CROMWELL
EUROPEAN REIT

TRUSTED
TO DELIVER

CROMWELL EUROPEAN REIT
ANNUAL REPORT 2019

GLOSSARY OF TERMS

Glossary and First Mentions	Definitions
"€" or "Euro"	Euro
"12M 2018"	1 January 2018 to 31 December 2018
"1Q", "2Q", "3Q", "4Q"	Unless otherwise stated, "1Q" refers to the period from 1 January to 31 March, "2Q" refers to the period from 1 April to 30 June, "3Q" refers to the period from 1 July to 30 September and "4Q" refers to the period from 1 October to 31 December
"A$"	Australian Dollars
"AGM"	Annual general meeting
"AIFM"	Alternative investment fund management
"AIFMD"	Alternative Investment Fund Managers Directive (2011/61/EU)
"ARC"	Audit and Risk Committee
"ASX"	Australian Securities Exchange
"Base Awards"	Unit-based awards granted by the Manager to the KMP
"Board Diversity Policy"	Board diversity policy adopted in 2019
"Board of Directors" or the "Board"	Board of Directors of the Manager
"BREEAM"	Building Research Establishment Environmental Assessment Method, the world's leading sustainability assessment method for master planning projects, infrastructure and buildings. It recognises and reflects the value in higher-performing assets across the built environment lifecycle, from new construction to in-use and refurbishment. BREEAM is used as an asset-level sustainability certification
"C&W"	Cushman and Wakefield
"CAPEX"	Capital expenditure
"CBD"	Central business district
"CEO"	Chief Executive Officer
"CEREIT's Annual Report" or "Annual Report"	Cromwell European REIT's annual report for financial year ended 31 December 2019
"CEREIT IDs"	Non-executive independent Directors
"CFO"	Chief Financial Officer
"CIO"	Chief Investment Officer
"CIS Code"	The Code on Collective Investment Schemes issued by the Monetary Authority of Singapore ("MAS")
"Code"	Code of Corporate Governance 2018
"Colliers"	Colliers International Valuation UK LLP
"Company Secretary"	Company secretary of the Manager
"COO"	Chief Operating Officer
"CPF"	Central Provident Fund

* Cromwell European REIT's Annual Report covers the period of 1 January 2019 to 31 December 2019

** Unless otherwise stated, financials are reported in Euros ("Euro" or "€")

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

Glossary and First Mentions	Definitions
"CPF Investment Scheme"	The CPF Investment Scheme ("CPFIS") provides members with the option to invest their CPF savings in various instruments such as insurance products, unit trusts, fixed deposits, bonds and shares
"cpu"	Cents per Unit
"Cromwell European REIT" or "CEREIT"	Cromwell European REIT
"Cromwell Group Allocation Process"	The allocation of investment opportunities from Cromwell's origination pipeline in a fair and equitable manner to all funds established and/or sponsored by Cromwell
"Cromwell Group Values"	Cromwell Group corporate values
"Cromwell", the "Sponsor" or the "Group"	Cromwell Property Group
"Deloitte"	Deloitte & Touche LLP
"DI"	Income available for distribution or "distributable income"
"Director(s)"	Director(s) of the Manager
"DPU"	Distribution per Unit
"EPC"	Energy Performance Certificate
"EPRA"	European Public Real Estate Association
"ERM"	Enterprise risk management
"ERV"	Estimated rental value
"ESG"	Environment, Social and Governance
"Final Awards"	Final number of Units to be released to the KMP
"FY 2018"	30 November 2017 to 31 December 2018
"FY 2019" or the "Financial Year"	1 January 2019 to 31 December 2019
"GAV"	Gross Asset Value
"GDP"	Gross Domestic Product
"GRESB"	GRESB is an investor-driven organisation assessing the sustainability performance of real asset sector portfolios and assets
"GRI"	The Global Reporting Initiative (known as GRI) is an international organisation that helps businesses, governments and other organisations understand and communicate their impact on issues such as climate change, human rights and corruption
"IIA"	Institute of Internal Auditors Singapore
"Interested Party Transactions"	Has the meaning ascribed to it in the Property Funds Appendix
"Interested Person Transactions"	Has the meaning ascribed to it in the Listing Manual

GLOSSARY OF TERMS

Glossary and First Mentions	Definitions
"Investment Community"	Investors, analysts, Unitholders, media and various other stakeholders
"IPO"	Initial public offering
"IPO Forecast"	The Prospectus for the IPO disclosed a projection for the year ended 31 December 2019
"IRPAS"	Investor Relations Professionals Association (Singapore)
"IT"	Information technology
"KMP"	Key management personnel of the Manager
"KPI (s)"	Key Performance Indicators
"KPMG"	KPMG Services Pte. Ltd.
"L&D"	Learning & Development
"LEED"	LEED refers to Leadership in Engineering and Design, a certification program focused primarily on new, commercial building projects and based upon a points system. LEED-certified buildings, when well maintained, produce less waste products and are more energy-efficient than they would be otherwise.
"Listing Date"	30 November 2017
"Listing Manual"	The Listing Manual of the SGX-ST
"Listing Rules"	Listing rules of the SGX-ST
"Manager" or "Manager of CEREIT"	Cromwell EREIT Management Pte. Ltd.
"Management" or the "management team"	The management team of the Manager
"MAS"	Monetary Authority of Singapore
"NAV"	Net asset value
"NLA"	Net lettable area
"NOI yield"	Net operating income yield, calculated with numerator the current passing rental income net of non-recoverable property expenses and denominator the property purchase price before transaction costs
"NPI"	Net property income
"NPS"	Net Promoter Score® measures customer experience and predicts business growth
"NRC"	Nominating and Remuneration Committee
"NTA"	Net Tangible Assets
"P&C"	People & Culture
"Property Funds Appendix"	Appendix 6 of the CIS Code issued by the MAS in relation to REITs

Glossary and First Mentions	Definitions
"Property Manager"	Cromwell Europe Limited
"p.p."	Percentage points
"Private Placement"	Issue of 326,086,000 New Units at an issue price of €0.460 per new Unit in connection with the partial funding of the acquisition of six predominantly office assets in France and Poland, with trading of new Units commencing on 2 July 2019
"PUP"	Performance Unit Plan
"RCF"	Revolving credit facility
"REIT"	Real estate investment trust
"REITAS"	REIT Association of Singapore
"Related Party"	"Interested Person" under the Listing Manual and/or as the case may be, an "Interested Party" under the Property Funds Appendix
"Related Party Transactions"	"Interested Person Transactions" under the Listing Manual and "Interested Party Transactions" under the Property Funds Appendix
"Report"	The corporate governance report on pages 140 to 165 of this Annual Report
"Rights Issue"	Raising of €224.1 million through the issuance of 600,834,459 new 0Units in December 2018
"S$" or "Singapore Dollars"	Singapore Dollars
"SFR"	Securities and Futures (Licensing and Conduct of Business) Regulations
"SGX-ST"	Singapore Exchange Securities Trading Limited
"Sustainability Report"	CEREIT's sustainability report for 2019, which will be published on SGX-ST and made available in electronic form in May 2020 on CEREIT's corporate website www.cromwelleuropeanreit.com.sg
"sqm"	Square metres
"Trustee"	Perpetual (Asia) Limited, in its capacity as trustee of CEREIT
"Trust Deed"	The trust deed constituting CEREIT dated 28 April 2017 (as amended, varied or supplemented from time to time)
"US$"	U.S. Dollars
"Units"	Units of CEREIT
"Unitholders"	Unitholders of CEREIT
"WADE"	Weighted average debt expiry
"WALB"	Weighted average lease to break, defined as the weighted average lease to break on the earlier of the next permissible break date at the tenant-customer's election of the expiry of the lease
"WALE"	Weighted average lease expiry, 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)
"y-o-y" or "YOY"	Year-on-year

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CORPORATE INFORMATION

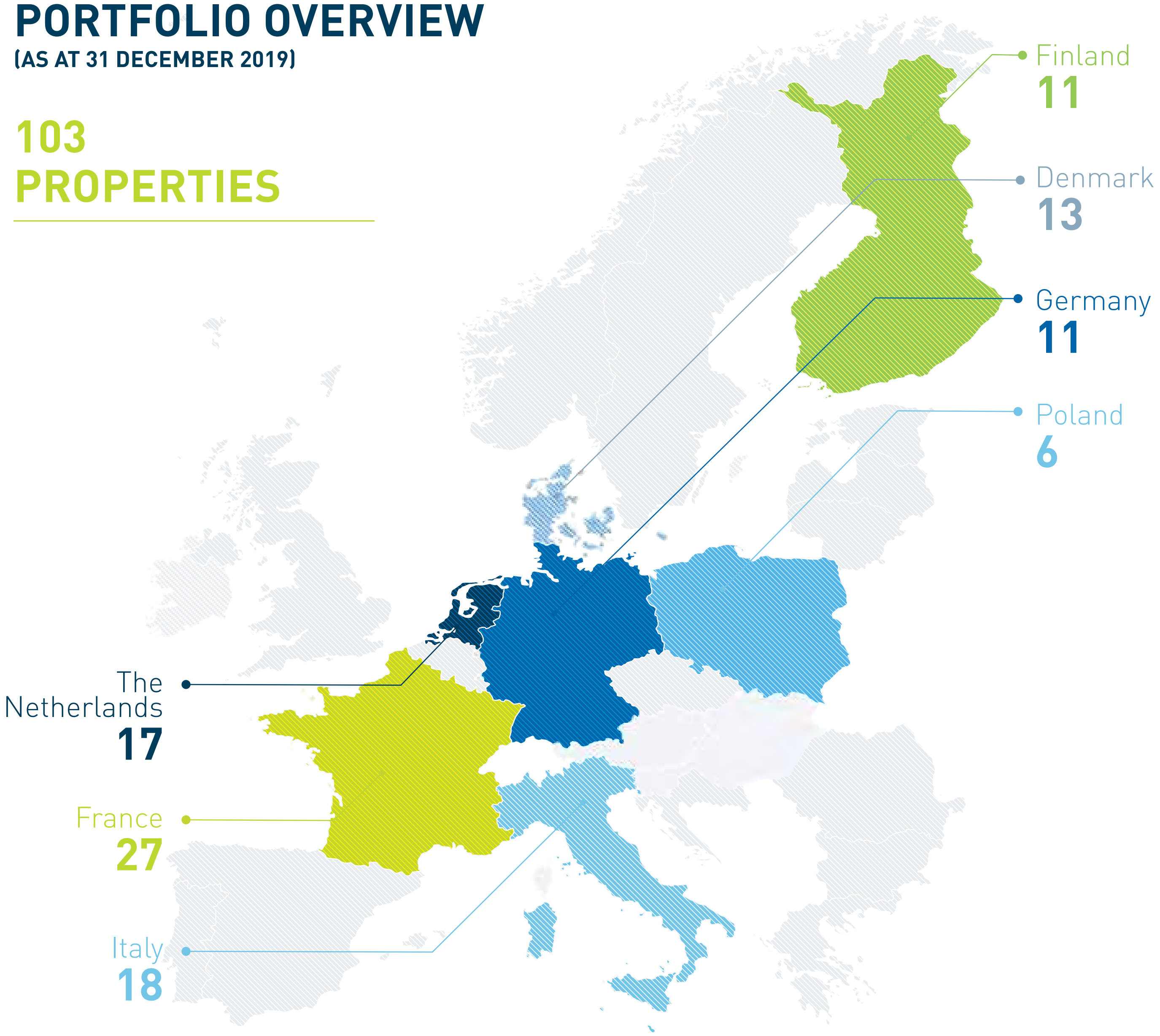
CROMWELL EUROPEAN REIT OVERVIEW (AS AT 31 DECEMBER 2019)

Cromwell European REIT is a Singapore 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.

CEREIT owns a portfolio of 103 properties in, or close to, major gateway cities in the Netherlands, Italy, France, Poland, Germany, Finland and Denmark and has a balanced focus on the office and light industrial / logistics sectors. It is the first REIT with a diversified Pan-European portfolio listed on SGX-ST.

PORTFOLIO OVERVIEW
(AS AT 31 DECEMBER 2019)

103 PROPERTIES



CEREIT's portfolio has an aggregate lettable area of approximately 1.5 million sqm with over 950 tenant-customers and a WALE of 4.4 years. Comprising primarily freehold, perpetual or continuing leasehold assets, the portfolio has an appraised value of approximately €2.1 billion as at 31 December 2019.

CEREIT is managed by Cromwell EREIT Management Pte. Ltd., a wholly-owned subsidiary of CEREIT's sponsor, Cromwell Property Group. Cromwell is a real estate investor and manager with 29 offices in 14 countries and is listed on the ASX.

NLA
1.5 million square metres

Assets
103 primarily freehold properties

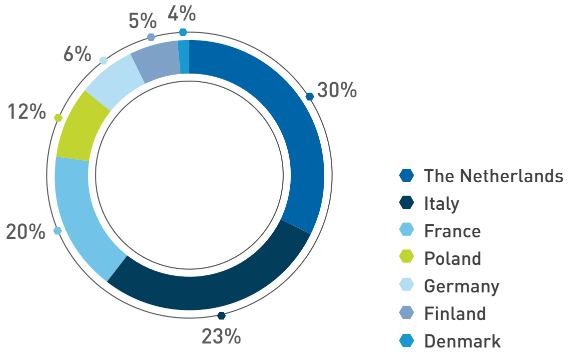
Countries
7 European countries

Diversified Portfolio
€2.1[1] billion

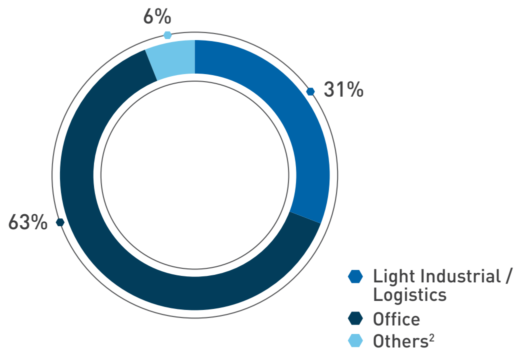
WALE
4.4 years

Tenant-customers
950+

PORTFOLIO BREAKDOWN BY GEOGRAPHY



PORTFOLIO BREAKDOWN BY ASSET CLASS



1 Valuation is based on independent valuations conducted by Colliers and C&W as at 31 December 2019 for 91 properties in the portfolio and 12 assets announced for sale on 17 December 2019 recorded at sale price
2 Others include three government-let campuses, one leisure / retail property and one hotel in Italy

FY 2019 REPORT CARD

Outperformed two years of IPO forecasts

€116.1 million
FY 2019 NPI
40.1% up YoY[1]
37.4% above the IPO Forecast[2]

€96.9 million
FY 2019 DI
42.6% up YoY
38.0% above the IPO Forecast

€4.08 cents
FY 2019 DPU
8.8% up YoY
1.5% above the IPO Forecast

Active capital management transforms the balance sheet

€625.0 million
Debt refinanced successfully

~1.5% p.a.
cost of funding
and more than 70% of portfolio now unencumbered

97.5%
hedged
WADE of 3.4 years vs WALE of 4.4 years, underpins distributable income

Active asset management drives organic growth in FY 2019

93.2%
portfolio occupancy
up from 90.8% at end December FY 2018

3.7%
positive rent reversion
driven by continued outperformance in the light industrial / logistics sector

€42.4 million
Fair value gains
2.9% increase in FY 2019

1 Driven by new office acquisitions and the outperformance in the initial light industrial/ logistics portfolio
2 As compared to amounts stated in the Prospectus, adjusted for the Rights Issue

FINANCIAL HIGHLIGHTS

BALANCE SHEET

As at 31 December 2019	
Total assets (€ million)	2,254.9
Unitholders' funds (€ million)	1,314.6

KEY FINANCIAL RATIOS

As at 31 December 2019	
Aggregate leverage (%)	36.8%
Aggregate leverage excluding 2H 2019 distribution	37.7%
NAV per Unit (€ cpu)	51.6

CAPITAL MANAGEMENT

As at 31 December 2019	
Total borrowing facilities (€ million)	980.8
Gross borrowings (€ million)	830.8
Interest cover (times)	8.6
Units in issue (million)	2,547.8
Market capitalisation (€ million)	1,375.8

Purotie 1, Helsinki, Finland

CHAIR'S MESSAGE

Lim Swe Guan
CHAIR AND INDEPENDENT NON-EXECUTIVE DIRECTOR

"We have reached the end of the two-year IPO forecast period and I am delighted to share that we have not only met, but also surpassed the IPO forecast for all key financial metrics via effective asset management, a number of accretive acquisitions and responsible capital management."

Dear Unitholders,

On behalf of the Board, I am pleased to present CEREIT's Annual Report for the financial year ended 31 December 2019. Since CEREIT's inception, the Board and the management team have focused on realising the projections that we made during its IPO just over two years ago. We have reached the end of the two-year forecast period and I am delighted to share that we have not only met, but also surpassed the IPO forecast for all key financial metrics[1] via effective asset management, a number of accretive acquisitions and responsible capital management.

INVESTMENT PHILOSOPHY AND OBJECTIVES

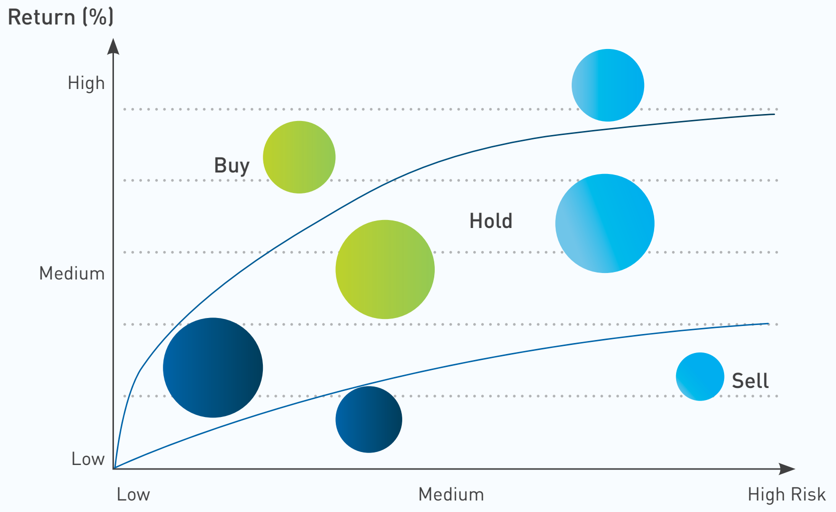
CEREIT's investment philosophy is to acquire and manage a diversified portfolio of pan-European commercial properties with an emphasis on generating sustainable income and capital growth. We have translated this into a number of quantifiable objectives that guide the CEREIT management team in the execution of our strategy. Our foremost priority is constructing an optimal portfolio that will deliver appropriate risk-adjusted returns. Acquisitions and disposals are always evaluated on the basis of whether they will enhance the expected returns of the portfolio on a risk-adjusted basis. We are disciplined when evaluating potential acquisitions and our investment underwriting process ensures that only properties that are expected to deliver returns above our cost of capital and fit well within our existing portfolio will be approved by the Board.

DELIVERING STABLE DPU AND NAV PER UNIT GROWTH

Our investment philosophy underpins CEREIT's stated purpose of providing Unitholders with stable and sustainable DPU and NAV per Unit growth. Over the course of the past year, CEREIT generated gross revenue of €177.0 million and NPI of €116.1 million, exceeding the IPO forecast by 39.4% and 37.4% respectively. This growth largely stems from 30 substantial property acquisitions since CEREIT's listing as well as stronger-than-expected contributions from successful leasing outcomes. Total return attributable to Unitholders was €109.0 million, due to the excellent operating performance and an unrealised €42.4 million fair value gain.

Income available for distribution to Unitholders was €96.9 million, surpassing the IPO forecast by 38.0%. Accordingly, a DPU of 4.08 Euro cents was delivered for FY 2019, 8.8% higher than that for the 12M 2018[2] period. On the back of our active asset management and successful acquisitions, CEREIT's NAV has grown from €837.2 million as at the Listing Date to €1,314.6 million as at the end of FY 2019. This translates to a NAV per Unit of €51.6 cents, up from €51.3 cents or by 0.6% from a year ago, even after taking into account the enlarged Unit base after the Private Placement in June 2019 which raised gross proceeds of €150.0 million to partially fund acquisitions in 2H 2019.

RISK RETURN CHART



1 Adjusted for the Rights Issue, on a like-for-like basis
2 12M 2018 DPU has been calculated using the weighted average number of Units taking into account new Units issued under the Rights Issue being eligible for the distribution for 2H 2018

CHAIR'S MESSAGE

BUYING SMARTLY AND MANAGING OUR ASSETS WELL

At IPO, CEREIT had 74 assets valued at €1,354 million. As at 31 December 2019, CEREIT had a portfolio of 103 properties valued at €2,103 million, €144.6 million or 7.4% higher than the collective purchase prices of these assets. We recorded a €42.4 million fair value gain on CEREIT's assets in FY 2019, a 2.9% increase over the year, after taking into account capital expenditure and acquisition costs. On the whole, we not only bought well during and after the IPO, but our experienced asset management team also created additional value through active property management, tenant-customer management and marketing initiatives.

In FY 2019, our team signed leases for 123,378 sqm of space or approximately 8% of CEREIT's portfolio NLA, with an overall positive rental reversion of 3.7%. These active leasing efforts have resulted in a portfolio occupancy rate of 93.2% as at 31 December 2019, 2.4 p.p., above the rate at 31 December 2018 and 0.6 p.p. higher than the IPO forecast. As a result of a refreshed asset management plan, the Danish portfolio is now enjoying an increased occupancy rate of 86.2%, after a prolonged period of underperformance (~13 p.p. increase from 73.6% as at the end of FY 2018). Our active lease-up programme at Parc des Docks in Paris, France, led to 15,497 sqm more NLA leased out in FY 2019 and a 5.8% increase in its average rent per sqm.

As at 31 December 2019, CEREIT's portfolio has a WALE profile of 4.4 years, maintaining close-to-IPO WALE more than two years after listing. Our efforts to further diversify tenant-customer mix and reduce tenant-customer concentration risk have also yielded good results, with the top ten tenant-customers now contributing 33.3% of the portfolio's total headline rent, as compared to 39.0% as at 31 December 2018 and 41.0% as at Listing Date.

In terms of asset enhancement initiatives, our focus in FY 2019 has been on capital expenditures that enhance opportunities for income and net asset value growth. Specifically, the team has focused on creating extra space or re-configuring Units to lease up the residual vacancy of the existing portfolio.

DE-RISKING, GROWING AND DIVERSIFYING OUR PORTFOLIO

The purchase of the remaining seven of the 22 predominantly freehold office and logistics properties we proposed acquiring in 2018 was completed at the start of 2019 and we fully onboarded them by February 2019. Attesting to the extensive sourcing capabilities of CEREIT's sponsor, we acquired these 22 properties across five European countries for €376.8 million at an NOI yield of 7.4%. These acquisitions enabled CEREIT to diversify into two new countries with faster-growing economies – Finland and Poland, while deepening its presence in three existing markets – France, Italy and the Netherlands.

In June 2019, we announced the acquisition of six predominantly office, 100% freehold assets with a 98.7% average occupancy rate and a 4.8-year WALE profile for approximately €247 million. These acquisitions marked CEREIT's entry into the Greater Paris office market, which is the largest Western European city and has value-adding potential from rapid gentrification and increased its presence in Poland, the economic growth champion of Europe and the business outsourcing hub for Western Europe. The acquisitions are DPU-accretive and were partially funded by an oversubscribed €150.0 million Private Placement. The Private Placement brought a number of global institutional investors into CEREIT's register, increased its free float to almost €1.0 billion and its trading liquidity improved six-fold since IPO as at the end of FY 2019. Significantly, it brings CEREIT much closer to global index inclusion and makes CEREIT more attractive to larger ETFs and index funds.

In FY 2019, we also made good on our commitment to investors to divest assets with risk-return profiles that no longer meet CEREIT's key objectives, achieving sale prices well above independent valuations. Specifically, we completed the disposal of the Parc d'Osny office asset in Osny, France in October 2019 at an 11.8% premium to its purchase price and announced the sale of 12 light industrial / logistics assets in the Netherlands, France and Denmark at a 15.2% premium to

"Income available for distribution to Unitholders was €96.9 million, surpassing the IPO forecast by 38.0%."

their collective purchase price, generating a capital gain of more than €10.7 million. The sale of the 12 light industrial / logistics assets in the Netherlands, France and Denmark was completed in March 2020.

In November 2019, we acquired a property in Agrate near Milan, Italy, at an attractive NOI yield of 7.3%. In late December 2019, we also announced CEREIT's first post-IPO acquisition in the highly competitive German property market – a sale and leaseback acquisition of three light industrial / logistics assets leased to a single tenant-customer for 15 years. The properties were acquired at an attractive price of €38.0 million, 4.0% below the independent valuation, at a favourable 6.2% triple net NOI yield. These acquisitions further demonstrate Cromwell team's on-the-ground ability to source assets with long leases at attractive yields and competitive prices.

Green Office, Kraków, Poland

MANAGING CAPITAL WITH CARE

In FY 2019, CEREIT maintained a conservative balance sheet, with an aggregate leverage ratio of 36.8% and an interest coverage ratio of 8.6 times as at 31 December 2019. This aggregate leverage ratio is comfortably within the preferred gearing range of 35 – 40%, as guided by the Board. CEREIT's interest coverage ratio reflects the wide spread between CEREIT's NOI yield and its low cost of debt; the ratio also exceeds that of most Singapore-listed REITs, putting CEREIT in an attractive position to meet its debt obligations.

Following our transformational €625 million debt refinancing programme in November 2019, CEREIT now has total debt facilities amounting to approximately €1 billion. Unsecured funding now makes up over 70% of CEREIT's total debt, which compares favourably to our position at IPO, when more than 90% was secured. Following this transformational debt refinancing, we have maintained an all-in debt cost of around 1.5%, with 97.5% of CEREIT's total gross debt now hedged, providing interest rate certainty for the next few years.

We seek to optimise CEREIT's cost of capital and will continue to maintain an appropriate mix of debt and equity to enhance Unitholders' returns, as well as to source cheaper capital, while retaining flexibility for financing future investments.

CHAIR'S MESSAGE

De Ruyterkade 5, Amsterdam, The Netherlands

ABOVE-MARKET TOTAL UNITHOLDER RETURNS

As a result of the support of existing and new Unitholders, I am especially pleased to report that in FY 2019, CEREIT posted ~32% total Unitholder return for its Euro-denominated Units stock code CNNU.SI and ~27% for its Singapore dollar-denominated Unit stock code CSFU.SI, with CNNU.SI outperforming the FTSE ST REIT Index by 6.5 p.p. and the Straits Times Index by 22.5 p.p.

While timing is not certain, on the back of CEREIT's performance to date, it is closer to inclusion in major stock market indices based on its higher trading liquidity, free float-adjusted market capitalisation and established track record. CEREIT's recent inclusion in the FTSE Global Equity Index Series Asia Pacific Ex-Japan ex-China and FSTE SGX-ST Small Cap Index confirms that we are on the right strategic path with other benchmark indices in range.

ASPIRING TO HIGH STANDARDS OF GOVERNANCE AND SUSTAINABILITY

Safeguarding the interests of Unitholders is paramount and we employ a best practice approach to governance, risk management and transparency. The majority of our Directors are independent and our Board has robust processes in place to ensure that all Unitholders are treated equitably and fairly. More information can be found in the corporate governance section of this Annual Report.

CEREIT is the only pan-European REIT listed on the SGX-ST and we are delighted that in the last year it attracted the support of an international mix of institutional, family office and retail investors.

Over the course of last year, the investor relations team continued to extensively engage the investor community to raise CEREIT's profile. The management team addressed more than 360 institutional investors, more than 60 analysts, more than 650 retail investors and presented at four major investor forums. We also recognise that with the majority of Unitholders based in Singapore, some would like to be able to trade CEREIT Units in Singapore dollars and/or use their CPF funds to invest in them. To facilitate this, we obtained a dual-currency trading status for CEREIT on the SGX-ST shortly after listing and the Singapore dollar-denominated Unit stock code CSFU SI was admitted into the CPF Investment Scheme with effect from 28 February 2020.

Being a responsible steward of Unitholders' investments is a key priority for the Board and management team. We are committed to building mutually beneficial relationships with internal and external stakeholders in our community, as well as managing our impact on the environment. We have made significant progress on this front in our second year of operations, integrating ESG standards into the day-to-day management of CEREIT's portfolio. All members of the senior management team have KPIs focused on specific ESG targets – still a relatively rare occurrence in our industry.

More information about our stakeholder engagement and our sustainability initiatives can be found in the investor relations and the sustainability sections of this Annual Report.

STAYING RESILIENT AND FLEXIBLE IN CHALLENGING TIMES

As we go to print in late March 2020, the global community and in particular Europe are facing a crisis of epidemic proportions due to the universal disruption on lives and business that COVID-19 has caused. I am comforted by the fact that CEREIT has benefitted from early resilience planning and risk management measures and protocols implemented by Cromwell Property Group well ahead of the market. CEREIT's well diversified portfolio across asset classes, geographies, tenant-customer trade sectors and tenant-customers is designed to minimise risk and provide resilience against any short-term economic shock and we are also prepared to show compassion and collaborate with our tenant-customers in a situation that is rapidly evolving.

The Board and the management team are focused on preserving Unitholder value, ensuring appropriate levels of liquidity and stewarding CEREIT's operations through the impact from COVID-19. There is no telling how long this will continue, but there will be a time when we emerge from this crisis and renew planning for the next phase of our growth.

DEDICATED TOWARDS LONG-TERM SUCCESS

We have now moved beyond the IPO forecast period and our long-term strategy remains intact. We continue to actively manage CEREIT's portfolio to drive organic growth. When economies and markets stabilise, we will continue to strive to augment our capabilities and further grow and diversify the portfolio through rigorous research in our deal evaluation and progressive asset management.

APPRECIATION

Thank you for your investment in CEREIT and for your confidence and trust in the Board and the management team. I wish also to express my gratitude to our Sponsor, tenant-customers, lenders, capital and business partners, as well as to the regulators for their support.
I deeply treasure the dedication of our Directors, as well as the professionalism of the management team and team members who continue to work tirelessly across three continents in what has become a highly regarded and sustainable pan-European REIT and management platform. The team and I look forward to working for the benefit of all our stakeholders for many years to come.

"The Board and the management team are focused on preserving Unitholder value, ensuring appropriate levels of liquidity and stewarding CEREIT's operations through the impact from COVID-19."

Lim Swe Guan

Chair and Independent
Non-Executive Director

Cromwell EREIT Management Pte. Ltd.

CEO INTERVIEW

Simon Garing

CEO AND EXECUTIVE DIRECTOR

“I’m particularly pleased to report that NPI growth on a portfolio like-for-like basis was 3.7%, reaffirming Cromwell’s asset management skills and experience.”

1. WHAT ARE THE HIGHLIGHTS OF CEREIT’S JOURNEY AS A LISTED ENTITY TO DATE?

At IPO, we stated that CEREIT’s purpose was to deliver stable and growing distributions and long-term DPU and NAV per Unit growth. As the Manager of CEREIT, staying true to this purpose has been a guiding principle in our operations and decisions.

Our second Annual Report provides highlights of CEREIT’s journey and sets out our processes and strategies designed to deliver sustainable income and capital returns to investors from a diversified Pan-European commercial real estate portfolio.

In terms of financial performance, we surpassed forecasts for all key performance metrics, achieving higher-than-expected gross revenue, NPI and DPU[1] for the past eight quarters in a row. I’m particularly pleased to report that NPI growth on a portfolio like-for-like basis was 3.7%, reaffirming Cromwell’s asset management skill and experience. FY 2019 NPI was 37.4% higher than projected and the FY 2019 DPU was 1.5% above the IPO forecast and 8.8% above 12M 2018[2]. For FY 2019, CEREIT again provided a return on contributed equity of 8.6%, which was well above CEREIT’s FY 2019 cost of equity.

Since IPO, we have added 30 high-quality assets at an attractive average purchase-price weighted NOI yield of 6.92%[3] to CEREIT’s portfolio, representing an almost 50% increase in CEREIT’s portfolio size. Following upward revaluations of the IPO properties, the onboarding of newly acquired properties and the disposal of one non-core asset, CEREIT’s portfolio at year-end comprised 103 properties valued at close to €2.1 billion. As part of our disciplined and regular portfolio review process, we also completed the sale of 13 non-strategic properties at premiums to valuations.

Market-leading ESG practices are at the core of our business. As part of our best practice approach, the senior management team KPIs are closely tied to specific ESG targets – something I believe is still rare and unusual in our industry, particularly in Singapore.

1 After adjusting for the Rights Issue
2 12M 2018 covers the period from 1 January 2018 to 31 Dec 2018 (excludes the period from IPO Listing Date of 30 November 2017 to 31 December 2017). 12M 2018 DPU has been calculated using the weighted average number of Units taking into account new Units issued under the Rights Issue being eligible for the distribution for 2H 2018
3 Based on weighted average NOI for the 30 assets acquired since IPO

Our approach has produced measurable outcomes – we have achieved a 43% year-on-year increase in CEREIT's rating on the GRESB assessment, where CEREIT outperformed its peer group average overall, as well as in five of the seven assessment aspects and was awarded an "A" grade in the GRESB public disclosure assessment, notably higher than the average "B" grade of its Singapore-listed peers. We have also formalised and quantified our tenant-customer engagement efforts and our second annual survey shows that CEREIT's tenant-customer satisfaction improved by 5 p.p. to 69% in FY 2019.

In 2019, we have again been very active in our engagement with the investor community to communicate our strategy, investment process and performance and this is reflected in our enhanced unitholder register, increased trading liquidity, industry recognition and awards. In summary, I am pleased to report that CEREIT has "met or exceeded" investor expectations in the two years since its listing.

2. HOW DO YOU DIFFERENTIATE CEREIT FROM THE CROWD? WHAT ADVANTAGES DOES CEREIT HAVE?

I would like to hone in on three key advantages:

On-the-ground presence: CEREIT's performance over the last two years has benefited enormously from Cromwell's established property and asset management platform, providing a valuable competitive advantage which is hard to replicate. Our Sponsor has a real estate investment and management track record spanning more than 22 years and employs more than 200 employees in 19 cities across 11 countries in Europe. Real estate is a local business and Cromwell's on-the-ground knowledge and team presence is key to our success. Our team members live and work in the cities where we have a presence, mapping and understanding the dynamics and long-term sector trends in each city and micro location.

Diversification across countries and asset classes: CEREIT has a particularly large and diversified Pan-European property portfolio that is designed to be relatively resilient and to mitigate concentration risks and with some properties having longer term upside from broader developments asset enhancement initiatives. At the core of our investment strategy is our mandate for CEREIT to be at least 75% weighted towards Western Europe and at least 75% weighted towards office and light industrial / logistics assets by valuation; CEREIT is currently weighted 88% and 94% to its core geographical and asset class focus respectively. CEREIT's properties are currently spread across seven countries with a balanced focus on the office and light industrial / logistics sectors. Our acquisitions over the last two years have further diversified CEREIT's geographic exposure, adding assets from Finland and Poland, two regions with higher economic growth, while reducing the relative proportion of Italy to its current levels of 23% from 30% at IPO. No single country at year-end accounted for more than 30%, down from 35% at IPO. CEREIT's properties span a sizeable 1.5 million square metres of NLA, underpinned by over 1,000 leases across a wide variety of government, industry and trade sectors. As at the end of 2019, the top ten tenant-customers represent 33% of the portfolio (down from 41% at IPO), reducing tenant-customer concentration risk substantially. No single tenant-customer or industry sector accounts for more than ~14% or ~18% of CEREIT's total headline rent, respectively.

> **"CEREIT's performance over the last two years has benefited enormously from Cromwell's established property and asset management platform, providing a valuable competitive advantage which is hard to replicate."**

Dual currency trading: With its income almost entirely derived and reported in Euros, CEREIT is a transparent investment trust with no added complexities from material foreign exchange derivatives or financial engineering. CEREIT is the only REIT that trades on SGX-ST in both Euros and Singapore dollars, a unique feature. Unitholders now also have the opportunity to invest in CEREIT through its Singapore-dollar denominated Unit stock code using their CPF ordinary accounts, with the option of receiving dividends in Euros or in Singapore dollars. 85% of CEREIT's investors currently elect to receive Euro distributions, in line with the greater liquidity of CEREIT's Euro-denominated counter.

CEO INTERVIEW

3. CAN YOU OUTLINE YOUR LONG-TERM INVESTMENT STRATEGY? WHAT ADJUSTMENTS ARE YOU PLANNING FOR 2020 IN THE LIGHT OF COVID-19 GLOBAL DISCRUPTION?

Current global market disruption from the effect of COVID-19 aside, our long-term stated strategy to acquire and manage 'core +' and 'value add' commercial assets to provide sustainable distributions as well as long-term DPU and NAV per unit growth remains intact. We employ a 'barbell approach' to portfolio construction, with the growth potential of CEREIT's light industrial / logistics properties balanced by the stability and security of the long leases provided by its office properties. This is overlaid with four levers for growth and four forms of diversification. Growth is driven by active asset management, accretive acquisitions, responsible capital management, as well as a best practice approach to corporate governance and sustainability. Resilience is underpinned by diversity across asset classes, geographies, tenant-customers and tenant-customer trade sectors.

For the past two years, we have been successful in acquiring in "on-theme" markets in line with our stated geographical and sector focus. It is difficult to foresee what the state of the real estate market in Europe will be when the current situation caused by COVID-19 stabilises. For now, our focus is on ensuring that the business continues to operate at close-to-full potential and on staying well-positioned to take advantage of attractive opportunities post the pandemic.

Prior to the COVID-19 outbreak, research data points indicated attractive fundamentals for European real estate which was well sought-after by global investors. The latest published data on risk premiums[4] in Europe showed them at between 5% and 6%, which compared favourably against the premiums in Singapore and Hong Kong at only 3% and 1%, respectively.

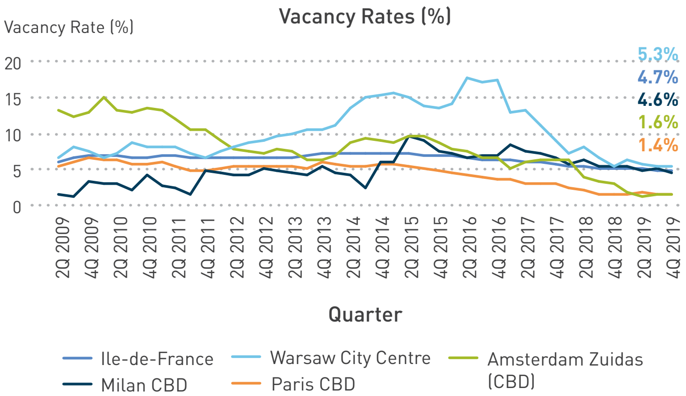
Interior of Piazza Affari 2, Milan, Italy

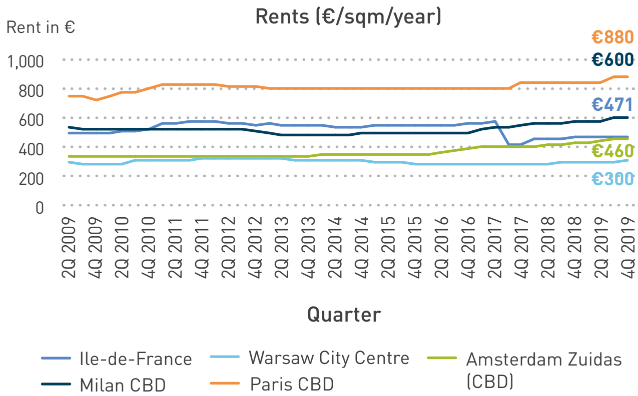
4 Data from Bloomberg as at 31 Dec 2019; risk premium = capitalisation rate - risk free rate (ten-year government bonds of the respective countries)

On a macro level, the occupancy rate in CEREIT's key office markets was very healthy in 2019, exhibiting market rent growth and reduced vacancies. In the Netherlands for example, vacancy rate in 2019 held steady (~1.5%), the lowest since the 2008 global financial crisis.

The Paris CBD office vacancy remained low at 1.4% with increasing tenant-customer interest in CEREIT's properties in the more affordable suburbs of Greater Paris. Our locations will benefit from the government's Grand Paris plan that specifically focuses on the development of suburban hubs. We observe similar occupancy trends in other gateway cities such as Warsaw where its city centre had a vacancy rate of only 5.3% as at the end of FY 2019. This underpinned the slight increase of office rents.

VACANCY RATES AND RENTS (OFFICE SECTOR BY CBD REGION)



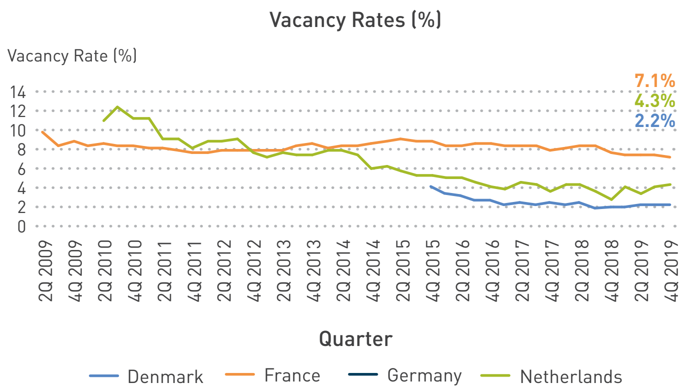


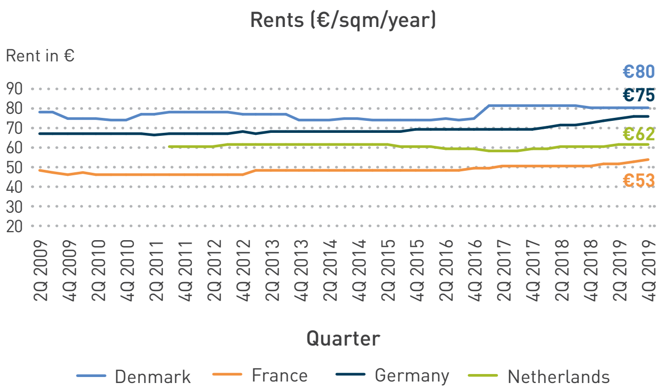
Sources: CBRE – data as at 31 Dec 2019, Real Capital Analytics – data as at 29 Jan 2020, CBRE – Real Estate Outlook 2020 The Netherlands and Knight Frank – Review 2019 Outlook 2020 French Property Markets

In the light industrial / logistics sector, vacancy rates in Denmark were 2.3% in 4Q 2019, with the majority of activity concentrated around key import / export locations in Greater Copenhagen, leading to increase in rent in logistics rents in 2019. In the Netherlands, the nationwide vacancy rate was also very low at 4.3%. France's vacancy rate was 7.1%.

For a more detailed analysis of each of CEREIT's real estate markets prior to the COVID-19 impact please review the Knight Frank report on pages 94 to 139 in this Annual Report.

VACANCY RATES AND RENTS (LOGISTICS SECTOR BY COUNTRY)





Sources:
CBRE – data as at 31 Dec 2019, CBRE – France Logistics 4Q 2019 and CBRE – Denmark Real Estate Outlook 2020

CEO INTERVIEW

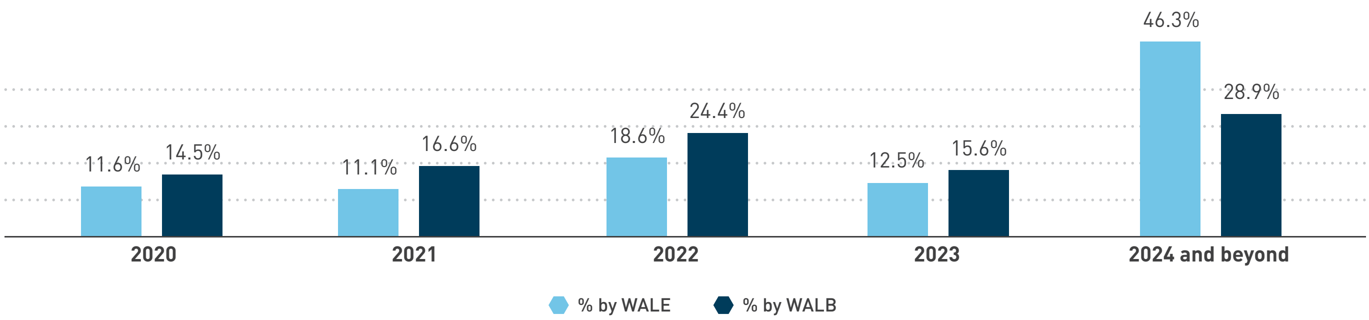
4. WITH COVID-19 CAUSING GLOBAL DISRUPTION, HOW IS YOUR PORTFOLIO PLACED TO WITHSTAND THE DISRUPTION?

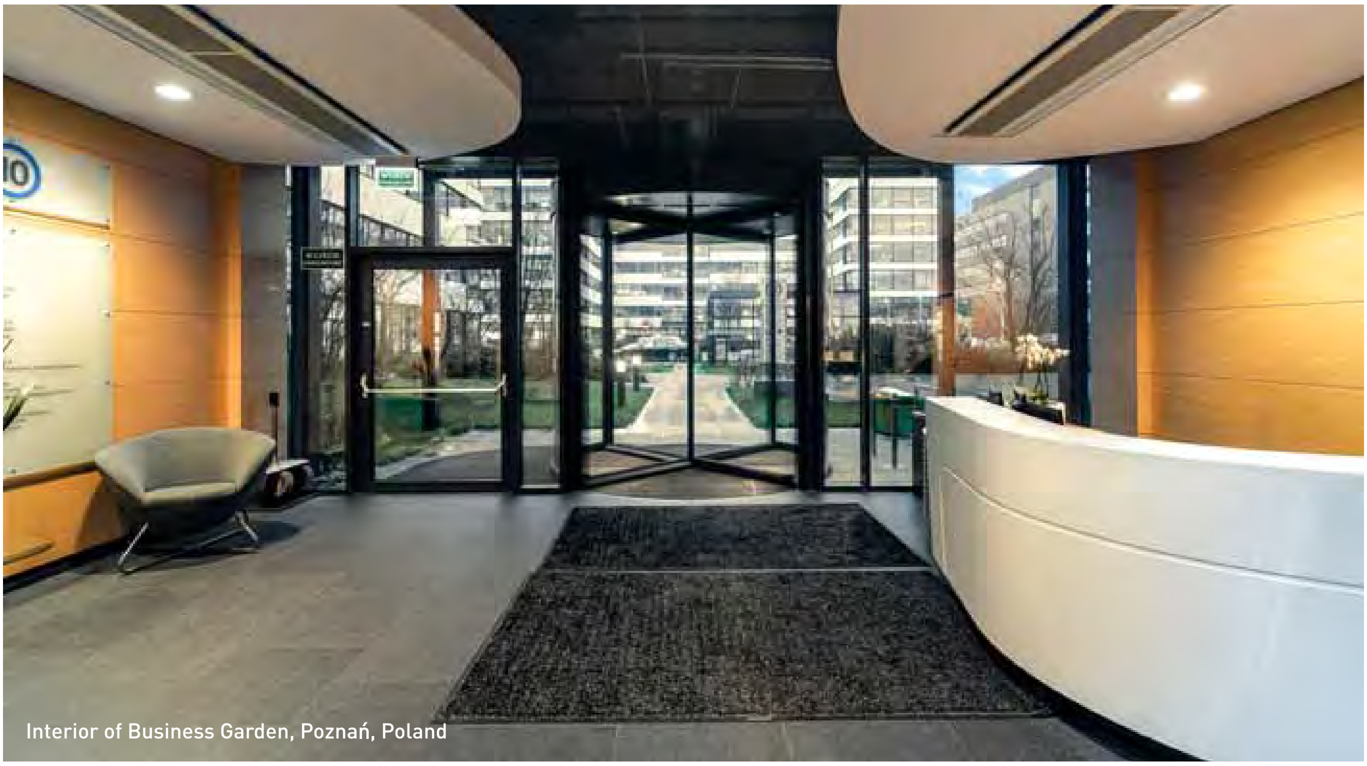
Official forecasts are being revised constantly and a number of banks and economists are now projecting recession conditions in US and Europe in 2Q 2020. Central banks are cutting interest rates and rolling out measures to ensure liquidity in the current markets. As this Annual Report goes to print, major global indices have moved into bear territory. Lives and businesses across Europe are disrupted with across-the-board social distancing measures, office and shop closures, restrictions from public gatherings, flight bans and school closures.

For now, CEREIT is benefitting from early resilience planning, as well as risk management measures and protocols implemented by Cromwell Property Group well ahead of the market. Cromwell has spent significant time and resources investing in technology, such as new cloud-based accounting, leasing, treasury management, risk management and document storage platforms, as well as training to ensure all employees can work remotely, be effective and remain available to tenant-customers across operations in Australia, Singapore and Europe. Additionally, each year the local teams refine business continuity plans for every single asset managed by Cromwell, to ensure that we are able to manage challenging scenarios such as the COVID-19 outbreak.

CEREIT's portfolio is well-diversified across asset classes, geographies, tenant-customers and tenant-customer trade sectors, with high occupancy rates. Its long WALE and significant proportion of government tenants provide resilience against any short-term economic shocks. As the chart below highlights, there are minimal lease expiries this year, with close to 60% of the expiries in the the first six months of 2020 already de-risked.

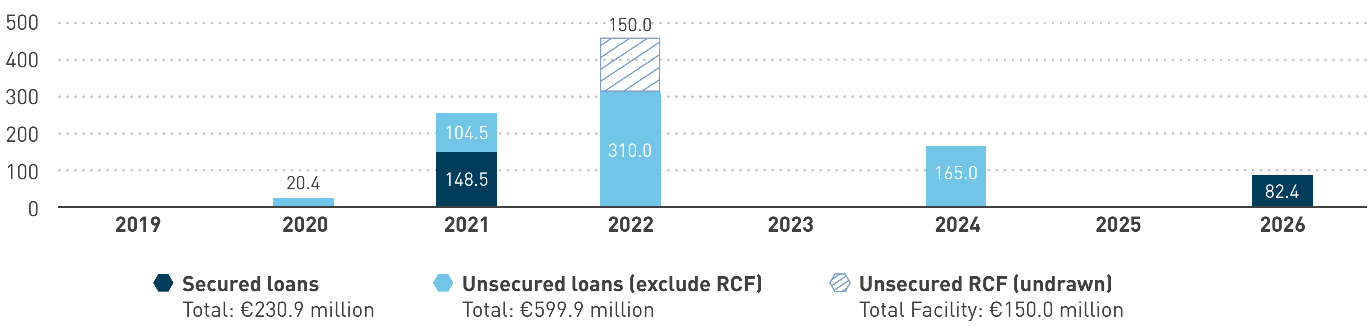
CEREIT LEASE EXPIRY PROFILE BY GROSS RENT




Interior of Business Garden, Poznań, Poland

Our recent successful refinancing and other measures have strengthened CEREIT's balance sheet and cash reserves, providing us with flexibility during this COVID-19 crisis period. The next phase of our debt management program, when economies and markets stabilise, will be to explore obtaining a credit rating prior to potentially accessing debt and hybrid capital markets. We have repaid the €20.4 million Poland VAT loan in February 2020 and CEREIT's first debt expiry is not until the second half of 2021, affording us ample time to prepare.

CEREIT DEBT MATURITY (AS AT 31 DECEMBER 2019)



CEO INTERVIEW

"In the face of the COVID-19 outbreak global crisis, CEREIT is benefitting from early resilience planning, as well as risk management measures and protocols implemented by Cromwell Property Group, well ahead of the market."

5. IN 2020, WHAT WILL YOU AND YOUR TEAM FOCUS ON?

CEREIT's stated purpose is to deliver stable and growing distributions and long-term NAV per unit growth and our focus in 2020 is on ensuring we stay on course to deliver this.

Our immediate focus in the next few months will be to take care of the health and safety of our team members, tenant-customers and other key stakeholders as we continue to work proactively to mimimise COVID-19's impact on revenue.

Our focus remains to be on managing our assets actively to maximise positive leasing outcomes and on reducing vacancy and costs. We will continue to utilise our extensive on-the-ground teams to source for new accretive acquisition opportunities and capitalise on prospective transactions in core Western European logistics and gateway city offices. When markets and economies stabilise, we will continue to optimise CEREIT's balance sheet and diversify its capital sources.

Last but not least, our strong ESG foundation as well as progressive portfolio and asset management practices will help CEREIT not just in 2020 but over the longer term. We are very committed to further strengthening CEREIT's ESG performance through a best practice approach to sustainability and likewise improve our GRESB performance and tenant-customer satisfaction by enhancing CEREIT's assets, rolling out new technologies to drive modern outcomes for tenant-customers and decrease CEREIT's carbon footprint in a manner that preserves the historical heritage of the cities we operate and invest in.

BUSINESS MODEL AND INVESTMENT STRATEGY

PURPOSE

To deliver stable and growing distributions and long-term NAV per unit growth

INVESTMENT PROPOSITION

CEREIT offers the opportunity to invest in an income-producing, diversified pan-European commercial real estate portfolio managed by a trusted and experienced team

STRENGTHS

- Resilient pan-European portfolio diversified across asset classes, geographies, tenant-customers and trade sectors
- Experienced Manager, backed by a committed EPRA-NAREIT index-included sponsor Cromwell Property Group with a strong pan-European platform
- Best practice approach to sustainability, corporate governance and corporate social responsibility

STRATEGY

The Manager aims to achieve CEREIT's objectives through executing on the following key strategies:

Active asset management and asset enhancement

- Seek to drive organic growth in revenue and income and maintain strong tenant-customer relationships
- Continually monitor each asset's expected contribution to earnings and NAV growth, utilising the proprietary dynamic portfolio optimisation tool encapsulating 13 risk factors
- Explore selling assets that do not meet the criteria and look to reinvest capital into opportunities that will ultimately increase DPU and NAV per unit
- Regularly evaluate properties to identify if potential property enhancement or redevelopment opportunities can enhance CEREIT's returns

Growth through acquisitions

- Adopt rigorous research-backed selection process focused on long-term sector trends and fundamental real estate qualities to ensure investments are focused on the right cities and sectors
- Aim to grow DPU and NAV per Unit through the acquisition of quality income-producing commercial properties across Europe
- Seek assets that can provide attractive cash flows and yields, which fit within CEREIT's purpose to enhance returns for Unitholders
- Source potential acquisitions that create opportunities for future income and capital growth
- Leverage extensive on-the-ground teams and participate in both on- and off-market acquisitions

Responsible capital management

- Maintain strong balance sheet and employ an appropriate mix of debt and equity with appropriate liquidity
- Secure diversified funding sources considering financial institutions and capital markets
- Optimise cost of debt financing and utilise interest rate and foreign exchange hedging strategies where appropriate

Best practice approach to sustainability

- Employ a best practice approach to ESG matters to achieve high sustainability standards in the operation and management of CEREIT, consistent with the values of the Sponsor and with guidance from the Board
- Safeguard Unitholders' interests through robust corporate governance and risk management
- Participate in the annual GRESB assessment to provide a regular measure of the CEREIT sustainability performance

BUSINESS MODEL AND INVESTMENT STRATEGY

RESEARCH-BACKED APPROACH TO INVESTMENTS

The Manager's approach to investment combines research-based fundamental market analysis with rigorous evaluation of property-specific variables and financial forecasts to enable the Manager to select assets that meet our investment criteria and enhanced risk adjusted returns.

Initial selection through top-down comprehensive analysis including 200+ criteria covering mega trends and a mixture of cities and countries

The initial selection process identifies long-term sector mega trends and fundamental real estate attributes to identify countries and sectors that will provide attractive returns

Demographics

- Demographic changes drive demand and influence the type, functionality and location of buildings, but they are not uniform
- The population is living longer and having fewer children, creating increased need for senior and assisted living
- Millenials increasingly enter the workforce and their lifestyle patterns will have a dominant role in any commercial real estate decisions

Infrastructure

- New infrastructure developments, redevelopments of existing projects and expansion projects have the potential to open up new locations

Sustainability

- Sustainability is increasingly influencing occupier demand, asset management strategies and investors' appetite for real estate
- Expectations for energy efficiency and green building attributes are rising

Technology

- Technology is changing the real estate landscape by improving production inefficiencies, reducing labour costs and maximising income
- New technology trends include genomics, machine learning, cybersecurity, the internet of things and big data

Urbanisation

- As urbanisation increases, real estate will need to meet additional demand for working and living in cities in particular major conurbations as they continue to attract population growth

Consumer behaviour

- Consumer expectations continue to change and evolve and the gap is increasingly blurred between the online and offline worlds
- There are now multiple views on what a physical environment entails

E-commerce

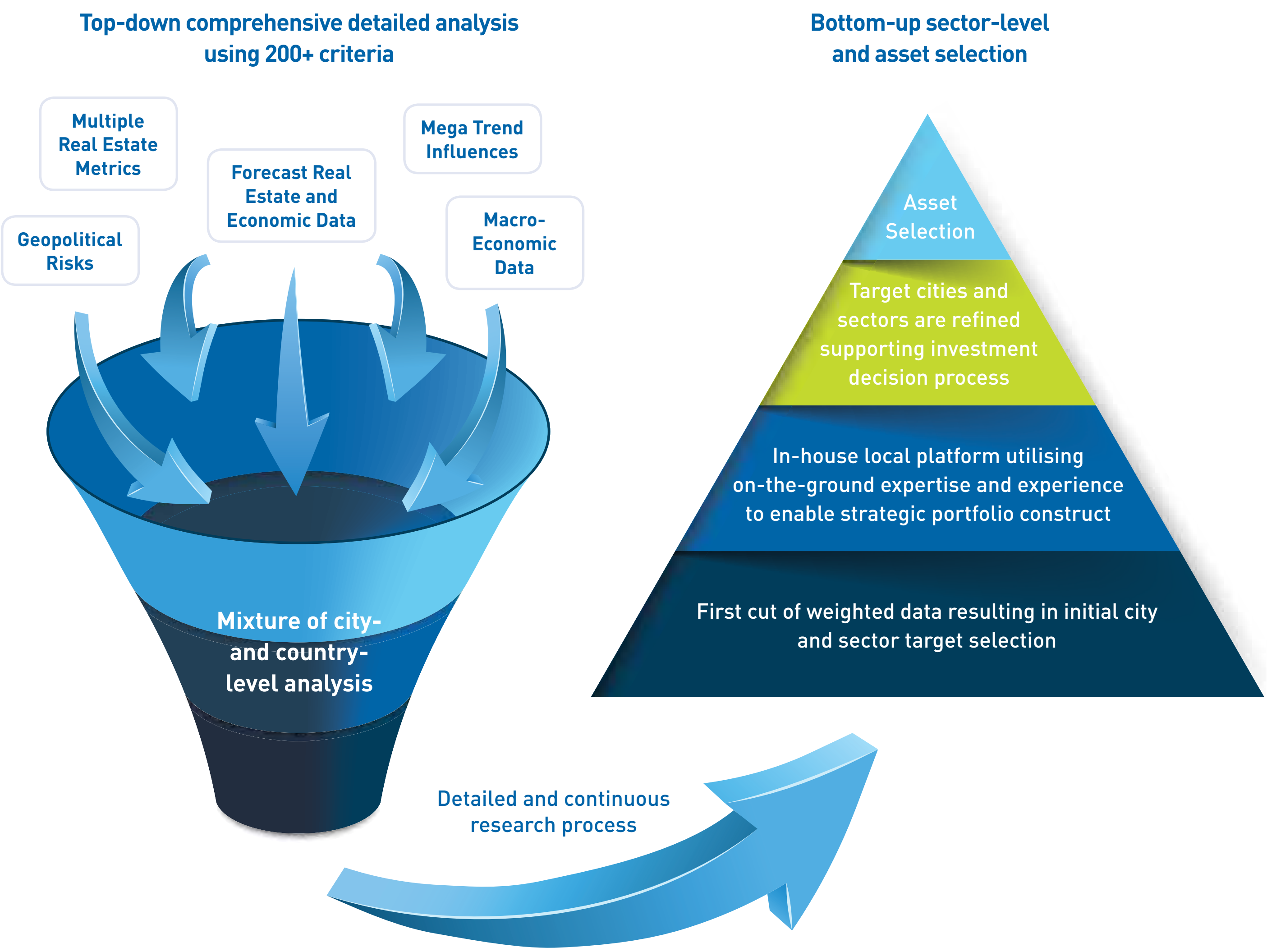
- E-commerce is changing shopping behaviour and retailers must ensure that their supply chains, distribution networks and store formats can deliver on the omni-channel offering that consumers are increasingly demanding
- The relentless march of e-commerce shows no signs of abating but increased focus on live-work-play and experiential concepts will benefit some areas; convenient and collection clusters will also gain popularity

Data output refinement through proprietary analytic tools

Once top-down comprehensive data analysis has yielded targeted city locations and asset type, the bottom-up investment strategy process includes the refinement of the data of portfolio optimisation. For this part of the process, the investment management team has developed proprietary analytics tools that provide the Board with a broad framework to assist them in the evaluation of the proposed acquisitions and divestments. This in turn allows the asset management team to optimise the portfolio through monitoring key asset and market risks and identify "outliers".

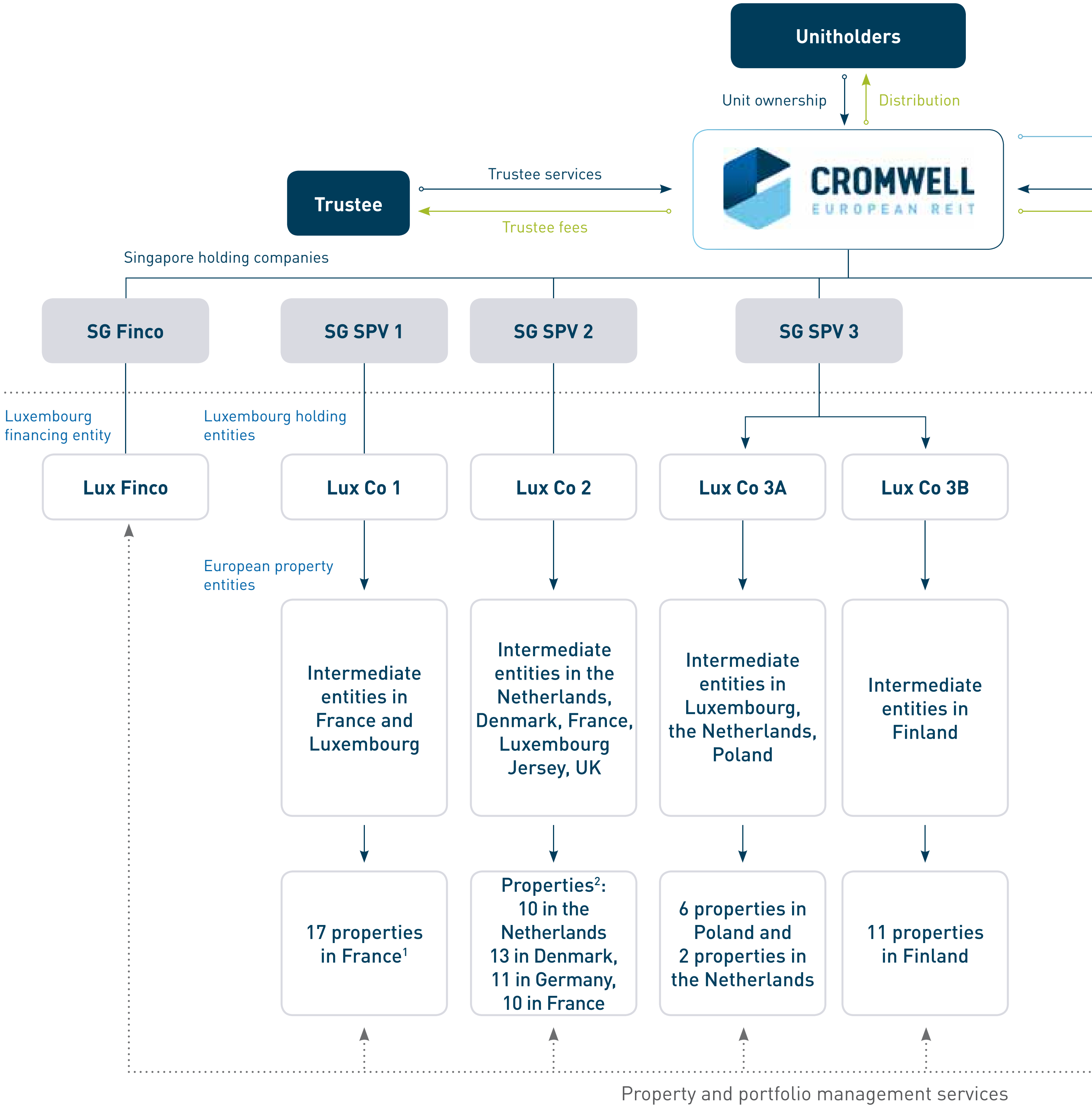
The tools include the following:

- An **enhanced property risk matrix** across three broad categories, encapsulating 13 risk factors (asset risk, market / location risk, execution / financial risk), that provides a framework to assess existing properties, proposed investments and potential divestments. The matrix visualises how the identified asset enhances or detracts from the existing portfolio risk / return profile and lays out the assessed risks in a standardised framework to consider against the projected returns
- **Dynamic portfolio optimisation tool** that provides a real-time measure of CEREIT's overall risk and return via producing an "efficient frontier curve". The tool maps out a dynamic efficient frontier of CEREIT's investable universe, based on our investment team's evaluation of expected returns and an assessment of the overall risk profile of a typical CEREIT property across each asset class in identified cities and countries



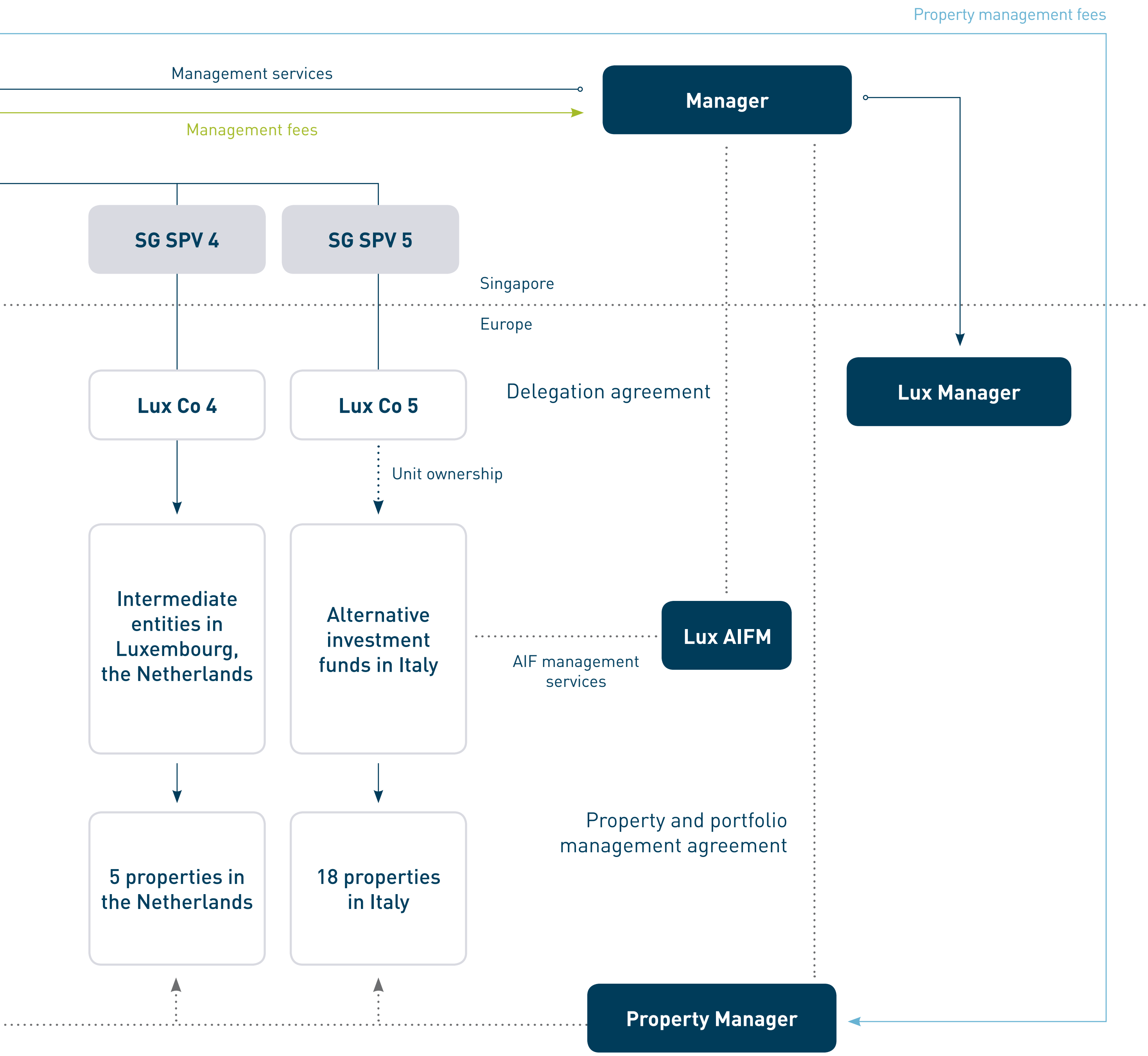
STRUCTURE OF CEREIT (AS AT 31 DECEMBER 2019)

The following diagram illustrates the relationship, among others, between CEREIT, the Manager, the Trustee, the Property Manager, the Lux AIFM and the Unitholders:



1 Includes three properties subsequently sold in France on 24 March 2020

2 Includes properties subsequently sold on 24 March 2020 (five properties in the Netherlands, two properties in Denmark and two properties in France) but excludes three properties acquired in Germany on 24 March 2020


Property management fees
Management services
Management fees
Manager
SG SPV 4
SG SPV 5
Singapore
Europe
Lux Co 4
Lux Co 5
Delegation agreement
Lux Manager
Unit ownership
Intermediate entities in Luxembourg, the Netherlands
Alternative investment funds in Italy
Lux AIFM
AIF management services
Property and portfolio management agreement
5 properties in the Netherlands
18 properties in Italy
Property Manager

BOARD OF DIRECTORS

FROM LEFT (SEATED):
Fang Ai Lian
Lim Swe Guan

FROM LEFT (STANDING):
Christian Delaire
Paul Weightman
Simon Garing

Lim Swe Guan, 66

CHAIR AND INDEPENDENT NON-EXECUTIVE DIRECTOR

DATE OF APPOINTMENT AS DIRECTOR

28 July 2017

LENGTH OF SERVICE AS DIRECTOR (AS AT 31 DECEMBER 2019)

2 years 5 months

BOARD COMMITTEES SERVED ON

- Nominating and Remuneration Committee (Member)
- Audit and Risk Committee (Member)

ACADEMIC AND PROFESSIONAL QUALIFICATIONS

- Bachelor of Science in Estate Management from the University of Singapore
- Master of Business Administration from the Colgate Darden Graduate School of Business, The University of Virginia
- Chartered Financial Analyst of the Institute of Chartered Financial Analysts

BACKGROUND AND WORKING EXPERIENCE

Mr Lim has extensive experience in the investment management and real estate sectors. From 1986 to 1995, he was with Jones Lang Wootton in Sydney, where his last held position was Research Director. He joined Suncorp Investments, Brisbane, Australia and worked as the Portfolio Manager of Property Funds from 1995 to 1997. From 1997 to 2008, he was with the Government of Singapore Investment Corporation, where his last held position was Regional Manager. From 2008 to 2011, he was a Managing Director of GIC Real Estate. His responsibilities included being the Regional Head of Property Investment for Australia, Japan and Southeast Asia and the Global Head of the Corporate Investments Group that invests in public REITs and property companies.

PRESENT OTHER LISTED COMPANY DIRECTORSHIPS OR CHAIRMANSHIPS (AS AT 31 DECEMBER 2019)

- Sunway Berhad (Independent Director)

PRESENT OTHER PRINCIPAL COMMITMENTS (AS AT 31 DECEMBER 2019)

- Asia Pacific Real Estate Association Limited (Director)

PAST LISTED COMPANY DIRECTORSHIPS OR CHAIRMANSHIPS HELD OVER PRECEDING 3 YEARS (FROM 1 JANUARY 2017 TO 31 DECEMBER 2019)

- Global Logistic Properties Limited
- General Property Trust Group

BOARD OF DIRECTORS

Fang Ai Lian, 70

INDEPENDENT NON-EXECUTIVE DIRECTOR

DATE OF APPOINTMENT AS DIRECTOR

31 July 2017

LENGTH OF SERVICE AS DIRECTOR (AS AT 31 DECEMBER 2019)

2 years 5 months

BOARD COMMITTEES SERVED ON

- Audit and Risk Committee (Chair)
- Nominating and Remuneration Committee (Member)

ACADEMIC AND PROFESSIONAL QUALIFICATIONS

- Fellow of the Institute of Chartered Accountants in England and Wales
- Fellow of the Institute of Singapore Chartered Accountants

BACKGROUND AND WORKING EXPERIENCE

Mrs Fang was with Ernst & Young LLP from 1974 to 2008 and has held various senior management positions in the firm. She was appointed Managing Partner of the firm in 1996 and Chair in 2005.

PRESENT OTHER LISTED COMPANY DIRECTORSHIPS OR CHAIRMANSHIPS (AS AT 31 DECEMBER 2019)

- Banyan Tree Holdings Limited (Independent Director)
- Metro Holdings Limited (Independent Director)
- Singapore Post Limited (Independent Director)

PRESENT OTHER PRINCIPAL COMMITMENTS (AS AT 31 DECEMBER 2019)

- Far East Organization's Australian division (Advisor)
- Singapore Business Federation (Chair of the Board of Trustees)
- Medishield Life Council (Chair of Council)
- Tote Board (Singapore Totalisator Board) (Member)
- Honour (Singapore) Ltd. (NGO) (Director)
- Jubilant Pharma Limited (Independent Director)
- SingHealth Fund (Member of Board)
- QBE Asia Advisory Board (Director)

PAST LISTED COMPANY DIRECTORSHIPS OR CHAIRMANSHIPS HELD OVER PRECEDING 3 YEARS (FROM 1 JANUARY 2017 TO 31 DECEMBER 2019)

- Nil

Christian Delaire, 52

INDEPENDENT NON-EXECUTIVE DIRECTOR

DATE OF APPOINTMENT AS DIRECTOR

24 August 2017

LENGTH OF SERVICE AS DIRECTOR (AS AT 31 DECEMBER 2019)

2 years 4 months

BOARD COMMITTEES SERVED ON

- Nominating and Remuneration Committee (Chair)
- Audit and Risk Committee (Member)

ACADEMIC AND PROFESSIONAL QUALIFICATIONS

- Master of Science in Management from the ESSEC Business School in Paris

BACKGROUND AND WORKING EXPERIENCE

Mr Delaire has more than 25 years of experience in the investment management and real estate sectors. After an initial first experience with KPMG audit as financial and accounting auditor, he joined AXA Real Estate in 1994. From 1994 to 2009, he held various roles throughout the organisation including Head of Asset Management France, Global Head of Corporate Finance and Global Chief Investment Officer. In 2009, he joined AEW Europe, a real estate fund management company in Europe, as Chief Executive Officer, where he managed the Company from 2009 to 2014. From 2014 to 2016, he also acted as the Global Chief Executive Officer of Generali Real Estate, where he was responsible for the overall strategic vision and management of the firm and its €28 billion of assets.

