholdings</b>	:	Unitholdings in CEREIT
<b>Units</b>	:	Units in CEREIT
<b>U.S.</b>	:	United States of America
<b>Vendors</b>	:	ELQ Holdings (Del) LLC, ELQ Investors VI Ltd, ELQ Omega UK Ltd, Sivipre Oy, Henry Investment Oy (Finland), Artemis Acquisition Poland S.a r.l, Hummingbird B.V.
<b>WALB</b>	:	Weighted average lease break years
<b>WALE</b>	:	The weighted average lease expiry by headline rent based on the final termination date of the agreement (assuming the tenant does not terminate the lease on any of the permissible break date(s), if applicable) as at 31 August 2018

The terms “Depositor” and “Depository Register” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore.

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

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

Any reference to a date or time of a day in this Circular shall be a reference to Singapore date and time unless otherwise stated.

## DETAILS OF THE NEW PROPERTIES, THE EXISTING PORTFOLIO AND THE ENLARGED PORTFOLIO

### 1. NEW PROPERTIES

The valuations by the Independent Valuers in the tables below have been rounded to one decimal place. The exact valuations as reported by the respective Independent Valuers is set out in **Appendix C**.

#### 1.1 Description of the New Properties

##### 1.1.1 The Netherlands

###### (i) Moeder Teresalaan

Moeder Teresalaan 100 – 200, Utrecht, The Netherlands



Moeder Teresalaan 100 – 200 is located in the city centre of Utrecht, close to the central business district (“**CBD**”). It is two tram stops from Utrecht Central Station and a 2-minute drive from the main A2 motorway. Utrecht is the fourth office city in the Netherlands, benefitting from its central location, many amenities and the presence of the largest university in the Netherlands. There is a relatively high level of office-related jobs in Utrecht, particularly with respect to the business service sector. The national government is also well represented in the city.

Moeder Teresalaan 100 – 200 is a building which provides 21,922 sq m of LFA, spread over two office buildings with energy label A. Moeder Teresalaan 100 has five floors while Moeder Teresalaan 200 has 8 floors. The building is 86.0% occupied by the largest tenant. There are currently two vacant floors in Moeder Teresalaan 100, which can be split into separate units thereby allowing the use of approximately 700 sq m per unit. The buildings have been constructed between 1987 and 1990 and refurbished in 2015. The property is held on a leasehold plot which has been acquired in perpetuity.

The largest tenant is an autonomous administrative authority and is commissioned by the Ministry of Social Affairs and Employment to implement employee insurances and provide labour market and data services. UWV has been in the property for more than 15 years.

The table below sets out a summary of selected information on Moeder Teresalaan 100 – 200.

<b>Moeder Teresalaan 100 – 200</b>	
Title	Leasehold (acquired in perpetuity)
Property Holding Company	N/A
Address	Moeder Teresalaan 100-200, Utrecht, The Netherlands
Land Area (sq m)	10,175
LFA (sq m)/Car parks	21,922/352
Type	Office: 100.0% of LFA
Weighted Average Lease Break Years (“WALB years”)	4.9
WALE years	6.3
Vacancy (sq m/%)	3,047/14%
Construction/Refurbishment	1987-1990/2015
Independent Valuation by Colliers as at 27 September 2018 (€ m)	51.5
Independent Valuation by C&W as at 27 September 2018 (€ m)	50.1
Property Purchase Price (€ m)	50.7
Number of Tenants	1

<b>Trade Sector of Largest tenants</b>	<b>LFA (sq m)</b>	<b>% of LFA</b>	<b>Remaining lease term</b>
Public administration and defence; compulsory social security	18,843	86%	4.9



**(ii) Willemsplein 2**

Willemsplein 2, 's-Hertogenbosch, The Netherlands



Willemsplein 2 is located in the Paleiskwartier central business district of Den Bosch and is a 10-minute walk from the central train station. Den Bosch is one of the main office districts outside of the Randstad conurbation, offering many amenities and a strong occupier market driven by both public and private institutions.

Willemsplein 2 was constructed in 1956 and was last refurbished in 2009. It is a Grade A office property and provides 31,979 sq m of LFA across eight floors, over six office wings (thereby making it easy for multi-tenant use) with EPC energy label A issued pursuant to the Energy Performance of Buildings Directive. While Willemsplein 2 recently became a multi-tenanted property, over 80.0% of its income is still generated by one of the largest tenants. The property has been fully refurbished and extended by approximately 24,000 sq m in the period 2006 to 2009, and is held on a freehold plot of 18,710 sq m.

The largest tenant has been in Den Bosch since 1914 and moved to the newly constructed Willemsplein 2 in 1956. The largest tenant is one of the largest energy companies in the Netherlands.

The table below sets out a summary of selected information on Willemsplein 2.

<b>Willemsplein 2</b>	
Title	Freehold
Property Holding Company	Peacock Real Estate BV
Address	Willemsplein 2, 's-Hertogenbosch, The Netherlands
Land Area (sq m)	18,710
LFA (sq m)/Car parks	31,979/591
Type	Office: 98.3% of LFA Warehouse: 1.3% of LFA Retail: 0.4% of LFA
WALB years*	4.9
WALE years*	7.1
Vacancy (sq m/%)*	709/8%
Construction/Refurbishment	1956/2006 – 2009
Independent Valuation by Colliers as at 27 September 2018 (€ m)	77.6
Independent Valuation by C&W as at 27 September 2018 (€ m)	74.7
Property Purchase Price (€ m)	76.9
Number of Tenants*	6

<b>Trade Sector of Largest tenants</b>	<b>LFA (sq m)</b>	<b>% of LFA</b>	<b>Remaining lease term</b>
Electricity, gas, steam and air conditioning supply	24,638	79%	7.3
Information and communication	1,885	6%	3.7
Other service activities: Serviced offices	1,522	5%	9.0

\* Provided as at 1st of September 2018.

## 1.1.2 Finland

### (i) Plaza Vivace

Äyritie 8c, Vantaa (Helsinki Metropolitan Area), Finland



Built in 2008, Plaza Vivace is one of five buildings constructed in the second phase of the Gate 8 Business Park development in the Aviapolis area, developed by the Swedish developer NCC, one of the leading construction and property development companies in the Nordics. The park was developed in three phases, of which the last phase was completed in 2012 – 2014, and consists of 16 buildings of similar character and quality. The park is popular with local businesses; however, it primarily attracts international tenants due to its proximity to the Helsinki Airport, which accounts for 83% of all passenger traffic in Finland and almost all international air traffic. Helsinki Airport offers the highest number of direct flight connections to Asia of all northern European airports. Measured by the number of flight connections, Helsinki Airport is Europe's fifth largest flight hub between Europe and China. In addition, Helsinki airport offers more direct flight destinations to Japan than any other European airport.

Plaza Vivace is a building which spans six floors and offers a variety of unit sizes making up a total LFA of 5,661 sq m. As with all the other buildings in the business park, the Plaza Vivace building is multi-tenanted with a diverse tenant base. There is a total of 192 parking spaces allocated to Vivace in the nearby parking garage and on the ground level parking lot.

The largest office tenant is a leading AC drives manufacturer. The second largest office tenant is an energy distribution company.

The table below sets out a summary of selected information on Plaza Vivace.

<b>Plaza Vivace</b>	
Title	Freehold
Property Holding Company	KOy Plaza Vivace
Address	Äyritie 8c, Vantaa (Helsinki Metropolitan Area), Finland
Land Area (sq m)	Not available
LFA (sq m)/Car parks	5,661/192
Type	Office: 83.1% of LFA Warehouse: 6.2% of LFA Other: 10.7% of LFA
WALB years	2.2
WALE years	2.2
Vacancy (sq m/%)	660/12%
Construction/Refurbishment	2008/N/A
Independent Valuation by Colliers as at 27 September 2018 (€ m)	12.9
Independent Valuation by C&W as at 27 September 2018 (€ m)	14.1
Property Purchase Price (€ m)	13.2
Number of Tenants	13

<b>Trade Sector of Largest tenants</b>	<b>LFA (sq m)</b>	<b>% of LFA</b>	<b>Remaining lease term</b>
Real estate activities	N/A <sup>(1)</sup>	N/A <sup>(1)</sup>	4.0
Manufacturing	1,360	24%	2.9
Professional, scientific and technical activities	884	16%	0.8

**Notes:**

(1) N/A as this refers to car parks.

(2) Rental is a turnover rent.

## (ii) Plaza Allegro

Äyritie 8b, Vantaa (Helsinki Metropolitan Area), Finland



Built in 2008, Plaza Allegro is one of five buildings constructed in the second phase of the Gate 8 Business Park development in the Aviapolis area, developed by the Swedish developer NCC, one of the leading construction and property development companies in the Nordics. The park was developed in three phases, of which the last phase was completed in 2012 – 2014, and consists of 16 buildings of similar character and quality. The park is popular with local businesses; however, it primarily attracts international tenants due to its proximity to the Helsinki Airport, which accounts for 83% of all passenger traffic in Finland and almost all international air traffic. Helsinki Airport offers the highest number of direct flight connections to Asia of all northern European airports. Measured by the number of flight connections, Helsinki Airport is Europe's fifth largest flight hub between Europe and China. In addition, Helsinki Airport offers more direct flight destinations to Japan than any other European airport.

Plaza Allegro is a building which spans six floors and offers a variety of unit sizes making up a total LFA of 4,620 sq m. As with all the other buildings in the business park, the Plaza Allegro building is multi-tenanted with a diverse tenant base. There is a total of 114 parking spaces allocated to Plaza Allegro in the nearby parking garage and on the ground level parking lot. Plaza Allegro is held on a freehold basis.

The largest tenant is a Finnish building services company that specialises in building homes and care premises. The second largest tenant is the Finnish headquarters of an international logistics company.

The table below sets out a summary of selected information on Plaza Allegro.

<b>Plaza Allegro</b>	
Title	Freehold
Property Holding Company	KOy Plaza Allegro
Address	Äyritie 8b, Vantaa (Helsinki Metropolitan Area), Finland
Land Area (sq m)	Not available
LFA (sq m)/Car parks	4,620/114
Type	Office: 96.6% of LFA Warehouse: 1.4% of LFA Other: 2.0% of LFA
WALB years	1.8
WALE years	1.8
Vacancy (sq m/%)	384 sq m/8%
Construction/Refurbishment	2008/N/A
Independent Valuation by Colliers as at 27 September 2018 (€ m)	10.8
Independent Valuation by C&W as at 27 September 2018 (€ m)	11.4
Property Purchase Price (€ m)	11.2
Number of Tenants	18

<b>Trade Sector of Largest tenants</b>	<b>LFA (sq m)</b>	<b>% of LFA</b>	<b>Remaining lease term</b>
Construction	1,641	36%	1.9
Transportation and storage	820	18%	2.3
Real estate activities	N/A <sup>(1)</sup>	N/A <sup>(1)</sup>	4.0

**Notes:**

(1) N/A as this refers to car parks.

(2) Rental is based on turnover rent.

### (iii) Plaza Forte

Äyritie 12c, Vantaa (Helsinki Metropolitan Area), Finland



#### Description

Built in 2002, Plaza Forte is one of the first three buildings constructed in the Gate 8 Business Park in the Aviapolis area, developed by the Swedish developer NCC, one of the leading construction and property development companies in the Nordics. The park was developed in three phases, of which the last phase was completed in 2012 – 2014, and consists of 16 buildings of similar character and quality. The park is popular with local businesses, however, it primarily attracts international tenants due to its proximity to the Helsinki Airport, which accounts for 83% of all passenger traffic in Finland and almost all international air traffic. Helsinki Airport offers the highest number of direct flight connections to Asia of all northern European airports. Measured by the number of flight connections, Helsinki Airport is Europe's fifth largest flight hub between Europe and China. In addition, Helsinki Airport offers more direct flight destinations to Japan than any other European airport.

Spanning seven floors, Plaza Forte is a building which offers a range of unit sizes making up a total LFA of 6,054 sq m. As with all the other buildings in the business park, the Plaza Forte building is multi-tenanted with a diverse tenant base of 28 tenants. The typical lease is 3-5 years, with tenants taking up part of a floor. There is a total of 199 parking spaces in the adjacent co-owned parking garage as well as ground level parking. Plaza Forte is held on a freehold basis.

One of the largest tenants is one of Finland's largest headhunting company. Other key tenants include an international medical appliances company.

The table below sets out a summary of selected information on Plaza Forte.

<b>Plaza Forte</b>	
Title	Freehold
Property Holding Company	Kiinteisto Oy Plaza Forte
Address	Äyritie 12c, Vantaa, Finland
Land Area (sq m)	Not available
LFA (sq m)/Car parks	6,054/199
Type	Office: 94.6% of LFA Warehouse: 1.8% of LFA Retail: 3.5% of LFA
WALB years	2.0
WALE years	2.0
Vacancy (sq m/%)	793/13%
Construction/Refurbishment	2002/N/A
Independent Valuation by Colliers as at 27 September 2018 (€ m)	12.9
Independent Valuation by C&W as at 27 September 2018 (€ m)	13.8
Property Purchase Price (€ m)	12.6
Number of Tenants	28

<b>Trade Sector of Largest tenants</b>	<b>LFA (sq m)</b>	<b>% of LFA</b>	<b>Remaining lease term</b>
Other service activities	683	11%	5.0
Wholesale and retail trade; repair of motor vehicles and motorcycles	570	9%	1.2
Real estate activities	N/A <sup>(1)</sup>	N/A <sup>(1)</sup>	4.9

**Note:**

(1) N/A as this refers to car parks.



**(iv) Pakkalan Kartanonkoski 3**

Pakkalankuja 6, Vantaa (Helsinki Metropolitan Area), Finland



Pakkalan Kartanonkoski 3 was built in 1991 and has been internally refurbished in line with tenant fit outs. The building is part of the Vantaanporti Business Park in the Aviapolis area, benefitting from its close proximity to the Helsinki Airport and the Jumbo Shopping Centre, one of the largest shopping centres in Finland. The asset is located at the intersection between Rind Road III and Highway 45, providing excellent accessibility.

Pakkalan Kartanonkoski 3 is a building which has seven floors of which the majority are offices premises with a total LFA of 7,796 sq m. The building is multi-tenanted with 20 tenants and no tenant occupies more than 10% of the total LFA. There is a total of 216 parking spaces, of which a majority are uncovered ground parking. Pakkalan Kartanonkoski 3 is held on a freehold basis.

The largest tenant is a Danish retail operator selling household goods and furniture.

The table below sets out a summary of selected information on Pakkalan Kartanonkoski 3.

<b>Pakkalan Kartanonkoski 3</b>	
Title	Freehold
Property Holding Company	Kiinteisto Oy Kartanonkoski 3
Address	Pakkalankuja 6, Vantaa (Helsinki Metropolitan Area), Finland
Land Area (sq m)	Not available
LFA (sq m)/Car parks	7,796/216
Type	Office: 85.4% of LFA Warehouse: 7.2% of LFA Retail: 7.3% of LFA
WALB years	2.4
WALE years	3.2
Vacancy (sq m/%)	1,774/23%
Construction/Refurbishment	1991/N/A
Independent Valuation by Colliers as at 27 September 2018 (€ m)	10.6
Independent Valuation by C&W as at 27 September 2018 (€ m)	9.2
Property Purchase Price (€ m)	9.7
Number of Tenants	20

<b>Trade Sector of Largest tenants</b>	<b>LFA (sq m)</b>	<b>% of LFA</b>	<b>Remaining lease term</b>
Wholesale and retail trade	770	10%	14.5
Information and communication	476	6%	14.5
Wholesale and retail trade	387	5%	3.4

**(v) Pakkalan Kartanonkoski 12**

Pakkalankuja 7, Vantaa (Helsinki Metropolitan Area), Finland



Built in 2001, Pakkalan Kartanonkoski 12 is part of the Vantaanporti Business Park in the Aviapolis area, benefitting from its close proximity to Helsinki Airport and the Jumbo Shopping Centre, one of the largest shopping centres in Finland. The asset is located at the intersection between Rind Road III and Highway 45, providing excellent accessibility.

Pakkalan Kartanonkoski 12 is a building which has three floors making up a total LFA of 3,425 sq m with a majority of the let spaces being offices. Some of the units on the ground floor are suitable for showroom and wholesale retail purposes as they have their own entrances. There is a total of 65 parking spaces, of which a majority are located on a neighbouring parking lot. Pakkalan Kartanonkoski 12 is held on a freehold basis.

The largest tenant is a pharmaceutical business advisor on commercial and regulatory issues. The second largest tenant is a home and multi-function facilities designer. Both of these tenants have their headquarters in Pakkalan Kartanonkoski 12.

The table below sets out a summary of selected information on Pakkalan Kartanonkoski 12.

<b>Pakkalan Kartanonkoski 12</b>	
Title	Freehold
Property Holding Company	Kiinteisto Oy Kartanonkoski 12
Address	Pakkalankuja 7, Vantaa (Helsinki Metropolitan Area), Finland
Land Area (sq m)	Not available
LFA (sq m)/Car parks	3,425/65
Type	Office: 95.8% of LFA Retail: 4.2% of LFA
WALB years	1.6
WALE years	1.6
Vacancy (sq m/%)	0/0%
Construction/Refurbishment	2001/N/A
Independent Valuation by Colliers as at 27 September 2018 (€ m)	6.4
Independent Valuation by C&W as at 27 September 2018 (€ m)	6.7
Property Purchase Price (€ m)	6.1
Number of Tenants	9

<b>Trade Sector of Largest tenants</b>	<b>LFA (sq m)</b>	<b>% of LFA</b>	<b>Remaining lease term</b>
Other service activities	859	25%	1.8
Construction	858	25%	3.3
Real estate activities	694	20%	0.8

**(vi) Grandinkulma**

Kielotie 7, Vantaa (Helsinki Metropolitan Area), Finland



Built in 1984, Grandinkulma occupies a corner location in the centre of Tikkurila, the main commercial hub and regional centre of Vantaa municipality. Tikkurila is located along the main railway line from Helsinki CBD and Ring Road III, the main east to west highway in the Helsinki region. The building is within walking distance of Tikkurila railway station and adjacent to bus stops thereby offering excellent access to public transport.

Grandinkulma is a building with four-storeys which has retail premises on the ground floor and office premises on the first, second and third floors. The building has been internally refurbished in conjunction with new leases. There is a total of 79 parking spaces operated by Q-park. The building has a total LFA of 6,189 sq m and is held on a freehold basis.

The largest tenant is a health care and social services provider with more than 100 years of operation and an AAA credit rating.

The table below sets out a summary of selected information on Grandinkulma.

<b>Grandinkulma</b>	
Title	Freehold
Property Holding Company	Vioto Oy
Address	Kielotie 7, Vantaa (Helsinki Metropolitan Area), Finland
Land Area (sq m)	Not available
LFA (sq m)/Car parks	6,189/79
Type	Office: 75.4% of LFA Warehouse: 2.5% of LFA Retail: 15.1% of LFA Other: 7.1% of LFA
WALB years	3.5
WALE years	3.5
Vacancy (sq m/%)	101/2%
Construction/Refurbishment	1984/N/A
Independent Valuation by Colliers as at 27 September 2018 (€ m)	12.8
Independent Valuation by C&W as at 27 September 2018 (€ m)	12.5
Property Purchase Price (€ m)	12.5
Number of Tenants	14

<b>Trade Sector of Largest tenants</b>	<b>LFA (sq m)</b>	<b>% of LFA</b>	<b>Remaining lease term</b>
Healthcare and social work activities	2,593	42%	7.1
Healthcare and social work activities	1,299	21%	Rolling lease (with a 6 months notice)
Financial and insurance activities	592	10%	2.4

## **(vii) Liiketalo Myyrinraitti**

Myyrmäenraitti 2, Vantaa (Helsinki Metropolitan Area), Finland



Liiketalo Myyrinraitti is located next to Myyrmäki Square, Vantaa. The building is adjacent to a large shopping centre and close to the principle train station, with trains running between the CBD and the Helsinki Airport. Myyrmäki is an urban city district and is positioned 10 kilometres north of the CBD and 15 kilometres south of the Helsinki Airport.

Built in 1982, Liiketalo Myyrinraitti is a building which has three above-ground floors and one basement floor and has a total LFA of 7,515 sq m. On the ground floor, there are retail shops, restaurants and gym premises, while there are offices on the two floors above. The building has been internally refurbished in line with new lettings and it offers a flexible floor plan allowing for different sized tenants. There are 83 parking spaces in the co-owned garage nearby. Liiketalo Myyrinraitti is held on a freehold basis.

The largest tenant is a municipality-backed health care operator, operating 22 public hospitals.

The table below sets out a summary of selected information on Liiketalo Myyrinraitti.

<b>Liiketalo Myyrinraitti</b>	
Title	Freehold
Property Holding Company	Liiketalo Myyrinraitti Oy
Address	Myyrmäenraitti 2, Vantaa (Helsinki Metropolitan Area), Finland
Land Area (sq m)	Not available
LFA (sq m)/Car parks	7,515/83
Type	Office: 59.6% of LFA Warehouse: 9.1% of LFA Retail: 20.8% of LFA Other: 10.5% of LFA
WALB years	4.9
WALE years	4.9
Vacancy (sq m/%)	440/6%
Construction/Refurbishment	1982/N/A
Independent Valuation by Colliers as at 27 September 2018 (€ m)	12.0
Independent Valuation by C&W as at 27 September 2018 (€ m)	12.2
Property Purchase Price (€ m)	12.0
Number of Tenants	8

<b>Trade Sector of Largest tenants</b>	<b>LFA (sq m)</b>	<b>% of LFA</b>	<b>Remaining lease term</b>
Healthcare and social work activities	2,120	28%	6.7
Healthcare and social work activities	1,344	18%	4.2
Arts, entertainment and recreation	1,288	17%	4.3



## (viii) Purotie 1

Purotie 1, Helsinki



Purotie 1 is located in Pitijänmäki, historically an industrial area. Today, Pitijänmäki is a popular office location for large companies, with Fujitsu, CGI and Digia all having headquarters located in the area. The property benefits from good accessibility by public transportation as it has two train stations and several bus lines servicing the area.

Purotie 1 was constructed in 1991 with the internal refurbishments conducted by the main tenant. Purotie 1 is a building which has four storeys of offices with retail premises on the street level making up a total LFA of 4,692 sq m. The office premises can be divided into smaller units and arranged into either an open plan or cell office layout. The basement holds a parking garage with 19 parking spaces. In total, the property has 63 parking spaces, including surrounding ground level parking.

The largest tenant is a Finnish energy group operating in Finland, Sweden and Norway. Originally a large petrol station company, it has expanded its business into refinery and distribution of different oil products and renewable energy services. The second largest tenant is one of the leading gym operators in the Nordics offering un-manned facilities for training throughout the day.

The table below sets out a summary of selected information on Purotie 1.

<b>Purotie 1</b>	
Title	Freehold
Property Holding Company	Vioto Oy
Address	Purotie 1, Helsinki, Finland
Land Area (sq m)	Not available
LFA (sq m)/Car parks	4,692/63
Type	Office: 78.9% of LFA Warehouse: 4.5% of LFA Retail: 12.3% of LFA Other: 4.3% of LFA
WALB years	2.7
WALE years	2.7
Vacancy (sq m/%)	132/3%
Construction/Refurbishment	1991/N/A
Independent Valuation by Colliers as at 27 September 2018 (€ m)	7.5
Independent Valuation by C&W as at 27 September 2018 (€ m)	6.5
Property Purchase Price (€ m)	7.1
Number of Tenants	11

<b>Trade Sector of Largest tenants</b>	<b>LFA (sq m)</b>	<b>% of LFA</b>	<b>Remaining lease term</b>
Electricity, gas, steam and air conditioning supply	2,792	60%	3.2
Arts, entertainment and recreation	481	10%	5.1
Administrative and support service activities	439	9%	UFN <sup>(1)</sup>

**Note:**

(1) UFN refers to “until further notice” as the tenant is on a rolling break.

### (ix) Mäkitorpantie 3

Mäkitorpantie 3, Helsinki, Finland



Mäkitorpantie 3 is located in the city district of Käpylä in Helsinki, approximately seven kilometres north of Helsinki CBD. Käpylä is an established office area with several corporate headquarters, including those of YIT, DNA, Finnish Consulting Group, Fingrid and Sato. The property is located approximately 200 meters from the Käpylä train station thereby offering excellent connectivity by public transport with only an 8-minute journey to Helsinki CBD.

Mäkitorpantie 3 was originally constructed in 1977 and was completely stripped to the core and refurbished in 2013 – 2015 for a total of €5m. Mäkitorpantie 3 is a building which has three storeys above ground, the premises on the second and third floor are for office use and the property offers flexible and efficient open plan space to suit modern standards. The ground floor holds a restaurant with conference facilities and a gym and the basement holds technical and social premises. The total LFA of Mäkitorpantie 3 is 4,367 sq m and it is held on a freehold basis.

The largest tenant is a leading pet retailer in the Nordics. The tenant has its headquarters in the Mäkitorpantie building. The second largest tenant is a service provider in the network design sector.

The table below sets out a summary of selected information on Mäkitorpantie 3.

<b>Mäkitorpantie 3</b>	
Title	Freehold
Property Holding Company	N/A
Address	Mäkitorpantie 3, Helsinki, Finland
Land Area (sq m)	Not available
LFA (sq m)/Car parks	4,367/70
Type	Office: 44.8% of LFA Warehouse: 5.8% of LFA Retail: 37.2% of LFA Other: 12.2% of LFA
WALB years	3.4
WALE years	3.4
Vacancy (sq m/%)	628/14%
Construction/Refurbishment	1977/2013 – 2015
Independent Valuation by Colliers as at 27 September 2018 (€ m)	7.8
Independent Valuation by C&W as at 27 September 2018 (€ m)	7.6
Property Purchase Price (€ m)	7.6
Number of Tenants	11

<b>Trade Sector of Largest tenants</b>	<b>LFA (sq m)</b>	<b>% of LFA</b>	<b>Remaining lease term</b>
Wholesale and retail trade; repair of motor vehicles and motorcycles	1,094	25%	3.5
Information and communication	719	16%	5.5
Arts, entertainment and recreation	550	13%	5.4

**(x) Opus 1**

Hitsajankatu 24, Helsinki, Finland



Built in 2008 as one of the three buildings making up Opus Business Park, Opus 1 is located next to the main road leading through the area and is within a short walking distance from the Metro train station.

Opus 1 was extensively upgraded in 2017, when anchor tenant Berner commenced its 10-year lease. Opus 1 is a building which has a H-shaped floor plan and can offer a flexible layout to cater to tenants needs ranging from 100 sq m to 1,300 sq m per floor, over four office floors. Opus 1 has a LFA of 6,821 sq m and is held on a freehold basis.

The largest tenant is a family-owned Finnish industrial conglomerate with operations across Finland, Sweden and the Baltics.

The table below sets out a summary of selected information on Opus 1.

<b>Opus 1</b>	
Title	Freehold
Property Holding Company	KOy Opus 1
Address	Hitsajankatu 24, Helsinki, Finland
Land Area (sq m)	Not available
LFA (sq m)/car parks	6,821/152
Type	Office: 95.6% of LFA Warehouse: 3.3% of LFA Other: 1.0% of LFA
WALB years	7.2
WALE years	7.2
Vacancy (sq m/%)	1,562/23%
Construction/Refurbishment	2008/N/A
Independent Valuation by Colliers as at 27 September 2018 (€ m)	15.7
Independent Valuation by C&W as at 27 September 2018 (€ m)	15.4
Property Purchase Price (€ m)	13.5
Number of Tenants	5

<b>Trade Sector of Largest tenants</b>	<b>LFA (sq m)</b>	<b>% of LFA</b>	<b>Remaining lease term</b>
Wholesale and retail trade; repair of motor vehicles and motorcycles	4,025	59%	8.8
Transportation and storage	640	9%	1.7
Real estate activities	554	8%	2.8

**(xi) Kuopion Kauppakeskus**

Kauppakatu 39, Kuopio, Finland



Kuopion Kauppakeskus is an office and retail property located in Kuopio, a rapidly growing regional hub and university city located in eastern Finland approximately 400 kilometres from Helsinki. Kuopio offers direct daily flights to Helsinki and abroad as well as railway connections to all major cities in Finland. The property benefits from an exceptionally good micro location, one block away from the main market square in the city centre of Kuopio.

Constructed in 1986, Kuopion Kauppakeskus offers a total LFA of 4,832 sq m spread over four floors above ground. The freehold property offers retail premises on the ground floor and office premises on the first to third floors. There is a total of 87 car parking spaces, the majority of which are provided in the underground parking garage with additional parking spaces located on an adjacent plot.

The largest tenant is a large health care and social services provider with more than 100 years of operation and an AAA credit rating. The second largest tenant is a local cooperative and part of the S-Group. The cooperative is active in a number of consumer goods segments including daily goods, hardware, restaurants, hotels and banking.

The table below sets out a summary of selected information on Kuopion Kauppakeskus.

<b>Kuopion Kauppakeskus</b>	
Title	Freehold
Property Holding Company	N/A
Address	Kauppakatu 39, Kuopio, Finland
Land Area (sq m)	Not available
LFA (sq m)/Car parks	4,832/87
Type	Office: 57.0% of LFA Warehouse: 4.9% of LFA Retail: 35.5% of LFA Other: 2.7% of LFA
WALB years	5.9
WALE years	5.9
Vacancy (sq m/%)	72/1%
Construction/Refurbishment	1986/N/A
Independent Valuation by Colliers as at 27 September 2018 (€ m)	7.2
Independent Valuation by C&W as at 27 September 2018 (€ m)	7.7
Property Purchase Price (€ m)	7.6
Number of Tenants	11

<b>Trade Sector of Largest tenants</b>	<b>LFA (sq m)</b>	<b>% of LFA</b>	<b>Remaining lease term</b>
Healthcare and social work activities	2,655	55%	8.3
Accommodation and food service activities	1,252	26%	5.5
Wholesale and retail trade; repair of motor vehicles and motorcycles	263	5%	UFN <sup>(1)</sup>

**Note:**

(1) UFN refers to "until further notice" as the tenant is on a rolling break.



### 1.1.3 Poland

#### (i) Riverside

Fabryczna 5, Warsaw, Poland



Riverside is located on the periphery of the Warsaw city centre. Riverside is situated at the crossroads of Trasa Łazienkowska and Wisłostrada, two important highways. The building benefits from excellent visibility from street level and good access to public transport. The nearest bus stop is within 200 meters, while leisure facilities, embassies and the Polish Parliament are in close proximity.

Riverside was built in 2005 and is held on a freehold basis. Riverside is a building which offers a total office LFA of 12,478 sq m across five floors with a ceiling height of 2.98 meters. It has total of 98 parking spaces. Offices are equipped with suspended ceilings, air-conditioning, raised floors, smoke detectors and carpeting.

One of the largest tenants is one of Europe's leading media companies operating across 17 countries in Europe, America and Asia. In Poland, the tenant has a strong presence with respect to radio and internet.

The table below sets out a summary of selected information on Riverside.

<b>Riverside</b>	
Title	Freehold
Property Holding Company	N/A
Address	Fabryczna 5, Warsaw, Poland
Land Area (sq m)	Not available
LFA (sq m)/Car parks	12,478/98
Type	Office: 98.5% of LFA Warehouse: 0.2% of LFA Retail: 1.2% of LFA Other: 0.1% of LFA
WALB years	3.7
WALE years	4.6
Vacancy (sq m/%)	3,376/27%
Construction/Refurbishment	2005/N/A
Independent Valuation by Colliers as at 27 September 2018 (€ m)	30.5
Independent Valuation by C&W as at 27 September 2018 (€ m)	31.9
Property Purchase Price (€ m)	31.3
Number of Tenants	16

<b>Trade Sector of Largest tenants</b>	<b>LFA (sq m)</b>	<b>% of LFA</b>	<b>Remaining lease term</b>
Information and communication	2,155	17%	9.9
Manufacturing	1,856	15%	2.8
Administrative and support service activities	1,090	9%	4.7

**(ii) Grojecka 5**

Grojecka 5, Warsaw, Poland



Grojecka 5 is located in the Jerozolimskie office district in Warsaw, 10 to 15 minutes walking distance from the CBD. The property is on Jerozolimskie Street which is a major road connecting with the motorway, and therefore enjoys good accessibility by car and has prominent visibility. The property is also well connected to public transportation such as the tram, bus and train. The nearest train station is located within 200 meters. Grojecka 5 is also close to the Central Railway Station which is 1.5 kilometres away and Chopin Airport which is approximately 7 kilometres away. Renowned hotels, conference centres, banks and numerous coffee shops and restaurants are all located within close vicinity of Grojecka 5.

The office building, constructed in 2006, is held on a freehold basis. Grojecka 5 is a building which offers a LFA of 10,718 sq m of office space across eight floors with a ceiling height of 2.8 meters and a total of 105 parking spaces. The building has efficient floor plates where each office can be arranged flexibly to become an open space work plan, closed private offices or a combination of both.

One of the largest tenants is one of the largest banks in Poland.

The table below sets out a summary of selected information on Grójecka 5.

<b>Grojecka 5</b>	
Title	Freehold
Property Holding Company	N/A
Address	Grójecka 5, Warsaw, Poland
Land Area (sq m)	Not available
LFA (sq m)/Car parks	10,718/105
Type	Office: 98.0% of LFA Warehouse: 1.1% of LFA Retail: 0.9% of LFA Other: 0.1% of LFA
WALB years	2.6
WALE years	3.1
Vacancy (sq m/%)	1,775/17%
Construction/Refurbishment	2006/N/A
Independent Valuation by Colliers as at 27 September 2018 (€ m)	22.0
Independent Valuation by C&W as at 27 September 2018 (€ m)	22.4
Property Purchase Price (€ m)	22.3
Number of Tenants	16

<b>Trade Sector of Largest tenants</b>	<b>LFA (sq m)</b>	<b>% of LFA</b>	<b>Remaining lease term</b>
Financial and insurance activities	3,192	30%	3.0
Professional, scientific and technical activities	2,421	23%	4.6
Professional, scientific and technical activities	888	8%	0.0

### **(iii) Arkonska Business Park**

Gdansk, Poland



Arkonska Business Park is in Gdansk which is part of the Tricity, one of the biggest urban areas in Poland consisting of Gdansk, Gdynia and Sopot. Tricity has an international airport, the Gdansk Lech Walesa Airport, and is connected to central Poland by the Amber Highway. Tricity has one of the fastest developing office markets in Poland, where the majority of new developments are grade A buildings.

Arkonska Business Park is well connected to public transport such as the tram, bus and the city metro train. The nearest train station is located within a 10-minute walk. The property is situated in close vicinity to Gdansk International Fair Co., University of Gdansk and various shopping centres.

The office building was constructed in 2008, and is a building which comprises a LFA of 11,166 sq m and is spread over five storeys with a total of 155 parking spaces. It is held on a freehold basis.

One of the largest tenants is a Polish bank headquartered in Wroclaw. The bank offers a wide range of brokerage services, asset and investment fund management, leasing and factoring. The tenant is a part of the Santander group, which was ranked as the fifth largest European bank by total assets as at 31 December 2017.

The table below sets out a summary of selected information on Arkonska Business Park.

<b>Arkonska Business Park</b>	
Title	Freehold
Property Holding Company	N/A
Address	Ulica Arkonska 6, Gdansk, Poland
Land Area (sq m)	Not available
LFA (sq m)/Car parks	11,166/155
Type	Office: 99.7% of LFA Warehouse: 0.3% of LFA Other: 0.1% of LFA
WALB years	3.4
WALE years	3.4
Vacancy (sq m/%)	5,947/53%
Construction/Refurbishment	2008/N/A
Independent Valuation by Colliers as at 27 September 2018 (€ m)	19.0
Independent Valuation by C&W as at 27 September 2018 (€ m)	18.4
Property Purchase Price (€ m)	18.2
Number of Tenants	9

<b>Trade Sector of Largest tenants</b>	<b>LFA (sq m)</b>	<b>% of LFA</b>	<b>Remaining lease term</b>
Financial and insurance activities	923	8%	3.7
Construction	814	7%	5.5
Information and communication	511	5%	3.3

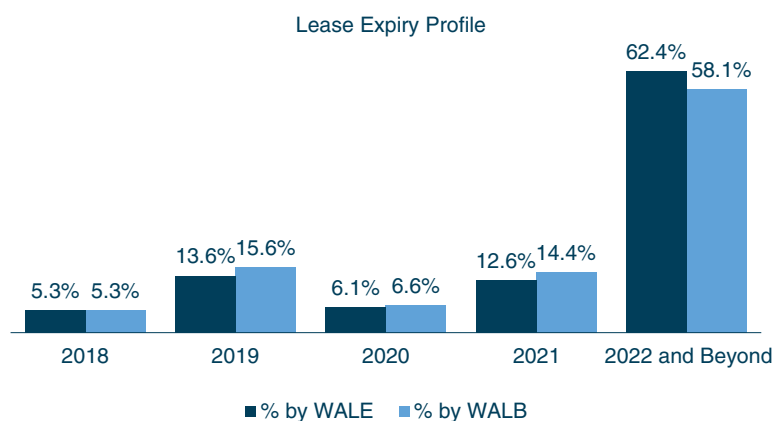
## 1.2 Top Ten Tenants of the New Properties (As at August 2018)

The table below sets out the top ten tenants of the New Properties by monthly gross rental income (based on gross rental income for the month of August 2018 and excludes gross turnover rent (save for Q-Park)).

No.	Tenant	Trade Sector	% of Gross Rental Income
1	Essent Nederland B.V.	Utility	18.3%
2	UWV	Public Administration	13.2%
3	Mehiläinen Oy	Healthcare	5.5%
4	Berner Oy	Wholesale – Retail	3.9%
5	PKO Bank Polski BP	Financial – Insurance	2.5%
6	St1	Utility	2.3%
7	ICON plc (S.A.) Oddział w Polsce	Professional – Scientific	2.0%
8	Bauer Media Group	IT – Communication	1.8%
9	Q-Park	Other Service Activities	1.8%
10	Aplitt S.A.	Financial – Insurance	1.6%
<b>Top Ten Tenants</b>			<b>52.9%</b>
<b>Other Tenants</b>			<b>47.1%</b>
<b>Total</b>			<b>100.0</b>

## 1.3 Lease Expiry Profile

The chart below illustrates the committed lease expiry profile for the New Properties by percentage of monthly gross rental income as at August 2018 (based on the month in which each lease expires and excludes gross turnover rent).



## 1.4 Trade Sector Analysis

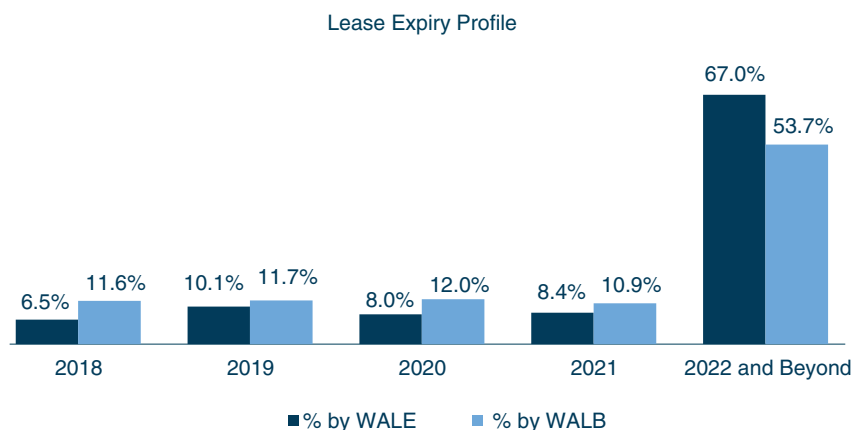
The table below provides a breakdown by the different trade sectors represented in the New Properties as a percentage of monthly gross rental income (based on gross rental income for the month of August 2018 and excludes gross turnover rent).

	<b>% of Gross Rental Income</b>
Utility	20.7%
Public Administration	13.2%
Wholesale – Retail	11.6%
Healthcare	8.6%
Financial – Insurance	8.0%
IT – Communication	7.0%
Professional – Scientific	6.3%
Other Service Activities	4.9%
Manufacturing	4.2%
Construction	3.3%
Accommodation	2.8%
Others	9.4%
<b>Total</b>	<b>100.0%</b>

## 2. EXISTING PORTFOLIO

### 2.1 Lease Expiry Profile for the Existing Portfolio (as at June 2018)

The chart below illustrates the committed lease expiry profile of the Existing Portfolio by percentage of monthly gross rental income as at June 2018 (based on the month in which each lease expires and excludes gross turnover rent).





## 2.2 Trade Sector Analysis

The table below provides a breakdown by the different trade sectors represented in the Existing Portfolio as a percentage of monthly gross rental income (based on gross rental income for the month of June 2018 and excludes gross turnover rent).

	<b>% of Gross Rental Income</b>
Public Administration	18.3%
Wholesale – Retail	15.5%
Manufacturing	9.9%
Financial – Insurance	9.4%
Professional – Scientific	7.3%
Transportation – Storage	6.6%
IT – Communication	6.5%
Entertainment	5.2%
Construction	4.3%
Administrative	4.3%
Real Estate	4.2%
Others	8.4%
<b>Total</b>	<b>100.0%</b>

## 2.3 Top Ten Tenants of the Existing Properties

The table below sets out the top ten tenants of the Existing Portfolio by monthly gross rental income (based on gross rental income for the month of June 2018 and excludes gross turnover rent).

<b>No.</b>	<b>Tenant</b>	<b>Trade Sector</b>	<b>% of Gross Rental Income</b>
1	Agenzia Del Demanio	Public Administration	16.8%
2	Nationale Nederlanden Nederland B.V.	Financial – Insurance	7.0%
3	Kamer van Koophandel	Other Service Activities	3.0%
4	Nationale Stichting tot Exploitatie van Casinospelen in Nederland	Entertainment	2.5%
5	CBI Nederland B.V.	Professional – Scientific	2.3%
6	Anas	Construction	2.1%
7	GEDI Gruppo Editoriale	IT – Communication	2.1%
8	Coolblue B.V.	Wholesale – Retail	2.0%
9	La Poste (French Post)	Real Estate	1.4%
10	Nilfisk	Manufacturing	1.4%
<b>Top Ten Tenants</b>			<b>40.5%</b>
<b>Other Tenants</b>			<b>59.5%</b>
<b>Total</b>			<b>100.0%</b>

### 3. ENLARGED PORTFOLIO

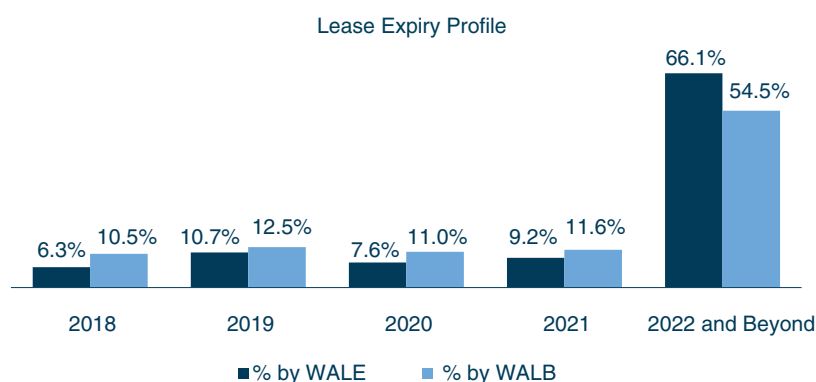
#### 3.1 Overview of the Enlarged Portfolio

The table below sets out selected information on the Enlarged Portfolio as at June 2018.

Total/Weighted Average	New Properties	Existing Portfolio	Enlarged Portfolio
NLA (sq m)	150,235	1,164,068	1,314,303
Number of Tenants	168	720	888
Committed Occupancy (%)	84.5%	88.7%	88.2%
WALE (by NLA)	4.7	5.0	5.0
Valuation	315.9	1,390.4	1,706.2

#### 3.2 Lease Expiry Profile for the Enlarged Portfolio (as at June 2018)

The chart below illustrates the committed lease expiry profile of the Enlarged Portfolio by percentage of monthly gross rental income as at June 2018 (based on the month in which each lease expires and excludes gross turnover rent).



#### 3.3 Trade Sector Analysis

The table below provides a breakdown by the different trade sectors represented in the Enlarged Portfolio as a percentage of monthly gross rental income (based on gross rental income for the month of June 2018 and excludes gross turnover rent).

Trade Sector	
Public Administration	17.4%
Wholesale – Retail	14.8%
Financial – Insurance	9.1%
Manufacturing	8.8%
Professional – Scientific	7.1%
IT – Communication	6.6%
Transportation – Storage	5.7%
Entertainment	4.7%
Construction	4.2%

<b>Trade Sector</b>	
Utility	4.0%
Real Estate	4.0%
Others	13.6%
<b>Total</b>	<b>100.0%</b>

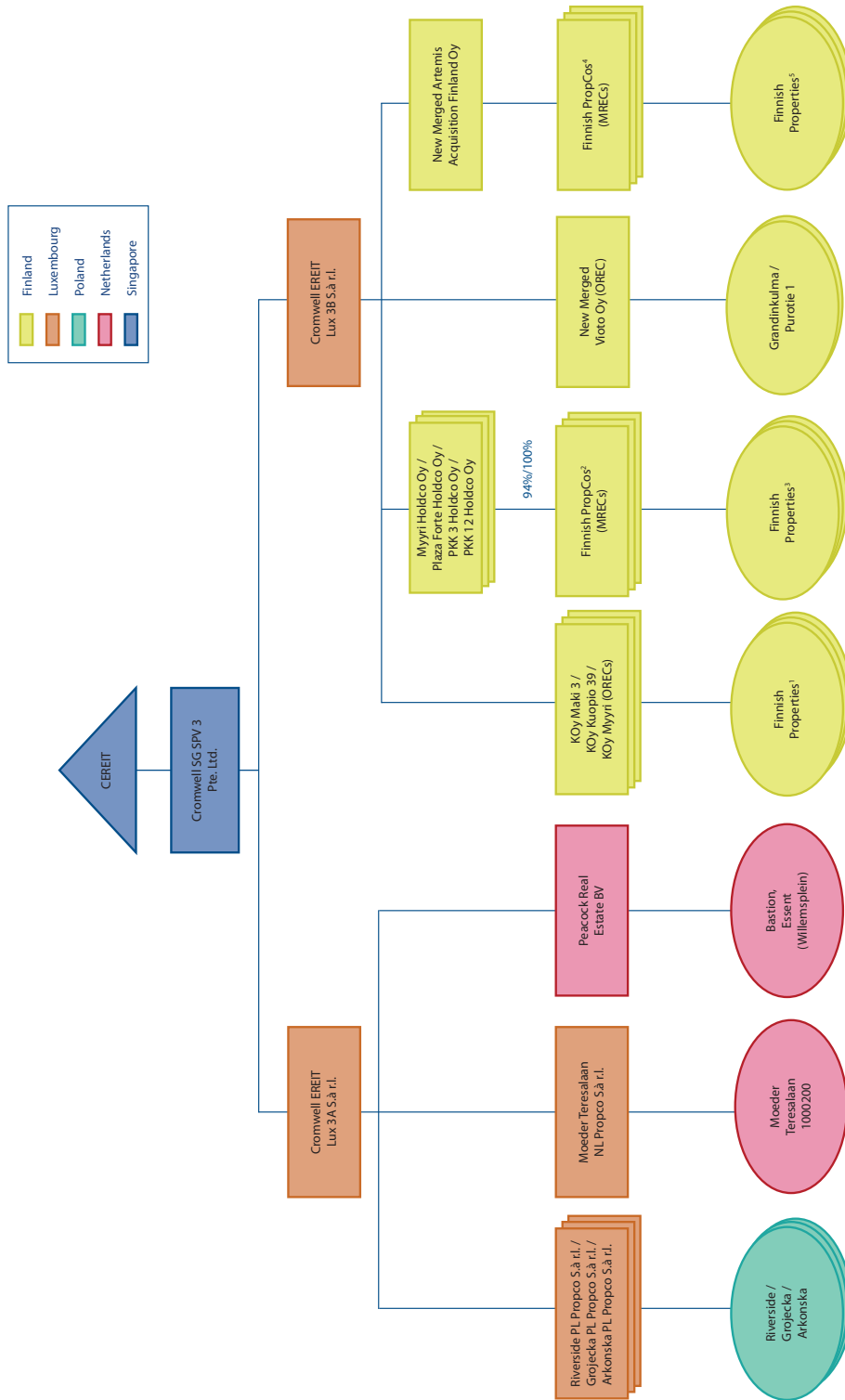
### 3.4 Top 10 Tenants of the Enlarged Portfolio

The table below sets out the top 10 tenants of the Enlarged Portfolio by monthly gross rental income (based on gross rental income for the month of June 2018 and excludes gross turnover rent).

<b>No.</b>	<b>Tenant</b>	<b>Trade Sector</b>	<b>% of Gross Rental Income</b>
1	Agenzia Del Demanio	Public Administration	13.8%
2	Nationale Nederlanden Nederland B.V.	Financial – Insurance	5.7%
3	Essent Nederland B.V.	Utility	3.3%
4	Kamer van Koophandel	Other Service Activities	2.4%
5	UWV	Public Administration	2.4%
6	Nationale Stichting tot Exploitatie van Casinospelen in Nederland	Entertainment	2.0%
7	CBI Nederland B.V.	Professional – Scientific	1.9%
8	Anas	Construction	1.7%
9	GEDI Gruppo Editoriale	IT – Communication	1.7%
10	Coolblue B.V.	Wholesale – Retail	1.6%
<b>Top Ten Tenants</b>			<b>36.6%</b>
<b>Other Tenants</b>			<b>63.4%</b>
<b>Total</b>			<b>100.0%</b>

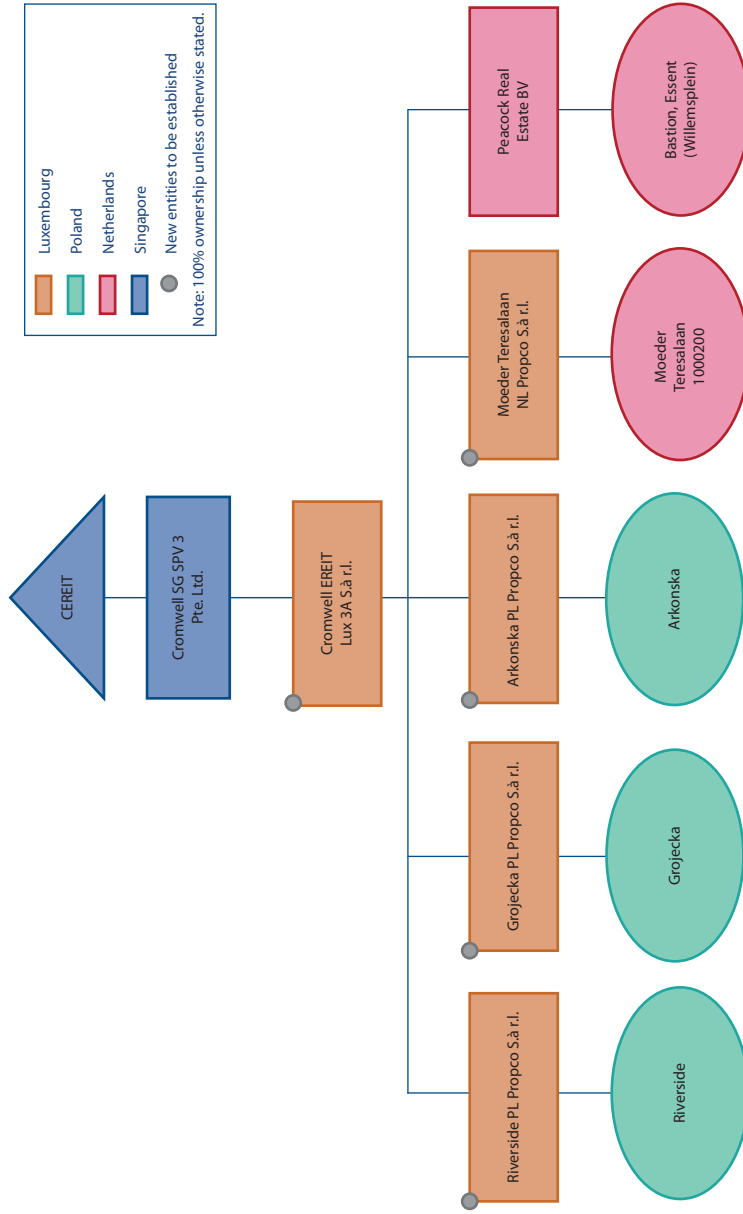
## 4. Structure

### 4.1 Overview

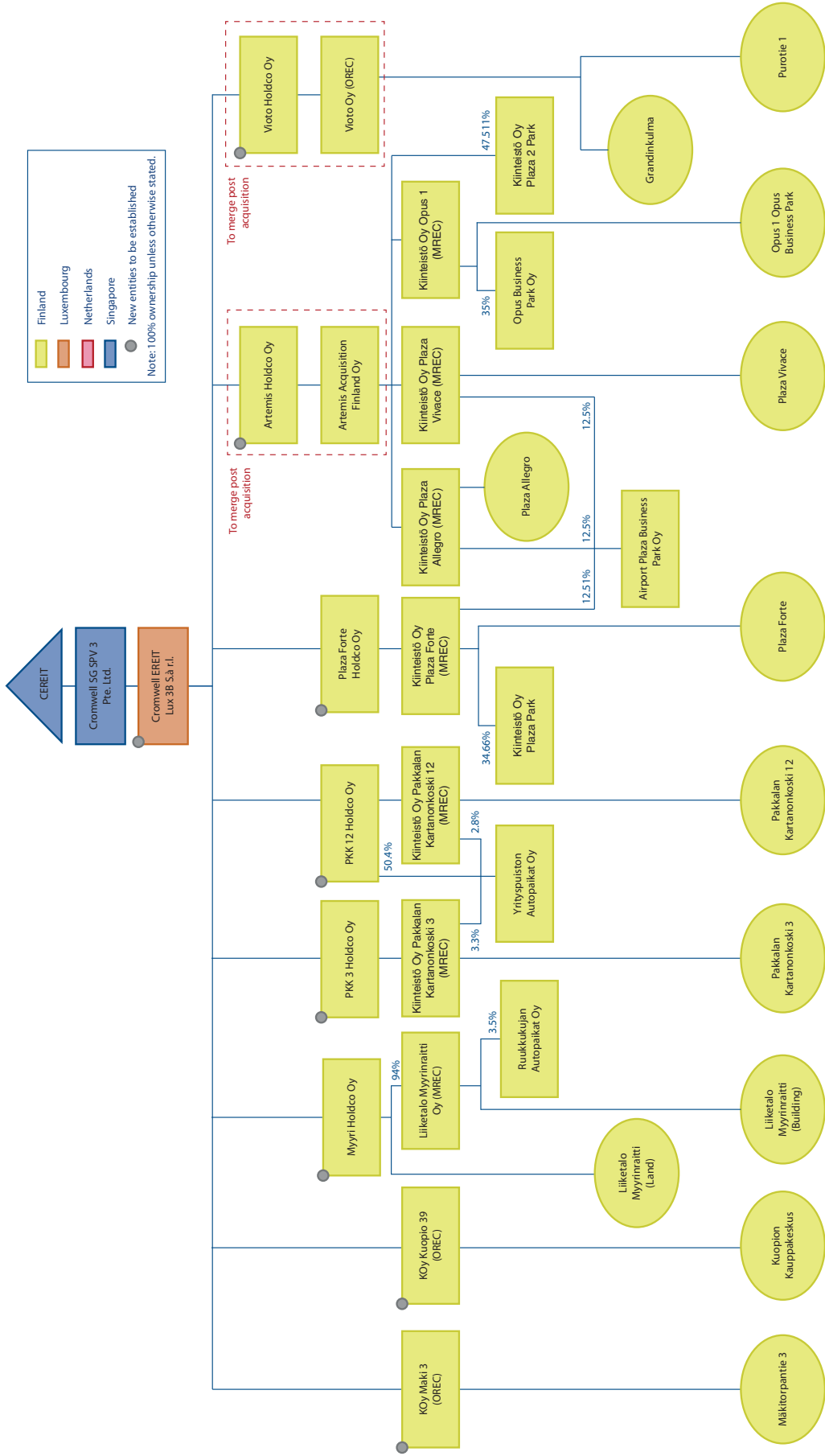


1 Mikitorpantie 3 / Kuopion Kauppakeskus / Liiketalo Myyriinatti acquired via asset deal  
 2 Liiketalo Myyriinatti Oy / Kinteistö Oy Plaza Forte / Kinteistö Oy Pakkalan Karanionkoski 3 / Kinteistö Oy Pakkalan Karanionkoski 12 acquired via share deal  
 3 Liiketalo Myyriinatti / Plaza Forte / Pakkalan Karanionkoski 3 / Pakkalan Karanionkoski 12  
 4 Kinteistö Oy Plaza Allegro / Kinteistö Oy Plaza Vivace / Kinteistö Oy Opus 1  
 5 Plaza Allegro / Plaza Vivace / Opus 1 Opus Business Park  
 Note: 100% ownership unless otherwise stated.

