Media Release
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Cromwell European REIT Delivers 39.2% Increase in YTD[1] 2019 Distributable Income; Transformational Debt Refinancing Executed

- YTD[1] DPU[2] up 2.3% year-on-year and 2.3% above the IPO Forecast[3]
- c.€248 million in accretive acquisitions during the quarter expanded income base and further diversified the portfolio; as a result, the Manager now expects to exceed the FY 2019 IPO Forecast[3] DPU of 4.02 Euro cents
- 55 leases spanning 40,400 square metres of space signed over the quarter, achieving positive rent reversion rate of 2.4%
- Total asset size of €2.2 billion (S$3.3 billion[4]) and NAV[5] at 50.3 Euro cents per unit
- €625.0 million (S$937.5 million[4]) unsecured debt refinancing was executed today, extending CEREIT's weighted average term of debt to 3.6 years while maintaining its attractive cost of funding at approximately 1.50%

	Actual YTD 2019	Actual YTD 2018	Variance	Actual YTD 2019	Forecast YTD 2019[3]	Variance
Gross Revenue (€'000)	126,151	93,600	34.8%	126,151	94,831	33.0%
Net Property Income (€'000)	82,583	61,998	33.2%	82,583	62,914	31.3%
Income Available for Distribution to Unitholders (€'000)	70,612	50,718	39.2%	70,612	52,243	35.2%
Distribution per Unit (Euro cents per unit)	3.05	2.98[6]	2.3%	3.05	2.98	2.3%

Goldman Sachs (Singapore) Pte. and UBS AG, Singapore Branch were the joint issue managers for the initial public offering of CEREIT (the "**IPO**"). DBS Bank Ltd., Goldman Sachs (Singapore) Pte., and UBS AG, Singapore Branch were the joint global coordinators for the IPO. DBS Bank Ltd., Goldman Sachs (Singapore) Pte., UBS AG, Singapore Branch, Daiwa Capital Markets Singapore Limited and CLSA Singapore Pte Ltd were the joint bookrunners and underwriters for the IPO. The joint issue managers, joint global coordinators and joint underwriters of the IPO assume no responsibility for the contents of this announcement.

SINGAPORE – Cromwell EREIT Management Pte. Ltd., the manager (the "**Manager**") of Cromwell European Real Estate Investment Trust ("**Cromwell European REIT**" or "**CEREIT**"), today announced CEREIT's financial results for the third quarter and the nine months ended 30 September 2019 ("**3Q 2019**" and "**YTD 2019**"[1], respectively).

YTD 2019 gross revenue and net property income ("**NPI**") soared 34.8% and 33.2% year-on-year ("**y-o-y**") to €126.2 million and €82.6 million, respectively. These also represented a 33.0% and 31.3% outperformance compared to the respective IPO Forecasts[3]. The increases were mainly attributable to CEREIT's office portfolio, which generated 63.5% more NPI than forecast[3], due to contributions from the new office properties acquired between December 2018 and September 2019. In addition, CEREIT's light industrial and logistics portfolio exceeded the IPO Forecast[3] by 10.7%, performing particularly well in Germany and the Netherlands. CEREIT's other assets performed largely in line with the IPO Forecast[3].

YTD 2019 income available for distribution to unitholders was €70.6 million, 39.2% more than the €50.7 million recorded in the prior corresponding period ("**YTD 2018**") and 35.2% above the €52.2 million forecasted at IPO[3]. The DPU[2] for YTD 2019 was 3.05 Euro cents, representing a 2.3% y-o-y increase[6] and a 2.3% outperformance against the IPO Forecast[3]. CEREIT offers an 8.0% annualised distribution yield based on CEREIT's 50 Euro cents per unit closing price on 7 November 2019. In the fourth quarter of 2019, CEREIT's DPU[2] is expected to further benefit from a full period of contributions from the recently acquired properties.

The Manager's Chief Executive Officer, Mr. Simon Garing, commented, "We are pleased to have delivered yet another quarter of operational outperformance, our sixth consecutive reporting period of exceeding IPO Forecasts[3]. Since December 2018, we have augmented CEREIT's portfolio with 28 high-quality assets, representing an approximately 50% increase in CEREIT's portfolio value, and welcomed new tenant-customers such as Motorola Solutions Systems, UBS, BNP Paribas and Santander Group, amongst others. The accomplishments of our transactions team were complemented by our asset management team's relentless efforts to lease up vacancies and achieve positive rent reversions."

