Media Release
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Cromwell European REIT Outperforms Forecasts for Third Consecutive Reporting Period

- Net property income exceeds IPO Forecast[1] by 4.3%
- Annualised distribution yield of 7.9%[2] is higher than IPO Forecast
- €384.4 million of accretive acquisitions announced provide greater diversity and reduce concentration risks
- Active asset management positions the REIT for sustainable, long-term growth

	Actual 30-Nov-17 to 30-Sep-18	IPO Forecast[1] 30-Nov-17 to 30-Sep-18	Variance
Gross Revenue (€'000)	104,298	102,254	2.0%
Net Property Income (€'000)	69,251	66,427	4.3%
Income Available for Distribution to Unitholders (€'000)	57,152	56,063	1.9%

SINGAPORE – Cromwell EREIT Management Pte. Ltd., the manager (the "**Manager**") of Cromwell European Real Estate Investment Trust ("**Cromwell European REIT**" or "**CEREIT**"), today announced

1 The prospectus of Cromwell European REIT dated 22 November 2017 ("**Prospectus**") disclosed a 1-month profit forecast for the period from 1 December 2017 to 31 December 2017 ("**December 2017 Forecast**"), and a full-year profit projection from 1 January 2018 to 31 December 2018 (the "**FY2018 Projection**"). The FY2018 Projection disclosed in the Prospectus was derived from four separate quarterly projections which in aggregate formed the FY2018 Projection. The "IPO Forecast" figures referred to in this media release were, where not expressly disclosed in the Prospectus, derived from the December 2017 Forecast and the first, second and third quarterly projections for the period from 1 January 2018 to 30 September 2018 which had been used by the Manager to form the FY2018 Projection.

2 Based on CEREIT's €0.55 per unit IPO price.

CEREIT's financial results for the period 30 November 2017 (being the date of CEREIT's listing) to 30 September 2018 (the "**Reporting Period**").

CEREIT recorded gross revenue amounting to €104.3 million during the Reporting Period, 2.0% above the IPO Forecast[1] of €102.3 million, while net property income ("**NPI**") came in at €69.3 million, 4.3% higher than projected[1]. This was mainly due to the strong performance from its Pan-European light industrial portfolio which generated €2.5 million more in NPI than forecast on the back of better-than-projected leasing outcomes in France and the Netherlands. CEREIT's office portfolio and other assets also performed well, largely in line with expectations.

Income available for distribution to unitholders amounted to €57.2 million, 1.9% above the €56.1 million forecast at IPO[1]. In line with the higher income available for distribution to unitholders, CEREIT's distribution per unit ("**DPU**") for the Reporting Period exceeded the IPO Forecast[1] by 1.9% as well, coming in at 3.61 Euro cents. This translates to an annualised distribution yield of 7.9%[2], 13 basis points higher than expected[1].

The Manager's Chief Executive Officer, Mr. Simon Garing, commented, "We have now outperformed forecasts[1] in all three reporting periods since CEREIT's listing, delivering on our commitment to provide unitholders with stable and growing distributions. This was made possible by our active barbell approach to portfolio management, whereby we balance the growth potential from CEREIT's light industrial / logistics assets with the stability and security of leases provided by the office assets."

During the Reporting Period, CEREIT's gearing was reduced by 1.9 percentage points, from 36.8% as at 30 November 2017 to 34.9% as at 30 September 2018. With significant debt headroom, CEREIT has ample borrowing capacity to fund potential acquisitions.

Active Asset and Portfolio Management

During the third quarter ended 30 September 2018, the Manager successfully renewed 9,145 square metres ("**sq m**") of leases in the light industrial / logistics portfolio and 261 sq m of leases in the office portfolio during the quarter. As a result of the Manager's active asset and portfolio management, CEREIT's portfolio occupancy rate increased by 1.9 percentage points, from 87.7% as stated in the Prospectus to 89.6% as at 30 September 2018, while its weighted average lease expiry ("**WALE**")[3] profile remains stable at 4.9 years.

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[3] "WALE" is defined as 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).

"Our experienced real estate teams on the ground across Europe consistently work to further de-risk the portfolio", added Mr. Garing. "As at 30 September 2018, we have proactively extended the majority of leases that were subject to expiries or breaks in the fourth quarter of 2018."

Acquisition Growth

More recently, the Manager proposed its first major transaction: the €384.4 million acquisition of 23 properties across five countries in Europe, on an initial yield of 6.4%[4]. These comprise 16 predominantly office properties in the Netherlands, Finland and Poland; two office properties in Italy; as well as five predominantly logistics properties in France. The properties are situated on predominantly freehold land in dynamic cities with very good accessibility to major transport infrastructure.

The acquisition is expected to be earnings accretive and to provide CEREIT with greater geographical and trade sector diversity, reducing portfolio concentration risks by increasing CEREIT's portfolio from 75 properties valued at €1.4 billion to 98 properties valued at €1.8 billion. In addition, there is room for further upside from the potential leasing up of vacancy, rental reversions and asset enhancement initiatives, positioning CEREIT for long-term, sustainable growth.