PRESENT OTHER LISTED COMPANY DIRECTORSHIPS OR CHAIRMANSHIPS (AS AT 31 DECEMBER 2019)

- Atenor (Independent Director)
- Covivio (Independent Director)

PRESENT OTHER PRINCIPAL COMMITMENTS (AS AT 31 DECEMBER 2019)

- CDE Advisors
- Foncière Atland, a real estate development, investment and asset management company listed on the Euronext Paris Stock Exchange (Senior Advisor)

PAST LISTED COMPANY DIRECTORSHIPS OR CHAIRMANSHIPS HELD OVER PRECEDING 3 YEARS (FROM 1 JANUARY 2017 TO 31 DECEMBER 2019)

- Nil

BOARD OF DIRECTORS

Paul Weightman, 58

NON-INDEPENDENT
NON-EXECUTIVE DIRECTOR

DATE OF APPOINTMENT AS DIRECTOR

31 January 2017

LENGTH OF SERVICE AS DIRECTOR (AS AT 31 DECEMBER 2019)

2 years 11 months

BOARD COMMITTEES SERVED ON

- Nil

ACADEMIC AND PROFESSIONAL QUALIFICATIONS

- Bachelor of Law degree from the University of Queensland, Australia
- Bachelor of Commerce degree from the University of Queensland, Australia
- Fellow of the Royal Institute of Chartered Surveyors

BACKGROUND AND WORKING EXPERIENCE

Mr Weightman has extensive experience in funds management, property development and investment, financial structuring, public listings, mergers and acquisitions and joint ventures. He is currently the Chief Executive Officer and Managing Director of the Sponsor and is regarded as the key driver of the Sponsor's success since its inception in 1998.

Prior to joining Cromwell, Mr Weightman practised as a solicitor for more than 20 years. He was a Partner at Morris Fletcher and Cross, McKenna Morris Fletcher Lawyers (Singapore) from 1989 to 1991 and Phillips Fox from 1992 to 1993, where he then acted as Managing Partner up to 1998. He was also the founder and a Partner at Creagh Weightman Lawyers from 1999 to 2001. Mr Weightman continues to hold a current Solicitor's practising certificate.

PRESENT OTHER LISTED COMPANY DIRECTORSHIPS OR CHAIRMANSHIPS (AS AT 31 DECEMBER 2019)

- Cromwell Property Group (Chief Executive Officer and Managing Director) (Cromwell Property Group comprises Cromwell Corporation Limited and the Cromwell Diversified Property Trust, the responsible entity of which is Cromwell Property Securities Limited)

PRESENT OTHER PRINCIPAL COMMITMENTS (AS AT 31 DECEMBER 2019)

- CDPT Finance No 2 Pty Ltd
- CDPT Finance Pty Ltd
- CPT Operations Pty Ltd
- Cromwell Aged Care Holdings Pty Ltd
- Cromwell BT Pty Ltd
- Cromwell Capital Pty Ltd
- Cromwell Europe Limited
- Cromwell European Holdings Limited
- Cromwell Finance Pty Ltd
- Cromwell Funds Management Limited
- Cromwell Investment Services Limited
- Cromwell Operations Pty Ltd
- Cromwell Project & Technical Solutions Pty Ltd
- Cromwell Property Group Foundation Limited
- Cromwell Property Services Pty Ltd
- Cromwell Real Estate Partners Pty Ltd
- Cromwell Seven Hills Pty Ltd
- LDK Healthcare Pty Ltd
- Marcoola Developments Pty Ltd
- Stara Investments Pty Ltd
- Votraint No. 662 Pty Limited

PAST LISTED COMPANY DIRECTORSHIPS OR CHAIRMANSHIPS HELD OVER PRECEDING 3 YEARS (FROM 1 JANUARY 2017 TO 31 DECEMBER 2019)

- Nil

Simon Garing, 51

CHIEF EXECUTIVE OFFICER
AND EXECUTIVE DIRECTOR

DATE OF APPOINTMENT AS DIRECTOR

3 September 2018

LENGTH OF SERVICE AS DIRECTOR (AS AT 31 DECEMBER 2019)

1 year 4 months

BOARD COMMITTEES SERVED ON

- Nil

ACADEMIC AND PROFESSIONAL QUALIFICATIONS

- Bachelor of Commerce (Accounting and Finance) from the University of New South Wales, Australia
- Fellow of CPA (Australia)
- The Hong Kong Institute of Directors (Member)

BACKGROUND AND WORKING EXPERIENCE

Mr Garing has over 25 years of investment management, financial markets and accounting experience in the global real estate industry. Prior to his appointment to the CEREIT Manager, he was most recently the Chief Capital Officer of Cromwell Property Group, where he was responsible for capital management and fund raising for capital markets, as well as public and private fund initiatives. A proven capital markets manager, investor and analyst, Mr Garing was previously a Managing Director of Bank of America (formerly Bank of America Merrill Lynch) Asia Pacific ("APAC") and Bank of America Australia. He was the Global Head of Real Estate Research and the Chair of the bank's APAC Recommendation Review Committee, managing around 130 equity analysts who evaluated and analysed approximately 1,200 companies spanning several asset classes and industry sectors across 12 APAC countries. Prior to that, he held several senior roles at leading financial advisory firms and investment banks.

PRESENT OTHER LISTED COMPANY DIRECTORSHIPS OR CHAIRMANSHIPS (AS AT 31 DECEMBER 2019)

- Nil

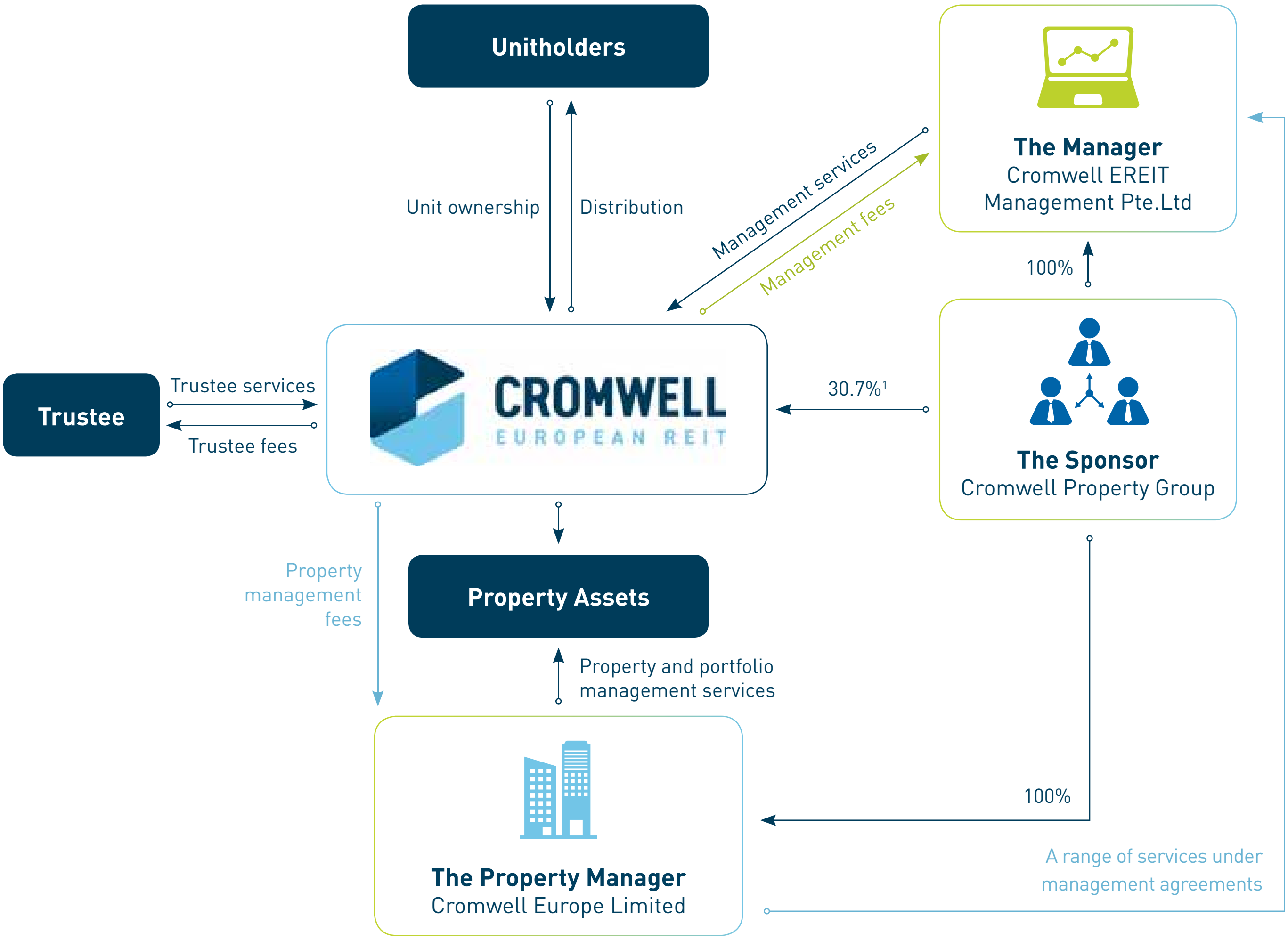
PRESENT OTHER PRINCIPAL COMMITMENTS (AS AT 31 DECEMBER 2019)

- Nil

PAST LISTED COMPANY DIRECTORSHIPS OR CHAIRMANSHIPS HELD OVER PRECEDING 3 YEARS (FROM 1 JANUARY 2017 TO 31 DECEMBER 2019)

- Nil

THE SPONSOR, THE MANAGER AND THE PROPERTY MANAGER



1 As at 13 March 2020

Cromwell Europe Limited is the Property Manager of CEREIT, with a head office in London and an established property management platform with 19 offices across 11 countries, including every country in which a CEREIT asset is located. The primary goal of the Property Manager is to build long-term mutually beneficial relationships with tenant-customers. This enables it to understand customer meets and meet their requirements. The Property Manager is also responsible for portfolio management services, asset management services, accounting and administration services, financial and technical property management services. The Property Manager' services include but are not limited to:

- **Investment management services** (comprising assistance with process with sourcing, due diligence, capital management (including debt refinancing) and execution support for property transactions)
- **Asset management services** (comprising management of the properties, business plan advisory and support services, new investments or development / extension services, debt advisory services, onboarding of new acquisitions, lease management services, technical management services, sustainability, appointment and management of third parties, disposal services and general management services);
- **Portfolio management services**
- **Accounting and administration services**
- **Technical property management services;**
- **Project management services**
- **Development management services; and**
- **Risk management services**

Cromwell EREIT Management Pte. Ltd. is **the Manager** of CEREIT.

The Manager has general powers of management over the assets of Cromwell European REIT and manages its assets and liabilities for the benefit of Unitholders. The Manager sets the strategic direction of CEREIT and provides recommendations to the Trustee on the acquisition, divestment, development and/or enhancement of CEREIT's assets in accordance with its investment strategy. As at the end of FY 2019, the Manager provides a holistic range of services and these services are performed out of both its Singapore office and by the Europe-based team of the Manager. The Manager has 13 full-time team members in Singapore and Europe. The services provided by the Manager include, but are not limited to, the following:

- **Investment management:** Formulating CEREIT's investment strategy, including determining the location, sub-sector type and other characteristics of CEREIT's property portfolio, overseeing the negotiations and providing supervision in relation to investments of CEREIT; and making final recommendations to the Trustee
- **Asset management:** Formulating CEREIT's asset management strategy, including determining the tenant-customer mix, asset enhancement plans and rationalising operational costs, providing supervision in relation to asset management of CEREIT and making final recommendations to the Trustee on material matters
- **Capital management:** Formulating the plans for equity and debt financing for CEREIT's property acquisitions, distribution payments, expense payments and property maintenance payments, executing CEREIT's capital management plans, negotiating with financiers and underwriters; and making final recommendations to the Trustee
- **Finance and accounting:** Preparing accounts, financial reports and annual reports for CEREIT on a consolidated basis
- **Compliance:** Making all regulatory filings on behalf of CEREIT and using commercially reasonable best efforts to assist CEREIT in complying with the applicable provisions of the relevant legislation pertaining to the location and operations of CEREIT, the Listing Manual of the SGX-ST, the Trust Deed, any tax ruling and all relevant contracts
- **Investor relations:** Communicating and liaising with investors, research analysts and the investment community
- **Sustainability:** Devising and executing CEREIT's sustainability strategy and plans, including managing stakeholder relations and preparing and submitting sustainability reports and other relevant reports such as GRESB

Cromwell Property Group is **the Sponsor** of CEREIT European REIT (CEREIT).

Cromwell Property Group is ASX-listed real estate investor and manager operating on three continents with a global investor base and A$11.9 billion assets under management. The Sponsor operates a fully integrated property, investment and asset management model. It takes an active approach to property portfolio and asset management, specialising in value-add projects and asset transformations.

As at 31 December 2019, the Sponsor has approximately €3.77 billion of real estate assets under management in Europe with 200+ employees in 19 offices across 11 European countries.

Both **the Manager** and **the Property Manager** are wholly-owned subsidiaries of Cromwell Property Group.

THE MANAGER KEY EXECUTIVES

Simon Garing

CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTOR

Mr Garing was appointed as the CEO and Executive Director of the Manager on 13 May 2019, after an interim period as Acting CEO from 3 September 2018.

As the CEO, Mr Garing works with the Board to determine the strategy for CEREIT and with the other members of the management team to ensure that CEREIT operates in accordance with the Manager's stated investment strategy.

The CEO is also responsible for the overall day-to-day management and operations of CEREIT and works with the Manager's investment, asset management, finance, investor relations and legal and compliance teams to meet the strategic, investment, regulatory, sustainability and operational objectives of CEREIT.

Mr Garing has over 25 years of investment management, financial markets and accounting experience in the global real estate industry.

Prior to his appointment to the CEREIT Manager, he was most recently the Chief Capital Officer of Cromwell Property Group, where he was a member of the global leadership team and responsible for capital management and fund raising for capital markets.

A proven capital markets manager, investor and analyst, Mr Garing was previously a Managing Director of Bank of America (formerly Bank of America Merrill Lynch) Asia Pacific ("APAC") and Bank of America Australia. He was the Global Head of Real Estate Research and the Chairman of the bank's APAC Recommendation Review Committee, managing around 130 equity analysts who evaluated and analysed approximately 1,200 companies spanning several asset classes and industry sectors across 12 APAC countries.

Prior to that, he held several senior roles at leading financial advisory firms and investment banks, including Bell Potter and Babcock & Brown. Notably, he was a Managing Director of UBS Australia, where he was also Co-Head of Global Real Estate Research.

Mr Garing holds a Bachelor of Commerce (Accounting and Finance) degree from the University of New South Wales and is a Fellow of CPA (Australia). He is a member of the Promotions sub-committee of REIT Association of Singapore (REITAS) as well as a member of the Singapore Institute of Directors and The Hong Kong Institute of Directors.

Shane Hagan

CHIEF FINANCIAL OFFICER

Mr Hagan was appointed as the Manager's Head of Finance in November 2018 and transitioned into the role of the Manager's CFO on 1 May 2019.

As CFO, Mr Hagan works with the CEO and other members of the management team to formulate strategic plans in accordance with CEREIT's stated investment objectives, as well as for applying the appropriate capital management strategy for finance, tax, treasury and accounting matters to support the Manager's plans and maintain CEREIT's financial health.

Mr Hagan has over 25 years of experience in the real estate industry across Singapore, Australia and New Zealand. Prior to joining the Manager, Mr Hagan held executive positions in several Singapore-listed real estate investment trusts, including ESR-REIT, Mapletree Commercial Trust and Ascendas Real Estate Investment Trust.

He holds a Bachelor's degree in Commerce and Administration from Victoria University and is a Chartered Accountant of the Chartered Accountants Australia and New Zealand.

Thierry Leleu

CHIEF INVESTMENT OFFICER

Mr Leleu joined the Manager in September 2017 as CIO.

As CIO, Mr Leleu works with the CEO and other members of the management team to define the investment and portfolio strategy of CEREIT and to execute the investment programme of the Manager. The CIO is also responsible for identifying, researching and evaluating potential acquisitions with a view to enhancing CEREIT's portfolio, or divestments where a property no longer fits the portfolio's risk-return profile.

Prior to joining the Manager, Mr Leleu was Head of Strategic Initiatives of Cromwell European Holdings, where he was responsible for the identification and execution of strategic initiatives. From 2013 to 2016, Mr Leleu was Head of Funds Management of Cromwell Europe Limited, where he had overall responsibility for the deployment of equity, the performance of funds under management, European research as well as for new products.

From 2008 to 2013, Mr Leleu was General Manager, Europe, of GE Capital Real Estate's Global Investment Management division and prior to that its General Counsel. Mr Leleu also practised as a solicitor for more than 10 years and was a Partner at leading international law firms.

Mr Leleu graduated from the economic and financial section of the Institute d'Etudes Politiques de Paris. He holds a Juris Doctor degree (J.D.) from Université Paris 2 and a Master of Laws from Harvard Law School.

Elena Arabadjieva

CHIEF OPERATING OFFICER AND HEAD OF INVESTOR RELATIONS

Ms Arabadjieva joined the Manager in September 2017 as the Head of Investor Relations and was promoted to COO and Head of Investor Relations in September 2018.

As COO, Ms Arabadjieva is responsible for sustainability, business continuity and general business operations. As Head of Investor Relations, Ms Arabadjieva is responsible for overall investor and stakeholder engagement, marketing and communications as well as continuous disclosure and transparent communications with the unitholders and the market.

Ms Arabadjieva is an experienced investor relations and communications professional with over 20 years of experience in Asia and held a number of senior marketing, sales and communications positions in Singapore. Prior to joining the Manager, Ms Arabadjieva was the Head of Investor Relations and Corporate Communications of Cambridge Industrial Trust Management Limited (now known as ESR Funds Management (S) Limited). Prior to ESR-REIT, Ms Arabadjieva was the Director of Investor Relations of Genting Singapore PLC (listed on the SGX-ST).

Ms Arabadjieva holds a Master's degree in Architecture from the University of Architecture, Civil Engineering and Geodesy (Bulgaria) and a Masters of Business Administration from INSEAD (France and Singapore).

Christina Tham

HEAD OF LEGAL, COMPLIANCE AND COMPANY SECRETARIAL

Ms Tham joined the Manager in June 2018 and is responsible for the legal, compliance, enterprise risk management and company secretarial functions of the Manager and CEREIT. Ms Tham established and oversees the legal and compliance frameworks to promote a robust culture of ethics and compliance and provides an assurance of compliance to Management and the Board. She also provides strategic oversight over major transactions.

Ms Tham has more than 25 years of professional experience. Before joining the Manager, she was the Head of Compliance of the Singapore Exchange. Other key previous appointments included Regional General Counsel Asia of Fortis Bank; General Counsel, Director of Risk & Compliance, Asia & Middle East for RSA Insurance Group; and Head of Legal & Compliance for various business groups within DBS Group. Ms. Tham was a partner at ShookLin & Bok (previously joint ventured with Allen & Overy).

Ms Tham holds a Bachelor of Laws degree from the University of Leicester (United Kingdom). She was admitted as a Barrister to the Honourable Society of Middle Temple, UK in 1992 and as an Advocate and Solicitor to the Supreme Court of Singapore in 1993.

THE PROPERTY MANAGER KEY EXECUTIVES

Mark McLaughlin

MANAGING DIRECTOR, EUROPE

Mr McLaughlin is the Managing Director of Cromwell Property Group in Europe. Mr McLaughlin has full operational responsibility for running Cromwell's European business.

He joined Cromwell Property Group in 2001 and has held a number of key roles within Cromwell Property Group. He was formerly Head of Property, Europe, where he was responsible for growing the asset management capabilities of the business across the continent. Prior to this, he was head of the Benelux team, based in Amsterdam.

Mr McLaughlin has more than 20 years of experience in the commercial property and construction industries, gained through roles across Europe, Singapore and his native Republic of Ireland. He holds an Honours Degree in Civil Engineering from the University of Dundee.

Andreas Hoffmann

HEAD OF PROPERTY (CEREIT)

Mr Hoffmann joined Cromwell Property Group in Europe as Head of Property (CEREIT) in January 2019. In this role he oversees all portfolio and asset management functions across Cromwell's European teams that support CEREIT. This includes the recommendations of strategic targets and yearly budgets, planning and overseeing the key stages of asset management, leasing and customer retention programs, asset enhancement initiatives including capex programs, cost minimisation solutions and delivering on long-term asset plans.

Prior to joining Cromwell Europe Limited, Mr Hoffmann was Managing Director, Head of Asset Management Europe and a member of the European Management team and European Investment Committee at UBS Real Estate & Private Markets for 14 years, where he was responsible for the asset management of a €6 billion portfolio of c. 150 commercial properties across 12 European countries.

Mr Hoffmann graduated from Dresden University (Dipl.-Ing. in Electrical Engineering) and gained a Master of Science degree in Telecommunications from King's College London as well as a Master of Business Administration degree from Imperial College London.

Michael Wilde

CHIEF FINANCIAL OFFICER

Mr Wilde joined Cromwell Property Group in 2006. He holds the position of Chief Financial Officer, primarily responsibility for managing the company's finances, management of financial risks, record-keeping and financial reporting.

Mr Wilde was Cromwell Property Group's Group Financial Controller for over 9 years before being appointed the Chief Financial Officer in 2015.

Prior to working at Cromwell Property Group, Mr Wilde worked in the audit divisions of PricewaterhouseCoopers and Johnston Rorke (now Pitcher Partners).

Mr Wilde has a Bachelor of Commerce and a Bachelor of Science and is a member of the Chartered Accountants Australia and New Zealand and a member of the Governance Institute of Australia (previously Institute of Chartered Secretaries and Administrators).

Robin Macpherson

HEAD OF RISK, EUROPE

Mr Macpherson joined Cromwell Property Group in 2016 as Cromwell's Head of Risk, Europe. Mr Macpherson oversees all legal, risk, compliance and governance issues affecting the European business ensuring standards of good corporate governance are in place and maintained.

Prior to working at Cromwell Property Group, Mr Macpherson came from The Royal Bank of Scotland ("RBS") where he held the role of Head of Legal, Large Corporate and Sectors, UK and Western Europe. Mr Macpherson has extensive corporate law and transactional experience with high- profile banking institutions and private equity firms. At RBS, he designed and advised on appropriate models for managing risk in a regulated environment, advised on the active management of £29 billion of assets and oversaw legal and risk issues relating to 14 Western European jurisdictions.

Mr Macpherson holds a law degree from the University of Birmingham.

Rob Cotterell

HEAD OF INVESTMENTS, EUROPE

Mr Cotterell joined Cromwell Property Group in 2002. He holds the position of Head of Investments for Europe, responsible for both the funds management and transactions business lines within the European platform.

Prior to being appointed as Head of Investments, Mr Cotterell was the Fund Manager for V+ UK, before taking on Cromwell Property Group's V+ Nordic and V+ Nordic 2 funds in 2008 and the Kefren bank workout mandate. Most recently, he was the fund manager for the Cromwell European Value Add Fund I from inception to €700 million of assets.

Mr Cotterell has over 23 years of commercial property experience. Prior to joining Cromwell Property Group, he worked at investment agency Allsop and as an acquisitions and development specialist at ING Investment Management.

Wouter Zwetsloot

HEAD OF BENELUX AND REAL ESTATE, EUROPE

Mr Zwetsloot joined Cromwell Property Group in 2008. In his role as Head of Benelux and Real Estate, Europe, Mr Zwetsloot is responsible for managing Cromwell's business in the Benelux region, which comprises of Belgium, the Netherlands and Luxembourg and for managing the overall property and asset management of Cromwell's business in Europe.

Mr Zwetsloot originally joined the company as an asset manager, responsible for the assets in the greater Amsterdam region. He was appointed Head of Investment Management in 2016, before taking on the role of Managing Director in January 2017.

Mr Zwetsloot has a degree in real estate from Greenwich University in London and a Master's degree in Real Estate from the Amsterdam School of Real Estate.

FY 2019 YEAR IN REVIEW

€1,696 million
Portfolio value
as at 31 December 2018

90 PROPERTIES

2019

€1,716 million
Portfolio value

93 PROPERTIES

23 Jan 2019:
Completed acquisition of three light Industrial / logistics assets located in France (Parc Sully, Parcay-Meslay and Parc Béziers)

€1,795 million
Portfolio value

97 PROPERTIES

14 Feb 2019:
Completed acquisition of one light industrial / logistics asset located in France (Parc Louvresses) and three office assets located in Poland (Riverside Park, Arkońska Business Park & Grójecka 5)

€2,082 million
Portfolio value

103 PROPERTIES

26 Sep 2019:
CEREIT won two awards at REITS Asia Pacific Best of the Breeds Awards™, Best Industrial REIT (Singapore) and Best CEO, Asia Pacific

24 Sep 2019:
Completed acquisition of one office asset located in Poland (Business Garden)

24 Sep 2019:
GRESB Score lifted by 43% from 47 to 67

€2,065 million
Portfolio value

102 PROPERTIES

18 Oct 2019:
Completed disposal of one light industrial / logistics asset located in France (Parc d'Osny)

12 Nov 2019:
Completed transformative debt refinancing programme, with total debt facilities increased to €980.8 million, a new fully-undrawn RCF of €150 million and over 70% of total debt unsecured

€2,082 million
Portfolio value

103 PROPERTIES

28 Nov 2019:
Completed acquisition of one office asset located in Italy (Cassiopea 1-2-3)

1 Portfolio value is based on independent valuations conducted by Colliers and C&W as at 31 December 2019 for 91 properties in the porfolio and the sales price for the 12 assets initiated for sale on 16 December 2019

29 Apr 2019:
Inaugural AGM was held

30 May 2019:
Published Sustainability Report 2018

€1,834 million
Portfolio value

97 PROPERTIES

30 Jun 2019:
Revaluation of Porfolio

2 Jul 2019:
Issued 326,086,000 new Units as part of Private Placement that raised €150 million

€1,913 million
Portfolio value

100 PROPERTIES

17 Jul 2019:
Completed acquisition of three office assets located in France (Lénine, Paryseine & Cap Mermoz)

€1,993 million
Portfolio value

102 PROPERTIES

25 Jul 2019:
Completed acquisition of two office assets located in Poland (Green Office & Avatar)

16 Dec 2019:
Initiated disposal of 12 light industrial / logistics assets located in France (Parc de la Chauvetière, Parc de l'Esplanade, Parc des Aqueducs, Parc des Mardelles & Parc Jules Guesde), the Netherlands (Antennestraat 46-76, Bohrweg Spijkenisse, Fahrenheitbaan, Harderwijkerstraat Deventer & Nieuwgraaf) and Denmark (Hjulmagervej 3-19 & C.F. Tietgensvej 10)

19 Dec 2019:
Initiated acquisition of three light Industrial / logistics assets located in Germany (Pforzheim, Bretten & Königsbach-Stein)

€2,103 million
Portfolio value[1]

103 PROPERTIES

31 Dec 2019:
Revaluation of portfolio

2020

MANAGER'S REPORT

FINANCIAL PERFORMANCE

CEREIT's FY 2019 results exceeded the IPO Forecast for all key performance metrics[1] for a second year in a row for eight consecutive quarters since listing.

In FY 2019, CEREIT generated gross revenue of €177.0 million, 42.1% higher y-o-y whilst NPI of €116.1 million was 40.1% higher y-o-y. The outperformance was primarily attributed to the income contributions from the newly acquired and onboarded office assets, as well as the better leasing performance in CEREIT's light industrial / logistics portfolio. Excluding the contributions from the assets acquired post listing, NPI from CEREIT's light industrial / logistics portfolio was up €3.4 million y-o-y largely due to better leasing outcomes in France. On a similar like-for-like basis, the office portfolio NPI was slightly lower y-o-y, mainly due to asset enhancement works at Central Plaza in Rotterdam, the Netherlands and at Assago in Milan, Italy.

Income available for distribution to Unitholders was €96.9 million, 42.6% higher y-o-y. Given the Manager's policy to pay out 100% of CEREIT's annual distributable income, this translates to an FY 2019 DPU of 4.08 Euro cents, representing an 8.8% y-o-y increase.


Bastion, Willemsplein 2 - 10, 's-Hertogenbosch, The Netherlands

A cumulative distribution of 2.05 Euro cents for the period from 1 January 2019 to 1 July 2019 was paid out on 31 July 2019 and the balance of 2.03 Euro cents for the period from 2 July 2019 to 31 December 2019 was paid out on 30 March 2020.

	Actual 30-Nov-17 to 31-Dec-18	Actual 12M 2018	Actual FY 2019	Variance to 12M 2018
Gross revenue (€'000)	**135,286**	124,588	**177,046**	42.1%
NPI (€'000)	**90,180**	82,927	**116,146**	40.1%
Total return for the period attributable to Unitholders	**85,733**	108,025	**109,045**	0.9%
Income available for distribution to Unitholders (€'000)	**74,370**	67,938	**96,898**	42.6%
Actual DPU (Euro cpu)[2]	**4.10**	3.75	**4.08**	8.8%

FY 2019 financial results have been compared to 12M 2018 which has been extracted from CEREIT's inaugural financial period from listing date of 30 November 2017 to 31 December 2018 (as shown in the first column in the above table). Accordingly, 12M 2018 provides a like-for-like y-o-y comparison to FY 2019.

1 Adjusted for the Rights Issue, on a like-for-like basis
2 DPU is calculated based on the total number of Units in issue entitled to distributions at the end of the respective periods

GROSS REVENUE AND NPI ANALYSIS

The table below compares the gross revenue and NPI figures y-o-y by asset class across the different countries where CEREIT's assets are located.

	Actual FY 2019 €'000	Actual 12M 2018 €'000	Change %
Gross Revenue			
By Asset Class:			
Office	**93,550**	48,202	94.1%
Light Industrial / logistics	**67,849**	61,091	11.1%
Other	**15,647**	15,295	2.3%
Total	**177,046**	124,588	42.1%
By Country:			
The Netherlands	**49,704**	36,780	35.1%
Italy	**39,277**	34,875	12.6%
France	**41,257**	33,100	24.6%
Germany	**11,069**	10,235	8.1%
Denmark	**9,980**	9,598	4.0%
Finland	**12,049**	-	n.m.
Poland	**13,710**	-	n.m.
Total	**177,046**	124,588	42.1%
Net Property Income			
By Asset Class:			
Office	**60,346**	33,037	82.7%
Light Industrial / logistics	**44,404**	38,851	14.3%
Other	**11,396**	11,039	3.2%
Total	**116,146**	82,927	40.1%
By Country:			
The Netherlands	**32,151**	24,691	30.2%
Italy	**28,653**	25,253	13.5%
France	**26,095**	20,211	29.1%
Germany	**7,392**	7,150	3.4%
Denmark	**5,914**	5,622	5.2%
Finland	**7,613**	-	n.m.
Poland	**8,328**	-	n.m.
Total	**116,146**	82,927	40.1%

MANAGER'S REPORT

Office

FY 2019 gross revenue for the office assets was €93.6 million (94.1% higher y-o-y) and NPI was €60.3 million (82.7% higher y-o-y). The positive variance can be attributed largely to the ten office acquisitions that have been completed over the last 12 months.

The assets acquired post IPO have contributed €27.5 million towards FY 2019 NPI with Poland delivering €8.3 million whilst Finland and the Netherlands contributed €7.6 million and €7.2 million respectively. On a like-for-like basis, FY 2019 NPI was €32.9 million (€0.3 million lower y-o-y). This was mainly due to minor ongoing upgrading works at Central Plaza in Rotterdam, the Netherlands that have had negative impact on some of the car park income and to a vacant floor for much of FY 2019 at Building F7-F11 in Assago, Milan, Italy. This was partially offset by the full-year contribution of Nuova ICO in Ivrea, Italy in FY 2019 (€0.6 million) which was acquired midway through FY 2018.

Light industrial / logistics

FY 2019 gross revenue for the light industrial assets was €67.8 million (11.1% higher y-o-y) and NPI was €44.4 million (14.3% higher y-o-y). The positive variance can be attributed to better leasing performance in the French assets, the one-off expropriation payment at Parc des Docks in Saint Ouen, Paris, France, in 1H 2019 and Parc des Guillaumes in Noisy-le-Sec, France, as well as from FY 2019 acquisitions.

The new acquisitions in France contributed €2.2 million towards NPI whilst on a like-for-like basis FY 2019 NPI was €42.2 million (€3.4 million or 8.8% higher y-o-y), with much of the out-performance driven by the French assets.

Other

Other property assets consist of three government-let campuses, one retail asset and one hotel, all located in Italy. All of these assets are 100% let on long-term leases. FY 2019 NPI was 3.2% higher y-o-y with a key driver of the out-performance being the additional turnover income received in the Starhotels Grand Milan in Saronno, Italy.

Income available for distribution analysis

Total return for the period attributable to unitholders was 0.9% above 12M 2018. The increase in NPI from new assets was partially offset by higher unrealised revaluations of €60.1 million recorded in 12M 2018 compared to €42.4 million in FY 2019. In addition, net finance costs in FY 2019 were 69.9% higher y-o-y, mainly due to higher interest costs from higher borrowings drawn down to fund new acquisitions as well as from some debt issuance costs written off at the end of the year. Manager's fees for FY 2019 were €3.2 million higher y-o-y, largely attributable to the €2.0 million performance fee recorded in FY 2019[3]. The Manager's base management fee, calculated based on the average monthly GAV over FY 2019, was €1.3 million or 38.4% higher y-o-y, due to growth in asset value from the new acquisitions and the valuation gains on CEREIT's portfolio. Trust expenses for FY 2019 were €0.8 million or 17.8% higher y-o-y, mainly due to the proportional increase in the enlarged portfolio. Following the completion of disposal of Parc d'Osny in Osny, France, on 18 October 2019, CEREIT recorded a gain of €2.0 million which was then added back as a distribution adjustment, therefore not contributing to FY 2019 DPU and allowing the Manager flexibility to pay this out as part of future distributions. Income tax was 33.5% higher y-o-y, mainly due to higher current tax and deferred tax as a result of the larger asset base. All in all, the FY 2019 income available for distribution was 42.6% higher y-o-y, after all applicable distribution adjustments were taken into account. Based on the total amount of equity contributed to CEREIT and the total return achieved in FY 2019, the return of equity was 8.6%.

3 Calculated as follows: (FY19 DPU (4.08 Euro cents) – 12M 2018 DPU (3.75 Euro Cents) x 0.25 / weighted average number of Units in issue for FY 2019

FINANCIAL POSITION

	As at 31-Dec-19	As at 31-Dec-18	Change %
Gross asset value (€'000)	**2,254,873**	1,814,842	24.2%
Net tangible assets (€'000)	**1,314,588**	1,118,767	17.5%
Gross borrowings before unamortised debt issue costs (€'000)	**830,793**	598,165	38.9%
Aggregate leverage (%)	**36.8%**	33.0%	3.8 p.p.
Aggregate leverage excluding distribution (%)[1]	**37.7%**	33.6%	4.1 p.p.
Net Gearing (%)[2]	**34.5%**	30.8%	3.7 p.p.
Units issued ('000)	**2,547,787**	2,181,978	16.8%
NAV per unit (cpu)	**51.6**	51.3	0.6%
Adjusted NAV per unit (excluding distributable income) (cpu)	**49.6**	49.7	(0.2%)

Gross asset value at 31 December 2019 increased by 24.2% y-o-y mainly due to the completion of 14 acquisitions – seven French assets, six Polish assets and one Italian asset and fair value gains of €42.4 million from the independent valuations conducted by Colliers and C&W in FY 2019. The acquisitions completed in 1Q 2019 were partly funded from the proceeds of the Rights Issue in December 2018 and also partly funded from new debt facilities. The acquisitions completed in 3Q 2019 were partly funded from the proceeds of a €150 million Private Placement of Units in early July 2019 and partially by existing and new debt facilities. The acquisition completed in 4Q 2019 was funded by available cash. Aggregate leverage at 31 December 2019 was higher at 36.8%, due to new debt drawn down to partially fund some of the FY 2019 acquisitions.

As at 31 December 2019, NAV per unit increased marginally to €51.6 cents due to the offset by a 16.8% increase in the number of Units in issue.

During FY 2019, CEREIT issued 326,086,000 Units pursuant to the Private Placement. In addition, 10,869,565 new Units were issued as partial consideration to the vendor of Paryseine in Ivry-Sur Seine in Paris, France and a total of 28,853,834 Units were issued as payment of the Manager base fees, acquisition fees and property management fees.

At the end of FY 2019, a total of 8,293,000 Units were issuable for base management and property and portfolio management fees for 4Q 2019 and for Performance fees for FY 2019.

Use of proceeds from Private Placement in July 2019	Proposed use of proceeds (€ million)	Actual use of proceeds[3] (€ million)
To partially fund new acquisitions in France and Poland	140.9	140.9
To pay the estimated fees and expenses, including land transfer taxes, professional fees and expenses, incurred or to be incurred by CEREIT in connection with the new acquisitions and the Private Placement	9.1	9.1
Total Gross Proceeds	**150.0**	**150.0**

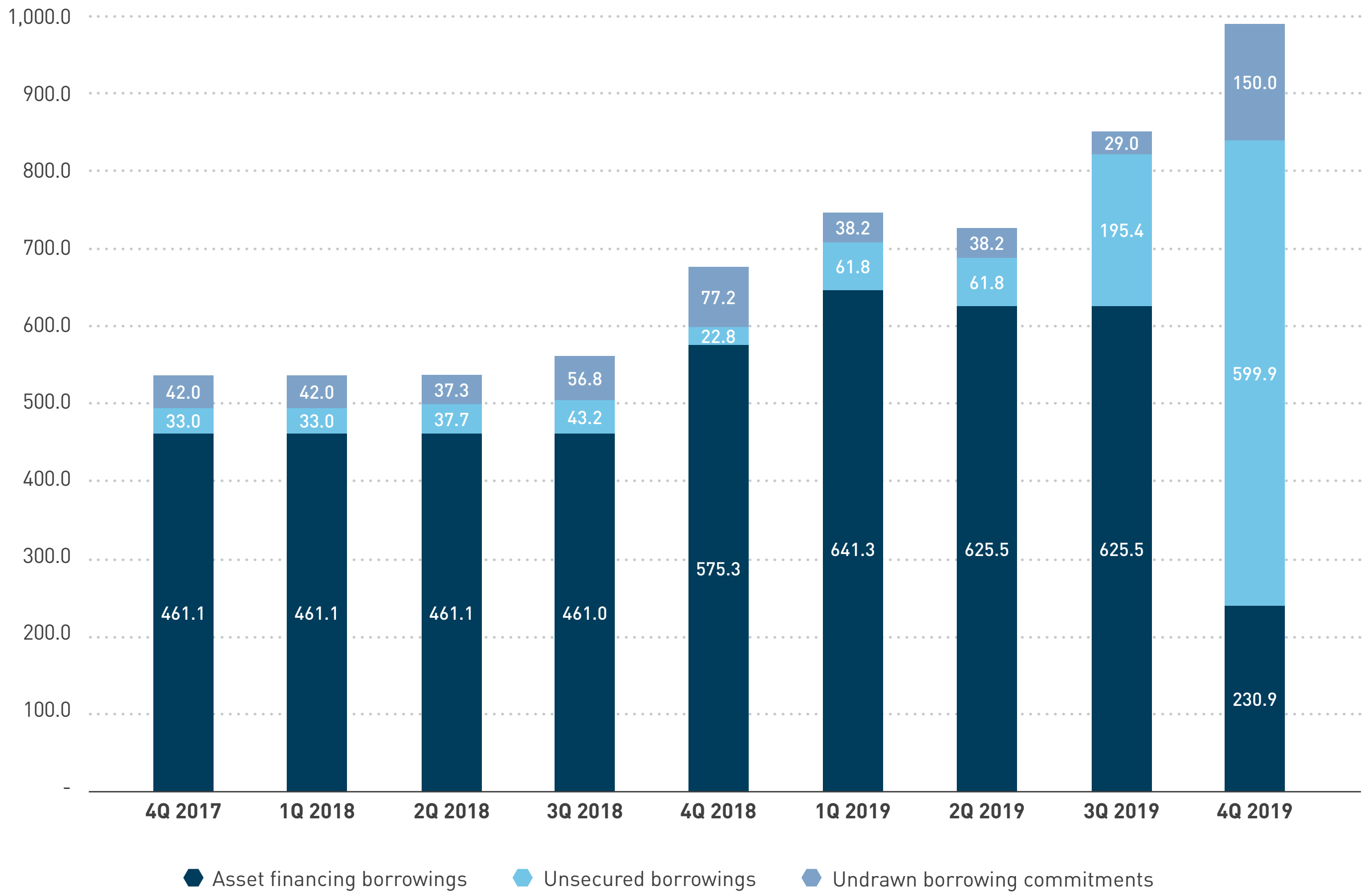
1 Aggregate leverage excluding distribution is calculated by deducting the distributable income not yet distributed at period end from GAV
2 Net Gearing is calculated as aggregate leverage less cash over total assets less cash
3 The actual use of proceeds from the Private Placement in July 2019 is in accordance with the stated use and in accordance with the percentage allocated in the announcement dated 21 June 2019 in relation to the close of the Private Placement

MANAGER'S REPORT

CAPITAL MANAGEMENT

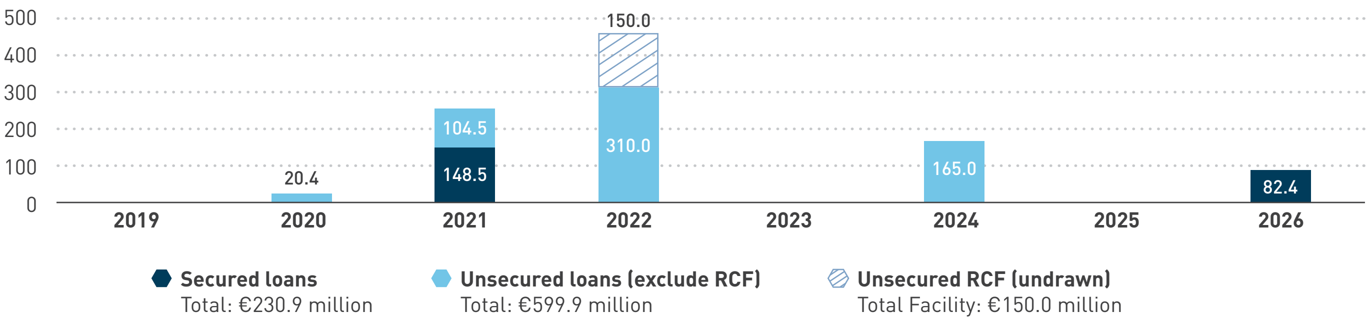
At the time of CEREIT's IPO in November 2017, its funding structure was predominantly based on secured asset-level financing arrangements. Subsequent acquisitions were initially funded through additional short-term, floating-rate secured borrowings at asset level. In FY 2019 the Manager initiated a transformation of CEREIT's funding structure by setting up a Luxembourg securitisation vehicle, Cromwell EREIT Lux FinCo Sarl, allowing it to borrow by way of issuing notes and/or common loan arrangements. Following this, an unsecured debt facility was established in August 2019 to partially fund acquisitions in France and Poland. In November 2019, the Manager completed a significant €625 million refinancing, transforming CEREIT's debt structure from a largely secured one to a structure where the majority of the assets were unencumbered. As part of the refinancing, the Manager also secured €150 million revolving credit facility at competitive interest rates, that as at the end of the financial year remained undrawn. As at the end of FY 2019, CEREIT's unsecured borrowings represented approximately 72% of total debt, providing considerable flexibility in CEREIT's future funding and hedging strategy, as well as a clear path to potentially securing an investment-grade credit rating and issuing bonds in the debt capital markets.

CEREIT DEBT OVERVIEW SINCE IPO ('000, EUR)



CEREIT's debt maturity profile is now well spread, with ample opportunities to extend facilities into future years such as 2023 and 2025 where there are no expiries. After the repayment of the Polish VAT Loan of €20.4 million in 1Q 2020, the next expiring debt is not due until the second half of 2021, allowing CEREIT considerable time to consider various refinancing options.

CEREIT DEBT MATURITY (AS AT 31 DECEMBER 2019)



Due to the Manager's proactive capital management approach throughout FY 2019, CEREIT's balance sheet has gone from strength to strength in FY 2019 with working capital improvement due to ample cash reserves, a portfolio of 12 assets held for sale and only €20.4 million of debt recorded as a current liability. CEREIT now has total debt facilities amounting to €980.8 million of which €830.8 million has been drawn as at 31 December 2019. Aggregate leverage of 36.8% is slightly higher y-o-y, however it is comfortably within the 35%-40% range set by the Board.

CEREIT CAPITAL MANAGEMENT STATISTICS

	As at 31-Dec-19	As at 31-Dec-18
Total Gross Debt (€ million)	830.8	598.2
Aggregate Leverage	36.8%	33.0%
Average Cost of Debt[1]	1.4%	1.4%
Unsecured Facilities as % of Total Available Debt Facilities	76.5%	14.8%
Hedge Ratio %	97.5%	71.2%
Interest cover (times)[2]	8.6x	8.9x
WADE (years)	3.4	3.0

The transformational nature of CEREIT's debt refinancing in FY 2019 has significantly improved the ratio of unsecured facilities as a proportion of total available debt facilities from 14.8% last year to 76.5% at the end of FY 2019, while retaining an all-in debt cost of 1.4%, similar to last year. In addition, 97.5% of CEREIT's total gross debt has been hedged and the interest coverage ratio remains high at 8.6 times, reflecting the wide margin between CEREIT's portfolio NOI yield and the low cost of debt. Due to the refinancing, CEREIT's WADE has now been extended to 3.4 years. As a result, CEREIT is well-positioned with greater financial flexibility to fund further growth opportunities whilst still retaining a responsible approach to capital management.

1 Excludes commitment fees on undrawn revolving credit facilities
2 Based on net income before tax and fair value changes after adding back net finance costs divided by interest expense for the financial period

MANAGER'S REPORT

TRANSACTIONS

In FY 2019, the Manager continued to execute its acquisition strategy, completing and onboarding 14 largely freehold properties in strategic, 'on-theme' markets, for a total of €365.3 million, demonstrating the Sponsor's local considerable pipeline sourcing capabilities and ability to execute transactions.

Completion of acquisition of seven properties in France and Poland

In January and February 2019, the Manager completed the purchase and fully onboarded the remaining seven of the 22 predominantly freehold office and logistics properties as first announced in October 2018. The FY 2019 acquisitions comprise three office properties in Poland and four logistics properties in France with a combined purchase price of €100.0 million.

Acquisition of six predominantly office freehold assets in France and Poland

In June 2019, the Manager announced the proposed acquisition of six predominantly office, 100% freehold assets in France and Poland, for a purchase price of approximately €247.5 million, with 98.7% occupancy, a 4.8-year WALE and an average NOI yield of 7.4%. These acquisitions marked CEREIT's entry into the Greater Paris office market – a tier-1 Western European city, with value-add potential from rapid gentrification and increasing presence in the attractive Polish office market. The acquisitions were DPU-accretive and partially funded by the €150.0 million well-oversubscribed Private Placement.

Disposal of Parc d'Osny in Osny, France

On 18 October 2019, the Manager completed its first office asset disposal - Parc d'Osny in Osny, France – at a 11.8% premium to purchase price, signalling the commencement of CEREIT's capital recycling strategy where non-core assets would be sold and the proceeds recycled into assets that provide better long-term risk-adjusted returns.

Acquisition of Cassiopea 1-2-3 in Agrate, Milan, Italy

Following the completion of the disposal of Parc d'Osny, the sale proceeds were utilised for the accretive acquisition of a freehold office property Cassiopea 1-2-3 in November 2019 at an attractive NOI yield of 7.3%. The property was 94% occupied with a WALE of 4.8 years as at end November 2019. Through this acquisition, CEREIT increased its exposure to the Greater Milan office market.

Disposal of a portfolio of 12 assets in the Netherlands, France and Denmark

On 16 December 2019, the Manager initiated the disposal of a portfolio of 12 non-core, light industrial / logistics properties in Denmark, France and the Netherlands. By leveraging the Sponsor's strong local on-the-ground teams, the Manager was able to realise significant premium of 15.2% over the IPO purchase price. The sale of this portfolio was completed on 24 March 2020 and is expected to contribute to a 0.7 p.p. improvement in CEREIT's occupancy rate.

Acquisitions of three light industrial / logistics assets in Germany

In late December 2019, CEREIT announced its first acquisition post IPO in the attractive and highly competitive German property market – a sale and leaseback acquisition of three light industrial / logistics assets for €38.0 million, 4.0% below independent valuation and at a 6.2% NOI yield. The assets provide CEREIT with stable, long-term cashflow due to the 15-year, triple-net, 100% index-linked leases. The property will be 100% occupied by the tenant for the duration of the lease. These acquisitions have been completed on 24 March 2020.

ACQUISITIONS COMPLETED IN FY 2019

Building	Vendor	Address	City	Purchase Price (€ million)	Valuation[1] (€ million)	Completion Date
France						
Parc Parcay-Meslay	CDPG Luxembourg S.a.r.l.	ZI du Papillon	Parcay-Meslay	5.7	5.9	23 Jan 2019
Parc Sully	CDPG Luxembourg S.a.r.l.	105 route d'Orléans	Sully-sur-Loire	5.5	5.5	23 Jan 2019
Parc Béziers	CDPG Luxembourg S.a.r.l.	Rue Charles Nicolle	Villneuve-lès-Béziers	10.2	10.2	23 Jan 2019
Parc Louvresses	Challenger DPG France II SAS	46-48 boulevard Dequevauvilliers	Gennevilliers	6.8	6.8	14 Feb 2019
Cap Mermoz	21 RDB	38-44 rue Jean Mermoz	Maisons-Laffitte	38.0	36.0	17 Jul 2019
Paryseine	Alix Venture S.a.r.l.	3 Allée de la Seine	Ivry-Sur Seine	35.2	36.8	17 Jul 2019
Lénine	Ivry Lénine S.a.r.l.	1 rue de Lénine	Ivry-Sur Seine	5.5	6.1	17 Jul 2019
Poland						
Arkońska Business Park	Artemis Acquisition Poland S.a.r.l.	Arkońska 1&2	Gdańsk	18.2	19.0[2]	14 Feb 2019
Grójecka 5	Artemis Acquisition Poland S.a.r.l.	Grójecka 5	Warsaw	22.3	22.4[2]	14 Feb 2019
Riverside Park	Artemis Acquisition Poland S.a.r.l.	Fabryczna 5	Warsaw	31.3	31.9[2]	14 Feb 2019
Avatar	Brassa SP Z o. o.	Armii Krajowej 28	Kraków	27.8	28.0	25 Jul 2019
Green Office	Brassa SP Z o. o.	Czerwone Maki 80 28	Kraków	52.2	52.2	25 Jul 2019
Business Garden	Vastint Poland sp. Z o. o.	Kolorowa 2 - 10 Street, 60 – 168	Poznań	88.8	89.0	24 Sep 2019
Italy						
Cassiopea 1-2-3	C3 Investment Fund	via Paracelso 22-24-26	Milan	17.7	17.7	28 Nov 2019

DISPOSALS COMPLETED IN FY 2019

Building	Buyer	Address	City	Sale Price (€ million)	Valuation[3] (€ million)	Completion Date
Italy						
Parc d'Osny	Arc Eiffel Investissement	9 Chaussee Jules Cesar	Osny	19.0	16.8	18 Oct 2019

ACQUISITIONS ANNOUNCED IN FY 2019 AND COMPLETED IN FY 2020

Building	Vendor	Address	City	Purchase Price (€ million)	Valuation[1] (€ million)	Completion Date
Germany						
Dieselstraße 2	Subsidiaries of Felss Group GmbH	Gutenbergstraße 1, Dieselstraße 2	Königsbach-Stein	9.2	9.6	24 Mar 2020
Gewerbestraße 62	Subsidiaries of Felss Group GmbH	Gewerbestraße 62	Bretten	13.6	14.1	24 Mar 2020
Göppinger Straße 1 – 3	Subsidiaries of Felss Group GmbH	Göppinger Straße 1 – 3	Pforzheim	15.2	15.9	24 Mar 2020

1 Valuations undertaken at the time of the respective acquisitions using the income capitalisation methodology in accordance with the RICS Valuation – Global Standards
2 Based on the higher of the external valuations conducted by Colliers and C&W at the time of acquisition using the income capitalisation methodology in accordance with RICS Valuation – Global Standards
3 Valuations undertaken as at 30 June 2019 using the income capitalisation methodology in accordance with the RICS Valuation – Global Standards

MANAGER'S REPORT

DISPOSALS[1] ANNOUNCED IN FY 2019 AND COMPLETED IN FY 2020

Building	Site Area (sqm)	Gross Floor Area (sqm)	Address	City	Sale Price (€ million)	Valuation[2] (€ million)	Completion Date
The Netherlands							
Antennestraat 46 - 76 & Televisieweg 42 - 52	10,200	6,178	Antennestraat 46 - 76 & Televisieweg 42 - 52	Almere	4.2	3.8	24 Mar 2020
Bohrweg 19 - 57 & 20 - 58	11,300	7,289	Bohrweg 19 - 57 & 20 - 58	Spijkenisse	5.8	5.6	24 Mar 2020
Fahrenheitbaan 4 - 4D	6,900	4,599	Fahrenheitbaan 4 - 4D	Nieuwegein	2.6	2.5	24 Mar 2020
Harderwijker-straat 5 - 29	22,300	12,238	Harderwijkerstraat 5 - 29	Deventer	4.2	4.0	24 Mar 2020
Nieuwgraaf 9A - 19 & Fotograaf 32 - 40	7,900	5,420	Nieuwgraaf 9A - 19 & Fotograaf 32 - 40	Duiven	2.6	2.5	24 Mar 2020
France							
Parc de l' Esplanade	N/A[3]	29,854	Rue Paul Henri Spaak - rue Enrico Fermi - rue Niels Bohr	Saint Thibault des Vignes	17.1	16.4	24 Mar 2020
Parc des Mardelles	19,902	16,289	44 rue Maurice de Broglie, 16, rue Henri Becquerel	Aulnay-sous-Bois	10.3	10.3	24 Mar 2020
Parc des Aqueducs	15,780	7,341	Chemin Du Favier	St Genis Laval	4.2	3.9	24 Mar 2020
Parc Jules Guesde	14,602	5,332	1 Allée du Chargement, rue Jules Guesde, ZAC du Tir à Loques	Villeneuve d'Ascq	3.7	3.6	24 Mar 2020
Parc de la Chauvetière	16,636	7,204	4-28 rue du Vercors	Saint Etienne	1.9	1.8	24 Mar 2020
Denmark							
Hjulmagervej 3-19	26,000	12,807	Hjulmagervej 3-19	Vejle	5.4	5.2	24 Mar 2020
C.F. Tietgensvej 10	26,887	9,429	C.F. Tietgensvej 10	Kolding	3.7	3.6	24 Mar 2020

1 Buyer of all the properties are funds advised by affiliates of The Blackstone Group Inc.
2 Valuations undertaken as at 30 June 2019 using the income capitalisation methodology in accordance with the RICS Valuation – Global Standards
3 This asset sits on an estate of approximately 78,000 sqm which has co-owners. CEREIT effectively owns 58% of the shares of the estate

Haagse Poort, Prinses Beatrixlaan 35 - 37 &
Schenkkade 60 - 65, Den Haag, The Netherlands

PORTFOLIO MANAGEMENT AND PERFORMANCE

As at 31 December 2019, CEREIT's portfolio comprised 103 predominantly office and light industrial / logistics assets across seven countries in Europe – Denmark, Finland, France, Germany, Italy, the Netherlands and Poland. 91 properties were externally valued as at 31 December 2019 with Colliers and C&W valuing 51 and 40 assets from the portfolio respectively. The other 12 properties in the portfolio as at 31 December 2019 were assets "held for sale" at the sale price that was agreed and signed with the buyer of this portfolio. For FY 2019 CEREIT's assets recorded a €42.4 million fair value gain, a 2.9 % increase over the year, after taking into account capital expenditure and acquisition costs.

The table below summarises the valuations compared against the purchase price (including the 12 assets held for sale):

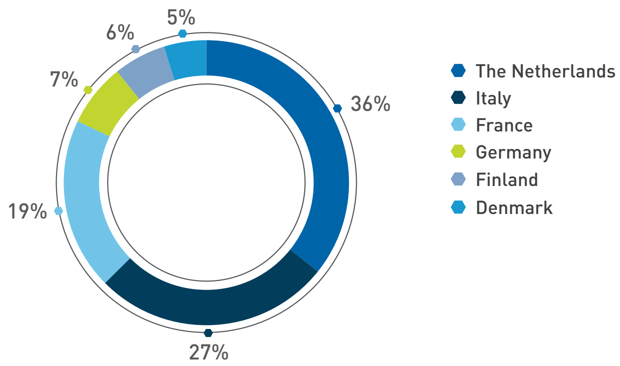
By Geography	Purchase Price €000's	Number of Properties	Valuation as at 31-Dec-19 €000's	Valuation Increase
The Netherlands	566,723	12	616,750	8.8%
Italy	475,525	18	476,725	0.3%
France	345,375	22	390,400	13.0%
Poland	240,650	6	243,900	1.4%
Germany	91,254	11	119,950	31.4%
Finland	113,120	11	115,000	1.7%
Denmark	68,739	11	74,590	8.5%
Assets held for sale	***57,020***	***12***	***65,700*** [1]	***15.2%***
Total	1,958,406	103	2,103,015	7.4%

1 Assets held for sale are recorded at their respective sales price

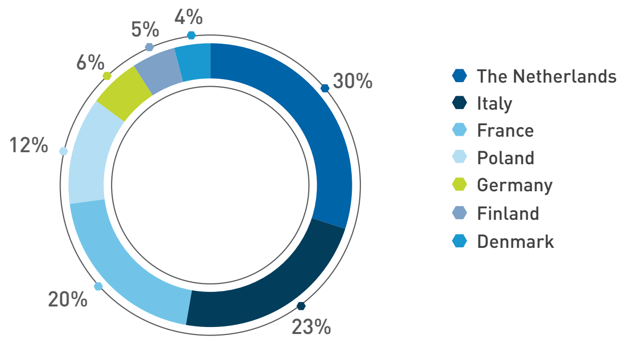
MANAGER'S REPORT

As illustrated in the charts below, the Manager has continued to improve CEREIT's diversification geographically as at 31 December 2019.

CEREIT PORTFOLIO BY COUNTRY (AS AT 31 DECEMBER 2018)

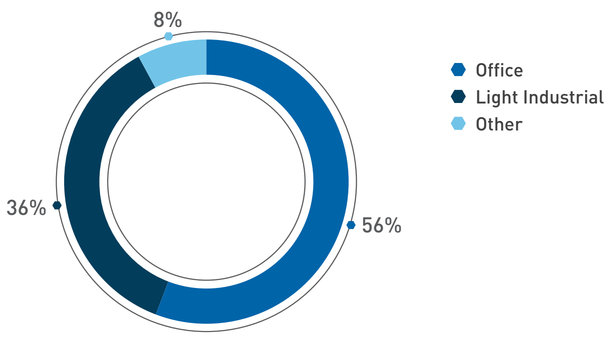


CEREIT PORTFOLIO BY COUNTRY (AS AT 31 DECEMBER 2019)

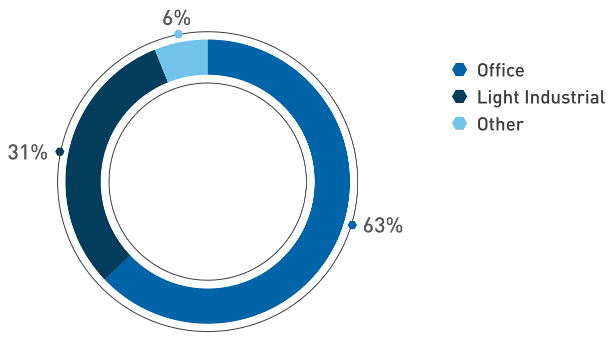


CEREIT's portfolio weighting towards the office sector increased slightly to 63% as at the end of FY 2019 (up from 56% as at the end of FY 2018), due to the larger number of attractive opportunities to acquire office assets that resulted in the acquisition and onboarding of 10 office assets over the course of the year.

CEREIT PORTFOLIO BY ASSET CLASS (AS AT 31 DECEMBER 2018)



CEREIT PORTFOLIO BY ASSET CLASS (AS AT 31 DECEMBER 2019)



LEASE MANAGEMENT

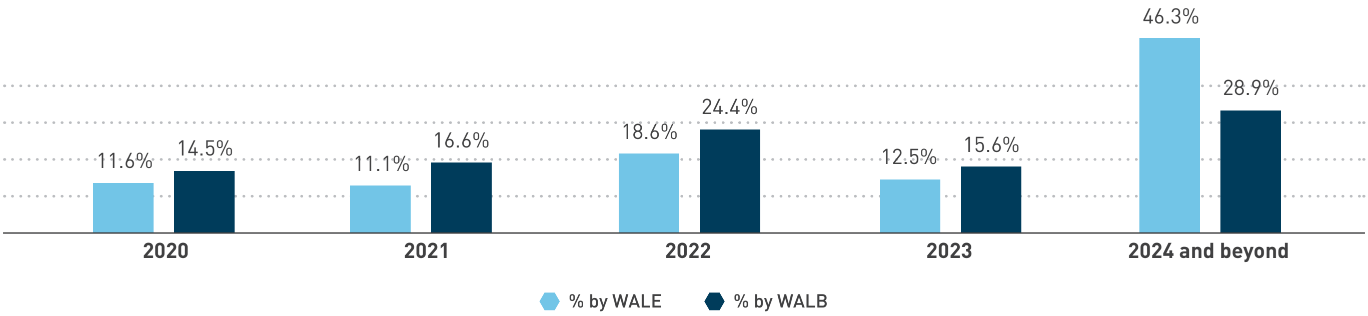
The Manager's "barbell approach" to portfolio construct was evident in FY 2019, with positive leasing momentum in the light industrial / logistics sector providing income growth and long leases in the office sector providing stability.

In FY 2019, a total of 123,378 sqm metres of space or approximately 8% of CEREIT's portfolio by NLA was leased out, at a positive rental reversion of 3.7%. Across CEREIT's portfolio, occupancy by area was 93.2% as at the end of December 2019, compared to 90.8% at 31 December 2018 (2.4 p.p higher. The occupancy rate is also 0.6 p.p. above the 92.6% IPO forecast for year-end 2019 and 5.5 p.p. increase from IPO).

Occupancy by Asset Class	31 Dec 2019 %	31 Dec 2018 %	IPO %
Office	94.6	95.2	94.8
Light industrial	90.7	86.6	82.9
Other	100	100	100
Total	**93.2**	**90.8**	**87.7**

As at 31 December 2019, CEREIT's portfolio WALE was 4.4 years, while the top ten tenant-customers WALE was 4.5 years. The WALB on a total portfolio basis as at 31 December 2019 stands at 3.5 years. The WALE of new leases signed in FY 2019 was 6.5 years.

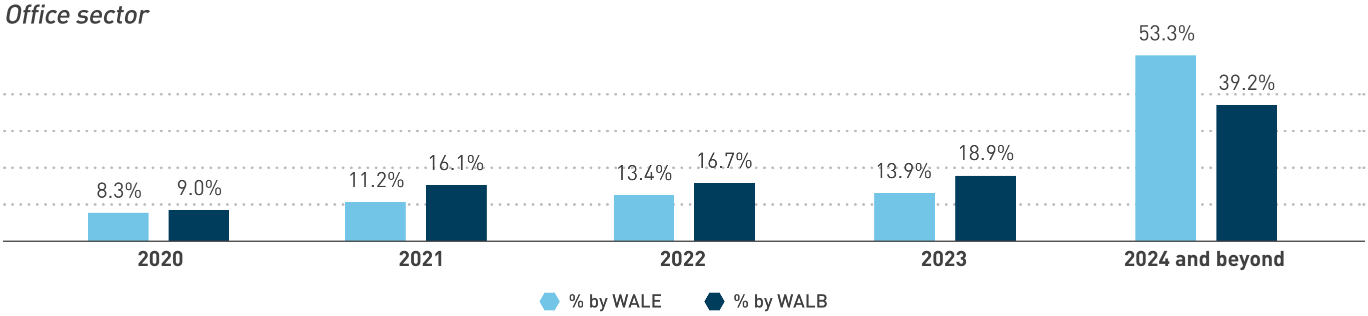
CEREIT LEASE EXPIRY PROFILE BY GROSS RENT



WALE / WALB	Total	2020	2021	2022	2023	2024 and beyond
Expiry	**156,390,241**	18,076,624	17,324,392	29,033,225	19,554,316	72,401,685
Break	**156,390,241**	22,624,037	25,959,567	38,163,536	24,446,911	45,196,189
% by WALE	**100%**	11.6%	11.1%	18.6%	12.5%	46.3%
% by WALB	**100%**	14.5%	16.6%	24.4%	15.6%	28.9%

MANAGER'S REPORT

Office sector



WALE / WALB	Total	2020	2021	2022	2023	2024 and beyond
Expiry	**89,473,178**	7,382,695	10,016,688	11,968,638	12,415,241	47,689,917
Break	**89,473,178**	8,045,865	14,446,033	14,963,303	16,919,230	35,098,748
% by WALE	**100%**	8.3%	11.2%	13.4%	13.9%	53.3%
% by WALB	**100%**	9.0%	16.1%	16.7%	18.9%	39.2%

	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Total
No. of new leases signed	2	8	2	19	31
No. of leases renewed	4	6	4	8	22
Tenant-customer retention rate[1]	49%	88%	30%	70%	73%
Total no. of leases as at 31 Dec 2019					441
Total. no. of tenant-customers as at 31 Dec 2019					311
% Freehold (on valuations)[2]					88%

In FY 2019 the office sector continued to maintain high occupancy of 94.6%, long WALE of 4.6 years and tenant-customer retention of 73%. Of the €5.2 million of headline rent subject to lease breaks or expiries by 30 June 2020, 61.1% (€3.2 million) has already been de-risked as at 31 December 2019.

	Occupancy	WALE	WALB
Italy	97.7%	4.2 years	3.8 years
France	95.7%	4.1 years	2.6 years
The Netherlands	96.1%	5.9 years	5.4 years
Poland	93.5%	4.0 years	3.3 years
Finland	84.8%	3.0 years	2.6 years
	94.6%	**4.6 years**	**4.0 years**

Key leasing successes in the office sector in FY 2019:

- Nationale-Nederlanden has renewed one of its leases on 16,130 sqm of office space at Haagse Poort in Den Haag, the Netherlands, with effect of February 2020 and a lease term of 5 years and has also extended its occupation by a further 3,295 sqm with effect of 1 April 2020 with a lease term of 4 years and 10 months.

- Motorola Solutions has extended its lease at Green Office in Kraków, Poland, for another five years. Motorola is leasing 76.3% of the property's total net lettable area or 17,632 square metres.

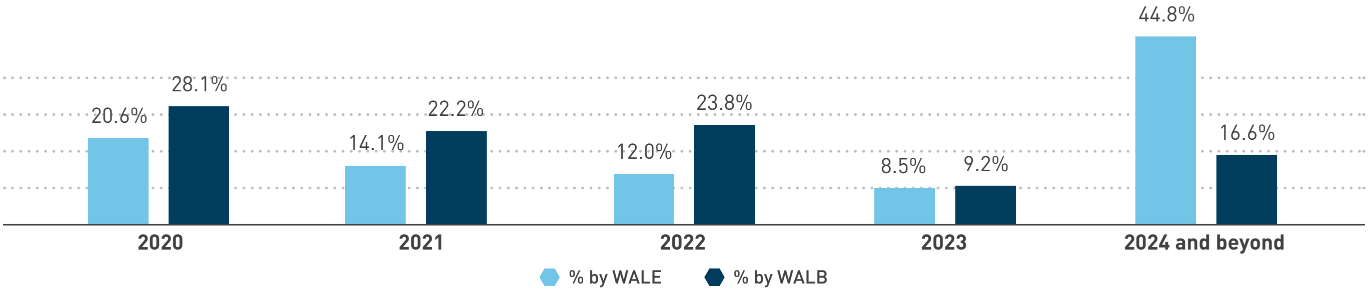
- At Moeder Teresalaan 100 / 200 in Utrecht, the Netherlands, a new tenant-customer - Slachtofferhulp Nederland - has signed a 2,967 sqm of office lease spanning two floors for ten years from 1 April 2020. Following this lease agreement, the 21,922 sqm asset, which comprises two office buildings, is 100% occupied.

1 Tenant-customer retention rate is the % quantum of ERV retained over a reference period with respect to terminable leases (defined as leases that either expire or in respect of which the tenant-customer has a right to break over a relevant reference period)

2 The total proportion of portfolio based on valuations as at 31 December 2019 that is freehold and continuing / perpetual leasehold

Light industrial / logistics sector

In FY 2019, the light industrial / logistics sector achieved occupancy of 90.7% and WALE at 4.3 years, while tenant-customer retention rate was at 52%. Of the €6.6 million of headline rent subject to lease breaks or expiries by 30 June 2020, 55.8% or has been de-risked as at 31 December 2019.



WALE / WALB	Total	2020	2021	2022	2023	2024 and beyond
Expiry	**51,831,732**	10,693,929	7,307,704	6,216,562	4,385,101	23,228,437
Break	**51,831,732**	14,578,172	11,513,535	12,352,208	4,773,707	8,614,110
% by WALE	**100%**	20.6%	14.1%	12.0%	8.5%	44.8%
% by WALB	**100%**	28.1%	22.2%	23.8%	9.2%	16.6%

	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Total
No. of New leases signed	28	32	26	26	112
No. of leases renewed	20	28	23	13	84
Tenant-customer retention rate[1]	58%	44%	67%	32%	52%
Total no. of leases as at 31 Dec 2019					703
Total. no. of tenant-customers as at 31 Dec 2019					648
% Freehold (on valuations)[2]					98%

	Occupancy	WALE	WALB
The Netherlands	97.5%	2.8 years	2.7 years
Italy	100.0%	2.6 years	2.6 years
France	89.7%	5.0 years	2.0 years
Germany	91.6%	4.6 years	4.3 years
Denmark	86.2%	2.8 years	2.6 years
	90.7%	**4.3 years**	**2.6 years**

Key leasing successes for the light Industrial / logistics sector in FY 2019:

- A new lease of 5,099 sqm was signed at Parc des Docks in Saint Ouen, Paris, France, with tenant Rexel for a lease term of 3/6/9 years from 28 June 2019 onwards
- New tenant-customer Kontorzonen will fully occupy Naverland 12 in Glostrup, Denmark with 6,875 sqm as from 1 May 2019 for five years and six months
- Existing tenant-customer Atlantic Media at Parc des Grésillons in Genneviliers, France, renewed their lease of 5,249 sqm from October 1, 2019 for a lease term of 3/6/9 years with an uplift of 8% on the previous rent
- Existing tenant-customer UPS at Naverland 7-11 in Glostrup, Denmark renewed its lease of 7,034 sqm expanded by further 6,177 sqm. The new lease term is three years and four months

For the "other" sector, occupancy by area remained at 100.0% as at the end of December 2019.

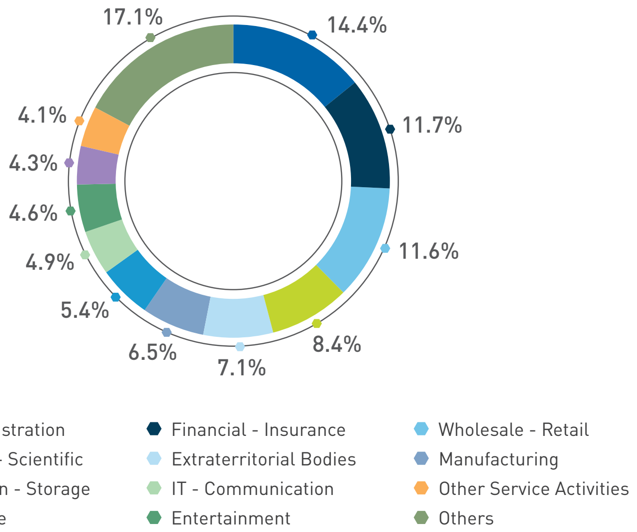
1 Tenant-customer retention rate is the % quantum of ERV retained over a reference period with respect to terminable leases (defined as leases that either expire or in respect of which the tenant-customer has a right to break over a relevant reference period)

2 The total proportion of portfolio based on valuations as at 31 December 2019 that is freehold and continuing / perpetual leasehold

MANAGER'S REPORT

CEREIT's tenant-customer base continues to be well-diversified with 957 tenant-customers as at 31 December 2019. The top ten tenant-customers now contribute only 33.3% of the total headline rent (down from 39.0% last year) and the tenant-customer base is well-spread across various trade sectors as shown in the tables below:

TENANT-CUSTOMER TRADE SECTOR BY HEADLINE RENT (AS AT 31 DECEMBER 2019)



TOP TEN TENANT-CUSTOMERS AS AT 31 DECEMBER 2019

#	Tenant-Customer	Country	Type of Business	% of Total Headline Rent
1	Agenzia del Demanio (Italian State Property Office)	Italy	Government – Property	13.3%
2	Nationale-Nederlanden	The Netherlands	Insurance	5.3%
3	Essent Nederland B.V.	The Netherlands	Energy	2.7%
4	Kamer van Koophandel	The Netherlands	Chamber of Commerce	2.0%
5	Employee Insurance Agency (UWV)	The Netherlands	Government – Insurance	2.0%
6	Motorola Solutions Systems Polska Sp. z.o.o.	Poland	Telecommunications	1.9%
7	Holland Casino[1]	The Netherlands	Casino	1.7%
8	Santander Bank Polska S.A.	Poland	Financial and Insurance	1.6%
9	Anas	Italy	Government - Roads & Infrastructure	1.4%
10	A. Manzoni & c. S.p.A.[2]	Italy	Advertising	1.4%
				33.3%

1 Nationale Stichting tot Exploitatie van Casinospelen in the Netherlands
2 GEDI Gruppo Editoriale

FY 2019 ASSET ENHANCEMENT INITIATIVES

Office

Haagse Poort, Den Haag, the Netherlands

Major climate control upgrades as well as elevator upgrades have been underway during FY 2019 and are anticipated to complete in 1Q 2020. Additional initiatives were agreed with the anchor tenant-customer Nationale Nederlanden with respect to upgrades of the restaurant and common area, as well as sustainability measures such as electric bikes and charging stations for electric cars.

Central Plaza, Rotterdam, the Netherlands

The refreshed parking system was completed in May 2019. The more significant car park works have been commissioned in 3Q 2019, with work scheduled for completion by the end of 1Q 2020. Climate control works are currently on tender and are scheduled to run from 4Q 2019 to 1Q 2020.

Bastion, 's-Hertogenbosch, the Netherlands

Major projects for conformity, climate control and fire safety commenced in 2019 with completion expected in 1Q 2020.

Blaak 40, Rotterdam, the Netherlands

In order to secure a new lease with the architect who originally designed this landmark building, major CAPEX investment has been undertaken that will add approximately 320 sqm of new space through a "top-up glass box" to the approximately 60 sqm of existing space on the fifth floor. Further capital expenditure is expected for the refurbishment of the vacant third floor as well as general building upgrades, such as facade, climate control, lifts and roof. These conformity works are also expected to increase energy efficiency.

Light industrial / Logistics

Parc des Docks, Saint Ouen, Paris, France

The site offers future potential for redevelopment and the Manager has initiated legal and technical studies to explore this opportunity in more detail. In the meantime, to protect the high occupancy level of the asset, some conformity works, roof maintenance and general interior improvement works have been undertaken.

Parc du Bois du Tambour, Gondreville, France

The CAPEX project for environmental compliance was completed for Buildings A and J and the application for ICPE[1] permit has been registered by the prefecture. Following the receipt of the permit with the prefecture requirements, environmental compliance works related to the heating system of buildings A, J and L will be carried out in 2Q 2020.