## 4.2 Polish and Netherlands Properties



### 4.3 Finnish Properties



## INDEPENDENT FINANCIAL ADVISER'S LETTER

30 October 2018

**The Independent Directors and the Audit and Risk Committee of  
Cromwell EREIT Management Pte. Ltd.  
(As Manager of Cromwell European Real Estate Investment Trust)**  
50 Collyer Quay  
#07-02 OUE Bayfront  
Singapore 049321

**Perpetual (Asia) Limited  
(As Trustee of Cromwell European Real Estate Investment Trust)**  
8 Marina Boulevard  
#05-02 Marina Bay Financial Centre  
Singapore 018981

Dear Sirs:

**THE PROPOSED ACQUISITION OF 16 PROPERTIES IN THE NETHERLANDS, FINLAND, AND POLAND**

**1 INTRODUCTION**

On 30 October 2018, Cromwell EREIT Management Pte. Ltd. (as the manager of Cromwell European Real Estate Investment Trust (“**CEREIT**”)) (the “**Manager**”) announced the proposed acquisition of 16 properties located in the Netherlands, Finland, and Poland (the “**New Properties**”) for an aggregate purchase price of approximately €312.5 million (approximately S\$491.5 million) (the “**Property Purchase Price**” and the proposed acquisition of the New Properties, the “**Proposed Acquisition**”).

The portfolio of New Properties comprises a total of 16 predominantly office properties with two properties in the Netherlands (with an aggregate purchase price of approximately €127.6 million (approximately S\$200.6 million)), 11 properties in Finland (with an aggregate purchase price of approximately €113.1 million (approximately S\$177.9 million)), and three properties in Poland (with an aggregate purchase price of approximately €71.9 million (approximately S\$113.0 million)). The New Properties have an aggregate lettable floor area (“**LFA**”) of approximately 150,235 square metres (“**sqm**”). All 16 New Properties are sited on freehold or freehold-equivalent land<sup>1</sup>.

The New Properties are geographically diverse and situated in cities such as:

- (i) Utrecht (part of the Randstad and fourth largest city in the Netherlands);
- (ii) 's-Hertogenbosch (capital city of the province of North Brabant, colloquially known as Den Bosch, in the Netherlands) which continues to benefit from urbanisation trends;
- (iii) Helsinki (capital of Finland);

<sup>1</sup> All New Properties are on freehold land except for Moeder Teresalaan 100-200 in Utrecht, which is on a leasehold land that is acquired in perpetuity. Leasehold acquired in perpetuity means a leasehold for an indefinite period of time and the ground rent has been paid off perpetually. .

- (iv) Kuopio (rapidly growing regional hub and university in Finland);
- (v) Warsaw (capital of Poland); and
- (vi) Gdansk (capital city of Pomerania region and third largest urban area in Poland).

In connection with the Proposed Acquisition, CEREIT, through Cromwell SG SPV 3 Pte. Ltd. (the “**CEREIT SPV**” or the “**Purchaser**”), entered into a master share and asset sale and purchase agreement dated 30 October 2018 (the “**Master Purchase Agreement**”) with various vendors, namely ELQ Holdings (Del) LLC, ELQ Investors VI Ltd, ELQ Omega UK Ltd, Sivipre Oy, Henry Investment Oy, Artemis Acquisition Poland S.a r.l, and Hummingbird B.V. (collectively, the “**Vendors**”), of the New Properties (in the case of an asset sale) or the companies which directly or indirectly hold the New Properties (in the case of a share sale).

The purchase consideration payable under the Master Purchase Agreement (the “**Proposed Acquisition Purchase Consideration**”) is approximately €308.8 million (approximately S\$485.7 million) and is based on the Property Purchase Price of €312.5 million (approximately S\$491.5 million), adjusted for certain estimated net liabilities of (i) Peacock Real Estate B.V., (ii) Vioto Oy, (iii) Liiketalo Myyrinraitti Oy, (iv) Artemis Acquisition Finland Oy, (v) Kiinteistö Oy Pakkalan Kartanonkoski 3; (vi) Kiint. Oy Pakkalan Kartanonkoski 12, (vii) Kiinteistö Oy Plaza Forte, and (viii) Yrityspuiston Autopaikat Oy (collectively, the “**Target Companies**”) (subject to further adjustments based on the actual consolidated net assets and liabilities of the Target Companies at completion of the Proposed Acquisition). The adjustments for net assets and liabilities are necessary for the New Properties that will be acquired by CEREIT through a share acquisition.

The Proposed Acquisition is intended to be partially funded by way of an underwritten and renounceable rights issue (the “**Rights Issue**”) to Eligible Unitholders to raise gross proceeds of approximately €224.1 million (approximately S\$352.5 million).

The sponsor of CEREIT is Cromwell Property Group, a stapled group comprising Cromwell Corporation Limited and Cromwell Diversified Property Trust (“**CDPT**”) (the responsible entity of which is Cromwell Property Securities Limited) (the “**Sponsor**”), a global real estate investment manager, which has been listed on the Australian Securities Exchange Ltd since 2006. As at 26 October 2018, being the latest practicable date prior to the printing of the circular to the unitholders of CEREIT (the “**Unitholders**”) (the “**Circular**”) (the “**Latest Practicable Date**”), the Sponsor holds an aggregate deemed interest in 558,338,114 units in CEREIT (“**Units**”), which is equivalent to approximately 35.3% of the total number of existing Units as at the Latest Practicable Date (the “**Existing Units**”), and is therefore regarded as a “controlling unitholder” of CEREIT for the purposes of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (the “**Listing Manual**”) and Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore (the “**MAS**” and Appendix 6, the “**Property Funds Appendix**”). In addition, as the Manager is a wholly-owned subsidiary of the Sponsor, the Sponsor is therefore regarded as a “controlling shareholder” of the Manager for the purposes of both the Listing Manual and the Property Funds Appendix.

As the New Properties are managed by Cromwell Europe Limited and/or its group companies (“**Cromwell Europe**”) (which also owns a *de minimis* percentage of the equity, directly or indirectly, in some of the Vendors), and Cromwell Europe is a subsidiary of the Sponsor, in the interest of good corporate governance, CEREIT will be obtaining the approval of the Unitholders for the Proposed Acquisition, even though the Proposed Acquisition will not strictly constitute an “interested party transaction” under Appendix 6 of the Property Funds Appendix (an “**Interested Party Transaction**”) and/or an “interested



person transaction” under Chapter 9 of the Listing Manual (an “**Interested Person Transaction**” and together with the Interested Party Transaction, a “**Related Party Transaction**”).

Given that the Proposed Acquisition Purchase Consideration of approximately €308.8 million (approximately S\$485.7 million) (which is 34.4% of both the latest unaudited<sup>1</sup> net tangible assets (“**NTA**”) and the net asset value (“**NAV**”) of CEREIT as at 30 June 2018), the value of the Proposed Acquisition exceeds 5.0% of the NTA and the NAV of CEREIT. Accordingly, the Manager is seeking the approval of Unitholders by way of an Ordinary Resolution of the Unitholders for the Proposed Acquisition.

The Manager is convening an extraordinary general meeting (“**EGM**”) of CEREIT to seek approval from the Unitholders in respect of (a) the Proposed Acquisition (as a Related Party Transaction and a major transaction pursuant to Chapter 10 of the Listing Manual), (b) the proposed Rights Issue, (c) the proposed Payment of GTCT Sub-Underwriting Commission (as defined in the Circular); and (d) the proposed Payment of Hillsboro Sub-Underwriting Commission (as defined in the Circular) (collectively, the “**Proposed Transaction**”).

In accordance with the abovementioned requirements, more details of which are set out in the Circular, Ernst & Young Corporate Finance Pte Ltd (“**EYCF**”) has been appointed as the independent financial adviser (“**IFA**”) pursuant to Rule 921(4) of the Listing Manual as well as to advise the independent directors of the Manager (the “**Independent Directors**”), the audit and risk committee of the Manager (the “**Audit and Risk Committee**”), and Perpetual (Asia) Limited (as the trustee of CEREIT) (the “**Trustee**”) on whether the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of CEREIT and its minority Unitholders.

This letter sets out, *inter alia*, our evaluation of the Proposed Acquisition and our opinion thereon. It forms part of the Circular to be issued by the Manager which provides, *inter alia*, the details of the Proposed Acquisition, and the recommendation of the Independent Directors and the Audit and Risk Committee in respect thereof. Unless otherwise defined or the context otherwise requires, all terms in the Circular shall have the same meaning in this letter. Euro (€) amounts are converted to S\$ based on the illustrative exchange rate of €1.00:S\$1.5727.

## 2 TERMS OF REFERENCE

EYCF has been appointed pursuant to Rule 921(4) of the Listing Manual as well as to provide an opinion to the Independent Directors, the Audit and Risk Committee, and the Trustee in respect of whether the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of CEREIT and its minority Unitholders.

Our views as set forth in this letter are based on the prevailing market conditions, economic conditions, and financial conditions, and our evaluation of the Proposed Acquisition, as well as information provided to us by CEREIT and the management of the Manager (the “**Management**”), as at the Latest Practicable Date. Accordingly, we assume no responsibility to update, revise or reaffirm our opinion as a result of any subsequent development after the Latest Practicable Date. Unitholders should take note of any announcement and/or event relevant to the Proposed Acquisition which may be released by CEREIT and/or the Manager after the Latest Practicable Date.

---

<sup>1</sup> CEREIT was only listed on the SGX-ST on 30 November 2017 and has not yet issued any audited financial statements.

We are not and were not involved in any aspect of the discussions and negotiations pertaining to the Proposed Acquisition, nor were we involved in the deliberations leading up to the decisions by the directors of the Manager (the “**Directors**”) in connection with the Proposed Acquisition. We have not conducted a comprehensive review of the business, operations or financial condition of CEREIT and its subsidiaries and associates. It is not within our terms of reference to assess the rationale for, legal, strategic, commercial and financial merits and/or risks of the Proposed Acquisition, and to comment on such merits and/or risks of the Proposed Acquisition. We have only expressed our opinion on whether the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of CEREIT and its minority Unitholders. The assessment of the legal, strategic, commercial and financial merits and/or risks of the Proposed Acquisition remains the sole responsibility of the Directors, although we may draw upon their views in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at the opinion set out in this letter.

It is also not within our terms of reference to compare the relative merits of the Proposed Acquisition vis-à-vis any alternative transaction previously considered by CEREIT and/or the Manager (if any) or that CEREIT and/or the Manager may consider in the future, and as such, we do not express an opinion thereon.

In the course of our evaluation of the Proposed Acquisition, we have held discussions with the Directors and the Management. We have also examined and relied on information in respect of CEREIT collated by us, as well as information provided and representations and assurances made to us, both written and verbal, by the Directors, the Management and/or professional advisers of CEREIT and/or the Manager, including information contained in the Circular. We have not independently verified such information or any representation or assurance, whether written or verbal, and accordingly cannot and do not warrant or accept responsibility for the accuracy or completeness of such information, representation or assurance. Nevertheless, the Directors (including those who may have delegated supervision of the Circular) and the Management have confirmed to us, after making all reasonable enquiries that, to the best of their knowledge and belief, all material information relating to CEREIT, the New Properties, and the Proposed Acquisition has been disclosed to us, that such information constitutes a full and true disclosure, in all material respects, of all material facts about CEREIT, the New Properties in the context of the Proposed Acquisition, and the Proposed Acquisition, and there is no material information the omission of which would make any of the information contained herein or in the Circular misleading in any material respect. The Directors have jointly and severally accepted such responsibility accordingly.

We have also made reasonable enquiries and exercised our judgement on the reasonable use of such information and have found no reason to doubt the accuracy or the reliability of such information. We have further assumed that all statements of fact, belief, opinion and intention made by the Directors in relation to the Proposed Acquisition have been reasonably made after due and careful enquiry. We have not conducted a comprehensive review of the business, operations and financial condition of CEREIT and/or the New Properties. We have also not made an independent evaluation or appraisal of the assets and liabilities of CEREIT and/or the New Properties. However, we have been furnished with the independent valuation reports of Cushman & Wakefield Debenham Tie Leung Limited (“**C&W**”) and Colliers International Valuation UK LLP Ltd (“**Colliers**”, and together with C&W, the “**Independent Valuers**”) commissioned by the Trustee and the Manager respectively, and issued by the Independent Valuers in connection with the open market value (the “**Market Value**”) of each of the New Properties as at 27 September 2018 (the “**Valuation Date**”, and the reports, the “**Valuation Reports**”). We are not experts and do not regard ourselves to be experts in the valuation of the New Properties, and we have taken into consideration the Valuation Reports prepared by the Independent Valuers.

In preparing this letter, we have not had regard to the specific investment objectives, financial situation, tax position and/or unique needs and constraints of any individual Unitholder or any specific group of Unitholders. As each Unitholder would have different investment objectives and profiles, we would advise the Independent Directors and the Audit and Risk Committee to recommend that any individual Unitholder or group of Unitholders who may require specific advice in relation to his or their Units should consult his or their stockbroker, bank manager, solicitor, accountant or other professional advisers.

We were not involved and have not provided any advice, whether financial or otherwise, in the preparation, review and verification of the Circular (other than in connection with this letter). Accordingly, we do not take any responsibility for, and express no views on, whether expressed or implied, the contents of the Circular (other than in connection with this letter).

This letter and our opinion are pursuant to Rule 921(4) of the Listing Manual as well as addressed for the use and benefit of the Independent Directors, the Audit and Risk Committee, and the Trustee in connection with and for the purpose of their consideration of the Proposed Acquisition, and the recommendation made by the Independent Directors and the Audit and Risk Committee to the Unitholders shall remain the sole responsibility of the Independent Directors and the Audit and Risk Committee.

Our opinion in relation to the Proposed Acquisition should be considered in the context of the entirety of this letter and the Circular.

### **3 SALIENT INFORMATION ON THE PROPOSED ACQUISITION**

The details of the Proposed Acquisition, including details of the New Properties, are set out in the Summary section and in Section 2 of the Letter to Unitholders of the Circular. We recommend that the Independent Directors and the Audit and Risk Committee advise the Unitholders to read carefully the details of the New Properties and the Proposed Acquisition which are contained in the Circular.

We set out below the salient information on the New Properties and the Proposed Acquisition.

#### **3.1 Description of the New Properties**

Certain key information on the New Properties are set out in the Summary section and in Section 2 of the Letter to Unitholders of the Circular. We present the following information in relation to the New Properties.

The following table sets out a summary of selected information on the New Properties.

No	Property	Land Tenure	LFA <sup>(1)</sup> (sqm)	Independent Valuation by C&W <sup>(2)</sup> (in millions)	Independent Valuation by Colliers <sup>(2)</sup> (in millions)	Purchase Price (in millions)	WALE <sup>(3)</sup> (years)	Occupancy Rate <sup>(4)</sup> (%)
<b>Netherlands</b>								
1	Moeder Teresalaan 100-200, Utrecht	Leasehold plot acquired in perpetuity	21,922	€50.1 (S\$78.7)	€51.5 (S\$81.0)	€50.7 (S\$79.7)	6.3	86.1
2	Willemsplein 2, 's-Hertogenbosch <sup>(5)</sup>	Freehold	31,979	€74.7 (S\$117.5)	€77.6 (S\$122.0)	€76.9 (S\$120.9)	7.1	91.9
<b>Finland</b>								
3	Plaza 2 Park (Plaza Vivace), Helsinki Metropolitan Area	Freehold	5,661	€14.1 (S\$22.2)	€12.9 (S\$20.3)	€13.2 (S\$20.8)	2.2	88.3
4	Plaza 2 Park (Plaza Allegro), Helsinki Metropolitan Area	Freehold	4,620	€11.4 (S\$17.9)	€10.8 (S\$17.0)	€11.2 (S\$17.6)	1.8	91.7
5	Plaza Forte, Helsinki Metropolitan Area	Freehold	6,054	€13.8 (S\$21.7)	€12.9 (S\$20.6)	€12.6 (S\$20.2)	2.0	86.9
6	Grandinkulma, Helsinki Metropolitan Area	Freehold	6,189	€12.5 (S\$19.7)	€12.8 (S\$20.1)	€12.5 (S\$19.7)	3.5	98.4
7	Liiketalo Myyrinraitti, Helsinki Metropolitan Area	Freehold	7,515	€12.2 <sup>(6)</sup> (S\$19.2)	€12.0 <sup>(6)</sup> (S\$18.9)	€12.0 (S\$18.9)	4.9	94.1
8	Pakkalan Kartanonkoski 3, Helsinki Metropolitan Area	Freehold	7,796	€9.2 (S\$14.5)	€10.6 (S\$16.7)	€9.7 (S\$15.3)	3.2	77.2
9	Pakkalan Kartanonkoski 12, Helsinki Metropolitan Area	Freehold	3,425	€6.7 (S\$10.5)	€6.4 (S\$10.1)	€6.1 (S\$9.6)	1.6	100.0
10	Purotie 1, Helsinki	Freehold	4,692	€6.5 (S\$10.2)	€7.5 (S\$11.8)	€7.1 (S\$11.2)	2.7	97.2
11	Mäkitorpantie 3, Helsinki	Freehold	4,367	€7.6 (S\$12.0)	€7.8 (S\$12.3)	€7.6 (S\$12.0)	3.4	85.6
12	Opus 1, Helsinki	Freehold	6,821	€15.4 (S\$24.2)	€15.7 (S\$24.7)	€13.5 (S\$21.2)	7.2	77.1
13	Kuopion Kauppakeskus, Kuopio	Freehold	4,832	€7.7 (S\$12.1)	€7.2 (S\$11.3)	€7.6 (S\$12.0)	5.9	98.5
<b>Poland</b>								
14	Riverside, Warsaw	Freehold	12,478	€31.9 (S\$50.2)	€30.5 (S\$48.0)	€31.3 (S\$49.2)	4.6	72.9
15	Grojecka 5, Warsaw	Freehold	10,718	€22.4 (S\$35.2)	€22.0 (S\$34.6)	€22.3 (S\$35.1)	3.1	83.4
16	Arkonska Business Park, Gdansk	Freehold	11,166	€18.4 (S\$28.9)	€19.0 (S\$29.9)	€18.2 (S\$28.6)	3.4	46.7 <sup>(7)</sup>
<b>Total/Average</b>			<b>150,235<sup>(8)</sup></b>	<b>€314.6 (S\$494.8)</b>	<b>€317.1 (S\$498.7)</b>	<b>€312.5 (S\$491.5)</b>	<b>4.7</b>	<b>84.5</b>

Source: Circular

**Notes:**

- (1) LFA as at 27 September 2018.
- (2) Valuation as at 27 September 2018.
- (3) “**WALE**” refers to the weighted average lease expiry by headline rent based on the final termination date of the agreement (assuming the tenant does not terminate the lease on any of the permissible break date(s), if applicable) as at 31 August 2018.
- (4) Occupancy rate as at 31 August 2018 (except for the property Willemsplein 2).
- (5) With respect to the property Willemsplein 2, the WALE and occupancy rate is at the 1 September 2018.
- (6) CEREIT will own 100% of the underlying land relating to Liiketalo Myyrinraitti and, through its ownership of 94% of the shares in Liiketalo Myyrinraitti Oy, own approximately 94% of the building in accordance with the articles of association of Liiketalo Myyrinraitti Oy, and the valuations as at 27 September 2018 are based on such ownership interest.
- (7) While the occupancy rate as at 31 August 2018 is only 46.7%, the committed occupancy rate is 69.1%.
- (8) The difference between the LFA value in the table and of that provided by the Independent Valuers (being 150,232 sqm) is attributable to the rounding of the values of each property in the table.

### **3.2 Estimated Total Cost of the Proposed Transaction**

The estimated total cost of the Proposed Transaction (the “**Total Cost of Proposed Transaction**”) is approximately €329.7 million (approximately S\$518.5 million), comprising:

- (i) the Proposed Acquisition Purchase Consideration of approximately €308.8 million (approximately S\$485.7 million);
- (ii) the acquisition fee payable in Units to the Manager for the Proposed Acquisition pursuant to the trust deed dated 28 April 2017 (as amended and supplemented) constituting CEREIT (the “**Trust Deed**”), which amounts to approximately €3.1 million (approximately S\$4.9 million) (the “**Acquisition Fee**”) <sup>1</sup>. The issue price of the Acquisition Fee Units (as defined herein) shall be determined based on the theoretical ex-rights price (“**TERP**”) per Unit in relation to the proposed Rights Issue. While Clause 15.2.1 of the Trust Deed allows the Manager to receive the Acquisition Fee Units at the Rights Issue Price of €0.373 (approximately S\$0.587), the Manager has elected to receive the Acquisition Fee Units at the TERP of €0.498 (approximately S\$0.783) per Unit instead;
- (iii) the real estate transfer tax of approximately €10.3 million (approximately S\$16.2 million) <sup>2</sup>; and
- (iv) the estimated professional and other fees and expenses incurred or to be incurred by CEREIT in connection with the Proposed Transaction of approximately €7.5 million (approximately S\$11.8 million).

---

<sup>1</sup> Although the Proposed Acquisition will not strictly constitute a Related Party Transaction, for the purposes of good corporate governance, the Acquisition Fee will be in the form of Units (the “**Acquisition Fee Units**”) which shall not be sold within one year from the date of issuance in accordance with Paragraph 5.7 of the Property Funds Appendix. The acquisition fee in respect of each of the New Properties is 1.0% of the Property Purchase Price of the New Properties, and will only be paid on completion of the Proposed Acquisition in accordance with the terms of the Master Purchase Agreement.

<sup>2</sup> The real estate transfer tax of approximately €10.3 million assumes that the acquisition of the Polish Properties are not subject to real estate transfer tax. If real estate transfer tax is applicable to the Polish Properties, the value of the real estate transfer tax will be approximately €1.4 million higher (approximately S\$2.3 million).

### 3.3 Proposed Acquisition Purchase Consideration and Valuation

The details of the valuation of the New Properties are set out in Section 2.4 of the Letter to Unitholders of the Circular and the summary valuation certificates of the Independent Valuers are set out as Appendix C of the Circular.

The Trustee has commissioned an independent valuer, C&W, and the Manager has commissioned another independent valuer, Colliers, to respectively value the New Properties.

The Property Purchase Price, being the agreed aggregate purchase price for the New Properties, which was negotiated on a willing-buyer and willing-seller basis taking into account the independent valuations conducted by the Independent Valuers, is approximately €312.5 million (approximately S\$491.5 million).

Based on the average of the Individual Valuers' annualised current passing rental income<sup>1</sup> net of non-recoverable property expenses as estimated by the Independent Valuers, divided by the Property Purchase Price, the New Properties have a Net Initial Yield<sup>2</sup> of 6.2%, which compares favourably to the office assets within CERET's existing portfolio comprising 75 properties in Denmark, France, Germany, Italy and the Netherlands (the "Existing Portfolio"), which have a Net Initial Yield of 5.6%. Additionally, the Reversionary Yield<sup>3</sup> of the New Properties (based on the average of the Individual Valuers' estimated market rental income per annum net of non-recoverable property expenses) is 7.4%, which is significantly higher than its Net Initial Yield.

The Proposed Acquisition Purchase Consideration payable under the Master Purchase Agreement is approximately €308.8 million (approximately S\$485.7 million) and is based on the Property Purchase Price of €312.5 million (approximately S\$491.5 million), adjusted for certain estimated net liabilities of the Target Companies (subject to further adjustments based on the actual consolidated net assets and liabilities of the Target Companies at completion of the Proposed Acquisition). The adjustments for net assets and liabilities are necessary for the New Properties that will be acquired by CERET through a share acquisition.

### 3.4 Method of Financing

The Manager intends to finance the Total Cost of Proposed Acquisition with the proceeds from the proposed Rights Issue and debt financing.

### 3.5 Payment of Acquisition Fee in Units

Although the Proposed Acquisition will not strictly constitute a Related Party Transaction, for the purposes of good corporate governance, the Acquisition Fee will be in the form of Units which shall not be sold within one year from the date of issuance in accordance with Paragraph 5.7 of the Property Funds Appendix. The acquisition fee in respect of each of the New Properties is 1.0% of the Property Purchase Price of the New Properties, and will only be paid on completion of the Proposed Acquisition in accordance with the terms of the Master Purchase Agreement.

---

1 "Passing rental income" means the annualised rental income being received as at a certain date, excluding the net effects of amortisation of lease incentives. It is market practice to perform independent valuation based on passing rental income and this is in accordance with the valuation standards issued by Royal Institute of Chartered Surveyors, which is the valuation principles applied for European properties.

2 "Net Initial Yield" means the average of the Independent Valuers' annualised current passing rental income net of non-recoverable property expenses, divided by the Property Purchase Price.

3 "Reversionary Yield" means the average of the Independent Valuers' estimated market rental income per annum net of non-recoverable property expenses, divided by the Property Purchase Price.

### 3.6 Certain Principal Terms of the Master Purchase Agreement

In connection with the Proposed Acquisition, on 30 October 2018, CEREIT, through the Purchaser, entered into the Master Purchase Agreement with the Vendors, to acquire the predominantly freehold interests in the New Properties (in the case of an asset sale) or, subject to the following, all the issued shares of the Target Companies, which will in turn (directly or indirectly) own equity interests in the property holding companies which hold the predominantly freehold interests in the New Properties (in the case of a share sale).

The principal terms of the Master Purchase Agreement includes, among others, the following:

- (i) completion of the Proposed Acquisition is subject to the satisfaction of the following conditions: (a) approval from the Unitholders of CEREIT having been obtained in accordance with CEREIT's regulatory obligations; (b) the ordinary resolution relating to the equity fundraising having been passed; and (c) any purchasing entity under the Master Purchase Agreement remaining a wholly-owned subsidiary undertaking of CEREIT (the "**Ownership Condition**"). Conditions (a) and (b) are referred to as the "**Regulatory Conditions**", and these must be satisfied by a long stop date of 16 November 2018;
- (ii) following exchange of the Master Purchase Agreement, certain newly incorporated special purpose vehicles shall be permitted to accede to the Master Purchase Agreement (provided that they are incorporated in Luxembourg, the Netherlands or Finland) for the purpose of purchasing specific properties located at (i) Moeder Teresalaan 100-200, Utrecht, The Netherlands, (ii) Mäkitorpantie 3b, Helsinki, Finland, (iii) Myyrmäenraitti 2, Vantaa, Finland, (iv) Kauppakatu 39, Kuopio, Finland, (v) ul. Fabryczna 5 and 5A, Warsaw, Poland, (vi) ul. Grojecka 5, Warsaw, Poland, (vii) ul. Ulica Arkonska 6, Gdansk, Poland (collectively, the "**Target Properties**") and/or shares in specific Target Companies in place of the named Purchaser in the Master Purchase Agreement;
- (iii) the relevant Vendor has agreed to contact the City of Helsinki and request that it waives its rights in respect of the Finnish PE Right<sup>1</sup>. However, the receipt of a waiver to the Finnish PE Right is not a condition to completion under the Master Purchase Agreement.
- (iv) the Master Purchase Agreement is an English law governed agreement. Any disputes under or in connection with the Master Purchase Agreement shall be referred to, and finally settled in, arbitration in accordance with the London Court of International Arbitration Rules;
- (v) neither party can bring a claim against the other in respect of the Transfer Documents<sup>2</sup> unless such claim is required to give effect to the transfer of any Target Company or Target Property under the Master Purchase Agreement. In the event that a claim is

---

1 The acquisition of three of the Finnish properties will trigger a statutory municipal pre-emption right pursuant to the Finnish Pre-Emption Act under which the City of Helsinki has the right to acquire the properties instead of the relevant Purchaser (the "**Finnish PE Right**"). In the event the Finnish PE Right is exercised, the City of Helsinki must reimburse the Purchaser as follows: (i) the consideration paid by the Purchaser for the properties (save for any consideration paid due to omissions of the Purchaser); (ii) costs related to financing and other necessary costs arising out of the acquisition of the three properties incurred by the Purchaser; and (iii) necessary costs related to the maintenance and upkeep of the properties incurred by the Purchaser.

2 The transfer documents pursuant to which the transfers of the Target Properties and the Shares in the Target Companies are completed (the "**Transfer Documents**") are governed by the laws of the Target Properties and Target Companies respective jurisdictions/domicile.

made in breach of the limited scope under which a claim can be made, the party making the claim will indemnify the other for any losses arising as a consequence of the claim;

- (vi) completion in the Netherlands and Finland (“**Completion**”) is expected to take place on the same day and the date fixed for Completion in the Master Purchase Agreement is on 21 December 2018 or, if CEREIT has not completed its equity fund raising by such date, on 27 December 2018;
- (vii) the acquisition of each Polish Target Property (“**Poland Completion**”) shall be conditional on the receipt of a customary tax ruling<sup>1</sup> issued by the Polish tax authorities;
- (viii) one of the Polish Target Properties (the Riverside Property) is subject to a pre-emption right under which the Polish State Treasury has the right to acquire that Target Property instead of the Purchaser (“**Polish PE Right**”)². Completion of the acquisition of the Riverside Property will be conditional on the waiver or expiration of the Polish PE Right;
- (ix) the consideration for the Proposed Acquisition shall be an amount equal to (a) the aggregate of the final net asset value of of the Target Companies and each of the subsidiaries defined in the Circular (the “**Target Group**”), plus (b) the aggregate of the value of each Target Property, plus (c) the amount of the Value Added Tax (“**VAT**”) levied under applicable law in respect of a Polish Target Property if a positive tax ruling is obtained, less (d) the outstanding tenant incentives in relation to the properties across the three jurisdictions; less (e) approximately one third the cost of the warranty and indemnity insurance policy. Following Completion, the Purchaser and the Vendors will undertake a process to agree a completion statement that will set out any adjustments to the amount paid by the Purchaser in respect of the NAV of the Target Group;
- (x) each party shall have the ability to terminate the Master Purchase Agreement if the other party is in material breach of its obligations. A breach will be considered material in respect of the Purchaser if it fails to comply with its payment obligations and a breach will be considered material in respect of the Vendors if it fails to meet its obligations to provide the documents necessary to transfer all of its relevant sale interests and/or deliver other material deliverables (in each case, a “**Material Breach**”);
- (xi) one Business Day following the date of the Master Purchase Agreement, the Purchaser shall, or shall procure, that a deposit in the amount of €15,850,000 (approximately S\$24.9 million) is paid into an escrow account (the “**Deposit**”). The Deposit can be released as follows: (a) in the event the Regulatory Conditions are not satisfied by 16 November 2018 and the Master Purchase Agreement is terminated, €1,000,000 (approximately S\$1.6 million) will be released to the Vendors and the rest will be returned to the Purchaser; (b) if the Master Purchase Agreement is terminated because the Ownership Condition is not satisfied or the Purchaser commits a Material Breach, the Deposit will be released to the Vendors; (c) if the Master Purchase Agreement is terminated due to a Material Breach by the Vendors, then the Deposit will be released to the Purchaser; (d) on each Poland Completion, the relevant pro rata amount of the Deposit attributable to that Property will be released to the Vendors; (e) in respect of a Poland Completion, if the Master Purchase Agreement is terminated because the Ownership Condition is not satisfied or the Purchaser commits a Material Breach, the relevant pro rata amount of the Deposit attributable to that Property will be released to the Vendors; and (f) in respect of a Poland Completion, if the Master Purchase Agreement is terminated because a Vendor commits a Material Breach,

---

1 Refer to Appendix E of the Circular, “Tax Considerations — Poland Tax Overview — Real Estate Transfer Tax” for details of the tax ruling being applied for by CEREIT.

2 The transfer Poland tax ruling application process and the Polish PE Right process shall run concurrently with the aim of achieving completion of the acquisition of each of the Polish Properties on or shortly after 1 February 2019.



there is a Material Adverse Change (as defined below) subsisting at the Property or the Polish PE Right is exercised, the relevant pro rata amount of the Deposit attributable to that Property will be released to the Purchaser;

- (xii) in addition to the escrow account established for the Deposit, there will also be escrow accounts put in place: (a) to hold an amount equal to the assumed monthly headline rent and service charge (“**Rental Income**”) for a period of 15 months in respect of certain leases that have not completed by Completion (“**TI Leases**”). If there is a shortfall between the expected Rental Income and the actual Rental Income received following completion of a TI Leases, such shortfall amount (up to the amount of the Rental Income) will be released to the Purchaser; and (b) following agreement of the completion statement, amounts will be released from an escrow account to the Purchaser and/or the Vendors as necessary to ensure that the parties are made whole. To the extent that the amount owed to the Purchaser following agreement of the completion statement is greater than the sum held in escrow, the Vendors will remain liable for the excess;
- (xiii) the properties are acquired on an ‘as is, where is’ basis;
- (xiv) in the event that either: (a) any of the Target Properties are damaged to the extent that rental income in respect of that Target Property is reduced by 30% or more; and either (i) there is not an insurance policy in place to cover the loss of rental income for a period of 36 months; or (ii) the damage cannot be repaired within 24 months; or (b) an occupational tenant by reason of insolvency is unable to pay rent which has the consequence of reducing the rental income received in respect of any Target Property by 30% or more (and provided such rent is not guaranteed), (a “**Material Adverse Change**”) are subsisting on the Business Days prior to Completion or Poland Completion (as the case may be) the Purchaser shall have the right to be released from its obligations to complete on the purchase of the affected Target Property and the consideration will be reduced accordingly;
- (xv) the Master Purchase Agreement will include indemnities in favour of the Purchaser in respect of certain liabilities that have been identified during the due diligence process;
- (xvi) subject to disclosure, at exchange, Completion and each Poland Completion, the Vendors will provide standard warranties in respect of the Target Companies and Properties to the Purchasers;
- (xvii) each Vendor will have several liability;
- (xviii) save in respect of any fundamental warranty claim, transfer pricing claim or certain other excluded tax claims, the Vendors’ liability in respect of warranty claims will be capped at €1. Any claim made by the Purchaser in respect of the warranties, save as set out in the forgoing, will be made against a warranty and indemnity insurance policy placed with AIG; and
- (xix) the Purchaser will have seven years to make a tax claim, two years to make a claim under the general warranties and three years to make a claim under the fundamental warranties.

### **3.7 Property Manager in respect of the New Properties**

In connection with the initial public offering of CEREIT, Cromwell Europe Limited was appointed on 22 November 2017 as the property manager (the “**Property Manager**”) in respect of the properties of CEREIT pursuant to a master property and portfolio

management agreement entered into between the Trustee, the Manager and the Property Manager (the “**Master Property and Portfolio Management Agreement**”). In connection with the Proposed Acquisition and pursuant to the terms of the Master Property and Portfolio Management Agreement, CEREIT, through each of the Property Holding Companies, will enter into individual property management agreements to appoint Cromwell Europe Limited and/or its subsidiaries to provide property management, lease management and marketing services in respect of the New Properties.

### **3.8 Completion of Proposed Acquisition**

The completion of the Proposed Acquisition of the New Properties are likely to take place on various dates due to the different completion conditions, as set out below:

#### **(a) For the New Properties located in Finland and the Netherlands**

Completion of the acquisitions of the Dutch and Finnish Properties is expected to occur on the same day simultaneously.

However, in relation to three Finnish properties, a transfer will trigger the pre-emption rights in favour of the City of Helsinki. The completion of these three properties will not be conditional on this pre-emption right not being exercised or being waived.

#### **(b) For the New Properties located in Poland**

Acquisition of the Polish properties is likely to occur at a later date as completion for each Polish properties is conditional upon receipt of a tax ruling from the Polish tax authorities. In addition and as regards the Polish property known as the Riverside Property, completion will be further subject to the pre-emption right of the State Treasury represented by the Mayor of Warsaw not being exercised or being waived.

## **4 EVALUATION OF THE PROPOSED ACQUISITION**

In our analysis and evaluation of the Proposed Acquisition, and our opinion thereon, we have taken into consideration the following:

- (a) rationale for and key benefits of the Proposed Transaction;
- (b) valuation of the New Properties by the Independent Valuers;
- (c) comparison of the yields of the New Properties with CEREIT’s existing and enlarged portfolios;
- (d) comparison to publicly available market benchmarks;
- (e) comparison of the New Properties with certain listed real estate investment trusts (“**REITs**” and each, “**REIT**”) with office property portfolios located in the European region;
- (f) pro-forma financial effects of the Proposed Transaction; and
- (g) other relevant factors we have considered in our evaluation.

The factors above are discussed in more detail in the following sections.

#### 4.1 Rationale for and key benefits of the Proposed Transaction

The detailed rationale for and benefits of the Proposed Transaction are set out in Section 6 of the Letter to Unitholders of the Circular. We have set out below key sections on the rationale for and key benefits of the Proposed Transaction.

- (a) Consistent with the Manager's investment strategy
- (b) Opportunity to invest in attractive European office markets of the Netherlands, Finland, and Poland
  - (i) The Netherlands, Finland, and Poland have all outperformed the Eurozone economic growth providing attractive tailwinds for the office sector
  - (ii) Attractive office sector dynamics with healthy occupier demand driving higher occupancy rates and positive rental momentum
- (c) High quality portfolio comprising well-located and predominantly freehold properties
  - (i) Strategically located with excellent connectivity
  - (ii) Increased proportion of freehold and perpetual leasehold assets in CEREIT's Existing Portfolio and the New Properties (collectively with the Existing Portfolio, the "**Enlarged Portfolio**")
- (d) Portfolio positioned for long-term sustainable growth
  - (i) Rental upside as Reversionary Yield (based on market rental income) is significantly higher than Net Initial Yield
  - (ii) Leases are typically indexed to Consumer Prices Indices
- (e) Increased resilience from size and diversification of CEREIT's Enlarged Portfolio
  - (i) Geographical diversification of the portfolio is now enhanced into seven countries
  - (ii) Increased tenant diversification and trade sector diversification
  - (iii) Reduced concentration risk in the top ten tenants, with the Enlarged Portfolio resulting in decrease from 40.5% to 36.6%
- (f) Acquisition of the New Properties at attractive yields
  - (i) Attractive Net Initial Yield of 6.2% compared to Net Initial Yield of 5.6% for the existing office portfolio
  - (ii) Increased distributable income and DPU yield to the Unitholders
- (g) Leveraging the Sponsor's integrated European asset management platform
  - (i) Sponsor's on the ground asset management team across the Netherlands, Finland, and Poland well-positioned to actively manage the assets to drive improved operating and financial performance for CEREIT

- (ii) Strong track record of enhancing value through asset enhancement initiatives (“AEIs”)

We note that the Proposed Acquisition is in line with CERET’s principal investment strategy of investing, directly or indirectly, in a diversified portfolio of income-producing real estate assets in Europe that are used primarily for office, logistics/light industrial and retail purposes. The New Properties are predominantly office properties, which refer to real estate that are primarily used for office purposes, whether in existence by themselves as a whole or as part of larger mixed-use developments.

#### 4.2 Valuation of the New Properties by the Independent Valuers

The Manager and the Trustee have commissioned the Independent Valuers, namely Colliers and C&W, to perform independent valuations on the New Properties. The valuation summaries issued by the Independent Valuers are set out in Appendix C of the Circular.

The appraised values of the Independent Valuers for the New Properties are as follows:

No	Property	LFA <sup>(1)</sup> (sqm)	Independent Valuation by C&W <sup>(2)</sup> (in millions)	Independent Valuation by Colliers <sup>(2)</sup> (in millions)	Purchase Price (in millions)	(Discount)/ Premium of the Agreed Property Value to/over the Independent Valuation (%)
<b>Netherlands</b>						
1	Moeder Teresalaan 100-200, Utrecht	21,922	€50.1 (S\$78.7)	€51.5 (S\$81.0)	€50.7 (S\$79.7)	C&W: 1.2% Colliers: (1.6)%
2	Willemsplein 2, 's-Hertogenbosch <sup>(5)</sup>	31,979	€74.7 (S\$117.5)	€77.6 (S\$122.0)	€76.9 (S\$120.9)	C&W: 2.9% Colliers: (0.9)%
<b>Finland</b>						
3	Plaza 2 Park (Plaza Vivace), Helsinki Metropolitan Area	5,661	€14.1 (S\$22.2)	€12.9 (S\$20.3)	€13.2 (S\$20.8)	C&W: (6.4)% Colliers: 2.3%
4	Plaza 2 Park (Plaza Allegro), Helsinki Metropolitan Area	4,620	€11.4 (S\$17.9)	€10.8 (S\$17.0)	€11.2 (S\$17.6)	C&W: (1.8)% Colliers: 3.7%
5	Plaza Forte, Helsinki Metropolitan Area	6,054	€13.8 (S\$21.7)	€12.9 (S\$20.6)	€12.6 (S\$20.2)	C&W: (8.7)% Colliers: (2.3)%
6	Grandinkulma, Helsinki Metropolitan Area	6,189	€12.5 (S\$19.7)	€12.8 (S\$20.1)	€12.5 (S\$19.7)	C&W: 0.0% Colliers: (2.3)%
7	Liiketalo Myyrinraitti, Helsinki Metropolitan Area	7,515	€12.2 (S\$19.2)	€12.0 (S\$18.9)	€12.0 (S\$18.9)	C&W: (1.6)% Colliers: 0.0%
8	Pakkalan Kartanonkoski 3, Helsinki Metropolitan Area	7,796	€9.2 (S\$14.5)	€10.6 (S\$16.7)	€9.7 (S\$15.3)	C&W: 5.4% Colliers: (8.5)%
9	Pakkalan Kartanonkoski 12, Helsinki Metropolitan Area	3,425	€6.7 (S\$10.5)	€6.4 (S\$10.1)	€6.1 (S\$9.6)	C&W: (9.0)% Colliers: (4.7)%
10	Purotie 1, Helsinki	4,692	€6.5 (S\$10.2)	€7.5 (S\$11.8)	€7.1 (S\$11.2)	C&W: 9.2% Colliers: (5.3)%

No	Property	LFA <sup>(1)</sup> (sqm)	Independent Valuation by C&W <sup>(2)</sup> (in millions)	Independent Valuation by Colliers <sup>(2)</sup> (in millions)	Purchase Price (in millions)	(Discount)/ Premium of the Agreed Property Value to/over the Independent Valuation (%)
11	Makitorpantie 3, Helsinki	4,367	€7.6 (S\$12.0)	€7.8 (S\$12.3)	€7.6 (S\$12.0)	C&W: 0.0% Colliers: (2.6)%
12	Opus 1, Helsinki	6,821	€15.4 (S\$24.2)	€15.7 (S\$24.7)	€13.5 (S\$21.2)	C&W: (12.3)% Colliers: (14.0)%
13	Kuopion Kauppakeskus, Kuopio	4,832	€7.7 (S\$12.1)	€7.2 (S\$11.3)	€7.6 (S\$12.0)	C&W: (1.3)% Colliers: 5.6%
<b>Poland</b>						
14	Riverside, Warsaw	12,478	€31.9 (S\$50.2)	€30.5 (S\$48.0)	€31.3 (S\$49.2)	C&W: (1.9)% Colliers: 2.6%
15	Grojecka 5, Warsaw	10,718	€22.4 (S\$35.2)	€22.0 (S\$34.6)	€22.3 (S\$35.1)	C&W: (0.4)% Colliers: 1.4%
16	Arkonska Business Park, Gdansk	11,166	€18.4 (S\$28.9)	€19.0 (S\$29.9)	€18.2 (S\$28.6)	C&W: (1.1)% Colliers: (4.2)%
	<b>Total/Average</b>	<b>150,235<sup>(3)</sup></b>	<b>€314.6 (S\$494.8)</b>	<b>€317.1 (S\$498.9)</b>	<b>€312.5 (S\$491.5)</b>	C&W: (0.7)% Colliers: (1.5)%

Source: Circular, EY

**Notes:**

- (1) LFA as at 27 September 2018.
- (2) Valuation as at 27 September 2018.
- (3) The difference between the LFA value in the table and of that provided by the Independent Valuers (being 150,232 sqm) is attributable to the rounding of the values of each property in the table.

We have been provided the Valuation Reports of the New Properties and we note the following in our review:

- (a) The basis of valuation, being Market Value, is defined as “*the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion*”, the definition of which is broadly consistent between the Independent Valuers and in line with market definition;
- (b) The Independent Valuers, C&W and Colliers, have both used 27 September 2018 as the Valuation Date for the New Properties;
- (c) The methods used by the Independent Valuers for valuation are (i) the income capitalisation approach for C&W, and (ii) primarily the income capitalisation approach for Colliers with the comparable method as a cross-check; and
- (d) The methods used by the Independent Valuers are widely accepted methods for the purpose of valuing income producing properties, and the valuations have been prepared in accordance with the International Valuation Standards (“**IVS**”) and the Royal Institution of Chartered Surveyors (“**RICS**”) UK Valuation Standards, edition current as at the Valuation Date.

We note that the purchase price for each of the New Properties is not more than the higher of the two assessed values of the Independent Valuers, which is in compliance with the Property Funds Appendix. We also note that the Property Purchase Price for the New Properties of €312.5 million (approximately S\$491.5 million) represents discounts of 0.7% and 1.5% to the aggregate valuations of the New Properties by C&W and Colliers, respectively.

#### 4.3 Comparison of Yields of the New Properties with CEREIT's Existing and Enlarged Portfolios

We have compared the WALE, Net Initial Yield, net property income (“NPI” yield (“NPI Yield”), and Reversionary Yield of the New Properties with CEREIT's Existing Portfolio and the office assets within the Existing Portfolio (the “Existing Office Portfolio”). We have also considered the resulting yields of the Proposed Acquisition to the Enlarged Portfolio and the Existing Office Portfolio plus the New Properties (the “Enlarged Office Portfolio”).

	Average WALE (years)	Net Initial Yield <sup>(1)</sup>	NPI Yield <sup>(2)</sup>	Reversionary Yield <sup>(3)</sup>
Existing Portfolio <sup>(4)</sup>	5.0 <sup>(5)</sup>	6.5%	6.7%	6.6%
Existing Office Portfolio <sup>(4)</sup>	5.6 <sup>(5)</sup>	5.6%	5.7%	5.4%
<b>The New Properties</b>	<b>4.7</b>	<b>6.2%</b>	<b>6.4%</b>	<b>7.4%</b>
<b>Enlarged Portfolio<sup>(6)</sup></b>	<b>5.0</b>	<b>6.5%</b>	<b>6.6%</b>	<b>6.8%</b>
<b>Enlarged Office Portfolio<sup>(6)</sup></b>	<b>5.3</b>	<b>5.8%</b>	<b>5.9%</b>	<b>6.1%</b>

Source: Management, CEREIT announcements, Circular

##### Notes:

- (1) “Net Initial Yield” means the annualised current passing rental income net of non-recoverable property expenses, divided by the aggregate appraised value for the existing portfolio and by the aggregate purchase price for the New Properties. The average net current rent for the New Properties is the average between the net current rents as estimated by the Independent Valuers.
- (2) “NPI Yield” means NPI, divided by aggregate appraised value for the existing portfolio and by the aggregate purchase price for the New Properties. For the existing portfolio and the New Properties, NPI has been annualised for the seven months ended 30 June 2018. For the Firenze and Ivrea properties, the effective days were used for NPI.
- (3) Reversionary Yield means the estimated net market rental income per annum (net of non-recoverable property expenses), divided by the aggregate appraised value for the existing portfolio as at 31 March 2018 and by the aggregate purchase price for the New Properties. The average net market rent for the New Properties is the average between the net market rents as estimated by the Independent Valuers.
- (4) Excludes the Recently Announced Acquisitions (as defined in the Circular).
- (5) WALE as at June 2018.
- (6) Also includes the Recently Announced Acquisitions (as defined in the Circular).

We note that the average Net Initial Yield of 6.2% and average NPI Yield of the New Properties of 6.4% are lower than the Net Initial Yield and NPI Yield of the Existing Portfolio as at 30 June 2018, but higher than the Net Initial Yield and NPI Yield of the Existing Office Portfolio as at 30 June 2018. We also note that the average WALE of the New Properties of 4.7 years is shorter than the average WALE of 5.0 years of the Existing Portfolio and the average WALE of the Existing Office Portfolio of 5.6 years.

On a combined basis, the estimated Net Initial Yield of 6.5% and NPI Yield of 6.6% for the Enlarged Portfolio are expected to be in line with the Net Initial Yield and NPI Yield of the Existing Portfolio. Also on a combined basis, the estimated Net Initial Yield of 5.8% and NPI Yield of 5.9% of the Enlarged Office Portfolio are higher than the respective Net Initial Yield

and NPI Yield of the Existing Office Portfolio. In evaluating the impact of the Proposed Acquisition on the Net Initial Yield and NPI Yield of the entire CEREIT portfolio, we have taken into consideration other benefits to CEREIT such as geographical diversification, tenant and trade sector diversification, and growth upside from vacancy reduction and rental reversion as stated in Section 5.1 of the letter.

We further note the rental upside as reflected in the Reversionary Yield of the New Properties of 7.4% compared to the Net Initial Yield of 6.2% and NPI Yield of 6.4% of the New Properties.