The Manager intends to finance the acquisition via debt and a proposed fully underwritten and renounceable rights issue, subject to the receipt of approval from CEREIT's unitholders at an extraordinary general meeting to be held on 15 November 2018.

Sustainability Efforts

Attesting to the significant progress made in integrating environmental, social, and governance ("**ESG**") standards into the management of CEREIT's portfolio, the Manager has received positive feedback from its inaugural participation in the Global Real Estate Sustainability Benchmark ("**GRESB**") survey. The Manager achieved a maximum score of 100 points in the 'Management' category, compared to the average score of 74 points among its 'Diversified Office / Industrial (Europe)' peer group, and 88 points in the entire GRESB universe. This set of outstanding results comes less than year after CEREIT's listing and prior to the release of its first sustainability report, and provide a baseline on which the Manager intends to improve.

In line with the Manager's commitment to actively manage CEREIT's environmental impact, it has commenced an upgrade of climate control systems at Haagse Poort in the Hague, the Netherlands,

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4 Computed based on information including but not limited to Net Initial Yields, available in the presentation titled "Acquisition of 3 Portfolios and Rights Issue" dated 31 October 2018 as released on SGXNet.

improving the property's energy efficiency and lowering tenant service charges. It will also be replacing and enhancing the cooling and heating plants at Milano Piazza Affari in Lombardy, Italy, which will result in an upgrade of the property's energy performance certificate and a lowering of its energy costs by around 30%.

In addition, to ensure greater customer engagement and deliver on its commitment of being an active asset manager, the Manager is currently conducting a broad tenant engagement survey and expects to complete this by the end of the first quarter of 2019.

Looking Ahead

European commercial real estate remains keenly sought after as global investors recognise the relative strength of the eurozone economy and healthy occupier markets in the region, notwithstanding the noise of global uncertainties. Occupier demand for office and light industrial / logistics assets in CEREIT's key markets is expected to remain healthy, amid a projected 1.9%[5] expansion of the eurozone economy in 2018, led by fixed investment growth of 3.2% and exports of 4.2%. Headline inflation of 1.8% remains within the European Central Bank's targets as eurozone unemployment dropped to 8.5%, from 13.5% in 2013. Oxford Economics expects short-term interest rates to remain below 0.0% in 2019, supporting European asset prices.

Mr. Garing concluded, "We are pleased to report that we have outperformed the key IPO Prospectus forecasts for CEREIT's initial 10 months. Execution of our key strategies and improving underlying property conditions should continue to drive benefits for unitholders and lower CEREIT's cost of capital. We will remain focused on pursuing both organic and acquisitive growth in a sustainable and accretive manner. Our recently announced acquisition of 23 properties across five European countries bears testament to Cromwell Property Group's (the "**Sponsor**") considerable pipeline and off-market sourcing capabilities. With our Sponsor's support and extensive on-the-ground presence across Europe, we are well positioned to deliver stable and growing distribution income and unitholder value."

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5 According to Oxford Economics.

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[6], light industrial / logistics[6], and retail purposes[7]. With a portfolio of 75 properties in or close to major gateway cities in Denmark, France, Germany, Italy, as well as the Netherlands and a balanced focus on the office[6] and light industrial / logistics[6] sectors, it is also the first REIT with a diversified Pan-European portfolio to be listed on Singapore Exchange Securities Trading Limited.

CEREIT's portfolio has an aggregate lettable area of approximately 1.2 million sq m with over 700 leases and a WALE[3] profile of around 4.9 years. Comprising primarily freehold or ongoing leasehold[8] assets, the portfolio has an appraised value of approximately €1,390 million as at 30 June 2018.

CEREIT is managed by Cromwell EREIT Management Pte. Ltd., a wholly-owned subsidiary of CEREIT's sponsor, Cromwell Property Group[9], a real estate investor and manager with operations in 15 countries, listed on the Australian Securities Exchange Ltd.

IMPORTANT NOTICE

This announcement is for information purposes only and does not constitute or form part of an offer, invitation or solicitation of any offer to purchase or subscribe for any securities of CEREIT in Singapore or any other jurisdiction nor should it or any part of it form the basis of, or be relied upon in connection with, any contract or commitment whatsoever.

The value of units in CEREIT ("**Units**") and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by the Manager, Perpetual (Asia) Limited (as trustee of CEREIT) or any of their respective affiliates.

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6 "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 and "light industrial / logistics" 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.

7 "Retail" properties refer to real estate that are predominantly used for retail purposes.

8 Classified as Continuing Leasehold or Perpetual Leasehold. 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 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).

9 Comprising Cromwell Corporation Limited and the Cromwell Diversified Property Trust (the responsible entity of which is Cromwell Property Securities Limited).

An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. Holders of Units ("**Unitholders**") have no right to request that the Manager redeem or purchase their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the Singapore Exchange. 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.

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