ASSET MANAGEMENT FOCUS

The Manager will continue with its focus on opportunities for income and net asset value growth. This involves the leasing up of the residual vacancy on the existing portfolio and taking advantage of the higher reversionary yield on the recent acquisitions. The portfolio becomes more resilient from the further diversification arising as a result of the continued acquisitions. In addition, asset enhancement initiatives and asset disposals may be considered in order to further improve returns to Unitholders.

1 ICPE is a French acronym that refers to "classified facilities for the protection of the environment" (Installations classées pour la protection de l'environnement) (ICPE). It is used for facilities classified for environmental protection, refers to any depot, yard, workshop and facility in general operated or owned by a public or private individual or corporate entity, involving hazards or inconvenience for the neighbourhood, health, safety, agriculture, or the protection of nature and the environment

INVESTOR RELATIONS

CEREIT proactively engages with the investment community through regular, effective and fair communication.

The Manager is committed to keeping all Unitholders and other stakeholders regularly informed about CEREIT's financial results and operating performance and immediately upon any change in its business that could materially affect the price or value of the Units, to assist Unitholders and investors in their investment decisions. The Manager has a dedicated investor relations team that runs a proactive investor outreach programme. CEREIT's investor communications activities are governed by (1) our investor relations policy and (2) CEREIT's market disclosure protocol. The investor relations policy outlines the principles and practices followed by the Manager to ensure regular, effective and fair two-way communication with the investment community. The market disclosure protocol ensures that:

(a) CEREIT immediately discloses all price-sensitive information to the SGX-ST in accordance with the Listing Rules;

(b) all Unitholders have equal and timely access to material information concerning CEREIT, including its financial position, performance, ownership and governance, subject to the Listing Rules;

INVESTOR RELATIONS ACTIVITIES

The Manager engages with Unitholders and the investment community to communicate CEREIT's financial results, operating performance and business plans, share latest corporate and industry developments as well as to gather their views and feedback on a range of strategic and topical issues.

Cromwell European REIT has historically announced financial results four times a year. Announcement materials include financial statements and supplementary materials such as results presentations and media releases. The Manager uploads all announcement materials on SGXNet, on CEREIT's website at www.cromwelleuropeanreit.com.sg and further publicises them on CEREIT's LinkedIn site. Full-year and half-year announcements are typically accompanied by video messages intended for general audience that the investor relations team uploads on CEREIT's website and on CEREIT's LinkedIn site. Starting from FY 2019 results, local and overseas investors are able to dial into results analyst briefings, allowing them the opportunity to solicit feedback and ask questions. Archived recordings are also made available on CEREIT's website post the briefing for up to a year.

Other than financial results announcements, the Manager publicises other market-relevant general corporate announcements, media releases, investor presentations and annual and sustainability reports on SGX-ST in a timely manner and concurrently makes them available on the REIT's website at www.cromwelleuropeanreit.com.sg, investor relations section. CEREIT's website also provides regularly-updated information on all its properties, including property photographs, descriptions and maps. CEREIT's website also features company news as well as information on the Manager's strategy, Board and the Management team.

In addition to formal results briefings and dialogues, the Manager also communicates operational and financial performance updates, CEREIT's strategy and initiatives and solicits the investment community's views through various means, such as investor relations and senior management team participation in local and regional conferences, one-on-one meetings, group teleconferences, site visits as well as post-results investor briefings.

In FY 2019, the investor relations and the management team conducted more than 150 briefings and meetings across three continents in nine countries (Singapore, Hong Kong, Thailand, Malaysia, Republic of South Korea, Japan, Australia, Israel, Taiwan, the Netherlands and the U.K), engaging with more than 360 institutional investors, private wealth advisors, individual investors and investment bank research analysts. The management team also engaged with more than 650 retail investors through four public investor forums, including the AGM.

CEREIT is currently covered by three investment bank research houses in Singapore.


CEREIT's inaugural AGM on 29 April 2019

AGM

Cromwell European REIT welcomed 88 unitholders to its inaugural AGM held on 29 April 2019. The management team presented a formal overview of CEREIT's performance over the period. The Manager's Board had open and meaningful discussions with the Unitholders about the REIT's performance since its listing in November 2017 and received valuable feedback from the unitholders during the question and answers session. The Manager employed electronic voting for polling on all resolutions which enabled votes to be collated accurately and in real time. Unitholders showed their support with more than 99% approval to all ordinary resolutions, a testament of the trust that the Unitholders have in the Manager's team.

Prior to the upcoming AGM, the Manager encourages all Unitholders to send in their questions via the general inquiry form at https://www.cromwelleuropeanreit.com.sg/contacts.

INCLUSION IN CPF INVESTMENT SCHEME (CPFIS)

The Units of CEREIT have traded on SGX-ST in both Euro and in Singapore dollars since early 2018. With more than 65% of CEREIT's Unitholders based in Singapore, the Manager also facilitated the admittance of the Singapore-denominated stock code CSFU.SI into CPFIS effective 28 February 2020 to give opportunity to Singapore-based Unitholders to invest their CPF funds.

MEDIA ENGAGEMENT

The Manager reaches out proactively to media outlets to promote CEREIT's performance and grow awareness of the business. Over the course of 2019, more than 250 media articles from over 20 media outlets, comprising international wires, regional trade media and local titles from at least four countries featured meaningful mentions of CEREIT - more than 200% increase of media mentions as compared to 2018. Recognising the increasingly diverse offline and online media landscape, in 2020, the Manager is stepping up efforts to engage not only with traditional and trade media but also with financial bloggers and other social media channels.

INVESTOR RELATIONS

AWARDS

In September 2019, CEREIT won two major awards: Best Industrial REIT, Singapore (Platinum) for REITs with market capitalisations of US$1 billion and above and Best CEO, Asia Pacific (Gold), at the 6th Edition of REITs Asia Pacific "Best of Breeds" Awards.

The accolade bears testament to CEREIT's excellence in seven areas:

- Financial performance
- Market performance
- Corporate governance
- Underlying asset quality
- REIT manager quality
- Risk management policies
- Sustainability of performance over the long term

DIVERSIFIED UNITHOLDER REGISTER

The current CEREIT Unitholder register is diverse and comprises more than 2,900 investors, with approximately 65% based in Singapore and the other 35% from the U.K., the Netherlands, Germany, the Nordics, South Korea, Taiwan, Hong Kong, Japan, Thailand, Malaysia, Australia, Philippines, the U.S. and Canada. More than 13% of Unitholders are institutional investors.

Since IPO, the investor relations team has worked tirelessly to transform CEREIT's Unitholder register and increase support from global institutional investors though proactive investor relations engagement. Notably, a number of existing Unitholders and new investors, including regional and global long-only institutional investors, property specialist funds and private wealth clients, supported the well-oversubscribed Private Placement in June 2019. This has in turn resulted in six-fold increase in liquidity since IPO and CEREIT is now part of some key indices and much closer to other major index benchmarks.

INCLUSION IN KEY INDICES

CEREIT is currently part of the following indices:

FTSE:

- FTSE Global Equity Index Series (Asia Pacific ex. China ex. Japan Regional Index)
- FTSE ST Series (Small Cap)

GPR / APREA

- GPR / APREA Composite Index
- GPR / APREA Composite REIT Index

S&P / DOW:

- WisdomTree Global ex-US Real Estate Index
- Morningstar Global Mkts Index PR USD
- Morningstar Dev Mkt ex-US Ft Tilt PR
- Morningstar Developed Markets REIT PR USD
- Morningstar Singapore Yield Focus PR USD
- Morningstar Developed Markets ex-Australia PR USD
- Morningstar Developed Markets ex-Japan PR USD
- Morningstar Developed Markets ex-North America PR USD

PROACTIVE TWO-WAY COMMUNICATION WITH UNITHOLDERS

The Manager has made its investor relations policy available on CEREIT's website, in order to promote greater transparency. Amongst others, the policy also specifically outlines the various modes of communications with Unitholders and the ways in which the Manager solicits the views of the Unitholders. Specifically, to further facilitate the ability for Unitholders to ask questions and receive responses in a timely manner, the Manager has made available on its website a specific investor relations contact with email address and contact number, as well as put in place an online submission form mechanism and 'Email Alerts' function that enables investors to subscribe for regular updates from CEREIT. The investor relations team monitors the email and responds to all Unitholder enquiries in a timely manner, either via email or a phone call.

INVESTOR RELATIONS CONTACT:

Elena Arabadjieva, COO / Head of Investor Relations
Telephone: +65 6920 7539
Email : ir@cromwell.com.sg
Website : cromwelleuropeanreit.com.sg

FY 2019 INVESTOR RELATIONS CALENDAR

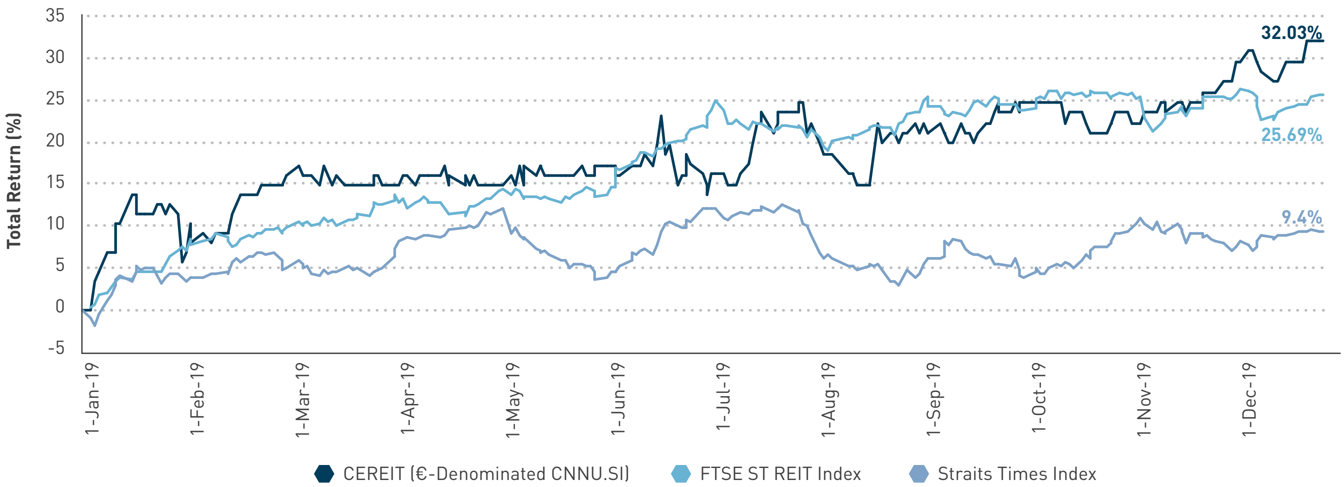
27 February 2019	FY 2018 results announcement
27 February 2019	FY 2018 post-results analyst & media briefing
27 February 2019	FY 2018 post-results investor luncheon
28 February 2019	Investor roadshow in Singapore
1 March 2019	Credit Suisse Private Wealth sales force teach-in
4-6 March 2019	Non-deal roadshow in Hong Kong
6 March 2019	UBS Private Wealth sales force and clients briefing
7-8 March 2019	Non-deal roadshow in Seoul, Republic of South Korea
29 April 2019	Annual general meeting
6 May 2019	PFA Conference, Hobart, Australia
13 May 2019	1Q 2019 Results announcement
13 May 2019	Post-results investor luncheon
15-16 May 2019	Non-deal roadshow in Hong Kong
17 May 2019	Non-deal roadshow in Tokyo, Japan
18 May 2019	REIT Symposium 2019, Singapore
20-21 May 2019	Non-deal roadshow in London, UK
30 May 2019	Non-deal roadshow in Amsterdam, the Netherlands
21 June 2019	Investor briefing for proposed Private Placement of up to €150 million to partially fund the acquisition of six properties located in France and Poland
21 June 2019	Deal roadshow for proposed Private Placement of up to €150 million to partially fund the acquisition of six properties located in France and Poland
1 July 2019	World Islamic Banking Corporate Seminar
8 August 2019	1H 2019 results announcement
8 August 2019	1H 2019 post-results analyst & media briefing
8 August 2019	1H 2019 post-results investor luncheon
13 August 2019	Credit Suisse Private Wealth sales force teach-in
15 August 2019	SGX – Maybank Singapore corporate day
16 August 2019	Investor roadshow in Manila, Philippines
17 August 2019	INVEST Fair Singapore
27 August 2019	SGX-Citi-REITAS SREITs and sponsors corporate day, Singapore
3-4 September 2019	Non-deal roadshow in Tel Aviv, Israel
5 September 2019	SGX-DBS-REITAS Singapore Corporate Day in Bangkok, Thailand
6 September 2019	Non-deal roadshow in Bangkok, Thailand
12 September 2019	EPRA Re-Think conference
26 September 2019	SGX-UBS Singapore Corporate day, London, the UK
27 September 2019	SGX-ING Singapore corporate day, Amsterdam, the Netherlands
3 October 2019	SGX- Credit Suisse real estate corporate day
16 October 2019	KGI sales force and investors teach-in
21-23 October 2019	Non-deal roadshow in Taipei, Taiwan
31 October 2019	APREA MREIT forum
12 November 2019	3Q 2019 results announcement
12 November 2019	3Q 2019 post-results investor luncheon
13 November 2019	Investor roadshow in Singapore
14 November 2019	SGX-REITAS education series
12 December 2019	EPRA investor day, London, the UK
25 February 2020	FY 2019 results announcement
25 February 2020	FY 2019 post-results analyst & media briefing
26-28 February 2020	FY 2019 post-results virtual investor roadshow, Singapore
5 March 2020	FY 2019 post-results virtual investor roadshow, Singapore, Hong Kong, UK and Switzerland

INVESTOR RELATIONS

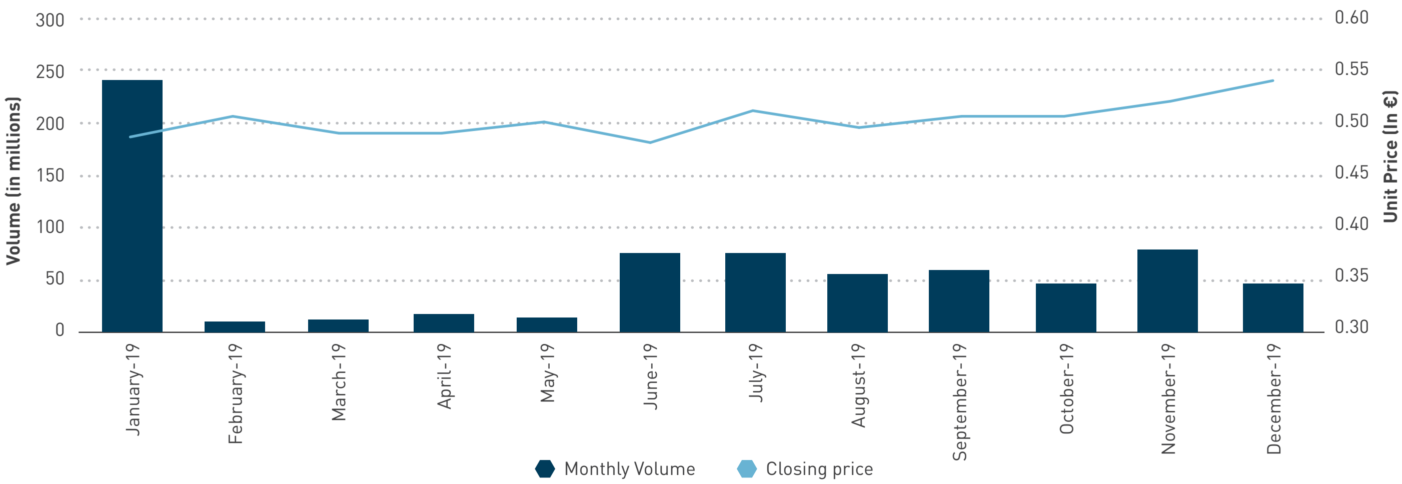
TRADING STATISTICS FOR FINANCIAL YEAR (€-DENOMINATED CNNU.SI)[1]

	2019	2018
Opening price	€ 0.440	€ 0.514
Highest price	€ 0.545	€ 0.588
Lowest price	€ 0.440	€ 0.410
Closing price	€ 0.540	€ 0.440
Adj. volume weighted average price[2]	€0.485	€ 0.488
Total volume traded (million Units)	735.91	217.32
Unit price performance	22.73%	-14.39%
Average volume per day (million Units)	2.955	0.894

TOTAL RETURN 2019 (€-DENOMINATED CNNU.SI)



MONTHLY VOLUMES AND UNIT PRICE PERFORMANCE (€-DENOMINATED CNNU.SI)

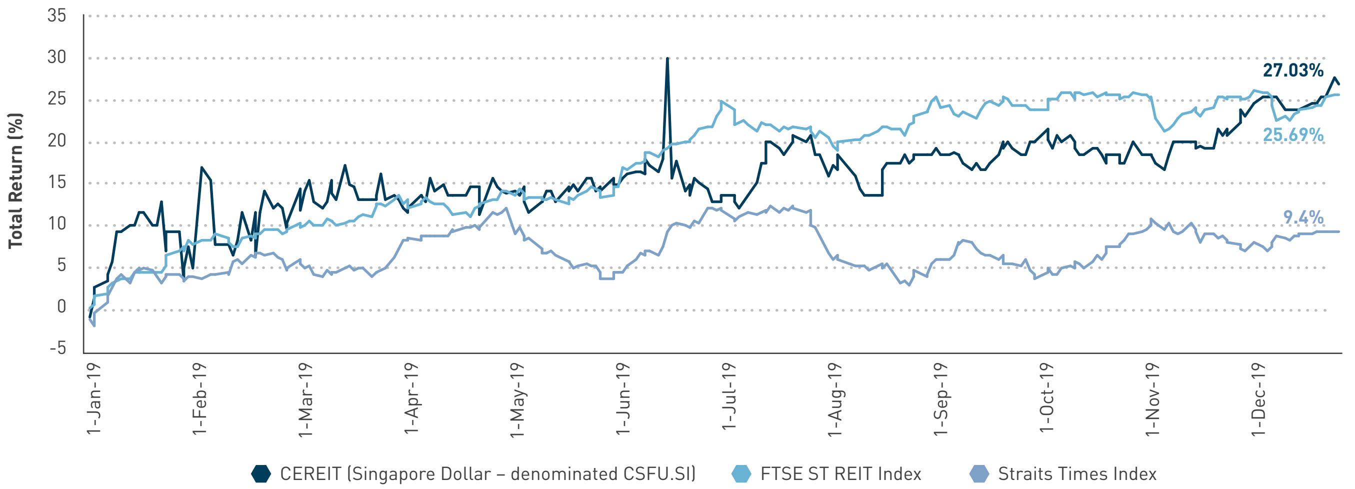


1 Data retrieved from Thomson Reuters Eikon (All Data excl. VWAP) & Shareinvestor (VWAP)
2 Adjusted for corporate actions to ensure that prices are comparable across different periods

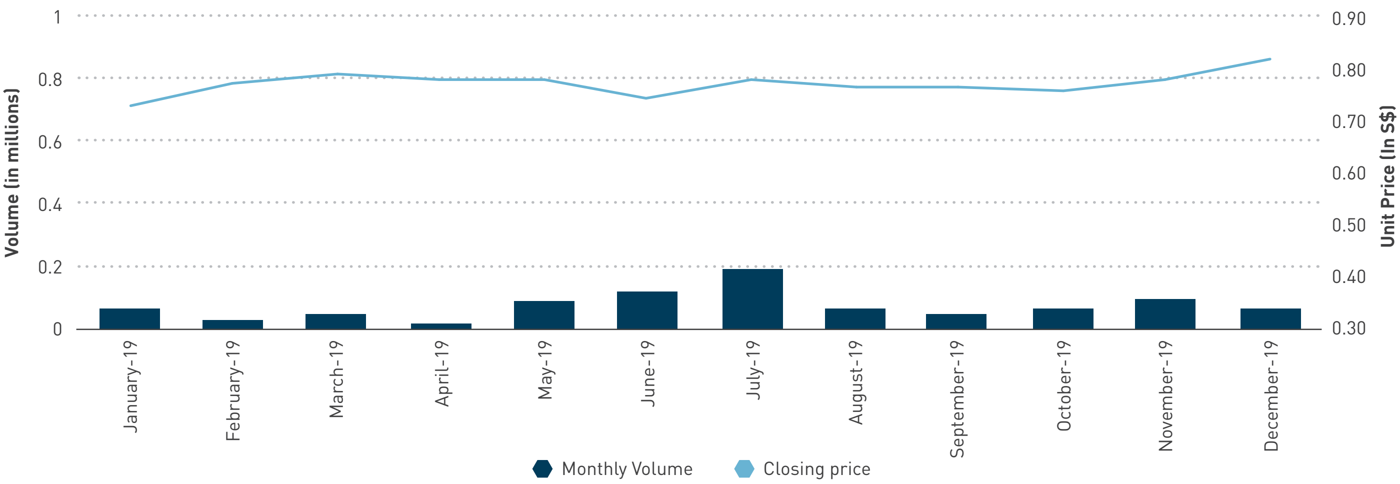
TRADING STATISTICS FOR FINANCIAL YEAR (S$-DENOMINATED CSFU.SI)[1]

	2019	2018
Opening price	$ 0.690	$ 0.866
Highest price	$ 1.35	$ 0.972
Lowest price	$ 0.680	$ 0.640
Closing price	$ 0.815	$ 0.690
Adj. volume weighted average price[2]	$ 0.7618	$ 0.7453
Total volume traded (million Units)	14.7	2.5
Unit price performance	18.12%	-23.97%
Average volume per day (million Units)	0.084	0.051

TOTAL RETURN 2019 ($S – DENOMINATED CSFU.SI)



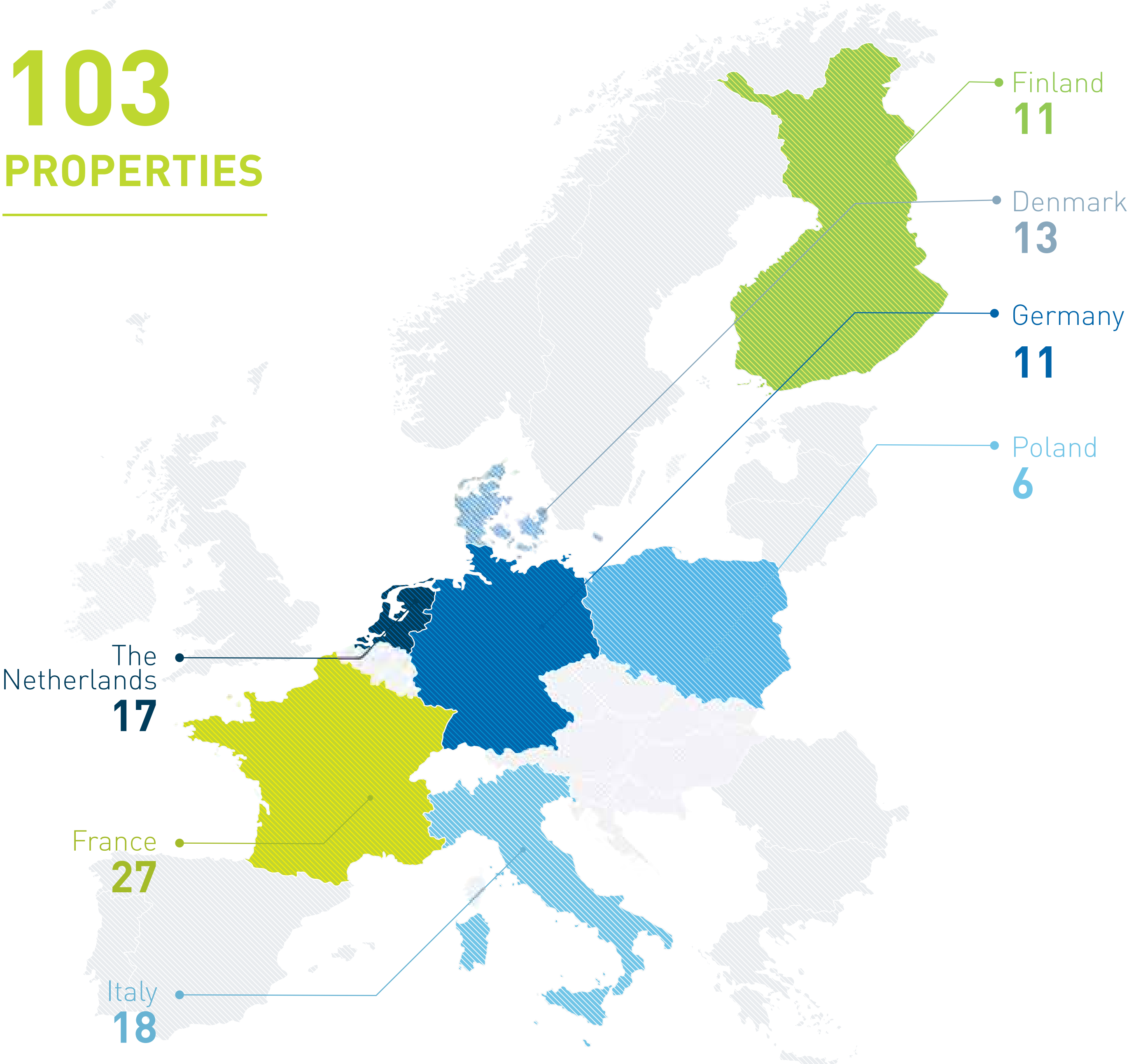
MONTHLY VOLUMES AND UNIT PRICE PERFORMANCE (S$-DENOMINATED CSFU.SI)



1 Data retrieved from Thomson Reuters Eikon (All Data excl. VWAP) & Shareinvestor (VWAP)
2 Adjusted for corporate actions to ensure that prices are comparable across different periods

PROPERTY PORTFOLIO OVERVIEW

103 PROPERTIES



39
OFFICES

59
LIGHT INDUSTRIAL / LOGISTICS

5
OTHERS

The Netherlands
Office

1. Haagse Poort
2. Central Plaza
3. Bastion
4. Moeder Teresalaan 100 / 200
5. De Ruyterkade 5
6. Koningskade 30
7. Blaak 40

Light Industrial / logistics

8. Veemarkt 27-75 / 50-67 / 92-114
9. Capronilaan 22 - 56
10. Boekweitstraat 1 - 21 & Luzernestraat 2 - 12
11. Folkstoneweg 5 - 15
12. Kapoeasweg 4 - 16
13. Bohrweg 19 - 57 & 20 - 58
14. Antennestraat 46 - 76 & Televisieweg 42 - 52
15. Harderwijkerstraat 5 - 29
16. Fahrenheitbaan 4 - 4D
17. Nieuwgraaf 9A - 19 & Fotograaf 32 - 40

Italy
Office

1. Piazza Affari 2
2. Via dell'Amba Aradam 5
3. Via Pianciani 26
4. Building F7-F11
5. Via Nervesa 21
6. Via Camillo Finocchiaro Aprile 1
7. Cassiopea 1, Cassiopea 2, Cassiopea 3
8. Nuova ICO
9. Via della Fortezza 8
10. Corso Lungomare Trieste 23
11. Corso Annibale Santorre di Santa Rosa 15
12. Via Rampa Cavalcavia 16-18

Light Industrial / Logistics

13. Strada Provinciale Adelfia

Others

14. Viale Europa 95
15. Starhotels Grand Milan
16. Via Madre Teresa di Calcutta 4
17. Via Salara Vecchia 13
18. Via Brigata Padova 19

France
Office

1. Paryseine
2. Cap Mermoz
3. Lénine

Light Industrial / Logistics

4. Parc des Docks
5. Parc des Guillaumes
6. Parc du Landy
7. Parc des Grésillons
8. Parc Delizy
9. Parc Urbaparc
10. Parc Béziers
11. Parc du Merantais
12. Parc Jean Mermoz
13. Parc des Érables
14. Parc Louvresses
15. Parc Locaparc 2
16. Parc de Champs
17. Parc Parçay-Meslay
18. Parc Acticlub
19. Parc le Prunay
20. Parc de Popey
21. Parc Sully
22. Parc du Bois du Tambour
23. Parc de l'Esplanade
24. Parc des Mardelles
25. Parc des Aqueducs
26. Parc Jules Guesde
27. Parc de la Chauvetière

Poland
Office

1. Business Garden
2. Green Office
3. Riverside Park
4. Avatar
5. Grójecka 5
6. Arkońska Business Park

Germany
Light Industrial / Logistics

1. Parsdorfer Weg 10
2. Siemensstraße 11
3. An der Kreuzlache 8-12
4. Henschelring 4
5. Kolumbusstraße 16
6. Frauenstraße 31
7. Moorfleeter Straße 27, Liebigstraße 67-71
8. Hochstraße 150-152
9. Dresdner Straße 16, Sachsenring 52
10. Kinzigheimer Weg 114
11. An der Steinlach 8-10

Finland
Office

1. Opus 1
2. Plaza Vivace
3. Plaza Forte
4. Grandinkulma
5. Myyrmäenraitti 2
6. Pakkalankuja 6
7. Äyritie 8 B
8. Mäkitorpantie 3b
9. Kauppakatu 39
10. Purotie 1
11. Pakkalankuja 7

Denmark
Light Industrial / Logistics

1. Priorparken 700
2. Naverland 7-11
3. Priorparken 800
4. Islevdalvej 142
5. Herstedvang 2-4
6. Stamholmen 111
7. Naverland 8
8. Fabriksparken 20
9. Hørskætten 4-6
10. Hørskætten 5
11. Naverland 12
12. Hjulmagervej 3-19
13. C.F. Tietgensvej 10

TOP 10 PROPERTIES[1]

01

Haagse Poort, Prinses Beatrixlaan 35 - 37 & Schenkkade 60 - 65, Den Haag, The Netherlands

PROPERTY DESCRIPTION

Haagse Poort is an impressive office building, spanning approximately 68,500 sqm. The property consists of a high-rise and a low-rise section, connected by an arch on the seventh floor. The high-rise building consists of 18 floors of office space and the low-rise building consists of eight floors of office space.

The Haagse Poort is in the Beatrixkwartier, in the Bezuidenhout, near the city centre. The arch spans the A12 motorway, making it the modern city gate of Den Haag. The A13 towards Delft and Rotterdam and the A4 towards Amsterdam can be reached within a few minutes via the A12. The Randstadrail stop is 150 meters away. Various buses and trams have a stop in front of the building.

Property Type	Office
Acquisition date	30 Nov 2017
Valuation[2]	€169,400,000
NLA	68,502 sqm
Gross Revenue FY 2019	€14,945,203
Occupancy	95.2%
Lease type	Multi-tenanted
Land tenure	Part Freehold, Part Right of Superficies and Part Perpetual Leasehold

1 The top 10 properties collectively represent approximately 46 percent of the portfolio based on latest applicable valuation
2 As at 31 Dec 2019

TOP 10 PROPERTIES

02

Central Plaza, Plaza 2 – 25 (retail) / Weena 580 – 618 (offices), Rotterdam, The Netherlands

PROPERTY DESCRIPTION

Central Plaza consists of office space spread over two office towers A and B, each with its own entrance and retail. The office space is spread over 10 floors. The retail area, with a varied selection of fashion stores, restaurants and the Holland Casino, is located on the ground floor of Central Plaza. The parking garage of Central Plaza has two levels and offers space for 487 cars. The garage is accessible to Central Plaza tenant-customers, visitors and the general public.

Central Plaza is located in Rotterdam in the province of South-Holland in the west of the Netherlands. The property is in the Rotterdam central business district and next to Rotterdam Central Station, where trains to Paris, Antwerp and Brussels leave every hour. Schiphol Airport, one of Europe's largest airports, can be reached in 25 minutes.

Property Type	Office
Acquisition date	19 Jun 2017
Valuation	€164,200,000
NLA	33,263 sqm
Gross Revenue FY 2019	€11,392,446
Occupancy	97.8%
Lease type	Multi-tenanted
Land tenure	Part Freehold, Part Leasehold

TOP 10 PROPERTIES

03

Parc des Docks, 50 rue Ardoin, Saint Ouen, France

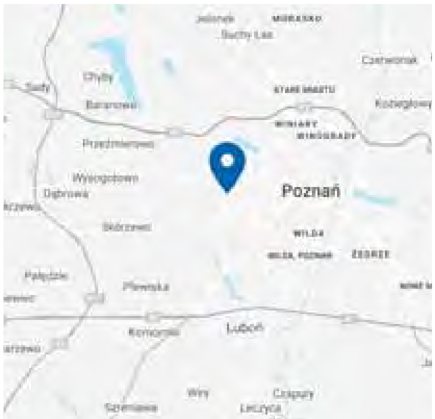
PROPERTY DESCRIPTION

Parc Des Docks is a freehold property located in Saint-Ouen in the northern suburb of Ile-de-France on the outskirts of Paris; Saint-Ouen is easily accessible from Paris by road and public transport and is approximately 22km from Roissy-Charles de Gaulle International airport. The property is located in an area dominated by industrial uses, close to the River Seine.

Parc Des Docks's site is neighbouring a site occupied by a local authority building.Opposite the property there are recently-constructed residential buildings. The site is rectangular and designated for mixed use. The site is well-maintained, fenced and gated, with 24-hour security provided by site security guard. The site benefits from approximately 73,371 sqm of office and light industrial / warehouse space of varying specifications.

Property Type	Light Industrial/ Logistics
Acquisition date	30 Nov 2017
Valuation	€125,500,000
NLA	73,371 sqm
Gross Revenue FY 2019	€10,489,613
Occupancy	86.6%
Lease type	Multi-tenanted
Land tenure	Freehold

TOP 10 PROPERTIES



04

Business Garden, 2,4,6,8 and 10 Kolorowa Street, Poznań, Poland

PROPERTY DESCRIPTION

Business Garden is a freehold office property with NLA of 42,278 sqm. The four office buildings located at Kolorowa Street, representing the first phase of the nine buildings comprising Business Garden Poznań, were commissioned in 2015. Business Garden Poznań is one of the few projects located outside city centres that have received Platinum LEED certification in Poland.

Business Garden is located within a large academic cluster with over 110,000 students and 24 universities and centrally-positioned between the Poznań city centre and Poznań Airport. The property is well-connected to public transport such as trams, buses and trains. Business Garden is also close to King Cross Marcelin, a popular shopping centre and INEA football stadium.

Property Type	Office
Acquisition date	24 Sep 2019
Valuation	€89,100,000
NLA	42,278 sqm
Gross Revenue FY 2019	€2,561,324
Occupancy	100%
Lease type	Multi-tenanted
Land tenure	Freehold

TOP 10 PROPERTIES

05

Piazza Affari 2, Piazza degli Affari 2, Milan, Italy

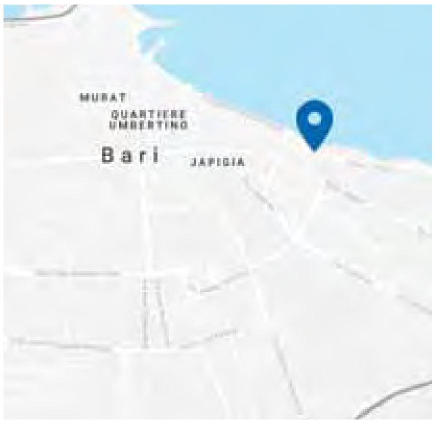
PROPERTY DESCRIPTION

Piazza Affari 2 consists of eight floors and two basement levels and has a total NLA of 7,508 sqm. It was built in the 1930's and partially refurbished in 2017. The design of the facade is inspired by rationalist architecture. It currently hosts the national headquarters of five multinational companies.

Piazza Affari is in the heart of the CBD of Milan, approximately 500 meters from Duomo Cathedral. The surrounding area includes prime office properties, hosting many Fortune 500 companies. It is easily accessible by foot from Duomo and it takes approximately 25 minutes by car to get to Linate Airport, while the Central Railway Station is easily accessible by metro in less than ten minutes.

Property Type	Office
Acquisition date	30 Nov 2017
Valuation	€87,000,000
NLA	7,508 sqm
Gross Revenue FY 2019	€3,989,560
Occupancy	99.6%
Lease type	Multi-tenanted
Land tenure	Freehold

TOP 10 PROPERTIES



06

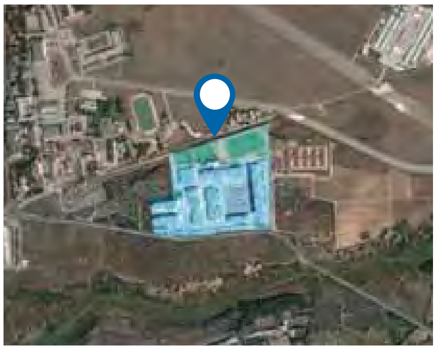
Viale Europa 95, Viale Europa 95, Bari, Italy

PROPERTY DESCRIPTION

Viale Europa 95 is a large complex built in the early 2000's to host the Tax Police Academy of the South East of Italy. It consists of 11 buildings with varied uses: classrooms, dormitory, auditorium, office, church, outdoor and indoor sport facilities and a large parade ground and car park.

The property is located in Bari, in the Apulia region of southern Italy. It is in close proximity to the airport of Bari (2 km away). Next to the complex is a metro station with a direct connection to the city centre of Bari (25 minutes).

Property Type	Others
Acquisition date	30 Nov 2017
Valuation	€81,000,000
NLA	123,261 sqm
Gross Revenue FY 2019	€9,537,300
Occupancy	100.0%
Lease type	Master
Land tenure	Freehold



TOP 10 PROPERTIES

07

Bastion, Willemsplein 2 - 10, 's-Hertogenbosch, The Netherlands

PROPERTY DESCRIPTION

Bastion is an impressive building spanning 31,979 sqm across eight floors with six office wings and with an EPC energy label A. It is in the shape of a bastion with round towers that lead to pointed roofs. The building was expanded and renovated in 2005 by adding new wings at the rear. The property is located on a freehold plot of 18,710 sqm.

Bastion building is located opposite the Paleiskwartier, within walking distance of the central station of the city. The centre of 's-Hertogenbosch is a five-minutes walk away. The major highways on the south side of the city (A2 and A65) are also a few minutes' drive away.

Property Type	Office
Acquisition date	28 Dec 2018
Valuation	€79,000,000
NLA	31,979 sqm
Gross Revenue FY 2019	€6,689,873
Occupancy	94.7%
Lease type	Multi-tenanted
Land tenure	Freehold

TOP 10 PROPERTIES

08

Moeder Teresalaan 100 / 200, Moeder Teresalaan 100 / 200, Utrecht, The Netherlands

PROPERTY DESCRIPTION

Moeder Teresalaan 100 / 200 is a building spanning 21,922 sqm NLA spread over two office buildings with energy label A. Moeder Teresalaan 100 has five floors, while Moeder Teresalaan 200 has eight floors. The buildings are connected by an underground parking garage. In total, there are 352 parking places in the underground garage and on the parking deck. The property is located on a leasehold plot which has been paid for in perpetuity.

Moeder Teresalaan 100 / 200 is located in the city centre of Utrecht, the fourth largest city in the Netherlands. It is also two tram stops from Utrecht Central Station and a two-minute drive from the main A2 motorway.

Property Type	Office
Acquisition date	28 Dec 2018
Valuation	€57,000,000
NLA	21,922 sqm
Gross Revenue FY 2019	€3,718,984
Occupancy	100%
Lease type	Multi-tenanted
Land tenure	Perpetual Leasehold

TOP 10 PROPERTIES

09

De Ruyterkade 5, De Ruyterkade 5, Amsterdam, The Netherlands

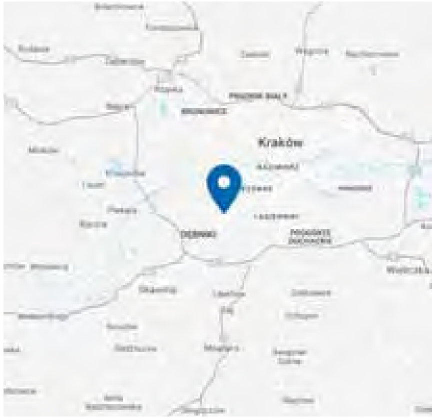
PROPERTY DESCRIPTION

De Ruyterkade 5 is an office building with 8,741 sqm of NLA spread over six floors. The building has 56 parking places in an underground garage and 38 parking places on the ground level. The building was built in 1989 for its current tenant-customer and was partly refurbished in 2008.

The property is located in Amsterdam, in the 'Zuidelijke IJ-Oevers' district within the city centre. The area is the former harbour district, which has been redeveloped during the last 15 years. The property is situated on the main road along the IJ-River connecting the west to the east of Amsterdam. The property benefits from excellent accessibility, with the Central Station located about 500 m away and the S100 providing direct access to the A10 ring road.

Property Type	Office
Acquisition date	19 Jun 2017
Valuation	€52,350,000
NLA	8,741 sqm
Gross Revenue FY 2019	€2,605,042
Occupancy	100.0%
Lease type	Single tenant
Land tenure	Continuing Leasehold

TOP 10 PROPERTIES



10

Green Office, 80, 80A, 82 and 84,
Czerwone Maki Street, Kraków, Poland

PROPERTY DESCRIPTION

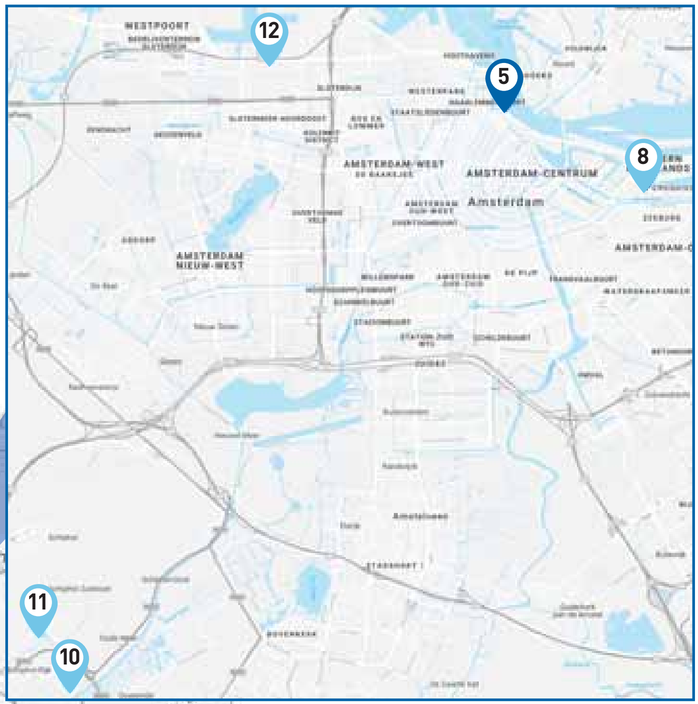
The Green Office comprises two office buildings with a total of 23,104 sqm of lettable space. The property is located in 'Krakowski Park Technologiczny' Special Economic Zone, which is a well-known, large business park in Krakow.

The Green Office Asset property has BREEAM certification with "very good" levels in both the Asset performance and Building Management categories.

The property is close to the Krakow motorway ring road and benefits from quick access to the Krakow Airport.

Property Type	Office
Acquisition date	25 Jul 2019
Valuation	€52,250,000
NLA	23,104 sqm
Gross Revenue FY 2019	€3,189,705
Occupancy	99.4%
Lease type	Multi-tenanted
Land tenure	Freehold

THE NETHERLANDS ASSETS



OFFICE

1 Haagse Poort,
Prinses Beatrixlaan 35 - 37 &
Schenkkade 60 - 65, Den Haag

2 Central Plaza,
Plaza 2 – 25 (retail) / Weena 580 – 618 (offices), Rotterdam

3 Bastion,
Willemsplein 2 - 10, 's-Hertogenbosch

4 Moeder Teresalaan 100 / 200,
Utrecht

OFFICE

5 De Ruyterkade 5, Amsterdam

6 Koningskade 30, Den Haag

7 Blaak 40, Rotterdam

LIGHT INDUSTRIAL / LOGISTICS

8 Veemarkt, Veemarkt 27-75 / 50-76 / 92-114, Amsterdam

9 Capronilaan 22 - 56, Schiphol-Rijk

10 Boekweitstraat 1 - 21 & Luzernestraat 2 - 12, Nieuw-Vennep

11 Folkstoneweg 5 - 15, Schiphol

12 Kapoeasweg 4 - 16, Amsterdam

13 Bohrweg 19 - 57 & 20 - 58, Spijkenisse

14 Antennestraat 46 - 76 & Televisieweg 42 - 52, Almere

15 Harderwijkerstraat 5 - 29, Deventer

16 Fahrenheitbaan 4 - 4D, Nieuwegein

17 Nieuwgraaf 9A - 19 & Fotograaf 32 - 40, Duiven

THE NETHERLANDS ASSETS

	Address	Acquisition date	Purchase Price (€)	Valuation (€) 31 Dec 2019
	Office			
1	Haagse Poort, Prinses Beatrixlaan 35 - 37 & Schenkkade 60 - 65, Den Haag	30 Nov 2017	158,750,000	169,400,000
2	Central Plaza, Plaza 2 – 25 (retail) / Weena 580 – 618 (offices), Rotterdam	19 Jun 2017	156,805,000	164,200,000
3	Bastion, Willemsplein 2 - 10, 's-Hertogenbosch	28 Dec 2018	76,850,000	79,000,000
4	Moeder Teresalaan 100 / 200, Utrecht	28 Dec 2018	50,727,904	57,000,000
5	De Ruyterkade 5, Amsterdam	19 Jun 2017	36,365,000	52,350,000
6	Koningskade 30, Den Haag	19 Jun 2017	16,595,000	18,600,000
7	Blaak 40, Rotterdam	30 Nov 2017	15,950,000	16,900,000
	Light Industrial / Logistics			
8	Veemarkt, Veemarkt 27-75 / 50-76 / 92-114, Amsterdam	30 Nov 2017	35,500,000	37,150,000
9	Capronilaan 22 - 56, Schiphol-Rijk	30 Nov 2017	6,250,000	6,850,000
10	Boekweitstraat 1 - 21 & Luzernestraat 2 - 12, Nieuw-Vennep	30 Nov 2017	5,155,000	6,050,000
11	Folkstoneweg 5 - 15, Schiphol	30 Nov 2017	5,200,000	5,350,000
12	Kapoeasweg 4 - 16, Amsterdam	30 Nov 2017	2,575,000	3,900,000
13	Bohrweg 19 - 57 & 20 - 58, Spijkenisse[1]	30 Nov 2017	4,520,000	5,829,416
14	Antennestraat 46 - 76 & Televisieweg 42 - 52, Almere[1]	30 Nov 2017	3,600,000	4,205,675
15	Harderwijkerstraat 5 - 29, Deventer[1]	30 Nov 2017	3,385,000	4,163,869
16	Fahrenheitbaan 4 - 4D, Nieuwegein[1]	30 Nov 2017	2,000,000	2,602,418
17	Nieuwgraaf 9A - 19 & Fotograaf 32 - 40, Duiven[1]	30 Nov 2017	1,815,000	2,590,369

1 Properties held for sale are recorded at their respective sales price. Completion occurred on 24 March 2020

NLA (sqm)	Gross Revenue (€) FY 2019	Occupancy	Lease type	Land tenure
68,502	14,945,203	95.2%	Multi-tenanted	Part Freehold, Part Right of Superficies and Part Perpetual Leasehold
33,263	11,392,446	97.8%	Multi-tenanted	Part Freehold and Part Leasehold Interest Ending 31 July 2088
31,979	6,689,873	94.7%	Multi-tenanted	Freehold
21,922	3,718,984	100.0%	Multi-tenanted	Perpetual Leasehold
8,741	2,605,042	100.0%	Single tenant	Continuing Leasehold
5,696	1,165,359	100.0%	Single tenant	Perpetual Leasehold
7,788	1,539,530	84.3%	Multi-tenanted	Freehold
21,701	2,794,563	100.0%	Multi-tenanted	Continuing Leasehold
5,250	581,340	100.0%	Multi-tenanted	Freehold
8,638	646,091	100.0%	Multi-tenanted	Freehold
5,438	895,748	100.0%	Multi-tenanted	Leasehold
5,563	417,079	100.0%	Multi-tenanted	Freehold
7,289	587,388	85.4%	Multi-tenanted	Freehold
6,178	487,544	98.8%	Multi-tenanted	Freehold
12,238	621,811	100.0%	Multi-tenanted	Freehold
4,599	304,436	100.0%	Multi-tenanted	Freehold
5,420	312,126	82.7%	Multi-tenanted	Freehold

ITALY ASSETS

OFFICE

1 Piazza Affari 2,
Piazza degli Affari 2, Milan

2 Via dell'Amba Aradam 5,
Rome

3 Via Pianciani 26,
Rome

OFFICE

4 Building F7-F11,
Viale Milanofiori 1, Assago

5 Via Nervesa 21,
Milan

6 Via Camillo Finocchiaro Aprile 1,
Genova

7 Cassiopea 1-2-3,
Via Paracelso 22-24-26, Milan

8 Nuova ICO,
Via Guglielmo Jervis 9, Ivrea

9 Via della Fortezza 8,
Florence

10 Corso Lungomare Trieste 29,
Bari

11 Corso Annibale Santorre di Santa
Rosa 15, Cuneo

12 Via Rampa Cavalcavia 16-18,
Venice Mestre

LIGHT INDUSTRIAL / LOGISTICS

13 Strada Provinciale Adelfia,
Rutigliano

OTHERS

14 Viale Europa 95,
Bari

15 Starhotels Grand Milan,
Via Varese 23, Saronno

OTHERS

16 Via Madre Teresa di Calcutta 4,
Lissone

17 Via Salara Vecchia 13,
Pescara

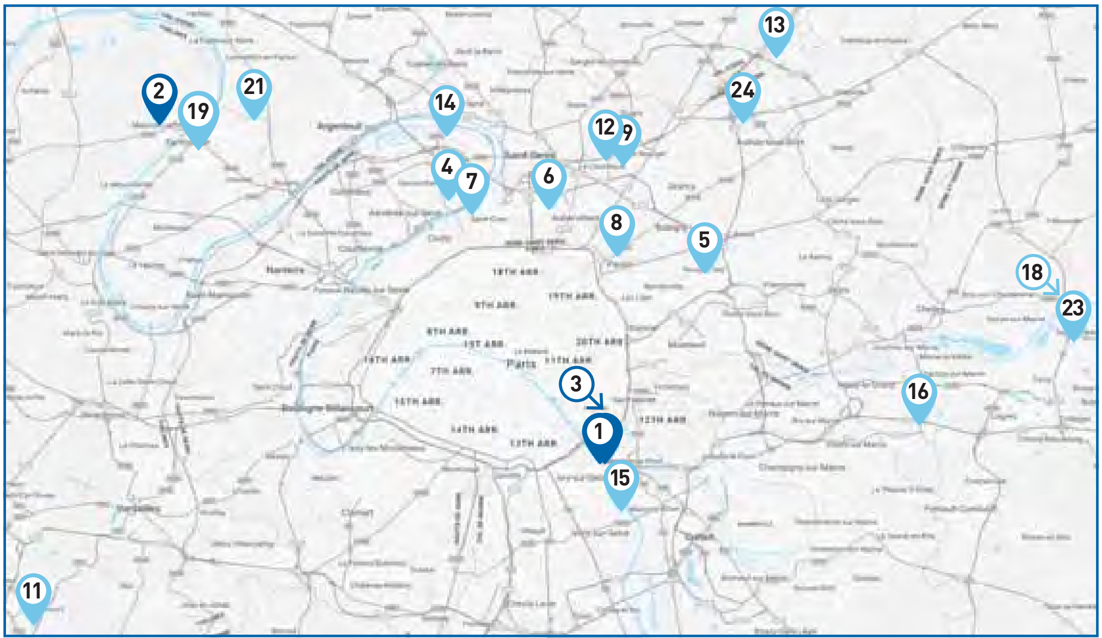
18 Via Brigata Padova 19,
Padova

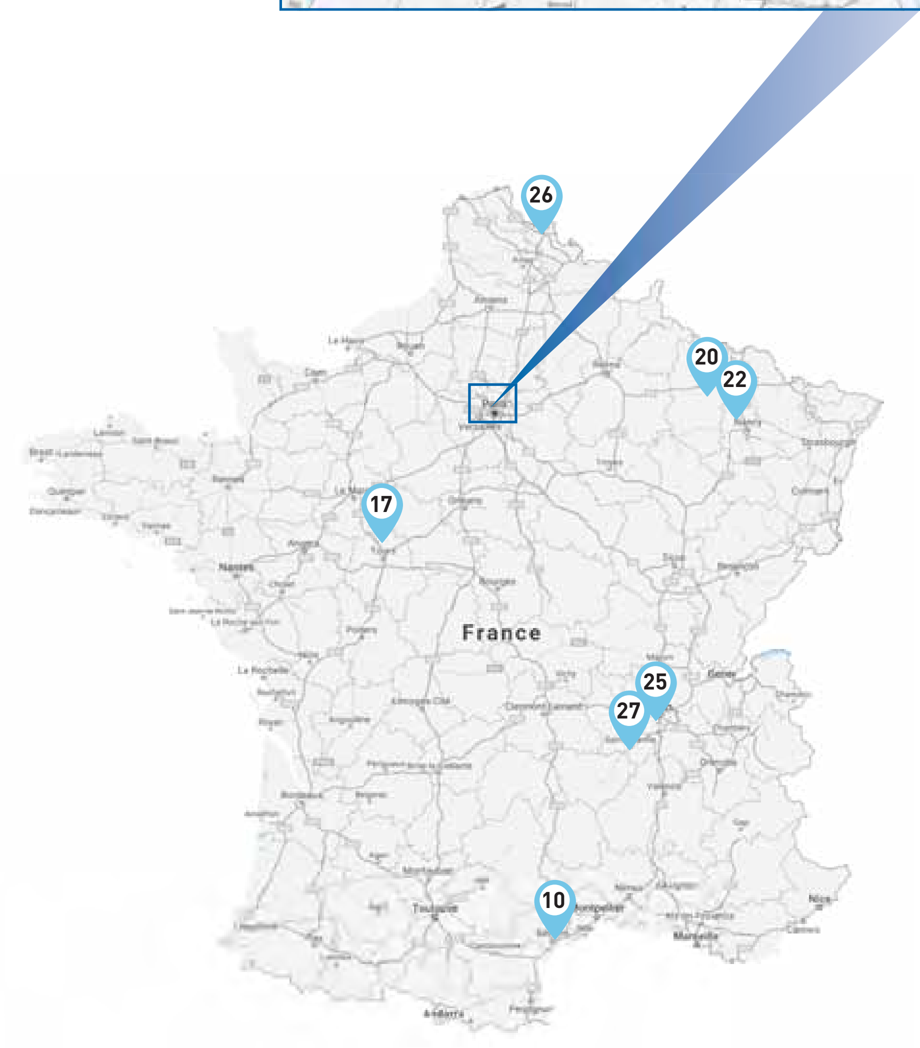
ITALY ASSETS

	Address	Acquisition date	Purchase Price (€)	Valuation (€) 31 Dec 2019
	Office			
1	Piazza Affari 2, Piazza degli Affari 2, Milan	30 Nov 2017	81,700,000	87,000,000
2	Via dell'Amba Aradam 5, Rome	30 Nov 2017	49,800,000	50,700,000
3	Via Pianciani 26, Rome	30 Nov 2017	33,900,000	33,500,000
4	Building F7-F11, Viale Milanofiori 1, Assago	30 Nov 2017	27,600,000	27,100,000
5	Via Nervesa 21, Milan	30 Nov 2017	25,400,000	25,400,000
6	Via Camillo Finocchiaro Aprile 1, Genova	5 Dec 2018	23,775,000	23,950,000
7	Cassiopea 1-2-3, Via Paracelso 22-24-26, Milan	28 Nov 2019	17,700,000	17,700,000
8	Nuova ICO, Via Guglielmo Jervis 9, Ivrea	27 Jun 2018	16,900,000	16,950,000
9	Via della Fortezza 8, Florence	15 Feb 2018	17,350,000	16,900,000
10	Corso Lungomare Trieste 29, Bari	5 Dec 2018	12,250,000	12,250,000
11	Corso Annibale Santorre di Santa Rosa 15, Cuneo	30 Nov 2017	9,550,000	8,850,000
12	Via Rampa Cavalcavia 16-18, Venice Mestre	30 Nov 2017	5,600,000	5,500,000
	Light Industrial / Logistics			
13	Strada Provinciale Adelfia, Rutigliano	30 Nov 2017	12,000,000	12,575,000
	Others			
14	Viale Europa 95, Bari	30 Nov 2017	83,100,000	81,000,000
15	Starhotels Grand Milan, Via Varese 23, Saronno	30 Nov 2017	19,100,000	20,000,000
16	Via Madre Teresa di Calcutta 4, Lissone	30 Nov 2017	20,800,000	19,750,000
17	Via Salara Vecchia 13, Pescara	30 Nov 2017	13,000,000	12,750,000
18	Via Brigata Padova 19, Padova	30 Nov 2017	6,000,000	4,850,000

NLA (sqm)	Gross Revenue (€) FY 2019	Occupancy	Lease type	Land tenure
7,508	3,989,560	99.6%	Multi-tenanted	Freehold
16,688	3,623,011	100.0%	Master	Freehold
10,725	2,965,900	100.0%	Multi-tenanted	Freehold
16,160	2,013,372	84.8%	Multi-tenanted	Freehold
9,712	2,229,550	100.0%	Single tenant	Freehold
15,537	2,080,094	100.0%	Master	Freehold
12,218	145,805	93.3%	Multi-tenanted	Freehold
19,743	1,480,002	100.0%	Multi-tenanted	Freehold
9,139	1,479,300	100.0%	Master	Freehold
11,674	1,134,008	100.0%	Master	Freehold
8,795	844,400	100.0%	Master	Freehold
4,081	513,741	100.0%	Master	Freehold
29,638	1,131,507	100.0%	Multi-tenanted	Freehold
123,261	9,537,300	100.0%	Master	Freehold
17,400	1,734,067	100.0%	Single tenant	Freehold
11,767	2,432,143	100.0%	Multi-tenanted	Freehold
15,998	1,330,223	100.0%	Master	Freehold
8,151	613,322	100.0%	Master	Freehold

FRANCE ASSETS





OFFICE

1 Paryseine,
3 Allée de la Seine,
Ivry-Sur Seine, Paris

2 Cap Mermoz,
38-44 rue Jean Mermoz,
Maisons-Laffitte, Paris

3 Lénine,
1 rue de Lénine, 94200 Ivry-Sur Seine,
Ivry-Sur Seine, Paris

LIGHT INDUSTRIAL / LOGISTICS

4 Parc des Docks,
50 rue Ardoin,
Saint Ouen

5 Parc des Guillaumes,
58 rue de Neuilly – 2 rue du Trou Morin,
ZAC des Guillaumes, Noisy-le-Sec

6 Parc du Landy,
61 rue du Landy,
Aubervilliers

7 Parc des Grésillons,
167-169 avenue des Grésillons,
Gennevilliers

8 Parc Delizy,
32 rue Délizy,
Pantin

9 Parc Urbaparc,
75-79 rue du Rateau,
La Courneuve

10 Parc Béziers,
Rue Charles Nicolle,
Villeneuve-lès-Béziers

11 Parc du Merantais,
1-3 rue Georges Guynemer,
Magny-Les-Hameaux

12 Parc Jean Mermoz,
53 rue de Verdun – 81, rue Maurice
Berteaux, La Courneuve

13 Parc des Érables,
154 allée des Érables,
Villepinte

14 Parc Louvresses,
46-48 boulevard Dequevauvilliers,
Gennevilliers

15 Parc Locaparc 2,
59-65 rue Edith Cavell,
Vitry-sur-Seine

16 Parc de Champs,
40 boulevard de Nesles, ZAC le Ru du
Nesles, Champs sur Marne

17 Parc Parçay-Meslay,
ZI du Papillon,
Parcay-Meslay

18 Parc Acticlub,
2 rue de la Noue Guimante, ZI de la
Courtillière, Saint Thibault des Vignes

FRANCE ASSETS

LIGHT INDUSTRIAL / LOGISTICS

19 Parc le Prunay,
13-41 rue Jean Pierre Timbaud,
ZI du Prunay, Sartrouville

20 Parc de Popey,
5 chemin de Popey,
Bar-le-Duc

21 Parc Sully ,
105 route d'Orléans,
Sully-sur-Loire

25 Parc des Aqueducs,
Chemin du Favier,
St Genis Laval

26 Parc Jules Guesde,
1 allée du Chargement, rue Jules
Guesde, ZAC du Tir à Loques,
Villeneuve D'Asq

27 Parc de la Chauvetière,
4-28 rue du Vercors,
Saint Etienne

	Address	Acquisition date	Purchase Price (€)	Valuation (€) 31 Dec 2019
	Office			
1	Paryseine, 3 Allée de la Seine, Ivry-Sur Seine, Paris	17 Jul 2019	35,203,326	36,800,000
2	Cap Mermoz, 38-44 rue Jean Mermoz, Maisons-Laffitte, Paris	17 Jul 2019	38,022,076	36,000,000
3	Lénine, 1 rue de Lénine, 94200 Ivry-Sur Seine, Ivry-Sur Seine, Paris	17 Jul 2019	5,500,000	5,900,000
	Light Industrial / Logistics			
4	Parc des Docks, 50 rue Ardoin, Saint Ouen	30 Nov 2017	98,000,000	125,500,000
5	Parc des Guillaumes, 58 rue de Neuilly – 2 rue du Trou Morin, ZAC des Guillaumes, Noisy-le-Sec	30 Nov 2017	24,000,000	25,800,000
6	Parc du Landy, 61 rue du Landy, Aubervilliers	30 Nov 2017	18,600,000	21,200,000
7	Parc des Grésillons, 167-169 avenue des Grésillons, Gennevilliers	30 Nov 2017	17,250,000	19,600,000
8	Parc Delizy, 32 rue Délizy, Pantin	30 Nov 2017	18,100,000	18,800,000
9	Parc Urbaparc, 75-79 rue du Rateau, La Courneuve	30 Nov 2017	12,600,000	15,100,000
10	Parc Béziers, Rue Charles Nicolle, Villeneuve-lès-Béziers	23 Jan 2019	10,200,000	10,700,000
11	Parc du Merantais, 1-3 rue Georges Guynemer, Magny-Les-Hameaux	30 Nov 2017	9,400,000	10,400,000
12	Parc Jean Mermoz, 53 rue de Verdun – 81, rue Maurice Berteaux, La Courneuve	30 Nov 2017	7,500,000	8,100,000
13	Parc des Érables, 154 allée des Érables, Villepinte	30 Nov 2017	6,100,000	7,700,000
14	Parc Louvresses, 46-48 boulevard Dequevauvilliers, Gennevilliers	14 Feb 2019	6,800,000	6,700,000

22 Parc du Bois du Tambour, Route de Nancy, Gondreville

23 Parc de l'Esplanade, Rue Paul Henri Spaak - rue Enrico Fermi - rue Niels Bohr, Saint Thibault des Vignes

24 Parc des Mardelles, 44 rue Maurice de Broglie, 16, rue Henri Becquerel, Aulnay-sous-Bois

NLA (sqm)	Gross Revenue (€) FY 2019	Occupancy	Lease type	Land tenure
20,748	1,707,667	97.3%	Multi-tenanted	Freehold
10,720	1,258,933	96.8%	Multi-tenanted	Freehold
2,320	269,447	75.9%	Multi-tenanted	Freehold
73,371	10,489,613	86.6%	Multi-tenanted	Freehold
18,682	2,719,112	97.8%	Multi-tenanted	Freehold
12,763	2,016,287	98.9%	Multi-tenanted	Freehold
10,064	1,806,353	100.0%	Multi-tenanted	Freehold
12,415	2,157,057	93.9%	Multi-tenanted	Freehold
12,607	1,599,948	100.0%	Multi-tenanted	Freehold
8,944	834,108	100.0%	Single tenant	Freehold
10,312	1,160,210	97.4%	Multi-tenanted	Freehold
6,004	744,677	86.6%	Multi-tenanted	Freehold
8,077	882,780	100.0%	Multi-tenanted	Freehold
7,404	812,924	100.0%	Single tenant	Leasehold

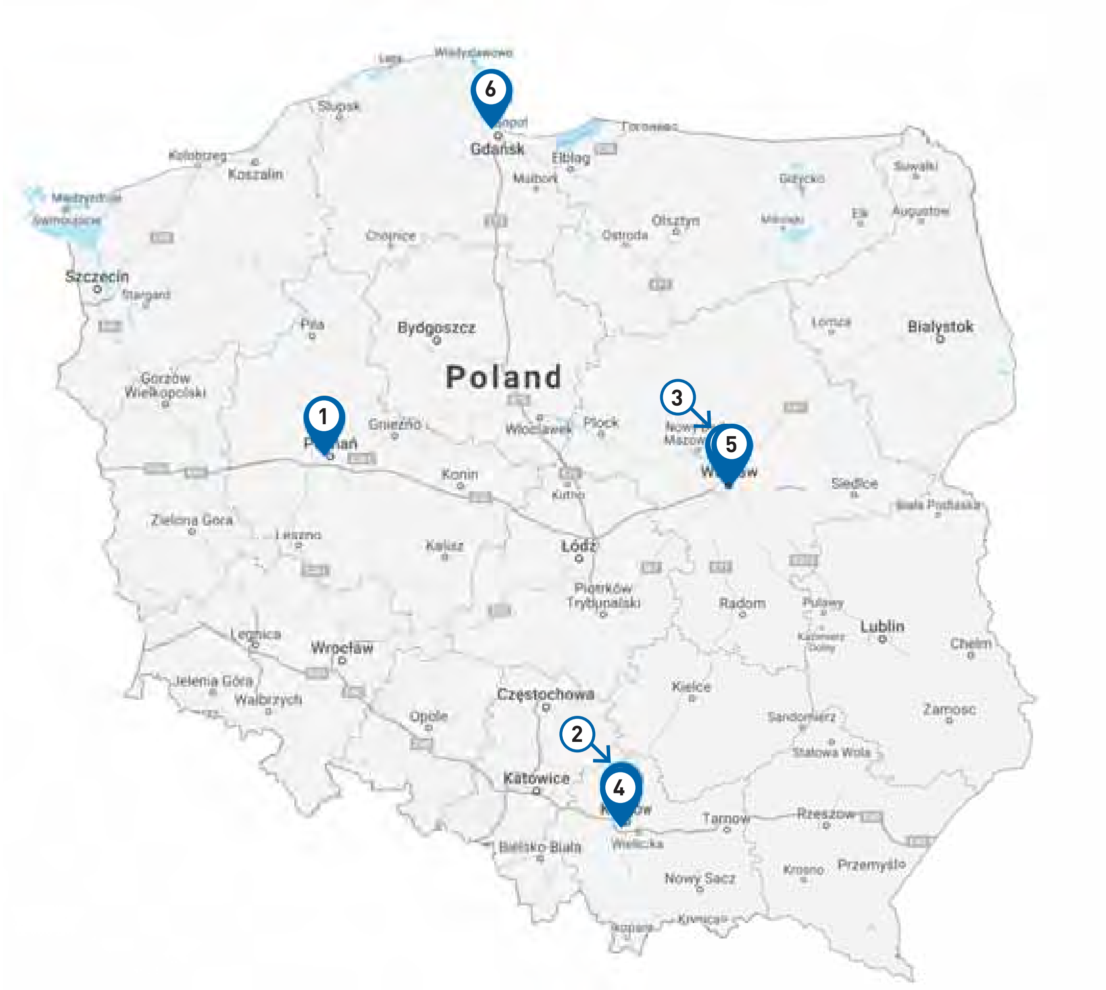
FRANCE ASSETS

	Address	Acquisition date	Purchase Price (€)	Valuation (€) 31 Dec 2019
	Light Industrial / Logistics			
15	Parc Locaparc 2, 59-65 rue Edith Cavell, Vitry-sur-Seine	30 Nov 2017	5,600,000	6,200,000
16	Parc de Champs, 40 boulevard de Nesles, ZAC le Ru du Nesles, Champs sur Marne	30 Nov 2017	5,900,000	6,100,000
17	Parc Parçay-Meslay, ZI du Papillon, Parcay-Meslay	23 Jan 2019	5,700,000	5,700,000
18	Parc Acticlub, 2 rue de la Noue Guimante, ZI de la Courtillière, Saint Thibault des Vignes	30 Nov 2017	4,700,000	5,400,000
19	Parc le Prunay, 13-41 rue Jean Pierre Timbaud, ZI du Prunay, Sartrouville	30 Nov 2017	4,900,000	5,300,000
20	Parc de Popey, 5 chemin de Popey, Bar-le-Duc	30 Nov 2017	3,800,000	4,800,000
21	Parc Sully, 105 route d'Orléans, Sully-sur-Loire	23 Jan 2019	5,500,000	4,600,000
22	Parc du Bois du Tambour, Route de Nancy, Gondreville	30 Nov 2017	2,000,000	4,000,000
23	Parc de l'Esplanade, Rue Paul Henri Spaak - rue Enrico Fermi - rue Niels Bohr, Saint Thibault des Vignes[1]	30 Nov 2017	14,800,000	17,071,861
24	Parc des Mardelles, 44 rue Maurice de Broglie, 16, rue Henri Becquerel, Aulnay-sous-Bois[1]	30 Nov 2017	9,250,000	10,301,961
25	Parc des Aqueducs, Chemin du Favier, St Genis Laval[1]	30 Nov 2017	3,800,000	4,189,772
26	Parc Jules Guesde, 1 allée du Chargement, rue Jules Guesde, ZAC du Tir à Loques, Villeneuve D'Asq[1]	30 Nov 2017	4,300,000	3,747,482
27	Parc de la Chauvetière, 4-28 rue du Vercors, Saint Etienne[1]	30 Nov 2017	2,200,000	1,873,741

1 Properties are held for sale and are recorded at their respective sales prices. Completion occurred on 24 March 2020

NLA (sqm)	Gross Revenue (€) FY 2019	Occupancy	Lease type	Land tenure
5,614	614,406	100.0%	Multi-tenanted	Freehold
7,051	682,591	89.1%	Multi-tenanted	Freehold
5,232	484,750	100.0%	Single tenant	Freehold
8,055	720,309	100.0%	Multi-tenanted	Freehold
9,441	812,534	100.0%	Multi-tenanted	Freehold
15,724	722,642	100.0%	Single tenant	Freehold
15,500	769,639	100.0%	Single tenant	Freehold
16,509	662,762	62.6%	Multi-tenanted	Freehold
29,854	2,670,669	77.2%	Multi-tenanted	Freehold
16,289	1,556,147	86.8%	Multi-tenanted	Freehold
7,341	612,096	83.9%	Multi-tenanted	Freehold
5,332	369,249	69.8%	Multi-tenanted	Freehold
7,204	221,424	57.0%	Multi-tenanted	Freehold

POLAND ASSETS



	Address	Acquisition date	Purchase Price (€)	Valuation (€) 31 Dec 2019
	Office			
1	Business Garden, 2, 4, 6, 8 and 10 Kolorowa Street, Poznań	24 Sep 2019	88,800,000	89,100,000
2	Green Office, 80, 80A, 82 and 84 Czerwone Maki Street, Kraków	25 Jul 2019	52,197,315	52,250,000
3	Riverside Park, Fabryczna 5, Warsaw	14 Feb 2019	31,300,000	32,100,000
4	Avatar, 28 Armii Krajowej Street, Kraków	25 Jul 2019	27,802,685	29,050,000
5	Grójecka 5, Warsaw	14 Feb 2019	22,307,949	22,600,000
6	Arkońska Business Park, Arkońska 1&2, Gdańsk	14 Feb 2019	18,242,052	18,800,000

OFFICE

1 Business Garden,
2, 4, 6, 8 and 10 Kolorowa Street,
Poznań

2 Green Office,
80, 80A, 82 and 84 Czerwone Maki Street,
Kraków

3 Riverside Park,
Fabryczna 5,
Warsaw

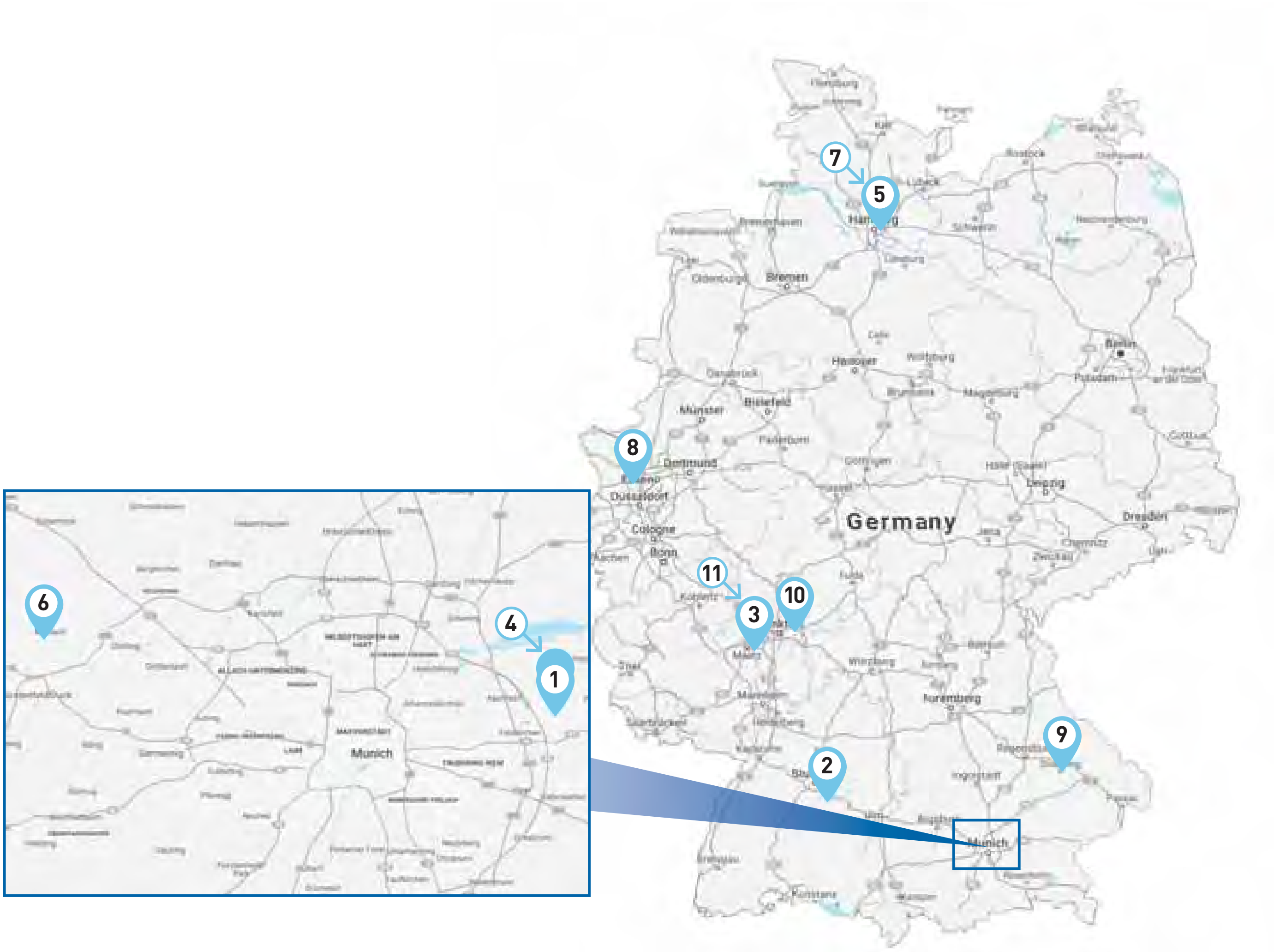
4 Avatar,
28 Armii Krajowej Street,
Kraków