CEREIT's NAV[5] increased 14.4% from €1,119 million as at 31 December 2018 to €1,280 million as at 30 September 2019, largely due to the acquisitions this year and fair value gains. As a result of the payment of the 1H 2019[7] distribution in addition to the enlarged unit base in July 2019 following a private placement to partially fund some of the acquisitions, NAV[5] per unit decreased by 1.9% to 50.3 Euro cents.

Active Asset and Portfolio Management

During 3Q 2019, the Manager signed 55 leases spanning 40,400 square metres ("**sq m**"), of which 28 were new leases in 9,559 sq m of space in the light industrial / logistics portfolio and 388 sq m of space in the office portfolio. These provided a 2.4% positive rent reversion rate.

As part of ongoing efforts to proactively work with key tenant-customers on long-term extension strategies, the Manager successfully extended close to 60% of leases subject to expiries or breaks until March 2020. In addition, Motorola Solutions Systems extended its lease at Green Office, in Kraków, Poland till 2026 / 2027. The multinational telecommunications company has since become one of CEREIT's top 10 tenant-customers by headline rent.

CEREIT's overall portfolio occupancy rate has increased to 92.0% as at 30 September 2019, up by 40 basis points from 91.6% as at 30 June 2019, with the portfolio's weighted average lease expiry ("**WALE**")[8] profile standing at 4.6 years as at 30 September 2019. CEREIT has a high-quality and diversified tenant-customer base, now comprising nearly 1,000 corporations and government agencies. The top 10 tenant-customers now account for only 33.5% of the portfolio's total headline rent, as compared to 36.8% as at 30 June 2019 and 41.0% as at IPO, further de-risking the portfolio. Approximately 91.7% of the portfolio by value comprises freehold and continuing / perpetual leasehold[9] properties.

During 3Q 2019, the Manager completed the acquisitions and onboarding of six mostly freehold assets in France and Poland at a purchase price of ~€248 million at a 7.4% NPI yield, bringing the total number of properties in the portfolio to 103.

Chart 1:
Portfolio Breakdown by Asset Class

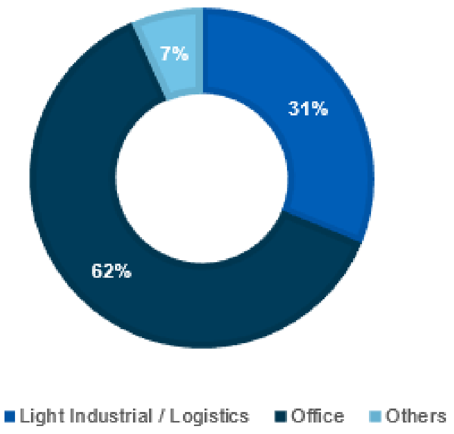
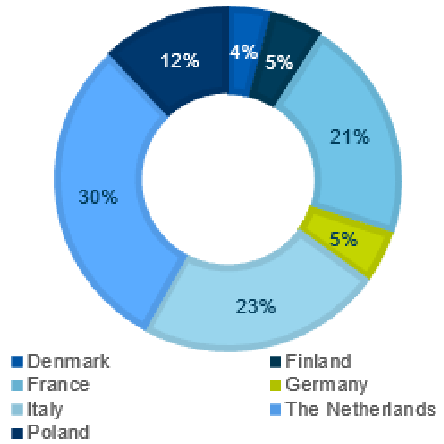


Chart 2:
Portfolio Breakdown by Geography



Notes to Charts 1 and 2:
1. Portfolio breakdown based on valuation of 103 properties (97 properties valued as at 30 June 2019 and six properties, as per the announced acquisitions on 21 June 2019, recorded at purchase price).
2. 'Others' asset class include three government-let campuses, one leisure / retail property and one hotel in Italy.