#### 4.4 Comparison to publicly available market benchmarks

In assessing the NPI Yield of the New Properties, we have taken into account the Reversionary Yield provided by the Independent Valuers and publicly available estimates of Prime Yields for the locations of the New Properties (the “**Market-based Data**”). We have obtained relevant information from publicly available research/market reports, and we make no representation, expressed or implied, as to the accuracy and/or completeness of such information. We wish to highlight that the underlying assumptions of the Market-based Data used to derive the Prime Yields may differ from that of the New Properties.

Based on publicly available research/market reports, ‘**Prime Yield**’ is defined as the representation of the best “rack-rented” yield estimated to be achievable for a notional office property of the highest quality and specification in the best location in a market, as at the survey date. The property should be let at the prevailing market rent to a first class tenant with an occupational lease that is standard for the local market. The Prime Yield represents the expert’s “market view”, based on a combination of market evidence where available and a survey of expert opinion.

Based on the CEREIT Investor Presentation (September/October 2018), ‘Reversionary Yield’ is a proxy to present capitalisation rate. Reversionary Yield provided by the external valuer/s is the estimated net market rental income per annum (net of non-recoverable property expenses), divided by the aggregate appraised value.

We have set out below the comparison of the NPI Yields and Reversionary Yields of the New Properties against the respective Prime Yields.

Country	Region	Number of Properties	NPI Yield <sup>(1)</sup> (%)	Reversionary Yield <sup>(2)</sup> (%)	Market-based Data
					Prime Yield (%)
Finland	Helsinki	3	6.0 – 8.5	6.5 – 7.4	4.75
	Vantaa/Helsinki Metropolitan Area	7	6.7 – 8.7	6.3 – 7.3	6.00
Poland	Warsaw	2	5.3 – 6.6	7.5 – 8.4	7.00 – 7.50
	Gdansk	1	4.0	8.9	6.00 – 6.75
Netherlands	Utrecht	1	5.9	6.1	5.0
	's-Hertogenbosch	1	6.4	6.22	6.75

Source: Valuation Reports, Circular, Management, Research/market reports from Knight Frank, JonesLang LaSalle, and Colliers

**Notes:**

(1) Based on the details of the New Properties, as provided by the Manager.

(2) Based on the Valuation Reports of the Independent Valuers.

We note the following with regard to the NPI Yield and Reversionary Yield in comparison to the Prime Yield for the market:

- (i) The ranges of NPI Yields and Reversionary Yields for the Helsinki, Finland properties are above the respective Prime Yield;
- (ii) The ranges of NPI Yields and Reversionary Yields for the Vantaa/Helsinki Metropolitan Area, Finland properties are above the respective Prime Yield;
- (iii) The range of NPI Yields for the Warsaw, Poland properties is below the respective Prime Yield range, while the range of Reversionary Yield is above the respective Prime Yield range. The range of NPI Yields reflects the current occupancy rates of the Warsaw, Poland properties. We note that the Manager expects the Warsaw, Poland properties to be fully let by 2020, which is reflected in the range of Reversionary Yield;
- (iv) The NPI Yield for the Gdansk, Poland property is below the respective Prime Yield range, while the Reversionary Yield is above the respective Prime Yield range. The NPI Yield reflects the current occupancy rate of the Gdansk, Poland properties. We note that the Manager expects the Gdansk, Poland properties to be fully let by 2020, which is reflected in the Reversionary Yield;
- (v) The NPI Yield and Reversionary Yield for the Utrecht, Netherlands property are above the respective Prime Yield; and
- (vi) The NPI Yield and Reversionary Yield for the 's-Hertogenbosch property are below the respective Prime Yield.

Based on the above, the Proposed Acquisition appears, on balance, to be on normal commercial terms and not prejudicial to the interests of CEREIT and CEREIT's minority Unitholders.

#### **4.5 Comparison of the New Properties with certain listed REITs with office property portfolios located in the European region**

Based on our search for comparable office property portfolio transactions and valuations on available databases and relevant stock exchanges and discussions with the Management, we recognise that there is no particular property portfolio that we may consider to be directly comparable to the New Properties in the aspects of location, accessibility, size, gross lettable area, profile and composition of tenants, usage of property, construction quality, age of building, outstanding lease tenure, market risks, track record and other relevant factors.

However, we have extracted the following publicly available information on certain comparable REITs with primarily European office property portfolio (the "**Comparable REITs**") in order to compare the valuation and the yields implied by the Property Purchase Price for the New Properties with the valuation and yields of the Comparable REITs.

The Independent Directors, the Audit and Risk Committee, the Trustee, and the Unitholders should note that any comparison made with respect to the Comparable REITs are for illustrative purposes only. The conclusions drawn from such comparisons may not necessarily reflect the perceived or implied valuation of the New Properties as at the Latest Practicable Date. In addition, we wish to highlight that the Comparable REITs are by no means exhaustive.



REIT/ (Country of Listing)	Valuation Date	Valuation <sup>(1)</sup> (€ millions)	Net Lettable Area (sqm)	Occupancy Rate	WALE (years) as at the Valuation Date	NPI Yield <sup>(2)</sup>
IREIT Global/ (Singapore)	31 Dec 17	463.1	200,673	98.3%	5.1	6.8%
NorthStar Realty Europe Corp./(US)	31 Dec 17	1,900.0	323,230	86.0%	6.4	4.3%
NSI N.V./ (Netherlands)	31 Dec 17	1,100.0	676,000	81.6%	4.7	6.7%
<b>Low</b>				<b>81.6%</b>	<b>4.7</b>	<b>4.3%</b>
<b>High</b>				<b>98.3%</b>	<b>6.4</b>	<b>6.8%</b>
<b>Median</b>				<b>86.0%</b>	<b>5.1</b>	<b>6.7%</b>
<b>Average</b>				<b>88.6%</b>	<b>5.4</b>	<b>5.9%</b>
<b>New Properties – Based on the Property Purchase Price</b>		<b>312.5</b>	<b>150,235</b>	<b>85.0%</b>	<b>4.7</b>	<b>6.4%</b>

Source: Annual reports and Circular

**Notes:**

- (1) The valuation figures are in different currencies, and are converted based on the relevant exchange rate as at the Latest Practicable Date.
- (2) Estimated NPI Yield based on NPI for IREIT Global, net operating income for NorthStar Realty Europe Corp. and net rental income for NSI N.V., and market value as at the latest audited financial year-ends, based on various annual reports.

Based on the table above, we note that the average NPI Yield of the New Properties of 6.4% is within the range of observed NPI Yields for the Comparable REITs, lower than the median NPI Yield, and higher than the average NPI Yield. We also note that the average WALE of the Properties is at the lower end of the range of WALEs of those of the Comparable REITs, and is shorter than the average and median WALEs observed. Further, we note that the occupancy rate of the New Properties is in line with the median occupancy rate of the Comparable REITs.

#### 4.6 Pro Forma Financial Effects of the Proposed Transaction

The details of the pro forma financial effects of the Proposed Transaction, which are shown for illustrative purposes only, are set out in Section 8 of the Letter to Unitholders of the Circular.

We note the following:

- (a) The DPU decreases from 2.53 € cents (approximately 3.98 Singapore cents) to 2.39 € cents (approximately 3.76 Singapore cents), or by 0.14 € cents (approximately 0.22 Singapore cents (approximately 5.5%)), for the pro forma financial effects of the Proposed Transaction on CEREIT's DPU for the financial period from 30 November 2017 to 30 June 2018 ("FP2018"), assuming the completion of the Proposed Transaction.

- (b) Assuming the completion of the Proposed Transaction, the DPU yield is expected to increase from 7.97% (based on the closing price of the Units on 30 October 2018) to 8.09%.
- (c) The pro forma NAV per Unit as at 30 June 2018 is expected to decrease from €0.57 (S\$0.90) to €0.52 (S\$0.82), as if the Proposed Transaction was completed on 30 June 2018.
- (d) The pro forma Aggregate Leverage Ratio is expected to increase from 33.9% to 36.7%, assuming the Proposed Transaction was completed on 30 June 2018.

#### **4.7 Other relevant factor in our assessment of the Proposed Acquisition**

##### **4.7.1 Inter-conditionality of the Proposed Transaction**

As set out in the Summary Section and Section 1 of the Letter to Unitholders of the Circular, the Proposed Transaction is comprised of four resolutions, and Resolution 1 (the Proposed Acquisition (as a Related Party Transaction and a major transaction pursuant to Chapter 10 of the Listing Manual), Resolution 2 (the proposed Rights Issue), Resolution 3 (the proposed Payment of the GTCT Sub-Underwriting Commission (as defined in the Circular)), and Resolution 4 (the proposed Payment of the Hillsboro Sub-Underwriting Commission (as defined in the Circular)) are all inter-conditional on one another. This means that if any of Resolution 1, Resolution 2, Resolution 3 or Resolution 4 is not approved, none of Resolution 1, Resolution 2, Resolution 3 and Resolution 4 will be carried.

## **5 OUR OPINION ON THE PROPOSED ACQUISITION**

In arriving at our advice to the Independent Directors, the Audit and Risk Committee, and the Trustee on the Proposed Acquisition, we have reviewed and deliberated on the factors which we consider to be relevant and to have a significant bearing on our assessment of the Proposed Acquisition. The factors we have considered in our evaluation, which are based on, among others, representations made by CEREIT, the Directors and the Management and discussed in detail in the earlier sections of this letter and which we have relied upon, are as follows:

In relation to the Proposed Acquisition:

- (a) rationale for and key benefits of the Proposed Transaction, including the Proposed Acquisition;
- (b) the Proposed Acquisition Purchase Consideration of €312.5 million (approximately S\$491.5 million) being lower than the aggregate market values of the New Properties as appraised by the Independent Valuers;
- (c) the comparison of the WALE, Net Initial Yields, NPI Yields, and Reversionary Yields of the New Properties with CEREIT's existing and enlarged portfolios;
- (d) the average Net Initial Yield of 6.2% and average NPI Yield of the New Properties of 6.4% being higher than the Net Initial Yield and NPI Yield of the Existing Office Portfolio as at 30 June 2018;

- (e) the estimated Net Initial Yield of 6.5% and NPI Yield of 6.6% for the Enlarged Portfolio being in line with the Net Initial Yield and NPI Yield of the Existing Portfolio;
- (f) the estimated Net Initial Yield of 5.8% and NPI Yield of 5.9% of the Enlarged Office Portfolio being higher than the respective Net Initial Yield and NPI Yield of the Existing Office Portfolio;
- (g) the rental upside being reflected in the Reversionary Yield of the New Properties of 7.4%;
- (h) the NPI Yields and Reversionary Yield of the New Properties being, on balance, in line with publicly available Prime Yields of the respective markets;
- (i) the comparison of the New Properties with the Comparable REITs with office property portfolios located in the European region, wherein the average NPI Yield of the New Properties is within the range of observed NPI Yields for the Comparable REITs, lower than the median NPI Yield, and higher than the average NPI Yield;
- (j) based on the assumptions set out in the Circular, the Proposed Acquisition is expected to be DPU yield accretive, with the annualised DPU yield increasing from 7.97% to 8.09% for the FP2018; and
- (k) the inter-conditionality of the resolutions regarding the Proposed Transaction.

Having considered the factors and the assumptions set out in this letter, and subject to the qualifications set out herein, we are of the opinion that the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of CEREIT and its minority Unitholders.

The Independent Directors, the Audit and Risk Committee, and the Trustee should note that we have arrived at our opinion based on information made available to us prior to, and including, the Latest Practicable Date. Our opinion on the Proposed Acquisition cannot and does not take into account any subsequent developments after the Latest Practicable Date as these are governed by factors beyond the scope of our review, and would not fall within our terms of reference in connection with our evaluation of the Proposed Acquisition.

We have prepared this letter pursuant to Rule 921(4) of the Listing Manual as well as for the use of the Independent Directors, the Audit and Risk Committee, and the Trustee in connection with and for the purposes of their consideration of the Proposed Acquisition, but any recommendation made by the Independent Directors and the Audit and Risk Committee in respect of the Proposed Acquisition shall remain their responsibility.

While a copy of this letter may be reproduced in the Circular, no other person may reproduce, disseminate or quote this letter (or any part thereof) for any purpose (other than the intended purpose in relation to the Proposed Acquisition) at any time and in any manner without our prior written consent in each specific case. For the avoidance of doubt, nothing in this letter prevents CEREIT, the Manager, the Directors, the Trustee or the Unitholders from reproducing, disseminating or quoting this letter without our prior consent for the purpose of any matter relating to the Proposed Acquisition. This opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully  
For and on behalf of  
**Ernst & Young Corporate Finance Pte Ltd**

Luke Pais  
Managing Director

Elisa Montano  
Director

VALUATION SUMMARIES



Valuation of:  
Project Arrow

Prepared for

Perpetual (Asia) Limited

In its capacity as trustee of  
Cromwell European Real  
Estate Investment Trust

Valuation Date:

27 September 2018

## TABLE OF CONTENTS

Valuation Record.....	3
Portfolio Overview .....	10
Property Schedule.....	12
Property Record.....	13
Appendix A: Abbreviations	
Sources of Information and terms of the Engagement	



Cushman & Wakefield  
43/45 Portman Square  
London  
W1A 3BG

Tel 020 7935 5000  
Fax 020 7152 5360  
www.cushmanwakefield.com

Strictly Confidential – For Addressee Only

## VALUATION RECORD

**To:** Perpetual (Asia) Limited  
In its capacity as Trustee of  
Cromwell European Real Estate Investment Trust  
8 Marina Boulevard #05-02  
Marina Bay Financial Centre  
Singapore 018981

("you", "Addressee", "Client" or "PAL")

**Property:** The address, tenure and property type of the property or each of the properties (the "Properties") is included in the Property Record section.

**Report date:** 26/10/2018

**Valuation date:** 27/09/2018 ("Valuation Date")

**Client reference:** 180ML700

**Our reference:** Project Arrow

This "Summary Valuation Report" is a condensed version of our more expansive Portfolio Valuation Report dated 26 October 2018 (the "Portfolio Valuation Report").

### Purpose of Valuation

The Properties are to be acquired by a directly or indirectly-held subsidiary of Cromwell European Real Estate Investment Trust ("CEREIT"). CEREIT is acting by Cromwell EREIT Management Pte. Ltd. ("CEREIT Manager") in its capacity as manager for CEREIT. Cromwell Property Group ("CPG") currently provide asset management services in relation to the Properties.

The purpose of this Valuation Report is for inclusion in the circular of CEREIT (the circular of CEREIT, the "Circular") to be issued in connection with the proposed acquisition of the Properties and the proposed placement and preferential offering by CEREIT on the Main Board of the Singapore Exchange Securities Trading Limited. (the "Purpose of Valuation").

We understand that CEREIT is a real estate investment trust constituted in Singapore and will be the indirect owner of the Properties as at the date of the Circular.

### Reliance on this Summary Valuation Report

For the purposes of the Circular, we have prepared this Summary Valuation Report and the enclosed Property Records which summarise our Portfolio Valuation Report dated 26 October 2018. This Summary Valuation Report does not contain all the data and information provided in our Portfolio Valuation Report. This Summary Valuation Report is to be read in conjunction with the Portfolio Valuation Report and is subject to the same assumptions, conditions and caveats as detailed in the Portfolio Valuation Report.

Neither the Summary Valuation Report nor the Portfolio Valuation Report should be relied upon as to whether or not to proceed with or otherwise undertake a transaction involving the Properties.

We understand our Portfolio Valuation Report is available for review at 50 Collyer Quay #07-02 OUE Bayfront Singapore 049321.Instructions

### Appointment

We are pleased to submit our report and valuation (the "**Valuation Report**"), which has been prepared in accordance with the engagement letter entered into between us dated 25 September 2018 (the "Engagement Letter"), a copy of which is to be found at the back of this document. This Engagement Letter and the terms set out therein, together with our Terms of Business, which were sent to you with our Engagement Letter, constitute the "**Engagement**", which forms an integral part of this Valuation Report.

Included in the Engagement Letter is the Valuation Services Schedule. It is essential to understand that the contents of this Valuation Report are subject to the various matters we have assumed, which are referred to and confirmed as Assumptions in the Valuation Services Schedule (which forms part of the Engagement). Where Assumptions detailed in the Valuation Services Schedule are also referred to within this Valuation Report they are referred to as an "assumption" or "assumptions". Unless otherwise defined, all capitalised terms herein shall be as defined in the Engagement.

We have valued the property interests detailed in the Property Record.

### Compliance with RICS Valuation – Global Standards

We confirm that the valuation and this Summary Valuation Report have been prepared in accordance with the RICS Valuation – Global Standards, which incorporate the International Valuation Standards ("IVS") and the RICS UK Valuation Standards (the "RICS Red Book"), edition current at the Valuation Date. It follows that the valuations are compliant with IVS.

### Status of Valuer and Conflicts of Interest

We confirm that all valuers who have contributed to the valuation have complied with the requirements of PS1 of the RICS Red Book. We confirm that we have sufficient current knowledge of the relevant markets, and the skills and understanding to undertake the valuation competently. We confirm that Jeremy Lock has overall responsibility for the valuation and is in a position to provide an objective and unbiased valuation and is competent to undertake the valuation. Finally, we confirm that we have undertaken the valuation acting as an External Valuer as defined in the RICS Red Book.

C&W in Finland historically valued a number of the assets in 2008, however we do not consider this to be a conflict of interest given the length of time passed.

We understand that our leasing team in Finland, currently have agreements in place with Valad Finland Oy and IVG Polar Oy to provide agency services in relation to number of the Properties. As in line with Finnish market practice, they are not the sole agents on the assets. We do not consider the above to be a conflict of interest.



In addition, C&W previously valued a portfolio of assets as at 30 April 2017 for inclusion in the prospectus of CEREIT, for CEREIT. The prospectus of CEREIT, was issued in connection with the initial public offering of and listing of the units in CEREIT on the Main Board of the Singapore Exchange Securities Trading Limited ("Project Bow").

C&W have further provided valuation advice for the CEREIT Manager in relation to the above portfolio for financial reporting purposes, the last valuation being as at 31 March 2018.

Other than stated above, C&W has had no previous recent or current involvement with the Property or where relevant in the case of a valuation for secured lending, with the parties to the transaction for which the loan is required and C&W does not anticipate any future fee earning relationship with the Property, the Borrower or a party connected to the transaction. Therefore, C&W does not consider that any conflict arises in preparing the Valuation requested.

### **Basis of Valuation**

In accordance with your instructions, we have undertaken our valuation on the following bases:

1. Market Value
2. Market Rent

### **Definitions**

#### **Market Value**

The term "Market Value" as referred to in VPS4 Item 4 of the RICS Red Book and applying the conceptual framework which is set out in IVS 104: "The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

#### **Market Rent**

The term "Market Rent" as referred to in VPS 4 Item 5 of the RICS Red Book. Under VPS 4 Item 5, the term "Market Rent" is defined in IVS 104 as: "The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

### **Special Assumptions**

A Special Assumption is referred to in the Glossary in the RICS Red Book as an assumption that "either assumes facts that differ from the actual facts existing at the valuation date, or that would not be made by a typical market participant in a transaction on the valuation date", ("Special Assumption").

We have made no Special Assumptions.

### **Departures**

We have made no Departures from the RICS Red Book.

### **Reservations**

The valuation is not subject to any reservation.

### **Inspection**

Details of our inspections of the Properties are included in the Property Record Section.

## Measurement

Details of measurement of the Properties are included in the Property Record section.

## Floor Areas

Unless specified otherwise, floor areas and analysis in this report are based upon local market practice.

## Sources of Information

In addition to information established by us, we have relied on the information obtained from CPG and others listed in this Valuation Report.

We have made the assumption that the information provided by CPG and your respective professional advisers in respect of the Property we have valued is both full and correct. We have made the further assumption that details of all matters relevant to value within your and their collective knowledge, such as prospective lettings, rent reviews, outstanding requirements under legislation and planning decisions, have been made available to us, and that such information is up to date.

## General Comment

All valuations are professional opinions on a stated basis, coupled with any appropriate assumptions or Special Assumptions. A valuation is not a fact, it is an estimate. The degree of subjectivity involved will inevitably vary from case to case, as will the degree of certainty, or probability, that the valuer's opinion of value would exactly coincide with the price achieved were there an actual sale at the Valuation Date.

Property values can change substantially, even over short periods of time, and so our opinion of value could differ significantly if the date of valuation were to change. If you wish to rely on our valuation as being valid on any other date you should consult us first.

Should you contemplate a sale, we strongly recommend that the Property is given proper exposure to the market.

A copy of this Summary Valuation Report should be provided to your solicitors and they should be asked to inform us if they are aware of any aspect which is different, or in addition, to that we have set out; in which case, we will be pleased to reconsider our opinion of value in the light of their advice and / or opinions.

## Currency

The Properties have been valued in Euros.

## Rental "top up"

In accordance with our instructions, where tenants are currently benefitting from a tenant incentive, we have assumed the full headline rent that the tenants are contractually obliged to pay is payable on the Valuation Date. We understand that the tenant incentives comprise a combination of rent free periods, stepped rental increases and/or tenant incentive contributions.

We understand that the current vendors of these Properties will "top up" the outstanding incentives as part of the sale of the Property.

The individual properties which this relates to is detailed with a \* on the attached schedule at the Property Schedule.

In addition, we understand that the current vendor of Riverside Park, Fabryczna 5, Warsaw, Poland will provide a 15 month rental guarantee in relation to a unit at this property.

PAL have provided written confirmation dated 26 October 2018 that on acquisition of the Properties a legal agreement will be signed between PAL and certain subsidiaries of CEREIT to ensure that the rental “top ups” and the 15 month rental guarantee assumed within the valuation will be available to the first and future purchaser (the “TI Legal Agreement”). We have relied upon this confirmation for the purposes of the valuation.

For the benefit of the valuation, we have therefore assumed that the rental top ups and rental guarantee, sit as a benefit with these Properties and therefore would be made available for any potential purchaser of the Properties.

### **Yield Definitions**

Please find below the basis of the yield definitions reported in this Valuation Report:

#### *Net Initial Yield*

The net rental income as at the Valuation Date expressed as a percentage of the gross capital value, which is inclusive of capital expenditure and assumed acquisition costs.

#### *Reversionary Yield*

The net rental income on final reversions expressed as a percentage of the gross capital value, which is inclusive of capital expenditure and assumed acquisition costs.

#### *Equivalent yield*

The equivalent yield is the discount rate applied to the income flow from a property or portfolio, expected during the life of the investment, so that the total income discounted at this rate equals the initial capital outlay, or gross value. The equivalent yield is growth implicit.

### **Valuation Methodology**

The Portfolio comprises a range of asset types and classes across 4 different countries. In relation to all the assets, we have adopted an income capitalisation approach as the primary valuation method.

In valuing the Properties via an income capitalisation method, the gross day one current income is calculated and the estimated operating costs are deducted. This net day one income is then capitalised at a determined yield. The determined yield has been benchmarked against comparable market transactions and then adjusted in consideration of the specific investment profile of the asset. The capitalisation rate assumed takes into consideration a range of factors including assumptions on the strength of the asset's location, future letting voids and rental growth, and security of the tenant's covenant strength and therefore income stream of the investment. We arrive at a Gross Market Value by the combination of the above two interests, from which appropriate property transaction costs are deducted as determined by local market practice, to arrive at a Net Market Value.

### **Valuation**

#### **Market Value**

Our opinion of the Market Value of each of the various interests in the portfolio as at the Valuation Date is detailed at the Property Schedule.

Poland

Our opinion of the aggregate of the Market Values of the interests in the Properties as at the Valuation Date in the Poland portfolio was:

**€72,730,000** (Seventy Two Million Seven Hundred and Thirty Thousand Euros)

The Netherlands

Our opinion of the aggregate of the Market Values of the interests in the Properties as at the Valuation Date in the Netherlands portfolio was:

**€124,800,000** (One Hundred and Twenty Four Million Eight Hundred Thousand Euros)

Finland

Our opinion of the aggregate of the Market Values of the interests in the Properties as at the Valuation Date in the Finland portfolio was:

**€117,100,000** (One Hundred and Seventeen Million One Hundred Thousand Euros)

The figures quoted above are an aggregated figure of the individual values for each property interest in the portfolio. If the portfolio were to be sold as a single lot or in groups of properties, the total value could differ significantly.

### **Confidentiality**

This Valuation Report is confidential to you, for your sole use only and for the Purpose of Valuation as stated. Other than as detailed below, we will not accept responsibility to any third party in respect of any part of its contents.

The following individuals listed below have prepared the valuations in conjunction with the signatory of this Summary Valuation Report:

- Sander Hoeke, MRICS – Cushman and Wakefield, Netherlands
- SvenErik Hugosson, MRICS – Cushman and Wakefield, Sweden
- Juha Maki-Lohiluoma, MRICS - Cushman and Wakefield, Finland
- Mark Freeman, MRICS – Cushman and Wakefield, Poland

### **Disclosure, Confidentiality and Reliance**

C&W will not consent to publication or disclosure of the Summary Valuation Report unless, where relevant, it incorporates adequate reference to the Special Assumptions and/or Departures from the RICS Red Book referred to in the Valuation Services Schedule attached at the Property Schedule.

The Client shall be entitled to provide copies of the Summary Valuation Report to its legal and financial advisers, who shall not disclose the Summary Valuation Report without our written consent. However, such third parties shall not be entitled to rely on the Summary Valuation Report without our written consent. Final copies of the Summary Valuation Report will be made available to the Client, the Addressees and to each person who we have agreed to rely on the Summary Valuation Report.

Each Addressee may disclose the Summary Valuation Report and details of the Engagement, without our consent: (i) where required by law, court order, supervisory or regulatory requirements (ii) as part of a defence it seeks to advance in connection with any actual or pending court, arbitral or regulatory proceedings or investigations in any jurisdiction in connection with the Transaction

and/or the Circular and (iii) to its insurers in respect of any actual or potential claim; iv) to its legal and financial professional advisers; and v) to its directors, officers and employees who have a need to receive the Summary Valuation Report and such details and who shall not disclose the Valuation Report and such details contrary to the terms herein,

provided that the below wording is included prominently when disclosing the Summary Valuation Report:

*“The Summary Valuation Report or Portfolio Valuation Report dated [DATE] in respect of the Properties as set out in the [engagement letter with [Client] dated [DATE]] (the “Valuation”) was prepared by Cushman & Wakefield Debenham Tie Leung Limited for purposes of the Circular and exclusively for the addressee’s benefit only. This Valuation is being made available for information purposes only and on a non-reliance basis to those parties who view it and have not entered into a separate agreement with Cushman & Wakefield Debenham Tie Leung Limited in relation to it. The Valuation is subject to various assumptions and limitations which may not be fully set out in it and, if you view the Valuation, you agree to the below exclusion of liability.*

*TO THE FULLEST EXTENT PERMITTED BY LAW, CUSHMAN & WAKEFIELD DEBENHAM TIE LEUNG LIMITED EXCLUDES ALL LIABILITY ARISING FROM THE USE OF OR RELIANCE ON THE VALUATION REPORT BY ANY PERSON OTHER THAN THE ADDRESSEE OF THE VALUATION FOR ANY PURPOSES WHATSOEVER.”*

In accordance with the Terms of Business, to the extent that any of the Addressees provide the Summary Valuation Report (i) to a party not listed above; or (ii) to a party listed above without the prominent inclusion of the above wording, such addressee shall indemnify and hold harmless C&W from and against any losses it may suffer in connection with such act or omission.

Neither the Client nor any Addressee (or any other party permitted to rely on the Valuation Report) shall modify, alter (including altering the context in which the report is displayed) or reproduce (save in connection with the Purpose and all materials in connection with the Transaction and announcements of CEREIT) the contents of this Summary Valuation Report (or any part) without first obtaining our written approval. Any person who contravenes this provision shall be responsible for all of the consequences of the same, including indemnifying C&W against all losses, direct or indirect, that it suffers as a consequence of a breach of the foregoing.

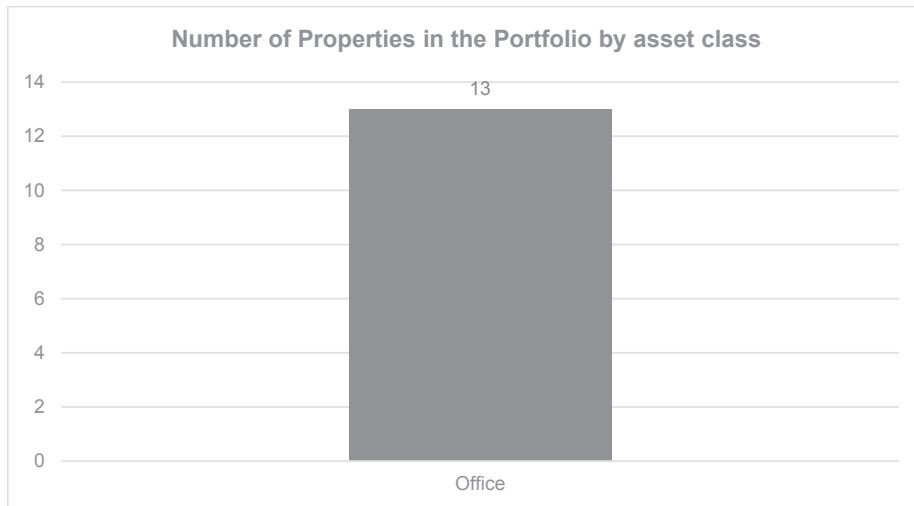
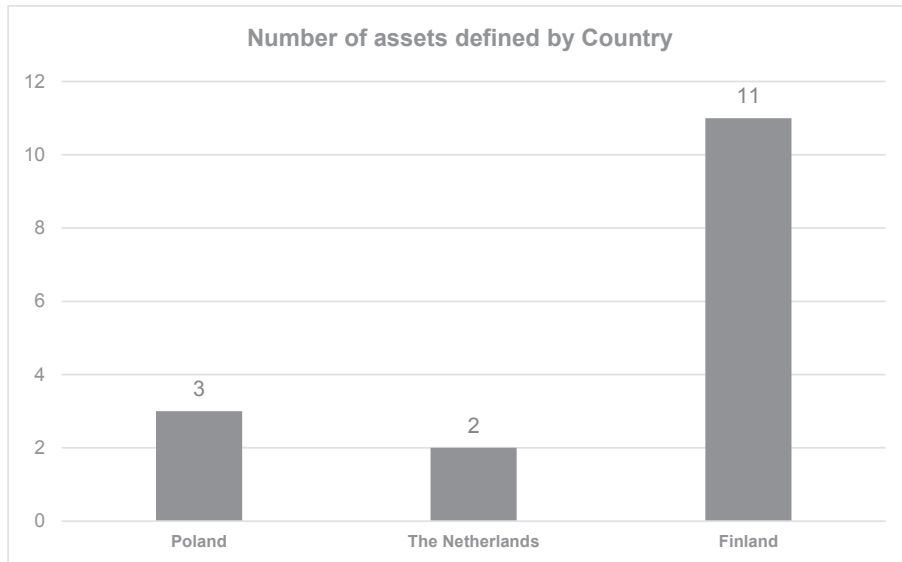
Signed for and on behalf of Cushman & Wakefield Debenham Tie Leung Limited

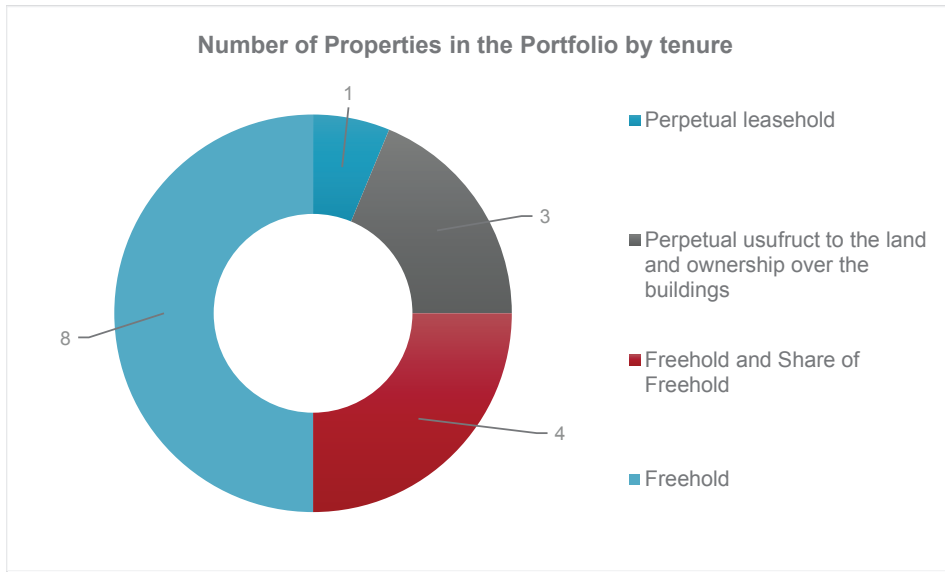


**Jeremy Lock MRICS**  
International Partner  
RICS Registered Valuer  
+44 (0)20 7152 5493  
Jeremy.lock@cushwake.com

## PORTFOLIO OVERVIEW

The Portfolio comprises 16 assets across, Poland, The Netherlands and Finland. Please see the below highlighting additional breakdowns of the Portfolio.





## PROPERTY SCHEDULE



Valuation Schedule as at 27 September 2018

Asset ID	Property Name	Property Address	City	Country	Tenure	Use	Market Value (€)	Rental "top up"
001	Riverside	Riverside Park, Fabryczna 5, Warsaw	Warsaw	Poland	Perpetual usufruct to the land and ownership over the buildings	Office	€ 31,940,000	*
002	Grojecka 5	Grójecka 5, Warsaw	Warsaw	Poland	Perpetual usufruct to the land and ownership over the buildings	Office	€ 22,350,000	*
003	Arkońska 1&2	Arkońska 6, Gdansk	Gdansk	Poland	Perpetual usufruct to the land and ownership over the buildings	Office	€ 18,440,000	*
004	Moeder Teresalaan	Moeder Teresalaan 100, Utrecht	Utrecht	The Netherlands	Perpetual leasehold	Office	€ 50,100,000	*
005	Willemsplein	Willemsplein 2, 's-Hertogenbosch, Den Bosch	Den Bosch	The Netherlands	Freehold	Office	€ 74,700,000	*
006	Plaza Allegro	Plaza Allegro, Äyritie 8 B, 01510 Vantaa	Vantaa	Finland	Freehold and share of freehold	Office	€ 11,400,000	
007	Plaza Vivace	Plaza Vivace, Äyritie 8 C, 01510 Vantaa	Vantaa	Finland	Freehold and share of freehold	Office	€ 14,100,000	
008	Opus 1	Opus 1, Hittsajankatu 24, 00810 Helsinki	Helsinki	Finland	Freehold	Office	€ 15,400,000	
009	Grandinkulma	Grandinkulma, Kielote 7, 01300 Vantaa	Vantaa	Finland	Freehold	Office	€ 12,500,000	
010	Mäkitorpantie 3	Helsingin Mäkitorpantie 3, Mäkitorpantie 3, 00620 Helsinki	Helsinki	Finland	Freehold	Office	€ 7,600,000	*
011	Kuopion Kauppakeskus	Kuopion kauppakeskus, Kauppakatu 39, 70100 Kuopio	Kuopio	Finland	Freehold	Office	€ 7,700,000	
012	Liikelato Myyrintie	Liikelato Myyrintie, Myyrintie 2, 01600 Vantaa	Vantaa	Finland	Freehold and share of freehold	Office	€ 12,200,000	
013	Puroite 1	Puroite 1, 00380 Helsinki	Helsinki	Finland	Freehold	Office	€ 6,500,000	
014	Plaza Forte	Plaza Forte, Äyritie 12 C, 01510 Vantaa	Vantaa	Finland	Freehold and share of freehold	Office	€ 13,800,000	*
015	Pakkalan Kartanonkoski 3	Pakkalan K-Koski 3 KOy, Pakkalankuja 6, 01510 Vantaa	Vantaa	Finland	Freehold	Office	€ 9,200,000	*
016	Pakkalan Kartanonkoski 12	Pakkalan K-Koski 12 KOy, Pakkalankuja 7, 01510 Vantaa	Vantaa	Finland	Freehold	Office	€ 6,700,000	*

## PROPERTY RECORD

---

**Riverside Park, Fabryczna 5, Warsaw, Poland (the “Property”)**


---

<b>Inspection Date</b>	29 August 2018	<b>Valuation Date</b>	27 September 2018
<b>Client</b>	<ul style="list-style-type: none"> <li>• PAL</li> </ul>		
<b>Purpose</b>	<ul style="list-style-type: none"> <li>• Valuations for inclusion in the circular of CEREIT (the circular of CEREIT, the “Circular”) to be issued in connection with the proposed placement and preferential offering by CEREIT on the Main Board of the Singapore Exchange Securities Trading Limited.</li> </ul>		
<b>Type of property</b>	<ul style="list-style-type: none"> <li>• Office</li> </ul>		
<b>Location</b>	<ul style="list-style-type: none"> <li>• The Property is located in Warsaw, the capital city of Poland. Warsaw is the seat of the Polish government as well as the main business destination in Poland.</li> <li>• The Property is located in the Powiśle zone, Śródmieście district, which is situated on the periphery of the Warsaw city centre. Due to its proximity to the Vistula river, large green areas and older residential tenements the district is known for its quiet, relaxing atmosphere, but also for the main buildings of the Warsaw University including the University Library. Within the last few years the area became a fashionable residential district with projects such as Nowe Powiśle, Centrum Nauki Kopernik (Science Centre) or redevelopment of a former Power Station – Elektrownia Powiśle which upon completion will be a commercial hub with a food hall.</li> <li>• The Property is located on Fabryczna street, next to the Łazienkowska route and bridge. The area benefits from a good connectivity to the city centre. The Property is located 10 minutes driving distance from the City Centre, including the Warsaw central railway station. Several buses and tram stops are available within 500 m radius either on Górnośląska street, Rozbrat street or on the Łazienkowska route.</li> </ul>		
<b>Description</b>	<ul style="list-style-type: none"> <li>• The Property comprises two adjoining six-storey office buildings situated on a plot of approx. 4,274 sq m. The offices were built in 2005 in accordance with a BREEAM “Excellent” rating. The Property extends to 12,478 sq m LFA.</li> <li>• The Property is of reinforced concrete frame construction. The façade is a combination of natural stone panels along the northern, eastern and southern facades and glass panel façades facing from the Fabryczna street. Air-conditioning and heating is provided by a four – pipe system. The flat bituminous covered roof is finished with tiles.</li> <li>• The buildings have a rectangular shape and together creating an L shape complex with a small patio in-between. Each building has its own reception area accessible from the patio. Each reception area provides access to upper floors by means of two lifts and a main staircase. The main core is furthermore provided with sanitary facilities on all floors. Layout of each floor is regular of rectangular shape and allow division for four units without additional common space. Each floor provides raised floor and suspended ceiling with 2.8 m height except for the ground floor where the height is 3.3 m.</li> </ul>		

---

<b>Legal Title / Legal Description</b>	Municipality/City:	Warsaw	
	Section:	Śródmieście 5-06-09	
	Plot number(s):	Plots 73/3, 73/4	
	Perpetual book	WA4M/00305606/1	
	Total land area:	4,274 sq m	
<b>Tenure</b>	<ul style="list-style-type: none"> <li>Perpetual usufruct to the land until 2102/02/05 and freehold ownership to the building.</li> </ul>		
<b>Accommodation (both buildings)</b>	<b>Floor</b>	<b>Use</b>	<b>Lettable Floor Area</b> sq m
	Basement	Parking/Technical area	98 parking spaces
	Basement	Storage	28
	Ground Floor	Office/Restaurant	1,720
	First Floor	Office	2,263
	Second Floor	Office	2,122
	Third Floor	Office	2,166
	Fourth Floor	Office	2,215
	Fifth Floor	Office	1,963
	<b>Total Area</b>		<b>12,478</b>
<b>Site Area</b>		<b>4,274</b>	
<b>Year of Completion / Last Refurbished Date</b>	<ul style="list-style-type: none"> <li>Constructed in 2005.</li> </ul>		
<b>Planning</b>	<ul style="list-style-type: none"> <li>The area where the Property is located is not covered with a valid master plan. According to the Development study the area where the property is located is marked M1.20 and zoned for residential and service uses.</li> </ul>		
<b>Tenancy and Income Summary</b>			
<b>Rental income</b>	Gross*	€1,992,460 per annum	
	Net*	€1,831,875 per annum	
*Income reflects any topped-up income and rental guarantee			
<b>Gross to net income deductions</b>	<b>Category</b>		
	Vacancy costs	€4.10 per sq m	
	Agency fee	25% of the Market Rent	
<b>Tenancies</b>	<ul style="list-style-type: none"> <li>The Property is currently let to 17 tenants, including 4 whose leases commence after the Valuation Date. In addition, there are 3 further leases in relation to technology space and antennas.</li> </ul>		

<b>Valuation</b>									
<b>Basis of Valuation</b>	Market Value in accordance with the appropriate sections of the current edition of the RICS Valuation – Global Standards which incorporate the International Valuation Standards ("IVS") and the RICS UK Valuation Standards (the "RICS Red Book"). In this context "current edition" means the version in force at the Valuation Date.								
<b>Method of Valuation</b>	Income Capitalisation Method								
<b>Market Rent</b>	€2,533,562 per annum								
<b>Market Value</b>	<p><b>Market Value</b></p> <p><b>€31,940,000</b></p> <p><b>(Thirty One Million Nine Hundred and Forty Thousand Euros €)</b></p> <p>(Net of assumed purchaser's costs)</p> <p>Gross Market Value</p> <p>€36,271,145</p> <table border="1"> <tr> <td><b>Net Initial Yield</b></td> <td>5.05%</td> <td><b>Reversionary Yield</b></td> <td>6.98%</td> </tr> <tr> <td><b>Equivalent Yield</b></td> <td>6.40%</td> <td><b>Capital value € psm</b></td> <td>2,559</td> </tr> </table>	<b>Net Initial Yield</b>	5.05%	<b>Reversionary Yield</b>	6.98%	<b>Equivalent Yield</b>	6.40%	<b>Capital value € psm</b>	2,559
<b>Net Initial Yield</b>	5.05%	<b>Reversionary Yield</b>	6.98%						
<b>Equivalent Yield</b>	6.40%	<b>Capital value € psm</b>	2,559						
<b>Ownership basis</b>	100%								
<b>Assumptions, Disclaimer, Limitation and Qualifications</b>	This Property Record is provided subject to the assumptions, qualifications, limitations and disclaimers detailed within this Summary Valuation Report and Property Record.								

**Grójecka 5, Warsaw, Poland (the “Property”)**

<b>Inspection Date</b>	29 August 2018	<b>Valuation Date</b>	27 September 2018
<b>Client</b>	<ul style="list-style-type: none"> <li>• PAL</li> </ul>		
<b>Purpose</b>	<ul style="list-style-type: none"> <li>• Valuations for inclusion in the circular of CEREIT (the circular of CEREIT, the “Circular”) to be issued in connection with the proposed placement and preferential offering by CEREIT on the Main Board of the Singapore Exchange Securities Trading Limited.</li> </ul>		
<b>Type of property</b>	<ul style="list-style-type: none"> <li>• Office</li> </ul>		
<b>Location</b>	<ul style="list-style-type: none"> <li>• The Property is located in Warsaw in central Poland. With a population of approximately 1.8 million, Warsaw is the largest and capital city of Poland and the Masovian Voivodeship. The population of the Warsaw metropolitan area is approximately 3.1 million.</li> <li>• The Property is located in Ochota district, on the south west fringe of the city centre. The area is predominantly residential with services on the ground floors along Grójecka Street. There are business destinations located nearby, i.e. along Jerozolimskie Avenue (ca. 400 m), east of Zawiszy Square (Atlas Tower, ca. 350 m) and around Daszyńskiego Roundabout (ca. 1 km). There is a broad range of amenities and facilities in the area, including restaurants, retail outlets and fitness clubs.</li> <li>• The Property is located ca. 200 m from Zawiszy Square, which serves as a public transport hub in this part of Warsaw, serviced by multiple bus and tram lines and commuter trains providing convenient connections with other parts of the city and the suburbs. The nearest metro station is at Daszyńskiego Roundabout (1 km). Railway stations for long-distance connections are situated 1.3 km (central station) and 1.8 km (west station) from the Property. Chopin airport is located 7 km to the south. The road network in the area is very well developed but often congested.</li> </ul>		
<b>Description</b>	<ul style="list-style-type: none"> <li>• The Property comprises a semi-detached six-storey office building situated on a plot of 2,508 sq m. The office was built in 2006. The Property extends to approximately 10,717 sq m GLA.</li> <li>• The Property is of reinforced concrete frame construction. The façade is a combination of natural stone, glass panels and plaster finishing. Fenestration is provided by aluminium framed windows. There is a four-pipe air conditioning installation. The flat bituminous roof is covered with gravel or paved with concrete slabs.</li> <li>• The building has an “L”-shaped form with the main body situated along Grójecka Street and a smaller rear wing. There are two lifts servicing the main wing and an additional lift in the rear wing. There are sanitary facilities and kitchenettes on all office floors in the core of the main wing and also in the rear wing.</li> <li>• Each floor provides raised floors and partially suspended ceilings and is suitable for multi-tenant use due to lifts situated in three separate cores.</li> <li>• The ground floor has a retail use with units accessible directly from the street. Entrance to the two-storey underground parking is from Tarczyńska Street at the back of the Property.</li> </ul>		

<b>Legal Title / Legal Description</b>	Municipality:	Warsaw	
	Section:	Ochota 2-02-02	
	Plot number(s):	5/2 and 7/1	
	Perpetual book(s):	WA1M/00186181/3, WA1M/00193725/1	
	Total land area:	2,508 sq m	
<b>Tenure</b>	<ul style="list-style-type: none"> <li>Perpetual usufruct to the land until 20 May 2063 (67%) and 20 May 2096 (33%) and freehold ownership to the building</li> </ul>		
<b>Accommodation</b>	<b>Floor</b>	<b>Use</b>	<b>Lettable Floor Area</b> sq m
	Basement	Parking	105 parking spaces
	Basement	Storage	119
	Ground Floor	Retail	493
	Ground Floor	Office	182
	Gallery	Office	1,117
	First Floor	Office	1,441
	Second Floor	Office	1,560
	Third Floor	Office	1,562
	Fourth Floor	Office	1,547
	Fifth Floor	Office	1,569
	Sixth Floor	Office	1,125
	<b>Total Area</b>		<b>10,717</b>
	<b>Site Area</b>		<b>2,508</b>
<b>Year of Completion / Last Refurbished Date</b>	<ul style="list-style-type: none"> <li>Constructed in 2006.</li> </ul>		
<b>Planning</b>	<ul style="list-style-type: none"> <li>There is no valid master plan. According to the zoning study the Property is located in an area zoned C&gt;30 – mix-used areas in the city centre with allowed development height above 30 m.</li> </ul>		
<b>Tenancy and Income Summary</b>			
<b>Rental income</b>	Gross*	€1,632,883 per annum	
	Net*	€1,493,952 per annum	
*Income reflects any topped-up income			
<b>Gross to net income deductions</b>	<b>Category</b>		
	Vacancy costs	€4.34 per sq m	
	Agency fee	25% of the Market Rent	

<b>Tenancies</b>	<ul style="list-style-type: none"> <li>The Property is currently let to 11 tenants. In addition, there are 5 leases for antennas.</li> </ul>
------------------	--

### Valuation

<b>Basis of Valuation</b>	Market Value in accordance with the appropriate sections of the current edition of the RICS Valuation – Global Standards which incorporate the International Valuation Standards ("IVS") and the RICS UK Valuation Standards (the "RICS Red Book"). In this context "current edition" means the version in force at the Valuation Date.
---------------------------	---

<b>Method of Valuation</b>	Income Capitalisation Method
----------------------------	------------------------------

<b>Market Rent</b>	€1,886,635 per annum
--------------------	----------------------

<b>Market Value</b>	<p><b>Market Value</b></p> <p><b>€22,350,000</b></p> <p><b>(Twenty Two Million Three Hundred and Fifty Thousand Euros)</b></p> <p>(Net of assumed purchaser's costs)</p> <hr/> <p>Gross Market Value</p> <p>€26,208,095</p> <hr/> <table border="0"> <tr> <td><b>Net Initial Yield</b></td> <td>5.70%</td> <td><b>Reversionary Yield</b></td> <td>7.20%</td> </tr> <tr> <td><b>Equivalent Yield</b></td> <td>6.60%</td> <td><b>Capital Value € psm</b></td> <td>2,085</td> </tr> </table>	<b>Net Initial Yield</b>	5.70%	<b>Reversionary Yield</b>	7.20%	<b>Equivalent Yield</b>	6.60%	<b>Capital Value € psm</b>	2,085
<b>Net Initial Yield</b>	5.70%	<b>Reversionary Yield</b>	7.20%						
<b>Equivalent Yield</b>	6.60%	<b>Capital Value € psm</b>	2,085						

<b>Ownership basis</b>	100%
------------------------	------

<b>Assumptions, Disclaimer, Limitation and Qualifications</b>	This Property Record is provided subject to the assumptions, qualifications, limitations and disclaimers detailed within this Summary Valuation Report and Property Record.
---	---



**Arkońska 6, Gdańsk, Poland (the "Property")**

<b>Inspection Date</b>	3 September 2018	<b>Valuation Date</b>	27 September 2018
<b>Client</b>	<ul style="list-style-type: none"> <li>• PAL</li> </ul>		
<b>Purpose</b>	<ul style="list-style-type: none"> <li>• Valuations for inclusion in the circular of CEREIT (the circular of CEREIT, the "Circular") to be issued in connection with the proposed rights issue by CEREIT on the Main Board of the Singapore Exchange Securities Trading Limited.</li> </ul>		
<b>Type of property</b>	<ul style="list-style-type: none"> <li>• Office</li> </ul>		
<b>Location</b>	<ul style="list-style-type: none"> <li>• The Property is located in Gdańsk, which lies in the northern part of Poland. With a population of approximately 462,000, Gdańsk is the largest and capital city of the Pomorskie Voivodeship. Gdańsk is a part of the metropolitan area known as Tri-City, consisting of three neighbouring cities: Gdańsk, Gdynia and Sopot. The combined population of the three cities is approximately 747,000.</li> <li>• The Property is located in the northern part of Gdańsk, within a mixed commercial and residential area, around 8 km from the city centre. Surroundings include other office buildings of Arkońska Business Park (A3, A4, A5), single family residential buildings and blocks of flats. The Property is situated in proximity of the Oliwa district, the main concentration of modern office space in Gdańsk.</li> <li>• The Property is located on Arkońska Street, approximately 800 m from Grunwaldzka Avenue. Grunwaldzka Avenue is a two- and three-lane dual carriageway and the main arterial route serving the entire Tri-City conurbation. The area benefits from good connectivity to the city centre as well as the surrounding cities. The Property is located 15 minutes driving distance from the S7 express way. The central railway station of Gdańsk is approximately 8 km from the Property. The trains connecting Tri-City and other towns within the agglomeration have a station (Gdańsk Przymorze-Uniwersytet) within 7 minutes walking distance. The closest bus stops are on the corner of Arkońska and Kołobrzeska Streets, approx. 400 m from the property.</li> </ul>		
<b>Description</b>	<ul style="list-style-type: none"> <li>• The Property comprises two five-storey office buildings situated on a plot of 5,313 sq m. The offices were built in 2007-2008. The buildings have a BREEM Excellent rating. The Property extends to approximately 11,166 sq m LFA.</li> <li>• The Property is of reinforced concrete frame construction. The façade is a combination of tiles and glass panel façades. Air-conditioning and heating is provided by a four - pipe system. The buildings technical infrastructure is situated on its flat roof.</li> <li>• Both buildings have a rectangular shape where the various office spaces are built around a central atrium. This central atrium gives access to the upper floors by means of two lifts and a main staircase. The main core also houses sanitary facilities on all floors. Layout of each floor is a rectangular shape and allows division for two units without additional common space. Each floor provides raised floor and suspended ceiling.</li> </ul>		

<b>Legal Title / Legal Description</b>	Municipality:	Gdańsk	
	Section:	19	
	Plot number(s):	52/10	
	Perpetual book(s):	GD1G/00196920/8	
	Total land area:	5,313 sq m	
<b>Tenure</b>	<ul style="list-style-type: none"> <li>Perpetual usufruct to the land until 19 November 2100 and freehold ownership to the buildings</li> </ul>		
<b>Accommodation</b>	<b>Floor</b>	<b>Use</b>	<b>Lettable Floor Area</b> sq m
	Basement	Parking	130 parking spaces (additional 25 spaces on the onsite parking)
	Basement	Storage	28
	Ground Floor	Office	1,627
	First Floor	Office	2,263
	Second Floor	Office	2,432
	Third Floor	Office	2,384
	Fourth Floor	Office	2,432
	<b>Total Area</b>		<b>11,166</b>
	<b>Site Area</b>		<b>5,313</b>
	<b>Year of Completion / Last Refurbished Date</b>	<ul style="list-style-type: none"> <li>Constructed in 2007-2008.</li> </ul>	
<b>Planning</b>	<ul style="list-style-type: none"> <li>The Property is located in an area zoned 001-U33, allowing for commercial as well as public services including offices as well as related parking facilities. The maximum permitted building height is 19m.</li> </ul>		
<b>Tenancy and Income Summary</b>			
<b>Rental income</b>	Gross*	€862,825 per annum	
	Net*	€546,164 per annum	
	*Income reflects any topped-up income		
<b>Gross to net income deductions</b>	<b>Category</b>		
	Vacancy costs	€4.20 per sq m	
	Agency fee	25% of the Market Rent	
<b>Tenancies</b>	<ul style="list-style-type: none"> <li>The Property is currently let to 7 tenants, including 2 whose leases commence after the valuation date. In addition, there are 4 leases for antennas.</li> </ul>		

<b>Valuation</b>			
<b>Basis of Valuation</b>	Market Value in accordance with the appropriate sections of the current edition of the RICS Valuation – Global Standards which incorporate the International Valuation Standards ("IVS") and the RICS UK Valuation Standards (the "RICS Red Book"). In this context "current edition" means the version in force at the Valuation Date.		
<b>Method of Valuation</b>	Income Capitalisation Method		
<b>Market Rent</b>	€1,806,676 per annum		
<b>Market Value</b>	<b>Market Value</b> <b>€18,440,000</b> <b>(Eighteen Million and Four Hundred Forty Thousand Euros)</b> (Net of assumed purchaser's costs)		
	Gross Market Value		
	€21,952,433		
	<b>Net Initial Yield</b>	2.49%	<b>Reversionary Yield</b> 8.23%
	<b>Equivalent Yield</b>	7.30%	<b>Capital Value € psm</b> 1,652
<b>Ownership basis</b>	100%		
<b>Assumptions, Disclaimer, Limitation and Qualifications</b>	This Property Record is provided subject to the assumptions, qualifications, limitations and disclaimers detailed within this Summary Valuation Report and Property Record.		