5 Grójecka 5,
Warsaw

6 Arkońska Business Park,
Arkońska 1&2,
Gdańsk

NLA (sqm)	Gross Revenue (€) FY 2019	Occupancy	Lease type	Land tenure
42,278	2,561,324	100.0%	Multi-tenanted	Freehold
23,104	3,189,705	99.4%	Multi-tenanted	Freehold
12,477	2,774,959	85.1%	Multi-tenanted	Freehold
11,338	1,173,309	100.0%	Multi-tenanted	Freehold / perpetual usufruct
10,738	2,308,420	86.5%	Multi-tenanted	Freehold
11,166	1,702,059	66.3%	Multi-tenanted	Freehold

GERMANY ASSETS



	Address	Acquisition date	Purchase Price (€)	Valuation (€) 31 Dec 2019
	Light Industrial / Logistics			
1	Parsdorfer Weg 10, Kirchheim	30 Nov 2017	25,886,850	31,550,000
2	Siemensstraße 11, Frickenhausen	30 Nov 2017	12,965,400	15,750,000
3	An der Kreuzlache 8-12, Bischofsheim	30 Nov 2017	8,696,000	13,250,000
4	Henschelring 4, Kirchheim	30 Nov 2017	7,608,150	10,350,000
5	Kolumbusstraße 16, Hamburg	30 Nov 2017	6,913,900	9,200,000
6	Frauenstraße 31, Maisach	30 Nov 2017	5,854,015	8,650,000
7	Moorfleeter Straße 27, Liebigstraße 67-71, Hamburg	30 Nov 2017	7,071,600	8,450,000
8	Hochstraße 150-152, Duisburg	30 Nov 2017	4,884,600	8,300,000
9	Dresdner Straße 16, Sachsenring 52, Straubing	30 Nov 2017	4,941,200	7,700,000
10	Kinzigheimer Weg 114, Hanau	30 Nov 2017	2,932,000	3,600,000
11	An der Steinlach 8-10, Bischofsheim	30 Nov 2017	3,500,000	3,150,000

LIGHT INDUSTRIAL / LOGISTICS

1 Parsdorfer Weg 10, Kirchheim

2 Siemensstraße 11, Frickenhausen

3 An der Kreuzlache 8-12, Bischofsheim

4 Henschelring 4, Kirchheim

5 Kolumbusstraße 16, Hamburg

6 Frauenstraße 31, Maisach

7 Moorfleeter Straße 27, Liebigstraße 67-71, Hamburg

8 Hochstraße 150-152, Duisburg

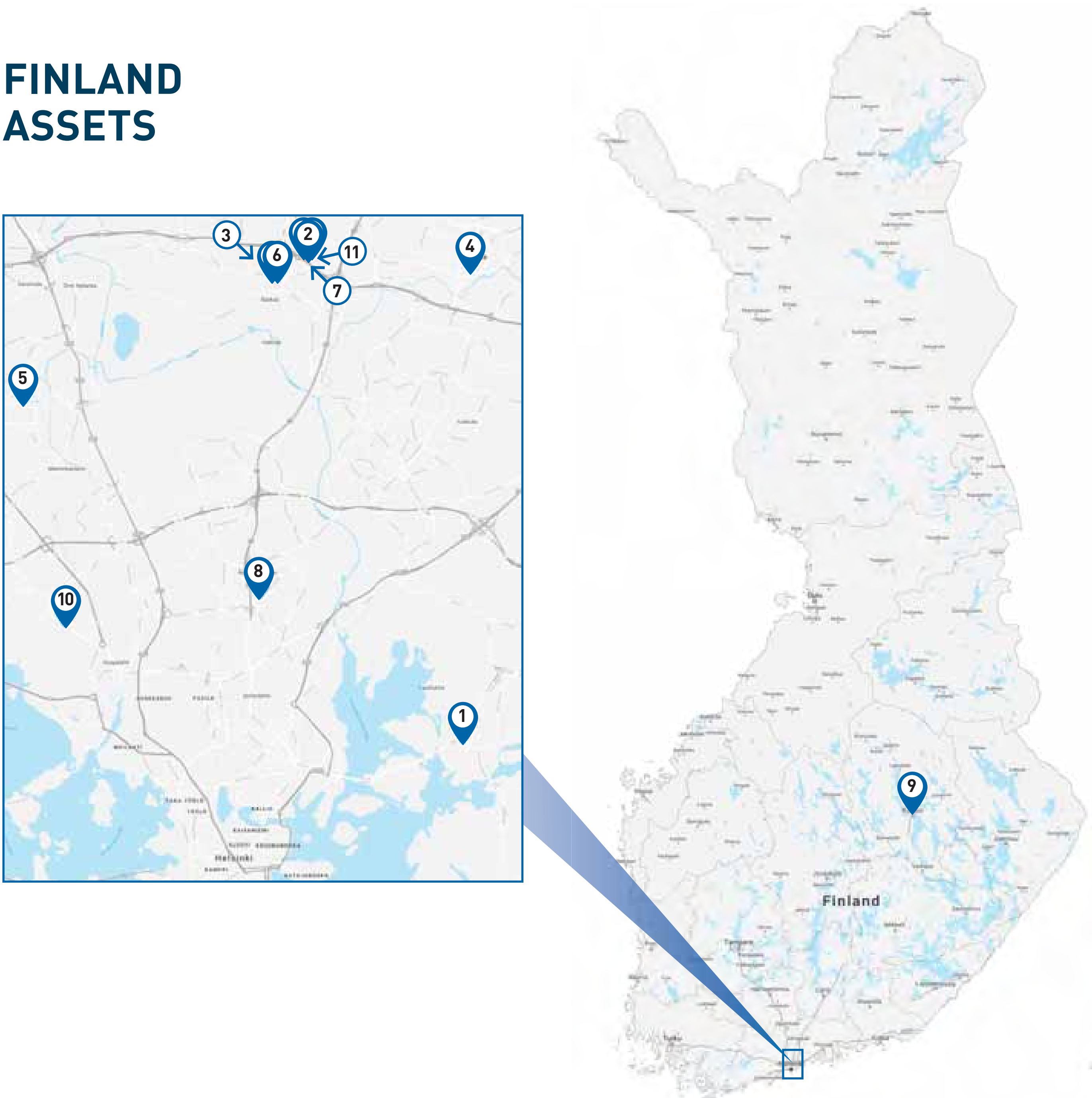
9 Dresdner Straße 16, Sachsenring 52, Straubing

10 Kinzigheimer Weg 114, Hanau

11 An der Steinlach 8-10, Bischofsheim

NLA (sqm)	Gross Revenue (€) FY 2019	Occupancy	Lease type	Land tenure
26,444	2,268,768	95.7%	Multi-tenanted	Freehold
36,791	2,000,466	83.0%	Multi-tenanted	Freehold
18,924	1,159,948	98.8%	Multi-tenanted	Freehold
9,029	741,329	100.0%	Multi-tenanted	Freehold
18,714	897,769	91.0%	Multi-tenanted	Freehold
8,663	860,046	91.7%	Multi-tenanted	Freehold
7,347	704,815	100.0%	Multi-tenanted	Freehold
17,692	878,970	83.3%	Multi-tenanted	Freehold
9,437	575,420	100.0%	Multi-tenanted	Freehold
6,257	444,599	91.8%	Multi-tenanted	Freehold
7,158	536,435	93.6%	Single tenant	Freehold

FINLAND ASSETS



	Address	Acquisition date	Purchase Price (€)	Valuation (€) 31 Dec 2019
	Office			
1	Opus 1, Hitsaajankatu 24, Helsinki	28 Dec 2018	13,500,000	14,900,000
2	Plaza Vivace, Äyritie 8 C, Vantaa	28 Dec 2018	13,233,635	12,975,000
3	Plaza Forte, Äyritie 12 C, Vantaa	28 Dec 2018	12,600,000	12,950,000
4	Grandinkulma, Kielotie 7, Vantaa	28 Dec 2018	12,500,000	12,900,000
5	Myyrmäenraitti 2, Vantaa	28 Dec 2018	12,000,000	12,000,000
6	Pakkalankuja 6, Vantaa	28 Dec 2018	9,700,000	10,900,000
7	Plaza Allegro, Äyritie 8 B, Vantaa	28 Dec 2018	11,173,423	10,525,000
8	Mäkitorpantie 3b, Helsinki	28 Dec 2018	7,600,000	7,900,000
9	Kauppakatu 39, Kuopio	28 Dec 2018	7,600,000	7,400,000
10	Purotie 1, Helsinki	28 Dec 2018	7,113,006	6,400,000
11	Pakkalankuja 7, Vantaa	28 Dec 2018	6,100,000	6,150,000

OFFICE


1 Opus 1,
Hitsaajankatu 24, Helsinki


2 Plaza Vivace,
Äyritie 8 C, Vantaa


3 Plaza Forte,
Äyritie 12 C, Vantaa


4 Grandinkulma,
Kielotie 7, Vantaa


5 Myyrmäenraitti 2,
Vantaa


6 Pakkalankuja 6,
Vantaa


7 Plaza Allegro,
Äyritie 8 B, Vantaa


8 Mäkitorpantie 3b,
Helsinki

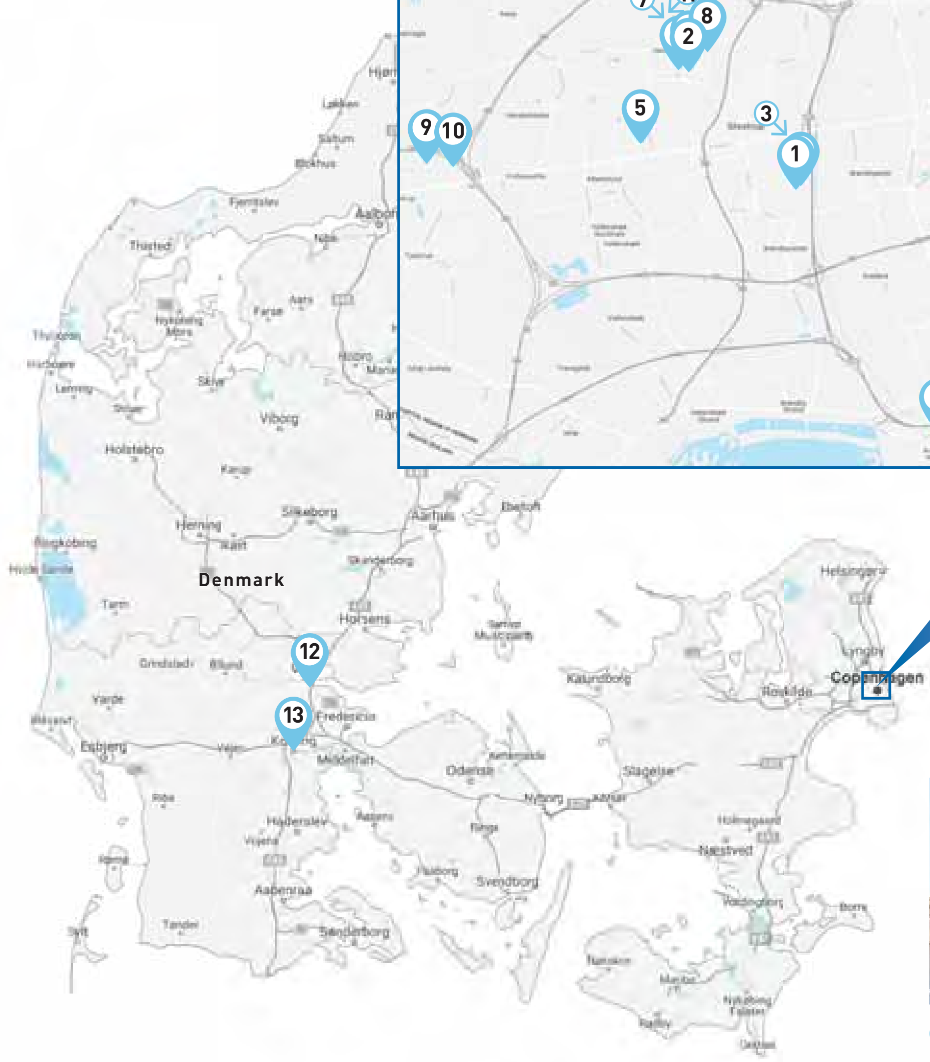

9 Kauppakatu 39,
Kuopio


10 Purotie 1,
Helsinki


11 Pakkalankuja 7,
Vantaa

NLA (sqm)	Gross Revenue (€) FY 2019	Occupancy	Lease type	Land tenure
6,821	1,145,581	68.4%	Multi-tenanted	Freehold
5,661	1,374,924	83.1%	Multi-tenanted	Freehold
6,054	1,334,719	93.9%	Multi-tenanted	Freehold
6,189	1,208,376	90.6%	Multi-tenanted	Freehold
7,515	1,368,096	90.5%	Multi-tenanted	Freehold
7,802	1,349,956	80.2%	Multi-tenanted	Freehold
4,620	968,990	75.3%	Multi-tenanted	Freehold
4,367	804,709	85.6%	Multi-tenanted	Freehold
4,832	971,248	98.5%	Multi-tenanted	Freehold
4,692	872,832	94.6%	Multi-tenanted	Freehold
3,425	649,613	70.9%	Multi-tenanted	Freehold

DENMARK ASSETS



LIGHT INDUSTRIAL / LOGISTICS

1 Priorparken 700, Brøndby

	Address	Acquisition date	Purchase Price (€)	Valuation (€) 31 Dec 2019
	Light Industrial / Logistics			
1	Priorparken 700, Brøndby	30 Nov 2017	11,200,000	11,871,779
2	Naverland 7-11, Glostrup	30 Nov 2017	10,500,000	10,881,349
3	Priorparken 800, Brøndby	30 Nov 2017	8,600,000	8,686,341
4	Islevdalvej 142, Rødovre	30 Nov 2017	5,500,000	6,370,876
5	Herstedvang 2-4, Albertslund	30 Nov 2017	6,300,000	6,357,492
6	Stamholmen 111, Hvidovre	30 Nov 2017	4,300,000	6,330,723
7	Naverland 8, Glostrup	30 Nov 2017	5,500,000	5,996,119
8	Fabriksparken 20, Glostrup	30 Nov 2017	5,200,000	5,728,435
9	Hørskætten 4-6, Tåstrup	30 Nov 2017	5,200,000	5,474,135
10	Hørskætten 5, Tåstrup	30 Nov 2017	3,428,486	3,801,111
11	Naverland 12, Glostrup	30 Nov 2017	3,011,000	3,091,749
12	Hjulmagervej 3-19, Vejle[1]	30 Nov 2017	5,150,000	5,426,631
13	C.F. Tietgensvej 10, Kolding[1]	30 Nov 2017	2,200,000	3,696,805

1 Properties are held for sale and are recorded at their respective sales prices. Completion occurred on 24 March 2020

2 Naverland 7-11, Glostrup

3 Priorparken 800, Brøndby

4 Islevdalvej 142, Rødovre

5 Herstedvang 2-4, Albertslund

6 Stamholmen 111, Hvidovre

7 Naverland 8, Glostrup

8 Fabriksparken 20, Glostrup

9 Hørskætten 4-6, Tåstrup

10 Hørskætten 5, Tåstrup

11 Naverland 12, Glostrup

12 Hjulmagervej 3-19, Vejle

13 C.F. Tietgensvej 10, Kolding

NLA (sqm)	Gross Revenue (€) FY 2019	Occupancy	Lease type	Land tenure
15,340	1,394,956	100.0%	Single tenant	Freehold
22,169	1,638,819	83.6%	Multi-tenanted	Freehold
14,701	1,043,275	74.6%	Multi-tenanted	Freehold
11,150	713,540	81.7%	Multi-tenanted	Freehold
11,860	859,300	95.8%	Multi-tenanted	Freehold
13,626	699,883	71.1%	Multi-tenanted	Freehold
11,945	588,350	81.3%	Multi-tenanted	Freehold
7,614	710,241	100.0%	Multi-tenanted	Freehold
8,988	593,808	86.7%	Multi-tenanted	Freehold
4,985	414,757	100.0%	Single tenant	Freehold
6,875	279,256	100.0%	Single tenant	Freehold
12,807	635,269	78.2%	Multi-tenanted	Freehold
9,429	408,234	91.9%	Multi-tenanted	Freehold

EUROPEAN PROPERTY MARKET RESEARCH:

THE NETHERLANDS, FRANCE, GERMANY, ITALY, DENMARK, FINLAND, POLAND & CEE
OFFICE, INDUSTRIAL & LOGISTICS MARKETS

KNIGHT FRANK RESEARCH

Prepared for:

Cromwell EREIT Management Pte Ltd in its capacity of the manager of

Cromwell European Real Estate Investment Trust

28th February, 2020

Note by the Manager: This report was commissioned in January 2020 and completed by Knight Frank by the end of February 2020, prior to any significant disruption caused by COVID-19 outbreak in Europe, so its impact is not taken into consideration into the research overview

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Knight Frank LLP is a limited liability partnership registered in England with registered number OC305934. Our registered office is 55 Baker Street, London, W1U 8AN, where you may look at a list of members' names.

1. INTRODUCTION

This is an independent market report prepared for Cromwell European Real Estate Investment Trust ("CEREIT"), on various office and industrial and logistics markets in Europe. The report includes economic, investment and sector profiles for the Netherlands; France; Germany; Italy; Denmark; Finland, Poland and the CEE (to cover Czech Republic and Slovakia), and an overview of the key markets within each of these countries.

The report is to be used in the Cromwell European Real Estate Investment Trust (CEREIT) Annual Report. Content from the report may also be used in associated presentations, provided that Knight Frank have sight and sign-off on the final context.

2. THE NETHERLANDS

Section 1: Executive Summary

- Economic growth is expected to continue over the next five years, though the rate of growth is expected to slow, to 1.21% compound annual growth rate (CAGR) over the next five years.
- The Netherlands is continental Europe's third largest Commercial Real Estate (CRE) investment market, after Germany and France. It is a highly liquid and transparent market attracting a high proportion of international capital. Competition for core assets has driven yield compression across the main Dutch cities and the past four years have recorded robust capital value growth.
- Amsterdam is the largest office market in the Netherlands, followed by Rotterdam, Utrecht and The Hague.
- Limited grade-A stock across the office markets is encouraging new office developments and refurbishments of existing stock.
- Across the Netherlands, significant amounts of office space have been decommissioned or converted to alternative uses such as residential, student housing or hotels over the past seven years. This is reducing vacancy rates across the Dutch office markets, particularly in well-connected core areas.

Section 2: Economic Overview

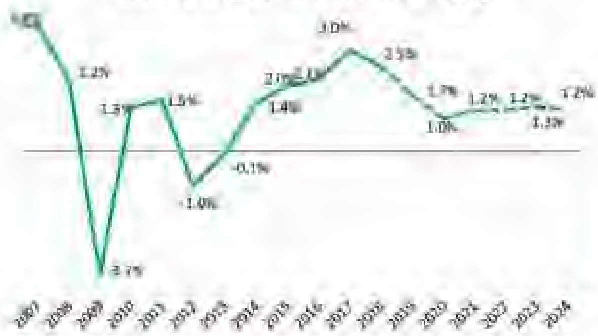
National Statistics – Economic Outlook

	2018	2019 (f)	2020 (f)	2021 (f)	2022 (f)	2023 (f)	2024 (f)
Total Population (millions)	17.23	17.32	17.40	17.48	17.56	17.64	17.72
Population Growth rate (%)	0.53%	0.49%	0.47%	0.46%	0.46%	0.45%	0.45%
GDP Growth (%)	2.55%	1.69%	1.00%	1.23%	1.25%	1.32%	1.24%
Unemployment rate (%)	4.77%	4.26%	4.54%	4.74%	4.84%	5.07%	5.20%
Government debt (% of GDP)	65.60%	61.15%	58.97%	57.32%	55.25%	53.60%	52.23%
Inflation (CPI) (%)	1.70%	2.63%	1.25%	1.42%	1.49%	1.56%	1.74%

Source: Oxford Economics

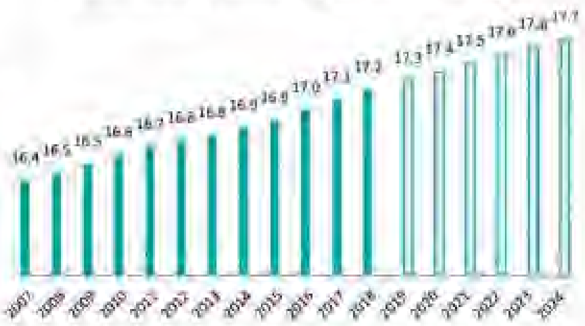
The Netherlands is the European Union's (EU) fifth-largest economy, driven predominantly by trade and distribution. Its geographic location places it central to the network of trade corridors and transport routes linking to the markets of Southern Europe, Central and Eastern Europe, the UK and Nordic markets. The Netherlands acts as a hub for imports, exports and distribution to a large number of markets across Europe.

Historic and Forecast GDP Growth (%)



Source: CBS Netherlands, Oxford Economics

Historic and Forecast Population (millions)



Source: Eurostat, Oxford Economics

The labour market in the Netherlands is highly educated and multilingual, with unemployment trending downwards over the past five years. Indeed, in December 2019, the unemployment rate fell to a joint-record low of 4.1%. Further to this, wage growth reached a high of 2.8% year-on-year in December 2019, while headline inflation pushed upwards to 2.7%, which remains above the Eurozone average of 1.3% (December 2019).

These fundamentals have been supporting population growth nationally, and particularly in Amsterdam and the Randstad region. Forecasts suggest that the Dutch population will continue to grow, which could have positive ramifications for the construction industry, where housing demand and the availability of finance is instrumental.

The rate of economic growth has continued to slow however, it remains robust, at 1.7% and the pace of growth is forecast to remain just ahead of the Eurozone with 1.21% CAGR over the next five years compared to 1.18%. Downside risks to the Dutch economy arise from the industrial sector, with the 2019 output projected to be down slightly on 2018. Consequential implications for the services sector will likely ensue.

Trade relations persist as a risk factor, with continued Brexit related uncertainty at the forefront. In particular, the uncertainty surrounding trade agreements and the potential resurgence of pre-existing global trade disputes could weaken import and export growth in the Netherlands. However, private domestic consumption continued to grow nationwide in 2019, albeit at a slower rate of 1.4%. It is expected that the tight labour market will continue to support growing private consumption and support further increases in disposable incomes across the country. Government spending in 2020 is anticipated to boost growth, with the Rutte III Agreement outlining additional spending of €1.4 billion on education and €1.6 billion on social security.

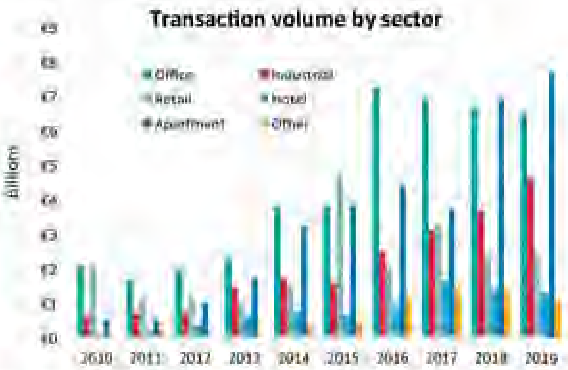
Various companies have indicated that, in the case of a hard Brexit scenario, where the UK would lose access to the EU single market as well as the customs union, they intend to relocate head offices to cities within the EU. Amsterdam is one of the favoured locations for relocation, offering an educated, international and English-speaking workforce, excellent transport networks, and a lively and cosmopolitan atmosphere. These factors could attract businesses and employees to locate here, potentially providing a boost to investment and demand for office space in Amsterdam and the wider Randstad region.

Section 3: Investment in the CRE Market

The Netherlands is continental Europe's third largest CRE investment market, after Germany and France, despite its relatively small size. The multi-lingual business culture, combined with market transparency and sound economic underpinnings in the Netherlands makes the market attractive to international investors.

In 2019 there was a total of €23.5 billion invested in real estate in the Netherlands, up 5.5% of the previous record of €22.3 billion recorded in 2018. While international investment rose, the amount of domestic capital dipped. Despite international economic and political uncertainties, the Dutch investment market has continued to attract overseas investors, due to strong economic growth, political stability, transparent legal system and ease of doing business and trading internationally from the Netherlands. Buyers from the US and Canada were active in 2019, as were German and UK investors.

Source: Knight Frank Research, Real Capital Analytics



Source: Knight Frank Research, Real Capital Analytics

The apartment sector has been the most targeted sector in 2018 and 2019, with a record €7.7 billion invested in 2019. Demand for student housing and Private Rented Sector (PRS) housing are underpinned by strong demographic trends and the quality of assets in these sectors is improving attracting investor interest.

While office and retail investment volumes have trended down over the past couple of years, changing allocations towards industrial and alternative sectors have driven increasing investment into these sectors. Retail investment volumes have been trending down since peaking in 2016, when it was the most invested sector. The ongoing structural transformation of the retail sector and continued rise of e-commerce is shifting investors focus away from retail towards industrial and logistics assets.

One notable transaction of 2019 was the sale of the Doubletree Hilton hotel in Amsterdam for €430 million. AXA Investment Management purchased the asset from Chinese insurance company Anbang Insurance. Another significant transaction in 2019 was Tristan Capital's purchase of an office portfolio comprised of six assets predominantly in Utrecht and Amsterdam for €370 million.

Dutch banks have reduced their lending portfolios and this has led to a reduction in the availability of finance, particularly for developer or investors focused on less traditional or non-prime assets. However, loan terms remain highly favourable in the Netherlands with up to 80% loan to value available for existing office investments.

Section 4: Office sector – Country market overview

Amsterdam is the largest office market in the Netherlands in terms of built stock, followed by Rotterdam, Utrecht and The Hague. While Amsterdam has become the commercial and financial centre, the other Randstad cities have their own distinct economies, associated characteristics and occupier markets, which influence their unique office markets and related investment risk profiles.

Almost all capital targeting offices in the Netherlands was focused on Amsterdam and the wider Randstad region. The total transacted in 2019 was down compared with the previous two years - despite strong investor interest, a lack of available stock is limiting opportunities. US, German and UK buyers have all been actively acquiring Dutch office assets in 2019 and there has also been an increase in South Korean capital looking for opportunities.

Record amounts of older office space has been withdrawn from the Dutch market, the majority of which was in the major cities. In addition to Amsterdam, office space in Rotterdam and The Hague has reduced significantly, with a large number of properties decommissioned and converted to much needed residential properties. The consolidation of office stock has resulted in positive rental growth, particularly in centrally located prime office locations. Demand for office space at strategic locations such as transit hubs has increased. However, with limited availability of existing stock and the lack of development opportunities due to restrictive planning regimes in these core markets has driven some developers and office occupiers to look to secondary locations, including the Sloterdijk district and the South Axis.

Source: Knight Frank Research, Real Capital Analytics

Source: MSCI

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Total returns in the Netherlands were dampened by negative capital growth (December 2008 – March 2016); a recovery in property prices came late in the Netherlands. Over the past two and a half years, capital growth has been positive, thus boosting total returns. Total returns peaked in Q2 2018 and receded slightly in late 2018/early 2019 before rising in Q3 2019.

Section 5: Office market – City markets

Amsterdam

There is a wide mix of occupiers in Amsterdam, ranging from banks and investment firms to international consultancies, as well as energy companies and TMT businesses which are all active in the capital. Co-working office space providers are also active in the leasing market - Regus, WeWork and local company Spaces all have projects in Amsterdam. The city appeals to young, educated workers and thus occupiers looking to access this labour pool are increasingly considering Amsterdam. Modern, well-located office spaces are particularly attractive to start-ups, tech occupiers and other occupiers with a relatively young workforce and flexible workspace needs.

The Amsterdam office market has long been afflicted with a structurally high vacancy rate which historically limited the potential for rental growth. However, the vacancy rate has plummeted over the past couple of years and there is growing demand for space, particularly amongst tech companies. The total amount of space in Amsterdam city centre has been decreasing as redundant office space is redeveloped for alternative uses and the vacancy rate now stands at 5.5% down from 19.7% five years ago.

Large floorplates remain scarce, leaving occupiers with increasingly restricted choice, and this has been driving up rents for Grade-A office stock in Amsterdam. City authorities are restricting development in the city centre and occupiers seeking centrally located Grade-A space are having to find alternatives possibly by refurbishing their existing offices or relocating to non-prime locations, either in suburban locations of Amsterdam or to other cities. Limited choices in prime markets has driven some occupiers to widen their search and consider markets beyond the CBD, such as Amsterdam Zuidoost. This trend is expected to continue and some secondary locations in the south east and Sloterdijk-Teleport in Westpoort will see further positive rental growth.

2019 posted a weaker take-up result compared with the past couple of years. The combination of tight vacancy rates, particularly in the city centre, and limited new stock becoming available, are hampering leasing activity. Amsterdam has recorded strong rental growth over the past few years and further growth is expected, with robust rental growth forecast for 2020 before easing slightly in 2021 but remaining positive.

Key Market Statistics:

[illegible]	2014	2015	2016	2017	2018	2019
Vacancy Rate (%)	18.3	19.7	16.8	13.6	7.8	5.5
Take-Up (sq. m)	237,500	246,650	265,125	437,800	410,000	322,000
Stock (sq. m)	6,956,000	6,908,000	6,865,000	6,719,000	6,690,000	6,050,000
Prime Rent (€ sq. m/p.a.)	340	340	340	365	400	425
Prime Yield (%)	6.20	5.75	5.00	4.50	3.60	3.00

Source: Knight Frank Research

The Hague

After Amsterdam, The Hague is the next largest office market in the Netherlands in terms of built stock. The Hague is home to the Dutch government as well as numerous international public bodies including the International Criminal Court (ICC), International Court of Justice and Europol (European Union Agency for Law Enforcement Cooperation). Due to the high volume of government and administrative bodies based in the city, returns here are highly income driven. Oil companies are also a significant part of the occupier base in The Hague; Royal Dutch Shell have their headquarters here, and Saudi Aramco, Kuwait Petroleum Corporation and Total S.A. have all located their regional HQ's in the city too.

Take-up levels in The Hague have been restrained however, as the Dutch government continues with its consolidation programme, vacating offices in the city. This, combined with the lacklustre performance of the energy sector over the past five years has dampened demand from the city's established occupier base. There may be a desire to diversify the occupier base, though at present, much of the current office stock does not meet the quality requirements of many modern office uses. As part of the broader trend in office requirements, demand is focused upon high-quality space close to public transport links.

The city of The Hague presented its office strategy in 2018, announcing plans to create 130,000 sq. metres of new office stock to be delivered over the next five years. As this new stock is added to the market, it should provide opportunities for growth and boost take-up over the next few years. In addition, as stock is upgraded to match demand requirements, this will result in lower vacancy rates (currently around 8%) and drive rental growth over the next few years.

Key Market Statistics:

[illegible]	2014	2015	2016	2017	2018	2019
Prime Rent (€ sq. m/p.a.)	215	215	210	210	220	225
Prime Yield (%)	6.20	5.75	5.50	5.50	5.25	4.60

Source: Knight Frank Research

Utrecht

Utrecht is a university city with a highly educated population and has become a centre for research and development, including medical research, genetics and other sciences and has also spawned a number of associated start-ups. TMT, life sciences and research sectors have seen growth and investment over the past few years and this has helped fuel economic growth in city. Employment figures in Utrecht have been rising and the growth of the TMT sector is expected to drive further growth.

Utrecht is regarded as a highly desirable place to live and has one of the fastest growing populations in the Netherlands. Several corporations are choosing to locate in Utrecht over Amsterdam, as the city offers lower office and residential rents, coupled with high living standards and a highly educated workforce, Utrecht is an attractive location. A major regeneration programme, named CU2030, started in 2013, is transforming the station area and there are a number of ongoing development and regeneration plans in the city, including Nieuw Hoog Catharijne, the World Trade Centre and Creative Valley. Much of the new development in the central area is due to be delivered by 2022.

Over the past ten years, the quality of stock in Utrecht has improved considerably with out-dated stock redeveloped and poorly located stock converted to other uses. The vacancy rate in Utrecht has fallen sharply but there are significant variations between sub-markets. The overall the rate is around 7%, but much of the vacant stock is in secondary locations. Conversely the CBD market suffers from an acute lack of stock and this has driven strong rental growth within this submarket. The limited availability of well-located, high quality stock is also putting the brakes on take-up, however with completions expected over the next couple of years, take-up is expected to rise as newly delivered stock is absorbed with ease.

The investment market in Utrecht has historically been dominated by domestic investors, although international investors are becoming increasingly active. Some of the largest office transactions in 2019 involved foreign buyers from the UK, Germany and the US.

Key Market Statistics:

[illegible]	2014	2015	2016	2017	2018	2019
Prime Rent (€ sq. m/p.a.)	205	220	220	235	275	275
Prime Yield (%)	6.00	5.75	5.75	5.50	5.25	4.60

Source: Knight Frank Research

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Rotterdam

Rotterdam is home to the largest port in the country and several export-dependent corporations are based here including Unilever (consumer goods), Proctor & Gamble (consumer goods), Pfizer (pharmaceuticals), Stolt-Nielsen (logistics) and Maersk (logistics). The ongoing expansion of the Port of Rotterdam is enhancing the capacity of the port and raising the profile of the city as an important export/import-hub, helping to solidify Rotterdam's position as one of Europe's key trade hubs and these improvements will help to continue to attract international companies and shipping industries to the city.

However, Rotterdam is repositioning its offering somewhat; away from a purely industrial port city, to a centre for technology, creative and business services sectors. This has attracted some interest from companies relocating, often from Amsterdam, in order to benefit from the highly educated workforce, relatively cheaper rents and the availability of large office spaces. Indeed, companies with large space requirements are finding that Rotterdam has more suitable options for them.

Rotterdam has experienced strong levels of occupier demand over the past couple of years, the majority of which has focused on large, city centre offices. However, there has also been leasing activity in the Brainpark district, on the east side of the city, and Kop van Zuid area (located on the south bank of the Nieuwe Maas). Strong demand is driving down vacancy rates, particularly in the city centre although vacancy rates have decreased across the region with most sub-markets recording a fall in availability, though this was not as marked as in the city centre. Despite a lot of office space being removed from the market in Rotterdam, the vacancy rate remains high at 14.7% as the remnants of historic structural vacancy is worked through. Future growth in demand expected to drive down vacancy rates and result in a shortage of stock, which will support stable rents in Rotterdam.

Key Market Statistics:

	2014	2015	2016	2017	2018	2019
Prime Rent (€ sq. m/p.a.)	225	225	235	235	235	235
Prime Yield (%)	5.70	5.10	5.00	5.00	4.75	4.60

Source: Knight Frank Research

Den Bosch

The North Brabant region is home to the cities of Eindhoven, Breda and 's-Hertogenbosch ("Den Bosch"). The markets here have, until recently remain beyond the sights of most overseas occupiers and investors. However, there have been some significant acquisitions in the region by international institutional investors over the past few of years. Aberdeen Standard purchased the Kennedy Business Centre in Eindhoven for around €45.5 million in September 2017, while the Saudi Arabian finance company Sidra Capital purchased the Brand Loyalty offices in Den Bosch in July 2018 for €42.8 million.

The office markets in these cities are marred by a lack of quality office stock but there are some positive moves in developing a number of campus-style initiatives aimed at creating desirable, collaborative and modern working environments. There is a significant spread between yields here and those found in the main Randstad cities. Prime office yields in Den Bosch are currently around 6.25% compared with 3.25% in Amsterdam.

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Section 6: Industrial and Logistics sector – Country market overview

The Netherlands is home to some of the most sought after industrial and logistics locations in Europe. The Netherlands is home to Europe's largest container port and is central to the network of transport corridors that link markets in Southern Europe, Central and Eastern Europe as well as the UK and Nordic markets. The high level of connectivity, combined with access to the largest populations in Europe makes the Dutch industrial and logistic sector highly desirable, as a hub for national and international distribution companies.

The Netherlands has one of the most mature and established logistics markets in Europe. The Venlo logistics hub is the largest and most desirable location in Europe, according to a survey of logistics operators (Source: Prologis). Venlo, despite a significant boost to supply over the past five years, has a low vacancy rate that is currently around 2.0%. The southern Dutch corridor appeals to logistics occupiers due to its excellent road access, Pan-European connectivity, transportation costs, and availability of larger units. The Port of Rotterdam is Europe's largest container port, and its ongoing expansion will solidify its position as a leading European hub for global and intra-European cargo flows.

Innovation and high levels of efficiency have enabled the Netherlands to consolidate their position as a hub of international trade and logistics distribution. There is a strong drive towards automation in the logistics sector which is particularly important in a market where increasing time pressures, risings cost and limited availability of labour are major challenges for logistics companies. Specialised e-commerce fulfilment centres with high-tech, flexible space, and with warehouse automation are becoming more common as companies continue to look for efficiency gains whilst paying attention to cost margins.

The Dutch government has come under increasing scrutiny regarding their approach to EU emissions laws. In May 2019, Dutch rules for granting building and farming permits were found to be in breach of EU emissions laws. The Dutch Nitrogen Action Programme (PAS) previously allowed enhanced construction emissions, provided they were offset through future measures to reduce nitrogen emissions. However, the PAS policy has been found to breach the European Habitat Directive and has therefore been revoked leaving the Netherlands with an urgent need to cut nitrogen emissions. This has resulted in a planning crisis, as many projects have had their planning consent revoked and they face having to either abandon the project or draw up new plans with zero nitrogen emissions and new projects are not able to gain planning consent without a zero emissions policy in place. These policies will stem the supply of new stock and place further pressures on an occupier market where supply is already scarce.

Source: Knight Frank Research, Real Capital Analytics

Source: MSCI

German and other European investors such as Swedish investor AB Sagax and Belgian REIT Montea, along with US and UK buyers have been active in the Dutch industrial and logistics sector. Annual total returns for Dutch industrial property stood at 9.0% in Q3 2019. Returns have moderated slightly following a record 10.2% in the first quarter of the year. After nine years of continuous negative growth, 2018/2019 have recorded positive capital growth, boosting investor returns.

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Section 7: Industrial and Logistics sector – City /Regional markets

Amsterdam

The Netherlands is experiencing rising consumer confidence and growing urban populations. This, coupled with the rise in e-commerce and consumer demand for rapid fulfilment of orders, are driving demand for fulfilment centres located close to populous, urban areas. Within the Amsterdam Metropolitan Area (MRA), the markets of Almere with its seaport access, and Schiphol with its airport, are desirable logistics locations. Demand for modern, well-located distribution centres with quick and easy access to the road network, will continue to grow.

Stock levels have risen over the past two years with development at the Port of Amsterdam and Schiphol Airport boosting supply. The Amsterdam logistics market has recorded significant yield compression with strong investor interest in the sector. These historically low yields are motivating some investors to start developing their own distribution centres, both pre-let and speculatively.

However, developable land in prime locations is becoming increasingly scarce, and the volume of new developments is expected to slow over the next few years, as developers and planners adapt to implementing the new zero nitrogen emissions policy. There is currently around 468,000 sq. metres of stock in the development pipeline (across the Amsterdam and Schiphol markets combined). The new deliveries will reach the market in 2020, much of which is taking place at Schiphol Airport and should help support growth in take-up, delivering more opportunities to occupiers. Vacancy rates have fallen in 2019 in Amsterdam, though they have risen in the Schiphol sub-market, to around 12% at the end of 2019, compared with around 8% at the end of 2018.

The rise in development activity has enabled take-up to rise, with a total of 239,000 sq. metres of space let in Amsterdam (including Schiphol) - this is more than double the level recorded in 2018.

The highest rents in Amsterdam are found around Schiphol Airport where levels are €85 per sq. metre per year, with lower rents found in the Port area at around €54 per sq. metre per year. While prime rents in these markets have remained stable, incentives have decreased, and average market rents have recorded some modest growth.

Key Market Statistics:

[illegible]	2014	2015	2016	2017	2018	2019
Prime Rent (€ sq. m/p.a.)	85	85	85	85	85	85
Prime Yield (%)	6.75	5.75	5.75	5.00	4.67	4.67

Source: Knight Frank Research

3. FRANCE

Section 1: Executive Summary

- High levels of government debt and a rigid labour market have delayed economic recovery in France. However, reform measures by the current government are seeking to boost labour participation rates and help promote business growth, resulting in GPD growth of 1.25% in 2019
- France attracted a record level of investment in 2019. Though the market remains dominated by domestic investors, international capital inflows have been rising steadily.
- France has a highly polarised office market with most office stock, occupier and investment activity concentrated in the Greater Paris Region, also known as Ile-de-France (IDF). Regional office markets are less liquid and dominated by domestic capital but emerging slowly as potential, albeit selective targets, for international capital.
- In the Paris CBD market demand continues to outpace the supply of office space. Take-up of refurbished spaces is expected to rise as a consequence.

- The Paris logistics market is focused on the local consumer market. Companies in Paris are competing to offer consumers more delivery options, narrower delivery windows and later order cut-off times. This is driving demand for facilities located within close proximity to consumers.

Section 2: Economic Overview

France is the second largest economy in the European Union after Germany, although it has not seen the pace of growth enjoyed in Germany over the past ten years. The political upheaval seen in France in 2019 has continued into 2020, with the latest pension reforms sparking the largest demonstrations since 2010. Despite a sturdy 2019 in terms of economic growth and manufacturing sector output, re-emerging social tensions could dampen household spending in the coming months, with transport spending expected to take the biggest hit. So far the economy has been relatively resilient to the tensions, but if the demonstrations are to persist, it is expected to have a much greater impact on the economy than the 'gilet jaunes' crisis, as the disruption to public transport and public services has been far greater.

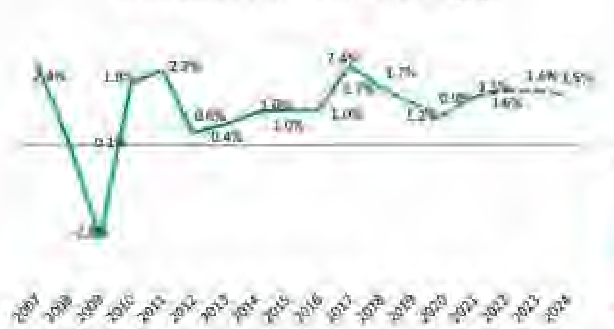
National Statistics – Economic Outlook

	2018	2019 (f)	2020 (f)	2021 (f)	2022 (f)	2023 (f)	2024 (f)
Total Population (millions)	66.97	67.09	67.25	67.42	67.60	67.78	67.96
Population Growth rate (%)	0.13%	0.18%	0.24%	0.25%	0.26%	0.27%	0.27%
GDP Growth (%)	1.72%	1.25%	0.88%	1.46%	1.64%	1.64%	1.50%
Unemployment rate (%)	8.73%	8.28%	8.12%	7.91%	7.65%	7.40%	7.13%
Government debt (% of GDP)	127.08%	134.66%	134.17%	132.51%	130.16%	127.53%	124.92%
Inflation (CPI) (%)	1.85%	1.11%	1.20%	1.38%	1.47%	1.62%	1.81%

Source: Oxford Economics

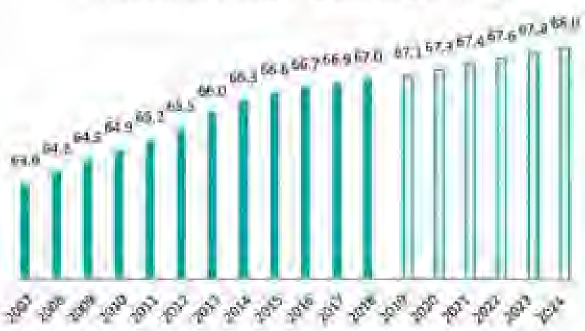
The French debt burden and debt ratio is one of the highest across Europe and continues to rise. This is against the direction of travel seen in other major European countries where debt is commonly stabilising or contracting. If financial conditions were to worsen, economic growth could be hindered as businesses, households and the government are left vulnerable. However, the current lower for longer interest rate environment alongside easily accessible financing is containing this risk.

Historic and Forecast GDP Growth (%)



Source: INSEE, Oxford Economics

Historic and Forecast Population (millions)



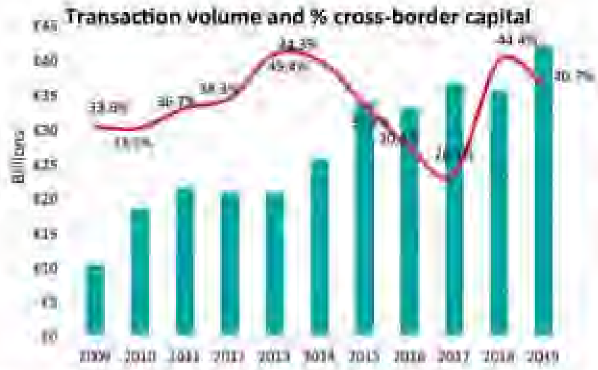
Source: Eurostat, Oxford Economics

The rate of unemployment in France has continued to edge down overall, but in Q3 2019, it rose by 0.1% to 8.6%, according to INSEE. Despite it being a minimal increase, it was seen as a minor setback for President Macron, as the improving labour market was the strongest evidence for his reform's success. However, the labour reforms are still expected to lower unemployment and boost household consumption. That being said, the extent of the public unrest, combined with modest economic growth undermines the government's ability to implement them for now.

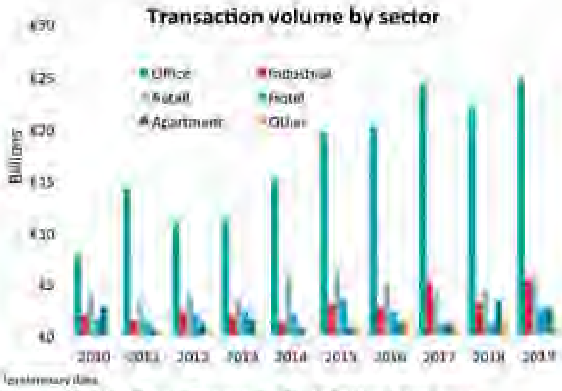
It is expected that France will maintain a steady rate of growth of around 1.4% GDP growth (5-yr CAGR), with private consumption at the forefront of activity. Here, households are benefiting from fiscal support, in conjunction with higher wages, lower unemployment and muted inflation. Corporate investment could also bolster the French economy, as financing conditions remain preferable.

Section 3: Investment in the CRE Market

Transaction volumes reached a record €42.2 billion in 2019. Though domestic buyers dominate the market, foreign investors have been increasingly active in the French market over the past couple of years albeit with a focus on the Ile-de-France region. France has a highly transparent real estate market and attracts a wide range of international buyers. Macron's pro-business government and reforms such as lowering the corporate tax rate and increasing flexibility in the labour market have helped to support foreign investment. South Korean investors were the dominant source of foreign capital in 2019, involved in 14% of all investment, with most of this targeting the office sector. Swiss, US and German buyers were also active.



Source: Knight Frank Research, Real Capital Analytics



Source: Knight Frank Research, Real Capital Analytics

Commercial property investment in France is heavily focused on the Greater Paris office market, particularly in the CBD and La Défense submarkets. Office investment totalled €24.8 billion in 2019, with most capital targeting core assets in Paris. While investments in apartments and hotels have been increasing, the totals remain small in comparison to the office sector, the office sector represented 76% of total investment in Paris in 2019, while hotels, apartments, care and other residential totalled just 10% of the market. However, these sectors attracted a record level of investment in 2019, with over €2.5 billion transacted.

There were multiple large lot size transactions in 2019 with 84 deals over the €100 million threshold, up from 77 in 2018. One of the largest investment deals in 2019 was the sale of the Lumiere office building in Paris, purchased for €1.22 billion through a joint venture of French investment company Primonial REIM and a consortium of South Korean investors including Samsung and Hanwha Investment & Securities. Located in the 12th arrondissement, Lumiere is the largest private office building in Paris. There were also numerous portfolio acquisitions, including Argan's purchase of the "Cargo" portfolio and ADIA's sale of 38 mixed use assets in Lyon – the largest ever deal recorded in Lyon, at €85 million.

South Korean buyers were the most active source of foreign capital in the French market in 2019, overtaking more established sources of capital such as the US, German and UK investors. South Korean buyers have been particularly acquisitive in the Paris office market in 2019, in addition to the Lumiere building, there have been a number of other South Korean acquisitions including Tour Majunga, Tour Eqho and Crystal Park.

Section 4: Office sector – Country market overview

The French office market is highly centred on Paris and the Ile-de-France (IDF) area where there is strong investor and occupier appetite for prime office assets. Core-plus and value-add investors have been increasingly active in the Greater Paris Region. The low vacancy rate and active lettings market combined with a lack of new supply and improvements to infrastructure via the Paris Grand Plan are prompting investors to consider less established areas of the Greater Paris Region, such as Issy-les-Moulineaux, Suresnes and Nanterre submarkets.

Many investors remain reluctant to venture outside of the IDF area due to the relatively small size of the regional markets and general lack of good quality stock, but there is some noted activity nonetheless as construction activity rises slowly and yields in Greater Paris come under further downward pressure. Key markets outside Paris include Lyon, Lille, Bordeaux, Nice, Nantes, Strasbourg and Toulouse. Lyon is the most significant of these regional markets, however they are all small in size by comparison to Ile-de-France. The regional markets have traditionally been and continue to be dominated by domestic investors although international capital has acquired some assets typically through wider portfolio acquisitions. There is a significant spread between prime yields in these regional markets and those found in Paris, around 130 bps between Paris and Lyon, though this has come down over the past year. However, the liquidity of these markets is far lower than Paris and they have also trailed the capital in terms of economic recovery.

Office sector investment totalled €24.8 billion in 2019, equating to a 59% share of all investment into France - 88% of this capital targeted the IDF region. Within Paris, the Western Crescent and La Défense submarkets recorded the most investment activity, followed by Central Paris. A number of key assets in this market changed hands, notably "Sways", the future headquarters of Canal +, under construction in Issy-les-Moulineaux. French life insurance company Sogecap (part of Societe Generale) purchased the building for €608 million.

Source: Knight Frank Research, Real Capital Analytica

Source: MSCI

At the end of H1 2019, annual total returns for French offices were 7.5%. Slowing capital growth coupled with diminishing income returns have resulted in a fall in total returns, however returns for the office sector have outperformed the all sector index.

Section 5: Office market – City markets

Paris

There is strong appetite for prime office assets both for investment and for occupation purposes. Vacancy rates are in decline, most acutely in the Paris CBD submarket where they are just 1.6% (Q4 2019), although other business districts such as the Western Crescent, Southern Loop and Neuilly-Levallois are also recording a reduction in vacant space. The limited new supply and the lack of available Grade-A office space within the CBD market is prompting occupiers to look further afield. Moreover, transport infrastructure developments are improving accessibility to office markets outside of the CBD, such as La Défense, Boulogne-Billancourt and Issy-les-Moulineaux, driving interest in these areas. The availability of very large office complexes in these core markets has appealed to South Korean investors and they have been particularly active in the Western Crescent and La Défense markets.

The inner southern suburbs will be one of the first areas benefitting from the planned Grand Express Metro Line and the area is seeing rising interest from occupiers and investors looking to capitalise on this. Construction on the project began in June 2016 and is due to last until 2030. The towns closest to Paris will remain popular as they are best placed to take advantage of Paris occupiers looking to relocate. Saint-Denis and Saint-Ouen are particularly popular as several major infrastructure projects are taking place here. These include the extension of line 14 North and the 2024 Olympic Games, and major urban projects such as the Docks de Saint-Ouen and the Pleyel project in Saint-Denis.

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Letting activity slowed in Paris in 2019, with a decrease in the number of very large lettings deals. However, the total remains in line with the ten-year average of 2.3 million sq. metres. The scarcity of available supply and increasing rents also limited the number of new transactions, encouraging companies to renegotiate their leases rather than relocate. Co-working providers were actively taking space in 2019, particularly in the first half of the year with a preference for the 9th and 2nd districts, east of the CBD as well as the 8th district to the West.

The amount of available space in Ile-de-France has continued to fall across all markets with the vacancy rate currently at 5.0% at the end of 2019. It is lower still in the CBD market at just 1.6%. Vacancy rates have deceased particularly sharply in the La Défense market, where they have fallen from over 10% at the end of 2015, to just 4.7% at the end of 2019.

Just over 900,000 sq. metres of new stock was added to the market in 2019, impacting submarkets in differing ways. An acute shortage of space will persist in the CBD market due to limited new deliveries. The situation is not the same in La Défense and its immediate surroundings, where new supply has recently been added to the stock. Developments planned on the outskirts of Paris and on former railway tracks, as well as those related to the "Reinvent Paris" competitions or major tenant departures, could breathe new life into the office market in certain districts of the capital, such as Charenton-Bercy and provide a boost to take-up. There will also be a rise in the take-up of refurbished space given the preference of Grade A space and the low availability of new product.

Prime office rents reached €865 sq. metres per annum in Q4 2019, representing an annual growth rate of 3%. After holding steady at 3.0% for the past few years, 2019 recorded further yield compression, with the prime office yield at 2.75% at the end of 2019. Strong investor demand underpinned by a healthy occupational market is expected to keep yields at historic low. Moderate rental growth is expected over the next few years due to strong lettings activity and constrained supply, particularly in the CBD market.

Key Market Statistics:

[illegible]	2014	2015	2016	2017	2018	2019
Vacancy Rate (%)	7.70	7.40	6.60	6.10	5.40	5.00
Take-Up (sq. m)	2,115,030	2,087,700	2,445,100	2,575,900	2,559,550	2,382,053
Stock (sq. m)	52,561,000	52,799,000	53,104,000	53,700,000	54,011,633	54,479,452
Prime Rent (€ sq. m/p.a.)	750	750	770	810	840	865
Prime Yield (%)	4.00	3.50	3.00	3.00	3.00	2.75

Source: Knight Frank Research

Section 5. Industrial and Logistics sector – Country market overview

France, along with Germany, Italy and the UK are in the top ten countries for trade and Paris is one of the largest logistics clusters in Europe (based on total modern logistics stock), ahead of the Southern Netherlands and the UK's Midlands agglomeration. The Paris market dominates, with a total of 19 million sq. metres, the second largest market, Lyon has 5.5 million sq. metres. The markets in Lille and Marseille are smaller, with 1.7 and 1.8 million sq. metres of stock respectively.

Paris dominates in terms of urban logistics, Lille is the hub location offering a balance between competitive operational costs and access to markets. Lille's Nord-Pas-de-Calais region boasts relatively cheap warehousing costs and benefits from availability of land plus its proximity to the Channel Tunnel and therefore the UK market. Giant e-retailer Amazon has a large distribution centre in the Nord-Pas-de-Calais area. There were some large take-up deals in the regional markets of Lyon, Lille and Marseille in 2019, including retailer Easydis (Casino Group) taking a new build 76,500 sq. metres facility near Lyon.

There were €5.5 billion worth of industrial and logistics deals in 2019 across France, up 7% on the previous record set in 2017 and 71% up from the 2018 total. International buyers have been active in the French market, with US, German and South Korean buyers particularly acquisitive. In one of the largest deals of

2019 a joint venture between Korea Investment & Securities (KIS) and global asset manager IGIS, purchased an Amazon warehouse located in Paris IDF for €133 million on a sale and leaseback agreement, with a yield of 3.8%.

Source: Knight Frank Research, Real Capital Analytics

Source: MSCI

Annual total returns for industrial property were 16.8% in H1 2019. Following a dip in 2016, strong capital growth has been driving up total returns. Meanwhile, income returns have been on a downward trajectory since peaking in 2013.

Section 7: Industrial and Logistics sector – City / Regional market overview

France is a large retail market, with sales in 2019 worth an estimated €533 billion. Online penetration rates are lower than in the UK or Germany at around 10.9% (compared to 19.2% in the UK), though online sales were worth an estimated €41.1 billion in 2019 (Mintel), making it Europe's third largest market after the UK and Germany. Rising volumes of online retail will continue to support rising demand for logistics space, particularly within close proximity to consumer bases.

Paris is a very large consumer market and the logistics sector in the region is primarily focused on servicing local consumer demand. Paris has a population of 12.5 million people making it the third largest consumer market in Europe and this concentration of consumer demand has spurred growth in the Paris logistics market. Over the past fifteen years there has been a rise in the number of warehousing and logistics properties in Paris and the larger Paris basin with the area becoming an important link between the urban core of Paris and the wider international supply chains and distribution networks.

Take-up in Paris is dominated by logistics providers, with a focus on servicing the local consumer market. The rise in online retail is expected to support further demand in this market. There has been a rise in the level of development in 2019 and although much of this space has pre-lets in place, the additional speculative supply has resulted in a slight uptick in the vacancy rate, though it remains relatively low at around 6.2%.

A large number of industrial and logistics projects are currently underway, although the availability of Grade-A stock is likely to remain tight as occupiers compete for the best located and quality stock. This is likely to support positive rental growth.

Key Market Statistics:

Year	2014	2015	2016	2017	2018	2019
Prime Rent (€ sq. m/p.a.)	55	55	58	58	58	58
Prime Yield (%)	7.00	5.75	5.75	5.00	4.75	4.25

Source: Knight Frank Research

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4. GERMANY

Section 1: Executive Summary

- The German economy has experienced significant growth of the past few years with exports and manufacturing important elements, and Germany has benefited from the growth of export markets, particularly in Asia. However, the strength of the euro combined with a weakening global trade outlook, has dampened recent growth rates and expectations for future growth.
- Though around half of German GDP is export based, the current driver of growth is domestic demand and particularly household spending.
- Germany's reputation as a safe-haven for real estate investment has attracted large volumes of international capital.
- Prime yields are at record lows across Germany's key office markets, due to strong competition for assets.
- Rental growth is expected to continue across the major office markets and while the rate of growth will slow, it will remain robust.
- Ongoing improvements at the Port of Hamburg should continue to drive demand for logistics property in Hamburg and put further upward pressure on rents.

Section 2: Economic Overview

Germany is the third largest export market in the world after the US and China; it has a strong manufacturing base and exports a range of goods. Germany's main export markets are the U.S., France and the U.K., followed by the Netherlands and China. Cars and vehicle parts are the largest export industries, followed by medical instruments, aircraft and spacecraft. German exports have gained momentum in recent years through a combination of factors including fiscal and wage restraint. However, the strength of the euro combined with a weakening global trade outlook, has dampened expectations for future growth.

National Statistics – Economic Outlook

	2018	2019 (f)	2020 (f)	2021 (f)	2022 (f)	2023 (f)	2024 (f)
Total Population (millions)	82.92	83.11	83.27	83.39	83.49	83.57	83.63
Population Growth rate (%)	0.28%	0.23%	0.19%	0.15%	0.12%	0.09%	0.07%
GDP Growth (%)	1.54%	0.55%	0.53%	1.33%	1.16%	1.08%	1.08%
Unemployment rate (%)	5.19%	4.98%	5.05%	5.01%	5.02%	5.07%	5.10%
Government debt (% of GDP)	50.59%	47.80%	46.18%	44.45%	42.88%	41.49%	40.24%
Inflation (CPI) (%)	1.74%	1.45%	1.48%	1.43%	1.50%	1.76%	1.93%

Source: Oxford Economics

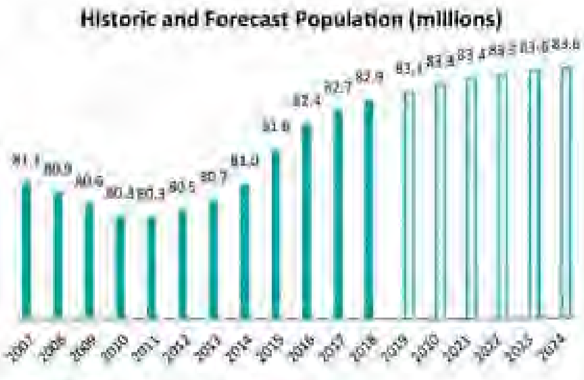
Germany saw subdued GDP growth in 2019, with the country narrowly avoiding recession. Overall, the economy grew just 0.6%, down from 1.5% in 2018 and 2.8% in 2017. Growth was supported by strong increases in public and private consumption, alongside a tight labour market and a relatively supportive fiscal stance. Healthy public finances could push fiscal policy to be loosened even further in 2020. Indeed, Oxford Economics forecast GDP growth to reach 0.7% in 2020, a slight improvement on 2019.

Sluggish growth in 2019 was in part due to a decline in external demand, with reduced inventories the main cause. Industries reduced their stocks significantly in response to weaker global demand, trade uncertainty and problems within the auto sector. With a 25% share of national output, German industry is sensitive to global geo-political headwinds. Issues in the German auto industry are not expected to abate in 2020, with the US threatening tariffs on European auto parts, alongside the global slowdown of car sales and production. German car manufacturers face the substantial financial burden of switching to electric vehicles and reducing existing model's emissions to meet strict EU regulations.

While the German services sector remained resilient in 2019, the auto industry may undermine its future performance. A government sanctioned report released by the National Platform on Future Mobility (NPM) indicated that over 400,000 jobs could be lost over the next ten years due to the shift towards electric vehicles. In 2019, unemployment remained at a record low of 5% in 2019, however, the faltering employment intentions from the industrial sector could restrict future employment growth.

Though around half of German GDP is export based, the current driver of growth is domestic demand and particularly household spending. This has been facilitated by low inflation and a healthy labour market spurred by immigration and rising participation. Indeed, over the last three years, domestic demand grew at a rate of 2%. Oxford Economics anticipate this to remain robust in 2020, with immigration inflows and supportive policy as the main drivers.

Source: DESTATIS, Oxford Economics

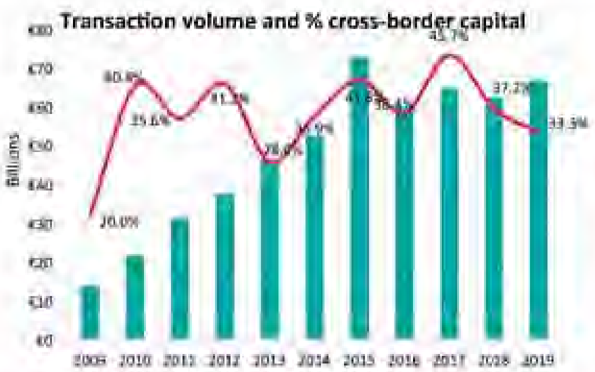


Source: Eurostat, Oxford Economics

Germany's economic expansion is expected to continue over the next five years, though the rate of growth will slow. Inflation reached 1.45% in 2019 and is expected to remain around this rate over the next three years. Rising tax revenues, coupled with increasing wages and private consumption is driving up government revenues and this is helping to lower the already moderate government debt burden.

Section 3: Investment in the CRE Market

The German investment market is highly liquid, with a strongly decentralised structure; unlike the UK and France where the capital city dominates in terms of population and concentration of businesses, Germany does not have one single dominant city rather there are several large first tier cities. Investment is shared across the "big 5" or "big 7" markets and while preferred, there has been noted rising interest in some second and third tier cities. Strong competition for assets in the core markets and slowing rates of capital growth are driving many investors to look for opportunities beyond the core markets.



Source: Knight Frank Research, Real Capital Analytics

Source: Knight Frank Research, Real Capital Analytics

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Commercial property investment totalled €66.6 billion in 2019, up 7% on the €62.2 billion recorded in 2018. Offices remains the most popular sector, followed by apartments. Domestic buyers continue to dominate and have increased their share of the market to 67.7%. Large German institutions and sizeable German Spezialfonds (open-ended funds for institutional investors) are highly active in the domestic market.

Foreign investors accounted for 33.3% of the market in 2019. Though foreign capital continues to target German real estate, the strength of the euro combined with strong yield compression and a lack of stock may have dampened their activity. That said, the highly liquid, relatively safe German market remains attractive for defensive investors but with prices very high international capital is having to be selective on acquisitions.

Favourable lending terms persist and are boosting investment activity. Lenders loan portfolios are expected to grow slightly over the next year, yet loan terms are unlikely to change dramatically. The maximum contracted length available is around 50 years. Average loan to values are around 75% for the whole loan, or around 60% for senior lending.

Section 4: Office sector – Country market overview

Investment in German offices is not concentrated in a single core market, rather there are several major office markets each with different characteristics and offering a breadth of tenants. Berlin, Dusseldorf, Frankfurt, Hamburg and Munich are generally considered the five most important office markets as destinations for both investment and business activity. The office market in each of these cities have unique characteristics and a different focus of business activity. The major office markets have recorded significant yield compression in the past few years and current yields are far below those recorded at the previous cyclical peak, in Munich prime yields are at 2.6%, 190 bps below the 2007 market peak, while prime yields in Berlin are currently at 2.75%, 200 bps lower than the previous market peak.

Investment in German offices totalled €27.4 billion in 2019, up slightly on the €25.0 billion recorded in 2018. One of the largest single asset deals took place in Berlin, the EDGE smart office building, currently under construction in East Side Berlin was purchased on behalf of German pension fund manager BVK for around €545 million. The state of the art office building is scheduled for completion in 2023 and Amazon will be the main tenant, occupying 28 of the 35 floors.

The volume of foreign capital investing in offices has been on the rise and there is strong competition amongst investors across the largest markets. There has also been an increase in the volume of capital flowing to regional German markets, that is, outside of the "Big 5" or "Big 7" cities. Investors are increasingly considering assets outside of the major markets; the lack of investible stock and shrinking returns on offer are driving some investors to move up the risk curve although Tier I markets remain a clear focus. However, even outside the core markets, Germany is considered a relatively safe market.

Take-up volumes have risen in 2019 across the big seven markets. However, there was variation across the markets, Berlin, Dusseldorf and Stuttgart all registered higher levels of take-up compared to 2018, the opposite was true of Frankfurt, Cologne, Munich and Hamburg. Several international technology and manufacturing companies have expanded their presence in Germany boosting take-up in these core markets. However, supply remains restricted and with limited development in the pipeline and vacancy rates already very low, take-up in 2020 may not match the performance of 2019.

Source: Knight Frank Research, Real Capital Analytics

Source: MSCI

Annual total returns were a record 10.3% in 2018, the same level as 2017, while income returns have decreased, capital growth has continued its upward trend.

Section 5: Office market – City markets

Frankfurt

Frankfurt is renowned as Germany's financial capital and most major German banks have their headquarters here. Frankfurt is also home to the European Central Bank (ECB) whose headquarters are located on the city fringe. The city skyline is populated with numerous high-rise office blocks and 14 of the 15 tallest buildings in Germany are located in Frankfurt.

The vacancy rate is structurally high in Frankfurt although it has reduced significantly over the past few years to 6.50% as out-dated stock is removed and replaced or refurbished to suit modern ways of working. However, the rate at which older stock is being removed from the market has slowed, with the focus of development activity moving away from the central sub-markets such as Westend, and Central Station Areas, towards more decentralised areas such as Eschborn and City-West. Take-up has risen year-on-year, with a total of 580,000 sq. metres of space let in 2019 with much of this space in new developments secured through pre-let agreements.

A large proportion of the pipeline is due to complete in 2020/2021 and already committed, thus competition for space is likely to intensify and drive further rental growth. Frankfurt has recorded very strong rental growth of 4.65% in 2019, with prime rents reaching €540 per sq. metre at the end of 2019. Further rental growth is expected to continue into 2020 and beyond although the pace will slow.

Key Office Market Statistics:

Frankfurt	2014	2015	2016	2017	2018	2019
Vacancy Rate (%)	10.40	9.20	9.10	7.80	7.20	6.50
Take-Up (sq. m)	378,200	391,000	530,375	715,100	533,600	580,000
Stock (sq. m)	12,144,146	12,096,164	12,089,162	12,097,666	11,370,000	11,370,000
Prime Rent (€ sq. m/p.a.)	456	462	462	480	516	540
Prime Yield (%)	4.70	4.30	4.00	3.25	3.10	2.85

Source: Knight Frank Research

Berlin

Berlin is Germany's start-up hot spot and home to a high proportion of tech and creative industries. The city is also the German capital and so is home to a correspondingly high concentration of government

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institutions, public administrative bodies and social institutions all of which are significant in the tenant mix (though they tend to be owner-occupiers).

Berlin has relatively low office occupancy costs and living costs compared to Munich or Frankfurt or other capital cities in Western Europe, and the city's vibrant social scene is attractive to young, highly educated people from all around the world. This combination of factors creates an environment favourable to start-up companies and entrepreneurs and so the growth of co-working office space and flexible leasing options are very popular in Berlin and this is a trend set to continue. Robust take-up figures in 2019 have been driven, in part by flexible workspace providers, who accounted for around 8% of the leasing market. Though there has also been a rise in the number of companies looking to locate or expand headquarters premise, boosting take-up of large floorplate offices. The largest leasing deal of 2019 was Amazon's pre-let of 55,000 sq. metres at EDGE East Side Tower, due to complete in 2023. There have also been a number of large lease agreements involving government bodies/departments.

Take-up in 2019 totalled just over 1 million sq. metres, though down on the 2018 total, the low vacancy rate means that activity is largely limited by construction volumes. Demand continues to outpace supply and this has driven down the vacancy rate to an historic low of just 1.2% at the end of 2019. In some submarkets it is sub-1%. Construction completions have added new stock to the market, though it is nearly all delivered with leases in place prior to completion. However, the federal government is consolidating their requirements and this may offer some further stock and help to satisfy some of the pent-up leasing demand.

Rental growth in Berlin has outpaced the rest of Germany and other first tier European cities, rents have risen 95% since the market trough in 2009, rising 8% in 2019 alone. Further growth is expected over the next few years and though the pace will slow, Berlin is expected to remain one of the best performing markets for rental growth over the next few years given the strong underlying occupational fundamentals and breadth of opportunities it can offer investors, albeit more so on the value-add side, perhaps via development opportunities.

Key Market Statistics:

[illegible]	2014	2015	2016	2017	2018	2019
Vacancy Rate (%)	7.70	6.30	4.10	2.25	1.80	1.20
Take-Up (sq. m)	610,000	820,000	850,000	950,000	1,415,000	1,050,000
Stock (sq. m)	17,350,000	1,753,6000	17,786,000	18,630,000	18,930,000	20,800,000
Prime Rent (€ sq. m/p.a.)	282	288	360	396	432	468
Prime Yield (%)	4.75	4.00	3.50	3.10	2.75	2.75

Source: Knight Frank Research

Hamburg

Hamburg is an important centre for logistics companies given the significance of the Port of Hamburg. The city is also a relatively attractive market for start-ups and smaller companies. Co-working and flexible office leasing is an important and growing phenomenon in Hamburg and the expanding start-up market is likely to continue to fuel demand for modern co-working office space. There are already several service providers offering co-working space in the city including WeWork, Betahaus and Stoffdeck. Regus is also active.

Despite strong demand for space, the level of take-up in 2019 was limited by a shortage of space, reaching 530,000 sq. metres, -13% behind 2018. With the vacancy rate at just below 3% at the end of 2019 and a scarcity of quality office stock there is upward pressure on prime office rents. This is unlikely to abate anytime soon with pre-lets in place for most of the stock expected to come through the pipeline in the next 12 months. Well-located, well-connected office buildings will not struggle to find tenants even if the quality of the fit-out or building is less attractive.

There are relatively limited completions expected to be delivered over the next couple of years. Despite robust demand, with supply expected to remain limited, take-up is expected to remain constrained in 2020 with further declines in the vacancy rate. There has been strong rental growth in Hamburg over the past two years and this is expected to continue over the next couple of years, though the rate of growth will slow.

Key Market Statistics:

[illegible]	2014	2015	2016	2017	2018	2019
Vacancy Rate (%)	6.75	5.90	5.60	4.80	4.10	2.90
Take-Up (sq. m)	518,400	520,000	551,000	640,000	610,000	530,000
Stock (sq. m)	14,670,000	14,730,000	14,820,000	14,900,000	15,045,000	15,160,000
Prime Rent (€ sq. m/p.a.)	300	300	300	306	324	360
Prime Yield (%)	4.50	4.00	3.50	3.20	3.05	2.90

Source: Knight Frank Research

Munich

Munich is Germany's largest office market in terms of built stock and has a broad base of occupiers. Manufacturing companies have a strong base in the city and represent the largest proportion of tenants. This is alongside media, high-tech and IT companies who also have a strong presence. Despite being the largest office market, Munich has very few high-rise buildings and those that do exist tend to be located on the outskirts of the city, while the centre is dominated by low-rise historic buildings with restrictive planning in place. As a result, there is little possibility for new office buildings in the city centre and this is driving up development and take-up in secondary locations. There has been significant rental growth in 2019, after little movement over the past few years and strong capital value growth has been boosting returns.

Occupier demand continues to strengthen, with those demanding large spaces forced to locate in peripheral locations. The vacancy rate has fallen significantly to just 1.7% across the city and it is lower still in the city centre. In the current market, large modern offices in well-connected locations are hard to come by. The main occupiers driving take-up are business services and manufacturing companies with public sector and government departments also accounting for a significant share of take-up.

The Munich office market with a broad appeal to all sectors of the economy, has been important as a base for industrial company headquarters, public administration offices and financial services are also active in the Munich office market and have been driving take-up.

Rental growth is expected to continue through 2020 and 2021, though the rate will slow from the level recorded in 2019. There is currently around 850,000 sq. metres of stock under construction. While most of this space is already let, this additional space should allow take-up to rise and ease some pressure on the vacancy rate. Prime yields in Munich are currently at 2.80% - the lowest of all the Tier I European markets.

Key Market Statistics:

[illegible]	2014	2015	2016	2017	2018	2019
Vacancy Rate (%)	6.60	3.80	3.10	2.20	2.10	1.70
Take-Up (sq. m)	641,000	750,000	780,000	986,000	980,000	980,000
Stock (sq. m)	20,150,000	20,050,000	20,100,000	20,200,000	20,200,000	22,700,000
Prime Rent (€ sq. m/p.a.)	414	414	432	436	438	456
Prime Yield (%)	4.40	3.75	3.30	3.00	2.80	2.60

Source: Knight Frank Research

Düsseldorf

Düsseldorf is a well-connected city, located at the confluence of the Rhine and its tributary Düssel, the city lies in the centre of both the Rhine-Ruhr and the Rhineland Metropolitan Regions with the Cologne/Bonn urban area to its south and the Ruhr to its north. Residents of Düsseldorf benefit from a high standard of living, with the city placing 6th in Mercer's Quality of Living Rankings (2019). It is a hub for IT and telecommunications companies and is also an important centre for the arts and creative industries. There have been strong levels of take-up in recent years which have helped bring down the relatively high vacancy rate which is currently around 6.5%. There has also been a significant amount of decommissions, with office stock converted into residential or hotels which has helped the noted decline in vacancy.

The economy in Düsseldorf is heavily dependent on export driven markets, North Rhine-Westphalia is one of the biggest export regions in Germany. However, much of the recent take-up activity in the city has been driven by other sectors, including international media and consultancy firms. Flexible workspace provider WeWork also concluded a large leasing deal, taking around 20,000 sq. metres.

Rents are considerably lower than in other German cities and rental growth in Düsseldorf has been more modest, although further rental growth is expected in 2020/2021 due to strong demand and the low vacancy rate.

Key Market Statistics:

[illegible]	2014	2015	2016	2017	2018	2019
Prime Rent (€sq. m/p.a.)	312	312	318	325	330	336
Prime Yield (%)	4.75	4.60	4.20	3.75	3.25	3.20

Source: Knight Frank Research

Cologne

Cologne has a strong manufacturing base and the city's economic growth has resulted in increased demand for office space however, low availability of space has dampened leasing activity with occupiers struggling to find suitable space that matches their needs.

Prime rents in Cologne have risen to around €312 sq. metres per annum. The desirability of the city centre, combined with the low vacancy rate of around 2.5%, is putting upward pressure on rents. The amount of new office stock being developed is low and demand is expected to continue to outstrip supply, pushing the vacancy rate still lower and driving further rental growth.