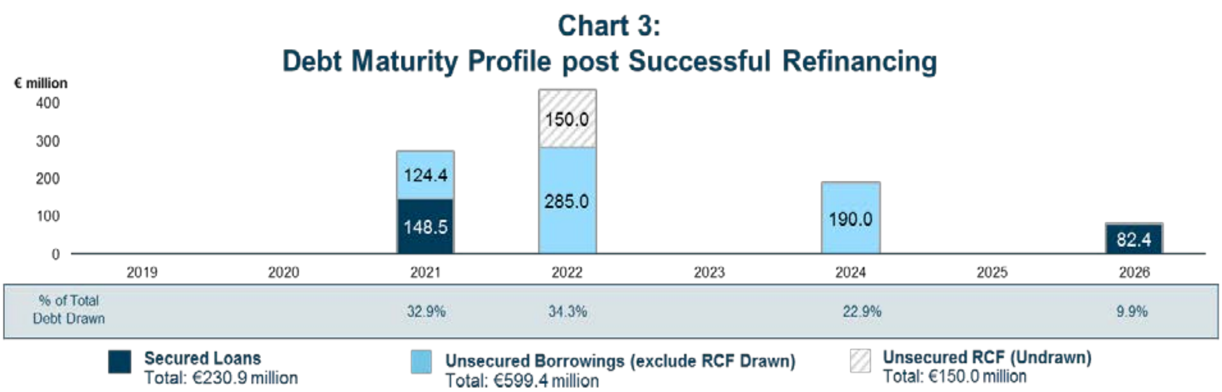
Post the end of 3Q 2019, in October, the Manager completed its first asset disposal with the sale of the non-core Parc d'Osny light industrial asset in France at a 13.1% premium to its last valuation. Post this divestment, CEREIT's portfolio as of today comprises 102 properties valued at €2,065 million with a total net lettable area spanning approximately 1.5 million sq m.

Responsible Capital Management and Transformed Debt Structure

As at 30 September 2019, CEREIT had an aggregate leverage[10] of 37.0%, up 1.6 pp from 35.4% as at 30 June 2019, largely due to loans drawn to partially finance its recent acquisitions. This is below the regulatory limit of 45% and comfortably within the Board's preferred gearing range. CEREIT's debt is 84.7% hedged[11]. As a result of the continuing wide spread between CEREIT's portfolio NPI yield and the low cost of debt, the interest coverage ratio[12] remained high at 8.9 times.

The Manager today executed a large, transformational debt refinancing, whereby new debt facilities of €625.0 million (S$937.5 million[4]) have been established, partially to repay existing debt that expires in 2020 / 2021; it also includes a new €150.0 million revolving credit facility ("**RCF**"), which will initially be undrawn. The debt refinancing extends CEREIT's weighted average term of debt to more than 3.6 years as at 12 November 2019, from around 2.0 years as at 30 September 2019. As a result, 70% of CEREIT's assets are now unencumbered, as compared to the previous 10% unencumbrance.

"In line with our responsible capital management strategy, we have successfully refinanced a significant proportion of asset-level secured debt with a high proportion of long-term unsecured debt, substantially improving CEREIT's financing flexibility while continuing to access the low-cost of debt at c.1.5%", added Mr. Garing. "We have transformed CEREIT's debt structure, providing us further opportunities to capitalise on accretive growth opportunities."



Sustainability

The Manager has improved CEREIT's Global Real Estate Sustainability Benchmark[13] ("**GRESB**") score by 43%, from 47 points in 2018 to 67 points in 2019. CEREIT outperformed its 'Diversified – Office / Industrial (Europe)' peer group average overall, as well as in five of the seven assessment aspects, namely 'Management', 'Policy and Disclosure', 'Monitoring and Environmental Management Systems, 'Performance Indicators', and 'Building Certifications'. Notably, the Manager retained its perfect score in the 'Management' aspect of the assessment – a testament to its efforts to fully integrate Environmental, Social, and Governance ("**ESG**") factors and targets into its strategy and publicly disclose them, among other factors.

The Manager is in the process of attaining BREEAM[14] certification of another 10 properties, on top of the existing five properties with green building certifications, which should further improve CEREIT's score in the 'Building Certifications' aspect.

Looking Ahead

The Eurozone's economy is growing at a slower pace, with the services sector still seeing robust activity but the manufacturing sector weakening amid trade uncertainty. The labour market however remains resilient, and private spending grew slightly as households benefited from stronger incomes. In the European real estate sector, property investment volumes reached €64.9 billion in 3Q 2019, with cross-border capital accounting for almost half of all transactions. The Eurozone's current low interest rate environment and the ECB's[15] determination to achieve a 2.0% inflation rate is helping to attract foreign capital into real estate, moderately offsetting the weakness caused by external geopolitical headwinds.

Mr. Garing concluded, "Contributions from the accretive acquisitions we've made in the past year will continue to underpin CEREIT's stable earnings and DPU, as we look to extract further value by achieving high reversionary yields and securing high occupancy levels in the 28 new properties. On the back of the recent acquisitions, we now expect CEREIT to exceed the full-year IPO Forecast[3] DPU of 4.02 Euro cents. We have demonstrated the resilience of CEREIT's diversified portfolio, notwithstanding mixed economic conditions, and will continue to explore opportunities to recycle capital in order to boost income and NAV[5] growth for unitholders."