<b>Moeder Teresalaan 100, Utrecht, The Netherlands (the "Property")</b>			
<b>Inspection Date</b>	04 September 2018	<b>Valuation Date</b>	27 September 2018
<b>Client</b>	<ul style="list-style-type: none"> <li>PAL</li> </ul>		
<b>Purpose</b>	<ul style="list-style-type: none"> <li>Valuations for inclusion in the circular of CEREIT (the circular of CEREIT, the "Circular") to be issued in connection with the proposed placement and preferential offering by CEREIT on the Main Board of the Singapore Exchange Securities Trading Limited.</li> </ul>		
<b>Type of property</b>	<ul style="list-style-type: none"> <li>Office</li> </ul>		
<b>Location</b>	<ul style="list-style-type: none"> <li>The Property is located within Utrecht, which is the capital and most populous city of the province of Utrecht (350,000 inhabitants). The city is situated in the middle of the Netherlands and hence a strategic infrastructural node where several major roads and railways come together.</li> <li>The Property is located on the border of the submarkets 'Kanaleneiland' and 'Graadt van Roggeweg'. This part of the city is situated west of the (historic) city centre. The surrounding area includes a mix of medium and large-sized office properties as well as many residential properties.</li> <li>The Property is located on the Moeder Teresalaan; a side-road of the busy road intersection 'Weg der Verenigde Naties' and 'Beneluxlaan'. The area benefits from a good connectivity to the city centre as well as the surrounding cities. The Property is located 5 minutes driving distance from the A2 motorway which connects Utrecht to Amsterdam in the North and Eindhoven to the south. The central railway station of Utrecht is within 10 minutes walking distance. Several buses and tram stops are situated within the direct vicinity of the Property.</li> </ul>		
<b>Description</b>	<ul style="list-style-type: none"> <li>The Property includes two separate office buildings sharing a parking lot / underground car park and a total plot of approximately 10,175 sq m. The two buildings (100 and 200) were originally constructed in 1987 and together extend to approximately 21,922 sq m LFA.</li> <li>The main construction of the buildings is a reinforced concrete frame. The façades are made from natural stone panels and sun-resistant glass. Fenestration is provided by aluminium framed windows. The Property has a flat roof with bituminous finish. The interior climate throughout is provided by partial cooling.</li> <li>The two buildings each have their own floors plans yet share a central core design. While the floor-plan of number 100 could be described as C-shaped, number 200 could be described as Z-shape. The various office spaces are built around a central atrium. This central atrium gives access to the upper floors by means of three lifts and a main staircase. The main core is furthermore provided with sanitary facilities on all floors. On the ground floor and beneath the two office buildings several parking spaces are found.</li> </ul>		
<b>Legal Title / Legal Description</b>	Municipality:	UTRECHT	
	Section:	S	
	Number(s):	1703	
	Measuring, resp.:	1 hectare	1 ares
			75 centiares
	Total size:	1 hectare	1 ares
			75 centiares

<b>Tenure</b>	<ul style="list-style-type: none"> <li>Perpetual leasehold</li> </ul>		
<b>Accommodation</b>	<b>Floor</b>	<b>Use</b>	<b>Lettable Floor Area</b>
			<b>sq m</b>
		Parking	352 spaces
	Basement	Technical space	91
	Ground Floor	Office	3,521
	First Floor	Office	3,562
	Second Floor	Office	3,164
	Third Floor	Office	2,935
	Fourth Floor	Office	2,703
	Fifth Floor	Office	2,535
	Sixth Floor	Office	1,136
	Seventh Floor	Office	1,136
	Eight Floor	Office	1,138
	<b>Nineth floor</b>	Technical space	-
	<b>Total Area</b>		<b>21,922</b>
	<b>Site Area</b>		<b>10,175</b>
<b>Year of Completion / Last Refurbished Date</b>	<ul style="list-style-type: none"> <li>Constructed in 1987 and 1990 with refurbishment over time.</li> </ul>		
<b>Planning</b>	<ul style="list-style-type: none"> <li>The Property is located in an area zoned 'Besluitvak 22 and 23', allowing for offices as well as related parking facilities. The maximum permitted building height is 30m.</li> </ul>		
<b>Tenancy and Income Summary</b>			
<b>Rental income</b>	Gross*	€3,110,490 per annum	
	Net	€2,803,675 per annum	
	*Income reflects any topped-up income		
<b>Gross to net income deductions</b>	<b>Category</b>	<b>% of Market Rent</b>	
	Property tax	2.6%	
	Insurance premium	0.6%	
	Management costs	2.0%	
	Maintenance costs	5.1%	
	Water rates	0.2%	
<b>Tenancies</b>	<ul style="list-style-type: none"> <li>The Property is currently let to one tenant.</li> </ul>		

<b>Valuation</b>			
<b>Basis of Valuation</b>	Market Value in accordance with the appropriate sections of the current edition of the RICS Valuation – Global Standards which incorporate the International Valuation Standards ("IVS") and the RICS UK Valuation Standards (the "RICS Red Book"). In this context "current edition" means the version in force at the Valuation Date.		
<b>Method of Valuation</b>	Income Capitalisation Method		
<b>Market Rent</b>	€3,662,638 per annum		
<b>Market Value</b>	<b>Market Value</b> <b>€50,100,000</b> <b>(Fifty Million One Hundred Thousand Euros)</b> (Net of assumed purchaser's costs)		
	Gross Market Value		
	€58,383,626		
	<b>Net Initial Yield</b>	4.80%	<b>Reversionary Yield</b> 5.61%
	<b>Equivalent Yield</b>	5.26%	<b>Capital Value € psm</b> 2,285
<b>Ownership basis</b>	100%		
<b>Assumptions, Disclaimer, Limitation and Qualifications</b>	This Property Record is provided subject to the assumptions, qualifications, limitations and disclaimers detailed within this Summary Valuation Report and Property Record.		

<b>illemsplein 2, 's-Hertogenbosch, Den Bosch, The Netherlands (the "Property")</b>				
<b>Inspection Date</b>	04 September 2018	<b>Valuation Date</b>	27 September 2018	
<b>Client</b>	<ul style="list-style-type: none"> <li>PAL</li> </ul>			
<b>Purpose</b>	<ul style="list-style-type: none"> <li>Valuations for inclusion in the circular of CEREIT (the circular of CEREIT, the "Circular") to be issued in connection with the proposed placement and preferential offering by CEREIT on the Main Board of the Singapore Exchange Securities Trading Limited.</li> </ul>			
<b>Type of property</b>	<ul style="list-style-type: none"> <li>Office</li> </ul>			
<b>Location</b>	<ul style="list-style-type: none"> <li>The Property is located within 's-Hertogenbosch, which is the capital of the province Noord-Brabant in the southern part of the Netherlands. With circa 154,000 inhabitants it is one of the larger cities of the south, together with cities like Eindhoven, Tilburg and Breda.</li> <li>The city is favourably located along the A2 Motorway, which makes the city an important link between the Randstad conurbation and the south of the Nederland's. In terms of office occupiers the city accommodates (inter)national institutions such as BDO, Acer, SAP, Ricoh and Essent.</li> <li>The Property is located at Willemssplein within the so-called 't Zand' district, along the railway and west of the (historic) city centre. Together with 'Paleiswartier' at the opposite side of the railway this is the dominant office concentration of Den Bosch. There is a pedestrian bridge directly next to the Property that leads to the "Paleiskwartier" and the central train station is approximately 5-10 walking minutes north of the Property.</li> </ul>			
<b>Description</b>	<ul style="list-style-type: none"> <li>The Property includes a large office complex that was originally built for PNEM (later to be part of Essent) in 1956. A complete refurbishment and extension of the Property was completed in 2009 and today it extends to 31,979 sq m LFA and 598 car park spaces in the (underground) parking. The Property is often praised for its architecture with the renovation and extension designed by recognised architects 'de Architecten Cie.</li> <li>The construction of the Property is traditional with a concrete frame, traditional masonry facades and sloping roofs with metal cladding.</li> <li>The (original) refurbished building (G) of the Property, also referred to as castle, accommodates various front-of the house facilities such as the canteen, presentation rooms, congressing and break-out areas. With the renovation the former courtyard was covered to create a spacious atrium. Adjacent to original building new office Wings were developed in the same style, which are interconnected by a "mainstreet".</li> </ul>			
<b>Legal Title / Legal Description</b>	Municipality:	'S-HERTOGENBOSCH		
	Section:	I		
	Number(s):	2456		
	Measuring, resp.:	1 hectare	82 ares	45 centiares
	Total size:	1 hectare	82 ares	45 centiares
<b>Tenure</b>	<ul style="list-style-type: none"> <li>Freehold</li> </ul>			

Accommodation	Floor	Use	Lettable Floor Area
			sq m
	Ground floor	Warehouse	411
	Basement	Parking	598 spaces
	Basement	Office	2,354
	Ground Floor	Office	5,011
	First Floor	Office	5,238
	Second Floor	Office	4,989
	Third Floor	Office	4,995
	Fourth Floor	Office	3,631
	Fifth Floor	Office	3,448
	Sixth Floor	Office	1,902
	Total Area		<b>31,979</b>
	Site Area		<b>18,710</b>

**Year of Completion / Last Refurbished Date**

- Building G was originally constructed in 1951 and completely refurbished and extended with buildings A-E in 2006.

**Planning**

- The Property is located in an area zoned 'kantoren', allowing for offices as well as related parking facilities. The maximum permitted building heights for parts I, II and III are 39.2m., 28.8 m. and 8 m.

#### Tenancy and Income Summary

Rental income	Gross*	€5,270,930 per annum
	Net	€4,664,889 per annum
*Income reflects any topped-up income		

Gross to net income deductions	Category	% of Market Rent
		Property tax
	Insurance premium	0.9%
	Management costs	1.8%
	Maintenance costs	5.5%
	Water rates	0.3%

**Tenancies**

- The Property is predominately let to Essent (81%). Furthermore, the Property is let 5 other tenants.



Valuation									
<b>Basis of Valuation</b>	Market Value in accordance with the appropriate sections of the current edition of the RICS Valuation – Global Standards which incorporate the International Valuation Standards ("IVS") and the RICS UK Valuation Standards (the "RICS Red Book"). In this context "current edition" means the version in force at the Valuation Date.								
<b>Method of Valuation</b>	Income Capitalisation Method								
<b>Market Rent</b>	€5,509,463 per annum								
<b>Market Value</b>	<p><b>Market Value</b>  <b>€74,700,000</b>  <b>(Seventy Four Million Seven Hundred Thousand Euros)</b>            (Net of assumed purchaser's costs)</p> <hr/> <p>Gross Market Value            €84,235,799</p> <hr/> <table> <tr> <td><b>Net Initial Yield</b></td> <td>5.54%</td> <td><b>Reversionary Yield</b></td> <td>5.82%</td> </tr> <tr> <td><b>Equivalent Yield</b></td> <td>5.52%</td> <td><b>Capital Value € psm</b></td> <td>2,336</td> </tr> </table>	<b>Net Initial Yield</b>	5.54%	<b>Reversionary Yield</b>	5.82%	<b>Equivalent Yield</b>	5.52%	<b>Capital Value € psm</b>	2,336
<b>Net Initial Yield</b>	5.54%	<b>Reversionary Yield</b>	5.82%						
<b>Equivalent Yield</b>	5.52%	<b>Capital Value € psm</b>	2,336						
<b>Ownership basis</b>	100%								
<b>Assumptions, Disclaimer, Limitation and Qualifications</b>	This Property Record is provided subject to the assumptions, qualifications, limitations and disclaimers detailed within this Summary Valuation Report and Property Record.								

**Plaza Allegro, Äyritie 8 B, 01510 Vantaa, Finland (the "Property")**

<b>Inspection Date</b>	30 August 2018	<b>Valuation Date</b>	27 September 2018
<b>Client</b>	<ul style="list-style-type: none"> <li>PAL</li> </ul>		
<b>Purpose</b>	<ul style="list-style-type: none"> <li>Valuations for inclusion in the circular of CEREIT (the circular of CEREIT, the "Circular") to be issued in connection with the proposed placement and preferential offering by CEREIT on the Main Board of the Singapore Exchange Securities Trading Limited.</li> </ul>		
<b>Type of property</b>	<ul style="list-style-type: none"> <li>Office</li> </ul>		
<b>Location</b>	<ul style="list-style-type: none"> <li>The Property is situated 15 km to the north of Helsinki city centre and 3 km to the south of the Helsinki-Vantaa airport in the Aviapolis area. Aviapolis is a cluster created around the Helsinki-Vantaa international airport containing office and logistics as well as residential areas. The area benefits from close proximity to the main roads of Ring Road III, Tuusulanväylä and Hämeenlinnanväylä. The Jumbo shopping centre, with circa 80,000 sq m of retail premises, is located opposite to the Property on the southern side of Ring Road III. The visibility of the Property to the adjacent main roads is excellent.</li> <li>The Aviapolis area, circa 42 sq km in size, is the most important and largest development project in the City of Vantaa currently.</li> <li>A new railway 'Kehärata' connecting the Helsinki-Vantaa airport to the main railway has been built through the Aviapolis area. The construction was completed and the new rail link to Helsinki CBD opened in July 2015. The distance from the Property to Aviapolis train station is circa 1.5 km. There are connecting bus routes to the train station.</li> </ul>		
<b>Description</b>	<ul style="list-style-type: none"> <li>The building is part of the Gate8 Business Park. The Property is one of five buildings that are connected to each other on the ground floor. Plaza Allegro is next to Plaza Vivace, which is considered to be the main office building in Gate8.</li> <li>The Property comprises a six-storey office building situated on a plot of approx. 2,470 sq m. Part of the building is five-storey.</li> <li>The Property is of reinforced concrete frame construction. The façade is made of concrete and dark grey sheet metal. In the lobby, glass panel façades are used.</li> <li>There are 114 parking spaces in a garage, which are located in a separate building.</li> </ul>		
<b>Legal Title / Legal Description</b>	Municipality:	Vantaa	
	Property code:	92-52-128-5	
	Total size:	2,470 sq m	
<b>Tenure</b>	<ul style="list-style-type: none"> <li>Freehold in the building and share of freehold in the car parking</li> </ul>		
<b>Accommodation</b>	<b>Floor</b>	<b>Use</b>	<b>Lettable Floor Area</b>
			<b>sq m</b>
	Parking facility and yard	Parking	114 parking spaces
	Ground floor	Office / Lobby	86

First Floor	Office	495
Second Floor	Office	821
Third Floor	Office	804
Fourth Floor	Office	776
Fifth Floor	Office	820
Sixth Floor	Office	820
<b>Total Area</b>		<b>4,620</b>
<b>Site Area</b>		<b>2,470</b>

**Year of Completion /  
Last Refurbished  
Date**

- Constructed in 2006.

**Planning**

- The Property is located in an area zoned for Office buildings (KT).
- The building right for the plot is 5,650 sq m and a building height of seven storeys.

**Tenancy and Income Summary**

<b>Rental income</b>	Gross	€823,373 per annum
	(inclusive of service charge rent)	(€1,057,594 per annum)
	Net	€776,975 per annum

<b>Gross to net income revisions</b>	<b>Category</b>	<b>€</b>
	Service Charge rent	(+) 234,221 per annum
	Administration costs	(-) 1.00 per sq m
	Operating and maintenance	(-) 59.74 per sq m

**Tenancies**

- The Property is currently let to 19 tenants.

**Valuation**

**Basis of Valuation** Market Value in accordance with the appropriate sections of the current edition of the RICS Valuation – Global Standards which incorporate the International Valuation Standards ("IVS") and the RICS UK Valuation Standards (the "RICS Red Book"). In this context "current edition" means the version in force at the Valuation Date.

**Method of Valuation** Income Capitalisation Method

**Market Rent** €1,043,850 per annum

<b>Market Value</b>	<b>Market Value</b>			
	<b>€11,400,000</b>			
	<b>(Eleven Million Four Hundred Thousand Euros)</b>			
	(Net of assumed purchaser's costs)			
	Gross Market Value			
	€12,033,030			
	<b>Net Initial Yield</b>	6.46%	<b>Reversionary Yield</b>	5.64%
	<b>Equivalent Yield</b>	5.70%	<b>Capital Value € psm</b>	2,468
<b>Ownership basis</b>	100%			
<b>Assumptions, Disclaimer, Limitation and Qualifications</b>	This Property Record is provided subject to the assumptions, qualifications, limitations and disclaimers detailed within this Summary Valuation Report and Property Record.			

**Plaza Vivace, Äyritie 8 C, 01510 Vantaa, Finland (the "Property")**

<b>Inspection Date</b>	30 August 2018	<b>Valuation Date</b>	27 September 2018
<b>Client</b>	<ul style="list-style-type: none"> <li>PAL</li> </ul>		
<b>Purpose</b>	<ul style="list-style-type: none"> <li>Valuations for inclusion in the circular of CEREIT (the circular of CEREIT, the "Circular") to be issued in connection with the proposed placement and preferential offering by CEREIT on the Main Board of the Singapore Exchange Securities Trading Limited.</li> </ul>		
<b>Type of property</b>	<ul style="list-style-type: none"> <li>Office</li> </ul>		
<b>Location</b>	<ul style="list-style-type: none"> <li>The Property is situated 15 km to the north of Helsinki city centre and 3 km to the south of the Helsinki-Vantaa airport in the Aviapolis area. Aviapolis is a cluster created around the Helsinki-Vantaa international airport containing office and logistics as well as residential areas. The area benefits from its proximity to the main roads of Ring Road III, Tuusulanväylä and Hämeenlinnanväylä. Jumbo shopping centre, with circa 80,000 sq m of retail premises, is located opposite to the Property on the southern side of Ring Road III. The visibility of the Property to the adjacent main roads is excellent.</li> <li>The Aviapolis area, is circa 42 sq km in size, and is the most important and largest development project in the City of Vantaa at the moment.</li> <li>A new railway 'Kehärata' connecting the Helsinki-Vantaa airport to the main railway has been built through the Aviapolis area. The construction was completed and the new rail link to Helsinki CBD opened in July 2015. The distance from the Property to Aviapolis train station is some 1.5 km. There are connecting bus routes to the train station.</li> </ul>		
<b>Description</b>	<ul style="list-style-type: none"> <li>The building is part of Gate8 Business Park. The Property is one of five buildings that are connected to each other on the ground floor. Plaza Vivace is considered to be the main building.</li> <li>The Property comprises a seven-storey office building situated on a plot of circa 4,497 sq m. Part of the building is six-storey.</li> <li>The Property is of reinforced concrete frame construction. The façade is made of concrete and dark grey sheet metal. In the lobby, glass panel façades are used.</li> <li>There is a restaurant located on the ground floor, and sauna and lounge facilities are located on the top floor.</li> </ul>		
<b>Legal Title / Legal Description</b>	Municipality:	Vantaa	
	Property code:	92-52-128-6	
	Total size:	4,497 sq m	
<b>Tenure</b>	<ul style="list-style-type: none"> <li>Freehold in the building and share of freehold in the car parking.</li> </ul>		
<b>Accommodation</b>	<b>Floor</b>	<b>Use</b>	<b>Lettable Floor Area</b>
			<b>sq m</b>
	Parking facility and yard	Parking	192 parking spaces
	Ground Floor	Office / Retail	413.5
	First Floor	Office	990.5

Second Floor	Office	835
Third Floor	Office	835
Fourth Floor	Office	850
Fifth Floor	Office	850
Sixth Floor	Sauna and lounge	869
<b>Total Area</b>		<b>5,661</b>
<b>Site Area</b>		<b>4,497</b>

**Year of Completion / Last Refurbished Date**

- Constructed in 2008.

**Planning**

- The Property is located in an area zoned for Office buildings (KT).
- The building right for the plot is 6,000 sq m and a building height of seven storeys.

#### Tenancy and Income Summary

<b>Rental income</b>	Gross	€1,025,724 per annum (inclusive of service charge rent)
	Net	€920,460 per annum

<b>Gross to net income revisions</b>	<b>Category</b>	<b>€</b>
	Service Charge rent	(+) 287,383 per annum
	Administration costs	(-) 1.00 per sq m
	Operating and maintenance	(-) 68.36 per sq m

**Tenancies**

- The Property is currently let to 13 tenants.

#### Valuation

**Basis of Valuation** Market Value in accordance with the appropriate sections of the current edition of the RICS Valuation – Global Standards which incorporate the International Valuation Standards ("IVS") and the RICS UK Valuation Standards (the "RICS Red Book"). In this context "current edition" means the version in force at the Valuation Date.

**Method of Valuation** Income Capitalisation Method

**Market Rent** €1,325,115 per annum

<b>Market Value</b>	<b>Market Value</b>			
	<b>€14,100,000</b>			
	<b>(Fourteen Million One Hundred Thousand Euros)</b>			
	(Net of assumed purchaser's costs)			
	Gross Market Value			
	€14,852,100			
	<b>Net Initial Yield</b>	6.20%	<b>Reversionary Yield</b>	5.59%
	<b>Equivalent Yield</b>	5.69%	<b>Capital Value € psm</b>	2,491
<b>Ownership basis</b>	100%			
<b>Assumptions, Disclaimer, Limitation and Qualifications</b>	This Property Record is provided subject to the assumptions, qualifications, limitations and disclaimers detailed within this Summary Valuation Report and Property Record.			

<b>Opus 1, Hitsaajankatu 24, 00810 Helsinki, Finland (the "Property")</b>			
<b>Inspection Date</b>	30 August 2018	<b>Valuation Date</b>	27 September 2018
<b>Client</b>	<ul style="list-style-type: none"> <li>PAL</li> </ul>		
<b>Purpose</b>	<ul style="list-style-type: none"> <li>Valuations for inclusion in the circular of CEREIT (the circular of CEREIT, the "Circular") to be issued in connection with the proposed placement and preferential offering by CEREIT on the Main Board of the Singapore Exchange Securities Trading Limited.</li> </ul>		
<b>Type of property</b>	<ul style="list-style-type: none"> <li>Office</li> </ul>		
<b>Location</b>	<ul style="list-style-type: none"> <li>The Property is located in the Herttoniemi area, circa 7 km to the north-east of the city centre of Helsinki. The Property is located close to the Itäväylä highway and is located approximately 500 meters from the Herttoniemi metro station.</li> <li>The Property is located in the Opus Business Park. Located in close proximity to the Property is Linnanrakentajantie, with occupiers including Lidl and the postal office. To the north side of the Property, there are also the service centre Hertsi and the shopping centre Megahertsi. To the south, there is Herttoniemenranta, a residential area, which was mainly constructed in the late 1990's and early 2000's.</li> </ul>		
<b>Description</b>	<ul style="list-style-type: none"> <li>The Property comprises an office building, built in 2008, comprising five above ground floors and a basement. The building is situated on a plot of approx. 3,401 sq m. The basement floor is used for car parking and is connected to the other buildings of the Opus Business Park. There are 152 parking spaces.</li> <li>The building has concrete frame construction with a façade of concrete elements and felt-covered roof. The main entrance hall has four floors of glass walls. Windows are triple glazing and have metal frames on the outside and wooden frames on the inside.</li> <li>The internal layout of the Property is broadly comparable for each floor, except for the premises of Berner Oy, that are fully refurbished and where two floors are connected with an internal staircase.</li> <li>The ground floor comprises an entrance hall, meeting rooms and small office rooms. The upper floors provide office accommodation, both open-plan and semi-partioned, with a WC and kitchenette on each floor. A lift and an internal staircase links the floors. The basement is mainly used for car parking but there is also car wash premise as well as some technical rooms and two air-raid shelters used for storage.</li> <li>The building has air-conditioning with heat recovery systems in ventilation machines. The ground floor has burglar alarms. The site is supplied with the city's electricity, water and sewerage services.</li> </ul>		
<b>Legal Title / Legal Description</b>	Municipality:	Helsinki	
	Property code:	91-043-0288-0007	
	Total size:	3,401 sq m	
<b>Tenure</b>	<ul style="list-style-type: none"> <li>Freehold</li> </ul>		



Accommodation	Floor	Use	Lettable Floor Area
			sq m
	Basement	Parking	152 parking spaces 219
	Ground floor	Office / Lobby	404
	First Floor	Office	1,704
	Second Floor	Office	1,744
	Third Floor	Office	1,479
	Fourth Floor	Office	1,270
	Fifth Floor	Office	N/A
	<b>Total Area</b>		<b>6,820</b>
	<b>Site Area</b>		<b>3,401</b>

**Year of Completion /  
Last Refurbished  
Date**

- Constructed in 2008.

**Planning**

- The Property is located in an area zoned for Office buildings (KT).
- The building right for the plot is 7,700 sq m and a building height of six storeys.

**Tenancy and Income Summary**

<b>Rental income</b>	Gross	€1,161,733 per annum (inclusive of service charge rent)
	Net	€741,004 per annum
<b>Gross to net income revisions</b>	<b>Category</b>	<b>€</b>
	Service Charge rent	(+) 86,065 per annum
	Administration costs	(-) 1.00 per sq m
	Operating and maintenance	(-) 73.31 per sq m

**Tenancies**

- The Property is currently let to 5 tenants.

**Valuation**

**Basis of Valuation** Market Value in accordance with the appropriate sections of the current edition of the RICS Valuation – Global Standards which incorporate the International Valuation Standards ("IVS") and the RICS UK Valuation Standards (the "RICS Red Book"). In this context "current edition" means the version in force at the Valuation Date.

**Method of Valuation** Income Capitalisation Method

<b>Market Rent</b>	€1,660,622 per annum		
<b>Market Value</b>	<b>Market Value</b> <b>€15,400,000</b> <b>(Fifteen Million Four Hundred Thousand Euros)</b> (Net of assumed purchaser's costs)		
	Gross Market Value		
	€16,588,008		
	<b>Net Initial Yield</b>	4.47%	<b>Reversionary Yield</b> 5.89%
	<b>Equivalent Yield</b>	5.94%	<b>Capital Value € psm</b> 2,258
<b>Ownership basis</b>	100%		
<b>Assumptions, Disclaimer, Limitation and Qualifications</b>	This Property Record is provided subject to the assumptions, qualifications, limitations and disclaimers detailed within this Summary Valuation Report and Property Record.		

**Grandinkulma, Kielotie 7, 01300 Vantaa, Finland (the "Property")**

<b>Inspection Date</b>	29 August 2018	<b>Valuation Date</b>	27 September 2018
<b>Client</b>	<ul style="list-style-type: none"> <li>PAL</li> </ul>		
<b>Purpose</b>	<ul style="list-style-type: none"> <li>Valuations for inclusion in the circular of CEREIT (the circular of CEREIT, the "Circular") to be issued in connection with the proposed placement and preferential offering by CEREIT on the Main Board of the Singapore Exchange Securities Trading Limited.</li> </ul>		
<b>Type of property</b>	<ul style="list-style-type: none"> <li>Office</li> </ul>		
<b>Location</b>	<ul style="list-style-type: none"> <li>The Property is situated 20 kilometres to the north of Helsinki city centre and 6 kilometres to the east of the Helsinki-Vantaa airport in the district of Tikkurila. Tikkurila is considered to be the city centre of Vantaa. The main railway station of Vantaa is located in Tikkurila and less than 1 km from the Property.</li> <li>The area benefits from the new railway 'Kehärata', which connects the Helsinki-Vantaa airport to the main railway. It has been built through Tikkurila. The construction was completed and the new rail link to Helsinki CBD opened in July 2015.</li> <li>The intersection of route 50 (Ring Road III) located less than 1 km south from the Property.</li> </ul>		
<b>Description</b>	<ul style="list-style-type: none"> <li>The Property comprises a detached four-storey office building with retail accommodation and a cinema. The size of the building plot is 4,738 sq m and the building was built in 1984.</li> <li>Located behind the Property are 79 external car parking spaces.</li> <li>The Property is of reinforced concrete frame construction. The façade is constructed of red brick and the flat roof is covered with bitumen.</li> <li>The internal layout of the Property is broadly comparable for each floor. The ground floor provides predominantly retail accommodation and a cinema. The upper floors provide office accommodation, both open-plan and semi-partitioned. A lift and an internal stair case links the floors.</li> </ul>		
<b>Legal Title / Legal Description</b>	Municipality:	Vantaa	
	Property code:	92-61-106-1	
	Total size:	4,738 sq m	
<b>Tenure</b>	<ul style="list-style-type: none"> <li>Freehold</li> </ul>		
<b>Accommodation</b>	<b>Floor</b>	<b>Use</b>	<b>Lettable Floor Area</b>
			<b>sq m</b>
	Yard	Parking	79 parking spaces
	Basement	Storage	183
	Ground Floor	Retail / Restaurant	1,232
	First Floor	Office	1,571
	Second Floor	Office	1,532
	Third Floor	Office	1,571

Attic	100
<b>Total Area</b>	<b>6,189</b>
<b>Site Area</b>	<b>4,738</b>

**Year of Completion / Last Refurbished Date**

- Constructed in 1984.

**Planning**

- The Property is located in an area zoned for Commercial and office buildings (K).
- The building right for the plot is 6,830 sq m with a building height of four storeys.

#### Tenancy and Income Summary

<b>Rental income</b>	Gross	€1,217,509 per annum
	(inclusive of service charge rent)	(€1,241,449 per annum)
	Net	€953,260 per annum

<b>Gross to net income revisions</b>	<b>Category</b>	<b>€</b>
	Service charge rent	(+) 23,940 per annum
	Administration costs	(-) 1.00 per sq m
	Operating and maintenance	(-) 45.56 per sq m

**Tenancies**

- The Property is currently let to 14 tenants.

#### Valuation

**Basis of Valuation** Market Value in accordance with the appropriate sections of the current edition of the RICS Valuation – Global Standards which incorporate the International Valuation Standards ("IVS") and the RICS UK Valuation Standards (the "RICS Red Book"). In this context "current edition" means the version in force at the Valuation Date.

**Method of Valuation** Income Capitalisation Method

**Market Rent** €1,297,484 per annum

<b>Market Value</b>	<b>Market Value</b>		
	<b>€12,500,000</b>		
	<b>(Twelve Million Five Hundred Thousand Euros)</b>		
	(Net of assumed purchaser's costs)		
	Gross Market Value		
	€14,978,679		
	<b>Net Initial Yield</b>	6.36%	<b>Reversionary Yield</b> 6.18%
	<b>Equivalent Yield</b>	6.22%	<b>Capital Value € psm</b> 2,020
<b>Ownership basis</b>	100%		
<b>Assumptions, Disclaimer, Limitation and Qualifications</b>	This Property Record is provided subject to the assumptions, qualifications, limitations and disclaimers detailed within this Summary Valuation Report and Property Record.		

<b>Helsingin Mäkitorpantie 3, Mäkitorpantie 3, 00620 Helsinki, Finland (the "Property")</b>			
<b>Inspection Date</b>	29 August 2018	<b>Valuation Date</b>	27 September 2018
<b>Client</b>	<ul style="list-style-type: none"> <li>PAL</li> </ul>		
<b>Purpose</b>	<ul style="list-style-type: none"> <li>Valuations for inclusion in the circular of CEREIT (the circular of CEREIT, the "Circular") to be issued in connection with the proposed placement and preferential offering by CEREIT on the Main Board of the Singapore Exchange Securities Trading Limited.</li> </ul>		
<b>Type of property</b>	<ul style="list-style-type: none"> <li>Office</li> </ul>		
<b>Location</b>	<ul style="list-style-type: none"> <li>The Property is situated approximately 8 km to the north of Helsinki city centre. Close to the Property is Käpylä railway station from where it takes circa 10 minutes to Helsinki city centre by train.</li> <li>The intersection to Route 45 (Tuusulanväylä) is located next to the Property.</li> </ul> <p>The Property is located within a predominately residential area with a few office buildings near the railway station. Nearby occupiers include the headquarters of YIT, SATO and FCG Finnish Consulting Group.</p>		
<b>Description</b>	<ul style="list-style-type: none"> <li>The Property comprises a detached three-storey office building situated on a plot of circa 4,428 sq m. The office building was built in 1977. The inside of the building was refurbished in ca. 2013.</li> <li>The Property is of reinforced concrete frame construction. The façade is constructed of red brick and the flat roof is made of bitumen.</li> <li>The building has a rectangular shape. The ground level includes a mixture of office and retail accommodation while the upper floors consist of office space. The main office entrance is from the inner parking yard side.</li> <li>On Mäkitorpantie (the road on the northern side) side are the separate entrances for Fitness24Seven gym and Dylan Kottby restaurant (Toothpicks and Honey Oy).</li> </ul>		
<b>Legal Title / Legal Description</b>	Municipality:	Helsinki	
	Property code:	91-28-181-2	
	Total size:	4,428 sq m	
<b>Tenure</b>	<ul style="list-style-type: none"> <li>Freehold</li> </ul>		
<b>Accommodation</b>	<b>Floor</b>	<b>Use</b>	<b>Lettable Floor Area</b>
			<b>sq m</b>
	Yard	Parking	70 parking spaces
	Basement	Storage	216
	Ground Floor	Office / Retail / Restaurant	1,315
	First Floor	Office	1,394
	Second Floor	Office	1,442
	Attic	Other	0
	<b>Total Area</b>		<b>4,367</b>

<b>Site Area</b>	<b>4,428</b>								
<b>Year of Completion / Last Refurbished Date</b>	<ul style="list-style-type: none"> <li>Constructed in 1977 and refurbished in ca. 2013.</li> </ul>								
<b>Planning</b>	<ul style="list-style-type: none"> <li>The Property is located in an area zoned for Office buildings (KT).</li> <li>The building right for the plot is 4,743 sq m and a building height of 3 storeys.</li> <li>There are plans to build a new residential area for ca. 5,000 people in Metsälä, a former logistics area, which is ca. 1 km from the Property.</li> </ul>								
<b>Tenancy and Income Summary</b>									
<b>Rental income</b>	<table> <tr> <td>Gross*</td> <td>€610,182 per annum (inclusive of service charge rent)</td> </tr> <tr> <td>Net*</td> <td>€549,539 per annum</td> </tr> </table>	Gross*	€610,182 per annum (inclusive of service charge rent)	Net*	€549,539 per annum				
Gross*	€610,182 per annum (inclusive of service charge rent)								
Net*	€549,539 per annum								
	*Income reflects any topped-up income								
<b>Gross to net income revisions</b>	<table> <thead> <tr> <th>Category</th> <th>€</th> </tr> </thead> <tbody> <tr> <td>Service charge rent</td> <td>(+) 159,725 per annum</td> </tr> <tr> <td>Administration costs</td> <td>(-) 1.00 per sq m</td> </tr> <tr> <td>Operating and maintenance</td> <td>(-) 49.46 per sq m</td> </tr> </tbody> </table>	Category	€	Service charge rent	(+) 159,725 per annum	Administration costs	(-) 1.00 per sq m	Operating and maintenance	(-) 49.46 per sq m
Category	€								
Service charge rent	(+) 159,725 per annum								
Administration costs	(-) 1.00 per sq m								
Operating and maintenance	(-) 49.46 per sq m								
<b>Tenancies</b>	<ul style="list-style-type: none"> <li>The Property is currently let to 11 tenants.</li> </ul>								
<b>Valuation</b>									
<b>Basis of Valuation</b>	Market Value in accordance with the appropriate sections of the current edition of the RICS Valuation – Global Standards which incorporate the International Valuation Standards ("IVS") and the RICS UK Valuation Standards (the "RICS Red Book"). In this context "current edition" means the version in force at the Valuation Date.								
<b>Method of Valuation</b>	Income Capitalisation Method								
<b>Market Rent</b>	€833,376 per annum								

<b>Market Value</b>	<b>Market Value</b>			
	<b>€7,600,000</b>			
	<b>(Seven Million Six Hundred Thousand Euros)</b>			
	(Net of assumed purchaser's costs)			
	Gross Market Value			
	€8,137,028			
	<b>Net Initial Yield</b>	6.75%	<b>Reversionary Yield</b>	6.52%
	<b>Equivalent Yield</b>	6.64%	<b>Capital Value € psm</b>	1,740
<b>Ownership basis</b>	100%			
<b>Assumptions, Disclaimer, Limitation and Qualifications</b>	This Property Record is provided subject to the assumptions, qualifications, limitations and disclaimers detailed within this Summary Valuation Report and Property Record.			



<b>Liiketalo Myyrinraitti, Myyrmäenraitti 2, 01600 Vantaa, Finland (the "Property")</b>			
<b>Inspection Date</b>	29 August 2018	<b>Valuation Date</b>	27 September 2018
<b>Client</b>	<ul style="list-style-type: none"> <li>PAL</li> </ul>		
<b>Purpose</b>	<ul style="list-style-type: none"> <li>Valuations for inclusion in the circular of CEREIT (the circular of CEREIT, the "Circular") to be issued in connection with the proposed placement and preferential offering by CEREIT on the Main Board of the Singapore Exchange Securities Trading Limited.</li> </ul>		
<b>Type of property</b>	<ul style="list-style-type: none"> <li>Office</li> </ul>		
<b>Location</b>	<ul style="list-style-type: none"> <li>The Property is situated 14 km to the north-west of Helsinki city centre in the district of Myyrmäki. Myyrmäki is considered a secondary centre of Vantaa. The railway station of Myyrmäki is located ca. 200 meters from the Property.</li> <li>The Property is located between Highway 4 (Hämeenlinnanväylä), ca. 2 km to the east and Route 120 (Vihdintie), ca 2 km to the west.</li> <li>The surrounding area consists of car parking, shopping malls, a school and some residential buildings as well, with one new residential property under construction located next to the Property.</li> </ul>		
<b>Description</b>	<ul style="list-style-type: none"> <li>The Property comprises a rectangular shaped detached four-storey office building with additional retail accommodation on the ground floor. In addition, there are 83 car parking spaces.</li> <li>The size of the plot is 3,573 sq m and the building was constructed in 1985.</li> <li>The Property is of reinforced concrete frame construction with a façade of light tiled concrete elements. The flat roof is covered with bitumen.</li> <li>The internal layout of the first and second floors are broadly comparable with each other. The ground floor consists of a large gym, a restaurant and an inside yard. The first and second floors consist mainly of semi-partitioned office accommodation currently for medical use. The floors are linked with two main stair cases and lifts.</li> </ul>		
<b>Legal Title / Legal Description</b>	Municipality:	Vantaa	
	Property code:	92-15-401-1	
	Total size:	3,573 sq m	
<b>Tenure</b>	<ul style="list-style-type: none"> <li>Freehold in the land and share of freehold in the building.</li> </ul>		
<b>Accommodation</b>	<b>Floor</b>	<b>Use</b>	<b>Lettable Floor Area</b>
			<b>sq m</b>
	Garage and a separate parking facility	Parking	83 parking spaces
	Basement	Storage / Retail	1,056
	Ground Floor	Retail / Restaurant / Gym / Storage	1,683
	First Floor	Office	2,295
	Second Floor	Office	2,184

	Third Floor	Other	297
	<b>Total Area</b>		<b>7,515</b>
	<b>Site Area</b>		<b>3,573</b>

**Year of Completion / Last Refurbished Date**

- Constructed in 1985.

**Planning**

- The Property is located in an area zoned for Commercial buildings (KL).
- The building right for the plot is 6,800 sq m and a building height of three storeys.

#### Tenancy and Income Summary

<b>Rental income</b>	Gross	€1,229,520 per annum
	(inclusive of service charge rent)	(€1,249,803 per annum)
	Net	€905,435 per annum

<b>Gross to net income revisions</b>	<b>Category</b>	<b>€</b>
	Service charge rent	(+) 20,283 per annum
	Administration costs	(-) 1.00 per sq m
	Operating and maintenance	(-) 44.84 per sq m

**Tenancies**

- The Property is currently let to 8 tenants.

#### Valuation

**Basis of Valuation** Market Value in accordance with the appropriate sections of the current edition of the RICS Valuation – Global Standards which incorporate the International Valuation Standards ("IVS") and the RICS UK Valuation Standards (the "RICS Red Book"). In this context "current edition" means the version in force at the Valuation Date.

**Method of Valuation** Income Capitalisation Method

**Market Rent** €1,324,511 per annum

<b>Market Value</b>	<b>Market Value</b>		
	<b>€12,200,000</b>		
	<b>(Twelve Million Two Hundred Thousand Euros)</b>		
	(Net of assumed purchaser's costs)		
	Gross Market Value		
	€13,368,962		
	<b>Net Initial Yield</b>	6.77%	<b>Reversionary Yield</b> 6.19%
	<b>Equivalent Yield</b>	6.33%	<b>Capital Value € psm</b> 1,623
<b>Ownership basis</b>	100% of the land and 94% of the building.		
<b>Assumptions, Disclaimer, Limitation and Qualifications</b>	This Property Record is provided subject to the assumptions, qualifications, limitations and disclaimers detailed within this Summary Valuation Report and Property Record.		

**Purotie 1, 00380 Helsinki, Finland (the "Property")**

<b>Inspection Date</b>	29 August 2018	<b>Valuation Date</b>	27 September 2018
<b>Client</b>	<ul style="list-style-type: none"> <li>PAL</li> </ul>		
<b>Purpose</b>	<ul style="list-style-type: none"> <li>Valuations for inclusion in the circular of CEREIT (the circular of CEREIT, the "Circular") to be issued in connection with the proposed placement and preferential offering by CEREIT on the Main Board of the Singapore Exchange Securities Trading Limited.</li> </ul>		
<b>Type of property</b>	<ul style="list-style-type: none"> <li>Office</li> </ul>		
<b>Location</b>	<ul style="list-style-type: none"> <li>The Property is situated approximately 8 km to the northwest of Helsinki city centre. Pitäjänmäki railway station is located 1 km from the Property. It takes less than 15 minutes from Pitäjänmäki railway station to Helsinki city centre by train.</li> <li>The intersection of regional roads 101 (Ring Road I) and 120 (Vihdintie) is located ca. 2 km north from the Property.</li> <li>The Property is located in a former industrial district with a current mixture of office, residential and industrial buildings.</li> </ul>		
<b>Description</b>	<ul style="list-style-type: none"> <li>The Property comprises a detached five-storey office building with a parking garage situated on a plot of approx. 2,289 sq m. The office building was built in 1991.</li> <li>The Property is of reinforced concrete frame construction.</li> <li>The building has a rectangular shape. The main office entrance and the front doors for the retail premises are on the north side of the building facing Pitäjänmäentie. In the basement are storage and parking spaces.</li> <li>The internal layout of the Property is broadly comparable for each floor. The ground level includes a barber shop, a restaurant and a gym. The upper floors consist mostly of office space with some laboratory premises. There are three lifts and two stair cases linking the floors.</li> <li>There are 63 parking spaces, located in an underground parking facility and externally.</li> </ul>		
<b>Legal Title / Legal Description</b>	Municipality:	Helsinki	
	Property code:	91-46-5-7	
	Total size:	2,289 sq m	
<b>Tenure</b>	<ul style="list-style-type: none"> <li>Freehold</li> </ul>		
<b>Accommodation</b>	<b>Floor</b>	<b>Use</b>	<b>Lettable Floor Area</b>
			sq m
	Yard	Parking	22 parking spaces
	Basement	Storage / Parking	214 41 parking spaces
	Ground Floor	Office / Retail / Restaurant	774
	First Floor	Office	1,142
	Second Floor	Office	1,168

Third Floor	Office	1,168
Fourth Floor	Other	226
<b>Total Area</b>		<b>4,692</b>
<b>Site Area</b>		<b>2,289</b>

**Year of Completion /  
Last Refurbished  
Date**

- Constructed in 1991.

**Planning**

- The Property is located in an area zoned for Commercial buildings (KTY).
- The building right for the plot is 5,266 sq m of which 1,000 sq m can be used for retail premises. The building has planning permission for five storeys in height.

**Tenancy and Income Summary**

<b>Rental income</b>	Gross	€848,520 per annum
	(inclusive of service charge rent)	(€853,642 per annum)
	Net	€588,950 per annum

<b>Gross to net income revisions</b>	<b>Category</b>	<b>€</b>
	Service charge rent	(+) 5,122 per annum
	Administration costs	(-) 1.00 per sq m
	Operating and maintenance	(-) 55.41 per sq m

**Tenancies**

- The Property is currently let to 11 tenants.

**Valuation**

**Basis of Valuation** Market Value in accordance with the appropriate sections of the current edition of the RICS Valuation – Global Standards which incorporate the International Valuation Standards ("IVS") and the RICS UK Valuation Standards (the "RICS Red Book"). In this context "current edition" means the version in force at the Valuation Date.

**Method of Valuation** Income Capitalisation Method

**Market Rent** €942,109 per annum

<b>Market Value</b>	<b>Market Value</b>			
	<b>€6,500,000</b>			
	<b>(Six Million Five Hundred Thousand Euros)</b>			
	(Net of assumed purchaser's costs)			
	Gross Market Value			
	€8,655,559			
	<b>Net Initial Yield</b>	6.82%	<b>Reversionary Yield</b>	6.80%
	<b>Equivalent Yield</b>	6.74%	<b>Capital Value € psm</b>	1,385
<b>Ownership basis</b>	100%			
<b>Assumptions, Disclaimer, Limitation and Qualifications</b>	This Property Record is provided subject to the assumptions, qualifications, limitations and disclaimers detailed within this Summary Valuation Report and Property Record.			

---

**Plaza Forte, Äyritie 12 C, 01510 Vantaa, Finland (the “Property”)**


---

<b>Inspection Date</b>	30 August 2018	<b>Valuation Date</b>	27 September 2018
<b>Client</b>	<ul style="list-style-type: none"> <li>• PAL</li> </ul>		
<b>Purpose</b>	<ul style="list-style-type: none"> <li>• Valuations for inclusion in the circular of CEREIT (the circular of CEREIT, the “Circular”) to be issued in connection with the proposed placement and preferential offering by CEREIT on the Main Board of the Singapore Exchange Securities Trading Limited.</li> </ul>		
<b>Type of property</b>	<ul style="list-style-type: none"> <li>• Office</li> </ul>		
<b>Location</b>	<ul style="list-style-type: none"> <li>• The Property is situated 15 km to the north of Helsinki city centre and 3 km to the south of the Helsinki-Vantaa airport in the Aviapolis area. Aviapolis is a cluster created around the Helsinki-Vantaa international airport containing office and logistics as well as residential areas. The area benefits from its proximity to the main roads of Ring Road III, Tuusulanväylä and Hämeenlinnanväylä.</li> <li>• The Jumbo shopping centre, with circa 80,000 sq m of retail premises, is located opposite to the Property on the southern side of Ring Road III. The visibility of the Property to the adjacent main roads is excellent.</li> <li>• The Aviapolis area, which is circa 42 sq km in size, is the most important and largest development project in the City of Vantaa currently.</li> <li>• A new railway ‘Kehärata’ connecting the Helsinki-Vantaa airport to the main railway has been built through the Aviapolis area. The construction was completed and the new rail link to Helsinki CBD opened in July 2015. The distance from the Property to Aviapolis train station is circa 1.5 km. There are connecting bus routes to the train station from the Property.</li> </ul>		
<b>Description</b>	<ul style="list-style-type: none"> <li>• The building is part of the Gate8 Business Park. The Property is one of three buildings that are connected to each other on the ground floor. Plaza Forte is next to Plaza Presto, which is connected to Plaza Piano.</li> <li>• The Property comprises a seven-storey office building situated on a plot of approx. 3,981 sq m.</li> <li>• The Property is of reinforced concrete frame construction. The façade is made of concrete and dark grey sheet metal. In the lobby, glass panel façades are used.</li> <li>• The internal layout of the Property is broadly comparable for each floor. The ground floor provides office accommodation and the lobby. The upper floors provide office accommodation, both open-plan and semi-partitioned, with a WC and kitchenette on each floor. A lift and an internal staircase links the floors.</li> <li>• The appearance of the internal layout is fairly modern. Granite has been used on the walls and partly on the floors in the hallway on the ground floor. Corridors in the upper floors have door frames made of steel, some have tile covered floors and some have carpet covering.</li> <li>• There are a total of 199 parking spaces located on a yard and inside the parking facility. The car parking is contained within a larger block and which serves more than just the building which is the subject of our valuation.</li> </ul>		

---

<b>Legal Title / Legal Description</b>	Municipality:	Vantaa	
	Property code:	92-52-110-7	
	Total size:	3,981 sq m	
<b>Tenure</b>	<ul style="list-style-type: none"> <li>Freehold in the building and share of freehold in the car parking.</li> </ul>		
<b>Accommodation</b>	<b>Floor</b>	<b>Use</b>	<b>Lettable Floor Area</b>
			<b>sq m</b>
	Parking facility and yard	Parking	199 parking spaces
	Ground floor	Office	869
	First Floor	Office	863
	Second Floor	Office	867
	Third Floor	Office	867
	Fourth Floor	Office	863
	Fifth Floor	Office	861
	Sixth Floor	Office	864
	Seventh Floor	Sauna and lounge	N/A
	<b>Total Area</b>		<b>6,054</b>
<b>Site Area</b>		<b>3,981</b>	
<b>Year of Completion / Last Refurbished Date</b>	<ul style="list-style-type: none"> <li>Constructed in 2002.</li> </ul>		
<b>Planning</b>	<ul style="list-style-type: none"> <li>The Property is located in an area zoned for Office buildings (KT).</li> <li>The building right for the plot is 7,200 sq m and a maximum of 7 storeys high.</li> </ul>		
<b>Tenancy and Income Summary</b>			
<b>Rental income</b>	Gross*	€1,193,001 per annum (inclusive of service charge rent) (€1,240,398 per annum)	
	Net*	€818,409 per annum	
*Income reflects any topped-up income			
<b>Gross to net income revisions</b>	<b>Category</b>	<b>€</b>	
	Service Charge rent	(+) 47,397 per annum	
	Administration costs	(-) 1.00 per sq m	
	Operating and maintenance	(-) 68.71 per sq m	



<b>Tenancies</b>	<ul style="list-style-type: none"> <li>The Property is currently let to 28 tenants.</li> </ul>								
<b>Valuation</b>									
<b>Basis of Valuation</b>	Market Value in accordance with the appropriate sections of the current edition of the RICS Valuation – Global Standards which incorporate the International Valuation Standards ("IVS") and the RICS UK Valuation Standards (the "RICS Red Book"). In this context "current edition" means the version in force at the Valuation Date.								
<b>Method of Valuation</b>	Income Capitalisation Method								
<b>Market Rent</b>	€1,373,725 per annum								
<b>Market Value</b>	<p><b>Market Value</b></p> <p><b>€13,800,000</b></p> <p><b>(Thirteen Million Eight Hundred Thousand Euros)</b></p> <p>(Net of assumed purchaser's costs)</p> <hr/> <p>Gross Market Value</p> <p>€14,793,482</p> <hr/> <table> <tr> <td><b>Net Initial Yield</b></td> <td>5.53%</td> <td><b>Reversionary Yield</b></td> <td>5.71%</td> </tr> <tr> <td><b>Equivalent Yield</b></td> <td>5.70%</td> <td><b>Capital Value € psm</b></td> <td>2,280</td> </tr> </table>	<b>Net Initial Yield</b>	5.53%	<b>Reversionary Yield</b>	5.71%	<b>Equivalent Yield</b>	5.70%	<b>Capital Value € psm</b>	2,280
<b>Net Initial Yield</b>	5.53%	<b>Reversionary Yield</b>	5.71%						
<b>Equivalent Yield</b>	5.70%	<b>Capital Value € psm</b>	2,280						
<b>Ownership basis</b>	100%								
<b>Assumptions, Disclaimer, Limitation and Qualifications</b>	This Property Record is provided subject to the assumptions, qualifications, limitations and disclaimers detailed within this Summary Valuation Report and Property Record.								