Key Market Statistics:

[illegible]	2014	2015	2016	2017	2018	2019
Prime Rent (€sq. m/p.a.)	252	252	258	258	288	312
Prime Yield (%)	4.75	4.60	4.20	3.90	3.30	3.30

Source: Knight Frank Research

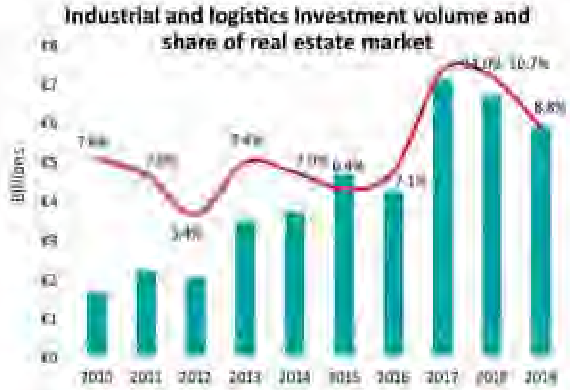
Section 6: Industrial and Logistics sector – Country market overview

The investment market for German logistics has been very active with investors eager to take advantage of the strong fundamentals underpinning the sector especially across the country's seven main logistics hubs; Berlin, Düsseldorf, Frankfurt, Hamburg, Cologne, Munich and Stuttgart. There has been strong investor appetite across these markets and this is aiding a shift from a predominantly owner-occupied market to an increasingly tenanted market. Occupier needs are becoming increasingly specialised requiring high-tech or flexible space and these specialised requirements are driving the development of new facilities in these markets.

Demand for warehousing and logistics properties in Germany is driven by a combination of retailers, distribution and manufacturing which contribute to a balanced occupier market. Outside of the core markets, manufacturing companies are more dominant. Take-up in the core seven German markets is driven primarily by retailers and distribution companies.

The Hamburg logistics market has flourished due to its strong and varied transportation links, with links to Netherlands in the West and Denmark and Sweden to the north. The Rhine-Ruhr region (around Dusseldorf) in the West of Germany is another highly sought after logistics market with excellent transport links into neighbouring markets of France and Belgium, as well the close proximity to Europe's key logistics hub in Venlo (Netherlands), making this location strategically important in any European logistics network. The market has recorded falling take-up volumes over the past couple of years, due in part to a lack of modern turn-key facilities.

Frankfurt has become more prominent as a logistics location, recording the largest development activity in 2019 of all the major German logistics markets, thus helping accommodate a rise in take-up. Despite this, availability remains tight, with most space under construction already committed and with a lack of suitable sites for development supply will remain constricted.



Source: Knight Frank Research, Real Capital Analytics

Source: MSCI

Investment in industrial and logistics property totalled €5.9 billion in 2019, down from €6.7 billion in 2018. This represents the third highest annual total on record, after exceptional years in 2017 and 2018. There has been a rise in overseas capital entering the German industrial and logistics investment market with Asia Pacific buyers particularly acquisitive over the past three years. Economic growth coupled with the rise in e-commerce, the drive for supply-chain optimisation, and positive rental forecasts are supporting positive investor sentiment. Total Returns for German industrial have been outpacing other sectors. In 2018, German Industrial registered total returns of 15.3%, driven by robust capital value growth.

Section 7: Industrial and Logistics sector – City /Region market overview

Hamburg

Hamburg's port is the third largest container port in Europe and the city is also home to an international airport and has excellent road and rail networks. The city is a centre of trade, shipping and aerospace engineering and these, along with manufacturing industries and trade links, drive demand for warehouse space in Hamburg. The large urban population is also fuelling demand for fulfilment and distribution centres.

Hamburg has recorded strong take-up volumes over the past few years, with most of the large deals taking place in the Port of Hamburg region. The deepening of the Elbe River has finally been approved this will allow large modern container ships to access the Port of Hamburg. An increase in container ship traffic and trade will drive further demand for logistics space by occupiers and is also likely to increase investor interest in the market.

The market is already characterised by low availability and rising take-up could lead to the market reaching full capacity. Construction on new development projects is expected to commence soon which could increase capacity in this market but supply is expected to remain tight as pent up demand will absorb much of the new space with ease. Rents have risen in 2019, strong occupier demand and supply pressures are expected to drive rents up further.

Key Market Statistics:

Hamburg	2014	2015	2016	2017	2018	2019
Prime Rent (€ sq. m/p.a.)	68.4	72.0	72.0	72.0	72.0	74.0
Prime Yield (%)	6.25	5.75	5.00	4.50	4.33	4.10

Source: Knight Frank Research

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5. ITALY

Section 1: Executive Summary

- The Italian economy has recorded marginal growth in 2019 with sluggish growth rates expected to persist into 2020.
- Milan is Italy's most global city attracting the largest number of international companies and the highest volume of foreign capital into real estate. Milan has pulled away from the rest of the country in terms of economic growth.
- Italy has not seen the trajectory of price growth recorded elsewhere in Europe over the past five years. It is seen as being in a less mature position in the market cycle, and the prospect of further rental growth is attracting investors to the Italian market, particularly in Milan. Investors remain highly selective in terms of assets and sub-markets however, given the weakening global economic backdrop.
- Prime office rents in Italy are expected to grow over the next few years, albeit at a modest rate and with a clear focus on income producing, Grade A space in Milan and to a lesser extent Rome.

Section 2: Economic Overview

The Italian economy entered into a mild recession over two quarters in 2018 and since then has experienced marginal growth. Indeed, year-on-year GDP grew by just 0.3% in Q3 2019. Oxford Economics expect this sluggish rate of GDP growth to continue into 2020. Factors including the manufacturing sector recession, weak domestic demand and strong ties to the struggling German economy predicate this. Oxford Economics forecast GDP growth to be 0.3% in 2020, up slightly from an estimated 0.2% growth in 2019. The IMF are forecasting 0% growth in 2019, followed by a slight pick up to 0.5% in 2020.

Despite employment rising in 2019, the Italian unemployment rate is close to 10% which is notably higher than the 7.6% Eurozone average. Despite the high level of unemployment, strong employment growth is not expected in 2020. Oxford Economics anticipate a continued deceleration of employment after it fell in Q3 2019. The subdued employment expectation for the country is based on the country's demographic imbalance. With a fertility rate of 1.25 in 2019 and 22.8% of the population aged 65 and above according to ISTAT, the population is ageing. This is of importance given the extent of the country's public debt and its pensions burden.

However, Italy has one of the lowest labour participation rates amongst developed countries at 65%. If reforms were to be implemented to increase participation, this could have significant impact on the country's long-term growth potential.

Political instability is also a factor determining the economic landscape in Italy. Over 2019, the rise of populism in Italy has been reflected in the growth of Matteo Salvini's right wing 'League' party. However, a recent regional election in January 2020 saw a centre-left democrat retain her seat defeating the League party candidate. The threat of a snap general election was reduced, and the market reacted accordingly with government ten-year bonds falling to its lowest level in three months to 1.03%. With circa 55% of Eurozone government bonds negative yielding, Italian bonds are relatively attractive, with one of the highest yields on offer in Europe.

National Statistics – Economic Outlook

	2018	2019 (f)	2020 (f)	2021 (f)	2022 (f)	2023 (f)	2024 (f)
Total Population (millions)	60.40	60.30	60.10	60.00	59.90	59.80	59.70
Population Growth rate (%)	-0.20%	-0.21%	-0.21%	-0.19%	-0.18%	-0.17%	-0.16%
GDP Growth (%)	0.65%	0.20%	0.05%	0.49%	0.70%	0.74%	0.61%
Unemployment rate (%)	10.63%	9.96%	9.77%	9.82%	9.76%	9.63%	9.39%
Government debt (% of GDP)	148.48%	149.38%	150.14%	149.89%	148.50%	146.78%	145.11%
Inflation (CPI) (%)	1.14%	0.61%	0.66%	0.97%	1.27%	1.46%	1.56%

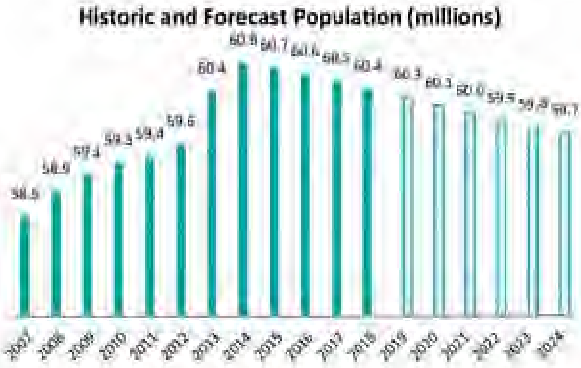
Source: Oxford Economics

Italy's subdued 2019 and 2020 growth expectations may damage the government's spending plans and their ability to keep the deficit within the EU's acceptable limits. The government formed in September 2019 is aiming for an ambitious fiscal deficit of 2.2% of GDP in 2020. However, Oxford Economics forecast a more achievable 2.5% of GDP in 2020, with the government debt to GDP ratio expected to rise to around 150% by the end of 2020, up from 148% at the end of 2018. A failure to reduce the deficit could leave Italy exposed to future interest rate hikes.

Historic and Forecast GDP Growth (%)

Source: ISTAT, Oxford Economics

Historic and Forecast Population (millions)



Source: Eurostat, Oxford Economics

Section 3: Investment in the CRE Market

Italy's property market recorded record transaction levels in 2019, totalling €11.5 billion, up from €7.6 billion in 2018 despite the weak economic environment and fragile banking sector. The proportion of foreign investment has risen, albeit modestly, with weaker returns on offer elsewhere in Europe enticing some investors up the risk curve and into the Italian market. Property prices appear to have bottomed out in some markets and the prospect of positive price growth is supporting investor interest, though this interest remains focused upon Grade A, well-let, centrally located assets.

Transaction volume and % cross-border capital

Source: Knight Frank Research, Real Capital Analytics

Transaction volume by sector

Source: Knight Frank Research, Real Capital Analytics

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Offices continue to be the most transacted sector in Italy, with Milan the country's most liquid market. Investors and occupiers are drawn to the attractive pricing relative to other European cities and the city's connections with international markets. Prime yields in Milan are currently around 3.30%; this compares to yields of sub-3% in Paris or the main German cities. Foreign buyers have been active in the Italian market over the past seven years and in 2019 accounted for 67.0% of trading volumes, with French and US buyers the most active over the past twelve months.

There are a number of large scale redevelopments underway in Milan, these opportunities are absent elsewhere in Italy and are attracting international investors. For example, Lendlease have signed an agreement to redevelop the former Expo site in Milan which will become a new urban district with commercial, residential and public realm space and an end value of around €2.5 billion. Development could commence next year (2021) and it will take around 15 years to complete.

A large shopping centre development that will form a hub within this new district also changed hands in 2019. Ceetrus, part of the corporate French retail investor group Auchan acquired the asset for €330 million - the Merlata Mall in Milan is part of the Cascina Merlata-Uptown development plan - one of the largest redevelopment projects in Italy. The shopping centre is currently under construction with completion expected in 2021 and will be Milan's largest shopping centre once completed.

While prime office assets are attracting most interest, some opportunistic and value-add capital is looking to well-connected secondary locations and assets set to benefit from broader regeneration schemes. US investor, Hines and Dutch pension fund PGGM entered a joint agreement to target high-street retail, office and mixed-use value-add opportunities in Milan in 2017. Their latest acquisition, as part of this venture, was Via Della Spiga 26 in Milan, for around €250 million. The asset includes luxury retail and residential and will undergo renovation. It is located within the famous Quadrilatero della Moda, an area set to benefit from a broader revitalization program.

Section 4: Office sector – Country market overview

A total of €5.5 billion was invested in Italy's office markets in 2019, compared to €3.2 billion in 2018. However, Italian offices continue to offer opportunities to a broad spectrum of investors and especially of interest to those who understand the market dynamics and are long-term investors.

Italy's major office markets are Milan and Rome, and to a lesser extent Turin. Milan continues to attract the largest share of investor activity with €3.6 billion invested into the office sector in Milan, accounting for 66% of all office investment in Italy. Rome is also seeing higher levels of investor activity, encouraged by rising occupier demand and rental value growth. Some foreign investors are targeting redevelopment opportunities in the CBD or Centre of Rome order to capitalise on the improving rental market.

Source: Knight Frank Research, Real Capital Analytics

Source: MSCI

Property decisions are increasingly being made based on the city or even sub-market rather than the country. Milan's occupier market has seen robust leasing activity on a par with other European cities such as Amsterdam or Brussels and rental growth is attracting investors. Milan is leading the rest of Italy's office market; positive capital growth has been slower to materialise elsewhere in the country. Rome is predominantly an income-driven market with an occupier base comprised largely of government institutions and services. There are signs of positive growth coming through in the Rome market, well-let properties in prime locations can offer investors a relatively attractive risk-return profile.

In both Milan and Rome, location is the key driver for both investors and occupiers. Weaker income returns and capital growth in H1 2019 led to a dip in total returns for Italian offices, though this hides strong regional disparities. Milan recorded much stronger returns than Rome, particularly within the Semi-Centre and Porta Nuova markets. Positive capital value growth remains allusive for office markets in peripheral areas of both cities.

Section 5: Office market - City markets

Milan

Milan is a smaller city than Rome (the population is less than half), but benefits from its proximity to other European markets including south west France, Switzerland, Austria and southern Germany and its strong international business presence. Milan is the key commercial hub for many financial institutions, including the Italian Stock Exchange and is also the key commercial and industrial centre in Italy plus the wealthiest city in the country offering a diverse occupier base and a business-friendly administration.

The service sector is the dominant economic sector in Milan and there is also a strong ICT and Media presence in the city. As an important hub for manufacturing and fashion, Milan attracts many fashion and luxury goods companies who chose to base their operations here.

The main office markets in Milan are located in the CBD and Porta Nuova (the new Business District) and these sub-markets attract the largest share of investment. The momentum of growth in Porta Nuova is rising as it becomes an established area within the city and there are plans for further office, retail and residential developments in this sub-market, enhancing the overall attraction of the area. Located to the north of the city centre in Italy's most-connected transportation hub, Porta Nuova is one of the largest urban development projects in Europe and due to its mixed-use, modern design and large modern office buildings, the area is very popular with occupiers and take-up here has been strong.

Milan recorded 470,456 sq. metres of take-up in 2019, an increase of 27% on 2018. Robust demand and a shortage in availability of prime product is driving positive rental growth. This is particularly evident in the CBD which remains the most sought-after submarket. There has also been a rise in demand from developers in the decentralised areas, as they offer development potential. The pace of rental growth in Milan is expected to continue in 2020, outpacing growth in many European Tier I cities. However, the rate of growth is expected to slow over the next few years, as new developments increase supply to the market.

Key Market Statistics:

Milan	2014	2015	2016	2017	2018	2019
Vacancy Rate (%)	13.30	12.00	12.10	12.00	10.90	10.10
Take-Up (sq. m)	275,200	388,856	307,225	330,600	370,665	470,456
Prime Rent (€ sq. m/p.a.)	475	500	500	530	585	600
Prime Yield (%)	5.25	4.75	3.75	3.50	3.40	3.30

Source: Knight Frank Research

Rome

Rome is a challenging market for many investors and while office yields have compressed in line with those found in Milan, Rome has a very different occupier base largely concentrated around public bodies and some investors are less comfortable with the current risk/reward profile on offer at these low yields. The city does however have appeal to those investors who have prior experience with the Italian and specifically the

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Rome market. There has been an increase in international value-add investment targeting well-connected assets with strong fundamentals that stand to benefit from wider regeneration plans.

The largest office transaction in Rome was through a portfolio acquisition made by Goldman Sachs in a joint venture with Italian real estate company, Prelios, two of the portfolios assets were located in Rome and a further one in Milan. The portfolio changed hands for approximately €250 million.

Rome's occupier market is dominated by public administration and government departments. The government is under pressure to bring down public debt, reduce expenditure and there are structural reforms underway as the government continues to rationalise their needs in terms of office space. This has had a negative impact on take-up levels in Rome over the past few years but it should be noted that public sector institutions currently account for around only 10% of take-up. 2019 has seen record levels of take-up activity in Rome, with commercial and financial services driving the rise in leasing activity. Most of this activity is concentrated in the Centre and EUR submarkets. Investors also remain focused on these markets, wary of occupancy risks outside of these core markets.

Rental values in prime areas have been rising in Rome, with prime CBD rents reaching €440 per sq. metre at the end of 2019. A number of new office buildings completed in 2019 setting new rental levels. However, the robust development pipeline is set to add new supply to the market in 2020 and this may limit the pace of growth in 2020, though it should accelerate slightly in 2021. Occupier demand for the core business districts expected to continue, while deliveries of new and refurbished office space in these areas is expected to decline over the next two years. At present, there is a reluctance to venture outside of the CBD and Centre, on the part of both occupiers and developers, a continuation of this trend over the next few years will put upward pressures on rents in these sub-markets.

Key Market Statistics:

[illegible]	2014	2015	2016	2017	2018	2019
Prime Rent (€ sq. m/p.a.)	375	375	390	400	415	440
Prime Yield (%)	4.75	4.60	4.25	3.75	3.75	3.75

Source: Knight Frank Research

6. DENMARK

Section 1: Executive Summary

- Denmark has a robust export market, though the weakening global trade outlook will make domestic consumption increasingly important for economic growth.
- Demark is viewed by many investors as a safe-haven with Danish property proven to be increasingly attractive to international investors over the past few years.
- Retail sales and online retail penetration rates are expected to grow in Denmark and retailers' need for e-fulfilment centres and warehouses will increase alongside this.
- Though the Danish logistics market is dominated by owner-occupiers, it is becoming an increasingly tenanted market.
- Demand for logistics space around Copenhagen is expected to rise and drive rental growth.

Section 2: Economic Overview

Denmark has a balance of payments surplus driven through exports of oil, gas and food, with much of their trade done with Euro denominated countries. Due to close economic ties with the Eurozone, the Danish Central Bank maintains a fix on the Krone/euro exchange rate, thus providing stability to the export market. However, weakening global trade prospects are expected to dampen demand for Danish exports in 2020 and domestic consumption will become more important in driving GDP growth over the next five years.

National Statistics – Economic Outlook

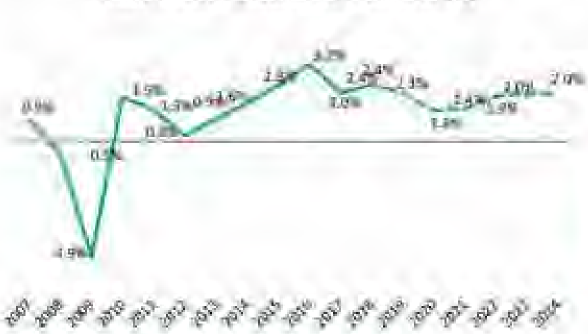
	2018	2019 (f)	2020 (f)	2021 (f)	2022 (f)	2023 (f)	2024 (f)
Total Population (millions)	5.79	5.82	5.84	5.87	5.89	5.92	5.94
Population Growth rate (%)	0.45%	0.39%	0.41%	0.43%	0.43%	0.43%	0.42%
GDP Growth (%)	2.39%	2.05%	1.14%	1.39%	1.90%	2.01%	2.01%
Unemployment rate (%)	3.84%	3.69%	3.74%	3.65%	3.55%	3.54%	3.52%
Government debt (% of GDP)	47.52%	44.42%	43.12%	42.26%	41.16%	40.12%	38.98%
Inflation (CPI) (%)	0.81%	0.76%	1.07%	1.28%	1.24%	1.36%	1.49%

Source: Oxford Economics

Interest rates are currently set at -0.75% and Oxford Economics forecast this rate to hold throughout 2020. There has however, been speculation regarding an interest rate hike, but for now inflation remains very low. This, along with wage growth and low mortgage rates, will help to support growth in household spending. A property tax refund is expected to be paid later in 2020 and this should provide an additional boost to consumption. Though household debt levels remain high, low interest rates ensure that the debt burden remains low. However, weakening consumer confidence levels and speculation over interest rises may prompt higher levels of household savings.

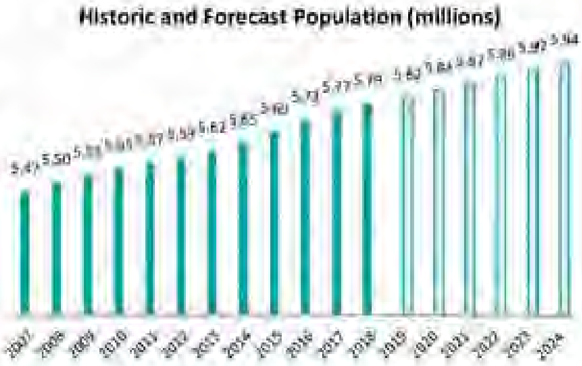
The labour market continues to be strong and stable. Further growth of the labour market is likely as the retirement age rises and population growth of around 0.4% per annum is forecast over the next five years. The unemployment rate remains below 4% and rising employment has been offset by growth in the labour market, maintaining unemployment levels at their current low level. This is likely to remain the case for the next five years (Oxford Economics).

Historic and Forecast GDP Growth (%)



Source: Statistics Denmark, Oxford Economics

Historic and Forecast Population (millions)



Source: Eurostat, Oxford Economics

Denmark is considered to be a highly stable economy with low levels of government debt relative to most European countries, low inflation and a stable currency and it is these factors that encourage inward investment.

Section 3: Investment in the CRE Market

The stable and open economic backdrop, combined with low sovereign debt and AAA credit rating make Denmark an attractive investment market, particularly for risk-adverse investors. However, given the relatively small size of the market liquidity drops quite sharply outside of the core Copenhagen submarkets and foreign investors in particular tend to be much less active outside the Greater Copenhagen area. In 2019 around 62% of all investment targeting Denmark was focused on the Copenhagen market.

Source: Knight Frank Research, Real Capital Analytics

Source: Knight Frank Research, Real Capital Analytics

Investment volumes have trended down over the past couple of years after reaching an all-time high in 2017 when €7.0 billion was invested. Investment in 2019 totalled just €4.1 billion and the decline in activity is due to a combination of a lack of prime assets available for sale and a mismatch between buyer and seller price expectations, particularly for secondary assets. For the first time since 2015 the office sector attracted the largest share of investment in 2019 reaching 40% of the market and usurping the apartment sector that was the most active sector between 2016 and 2018.

Foreign investors are active in the Danish market accounting for 59% of investment into the market in 2019. The majority of international capital is from the neighbouring Nordic countries, particularly Sweden but, German and UK buyers are also active. Investment from non-European buyers has been largely absent from the market until recently with investment from US buyers steadily increasing over the last few years. International institutions have been particularly active in the apartment sector as it is a liquid and well-established market. Strong demographic fundamentals and further urbanisation are expected to support future growth in this sector.

Section 4: Industrial and Logistics sector – Country market overview

Denmark's industrial and logistics sectors are focused around key import /export locations with the Greater Copenhagen the country's main market. Occupiers tend to focus on locations such as Taastrup, Ishøj Køge and Greve. A further hub of activity is focused in the Triangle area in Jutland.

Investment in Danish industrial and logistics property totalled €467.3 million in 2019, though the comparison with 2018 is unfavourable (-16% year-on-year), it is the second highest volume on record. Furthermore, it continues to account for a relatively small proportion of the overall CRE investment market; just 11% of the 2019 trading volume. There is a high proportion of owner-occupation in the Danish industrial sector and it is a somewhat less mature investment market compared with that of other European countries. However, there are indications that the market is becoming increasingly tenanted with more sale & leasebacks evident and corporates look to unlock capital in their real estate portfolios and redeploy into the operational side of their business. This is providing investors with more opportunities to buy into the market in the process. Indeed, much of the investment activity in 2019 was underpinned by these types of agreements. A recent example of this is the partial sale-and-leaseback of the SDC HQ data centre in Ballerup, Copenhagen for around €60 million to British property adviser Ekistics. SDC have occupied the premises, along with IBM Denmark, for many years and have invested heavily in the building.

The largest logistics transaction in 2019 involved the Odense Nonfood Center for around €87 million. Located in Odense, Denmark's third largest city, this is one of Denmark's most modern distribution centres with a high level of automation. Built in 2008, Coop initially rented the 72,400 sq. metre facility but have now purchased the site from 3C Groups, consolidating their logistics holdings. They now own all of their Danish distribution centres.

Source: Knight Frank Research, Real Capital Analytics

Source: MSCI

Danish industrial and logistics continue to offer strong income return and recorded robust capital growth in 2018. Occupiers are increasingly demanding modern, high-tech facilities, which will in turn provide investment opportunities. The demand for well-located, efficient facilities is driving positive rental growth and there may be room for further yield compression.

Section 5: Industrial and Logistics sector – City /Region market overview

Copenhagen

Denmark's key exports include machinery, pharmaceuticals, medical and optical apparatus and the industrial and logistics market, particularly in Copenhagen, is primarily focused on the manufacture, storage and distribution of these products. The domestic consumer market is also increasingly important, both for economic growth and the industrial and logistics market in Denmark. Online retail is growing rapidly and the online grocery delivery market is expanding their offering. These factors are expected to support growth in demand for last mile distribution within the Greater Copenhagen market and underpin future demand for centrally-located distribution centres within close proximity to consumers.

High labour costs are driving an increased need for more efficiency and automation and occupiers are increasingly demanding modern, well-suited facilities. New logistics centres, located at key transport hubs, such as the airport and along motorway corridors are in high demand. Logistics property at Copenhagen Airport command some of the highest rents in the region, with premises situated in the eastern part of the Airport achieving prime rents of around €140 per sq. metre. DHL plans to develop a new highly automated, state of the art distribution hub at Copenhagen Airport to improve the speed and capacity of their operations in the region. Currently packages to Denmark are routed via hubs in the UK or Germany, but with the new facility throughput will increase and delivery times improve, which are becoming increasingly important for consumers. The 26,172 sq. metre facility is due to complete in 2023.

Despite positive rental growth and a decline in the vacancy rate over the past few years to around 2.3% speculative development in Copenhagen remains limited due to high construction costs and the need to recoup these via a secure long lease agreement. Most development is either driven by the end-user or has a strong pre-let agreement in place before breaking ground. There are high rates of owner-occupancy in Denmark and this continues to be the case with new and modern facilities.

Key Market Statistics:

Copenhagen	2014	2015	2016	2017	2018	2019
Vacancy Rate (%)	4.1	3.3	2.8	2.2	2.3	2.3
Prime Rent (€ sq. m/p.a.)	74	74	74	72	80	87
Prime Yield (%)	7.00	6.25	5.75	5.75	5.75	5.25

Source: Knight Frank Research
NB: Vacancy rates based on estimates

Despite recent yield compression, yields remain much higher than other European markets such as the UK, Germany and the Netherlands and additionally there is also a significant gap between office and industrial yields in Denmark (office yields in Copenhagen are around 160 bps below logistics yields). Prime industrial and logistics properties offer attractive returns relative to other sectors and markets with well-let logistics properties offering a stable investment.

7. FINLAND

Section 1: Executive Summary

- Finland's economy has been expanding strongly over the past couple of years on the back of strengthening domestic and foreign demand. Further economic growth is expected, though the rate of growth will slow.
- The Helsinki Metropolitan Area (HMA) represents Finland's most international and liquid real estate market. Most investment outside of this region is through portfolio transactions.
- Across the Helsinki Metropolitan Area, the vacancy rate remains quite high, though it is falling, particularly within the CBD district.
- Investors have been active in the Helsinki office market and this has driven down yields to record levels.

Section 2: Economic Overview

Finland's export trade is a very important part of the economy, accounting for around one third of GDP. The main export industries in Finland are paper, machinery and electrical equipment (including high tech and computers), with natural resources and cars also important elements of the Finnish export market. Germany, Sweden, the US, the Netherlands and Russia are Finland's main export markets.

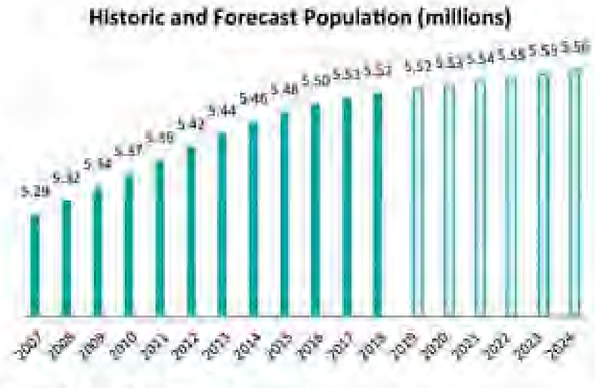
National Statistics – Economic Outlook

	2018	2019 (f)	2020 (f)	2021 (f)	2022 (f)	2023 (f)	2024 (f)
Total Population (millions)	5.52	5.52	5.53	5.54	5.55	5.55	5.56
Population Growth rate (%)	0.14%	0.12%	0.12%	0.13%	0.14%	0.14%	0.14%
GDP Growth (%)	1.67%	1.60%	0.88%	0.89%	0.97%	0.76%	0.84%
Unemployment rate (%)	7.43%	6.70%	6.64%	6.78%	6.85%	6.89%	6.91%
Government debt (% of GDP)	58.68%	59.73%	59.87%	60.33%	60.61%	60.76%	60.59%
Inflation (CPI) (%)	1.08%	1.02%	1.10%	1.23%	1.29%	1.42%	1.56%

Source: Oxford Economics

As the only Eurozone country in the Nordic region, Finland is in a unique position. Finland's economy has been expanding strongly over the past few years on the back of strengthening domestic and foreign demand. Exports in particular, performed well in 2019. This economic expansion has boosted employment growth and the rate of unemployment is forecast to continue to fall in 2020. However, with economic growth expected to slow, labour demand is likely to fall and this is expected to push up the unemployment rates slightly from 2021. GDP growth is expected to slow in 2020-22 as weak global trade starts to impact exports.

Source: Statistics Finland, Oxford Economics

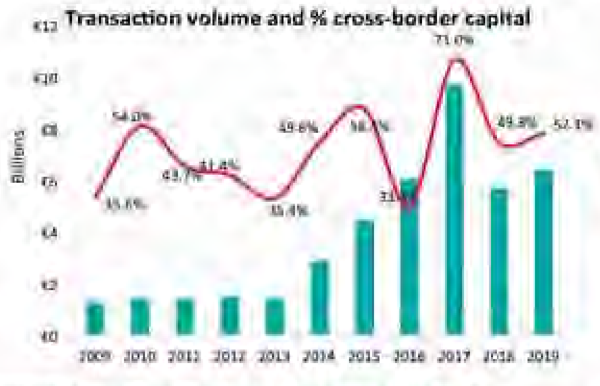


Source: Eurostat, Oxford Economics

Weakening global trade is expected to dampen trade growth and manufacturing output, due to weakening growth in key trading partners. Thus, domestic consumption will be instrumental in driving growth in 2020. There is room for further tightening in the labour market and unemployment is expected to continue its downward trend. However, while there is capacity for employment growth, the number of vacancies points to a skills gap where the available workers lack the skills necessary to fill these vacancies. However, Finland's education system is regarded as one of the best in the world and the supply of a highly educated workforce should boost prospects for growth. Strong wage is forecast and this should help boost spending. On the downside, higher wages may impact negatively on manufacturing costs and further dampen export growth.

Section 3: Investment in the CRE Market

Finnish property attracted €6.4 billion of investment in 2019, up from €5.7 billion in 2018. The office sector was the most popular, followed by the retail and residential sectors. The largest single asset deal was the sale of a shopping centre whereby the Jumbo Mall in Vantaa, Helsinki sold for €731 million. Pension insurance companies Varma and Elo Mutual have agreed the transaction as a joint venture and plan to merge the shopping centre with neighbouring Flamingo Entertainment Centre.



Source: Knight Frank Research, Real Capital Analytics

Source: Knight Frank Research, Real Capital Analytics

In March 2019, UK private equity firm Kildare Partners acquired Finnish listed property company Technopolis Oyj who own and operate a chain of business parks with a focus on flexible workspace and business incubators. The company's underlying real estate assets are mainly located within Finland, though it also has properties in Norway, Sweden, Estonia and Russia. The deal is valued at around €1.6 billion, with 15 of the 20 assets located in Finland, it represents one on the most significant deals of 2019 for the Finnish market.

Foreign buyers accounted for 52% of the total investment with the majority of this capital coming from elsewhere within Europe. The UK was the top source of foreign capital in 2019, due largely to the Kildare Technopolis acquisition. German and Swedish buyers have also been active while capital from the US has dipped.

Knight Frank

Section 4: Office sector – Country market overview

Office investment volumes have been trending up over the past six years. 2019 was a very active year in the investment market, and with the exception of the 2017, 2019 recorded the highest transaction volume on record. The 2017 total was boosted by the Blackstone acquisition of €1.8 billion shares in Finnish Real Estate company Sponda.

Across Finland, there is currently around 20 million sq. metres of office stock, around 9 million sq. metres of this stock is located in the Helsinki Metropolitan area – the country's main office market. There are small regional office markets located in Tampere and Turku but they account for a very small proportion of stock. Helsinki and Tampere have recorded a significant amount of office development over the past few years, both new build as well as redevelopment of existing stock. Around 190,000 sq. metres of office space completed in Helsinki in 2019, more than double the level seen over the past few years, with a further 110,000 sq. metres expected to complete in 2020. Modern office buildings, in prime locations and in close proximity to local transport connections are increasingly in demand from office occupiers and thus demand for space and development activity is becoming increasingly concentrated within the CBD market as well as sub-markets that will benefit from improvements to local infrastructure and public transport.

The Helsinki region attracts the lion's share of investment, accounting for 73% of the total in 2019. However, development opportunities and low vacancy rates within regional markets are attracting rising levels of investor interest. Much of the investment outside of Helsinki tends to be via portfolio transactions where assets in the portfolio are located in various cities. Close links with the rest of the Nordic region results in a high proportion of international capital in the market, particularly from Swedish investors. However, UK and German buyers were the dominant sources of foreign capital in 2019.

The largest single asset office transaction in 2019 was the forward-purchase of the ECHA (European Chemicals Agency) office by German equity fund Hansainvest for €135 million from Skanska. The centrally located eight-storey office building in the Telakkaranta area of Helsinki completed at the end of 2019.

Source: Knight Frank Research, Real Capital Analytics

Source: MSCI

Weak capital growth has prevented any significant increase in returns. Capital growth slowed in 2018 but remained positive with lower yields and higher rental income offset by higher operational costs and capex requirements. Income returns have continued to fall and are now below 5%, reflecting higher property values and costs.

Helsinki

Helsinki has a high proportion of private sector jobs and there are several specialist sectors that have developed due to the highly educated workforce, including financial services, research and development and tech industries. Finland is a renowned centre of digital industry and technology and the expanding economy is a key driver of demand for office space in Helsinki. The city is home to many young tech-savvy workers, digital consulting firms, start-ups and self-employed and these occupiers typically require modern, highly flexible office space, where they do not have to commit to lengthy leases and can alter their space or service requirements at short notice. There are also some office concepts aimed specifically at technology start-up companies such as incubators and accelerators.

Within the HMA (Helsinki Metropolitan Area), the CBD is the centre of prime office and retail space. However other prime office locations are developing, these include the extending Pasila–Vallila–Kalasatama axis. Limited supply in the central CBD district is driving activity in peripheral areas and development activity and rental growth in these locations is driving an expansion of the traditional CBD area. There are a number of office developments underway, a key project is the Tripla mixed-use development in Helsinki's Pasila district, north of the CBD. Scheduled for completion over the next couple of years, it will include a new railway station along with a shopping centre, offices and apartments.

One of the most significant occupier deals of 2019 was Deloitte taking the We Land building in the Ruoholahti district of Helsinki, to be their Finnish headquarters. The building is part of the wider redevelopment of the Ruoholahti district. The BREEAM Outstanding rated building is due to complete in 2022 and will offer 23,000 sq metre space of floorspace.

Helsinki offices remain an attractive investment, offering higher prime yields compared to some other capital cities of continental Europe, though they are lower than those found in other Nordic capital cities, and combined with a stable economy will continue to draw investors. Investment outside of the city centre is expected to increase due to rising development and refurbishment opportunities here, particularly along the metro extension and Jokeri Light Rail routes. Well-connected sub-markets such as Keilaniemi, Kalasatama, Pasila and Hakaniemi are seeing increasing interest. Rental growth is expected to slow in 2020 but positive growth will continue over the next few years, though this growth will be highly dependent upon the micro-location and characteristics of the asset.

When assessing the vacancy rate across the Helsinki Metropolitan area as a whole, it remains high (over 10%), however it has fallen sharply in the CBD area, where prime stock now has a vacancy rate close to zero. It has also fallen significantly in the Leppävaara area in Espoo. Economic expansion in Finland has not driven down vacancy rates as quickly as hoped, with a glut of older office stock located in areas deemed less desirable by modern office occupiers. However, rising numbers of conversions to other uses should help bring down vacancy rates across these secondary office markets. The investment market was active in 2019 with a number of big-ticket acquisitions by foreign investors who are able to see into the detail and understand that some of the vacancy is structural and localised. Most foreign investors and institutional investors have focused their activity in the Helsinki CBD area which has put downward pressure on prime yields, currently at a record low of around 3.30%.

Key Market Statistics:

[illegible]	2014	2015	2016	2017	2018	2019
Prime Rent (€ sq. m/p.a.)	394	429	440	452	458	460
Prime Yield (%)	4.50	4.40	4.25	3.75	3.60	3.30

Source: Knight Frank Research

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8. POLAND

Section 1: Executive Summary

- Poland has recorded strong and uninterrupted economic growth over the past 25 years.
- Economic growth is expected to remain strong and despite the pace of growth forecast to decelerate it will continue to outpace most European economies.
- Poland's labour market is tight and the population is shrinking, demographic pressures may be a hindering factor to the pace of future growth.
- Poland is the largest and most liquid real estate market in Central and Eastern Europe.
- Poland and Warsaw, the capital, in particular, attract large amounts of international capital.
- Warsaw rents are expected to record modest growth over the next few years.
- Gdańsk has a large amount of development activity underway and this will boost the supply of new, modern office space which should help support higher levels of take-up.

Section 2: Economic Overview

Poland is the largest economy in Central and Eastern Europe and having pursued a policy of economic liberalisation and privatisation since the 1990's Poland has recorded uninterrupted economic growth throughout the past 25 years. This holds true even throughout the global financial crisis where Poland continued its economic expansion. Economic growth has been supported by strong private consumption and investment.

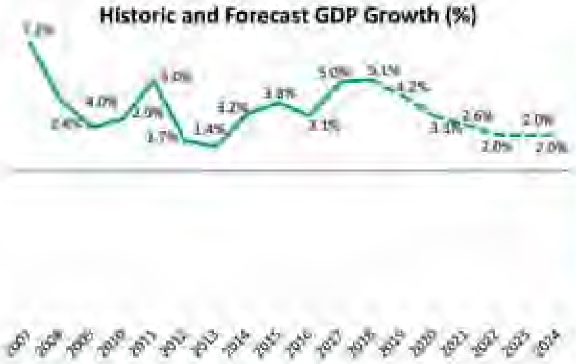
National Statistics – Economic Outlook

	2018	2019 (f)	2020 (f)	2021 (f)	2022 (f)	2023 (f)	2024 (f)
Total Population (millions)	37.98	37.95	37.93	37.90	37.86	37.80	37.72
Population Growth rate (%)	-0.01%	-0.06%	-0.08%	-0.08%	-0.10%	-0.16%	-0.20%
GDP Growth (%)	5.09%	4.18%	3.06%	2.56%	2.03%	1.97%	2.03%
Unemployment rate (%)	6.06%	5.43%	5.01%	4.89%	4.89%	4.89%	4.89%
Government debt (% of GDP)	49.12%	46.99%	46.58%	44.95%	43.63%	42.48%	41.43%
Inflation (CPI) (%)	1.80%	2.19%	3.41%	2.57%	2.46%	2.46%	2.46%

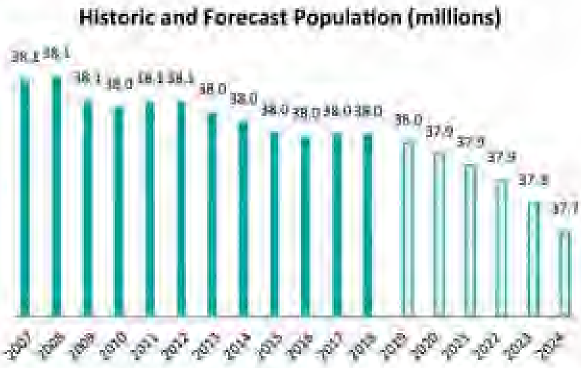
Source: Oxford Economics

Economic growth is projected to remain strong, but the rate of growth will ease heading into 2020, with a shortage of labour resources and rising production costs as limiting factors. The labour market is increasingly tight, unemployment has reached a record low and is expected to reduce further over the next couple of years. Labour shortages are putting upward pressure on wages and are likely to drive up consumption and create inflationary pressures. Low interest rates and EU funds should support future investment. However, rising labour costs will moderate any potential gains.

Slowing GDP growth has been largely attributed to a slowing in the construction sector, with further cooling expected in 2020. Inflation is set to accelerate in 2020 as rising energy prices and minimum wages boost prices. However, the National Bank of Poland is expected to maintain the current policy interest rate at 2.5% until at least 2021.



Source: Statistics Poland, Oxford Economics



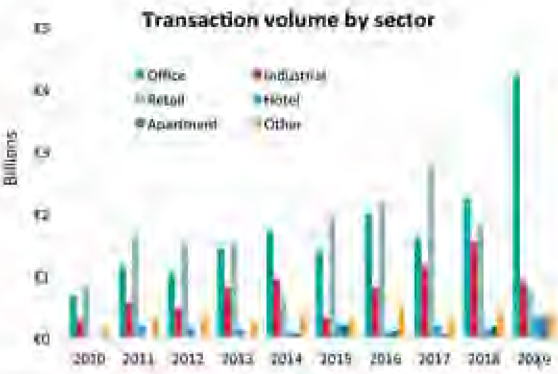
Source: Eurostat, Oxford Economics

Poland's population is both shrinking and ageing. Low birth rates, coupled with emigration have reduced the capacity of the country's work force and the rate of contraction is forecast to accelerate over the next few years. Poland has relatively low rates of participation in the workforce and supporting an ageing population will put increasing pressure upon public finances. As these demographic pressures become more acute, they will start to exert cost pressures, due to rising wages and rising public funding requirements. These factors may negatively impact Poland's competitiveness.

Section 3: Investment in the CRE Market

Poland is the largest and most liquid investment market in Central and Eastern Europe attracting very high levels of foreign investment compared with some markets in Western Europe. In 2019 Poland's real estate market attracted investment totalling of €7.0 billion. Much of this capital targeted the Warsaw market where a record €3.8 billion transacted. Foreign capital accounted for 82% of the total. The office sector accounted for the largest share of the market, with €4.2 billion invested. Meanwhile, retail investment contracted to €789 million, from €1.8 billion in 2018 and €2.8 billion in 2017.

Source: Knight Frank Research, Real Capital Analytics



Source: Knight Frank Research, Real Capital Analytics

Foreign capital has represented a fairly consistent percentage of total investment over the past ten years – typically 75-85%. The investor base continues to widen. European buyers remain active, with investors coming from across the region, including the UK, Austria, Germany, Switzerland and Romania. Interest from Asian investors has risen significantly with rising investment coming from Singapore, South Korea and the Philippines.

Strong economic and real estate market fundamentals underpin the Polish investment market. Poland has a stable and growing economy, with low unemployment and access to European markets, coupled with open and transparent business and investment markets. Further economic growth is forecast, and this, combined with relatively attractive risk-reward profile, will continue to appeal to investors.

Section 4: Office sector – Country market overview

The capital city, Warsaw, is Poland's largest office market. There are however, increasingly significant office markets in Katowice, Kraków, Łódź, Poznań, the Tri-city area (Gdańsk, Gdynia, Sopot) and Wrocław. Office investment is heavily focused on Warsaw given the city's size and ability to offer product however, there has been a significant amount of development in the regional markets which is helping to drive both occupier and investor activity.

Poland's office sector attracted a record amount of investment in 2019 with €4.2 billion transacted, representing 60% of the commercial real estate investment market and an 89% increase on the previous record set in 2018. The 'Warsaw Spire A' deal was one of the largest transactions of 2019, purchased by Immofinanz for €386 million. The Warsaw Financial Centre also changed hands for €280 million - it was bought by Austrian investor CPI Immobilien. Credit Suisse acquired two brand new regional office assets, located in Wroclaw and Kraków for a total of €214 million.

Source: Knight Frank Research, Real Capital Analytics

Source: MSCI

The weight of capital targeting the Polish office market has led to yield compression 7.00% in 2009 to 4.50%. The Polish office market recorded positive capital growth in 2018, for the first time since 2011, boosting investor returns.

Section 5: Office market – City markets

Warsaw

Warsaw's vacancy rate has declined over the past couple of years due to high demand from tenants and relatively limited new supply. From 11.7% at the end of 2017, it has dropped to 8.2% at the end of Q3 2019 - the lowest level since 2012. The majority of vacant space is located in the Służewiec district, with little vacant space available in the CBD market. The lack of available space has boosted the amount of pre-lets. There have been 162,163 sq. metres of office space completed in 2019, with most of this space let prior to completion.

There has been positive rental growth in 2019 however, this growth is expected to moderate over the next few years. Though demand for space remains robust, there is a significant pipeline of schemes expected to complete in 2020 and 2021. At the end of Q3 2019 there was 731,000 sq. metres of space under construction in Warsaw, with the majority these construction projects in well-connected central locations, in the CBD and city centre markets. One of the key developments in Warsaw is Varso Place, located opposite Central Station - with 144,500 sq. metres it is Warsaw's largest mixed-use development, estimated to complete in 2022.

Financial service companies account for the lion's share of take-up in Warsaw with many international banks and consultancy firms having located their IT and administrative back-offices located in Poland. Warsaw is the main economic hub of the region and a desirable location for businesses to locate. A highly educated workforce, access to European markets and cheaper labour costs relative to markets in Western Europe, are the key reasons that draw international companies to locate in Warsaw.

Warsaw has a very low rate of unemployment and attracting talent is a key concern for businesses who are increasingly prioritising the comfort and efficiency of staff and upgrading their office space is a popular choice. Some sources have cited Warsaw as a potential beneficiary of Brexit given the availability of large, modern office spaces, favourable tax regime and lower rents compared to other major EU cities, which may attract some businesses and financial institutions looking to relocate operations to the continent.

Key Market Statistics:

	[illegible]	2015	2016	2017	2018	2019
Vacancy Rate (%)	15.50	14.10	14.20	11.70	8.70	7.80
Take-Up (sq. m)	611,000	812,200	749,116	820,128	856,644	877,966
Stock (sq. m)	4,377,500	4,626,000	5,045,400	5,283,549	5,461,676	5,587,911
Prime Rent (€ sq. m/p.a.)	294	276	288	276	288	300
Prime Yield (%)	6.00	6.00	5.25	5.25	4.70	4.50

Source: Knight Frank Research

Gdańsk

Gdańsk, along with the neighbouring cities of Sopot and Gdynia make up the "Tri-City" region. It is Poland's third largest office market and has a broad occupier base and is home to several large international consultancy firms.

Demand for offices comes from IT and telecoms companies, as well as the financial sector and corporate occupiers. Gdańsk has a rapidly expanding IT sector, with many tech companies and start-ups choosing to locate here due to cheaper rents and the factors listed above. Starting a business in Poland is a relatively easy process and new tech incubators and flexible, co-working spaces, are attracting start-ups and tech companies to the city. There is also rising demand for space from businesses connected with trade and transport. Gdańsk is home to Poland's largest seaport as well as an international airport. It also has close business and transport links with Scandinavia and Western Europe. As a result, the Gdańsk market is home to several shipping companies and other maritime connected businesses.

The Gdańsk district of Oliwa has become a hub of development activity. Skanska is currently building a large 48,000 sq. metre modern office project called Wave, in the Oliwa district with the first phase scheduled to complete in Q2 2020. Despite high levels of development activity, the vacancy rate has been steadily decreasing over the past few years, as strong take-up is expected to keep the vacancy rate steady at around 6% in the Tri-city area.

Asking rents for Grade A offices in Gdańsk are currently around €168 sq. metre per annum. The vacancy rate has come down since last year and positive sentiment regarding future take-up remains. Prime yields are around 7.00% in Gdańsk with some further yield compression expected as the premium over Warsaw office yields erodes.

9. CEE REGION

Section 1: Executive Summary

- The Czech Republic has recorded strong economic growth over the past few years. This should continue and despite the pace of growth forecast to decelerate, it will continue to outpace most European economies.

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- Strong domestic demand is driving growth in these markets, though they are relatively small compared with other European countries.
- The geographical positions of the Czech Republic and Slovakia makes them natural crossroads for major transit corridors and their role as transit hubs has risen since joining the EU single market in 2004.
- Though the manufacturing sector remains an important source of demand for industrial and logistics space in the Czech Republic, distribution companies have been the most active sector taking space.

Section 2: Economic Overview

The Czech Republic has recorded strong economic growth compared with other EU markets, with around 2.5% growth in GDP in 2019. However, inflationary pressures are rising due to strong wage growth, rising fuel prices and increasing levels of consumption. Inflation is currently at 3.2% (CSO, December 2019), above the 2% target rate, though it remains within the tolerance bands. The country has a strong fiscal position with low levels of government debt. As a result of this strong standing, credit rating agency Moody's have raised the Czech credit rating from A1 to Aa3.

The lack of capacity is one of the biggest challenges for the Czech economy, unemployment is current 2.87% (CSO, December 2019). Labour shortages have been driven by a combination of demographic factors and growing economic activity. The Czech Republic has an ageing population, with a high age dependency ratio of around 56%, this compares to around 57% in the UK, while neighbouring Poland has a much lower ratio of 50%.

National Statistics – Economic Outlook

Slovakia	2018	2019 (f)	2020 (f)	2021 (f)	2022 (f)	2023 (f)	2024 (f)
Total Population (millions)	5.45	5.45	5.46	5.46	5.47	5.47	5.47
Population Growth rate (%)	0.13	0.11	0.09	0.07	0.06	0.03	0.00
GDP Growth (%)	4.03%	2.34%	2.24%	2.61%	2.40%	2.15%	1.98%
Unemployment rate (%)	6.55%	5.80%	5.69%	5.49%	5.37%	5.28%	5.20%
Government debt (% of GDP)	47.43%	45.37%	44.34%	43.09%	41.74%	40.67%	39.82%
Inflation (CPI) (%)	2.51%	2.66%	2.43%	2.39%	2.13%	2.18%	2.10%
Czech Republic	**2018**	**2019 (f)**	**2020 (f)**	**2021 (f)**	**2022 (f)**	**2023 (f)**	**2024 (f)**
Total Population (millions)	10.61	10.63	10.65	10.67	10.68	10.69	10.69
Population Growth rate (%)	0.20	0.19	0.17	0.14	0.11	0.07	0.04
GDP Growth (%)	2.83%	2.54%	1.81%	2.06%	1.93%	1.73%	1.65%
Unemployment rate (%)	3.17%	2.79%	2.85%	2.94%	3.00%	3.11%	3.28%
Government debt (% of GDP)	30.43%	30.76%	29.56%	28.15%	26.84%	25.70%	24.68%
Inflation (CPI) (%)	2.16%	2.86%	1.79%	1.99%	2.00%	2.00%	2.00%

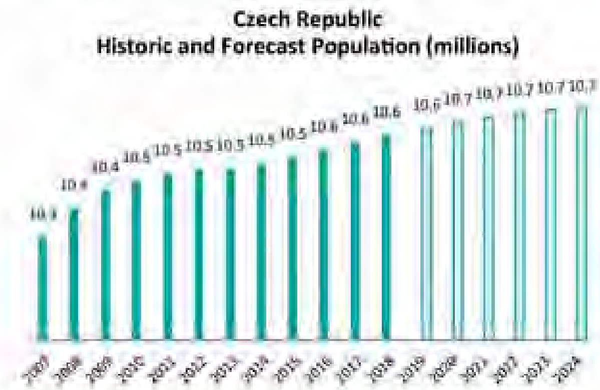
Source: Oxford Economics

Slovakia has been one of the fastest growing economies in Europe with foreign direct investment, especially in the automotive and electronic sectors, helping to fuel much of this growth over the past decade. GDP growth of around 2.3% per annum is expected in 2019 and 2020, down from 4% in 2018, with household consumption a key main driver of GDP growth. The growth in trade exports (predominantly car exports) has stagnated in part due to global trade headwinds and falling demand in key export markets, thus manufacturing output has slowed. The onus is now on private domestic consumption to provide the impetus for economic growth over the next few years.

The domestic market remains robust; earnings growth continues to support domestic consumption, though the contraction in manufacturing may start to dampen this growth. Currently around 10% of Slovakian car exports are destined for the UK market and the shape of the final UK-EU trade deal will take will be important for the Slovakian economy and could constitute further downside risk for manufacturing and exports.

Source: Czech Statistical Office, Oxford Economics

Source: Statistical Office of European Communities, Oxford Economics



Source: Eurostat, Oxford Economics

Source: Eurostat, Oxford Economics

Retail sales volumes in Czech Republic and Slovakia have risen at a faster rate than most European markets and projections suggest that the rate of growth will slow but continue to outpace most Western European markets. Retail sales in 2019 totalled around €50 billion in Czech Republic and around €23 billion in Slovakia. Though the overall volume of sales is very small compared with neighbouring markets of Germany (€575 billion) or Poland (€134 billion). E-Commerce is a significant component of these retail markets, together totalling approximately €3.7 billion in 2019 (Source: Mintel), this expected to continue to rise over the next five years.

Section 3: Investment in the CRE Market

Source: Knight Frank Research, Real Capital Analytics

Source: Knight Frank Research, Real Capital Analytics

Knight Frank

Investment volumes in Slovakia are significantly lower than neighbouring Czech Republic. Across the two markets the office sector attracted the largest share of investment in 2019, with a total of €1.4 billion invested, it accounted for 43% of the market. Both the Czech and Slovakian investment markets are highly dependent upon foreign capital, with international investors accounting for 69% of the total transacted in 2019. South Korean investors have been active in both markets in 2019 and accounted for the largest share of foreign capital, German and Polish investors were also active.

A portfolio of three office buildings in Prague was acquired by South Korean investor Hanwha Investment and Securities for €250 million. Another key acquisition was the Twin City Tower in Bratislava which was purchased by Valesco on behalf of South Korean investors Mirae Asset Daewoo and NH Investment and Securities for €122 million. Constructed in 2018, the CBD office building is fully let to Amazon. A built-to-suit Amazon warehouse was also purchased by South Korean investors - the 125,000 sq. metre warehouse located close to Prague Airport was bought for €135 million.

Investment in the CEE industrial market remains an attractive offer for a number of investors due to relatively low lot sizes for single asset transactions, combined with long income offerings. Though, while there is appetite from investors, it suffers from a lack of investable product.

Section 4: Industrial sector – Czech Republic and Slovakia market overview

Geographically, the Czech Republic and Slovakia are at the centre of Europe, making them natural crossroads for major transit corridors and it is fair to say that their role as transit hubs has risen since joining the EU single market in 2004. An extensive network of transport routes serves domestic markets as well as providing links to neighbouring and other European countries, with major roads connecting to Germany, Poland, Austria to the west and north and Hungary and Ukraine to the east and south.

The Prague market accounts for 37% of investment in industrial and logistics in the Czech Republic over the past three years. Investors are now looking beyond the core Prague area market as they seek to access the wider Czech market. The market is highly driven by foreign capital, with overseas investors accounting for 92% of investment in 2019. Most of the capital is from outside Europe, with US and Asia Pacific buyers particularly active. German funds have been the most active European buyers in the Czech market.

Industrial Investment volume and share of real estate market

Source: Knight Frank Research, Real Capital Analytics

Czech Republic

The Prague area is the largest logistics and distribution hub in the Czech Republic (with around 3.1 million sq. metres of stock) and the second largest in Central and Eastern Europe (CEE) after Warsaw, Poland. Serving consumer markets, e-commerce and rising trade volumes have all contributed to demand for logistics and distribution facilities in the region. Prague also has a strong pharmaceuticals sector and IT manufacturing industry.

The vacancy rate in Prague has continued to trend down, currently at around 3.0%, from 9.1% in 2013. This is due to a combination of rising demand for space and relatively low new supply. Low availability rates have led to a rise in pre-lets and lease renewals have also been helping drive take-up.

Though the manufacturing sector remains an important source of demand for industrial and logistics space in the Czech Republic, distribution companies have been the most active sector taking space. Prime rents in Prague recorded growth in 2019, with prime rents of €58 per sq. metre recorded up from €57.00 at the end of 2018. These rents are based upon prime stock of 5,000 sq. metre plus units. However, smaller units can rent for around €67 per sq. metre.

Prime yields are currently at 5.00%, down from 8.25% at the start of 2013. However lower yields have been recorded, such as the Amazon Dobroviz acquisition by Samsung Securities, with a quoted yield of 4.30%. Czech industrial recorded strong total returns in 2018, with 19.7%, with Prague industrial performing even better.

Key Market Statistics:

[illegible]	2014	2015	2016	2017	2018	2019
Prime Rent (€ sq. m/p.a.)	48.00	51.00	51.00	54.00	57.00	58.00
Prime Yield (%)	7.50%	6.75%	6.25%	6.00%	6.00%	5.00%

Source: Knight Frank Research

Slovakia

The Slovakian industrial and logistics market is a predominantly a tenanted market. There have been robust development levels over the past ten years, boosting stock levels, with the majority of this concentrated within the Greater Bratislava region. One of the key logistics developments currently underway is the new Bratislava Airport Park currently being developed by P3.

Vacancy rates have been trending up, particularly in Bratislava. However, much of the development activity has now shifted away from Bratislava to other centres, further east, due to the country's improving road infrastructure, the lower land costs in these regions, and rising economic growth prospects in the Ukraine. Rents have moved up over the past few years, though the availability of space and development opportunities will likely dampen prospects for significant further growth. Most of this development is on a speculative basis, though the level of pre-lets remains encouraging. Though the automotive sector accounts for large share of occupiers, 3PL's are an important component of the industrial and logistics market and have accounted for a sizable share of recent take-up deals.

One of the largest transactions in Slovakia was CTP's acquisition of a business park located at Košice airport for around €50 million. Located in the east of the country, near the Hungarian border, the city of Košice is the second largest city in Slovakia and is an important manufacturing centre. CTP's portfolio now comprises 29 buildings and four building projects, positioning them as the largest owner / developer of industrial and logistics in Slovakia.

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10. CONCLUSIONS

The Netherlands: Economic growth is expected to continue over the next five years, though the rate of growth is expected to slow. The Netherlands is continental Europe's third largest Commercial Real Estate (CRE) investment market. It is a highly liquid and transparent market attracting a high proportion of international capital. Competition for core assets has driven robust capital value growth and compressed yields across the main Dutch cities. Amsterdam is the largest office market in the Netherlands, followed by Rotterdam, Utrecht and The Hague. Limited Grade A stock across the office markets is encouraging development activity. Significant amounts of office space have been decommissioned or converted to residential use across the Netherlands which is reducing vacancy rates across the Dutch office markets, particularly in well-connected core areas.

France: High levels of government debt and a rigid labour market have delayed economic recovery in France. However, government reform measures are seeking to boost labour participation rates and help promote business growth. France attracted a record level of investment in 2019 and while the market remains dominated by domestic investors, international capital inflows have been rising. France has a highly polarised office market with most office stock, occupier and investment activity concentrated in the Greater Paris Region, also known as Ile-de-France (IDF). Regional office markets are less liquid and dominated by domestic capital but rising interest from international buyers has been noted. In the Paris CBD, demand continues to outpace the supply of office space. Take-up of refurbished spaces is expected to rise. The Paris logistics market is focused on the local consumer market. Companies in Paris are competing to meet rising consumer demands.

Germany:
The German economy has experienced significant growth of the past few years with exports and manufacturing important elements, and Germany has benefited from the growth of export markets, particularly in Asia. However, the strength of the euro combined with a weakening global trade outlook, has dampened recent growth rates and expectations for future growth. Though around half of German GDP is export based, the current driver of growth is domestic demand and particularly household spending. Germany's reputation as a safe-haven for real estate investment has attracted large volumes of international capital. Prime yields are at record lows across Germany's key office markets, due to strong competition for assets. Rental growth is expected to continue across the major office markets and while the rate of growth will slow it will remain robust. Ongoing improvements at the Port of Hamburg should continue to drive demand for logistics property in Hamburg and put further upward pressure on rents.

Italy: The Italian economy has recorded marginal growth in 2019 and the sluggish growth rates are expected to persist into 2020. Milan is Italy's most cosmopolitan city attracting the largest number of international companies and the highest volume of foreign investment into real estate. Milan has pulled away from the rest of the country in terms of economic growth. Italy has not seen the trajectory of price growth recorded elsewhere in Europe over the past five years. It is seen as being in a less mature position in the market cycle, and the prospect of further rental growth is attracting investors to the Italian market, particularly in Milan. Investors remain highly selective in terms of assets and sub-markets however, given the weakening global economic backdrop. Prime office rents in Italy are expected to grow over the next few years, albeit at a modest rate and with a clear focus on income producing, Grade A space in Milan and to a lesser extent Rome.

Denmark: Denmark has a robust export market, though the weakening global trade outlook will make domestic consumption increasingly important for economic growth. Demark is viewed by many investors as a safe-haven with Danish property proven to be attractive to international investors over the past few years. Retail sales and online retail penetration rates are expected to grow in Denmark and retailers need for e-fulfilment centres and warehouses will increase alongside this. Though the Danish logistics market is dominated by owner-occupiers, it is becoming an increasingly tenanted market. Demand for logistics space around Copenhagen is expected to rise and drive rental growth.

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Finland: Finland's economy has been expanding strongly over the past couple of years on the back of strengthening domestic and foreign demand. Further economic growth is expected, though the rate of growth will slow. The Helsinki Metropolitan Area (HMA) represents Finland's most international and liquid real estate market. Most investment outside of this region is through portfolio transactions. Across the Helsinki Metropolitan Area vacancy rates remain quite high, though they are falling, particularly within the CBD district. Investors have been active in the Helsinki office market and this has driven down yields to record low levels.

Poland: Poland has recorded strong and uninterrupted economic growth over the past 25 years. GDP growth is expected to remain strong and despite the pace being forecasted to decelerate, it will continue to outpace most European economies. Poland's labour market is tight and the population is shrinking, demographic pressures may limit the pace of future growth. Poland is the largest and most liquid real estate market in Central and Eastern Europe. Poland and Warsaw, the capital, in particular, attract large amounts of international capital. Warsaw rents are expected to record modest growth over the next few years. Gdańsk has a large amount of development activity underway and this will boost the supply of new, modern office space and should support higher levels of take-up.

CEE: The Czech Republic has recorded strong economic growth over the past few years. Economic growth is expected to remain strong and despite the pace of growth forecast to decelerate it will continue to outpace most European economies. Strong domestic demand is driving growth in these markets, though they are relatively small compared with other European countries. The geographical positions of the Czech Republic and Slovakia makes them natural crossroads for major transit corridors and their role as transit hubs has risen since joining the EU single market in 2004. Though the manufacturing sector remains an important source of demand for industrial and logistics space in the Czech Republic, distribution companies have been the most active sector taking space.

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THE ROLE OF CEREIT'S MANAGER

The primary role of the Manager is to set the strategic direction of CEREIT and make recommendations to the Trustee on any investment or divestment opportunities for CEREIT and the enhancement of the assets of CEREIT in accordance with the stated investment strategy for CEREIT. The research, evaluation and analysis required for these purposes are coordinated and carried out by the Manager.

The Manager has general powers of management over the assets of CEREIT. The Manager's primary responsibility is to manage the assets and liabilities of CEREIT for the benefit of Unitholders. The Manager does this with a focus on providing Unitholders with regular and stable distributions and on achieving long-term growth in DPU and NAV per Unit, while maintaining an appropriate capital structure.

The other functions and responsibilities of the Manager include:

(a) using its best endeavours to ensure that CEREIT's operations are carried on and conducted in a proper and efficient manner;

(b) formulating CEREIT's investment strategy, including determining the location, sub-sector type and other characteristics of CEREIT's property portfolio. Negotiating, overseeing the negotiations and providing the supervision in relation to investments of CEREIT and making final recommendations to the Trustee;

(c) formulating CEREIT's asset management strategy, including determining the tenant mix, asset enhancement works and rationalising operation costs. Providing the supervision in relation to asset management of CEREIT and making final recommendations to the Trustee on material matters;

(d) formulating the plans for equity and debt financing for CEREIT's property acquisitions, distribution payments, expense payments and property maintenance payments. Executing the capital management plans, negotiating with financiers and underwriters and making final recommendations to the Trustee;

(e) preparing accounts, financial reports and annual reports for CEREIT on a consolidated basis;

(f) making all regulatory filings on behalf of CEREIT and using its commercially reasonable best efforts to assist CEREIT in complying with the applicable provisions of the Securities and Futures Act (Chapter 289 of Singapore) and all other relevant legislation, the Listing Manual, the CIS Code issued by the MAS (including the Property Funds Appendix), the Singapore Code on Take-overs and Mergers, the Trust Deed, the capital markets services licence issued to the Manager, any tax ruling and all relevant contracts;

(g) communicating and liaising with the Investment Community; and

(h) preparing property plans on a regular basis, which may contain proposals and forecasts on revenue, capital expenditures, sales and valuations, explanations of major variances to previous forecasts, written commentary on key issues and any relevant assumptions.

The Manager also considers sustainability issues (including environmental and social factors) as part of its responsibilities. CEREIT's environmental sustainability and community outreach programmes are set out on pages 166 to 172 of this Annual Report and in its separately published Sustainability Report.

CEREIT, constituted as a trust, is externally managed by the Manager. The Manager appoints experienced and well qualified personnel to run its day-to-day operations.

The Manager was appointed in accordance with the terms of the Trust Deed. The Trust Deed outlines certain circumstances under which the Manager can be removed, including by notice in writing given by the Trustee upon the occurrence of certain events, or by resolution passed by a simple majority of Unitholders present and voting at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed.

The Manager is a wholly owned subsidiary of Cromwell which holds a significant unitholding interest in CEREIT. Cromwell is a global real estate investment manager, with a vested interest in the long-term performance of CEREIT. Cromwell's significant unitholding in CEREIT demonstrates its commitment to CEREIT and as a result, Cromwell's interest is aligned with that of other Unitholders.

THE MANAGER'S CORPORATE GOVERNANCE CULTURE

The Manager aspires to achieve the highest standards of corporate governance. The Manager is committed to continuous improvement in corporate governance. It has developed and, on an ongoing basis, maintains sound and transparent policies and practices to meet the specific business needs of CEREIT and to provide a firm foundation for a trusted and respected business enterprise. The Manager remains focused on complying with the substance and spirit of the principles and provisions of the Code while achieving operational excellence and delivering CEREIT's long-term strategic objectives. The Board is responsible for the overall corporate governance of the Manager, including establishing goals for Management and monitoring the achievement of these goals, underscoring their importance to the Manager.

The Manager has received accolades from the Investment Community for excellence in corporate governance. More details can be found in the Investor Relations section on pages 54 to 59 of this Annual Report.

This Report sets out the corporate governance practices for FY 2019 with reference to the principles and provisions of the Code. For FY 2019, save as stated in this Report, CEREIT has complied in all material aspects with the principles and provisions in the Code. Please see the sections on Disclosure on Remuneration and Unitholder Rights and Conduct of General Meetings for explanations on deviations from the provisions of the Code.

(A) BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

The Board is collectively responsible for the long-term success of CEREIT and to protect and enhance Unitholder value. The Board recognises that each Director is a fiduciary and the Board holds Management accountable for performance. At all times, the Directors are collectively and individually obliged to act honestly and with diligence and objectively in the best interests of CEREIT. The Manager requires that its Directors disclose their interests in transactions and any conflicts of interests. The Board puts in place a code of business conduct (please refer to page 163 of this report), sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the Manager. The Directors recuse themselves from any discussions and decisions concerning a matter in which they may be in a conflict of interest situation. Each of the Directors has complied with the above in FY 2019.

The Board oversees the affairs of the Manager, in furtherance of the Manager's primary responsibility to manage the assets and liabilities of CEREIT for the benefit of Unitholders. The Board provides leadership to the CEO and Management and sets the strategic vision, direction and long-term objectives for CEREIT. The CEO, assisted by Management, is responsible for the execution of the strategy for CEREIT and the day-to-day operations of CEREIT's business.

The Board guides the corporate strategy and directions of the Manager, ensures that Management demonstrates business leadership and the highest quality of management skills with integrity and enterprise and oversees the proper conduct of the Manager. The Board establishes goals for Management, monitors the achievement of these goals and ensures that proper and effective controls are in place to assess and manage business risks.

The Board has reserved authority to approve certain matters and these include:

(a) material acquisitions, investments and divestments;

(b) issue of new Units;

(c) income distributions and other returns to Unitholders; and

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(d) matters which involve a conflict of interest for a controlling Unitholder or a Director.

The Board has adopted a set of internal controls which establishes approval limits for operational and capital expenditures, investments, divestments, bank borrowings and cheque signatory arrangements. Such matters which have been approved by the Board are clearly communicated to Management in writing.

The Board has established various Board committees to assist it in the discharge of its functions. Membership of the various Board committees is managed to ensure an equitable distribution of responsibilities among Board members, to maximise the effectiveness of the Board and to foster active participation and contribution from Board members. These Board committees are the ARC and the NRC. The Board may form other Board committees as dictated by business imperatives. Apart from matters that specifically require the Board's approval, the Board delegates authority for transactions below those limits to Board committees and Management to optimise operational efficiency.

The ARC and the NRC have been constituted with clear written terms of reference approved by the Board and may decide on matters within their terms of reference and applicable limits of authority. The terms of reference of the respective Board committees set out their compositions, authorities and duties, including reporting back to the Board. All terms of reference are reviewed and updated when necessary to ensure their continued relevance. Notwithstanding the delegation of authority to the Board committees, the ultimate responsibility for decision-making and oversight rests with the Board as a whole. The composition of the various Board committees is set out on page 164 of this Annual Report.

The Board meets at least once every quarter and as required by business imperatives. Board and Board committee meetings are scheduled prior to the start of each financial year. Where exigencies prevent a Director from attending a Board meeting in person, the constitution of the Manager permits the Director to participate via audio or video conference. The Board and Board committees may also make decisions by way of resolutions in writing. In each meeting where matters requiring the Board's approval are to be considered, all members of the Board attend and actively participate in the discussions and deliberations; and resolutions in writing are circulated to all Directors for their consideration and approval. The exception is where a Director has a conflict of interest in a particular matter, in which case he will be required to recuse himself from the deliberations and abstain from voting on the matter. This principle of collective decisions adopted by the Board ensures that no individual influences or dominates the decision-making process. A Director with multiple directorships is expected to ensure that sufficient time and attention can be and is given to the affairs of the Manager in managing the assets and liabilities of CEREIT for the benefit of Unitholders.

During Board meetings, non-executive Directors review the performance of Management in meeting agreed goals and objectives and monitor the reporting of performance. During the Board meetings to discuss strategies, non-executive Directors constructively challenge and help Management in developing proposals on these strategies.

A total of 11 Board meetings were held in FY 2019. A record of the Directors' attendance at Board and Board committees' meetings in FY 2019 is set out on page 164 of this Annual Report. The Manager believes in the manifest contributions of its Directors beyond attendance at formal Board and Board committee meetings. To judge a Director's contributions based on his attendance at formal meetings alone would not do justice to his overall contributions, which include being accessible to Management for guidance or exchange of views outside the formal environment of Board and Board committee meetings.

In view of the increasingly demanding, complex and multi-dimensional role of a director, the Board recognises the importance of continual training and development for its Directors so as to equip them to discharge the responsibilities of their office as Directors to the best of their abilities. The Manager has in place a training framework to guide and support the Manager towards meeting the objective of having a Board which comprises individuals who are competent and possess up-to-date knowledge and skills necessary to discharge their responsibilities. The costs of training are borne by the Manager. The Manager is committed to an on-going orientation and training programme for Directors.

Upon appointment, each Director is provided with a formal letter of appointment. All Directors, upon appointment, also undergo an induction, training and development programme which focuses on orientating the Director to CEREIT's business, operations, strategy, organisational structure, responsibilities of KMP and financial and governance practices. All Directors, upon appointment, also undergo training on the roles and responsibilities of a director of a listed issuer. In addition, CEREIT will ensure that first-time Directors attend the relevant mandatory training conducted by the Singapore Institute of Directors.

Following their appointment, Directors are provided with opportunities for developing and maintaining their skills and knowledge at the Manager's expense and continuing education in areas such as directors' duties and responsibilities, changes to regulations and accounting standards and industry-related matters, so as to be updated on matters that affect or may enhance their performance as Directors or Board committee members. Directors may contribute by highlighting relevant areas of interest. Directors also receive on-the-job training through being engaged in actual Board work. Following their appointment, CEREIT ensures that Directors are provided with opportunities for continual professional development such as briefings by professional advisors and Management on the changes to accounting standards and the Code, industry developments, regulatory matters, sustainability reporting and dialogues with experts and senior business leaders on issues facing boards and board practices. In FY 2019, the Directors attended a week-long tour to revisit CEREIT's assets, including those that are shortlisted for upcoming acquisitions.

An effective and robust Board, whose members engage in open and constructive debate to develop and refine proposals on strategy, is fundamental to good corporate governance. In this regard, the Board must be kept well-informed of CEREIT's business and affairs and the industry in which CEREIT operates. The Manager recognises the importance of providing the Board with complete, adequate and timely information prior to Board meetings and on an ongoing basis, to enable Directors to make informed decisions to discharge their duties and responsibilities. Reports on CEREIT's performance are also provided to the Board on a regular basis.

In addition to providing complete, adequate and timely information to the Board on Board affairs and issues requiring the Board's decision, Management also provides ongoing reports relating to the operational and financial performance of CEREIT, such as periodic management reports.

Where appropriate, informal meetings are also held for Management to brief Directors on prospective transactions and potential developments in the early stages before formal Board approval is sought.

The Board has separate and independent access to senior management and the Company Secretary at the Manager's expense at all times. The Company Secretary attends to corporate secretarial administration matters and attends all Board meetings. The Board also has access to independent professional advice where appropriate and when requested at the Manager's expense. The appointment and removal of the Company Secretary is a matter for the Board to decide as a whole.

Principle 2: Board Composition and Guidance

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

The Manager is led by the Board, with CEREIT IDs constituting more than half of the Board. This exceeds the recommendations in the Code. The Board presently comprises five Directors, three of whom (including the Chair) are CEREIT IDs. Non-executive Directors comprise a majority of the Board. Profiles of the Directors are provided on pages 24 to 29 of this Annual Report. The recommendation in the Code for the appointment of a lead CEREIT ID does not apply to the Manager as the Chair is a CEREIT ID and he and the CEO are separate individuals who are not related to each other.

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The Board assesses annually, and as and when circumstances require, the independence of each Director in accordance with the guidance in the Code, the Listing Manual and the SFR.

A CEREIT ID is one who is independent in conduct, character and judgement and has no relationship with the Manager, its related corporations and its shareholders who hold 5% or more of the voting shares of the Manager, or Unitholders who hold 5% or more of the Units in issue, or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of his independent business judgement in the best interests of CEREIT; and is independent from the management of the Manager and CEREIT, from any business relationship with the Manager and CEREIT, from every substantial shareholder of the Manager and every substantial unitholder of CEREIT and is not a substantial shareholder of the Manager or a substantial unitholder of CEREIT, is not employed and has not been employed by the Manager or CEREIT or their related corporations in the current or any of the past three financial years, does not have an immediate family member who is employed or has been employed by the Manager or CEREIT or their related corporations in the current or any of the past three financial years and whose remuneration is or was determined by the Board and has not served on the Board for a continuous period of nine years or longer.