ABOUT CROMWELL EUROPEAN REAL ESTATE INVESTMENT TRUST

Cromwell European REIT is a real estate investment trust ("**REIT**") 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, light industrial / logistics, and retail purposes. With a portfolio of 102 properties as at 12 November 2019 in or close to major gateway cities in Denmark, Finland, France, Germany, Italy, the Netherlands as well as Poland, and a balanced focus on the office and light industrial / logistics sectors, it is also the first REIT with a diversified Pan-European portfolio to be listed on Singapore Exchange Securities Trading Limited.

As at 30 September 2019, CEREIT's portfolio has an aggregate lettable area of approximately 1.5 million sq m with close to 1,000 tenant-customers and a WALE profile of around 4.6 years. Comprising primarily freehold or ongoing leasehold assets, the portfolio has an appraised value of approximately €2,082 million as at 30 September 2019.

CEREIT is managed by Cromwell EREIT Management Pte. Ltd., a wholly-owned subsidiary of CEREIT's sponsor, Cromwell Property Group[16], a real estate investor and manager with operations in 15 countries, listed on the Australian Securities Exchange Ltd.

A Selection of CEREIT's Properties

Haagse Poort
The Hague, The Netherlands

De Ruijterkade
Amsterdam, The Netherlands

Bastion
's-Hertogenbosch, The Netherlands

Milano Piazza Affari
Lombardy, Italy

Naverland 8
Copenhagen, Denmark

Avatar Office
Krakow, Poland

Roma Amba Aradam
Lazio, Italy

Hamburg (Moorfleeter Strasse)
Hamburg, Germany

Parc Des Docks
Paris, France

Bischofsheim (An der Steinlach)

Frankfurt, Germany

Parc Des Grésillons

Paris, France

Green Office

Krakow, Poland

Central Plaza

Rotterdam, The Netherlands

Koningskade

The Hague, The Netherlands

Plaza Forte

Helsinki, Finland

Riverside

Warsaw, Poland

Herstedvang 2-4

Copenhagen, Denmark

Cap Mermoz

Paris, France

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1 "**YTD**", "**YTD 2019**" or "**YTD Sep 2019**" refers to the period from 1 January 2019 to 30 September 2019.
2 Distribution per Unit.
3 The CEREIT Prospectus dated 22 November 2017 ("**Prospectus**") disclosed a profit projection for the period from 1 January 2019 to 31 December 2019. "**IPO Forecast**" refers to the interpolation of this projection for the relevant period adjusted for the issuance of 600,834,459 new units of CEREIT in December 2018 (the "**Rights Issue**") where applicable. The adjusted FY2019 DPU is 4.02 Euro cents per unit (FY2019 IPO Forecast of €4.40 cents per unit adjusted for the Rights Issue).
4 Based on exchange rate of €1.00 = S$1.50 as at 11 November 2019.
5 Net Asset Value.
6 YTD 2018 DPU is restated to reflect the bonus element in the new units issued pursuant to the Rights Issue.
7 "**1H 2019**" refers to the period from 1 January 2019 to 30 June 2019.
8 "**WALE**" is defined as weighted average lease expiry by headline rent based on the final termination date of the agreement (assuming the tenant-customer does not terminate the lease on any of the permissible break date(s), if applicable).
9 Classified as continuing leasehold or perpetual leasehold / usufruct. A continuing leasehold is agreed in principle for an indefinite period of time but has a fixed ground rent paid to the land owner which must be re-agreed at the end of a certain period, which may result in a termination if the leaseholder and the land owner do not agree on the new ground rent. A perpetual leasehold / usufruct is for an indefinite period of time and the ground rent has been paid off perpetually (which type of leasehold is most similar to a freehold situation).
10 Refers to "aggregate leverage" as defined under the Property Funds Appendix.
11 Proportion of hedged debt is 86.8% as at 30 September 2019, excluding Polish Value-added Tax Loan.
12 Based on YTD 2019 net income before tax and fair value changes and finance costs over the interest expense.
13 GRESB assesses and benchmarks the ESG performance of real assets, providing standardised and validated data to the capital markets.
14 "BREEAM" is the world's leading sustainability assessment method for master-planning projects, infrastructure and buildings.
15 European Central Bank.
16 Comprising Cromwell Corporation Limited and the Cromwell Diversified Property Trust (the responsible entity of which is Cromwell Property Securities Limited).