<b>Pakkalan K-Koski 3 KOy, Pakkalankuja 6, 01510 Vantaa, Finland (the "Property")</b>			
<b>Inspection Date</b>	29 August 2018	<b>Valuation Date</b>	27 September 2018
<b>Client</b>	<ul style="list-style-type: none"> <li>PAL</li> </ul>		
<b>Purpose</b>	<ul style="list-style-type: none"> <li>Valuations for inclusion in the circular of CEREIT (the circular of CEREIT, the "Circular") to be issued in connection with the proposed placement and preferential offering by CEREIT on the Main Board of the Singapore Exchange Securities Trading Limited.</li> </ul>		
<b>Type of property</b>	<ul style="list-style-type: none"> <li>Office</li> </ul>		
<b>Location</b>	<ul style="list-style-type: none"> <li>The Property is situated 20 km to the north of Helsinki city centre in the district of Pakkala. The population in Pakkala district has grown in recent years, especially with a new residential area Kartanonkoski.</li> <li>The intersection of Route 43 (Ring Road III) is located less than 1 km from the Property and it crosses with Route 45 (Tuusulanväylä) less than ca. 1.5 km from the Property.</li> <li>The immediate surroundings of the Property consist of few other office buildings, fields and the Kartanonkoski residential area. Just north of the Property is Vantaanportti business park with one of the largest shopping centres in Finland, Jumbo.</li> </ul>		
<b>Description</b>	<ul style="list-style-type: none"> <li>The Property comprises a T shaped detached seven-storey office building. The size of the plot is 9,456 sq m and the building was constructed in 1992.</li> <li>The Property is of reinforced concrete frame construction and a façade of concrete elements. The flat roof is covered with bitumen.</li> <li>The internal layout of the Property is broadly comparable for each floor. On the ground floor is the reception, a restaurant, conference and office accommodation. The remaining floors mainly comprise office accommodation. In the attic there is further conference accommodation and a sauna. The floors are linked with three lifts, one stairway in the middle of the building, and one at the end of each "wing" of the building.</li> <li>The appearance of the internal layout is in most cases fairly modern with open-plan, and semi-partioned office, but in some cases there are still oldish partitioned office spaces with dated surfaces. The lobby has flagged floor, and most of the offices laminate or textile floors.</li> <li>There are 216 parking space, with 203 located in the external yard and 13 in the basement of the Property.</li> </ul>		
<b>Legal Title / Legal Description</b>	Municipality:	Vantaa	
	Property code:	92-51-204-3	
	Total size:	9,456 sq m	
<b>Tenure</b>	<ul style="list-style-type: none"> <li>Freehold</li> </ul>		
<b>Accommodation</b>	<b>Floor</b>	<b>Use</b>	<b>Lettable Floor Area</b>
			<b>sq m</b>
	Yard	Parking	203 parking spaces

Basement	Parking / Storage	13 parking spaces 569
Ground Floor	Reception / Office	1,037
First Floor	Office	970
Second Floor	Office	1,050
Third Floor	Office	1,056
Fourth Floor	Office	1,050
Fifth Floor	Office	1,047
Sixth Floor	Office	1,017
Attic	Other	N/A
<b>Total Area</b>		<b>7,796</b>
<b>Site Area</b>		<b>9,456</b>

**Year of Completion /  
Last Refurbished  
Date**

- Constructed in 1992.

**Planning**

- The Property is located in an area zoned for Office buildings (KT).
- The building right for the plot is 14,100 sq m and building height of seven storeys.

**Tenancy and Income Summary**

<b>Rental income</b>	Gross*	€1,071,026 per annum (inclusive of service charge rent) (€1,096,160 per annum)
	Net*	€625,360 per annum

\*Income reflects any topped-up income

<b>Gross to net income revisions</b>	<b>Category</b>	<b>€</b>
	Service charge rent	(+) 25,134 per annum
	Administration costs	(-) 1.00 per sq m
	Operating and maintenance	(-) 59.39 per sq m

**Tenancies**

- The Property is currently let to 20 tenants.

**Valuation**

<b>Basis of Valuation</b>	Market Value in accordance with the appropriate sections of the current edition of the RICS Valuation – Global Standards which incorporate the International Valuation Standards ("IVS") and the RICS UK Valuation Standards (the "RICS Red Book"). In this context "current edition" means the version in force at the Valuation Date.
---------------------------	---

<b>Method of Valuation</b>	Income Capitalisation Method		
<b>Market Rent</b>	€1,405,657 per annum		
<b>Market Value</b>	<b>Market Value</b> <b>€9,200,000</b> <b>(Nine Million Two Hundred Thousand Euros)</b> (Net of assumed purchaser's costs)		
	Gross Market Value		
	€11,134,539		
	<b>Net Initial Yield</b>	5.62%	<b>Reversionary Yield</b> 6.86%
	<b>Equivalent Yield</b>	6.70%	<b>Capital Value € psm</b> 1,180
<b>Ownership basis</b>	100%		
<b>Assumptions, Disclaimer, Limitation and Qualifications</b>	This Property Record is provided subject to the assumptions, qualifications, limitations and disclaimers detailed within this Summary Valuation Report and Property Record.		

<b>Pakkalan K-Koski 12 KOy, Pakkalankuja 7, 01510 Vantaa, Finland (the "Property")</b>			
<b>Inspection Date</b>	29 August 2018	<b>Valuation Date</b>	27 September 2018
<b>Client</b>	<ul style="list-style-type: none"> <li>PAL</li> </ul>		
<b>Purpose</b>	<ul style="list-style-type: none"> <li>Valuations for inclusion in the circular of CEREIT (the circular of CEREIT, the "Circular") to be issued in connection with the proposed placement and preferential offering by CEREIT on the Main Board of the Singapore Exchange Securities Trading Limited.</li> </ul>		
<b>Type of property</b>	<ul style="list-style-type: none"> <li>Office</li> </ul>		
<b>Location</b>	<ul style="list-style-type: none"> <li>The Property is situated 20 kilometres to the north of Helsinki city centre in the district of Pakkala. The population in Pakkala district has grown in recent years, especially with a new residential area Kartanonkoski.</li> <li>The intersection of Route 43 (Ring Road III) is located less than 1 km from the Property and it crosses with Route 45 (Tuusulanväylä) less than ca. 1.5 km from the Property.</li> <li>The immediate surroundings of the Property consist of additional office buildings, open land and the Kartanonkoski residential area. Just north of the Property is the Vantaanportti business park with one of the largest shopping centers in Finland, Jumbo.</li> </ul>		
<b>Description</b>	<ul style="list-style-type: none"> <li>The Property comprises of a "T" shaped four-storey office building with a link to the building on the neighbouring plot.</li> <li>The Property is of reinforced concrete frame construction with a flat roof which has a bitumen covering. The main façade has concrete cladding.</li> <li>The size of the plot is 5,689 sq m and the building was constructed in 2001.</li> <li>The internal layout of the Property is broadly comparable for each floor. Located on the ground floor is a retail unit and two additional office units. The upper floors comprise office accommodation. One lift and two stair cases link the floors.</li> <li>The appearance of the internal layout is fairly modern. The example office unit was open-plan with rooms separated with glass walls. The unit included a kitchen space and textile floors.</li> <li>There are 65 parking spaces in the external yard.</li> </ul>		
<b>Legal Title / Legal Description</b>	Municipality:	Vantaa	
	Property code:	92-51-203-17	
	Total size:	5,689 sq m	
<b>Tenure</b>	<ul style="list-style-type: none"> <li>Freehold</li> </ul>		
<b>Accommodation</b>	<b>Floor</b>	<b>Use</b>	<b>Lettable Floor Area</b>
			<b>sq m</b>
	Yard	Parking	65 parking spaces
	Ground Floor	Office	797
	First Floor	Office	859
	Second Floor	Office	884

Third Floor	Office	885
<b>Total Area</b>		<b>3,425</b>
<b>Site Area</b>		<b>5,689</b>

**Year of Completion / Last Refurbished Date**

- Constructed in 2001.

**Planning**

- The Property is located in an area zoned for Office buildings (KT).
- The building right together with the plot 92-51-203-16 is 10,400 sq m with permission for a building height of four storeys.

#### Tenancy and Income Summary

<b>Rental income</b>	Gross	€695,101 per annum
	(inclusive of service charge rent)	(€704,058 per annum)
	Net	€517,635 per annum

<b>Gross to net income revisions</b>	<b>Category</b>	<b>€</b>
	Service charge rent	(+) 8,957 per annum
	Administration costs	(-) 1.00 per sq m
	Operating and maintenance	(-) 53.43 per sq m

**Tenancies**

- The Property is currently let to 7 tenants.

#### Valuation

**Basis of Valuation** Market Value in accordance with the appropriate sections of the current edition of the RICS Valuation – Global Standards which incorporate the International Valuation Standards ("IVS") and the RICS UK Valuation Standards (the "RICS Red Book"). In this context "current edition" means the version in force at the Valuation Date.

**Method of Valuation** Income Capitalisation Method

**Market Rent** €696,423 per annum

<b>Market Value</b>	<b>Market Value</b>		
	<b>€6,700,000</b>		
	<b>(Six Million Seven Hundred Thousand Euros)</b>		
	(Net of assumed purchaser's costs)		
	Gross Market Value		
	€7,194,008		
	<b>Net Initial Yield</b>	7.20%	<b>Reversionary Yield</b> 6.28%
	<b>Equivalent Yield</b>	6.33%	<b>Capital Value € psm</b> 1,956
<b>Ownership basis</b>	100%		
<b>Assumptions, Disclaimer, Limitation and Qualifications</b>	This Property Record is provided subject to the assumptions, qualifications, limitations and disclaimers detailed within this Summary Valuation Report and Property Record.		

## APPENDIX A: ABBREVIATIONS

ERV	Estimated Rental Value
GIA	Gross Internal Area
IPMS	International Property Measurement Standards
NIA	Net Internal Area
PS	Professional Standard
RICS	Royal Institution of Chartered Surveyors
VPGA	Valuation Practice Guidance Application
VPS	Valuation Professional Standard
WAULT	Weighted Average Unexpired Lease Term
WAULB	Weighted Average Unexpired Lease Term to Break



## SOURCES OF INFORMATION AND TERMS OF THE ENGAGEMENT

### Sources of Information

In addition to information established by us, we have relied on the information obtained from CPG as listed below:

Information	Source / Author
Floor areas	CPG
Scale floor plans / Floor areas and measured survey report	CPG
Details of ground conditions	CPG
Condition survey report	CPG
Details of building defects	CPG
Flooding risk enquiries, environmental enquiries	CPG
Copy environmental report / Details of known environmental or contamination issues	CPG
Tax assessments	CPG
Copy report on title / Confirmation of title, including site plan, tenure, tenancy and sub-tenancy details, etc. / Copy leases	CPG
Details of planning use and relevant planning consents	CPG
Service charge information	CPG
Details of irrecoverable outgoings	CPG
Details of recent, current or proposed marketing of the Property and offers received	CPG

## Terms of the Engagement

The TOE can be found within our Portfolio Valuation Report, which we understand a copy of can be located at Cromwell EREIT Management Pte. Ltd., which is located at 50 Collyer Quay #07-02 OUE Bayfront Singapore 049321.



#### About Cushman & Wakefield

Cushman & Wakefield is a leading global real estate services firm that helps clients transform the way people work, shop and live. The firm's 43,000 employees in more than 60 countries provide deep local and global insights that create significant value for our clients. Cushman & Wakefield is among the largest commercial real estate services firms, with core services of agency leasing, asset services, capital markets, facility services, global occupier services, investment & asset management (DTZ Investors), project & development services, tenant representation and valuation & advisory. To learn more, visit [www.cushmanwakefield.com](http://www.cushmanwakefield.com) or follow @CushWake on Twitter.

© Cushman & Wakefield 2018





---

# REPORT AND VALUATION

**CROMWELL EUROPEAN REAL ESTATE INVESTMENT TRUST  
PAN-EUROPEAN REAL ESTATE PORTFOLIO OF 16 PROPERTIES**

**VALUATION SUMMARY LETTER**

26 October 2018

---

PREPARED FOR  
CROMWELL EREIT MANAGEMENT PTE LTD; AND  
PERPETUAL (ASIA) LIMITED

PREPARED BY  
COLLIERS INTERNATIONAL VALUATION  
UK LLP

Accelerating success.

50 George Street  
London W1U 7GA  
www.colliers.com/uk

DDI +44 20 7344 6831  
MAIN +44 20 7935 4499  
EMAIL Martin.Miklosko@colliers.com



26 October 2018

Cromwell EREIT Management Pte Ltd (the "CEREIT Manager") (in its capacity as manager of Cromwell European Real Estate Investment Trust (the "CEREIT"))  
50 Collyer Quay, #07-02  
OUE Bayfront  
Singapore 049321

AND

Perpetual (Asia) Limited ("PAL") (in its capacity as trustee of the CEREIT)  
16 Collyer Quay, #07-01  
Singapore 049318

Together the "Addressees".

Dear Sirs

## CROMWELL EUROPEAN REAL ESTATE INVESTMENT TRUST PAN-EUROPEAN REAL ESTATE PORTFOLIO OF 16 PROPERTIES

### INTRODUCTION AND TERMS OF ENGAGEMENT

In accordance with our Terms of Engagement dated 24 September 2018, we present our Summary Valuation letter for inclusion in the Circular of Cromwell European Real Estate Investment Trust (the "CEREIT") to be issued in connection with the proposed listing of units of the CEREIT on the Main Board of Singapore Exchange Securities Trading Limited (the "Circular"). This letter forms part of a suite of documents and must be read in conjunction with our Portfolio Report, Individual Property Reports and General Assumptions and Definitions, all of which form part of our Report and Valuation. The documents will be made available for inspection. We have disclosed all matters to our knowledge that we anticipate would be required by the Addressee in order to meet the requirements of the Securities and Futures Act, the Monetary Authority of Singapore and the Singapore Exchange Securities Trading Limited (the "SGX-ST").

### THE PROPERTIES SUBJECT TO THE VALUATION

The Portfolio comprises 16 predominantly office Properties across three European countries, the Netherlands, Poland and Finland (the "Portfolio"). A list of all properties is set out in the Valuation Summary section of this letter. Further analysis of the portfolio composition can be found in the Circular as prepared by the issuer.

Colliers International is the licensed trading name of Colliers International Valuation UK LLP which is a limited liability partnership registered in England and Wales with registered number OC391629. Our registered office is at 50 George Street, London W1U 7GA

## PURPOSE OF VALUATION

The valuation has been prepared for the purpose of providing you with the Market Value of each of 16 properties (the “Properties”, and each a “Property”) located in three countries that will be held by the CEREIT.

The valuations will be included in the Circular.

## STATUS OF VALUER AND CONFLICTS OF INTEREST

The valuations have been prepared by a suitably qualified and experienced team comprising experts in each country where the properties are located, in conjunction with the report signatories from the Colliers International UK office. The following individuals have provided oversight:

- Martin Miklosko MRICS, UK
- Adrian Camp MRICS, UK
- Russell Francis MRICS, UK
- Marsja Hoogvorst MRICS, the Netherlands
- Alicja Zajler MRICS, Poland
- Seppo Koponen MRICS of GEM Property Oy, Finland\*

\*In Finland, the valuations have been carried out in conjunction with GEM Property Oy, a specialist real estate advisory firm instructed by us for the purpose of assisting with this instruction.

We confirm that Colliers International complies with the requirements of independence and objectivity under PS 2 and that we have undertaken the valuations acting as “independent” valuers, qualified for the purposes of this valuation. The signatories are Members of the Royal Institution of Chartered Surveyors (the “RICS”) and are valuers registered in accordance with the RICS Valuer Registration Scheme (“VRS”).

Colliers are defined as an “Expert” for the purpose of the Securities and Futures Act.

We confirm that we have had no previous involvement with the Properties.

## BASIS OF VALUE

The values stated in this letter represent our objective opinion of **Market Value** in accordance with the definition set out below as at the date of valuation. Each valuation assumes that the Property has been properly marketed and that exchange of contracts took place on the valuation date.

Market Value is defined as follows:

*'The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion'*

No allowance has been made for either the costs of realisation or for taxation which might arise on a disposal. Our values are, however, net of standard purchaser's costs appropriate to each specific entity.

## DATE OF VALUATION

All Properties have been valued as at 27 September 2018.

## CURRENCY

The valuations are presented in Euros.

## PROPERTY INSPECTIONS AND MEASUREMENTS

All of the Properties were inspected internally and externally during August and September 2018. Any limitations of inspections are identified in the individual property reports.

We have been advised by you that there have been no material changes to the Properties or their immediate surroundings since the date of our inspection.

As instructed, we have relied upon the floor areas provided by the CEREIT Manager. We have not measured the Properties and neither have we undertaken the measurement of any land sites. We have assumed these to be correct, and have been assessed and calculated in accordance with local market practice

## ASSUMPTIONS, EXTENT OF INVESTIGATIONS & SOURCES OF INFORMATION

An assumption as stated in the glossary to the Red Book is a 'supposition taken to be true'. In undertaking our valuations, we have made a number of assumptions and have relied on certain sources of information.

We have made an assumption in respect of the information the CEREIT Manager and its professional advisers have supplied to us in respect of the Properties is both complete, accurate and up to date, so far as they are aware. It follows that we have made an assumption that details of all matters likely to affect value within their collective knowledge such as prospective lettings, rent reviews, outstanding requirements to comply with legislation, capital expenditure, environmental and flood risk mitigation / remediation and planning decisions have been made available to us. Whilst Colliers International has endeavoured to ensure the accuracy of the information, it has not independently verified all information provided by the CEREIT Manager.

We have relied upon this information in preparing this letter, our Portfolio Valuation and the Individual Property Reports, and do not accept responsibility or liability for any errors or omissions in that information or documentation provided to us, nor for any consequences arising. Colliers International also accepts no responsibility for subsequent changes in information as to floor areas, income, expenses or market conditions that we have not been made aware of.

Furthermore, we have assumed that any information supplied can, if necessary, be verified. Should any of the information provided be found to be inaccurate or incomplete there could be a variation in value.

The key assumptions made in our valuations are set out in the Portfolio Report and individual Property reports, and must be considered in conjunction with this Summary Valuation letter in order to gain a full understanding of the properties, their markets and our approach. Our General Assumptions and Definitions are attached hereto in order to provide an overview of the standard approach.

The key documents and sources of information that we have relied upon are set out in the Portfolio Report. These address matters such as property condition and technical surveys, environmental matters (including contamination and flood risk), planning and zoning status, property taxation, statutory compliance, title and tenure and occupational agreements.

## VALUATION APPROACH

We have approached our valuation on the basis of assessing the value of each property individually, having regard to what we believe each property would achieve should it be brought to the market in isolation at the date of valuation. Our valuation makes no allowance for the disposal of the portfolio in its entirety as a single transaction, or as a series of smaller portfolio 'lots'. Our valuation additionally makes no allowance for any effect on value should all the properties be offered to the market at the same time.

The Portfolio comprises predominantly office buildings, although with an element of other uses such as retail, leisure, healthcare and car parking as well as ancillary. The Properties are located across three different European countries, each having their own landlord and tenant law as well as local taxes and practices.

As all the Properties are income generating we have adopted an income approach to valuation using the Income Capitalisation Method as the primary valuation method and the Comparable Method as a cross check. In line with market practice, we have assumed that the properties are sold subject to any existing leases.

The Income Capitalisation Method can be used in relation to income producing assets, and in its simplest form involves the analysis of comparable transactions in the real estate market to arrive at a suitable capitalisation yield (NOI / capital value). Using these transactions as a benchmark, a suitably adjusted yield is then applied to the income generated by the subject property to arrive at a capital value. The relationship between the initial capitalisation yield and the capital value of the



property is complex, and accordingly this initial yield indicator subsumes a range of assumptions including, inter alia, future rental growth, future letting voids, capital appreciation, condition, development opportunities and security of the income stream. Accordingly, to ensure a suitable level of accuracy is achieved when using this method, there should be careful analysis of any comparable market transactions.

## TOPPING UP OF INCENTIVES

In accordance with our instructions, where tenants are currently in rent free periods or have stepped rental increases incorporated into their leases or benefit from any other tenant incentives (together the "TIs"); unless specifically advised in certain cases by the CEREIT Manager; we have assumed the full headline rent the tenants are contractually obliged to pay is payable on the Valuation Date.

For the benefit of the valuation, we have assumed that the TIs top up sit as a benefit with each Property and therefore would be made available for any potential purchaser of any Property.

In this regard we have received an undertaking (the "Undertaking") confirming that PAL as trustee of the CEREIT will enter into a parental undertaking with Cromwell SG SPV 3 pte.; a subsidiary of the CEREIT and purchaser of the Properties (the "Parent Undertaking"). The Parent Undertaking sets out that an amount equivalent to the specified TIs calculated at the point of the completion of the transaction to acquire the properties will be available to the first future purchaser of each Property. Furthermore, we have received email confirmation that the assumptions reflected in this valuation reflect the rental top up levels as guaranteed under the Parent Undertaking as if it had been executed as at the Valuation Date of 27 September 2018. A copy of the Undertaking and the Parent Undertaking will be available for inspection.

## VALUATION SUMMARY

We are of the opinion that the aggregate Market Value, as at the valuation date, of the freehold and long leasehold Properties is:

€317,100,000

**(Three Hundred and Seventeen Million One Hundred Thousand Euros).**

The aforementioned valuation figure represents the aggregate of the individual valuations of each Property and should not be regarded as the value of the portfolio in the context of a sale as a single lot. The individual values are as follows:

Property Ref.	Address	Country	Market Value (€)
1	Riverside Park, Fabryczna, Warsaw	Poland	30,500,000
2	Grojecka 5, Warsaw	Poland	22,000,000
3	Arkonska Business Park,Gdansk	Poland	19,000,000
<b>SUBTOTAL</b>			<b>71,500,000</b>
Property Ref.	Address	Country	Market Value (€)
4	Moeder Teresalaan 100 – 200, Utrecht	Netherlands	51,500,000
5	Willemsplein 2, Den Bosch	Netherlands	77,600,000
<b>SUBTOTAL</b>			<b>129,100,000</b>
6	Plaza Allegro - uilding 2,Vantaa	Finland	10,800,000
7	Plaza Vivace - Building 1,Vantaa	Finland	12,900,000
8	Opus Business Park,Hitsaajankatu 20-24,Helsinki,00810	Finland	15,700,000
9	Grandinkulma,Kielotie 7,Vantaa,01300	Finland	12,750,000
10	Helsingin Mäkitorpantie 3,Mäkitorpantie 3,Helsinki,00620	Finland	7,800,000
11	Kuopion Kauppakeskus,Kauppakatu,Kuopio,70100	Finland	7,200,000
12	Liiketalo Myyrinraitti,Torpantie 2,Vantaa,01650	Finland	12,000,000
13	Purotie 1,Helsinki	Finland	7,500,000
14	Plaza Forte KOy,Vantaa	Finland	12,850,000
15	Pakkalan K-K 3 KOy,Vantaa	Finland	10,600,000
16	Pakkalan K-Koski 12 KOy,Vantaa	Finland	6,400,000
<b>SUBTOTAL</b>			<b>116,500,000</b>
<b>TOTAL</b>			<b>317,100,000</b>

## RELIANCE AND LIABILITY

This Valuation Summary Letter has been prepared for the purposes of inclusion in the Circular.

To the extent permitted by applicable law, Colliers International expressly disclaims liability to any person in the event of any omissions from, or false or misleading statements included in, the Prospectus, other than in respect of this valuation and the information provided in the Report. We do not make any warranty or representations to the accuracy of the information in any part of the Prospectus other than as expressly made or given in our Report. The Valuer has no pecuniary interest that would conflict with the proper valuation of the Properties.

Colliers International has relied upon property data supplied by the CEREIT Manager which we assume to be true and accurate. Colliers International takes no responsibility for inaccurate client supplied data and subsequent conclusions related to such data.

We agree that the CEREIT and the Addressees of this Letter shall have the benefit of and be able to rely upon our valuations and any reports prepared by us in accordance with our terms of engagement and shall be subject to the same terms and conditions set out in this Letter including but not limited to the limitation of our liability (which shall apply collectively to the CEREIT and the Addressees of this Letter, as trustee of the CEREIT in aggregate).

This Letter and valuation is issued solely for the use of the Addressee as agreed within the terms of our Engagement, for the specific purpose to which it refers. Unless expressly agreed by us, we do not accept any responsibility or liability in respect of any third parties for the whole or any part of its contents, even if a third party meets the whole or any part of our costs.

Save in respect of third parties directly instructed by us and not on your behalf, we shall not be liable for the services or products provided by other third parties, nor shall we be required to inspect or supervise such third parties, irrespective of the third party services or products being incidental to or necessary for the provision of our services to you.

Subject to the extent permitted by law, our liability arising out of, or in connection with each property valued by us under the Terms of Engagement, whether arising from negligence, breach of contract, or any other cause whatsoever, shall in no event exceed €20,000,000 or 20% of the Market Value in respect of that property, whichever is the lower.

Subject to the extent permitted by law, the aggregate liability to the addressees arising out of, or in connection with the Terms of Engagement, whether arising from negligence, breach of contract, or any other cause whatsoever, shall in no event exceed €20,000,000 or 20% of the total Market Value in respect of the Properties, whichever is the lower. This clause shall not exclude or limit our liability for actual fraud, and shall not limit our liability for death or personal injury caused by our negligence.

The aforementioned liability caps are subject to the extent permitted by the Securities and Futures Act, Chapter 289 of Singapore.

This clause shall replace clause 13.5 of our Standard Terms of Business.

For the avoidance of doubt, this Portfolio Report is provided by Colliers International Valuation UK LLP and no partner, member or employee assumes any personal responsibility for it nor shall owe a duty of care in respect of it.

## ALTERNATIVE INVESTMENT FUND MANAGEMENT DIRECTIVE (AIFMD)

For any property that is currently held in an entity to which to which the European Parliament and Council Directive 2011/61/EU ('the AIFMD'), which relates to Alternative Investment Fund Managers ('AIFM'), applies, our instructions are solely limited to providing recommendations on the value of



particular property assets (subject to the assumptions set out in our valuation report) and we are therefore not determining the net asset value of either the Fund or the individual properties within the Fund. Accordingly, we are not acting as an 'external valuer' (as defined under the AIFMD) but are providing our service in the capacity of a 'valuation advisor' to the AIFM.

## DISCLOSURE AND PUBLICATION

We agree to the inclusion of all or any part of the Portfolio Report to which this Valuation Summary Letter refers, or any data or other information contained in such Report, and the Colliers name can be quoted, reproduced and relied upon (i) in the preliminary Circular, (ii) in the final Circular prepared in connection with the listing or any other offer materials prepared by or on behalf of the CEREIT, including any supplementary documents (if any), in connection with the listing, (iii) in any materials produced by or on behalf of the CEREIT in connection with presentations or other materials prepared in connection with the listing, and (iv) in any public announcements of the CEREIT (which will contain the following disclaimer "To the fullest extent permitted by law, Colliers excludes all liability arising from the use of or reliance on its valuations by any person other than the Addressees of the valuations for any purposes whatsoever").

Save as provided above, if it is intended to make a reference to this Valuation Summary Letter in any published document, our prior approval to the publication is required so that we can approve the reference in context. In breach of this condition, no responsibility can be accepted to third parties for the comments or advice contained in this Valuation Summary Letter. Disclosure of the Portfolio Report by the Addressees of same is not prohibited if required (i) in connection with any actual or threatened legal, judicial or regulatory proceedings (for avoidance of doubt, this shall include disclosure by the Addressees in connection with any form of due diligence defence) or for the purpose of resolving any actual or threatened dispute or (ii) in communications to insurers in connection with an actual or threatened dispute or claim, or (iii) in connection with the Addressees due diligence enquiries of the contents of the Circular.

In order to comply with these Valuation Standards our files may be subject to monitoring by the RICS.





Yours faithfully,

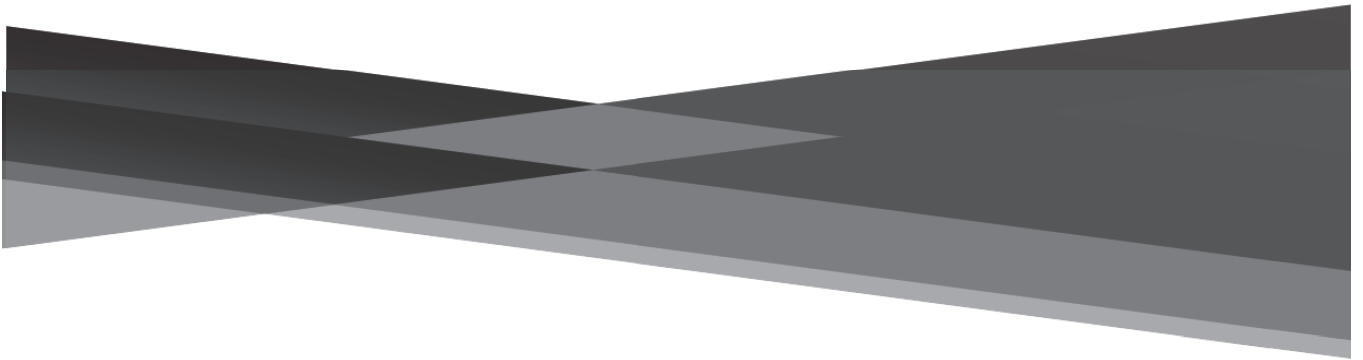
**Martin Miklosko MRICS**  
Director – EMEA Valuation & Advisory  
RICS Registered Valuer  
Colliers International Valuation UK LLP

**Adrian Camp MRICS**  
Director – EMEA Valuation & Advisory  
RICS Registered Valuer  
Colliers International Valuations B.V.

**Russell Francis MRICS**  
Director – Head of Valuation & Advisory Services  
RICS Registered Valuer  
Colliers International Valuation UK LLP



# APPENDIX 1: GENERAL ASSUMPTIONS AND DEFINITIONS



## GENERAL ASSUMPTIONS AND DEFINITIONS

Unless otherwise instructed, our valuations are carried out in accordance with the following assumptions, conditions and definitions. These form an integral part of our appointment.

Our Report and Valuation is provided in accordance with the RICS Valuation – Global Standards 2017 (Incorporating the IVSC International Valuation Standards) prepared by the Royal Institution of Chartered Surveyors (the “Red Book”), and with Colliers’ Standard Terms of Business. Any opinions of value are valid only at the valuation date and may not be achievable in the event of a future disposal or default, when both market conditions and the sale circumstances may be different.

Within the Report and Valuation, we make assumptions in relation to facts, conditions or situations that form part of the valuation. We assume that all information provided by the addressee, the manager or third party (as appropriate) in respect of the property is complete and correct. We assume that details of all matters relevant to value, such as prospective lettings, rent reviews, legislation and planning decisions, have been made available to us, and that such information is up to date. In the event that any of these assumptions prove to be incorrect then we reserve the right to review our opinions of value.

### VALUATION DEFINITIONS:

**Market Value** is defined in IVS 104 paragraph 30.1 as:

*‘The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.’*

The interpretative commentary on Market Value, within the International Valuation Standards (IVS), has been applied.

**Market Rent** is defined in IVS 104 paragraph 40.1 as:

*‘The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.’*

The appropriate lease terms will normally reflect current practice in the market in which the property is situated, although for certain purposes unusual terms may need to be stipulated. Unless stated otherwise within the report, our valuations have been based upon the assumption that the rent is to be assessed upon the premises as existing at the date of our inspection.

**Investment Value or ‘Worth’**, is defined in IVS 104 paragraph 60.1 as:

*‘the value of an asset to a particular owner or prospective owner for individual investment or operational objectives.’*

This is an entity-specific basis of value and reflects the circumstances and financial objectives of the entity for which the valuation is being produced. Investment value reflects the benefits received by an entity from holding the asset and does not necessarily involve a hypothetical exchange.

**Fair Value** is defined according to one of the definitions below, as applicable to the instructions.

Fair Value - International Accounting Standards Board (IASB) in IFRS 13.

*'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.'*

Fair Value - UK Generally Accepted Accounting Principles (UK GAAP) adopts the FRS 102 definition:

*"The amount for which an asset could be exchanged, a liability settled, or an equity instrument granted could be exchanged, between knowledgeable, willing parties in an arm's length transaction."*

#### **SPECIAL ASSUMPTIONS**

Where we are instructed to undertake valuations subject to a Special Assumption, these usually require certain assumptions to be made about a potential alternative use or status of the property. This is a hypothetical scenario that we consider realistic, relevant and valid as at the valuation date, but which may not necessarily be deliverable at a future date.

#### **REINSTATEMENT / REPLACEMENT COST ASSESSMENT AND INSURANCE**

If we provide a reinstatement cost assessment, we do not undertake a detailed cost appraisal and the figure is provided for guidance purposes only. It is not a valuation in accordance with the Red Book and is provided without liability. It must not be relied upon as the basis from which to obtain building insurance.

In arriving at our valuation we assume that the building is capable of being insured by reputable insurers at reasonable market rates. If, for any reason, insurance would be difficult to obtain or would be subject to an abnormally high premium, it may have an effect on costs.

#### **PURCHASE AND SALE COSTS AND TAXATION**

Where appropriate, and in accordance with local market practice for the asset type, we make deductions to reflect purchasers' acquisition costs and vendor's disposal costs. Trade-related properties are usually valued without deducting the costs of purchase. Where appropriate, purchasers' costs are calculated based on professional fees inclusive of tax, together with the appropriate level of transaction / transfer tax.

Whilst we have regard to the general effects of taxation on market value, we do not take into account any liability for tax that may arise on a disposal, whether actual or notional. We do not make any deduction for local taxation in relation to capital gains, Value Added Tax or any other tax. We make no allowance for receipt or repayment of any grants or other funding.

#### **PLANS, FLOOR AREAS AND MEASUREMENTS**

Where a site plan is provided, this is for indicative purposes only and should not be relied upon. Site areas and boundaries are obtained from third party sources and we are unable to warrant their accuracy. We recommend that a solicitors Report on Title be obtained and that the site boundaries we have assumed are verified and if any questions of doubt arise the matter to be raised with us so that we may review our valuation.

We obtain floor areas in accordance with the approach agreed in our Terms of Engagement. This may comprise one or more of the following approaches (i) we measure the floor areas during the property inspection (ii) we calculate floor areas from plans provided to us, supported by check measurements on site where possible, (iii) we rely upon floor areas provided. Under approaches (ii) and (iii), we wholly rely upon the information provided, and assume that the areas have been calculated in accordance with market standards. We are unable to provide any warranties as to accuracy.



Measurement is in accordance with local market practice. If we are instructed not to adopt International Property Measurement Standards (IPMS), measurements are provided in accordance with the latest version of the relevant local market standards. We adopt the appropriate floor area basis for our valuation analysis to reflect the analysis of floor areas in the comparable transactions. Where the basis of analysis of a comparable is uncertain, we adopt a default assumption for that asset type.

Although every reasonable care is taken to ensure the accuracy of the surveys there may be occasions when due to tenant's fittings, or due to restricted access, professional estimations are required. We recommend that where possible, we are provided with scaled floor plans in order to cross-reference the measurements. In the event that a specialist measuring exercise is undertaken for the property, we recommend that a copy is forwarded to us in order that we may comment on whether there may be an impact on the reported value.

Floor areas set out in our report are provided for the purpose described in the Report and Valuation and are not to be used or relied upon for any other purpose.

#### **CONDITION, STRUCTURE AND SERVICES, HARMFUL / DELETERIOUS MATERIALS, HEALTH & SAFETY LEGISLATION AND EPCS**

Our Report and Valuation takes account of the general condition of the property as observed from the valuation inspection, and is subject to access. Where we have noticed items of disrepair during the course of our inspections, they are reflected in our valuations, unless otherwise stated.

We do not undertake any form of technical, building or deleterious material survey and it is a condition of our appointment that we will in no way review, or give warranties as to, the condition of the structure, foundations, soil and services. Unless we are supplied with evidence to the contrary, we assume that the property is fully in compliance with building regulations and is fully insurable. We assume it is free from any rot, infestation, adverse toxic chemical treatments, and structural or design defects. We assume that none of the materials commonly considered deleterious or harmful are included within the property, such as, inter alia, asbestos, high alumina cement concrete, calcium chloride as a drying agent, wood wool slabs as permanent shuttering, aluminium composite cladding material, polystyrene and polyurethane cladding insulation.

In the event that asbestos is identified in a property, we do not carry out an asbestos inspection, nor are we able to pass comment on the adequacy of any asbestos registers or management plans. Where relevant, we assume that the property is being managed in full compliance with the relevant statutory regulations, and that there is no requirement for immediate expenditure, nor any risk to health.

We do not test any services, drainage or service installations. We assume that all services, including gas, water, electricity and sewerage, are provided and are functioning satisfactorily.

We assume that the property has an economic life span similar to comparable properties in the market, subject to regular maintenance and repairs in accordance with appropriate asset management strategies.

We comment on the findings of energy performance certificates (EPCs), as relevant to the jurisdiction, if they are made available to us, but may be unable to quantify any impact on value. If we are not provided with an EPC, we assume that if one was available, its rating would not have had a detrimental impact upon our opinion value or marketability.

Our valuations do not take account of any rights, obligations or liabilities, whether prospective or accrued as a consequence of defective premises, deleterious or harmful materials. Unless advised to the contrary, we assume that the properties comply with, and will continue to comply with all relevant health & safety and disability legislation.

We do not test any alarms or installations and assume that the property complies with, and will continue to comply with, fire regulations.

Where a specialist condition or structural survey is provided to us, we reflect the contents of the report in our valuation to the extent that we are able to as valuation surveyors, and our assumptions should be verified by the originating consultant. Should any issues subsequently be identified, we reserve the right to review our opinion of value.

#### **GROUND CONDITIONS, ENVIRONMENTAL MATTERS, CONSTRAINTS AND FLOODING**

We are not chartered environmental surveyors and we will not provide a formal environmental assessment. Our investigations are therefore limited to observations of fact, obtained from third party sources, such as local authorities, the Environment Agency and professional reports that may be commissioned for the valuation.

We do not carry out any soil, geological or other tests or surveys in order to ascertain the site conditions or other environmental conditions of the property. Unless stated to the contrary within the report, our valuation assumes that there are no unusual features that may be harmful to people or property, or that would inhibit the actual or assumed use or development of the property. This includes, inter alia: ground conditions and load bearing qualities, subterranean structures or services, contamination, pollutants, mining activity, sink holes, geological fault lines, archaeological remains, radon gas, electromagnetic fields and power lines, invasive plants and protected species.

We do not undertake any investigations into flooding, other than is available from public sources or professional reports provided to us. Our findings are outlined in the report for information only, without reliance or warranty. We assume in our valuation that appropriate insurance is in place and may be renewed to any owner of the property by reputable insurers at reasonable market rates. If, for any reason, insurance would be difficult to obtain or would be subject to an abnormally high premium, it may have an effect on value.

Should our enquiries or any reports indicate the existence of environmental issues or other matters as described above, we expect them to contain appropriate actions and costings to address the issue. We rely on this information and use it as an assumption in our valuation. If such information is not available, we may not be able to provide an opinion of value.

We assume that the information and opinions we are given in order to prepare our valuation are complete and correct and that further investigations would not reveal more information sufficient to affect value. However, a purchaser in the market may undertake further investigations, and if these were unexpectedly to reveal issues, then this might reduce the values reported. We recommend that appropriately qualified and experienced specialists are instructed to review our report and revert to us if our assumptions are incorrect.

#### **PLANT AND MACHINERY, FIXTURES AND FITTINGS**

We disregard the value of all process related plant, machinery, fixtures and fittings, and those items which are in the nature of occupiers' trade fittings and equipment. We have regard to landlords' fixtures such as lifts, escalators, central heating and air conditioning forming an integral part of the buildings.

Where properties are valued as an operational entity and includes the fixtures and fittings, it is assumed that these are not subject to any hire purchase or lease agreements or any other claim on title.

No equipment or fixtures and fittings are tested in respect of relevant electrical equipment and gas safety regulations and we assume that where appropriate all such equipment meets the necessary legislation. Unless otherwise specifically mentioned the valuation excludes any value attributable to plant and machinery.

## **OPERATIONAL ENTITIES**

Where the properties are valued as an operational entity and reference is made to the trading history or trading potential of the property, we place reliance on information supplied to us. Should this information subsequently prove to be inaccurate or unreliable, the valuations reported could be adversely affected. Our valuations do not make any allowance for goodwill.

## **TITLE, TENURE, OCCUPATIONAL AGREEMENTS AND COVENANTS**

Unless otherwise stated, we do not inspect any statutory registry records, title deeds, leases or related legal documents and, unless otherwise disclosed to us, we assume good and marketable title that is free from onerous or restrictive covenants, rights of way and easements, and any other encumbrances or outgoing that may affect value. We disregard any mortgages, debentures or other charges to which the property may be subject.

We assume that any ground rents, service charges other contributions are fair and proportionate, and are not subject to onerous increases or reviews.

Where we have not been supplied with leases, unless we have been advised to the contrary, we assume that all the leases are granted on a standard market basis, including the repairing and insuring responsibilities, and that all rents are reviewed or indexed according to standard market practice. We assume that no questions of doubt arise as to the interpretation of the provisions within the leases. We assume that wherever rent increases are pending, all notices have been served validly and they will be adjusted according to the assumptions we set out within the reports.

Unless informed otherwise, we assume that all rents and other payments payable by virtue of the leases have been paid to date and there are no arrears of rent, service charge or other breaches in the obligations of occupation.

In the case of property that is let, our opinion of value is based on our assessment of the investment market's perception of the covenant strength of the occupiers. This is arrived at in our capacity as valuation surveyors on the basis of information that is publicly available. We are not accountants or credit experts and we do not undertake a detailed investigation into the financial status of the tenants. Our valuations reflect the type of tenants actually in occupation or responsible for meeting lease commitments, or likely to be in occupation, and the market's general perception of their creditworthiness. We provide no warranties as to covenant strength and recommend that you make your own detailed enquiries if your conclusions differ from our own.

Where we are provided with a report on title and/or occupational agreement, we form our opinion of value reflecting our interpretation of that title. Your legal advisers should review our understanding of the title and confirm that this is correct.

## **PLANNING, LICENSING, PROPERTY TAX AND STATUTORY ENQUIRIES**

We undertake online planning enquiries to the extent that we consider reasonable and appropriate to the valuation. We do not make formal verbal or written enquiries to the relevant authorities. If a professional planning report is provided to us, we will take the findings into account in our valuation but will not be accountable for the advice provided within it, nor any errors of interpretation or fact within the third party report.

We assume that the property is constructed, used and occupied in full compliance with the relevant planning and building regulation approvals and that there are no outstanding notices, conditions, breaches, contraventions, non-compliance, appeals or challenge. We assume that all consents, licenses and permissions are in place, that there are no outstanding works or conditions required by lessors or statutory, local or other

competent authorities, and that no adverse planning conditions or restrictions apply. If we are instructed to value property on the Special Assumption of having the benefit of a defined planning permission or license, we assume that it will not be appealed or challenged at any point prior to, or following, implementation.

Our investigations are limited to identifying material planning applications on the property and observable constraints. We seek to identify any proposals in the immediate vicinity that may have an impact on the property, such as highway proposals, comprehensive development schemes and other planning matters.

We seek to obtain property tax information, where available but cannot warranty its accuracy or application.

Given that statutory information is obtained from third party sources, we are unable to provide any reliance as to its accuracy. Your legal advisers should verify our assumptions and revert to us if required.

#### **VALUATIONS ASSUMING DEVELOPMENT, REFURBISHMENT OR REPOSITIONING**

Unless specifically instructed to the contrary, where we are provided with development costs and construction schedules by the addressee, a borrower or an independent quantity surveyor, we rely on this information as an assumption in arriving at our opinion of value. It forms an assumption within our valuation and we accept no liability if the actual costs or programme differ from those assumed at the valuation date.

We are not quantity surveyors and provide no reliance as to construction costs or timescale. Irrespective of the source of this information, a professional quantity surveyor should review our assumptions and revert to us if there are any issues of doubt, so that we may review our opinion of value.

We additionally assume that a hypothetical market purchaser will have the necessary resources, skills and experience to deliver the proposed development. It is not within our scope to assess the credentials of any actual purchaser, owner or developer of the property that is subject to our valuation. We accept no liability for any circumstances where a development or refurbishment does not achieve our concluded values.

If a property is in the course of development, our valuation assumes that the interest will be readily assignable to a market purchaser with all contractor and professional team warranties in place. Where an opinion of the completed development value is required, we assume that all works are completed in accordance with appropriate statutory and industry standards, and are institutionally acceptable.

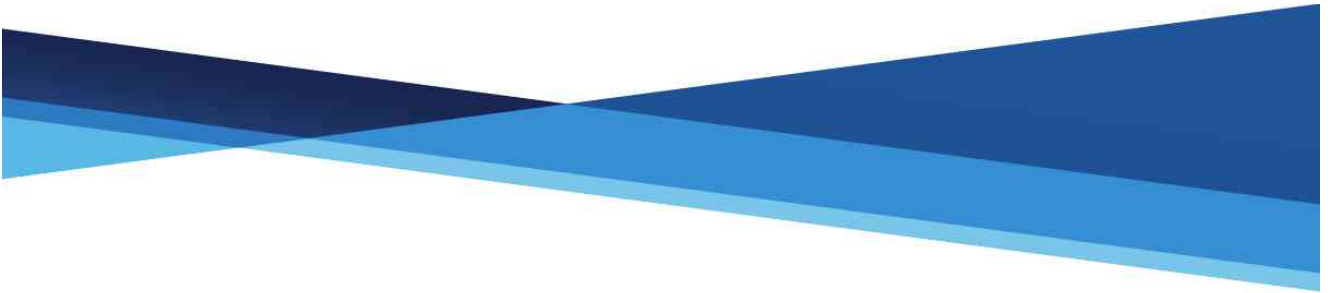
#### **ALTERNATIVE INVESTMENT FUNDS**

In the event that our appointment is from an entity to which the European Parliament and Council Directive 2011/61/EU ('the AIFMD'), which relates to Alternative Investment Fund Managers ('AIFM'), applies, our instructions are solely limited to providing recommendations on the value of particular property assets (subject to the assumptions set out in our valuation report) and we are therefore not determining the net asset value of either the Fund or the individual properties within the Fund. Accordingly, we are not acting as an 'external valuer' (as defined under the AIFMD) but are providing our service in the capacity of a 'valuation advisor' to the AIFM.

#### **INTERPRETATION AND COMPREHENSION OF THE REPORT AND VALUATION**

Real estate is a complex asset class that carries risk. Any addressee to whom we have permitted reliance on our Report and Valuation should have sufficient understanding to fully review and comprehend its contents and conclusions. We strongly recommend that any queries are raised with us within a reasonable period of receiving our Report and Valuation, so that we may satisfactorily address them.

## APPENDIX 2: INDIVIDUAL PROPERTY REPORTS



## VALUATION SUMMARY



Colliers International Valuation UK LLP  
50 George Street  
London  
W1U 7GA

[www.colliers.com/uk](http://www.colliers.com/uk)



## INSTRUCTION / RELIANCE

Property ID	001
Property Address	Riverside Park, Fabryczna 5, Warsaw 00-446
Valuation prepared for	Cromwell EREIT Management Pte Ltd in its capacity as manager of Cromwell European Real Estate Investment Trust ("CEREIT"); and Perpetual (Asia) Limited in its capacity as trustee of the CEREIT
Assumptions, Limitations and Disclaimers	This Valuation Summary must be read in conjunction with the full Report and Valuation in its entirety. It is subject to the assumptions, qualifications, limitations and disclaimers in the full Report and Valuation, which is available for inspection at the registered address of the REIT Manager for a period of three months from the date of the Circular.
Reliance and Liability	To the fullest extent permitted by law, Colliers International Valuation UK LLP excludes all liability arising from the use of or reliance on its valuations by any person other than the Addressees of the valuations and such other party that has entered into a reliance letter with us for any purpose whatsoever. For the avoidance of doubt, reliance on the Report and Valuation is not extended to the holders of units in Cromwell European Real Estate Investment Trust ("Unitholders").
Purpose of Valuation	In support of a proposed acquisition of the property; and for inclusion in a circular in relation to a rights issue for the benefit of the CEREIT.
Date of Inspection	31.08.2018

## PROPERTY PARTICULARS

Type of Property	Office
Property Description	The site comprises two office buildings, rectangular in shape, constructed over basement, ground and five upper floors. The exterior of the buildings are similar in design with glass cladding supported by steel frames. The buildings are in a good condition with no immediate need for external refurbishments. At basement level there are 98 parking spaces available with a further 4 at ground level. The interior of the property is also in good condition, with floor plates of approximately 1,000 sq m per building.
Property Location	The subject property is located in Warsaw, the capital city of Poland. Warsaw promotes a strong transport network with excellent bus, tram and metro services. Further, there are two functioning airports in the city, Warsaw Frederic Chopin Airport and Warsaw-Modlin Mazovia Airport offering connections both regionally and internationally. The subject property is located towards the south east of the city centre, 10 km north east of Warsaw Frederic Chopin Airport and 3km east of the Central Railway Station. In the immediate proximity of the subject property is the crossroad connecting to the two main highways in Warsaw, Trasa Łazienkowska and Wislostrada. The property is well served by local amenities, with a mixture of cafes, restaurants and shops.
Year of Completion	2005
Site Area (sqm)	4,274
Lettable Floor Area (LFA) (sq m)*	12,478
Condition	Good

## LEGAL / STATUTORY

Legal Title	The land owner is the State Treasury and the perpetual user/owner of buildings is Artemis Acquisition Poland S.A.R.L. Luksemburg
Tenure	Perpetual usufruct right (RPU) established until 05.02.2102.
Planning / Zoning	M1.20 - area with an advantage of multi-family housing and service use; height of development up to 20 m.

## TENANCY

Tenancies	The property is multi-let to 20 tenants including a number of agreed leases that have yet to commence, together with a 15 month rental guarantee over one unit.
Gross Current Rent (€ p.a)	€ 1,992,720
Net Current Rent (€ p.a)	€ 1,862,983
Market Rent (€ p.a) (Gross)	€ 2,457,544
Overall Covenant Strength	The overall covenant strength can be classed as average. The main tenants are of national status and active in the following sectors: cosmetics, production, fashion, medical care, media and telemarketing.

## VALUATION

Basis of Valuation	Market Value – subject to existing tenancies but otherwise with vacant possession
Valuation Approaches	Primary - Income Capitalisation / Secondary - Direct Comparison
Date of Valuation	27.09.2018
Initial Yield	6.11%
Equivalent Yield	7.45%
Reversionary Yield	8.06%
Gross Value (€)	€ 31,522,980
Market Value (€)	€ 30,500,000
Cap Val (€ per sqm on LFA)	€ 2,444.38

## VALUATION SUMMARY



Colliers International Valuation UK LLP  
50 George Street  
London  
W1U 7GA



[www.colliers.com/uk](http://www.colliers.com/uk)

## INSTRUCTION / RELIANCE

Property ID	002
Property Address	V2 - Grójecka ,Grójecka 5,Warsaw,02-019
Valuation prepared for	Cromwell EREIT Management Pte Ltd in its capacity as manager of Cromwell European Real Estate Investment Trust ("CEREIT"); and Perpetual (Asia) Limited in its capacity as trustee of the CEREIT
Assumptions, Limitations and Disclaimers	This Valuation Summary must be read in conjunction with the full Report and Valuation in its entirety. It is subject to the assumptions, qualifications, limitations and disclaimers in the full Report and Valuation, which is available for inspection at the registered address of the REIT Manager for a period of three months from the date of the Circular.
Reliance and Liability	To the fullest extent permitted by law, Colliers International Valuation UK LLP excludes all liability arising from the use of or reliance on its valuations by any person other than the Addressees of the valuations and such other party that has entered into a reliance letter with us for any purpose whatsoever. For the avoidance of doubt, reliance on the Report and Valuation is not extended to the holders of units in Cromwell European Real Estate Investment Trust ("Unitholders").
Purpose of Valuation	In support of a proposed acquisition of the property; and for inclusion in a circular in relation to a rights issue for the benefit of the CEREIT.
Date of Inspection	31.08.2018

## PROPERTY PARTICULARS

Type of Property	Office
Property Description	The property is positioned over two basement levels, ground and seven upper floors. The exterior of the property is in good condition with a glass facade on the ground floor and stone tiled cladding with white steel framed windows on the upper floors. The two basement levels are accessible from the north west side of the property, providing access to 105 parking spaces (5 of which are at ground level). On the ground floor there are commercial premises and offices, whilst the upper six floors are served as office space. The interior of the property is also in good condition, with floor plates ranging from 700 sq m to 1,600 sq m.
Property Location	The subject property is located in Warsaw, the capital city of Poland. Warsaw promotes a strong transport network with excellent bus, tram and metro services. Further, there are two functioning airports in the city, Warsaw Frederic Chopin Airport and Warsaw-Modlin Mazovia Airport offering connections both regionally and internationally. The subject property is located within the Ochota district next to the Pl. Zawiszy square in the centre of Warsaw. The property has excellent access to transport connections with the main railway station located 1 km north east (with a closer station 500 m north), Warsaw Chopin Airport is located approximately 6.5 km south and the Ochota-Ratusz bus stop is 100 metres to the south of the property.
Year of Completion	2006
Site Area (sqm)	2,508
Lettable Floor Area (LFA) (sq m)*	10,718
Condition	*measured in accordance with local practice Good

## LEGAL / STATUTORY

Legal Title	The land owner is the City of Warsaw and the perpetual user and building owner is Artemis Acquisition Poland S.A.R.L., Luxembourg. The property is held under two separate parcels of land being parcel 5/2 with a site area of 832 sqm and parcel 7/1 with a site area of 1,676 sqm.
Tenure	Perpetual usufruct right (RPU) established until 20.05.2096 with respect of land parcel 5/2; and established until 20.05.2063 with respect of land parcel 7/1.
Planning / Zoning	No masterplan in place, but planning zone - C.>30 which is a mixed use area with a height over 30 m.