The Board has established a process for assessing the independence of its Directors. Each of the relevant non-executive Directors has confirmed that there are no material relationships which would render him non-independent. The confirmations have been reviewed by the Board during which the Board considered the Directors' respective contributions at Board meetings. The Board has carried out the assessment of each of its Directors for FY 2019 and the paragraphs below set out the outcome of the assessment.

With respect to Mr Lim Swe Guan, Mr Christian Delaire and Mrs Fang Ai Lian, the Board considered whether each of them had demonstrated independence of character and judgement in the discharge of their responsibilities as a Director in FY 2019 and is satisfied that each of Mr Lim, Mr Delaire and Mrs Fang had acted with independent judgement.

On the bases of the declarations of independence provided by the relevant non-executive Directors and the guidance in the Code and the SFR, the Board has determined that Mr Lim Swe Guan, Mr Christian Delaire and Mrs Fang Ai Lian are CEREIT IDs. For FY 2019, all CEREIT IDs are considered to be independent under the Code and SFR. The CEREIT IDs have also served on the Board for fewer than nine years. Each of them had recused himself / herself from the Board's deliberations respectively on his / her own independence.

The remaining Directors are not independent Directors as defined under the Code and the SFR. Mr Simon Garing is the CEO and an executive Director of the Manager while Mr Paul Weightman serves as the CEO and managing director of Cromwell and as a director of some related corporations of Cromwell. Nevertheless, as at the last day of FY 2019, each of Mr Simon Garing and Mr Paul Weightman was able to act in the best interest of all the Unitholders and the Board is satisfied that each of Mr Simon Garing and Mr Paul Weightman was able to act in the best interests of all the Unitholders. It is noted that Mr Simon Garing and Mr Paul Weightman have served on the Board for fewer than nine years and neither of them is a substantial shareholder of the Manager or a substantial Unitholder.

The current Board comprises individuals who are business leaders and professionals with financial, banking, real estate, legal, investment and accounting backgrounds. Each Director brings to the Board skills, experience, insights and sound judgement which, together with his or her strategic networking relationships, serve to further the interests of CEREIT. The Board embraces diversity and formally adopted the Board Diversity Policy. The main objective of the Board Diversity Policy is to have a Board that comprises Directors who as a group provide the appropriate balance and mix of skills, knowledge, experience and other aspects of diversity such as gender and age. The Board has made good progress in achieving its objective under the Board Diversity Policy and the current Board and Board committees are of an appropriate size, comprising Directors from diverse backgrounds.

The Board is supportive of gender diversity and subscribes to the view that female directors may offer fresh perspective and enhance the decision-making process. However, the Board is also of the view that gender should not be the main selection criteria and to look beyond gender to seek diversity of background, knowledge and thought in the appointment of a Director. As gender is an important aspect of diversity, the NRC will strive to ensure that (a) if external search consultants are used to search for candidates for Board appointments, the brief will include a requirement to also present suitable female candidates; (b) when seeking to identify a new Director for appointment to the Board, the NRC will request for female candidates to be fielded for consideration; and (c) at least one female director be appointed to the Board.

The Board reviews, from time to time, the size and composition of the Board, with a view to ensuring the Board has the appropriate mix of expertise and experience and that the size of the Board is appropriate in facilitating effective decision making and constructive debate, taking into account the scope and nature of the operations of CEREIT and that the Board has a strong independent element. Any potential conflicts of interest are also taken into consideration.

There were no meetings of the CEREIT IDs without the presence of other Directors in FY 2019 because no lead CEREIT ID is required to be appointed.

The Board has unfettered access to any management staff for any information that it may require. The non-executive Directors and/or CEREIT IDs, led by the independent Chair of the Board or other CEREIT IDs as required, meet regularly without the presence of Management. If necessary, the chair of such meetings provides feedback to the Board and/or Chair of the Board.

Principle 3: Chairman and Chief Executive Officer

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

To maintain an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making, the roles and responsibilities of the Chair and the CEO are held by separate individuals. The Chair and the CEO are not immediate family members.

The non-executive independent Chair, Mr Lim Swe Guan, is responsible for leading the Board and ensuring that the Board is effective in all aspects of its role. The CEO, Mr Simon Garing, has full executive responsibilities over the business directions and operational decisions of CEREIT and is responsible for implementing CEREIT's strategies and policies and conducting CEREIT's business.

The Chair is responsible for the overall management of the Board and for facilitating the conditions for the overall effectiveness of the Board, Board committees and individual Directors. The Chair also ensures that the Board and Management work together with integrity and competency. This includes setting the agenda of the Board in consultation with the CEO and promoting constructive engagement among the Directors as well as between the Board and Management on strategy, business operations, enterprise risk and other plans. The Chair plays a significant leadership role by providing clear oversight, direction, advice and guidance to the CEO and Management on strategies.

The roles of the Chair and the CEO are deliberately kept distinct through a clear division of responsibilities to ensure effective oversight, appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making.The separation of the roles of the Chair and the CEO and the resulting clarity of roles provide a healthy professional relationship between the Board and Management and facilitate robust deliberations on the business activities of CEREIT and the exchange of ideas and views to help shape CEREIT's strategic process.

Principle 4: Board Membership

The Board has a formal and transparent process for the appointment and reappointment of directors, taking into account the need for progressive renewal of the Board.

The NRC is appointed by the Board from among the Directors and is composed of three members,

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a majority of whom (including the Chair of the NRC) are required to be CEREIT IDs. The members of the NRC are Mr Christian Delaire, Mr Lim Swe Guan and Mrs Fang Ai Lian. Mr Christian Delaire has been appointed as the Chair of the NRC.

The role of the NRC is to make recommendations to the Board on all appointment and remuneration matters. The NRC also reviews and makes recommendations on succession plans for the Board and KMP. Under its terms of references, the NRC's responsibilities also include:

- reviewing the succession plans for Directors, in particular the appointment and/or replacement of the Chair, the CEO and KMP;
- developing a process and criteria for evaluation of the performance of the Board, its Board committees and Directors;
- reviewing the training and professional development programmes for the Board and its Directors;
- the appointment and re-appointment of Directors (including alternate directors, if applicable), having regard to the composition and progressive renewal of the Board and each Director's competencies, commitment, contribution and performance including, if applicable, as a CEREIT ID;
- ensuring that new Directors are aware of their duties and obligations;
- determining annually and as and when circumstances require, if a Director is independent;
- deciding if a Director is able to and has been adequately carrying out his duties as a Director of the company, taking into consideration the Director's principal commitments; and
- recommending to the Board objective performance criteria for the purpose of evaluating the Board's performance as a whole, and of each Board committee separately, as well as the contribution by the Chair and each individual Director to the Board, and to implement performance evaluation established by the Board.

The NRC also seeks to ensure that the composition of the Board provides an appropriate balance and diversity of skills, experience, gender and knowledge of the industry and that the Directors, as a group, have the necessary core competencies relevant to CEREIT's business. In addition, the NRC is committed to diversity and will continue to consider the differences in the skill sets, gender, age, ethnicity and educational background in determining the optimal composition of the Board in the Board renewal process. The Board is reviewed annually against a matrix which identifies areas in which knowledge or skill of the Board is required. This includes, amongst others, strategic thinking, experience and knowledge in European properties, understanding of economic indicators, being able to assess financial performance, prior experience in an executive role and ability to identify key risks.

In the year under review, no alternate Directors were appointed. This was in line with the principle that a Director must be able to commit time to the affairs of the Manager.

The NRC has adopted the following criteria and process for selecting, appointing and re-appointing Directors and for reviewing the performance of Directors:

(a) The NRC, on an annual basis, carries out a review of the Board composition as well as on each occasion when a Director gives notice of his intention to retire or resign. The review includes assessing the collective skills, knowledge and experience of Directors represented on the Board to determine whether the Board, as a whole, has the skills, knowledge and experience required to achieve the Manager's objectives for CEREIT. In carrying out this review, the NRC considers the need for the Board composition to reflect balance in matters such as skills representation, tenure, experience, age spread and diversity (including gender diversity), taking into account benchmarking within the industry as appropriate.

(b) The NRC reviews the suitability of any candidates put forward by any Director for appointment, having regard to the skills required and the skills represented on the Board and whether a candidate's skills, knowledge and experience will complement the existing Board and whether he has sufficient time available to commit to his responsibilities as a Director and whether he is a fit and proper person for the office in accordance with the Guidelines on Fit and Proper Criteria issued by MAS (which require the candidate to be, among other things, competent, honest, to have integrity and be financially sound).

(c) External consultants may be engaged from time to time to access a wide base of potential Directors.

(d) No member of the NRC is involved in any decision of the NRC relating to his own appointment, re-appointment or assessment of independence.

(e) A newly appointed Director receives a formal appointment letter which sets out his relevant duties and obligations.

(f) All Directors undergo an induction programme on appointment to help familiarise them with matters relating to CEREIT's business and the Manager's strategy for CEREIT.

(g) The performance of the Board, Board committees and Directors is reviewed annually.

(h) The NRC proactively addresses any issues identified in the Board performance evaluation.

The adopted process takes into account the requirements in the Code and the Listing Manual that the composition of the Board, including the selection of candidates for new appointments to the Board as part of the Board's renewal process, be determined using the following principles:

(a) the Board should comprise Directors with a broad range of commercial experience, including expertise in real estate management, the property industry, banking, finance and legal fields; and

(b) at least one-third of the Board should comprise CEREIT IDs. Where, among other things, the Chair of the Board is not a CEREIT ID, at least a majority of the Board should comprise CEREIT IDs.

As at least a majority of the Board comprises CEREIT IDs, the Manager will not be voluntarily subjecting any appointment or re-appointment of Directors to voting by Unitholders. The Board intends to continue to keep to the principle that at least a majority of the Board shall comprise CEREIT IDs.

The NRC seeks to refresh Board membership progressively and in an orderly manner. In this regard, Board succession planning is carried out through the annual review of Board composition as well as when an existing Director gives notice of his intention to retire or resign. On the issue of Board renewal, the Manager believes that Board renewal is a necessary and continual process, for good governance and ensuring that the Board has the skills, expertise and experience which are relevant to the evolving needs of CEREIT's business; renewal or replacement of a Director therefore does not necessarily reflect his performance or contributions to date.

In considering the nomination of any individual for appointment and in its annual review of each Director's ability to commit time to the affairs of CEREIT, the NRC takes into account, among other things, the attendance record of the Directors at meetings of the Board and Board committees, the competing time commitments faced by any such individual with multiple Board memberships as well as his other principal commitments.

Provision 4.5 of the Code requires the NRC to decide if a Director is able to and has been adequately carrying out his duties as a Director. In view of the responsibilities of a Director, the NRC is cognisant of the need for Directors to be able to devote sufficient time and attention to adequately perform their roles.

All Directors had confirmed that notwithstanding the number of their individual listed company board appointments and other principal commitments which each of them held, they were able to devote sufficient time and attention to the affairs of the Manager in managing the assets and liabilities of CEREIT for the benefit of Unitholders. The CEO, who is also a Director, is fully committed to the day-to-day operations of the Manager. Taking into account the attendance record of the Directors at meetings of the Board and Board committees in FY 2019 (set out on page 164 of this Annual Report) and contributions at the Board's deliberations as well as availability outside formal Board and Board committee meetings, the NRC is of

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the view that the current commitments of each of its Directors are reasonable and that each of the Directors is able to and has been adequately carrying out his duties.

Principle 5: Board Performance

The Board undertakes a formal annual assessment of its effectiveness as a whole and that of each of its board committees and individual directors.

The Manager believes that oversight from a strong and effective Board goes a long way towards guiding a business enterprise to achieving success.

The Board strives to ensure that there is an optimal blend in the Board of backgrounds, experience and knowledge in business and general management, expertise relevant to CEREIT's business and track record and that each Director can bring to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made in the interests of CEREIT.

Whilst board performance is ultimately reflected in the long-term performance of CEREIT, the Board believes that engaging in a regular process of self-assessment and evaluation of board performance in order to identify key strengths and areas for improvement is essential to effective stewardship and to attaining success for CEREIT.

As part of the Manager's commitment towards improving corporate governance, the Board has approved and implemented a process to evaluate the effectiveness of the Board as a whole and the Board committees on an annual basis. As part of the process, questionnaires were sent to the Directors and the results were aggregated by the Company Secretary and reported to the Chair of the NRC. The areas of evaluation covered in the survey questionnaire included Board roles and responsibilities, leadership, teamwork, management relations, conduct of meetings, training, ethics / stakeholders, Board strengths, Board committee effectiveness and Directors' self-evaluation. The results of the survey were deliberated upon by the NRC and the Board and the necessary follow up action will be taken with a view to enhancing the effectiveness of the NRC and the Board in the discharge of its duties and responsibilities. The Board was also able to assess the Board committees through their regular updates to the Board on their activities. The outcome of the evaluation was satisfactory for all the attributes in the evaluation categories with overall agreement that the Board's performance objectives had been met. No external facilitator was used for the assessment of the Board, Board committees, or individual Directors.

In respect of individual Directors, their contributions can take different forms including providing objective perspectives on issues, facilitating business opportunities and strategic relationships and accessibility to Management outside of the formal environment of Board and/or Board committee meetings. For FY 2019, the outcome of the self-evaluation of each Director was satisfactory and that each Director had contributed positively to the overall effectiveness of the Board.

The Manager also believes that the collective Board performance and the contributions of individual Board members are also reflected in and evidenced by, the synergistic performance of the Board in discharging its responsibilities as a whole by providing proper guidance, diligent oversight and able leadership and lending support to Management in steering CEREIT in the appropriate direction, as well as the long-term performance of CEREIT whether under favourable or challenging market conditions.

(B) REMUNERATION MATTERS

Principle 6: Procedures for Developing Remuneration Policies

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

Principle 7: Level and Mix of Remuneration

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

Principle 8: Disclosure on Remuneration[1]

The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation.

The Board sets the remuneration policy in line with CEREIT's business strategy and Cromwell Group Values. The remuneration policy is reviewed by the NRC and necessary changes are recommended to the Board from time to time.

Under its terms of references, the NRC's responsibilities include:

- reviewing and recommending to the Board a general framework of remuneration for the Board and KMP;
- reviewing and recommending to the Board the specific remuneration packages for each Director as well as for KMP; and
- reviewing CEREIT's obligations arising in the event of termination of executive Directors' and KMP' contracts of service and ensuring that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

The NRC considers all aspects of remuneration (including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, benefits-in-kind) and aims to be fair and avoid rewarding poor performance based on the key principles of linking pay to performance and adherence to Cromwell Group Values. In designing the remuneration structure, the NRC seeks to ensure that the level and mix of remuneration is competitive and relevant in attracting, motivating and retaining employees. The NRC also exercises independent judgement in ensuring that the remuneration structure is aligned with the interests of Unitholders. No member of the Board, however, will be involved in any decision of the Board relating to his own remuneration.

The Manager's compensation programme is well balanced, competitive, performance-based and aligned with the achievement of each employee's short, medium and long-term goals. Such performance-centric remuneration which forms a significant and appropriate proportion of executive Directors' and KMP's remuneration is linked to the achievement of corporate and individual performance targets, both in terms of short and long-term quantifiable objectives, as well as to support the ongoing enhancement of Unitholder value and promotes long-term success and sustainable growth of CEREIT. Employees are also incentivised through annual bonus awards that are tied to a variety of financial and non-financial measures. While the approach reflects a pay-for performance culture, it is also designed to attract, motivate and retain Directors, KMP and high performing and high potential employees in their respective field of expertise to provide good stewardship of CEREIT and drive business growth and strategy while creating long-term Unitholder value.

In determining the remuneration packages for Directors and KMP, the Manager takes into account compensation benchmarks within the industry, as appropriate. It also considers the compensation framework of Cromwell as a point of reference. The Manager is a subsidiary of Cromwell which also holds a significant stake in CEREIT. The association with Cromwell puts the Manager in a better position to attract and retain better qualified management talent; it provides an intangible benefit to the Manager such that it allows its employees to associate themselves with an established corporate group which can offer them the depth and breadth of experience and enhanced career development opportunities. The Board has access to

1 For the purposes of meeting the AIFMD disclosure requirements, the Manager is required to provide information in relation to the total amount of remuneration for the financial year, split into fixed and variable remuneration, paid by the AIFM (i.e. the Manager) to its staff and number of beneficiaries and, where relevant, carried interest paid by the AIF (i.e. CEREIT). Unitholders who wish to review the above information may approach the Manager at its registered office located at 50 Collyer Quay, #07-02 OUE Bayfront, Singapore 049321 during normal business hours. For FY 2019, CEREIT is compliant with the AIFMD disclosure requirements in relation to its remuneration framework

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independent remuneration consultants for advice as required. For FY 2019, CEREIT engaged Korn Ferry for advice on remuneration of all Directors, KMP and other senior members of management. Korn Ferry has no other relationship with CEREIT that could affect their independence and objectivity as external remuneration consultant.

The remuneration system also takes into account the value creation capability of the Directors and KMP. The Board determines value creation to be the amount of value-add contributed by the individual, including but not limited to deal introduction to CEREIT, cost-savings ideas and novel initiatives which have the potential of increasing the performance of CEREIT.

The Manager has an established and rigorous process for the performance review of all employees, including senior executives. The performance of senior executives and whether they have met their individual key performance indicators is evaluated annually by the CEO, with regular feedback being provided during the performance period. At the time of the reviews, the professional development of the senior executive is also discussed, along with any training which could enhance their performance. Both qualitative and quantitative measures are used in the evaluation.

The individual key performance indicators for the CEO and KMP include both quantitative and qualitative targets. Each of the quantitative and qualitative targets carries different weight, with approximately 50% to 70% of the key performance indicators based on directly measurable targets. Stretch targets are also set. These measurable targets include the following:

(i) meeting and exceeding the DPU as set out in the annual budget;

(ii) meeting and exceeding the operating budget;

(iii) achieving and exceeding the return on contributed equity hurdle as set out in the annual budget;

(iv) successfully refinancing debt facilities which are targeted to be refinanced for the financial year;

(v) meeting the target GRESB score;

(vi) achieving zero compliance breaches; and

(vii) successfully completing identified key transactions for the financial year.

The amount of weight accorded to each qualitative and quantitative target varies depending on the roles and functions of the CEO and KMP. The CEO and KMP largely met or exceeded their KPIs in FY 2019.

In addition, the CEO and KMP are expected to display Cromwell Group's cultural values at all times. For FY 2019, Cromwell Group's cultural values were as follows - principled, empathetic, collegiate, diligent, courageous, accountable, humble, committed and spirited. These cultural values were observed by the Board and assessed based on peer reviews.

Long-term incentive schemes have been implemented for executive Directors and KMP. The NRC reviews whether executive Directors and KMP are eligible for benefits under long-term incentive schemes. The costs and benefits of long-term incentive schemes are carefully evaluated. In normal circumstances, all forms of deferred remuneration vest over a period of time. Executive directors and KMP are encouraged to hold their Units beyond the vesting period, subject to any need to finance any cost of acquiring the Units and associated tax liability.

Generally, no remuneration of Directors and KMP (in their capacity as Director or KMP) are (a) paid in the form of shares or interests in the controlling shareholder or its related companies; or (b) linked (directly or indirectly) to the performance of any entity other than CEREIT. To the extent that any remuneration has been granted but not vested prior to the transfer of any executive officer from Cromwell to the Manager, such remuneration remains. Management and the Board are satisfied that such an arrangement would not result in a misalignment of interest. The Manager has in place policies and procedures to address any conflicts of interests or potential misalignment.

Remuneration for KMP

Remuneration for KMP comprises fixed components, variable cash components, Unit-based components and employee benefits:

A. Fixed Components

The fixed components comprise the base salary, fixed allowances and compulsory employer contribution to an employee's CPF or other social security system.

B. Variable Cash Components

The variable cash component is linked to the achievement of annual performance targets for each KMP as agreed at the beginning of the financial year with the Board.

Under the framework for the variable cash components, CEREIT's strategy and goals are translated to performance outcomes comprising both quantitative and qualitative targets such as targets relating to DPU and operating earnings; these are cascaded down throughout the organisation, thereby creating alignment across CEREIT. Such targets were chosen as they are aligned to the key objectives of CEREIT as outlined in CEREIT's prospectus.

After the close of each year, the Board reviews CEREIT's achievements against the targets set and determines the overall performance taking into consideration qualitative factors such as the business environment, regulatory landscape and industry trends and approves a bonus pool that is commensurate with the performance achieved.

In determining the payout quantum for each KMP under the plan, the Board considers the overall business performance and individual performance as well as affordability. Generally, a minimum of achieving more than 70% of the qualitative factors and quantitative factors are required to be eligible for a payout under the plan.

C. Unit-Based Components

Under the PUP, the Manager grants Base Awards with pre-determined performance targets being set over the relevant performance period. The performance period for the PUP is three years. The pre-set targets are typically NPI and DPU. The PUP awards represent the right to receive fully paid Units, their equivalent cash value or a combination thereof, free of charge, provided certain prescribed performance conditions are met. The Final Awards will generally depend on the achievement of the pre-determined targets at the end of the performance period.

The obligation to deliver the Units is expected to be satisfied out of the Units held by the Manager. The Board has absolute discretion to decide on the Final Awards, taking into consideration any other relevant circumstances. PUP will be forfeited if an employee ceases employment, subject to Board's discretion in the case of "good leavers". The Board will have discretion to vest PUPs on change of control and award PUPs payments for part periods on such events.

D. Employee Benefits

The benefits provided are comparable with local market practices.

The breakdown of the remuneration of the CEO and the KMP in percentage terms are provided in the KMP's Remuneration Table on page 165 of this Annual Report.

The non-disclosure of the CEO's exact remuneration amount, the requisite remuneration band for each of the other KMP and the total remuneration paid to those KMP is not in full compliance with Provision 8.1 from the Code. Notwithstanding, the Board has considered carefully and believes that the interests of the Unitholders will not be prejudiced as a result, for the following reasons:

(a) due to the highly competitive human resource environment for personnel with the requisite knowledge, expertise and experience in the area of real estate investment trusts, disclosure of specific remuneration information may give rise to recruitment and talent retention issues;

(b) the negative impact to CEREIT if members of the experienced and qualified management team are poached, thereby affecting both the ability to nurture a sustainable talent pool and ensure the smooth continuity of leadership to achieve business and operations objectives of CEREIT;

(c) there is no misalignment between the remuneration of the KMP and the interest of Unitholders, given that their remuneration is not linked to the gross

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revenue of the CEREIT and are paid out of the own assets of the Manager; and

(d) there is full and frank disclosure regarding the total amount of fees paid to the Manager on pages 204 to 205 of the Annual Report.

The Board seeks to ensure that the remuneration paid to the CEO and KMP are strongly linked to the achievement of business and individual performance targets. The performance targets approved by the Board are set at realistic yet stretched levels each year to motivate a high degree of business performance with emphasis on both short- and longer-term quantifiable objectives.

For FY 2019, the Manager does not have any employee who is a substantial Unitholder, or an immediate family member of a Director, the CEO or a substantial shareholder of the Manager. Immediate family member refers to the spouse, child, adopted child, step-child, sibling or parent. In FY 2019, the aggregate amount of termination, retirement and post-employment benefits that was granted to Mr Philip Levinson who stepped down as CEO was 825,880 Units. Save for that disclosed above, there was no termination, retirement or post-employment benefits granted to Directors, CEO and any KMP. There were also no special retirement plans, "golden parachute" or special severance packages given to the KMP.

Non-executive Directors' Remuneration

The non-executive Directors receive their Directors' fees in accordance with their various levels of contributions, taking into account factors such as their responsibilities, effort and time spent for serving on the Board and the Board committees. Their remuneration package consists of basic retainer fees as a Director and additional fees for serving on the Board committees. A larger fee is accorded to the chair of each Board committee in view of the greater responsibility.

The compensation package is market benchmarked, taking into account the responsibilities on the part of the Directors in light of the scope and nature of CEREIT's business.

The Directors' fees for FY 2019 are shown in the table below. The CEO, as an executive Director, does not receive any Director's fees for serving as a Director. Instead, he is remunerated as part of the KMP. Paul Weightman as CEO of Cromwell Property Group does not receive director's fees in his capacity as a Director. All Directors' fees are paid in cash.

Directors' Fees

Board Members	FY 2019
Lim Swe Guan	S$160,000
Paul Weightman	N.A.
Fang Ai Lian	S$130,000
Christian Delaire	S$130,000
Simon Garing	N.A.

Principle 9: Risk Management and Internal Controls

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

The Manager has in place an adequate and effective system of risk management and internal controls addressing material financial, operational, compliance and IT risks to safeguard Unitholders' interests and CEREIT's assets. CEREIT has implemented a comprehensive ERM framework which enables CEREIT to deal with business opportunities and uncertainties by identifying key risks and enacting the appropriate mitigating plans and actions. The ERM framework provides information for CEREIT's stakeholders to make an informed assessment of CEREIT's risk management and internal control systems. The ERM framework lays out the governing policies, processes and systems to identify, evaluate and manage risks as well as to facilitate the assessment on the adequacy and effectiveness of CEREIT's risk management system.

The Board has overall responsibility for the governance of risk and determines the nature and extent of the significant risks which CEREIT is willing to take. The ARC assists the Board in carrying out the Board's responsibility of overseeing CEREIT's risk management framework and policies. The ARC oversees

Management in the design, implementation and monitoring of risk management and internal controls systems. The ARC also makes recommendations to the Board on the nature and extent of the significant risks, including risk tolerance limits and other associated risk parameters, which the Board is willing to assume in achieving its strategic objectives and value creation.

Where the external auditors, in their audit of CEREIT's year-end financial statements, raise any significant issues (e.g. significant adjustments) which have a material impact on the financial statements or financial updates previously announced by CEREIT, the ARC should bring this to the Board's attention immediately. The ARC should also advise the Board if changes are needed to improve the quality of future financial statements or financial updates.

The internal and external auditors undertake a scope of work that includes testing the effectiveness of the material internal controls addressing financial, operational, compliance and IT risks and risk management processes. This includes testing, where practicable, material internal controls in areas managed by external service providers. Any material non-compliance or lapses in internal controls together with corrective measures recommended by the internal and external auditors are reported to and reviewed by the ARC. The adequacy and effectiveness of the measures taken by the Manager in response to the recommendations made by the internal and external auditors are also reviewed by the ARC.

For FY 2019, the Board has received assurance from:

(a) the CEO and the CFO, that the financial records of CEREIT have been properly maintained and the financial statements give a true and fair view of CEREIT's operations and finances. In addition, the Board has received similar assurance from the external auditor; and

(b) the CEO and other relevant KMP, that the system of risk management and internal controls in place for CEREIT is adequate and effective to address the financial, operational, compliance and IT risks which the Manager considers relevant and material to the current business environment.

The CEO and the CFO have obtained similar assurances from the relevant respective risk and control owners.

In addition, in FY 2019, the Board has received quarterly certification by Management on the integrity of financial reporting and the Board has provided a negative assurance confirmation to Unitholders as required by the Listing Manual.

Based on the reviews conducted by Management and the work undertaken by both the internal and external auditors, as well as the assurance from the CEO and the other relevant KMP, the Board is of the opinion that CEREIT's system of risk management and internal controls is adequate and effective to address the financial, operational, compliance and IT risks which the Manager considers relevant and material to the current business environment as at 31 December 2019. The ARC concurs with the Board in its opinion. No material weaknesses in the systems of risk management and internal controls were identified by the Board and the ARC in the review for FY 2019. CEREIT has maintained proper records of the discussions and decisions of the Board and the ARC.

The Board notes that the system of risk management and internal controls established by the Manager provides reasonable assurance that CEREIT, as it strives to achieve its business objectives, will not be significantly affected by any event that can be reasonably foreseen or anticipated. However, the Board also notes that no system of risk management and internal controls can provide absolute assurance in this regard, or absolute assurance against poor judgement in decision making, human error, losses, fraud or other irregularities.

Principle 10: Audit Committee

The Board has an Audit Committee which discharges its duties objectively.

The ARC is appointed by the Board from among the Directors and is composed of three members, a majority of whom (including the Chair of the ARC) are required to be independent directors. The members of the ARC are Mrs Fang Ai Lian, Mr Lim Swe Guan and Mr Christian Delaire, all of whom are independent and

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non-executive Directors. Mrs Fang Ai Lian has been appointed as the Chair of the ARC.

All of the members bring with them invaluable recent and relevant managerial and professional expertise in financial management domains; in particular the Chair of the ARC is a Fellow of the Institute of Singapore Chartered Accountants, among other professional affiliations. None of the ARC members was previously a partner of the incumbent external auditors, Deloitte, nor does any of the ARC members hold any financial interest in Deloitte.

The ARC has explicit authority to investigate any matter within its terms of reference. Management is required to provide the fullest co-operation in providing information and resources and in implementing or carrying out all requests made by the ARC. The ARC has direct access to the internal and external auditors and full discretion to invite any Director or executive officer to attend its meetings. Similarly, both the internal and external auditors are given unrestricted access to the ARC.

The role of the ARC is to monitor and evaluate the effectiveness of the Manager's internal controls. The ARC also reviews the quality and reliability of information prepared for inclusion in financial reports and is responsible for the nomination of external auditors and reviewing the adequacy of external audits in respect of cost, scope and performance.

Under its terms of reference, the ARC's scope of duties and responsibilities includes:

(a) reviewing external audit reports to ensure that where deficiencies in internal controls have been identified, appropriate and prompt remedial action is taken by Management;

(b) reviewing the significant financial reporting issues and key areas of management judgements so as to ensure the integrity of the financial statements of CEREIT and any announcements relating to CEREIT's financial performance;

(c) ensuring that the internal audit function is adequately resourced and has appropriate standing with CEREIT;

(d) reviewing, on an annual basis, the adequacy, effectiveness and independence of the internal audit function in the overall context of CEREIT's internal controls and risk management systems;

(e) reviewing the assurance from the CEO and the CFO on the financial records and financial statements;

(f) reviewing the statements included in CEREIT's annual report on CEREIT's internal controls and risk management framework;

(g) making recommendations to the Board on the proposals to Unitholders on the nomination for the appointment and removal of external auditors and approving the remuneration and terms of engagement of the external auditors;

(h) reviewing the nature and extent of non-audit services performed by external auditors;

(i) reviewing, on an annual basis, the independence and objectivity of the external auditors;

(j) reviewing the effectiveness, independence, adequacy, scope and results of the external audit and the internal audit function;

(k) meeting with external and internal auditors, without the presence of Management, at least on an annual basis;

(l) assisting the Board to oversee the formulation, updating and maintenance work of adequate and effective risk management framework;

(m) reviewing the Whistle-blowing Policy and arrangements put in place by which staff and external parties may, in confidence, raise possible improprieties in matters of financial reporting or other matters, for the independent investigation of such matters and for appropriate follow up actions;

(n) reviewing the system of internal controls including financial, operational, compliance and information technology controls, risk management processes;

(o) reviewing the financial statements and the internal audit report;

(p) monitoring the procedures established to regulate Related Party Transactions, including ensuring compliance with the provisions of the Listing Manual relating to Interested Person Transactions and the provisions of the Property Funds Appendix relating to Interested Party Transactions;

(q) reviewing transactions constituting Related Party Transactions;

(r) reviewing, on an annual basis, a report on the asset allocation conflict decisions pursuant to the Cromwell Group Allocation Process;

(s) deliberating on conflicts of interest situations involving CEREIT, including situations where the Manager is required to decide whether or not to take any action against any person in relation to any breach of any agreement entered into by the Trustee for and on behalf of CEREIT with a Related Party of the Manager and where the Directors, controlling shareholder of the Manager and Associates (as defined in the Listing Manual) are involved in the management of or have shareholding interests in similar or related business as the Manager and in such situations, the ARC will monitor the investments by these individuals in CEREIT's competitors, if any and will make an assessment whether there is any potential conflict of interest;

(t) reviewing internal and external audit reports at least twice a year to ascertain that the guidelines and procedures established to monitor Related Party Transactions have been complied with;

(u) monitoring the procedures in place to ensure compliance with applicable legislation, regulations, the Listing Manual and the Property Funds Appendix;

(v) reviewing and providing their views on all hedging policies and instruments to be implemented by CEREIT to the Board;

(w) reviewing all hedging policies and procedures to be implemented by CEREIT for the entry into of any hedging transactions (such as foreign exchange hedging and interest rate hedging) and monitoring the implementation of such policy, including reviewing the instruments, processes and practices in accordance with the policy for entering into foreign exchange hedging transactions;

(x) investigating any matters within the ARC's terms of reference, whenever it deems necessary; and

(y) reporting to the Board on material matters, findings and recommendations.

The ARC has reviewed the nature and extent of non-audit services provided by the external auditors in FY 2019 and the fees paid for such services. The ARC is satisfied that the independence of the external auditors has not been impaired by the provision of those services. The external auditors have also provided confirmation of their independence to the ARC. The aggregate amount of fees paid and payable to the external auditors for FY 2019 was €961,000, of which audit and audit-related fees amounted to €952,000 and non-audit fees amounted to €9,000. Audit and audit-related fees included audit fees for all of the countries in which CEREIT has its properties. Non-audit fees included some miscellaneous tax consultations.

The ARC meets with the internal and external auditors at least once a year without the presence of Management. In FY 2019, the ARC met with the internal and external auditors, without Management's presence, to discuss the reasonableness of the financial reporting process, the system of internal controls and the significant comments and recommendations by the auditors. Where relevant, the ARC makes reference to best practices and guidance for Audit Committees in Singapore including practice directions issued from time to time in relation to the Financial Reporting Surveillance Programme administered by the Accounting and Corporate Regulatory Authority of Singapore.

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In its review of the financial statements of CEREIT for FY 2019, the ARC had discussed with Management the accounting principles that were applied and their judgement of items that might affect the integrity of the financial statements and also considered the clarity of key disclosures in the financial statements. The ARC reviewed, among other matters, fair value and disclosure of fair value for investment properties, a key audit matter identified by the external auditors for FY 2019.

The ARC considered the carrying value of CEREIT's investment properties (including properties held for sale), with an aggregate carrying amount of €2,103,015,000, which is measured using the fair value model as described in IAS 40 Investment Property. As at 31 December 2019, 91 properties in CEREIT's portfolio were valued by independent valuers, Colliers and C&W. The adopted valuations for the 91 properties were based on independent external valuations utilising the income capitalisation model supported by recent market sales evidence. The independent valuations for the properties located in France, Italy and Finland have been prepared by Colliers and independent valuations for properties located in the Netherlands, Poland, Denmark and Germany have been prepared by C&W. Twelve properties were held for sale as at 31 December 2019 and were recorded at their respective sales prices.

There were no other key audit matters highlighted by the external auditor.

Changes to the accounting standards and accounting issues which have a direct impact on the financial statements were reported to and discussed with the ARC at its meetings.

The Manager has in place an internal audit function which has been outsourced to KPMG which reports directly to the ARC and administratively to the CEO. The ARC is of the view that the internal audit function is independent, effective and adequately resourced. The ARC is satisfied that the internal audit function in the overall context of CEREIT's risk management system is adequate and effective.

The internal auditor is a member of the IIA, a professional internal auditing body affiliated to the Institute of Internal Auditors, Inc.. The audit work carried out is guided by the firm's global internal auditing standards and the International Standards for the Professional Practice of Internal Auditing laid down in the International Professional Practices Framework issued by the IIA. For FY 2019, the internal audit work carried out by KPMG is in conformance with the IIA standards.

The internal auditors plan their internal audit schedules in consultation with, but independently of, Management and their plan is submitted to the ARC for approval prior to the beginning of each year. The internal auditors report directly to the ARC and have unfettered access to the Manager's documents, records, properties and employees, including access to the ARC and has appropriate standing within the Manager. Where applicable, the ARC also decides on the appointment, termination and remuneration of the head of the internal audit function.

The Manager confirms, on behalf of CEREIT, that CEREIT complies with Rules 712 and 715 of the Listing Manual.

(C) UNITHOLDER RIGHTS AND ENGAGEMENT

(D) MANAGING STAKEHOLDERS RELATIONSHIPS

Principle 11: Unitholder Rights and Conduct of General Meetings

The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

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

The Manager supports the principle of encouraging Unitholders' participation and voting at general meetings. Unitholders are informed of the general meetings, together with the relevant rules and voting procedures of such meetings. In line with CEREIT's sustainability strategy, an electronic version of the Annual Report is available on CEREIT's website (printed copies are available upon request). Notices of the general meetings along with proxy forms and forms to request a printed copy of the Annual Report are mailed to the Unitholders within the requisite notice period and also advertised in the press and issued on SGXNet. The requisite notice period for a general meeting is adhered to. All Unitholders are given the opportunity to participate effectively in and vote at general meetings.

At general meetings, Unitholders are encouraged to communicate their views and discuss matters affecting CEREIT with the Board and Management. Every effort is made for representatives of the Trustee, Directors (including the chairpersons of the Board and the ARC), the Manager's senior management and the external auditors of CEREIT, to be present at general meetings to address any queries from Unitholders, including Unitholders' queries about the conduct of audit and the preparation and content of the auditors' reports. A record of the Directors' attendance at the general meeting can be found in the records of their attendance of meetings set out at page 164 of this Annual Report.

To safeguard Unitholders' interests and rights, a separate resolution is proposed for each substantially separate issue at general meetings. To ensure transparency in the voting process and better reflect Unitholders' interest, the Manager conducts electronic poll voting for all the resolutions proposed at the general meetings. Voting procedures are explained and vote tabulations are disclosed at the general meetings. An independent scrutineer is also appointed to validate the vote tabulation procedures. Votes cast, for or against and the respective percentages, on each resolution are tallied and displayed 'live' on-screen to Unitholders immediately at the general meetings. The total number of votes cast for or against the resolutions and the respective percentages are also announced on SGXNet after the general meetings. Provision 11.4 of the Code requires an issuer's Constitution to allow for absentia voting at general meetings of Unitholders. Voting in absentia and by email, which are currently not permitted may only be possible following careful study to ensure that the integrity of information and authentication of the identity of Unitholders through the web are not compromised and legislative changes are effected to recognise remote voting. The Manager is of the view that despite the deviation from Provision 11.4 of the Code, Unitholders nevertheless have opportunities to communicate their views on matters affecting CEREIT even when they are not in attendance at general meetings. For example, Unitholders may appoint proxies to attend, speak and vote, on their behalf, at general meetings.

The Company Secretary prepares minutes of general meetings, which include substantial comments or queries raised by Unitholders and the responses from the Chair, Board members and Management. These minutes will be posted on CEREIT's corporate website as soon as practicable.

Directors are present (whether physically or by video conference or other means) for the entire duration of general meetings. At general meetings, Management conducts formal presentations to the Unitholders to update them on CEREIT's performance, position and prospects. Presentation materials are made available on SGXNET and CEREIT's website on the same day of AGM. The Chair facilitates constructive dialogue between unitholders and the Board, Management,

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external auditors and other relevant professionals. The Chair also allows specific directors, such as Board committee chairs, to answer queries on matters related to their roles. Unitholders also have the opportunity to communicate their views and discuss with the Board and Management matters affecting CEREIT before and/or after the general meetings. All Directors are provided with personal CEREIT business cards with their contact information that they can present to Unitholders, should Unitholders wish to follow up directly on specific matters with the respective Directors.

CEREIT has formalised distribution policy which aims to balance cash returned to Unitholders with retaining capital to sustain growth. Through this policy, CEREIT seeks to provide consistent and sustainable dividend payments to its Unitholders. CEREIT's distribution policy is to distribute 100.0% of CEREIT's annual distributable income for the period from the listing date to 31 December 2019. The Board intends to distribute 100.0% of its annual distributable income from FY 2020. The actual level of distribution will be determined at the Manager's discretion. The Manager will endeavour to pay distributions no later than 90 days after the end of each distribution period. Distributions for FY 2019 were paid according to schedule. For every distribution declaration made, Unitholders will be notified via an announcement made through SGXNET.

Principle 12: Engagement with Unitholders

The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Principle 13: Engagement with Stakeholders

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

The Manager is committed to keeping all Unitholders and other stakeholders and analysts informed of the performance and changes in CEREIT or its business which would be likely to materially affect the price or value of the Units, on a timely and consistent basis, so as to assist Unitholders and investors in their investment decisions.

The Manager has in place a dedicated investor relations team that runs a comprehensive and proactive investor relations programme, which facilitates regular, effective and fair communication with Unitholders, analysts, fund managers and the media. CEREIT's investor communications are guided by its investor relations policy, as well as its market disclosure protocol, that ensures that:

(a) CEREIT immediately discloses all price sensitive information to the SGX-ST in accordance with the Listing Manual; and

(b) all Unitholders have equal and timely access to material information concerning CEREIT, including its financial position, performance, ownership and governance, subject to the Listing Manual.

The Manager provides Unitholders with financial statements within the relevant periods prescribed by the Listing Manual after they are reviewed by the ARC and approved by the Board. The financial statements released are accompanied by supplementary results presentations and media releases posted on SGXNet, as well as, from time to time, video messages for the general audience to ensure further clarity for Unitholders. All announcements posted on SGXNet and video messages are concurrently made available on the investor relations section of CEREIT's website at www.cromwelleuropeanreit.com.sg. In presenting the financial statements to Unitholders, the Board aims to provide Unitholders with a balanced, clear and understandable assessment of CEREIT's performance, position and prospects. In order to achieve this, Management provides the Board with management accounts on a regular basis and such explanation and information as any Director may require, to enable the Directors to keep abreast and make a balanced and informed assessment, of CEREIT's financial performance, position and prospects.

The Manager's investor relations policy for CEREIT also outlines the various modes of communications with the Unitholders and the ways in which the Manager solicits and understands the views of the Unitholders. The Manager engages with Unitholders and the Investment Community to communicate CEREIT's strategic business plans and operating performance, share latest corporate and industry developments as well as to gather their views and feedback on a range of strategic and topical issues. Such interactions allow Management to understand and consider the views and feedback from Unitholders and the Investment Community before formulating its key strategic decisions. The Manager has also engaged the Investment Community to solicit feedback and views on whether it should voluntarily announce interim updates and intends to voluntarily announce interim updates on useful and relevant information and financial statements. To facilitate further the ability for Unitholders to ask questions and receive responses in a timely manner, the Manager has made available on its website a specific investor relations contact with email address and contact number, as well as put in place an online submission form mechanism and 'Email Alerts' function that enables investors to subscribe for regular updates from CEREIT. The email is monitored regularly and all valid Unitholder enquiries are responded to in timely manner, either via email or a phone call within three to five working days.

In FY 2019, the Manager conducted close to 150 meetings with more than 360 institutional investors, private wealth advisors and family offices and with more than 60 analysts. The management team addressed and directly interacted with more than 650 retail investors through four retail conferences and forums and the AGM; and also participated in four major institutional investor forums through specific speaker engagements and panel discussions.

More information on the Manager's investor and media relations practices, calendar of activities, specific investor relations contacts and information on the various modes of communication with Unitholders and available to them avenues for asking questions and receiving responses can be found in the Investor Relations section on pages 54 to 59 of this Annual Report.

In the execution of its duties, the Board adopts an inclusive approach and not only considers CEREIT's obligations to its Unitholders but also the interests of its material stakeholders, as part of its overall responsibility to ensure that the best interests of CEREIT are served. The material stakeholder groups of CEREIT are clearly defined and specific activities to engage with each group are documented in CEREIT's FY 2019 Sustainability Report, to be published by the end of May 2019. The Board is directly involved in all aspects of formulating and approving the sustainability strategy of CEREIT and receives quarterly updates on the progress that the Manager makes in all stakeholder engagement matters.

An abridged version of the Sustainability Report, documenting key areas of focus in relation to the engagement of stakeholders and how these relationships have been managed during the reporting period can be found from pages 162 to 172 of this Annual Report.

(E) ADDITIONAL INFORMATION

Dealings with Interested Persons
Review Procedures for Interested Person Transactions

The Manager has established an internal control system to ensure that all Related Party Transactions are undertaken on normal commercial terms and are not prejudicial to the interests of CEREIT and Unitholders. In respect of such transactions, the Manager would have to demonstrate to the ARC that such transactions are undertaken on normal commercial terms and are not prejudicial to the interests of CEREIT and Unitholders which may include obtaining (where practicable) quotations from parties unrelated to the

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Manager or obtaining two or more valuations from independent professional valuers (in accordance with applicable provisions of the Listing Manual and the Property Funds Appendix). The internal control system also ensures compliance with Chapter 9 of the Listing Manual and the Property Funds Appendix.

In particular, the procedures in place include the following:

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

CEREIT will also comply with Rule 905 of the Listing Manual by announcing any Related Party Transaction in accordance with the Listing Manual if the value of such transaction, by itself or when aggregated with other Related Party Transactions entered into with the same Related Party during the same financial year, is 3.0% or more of CEREIT's latest audited net tangible assets.

Subject to Rules 905(5) and 906(4) of the Listing Manual, transactions with a value below S$100,000 are disregarded for the purpose of the announcement and Unitholders' approval requirements under the Listing Manual as set out in the paragraphs above. Under Rules 905(5) and 906(4) of the Listing Manual, while transactions with a value below S$100,000 are not normally aggregated under Rules 905(3) and 906(2) of the Listing Manual respectively, the SGX-ST may aggregate transactions with a value below S$100,000 entered into the same financial year and treat them as if they were one transaction in accordance with Rule 902 of the Listing Manual.

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

- on normal commercial terms;
- are not prejudicial to the interests of CEREIT and the Unitholders; and
- are in accordance with all applicable requirements of the Property Funds Appendix and/or the Listing Manual relating to the transaction in question.

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

Role of the Audit Committee for Interested Person Transactions

The Manager's internal control system is intended to ensure that Related Party Transactions are conducted on normal commercial terms and are not prejudicial to the interests of CEREIT and Unitholders' interests.

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

The Manager will also incorporate into its internal audit plan a review of all Related Party Transactions entered into by CEREIT. The ARC shall review the internal audit reports at least twice a year to ascertain that the guidelines and procedures established to monitor Related Party Transactions have been complied with. The Trustee will also have the right to review such audit reports to ascertain that the Property Funds Appendix has been complied with. The review may also include a review of any other such documents or matter as may be deemed necessary by the ARC. If a member of the ARC has an interest in a transaction, he or she is to abstain from participating in the review and approval process in relation to that transaction.

Details of all Related Party Transactions (equal to or exceeding S$100,000 each in value) entered into by CEREIT in FY 2019 are disclosed on pages 246 to 247 of this Annual Report.

Dealing with Conflicts of Interest

The following principles and procedures have been established to deal with potential conflicts of interest which the Manager (including its Directors, executive officers and employees) may encounter in managing CEREIT:

(a) the Manager will not manage any other REIT which invests in the same type of properties as CEREIT;

(b) all executive officers will be working exclusively for the Manager and will not hold other executive positions in other entities, save for any wholly-owned subsidiaries of the Manager;

(c) all resolutions in writing of the Directors in relation to matters concerning CEREIT must be approved by at least a majority of the Directors (excluding any interested Director), including at least one CEREIT ID;

(d) at least one-third of the Board shall comprise CEREIT IDs, provided that where the (i) the Chair of the Board and the CEO is the same person, (ii) the Chair of the Board and the CEO are immediate family members, (iii) the Chair of the Board is part of Management or (iv) the Chair of the Board is not a CEREIT ID, at least a majority of the Board shall comprise CEREIT IDs;

(e) In respect of matters in which a Director or his associates (as defined in the Listing Manual) has an interest, direct or indirect, such interested Director will abstain from voting. In such matters, the quorum must comprise a majority of the Directors and must exclude such interested Director;

(f) in respect of matters in which Cromwell and/or its subsidiaries have an interest, whether direct or indirect, any nominees appointed by Cromwell and/or its subsidiaries to the Board to represent their interests will abstain from deliberation and voting on such matters. In such matters, the quorum must comprise a majority of CEREIT IDs and must exclude such nominee Directors of Cromwell and/or its subsidiaries;

(g) save as to resolutions relating to the removal of the Manager, the Manager and its associates are prohibited from voting or being counted as part of a quorum for any meeting of the Unitholders convened to approve any matter in which the Manager and/or any of its associates has a material interest and for so long as the Manager is the manager of CEREIT, the controlling shareholders of the Manager

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and of any of its associates are prohibited from voting or being counted as part of a quorum for any meeting of Unitholders convened to consider a matter in respect of which the relevant controlling shareholders of the Manager and/or of any of its associates have a material interest; and

(h) if the Manager is required to decide whether or not to take any action against any person in relation to any breach of any agreement entered into by the Trustee for and on behalf of CEREIT with a Related Party of the Manager, the Manager shall be obliged to consult with a reputable law firm (acceptable to the Trustee) who shall provide legal advice on the matter. If the said law firm is of the opinion that the Trustee, on behalf of CEREIT, has a prima facie case against the party allegedly in breach under such agreement, the Manager shall be obliged to take appropriate action in relation to such agreement. The Directors (including the CEREIT IDs) will have a duty to ensure that the Manager so complies. Notwithstanding the foregoing, the Manager shall inform the Trustee as soon as it becomes aware of any breach of any agreement entered into by the Trustee for and on behalf of CEREIT with a Related Party of the Manager and the Trustee may take such action as it deems necessary to protect the rights of the Unitholders and/or which is in the interests of the Unitholders. Any decision by the Manager not to take action against a Related Party of the Manager shall not constitute a waiver of the Trustee's right to take such action as it deems fit against such Related Party.

Dealings in Securities

The Manager has devised and adopted a securities dealing policy for the Manager's officers and employees which applies the best practice recommendations in the Listing Manual. To this end, the Manager has issued guidelines to its Directors and employees as well as certain relevant executives of the Cromwell group, which set out prohibitions against dealings in CEREIT's securities (i) while in possession of price-sensitive information and (ii) (a) (in the event that CEREIT were to continue with quarterly reporting) during the two weeks immediately preceding and up to the time of the announcement of, CEREIT's financial results or, as the case may be, property valuations, for each of the first three quarters of CEREIT's financial year and during the one month immediately preceding and up to the time of the announcement of, financial results and property valuations for the full financial year, or (b) (in the event that CEREIT were to adopt semi-annual reporting) during the one month immediately preceding and up to the time of the announcement of, CEREIT's semi-annual financial results or, as the case may be, property valuations and financial results and property valuations for the full financial year. Prior to the commencement of each relevant period, an email would be sent out to all Directors and employees of the Manager as well as certain relevant executives of the Cromwell group to inform them of the duration of the period. The Manager will also not deal in CEREIT's securities during the same period. In addition, employees and Capital Markets Services Licence Appointed Representatives of the Manager are required to obtain pre-trading approval from the CEO before any dealing in CEREIT's securities and give post-trading notification to the Compliance department. Directors are also required to obtain pre-trading approval from the ARC Chair before any dealing in CEREIT's securities and are subject to statutory notification obligations in respect of any trade. Non-executive Directors shall not deal and/or trade in Units on short term basis.

Directors and employees of the Manager as well as certain relevant executives of the Cromwell group are also prohibited from dealing in securities of CEREIT if they are in possession of unpublished price-sensitive information of CEREIT by virtue of their status as Directors and/or employees. As and when appropriate, they would be issued an advisory to refrain from dealing in CEREIT's securities.

Under the policy, Directors and employees of the Manager as well as certain relevant executives of Cromwell are also discouraged from trading on short-term or speculative considerations. They are also prohibited from using any information with respect to other companies or entities obtained in the course of their employment in connection with securities transactions of such companies or entities.

Protection of Creditors' Rights

To protect creditors' rights, the Manager will ensure compliance with relevant laws and regulations, including the Property Funds Appendix. The Manager conducts CEREIT's business in a proper and efficient manner and ensure that the total borrowings and deferred payments of CEREIT does not exceed 45.0% of CEREIT's deposited property. When the Manager takes out loans, the Manager uses its best endeavors to ensure that the interest rates of the loans are competitive. Interest rate risk is managed on an ongoing basis through regular reviews of the optimal mix of fixed and floating rate borrowings.

(F) CODE OF BUSINESS CONDUCT

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

The policies and guidelines are published internally and is accessible by all employees of the Manager.

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

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

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

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

Bribery and Corruption Prevention Policy

The Manager adopts a strong stance against bribery and corruption. In addition to clear guidelines and procedures for the giving and receipt of corporate gifts and concessionary offers, all employees of the Manager are expected to uphold the Manager's core values and not to engage in any corrupt or unethical practices. This serves as a reminder to all employees to maintain the highest standards of integrity in their work and business dealings.

The Manager's zero tolerance policy towards bribery and corruption extends to its business dealings with third parties.

Whistle-Blowing Policy

A whistle-blowing policy and other procedures are put in place to provide employees of the Manager and parties who have dealings with the Manager with well defined, accessible and trusted channels to report suspected fraud, bribery, corruption, dishonest practices or other improprieties in the workplace and for the independent investigation of any reported incidents and appropriate follow up action.

Reports submitted anonymously will be considered but given the difficulty in fully and fairly investigating such reports, names in reports are encouraged to assist with investigation as much as possible. If the incidence of anonymous reports is high, then the policy and its implementation would be reviewed. The objective of the whistle-blowing policy is to encourage the reporting of such matters so that employees or external parties making any reports in good faith will be able to do so with the confidence that they will be treated fairly and, to the extent possible, be protected from reprisal.

Concerns about illegal, unprofessional, fraudulent or other unethical behaviour may be referred to the Ethics Hotline at CEREITwhistleblower@kpmg.com.sg.

Following a review of the complaint or concern, the ARC Chair, where appropriate, will take steps to have the matter investigated and, if warranted, will request that the Board and Management implement corrective measures.

CORPORATE GOVERNANCE

Anti-Money Laundering and Countering the Financing of Terrorism Measures

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

(a) evaluation of risk;

(b) customer due diligence;

(c) suspicious transaction reporting;

(d) record keeping;

(e) employee screening and representative screening; and

(f) training.

The Manager has developed and implemented a policy on the prevention of money laundering and terrorist financing and is alert at all times to suspicious transactions. Where there is a suspicion of money laundering or terrorist financing, the Manager performs due diligence checks on its counterparties in order to ensure that it does not enter into business transactions with terrorist suspects or other high risk persons or entities. Suspicious transactions are also reported to the Suspicious Transaction Reporting Office of the Commercial Affairs Department.

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

All prospective representatives of the Manager are screened against various lists of terrorist suspects issued by MAS. Periodic training is provided by the Manager to its Directors, employees and representatives to ensure that they are updated and aware of applicable anti-money laundering and terrorist financing regulations, the prevailing techniques and trends in money laundering and terrorist financing and the measures adopted by the Manager to combat money laundering and terrorist financing.

COMPOSITION AND ATTENDANCE RECORD OF MEETINGS

	Composition		Attendence Record of Meetings in FY 2019			
			Board	ARC	NRC	Annual General Meeting
	ARC	NRC	Number of Meetings Held: 11	Number of Meetings Held: 4	Number of Meetings Held: 3	Number of Meetings Held: 1
Lim Swe Guan	Member	Member	11 out of 11	4 out of 4	3 out of 3	1 out of 1
Paul Weightman	-	-	11 out of 11	N/A	N/A	1 out of 1
Simon Garing	-	-	11 out of 11	N/A	N/A	1 out of 1
Fang Ai Lian	Chair	Member	11 out of 11	4 out of 4	3 out of 3	1 out of 1
Christian Delaire	Member	Chair	11 out of 11	4 out of 4	3 out of 3	1 out of 1

KEY MANAGEMENT PERSONNEL'S REMUNERATION TABLE FOR FY 2019

Remuneration	Salary inclusive of employer's CPF[6]	Bonus and Other Benefits inclusive of employer's CPF	Award of Units[7]	Total
CEO				
Simon Garing[8]	58%	27%	15%	100%
KMP				
Shane Hagan[9]				
Thierry Leleu	57%[11]	23%[11]	20%[11]	100%
Daniel Donner[10]				

6 The amounts disclosed include bonus and incentive plans (including living allowance)
7 The proportion of value of the Unit awards are based on the fair value of the Units comprised in the contingent awards under the PUP at the time of the grant, as validated by Korn Ferry. The final number of Units released will depend on the achievement of pre-determined targets and subject to the respective vesting period under the PUP (typically three years). The vesting criteria are typically based on meeting or exceeding CEREIT's relative total return performance, versus the S-REIT Index and Accounting Return on Contributed Equity targets, equally weighted over a three-year period, with continuous service and typical good behaviour and clawback provisions
8 Simon Garing was appointed CEO and Executive Director on 15 March 2019 and was previously ad interim CEO and Executive Director. The Board has elected not to disclose his total remuneration separately from the KMP's remuneration, as his remuneration was based on two different roles during the year. In his current role as CEO, he has a greater mix of "at risk" remuneration than as ad interim CEO, not fully reflected in his FY 2019 remuneration
9 Shane Hagan was appointed as CFO on 1 May 2019
10 Daniel Donner resigned as CFO on 30 April 2019
11 Derived based on the aggregation of the respective remuneration components of each of the KMP (excluding the CEO) and represented as percentages against the total remuneration for these KMP

SUSTAINABILITY

BEST PRACTICE APPROACH TO SUSTAINABILITY

CEREIT recognises that resilient, ethical and socially-responsible business practices underpin its prosperity and success. Putting market-leading ESG practices at the core of its its long-term business allows CEREIT to continue to fulfil its core purpose of providing Unitholders with long-term growth in DPU and NAV per unit.

As stated in CEREIT's inaugural Sustainability Report published in May 2019, the Manager has adopted the Sponsor's market-leading sustainability framework, ensuring that CEREIT remains focused on improving performance through a structured, responsible and balanced pathway to sustained success. The framework comprises five pillars through which the Manager addresses material ESG risks and opportunities. A senior manager is responsible for each pillar and the corresponding sustainability objectives, business plans, activities and targets. The sustainability framework has also been approved by the Board.

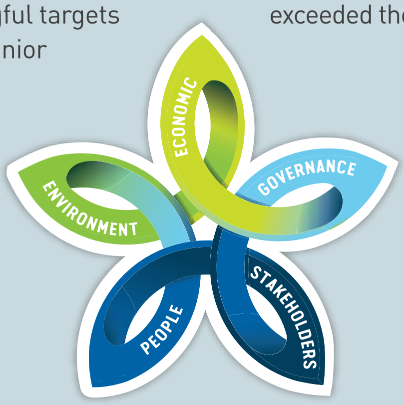
Each year the Manager conducts a materiality review to identify and prioritise the most relevant ESG issues, taking into account the impact that each issue has on CEREIT and its stakeholders. To prepare for CEREIT's second Sustainability Report for the financial year that ended 31 December 2019, an independent consultant (Ernst and Young) facilitated a materiality review that comprised several feedback sessions and interviews with the senior management teams of the Sponsor, the Manager and the Property Manager. The findings validated the continued relevance of the material ESG topics that were identified in 2018 and the Board subsequently endorsed them.

CEREIT's second annual Sustainability Report is a direct response to material topics identified throughout the materiality review process. The Manager is preparing it in compliance with the sustainability reporting requirements set out in SGX Net Listing Rules 711A and 711B and in accordance to GRI Standards: Core option. The Sustainability Report will be published on SGX-ST and simultaneously made available exclusively in electronic form in May 2020 on CEREIT's corporate website www.cromwelleuropeanreit.com.sg in keeping with the Manager's approach to sustainability.

This section presents an advance summary of the Sustainability Report and features key sustainability highlights and stakeholder engagement initiatives for FY 2019.

SUSTAINABILITY PERFORMANCE HIGHLIGHTS IN FY 2019

CEREIT's approach to sustainability is framed around five key pillars – Economic, Governance, Stakeholders, People and Environment, consistent with Cromwell's sustainability framework. In FY 2018, ten material ESG topics were identified with meaningful targets set for each objective. The Manager's senior executives have specific KPIs closely tied to ESG targets, an approach that has proven to be a positive and effective motivation and produced measurable outcomes: in FY 2019, CEREIT and its Manager achieved and in many cases exceeded the targets set for each material topic.



Pillars	CEREIT Materiality Aspects	FY 2019's Targets	Report Card / Status
Economic Responsibilities • Chief Financial Officer • Chief Investment Officer	1. Sustainable economic value creation 2. Quality of assets	FY 2019 income available for distribution to meet or exceed IPO Forecast	**Achieved / Exceeded** • €96.9 million • 42.6% up y-on-y • 38.0% above the IPO Forecast
		FY 2019 portfolio occupancy to meet or exceed IPO forecast	**Achieved / Exceeded** • 93.2% occupancy as at the end of FY 2019, 2.4 p.p. up as compared to the end of FY 2018 (90.8%) and 0.6 p.p. above the IPO Forecast for FY 2019 (92.6%)
Governance Responsibilities • Head of Legal, Compliance and Company Secretarial • Chief Operating Officer	3. Regulatory compliance 4. Anti-corruption 5. Trust, transparency and governance 6. Cyber-readiness and data governance	Continue to comply with applicable laws and regulations	**Achieved** Continue to materially comply with applicable laws and regulations
		Maintain a good compliance record	**Achieved**
		Uphold zero confirmed cases of corruption, bribery, fraud or misappropriations	**Achieved**
		Maintain an effective business continuity and crisis management plan	**Achieved** Conducted yearly testing and the plan is regularly updated

Achieved   On going

SUSTAINABILITY

Pillars	CEREIT Materiality Aspects	FY 2019's Targets	Report Card / Status
Stakeholders Responsibilities • Head of Investor Relations • Head of Property (CEREIT)	7. Strong partnerships 8. Tenant-customer satisfaction	Tenant-customers: improve benchmark engagement score for CEREIT by at least 5%	**Achieved** • NPS improved from -7.5 to -1.4 • Satisfaction as occupier improved from 64% to 69% • Satisfaction with asset management improved from 71% to 76%
		Investors: maintain or improve the level of investor engagement and the number of briefings and meetings with investors in 2019	**Achieved / Exceeded** • Close to 150 meetings (5% y-on-y increase) with more than 360 institutional investors (28 % y-on-y increase) and more than 60 analysts (+20%) • Engaged with more than 650 retail investors through 4 retail conferences and the AGM
		Community: establish long-term community programme for CEREIT Manager	**Achieved** • A newly-formed grassroots committee has developed the full social community strategy for FY 2020 and beyond and has been tasked with executing it
		Industry: maintain active memberships and involvement in key industry associations	**Achieved** • Active member of EPRA, REITAS and IRPAS
People Responsibilities • Chief Operating Officer	9. Talent attraction, retention and career development	Achieve more than 75 % participation from CEREIT Management team in the group employer engagement survey	**Achieved / Exceeded** • 92% participation • 69% engagement score (two points above the group average of 67%)
		Increase the Manager's L&D hours by 5%	**Achieved / Exceeded** • Increased L&D hours per employee six-fold y-on-y to 22 hours on average per team member
Environment Responsibilities • Head of Property (CEREIT)	10. Improving energy intensity and reducing carbon footprint	Improve FY 2019 GRESB score by at least 5%	**Achieved / Exceeded** • 67 points (42% increase)
		Obtain BREEAM for ten properties in FY 2019 and FY 2020	**Ongoing** • 11 BREEAM[2] green building certifications (seven in the Netherlands and four in France) and one LEED[3] certification (Poland)
		Obtain EPC[1] for all assets where legally required.	**Achieved**

Achieved   On going

REPORT CARD HIGHLIGHTS BY PILLARS

Economic

CEREIT's stated purpose is to deliver stable and growing distributions and long-term DPU and NAV per unit growth and it does so through responsible capital management, growth through acquisitions, active asset management and enhancement with best practice approach to sustainability.

In FY 2019, CEREIT exceeded the FY 2019 IPO forecast on all key financial indicators. FY 2019 DPU was 4.08 Euro cents, representing a 1.5% outperformance against IPO forecasts. Both NPI and distributable income were well-above both last year's and the IPO Forecast, due in the most part to the new acquisitions. The Manager also executed its active capital recycling programme with acquisitions and divestments supported by proprietary assessment framework in which each investment / divestment was evaluated on its ability to enhance or detract the expected returns of the portfolio on a risk-adjusted basis.

At a portfolio level, asset management teams proactively engaged tenant-customers and conducted active leasing programmes, increasing CEREIT's portfolio occupancy to 93.2%, up from 90.8% from the year before and above the IPO Forecast target (92.6%).

CEREIT's financial performance is covered in more detail in the Manager's report section on pages 38 to 41 as well as in the financial statements section on pages 173 to 252.

Governance

The Manager of CEREIT is committed to conducting its business in an ethical and responsible manner to manage risks and protect investors' interest. The management team has developed a comprehensive suite of policies that are in compliance with the applicable laws and regulations and, where relevant, with the Group's policies and these are enforced across CEREIT's operations. A senior management team member is accountable for each policy. The management team reviews the relevant policies regularly based on a risk-based approach, with critical policies reviewed at least annually and approved according to a delegation of authority set by the Board.

The Manager's corporate governance statement outlines in detail the Manager's governance practices. The statement is prepared in compliance with Company Governance Code of 2018 and can be found on pages 140 to pages 165 of this Annual report.

Riverside Park, Fabryczna 5, Warsaw, Poland

1 EPC stands for energy performance certificate. An EPC provides details on the energy performance of the property

2 BREEAM refers to the Building Research Establishment Environmental Assessment Method, the world's leading sustainability assessment method for master planning projects, infrastructure and buildings. It recognises and reflects the value in higher-performing assets across the built environment lifecycle, from new construction to in-use and refurbishment. BREEAM is used as an asset-level sustainability certification

3 LEED refers to Leadership in Engineering and Design, a certification program focused primarily on new, commercial building projects and based upon a points system. LEED-certified buildings, when well maintained, produce less waste products and are more energy-efficient than they would be otherwise

SUSTAINABILITY

People

Values are at the core of Cromwell's operations and the Manager has adopted the Group's core values - Principled, Respectful and Responsible - in its day-to-day operations. Alignment with company values is an integral part of the performance appraisal process for all team members. As the Manager's team strength grew to more than ten full-time members in Singapore and Europe in FY 2019, the team also participated in the group-wide employee engagement survey, achieving 92% participation and 69% overall engagement score (two points above the Group average of 67%).

In keeping with the Group's practices, the Manager provides a competitive remuneration package in line with industry standards, while providing a working environment conducive to both personal and professional growth. The Manager has also adopted all applicable Group P&C policies which cover amongst others diversity and inclusion, equal opportunity, fair recruitment practices and Code of Conduct.

In FY 2019 Cromwell progressively rolled out Workday - a human capital management software aimed at providing a single platform for employee engagement and to support its commitment to life-long learning and development. The Manager's team has adopted Workday proactively, resulting in a significant uptake of training amongst all employees over the course of FY 2019. The average training hours per employee increased six-fold to about 22 hours per person as compared to 3.5 hours on average in FY 2018, with more regular training offered to all team members.

Stakeholders

The Manager applies Cromwell's 'customer-focused' approach to stakeholder engagement in its day-to-day operations. The Manager engages regularly with its various stakeholders, provides accurate and timely information, listens and responds to stakeholder views and concerns, evaluates the effectiveness of stakeholder engagement activities and works to continually improve results. Key stakeholder groups are outlined in the table below.

Internal	Value Chain	Customers			External		
Employees	Suppliers	Tenant-Customers	Investors		Media	Industry, government bodies, regulators	Community
			Retail Unitholders	Institutional Investors			

Central Plaza, Plaza 2 – 25 (retail) / Weena 580 – 618 (offices), Rotterdam, The Netherlands

The Manager's employee engagement is reported under the People Pillar, while and supplier and value chain engagement is captured on a Group level within the Governance Pillar of the Sponsor. Investor and media engagement is covered in the investor relations section of the Annual Report on pages 54 to 59. The Manager will include detailed report on stakeholder engagement by stakeholder group in the full Sustainability Report to be published in May 2020. Below are some selected key highlights.

Tenant-Customer Satisfaction

In FY 2019, the Manager conducted its second tenant-customer engagement survey to capture feedback on areas such as building management, communication, security and sustainability. Key highlights are included below.

- NPS improved from -7.5 to -1.4
- 6% more promoters in improved NPS
- Tenant – customer satisfaction as occupier improved from 64% to 69%
- Tenant – customer satisfaction with asset management improved from 71% to 76%
- Tenant – customer satisfaction with communication with asset management improved from 58% to 82%

Strong Community Partnerships

Building on existing community partnerships, the Manager aims to create greater community impact by increasing its financial donations, deepening its engagements and expanding its reach. In FY 2019 the Manager increased its community contribution from donations and fundraising and contributed a total of S$16,450 (37% y-on-y increase) and expanded its outreach with direct community involvement with its beneficiaries.

A newly-formed grassroots committee developed the full social community strategy for FY 2020. The committee plans to deepen co-operation with current beneficiaries, explore new causes and encourage employee volunteerism through introducing a two-day volunteer leave in line with Group practices. The committee reports to the CEO and the COO in her capacity of sustainability officer for the Manager.

Environment

The Manager aims to minimise the environmental impact of its assets and adopts leading practices in its operations. Starting this year, the Manager will align the environmental data reporting for CEREIT's portfolio with the annual GRESB submission[1] to benefit from GRESB's annual assessment of its environment management approach and performance with the GRESB peer group.

In the 2019 GRESB assessment CEREIT achieved an outstanding performance with 67 points (42% increase from the 2018 assessment). With this, CEREIT surpassed its target of at least 5% improvement in rating by a significant margin. CEREIT also outperformed its peer group in five of the seven aspects; namely, management, policy & disclosure, monitoring & energy management systems, performance indicators and building certifications.

In FY 2019, 100% of CEREIT's assets have attained EPC with a minimum of a "C" rating for Dutch office assets. Additionally, the Manager plans to certify more properties for BREEAM in addition to the 12 existing green building certifications (11 BREEAM and one LEED).

In line with the Sponsor, the Manager acknowledges the UN Principle 15 approach in applying the Precautionary Principle. The Manager has conducted a climate risk review for over 90 properties in its portfolio, assessing potential climate risks based on the geography of each site. The properties were evaluated for physical risks and vulnerabilities to forecast weather extremities from climate change such as lightning, floods, hailstorms which will support future decision-making and asset enhancements.

The Manager continues to implement sustainability practises across its operations and green CEREIT's assets in close partnership with the Property Manager.

Detailed report on environment practices will be included in the full Sustainability Report.

1 GRESB is an investor driven organization assessing the sustainability performance of real asset sector portfolios and assets. The environmental data for the calendar year is submitted by September next year. As such, CEREIT's environmental data in FY 2019 SR is for the period from 1 January 2018 to 31 December 2018 ("FY 2018")

SUSTAINABILITY

CASE STUDY: STAKEHOLDER EVENT HIGHLIGHTS - SGX-ST MARKET-OPENING CEREMONY

To commemorate its two-year listing anniversary, Cromwell European REIT opened the market on the Singapore Stock Exchange with ceremonial striking of the gong on 6 December 2019. This was a great opportunity for more than 80 representatives of CEREIT's various stakeholder groups - investors, industry partners, professional service providers, team members, the Board, members of the global leadership team of the Sponsor and community partners - to celebrate this momentous occasion. The day's events began with opening remarks by Matthew Song (Head of Corporate and Institutional Clients, SGX), followed by speeches by Lim Swe Guan, Chair of the Board of Directions and Paul Weightman, CEO of Cromwell and Executive Director of Cromwell EREIT Management. The event's highlights included a fund-raiser and a heart-warming choral performance by the children of Child at Street 11, one of the Manager's adopted community partners.

FINANCIAL STATEMENTS AND OTHER INFORMATION

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NOTES TO THE FINANCIAL STATEMENTS

REPORT OF THE TRUSTEE

FOR THE YEAR ENDED 31 DECEMBER 2019

Perpetual (Asia) Limited (the "Trustee") is under a duty to take into custody and hold the assets of Cromwell European Real Estate Investment Trust (the "Trust") and its subsidiaries (collectively "CEREIT") in trust for the holders of units ("Unitholders") in the Trust. In accordance with, among other things, the Securities and Futures Act, Chapter 289 of Singapore, its subsidiary legislation and the Code on Collective Investment Schemes and the Listing Manual (collectively referred to as the "laws and regulations"), the Trustee shall monitor the activities of Cromwell EREIT Management Pte. Ltd. (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the trust deed dated 28 April 2017 (as amended by the amending and restating deed dated 7 September 2017 and as supplemented by the supplemental deed dated 15 November 2017) (the "Trust Deed") between the Manager and the Trustee in each annual accounting period and report thereon to Unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed CEREIT and its subsidiaries during the year covered by these financial statements, set out on pages 180 to 252 in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee,
Perpetual (Asia) Limited

Ms Sin Li Choo
Director

Singapore
Date: 25 March 2020

STATEMENT BY THE MANAGER

FOR THE YEAR ENDED 31 DECEMBER 2019

In the opinion of the Directors of the Manager, the accompanying financial statements set out on pages 180 to 252, comprising Balance Sheets and Statements of changes in Unitholders' Funds of Cromwell European Real Estate Investment Trust (the "Trust") and its subsidiaries (collectively referred to as the "CEREIT"), Consolidated Statement of Total Return, Consolidated Statement of Comprehensive Income, Consolidated Distribution Statement, Consolidated Statement of Cash Flows, Statement of Portfolio of CEREIT and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the consolidated balance sheet of CEREIT and the balance sheet of the Trust as at 31 December 2019, and the consolidated statement of total return, consolidated statement of comprehensive income, consolidated distribution statement, consolidated statement of movements in unitholders' funds, consolidated statement of cash flows and statement of portfolio of CEREIT and the statement of movements in unitholders' funds of the Trust for the year then ended on that date in accordance with International Financial Reporting Standards adopted by the International Accounting Standards Board, the recommendations of Statement of Recommended Accounting Practice 7 (Revised 2017) Reporting Framework for Unit Trusts issued by the Institute of Singapore Chartered Accountants and the provisions of the Trust Deed. At the date of this statement, there are reasonable grounds to believe that CEREIT and the Trust will be able to meet their financial obligations as and when they materialise.

For and on behalf of the Manager,
Cromwell EREIT Management Pte. Ltd.

Mr Simon Garing
Director

Singapore
Date: 25 March 2020

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF CROMWELL EUROPEAN REAL ESTATE INVESTMENT TRUST

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Cromwell European Real Estate Investment Trust ("Trust") and its subsidiaries (collectively referred to as the "CEREIT"), which comprise the consolidated balance sheet of CEREIT and the balance sheet of the Trust as at 31 December 2019, and the consolidated statement of total return, consolidated statement of comprehensive income, consolidated distribution statement, consolidated statement of movements in unitholders' funds, consolidated statement of cash flows and statement of portfolio of CEREIT and the statement of movements in unitholders' funds of the Trust for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 180 to 252.