## TENANCY

Tenancies	The property is multi-let to 15 tenants including an agreed lease that has yet to commence.
Gross Current Rent (€ p.a)	€ 1,632,864
Net Current Rent (€ p.a)	€ 1,527,041
Market Rent (€ p.a) (Gross)	€ 2,102,510
Overall Covenant Strength	The overall covenant strength can be assessed as Good. The majority of the tenants are national and are active in the following sectors: Pharmaceuticals and devices that save lives and improve quality of life, insurance, production and technology.

## VALUATION

Basis of Valuation	Market Value – subject to existing tenancies but otherwise with vacant possession
Valuation Approaches	Primary - Income Capitalisation / Secondary - Direct Comparison
Date of Valuation	27.09.2018
Initial Yield	6.94%
Equivalent Yield	8.23%
Reversionary Yield	9.56%
Gross Value (€)	€ 23,250,035
Market Value (€)	€ 22,000,000
Cap Val (€ per sqm on LFA)	€ 2,052.63

## VALUATION SUMMARY



Colliers International Valuation UK LLP  
50 George Street  
London  
W1U 7GA



[www.colliers.com/uk](http://www.colliers.com/uk)

## INSTRUCTION / RELIANCE

<b>Property ID</b>	003
<b>Property Address</b>	V2 - Arkonska Business Par, Arkonska 1&2, Gdansk, CH4G+2W
<b>Valuation prepared for</b>	Cromwell EREIT Management Pte Ltd in its capacity as manager of Cromwell European Real Estate Investment Trust ("CEREIT"); and Perpetual (Asia) Limited in its capacity as trustee of the CEREIT
<b>Assumptions, Limitations and Disclaimers</b>	This Valuation Summary must be read in conjunction with the full Report and Valuation in its entirety. It is subject to the assumptions, qualifications, limitations and disclaimers in the full Report and Valuation, which is available for inspection at the registered address of the REIT Manager for a period of three months from the date of the Circular.
<b>Reliance and Liability</b>	To the fullest extent permitted by law, Colliers International Valuation UK LLP excludes all liability arising from the use of or reliance on its valuations by any person other than the Addressees of the valuations and such other party that has entered into a reliance letter with us for any purpose whatsoever. For the avoidance of doubt, reliance on the Report and Valuation is not extended to the holders of units in Cromwell European Real Estate Investment Trust ("Unitholders").
<b>Purpose of Valuation</b>	In support of a proposed acquisition of the property; and for inclusion in a circular in relation to a rights issue for the benefit of the CEREIT.
<b>Date of Inspection</b>	30.08.2018

## PROPERTY PARTICULARS

<b>Type of Property</b>	Office
<b>Property Description</b>	Arkońska Business Park is a complex of two office buildings marked as A1 and A2. The exterior elevations are in good condition, made of glass aluminum enclosures and clinker brick wall. Each building is arranged over basement, ground and four upper floors. The underground level has a shared garage (with 130 available parking spaces) and storage rooms for both properties. 25 further parking spaces are available at ground level. The floor plates are approximately 800 sq m on the ground floor and 1,200 sq m on the upper floors.
<b>Property Location</b>	The property is located in Gdańsk, a city located along the north coast of Poland, in the region of Pomeranian Voivodeship. Gdańsk is home to Poland's principal seaport, providing access to the Baltic Sea. Gdańsk Lech Walesa Airport is an international airport in the city, offering flight connections to Warsaw lasting less than an hour. The city offers a metro system, operating throughout the Pomeranian Voivodeship region and a main line railway service serving connections to all main cities in Poland. The subject property at Arkońska Business Park is situated on Arkońska Street, in a dynamically developing part of Gdańsk, bordering the Oliwa and Przymorze districts. The location provides good access to other parts of the Pomeranian region by both public and private transport. Gdańsk Lech Walesa Airport can be reached by car in only 20 minutes; while both Gdańsk Oliwa and Gdańsk Przymorze Uniwersytet railway stations are a short walk away.
<b>Year of Completion</b>	2008
<b>Site Area (sqm)</b>	5,313
<b>Lettable Floor Area (LFA) (sq m)*</b>	11,166 *measured in accordance with local practice
<b>Condition</b>	Good

## LEGAL / STATUTORY

<b>Legal Title</b>	The land owner is the City of Gdańsk and the perpetual user and owner of buildings is Artemis Acquisition Poland S.A.R.L., Luksemburg.
<b>Tenure</b>	Perpetual usufruct right (RPU) established until 19.11.2100.
<b>Planning / Zoning</b>	The planning zone is under the reference 001-U33 which means commercial development.

## TENANCY

<b>Tenancies</b>	The property is leased to 10 tenants including a number of agreed leases that have yet to commence.
<b>Gross Current Rent (€ p.a)</b>	€ 862,836
<b>Net Current Rent (€ p.a)</b>	€ 677,630
<b>Market Rent (€ p.a) (Gross)</b>	€ 1,826,477
<b>Overall Covenant Strength</b>	The overall tenant strength can be assessed as good. The tenants are national and active in the following sectors: IT, security solutions and production.

## VALUATION

<b>Basis of Valuation</b>	Market Value – subject to existing tenancies but otherwise with vacant possession
<b>Valuation Approaches</b>	Primary - Income Capitalisation / Secondary - Direct Comparison
<b>Date of Valuation</b>	27.09.2018
<b>Initial Yield</b>	3.56%
<b>Equivalent Yield</b>	8.35%
<b>Reversionary Yield</b>	9.60%
<b>Gross Value (€)</b>	€ 20,466,407
<b>Market Value (€)</b>	€ 19,000,000
<b>Cap Val (€ per sqm on LFA)</b>	€ 1,701.65



## VALUATION SUMMARY



Colliers International Valuation UK LLP  
50 George Street  
London  
W1U 7GA

[www.colliers.com/uk](http://www.colliers.com/uk)



## INSTRUCTION / RELIANCE

<b>Property ID</b>	004
<b>Property Address</b>	V2, Moeder Teresalaan 100-200, Utrecht, 3527
<b>Valuation prepared for</b>	Cromwell EREIT Management Pte Ltd in its capacity as manager of Cromwell European Real Estate Investment Trust ("CEREIT"); and Perpetual (Asia) Limited in its capacity as trustee of the CEREIT
<b>Assumptions, Limitations and Disclaimers</b>	This Valuation Summary must be read in conjunction with the full Report and Valuation in its entirety. It is subject to the assumptions, qualifications, limitations and disclaimers in the full Report and Valuation, which is available for inspection at the registered address of the REIT Manager for a period of three months from the date of the Circular
<b>Reliance and Liability</b>	To the fullest extent permitted by law, Colliers International Valuation UK LLP excludes all liability arising from the use of or reliance on its valuations by any person other than the Addressees of the valuations and such other party that has entered into a reliance letter with us for any purpose whatsoever. For the avoidance of doubt, reliance on the Report and Valuation is not extended to the holders of units in Cromwell European Real Estate Investment Trust ("Unitholders").
<b>Purpose of Valuation</b>	In support of a proposed acquisition of the property; and for inclusion in a circular in relation to a rights issue for the benefit of the CEREIT.
<b>Date of Inspection</b>	04.09.2018

## PROPERTY PARTICULARS

<b>Type of Property</b>	Office
<b>Property Description</b>	The subject property comprises of two office buildings that are connected through an underground car park and a parking deck on ground level. Moeder Teresalaan 100 comprises of 5 floors and number 200 comprises of 8 floors. The exterior of the building is largely glass with white aluminium frames surrounded by dark grey stone tiled cladding. Each building has a reception on the ground floor and central stairwells with lifts. The higher of the two buildings has a company restaurant on the top floor. The buildings have shared parking facilities with 352 available spaces.
<b>Property Location</b>	The property is located in Utrecht, a city situated in central Netherlands. Utrecht is located 40kms south east of Amsterdam (20 minutes by train). The city offers lots of transport options with train, bus and tram services. The subject property is located in 'Kanaleneiland' a neighbourhood close to the centre of Utrecht mostly consisting of residential space. The central station of Utrecht is 2 stops away by tram and approx 15 minutes walking distance. The subject property is well accessible by car from the motorway A2 which can be reached within 5 minutes.
<b>Year of Completion</b>	1987 and 1990
<b>Site Area (sqm)</b>	10,175
<b>Lettable Floor Area (LFA) (sq m)*</b>	21,922
	*measured in accordance with local practice
<b>Condition</b>	Good

## LEGAL / STATUTORY

<b>Legal Title</b>	The registered owner is Hummingbird B.V.
<b>Tenure</b>	Leasehold
<b>Planning / Zoning</b>	Dichterswijk, Kanaleneiland, Transwijk / Office

## TENANCY

<b>Tenancies</b>	The subject property is majority occupied by a single tenant, UWV, with two floors vacant. The tenant has agreed to hand back a portion of their space in December 2019, while they also have further options to hand back certain parts of the property in 2021 and 2022. The main lease contract however, runs until 31.12.2024.
<b>Gross Current Rent (€ p.a)</b>	€ 3,110,490
<b>Net Current Rent (€ p.a)</b>	€ 2,659,749
<b>Market Rent (€ p.a) (Gross)</b>	€ 3,605,036
<b>Overall Covenant Strength</b>	As a government department the strength of the tenant would be seen as sound.

## VALUATION

<b>Basis of Valuation</b>	Market Value – subject to existing tenancies but otherwise with vacant possession
<b>Valuation Approaches</b>	Primary - Income Capitalisation / Secondary - Direct Comparison
<b>Date of Valuation</b>	27.09.2018
<b>Initial Yield</b>	5.16%
<b>Equivalent Yield</b>	5.57%
<b>Reversionary Yield</b>	6.48%
<b>Gross Value (€)</b>	€ 56,599,047
<b>Market Value (€)</b>	€ 51,500,000
<b>Cap Val (€ per sqm on LFA)</b>	€ 2,349.28

## VALUATION SUMMARY



Colliers International Valuation UK LLP  
50 George Street  
London  
W1U 7GA



[www.colliers.com/uk](http://www.colliers.com/uk)

## INSTRUCTION / RELIANCE

<b>Property ID</b>	005
<b>Property Address</b>	V2,Willemsplein 2-4,'s-Hertogenbosch (Den Bosch),5211
<b>Valuation prepared for</b>	Cromwell EREIT Management Pte Ltd in its capacity as manager of Cromwell European Real Estate Investment Trust ("CEREIT"); and Perpetual (Asia) Limited in its capacity as trustee of the CEREIT
<b>Assumptions, Limitations and Disclaimers</b>	This Valuation Summary must be read in conjunction with the full Report and Valuation in its entirety. It is subject to the assumptions, qualifications, limitations and disclaimers in the full Report and Valuation, which is available for inspection at the registered address of the REIT Manager for a period of three months from the date of the Circular.
<b>Reliance and Liability</b>	To the fullest extent permitted by law, Colliers International Valuation UK LLP excludes all liability arising from the use of or reliance on its valuations by any person other than the Addressees of the valuations and such other party that has entered into a reliance letter with us for any purpose whatsoever. For the avoidance of doubt, reliance on the Report and Valuation is not extended to the holders of units in Cromwell European Real Estate Investment Trust ("Unitholders").
<b>Purpose of Valuation</b>	In support of a proposed acquisition of the property; and for inclusion in a circular in relation to a rights issue for the benefit of the CEREIT.
<b>Date of Inspection</b>	04.09.2018

## PROPERTY PARTICULARS

<b>Type of Property</b>	Office
<b>Property Description</b>	The subject property consists of one existing building originally built in 1951 and renovated in 2006; and 5 separate but linked parts that were built in 2006. The existing building and building parts A, B, C are fully let to one tenant (Essent - Dutch energy company), D is partly let to this tenant and E is multi-let. The exterior of the buildings share a similar design of red brick stone work, with white frame wooden windows in the original building and white aluminium frames in the newer constructions. The property has 598 parking spaces available to tenants.
<b>Property Location</b>	The subject property is located to the south of 's Hertogenbosch (Den Bosch), a city situated in central-southern Netherlands. Den Bosch is known as the 'connecting city' of the Netherlands' as 40,000 travellers travel through the city each day. The city also has a free inner city bus service offering excellent connections. The subject property is located alongside the railway near the city centre. Paleiskwartier office area is located on the other side of the railway. This area is a developing office area with offices no older than 15 years old. The central railway station of Den Bosch is located within walking distance of the subject property, which is located on the city-side of the railway and is easily accessible (10 minutes) by car from the motorway A2.
<b>Year of Completion</b>	1951 and 2006
<b>Site Area (sqm)</b>	18,710
<b>Lettable Floor Area (LFA) (sq m)*</b>	31,979
	*measured in accordance with local practice
<b>Condition</b>	Good

## LEGAL / STATUTORY

<b>Legal Title</b>	The registered owner is Peacock Real Estate B.V.
<b>Tenure</b>	Freehold
<b>Planning / Zoning</b>	Binnenstad (city-center) / Kantoor (office)

## TENANCY

<b>Tenancies</b>	The main tenant of the subject property is Essent on a lease expiring 31.12.2025; who benefit from a number of downsizing options between 31.12.2018 to 31.12.2020. We understand that Essent is handing back a small portion of this space at the end of 2018. Essent has an overall break-option on 31.12.2023 which includes a penalty of €2,400,000. Block E is currently multi-let to 4 tenants with one floor vacant.
<b>Gross Current Rent (€ p.a)</b>	€ 5,270,929
<b>Net Current Rent (€ p.a)</b>	€ 4,721,351
<b>Market Rent (€ p.a) (Gross)</b>	€ 5,486,691
<b>Overall Covenant Strength</b>	The overall strength covenant is mainly based on Essent as the majority tenant, which would be perceived by the investment market as a strong covenant being the Netherlands' largest energy company.

## VALUATION

<b>Basis of Valuation</b>	Market Value – subject to existing tenancies but otherwise with vacant possession
<b>Valuation Approaches</b>	Primary - Income Capitalisation / Secondary - Direct Comparison
<b>Date of Valuation</b>	27.09.2018
<b>Initial Yield</b>	6.08%
<b>Equivalent Yield</b>	5.99%
<b>Reversionary Yield</b>	6.62%
<b>Gross Value (€)</b>	€ 84,878,052
<b>Market Value (€)</b>	€ 77,600,000
<b>Cap Val (€ per sqm on LFA)</b>	€ 2,426.59

## VALUATION SUMMARY



Colliers International Valuation UK LLP  
50 George Street  
London  
W1U 7GA

[www.colliers.com/uk](http://www.colliers.com/uk)



## INSTRUCTION / RELIANCE

<b>Property ID</b>	006
<b>Property Address ('the Property')</b>	Plaza Allegro - Building 2, Vantaa
<b>Valuation prepared for</b>	Cromwell EREIT Management Pte Ltd in its capacity as manager of Cromwell European Real Estate Investment Trust ("CEREIT"); and Perpetual (Asia) Limited in its capacity as trustee of the CEREIT
<b>Assumptions, Limitations and Disclaimers</b>	This Valuation Summary must be read in conjunction with the full Report and Valuation in its entirety. It is subject to the assumptions, qualifications, limitations and disclaimers in the full Report and Valuation, which is available for inspection at the registered address of the REIT Manager for a period of three months from the date of the Circular.
<b>Reliance and Liability</b>	To the fullest extent permitted by law, Colliers International Valuation UK LLP excludes all liability arising from the use of or reliance on its valuations by any person other than the Addressees of the valuations and such other party that has entered into a reliance letter with us for any purpose whatsoever. For the avoidance of doubt, reliance on the Report and Valuation is not extended to the holders of units in Cromwell European Real Estate Investment Trust ("Unitholders").
<b>Purpose of Valuation</b>	In support of a proposed acquisition of the property; and for inclusion in a circular in relation to a rights issue for the benefit of the CEREIT.
<b>Date of Inspection</b>	30.08.2018

## PROPERTY PARTICULARS

<b>Type of Property</b>	Office
<b>Property Description</b>	The Property is arranged over ground floor and five upper floors. Its exterior is largely white stucco, with glass fenestrations to the centre and red brickwork elevations to one side. The Property contains flexible office space and conference room facilities. Car parking spaces are available in a separate building, offering both indoor and outdoor car parking facilities for 114 cars.
<b>Property Location</b>	The Property forms part of Gate8 Business Park, a modern business park comprising 5 office buildings located 20 kms north east of Helsinki in the Aviapolis area in Vantaa, Finland's fourth most populated city. Accessibility to the Property is excellent, particularly by car, as Ring Road III passes just to the south and connects with Tuusulanväylä highway a short distance to the east. Helsinki-Vantaa airport is located only 6 kms north from the asset and can be reached by car, in 5 minutes. The nearest train station is Aviapolis, 1.5 kms north west of the Property. Jumbo Shopping Centre is located within walking distance on the south side of Ring Road III offering leisure and retail amenities.
<b>Year of Completion</b>	2006
<b>Site Area (sqm)</b>	2,470
<b>Lettable Floor Area (LFA) (sq m)*</b>	4,620.05
	*measured in accordance with local practice
<b>Condition</b>	The overall condition of the Property is good.

## LEGAL / STATUTORY

<b>Legal Title</b>	Land and building owner: Kiinteistö Oy Plaza Allegro
<b>Tenure</b>	Freehold
<b>Planning / Zoning</b>	KT, site for office buildings. Total building right 5,650 sqm, maximum number of floors is seven.

## TENANCY

<b>Tenancies</b>	The Property is multi-let to 19 tenants.
<b>Gross Current Rent (€ p.a)</b>	€ 1,057,596
<b>Net Current Rent (€ p.a)</b>	€ 780,393
<b>Market Rent (€ p.a) (Gross)</b>	€ 1,065,774
<b>Overall Covenant Strength</b>	Average. The principal tenants are active in construction, logistics and facilities management.

## VALUATION

<b>Basis of Valuation</b>	Market Value – subject to existing tenancies but otherwise with vacant possession
<b>Valuation Approaches</b>	Primary - Income Capitalisation / Secondary - Direct Comparison
<b>Date of Valuation</b>	27.09.2018
<b>Initial Yield</b>	7.22%
<b>Equivalent Yield</b>	6.85%
<b>Reversionary Yield</b>	7.29%
<b>Gross Value (€)</b>	€ 11,137,419
<b>Market Value (€)</b>	€ 10,800,000
<b>Cap Val (€ per sqm on LFA)</b>	€ 2,338

## VALUATION SUMMARY



Colliers International Valuation UK LLP  
50 George Street  
London  
W1U 7GA

[www.colliers.com/uk](http://www.colliers.com/uk)



## INSTRUCTION / RELIANCE

Property ID	007
Property Address ('the Property')	Plaza Vivace - Building 1, Vantaa
Valuation prepared for	Cromwell EREIT Management Pte Ltd in its capacity as manager of Cromwell European Real Estate Investment Trust ("CEREIT"); and Perpetual (Asia) Limited in its capacity as trustee of the CEREIT
Assumptions, Limitations and Disclaimers	This Valuation Summary must be read in conjunction with the full Report and Valuation in its entirety. It is subject to the assumptions, qualifications, limitations and disclaimers in the full Report and Valuation, which is available for inspection at the registered address of the REIT Manager for a period of three months from the date of the Circular.
Reliance and Liability	To the fullest extent permitted by law, Colliers International Valuation UK LLP excludes all liability arising from the use of or reliance on its valuations by any person other than the Addressees of the valuations and such other party that has entered into a reliance letter with us for any purpose whatsoever. For the avoidance of doubt, reliance on the Report and Valuation is not extended to the holders of units in Cromwell European Real Estate Investment Trust ("Unitholders").
Purpose of Valuation	In support of a proposed acquisition of the property; and for inclusion in a circular in relation to a rights issue for the benefit of the CEREIT.
Date of Inspection	30.08.2018

## PROPERTY PARTICULARS

Type of Property	Office
Property Description	The Property is arranged over ground floor and five upper floors and further attic space. Its exterior is largely rendered with white stucco, with glass fenestrations to the centre and red brickwork elevations to one side. The main lobby of Gate8 entity is on the ground floor of Vivace building, as well as a restaurant and some conference premises and meeting rooms. Flexible office premises are located around the high atrium lobby, with further office space on the upper floors. Car parking spaces are available in a separate building, offering both indoor and outdoor car parking facilities for 192 cars.
Property Location	The Property forms part of Gate8 Business Park, a modern business park comprising 5 office buildings located 20 kms north east of Helsinki in the Aviapolis area in Vantaa, Finland's fourth most populated city. Accessibility to the Property is excellent, particularly by car, as Ring Road III passes just to the south and connects with Tuusulanväylä highway a short distance to the east. Helsinki-Vantaa airport is located only 6 kms north from the asset and can be reached by car, in 5 minutes. The nearest train station is Aviapolis, 1.5 kms north west of the Property. Jumbo Shopping Centre is located within walking distance on the south side of Ring Road III offering leisure and retail amenities.
Year of Completion	2008
Site Area (sqm)	4,497
Lettable Floor Area (LFA) (sq m)*	5,661.00
	*measured in accordance with local market practice
Condition	The overall condition of the Property is good

## LEGAL / STATUTORY

Legal Title	Land and building owner: Kiinteistö Oy Plaza Vivace
Tenure	Freehold
Planning / Zoning	KT, site for office buildings. Total building right 6,000 sqm, the maximum number of floors is seven.

## TENANCY

Tenancies	The Property is multi-let to 13 tenants.
Gross Current Rent (€ p.a)	€ 1,313,107
Net Current Rent (€ p.a)	€ 925,895
Market Rent (€ p.a) (Gross)	€ 1,297,031
Overall Covenant Strength	Average. The principal tenants are active in the industrial goods sector, services and car manufacturing.

## VALUATION

Basis of Valuation	Market Value – subject to existing tenancies but otherwise with vacant possession
Valuation Approaches	Primary - Income Capitalisation / Secondary - Direct Comparison
Date of Valuation	27.09.2018
Initial Yield	7.18%
Equivalent Yield	6.81%
Reversionary Yield	7.05%
Gross Value (€)	€ 13,266,143
Market Value (€)	€ 12,900,000
Cap Val (€ per sqm on LFA)	€ 2,279

## VALUATION SUMMARY



Colliers International Valuation UK LLP  
50 George Street  
London  
W1U 7GA

[www.colliers.com/uk](http://www.colliers.com/uk)



## INSTRUCTION / RELIANCE

<b>Property ID</b>	008
<b>Property Address ('the Property')</b>	Opus Business Park, Hitsaajankatu 20-24, Helsinki, 00810
<b>Valuation prepared for</b>	Cromwell EREIT Management Pte Ltd in its capacity as manager of Cromwell European Real Estate Investment Trust ("CEREIT"); and Perpetual (Asia) Limited in its capacity as trustee of the CEREIT
<b>Assumptions, Limitations and Disclaimers</b>	This Valuation Summary must be read in conjunction with the full Report and Valuation in its entirety. It is subject to the assumptions, qualifications, limitations and disclaimers in the full Report and Valuation, which is available for inspection at the registered address of the REIT Manager for a period of three months from the date of the Circular.
<b>Reliance and Liability</b>	To the fullest extent permitted by law, Colliers International Valuation UK LLP excludes all liability arising from the use of or reliance on its valuations by any person other than the Addressees of the valuations and such other party that has entered into a reliance letter with us for any purpose whatsoever. For the avoidance of doubt, reliance on the Report and Valuation is not extended to the holders of units in Cromwell European Real Estate Investment Trust ("Unitholders").
<b>Purpose of Valuation</b>	In support of a proposed acquisition of the property; and for inclusion in a circular in relation to a rights issue for the benefit of the CEREIT.
<b>Date of Inspection</b>	30.08.2018

## PROPERTY PARTICULARS

<b>Type of Property</b>	Office
<b>Property Description</b>	The Property forms part of Opus Business Park entity which comprises three office buildings, which Opus 1 is the southernmost. It is arranged over ground and four above ground floors and it is of concrete frame construction with rendered brick elevations. The ground floor has a main lobby, conference and office premises and a underground parking with 152 spaces. The upper floors comprises flexible office space.
<b>Property Location</b>	The Property is located in Herttoniemi district of Finland's capital city, Helsinki. It is 8kms north east of Helsinki city centre (15 minutes by car). Connections are good, as the Property is located in close proximity to Itäväylä highway, a main road route to central Helsinki. The area is also connected to the east and west via the metro line, with Herttoniemi metro station located only 500 metres to the north. The area has a variety of amenities with Megaherts Shopping centre directly opposite, which is currently undergoing works to open a new Prisma hypermarket.
<b>Year of Completion</b>	2008
<b>Site Area (sqm)</b>	3,401
<b>Net Lettable Area (NLA) (sq m)*</b>	6,820.50
<b>Condition</b>	*measured in accordance with local practice The overall condition of the Property is good.

## LEGAL / STATUTORY

<b>Legal Title</b>	Land and building owner: Kiinteistö Oy Opus 1
<b>Tenure</b>	Freehold
<b>Planning / Zoning</b>	KT, site for office buildings. Total building right 7,700 sqm, maximum number of floors is 3-6.

## TENANCY

<b>Tenancies</b>	The Property is multi-let to 5 tenants.
<b>Gross Current Rent (€ p.a)</b>	€ 1,247,796
<b>Net Current Rent (€ p.a)</b>	€ 747,717
<b>Market Rent (€ p.a) (Gross)</b>	€ 1,602,915
<b>Overall Covenant Strength</b>	Average. The principal tenants are active in general wholesale, logistics and residential brokerage. The tenant Kahdeksas päivä is currently undergoing corporate restructuring, resulting in a potentially higher risk attributed to their covenant strength.

## VALUATION

<b>Basis of Valuation</b>	Market Value – subject to existing tenancies but otherwise with vacant possession
<b>Valuation Approaches</b>	Primary - Income Capitalisation / Secondary - Direct Comparison
<b>Date of Valuation</b>	27.09.2018
<b>Initial Yield</b>	4.77%
<b>Equivalent Yield</b>	6.65%
<b>Reversionary Yield</b>	7.03%
<b>Gross Value (€)</b>	€ 16,007,618
<b>Market Value (€)</b>	€ 15,700,000
<b>Cap Val (€ per sqm on NLA)</b>	€ 2,302

## VALUATION SUMMARY



Colliers International Valuation UK LLP  
50 George Street  
London  
W1U 7GA

[www.colliers.com/uk](http://www.colliers.com/uk)



## INSTRUCTION / RELIANCE

<b>Property ID</b>	009
<b>Property Address ('the Property')</b>	Grandinkulma, Kielotie 7, Vantaa, 01300
<b>Valuation prepared for</b>	Cromwell EREIT Management Pte Ltd in its capacity as manager of Cromwell European Real Estate Investment Trust ("CEREIT"); and Perpetual (Asia) Limited in its capacity as trustee of the CEREIT
<b>Assumptions, Limitations and Disclaimers</b>	This Valuation Summary must be read in conjunction with the full Report and Valuation in its entirety. It is subject to the assumptions, qualifications, limitations and disclaimers in the full Report and Valuation, which is available for inspection at the registered address of the REIT Manager for a period of three months from the date of the Circular.
<b>Reliance and Liability</b>	To the fullest extent permitted by law, Colliers International Valuation UK LLP excludes all liability arising from the use of or reliance on its valuations by any person other than the Addressees of the valuations and such other party that has entered into a reliance letter with us for any purpose whatsoever. For the avoidance of doubt, reliance on the Report and Valuation is not extended to the holders of units in Cromwell European Real Estate Investment Trust ("Unitholders").
<b>Purpose of Valuation</b>	In support of a proposed acquisition of the property; and for inclusion in a circular in relation to a rights issue for the benefit of the CEREIT.
<b>Date of Inspection</b>	29.08.2018

## PROPERTY PARTICULARS

<b>Type of Property</b>	Office
<b>Property Description</b>	The Property is of mixed use with retail units on the ground floor and offices on the three upper floors. It is of concrete frame construction with brick elevations and flat roof. There is also a small cinema, a basement with storage space and surfaced parking at the rear for 79 cars.
<b>Property Location</b>	The Property is located in Vantaa, Finland's fourth most populated city, situated 20 kms north east of Helsinki. It is located in the Tikkurila district in Vantaa, located 22 kms to Helsinki city centre (30 minutes by car) and 5kms (10 minutes by car) to Helsinki-Vantaa airport. The Property has good visibility from Kielotie, which is the main commercial street in Tikkurila. Transport connections are good; Tikkurila train station is located approximately 800 metres to the north east and there are also several bus stops within walking distance. Local amenities are good, with access to shops around Tikkurila train station, including Dixi shopping centre and Tikkuri. The immediate area is seeing continued residential redevelopment, much of which is reaching completion.
<b>Year of Completion</b>	1984
<b>Site Area (sqm)</b>	4,738
<b>Lettable Floor Area (LFA) (sq m)*</b>	6,189.40
	*measured in accordance with local market practice
<b>Condition</b>	The overall condition of the Property is average.

## LEGAL / STATUTORY

<b>Legal Title</b>	Land and building owner: Vioto Oy
<b>Tenure</b>	Freehold
<b>Planning / Zoning</b>	K, site for office and retail buildings. Total building right 6,830 sqm, maximum number of floors is four.

## TENANCY

<b>Tenancies</b>	The Property is multi-let to 14 tenants.
<b>Gross Current Rent (€ p.a)</b>	€ 1,241,450
<b>Net Current Rent (€ p.a)</b>	€ 956,242
<b>Market Rent (€ p.a) (Gross)</b>	€ 1,205,743
<b>Overall Covenant Strength</b>	Good. The principal tenants are active in following sectors: health care, city council and insurance.

## VALUATION

<b>Basis of Valuation</b>	Market Value – subject to existing tenancies but otherwise with vacant possession
<b>Valuation Approaches</b>	Primary - Income Capitalisation / Secondary - Direct Comparison
<b>Date of Valuation</b>	27.09.2018
<b>Initial Yield</b>	7.49%
<b>Equivalent Yield</b>	6.50%
<b>Reversionary Yield</b>	7.21%
<b>Gross Value (€)</b>	€ 14,116,317
<b>Market Value (€)</b>	€ 12,750,000
<b>Cap Val (€ per sqm on LFA)</b>	€ 2,060

## VALUATION SUMMARY



Colliers International Valuation UK LLP  
50 George Street  
London  
W1U 7GA

[www.colliers.com/uk](http://www.colliers.com/uk)



## INSTRUCTION / RELIANCE

<b>Property ID</b>	010
<b>Property Address ('the Property')</b>	Helsingin Mäkitörpantie 3, Mäkitörpantie 3, Helsinki, 00620
<b>Valuation prepared for</b>	Cromwell EREIT Management Pte Ltd in its capacity as manager of Cromwell European Real Estate Investment Trust ("CEREIT"); and Perpetual (Asia) Limited in its capacity as trustee of the CEREIT
<b>Assumptions, Limitations and Disclaimers</b>	This Valuation Summary must be read in conjunction with the full Report and Valuation in its entirety. It is subject to the assumptions, qualifications, limitations and disclaimers in the full Report and Valuation, which is available for inspection at the registered address of the REIT Manager for a period of three months from the date of the Circular.
<b>Reliance and Liability</b>	To the fullest extent permitted by law, Colliers International Valuation UK LLP excludes all liability arising from the use of or reliance on its valuations by any person other than the Addressees of the valuations and such other party that has entered into a reliance letter with us for any purpose whatsoever. For the avoidance of doubt, reliance on the Report and Valuation is not extended to the holders of units in Cromwell European Real Estate Investment Trust ("Unitholders").
<b>Purpose of Valuation</b>	In support of a proposed acquisition of the property; and for inclusion in a circular in relation to a rights issue for the benefit of the CEREIT.
<b>Date of Inspection</b>	29.08.2018

## PROPERTY PARTICULARS

<b>Type of Property</b>	Office
<b>Property Description</b>	The Property comprises an office building of concrete frame construction with a brick elevations and a flat roof. It is arranged over three floors, with a partial basement area consisting of storage, social and technical premises. Internally, the ground floor has a restaurant, offices and a gym. The upper floors comprise office space which is mostly divided by plasterboard partitions. There is surfaced parking for 70 cars at the rear.
<b>Property Location</b>	The Property is located in the Käpylä district in Helsinki, Finland's capital city. The central part of Helsinki is approximately 9 kms (20 minutes by car) south of Käpylä. The Property itself is situated directly north of the centre of Käpylä in a predominantly residential location, although commercial development is taking place in the vicinity. Transport connections are good; Tuusulanväylä highway, the main arterial route from central Helsinki, leads north and passes the Property on the west side. Additionally, the Property is approximately 2.5 kms from the intersection of Ring Road I. Käpylä train station is located 350 metres to the west and there are bus services directly outside. There are good amenities available within close proximity to the property including restaurants, a grocery store and Alko.
<b>Year of Completion</b>	1977 (internally refurbished in 2013)
<b>Site Area (sqm)</b>	4,428
<b>Lettable Floor Area (LFA) (sq m)*</b>	4,367.00
<b>Condition</b>	Average. Although the external condition of the Property is fair, its internal condition, following its refurbishment, is reasonable.

## LEGAL / STATUTORY

<b>Legal Title</b>	Land and building owner: Sivipre Oy
<b>Tenure</b>	Freehold
<b>Planning / Zoning</b>	KT, site for office buildings. Total building right 4,743 sqm.

## TENANCY

<b>Tenancies</b>	The Property is multi-let to 11 tenants.
<b>Gross Current Rent (€ p.a)</b>	€ 769,907
<b>Net Current Rent (€ p.a)</b>	€ 554,003
<b>Market Rent (€ p.a) (Gross)</b>	€ 860,315
<b>Overall Covenant Strength</b>	Average. The principal tenants are active in pet food retailing and supplies, technological consultancy and leisure industries.

## VALUATION

<b>Basis of Valuation</b>	Market Value – subject to existing tenancies but otherwise with vacant possession
<b>Valuation Approaches</b>	Primary - Income Capitalisation / Secondary - Direct Comparison
<b>Date of Valuation</b>	27.09.2018
<b>Initial Yield</b>	7.11%
<b>Equivalent Yield</b>	7.90%
<b>Reversionary Yield</b>	8.27%
<b>Gross Value (€)</b>	€ 8,007,640
<b>Market Value (€)</b>	€ 7,800,000
<b>Cap Val (€ per sqm on LFA)</b>	€ 1,786

## VALUATION SUMMARY



Colliers International Valuation UK LLP  
50 George Street  
London  
W1U 7GA

[www.colliers.com/uk](http://www.colliers.com/uk)



## INSTRUCTION / RELIANCE

<b>Property ID</b>	011
<b>Property Address ('the Property')</b>	Kuopion Kauppakeskus, Kauppakatu, Kuopio, 70100
<b>Valuation prepared for</b>	Cromwell EREIT Management Pte Ltd in its capacity as manager of Cromwell European Real Estate Investment Trust ("CEREIT"); and Perpetual (Asia) Limited in its capacity as trustee of the CEREIT
<b>Assumptions, Limitations and Disclaimers</b>	This Valuation Summary must be read in conjunction with the full Report and Valuation in its entirety. It is subject to the assumptions, qualifications, limitations and disclaimers in the full Report and Valuation, which is available for inspection at the registered address of the REIT Manager for a period of three months from the date of the Circular
<b>Reliance and Liability</b>	To the fullest extent permitted by law, Colliers International Valuation UK LLP excludes all liability arising from the use of or reliance on its valuations by any person other than the Addressees of the valuations and such other party that has entered into a reliance letter with us for any purpose whatsoever. For the avoidance of doubt, reliance on the Report and Valuation is not extended to the holders of units in Cromwell European Real Estate Investment Trust ("Unitholders").
<b>Purpose of Valuation</b>	In support of a proposed acquisition of the property; and for inclusion in a circular in relation to a rights issue for the benefit of the CEREIT.
<b>Date of Inspection</b>	31.08.2018

## PROPERTY PARTICULARS

<b>Type of Property</b>	Office
<b>Property Description</b>	The Property comprises a 1980s build, mixed-use asset arranged over between four and six floors, with two basement levels, ground floor and one to three upper floors across two sections. It is of concrete construction with brick elevations. The ground floor is mainly used as retail space, with access from the street level and there is office and healthcare space on the upper floors. On the basement levels, there are parking facilities for up to 87 cars.
<b>Property Location</b>	Kuopio is the regional centre of Northern Savonia, and located c. 400 kms north of Helsinki, with approximately 120,000 inhabitants. It is the 9th biggest city in Finland with further population growth forecast. The Property is located in the Kuopio city centre, with excellent connectivity options. Kuopio market square and Aapeli Shopping centre are located within the immediate vicinity of the Property and the railway and bus stations are 600 metres to the north. One of the main pedestrianised roads, Kirjastokatu, passes the north side of the Property, connecting the market square to the harbour. Due to the Property's central location, there are very good amenities close to the asset.
<b>Year of Completion</b>	1986
<b>Site Area (sqm)</b>	2,363
<b>Lettable Floor Area (LFA) (sq m)*</b>	4,832.00
<b>Condition</b>	*measured in accordance with local practice The overall condition of the Property is average.

## LEGAL / STATUTORY

<b>Legal Title</b>	Land and building owner: Sivipre Oy
<b>Tenure</b>	Freehold
<b>Planning / Zoning</b>	AL, site for retail buildings. Total building right 4,600 sqm, maximum number of floors is four.

## TENANCY

<b>Tenancies</b>	The Property is multi-let to 11 tenants.
<b>Gross Current Rent (€ p.a)</b>	€ 928,826
<b>Net Current Rent (€ p.a)</b>	€ 608,754
<b>Market Rent (€ p.a) (Gross)</b>	€ 932,296
<b>Overall Covenant Strength</b>	Average. The principal tenants are active in the health care and restaurant sectors.

## VALUATION

<b>Basis of Valuation</b>	Market Value – subject to existing tenancies but otherwise with vacant possession
<b>Valuation Approaches</b>	Primary - Income Capitalisation / Secondary - Direct Comparison
<b>Date of Valuation</b>	27.09.2018
<b>Initial Yield</b>	8.49%
<b>Equivalent Yield</b>	7.85%
<b>Reversionary Yield</b>	8.54%
<b>Gross Value (€)</b>	€ 7,669,614
<b>Market Value (€)</b>	<b>€ 7,200,000</b>
<b>Cap Val (€ per sqm on LFA)</b>	€ 1,490



## VALUATION SUMMARY



Colliers International Valuation UK LLP  
50 George Street  
London  
W1U 7GA

[www.colliers.com/uk](http://www.colliers.com/uk)



## INSTRUCTION / RELIANCE

Property ID	012
Property Address ('the Property')	Liiketalo Myyrinraitti, Torpantie 2, Vantaa, 01650
Valuation prepared for	Cromwell EREIT Management Pte Ltd in its capacity as manager of Cromwell European Real Estate Investment Trust ("CEREIT"); and Perpetual (Asia) Limited in its capacity as trustee of the CEREIT
Assumptions, Limitations and Disclaimers	This Valuation Summary must be read in conjunction with the full Report and Valuation in its entirety. It is subject to the assumptions, qualifications, limitations and disclaimers in the full Report and Valuation, which is available for inspection at the registered address of the REIT Manager for a period of three months from the date of the Circular.
Reliance and Liability	To the fullest extent permitted by law, Colliers International Valuation UK LLP excludes all liability arising from the use of or reliance on its valuations by any person other than the Addressees of the valuations and such other party that has entered into a reliance letter with us for any purpose whatsoever. For the avoidance of doubt, reliance on the Report and Valuation is not extended to the holders of units in Cromwell European Real Estate Investment Trust ("Unitholders").
Purpose of Valuation	In support of a proposed acquisition of the property; and for inclusion in a circular in relation to a rights issue for the benefit of the CEREIT.
Date of Inspection	29.08.2018

## PROPERTY PARTICULARS

Type of Property	Office
Property Description	The Property comprises a mixed-use building of concrete frame construction, arranged over four floors, with leisure facilities on the ground floor and offices on the upper floors located around two full-height atria. The basement has storage spaces and the attic has saunas and conference rooms. The property benefits from the right to use 83 parking spaces in an adjoining car park building.
Property Location	Liiketalo Myyrinraitti is located in Myyrmäki district in Vantaa approximately 14 kms from Helsinki city centre. It is located at the centre of the western administrative area of Myyrmäki, in a commercial community precinct. There are two retail schemes very close by, of which Myyrmanni shopping centre is the largest, and the area's other predominant use is residential. There is residential development taking place immediately adjacent to the Property. Myyrmäki train station is located c. 500 metres south of the Property. The train station also provides bus connections in an east-west direction via main line 560.
Year of Completion	1985
Site Area (sqm)	3,573
Lettable Floor Area (LFA) (sq m)*	7,514.50
Condition	*measured in accordance with local market practice The overall condition of the Property is average.

## LEGAL / STATUTORY

Legal Title	Land and building owner: Sivipre Oy except for minority shareholding. Ownership includes 100% interest in the land and 94% interest in the building.
Tenure	Freehold interest in land and share of Freehold of the building.
Planning / Zoning	KL, site for retail buildings. Total building right 6,800 sqm, the maximum number of floors is three.

## TENANCY

Tenancies	The Property is multi-let to 8 tenants.
Gross Current Rent (€ p.a)	€ 1,249,809
Net Current Rent (€ p.a)	€ 912,558
Market Rent (€ p.a) (Gross)	€ 1,337,418
Overall Covenant Strength	Average. The principal tenants are active in the leisure and health care sectors.

## VALUATION

Basis of Valuation	Market Value – subject to existing tenancies but otherwise with vacant possession
Valuation Approaches	Primary - Income Capitalisation / Secondary - Direct Comparison
Date of Valuation	27.09.2018
Initial Yield	7.60%
Equivalent Yield	7.70%
Reversionary Yield	8.33%
Gross Value (€)	€ 12,736,947
Market Value (€)	€ 12,000,000
Cap Val (€ per sqm on LFA)	€ 1,597

## VALUATION SUMMARY



Colliers International Valuation UK LLP  
50 George Street  
London  
W1U 7GA

[www.colliers.com/uk](http://www.colliers.com/uk)



## INSTRUCTION / RELIANCE

Property ID	013
Property Address ('the Property')	Purotie 1, Helsinki
Valuation prepared for	Cromwell EREIT Management Pte Ltd in its capacity as manager of Cromwell European Real Estate Investment Trust ("CEREIT"); and Perpetual (Asia) Limited in its capacity as trustee of the CEREIT
Assumptions, Limitations and Disclaimers	This Valuation Summary must be read in conjunction with the full Report and Valuation in its entirety. It is subject to the assumptions, qualifications, limitations and disclaimers in the full Report and Valuation, which is available for inspection at the registered address of the REIT Manager for a period of three months from the date of the Circular.
Reliance and Liability	To the fullest extent permitted by law, Colliers International Valuation UK LLP excludes all liability arising from the use of or reliance on its valuations by any person other than the Addressees of the valuations and such other party that has entered into a reliance letter with us for any purpose whatsoever. For the avoidance of doubt, reliance on the Report and Valuation is not extended to the holders of units in Cromwell European Real Estate Investment Trust ("Unitholders").
Purpose of Valuation	In support of a proposed acquisition of the property; and for inclusion in a circular in relation to a rights issue for the benefit of the CEREIT.
Date of Inspection	29.08.2018

## PROPERTY PARTICULARS

Type of Property	Office
Property Description	The Property comprises a five storey office building of concrete frame construction, arranged over basement, ground floor and three upper floors. There is also a small amount of retail space on the ground floor and a gym in the basement along with car parking. The property benefits from a total of 63 parking spaces.
Property Location	The Property is located in the Pitäjänmäki district, approximately 8 km from the centre of Helsinki, Finland's capital city. The nearest Valimo train station is located 850 metres north of the Property providing connections both southbound towards Helsinki and westbound towards Espoo. In addition, several bus lines pass the Property along Pitäjänmäentie. Rail services will continue to strengthen in the near future as the new tram line (Jokeri light rail) is due to be constructed between Itäkeskus and Keilaniemi with one of the stops planned near to the Property.
Year of Completion	1991
Site Area	2,289
Lettable Floor Area (LFA) (sq m)*	4,691.50
	*measured in accordance with local market practice
Condition	The overall condition of the Property is average.

## LEGAL / STATUTORY

Legal Title	Land and building owner: Vioto Oy
Tenure	Freehold
Planning / Zoning	KTY, site for commercial buildings. The total building right is 5,266 sqm, of which 1,000 sqm can be used for retail premises.

## TENANCY

Tenancies	The Property is multi-let to 11 tenants.
Gross Current Rent (€ p.a)	€ 853,642
Net Current Rent (€ p.a)	€ 593,545
Market Rent (€ p.a) (Gross)	€ 852,855
Overall Covenant Strength	Average. The principal tenants are active in the petrochemicals and marketing industries and the leisure sector.

## VALUATION

Basis of Valuation	Market Value – subject to existing tenancies but otherwise with vacant possession
Valuation Approaches	Primary - Income Capitalisation / Secondary - Direct Comparison
Date of Valuation	27.09.2018
Initial Yield	7.91%
Equivalent Yield	7.00%
Reversionary Yield	7.90%
Gross Value (€)	€ 8,469,633
Market Value (€)	€ 7,500,000
Cap Val (€ per sqm on LFA)	€ 1,599

## VALUATION SUMMARY



Colliers International Valuation UK LLP  
50 George Street  
London  
W1U 7GA



[www.colliers.com/uk](http://www.colliers.com/uk)

## INSTRUCTION / RELIANCE

<b>Property ID</b>	014
<b>Property Address ('the Property')</b>	Plaza Forte KOy, Vantaa
<b>Valuation prepared for</b>	Cromwell EREIT Management Pte Ltd in its capacity as manager of Cromwell European Real Estate Investment Trust ("CEREIT"); and Perpetual (Asia) Limited in its capacity as trustee of the CEREIT
<b>Assumptions, Limitations and Disclaimers</b>	This Valuation Summary must be read in conjunction with the full Report and Valuation in its entirety. It is subject to the assumptions, qualifications, limitations and disclaimers in the full Report and Valuation, which is available for inspection at the registered address of the REIT Manager for a period of three months from the date of the Circular.
<b>Reliance and Liability</b>	To the fullest extent permitted by law, Colliers International Valuation UK LLP excludes all liability arising from the use of or reliance on its valuations by any person other than the Addressees of the valuations and such other party that has entered into a reliance letter with us for any purpose whatsoever. For the avoidance of doubt, reliance on the Report and Valuation is not extended to the holders of units in Cromwell European Real Estate Investment Trust ("Unitholders").
<b>Purpose of Valuation</b>	In support of a proposed acquisition of the property; and for inclusion in a circular in relation to a rights issue for the benefit of the CEREIT.
<b>Date of Inspection</b>	30.08.2018

## PROPERTY PARTICULARS

<b>Type of Property</b>	Office
<b>Property Description</b>	The Property forms part of the Plaza Business Park entity, which consists of three inter-connected office buildings of concrete frame construction with rendered elevations. It is arranged over ground floor and six upper floors, plus an attic with sauna premises. The lobby is located on the north side of the building with an atrium three storeys in height and there are conference and meeting rooms on the first floor. There are 199 indoor and outdoor car parking spaces, some of which are in a separate multi-storey car park.
<b>Property Location</b>	The Property forms part of Gate8 Business Park, a modern business park comprising 5 office buildings located 20 kms north east of Helsinki in the Aviapolis area in Vantaa, Finland's fourth most populated city. Accessibility to the Property is excellent, particularly by car, as Ring Road III passes just to the south and connects with Tuusulanväylä highway a short distance to the east. Helsinki-Vantaa airport is located only 6 kms north from the asset and can be reached by car, in 5 minutes. The nearest train station is Aviapolis, 1.5 kms north west of the Property. Jumbo Shopping Centre is located within walking distance on the south side of Ring Road III offering leisure and retail amenities.
<b>Year of Completion</b>	2002
<b>Site Area (sqm)</b>	3,981
<b>Lettable Floor Area (LFA) (sq m)*</b>	6,054.00
<b>Condition</b>	*measured in accordance with local practice The overall condition of the Property is reasonable.

## LEGAL / STATUTORY

<b>Legal Title</b>	Land and building owner: Kiinteistö Oy Plaza Forte
<b>Tenure</b>	Freehold
<b>Planning / Zoning</b>	KT, site for office buildings. Total building right 7,200 sqm, maximum number of floors is seven.

## TENANCY

<b>Tenancies</b>	Including future leases, the Property is multi-let to 28 tenants.
<b>Gross Current Rent (€ p.a)</b>	€ 1,240,395
<b>Net Current Rent (€ p.a)</b>	€ 824,122
<b>Market Rent (€ p.a) (Gross)</b>	€ 1,396,142
<b>Overall Covenant Strength</b>	Average. Main tenants are active in following sector: management consultancy, wholesale of laboratory and medical equipment and tour operator.

## VALUATION

<b>Basis of Valuation</b>	Market Value – subject to existing tenancies but otherwise with vacant possession
<b>Valuation Approaches</b>	Primary - Income Capitalisation / Secondary - Direct Comparison
<b>Date of Valuation</b>	27.09.2018
<b>Initial Yield</b>	6.40%
<b>Equivalent Yield</b>	7.00%
<b>Reversionary Yield</b>	7.61%
<b>Gross Value (€)</b>	€ 13,435,332
<b>Market Value (€)</b>	€ 12,850,000
<b>Cap Val (€ per sqm on LFA)</b>	€ 2,123

## VALUATION SUMMARY



Colliers International Valuation UK LLP  
50 George Street  
London  
W1U 7GA

[www.colliers.com/uk](http://www.colliers.com/uk)



## INSTRUCTION / RELIANCE

Property ID	015
Property Address ('the Property')	Pakkalan K-K 3 KOy,Vantaa
Valuation prepared for	Cromwell EREIT Management Pte Ltd in its capacity as manager of Cromwell European Real Estate Investment Trust ("CEREIT"); and Perpetual (Asia) Limited in its capacity as trustee of the CEREIT
Assumptions, Limitations and Disclaimers	This Valuation Summary must be read in conjunction with the full Report and Valuation in its entirety. It is subject to the assumptions, qualifications, limitations and disclaimers in the full Report and Valuation, which is available for inspection at the registered address of the REIT Manager for a period of three months from the date of the Circular.
Reliance and Liability	To the fullest extent permitted by law, Colliers International Valuation UK LLP excludes all liability arising from the use of or reliance on its valuations by any person other than the Addressees of the valuations and such other party that has entered into a reliance letter with us for any purpose whatsoever. For the avoidance of doubt, reliance on the Report and Valuation is not extended to the holders of units in Cromwell European Real Estate Investment Trust ("Unitholders").
Purpose of Valuation	In support of a proposed acquisition of the property; and for inclusion in a circular in relation to a rights issue for the benefit of the CEREIT.
Date of Inspection	29.8.2018

## PROPERTY PARTICULARS

Type of Property	Office
Property Description	The Property comprises a nine storey, purpose-built office building of concrete frame construction, with attic space for conference premises and a basement for parking and storage facilities. The ground floor consists of the main lobby, conference premises, restaurant and office space. The upper floors are used as office space and can be divided flexibly with plasterboard walls. There are 216 internal and external parking spaces.
Property Location	The Property is located in Pakkala district in Vantaa. Vantaa is Finland's fourth most populated city, located 20 kms north east of Helsinki (approximately 30 minutes by car). Road connections are good, as the intersection of Ring Road III and Tuusulanväylä highway is located less than a kilometre away. Helsinki-Vantaa airport is located only 4 kms north from the Property and can be reached in 7 minutes by car. Public transportation, however, is somewhat limited with only a few bus lines within the immediate vicinity, while the nearest train station (Aviapolis) is located c. 2 km north. Jumbo Shopping Centre is located within walking distance, c. 700 metres to the north-east.
Year of Completion	1991
Site Area (sqm)	9,456
Lettable Floor Area (LFA) (sq m)*	7,795.60
	*measured in accordance with local practice
Condition	The overall condition of the Property is average.