In our opinion, the accompanying consolidated financial statements of CEREIT, and the balance sheet and statement of movements in unitholders' funds of the Trust are properly drawn up in accordance with International Financial Reporting Standards ("IFRS") so as to give a true and fair view of the consolidated financial position of CEREIT and the financial position of the Trust as at 31 December 2019, and of the consolidated statement of total return, consolidated statement of comprehensive income, consolidated distribution statement, consolidated statement of movements in unitholders' funds, consolidated statement of cash flows and statement of portfolio of CEREIT and the statement of movements in unitholders' funds of the Trust for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF CROMWELL EUROPEAN REAL ESTATE INVESTMENT TRUST

Key Audit Matter	How the matter was addressed in the audit
Fair valuation and Disclosure of Fair Value for Investment Properties	
CEREIT owns a portfolio of investment properties as at 31 December 2019, comprising mainly commercial office and light industrial complexes located in France, Italy, Poland and The Netherlands. The investment properties represent the single largest category of assets with a carrying amount of €2,041 million as at 31 December 2019. CEREIT has adopted the fair value model under IAS 40 *Investment Property* which requires all the investment properties to be measured at fair value. CEREIT has engaged external independent valuers ("Valuers") to perform the fair value assessment for all 91 investment properties. The fair valuation of investment properties is considered to be a matter of significance as the valuation process requires the application of judgement in determining the appropriate valuation methodology to be used, use of subjective assumptions and various unobservable inputs. The fair valuations are sensitive to underlying assumptions applied in deriving the underlying cash flows and capitalisation rates as a small change in these assumptions can result in an increase or decrease in fair valuation of the investment properties. The valuation techniques, their key inputs and the inter-relationships between the inputs and the valuation have been disclosed in Note 8 to the consolidated financial statements.	We have assessed CEREIT's process of appointment and determination of the scope of work of the Valuers, as well as their process of reviewing, and accepting the Valuers' investment property valuations. We have reviewed the qualifications, competence, independence, and the terms of the engagement of the Valuers with CEREIT to determine whether there were any matters which might affect objectivity of the Valuers or impede their scope of work. We held discussions with management and the Valuers on the valuation reports, and engaged our valuation specialists to assist in: • Assessing the valuation methodology, assumptions and estimates used by the Valuers against general market practice for similar types of properties; • Comparing valuation assumptions and the underlying cash flows and capitalisation rates to historical rates, and available industry data for comparable markets and properties; and • Reviewing the integrity of the valuation calculations, valuation inputs, including review of lease schedules, lease agreements and comparison to the inputs made to the projected cash flows. Based on the audit procedures performed, the fair valuation of the properties and the various inputs used are within a reasonable range of our expectations. We have assessed and validated the adequacy and appropriateness of the disclosures made in the financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF CROMWELL EUROPEAN REAL ESTATE INVESTMENT TRUST

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

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Cromwell EREIT Management Pte. Ltd. (the "Manager" of CEREIT) is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and comply with the relevant provisions of the Trust Deed dated 28 April 2017 and amended by the amending and restating deed 7 September 2017, supplemented by the supplemental deed dated 15 November 2017 (collectively, the "Trust Deed"), and the relevant requirements of the Code on Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CEREIT's internal control.

INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF CROMWELL EUROPEAN REAL ESTATE INVESTMENT TRUST

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.

- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on CEREIT's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.
  Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause CEREIT to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within CEREIT to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

The engagement partner on the audit resulting in this independent auditor's report is Mr. Shariq Barmaky.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

Date: 25 March 2020

CONSOLIDATED STATEMENT OF TOTAL RETURN

FOR THE YEAR ENDED 31 DECEMBER 2019

		CEREIT	
	Note	1 Jan 2019 to 31 Dec 2019 €'000	Period from Constitution 28 Apr 2017 to 31 Dec 2018 €'000
Gross revenue	2	177,046	142,126
Property operating expense		(60,900)	(46,955)
Net property income		**116,146**	**95,171**
Net finance costs	9(b)	(18,786)	(13,540)
Manager's fees	3(b)	(6,620)	(3,640)
Trustee fees	3(a)	(250)	(201)
Trust expenses	4(a)	(5,200)	(4,844)
Net income before tax and fair value changes		**85,290**	**72,946**
Gain on disposal of investment property	8(d)	2,018	–
Fair value gain – investment properties	8(b)	42,378	36,679
Fair value gain/(loss) – derivative financial instruments		355	(323)
Total return for the year/period before tax		**130,041**	**109,302**
Income tax expense	7(a)	(20,996)	(21,242)
Total return for the year/period		**109,045**	**88,060**
Total return for the year/period comprises:			
Total return since Listing Date attributable to Unitholders		109,045	85,733
Total return for period prior to Listing Date		–	2,327
Total return for the year/period		**109,045**	**88,060**
Earnings per unit			
Basic and diluted earnings per unit (€ cents)	5	4.60	7.77
Basic and diluted earnings per unit (€ cents) – annualised	5	4.60	4.63

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2019

	CEREIT	
	1 Jan 2019 to 31 Dec 2019 €'000	Period from Constitution 28 Apr 2017 to 31 Dec 2018 €'000
Total return for the year/period	**109,045**	**88,060**
Items that will not be reclassified to profit or loss		
Exchange differences arising on translation of proceeds from issue of units in foreign currency	–	112
Total comprehensive income	**109,045**	**88,172**

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

BALANCE SHEETS

AS AT 31 DECEMBER 2019

		CEREIT		Trust	
	Note	31 Dec 2019 €'000	31 Dec 2018 €'000	31 Dec 2019 €'000	31 Dec 2018 €'000
Current assets					
Cash and cash equivalents		79,250	57,755	14,346	15,732
Assets held for sale	16	68,953	–	–	–
Receivables	14(a)	57,002	49,719	114,122	42,795
Current tax assets		1,260	227	–	–
Total current assets		**206,465**	**107,701**	**128,468**	**58,527**
Non-current assets					
Investment properties	8(b)	2,041,499	1,690,224	–	–
Investments in subsidiaries	13	–	–	1,199,789	1,078,007
Receivables	14(a)	605	688	–	–
Derivative financial instruments	10	883	5	–	–
Deferred tax assets	7(c)	5,421	16,224	–	–
Total non-current assets		**2,048,408**	**1,707,141**	**1,199,789**	**1,078,007**
Total assets		**2,254,873**	**1,814,842**	**1,328,257**	**1,136,534**
Current liabilities					
Borrowings	9	20,438	–	–	–
Payables	14(b)	30,757	43,557	178,442	77,200
Current tax liabilities		6,885	2,113	–	–
Derivative financial instruments	10	99	271	–	–
Other current liabilities	15	41,253	30,899	–	–
Liabilities held for sale	16	1,770	–	–	–
Total current liabilities		**101,202**	**76,840**	**178,442**	**77,200**
Non-current liabilities					
Payables	14(b)	301	742	–	–
Borrowings	9	803,360	591,733	–	21,519
Deferred tax liabilities	7(c)	28,133	21,531	–	–
Other non-current liabilities	15	7,289	5,229	–	–
Total non-current liabilities		**839,083**	**619,235**	**–**	**21,519**
Total liabilities		**940,285**	**696,075**	**178,442**	**98,719**
Net assets attributable to Unitholders		**1,314,588**	**1,118,767**	**1,149,815**	**1,037,815**
Represented by:					
Unitholders' funds		**1,314,588**	**1,118,767**	**1,149,815**	**1,037,815**
Units in issue ('000)	11(b)	2,547,787	2,181,978	2,547,787	2,181,978
Net asset value per Unit (€ cents)		51.6	51.3	45.1	47.6

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

CONSOLIDATED DISTRIBUTION STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2019

	CEREIT	
	1 Jan 2019 to 31 Dec 2019 €'000	Period from Constitution 28 Apr 2017 to 31 Dec 2018 €'000
Income available for distribution at beginning of the year/period	34,464	–
Total return for the year/period	109,045	88,060
Less: total return for period prior to Listing Date	–	(2,327)
Total return attributable to Unitholders	**143,509**	**85,733**
Distribution adjustments (Note A)	(12,147)	(11,363)
Income available for distribution to Unitholders	**131,362**	**74,370**
Distributions declared to Unitholders during the year/period (Note B)	(79,518)	(39,906)
Income available for distribution at the end of the year/period	**51,844**	**34,464**
Distribution per Unit ("DPU") (€ cents) for the year/period	4.08	4.10
Note A – Distribution adjustments		
Trustee fees	250	178
Straight-line rent adjustments and leasing fees	(657)	(1,207)
Property Manager's fees paid in CEREIT units	5,440	4,241
Manager's fees paid in CEREIT units	6,301	3,640
Amortisation of debt issuance costs	5,981	2,788
Facility break fee	719	–
Gain on disposal of investment property	(2,018)	–
Fair value adjustments – investment properties	(42,378)	(37,141)
Fair value adjustments – derivative financial instruments	(355)	323
Net foreign exchange loss/ (gain)	53	(27)
Deferred tax expense	13,697	15,842
Tax expense relating to the divestment of investment properties	820	–
	(12,147)	(11,363)
Note B – Distributions declared to Unitholders during the year/period		
Distribution of 2.53 Euro cents per Unit ("cpu") from Listing Date 30 Nov 2017 to 30 Jun 2018	–	39,906
Distribution of 1.57 cpu from 1 Jul 2018 to 31 Dec 2018	34,402	–
Distribution of 2.05 cpu from 1 Jan 2019 to 1 Jul 2019	45,116	–
	79,518	39,906

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

STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS

FOR THE YEAR ENDED 31 DECEMBER 2019

	CEREIT		Trust	
	1 Jan 2019 to 31 Dec 2019 €'000	Period from Constitution 28 Apr 2017 to 31 Dec 2018 €'000	1 Jan 2019 to 31 Dec 2019 €'000	Period from Constitution 28 Apr 2017 to 31 Dec 2018 €'000
Operations				
At beginning of the year/period	48,154	–	(32,802)	–
Total return for the financial period prior to Listing Date	–	2,327	–	(130)
Total return for the year/period	109,045	85,733	24,887	7,234
Distributions paid	(79,518)	(39,906)	(79,518)	(39,906)
At the end of the year/period	77,681	48,154	(87,433)	(32,802)
Unitholders' contributions				
At beginning of the year/period	1,070,501	–	1,070,501	–
Issue of units:				
– to Sponsor, prior to Listing Date	–	101,164	–	101,164
– IPO	–	764,531	–	764,531
– Rights Issue	–	224,111	–	224,111
– Private placement	150,000	–	150,000	–
– Base management fees	5,112	1,916	5,112	1,916
– Property & portfolio management fees	5,956	2,233	5,956	2,233
– Acquisition fees	3,125	–	3,125	–
– Purchase consideration	5,000	–	5,000	–
Issue expenses	(2,899)	(23,454)	(2,562)	(23,454)
At the end of the year/period	1,236,795	1,070,501	1,237,132	1,070,501
Reserves				
At beginning of the year/period	112	–	116	–
Issue of units – IPO	–	112	–	116
At the end of the year/period	112	112	116	116
Unitholders' funds at the end of the year/period	**1,314,588**	**1,118,767**	**1,149,815**	**1,037,815**

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	CEREIT	
		1 Jan 2019 to 31 Dec 2019 €'000	Period from Constitution 28 Apr 2017 to 31 Dec 2018 €'000
Cash flows from operating activities			
Total return for the year/period before tax		130,041	109,302
Adjustments for:			
Amortisation of lease costs and incentives		(3,269)	146
Effect of recognising rental income on a straight-line basis		(4,064)	(1,745)
Gain on disposal of investment property		(2,018)	–
Net finance costs		18,786	13,540
Allowance for credit losses		–	676
Manager's fees and property manager's fees paid in CEREIT units		11,741	4,149
Change in fair value of investment properties		(42,378)	(36,679)
Change in fair value of derivative financial instruments		(355)	323
Net foreign exchange loss/(gain)		53	(27)
Operating cash flows before movements in working capital		108,537	89,685
Changes in operating assets and liabilities:			
Decrease in receivables		(1,830)	(27,487)
(Decrease)/increase in payables		(10,847)	17,095
Increase in other liabilities		6,011	14,363
Cash generated from operations		**101,871**	**93,656**
Interest paid		(11,445)	(9,446)
Interest received		82	27
Tax paid		(3,092)	(6,517)
Net cash provided by operating activities		**87,416**	**77,720**
Cash flows from investing activities			
Payments for acquisitions of subsidiaries, net of cash		(154,125)	(521,085)
Payments for acquisition of investment properties		(172,078)	(514,555)
Payment of transaction costs for acquisition of investment properties		(14,608)	(46,637)
Payment of deposits for acquisition of investment properties		(1,900)	(18,156)
Payments for capital expenditure on investment properties		(11,216)	(10,020)
Payment of VAT in relation to acquisition of investment properties		(20,349)	–
Proceeds from sale of investment property		19,004	–
Payment of transaction costs for disposal of investment property		(95)	–
Net cash used in investing activities		**(355,367)**	**(1,110,453)**
Cash flows from financing activities			
Net proceeds from issuance of CEREIT units		147,563	982,205
Payment of unit issue costs		(2,071)	(19,595)
Proceeds from bank borrowings		862,911	474,676
Repayment of bank borrowings		(630,372)	(298,156)
Payment for transaction costs related to borrowings		(7,696)	(7,617)
Payment to acquire/ for settlement of derivative financial instruments		(727)	(1,119)
Distributions paid to Unitholders		(79,518)	(39,906)
Payment of finance lease		(334)	–
Net cash provided by financing activities		**289,756**	**1,090,488**
Net increase in cash and cash equivalents		**21,805**	**57,755**
Cash and cash equivalents at the beginning of the year/period		57,755	–
Cash and cash equivalents classified to assets held for sale	16	(310)	–
Cash and cash equivalents at the end of the year/period		**79,250**	**57,755**

Refer to note 17 for details of non-cash transactions and a reconciliation of movements in net debt.

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

STATEMENT OF PORTFOLIO

AS AT 31 DECEMBER 2019

Property *(by Geography)*	Location	Acquisition Date
The Netherlands		
Office		
Haagse Poort	Prinses Beatrixlaan 35 – 37 & Schenkkade 60 – 65, Den Haag	30 Nov 2017
Central Plaza	Plaza 2 – 25 (retail) / Weena 580 – 618 (offices), Rotterdam	19 Jun 2017
Bastion	Willemsplein 2 – 10, 's-Hertogenbosch	28 Dec 2018
Moeder Teresalaan 100 / 200	Moeder Teresalaan 100 / 200, Utrecht	28 Dec 2018
De Ruyterkade 5	De Ruyterkade 5, Amsterdam	19 Jun 2017
Koningskade 30	Koningskade 30, Den Haag	19 Jun 2017
Blaak 40	Blaak 40, Rotterdam	30 Nov 2017
Light Industrial / Logistics		
Veemarkt	Veemarkt 27-75 / 50-76 / 92-114, Amsterdam	30 Nov 2017
Capronilaan 22 – 56	Capronilaan 22 – 56, Schiphol-Rijk	30 Nov 2017
Boekweitstraat 1 – 21 & Luzernestraat 2 – 12	Boekweitstraat 1 – 21 & Luzernestraat 2 – 12, Nieuw-Vennep	30 Nov 2017
Folkstoneweg 5 – 15	Folkstoneweg 5 – 15, Schiphol	30 Nov 2017
Kapoeasweg 4 – 16	Kapoeasweg 4 – 16, Amsterdam	30 Nov 2017
Bohrweg 19 – 57 & 20 – 58 (2)	Bohrweg 19 – 57 & 20 – 58, Spijkenisse	30 Nov 2017
Antennestraat 46 – 76 & Televisieweg 42 – 52 (2)	Antennestraat 46 – 76 & Televisieweg 42 – 52, Almere	30 Nov 2017
Harderwijkerstraat 5 – 29 (2)	Harderwijkerstraat 5 – 29, Deventer	30 Nov 2017
Fahrenheitbaan 4 – 4D (2)	Fahrenheitbaan 4 – 4D, Nieuwegein	30 Nov 2017
Nieuwgraaf 9A – 19 & Fotograaf 32 – 40 (2)	Nieuwgraaf 9A – 19 & Fotograaf 32 – 40, Duiven	30 Nov 2017
Italy		
Office		
Piazza Affari 2	Piazza degli Affari 2, Milan	30 Nov 2017
Via dell'Amba Aradam 5	Via dell'Amba Aradam 5, Rome	30 Nov 2017
Via Pianciani 26	Via Pianciani 26, Rome	30 Nov 2017
Building F7-F11	Viale Milanofiori 1, Assago	30 Nov 2017
Via Nervesa 21	Via Nervesa 21, Milan	30 Nov 2017
Via Camillo Finocchiaro Aprile 1	Via Camillo Finocchiaro Aprile 1, Genova	05 Dec 2018
Cassiopea 1-2-3	Via Paracelso 22-24-26, Milan	28 Nov 2019
Nuova ICO	Via Guglielmo Jervis 9, Ivrea	27 Jun 2018
Via della Fortezza 8	Via della Fortezza 8, Florence	15 Feb 2018
Corso Lungomare Trieste 29	Corso Lungomare Trieste 29, Bari	05 Dec 2018
Corso Annibale Santorre di Santa Rosa 15	Corso Annibale Santorre di Santa Rosa 15, Cuneo	30 Nov 2017
Via Rampa Cavalcavia 16-18	Via Rampa Cavalcavia 16-18, Venice Mestre	30 Nov 2017
Light Industrial / Logistics		
Strada Provinciale Adelfia	Strada Provinciale Adelfia, Rutigliano	30 Nov 2017

n/a – not applicable
(1) Part freehold and part leasehold interest ending 31 July 2088.
(2) The properties were reclassified to "Assets held for Sale" (Note 16), pursuant to the announcement to dispose a portfolio of 12 assets located in France, Denmark and the Netherlands on 17 December 2019.

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

STATEMENT OF PORTFOLIO
AS AT 31 DECEMBER 2019

Land Tenure	Remaining Term (Years) 31 Dec 2019	Remaining Term (Years) 31 Dec 2018	Carrying Amount 31 Dec 2019 €'000	Carrying Amount 31 Dec 2018 €'000	Percentage of Net Assets 31 Dec 2019 %	Percentage of Net Assets 31 Dec 2018 %
Part Freehold, Part Right of Superficies and Part Perpetual leasehold	n/a	n/a	169,400	159,850	12.9	14.3
Freehold/ leasehold[1]	n/a 68.6	n/a 69.6	164,200	160,200	12.5	14.3
Freehold	n/a	n/a	79,000	76,850	6.0	6.9
Perpetual leasehold	n/a	n/a	57,000	50,728	4.3	4.5
Continuing leasehold	68.5	69.5	52,350	48,250	4.0	4.3
Perpetual leasehold	n/a	n/a	18,600	17,650	1.4	1.6
Freehold	n/a	n/a	16,900	17,050	1.3	1.5
Continuing leasehold	Various 19.0 – 23.0	Various 20.0 – 24.0	37,150	37,250	2.8	3.3
Freehold	n/a	n/a	6,850	6,350	0.5	0.6
Freehold	n/a	n/a	6,050	6,200	0.5	0.6
Leasehold	19.9	20.9	5,350	5,250	0.4	0.5
Freehold	n/a	n/a	3,900	3,750	0.3	0.3
Freehold	n/a	n/a	–	5,550	–	0.5
Freehold	n/a	n/a	–	3,950	–	0.4
Freehold	n/a	n/a	–	4,350	–	0.4
Freehold	n/a	n/a	–	2,250	–	0.2
Freehold	n/a	n/a	–	2,450	–	0.2
Freehold	n/a	n/a	87,000	85,000	6.6	7.6
Freehold	n/a	n/a	50,700	50,200	3.9	4.5
Freehold	n/a	n/a	33,500	33,400	2.5	3.0
Freehold	n/a	n/a	27,100	26,900	2.1	2.4
Freehold	n/a	n/a	25,400	25,400	1.9	2.3
Freehold	n/a	n/a	23,950	23,775	1.8	2.1
Freehold	n/a	n/a	17,700	–	1.3	–
Freehold	n/a	n/a	16,950	16,900	1.3	1.5
Freehold	n/a	n/a	16,900	16,850	1.3	1.5
Freehold	n/a	n/a	12,250	12,250	0.9	1.1
Freehold	n/a	n/a	8,850	9,350	0.7	0.8
Freehold	n/a	n/a	5,500	5,500	0.4	0.5
Freehold	n/a	n/a	12,575	12,550	1.0	1.1

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

STATEMENT OF PORTFOLIO

AS AT 31 DECEMBER 2019

Property *(by Geography)*	**Location**	**Acquisition Date**
Italy (continued)		
Other		
Viale Europa 95	Viale Europa 95, Bari	30 Nov 2017
Starhotels Grand Milan	Via Varese 23, Saronno	30 Nov 2017
Via Madre Teresa di Calcutta 4	Via Madre Teresa di Calcutta 4, Lissone	30 Nov 2017
Via Salara Vecchia 13	Via Salara Vecchia 13, Pescara	30 Nov 2017
Via Brigata Padova 19	Via Brigata Padova 19, Padova	30 Nov 2017
France		
Office		
Paryseine	3 Allée de la Seine, Ivry-Sur Seine, Paris	17 Jul 2019
Cap Mermoz	38-44 rue Jean Mermoz, Maisons-Laffitte, Paris	17 Jul 2019
Lénine	1 rue de Lénine, 94200 Ivry-Sur Seine, Ivry-Sur Seine, Paris	17 Jul 2019
Light Industrial / Logistics		
Parc des Docks	50 rue Ardoin, Saint Ouen	30 Nov 2017
Parc des Guillaumes	58 rue de Neuilly – 2 rue du Trou Morin, ZAC des Guillaumes, Noisy-le-Sec	30 Nov 2017
Parc du Landy	61 rue du Landy, Aubervilliers	30 Nov 2017
Parc des Grésillons	167-169 avenue des Grésillons, Gennevilliers	30 Nov 2017
Parc Delizy	32 rue Délizy, Pantin	30 Nov 2017
Parc Urbaparc	75-79 rue du Rateau, La Courneuve	30 Nov 2017
Parc Béziers	Rue Charles Nicolle, Villeneuve-lès-Béziers	23 Jan 2019
Parc du Merantais	1-3 rue Georges Guynemer, Magny-Les-Hameaux	30 Nov 2017
Parc Jean Mermoz	53 rue de Verdun – 81, rue Maurice Berteaux, La Courneuve	30 Nov 2017
Parc des Érables	154 allée des Érables, Villepinte	30 Nov 2017
Parc Louvresses	46-48 boulevard Dequevauvilliers, Gennevilliers	14 Feb 2019
Parc Locaparc 2	59-65 rue Edith Cavell, Vitry-sur-Seine	30 Nov 2017
Parc de Champs	40 boulevard de Nesles, ZAC le Ru du Nesles, Champs sur Marne	30 Nov 2017
Parc Parçay-Meslay	ZI du Papillon, Parcay-Meslay	23 Jan 2019
Parc Acticlub	2 rue de la Noue Guimante, ZI de la Courtillière, Saint Thibault des Vignes	30 Nov 2017
Parc le Prunay	13-41 rue Jean Pierre Timbaud, ZI du Prunay, Sartrouville	30 Nov 2017
Parc de Popey	5 chemin de Popey, Bar-le-Duc	30 Nov 2017
Parc Sully	105 route d'Orléans, Sully-sur-Loire	23 Jan 2019
Parc du Bois du Tambour	Route de Nancy, Gondreville	30 Nov 2017
Parc de l'Esplanade [(1)]	Rue Paul Henri Spaak – rue Enrico Fermi – rue Niels Bohr, Saint Thibault des Vignes	30 Nov 2017
Parc des Mardelles [(1)]	44 rue Maurice de Broglie, 16, rue Henri Becquerel, Aulnay-sous-Bois	30 Nov 2017
Parc des Aqueducs [(1)]	Chemin du Favier, St Genis Laval	30 Nov 2017

n/a – not applicable

(1) The properties were reclassified to "Assets held for Sale" (Note 16), pursuant to the announcement to dispose a portfolio of 12 assets located in France, Denmark and the Netherlands on 17 December 2019.

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

STATEMENT OF PORTFOLIO

AS AT 31 DECEMBER 2019

Land Tenure	Remaining Term (Years) 31 Dec 2019	Remaining Term (Years) 31 Dec 2018	Carrying Amount 31 Dec 2019 €'000	Carrying Amount 31 Dec 2018 €'000	Percentage of Net Assets 31 Dec 2019 %	Percentage of Net Assets 31 Dec 2018 %
Freehold	n/a	n/a	81,000	81,000	6.2	7.2
Freehold	n/a	n/a	20,000	19,900	1.5	1.8
Freehold	n/a	n/a	19,750	20,000	1.5	1.8
Freehold	n/a	n/a	12,750	12,750	1.0	1.1
Freehold	n/a	n/a	4,850	5,400	0.4	0.5
Freehold	n/a	n/a	36,800	–	2.8	–
Freehold	n/a	n/a	36,000	–	2.7	–
Freehold	n/a	n/a	5,900	–	0.4	–
Freehold	n/a	n/a	125,500	114,100	9.5	10.2
Freehold	n/a	n/a	25,800	25,400	2.0	2.3
Freehold	n/a	n/a	21,200	20,200	1.6	1.8
Freehold	n/a	n/a	19,600	18,400	1.5	1.6
Freehold	n/a	n/a	18,800	18,700	1.4	1.7
Freehold	n/a	n/a	15,100	15,000	1.1	1.3
Freehold	n/a	n/a	10,700	–	0.8	–
Freehold	n/a	n/a	10,400	10,400	0.8	0.9
Freehold	n/a	n/a	8,100	7,800	0.6	0.7
Freehold	n/a	n/a	7,700	7,500	0.6	0.7
Leasehold	28	n/a	6,700	–	0.5	–
Freehold	n/a	n/a	6,200	6,100	0.5	0.5
Freehold	n/a	n/a	6,100	5,900	0.5	0.5
Freehold	n/a	n/a	5,700	–	0.4	–
Freehold	n/a	n/a	5,400	5,300	0.4	0.5
Freehold	n/a	n/a	5,300	5,300	0.4	0.5
Freehold	n/a	n/a	4,800	4,800	0.4	0.4
Freehold	n/a	n/a	4,600	–	0.3	–
Freehold	n/a	n/a	4,000	4,200	0.3	0.4
Freehold	n/a	n/a	–	16,100	–	1.4
Freehold	n/a	n/a	–	10,300	–	0.9
Freehold	n/a	n/a	–	3,800	–	0.3

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

STATEMENT OF PORTFOLIO

AS AT 31 DECEMBER 2019

Property *(by Geography)*	**Location**	**Acquisition Date**
France (continued)		
Light Industrial / Logistics (continued)		
Parc Jules Guesde [1]	1 allée du Chargement, rue Jules Guesde, ZAC du Tir à Loques , Villeneuve D'Asq	30 Nov 2017
Parc de la Chauvetière [1]	4-28 rue du Vercors, Saint Etienne	30 Nov 2017
Parc d'Osny [2]	9 chaussée Jules César, ZAC des Beaux Soleils, Osny	30 Nov 2017
Poland		
Office		
Business Garden	2, 4, 6, 8 and 10 Kolorowa Street, Poznań	24 Sep 2019
Green Office	80, 80A, 82 and 84 Czerwone Maki Street, Kraków	25 Jul 2019
Riverside Park	Fabryczna 5, Warsaw	14 Feb 2019
Avatar	28 Armii Krajowej Street, Kraków	25 Jul 2019
Grójecka 5	Grójecka 5, Warsaw	14 Feb 2019
Arkońska Business Park	Arkońska 1&2, Gdańsk	14 Feb 2019
Germany		
Light Industrial / Logistics		
Parsdorfer Weg 10	Parsdorfer Weg 10, Kirchheim	30 Nov 2017
Siemensstraße 11	Siemensstraße 11, Frickenhausen	30 Nov 2017
An der Kreuzlache 8-12	An der Kreuzlache 8-12, Bischofsheim	30 Nov 2017
Henschelring 4	Henschelring 4, Kirchheim	30 Nov 2017
Kolumbusstraße 16	Kolumbusstraße 16, Hamburg	30 Nov 2017
Frauenstraße 31	Frauenstraße 31, Maisach	30 Nov 2017
Moorfleeter Straße 27, Liebigstraße 67-71	Moorfleeter Straße 27, Liebigstraße 67-71, Hamburg	30 Nov 2017
Hochstraße 150-152	Hochstraße 150-152, Duisburg	30 Nov 2017
Dresdner Straße 16, Sachsenring 52	Dresdner Straße 16, Sachsenring 52, Straubing	30 Nov 2017
Kinzigheimer Weg 114	Kinzigheimer Weg 114, Hanau	30 Nov 2017
An der Steinlach 8-10	An der Steinlach 8-10, Bischofsheim	30 Nov 2017
Finland		
Office		
Opus 1	Hitsaajankatu 24, Helsinki	28 Dec 2018
Plaza Vivace	Äyritie 8 C, Vantaa	28 Dec 2018
Plaza Forte	Äyritie 12 C, Vantaa	28 Dec 2018
Grandinkulma	Kielotie 7, Vantaa	28 Dec 2018
Myyrmäenraitti 2	Myyrmäenraitti 2, Vantaa	28 Dec 2018
Pakkalankuja 6	Pakkalankuja 6, Vantaa	28 Dec 2018
Plaza Allegro	Äyritie 8 B, Vantaa	28 Dec 2018
Mäkitorpantie 3b	Mäkitorpantie 3b, Helsinki	28 Dec 2018
Kauppakatu 39	Kauppakatu 39, Kuopio	28 Dec 2018
Purotie 1	Purotie 1, Helsinki	28 Dec 2018
Pakkalankuja 7	Pakkalankuja 7, Vantaa	28 Dec 2018

n/a – not applicable

(1) The properties were reclassified to "Assets held for Sale" (Note 16), pursuant to the announcement to dispose a portfolio of 12 assets located in France, Denmark and the Netherlands on 17 December 2019.

(2) The property was disposed on 18 October 2019.

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

STATEMENT OF PORTFOLIO

AS AT 31 DECEMBER 2019

Land Tenure	Remaining Term (Years)		Carrying Amount		Percentage of Net Assets	
	31 Dec 2019	31 Dec 2018	31 Dec 2019 €'000	31 Dec 2018 €'000	31 Dec 2019 %	31 Dec 2018 %
Freehold	n/a	n/a	–	3,600	–	0.3
Freehold	n/a	n/a	–	2,100	–	0.2
Freehold	n/a	n/a	–	16,600	–	1.5
Freehold	n/a	n/a	89,100	–	6.8	–
Freehold	n/a	n/a	52,250	–	4.0	–
Freehold	n/a	n/a	32,100	–	2.4	–
Freehold/ Perpetual usufruct	n/a	n/a	29,050	–	2.2	–
Freehold	n/a	n/a	22,600	–	1.7	–
Freehold	n/a	n/a	18,800	–	1.4	–
Freehold	n/a	n/a	31,550	30,800	2.4	2.8
Freehold	n/a	n/a	15,750	14,250	1.2	1.3
Freehold	n/a	n/a	13,250	12,600	1.0	1.1
Freehold	n/a	n/a	10,350	9,400	0.8	0.8
Freehold	n/a	n/a	9,200	9,200	0.7	0.8
Freehold	n/a	n/a	8,650	7,850	0.7	0.7
Freehold	n/a	n/a	8,450	7,900	0.6	0.7
Freehold	n/a	n/a	8,300	8,100	0.6	0.7
Freehold	n/a	n/a	7,700	6,550	0.6	0.6
Freehold	n/a	n/a	3,600	3,450	0.3	0.3
Freehold	n/a	n/a	3,150	3,500	0.2	0.3
Freehold	n/a	n/a	14,900	13,500	1.1	1.2
Freehold	n/a	n/a	12,975	13,234	1.0	1.2
Freehold	n/a	n/a	12,950	12,600	1.0	1.1
Freehold	n/a	n/a	12,900	12,500	1.0	1.1
Freehold	n/a	n/a	12,000	12,000	0.9	1.1
Freehold	n/a	n/a	10,900	9,700	0.8	0.9
Freehold	n/a	n/a	10,525	11,173	0.8	1.0
Freehold	n/a	n/a	7,900	7,600	0.6	0.7
Freehold	n/a	n/a	7,400	7,600	0.6	0.7
Freehold	n/a	n/a	6,400	7,113	0.5	0.6
Freehold	n/a	n/a	6,150	6,100	0.5	0.5

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

STATEMENT OF PORTFOLIO

AS AT 31 DECEMBER 2019

Property *(by Geography)*	**Location**	**Acquisition Date**
Denmark		
Light Industrial / Logistics		
Priorparken 700	Priorparken 700, Brøndby	30 Nov 2017
Naverland 7-11	Naverland 7-11, Glostrup	30 Nov 2017
Priorparken 800	Priorparken 800, Brøndby	30 Nov 2017
Islevdalvej 142	Islevdalvej 142, Rødovre	30 Nov 2017
Herstedvang 2-4	Herstedvang 2-4, Albertslund	30 Nov 2017
Stamholmen 111	Stamholmen 111, Hvidovre	30 Nov 2017
Naverland 8	Naverland 8, Glostrup	30 Nov 2017
Fabriksparken 20	Fabriksparken 20, Glostrup	30 Nov 2017
Hørskætten 4-6	Hørskætten 4-6, Tåstrup	30 Nov 2017
Hørskætten 5	Hørskætten 5, Tåstrup	30 Nov 2017
Naverland 12	Naverland 12, Glostrup	30 Nov 2017
Hjulmagervej 3-19 [(1)]	Hjulmagervej 3-19, Vejle	30 Nov 2017
C.F. Tietgensvej 10 [(1)]	C.F. Tietgensvej 10, Kolding	30 Nov 2017
Portfolio of investment properties, at fair value		
Other adjustments (note 8(a))		
Investment properties as shown in the balance sheet		
Other assets and liabilities, net		
Net assets		

n/a – not applicable

(1) The properties were reclassified to "Assets held for Sale" (Note 16), pursuant to the announcement to dispose a portfolio of 12 assets located in France, Denmark and the Netherlands on 17 December 2019.

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

STATEMENT OF PORTFOLIO

AS AT 31 DECEMBER 2019

Land Tenure	Remaining Term (Years) 31 Dec 2019	Remaining Term (Years) 31 Dec 2018	Carrying Amount 31 Dec 2019 €'000	Carrying Amount 31 Dec 2018 €'000	Percentage of Net Assets 31 Dec 2019 %	Percentage of Net Assets 31 Dec 2018 %
Freehold	n/a	n/a	11,872	12,175	0.9	1.1
Freehold	n/a	n/a	10,881	10,568	0.8	0.9
Freehold	n/a	n/a	8,686	8,987	0.7	0.8
Freehold	n/a	n/a	6,371	6,282	0.5	0.6
Freehold	n/a	n/a	6,358	6,389	0.5	0.6
Freehold	n/a	n/a	6,331	5,532	0.5	0.5
Freehold	n/a	n/a	5,996	5,626	0.5	0.5
Freehold	n/a	n/a	5,728	5,612	0.4	0.5
Freehold	n/a	n/a	5,474	5,304	0.4	0.5
Freehold	n/a	n/a	3,801	3,590	0.3	0.3
Freehold	n/a	n/a	3,092	3,134	0.2	0.3
Freehold	n/a	n/a	–	5,344	–	0.5
Freehold	n/a	n/a	–	2,759	–	0.2
			2,037,315	**1,694,675**	**155.0**	**151.5**
			4,184	(4,451)		
			2,041,499	**1,690,224**		
			(726,911)	(571,457)		
			1,314,588	**1,118,767**		

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

About these Financial Statements

The Cromwell European Real Estate Investment Trust ("Trust") is a Singapore real estate investment trust constituted pursuant to a trust deed dated 28 April 2017 (date of "Constitution") (as amended and restated) between Cromwell EREIT Management Pte. Ltd. as the Manager of CEREIT (the "Manager") and Perpetual (Asia) Limited as Trustee of CEREIT (the "Trustee"). CEREIT was listed on the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 30 November 2017 ("Listing Date"). The Trust and its subsidiaries are collectively referred to as "CEREIT" in the consolidated financial statements.

Prior to Listing Date, CEREIT was a private Singapore Trust, wholly owned by the Cromwell Property Group. During this period CEREIT acquired a group of entities that held three Dutch office assets from Cromwell Property Group. The total return from these properties during the period prior to Listing Date does not from part of distributable income to which Unitholders are entitled to.

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the recommendations of Statement of Recommended Accounting Practice ("RAP") 7 "*Reporting Framework for Unit Trusts*" issued by the Institute of Singapore Chartered Accountants, and the applicable requirements of the Code on Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore ("MAS") and the provisions of the Trust Deed.

The financial statements are presented in Euros ("€" or "EUR") and had been rounded to the nearest thousand, unless otherwise stated. All financial information has been prepared in a format designed to provide users of the financial report with a clear understanding of relevant balances and transactions that drive CEREIT's financial performance and financial position free of immaterial and superfluous information. Accounting policies and, where applicable, the use of significant estimates and judgments are presented in the relating notes to the financial statements and plain English is used in commentary or explanatory sections to improve readability of the financial statements.

The notes have been organised into the following five sections for reduced complexity and ease of navigation:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

Results

This section of the financial statements provides further information on CEREIT's financial performance, including the performance of each of CEREIT's segments, as well as details of CEREIT's revenue, fees paid to the trustee, Manager and property manager, trust expenses, income tax items and CEREIT's semi-annual distributions, the earnings per security calculation as well as details about CEREIT's income tax items.

1 OPERATING SEGMENT INFORMATION

Overview

CEREIT's operating segments regularly reviewed by the Chief Operating Decision Maker ("CODM"), being the Chief Executive Officer ("CEO"), are CEREIT's property sub-portfolios by location and asset class as each of these sub-portfolios have different performance characteristics. There is no segment information for CEREIT's business segments as CEREIT's activities wholly relate to property investment.

CEREIT operated in three property classes and seven countries as at 31 December 2019. The property segments below are reported in a manner consistent with the internal reporting provided to the CODM.

CEREIT's property segments:

Asset class	*Country*	*Details*
Office	The Netherlands	CEREIT holds 7 (2018: 7) office assets in the Netherlands with a combined valuation of €557,450,000 (2018: €530,578,000) located in predominantly central business districts of the main cities of the Netherlands – Amsterdam, Rotterdam, The Hague, Utrecht and s'Hertogenbosch. All properties are multi-tenanted with a diverse tenant base comprising corporations across insurance, engineering, e-commerce, governmental & public administration, professional and legal services and various other sectors.
	Italy	CEREIT completed the acquisition of an office asset in Greater Milan just before the year end in November 2019, bringing the total number of office assets held in Italy to 12 (2018: 11) with a combined valuation of €325,800,000 (2018: €305,525,000). The assets are located in central business districts and city fringe areas of the main cities of Italy – Milan and Rome as well as secondary cities, including Florence, Venice, Bari and Genoa. The properties are a mix of single-tenanted and multi-tenanted buildings with main tenants comprising the Italian government, telecom, professional service, marketing and advertising service corporations.
	France	CEREIT acquired 3 office assets in France in July 2019 with a combined value of €78,700,000 (2018: nil). The assets comprise of two predominantly office properties and one office property located in Greater Paris. The properties are multi-tenanted with main tenants comprising publishing, professional services and global engineering corporations.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

Asset class	*Country*	*Details*
	Poland	During the year, CEREIT acquired 6 office assets in Poland with a combined valuation of €243,900,000 (2018: nil). The properties are located in some of the main cities of Poland – Warsaw, Krakow and Poznan, as well as Gdansk which is part of the Tricity – one of the biggest urban areas in Poland. The properties are a mix of single-tenanted and multi-tenanted with main tenants comprising corporations across technology, pharmaceutical, media, banking and financial services and other sectors.
	Finland	CEREIT holds 11 (2018: 11) office assets in Finland with a combined value of €115,000,000 (2018: €113,120,000) predominantly located in well-established office parks in Helsinki. The properties are multi-tenanted with main tenants comprising corporations across energy, healthcare, professional services, retail, construction and manufacturing sectors.
Light Industrial/ Logistics	The Netherlands	CEREIT holds 10 (2018: 10) well-positioned light industrial assets across the Netherlands with a combined valuation of €78,692,000 (2018: €77,350,000) leased to a diverse tenant base. The properties are predominately located in the wider Amsterdam area, including the Netherlands main airport, Amsterdam Schiphol. As at 31 December 2019, 5 of the assets with a combined value of €19,392,000 have been classified as held for sale pursuant to the disposal announcement dated 17 December 2019.
	France	CEREIT acquired 4 logistics properties at the beginning of the year and completed the disposal of 1 light industrial asset in France, bringing the total number of light industrial / logistics assets held in France to 24 (2018: 21). The assets have a combined valuation of €348,885,000 (2018: €321,600,000) and they are leased to a diverse tenant base with 300+ separate leases, including larger tenants from the transport and logistics sector. 16 properties are located in the greater Paris metropolitan area while the remaining assets are located near larger secondary cities such as Lyon, Nancy and Lille. As at 31 December 2019, 5 of the assets with a combined value of €37,185,000 have been classified as held for sale pursuant to the disposal announcement dated 17 December 2019.
	Germany	CEREIT holds 11 (2018: 11) light industrial assets across Germany with a combined valuation of €119,950,000 (2018: €113,600,000) leased to a diverse tenant base predominately located around the large German cities of Munich, Frankfurt, Hamburg and Stuttgart.
	Denmark	CEREIT holds 13 (2018: 13) light industrial assets across Denmark with a combined valuation of €83,713,000 (2018: €81,302,000) also leased to a diverse tenant base. 11 properties are located in the Copenhagen area with remaining two properties located near Kolding. The largest tenant is a manufacturer of commercial cleaning equipment operating world-wide. As at 31 December 2019, 2 of the assets with a combined value of €9,123,000 have been classified as held for sale pursuant to the disposal announcement dated 17 December 2019.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

Asset class	*Country*	*Details*
	Italy	The Italian light industrial sub-portfolio comprises only 1 (2018: 1) property with a valuation of €12,575,000 (2018: €12,550,000). The property is located near Bari.
Other	Italy	In addition to its principally office and light industrial property portfolio, CEREIT holds also 5 (2018: 5) assets in Italy in other asset classes with a combined value of €138,350,000 (2018: €139,050,000). This includes three assets leased to the Italian government used as training and housing facilities (barracks) for the Italian police force, a hotel and a leisure complex with a large cinema.

Accounting policy

Segment allocation

Segment revenues, expenses and assets are those presented to the CODM that are directly attributable to the property segment.

Segment revenue include revenues directly derived from CEREIT's properties and include rental revenue, service charge revenue and any other revenue received from tenants. Segment expenses include expenses directly incurred in operating the properties and include service charge expense, non-recoverable expenses and leasing costs.

Segment assets include investment properties. Cash and other current assets may be held in centralised locations and are not allocated to the property segments. Liabilities are not allocated to segments. CEREIT's borrowings and derivative financial instruments are not reviewed by the CODM on a segment basis as they are centrally managed by CEREIT's treasury function and reviewed by the CODM for CEREIT globally. Other operating liabilities, such as payables are also managed in centralised locations and are not allocated to the property segments.

Segment profit / (loss)

Segment profit / (loss) equals net property income from the property sub-portfolio and does not include trust expenses and finance costs or fair value changes of investment properties.

(a) Segment results

The table below shows segment results as presented to the CODM. For further commentary on individual segment results refer to the Managers Report section of this Annual Report. The results for the period prior to Listing Date, while CEREIT was a wholly owned entity of Cromwell Property Group, was not presented to the CODM and is therefore not included in segment results.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

CEREIT 1 Jan 2019 to 31 Dec 2019	**Gross revenue from external customers €'000**	**Property operating expenditure €'000**	**Segment Profit / Loss €'000**
Office			
The Netherlands	42,056	(15,786)	26,270
Italy	22,499	(6,061)	16,438
France	3,236	(1,539)	1,697
Poland	13,710	(5,382)	8,328
Finland	12,049	(4,436)	7,613
Total – Office	**93,550**	**(33,204)**	**60,346**
Light Industrial / Logistics			
The Netherlands	7,648	(1,767)	5,881
France	38,021	(13,623)	24,398
Germany	11,069	(3,677)	7,392
Denmark	9,980	(4,066)	5,914
Italy	1,131	(312)	819
Total – Light Industrial/ Logistics	**67,849**	**(23,445)**	**44,404**
Other			
Italy	15,647	(4,251)	11,396
Total – Other	**15,647**	**(4,251)**	**11,396**
Total – Segments	**177,046**	**(60,900)**	**116,146**
Unallocated items:			
Net finance costs			(18,786)
Manager's fees			(6,620)
Trustee fees			(250)
Trust expenses			(5,200)
Gain on disposal of investment property			2,018
Fair value gain – investment properties			42,378
Fair value gain – derivative financial instruments			355
Income tax expense			(20,996)
Total return for the year attributable to Unitholders			**109,045**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

CEREIT **Period from Constitution 28 Apr 2017 to 31 Dec 2018**	**Gross revenue from external customers €'000**	**Property operating expenditure €'000**	**Segment Profit / Loss €'000**
Office			
The Netherlands	31,982	(10,875)	21,107
Italy	20,175	(5,538)	14,637
Total – Office	**52,157**	**(16,413)**	**35,744**
Light Industrial/ Logistics			
The Netherlands	7,795	(1,515)	6,280
France	35,691	(14,006)	21,685
Germany	11,180	(3,714)	7,466
Denmark	10,526	(4,410)	6,116
Italy	1,198	(317)	881
Total – Light Industrial/ Logistics	**66,390**	**(23,962)**	**42,428**
Other			
Italy	16,739	(4,731)	12,008
Total – Other	**16,739**	**(4,731)**	**12,008**
Total – Segments	**135,286**	**(45,106)**	**90,180**
Unallocated items:			
Net finance costs			(11,927)
Manager's fees			(3,640)
Trustee fees			(178)
Trust expenses			(4,579)
Fair value gain – investment properties			37,141
Fair value gain loss – derivative financial instruments			(323)
Income tax expense			(20,941)
Total return since Listing Date attributable to Unitholders			**85,733**
Total return for period prior Listing Date			2,327
Total return for the period			**88,060**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

(b) Segment assets and liabilities

Segment assets

CEREIT 31 Dec 2019	*Segment assets:* **Investment properties €'000**	*Segment assets:* **Assets held for sale €'000**	*Segment assets:* **Total €'000**	*Oher Information:* **Capital expenditure €'000**
Office				
The Netherlands	555,328	–	555,328	5,987
Italy	424,400	–	424,400	1,222
France	78,700	–	78,700	–
Poland	243,900	–	243,900	372
Finland	115,000	–	115,000	240
Total – Office	**1,417,328**	**–**	**1,417,328**	**7,821**
Light industrial/Logistics				
The Netherlands	65,967	19,392	85,359	631
France	311,700	40,438	352,138	1,788
Germany	119,950	–	119,950	144
Denmark	74,229	9,123	83,352	677
Italy	12,575	–	12,575	1
Total – Light Industrial/ Logistics	**584,421**	**68,953**	**653,374**	**3,241**
Other				
Italy	39,750	–	39,750	154
Total – Other	**39,750**	**–**	**39,750**	**154**
Total – Segments	**2,041,499**	**68,953**	**2,110,452**	**11,216**

Reconciliation to total consolidated assets:	
Cash and cash equivalents	79,250
Receivables – current	57,002
Current tax assets	1,260
Receivables – non-current	605
Derivative financial instruments	883
Deferred tax assets	5,421
Consolidated total assets	**2,254,873**

Segment liabilities

There are no liabilities allocated to segments.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Segment assets

CEREIT 31 Dec 2018	*Segment assets:* **Investment properties €'000**	*Other Information:* **Capital expenditure €'000**
Office		
The Netherlands	524,886	4,080
Italy	305,464	968
Finland	113,120	–
Total – Office	**943,470**	**5,048**
Light Industrial		
The Netherlands	82,160	1,016
France	321,240	1,011
Germany	112,500	2,604
Denmark	79,722	258
Italy	12,541	8
Total – Light Industrial	**608,163**	**4,897**
Other		
Italy	138,591	75
Total – Other	**138,591**	**75**
Total – Segments	**1,690,224**	**10,020**
Reconciliation to total consolidated assets:		
Cash and cash equivalents	57,755	
Receivables – current	49,719	
Current tax assets	227	
Receivables – non-current	688	
Derivative financial instruments	5	
Deferred tax assets	16,224	
Consolidated total assets	**1,814,842**	

Segment liabilities

There are no liabilities allocated to segments.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

(c) Major customers

Major customers of CEREIT that account for more than 10% of CEREIT's revenue are listed below.

		CEREIT			
		1 Jan 2019 to 31 Dec 2019		Period from Constitution 28 Apr 2017 to 31 Dec 2018	
Name	**Segment**	**Gross revenue €'000**	**Percentage of total revenue %**	**Gross revenue €'000**	**Percentage of total revenue %**
Agenzia del Demanio (Italian State Property Office)	Italy-Office/Other	21,155	12.0	19,283	13.6

The Trust is domiciled in Singapore. However, all properties are located in Europe and are held by subsidiaries of the Trust also domiciled in Europe. As such, all revenue from external customers is recognised in the European countries as shown in section (a).

2 REVENUE

Overview

This note provides a further breakdown of property revenue for the financial year/period. CEREIT's revenue consists of rental income from operating leases of CEREIT's investment properties, service charge revenue and other incidental revenue from property ownership such billboards, signage and kiosks. This note also provides overview of the accounting policies on how these revenue items are recognised.

Revenue from properties

	CEREIT	
	1 Jan 2019 to 31 Dec 2019 €'000	**Period from Constitution 28 Apr 2017 to 31 Dec 2018 €'000**
Lease revenue	144,688	120,926
Service charge revenue	29,732	20,812
Other property revenue	2,626	388
Total revenue	**177,046**	**142,126**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

Accounting policy

Lease revenue

Lease income from operating leases, with CEREIT as lessor of investment properties, is recognised in income on a straight-line basis over the lease term. The respective leased assets, being CEREIT's investment properties, are included in the balance sheet.

Service charge revenue

Service charge revenue are payments from tenants for costs incurred by the landlord to provide services to the tenants, including providing utilities, cleaning, certain maintenance and building management among other operating costs of a property. Service charge revenue is recognised over time as and when the tenant receives and consumes the benefit of the service provided, which is generally simultaneously.

Other property revenue

Other property related revenue is recognised on a straight-line basis over the term of the contract if the contract requires the customer to make fixed payments over time equivalent to a lease.

3 TRUSTEE AND MANAGER'S FEES

Overview

This note provides an overview of the fees charged by the Trustee, the Manager and the Property Manager for the management services they provide to the Unitholders as well as description of how these fees and any other fees that may arise in the future are calculated.

(a) Trustee fees

Pursuant to Clause 15.3 of the Trust Deed, the trustee fees shall not exceed 0.015% per annum of the value of CEREIT's deposited property and subject to a minimum amount of S$15,000 (approximately €9,700) per month, excluding out-of-pocket expenses and GST, and shall be payable out of the deposited property monthly in arrears. The agreed trustee fee is calculated as 0.015% per annum of the value of CEREIT's deposited property up to S$1 billion in deposited property and 0.01% on deposited property value in excess of S$1 billion. Prior to the Listing Date, the trustee fee was S$6,000 per month.

	CEREIT	
	1 Jan 2019 to 31 Dec 2019 €'000	Period from Constitution 28 Apr 2017 to 31 Dec 2018 €'000
Total trustee fee	**250**	**201**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

(b) Manager's fees

The Manager is entitled to management fees comprising a base fee and a performance fee as follows:

Base management fee

The Manager's base fee is calculated as 0.23% per annum of the value of CEREIT's deposited property. The management fee is payable quarterly in arrears.

Performance fee

The Manager's performance fee is calculated as 25.0% of the difference in DPU in a year with the DPU in the preceding year.

The Manager may, at its election, be paid base and/or performance fees in cash, in CEREIT units or a combination of both. The price of CEREIT units issued is determined based on the volume weighted average traded price for a CEREIT unit for all trades on SGX-ST for the last ten business days immediately preceding and including the end date of the relevant periods in which the fees accrue.

As disclosed in CEREIT's prospectus dated 22 November 2017, the Manager has elected to receive all base and performance fees in CEREIT units until the financial year ended 2019.

The following fees were charged during and for the year/period:

	CEREIT	
	1 Jan 2019 to 31 Dec 2019 €'000	**Period from Constitution 28 Apr 2017 to 31 Dec 2018 €'000**
Base management fees[1]	4,668	3,640
Performance fees[2]	1,952	–
Total manager's fees	**6,620**	**3,640**

(1) Base management fees were only charged from Listing Date. Total base management fees for FY 2019 include some payroll costs which are netted off against amount payable to the Manager.

(2) FY 2019 performance fee was calculated by taking 25% of the difference between FY 2019 DPU of 4.08 cpu and the 12-month 2018 DPU of 3.75 cpu.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

A summary of units issued or issuable as payment of the Manager's fees in respect of the year/period as follows:

For Period	Issue Date	Units	Issue Price[1] €	Total Value €'000
1 Jan 2019 to 31 Dec 2019				
1 January 2019 to 31 March 2019	30 May 2019	2,180,623	0.4937	1,077
1 April 2019 to 30 June 2019	27 August 2019	2,211,302	0.4976	1,100
1 July 2019 to 30 September 2019	18 November 2019	2,432,130	0.4976	1,210
1 October 2019 to 31 December 2019	Issuable[2]	1,810,389	0.5314	962
FY 2019 performance fee	Issuable[2]	3,673,076	0.5314	1,952
Total		**12,307,520**		**6,301**
Period from Constitution 28 Apr 2017 to 31 Dec 2018				
1 January 2018 to 31 March 2018	17 August 2018	1,875,845	0.5758	1,080
1 April 2018 to 30 June 2018	17 August 2018	1,427,894	0.5856	836
1 July 2018 to 30 September 2018	4 March 2019	1,600,130	0.5281	845
1 October 2018 to 31 December 2018	4 March 2019	2,003,300	0.4390	879
Total		**6,907,169**		**3,640**

1 Issue price is based on the volume weighted average traded price per unit for all trades done on the SGX-ST in the ordinary course of trading for 10 business days immediately preceding and including the end date of the relevant periods in which the fees accrued.
2 The units were subsequently issued on 6 March 2020 (refer to note 20(c)).

(c) Property Manager's fees

The property & portfolio management fee is calculated as 0.67% per annum of the value of CEREIT's deposited property. Property & portfolio management fees are shown within property operating expense in the Consolidated Statement of Total Return.

The property & portfolio management fee is payable quarterly in arrears. The Property Manager may, at its election, be paid its fees in cash, in CEREIT units or a combination of both. The price of CEREIT units issued is determined based on the volume weighted average traded price for a CEREIT unit for all trades on SGX-ST for the last ten business days immediately preceding and including the end date of the relevant periods in which the fees accrue.

As disclosed in CEREIT's prospectus dated 22 November 2017, the Property Manager has elected to receive 40% of its fees in CEREIT units until the financial year ended 2019.

The following fees were charged during and for the year/period:

	CEREIT	
	1 Jan 2019 to 31 Dec 2019 €'000	Period from Constitution 28 Apr 2017 to 31 Dec 2018 €'000
Total property & portfolio management fees	**13,599**	**11,372**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

A summary of units issued or issuable as payment of 40% of the property & portfolio management fees in respect of the year/period is as follows:

For Period	Issue Date	Units	Issue Price[1] €	Total Value €'000
1 Jan 2019 to 31 Dec 2019				
1 January 2019 to 31 March 2019	30 May 2019	2,540,900	0.4937	1,255
1 April 2019 to 30 June 2019	27 August 2019	2,576,647	0.4976	1,282
1 July 2019 to 30 September 2019	18 November 2019	2,833,960	0.4976	1,410
1 October 2019 to 31 December 2019	Issuable[2]	2,809,919	0.5314	1,493
Total		**10,761,426**		**5,440**
Period from Constitution 28 Apr 2017 to 31 Dec 2018				
1 January 2018 to 31 March 2018	17 August 2018	2,185,768	0.5758	1,258
1 April 2018 to 30 June 2018	17 August 2018	1,663,807	0.5856	974
1 July 2018 to 30 September 2018	4 March 2019	1,864,500	0.5281	984
1 October 2018 to 31 December 2018	4 March 2019	2,334,279	0.4390	1,025
Total		**8,048,354**		**4,241**

1 Issue price is based on the volume weighted average traded price per unit for all trades done on the SGX-ST in the ordinary course of trading for 10 business days immediately preceding and including the end date of the relevant periods in which the fees accrued.

2 The units were subsequently issued on 6 March 2020 (refer to note 20(c)).

(d) Other fees

Acquisition and divestment fees

Acquisition fees are calculated as 1.0% of the gross acquisition price (or a lower percentage at the discretion of the charging party) of any real estate or any other income producing investment purchased by CEREIT. Divestment fees are calculated as 0.5% of the gross sale price (or lower percentage at the discretion of the charging party) of any real estate or other investment. The fee may be charged by the Manager, the Property Manager or shared between both.

Acquisition and divestments fees may, at the election of the charging party, be paid in cash, in CEREIT units or a combination of both. Under the CIS, in respect of any acquisition of real estate assets from interested parties, such a fee will be in the form of units issued by CEREIT at prevailing market price(s). Such units may not be sold within one year from the date of their issuance.

The IPO acquisition fee was calculated at 0.5% of the agreed purchase price of the IPO portfolio by the Manager and was paid in units. All subsequent acquisition fees were calculated at 1.0% of the gross acquisition price.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

The following acquisition and divestment fees were charged to CEREIT during the year/period:

	CEREIT 1 Jan 2019 to 31 Dec 2019 €'000	CEREIT Period from Constitution 28 Apr 2017 to 31 Dec 2018 €'000
Acquisition fees	3,633	9,489
Divestment fees	95	–
Total acquisition and divestment fees	**3,728**	**9,489**

Acquisition and divestment fees were only charged from Listing Date.

A summary of units issued in satisfaction of acquisition fees in respect of the year/period is as follows:

For Period	Issue Date	Units	Issue Price €	Total Value €'000
1 Jan 2019 to 31 Dec 2019				
Acquisitions from 1 January 2019 to 31 December 2019	30 May 2019	1,442,771	0.4980[1]	718
Total		**1,442,771**		**718**
Period from Constitution 28 Apr 2017 to 31 Dec 2018				
IPO property acquisitions	30 November 2017	11,914,000	0.5500[2]	6,553
Acquisitions post IPO to 31 December 2019	4 March 2019	4,833,292	0.4980[1]	2,407
Total		**16,747,292**		**8,960**

1 Issue price is based on the theoretical ex-rights price ("TERP") per Unit in relation to the Rights Issue in December 2018 as disclosed in the circular to Unitholders in relation to Rights Issue dated 30 October 2018.

2 Issue price is based on the IPO offering price per Unit as disclosed in the Prospectus dated 22 November 2017.

Development management and project management fees

Development management fees are calculated as 3.0% of the total project costs incurred. Where the estimated total project costs are greater than S$200.0 million, the Trustee and the Manager's independent Directors will first review and approve the quantum of the development management fee, whereupon the Manager may be directed by the independent Directors to reduce the development management fee. Further, in cases where the market pricing for comparable services is, in the Manager's view, materially lower than the development management fee, the independent Directors of the Manager shall have the right to direct a reduction of the development management fee to less than 3.0% of the total project costs. The development fee may, at the election of the Manager or Property Manager, be paid in the form of cash and/or CEREIT units.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

Project management fees are calculated as 5.0% of the construction costs for any refurbishment, retrofitting, addition and alteration or renovation works to the relevant property. The project management fee is payable to the property manager in the form of cash and/or CEREIT units (as may be agreed between the Manager and the Property Manager from time to time, and if there is no such agreement, the payment shall be in the form of cash).

Leasing fees

The Property Manager is entitled to the following leasing fees:

a) (in relation to new leases secured by the Property Manager) 5.0% of the net rent receivable (as defined herein) (capped at 20% of the average rent receivable);

b) (in relation to renewal of leases secured by the Property Manager) 2.5% of the net rent receivable (capped at 10% of the average rent receivable); and

c) (in relation to leases in respect of which fees are owed to a third-party agent) 1.0% of the net rent receivable, (capped at 4% of the average rent receivable).

The following fees were charged during the year/period:

	CEREIT	
	1 Jan 2019 to 31 Dec 2019 €'000	Period from Constitution 28 Apr 2017 to 31 Dec 2018 €'000
Development management fees	–	–
Project management fees	668	146
Leasing fees	1,709	871
Total other fees	**2,377**	**1,017**

All fees were paid/payable in cash. There were no fees prior to Listing Date.

4 OTHER TRUST EXPENSES

Overview

CEREIT incurs certain non-property or debt related expenses presented as other trust expenses in the consolidated statement of total return. Such expenses generally consist of compliance, advisory or reporting costs. This note provides a further breakdown of other trust expenses. Additionally, this note also provides information on fees paid to CEREIT's independent auditor.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

a) Other trust expenses breakdown

	CEREIT	
	1 Jan 2019 to 31 Dec 2019 €'000	Period from Constitution 28 Apr 2017 to 31 Dec 2018 €'000
Auditor's fees – Deloitte Singapore	136	138
Auditor's fees – Deloitte overseas offices	816	683
Internal audit fees	360	204
Tax compliance fees	755	597
Valuation fees	373	579
Sustainability reporting costs	64	105
Depository bank fees & bank charges	478	478
Other expenses	2,218	2,060
Total other trust expenses	**5,200**	**4,844**

Accounting policy

Expenses

Other trust expenses as well as property-related expenses are recognised on an accrual basis.

b) Auditor's remuneration

Deloitte & Touche LLP Singapore ("Deloitte") are the independent auditors of CEREIT. Deloitte and its overseas offices have provided a number of audit, other assurance and non-assurance related services to CEREIT during the year/period.

Below is a summary of fees paid/payable for various services to Deloitte and it's overseas affiliates during the year/period:

	CEREIT	
	1 Jan 2019 to 31 Dec 2019 €'000	Period from Constitution 28 Apr 2017 to 31 Dec 2018 €'000
Audit and other assurance services		
Auditing of financial reports – current year audit	852	821
Auditing of financial reports – prior year audit	100	–
Review of forecasts for capital raising purposes	–	649
Fees paid/payable for audit and other assurance services to Deloitte	**952**	**1,470**
Other services		
Financial due diligence	–	803
Other services	9	5
Total remuneration paid to Deloitte	**961**	**2,278**

During the period from Constitution 28 April 2017 to 31 December 2018, fees paid for reviews of forecasts for capital raising purposes and financial due diligence services are recorded in the balance sheet as unit issue costs and as acquisition costs of investment properties respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

5 EARNINGS PER UNIT

Overview

This note provides information about CEREIT's earnings on a per unit basis. Earnings per unit ("EPU") is a measure that makes it easier for users of CEREIT's financial report to compare CEREIT's performance between different reporting periods. Accounting standards require the disclosure of two EPU measures, basic EPU and diluted EPU. CEREIT does not have dilutive potential units such as options over units. However, the weighted number of average units in issue take into account any units that are issuable at year/period end, that is units to be issued relating to expenses incurred during the year/period.

(a) Earnings per unit

	CEREIT	
	1 Jan 2019 to 31 Dec 2019 €'000	Period from Constitution 28 Apr 2017 to 31 Dec 2018 €'000
Basic and diluted earnings per unit (€ cents)	4.60	7.77
Basic and diluted earnings per unit (€ cents) – annualised[1]	4.60	4.63
Total return for the year/period attributable to Unitholders (€'000)	109,045	88,060
Weighted average number of units ('000)	2,371,732	1,143,177

1 Annualised basic and diluted earnings are calculated over the entire period divided by the days of the respective period multiplied by days in one year.

For units issuable at the end of year/period refer to note 11(b).

6 DISTRIBUTIONS

CEREIT's aim is to provide investors with regular and stable distributions that are growing over time. CEREIT's initial distribution policy was to distribute 100% of CEREIT's annual distributable income for the period from Listing Date to the end of the financial year 2019. In future, the actual level of distribution will be determined at the Manager's discretion, however the distribution policy is to be maintained at 100% in FY 2020. Distributions are paid on a semi-annual basis.

CEREIT has made the following distributions since Listing Date:

Distribution period	Distribution type	Distribution per unit (in € cents)	Total distribution €'000	Date paid
1 January 2019 to 1 July 2019	Capital	2.05	45,116	31 July 2019
1 July 2018 to 31 December 2018	Capital & Tax Exempt	1.57	34,402	29 March 2019
30 November 2017 to 30 June 2018	Capital	2.53	39,906	28 September 2018
Total		**6.15**	**119,424**	

Distribution for FY 2019 of 4.08 cpu comprises distribution for the period from 1 January 2019 to 1 July 2019 (being the day before the new units were issued pursuant to the private placement) of 2.05 cpu and distribution for the period from 2 July 2019 to 31 December 2019 of 2.03 cpu. Distribution for the period from 2 July 2019 to 31 December 2019 comprises tax exempt income of 1.269 cpu and capital of 0.761 cpu.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

7 INCOME TAX

Overview

This note provides detailed information about CEREIT's income tax items and accounting policies. This includes a reconciliation of income tax expense applying the tax rates of each jurisdiction to CEREIT's total return before income tax as shown in the consolidated statement of total return as well as an analysis of CEREIT's deferred tax balances.

Accounting standards require the application of the "balance sheet method" to account for CEREIT's income tax. Accounting profit does not always equal taxable income. There are a number of temporary differences between the recognition of accounting expenses and the availability of tax deductions or when revenue is recognised for accounting purpose and tax purposes. These timing differences reverse over time but they are recognised as deferred tax assets and deferred tax liabilities in the balance sheet until they are fully reversed.

Taxation in Singapore

CEREIT has obtained a Tax Ruling from the IRAS in respect of foreign dividend and interest income from its European property portfolio ("Specified Exempt Income") and derived by its wholly-owned Singapore resident subsidiaries. Pursuant to this Tax Ruling, the wholly-owned Singapore resident subsidiaries will be exempt from Singapore income tax on the Specified Exempt Income.

As such all income tax expense relates to income tax levied on CEREIT's European subsidiaries that hold properties and earn income.

(a) Income tax expense

	CEREIT	
	1 Jan 2019 to 31 Dec 2019 €'000	Period from Constitution 28 Apr 2017 to 31 Dec 2018 €'000
Current income tax expense	7,299	5,400
Deferred tax expense	13,697	15,842
Total income tax expense	**20,996**	**21,242**
Deferred tax expense		
Decrease/(increase) in deferred tax assets	11,143	(5,689)
Increase in deferred tax liabilities	2,554	21,531
Total deferred tax expense	**13,697**	**15,842**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

(b) Numerical reconciliation between income tax expense and total return before tax

	CEREIT	
	1 Jan 2019 to 31 Dec 2019 €'000	**Period from Constitution 28 Apr 2017 to 31 Dec 2018 €'000**
Total return before income tax	**130,041**	**109,302**
Net expenses incurred in Singapore not subject to income tax	11,265	8,050
Profits subject to income tax in overseas jurisdictions	**141,306**	**117,352**
Tax at domestic rates applicable to profits subject to income tax in overseas jurisdictions	24,961	36,104
Tax effect of amounts which are deductible / (taxable) in calculating taxable income:		
Other deductible expenses	(7,407)	(9,173)
Change in tax losses recognised	3,442	(5,689)
Total income tax expense	**20,996**	**21,242**

Corporate income tax rates applicable in overseas jurisdictions

	Note	**1 Jan 2019 to 31 Dec 2019 %**	**Period from Constitution 28 Apr 2017 to 31 Dec 2018 %**
The Netherlands		25.0	25.0
France		31.0	33.3
Germany		15.8	15.8
Denmark		22.0	22.0
Luxembourg		24.9	25.5
Italy	(i)	10.0	10.0
Finland		20.0	20.0
Poland		19.0	N.A.

N.A. – Not applicable

(i) The alternative investments funds ("AIFs") that hold CEREIT's Italian properties are exempt from corporate income tax. Instead withholding tax is applied on profit distributions and interest payments to non-resident investors in Italy. The ordinary withholding tax rate is 26%. However, under the Italy-Luxembourg tax treaty the rate is reduced to 10%. CEREIT's AIFs are held by Luxembourg resident companies also wholly owned by CEREIT.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

(c) Deferred tax

Deferred tax assets

	CEREIT	
	31 Dec 2019 €'000	**31 Dec 2018 €'000**
Deferred tax assets are attributable to:		
Unutilised tax losses	5,421	16,224
Deferred tax assets	**5,421**	**16,224**
Movements:		
At beginning of year/period	16,224	–
Deferred tax assets acquired at acquisition property holding entities	340	10,535
(Charged)/Credited to Statement of Total Return	(11,143)	5,689
At end of year/period	**5,421**	**16,224**

As at 31 December 2019, deferred tax assets have not been recognised in respect of tax losses of €12,956,000 (2018: €15,601,000).

Deferred tax liabilities

	CEREIT	
	31 Dec 2019 €'000	**31 Dec 2018 €'000**
Deferred tax liabilities are attributable to:		
Temporary differences between carrying amounts and tax base of investment properties	28,133	21,531
Deferred tax liabilities	**28,133**	**21,531**
Movements:		
At beginning of year/period	21,531	–
Deferred tax liabilities acquired at acquisition property holding entities	4,048	–
Charged to Statement of Total Return	2,554	21,531
At end of year/period	**28,133**	**21,531**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

Accounting policy

Income tax

CEREIT's income tax expense for the period is the tax payable on the current period's taxable income adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. Deferred tax is not recognised for the recognition of goodwill on business combination and for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Current and deferred tax balances attributable to amounts recognised in other comprehensive income or directly in equity are also recognised in other comprehensive income or directly in equity.

Current and deferred tax balances attributable to amounts recognised in other comprehensive income or directly in equity are also recognised in other comprehensive income or directly in equity.

Significant estimates – deferred tax liabilities

Total deferred tax liabilities include deferred tax liabilities in relation investment properties whereby the carrying amount exceeds the tax depreciated value of certain properties which will in future crystallise a capital gains tax upon disposal of the respective property. CEREIT has recognised a deferred tax liability in relation to the future capital gains tax payable at year-end. In accordance with IAS 12 *Income Taxes* deferred tax liabilities (and assets) shall be measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

Operating Assets

This section of the annual financial report provides further information on CEREIT's operating assets. These are assets that individually contribute to CEREIT's revenue and currently consist of investment properties only, however may in the future include joint ventures or associates and investments in listed and unlisted securities to the extent allowable under the Property Funds Appendix of the Code on Collective Investment Schemes ("CIS Code").

8 INVESTMENT PROPERTIES

Overview

Investment properties are properties (land, building or both) held solely for the purpose of earning rental income and / or for capital appreciation. As at 31 December 2019, CEREIT's investment property portfolio comprised 91 (2018: 90) commercial properties in seven countries of which 39 (2018: 29) properties are predominantly office use, 47 (2018: 56) predominantly light industrial use with the remaining 5 (2018: 5) properties being of other use (refer Statement of Portfolio).

This note provides further details on CEREIT's investment property portfolio, including details of acquisitions and other movements during the year/period as well as details on the fair value measurement of the properties.

(a) Reconciliation of carrying amount of investment properties

CEREIT 31 December 2019	The Netherlands €'000	Italy €'000	France €'000	Poland €'000	Germany €'000	Finland €'000	Denmark €'000	**Total €'000**
Independent valuation dated 31 Dec 2019 [1]	616,750	476,725	390,400	243,900	119,950	115,000	74,590	**2,037,315**
	616,750	**476,725**	**390,400**	**243,900**	**119,950**	**115,000**	**74,590**	**2,037,315**
Adjustments to carrying amount:								
Right-of-use asset								**6,669**
Unspent vendor funded capital expenditure [2]								**(1,907)**
Other								**(578)**
Total adjustments								**4,184**
Carrying amount at 31 Dec 2019								**2,041,499**

1 Exclude investment properties reclassified as held for sale.
2 Certain vendors of CEREIT's investment property portfolio have provided funding for any budgeted capital expenditure that was budgeted but not yet spent at acquisition.

NOTES TO THE FINANCIAL STATEMENTS

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CEREIT **31 December 2018**	The Netherlands €'000	Italy €'000	France €'000	Germany €'000	Finland €'000	Denmark €'000	**Total €'000**
Independent valuation dated 31 Dec 2018	480,350	421,100	321,600	113,600	–	81,300	**1,417,950**
At acquisition price (directors' valuation)	127,580	36,025	–	–	113,120	–	**276,725**
	607,930	**457,125**	**321,600**	**113,600**	**113,120**	**81,300**	**1,694,675**
Adjustments to carrying amount:							
Right-of-use asset							**4,979**
Unspent vendor funded capital expenditure [1]							**(8,466)**
Other							**(964)**
Total adjustments							**(4,451)**
Carrying amount at 31 Dec 2018							**1,690,224**

1 Certain vendors of CEREIT's investment property portfolio have provided funding for any budgeted capital expenditure that was budgeted but not yet spent at acquisition.

Accounting policies

Investment properties

Investment properties are initially measured at cost including transaction costs and subsequently measured at fair value, with any change therein recognised in profit or loss.

Fair value is based upon active market prices, given the assets' highest and best use, adjusted if necessary, for any difference in the nature, location or condition of the relevant asset. If this information is not available, CEREIT uses the capitalised earnings approach for valuations of its investment properties. The highest and best use of an investment property refers to the use of the investment property by market participants that would maximise the value of that investment property.

The carrying value of the investment property includes components relating to lease incentives and other items relating to the maintenance of, or increases in, lease rentals in future periods.

Investment properties under construction are classified as investment property and carried at fair value. Finance costs incurred on investment properties under construction are included in the construction costs.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Right-of-use land leases

CEREIT recognises a right-of-use ("ROU") land lease representing its right to use the underlying land and a lease liability representing its obligation to make lease payments. ROU for land leases are measured at the amount of the lease liability, adjusted for any prepaid or accrued lease expenses. Subsequently, the lease liability is measured at amortised cost using the effective interest rate method. The ROU asset will be measured at fair value at the date of initial application for leases previously accounted for as operating leases and that will be accounted for as investment property using the fair value model in IAS 40 from date of initial application.

Lease incentives

Lessees may be offered incentives as an inducement to enter into non-cancellable operating leases. These incentives may take various forms including up-front cash payments, rent free periods, or a contribution to certain lessee costs such as fit out costs or relocation costs. Lease incentives form part, as a deduction, of total rent receivable from CEREIT's operating lease contracts and as such are recognised on a straight-line basis over the lease term.

Initial direct leasing costs

Initial direct leasing costs incurred by CEREIT in negotiating and arranging operating leases are recognised as an asset in the balance sheet as a component of the carrying amount of investment property and are amortised as an expense on a straight-line basis over the lease term.

(b) Movements in investment properties

	CEREIT €'000
Balance at 1 Jan 2019	1,690,224
Acquisition of new properties (note 8(c))	365,275
Acquisition costs	10,984
Disposal of existing properties (note 8(d))	(16,891)
Reclassification of investment properties as held for sale (note 16)	(65,700)
Capital expenditure	11,216
Lease incentives, lease costs and rent straight-lining	4,064
Net gain from fair value adjustments	42,378
Others	(51)
Balance at 31 Dec 2019	**2,041,499**

NOTES TO THE FINANCIAL STATEMENTS

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	CEREIT €'000
Balance at Constitution	–
Transactions prior to Listing Date:	
Acquisition of CECIF portfolio (note 8(c))	209,765
Net loss from fair value adjustments	(462)
Other movements	3,563
Balance at Listing Date	**212,866**
Acquisition of IPO portfolio (note 8(c))	1,106,743
Acquisition of Italian properties (note 8(c))	52,925
Acquisition of new properties (note 8(c))	240,698
Acquisition costs	58,023
Acquisition accounting adjustments [1]	(30,758)
Capital expenditure	10,020
Lease incentives, lease costs and rent straight-lining and other movements	2,566
Net gain from fair value adjustments	37,141
Balance at 31 Dec 2018	**1,690,224**

1 At IPO, all of the properties, except the properties located in Italy, were acquired through the acquisition of all shares in ultimate holding companies of those properties. In relation to the properties acquired since IPO, the majority of properties were also acquired through the acquisition of 100% of the share capital of ultimate holding entities. Under IFRS, these share acquisitions do not represent business combinations as all entities acquired are mere holding entities of properties which does not constitute a business. As a result, such acquisitions are accounted for as asset acquisitions where all acquisition price adjustments that were the result of commercial negotiations, are accounted for through adjustments to the assets acquired.