## LEGAL / STATUTORY

Legal Title	Land and building owner: Kiinteistö Oy Pakkalan Kartanonkoski 3
Tenure	Freehold
Planning / Zoning	KT, site for office buildings. Total building right 14,100 sqm, maximum number of floors is seven. 20% of the building right can be used for working premises, which does not interfere with the environment.

## TENANCY

Tenancies	As at the Valuation Date, the Property is multi-let to 20 tenants.
Gross Current Rent (€ p.a)	€ 1,096,168
Net Current Rent (€ p.a)	€ 632,174
Market Rent (€ p.a) (Gross)	€ 1,274,725
Overall Covenant Strength	Average. The principal tenants are active in civil engineering, furniture wholesale and wholesale of heavy machinery.

## VALUATION

Basis of Valuation	Market Value – subject to existing tenancies but otherwise with vacant possession
Valuation Approaches	Primary - Income Capitalisation / Secondary - Direct Comparison
Date of Valuation	27.09.2018
Initial Yield	5.96%
Equivalent Yield	6.65%
Reversionary Yield	7.65%
Gross Value (€)	€ 11,793,454
Market Value (€)	€ 10,600,000
Cap Val (€ per sqm on LFA)	€ 1,360

## VALUATION SUMMARY



Colliers International Valuation UK LLP  
50 George Street  
London  
W1U 7GA

[www.colliers.com/uk](http://www.colliers.com/uk)



## INSTRUCTION / RELIANCE

Property ID	016
Property Address ('the Property')	Pakkalan K-Koski 12 KOy,Vantaa
Valuation prepared for	Cromwell EREIT Management Pte Ltd in its capacity as manager of Cromwell European Real Estate Investment Trust ("CEREIT"); and Perpetual (Asia) Limited in its capacity as trustee of the CEREIT
Assumptions, Limitations and Disclaimers	This Valuation Summary must be read in conjunction with the full Report and Valuation in its entirety. It is subject to the assumptions, qualifications, limitations and disclaimers in the full Report and Valuation, which is available for inspection at the registered address of the REIT Manager for a period of three months from the date of the Circular.
Reliance and Liability	To the fullest extent permitted by law, Colliers International Valuation UK LLP excludes all liability arising from the use of or reliance on its valuations by any person other than the Addressees of the valuations and such other party that has entered into a reliance letter with us for any purpose whatsoever. For the avoidance of doubt, reliance on the Report and Valuation is not extended to the holders of units in Cromwell European Real Estate Investment Trust ("Unitholders").
Purpose of Valuation	In support of a proposed acquisition of the property; and for inclusion in a circular in relation to a rights issue for the benefit of the CEREIT.
Date of Inspection	29.08.2018

## PROPERTY PARTICULARS

Type of Property	Office
Property Description	The Property comprises purpose-built offices arranged over ground and three upper floors with 65 open surfaced parking spaces.
Property Location	The Property is located in Pakkala district in Vantaa. Vantaa is Finland's fourth most populated city, located 20 kms north east of Helsinki (approximately 30 minutes by car). Road connections are good, as the intersection of Ring Road III and Tuusulanväylä highway is located less than a kilometre away. Helsinki-Vantaa airport is located only 4 kms north from the Property and can be reached in 7 minutes by car. Public transportation, however, is somewhat limited with only a few bus lines within the immediate vicinity, while the nearest train station (Aviapolis) is located c. 2 km north. Jumbo Shopping Centre is located within walking distance, c. 700 metres to the north-east.
Year of Completion	2001
Site Area (sqm)	5,689
Lettable Floor Area (LFA) (sq m)*	3,425.00
Condition	*measured in accordance with local practice The overall condition of the Property is good.

## LEGAL / STATUTORY

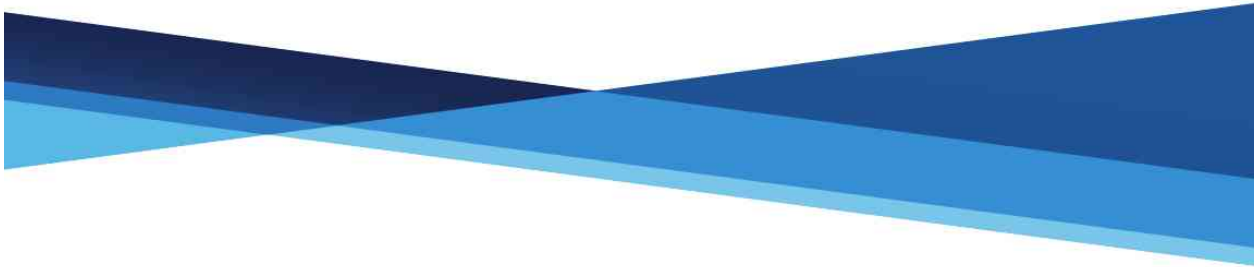
Legal Title	Land and building owner: Kiinteistö Oy Pakkalan Kartanonkoski 12
Tenure	Freehold
Planning / Zoning	KT, site for office buildings. Total building right 10,400 sqm, maximum number of floors is four. 40% of the building right can be used for industrial premises, which does not interfere with the environment, and 10% for showroom and retail premises. 400 sqm of the building right can be used for restaurant.

## TENANCY

Tenancies	The Property is multi-let to 7 tenants.
Gross Current Rent (€ p.a)	€ 704,058
Net Current Rent (€ p.a)	€ 521,163
Market Rent (€ p.a) (Gross)	€ 663,785
Overall Covenant Strength	Average. The principal tenants are active in pharmaceuticals, consultancy and office facilities services.

## VALUATION

Basis of Valuation	Market Value – subject to existing tenancies but otherwise with vacant possession
Valuation Approaches	Primary - Income Capitalisation / Secondary - Direct Comparison
Date of Valuation	27.09.2018
Initial Yield	8.15%
Equivalent Yield	7.05%
Reversionary Yield	7.52%
Gross Value (€)	€ 6,673,505
Market Value (€)	€ 6,400,000
Cap Val (€ per sqm on LFA)	€ 1,869



Colliers International Valuation UK LLP  
Valuation & Advisory Services  
50 George Street  
London W1U 7GA

[www.colliers.com/uk](http://www.colliers.com/uk)

INDEPENDENT MARKET RESEARCH REPORT



125 Old Broad Street  
London, EC2N 1AR  
Tel +44 (0) 20 3296 3000  
Fax +44 (0) 20 3296 3100  
cushwake.com

Cromwell EREIT Management Pte. Ltd.,  
(as manager of Cromwell European REIT)  
50 Collyer Quay  
#07-02 OUE Bayfront  
Singapore 049321

Perpetual (Asia) Limited,  
(in its capacity as trustee of Cromwell European REIT)  
8 Marina Boulevard  
#05-02, Marina Bay Financial Centre  
Singapore 018981

14 September 2018

Dear Sirs

**INDEPENDENT PROPERTY MARKET RESEARCH REPORT (the “Independent Market Research Report”)**

With reference to our Terms of Engagement letter dated 11 September 2018 (the “TOE”), we have conducted our independent review of the specified property markets in Europe.

This Independent Market Research Report is for inclusion in the Circular and Offer Information Statement to be issued in connection with a rights issue for Cromwell European REIT (the “**Transaction**”).

The Report is enclosed herewith.

Yours faithfully

A handwritten signature in black ink that reads "Elisabeth Troni".

**Elisabeth Troni**  
**Head of EMEA Research & Insight**  
**for and on behalf of**  
**Cushman & Wakefield Debenham Tie Leung Limited**



# Independent European Property Market Research Report

14 September 2018

Prepared for

**Cromwell EREIT Management Pte. Ltd.,**  
(as manager of Cromwell European REIT)

and

**Perpetual (Asia) Limited,**  
(in its capacity as trustee of Cromwell European REIT)

In Respect Of

**Cromwell European REIT**

Prepared by

Cushman & Wakefield Debenham Tie Leung Limited



# Contents

Section 1:	Macroeconomic Overviews	4
	Finland	4
	Netherlands	7
	Poland	10
Section 2:	Property Market Overviews	13
	Finland Office - Helsinki	13
	Netherlands Office – Utrecht & Den Bosch	18
	Poland Office – Warsaw & Gdansk	24
Section 3:	Summary of China’s ‘One Belt One Road’ Initiative	28
Appendix:	1. Key locations referenced in the report	29
	2. Limitations and Caveats	33

## SECTION 1: MACROECONOMIC OVERVIEWS

### FINLAND ECONOMY

Table 1: Finland Key Economic Indicators Table

Economic Indicators (%)	2008-2017 (% pa, avg)	2017	2018	2019	2018-2022 (% pa, avg)	Outlook 2019 vs 2018
GDP Growth	0	2.8	2.7	1.7	1.9	↓
Private Consumption	1.1	1.3	2.3	1.7	1.8	↓
Investment	-0.5	4.0	6.5	2.5	2.9	↓
Industrial Production	-1.2	4.1	4.1	2.3	2.3	↓
Unemployment Rate	8.2	8.5	7.7	7.5	7.5	↓
Inflation (CPI)	1.5	0.8	1.2	1.7	1.6	↑
Short-term Interest Rates	0.6	-0.3	-0.3	0.1	0.3	↑
Long-term Interest Rates	1.9	0.6	0.8	1.3	1.7	↑

Source: Oxford Economics

### MACROECONOMIC STRUCTURE

Finland's economy is the 12<sup>th</sup> largest in the EU, and is open, with exports accounting for around 40% of GDP. It is well integrated with the global economy but primarily dependent on exports to the EU, which account for 55%. Finland's largest trading partners include Germany, Sweden and Russia, each accounting for around 10% of exports.

The forestry and paper industry has traditionally been the driving force behind exports, but in the 1990s the electronics, information and communications industries became Finland's primary source of export revenues, until the demise of telecommunications giant Nokia in the 2000s.

As such, over the last decade, economic performance has been weak and disappointing, particularly since the Global Financial Crisis. A sharp correction in 2009 caused the economy to contract by 8.3% but then three further years of negative GDP growth were registered between 2012 and 2014. It is only over the last few years that the Finnish economy has been able to re-build some momentum, recording growth of 2.5% in 2016 and 2.8% in 2017.

In terms of domestic demand, private consumption is the main component and it accounts for around 55% of total GDP. Fixed investment and government consumption account for 20% of GDP each. This economic structure is in line with Eurozone average. In terms of the structure of GDP by output, services account for over 70% while industry for over 20% (2017).

### MACROECONOMIC OVERVIEW

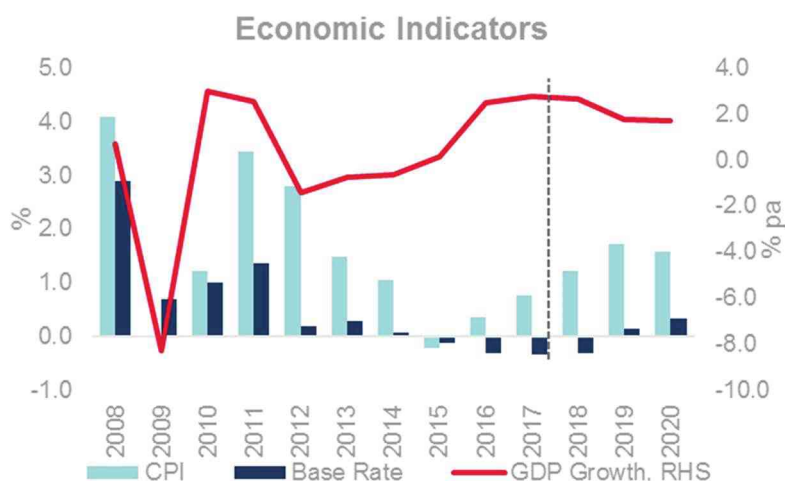
Similar to many open economies, Finland was hit hard by the Global Financial Crisis. External demand declined massively impacting the export sector and consequently overall economic performance. Finland entered into recession in 2009, when GDP fell by over 8%, as both investment and private consumption shrunk; exports fell as well due to weaker international demand. Finland never fully recovered from recession and the economy has struggled to build momentum given that it has high labour costs and declining productivity.

Private consumption is expected at 2.3% this year (Table 1), up from 1.3% in 2017 and 1.1% p.a. over the last decade (2008-2017). Consumption is healthy, supported by rising employment. Investment and industrial production have both dragged down GDP performance during the last decade, however their contribution over the last 2-3 years has been positive.

The Finnish unemployment rate is above the EU average, but it is trending downwards. The latest data show that it has already reached the lowest level in more than 5 years which is attributed to government reforms called 'The Competitiveness Pact'. Since 2017, this package has targeted moderate wage settlements, the introduction of an export industry-driven model in wage formation, and reforms to increase local agreement in the labour market.

Inflation is low despite the increase in global oil prices. It is well below the European Central Bank's 2% target and was just 0.8% at the end of 2017 (Figure 1), compared with 1.5% of 2008-17 period. Both short and long-term interest rates are low based on an historical perspective.

Figure 1: Finland Economic Indicators



Source: Oxford Economics

## MACROECONOMIC OUTLOOK

Eurozone economic growth has slowed down in the first half of 2018; in contrast Finland's economy is growing strongly as solid international demand and improving competitiveness help to support exports. GDP growth for 2018 as a whole is expected at 2.7%, similar to last year's performance of 2.8%, which was the strongest since 2010 when the economy expanded by 3.0%.

Private consumption is expected to positively contribute to GDP performance this year, supported by employment growth and rising income. However, next year it is expected to contribute less to GDP output as rising inflation reduces spending power.

Unemployment is expected to fall further next year as the economy improves. However, employment growth is key in order to help address long-term fiscal challenges caused by unfavourable demographics and significant structural challenges. Industrial production and investment are also expected to positively contribute next year albeit at a lower level compared with 2018.

The future trend in interest rates is in line with the rest of Europe, both short and long-term rates are foreseen to gradually increase going forward, albeit over the next 5 years (2018-2022) will remain well below the peak of the previous cycle (3.7% in 2008).

## DEMOGRAPHICS

Finland's population grew from 4.8 million in the 1980s to 5.5 million in 2017. The urban population also increased from 72% of the total in the 1980s to 84% in 2016.

The demographic profile of Finland is unfavourable as the population is ageing rapidly. Over the next 20 years, Finland's population is expected to age more rapidly than any other EU country, which represents one of the key challenges for Finland. The old age dependency ratio has progressively risen in recent decades; public finances are under severe pressure due to lower labour resources and higher social spending. The government is trying to reduce the long-term sustainability gap in the public

finances by improving labour mobility and efficiency of public services. It is a long process and results will become clearer in the future.

### **KEY RISKS / ISSUES FACING THE ECONOMY**

Finland's overall economic risk is slightly higher than the Western European average and the country is ranked 24<sup>th</sup> out of 164 countries for risk by Oxford Economics (1 being least risky) but is still ranked above major European economies like Spain, Portugal and Italy.

The S&P credit rating is AA+ with a stable outlook; Moody's is Aa1 with a stable outlook and Fitch is AA+ with a positive outlook. Funding costs are low, with the 10-year bond yield expected at just 0.8% at the end of this year.

Despite a positive near-term outlook and improvements in competitiveness, the medium-term growth prospects are less promising as Finland struggles to find sources of growth after the decline of various key industries. Specifically, the paper and pulp and electronics industries have faced significant structural decline, particularly since the GFC, which will require a long period of restructuring. Finland's structural problems are highlighted by weak labour productivity, the erosion of corporate profitability and a decline in the share of key export markets.

The poor demographic profile caused by an ageing population combined with a large social welfare system and the structural decline of key industries has resulted in the debt to GDP ratio increasing over the last decade. Currently, Finland is still above the European Union ceiling of 60% debt to GDP, having been in breach since 2014, and with little prospect of reducing that ratio in the near term.

## THE NETHERLANDS ECONOMY

Table 2: Netherlands Key Economic Indicators Table

Economic Indicators (%)	2008-2017 (% pa, avg)	2017	2018	2019	2018-2022 (% pa, avg)	Outlook (19 vs 18)
GDP Growth	0.9	3.0	2.7	1.5	1.7	↓
Private Consumption	0.2	1.9	2.8	1.4	1.7	↓
Investment	0.4	6.2	5.0	3.0	2.7	↓
Industrial Production	-0.1	1.9	1.6	1.0	1.3	↓
Unemployment Rate	5.6	4.9	3.9	3.8	4.1	↓
Inflation (CPI)	1.6	1.4	1.7	1.8	1.9	↑
Short-term Interest Rates	0.7	0.0	0.0	0.3	0.5	↑
Long-term Interest Rates	1.9	0.5	0.8	1.3	1.7	↑

Source: Oxford Economics

### MACROECONOMIC STRUCTURE

The Netherlands is the 6<sup>th</sup> largest economy in the EU and plays an important role as a regional transportation hub with one of the world's largest container ports located in Rotterdam, one of Europe's busiest airports in Amsterdam (Schiphol) and a dense road and rail network that links with Germany and Belgium. The Netherlands is an export-oriented economy that depends heavily on foreign trade with a particular focus on chemicals, petroleum refining, electrical machinery and food processing.

While the services sector accounts for 80% of output, there is also a strong industrial sector – for example The Netherlands is one of the largest producers and distributors of natural gas in the world. Its top export markets are all in the EU and include Germany, Belgium, France, Italy and the UK. Average GDP per capita is approximately USD 46,000, well above the EU average of around USD 32,000 and just ahead of the average for advanced economies of USD 45,000.

### DEMOGRAPHICS

The Netherlands had an estimated population of 17.1 million in 2017 and is the most densely populated country in Europe, with a density of 505 people per km<sup>2</sup> (UN), and approximately 91% of the population live in urban areas (2016). Population growth averaged 0.5% a year between 2008-2017, but this is expected to increase to 0.6% between 2018-2020. In 2016, just over 18% of the population was over 65 years of age. The size of the current working age population is not expected to grow over the coming years due to an ageing population. The situation would be worse if not for the projected increase in the retirement age in both 2020 and 2025, an expected rise in the participation rate and net immigration, which is expected to drag on growth over the longer term.

### MACROECONOMIC OVERVIEW

The Dutch economy performed very strongly in 2017, achieving the highest rate of growth since 2007, with an increase of 3.0% (Table 2), above the Eurozone average of 2.5%.

Akin to most Eurozone markets, the Netherlands experienced a slowdown in activity in Q1 2018, mainly attributed to a reduction in global trade which curtailed exports. This largely reversed in Q2 as exports picked-up and net trade, once again, contributed positively to economic growth. The de-escalation of the EU-US trade tensions following European Commission President Jean-Claude Juncker's visit to Washington in July, was against expectations but welcome news for European export economies such

as the Netherlands, although concerns still remain about China-US relations and the impact that further tariffs will have on global trade and business sentiment.

Dutch consumption growth slowed in Q2 2018 after a very strong first quarter, but a tight labour market and wage growth should help support healthy growth rates in the second half of the year.

According to Statistics Netherlands, consumer confidence in August 2018 remained at a healthy level, well above the two-decade average and consistent with readings since 2016, prior to that Dutch consumer confidence had been much lower. Private consumption expanded by 1.9% in 2017, up from 1.1% in 2016 and above the Eurozone average of 1.7%.

Business sentiment surveys have weakened since the start of 2018 but remain above the historic average and indicate expansion rather than contraction. Export volumes were growing at more than 6% per annum in 2017 but by Q1 2018 this had halved, in line with slowing global trade, and as at Q2 2018, export growth is estimated to be 3.1% per annum.

Inflation has increased since its low point of -0.6% in mid-2016 but it still remains just below the ECB target of 2% and slightly below the Eurozone average of 2.1%. Recently, higher energy prices have been passed onto consumers and led to inflationary pressure. However, despite the unemployment rate reaching 3.8%, a near decade low, wage growth has been slow to pick-up, but recently there has been evidence to suggest that pay may contribute to inflation going forwards with July wage growth reaching 2%, the highest since 2009.

## MACROECONOMIC OUTLOOK

Domestic demand is expected to be the main driver of growth over the medium term. Conditions remain favourable for consumers with low unemployment, wage growth and modest inflation. As such, private consumption is forecast to grow by 2.8% in 2018, before moderating to an average of 1.4% a year between 2018-2020.

The contribution from net trade is expected to fade as higher oil prices and increased protectionism moderate global trade. These concerns are also likely to impact investment growth which is likely to slow but will remain an important driver of overall economic growth.

In addition, supportive fiscal policies such as cuts to income and corporation tax along with greater spending on education, defence and social security should boost growth making the Dutch budget procyclical following many years of post-crisis austerity.

The combination of healthy domestic demand, reduced net trade and fiscal stimulus is likely to contribute to Dutch GDP growth of 2.7% in 2018 before moderating to 1.5% in 2019 and 1.2% in 2020 (Figure 2), but still above the 10-year historic average growth rate of 0.9%.

In June 2018, the ECB delivered its long-awaited plans for an end to quantitative easing. Asset purchases will reduce from €30 billion a month to €15 billion a month in October before ending in December 2018. The end date is still data dependent, while the forward guidance on interest rates suggests the first rate rise will be in Q3 2019 at the earliest.

Figure 2: Netherlands Economic Indicators



Source: Oxford Economics

## **KEY RISKS / ISSUES FACING THE ECONOMY**

The Dutch economy is in good health, with Oxford Economics ranking it 9<sup>th</sup> out of 164 countries in terms of economic risk (1 being least risky). Government debt is forecast to remain on a downward trajectory, while prudent fiscal management and a broad-based political commitment to deficit reduction means the Netherlands is expected to maintain its AAA credit rating over the medium term. The financial position of businesses has gradually improved with a peak in insolvencies in 2013 but since then, profit margins have improved as a weaker Euro improved competitiveness and lower oil prices raised efficiency. Demographic trends are also more positive than in other European countries. Despite this there are still many risks that could alter the outlook.

**PROTECTIONISM:** The EU and US have agreed a preliminary deal that aims for free trade in non-auto industrial goods which seems an ambitious goal at this stage, but perhaps more significantly there was a commitment not to impose new tariffs while negotiations are underway. This de-escalates tensions over trade and eases fears about the direct impact of rising protectionism on the EU economy in the short term. Thus far, rising protectionism globally has had a negative impact on business sentiment, export volumes and casts doubt over future investment plans, further escalation between the US and China is likely to cause further deterioration in trading conditions.

**BREXIT:** One of the downside risks for the Dutch economy is the uncertainty related to the British exit from the EU (Brexit). Negotiations are approaching a crunch period ahead of the UK's March 2019 departure date. It remains difficult to ascertain the full implications of the UK's vote to leave the EU, but it has undoubtedly cast a shadow over the Netherlands future growth prospects. The Netherlands has large trade exposure and close financial ties to the UK, while any worsening in economic prospects in its main Eurozone trading partners would also weigh heavily on its important export sector.

**POPULISM:** The elections in March 2017 produced a fragmented result, with the centre-right VVD party, led by incumbent Prime Minister Mark Rutte, winning the largest number of seats. While the result saw the defeat of the far-right Geert Wilders and his proposal for a referendum on Dutch membership of the EU and the Eurozone, his PVV party has grown in popularity and is now the second strongest party. Political fragmentation is higher than ever in the Netherlands, with 13 parties entering the lower House of Parliament.

## POLAND ECONOMY

Table 3: Poland Key Economic Indicators Table

Economic Indicators (%)	2008-2017 (% pa, avg)	2017	2018	2019	2018-2022 (% pa, avg)	Outlook (19 vs 18)
GDP Growth	3.3	4.6	4.7	3.5	3.5	↓
Private Consumption	3.0	4.7	4.1	3.6	3.3	↓
Investment	2.3	2.9	7.1	5.0	5.0	↓
Industrial Production	3.7	6.8	6.0	3.5	3.9	↓
Unemployment Rate	8.3	4.9	4.0	3.8	3.2	↓
Inflation (CPI)	2.1	2.0	1.9	2.1	2.1	↑
Short-term Interest Rates	3.0	1.5	1.5	1.5	1.9	→
Long-term Interest Rates	4.4	3.3	3.2	3.2	3.6	→

Source: Oxford Economics

## MACROECONOMIC STRUCTURE

Poland is the 8<sup>th</sup> largest economy in the EU by output but is considered less open than some of its neighbours, with exports accounting for about 50% of GDP, compared to around 90% in Hungary and approximately 80% in the Czech Republic. Consumption accounts for a large proportion of economic activity at 60% which has made Poland resilient to external shocks, and partially explains why it was the only European economy to avoid recession in 2008-2009. EU structural funds have also played an important role in stabilising economic growth, amounting to about 3% of GDP between 2007 and 2015. In terms of industries, services represent the largest component of the economy (63.7%), followed by industry (33.5%), much of which is export-oriented, and agriculture (2.8%). The largest city is Warsaw with nearly 1.8 million people and is a significant centre for research and development, business process outsourcing (BPO) and information technology outsourcing.

As a result of EU structural funding, income levels have increased from 37.6% of the EU-15 average in 1996 to 65% by 2015, the fastest pace of convergence among the CEE economies. More recently however, structural reforms have stalled, and convergence has slowed. Poland's new conservative Law and Justice-led government has embarked on an expansionary and interventionist policy agenda, which may spur growth in the short term, but undermine fiscal sustainability in the medium term.

Integration with the EU was associated with large FDI inflows, allowing it to plug into German automotive supply chains and upgrade the technology intensity of its exports. As such, Polish goods exports now have a particular focus on automotive parts, automotive accessories, vehicles and machinery including computers. However, the economy does import a significant proportion of its oil exposing its current account to global energy price fluctuations. Beyond goods exports, Poland has also developed one of the most advanced capital markets in Europe, becoming a financial hub for the region and improving its services provision. Around 88% of Poland's exports are to other EU countries, the largest include Germany, France, Italy and the UK. Average GDP per capita is USD 12,398, well below the EU average of USD 32,073 and is the fourth lowest in the EU ahead of Bulgaria, Romania and Croatia.

## DEMOGRAPHICS

Poland had an estimated population of 38 million in 2017 making it the sixth most populous country in the EU. The country has one of the worst population profiles in Europe with an average annual contraction in population of 0.1% over the last 20 years, but very little change in population is expected over the next 3 years. In 2017, just over 17% of the population was aged over 65 years of age. The size of the working age population is expected to contract at a rate of 1% per annum over 2018-2022 due to an ageing population and a recent reduction in the retirement age (65 for men and 60 for women).



## MACROECONOMIC OVERVIEW

The Polish economy expanded by 4.6% in 2017 (Table 3), making it the strongest year since 2011, and well above the Eurozone average of 2.5%.

Poland and the wider CEE region have remained resilient to the Eurozone slowdown experienced in the first half of 2018, recording growth of 1% in Q2 and 1.6% in Q1 2018. The Polish labour market remains very healthy with low unemployment (3.5%), while inflation remains moderate at a time when EU structural fund spending has increased. These factors are supportive of domestic demand, the main engine of economic growth, while Zloty depreciation has helped net trade. Furthermore, there has been a surprise improvement in industrial activity at a time when Eurozone demand is showing signs of stabilising, all of which helps contribute to the current positive economic momentum.

Polish consumption growth has been slowing over recent quarters, attributed to higher oil prices eroding consumer purchasing power, but is still expanding at an annual rate of above 4%, which is significantly higher than the Eurozone average of around 1%.

According to Eurostat, consumer confidence in August 2018 dipped, but remained at a healthy level compared to most of the last decade. Private consumption expanded by 4.7% in 2017, up from 3.7% in 2016 and well above the Eurozone average of 1.7%.

Business sentiment surveys have weakened since the start of 2018 but remain well above the historic average and close to the highs of 2007 (Eurostat). Export volumes were growing at almost 7% per annum in 2017 but by Q1 2018 this had reduced significantly to about 2%, albeit with a bounce back recorded in Q2 to 7%.

Inflation has remained low despite a tight labour market, rising oil prices and a depreciating Zloty. Annual inflation was just 1.4% in July, below the Eurozone average of 2.1%, and at a time when many other CEE countries have annual inflation rates running above 2.5%.

## MACROECONOMIC OUTLOOK

Domestic demand is forecast to be the main driver of GDP growth over the medium term with net exports acting as a drag on growth. The outlook is underpinned by strong consumption growth of 4.4% in 2018 before a slight reduction in growth to 3% in 2019, as higher oil prices erode consumer purchasing power.

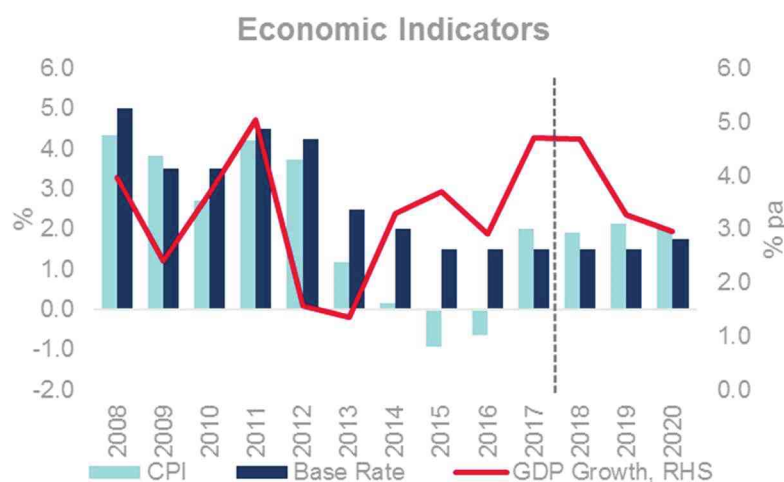
The tight Polish labour market has softened with unemployment stabilising during Q2, rather than reducing. High migration from Ukraine is likely to be a key contributing factor following an estimated 1 million new arrivals since 2014. Nonetheless, wage growth is still significantly outstripping inflation (7% versus 2%, respectively, in July 2018).

The Polish government has significantly increased social spending (the child benefit scheme and lower retirement age from October 2017), costing around 2% of GDP a year, which has been offset by strong economic growth and improved tax collection. In addition, investment has picked-up since Q4 2017 as EU-funded projects ramp up. In particular, during Q2 2018 there was strong civil engineering construction activity, which grew by around 35% y/y.

The combination of strong consumption, improved tax collection and higher EU-funded investment is contributing to the positive outlook, with GDP growth of 4.7% forecast for 2018 before moderating to 3.5% in 2019 and 3.0% in 2020 (Figure 3), consistent with the 10-year historic average growth rate of 3.3% per annum.

In September 2018, the Polish Central Bank kept interest rates unchanged at a record low of 1.5%, where they have remained since 2015. Healthy economic growth, low unemployment and positive real wage growth is ultimately, likely to lead to inflationary pressure, particularly if oil prices remain elevated. As such, the expectation is for interest rates to rise, albeit at a slow and gradual pace, from 2020 onwards.

Figure 3: Poland Economic Indicators



Source: Oxford Economics

### KEY RISKS / ISSUES FACING THE ECONOMY

The Polish economy is in good health, with Oxford Economics ranking it 30<sup>th</sup> out of 164 countries in terms of economic risk (1 being least risky), above Hungary (44<sup>th</sup>) and Slovakia (31<sup>st</sup>). Government debt as a proportion of GDP is forecast to remain on a downward path, despite increases in social spending. Poland is no longer considered at risk of breaching the 3% of GDP budget deficit threshold in 2018-19, agreed by the EU members as part of the Stability and Growth Pact, due to strong economic growth and better tax collection. However, over the medium term greater pension liabilities will place pressure on fiscal sustainability. Other risks that could impact the outlook include:

**EROSION OF THE RULE OF LAW:** The PiS administration, a right-wing populist party, has taken a number of actions that erode checks and balances in Poland’s governance, in particular against the constitutional court, the media and the judiciary. This has caused the European Commission to begin an Article 7 procedure, which could result in a withdrawal of Poland’s voting rights. While full implementation of Article 7 is unlikely, it is expected that the next EU budget will be conditional upon the observance of judicial independence. If Poland were to receive lower EU funding then there would be a meaningful impact on GDP growth, especially if there was a cyclical downturn.

**PROTECTIONISM:** Although the Polish economy is less dependent on net trade for economic growth than many economies it is still an important component, particularly the automotive supply chain which is highly integrated with Germany. As such, it is positive news that the EU-US preliminary trade deal made a commitment not to impose new tariffs while negotiations are underway. This de-escalates tensions over trade and eases fears about the direct impact of rising protectionism on the EU economy in the short term. Thus far, rising protectionism globally has had a negative impact on business sentiment, export volumes and casts doubt over future investment plans, further escalation between the US and China is likely to cause further deterioration in trading conditions.

**BREXIT:** Although Brexit is most likely an indirect risk to the Polish economy there are important considerations to be made. In the event that restrictions are imposed on immigration, many Polish workers, particularly seasonal/temporary workers, may find it more difficult to access the UK labour market. In addition, any increase in tariffs or divergence in product standards could impact Polish manufacturers - the German car industry, of which Poland is a key component, would be a prime example.

## SECTION 2: PROPERTY MARKET OVERVIEWS

### FINLAND OFFICE MARKET - HELSINKI

Table 4: Helsinki Key Property Market Indicators

MARKET INDICATORS		
Market Outlook		
Prime Rents:	Positive rental development in multiple submarkets in the Helsinki Metropolitan Area (HMA) is visible in 2018.	▼
Prime Yields:	Prime yields are expected to remain stable in the short term.	►
Supply:	During 2018 the supply remains stable.	►
Demand:	Strengthening of demand on the occupier side in the short term.	▼

Source: Cushman & Wakefield Research

#### MARKET CONTEXT

The Helsinki Metropolitan Area (HMA) is often referred to as a single office market. Prime office properties are located in the Helsinki CBD along the main shopping streets, such as Aleksanterinkatu, Eteläesplanadi and Pohjoisesplanadi. The closest area with a significant amount of new office construction is Ruoholahti some 2 km to the west of the CBD. Ruoholahti is mainly comprised of office buildings built in the late 1990s and new offices in Salmisaari which have been completed during the last few years. Other office areas near the CBD comprise mostly of older premises, some of which have been completely refurbished over the last decade. These more established areas are already almost fully built. In 2013-2014 three new office buildings were completed to Töölönlahti area next to the Helsinki Central railway station in the CBD.

Outside Ruoholahti, the rapid construction of new office properties in HMA during the mid to late 2000s has concentrated along the Ring Road I in Espoo and near the airport area in Vantaa, where the office and industrial area Aviapolis is located. Many of the new office constructions have been business parks.

Other main office areas in Helsinki, such as Pasila, Sörnäinen, Pitäjänmäki, and Vallila are located a few kilometres away from the CBD. These areas are characterised by older premises. However, lately there has been a number of large construction projects including; the new headquarters of bank group OP in Vallila, which was completed in 2015 and ongoing projects Tripla in Pasila and REDI in Kalasatama.

Office areas in Espoo are located mainly along the Ring Road I, in the Keilaniemi, Leppävaara, Otaniemi, and Tapiola areas. Together these areas create an important office area consisting of both old as well as new office buildings and business parks. Other office areas such as Kilo and Sinimäki, located along the Turku highway, consist of mainly older office premises. Most of the new office properties in Espoo are constructed close to the Ring Road I.

Many older office areas in peripheral locations are suffering from higher vacancy rates with few signs of improvement. The future of older office buildings is quite unclear. Some of the buildings could be converted into another use whereas in some cases, the whole area needs to be redeveloped, typically for residential use.

#### SUPPLY & DEVELOPMENT TRENDS

After a few years of limited office property development and construction in the HMA with, on average, 100,000 sqm constructed in 2016/17, construction activity increased in 2018 with 200,000 sqm under construction in the HMA as at Q3 2018, and due to complete by the end of 2020.

New office space has been developed in other areas, especially Pitäjänmäki and Aviapolis over 2013-2017. Office supply in the HMA has been stable, as each year, some 50,000-90,000 sqm of old office space have been demolished or redeveloped into other uses, mostly residential.

The average vacancy rate in the HMA is currently 13.5% (Figure 4) and approximately 5.0% in the CBD. The current vacancy rate in Ruoholahti is around 10.0%. In the Leppävaara area in Espoo when the former Nokia building was vacated the vacancy rate increased to 22.50% (Q4 2015). In Q2 2018 the vacancy in Leppävaara was 17.0%, with the decline driven by steady occupier demand and active asset management initiatives in the former Nokia building. Also, in Pitäjänmäki vacancy rates have remained higher at 20.0%. The variance in vacancy rates between office locations is due to difference in the micro location and in the age of the building stock.

The majority of vacant premises are located in areas with older office space with new buildings continue to sustain high levels of occupancy. The vacancy rate is expected to be stable in modern buildings in good locations such as the CBD, Ruoholahti, and Keilaniemi and to continue to be at a high level in secondary locations, outside the key office locations, such as Mankkaa/Sinikallio. The demand for space in the Helsinki city centre is expected to remain at the same level.

Figure 4: Helsinki Office Completions and Vacancy



Source: Cushman & Wakefield Research

### DEMAND DRIVERS & TRENDS

Demand for office premises in the Helsinki CBD is strong and traditional occupiers such as financial, legal, and consultancy companies is still common. However, some finance HQ's have moved to the outskirts of the CBD while other types of occupiers in the CBD have started to emerge, such as tech companies.

Ruoholahti and Keilaniemi have typically been occupied by tech companies, although we are starting to see other tenants occupying space in the area. However, this does not strongly show in the demand figures as yet.

The Pasila area in Helsinki has typically been occupied by governmental office users. However, the area is going through a major redevelopment as the new Tripla project includes a shopping centre, offices and residential buildings. Most likely the older building stock will still be occupied by governmental departments. However, as the office building stock increases more versatile types of occupiers will most likely be located in Pasila.

The trend of finding efficient office premises (greater workspace density) is expected to continue going forward. A few years ago the move to efficient premises was mainly driven by cost savings. However,

more recently occupiers are not only looking for cost savings, indeed the premises may be more expensive (on a €/sqm basis), but efficient space. The majority of occupiers are looking for open layout or multifunctional offices (premises for silent work, lounges for informal meetings, etc.), which support the efficiency of the premises.

Similar to other major office locations across Europe, co-working is a strong trend. The volume of both domestic and international companies providing co-working space has been increasing over the past two years, as operators have entered the market and local companies have been founded. Going forward we see that more and more co-working office occupiers will either enter or expand in the Helsinki office market.

An further ongoing trend is the number of start-ups and other smaller sized companies that need only small offices (under 300 sqm). In the 50-400 sqm size category demand is larger compared to supply, than in any other size category.

## **RENTAL PERFORMANCE**

Due to high demand and lower vacancy rates, Helsinki CBD rents have been increasing, while other office submarkets have remained stable over the last few years. However, rental growth was evident between H2 2017 and H1 2018 in multiple key office areas due to increased occupier demand, such as Helsinki's CBD, Keilaniemi, and Aviapolis. Helsinki's CBD which is the most sought-after office area, currently has a prime office gross rent of approximately €438/sqm/year, while other major office submarkets such as Ruoholahti and Keilaniemi/Otaniemi have gross prime rents of €309-€318/sqm/year. Prime gross rents in Aviapolis, Ruskeasu, Leppävaara and Pasila/Vallila are between €258-€267/sqm/year.

The overall vacancy remained stable in the HMA in Q2 2018 however, the demand for modern buildings with excellent transport/infrastructure connections has increased. The current market conditions will support positive rental growth for such buildings.

## **OCCUPIER MARKET OUTLOOK**

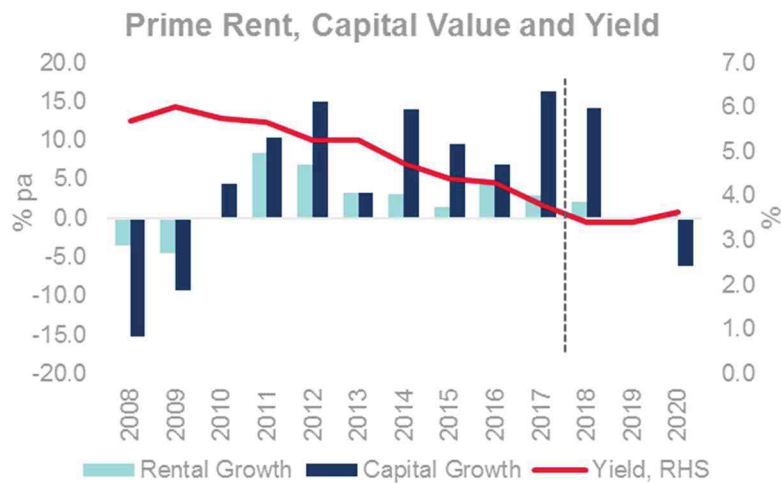
The positive economic outlook and increasing private spending suggests rising demand for office space in the future. As most rental agreements are bound to inflation, the rental development of old contracts is expected to increase by around 1% in 2018 and 1.5% in 2019.

New office supply may impact rental growth in certain areas such as Aviapolis and Pasila, however the Helsinki CBD is practically fully built and thus, increasing supply isn't expected to significantly affect the CBD rental level. The RAKLI "toimitilabarometri" which gathers the expectations of professionals shows that the market outlook for office and retail rental development has improved by 3.5% from last year and the outlook is increasingly positive. The outlook on the relatively high vacancy that has been affecting the office market in recent years is seen to be less of a problem in the future, even though vacancy in certain areas is expected to stay fairly high.

Moreover, according to the Cushman & Wakefield Nordic Investor Confidence Index Q3 2018, investors expect improved demand from office occupiers in the coming six months in the Helsinki rental market.

Office rental growth is forecasted to slow down in 2019 (*Figure 5*) due to a more moderate GDP growth and private consumption forecast in the medium term.

Figure 5: Helsinki Office Prime Rent, Capital Growth & Yield



Source: Cushman & Wakefield Research

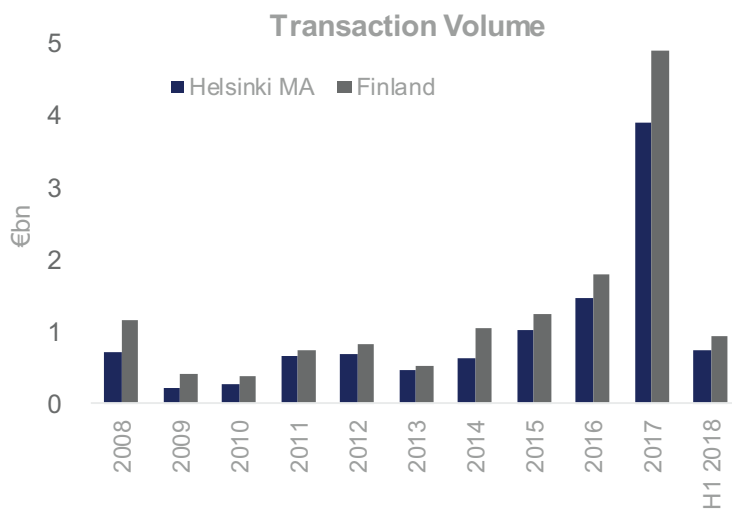
## INVESTMENT MARKET

In 2017, the Finnish property investment transaction volume was over €10 billion. Office investment accounted for close to half of this - €4.8 billion, with close to €4 billion in the HMA (Figure 6). This represented an all-time high and was more than double the €1.4 billion of offices traded in the HMA in 2016. Activity in the Finnish property market was high throughout the 2017, and multiple large-scale transactions such as the takeover of Sponda Plc helped to boost the annual figures.

The share of the international investors out of the annual transaction volume has been increasing rather steadily since 2009. In the HMA office market overseas buyers represented over 80% (€3.2 billion) of transaction in 2017. The market saw many new players entering the market for the first time, among them were international real estate funds, life insurance companies, and pension funds, such as AEW and CIC.

Several factors support continued high investment activity in 2018, such as the economic situation and attractive yield levels compared to other European countries. Nordic properties have become a popular target for many Asian real estate investors, and other international funds targeting Finnish real estate are expected. In H1 2018 multiple historic deals have already been struck, such as the sale of the iconic Bookstore property in Helsinki, and the sale of the KPMG HQ in Helsinki. Over €800 million of office transactions have closed in the first half of 2018, which is higher than the €500 million in the same period 2017. The strong Finnish economy together with the low interest rates support the market and encourage real estate investments, especially as the low interest environment offers few other investment alternatives.

Figure 6: Finland Property Investment volume



Source: Real Capital Analytics; Cushman & Wakefield Research

## INVESTMENT OUTLOOK

Investor demand for offices continued to increase in H1 2018, which led to yield compression in multiple locations across Finland and this is expected to continue through 2018.

According to the Cushman & Wakefield Nordic Investor Confidence Index Q3 2018, just 19% of the responded investors expect further yield compression in the Finnish office market in the coming six months, with a majority expecting yields to remain stable. This compares to the Q1 2018 survey when 42% of the responded investors expected yield compression over the coming six months.

With prime office yields now at an historic low, and prime Helsinki offices looking more fully priced, we expect yields to remain stable in 2019 before moving outwards from 2020 in line with interest rate forecasts.

In terms of capital growth, the forecast for year-end 2018 is still positive (14.1% increase) supported by a combination of yield compression evidenced in the first half of the year and rental growth. However, in 2019 the capital growth is forecasted to remain stable and turn negative in 2020 as yields rise.

## THE NETHERLANDS OFFICE MARKET – UTRECHT & DEN BOSCH

Table 5: Utrecht & Den Bosch Key Property Market Indicators

MARKET INDICATORS		
Market Outlook		
Prime Rents:	Rents are set to rise for the best offices in prime locations in both Utrecht and Den Bosch	▼
Prime Yields:	Yields are set to stabilise across the Netherlands, including Den Bosch, but Utrecht may see further compression	►
Supply:	Low vacancy rates in both Utrecht and Den Bosch prime office areas. New development is scarce in Den Bosch.	▲
Demand:	Utrecht is considered one of the most attractive cities for occupiers. Den Bosch take-up set to remain stable.	▼

Source: Cushman & Wakefield Research

### MARKET CONTEXT

The Dutch economy is going through a boom, with 3% economic growth in 2017 and similar figures expected for the current year. Moreover, growth is realised over various pillars, including exports, household expenditure and government spending. The unemployment rate has fallen and currently equals 3.8% and is heading for the lowest rate since 2001 when it was 3.1%.

Office demand is increasingly focused on locations in the major cities and metropolitan areas such as the South Axis in Amsterdam and the Central Station area in Utrecht, offering multimodal accessibility and a healthy mix of living, working, shopping and recreation. Due to the clustering of demand at hotspots, available properties at these prime locations have become scarce, rents are following an upward trend and incentives are evaporating. At non-prime locations, for example, such as Riekerpolder in Amsterdam and the Lage Weide or Kanaleneiland area in Utrecht, availability is still plentiful.

Utrecht is one of the most important cities in the Netherlands, capital of the province of Utrecht and home to around 340,000 inhabitants. It is centrally located, which makes it a popular location for companies to base themselves. From Utrecht Central Station, Rotterdam and The Hague can be reached in 37 minutes by train, Amsterdam in about 20 minutes. By car, there is direct access to the A2, A12 and A27, some of the main Dutch highways connecting the east with the west, and the north with the south. Although offices are spread across the city, the preferred area by occupiers is the Central Station area, marked by the excellent connections to public transport and cafes, restaurants and other leisure facilities. Other office locations in Utrecht are the historic city centre, Rijnswaerd, Kanaleneiland, Papendorp, Leidsche Rijn, Overvecht, Lage Weide and Oudenrijn.

Den Bosch is the capital of the province Noord-Brabant, with around 152,000 inhabitants. The city provides over 34,000 office jobs, mostly located around Pettelaarpark, Paleiskwartier, Centre, Soetelieve / de Heren and de Brand. The city is an important regional centre located next to one of the most important national highways - the A2. The city houses various public services, as well as business services including Panasonic (Benelux) and Allianz. Due to the proximity to Eindhoven however, Den Bosch faces some competition for its office market.

See Appendix 1 for locations.

### SUPPLY & DEVELOPMENT TRENDS

Across the Netherlands office vacancy fell 3.7% over the course of 2018, which can partly be attributed to take-up, while transformations, withdrawals and zoning changes are contributing factors as well.

The Utrecht office market mirrors many of the trends influencing the general Dutch office market. Vacancy rates dropped just over 6% for all grades as at Q2 2018 (Figure 7). Utrecht office availability is not only lagging demand in terms of quantity, but also in quality. While over the course of H1 2018



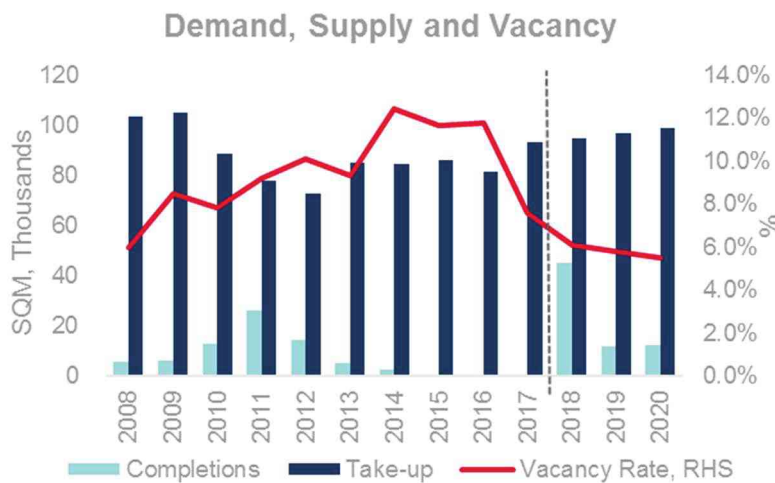
71% of all take-up was ranked high potential, only 31% of the available office space is labelled as such. The remainder of available office space is labelled promising (39%) and low potential (30%)<sup>1</sup>.

There has been a record-high level (45,000 sqm) of new developments in Utrecht in 2018, of which the largest is the World Trade Centre (WTC) Utrecht development. This space offers better sustainability and flexibility for occupiers, with a floor space of 28,000 sqm, and is situated next to the biggest public transportation hotspot in the Netherlands, Utrecht Central Station. Other large developments are scheduled for 2020 and include Helix (10,000 sqm), Central Park in 2021 (28,500 sqm) and Jaarbeursplein in 2023 (30,000 sqm). All abovementioned (scheduled) completions are located within the station area, again supporting the trend of concentration of demand for office space at certain hotspots.

Vacancy rates in Den Bosch have been experiencing a downward trend over the course of the past few years (Figure 8), similar to the general Dutch office market. In mid 2018 the office vacancy rate was 7.8%, down from 12.5% in 2014. Office stock eroded during the same period, from 970,700 sqm in 2013 to 907.860 sqm in 2018.

In the coming years 2018/2019 18,500 sqm will be added to the stock in Den Bosch. However, it is expected that the stock will decline due to the conversions that are taking place. In 2018, 5,000 sqm was added to stock in the Paleiskwartier area. In 2019 another 13.500 sqm (phase 2 Ricoh and Kinopolis) will be added in the same area.

Figure 7: Utrecht Office Demand, Supply and Vacancy



Source: Cushman & Wakefield Research

<sup>1</sup> Buildings are ranked by Cushman & Wakefield based on their potential to be let within a certain period of time. They are ranked as either high-potential, promising or low-potential, based on attractiveness of building and location.

Figure 8: Den Bosch Office Demand, Supply and Vacancy



Source: Cushman & Wakefield Research

### DEMAND DRIVERS & TRENDS

Over the past few years it is noticeable that organisations are geographically concentrating more on railway locations with an intercity-connection (fast trains between the bigger cities). 47% of all Dutch office leasing transactions in 2017 were realised within walking distance (750 m) of railway stations. In 2008 this share was 34%. Offices in urban areas with a high population density, a historic centre, a university and a growing labour force have higher potential than offices in other urban areas reflecting the better quality of offices and lower vacancy rates. This can be explained by the fact that people prefer to work in a lively environment which is readily accessible and with plenty of amenities. Within these areas modern offices with large floorplates can count on the interest of bigger occupiers. For smaller corporate occupiers co-working spaces are becoming more and more popular due to the high level of amenities and services offered.

Total take-up in Utrecht in H1 2018 exceeded 50,000 sqm, a 20% increase compared to the same period last year. In mid 2018 the total available office space equates to 231,000 sqm, following a downward trend over the last couple of years when available space was close to 392,000 sqm at Q4 2016. Office stock has increased by almost 7% since 2008, reaching 2,710,000 sqm in 2018.

The ratio of availability to historic take-up provides an insight into market conditions and how long available space may take to clear the market with a healthy market ratio typically around 1.5 years take-up. For the Utrecht Municipality the ratio currently stands at over two years, indicating there is ample availability to settle demand. The ratio for the Central Station area however, presents an all-time low ratio of one as at mid 2018. Despite the ratio already being tight, a large share of the available office space is still under construction and is not sufficient to fulfil current demand.

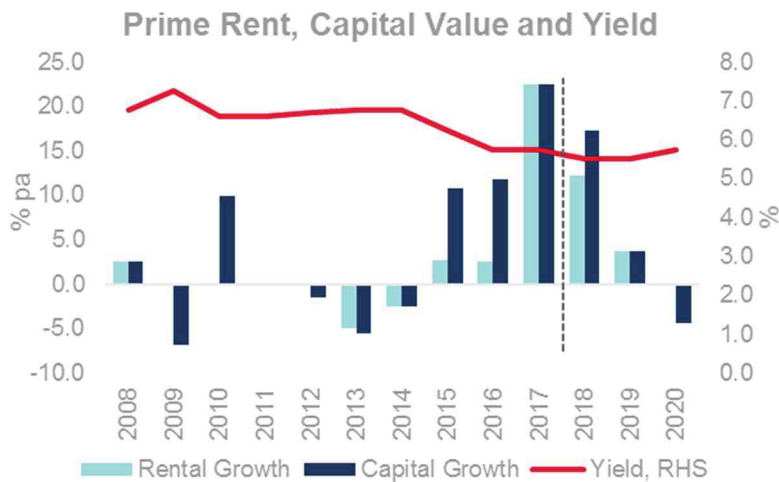
In 2017, take-up of 29,700 sqm was reported for Den Bosch, close to the ten-year average of 31,400 sqm. The availability/take-up ratio varies widely over the years, mostly caused by volatility in take-up levels. At mid 2018, this ratio stood at 4.5, implying an oversupply of office space relative to current demand levels.

### RENTAL PERFORMANCE

Rental prices in Utrecht are now exceeding prices in other Dutch cities such as Rotterdam and The Hague, while these rents were higher in the past than the rents in Utrecht. Over the first half of 2018, the prime rent has increased by 12% to €275 /sqm/year (Figure 9).

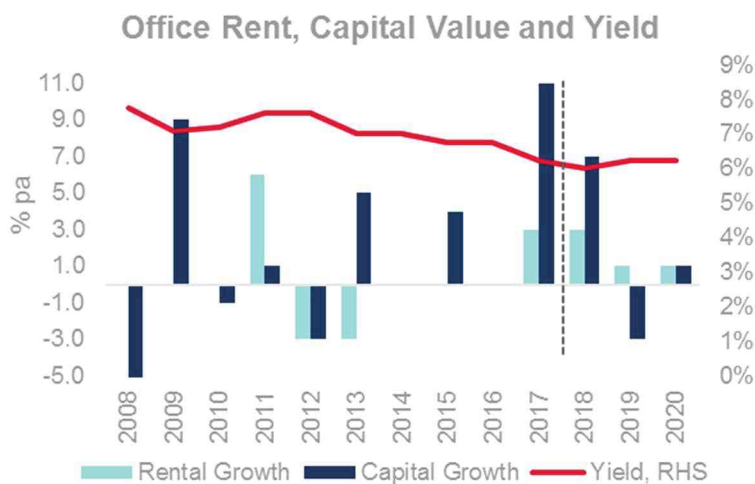
The prime rent in Den Bosch (Paleiskwartier office location) increased 3% in 2017 (Figure 10) from €160 /sqm/year in 2016 to €165 in 2017 and €170 in the first half of 2018. The lowest rental levels are to be found in the Soetelieve Noord and Maaspoort office locations, both with prime rental levels in the range of €70 to €90.

Figure 9: Utrecht Office Prime Rent, Capital Growth & Yield



Source: Cushman & Wakefield Research

Figure 10: Den Bosch Office Prime Rent, Capital Growth & Yield



Source: Cushman & Wakefield Research

### OCCUPIER MARKET OUTLOOK

Take-up in the Netherlands is expected to grow the coming years to a maximum annual rate of 1.5 million sqm over the next five years, which is 15% more than the current take-up. Initially the focus of occupiers will be on the major cities with locations that are easily accessible by public transport. But this focus can be disturbed due to the fact that the availability of high quality office space is scarce and will get scarcer in the coming years as demand outstrips supply, which may lead take-up to spread to other locations in the coming years. The scarcity will have an impact on rents for offices that are available in these hotspots which are set to rise in these locations.

In Utrecht, the development of new office space at prime locations, especially near the Central Station, in combination with the low vacancy rate and demand from occupiers will support higher prime rental levels.

We anticipate prime rents in Den Bosch to increase as well. Although some developments will be added to the stock in the Paleiskwartier area, the vacancy will stay at a low level since this area is supported by strong occupier demand which will place upward pressure on rents.

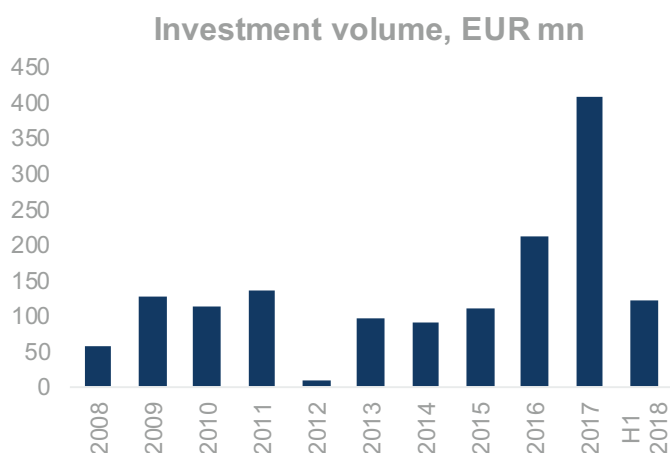
## INVESTMENT MARKET

Dutch office buildings are currently attracting a great deal of attention from both domestic as well as foreign investors, with foreign investors accounting for 69% of the total office investment volume in the first half of 2018. Even though Amsterdam is the primary focus for foreign investors, many are broadening their focus to cities such as The Hague, Rotterdam, Utrecht and Eindhoven in the search for stock and where prime yields in main CBD locations are over 75bps higher than in Amsterdam. Over the course of the past ten years there has been a clear distinction between prime and non-prime yields. While prime gross yields tighten to 3.50%, the spread between prime and non-prime has widened reflecting the higher risk. In the past five years prime yields in Amsterdam have compressed by over 230bps to 4.00%, whereas secondary yields have moved in by 200bps at most to 6.50%.

In Utrecht, single-asset investment volumes experienced a steep increase from a low in 2012 of under €10 million to €406 million in 2017, and €122 million in the first half of 2018 (Figure 11). In 2018, 39% of all investments were transacted by funds and asset managers, 30% by private investors and the remainder by other investor type categories. The share of investments by asset managers has increased sharply over the years, as well as the share of foreign investors active on the Dutch investment market. While over the past ten years the average share of foreign investor was 31%, foreign investors were responsible for 43% of the investment transactions in Utrecht in 2017 and for 75% in H1 2018.

The investment market in Den Bosch has been volatile over the past year, but experienced growth in single-asset office investment activity as of 2013. In 2017 single-asset sales equalled about €61 million and €36 million in H1 2018. Over the past ten years 80% of total investment can be accounted for by national investors. As of 2016 however, foreign investors are increasing their share, responsible for 24% of overall investment in 2017 and 32% in 2018.

Figure 11: Utrecht Office Investment volume



Source: *Real Capital Analytics, Cushman & Wakefield Research*

## **INVESTMENT OUTLOOK**

In the Netherlands we expect that the prime yields (Amsterdam) will stabilise, but for the yields in other key cities, such as Utrecht, there is still space for a further compression. This decrease could be neutralised by the expected growth of the interest rate from 2019, with an expectation that yields will move out on the back of rising bond yields and the risk premia investors are willing to accept, leading to lower capital growth compared. A similar trend is also expected in Den Bosch.

## POLAND OFFICE MARKET – WARSAW & GDAŃSK

Table 6: Warsaw & Gdańsk Key Property Market Indicators

MARKET INDICATORS		
Market Outlook		
Prime Rents:	Upward pressure on effective rents in central locations. Other locations likely to remain at current levels	▼
Prime Yields:	Downward pressure, both in Warsaw and in Regional cities, as investor appetite remains high	▲
Supply:	Short term supply in Warsaw is tightening but medium term is high, stock in regional cities is growing dynamically.	▼
Demand:	Stable, strong demand boosted by solid economic growth	▶

Source: Cushman & Wakefield Research

### MARKET CONTEXT

The socio-economic changes that followed the fall of communism in 1989 helped initiate the development of the commercial real estate market in Poland. The rapid development of the economy, which was transforming from a centrally-planned model into a market-oriented economy, resulted in increasing demand for office and retail space. This trend was accelerated by Poland's accession to the European Union on 1<sup>st</sup> May 2004.

The first modern office building in Warsaw was completed in 1989, the Illmet Tower. Most recently the building was purchased by Skanska with the intention to demolish the existing building and develop a taller tower. The regional office markets have followed Warsaw's development path however, for the first few years development activity was limited to local developers. The first modern office building completed in Tricity was the Chipolbrok building in Gdynia which was delivered in 1991.

The Warsaw office market is divided into ten submarkets: Central Business District (CBD) and City Center (Central zones), East, Jerozolimskie Corridor, Mokotow, North, Pulawska Corridor, Ursynow and Wilanow and Zwirki & Wigury Corridor. The Mokotow office market is the largest submarket in terms of existing modern office supply in Warsaw. It is followed by the City Centre, CBD, Jerozolimskie Corridor. Other locations hold a relatively small proportion of office supply.

Gdańsk is a part of Tricity, a metropolitan area consisting of three cities, located in the northern part of Poland on the Baltic coast. Office buildings in Tricity are situated mostly in: Gdańsk Wrzeszcz and Oliwa (along Al. Grunwaldzka), Gdańsk city centre, Gdańsk in the vicinity of Lech Wałęsa International Airport and Gdynia city centre mostly in the region of ul. Śląska.

See Appendix 1 for locations.

### SUPPLY & DEVELOPMENT TRENDS

Modern office stock in Warsaw totals approximately 5.4 million sqm, representing just over half of Poland's office stock. Despite tight new supply in the short-term, there is strong development activity anticipated over the medium-term, which will take total modern office stock in Warsaw to over 6 million sqm by 2020.

In 2016, a record breaking volume of new completions was delivered to the Warsaw market (approximately. 400,000 sqm in 21 buildings). Two major tower buildings in the centre accounted for around 120,000 sqm: Q22 and Warsaw Spire. Moreover, around two thirds of the annual office supply in 2016 was in the Central submarket in the vicinity of Daszynskiego roundabout.

In 2017, new development completions in Warsaw dropped back to about 280,000 sqm (Figure 12), which was close to the six-year average. While in first six months of 2018, only 173,000 sqm of new supply has been completed which represents approximately. 78% of all office supply planned for 2018.

Due to the relatively low volume of new office completions over the last 18 months and the limited amount scheduled for delivery in H2 2018 and in 2019 (206,000 sqm), the Warsaw office market is experiencing a short-term supply shortage. However, in 2020, we forecast a supply peak with over 460,000 sqm office to be completed.

Modern office stock in Tricity totals approximately 0.7 million sqm, representing just 7% of Poland's office stock. Tricity has the third largest office stock, compared to other regional markets, after Krakow and Wroclaw. Moreover, the total office stock in Gdańsk accounted for a 74.6% share of the total office stock in Tricity followed by Gdynia (21%) and Sopot (4.4%).

In H1 2018, the Tricity office market increased by 49,200 sqm due to the completion of two office projects: Oliva Star in Gdańsk (45,700 sqm) and Centrum Sportowa C in Gdańsk (3,500 sqm). Moreover, by the end of 2018, the total office stock in Tricity will increase by an additional 55,700 sqm, leading to a record level of annual completions of 105,000 sqm.

In 2019, annual office completions in Tricity will be around 100,000 sqm and in 2020 over 200,000 sqm is planned. However, none of the buildings with an estimated completion of 2020 are currently under construction. Future supply depends heavily on the market absorption potential.

Figure 12: Warsaw Office Demand, Supply and Vacancy



Source: Cushman & Wakefield Research

### DEMAND DRIVERS & TRENDS

In the last 18 months, five occupier sectors were responsible for over 50% of all transactions signed in Warsaw. The most active were Banking, Insurance & Investment sector with a 15% share followed by the Professional Services sector (13%), IT sector (11%), Manufacturing sector (8%) and Media sector (5%).

Similar to other regional markets, the demand for office space in Tricity is, to a large extent, created by the Service Sector, with Business Process Outsourcing, Shared Service Centres, IT and Research & Development business services centres driving the demand for space.

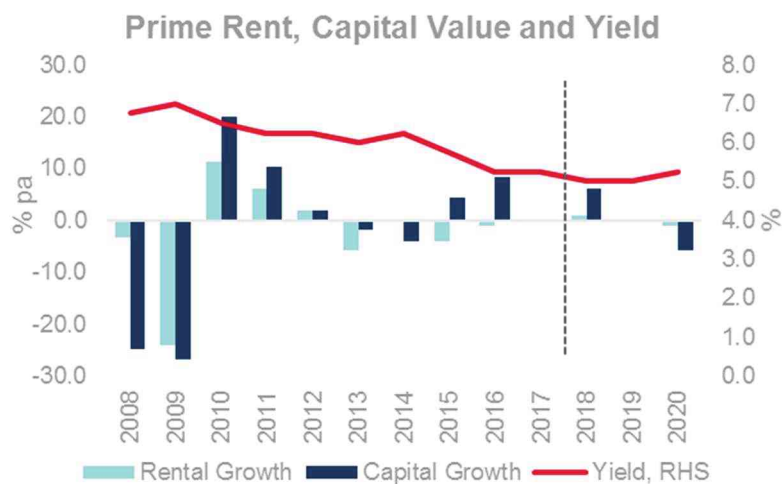
In the last 18 months, five occupier sectors were responsible for over 70% of all transactions signed in Tricity. The most active were IT sector with 23% share followed by Banking, Insurance and Investment sector (16%), Manufacturing sector (14%), Public Sector (11%) and Professional Services sector (10%).

## RENTAL PERFORMANCE

Following a reduction in Warsaw's prime office rents during 2015-16 (*Figure 13*), rents stabilised in 2017 and H1 2018. As at mid-2018 prime headline rents in Warsaw were €23.50–€24.00 /sqm/month in the CBD, while rents in non-central submarkets vary from €13.00–€16.50 /sqm/month. During the first half of 2018 across Warsaw's office markets, headline rents had remained unchanged in most submarkets with lower incentives for tenants that are planning to relocate or renegotiate their lease agreements in Warsaw's prime office locations.

In regional cities the prime headline rent ranges between €12.00 to €14.50 /sqm/month and have remained stable in H1 2018 for almost all markets. The prime headline rents in Tricity stood at level of €13.50 sqm/month in H1 2018.

Figure 13: Warsaw Office Prime Rent, Capital Growth & Yield



Source: Cushman & Wakefield Research

## OCCUPIER MARKET OUTLOOK

In 2017 Warsaw's net absorption reached an all time high, totalling 369,000 sqm, having been below 300,000 sqm each year since the GFC. In 2018–19 the net absorption level is expected be lower than 2017 due to the reduced supply of new office space. Nevertheless, the absorption in H1 2018 was at 148,000 sqm and almost on a similar level to new supply, which accounted for 173,000 sqm. As such, it is expected that due to the temporary supply gap over the coming years, most of Warsaw's new office completions in 2020 will secure a pre-let, which should minimise the impact of a peak in new supply and moderate any increase in the vacancy rate.

The Warsaw office market vacancy rate was 11% as at Q2 2018. The highest vacancy rate was recorded in the Zwirki & Wigury submarket (20%), followed by Mokotow (17%) and City Center South (14%). The lowest vacancy rates were recorded in the City Center West (6%) and the CBD (8%).

The vacancy rate in Tricity was 7% as at Q2 2018, which is one of the lowest in Poland, and the result of strong absorption combined with matching annual new supply.

In the first half of 2018 total leasing activity in Warsaw reached almost 425,000 sqm, an 8% increase on H1 2017 and the strongest ever first half of the year.

Poland's positive economic outlook coupled with further expansion of business service sector, notably Business Process Offshoring and Shared Service Centres, should support strong leasing activity of more than 750,000 sqm in 2018 and above average take-up (600,000 sqm p.a. over 2008-2017) in both 2019 and 2020.

Following the 2009 slowdown caused by the GFC gross take-up recorded in Tricity started to increase and over the last three years (2015 – 2017) the annual volume of deals has exceeded 90,000 sqm.



However, in H1 2018 total leasing activity was just 26,000 sqm due to the lack of available office space on the market. Nevertheless, given the number of schemes due to complete in remaining part of 2018, the total leasing activity should exceed 60,000 sqm by year end.

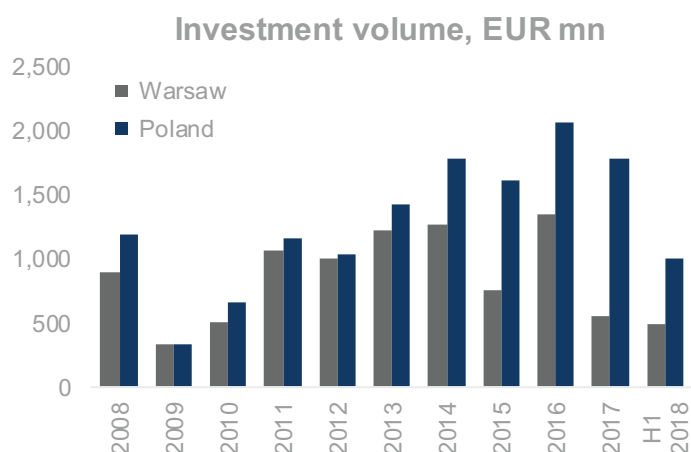
## INVESTMENT MARKET

Annual investment in 2017 was around €5 billion of which €1.8 billion was offices according to RCA (Figure 14). Approximately 62% of the total office volume (or €840 million) involved offices outside Warsaw and 32% (or €432 million) involved older, secondary buildings. Therefore, the liquidity of regional offices may be judged as good in the context of the Polish market but demand for older assets less so, although even here the volume was up 20% on the previous year's €361 million.

The low availability of prime product combined with healthy demand from international investors has resulted in the compression of yields for prime offices to below 5.00% in Warsaw and approximately 6.00% in the main regional cities. Non-prime products are expected to achieve 7%+ yields or even 8%+ especially for short WAULT (below 5 years) and high vacancy.

The lowest yield recorded recently on the Warsaw market relates to the transaction of Małachowskiego Square, a refurbished tenement converted into a prime office and sold for below 5.00%. It is rumoured that there are two more office deals likely to close below 5.00% over the second half of 2018. For the regional cities, the lowest yield recorded yield relates to the recent transaction of High Five building developed by Skanska in Kraków which was closed at 5.85%.

Figure 14: Poland Office Investment volume



Source: Real Capital Analytics, Cushman & Wakefield Research

## INVESTMENT OUTLOOK

Looking ahead, we expect some upward pressure on prime rents in the near term as a result of limited new supply and strong demand. However, this is offset by an outward shift from 2020, as quantitative easing ends and interest rates start to increase, pushing up the risk free rate. This leads to capital value falls from 2020, albeit yields are still forecast to remain low by historical standards.

### **SECTION 3: SUMMARY OF CHINA'S 'ONE BELT ONE ROAD' INITIATIVE**

China's One Belt One Road initiative was renamed the Belt and Road Initiative (BRI) or the Silk Road Economic Belt and the 21st-century Maritime Silk Road, in 2016. It is a development strategy adopted by the Chinese government, referring to overland interconnecting infrastructure corridors (belt) and sea route corridors (road).

The initiative focuses on connectivity and cooperation between Eurasian countries, primarily the People's Republic of China (PRC), in a bid to enhance regional connectivity. From a geopolitical perspective, many view it as a push by China to take a larger role in global affairs with a China-centred trading network.

The Eurasia freight train or Silk Road, began operations in 2013 and now connects 35 Chinese cities with 34 European cities. To date, the only impact on the European logistics sector from the Belt and Road Initiative has been at Duisport, Germany, a gateway terminal

Two additional Eurasia rail lines are proposed for future expansion of this service but several hurdles stand in the way of their realisation. Current sanctions prohibiting European fresh produce to travel through Russia means that the reliability of the proposed northern route or existing trans-Siberian train will be even more vulnerable to ongoing volatile trade and political relationships between Russia and the EU than the existing route. The southern route entering Europe through Romania or Greece via Turkey, Georgia, Iran, and Central Asia, requires significant investments in infrastructure that will be difficult to attract in light of the political unrest in many of these countries. Under the best-case scenario, UIC (International Union of Railways) projects that the proposed southern route's share of total Eurasia rail freight traffic will only reach 3%. With overall Eurasia freight traffic low at only 1% of all goods shipped from China, it is unlikely that this southern route will have any significant impact on the demand for warehousing at European entry points over the next decade.

The first European stop for the Eurasia train is Malaszewicze-Brest on the boarder of Poland-Belarus. This only serves as a trans-shipment point since there is no supporting infrastructure for gateway distribution. The main trans-shipment and gateway distribution point for goods from China occurs in Duisburg, Germany. Duisport, Europe's largest inland port and multi-modal hub, offers a new EU entry point for imports from China - though still representing only 1% of the total volume.

Nonetheless, travel times for the Eurasia rail is twice as fast as sea (16 versus 33 days respectively) but container costs are three to four times higher than sea. Thus, high value goods such as IT and electronic equipment, are shifting from air to rail transport for this long journey. As such, greater demand for logistics space has been recorded. Between 2012 and 2017, the total stock of warehouse space at Duisport increased by 17.5% compared to 7% between 2007 and 2012.

The experience at Duisport provides an example of how multi-modal transport could develop across Europe over the next decade and beyond. With the addition of its Trans-Asia terminal, Duisport has expanded its role in pan-European and regional distribution.

## APPENDIX 2: KEY LOCATIONS REFERENCED IN THE REPORT

### Finland

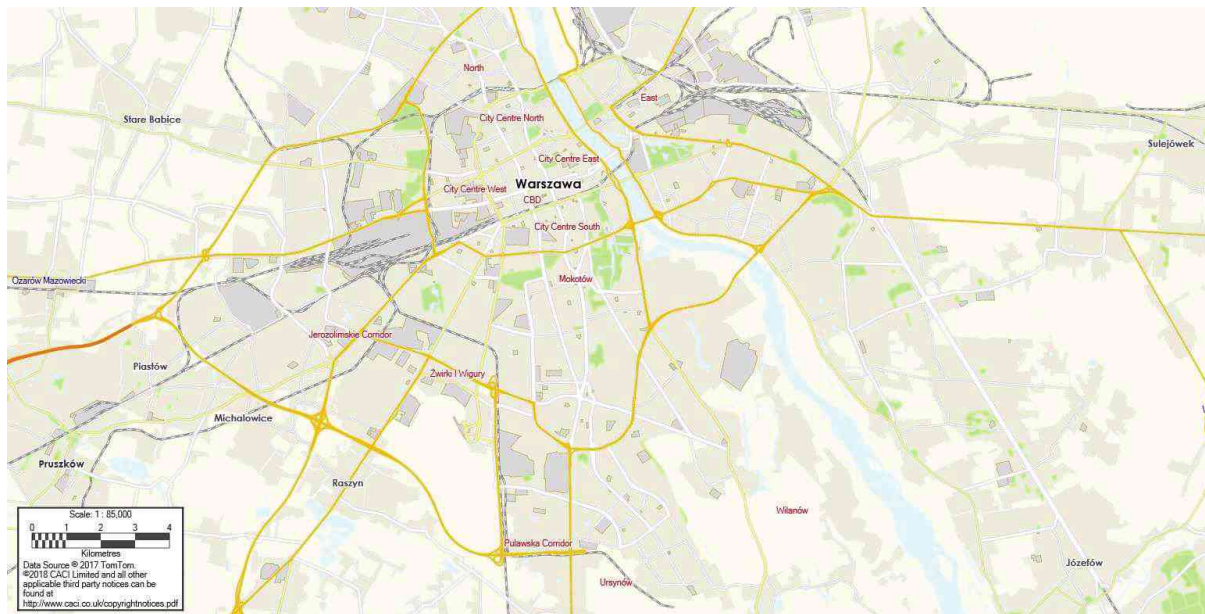
Not available

### Netherlands





# Poland





## APPENDIX 2: LIMITATIONS AND CAVEATS

Cushman and Wakefield Debenham Tie Leung Limited (“C&W”) have prepared this Independent Market Research Report for Cromwell EREIT Management Pte. Ltd. (the “Client”) and Perpetual (Asia) Limited-(the trustee of CEREIT). The Independent Market Research Report has been prepared in accordance with our TOE.

The Independent Market Research Report is subject to the following:

1. The data series has been prepared based on information which has been collected through C&W’s own research, as well as information obtained from third party sources and material available from public sources as at Q2 2018;
  -
2. In respect of all external information, the sources are believed to be reliable (unless stated) and have been used in good faith. However, C&W has not verified such information and cannot accept responsibility for its accuracy and completeness, nor for any undisclosed matters that would affect the conclusions drawn. Nonetheless, in interpreting the information used, C&W has relied on the validity and accuracy of the data and information sources available to it;
  -
3. C&W has taken all reasonable care with the collation of the data series. The data is believed to be correct at the time of reporting, but may be subject to change during the life of the Project and beyond and as new information becomes available. C&W reserves the right to change data without prior notice in light of revised market opinion and evidence;
  -
4. In respect of any formal forecasting used in this Report or any used in the background research supporting the opinions and material presented in this Project, the following points should be noted and understood:
  - 1. it is assumed that the historic data input to the forecasting process is accurate;
    2. the judgment of the forecaster will affect the validity of the results;
    3. unless otherwise stated, it is assumed that the relevant market will continue to operate in the future as it has in the past, and that its stability will not be disrupted;
    4. the forecasting is representative of only one moment;
    5. the reliability of forecasts for the property market are dependent on the accuracy of the input forecast as a whole; and
    6. the forecasts relate only to the type and quality of the property indicated.

### Sources

The information reported in this document is primarily based of Cushman &Wakefield’s own market intelligence collated through our own internal system, brokers and local news services.

This has been supplemented by other third-party sources of information with historic and forecast economic data using Oxford Economics, Eurostat and Macrobond. In addition, we have reviewed national statistical offices and Central Bank data.

For investment transactions we primarily use Real Capital Analytics and supplement where appropriate by our own market intelligence.

*This page has been intentionally left blank.*



## TAX CONSIDERATIONS

*The following summary is intended to be an overview of certain Singapore, Finland, Luxembourg, Netherlands and Poland tax considerations in respect of the Proposed Acquisition and is based upon laws, regulations, budget measures, rulings and decisions now in effect, all of which are subject to change (possibly with retroactive effect). This summary is not a tax advice and does not purport to be a comprehensive description of all the tax considerations that may be relevant to Unitholders. Unitholders should consult their own tax advisers on the tax implications that may apply to their own individual circumstances.*

### SINGAPORE TAXATION

#### Income Tax

##### **Taxation of CEREIT**

CEREIT is liable to Singapore income tax, currently at the rate of 17.0%, on:

- (a) income accruing in or derived from Singapore; and
- (b) unless otherwise exempt, income derived from outside Singapore which is received in Singapore or deemed to have been received in Singapore by the operation of law.

CEREIT's income or receipts from this Proposed Acquisition may include:

- (a) dividend income received from CEREIT's wholly-owned Singapore resident subsidiary company; and
- (b) proceeds from redemption of redeemable preference shares and/or return of capital of the wholly-owned Singapore resident subsidiary.

#### *Dividend income received from CEREIT's wholly-owned Singapore resident subsidiary*

Provided that CEREIT's wholly-owned Singapore subsidiary is a tax resident of Singapore, dividends received from the Singapore subsidiary will be exempt from Singapore income tax in the hands of the Trustee.

#### *Proceeds from redemption of redeemable preference shares and/or return of capital*

Any proceeds received by CEREIT from the redemption of any redeemable preference shares and/or return of capital of the wholly-owned Singapore resident subsidiary should be capital receipts which are not taxable on the Trustee.

#### **Taxation of CEREIT's wholly-owned Singapore resident subsidiary**

Except as detailed in the paragraphs below, CEREIT's wholly-owned Singapore resident subsidiary will be subject to Singapore income tax at the prevailing corporate tax rate on income accruing in or derived from Singapore and, unless otherwise exempt, income derived from outside Singapore which is received in Singapore or deemed to have been received in Singapore by the operation of law.

The current Singapore corporate income tax rate is 17.0%, with the following partial exemption granted for the first S\$300,000 of normal chargeable income:

- (a) 75.0% of up to the first S\$10,000 of chargeable income; and
- (b) 50.0% of up to the next S\$290,000 of chargeable income.

#### Foreign-sourced income

CEREIT is in the process of applying for a Tax Ruling from the IRAS in respect of foreign dividend and interest income from the Proposed Acquisition portfolio located outside Singapore (“Specified Exempt Income”) and derived by its wholly-owned Singapore resident subsidiary.

On the basis that this Tax Ruling will be obtained, the wholly-owned Singapore resident subsidiary should be exempt from Singapore income tax on the Specified Exempt Income, subject to meeting the relevant conditions.

#### Return of capital or loan principal to the wholly-owned Singapore resident subsidiary

Any return of capital or loan principal received by the wholly-owned Singapore resident subsidiary from their wholly-owned Luxembourg subsidiaries is capital in nature and hence, is not taxable in the hands of the Singapore subsidiary.

#### Disposal gains of the wholly-owned Singapore resident subsidiary

Singapore does not impose tax on capital gains. The determination of whether gains from disposal of investments are income or capital in nature is based on a consideration of the facts and circumstances of each case.

In the event of any disposal of investments (shares, units or properties), gains arising from such disposal will not be liable to Singapore income tax unless the gains are considered income of a trade or business carried on in Singapore by the wholly-owned Singapore resident subsidiary. The gains may also be liable to Singapore income tax if the investments were acquired with the intent or purpose of making a profit from the sale and not intended for long-term purposes.

#### **Taxation of Unitholders**

Distributions made by CEREIT in respect of the Proposed Acquisition Portfolio may comprise all, or a combination, of the following types of distribution:

- (a) tax-exempt income distribution;
- (b) after-tax income distribution; and
- (c) capital distribution.

#### ***Tax-exempt income distribution***

Unitholders will be exempt from Singapore income tax on distribution made by CEREIT out of its tax-exempt income (e.g. income originating from foreign dividend/interest). No tax will be deducted at source or withheld on such distribution.

### ***After-tax income distribution***

Unitholders will not be liable to Singapore income tax on distribution made by CEREIT out of its income that has been/will be subject to tax in the hands of the Trustee. No tax will be deducted at source or withheld on such distribution. Unitholders will not be entitled to credits for any taxes paid/payable by the Trustee on such income.

### ***Capital distribution***

Capital distribution (e.g. distribution made out of non-income cash flows such as amounts received in the form of a redemption of redeemable preference shares or return of capital for Singapore income tax purposes) will be regarded as a return of capital in the hands of Unitholders. The amount of such distribution will be applied to reduce the cost of Units held by Unitholders. For Unitholders who are liable to Singapore income tax on gains arising from the disposal of Units, the reduced cost of Units will be used to calculate the amount of taxable gains when the Units are subsequently disposed of. If the amount of return of capital exceeds the cost or reduced cost of Units, the excess will be subject to tax as trading income of such Unitholder.

### **GST**

#### ***CEREIT and its wholly-owned Singapore resident subsidiary***

##### ***Recovery of GST incurred***

Pursuant to a GST remission granted by the Minister for Finance, CEREIT (as a Singapore-listed REIT) is allowed to claim:

- (a) GST on its business expenses, irrespective of whether it holds underlying non-residential properties located outside Singapore directly or indirectly through its special purpose vehicles; and
- (b) GST incurred on the setting up of the special purpose vehicles or GST incurred by its special purpose vehicles on the acquisition and holding of the non-residential properties located outside Singapore.

The above GST claims are allowable even if CEREIT is not GST-registered or not eligible for GST registration. However, the GST claims are subject to conditions governing the GST remission and the general input tax claims conditions prescribed under the GST legislation. These conditions include, among others, the following:

- (a) CEREIT is listed on the SGX-ST;
- (b) CEREIT has veto rights over key operational issues of its wholly-owned Singapore resident subsidiary holding the underlying non-residential properties located outside Singapore; and
- (c) the underlying non-residential properties located outside Singapore of CEREIT make taxable supplies or out-of-scope supplies which would have been taxable supplies if made in Singapore (e.g. lease of non-residential properties located outside Singapore).

The aforementioned GST remission is applicable for expenses incurred up to and including 31 March 2020. If this remission is not subsequently extended, CEREIT and its wholly-owned Singapore resident subsidiary will not be able to claim GST incurred on their expenses if they continue not to be eligible for GST registration.

## **FINLAND TAX OVERVIEW**

### Corporate Income Tax

The Finnish property companies in the form of Ordinary Real Estate Companies (“**ORECs**”) (i.e. KOy Maki 3, KOy Kuopio 39, Myyri Holdco Oy and New Merged Vioto Oy) will be subject to Finnish statutory corporate income tax at the rate of 20% on their taxable profits derived from the Finnish Properties.

Based on articles of association of the Finnish property companies in the form of Mutual Real Estate Companies (“**MRECs**”), the shareholders are entitled to control the MRECs’ premises and will receive rental income directly from the tenants. Such rental income received would be taxable income to the shareholders of MRECs (i.e. Myyri Holdco Oy, Plaza Forte Holdco Oy, PKK 3 Holdco Oy, PKK 12 Holdco Oy and New Merged Artemis Acquisition Finland Oy) and will be subject to Finnish corporate income tax rate at 20%.

The MRECs will pay for certain expenses such as maintenance and finance costs but will recover such expenses from the shareholders (i.e. Myyri Holdco Oy, Plaza Forte Holdco Oy, PKK 3 Holdco Oy, PKK 12 Holdco Oy and New Merged Artemis Acquisition Finland Oy). In this respect, the MRECs should not be making any taxable profit for Finnish income tax purposes.

### Withholding Tax

Dividend payments made by the Finnish companies to Cromwell EREIT Lux 3B S.à r.l. should not be subject to withholding tax in Finland under the EU Parent-Subsidiary Directive subject to meeting the relevant conditions.

Interest payments are in principle not subject to withholding tax in Finland.

### Real Estate Tax

Real estate tax is imposed on immovable properties located in Finland. The current real estate tax rate varies between 0.93% and 2.00% depending on the municipalities and is imposed on the tax value of the property including land and building subject to detailed calculation rules.

### Real Estate Transfer Tax

Subject to certain exceptions, transfer tax is payable by the transferee (purchaser) on the deeds for the transfer of immovable property. The transfer of a leasehold interest in immovable property is taxed as a transfer of immovable property.

The rate of this tax is 4% of the transfer price for buildings and land area, and 2% for the shares in a company mainly owning real estate.

## **LUXEMBOURG TAX OVERVIEW**

### Corporate Income Tax

Income derived by Riverside PL Propco S.à r.l., Grojecka PL Propco S.à r.l., Arkonska PL Propco S.à r.l. and Moeder Teresalaan NL Propco S.à r.l. from the underlying Polish and Dutch properties should not be subject to tax in Luxembourg based on the provisions of the Poland/Netherlands – Luxembourg tax treaty.

Dividends received by Cromwell EREIT Lux 3A S.à r.l. and Cromwell EREIT Lux 3B S.à r.l. from their shareholdings in the Proposed Acquisition portfolio of companies should be exempt from Luxembourg tax provided the conditions of the Luxembourg participation exemption regime are met.

Interest income (net of deductible expenses including interest expenses) received by Cromwell EREIT Lux 3A S.à r.l. and Cromwell EREIT Lux 3B S.à r.l. from shareholders loans extended to their subsidiaries should be taxable in Luxembourg at an aggregate income tax rate of 26.01% (comprising corporate income tax of 18%, solidarity surcharge of 1.26% and municipal business tax of 6.75%) for companies established in Luxembourg City.

#### Withholding Tax

Dividends distributed by Cromwell EREIT Lux 3A S.à r.l. and Cromwell EREIT Lux 3B S.à r.l. to CEREIF's wholly-owned Singapore resident subsidiary, should not be subject to Luxembourg withholding tax under the Luxembourg – Singapore tax treaty.

Interest payments made by Cromwell EREIT Lux 3A S.à r.l. and Cromwell EREIT Lux 3B S.à r.l. to CEREIF's wholly-owned Singapore resident subsidiary, should not be subject to Luxembourg withholding tax under the Luxembourg domestic laws.

#### Net Wealth Tax

Companies are subject to net wealth tax of 0.5% on their unitary value (i.e. an adjusted net asset value). For the part of the unitary value exceeding €500 million, a reduced net wealth tax rate of 0.05% applies. Tax exemptions are available under domestic tax law and tax treaties (e.g. qualifying participations, foreign real estate).

For holding companies, generally a minimum net wealth tax of €4,815 applies. For other resident companies the minimum net wealth tax ranges between €535 and €32,100 depending on their balance sheet total.

## **NETHERLANDS TAX OVERVIEW**

#### Corporate Income Tax

Moeder Teresalaan NL Propco S.à r.l. and Peacock Real Estate BV should be subject to Dutch corporate income tax on their taxable profits derived from the Dutch Properties. The Dutch corporate income tax rate is currently 20% for the first €200,000 of taxable profits and 25% for the taxable profits exceeding €200,000. It has been proposed that the CIT rate will decrease on a yearly basis to 16% on the first €200,000 and 22.25% on the excessive amount in 2021.

#### Withholding tax

Dividends distributed by Moeder Teresalaan NL Propco S.à r.l. and Peacock Real Estate BV to Cromwell EREIT Lux 3A S.à r.l. should in principle not be subject to Dutch dividend withholding tax subject to meeting the relevant conditions.

There should be no Dutch withholding tax on interest payments under domestic rules.

### Real Estate Transfer Tax

A 6% transfer tax is levied on the acquisition of the legal and economic ownership or certain rights on real estate in the Netherlands (2% for owner-occupied dwellings).

The acquisition of shares in a real estate company is also subject to this tax if the acquisition gives the acquirer a substantial interest in that company. A real estate company is a resident or non-resident company whose purpose or actual activity is to invest in real estate or real estate rights and 50% or more of whose assets consists of real estate (or real estate rights) of which at least 30% is located in the Netherlands. A substantial interest is deemed to exist if the acquirer owns, directly or indirectly, at least one third of the subscribed share capital of the real estate company.

Certain transfers under specified scenarios may be exempt from real estate transfer tax, subject to meeting the relevant conditions.

## **POLAND TAX OVERVIEW**

### Corporate Income Tax

The Polish property holding companies (i.e. Riverside PL Propco S.à r.l., Grojecka PL Propco S.à r.l. and Arkonska PL Propco S.à r.l.) should generally be subject to Polish corporate income tax at the rate of 19% on their taxable profits derived from the Polish properties.

As of 1 January 2018 a minimum income tax is levied on taxpayers owning commercial properties for rent located in Poland of an initial value exceeding PLN 10 million. With effect from 1 January 2019 the threshold of initial value of commercial properties subject to minimum taxation amounting to PLN 10 million will apply to the particular taxpayer, regardless of the number of properties owned by the taxpayer. The tax rate amounts to 0.42% per annum of the surplus of the initial value over the amount of PLN 10 million subject to detailed calculation rules. Such minimum income tax may be deducted from the corporate income tax due and any excess minimum income tax paid may be refunded subject to conditions.

### Withholding tax

Dividends distributed by the Polish property holding companies (i.e. Riverside PL Propco S.à r.l., Grojecka PL Propco S.à r.l. and Arkonska PL Propco S.à r.l. to Cromwell EREIT Lux 3A S.à r.l.) should in principle not be subject to Polish withholding tax.

Interest paid by the Polish property holding companies (i.e. Riverside PL Propco S.à r.l., Grojecka PL Propco S.à r.l. and Arkonska PL Propco S.à r.l. to Cromwell EREIT Lux 3A S.à r.l.) should not be subject to Polish withholding tax provided that the requirements under the EU Interest and Royalties Directive are met.

### Real estate tax

Real estate tax is an annual tax which is levied on buildings, land and structures. The amount of this tax is dependent on the area of the relevant building or land (except for construction assets where the real estate tax is 2% of the initial value for tax depreciation purposes).

The maximum rates of real estate tax are established by the Ministry of Finance. However, the actual rate charged is determined by the local authority in which the real estate is located.

### Real Estate Transfer Tax

Generally, real estate transfer tax is not applicable in Poland.

However, 2% transfer tax may be applicable on the market value of assets (excluding liabilities) if:

- (i) the deal constitutes a transfer of business (in which case it is outside the scope of VAT); or
- (ii) the deal is a pure asset deal and the asset is VAT exempt.

Generally, the sale of buildings is VAT exempt, apart from the following situations (where VAT at 23% would apply):

- (a) the sale of the building takes place under its first occupation, before its first occupation or within 2 years after this first occupation; or
- (b) the seller had the right to deduct input VAT on the acquisition of the building and incurred improvement costs of more than 30% of the initial value of the building (from which input VAT was deducted).

It is possible to waive the VAT exemption, provided certain conditions are met, such that real estate transfer tax would not apply.

CEREIT is in the process of applying for a Tax Ruling from the Polish tax authorities in respect of the classification of the proposed acquisition of the Polish properties i.e. whether the transfer is considered a transfer of business (in which case non-recoverable 2% transfer tax is payable by the purchaser on the market value) or a transfer of individual assets and, where it is a transfer of individual assets, whether the transfer should be subject to VAT at 23% recoverable by the purchaser.

*This page has been intentionally left blank.*





(a real estate investment trust constituted on 28 April 2017 under the laws of the Republic of Singapore)

## NOTICE OF EXTRAORDINARY GENERAL MEETING

Goldman Sachs (Singapore) Pte. Ltd. and UBS AG, Singapore Branch were the joint issue managers for the initial public offering of CEREIT. DBS Bank Ltd., Goldman Sachs (Singapore) Pte. Ltd., and UBS AG, Singapore Branch were the joint global coordinators for the initial public offering of CEREIT. DBS Bank Ltd., Goldman Sachs (Singapore) Pte. Ltd., UBS AG, Singapore Branch, Daiwa Capital Markets Singapore Limited and CLSA Singapore Pte Ltd were the joint bookrunners and underwriters for the initial public offering of CEREIT.

**NOTICE IS HEREBY GIVEN** that an EXTRAORDINARY GENERAL MEETING of the holders of units of Cromwell European Real Estate Investment Trust (“**CEREIT**”, and the holders of units of CEREIT, the “**Unitholders**”) will be held on 15 November 2018 at 10.00 a.m. at PARKROYAL on Pickering, Pickering Ballroom, Level 2, 3 Upper Pickering Street, Singapore 058289, for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolutions (capitalised terms not otherwise defined herein shall bear the meanings ascribed to them in the circular dated 30 October 2018 to Unitholders (“**Circular**”)):

### ORDINARY RESOLUTION 1

#### THE PROPOSED ACQUISITION OF INTERESTS IN 16 PROPERTIES IN THE NETHERLANDS, FINLAND AND POLAND

RESOLVED that, subject to and contingent upon the passing of Resolution 2, Resolution 3 and Resolution 4:

- (i) approval be and is hereby given for the acquisition of interests in 16 properties in the Netherlands, Finland and Poland from the Vendors (as defined in the Circular) at the purchase price as set out in the Circular (the “**Proposed Acquisition**”) on the terms and subject to the conditions set out in the Master Purchase Agreement (as defined in the Circular) entered into between the Vendors and Cromwell SG SPV 3 Pte. Ltd.;
- (ii) approval be and is hereby given for the payment of all fees and expenses relating to the Proposed Acquisition;
- (iii) approval be and is hereby given for the entry by CEREIT (whether directly or indirectly through its subsidiaries) into all agreements and transactions in connection with the Proposed Acquisition and all ancillary agreements contemplated thereby or incidental thereto, or which are necessary to give effect to the Proposed Acquisition; and
- (iv) Cromwell EREIT Management Pte. Ltd., as manager of CEREIT (the “**Manager**”), any director of the Manager (“**Director**”) and Perpetual (Asia) Limited (in its capacity as trustee of CEREIT) (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, such Director or, as the case may be, the Trustee may consider expedient or necessary or in the interests of CEREIT to give effect to the Proposed Acquisition, the Master Purchase Agreement and all transactions in connection therewith.

## ORDINARY RESOLUTION 2

### THE PROPOSED RIGHTS ISSUE

RESOLVED that, subject to and contingent upon the passing of Resolution 1, Resolution 3 and Resolution 4:

- (i) approval be and is hereby given for the proposed issue of up to 600,834,459 new Units in CEREIT (the “**Rights Units**”) under the proposed underwritten and renounceable rights issue (the “**Rights Issue**”) on a basis of 38 Rights Units for every 100 Units in CEREIT held as at the time and date to be determined by the Manager at and on which the transfer books and register of Unitholders will be closed to determine the provisional allotments of the Rights Units to the Eligible Unitholders (as defined in the Circular) under the proposed Rights Issue, fractional entitlements to be disregarded, at an issue price of €0.373 per Rights Unit (the “**Rights Issue Price**”), in the manner described in the Circular; and
- (ii) the Manager, any Director 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, such Director or, as the case may be, the Trustee may consider expedient or necessary or in the interests of CEREIT to give effect to the proposed issuance of the Rights Units.

## ORDINARY RESOLUTION 3

### THE PROPOSED PAYMENT OF THE GTCT SUB-UNDERWRITING COMMISSION

RESOLVED that, subject to and contingent upon the passing of Resolution 1, Resolution 2 and Resolution 4:

- (i) approval be and is hereby given for the proposed payment by the Joint Global Co-ordinators and Bookrunners (as defined herein) to Tang Gordon @ Tang Yigang and Celine Tang @ Chen Huaidan, acting jointly and severally (the “**GTCT Sub-Underwriter**”), of the sub-underwriting commission (the “**GTCT Sub-Underwriting Commission**”) of 1.5% of the Rights Issue Price multiplied by the total number of the GTCT Additional Sub-Underwriting Rights Units (as defined herein) under the sub-underwriting agreement entered into between the GTCT Sub-Underwriter and UBS AG, Singapore Branch, DBS Bank Ltd., Morgan Stanley Asia (Singapore) Pte., and Daiwa Capital Markets Singapore Limited, as Joint Global Co-ordinators and Bookrunners to the proposed Rights Issue (the “**Joint Global Co-ordinators and Bookrunners**”) in relation to the proposed Rights Issue (the “**Payment of the GTCT Sub-Underwriting Commission**”); and
- (ii) the Manager, any Director 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, such Director or, as the case may be, the Trustee may consider expedient or necessary or in the interests of CEREIT to give effect to the proposed Payment of the GTCT Sub-Underwriting Commission.

## ORDINARY RESOLUTION 4

### THE PROPOSED PAYMENT OF THE HILLSBORO SUB-UNDERWRITING COMMISSION

RESOLVED that, subject to and contingent upon the passing of Resolution 1, Resolution 2 and Resolution 3:

- (i) approval be and is hereby given for the proposed payment by the Joint Global Co-ordinators and Bookrunners to Hillsboro Capital, Ltd. (the “**Hillsboro Sub-Underwriter**”) of the sub-underwriting commission (the “**Hillsboro Sub-Underwriting Commission**”) of 1.5% of the Rights Issue Price multiplied by the total number of the Hillsboro Additional Sub-Underwriting Rights Units under the sub-underwriting agreement entered into between the Hillsboro Sub-Underwriter and the Joint Global Co-ordinators and Bookrunners in relation to the proposed Rights Issue (the “**Payment of the Hillsboro Sub-Underwriting Commission**”); and
- (ii) the Manager, any Director 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, such Director or, as the case may be, the Trustee may consider expedient or necessary or in the interests of CEREIT to give effect to the proposed Payment of the Hillsboro Sub-Underwriting Commission.

### BY ORDER OF THE BOARD

Cromwell EREIT Management Pte. Ltd.  
(as manager of Cromwell European Real Estate Investment Trust)  
(Company Registration No. 201702701N)

Lim Swe Guan  
Chairman and Independent Non-Executive Director  
30 October 2018

### PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Extraordinary General Meeting 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) for the purpose of the processing and administration by the Manager and the Trustee (or their agents) of proxies and representatives appointed for the Extraordinary General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Extraordinary General Meeting (including any adjournment thereof), and in order for the Manager and the Trustee (or their agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (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), 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) 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) in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Unitholder’s breach of warranty.

### IMPORTANT NOTICE

**The value of Units and the income derived from them, if any, may fall or rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.**

**Investors should note that they have no right to request the Manager to redeem or purchase their Units for so long as the Units are listed on the SGX-ST. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. The listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.**

**The past performance of CEREIT is not necessarily indicative of the future performance of CEREIT.**

*This page has been intentionally left blank.*

**CROMWELL EUROPEAN  
REAL ESTATE INVESTMENT TRUST**

(a real estate investment trust constituted on 28 April 2017 under the laws of the Republic of Singapore)

**IMPORTANT**

1. A Relevant Intermediary may appoint more than two proxies to attend the Extraordinary General Meeting and vote (please see Note 2 for the definition of "Relevant Intermediary").

2. **PLEASE READ THE NOTES TO THE PROXY FORM.**

**Personal data privacy**

By submitting an instrument appointing a proxy(ies) and/or representative(s), the Unitholder accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 30 October 2018 (the "Notice").

**PROXY FORM  
EXTRAORDINARY GENERAL MEETING**

I/We \_\_\_\_\_ (Name), \_\_\_\_\_ (NRIC No./Passport No.)  
of \_\_\_\_\_ (Address)  
being a holder/s of units in Cromwell European Real Estate Investment Trust ("CEREIT", and the units of CEREIT, the "Units"), hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Unitholdings	
			No. of Units	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Unitholdings	
			No. of Units	%

or failing the person, or either or both of the persons, referred to above, the Chairman of the Extraordinary General Meeting ("EGM") as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the EGM to be held at 10.00 a.m. on 15 November 2018 at PARKROYAL on Pickering, Pickering Ballroom, Level 2, 3 Upper Pickering Street, Singapore 058289, and any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the EGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies may vote or abstain from voting at his/her/their discretion, as he/she/they may on any other matter arising at the EGM.

NO.	ORDINARY RESOLUTIONS RELATING TO:	No. of Votes For*	No. of Votes Against*
1.	To approve the Proposed Acquisition		
2.	To approve the proposed Rights Issue		
3.	To approve the proposed Payment of the GTCT Sub-Underwriting Commission		
4.	To approve the proposed Payment of the Hillsboro Sub-Underwriting Commission		

\* Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against", please tick (✓) within the box provided. Alternatively, if you wish to exercise your votes for both "For" and "Against", please indicate the number of Units in the boxes provided.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2018

**Total Number of Units Held**

--

\_\_\_\_\_  
Signature(s) of Unitholder(s)/Common Seal

**IMPORTANT: PLEASE READ THE NOTES TO THE PROXY FORM**



**IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW**

**Notes to Proxy Form**

1. A Unitholder of Cromwell European Real Estate Investment Trust (“**CEREIT**”, and a unitholder of CEREIT, “**Unitholder**”) who is not a Relevant Intermediary entitled to attend and vote at the meeting is entitled to appoint not more than two proxies to attend, speak and vote instead of the Unitholder. A proxy need not be a Unitholder. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless the Unitholder specifies 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 and vote at the Extraordinary General Meeting is entitled to appoint more than two proxies to attend, speak 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, Chapter 19 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, Chapter 289 of Singapore and who holds Units in that capacity; or
  - (c) the Central Provident Fund Board (“**CPF Board**”) established by the Central Provident Fund Act, Chapter 36 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 instrument appointing a proxy or proxies (as the case may be) (the “**Proxy Form**”) must be deposited with the company secretary of the Manager at the office of CEREIT’s Unit Registrar, Boardroom Corporate & Advisory Services Pte Ltd, 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than 72 hours before the time appointed for holding the Extraordinary General Meeting.



Affix  
Postage  
Stamp

**The Company Secretary**  
**Cromwell EREIT Management Pte. Ltd.**  
(as manager of Cromwell European Real Estate Investment Trust)  
c/o Boardroom Corporate & Advisory Services Pte. Ltd.  
50 Raffles Place #32-01  
Singapore Land Tower  
Singapore 048623

4. Completion and return of this Proxy Form shall not preclude a Unitholder from attending, speaking and voting at the meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a Unitholder attends the meeting 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 meeting.
5. 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 his/her name in the Register of Unitholders of CEREIT, he/she should insert that number of Units. If the Unitholder has Units entered against his/her name in the said Depository Register and registered in his/her name in the Register of Unitholders of CEREIT, 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.
6. The Proxy Form must be under the hand of the appointor or of his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer. A corporation which is a Unitholder may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
7. Where a Proxy Form is signed on behalf of the appointor by an attorney, the power of attorney or a duly certified copy thereof must (failing previous registration with the Manager) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.
8. The Manager shall be entitled 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 the Proxy Form (including any related attachment). In addition, in the case of Units entered in the Depository Register, the Manager may reject a Proxy Form if the Unitholder, being the appointor, is not shown to have Units entered against the Unitholder’s name in the Depository Register as at 72 hours before the time appointed for holding the Extraordinary General Meeting, as certified by CDP to the Manager.

*This page has been intentionally left blank.*

*This page has been intentionally left blank.*



**This page has been intentionally left blank**



**CROMWELL**  
EUROPEAN REIT