(c) Investment property acquisitions

Details of investment properties acquired during the year ended 31 December 2019 are as follows:

	Description	Acquisition price (excl. cost) €'000	Valuation at 31 Dec 2019 €'000
Transactions during the year			
French industrial assets	4 light industrial properties in Sully-sur-Loire, Parcay-Meslay, Gennevilliers and Villeneuve-lès-Béziers	28,200	27,700
Polish office assets	3 office assets located in Warsaw and Gdańsk	71,850	73,500
Bronco portfolio	6 office assets located in France and Poland	247,525	249,100
Italian office asset	1 office asset located in Milan	17,700	17,700
Total property acquisitions during the year		**365,275**	**368,000**

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Details of investment properties acquired during the period ended 31 December 2018 are as follows:

	Description	Acquisition price (excl. cost) €'000	Valuation at 31 Dec 2018 €'000
Transactions prior to Listing Date:			
CECIF portfolio	3 office assets located in the Netherlands[1].	209,765	226,100
IPO portfolio acquisitions:			
Dutch Office Portfolio	2 office assets located in the Netherlands.	174,700	176,900
French Industrial Portfolio	11 light industrial assets located in France.	129,000	137,300
Pan-European Industrial Portfolio	44 light industrial assets located in Denmark, France, Germany and the Netherlands.	398,143	456,552
Italian Diversified Portfolio	14 diversified properties located in Italy.	404,900	404,200
Total IPO portfolio		**1,316,508**	**1,401,052**
Transactions since Listing Date:			
Italian properties	3 Italian office assets located in Ivrea, Bari and Genoa.	52,925	52,925
New properties	2 office assets located in the Netherlands and 11 office assets located in Finland.	240,698	240,698
Total property acquisitions since date of Constitution		**1,610,131**	**1,694,675**

1 Prior to the Listing Date, CEREIT as wholly owned entity of Cromwell Property Group ("Cromwell"), acquired the three Dutch office assets from various Cromwell entities. The consideration was paid to Cromwell in the form of CEREIT units.

(d) Investment property disposal

On 18 October 2019, CEREIT completed its disposal of one industrial property located in France, known as Parc d'Osny for a consideration of €19,004,000 and recognised a gain of €2,018,000.

(e) Fair value measurement

CEREIT's investment properties, with an aggregate carrying amount of €2,041,499,000 (2018: €1,690,224,000), are measured using the fair value model as described in IAS 40 *Investment Property*. Fair value is thereby defined as 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. Gains or losses arising from changes in the fair value of investment property must be included in net profit or loss for the period in which it arises.

As at 31 December 2019, CEREIT's portfolio of 103 (2018: 75) properties include 12 (2018: nil) properties held for sale. All 91 (2018: 75) properties of CEREIT's investment properties portfolio were valued by independent valuers. The 12 properties held for sale were recorded at sales price. In 2018, 15 properties were carried at purchase price which had been assessed by the Directors of the Manager as their fair value as these properties were acquired just prior to period end.

NOTES TO THE FINANCIAL STATEMENTS

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Property valuations

As at 31 December 2019, the adopted valuations for 91 (2018: 75) of CEREIT's investment properties are based on independent external valuations representing 100% (2018: 84%) of the value of the portfolio excluding properties held for sale. In accordance with the CIS Code, CEREIT's investment properties are valued at least once per financial year by an independent professionally qualified valuer with a recognised relevant professional qualification with valuers rotated at least every two years.

All property valuations utilise the income capitalisation model supported by recent market sales evidence.

The independent valuations for the properties located in France, Italy and Finland have been prepared by Colliers International Valuation UK LLP and independent valuations for properties located in the Netherlands, Poland, Denmark and Germany have been prepared by Cushman & Wakefield Debenham Tie Leung Limited.

Key inputs used to measure fair value

Income capitalisation method	This method involves assessing the total net market income receivable from the property and capitalising this perpetually, using an appropriate, market derived capitalisation rate, to derive a capital value, with allowances for capital expenditure reversions such as lease incentives and required capital works payable in the near future and overs / unders when comparing market rent with passing rent.
Estimated rental value ("ERV")	ERV is the estimated amount for which a property or space within a property could be leased between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and wherein the parties have each acted knowledgeably, prudently and without compulsion.
Reversionary yield	Reversionary yield is a proxy to the capitalisation rate. Reversionary yield provided by the external valuer is the gross rental value as a percentage of the gross capital value.
Net initial yield	Net initial yield is the ratio of net rental income and gross capital value.
Weighted average lease expiry ("WALE") / Weighted average lease to break ("WALB")	WALE or WALB is used to measure the overall tenancy risk of a particular property to assess the likelihood of a property being vacated. WALE of a property is measured across all tenants' remaining lease terms (in years) and is weighted with the tenants' income against total combined income. Similarly, WALB is measured as remaining term (in years) to the next break (for those leases including such break options) and is weighted with the tenants' income against total income.
Occupancy	Property occupancy is used to measure the proportion of the lettable space of a property that is occupied by tenants under current lease contracts and therefore how much rent is received from the property as percentage of total rent possible if the property was fully occupied.

NOTES TO THE FINANCIAL STATEMENTS

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All the significant inputs noted above are not observable market data, hence investment property valuations are considered level 3 fair value measurements (refer fair value hierarchy described in note 12).

Significant unobservable inputs associated with the valuations of CEREIT's investment properties are as follows:

	31 Dec 2019		31 Dec 2018	
Inputs	**Range**	**Weighted average**	**Range**	**Weighted average**
Net initial yield (%)	3.3% – 11.1%	5.93%	(2.4%) – 10.7%	6.0%
Reversionary yield (%)	3.7% – 14.5%	6.76%	3.6% – 11.8%	6.6%
WALE (years)	0.6 – 9.5	4.4	0.0 – 10.5	4.7
WALB (years)	0.6 – 8.5	3.5	0.0 – 7.8	4.0
Occupancy (%)	57.0% – 100.0%	93.2%	0.0% – 100.0%	90.8%

Sensitivity information

The relationships between the significant unobservable inputs and the fair value of investment properties are as follows:

Inputs	Impact of increase in input on fair value	Impact of decrease in input on fair value
Net initial yield	Decrease	Increase
Revisionary yield	Decrease	Increase
WALE/WALB	Increase	Decrease
Occupancy	Increase	Decrease

Properties carried at purchase price

At 31 December 2018, 15 properties were carried at purchase price (net of acquisition costs). These properties include two Italian office assets acquired on 5-Dec-18 for €36,025,000 and a portfolio of 2 Dutch and 11 Finish office assets acquired on 28 December 2018 for €240,698,000. The transaction price was considered equal to the fair value of the property as the sale and purchase agreement was entered into on an arms-length basis between non-related parties. The purchase price was paid in cash to the sellers. Given the insignificant period lapsed from transaction date to financial period end, the Directors of the Managers considered the transaction price to remain the fair value of the properties at financial period end.

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(f) Amounts recognised in profit and loss for investment properties

	CEREIT	
	1 Jan 2019 to 31 Dec 2019 €'000	Period from Constitution 28 Apr 2017 to 31 Dec 2018 €'000
Gross revenue	177,046	142,126
Property operating expense	(60,900)	(46,955)
Net property income	**116,146**	**95,171**

(g) Non-cancellable operating lease receivable from investment property tenants

Investment properties are generally leased on long-term operating leases. Minimum lease payments under the non-cancellable operating leases of CEREIT's investment properties not recognised in the financial statements are receivable as follows:

	CEREIT	
	31 Dec 2019 €'000	31 Dec 2018 €'000
Within one year	141,503	181,838
After one year but within 5 years	314,380	457,246
After 5 years	77,616	106,203
Total non-cancellable operating lease receivable from investment property tenants	**533,499**	**745,287**

Of the above, the following relates to assets held for sale:

	CEREIT	
	31 Dec 2019 €'000	31 Dec 2018 €'000
Within one year	4,964	–
After one year but within 5 years	6,351	–
After 5 years	409	–
Total non-cancellable operating lease receivable from investment property tenants	**11,724**	**–**

(h) Assets pledged as security

As at 31 December 2019, a total of 19 (2018: 87) of CEREIT's investment properties with a combined fair value of €559,650,000 (2018: €1,641,750,000) were pledged as security for CEREIT's senior property level financing facilities. Refer to note 9 for further details.

NOTES TO THE FINANCIAL STATEMENTS

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Finance and Capital Structure

This section of the annual financial report provides further information on CEREIT's debt finance and associated costs, and CEREIT's capital.

Capital is defined as the combination of unitholders' equity, reserves and debt. The Board of Directors of the Manager are responsible for CEREIT's capital management strategy. Capital management is an integral part of CEREIT's risk management framework and seeks to safeguard CEREIT's ability to continue as a going concern while maximising unitholder value through optimising the level and use of capital resources and the mix of debt and equity funding. CEREIT's preferred portfolio gearing range is 35% – 40%.

9 BORROWINGS

Overview

CEREIT borrows funds from financial institutions to partly fund the acquisition of investment properties. A significant proportion of these borrowings are generally fixed either directly or using interest rate swaps/options and/or caps and have a fixed term. This note provides information about CEREIT's debt facilities, including maturity dates, security provided and facility limits as well finance costs incurred in relation to these debt facilities.

	CEREIT		Trust	
	31 Dec 2019 €'000	31 Dec 2018 €'000	31 Dec 2019 €'000	31 Dec 2018 €'000
Current				
Unsecured loans – financial institutions	20,438	–	–	–
Total current borrowings	**20,438**	**–**	**–**	**–**
Non-current				
Secured loans – financial institutions	230,855	575,340	–	–
Unsecured loans – financial institutions	579,500	22,825	–	22,825
Unamortised transaction costs	(6,995)	(6,432)	–	(1,306)
Total non-current borrowings	**803,360**	**591,733**	–	**21,519**
Total borrowings	**823,798**	**591,733**	–	**21,519**

Accounting policy

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost using the effective interest rate method. Under this method fees, costs, discounts and premiums directly related to the financial liability are spread over their expected life.

Borrowing costs incurred on funds borrowed for the construction of a property are capitalised, forming part of the construction cost of the asset. Capitalisation ceases upon practical completion of the property. Other borrowing costs are expensed.

NOTES TO THE FINANCIAL STATEMENTS

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(a) Borrowing details

CEREIT				**31 Dec 2019**		**31 Dec 2018**	
				Facility	**Utilised**	**Facility**	**Utilised**
Facility	**Note**	**Secured**	**Maturity**	**€'000**	**€'000**	**€'000**	**€'000**
Finland	(a)	Yes	Dec-21	53,750	53,750	53,750	53,750
Dutch Office 3 & Poland Office	(b)	Yes	Dec-21	94,730	94,730	60,601	60,601
Dutch Office 2	(c)	Yes	Dec-26	82,375	82,375	82,375	82,375
France Light Industrial	(d)	Yes	Nov-20	–	–	50,000	50,000
Denmark Light Industrial	(e)	Yes	Nov-20	–	–	26,114	26,114
Pan-European Light Industrial	(f)	Yes	Mar-21	–	–	95,000	95,000
Dutch Office 1	(g)	Yes	Nov-20	–	–	57,500	57,500
Italy	(h)	Yes	Nov-20	–	–	150,000	150,000
Revolving Credit Facility	(l)	No	Jan-20	–	–	100,000	22,825
Poland VAT loan	(i)	No	Apr-20	20,438	20,438	–	–
Note Issuance Facility	(i)	No	Aug-21	104,500	104,500	–	–
German Schuldschein	(j)	No	Nov-22	23,000	23,000	–	–
Term loan 3 year	(k)	No	Nov-22	287,000	287,000	–	–
Term loan 5 year	(k)	No	Nov-24	165,000	165,000	–	–
Revolving Credit Facility	(l)	No	Nov-22	150,000	–	–	–
Total				**980,793**	**830,793**	**675,340**	**598,165**

Trust				**31 Dec 2019**		**31 Dec 2018**	
				Facility	**Utilised**	**Facility**	**Utilised**
Facility	**Note**	**Secured**	**Maturity**	**€'000**	**€'000**	**€'000**	**€'000**
Revolving Credit Facility	(l)	No	Jan-20	–	–	100,000	22,825
Total				**–**	**–**	**100,000**	**22,825**

In November 2019, CEREIT completed a transformational €625.0 million secured to unsecured refinancing which resulted in the repayment of a number of secured property level financing agreement.

Property level financing facilities

Property level financing facilities are secured by first-ranking mortgages over the relevant properties as well as pledges over the receivables of the property holding SPVs, pledges over the entire share capital of the property holding SPVs, pledges over the receivables of any lease agreements and insurance proceeds pertaining to the relevant properties, a first priority account pledge over all bank accounts of the property-holding SPVs and a pledge over all hedging receivables in relation to the relevant property level financing facility.

(a) Finland

The Finland facility is secured over 11 (2018: 11) Finnish office properties with an aggregate carrying amount of €115.0 million (2018: €113.1 million). Interest is payable quarterly in arrears at variable rates based on the EURIBOR 3 months swap rate plus a loan margin. The EURIBOR 3 months swap rate at 31 December 2019 was -0.41% (2018: -0.31%) per annum.

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(b) *Dutch Office 3 & Poland Office*

The Netherlands & Poland facility is secured over 2 (2018: 2) Dutch office properties and 3 (2018: Nil) Polish office properties with an aggregate carrying amount of €209.5 million (2018: €127.6 million). Interest is payable quarterly in arrears at variable rates based on the EURIBOR 3 months swap rate plus a loan margin. The EURIBOR 3 months is capped at a strike rate of 0.50% per annum respectively.

(c) *Dutch Office 2*

The Dutch Office 2 facility is secured over 3 (2018: 3) Dutch office properties with an aggregate carrying amount of €235.2 million (2018: €226.1 million). Interest is payable quarterly in arrears at a fixed rate of 1.93% per annum.

(d) *France Light Industrial*

In 2018, the France Industrial portfolio facility is secured over 11 French light industrial properties with an aggregate carrying amount of €137.3 million. Interest is payable quarterly in arrears at variable rates based on the EURIBOR 3 months swap rate (with a floor at zero) plus a loan margin. The EURIBOR 3 months swap rate at 31 December 2018 was -0.31%. The facility was fully repaid during FY 2019 following the refinancing executed in November 2019.

(e) *Denmark Light Industrial*

In 2018, the Denmark Industrial facility, which is denominated in Danish Krone is secured over 13 Danish light industrial properties with an aggregate carrying amount of €81.3 million. Interest is payable quarterly in arrears at variable rates based on the CIBOR 3 months swap rate plus a loan margin. The facility was fully repaid during FY 2019 following the refinancing executed in November 2019.

(f) *Pan-European Light Industrial*

In 2018, the Pan-European Industrial facility is secured over 31 light industrial properties located in France, the Netherlands and Germany with an aggregate carrying amount of €375.3 million. Interest is payable quarterly in arrears at variable rates based on the EURIBOR 3 months swap rate plus a loan margin. The facility was fully repaid during FY 2019 following the refinancing executed in November 2019.

(g) *Dutch Office 1*

In 2018, the Dutch Office 1 facility is secured over two Dutch office properties with an aggregate carrying amount of €176.9 million. Interest is payable quarterly in arrears at variable rates based on the EURIBOR 3 months swap rate plus a loan margin. The facility was fully repaid during FY 2019 following the refinancing executed in November 2019.

(h) *Italy*

In 2018, the Italy facility is secured against 14 Italian office and other type properties with an aggregate carrying amount of €404.2 million. Interest is payable quarterly in arrears variable rates based on the EURIBOR 3 months swap rate plus a loan margin. The Ivrea, Bari and Genoa properties acquired in 2018, are unencumbered and therefore are not subject to any security claims. The facility was fully repaid during FY 2019 following the refinancing executed in November 2019.

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Unsecured financing facilities

(i) Poland VAT loan and Note Issuance Facility ("NIF")

The Note Issuance Facility, in the amount of €104.5 million was raised for the purpose of funding CEREIT's portfolio acquisitions during the financial year in Poland and France. The facility includes an additional, temporary VAT facility which is denominated in Polish Zloty. Both the NIF and the VAT facility are unsecured and subject to EURIBOR 3 months which is floored at 0.0% as long as EURIBOR is negative. An interest rate cap with a strike rate of 0.0% was executed and co-matures with the loan. The hedge notional is 100.0% (excluding the temporary VAT facility).

(j) German Schuldschein

The German Schuldschein in the amount of €23.0 million which is an unsecured private placement under German governing law was part of the transformational refinancing completed in November 2019. The proceeds were used to refinance secured property level financing arrangements. The German Schuldschein is subject to EURIBOR 3 months which is floored at 0.0% as long as EURIBOR is negative. An interest cap with a strike rate of 0.0% was executed, covering 100.0% of the notional and co-matures with the term of the private placement.

(k) Term Loan 3 and 5 Years

In November 2019, CEREIT raised a total of €452.0 million in the form of unsecured term loan and notes. The financing was raised in two tranches:

i. A 3-year term loan and note amounting to €287.0 million; and

ii. A second, 5-year tranche in the amount of €165.0 million.

Both tranches are subject to EURIBOR 3 months which is floored at 0.0% as long as EURIBOR is negative. An interest rate cap with a strike rate of 0.0% was executed, covering 100.0% of the notional and co-matures with the term of each respective tranche.

(l) Revolving Credit Facility ("RCF")

Trust RCF was fully repaid during FY 2019 and a new RCF was put in place to provide CEREIT with additional financing flexibility and working capital. As part of the completed secured to unsecured financing in November 2019, the new RCF limit was increased to €150.0 million (2018: €100.0 million) and the margin reduced to 1.15% per annum.

NOTES TO THE FINANCIAL STATEMENTS

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(b) Net finance costs

	CEREIT 1 Jan 2019 to 31 Dec 2019 €'000	CEREIT Period from Constitution 28 Apr 2017 to 31 Dec 2018 €'000
Interest expense	12,168	10,542
Amortisation of debt issuance costs	5,981	3,025
Facility break fee	719	–
Interest income	(82)	(27)
Total net finance costs	**18,786**	**13,540**

Information about CEREIT's exposure to interest rate changes is provided in note 12(c).

10 DERIVATIVE FINANCIAL INSTRUMENTS

Overview

CEREIT's derivative financial instruments consist of interest rate swap/options and interest rate cap contracts which are used to fix interest on floating rate borrowings ("interest rate hedge contracts") and form an integral part of CEREIT's interest rate risk management. This note provides for further details on CEREIT's interest rate hedging profile, details of expiries of interest rate hedge contracts as well as CEREIT's accounting policy for such contracts.

	CEREIT 31 Dec 2019 €'000	CEREIT 31 Dec 2018 €'000
Non-current assets		
Interest rate cap contracts	883	5
Current liabilities		
Interest rate swap contracts	(99)	(271)
Total derivative financial instruments	784	(266)
Derivative financial instruments as a percentage of net assets	0.06%	0.02%

Accounting policy

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured to fair value at balance date. Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

CEREIT enters into interest rate swap and cap agreements that are used to convert certain variable interest rate borrowings to fixed interest rates. The derivatives are entered into with the objective of hedging the risk of adverse interest rate fluctuations. CEREIT has not elected to apply hedge accounting to this arrangement and changes in fair value are recognised immediately in profit or loss.

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(a) Interest rate swap and cap contract expiry profile

The notional principal amounts and period of expiry of CEREIT's interest rate swap and cap contracts were as follows:

	CEREIT 31 Dec 2019 €'000	CEREIT 31 Dec 2018 €'000
Less than 1 year	148,480	246,222
1 – 2 years	104,500	50,000
2 – 3 years	–	47,373
3 – 4 years	475,000	–
4 years and longer	82,375	82,375
Total interest rate hedge contracts	**810,355**	**425,970**

(b) Debt hedging profile

Below table provides an overview of hedging of CEREIT's borrowings through interest rate cap and interest rate swap contracts:

	31 Dec 2019				31 Dec 2018			
	Hedge contract notional €'000	Average strike rate %	Borrowing €'000	Percentage hedged %	Hedge contract notional €'000	Average strike rate %	Borrowing €'000	Percentage hedged %
Interest rate cap contracts	674,230	0.07%	674,230	100.0%	126,123	0.84%	154,873	81.4%
Interest rate swap contracts	136,125	0.31%	136,125	100.0%	299,847	0.05%	306,116	98.0%
Unhedged	–	–	20,438	0.0%	–	–	137,176[1]	0.0%
Total	**810,355**	**0.11%**	**830,793**	**97.5%**	**425,970**	**0.28%**	**598,165**	**71.2%**

[1] Includes new borrowing facilities of €114,351,000 drawn down on 28-Dec-18 to partly fund the acquisition of 11 office asset in Finland and two office assets in the Netherlands (refer Finland and Dutch Office 3 facilities in note 9). Hedge contracts were taken out by CEREIT in relation to these facilities in 2019 100% of the interest rate risk in relation to these facilities. If these interest hedge contracts entered into in 2019 are taken into account 90.3% of CEREIT's debt drawn down on at 31 December 2018 hedged on a going forward basis with either interest rate cap or interest rate swap contracts.

The weighted average strike rate of interest rate swap contracts at financial year/period end was 0.31% (2018: 0.05%) and the weighted average cap on interest rate cap contracts was 0.07% (2018: 0.84%) with a fixed and capped weighted average of 0.11% (2018: 0.28%).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

11 CONTRIBUTED EQUITY

Overview

This note provides further details on units issued and issuable by CEREIT as at year/period end, and rights attached to CEREIT units.

	CEREIT		Trust	
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
Total contributed equity (€'000)	**1,236,795**	**1,070,501**	**1,237,132**	**1,070,501**
Units in issue ('000)	**2,547,787**	**2,181,978**	**2,547,787**	**2,181,978**

Accounting policy

Units issued of the Trust are classified as equity forming part of Unitholders' funds. Incremental costs directly attributable to the issue of new units are shown in Unitholders' funds as a deduction from the proceeds.

Where any CEREIT company purchases CEREIT units, for example as the result of a unit buy-back, the consideration paid, including any directly attributable incremental costs is deducted from Unitholders' funds. Unit acquired under a unit buy-back program are cancelled immediately.

(a) Movements in contributed equity

The following reconciliation summarises the movements in contributed equity. Issues of a similar nature have been grouped and the issue price shown is the weighted average. Detailed information on each issue of units is publicly available via the SGXnet and CEREIT's webpage.

	CEREIT and Trust	
	31 Dec 2019 No of units '000	31 Dec 2018 No of units '000
At the beginning of the year/period	2,181,978	–
Units issued prior to Listing Date:		
– Issue of units to Sponsor	–	183,934
Units issued on Listing Date:		
– Sponsor units	–	367,788
– Offering and to cornerstone investors	–	1,010,354
– Acquisition fees paid in units	–	11,914
Units issued after Listing Date:		
– Acquisition fees paid in units	6,276	–
– Manager's base fee paid in units	10,427	3,304
– Property manager's fee paid in units	12,150	3,850
– Rights issue	–	600,834
– Private Placement	326,086	–
– Purchase consideration	10,870	–
At end of year/period	**2,547,787**	**2,181,978**

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(b) Units issuable

	CEREIT and Trust	
	31 Dec 2019 '000	**31 Dec 2018 '000**
Manager's base fee	1,810	3,603
Manager's performance fee	3,673	–
Property Manager's fee	2,810	4,198
Acquisition fee	–	4,833
Total units issuable	8,293	12,634
Units in issue	2,547,787	2,181,978
Total units issued and issuable	**2,556,080**	**2,194,612**

(c) Rights and restrictions relating to CEREIT units

The rights and interests of Unitholders are contained in CEREIT's trust deed and include the rights to:

- Entitlement to distributions determined in accordance with the trust deed;
- Participate in the termination of the Trust by receiving a share of the net proceeds of realisation among the Unitholders pro rata in accordance with the number of units held by the Unitholders and in accordance with the winding up procedures under the trust deed;
- Attend all Unitholder meetings with one vote per unit.

A Unitholder has no equitable or proprietary interest in the underlying assets of CEREIT and is not entitled to the transfer to it of any asset (or any part thereof). The Unitholders' liability is limited to the amount paid or payable for any units. The provisions of the trust deed provide that no Unitholder will be personally liable to indemnify the Trustee or any creditor of the Trustee in the event that liabilities of the Trust exceed its assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

12 FINANCIAL RISK MANAGEMENT

Overview

CEREIT's activities expose it to a variety of financial risks which include credit risk, liquidity risk and market risk. This note provides information about the Manager's risk management strategy for CEREIT in relation to each of the above financial risks to which CEREIT is exposed to.

The Manager's overall risk management program focuses on managing these risks and seeks to minimise potential adverse effects on the financial performance of CEREIT. CEREIT uses derivative financial instruments such as interest rate derivatives to hedge certain risk exposures. The Manager seeks to deal only with creditworthy counterparties. Liquidity risk is monitored through the use of future rolling cash flow forecasts.

The Manager's management of treasury activities is centralised and governed by policies approved by the Directors who monitor the operating compliance and performance as required. CEREIT has policies for overall risk management as well as policies covering specific areas such as identifying risk exposure, analysing and deciding upon strategies, performance measurement, the segregation of duties and other controls around the treasury and cash management functions.

CEREIT and the Trust hold the following financial instruments:

	Type of financial instrument	CEREIT 31 Dec 2019 €'000	CEREIT 31 Dec 2018 €'000	Trust 31 Dec 2019 €'000	Trust 31 Dec 2018 €'000
Financial assets					
Cash and cash equivalents	(1)	79,250	57,755	14,346	15,732
Receivables	(1)	27,227	20,661	111,727	40,586
Derivative financial instruments	(2)	883	5	–	–
Total financial assets		**107,360**	**78,421**	**126,073**	**56,318**
Financial liabilities					
Payables	(1)	31,058	44,299	178,442	77,200
Borrowings	(1)	830,793	591,733	–	21,519
Derivative financial instruments	(2)	99	271	–	–
Other liabilities -finance lease liabilities	(1)	6,841	5,084	–	–
Total financial liabilities		**868,791**	**641,387**	**178,442**	**98,719**

Type of financial instrument as per IFRS 7 – *Financial Instruments: Disclosures*

(1) At amortised cost
(2) At fair value through profit or loss

NOTES TO THE FINANCIAL STATEMENTS

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(a) Credit risk

Credit risk is the risk that a counterparty will default on its contractual obligations under a financial instrument and result in a financial loss to CEREIT. Credit risk arises from cash and cash equivalents and favourable derivative financial instruments with banks and financial institutions and receivables.

CEREIT manages this risk by:

- establishing credit limits for customers and managing exposure to individual entities;
- monitoring the credit quality of all financial assets in order to identify any potential adverse changes in credit quality;
- derivative counterparties and cash transactions, when utilised, are transacted with high credit quality financial institutions with a minimum rating of BBB-/Baa3;
- regularly monitoring receivables on an ongoing basis;
- Requiring tenants to pay deposits upon commencement of leases which may be retained if the tenant defaults on rent payments.

Impairment of financial assets

CEREIT financial assets that are subject to the expected credit loss model are trade receivables. While cash and cash equivalents are also subject to the impairment requirements of IFRS 9 *Financial Instruments*, there was no identified impairments loss.

Rent and service charges from tenants are due and payable on invoice date with no credit terms provided mitigating largely any credit risk. Additionally, there are no significant concentrations of credit risk, whether through exposure to individual tenants, specific sectors or industries tenants operate in and/or regions.

For any rent receivables due to late payment of rent, CEREIT applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all rental receivables. To measure expected credit losses CEREIT has established an accounting policy that groups rental receivables based on days past due and applies a percentage of expected non-recoveries for each group of receivables. Following this, the level of tenant deposits held against possible non-recoveries is reviewed to identify possible credit losses to CEREIT.

As at year/period end, credit losses from rental receivables are expected to be insignificant.

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(b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash reserves and undrawn finance facilities to meet the ongoing operational requirements of the business. It is CEREIT's policy to maintain sufficient funds in cash and cash equivalents to meet expected near term operational requirements. The Manager prepares and monitors rolling forecasts of liquidity requirements on the basis of expected cash flow. The Manager monitors the maturity profile of borrowings and puts in place strategies designed to ensure that all maturing borrowings are refinanced in the required timeframes.

As at 31 December 2019, the Trust's current liabilities exceed its current assets by €49,974,000 (2018: €18,673,000). As the payables are mostly made up of payables to subsidiaries and with CEREIT's existing finance facilities, the Manager is of the opinion that the Trust will be able to meet its obligations as and when they fall due.

The contractual maturity of CEREIT's and the Trust's financial liabilities at balance date are shown in the table below. It shows undiscounted contractual cash flows required to discharge CEREIT's financial liabilities, including interest at current market rates.

	CEREIT				Trust			
	1 year or less €'000	1-3 years €'000	4 years or more €'000	Total €'000	1 year or less €'000	1-3 years €'000	4 years or more €'000	Total €'000
31 Dec 2019								
Payables	30,757	301	–	31,058	178,442	–	–	178,442
Borrowings	20,438	562,980	247,375	830,793	–	–	–	–
Derivative financial instruments	99	–	–	99	–	–	–	–
Other liabilities – finance lease liabilities	343	1,053	5,445	6,841	–	–	–	–
Total financial liabilities	**51,637**	**564,334**	**252,820**	**868,791**	**178,442**	**–**	**–**	**178,442**

	CEREIT				Trust			
	1 year or less €'000	1-3 years €'000	4 years or more €'000	Total €'000	1 year or less €'000	1-3 years €'000	4 years or more €'000	Total €'000
31 Dec 2018								
Payables	43,557	742	–	44,299	77,200	–	–	77,200
Borrowings	–	509,358	82,375	591,733	–	21,519	–	21,519
Derivative financial instruments	271	–	–	271	–	–	–	–
Other liabilities – finance lease liabilities	89	969	4,026	5,084	–	–	–	–
Total financial liabilities	**43,917**	**511,069**	**86,401**	**641,387**	**77,200**	**21,519**	**–**	**98,719**

CEREIT does not face a significant liquidity risk with regard to its lease liabilities.

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	31 Dec 2019 Minimum lease payable €'000	31 Dec 2019 Present value of minimum lease payments €'000
Amounts payable under finance leases:		
Within 1 year	346	343
After 1 year	8,484	6,498
	8,830	6,841
Less: Future finance charges	(1,991)	n.a.
Present value of lease obligations	6,839	6,841
Less: Amount due for settlement within 12 months		(343)
Amount due for settlement after 12 months		6,498

(c) Market risk

Market risk is the risk that the fair value or future cash flows of CEREIT's financial instruments fluctuate due to market price changes. CEREIT is exposed to the following market risks:

- Cash flow and fair value interest rate risk; and
- Foreign exchange risk.

Interest rate risk

CEREIT's interest rate risk primarily arises from long-term borrowings. Borrowings issued at variable rates expose CEREIT to cash flow interest rate risk. Borrowings issued at fixed rates expose CEREIT to fair value interest rate risk. CEREIT's hedging arrangements are monitored on an ongoing basis by the Board of Directors which determine the appropriate level of hedging of CEREIT's borrowings. For the current hedging profile of CEREIT's borrowings refer to note 10(b).

Sensitivity analysis – interest rate risk

The table below details CEREIT's sensitivity to movements in the year/period end interest rates, based on the borrowings and interest rate derivatives held at balance date with all other variables held constant and assuming all CEREIT's borrowings and interest rate derivatives moved in correlation with the movement in financial period end interest rates.

	CEREIT Impact on Total Return	
	1 Jan 2019 to 31 Dec 2019 €'000	Period from Constitution 28 Apr 2017 to 31 Dec 2018 €'000
Interest rates – increase by 100 basis points	9,788	3,306
Interest rates – decrease by 100 basis points	261	(3,775)

There would have been no impact on other equity balances.

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Foreign exchange risk

CEREIT's foreign exchange risk primarily arises from its operations in non-Euro denominated countries. These include Denmark where CEREIT owns 13 light industrial assets and the functional currency is Danish Krona ("DKK"), Poland where CEREIT owns 6 office assets and Singapore where the Trust is domiciled. While the Trust's functional currency is also Euro, the Trust makes payments to various suppliers and holds cash in Singapore Dollars (SGD).

CEREIT's exposure to these foreign currency risk at the balance sheet date, expressed in Euro, was as follows:

	CEREIT			Trust
	DKK €'000	**PLN €'000**	**SGD €'000**	**SGD €'000**
31 Dec 2019				
Cash and cash equivalents	1,279	9,032	346	314
Receivables	895	20,482	2,393	2,393
Payables	(40,296)	–	(454)	(425)
Borrowings	–	(20,438)	–	–
Net exposure	**(38,122)**	**9,076**	**2,285**	**2,282**

	CEREIT			Trust
	DKK €'000	**PLN €'000**	**SGD €'000**	**SGD €'000**
31 Dec 2018				
Cash and cash equivalents	1,404	–	362	362
Receivables	167	–	–	–
Payables	(3,226)	–	–	–
Borrowings	(25,895)	–	–	–
Derivative financial instruments	(22)	–	–	–
Net exposure	**(27,572)**	**–**	**362**	**362**

Sensitivity analysis – foreign exchange risk

	1 Jan 2019 to 31 Dec 2019			
	CEREIT			**Trust**
	DKK €'000	**PLN €'000**	**SGD €'000**	**SGD €'000**
Increase / (decrease) in total return if foreign currency strengthening 1% on Euro	381	(91)	(23)	(23)

	Period from Constitution 28 Apr 2017 to 31 Dec 2018			
	CEREIT			**Trust**
	DKK €'000	**PLN €'000**	**SGD €'000**	**SGD €'000**
Increase / (decrease) in total return if foreign currency strengthening 1% on Euro	28	–	(4)	(4)

The weakening of the foreign currencies to which CEREIT is exposed to by the same percentage would have had the equal but opposite effect on total return and Unitholders' funds.

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(d) Fair value measurement of financial instruments

CEREIT uses a number of methods to determine the fair value of its financial instruments as described in IFRS 13 *Fair Value Measurement*. The methods comprise the following:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The table below presents CEREIT's financial assets and liabilities measured and carried at fair value at balance sheet date:

		CEREIT As at 31 Dec 2019			
	Note	Level 1 €'000	Level 2 €'000	Level 3 €'000	Total €'000
Financial assets at fair value					
Derivative financial instruments	10	–	883	–	883
Financial liabilities at fair value					
Derivative financial instruments	10	–	99	–	99

		CEREIT As at 31 Dec 2018			
	Note	Level 1 €'000	Level 2 €'000	Level 3 €'000	Total €'000
Financial assets at fair value					
Derivative financial instruments	10	–	5	–	5
Financial liabilities at fair value					
Derivative financial instruments	10	–	271	–	271

There were no transfers between the levels of the fair value hierarchy during the year/period.

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Disclosed fair values

The fair values of derivative financial instruments (Level 2) are disclosed in the balance sheet.

The carrying amounts of receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of non-current variable interest-bearing borrowings approximate their fair values as they are floating rate instruments that are re-priced to market interest rate on or near balance sheet date.

Valuation techniques used to derive Level 2 fair values

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 2 financial assets and financial liabilities held by CEREIT include "Vanilla" fixed to floating interest rate swap and interest rate cap contracts (over-the-counter derivatives). The fair value of these derivatives has been determined using a pricing model based on discounted cash flow analysis which incorporates assumptions supported by observable market data at balance date including market expectations of future interest rates and discount rates adjusted for any specific features of the derivatives and counterparty or own credit risk. All counterparties to interest rate derivatives are European financial institutions.

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Group Structure

This section will provide information about the CEREIT group structure including information about controlled entities (subsidiaries), if applicable, business combination information relating to the acquisition of controlled entities.

13 CONTROLLED ENTITIES

Name	Country of registration	Equity holding & ownership interest 2019 %	2018 %
Cromwell SG SPV 1 Pte. Ltd.	Singapore	100	100
Cromwell SG SPV 2 Pte. Ltd.	Singapore	100	100
Cromwell SG SPV 3 Pte. Ltd.	Singapore	100	100
Cromwell SG SPV 4 Pte. Ltd.	Singapore	100	100
Cromwell SG SPV 5 Pte. Ltd.	Singapore	100	100
Cromwell EREIT SG Finco Pte. Ltd. ^	Singapore	100	–
Parc d'Activités 1 Luxembourg	Luxembourg	100	100
Cromwell EREIT Lux 2 S.à r.l.	Luxembourg	100	100
Cromwell EREIT Lux 3A S.à r.l.	Luxembourg	100	100
Cromwell EREIT Lux 3B S.à r.l.	Luxembourg	100	100
Cromwell EREIT Lux 4 S.à r.l.	Luxembourg	100	100
Cromwell EREIT Lux 5 S.à r.l.	Luxembourg	100	100
PA Holdings Luxembourg S.à r.l.	Luxembourg	100	100
EHI Luxembourg S.à r.l.	Luxembourg	100	100
Cromwell European Cities Income Fund S.C.Sp.	Luxembourg	100	100
Cromwell European Cities Income Fund General Partner S.à r.l.	Luxembourg	100	100
CECIF Lux Holdco 1	Luxembourg	100	100
CECIF Lux Holdco 2	Luxembourg	100	100
CECIF Lux Bidco 1	Luxembourg	100	100
Arkonska PL Propco S.à r.l.	Luxembourg	100	100
Riverside PL Propco S.à r.l.	Luxembourg	100	100
Grojecka PL Propco S.à r.l.	Luxembourg	100	100
Moeder Teresalaan NL Propco S.à r.l.	Luxembourg	100	100
Cromwell EREIT Lux Finco S.à r.l. ^	Luxembourg	100	–
Europe 1 Propco S.à r.l^	Luxembourg	100	100
EHI CV1 UK Limited	UK	100	100
EHI CV3 UK Limited	UK	100	100
EHIF (Denmark) Limited	UK	100	100
EHIF Limited	UK	100	100
EHI Fund (Jersey) Limited	Jersey	100	100
EHI Fund Germany Limited	Jersey	100	100
EHI Fund One CV	The Netherlands	100	100
Euroind Two CV	The Netherlands	100	100
Euroind Three CV	The Netherlands	100	100
EHI Fund GP (Netherlands) B.V.	The Netherlands	100	100

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Name	Country of registration	Equity holding & ownership interest 2019 %	2018 %
Yova Central Plaza B.V.	The Netherlands	100	100
Yova Koningskade B.V.	The Netherlands	100	100
Yova Ruyterkade B.V.	The Netherlands	100	100
Yova Haagse Poort B.V.	The Netherlands	100	100
Yova Blaak B.V.	The Netherlands	100	100
Peacock Real Estate B.V.	The Netherlands	100	100
EHI Fund Denmark ApS	Denmark	100	100
Cambil Spółka z ograniczoną odpowiedzialnością^	Poland	100	–
Kasteli Spółka z ograniczoną odpowiedzialnością^	Poland	100	–
Cromwell Europa 1 AIF	Italy	100	100
Cromwell Europa 2 AIF	Italy	100	100
Centro Lissone S.R.L.	Italy	100	100
PA France[a]	France	100	100
PA Pantin SAS[a]	France	100	100
PA Osny SAS[c]	France	100	100
PA Sartrouville SAS[a]	France	100	100
PA Villeneuve SAS[a] [1]	France	100	100
PA Acticlub Saint Thibault	France	100	100
PA Aubervilliers SCI	France	100	100
PA Aulnay[1]	France	100	100
PA La Courneuve	France	100	100
PA Gennevilliers SCI	France	100	100
PA St Thibault[1]	France	100	100
PA Urbaparc SCI	France	100	100
EHI France 1 Champs Sur Marne	France	100	100
EHI France 4 Magny Les Hameaux	France	100	100
EHI France 5 Saint Ouen	France	100	100
EHI France 8 Saint Genis Laval[1]	France	100	100
EHI France 9 Villepinte	France	100	100
EHI France 11 Bar Le Duc	France	100	100
EHI France 15 Gondreville	France	100	100
EHI France 17 Saint Etienne [1]	France	100	100
EHI France 20 Vitry Sur Seine	France	100	100
EHI France 22 Noisy Le Sec	France	100	100
Logistics France 1 SAS^	France	100	–
Parc Logistique SAS[b] ^	France	100	–
SCI Cap Mermoz^	France	100	–
SCI Confluence Paryseine^	France	100	–
Myyrinraitti Holdco Oy	Finland	100	100
PKK 3 Holdco Oy	Finland	100	100
PKK 12 Holdco Oy	Finland	100	100
Plaza Forte Holdco Oy	Finland	100	100
Artemis Holdco Finland Oy	Finland	100	100
Artemis Acquisition Finland Oy[@]	Finland	–	100

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FOR THE YEAR ENDED 31 DECEMBER 2019

Name	Country of registration	Equity holding & ownership interest 2019 %	2018 %
Vioto Holdco Oy	Finland	100	100
Vioto Oy (OREC)@	Finland	–	100
Koy Maki 3 (OREC)	Finland	100	100
Koy Kuopio 39 (OREC)	Finland	100	100
Liiketalo Myyrinraitti Oy (MREC)	Finland	94	94
Kiinteistö Oy Pakkalan Kartanonkoski 3 (MREC)@	Finland	–	100
Kiin Oy Pakkalan Kartanonkoski 12 (MREC)	Finland	100	100
Kiinteistö Oy Plaza Forte (MREC)	Finland	100	100
Kiinteistö Oy Plaza Allegro (MREC)	Finland	100	100
Kiinteistö Oy Plaza Vivace (MREC)	Finland	100	100
Kiinteistö Oy Opus 1 (MREC)	Finland	100	100
Yrityspuiston Autopaikat Oy	Finland	57	57

(1) The entities were reclassified as "Assets held for sale" (Note 16), pursuant to the announcement for disposal of a portfolio of 12 assets located in France, Denmark and the Netherlands on 17 December 2019.
^ Established/ acquired during FY 2019
@ Dissolved during FY 2019

All of CEREIT's subsidiaries are holding entities or entities that hold CEREIT's investment properties.

Notes:

All of the above entities are audited by Deloitte and Touche LLP, except for the following:

(a) Audited by PricewaterhouseCoopers.
(b) Audited by Ernst & Young.
(c) Not required to be audited as the subsidiary is in the process of striking off.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

Other Items

This section of the annual financial report provides information about individually significant items to the balance sheet or the income statement and items that are required to be disclosed by International Financial Reporting Standards, unrecognised items and the basis of preparation of the annual financial report.

14 OTHER RECEIVABLES AND PAYABLES

Overview

This note provides further information about material assets and liabilities that are incidental to CEREIT's and the Trust's trading activities, being receivables, loans receivable and payables.

(a) Receivables

	CEREIT		Trust	
	31 Dec 2019 €'000	31 Dec 2018 €'000	31 Dec 2019 €'000	31 Dec 2018 €'000
Current				
Rental receivables	18,957	15,676	–	–
Deposit – property acquisitions	1,900[1]	18,156[2]	–	18,156
VAT and GST receivables	27,776[3]	10,939	2,392	2,209
Other receivables	7,665	4,297	591	–
Loans to subsidiaries[4]	–	–	111,136[5]	22,430
Prepayments	704	651	3	–
Total receivables – current	**57,002**	**49,719**	**114,122**	**42,795**
Non-current				
Other receivables	605	688	–	–
Total receivables – non-current	**605**	**688**	**–**	**–**

1 As at 31 December 2019, a deposit of €1,900,000 was paid for the acquisition of a portfolio of 3 freehold light industrial/logistics assets in Germany. The acquisition was subsequently completed on 24 March 2020 (refer to note 20(e)).

2 The deposit provided to vendors of pending property acquisitions by CEREIT of €18,156,000 at 31 December 2018 was fully recovered upon completion of the acquisition of 4 French light industrial properties and 3 Polish office assets during FY 2019.

3 As at 31 December 2019, VAT and GST receivables included €20,712,000 (2018: nil) of VAT paid in relation to the acquisition of Polish assets, which was refunded in February 2020.

4 Loans to subsidiaries are unsecured, interest-free and repayable on demand.

5 For purpose of impairment assessment, loans to subsidiaries are considered to have low credit risk as the timing of payment is controlled by CEREIT taking into account cash flow management within CEREIT and there has been no significant increase in the risk of default on the loan since initial recognition. Accordingly, for the purpose of impairment assessment for these loans, the loss allowance is measured at an amount equal to 12-month expected credit losses (ECL).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

In determining the ECL, management has taken into account the financial position of the subsidiaries, adjusted for factors that are specific to the subsidiaries and general economic conditions of the industry in which the subsidiaries operate, in estimating the probability of default of the loans as well as the loss upon default. Management determines the loans to subsidiaries are subject to immaterial credit loss.

Accounting policy

Trade and other receivables, including rental and service charge receivables are recognised initially at fair value and subsequently measured at amortised cost, less allowance for credit losses. Refer to note 12(a) for further information about CEREIT's impairment policies.

(b) Trade and other payables

	CEREIT		Trust	
	31 Dec 2019 €'000	**31 Dec 2018 €'000**	**31 Dec 2019 €'000**	**31 Dec 2018 €'000**
Current				
Trade payables and accrued expenses	26,564	41,121	5,426	13,932
Vendor funding – lease incentives	4,193	2,436	–	–
Payables to subsidiaries[1]	–	–	173,016	63,268
Total payable – current	**30,757**	**43,557**	**178,442**	**77,200**
Non-current				
Vendor funding – lease incentives	301	742	–	–
Total payables – non-current	**301**	**742**	**–**	**–**

1 Payables to subsidiaries are unsecured, interest-free and repayable on demand, except for certain payables to a subsidiary amounting to €68,521,000 (2018: Nil) which bore interest rates ranging from 1.30% to 1.75% per annum.

Accounting policy

Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost. These amounts represent liabilities for goods and services provided to CEREIT prior to the end of the year and which are unpaid. The amounts are usually unsecured and paid within 30-60 days of recognition.

Vendor funding – lease incentives

As part of acquisitions of investment properties, the acquisition price of the properties is reduced for unpaid tenant incentives contracted for as at acquisition date. The purchase price reduction is recorded as payable on the balance sheet. The liability is transferred to profit or loss as and when the respective tenant incentives are paid or taken.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

15 OTHER LIABILITIES

	CEREIT 31 Dec 2019 €'000	CEREIT 31 Dec 2018 €'000
Current		
Tenant security deposits	12,955	9,239
Rent in advance	22,829	18,571
Other liabilities	5,469	3,089
Total other current liabilities	**41,253**	**30,899**
Non-current		
Other liabilities	7,289	5,229
Total other non-current liabilities	**7,289**	**5,229**

Accounting policy

Tenant security deposits

Tenant security deposits are recognised at the fair value of the amount received within other current liabilities on the balance sheet. The liability is derecognised upon returning the deposit to the tenant at the end of the tenancy or transferred to profit or loss to the extent of rent owed when it has been established that a tenant will default on its rental payment obligations.

Rent in advance

Rent in advance represent rental payments received in advance of due date from tenants. Rent in advance is recognised within other current liabilities on the balance sheet. The liabilities is transferred to rental income within profit or loss as and when the service of providing lettable space to a tenant is provided.

16 ASSETS AND LIABILITIES HELD FOR SALE

	CEREIT 31 Dec 2019 €'000
Asset sale	
5 light industrial / logistics Dutch assets	19,392
2 light industrial / logistics Danish assets	9,123
	28,515
The disposal group	
– Investment properties	37,185
– Cash and cash equivalents	310
– Receivables	2,943
	40,438
Assets held for sale	**68,953**
The disposal group	
– Payables	740
– Other current liabilities	1,030
Liabilities held for sale	**1,770**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

On 16 December 2019, CEREIT entered to a master sale and purchase agreement with entities owned by funds advised by affiliates of the Blackstone Group Inc. in relation to the disposal of 12 properties from CEREIT's portfolio located in the Netherlands, Denmark and France (collectively the "Portfolio"). The agreed property sales price of the Portfolio is €65.7 million, representing a 15.2% premium to the original purchase price and a 4.1% premium to the latest market value of the Portfolio, based on the independent valuations conducted by Cushman & Wakefield Debenham Tie Leung Limited (in respect of the Dutch Assets and the Danish Asserts) and Colliers International Valuation UK LLP (in respect of the French Assets) as at 30 June 2019.

Pursuant to the sale and purchase agreement, CEREIT, through its subsidiaries, sell the Portfolio by way of an asset sale for the Dutch assets and the Danish assets and by way of a sale of shares of the French companies that own the French assets.

Accounting policy

Assets and liabilities that are highly probable to be recovered primarily through sale rather than through continuing use, are classified as held for sale and accounted for as current assets. Immediately before classification as held for sale, the assets are remeasured in accordance with applicable IFRSs. Thereafter, the disposal groups classified as held for sale are generally measured at the lower of their carrying amount and fair value less costs to sell. Investment properties held for sale are measured at fair value.

Impairment losses on initial reclassification as held for sale and subsequent gains or losses on remeasurement are recognised in the Consolidated Statement of Total Return. Gains are not recognised in excess of any cumulative impairment loss.

17 CASH FLOW INFORMATION

Overview

This note provides further information about non-cash transactions, the cash accounting policy as well as a reconciliation of net debt.

Accounting policy

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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(a) Non-cash transactions

	CEREIT		Trust	
	1 Jan 2019 to 31 Dec 2019 €'000	Period from Constitution 28 Apr 2017 to 31 Dec 2018 €'000	1 Jan 2019 to 31 Dec 2019 €'000	Period from Constitution 28 Apr 2017 to 31 Dec 2018 €'000
Transactions prior to Listing Date:				
Units issued for acquisition of investment properties/subsidiaries	–	101,164	–	101,164
Transactions since Listing Date:				
Units issued in lieu of acquisition fees	3,125	6,553	3,125	6,553
Units issued in lieu of purchase consideration	5,000	–	5,000	–
Units issued in lieu of base management fees and property management fees	11,068	4,149	11,068	4,149
Total non-cash transactions	**19,193**	**111,866**	**19,193**	**111,866**

(b) Net debt reconciliation

Net debt

	CEREIT		Trust	
	31 Dec 2019 €'000	31 Dec 2018 €'000	31 Dec 2019 €'000	31 Dec 2018 €'000
Cash and cash equivalents	79,250	57,755	14,346	15,732
Gross borrowings – current	(20,438)	–	–	–
Gross borrowings – non-current	(810,355)	(598,165)	–	(22,825)
Net debt	**(751,543)**	**(540,410)**	**14,346**	**(7,093)**

Movements in net debt

CEREIT	Cash and cash equivalents €'000	Borrowings – current €'000	Borrowings – non-current €'000	Net debt €'000
Balance at date of Constitution	12,768	(37,100)	(82,375)	(106,707)
Cash and borrowings acquired	42,168	–	(302,267)	(260,099)
Cash flows	2,819	37,100	(213,620)	(173,701)
Foreign currency movement	–	–	97	97
Net debt at 31 Dec 2018	**57,755**	**–**	**(598,165)**	**(540,410)**
Cash flows	21,805	(20,349)	(212,190)	(210,734)
Cash held for sale	(310)	–	–	(310)
Foreign currency movement	–	(89)	–	(89)
Net debt at 31 Dec 2019	**79,250**	**(20,438)**	**(810,355)**	**(751,543)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

18 RELATED PARTIES

Overview

Related parties are persons or entities that are related to CEREIT as defined by IAS 24 *Related Party Disclosures.* These include directors and their close family members and any entities they control as well as subsidiaries, the Manager Cromwell EREIT Management Pte. Ltd., the Manager's parent entity Cromwell Corporation Limited ("CCL") and all subsidiaries and associates of CCL. They also include entities which are considered to have significant influence over CCL.

Related parties include all entities that are defined as Interested Persons under the SGX-ST Listing Manual or Interested Parties under the Code of CIS.

This note provides information about transactions with related parties during the year/period. All of CEREIT's transactions with related parties are on normal commercial terms and conditions and at market rates.

(a) IPO transactions

At CEREIT's Initial Public Offering ("IPO") on 30 Nov 2017 CEREIT acquired entities that were managed by subsidiaries of the Cromwell Property Group for third party investors. These entities held 57 properties of CEREIT's current investment property portfolio. The purchase price for these properties was €695,843,000. Due to the related party nature of the transaction, two independent valuations were obtained for each of the properties involved in the transactions. The appraised value of these properties was €733,860,000.

CEREIT paid €387,314,000 reflecting the net asset value of the entities acquired that held the portfolio of 57 properties as described above.

In 2018, the Manager received an acquisition fee of €6,553,000 for all IPO property acquisitions which included the transactions above. The Manager received 11,914,000 CEREIT units in satisfaction of the acquisition fee payable.

(b) Rights Issue transaction

On 30 October 2018 CEREIT announced its intention to acquire 16 properties located in Finland, the Netherlands and Poland for an aggregate purchase price of €312,548,000. These properties were managed by subsidiaries of CCL on behalf of a third-party investor. Due to the related party nature of the transaction, two independent valuations were obtained for each of the properties involved in the transactions. The appraised value of these properties was €322,340,000. Unitholder approval was sought on the transaction with an Extraordinary General Meeting ("EGM") held on 15 November 2018. CEREIT received 99.84% approval for the transaction of the votes cast at the EGM.

The acquisition of the Finland and Netherlands assets closed on 28 December 2018 while the acquisition of the Poland assets closed subsequent to period end on 14 February 2019. CEREIT paid in total €243,298,000 reflecting the preliminary net asset value of the entities in which the properties were held and the acquisition price of one Dutch property that was acquired separately as an asset acquisition.

As at 31 December 2018, an acquisition fee of €2,407,000 was payable to the Manager in relation to the above-mentioned acquisitions. The acquisition fee payable was satisfied through the issue of 4,833,292 CEREIT units on 4 March 2019.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

(c) Other related party transactions

The Trustee, Manager, and the Property Manager, which is 100% controlled by CCL, received various management fees, acquisition fees and divestment fees during the year/period. Details of the fees paid/payable have been disclosed in note 3 to the financial statements.

As at 31 December 2019, a total of €7,753,000 (2018: €8,042,000) remains payable (excluding the acquisition fee payable described in note (b) above).

19 UNRECOGNISED ITEMS

Overview

Items that have not been recognised on CEREIT's balance sheet include contractual commitments for future expenditure and contingent liabilities if applicable, which are not sufficiently certain to qualify for recognition as a liability on the balance sheet. This note provides details of any such items. Additionally, disclosure is also made of any other material contractual arrangements that may result in future cash outflows.

(a) Capital expenditure commitments

Commitments in relation to capital expenditure contracted for at reporting date but not recognised as a liability are as follows:

	CEREIT	
	31 Dec 2019 €'000	31 Dec 2018 €'000
Investment properties	**6,297**	**8,318**

20 SUBSEQUENT EVENTS

(a) On 25 February 2020, the Manager announced a distribution of €2.03 cpu for the period from 2 July 2019 to 31 December 2019 (2018: €1.57 cpu for the period from 1 July 2018 to 31 December 2018).

(b) On 27 February 2020, CEREIT entered into a purchase agreement to acquire a light industrial / logistics asset in Germany for a purchase consideration of €16.6 million. The acquisition is expected to be completed in April 2020.

(c) On 6 March 2020, the Trust issued a total of 8,293,384 units in relation to the following:

- 1,810,389 units were issued to the Manager as payment of 100% of the Manager's base fee for the period from 1 October 2019 to 31 December 2019 at an issue price of €0.5314;
- 3,673,076 units were issued to the Manager as payment the performance fee for FY 2019 at an issue price of €0.5314; and
- 2,809,919 units were issued to the property manager as payment of 40% of the property and portfolio management fee for the period from 1 October 2019 to 31 December 2019 at an issue price of €0.5314.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

(d) On 24 March 2020, the disposal of 12 properties from CEREIT's portfolio located in the Netherlands, Denmark and France was completed (refer to note 16).

(e) Also on 24 March 2020, CEREIT completed the acquisition of a portfolio of 3 light industrial/logistics assets in Germany under a sale and leaseback arrangement, for a total consideration of €38,000,000.

(f) After the FY 2019 financial year ended, the COVID-19 pandemic started to take hold and in the first quarter of 2020 has significantly amplified its impact on global markets and trade, in particular in Europe where all of CEREIT's properties are located. The pandemic continues to evolve at the time of signing CEREIT's FY 2019 financial statements. Due to this, it is difficult to predict the possible future financial impact on CEREIT.

(g) In March 2020, CEREIT's cash position was estimated to be c. €200 million due to the following:

- cash at bank in early March 2020 of approximately €100 million from operating cashflows;
- an additional €150 million cash from fully drawing on the €150 million revolving credit facility in March 2020 to be applied to working capital, early refinancing and/or operating expenses;
- completion of the transactions in (d) and (e) above resulting in a net positive receipt of proceeds; and
- payment of the distribution for 2H 2019 on 30 March 2020.

21 FINANCIAL RATIOS

	CEREIT	
	1 Jan 2019 to 31 Dec 2019 %	Period from Listing 30 Nov 2017 to 31 Dec 2018 %
Ratio of expenses to weighted average net assets[1]		
Including performance component of the Manager's management fees	1.02	0.87
Excluding performance component of the Manager's management fees	0.85	0.87
Portfolio turnover rate[2]	1.42	–

(1) The annualised ratios are computed in accordance with the guidelines of the Investment Management Association of Singapore ("IMAS"). The expenses used in the computation relate to expenses of CEREIT, excluding property expenses, finance expenses, net foreign exchange differences and income tax expense. CEREIT did not pay any performance fee in the period from Listing Date to 31 Dec 2018.

(2) The annualised ratio is computed based on the lesser of purchases or sales of underlying investment properties of CEREIT expressed as percentage of average net asset value in accordance with the formulae stated in the CIS.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

22 BASIS OF PREPARATION AND OTHER ACCOUNTING POLICIES

Overview

This note provides an overview of CEREIT's accounting policies that relate to the preparation of the financial report as a whole and does not relate to specific items. Accounting policies for specific items in the balance sheet or statement of comprehensive income have been included in the respective note.

(a) Basis of preparation

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") and interpretations adopted by the International Accounting Standards Board. The financial report also complies with applicable requirements of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore ("MAS") and the provisions of the trust deed.

The financial statements have been authorised for issue on 25 March 2020.

Financial Periods

Prior to Listing Date, CEREIT was a private Singapore Trust, wholly owned by the Cromwell Property Group. The total return during the period prior to Listing Date does not from part of distributable income to which Unitholders are entitled to. In accordance with IFRS and the trust deed the consolidated financial statements were prepared for the financial period from the date of Constitution of CEREIT on 28 April 2017 to 31 December 2018. The financial statements for 2019 cover the period from 1 January 2019 to 31 December 2019.

Historical cost convention

The financial report is prepared on the historical cost basis except for the following:

- investment properties are measured at fair value;
- derivative financial instruments are measured at fair value.

(b) Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries as at 31 December 2019 and the results of all subsidiaries for the financial year then ended. Subsidiaries are entities controlled by the Trust. Control exists when the Trust is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The acquisition method of accounting is used to account for business combinations by CEREIT. Inter-entity transactions, balances and unrealised gains on transactions between CEREIT entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by CEREIT.

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

Entities acquired, that do not meet the definition of a business are accounted for as acquisition of an asset or a group of assets. This is generally the case if the value of the assets acquired is substantially all concentrated in a single asset or group of similar assets such as investment properties.

Investments in subsidiaries are accounted for at cost in the individual financial statements of the Trust. A list of subsidiaries appears in note 13 to the consolidated financial statements.

(c) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of CEREIT's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Euro, which is the Trust's and CEREIT's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income, except when they are attributable to part of the net investment in a foreign operation. Foreign exchange gains and losses that relate to borrowings are presented in the income statement, within finance costs. All other foreign exchange gains and losses are presented in the income statement on a net basis.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(d) Impairment of assets

At each reporting date, and whenever events or changes in circumstances occur, CEREIT assesses whether there is any indication that any other asset may be impaired. Where an indicator of impairment exists, CEREIT makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and an impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Assets other than goodwill that suffer impairment are reviewed for possible reversal of the impairment at each reporting date.

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(e) Critical accounting estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are based on historical or professional experience and other factors such as expectations about future events. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The areas that involved a higher degree of judgement or complexity and may need material adjustment if estimates and assumptions made in preparation of these financial statements are incorrect are:

Area of estimation	Note
Measurement of deferred tax liabilities	7
Fair value of investment properties	8

Preliminary accounting for Finland and the Netherlands acquisitions

On 28 December 2018, CEREIT acquired 2 Dutch office assets and 11 Finnish office assets (refer note 8(c)). One of the Dutch office assets and all Finnish assets were acquired through the acquisition of all shares of the entities in which the properties were held. As at the date of last report, the final net asset value of the entities acquired had not yet been determined, therefore the acquisitions were accounted for based on preliminary net asset values as at 31 December 2018. The only material asset held by these entities are the investment properties with the remainder of the remaining net asset value consisting of working capital. Therefore, it was not expected that the final net asset value of these entities as at 31 December 2018 would be materially different from the preliminary net asset values.

(f) New accounting standards and interpretations

(i) New and amended standards adopted

CEREIT has adopted IFRS 16 (as issued by the IASB in January 2016) that is effective for annual periods that begin on or after 1 January 2019.

IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. There is no significant impact to CEREIT's financial statements due to the adoption of this standard.

The date of initial application of IFRS 16 for CEREIT is 1 January 2019.

In the current year, CEREIT has applied a number of amendments to IFRS Standards and Interpretations issued by the IASB that are effective for an annual period that begins on or after 1 January 2019. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

(ii) *New standards and interpretations not yet adopted*

Relevant accounting standards and interpretations that have been issued or amended but are not yet effective and have not been adopted for the year are as follows:

	Application date of Standard	**Application date for CEREIT**
Amendments to IAS 1 and IAS 8 *Definition of material*	1 Jan 2020	1 Jan 2020
Conceptual Framework Amendments to References to the Conceptual Framework in IFRS Standards	1 Jan 2020	1 Jan 2020

Amendments to IAS 1 and IAS 8 *Definition of material*

The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'.

The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of material or refer to the term 'material' to ensure consistency.

Amendments to References to the Conceptual Framework in *IFRS Standards*

Together with the revised Conceptual Framework, which became effective upon publication on 29 March 2018, the IASB has also issued Amendments to References to the Conceptual Framework in IFRS Standards. The document contains amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.

Not all amendments, however, update those pronouncements with regard to references to and quotes from the framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASC Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework.

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

CEREIT will adopt the IFRS on 1 January 2020.

ADDITIONAL INFORMATION

INTERESTED PERSON TRANSACTIONS

Transactions entered into with interested persons during the financial year falling under the Listing Manual of SGX-ST and the Property Funds Appendix of the CIS are as follows:

Name of interested party	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under unitholders' mandate pursuant to Rule 920) €'000	Aggregate value of all interested person transactions conducted under unitholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000) €'000
Cromwell Property Group and its related companies	The sponsor of CEREIT and its related companies		
– Acquisition fees		3,633[1]	–
– Divestment fees		95[2]	–
– Base management fees		4,668	–
– Performance fees		1,952	–
– Property & portfolio management fees		13,599	–
– Leasing fees		1,709	–
– Project management fees		668	–
Perpetual (Asia) Limited and its related companies	The trustee of CEREIT and its related companies		
Trustee fees		250	–

(1) Acquisition fee of 1.0% on the purchase price of investment properties acquired by CEREIT during the financial year.

(2) Divestment fee of 0.5% on the gross sale price of investment property divested by CEREIT during the financial year.

With the exception of what has been disclosed above, there were no additional interested person transactions (excluding transactions of less than S$100,000 each) entered into up to and including 31 December 2019, nor any material contracts entered by CEREIT or any of its subsidiaries that involve the interests of the CEO, any Directors or any controlling Unitholder of the Trust.

Please also see the Related Party Note 18 in the financial statements.

The entry into and the fees payable pursuant to the Trust Deed have been approved by the Unitholders upon purchase of the Units at the initial public offering of CEREIT on the SGX-ST in November 2017 and are therefore not subject to Rules 905 and 906 of the Listing Manual.

STATISTICS OF UNITHOLDINGS

AS AT 13 MARCH 2020

Issued and Fully Paid Units: 2,556,080,556

Voting rights: 1 vote per Unit. There is only one class of Units in CEREIT.

Market capitalisation is €1,112 million based on the market closing price of €0.435 on 13 March 2020.

As at 13 March 2020, there are no treasury units held by CEREIT or the Manager.

SUBSTANTIAL UNITHOLDERS AS AT 13 MARCH 2020

Based on the Register of Substantial Unitholders' Unitholdings, the interests of Substantial Unitholders in Units are as follows:

	Direct Interest	%	Deemed Interest	%
Cromwell Property Group[1]	–	–	784,004,018	30.67
Cromwell Singapore Holdings Pte. Ltd.	769,434,281	30.10	–	–
CDPT Finance No.2 Pty Ltd[2]	–	–	769,434,281	30.10
Cromwell Property Securities Limited (as Responsible Entity for Cromwell Diversified Property Trust)[2]	–	–	769,434,281	30.10
ARA Real Estate Investors XXI Pte. Ltd.[3]	–	–	793,268,460	31.03
ARA RE Investment Group (Singapore) Pte. Ltd.[3]	–	–	793,268,460	31.03
ARA Asset Management Limited[3]	–	–	793,268,460	31.03
ARA Investment (Cayman) Limited[3]	–	–	793,268,460	31.03
ARA Asset Management Holdings Pte. Ltd.[3]	–	–	793,268,460	31.03
Straits Equities Holdings (One) Pte. Ltd.[4]	–	–	793,268,460	31.03
The Straits Trading Company Limited[4]	–	–	793,268,460	31.03
The Cairns Pte. Ltd.[5]	–	–	793,268,460	31.03
Raffles Investment Private Limited[5]	–	–	793,268,460	31.03
Tecity Pte. Ltd.[5]	–	–	793,268,460	31.03
Aequitas Pte. Ltd.[5]	–	–	793,268,460	31.03
Tan Chin Tuan Pte. Ltd.[5]	–	–	793,268,460	31.03
Dr Tan Kheng Lian[5]	–	–	793,268,460	31.03
Alexandrite Gem Holdings Limited[6]	–	–	793,268,460	31.03
WP Global LLC[6]	–	–	793,268,460	31.03
Warburg Pincus Partners II, L.P.[6]	–	–	793,268,460	31.03
Warburg Pincus Partners GP LLC[6]	–	–	793,268,460	31.03
Warburg Pincus & Co.[6]	–	–	793,268,460	31.03
AVICT Dragon Holdings Limited[7]	–	–	793,268,460	31.03
AVICT Phoenix Holdings Limited[7]	–	–	793,268,460	31.03
AVIC Trust Co., Ltd.[7]	–	–	793,268,460	31.03
China Aviation Investment Holdings Co., Ltd.[7]	–	–	793,268,460	31.03
AVIC Capital Co., Ltd.[7]	–	–	793,268,460	31.03
Aviation Industry Corporation of China[7]	–	–	793,268,460	31.03
Mr Gordon Tang and Mrs Celine Tang[8]	278,804,780	10.91	–	–
Hillsboro Capital, Ltd	186,590,000	7.30	–	–
Mr Andrew L. Tan[9]	–	–	204,790,000	8.01
UBS Group AG[10]	–	–	160,662,448	6.29
UBS AG[11]	–	–	160,662,448	6.29

STATISTICS OF UNITHOLDINGS

AS AT 13 MARCH 2020

Notes:

(1) Cromwell Singapore Holdings Pte. Ltd. ("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 Cromwell Diversified Property Trust ("CDPT"). CDPT is part of Cromwell Property Group ("CPG") which is a stapled entity comprising Cromwell Corporation Limited and CDPT. Accordingly, CPG is deemed to be interested in CSHPL's interests in the Units. Additionally, Cromwell EREIT Management Pte. Ltd. (the "Manager") which holds 11,759,818 Units, is a wholly-owned subsidiary of Cromwell Corporation Limited. Cromwell CEREIT Holdings Limited which holds 2,809,919 Units, is 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, CPG 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) 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 Cromwell Diversified Property Trust ("CDPT"). CDPT is part of CPG which is a stapled group comprising Cromwell Corporation Limited and CDPT. Accordingly, CDPT Finance No. 2 Pty Ltd. and Cromwell Property Securities Limited, respectively, are deemed to be interested in CSHPL's interests in the Units.

(3) ARA Real Estate Investors XXI Pte. Ltd. holds more than 20.0% of interest in CPG and is therefore deemed interested in the units in CEREIT through CPG's interests. ARA Real Estate Investors XXI Pte. Ltd. is wholly owned by ARA RE Investment Group (Singapore) Pte. Ltd., which is in turn wholly owned by ARA Asset Management Limited, which is in turn wholly owned by ARA Investment (Cayman) Limited, which is in turn wholly owned by ARA Asset Management Holdings Pte. Ltd. ARA RE Investment Group (Singapore) Pte. Ltd., ARA Asset Management Limited, ARA Investment (Cayman) Limited and ARA Asset Management Holdings Pte. Ltd. are therefore deemed interested in the units of CEREIT. The deemed interest held by each of ARA Real Estate Investors XXI Pte. Ltd., ARA RE Investment Group (Singapore) Pte. Ltd., ARA Asset Management Limited, ARA Investment (Cayman) Limited and ARA Asset Management Holdings Pte. Ltd. is based on the last notification of interests received by the Manager on 31 October 2019.

(4) Straits Equities Holdings (One) Pte. Ltd. holds more than 20.0% of voting rights of ARA Asset Management Holdings Pte. Ltd. and is therefore deemed interested in the units in CEREIT through ARA Asset Management Holdings Pte. Ltd.'s deemed interests in the units in CEREIT through CPG's interests. As The Straits Trading Company Limited holds 100% of the voting rights of Straits Equities Holdings (One) Pte. Ltd., it is also deemed interested in the units in CEREIT. The deemed interest held by each of Straits Equities Holdings (One) Pte. Ltd. and The Straits Trading Company Limited is based on the last notification of interests received by the Manager on 31 October 2019.

(5) The Cairns Pte. Ltd. ("Cairns") holds more than 50.0% of voting rights of The Straits Trading Company Limited and is therefore deemed interested in the units in CEREIT through The Straits Trading Company Limited's deemed interests in the units in CEREIT through CPG's interests. As each of Raffles Investment Private Limited ("Raffles"), Tecity Pte. Ltd. ("Tecity") and Tan Chin Tuan Pte. Ltd. ("TCT") holds not less than 20 per cent. of the voting rights of Cairns, Raffles, Tecity and TCT are also deemed interested in the units in CEREIT. As Aequitas Pte. Ltd. ("Aequitas") holds more than 50 per cent. of the voting rights of Raffles, it is also deemed interested in the units in CEREIT. Dr Tan Kheng Lian who holds more than 50 per cent. of the voting rights of TCT is also deemed interested in the units in CEREIT. The deemed interest held by each of Cairns, Raffles, Tecity, TCT, Aequitas and Dr Tan Kheng Lian is based on the last notification of interests received by the Manager on 31 October 2019.

(6) Alexandrite Gem Holdings Limited holds more than 20.0% of ARA Asset Management Holdings Pte. Ltd. and is therefore deemed interested in the units in CEREIT through ARA Asset Management Holdings Pte. Ltd.'s deemed interests in the units in CEREIT through CPG's interests. Alexandrite Gem Holdings Limited is wholly-owned by certain private equity funds which are limited partnerships ("the Funds") managed by Warburg Pincus LLC, a New York limited liability company. Warburg Pincus XII, L.P., a Delaware limited partnership and Warburg Pincus China GP, L.P., a Delaware limited partnership are the general partners of the Funds. WP Global LLC, a Delaware limited liability company ("WP Global"), is the general partner of each of Warburg Pincus XII, L.P. and Warburg Pincus China GP, L.P. Warburg Pincus Partners II, L.P., a Delaware limited partnership ("WPP II"), is the managing member of WP Global. Warburg Pincus Partners GP LLC, a Delaware limited liability company ("WPP GP LLC"), is the general partner of WPP II. Warburg Pincus & Co., a New York general partnership ("WP"), is the managing member of WPP GP LLC. Charles R. Kaye and Joseph P. Landy are each U.S. Citizens and Managing General Partners of WP and Managing Members and Co-Chief Executive Officers of Warburg Pincus LLC and may be deemed to control the Warburg Pincus entities. Charles R. Kaye and Joseph P. Landy disclaim beneficial ownership of all shares held by the Warburg Pincus entities. By virtue of this, each of WP Global, WPP II, WPP GP LLC and WP has a deemed interest in the units in CEREIT which CPG is deemed to be interested in. The deemed interest held by each of Alexandrite Gem Holdings Limited, WP Global, WPP II, WPP GP LLC and WP is based on the last notification of interests received by the Manager on 31 October 2019.

(7) AVICT Dragon Holdings Limited ("AVICT Dragon") holds more than 20 per cent. of the voting rights of ARA Asset Management Holdings Pte. Ltd. AVICT Phoenix Holdings Limited ("AVICT Phoenix") holds more than 50 per cent. of the voting rights of AVICT Dragon. AVIC Trust Co., Ltd. ("AVIC Trust") holds more than 50 per cent. of the voting rights of AVICT Phoenix. China Aviation Investment Holdings Co., Ltd. ("China Aviation") holds more than 50 per cent. of the voting rights of AVIC Trust. AVIC Capital Co., Ltd ("AVIC Capital") holds more than 50 per cent. of the voting rights of China Aviation. Aviation Industry Corporation of China ("AVIC") holds more than 20 per cent. of the voting rights of AVIC Capital. AVIC is wholly-owned by the Central State-Owned Assets Supervision and Administration Commission of the People's Republic of China. By virtue of this, each of AVICT Dragon, AVICT Phoenix, AVIC Trust, China Aviation, AVIC Capital and AVIC has a deemed interest in the units in CEREIT which CPG is deemed to be interested in. The deemed interest held by each of AVICT Dragon, AVICT Phoenix, AVIC Trust, China Aviation, AVIC Capital and AVIC is based on the last notification of interests received by the Manager on 31 October 2019.

(8) 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.

(9) Mr Andrew L. Tan is the beneficial owner of 204,790,000 units held through Hillsboro Capital, Ltd. and Worldwide Property Financing Limited.

(10) 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 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.

(11) Deemed interests arising by virtue of (a) UBS AG having an interest, or (b) Section 7(4) or 7(4A) of the Companies Act, Chapter 50 of Singapore 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.

STATISTICS OF UNITHOLDINGS

AS AT 13 MARCH 2020

DISTRIBUTION OF UNITHOLDINGS

SIZE OF UNITHOLDINGS	NO. OF UNITHOLDERS	%	NO. OF UNITS	%
1 – 99	6	0.20	314	0.00
100 – 1,000	215	7.22	186,596	0.01
1,001 – 10,000	1,134	38.09	6,055,938	0.24
10,001 – 1,000,000	1,602	53.82	71,227,929	2.78
1,000,001 AND ABOVE	20	0.67	2,478,609,779	96.97
TOTAL	2,977	100.00	2,556,080,556	100.00

TWENTY LARGEST UNITHOLDERS

NO.	NAME	NO. OF UNITS	%
1	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	784,273,718	30.68
2	CITIBANK NOMINEES SINGAPORE PTE LTD	619,147,023	24.22
3	DBS NOMINEES (PRIVATE) LIMITED	585,914,458	22.92
4	RAFFLES NOMINEES (PTE.) LIMITED	297,277,800	11.63
5	DBSN SERVICES PTE. LTD.	60,570,216	2.37
6	HSBC (SINGAPORE) NOMINEES PTE LTD	53,487,721	2.09
7	DB NOMINEES (SINGAPORE) PTE LTD	15,850,281	0.62
8	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	15,298,190	0.60
9	ABN AMRO CLEARING BANK N.V.	11,100,471	0.43
10	PHILLIP SECURITIES PTE LTD	9,915,120	0.39
11	BPSS NOMINEES SINGAPORE (PTE.) LTD.	5,734,100	0.22
12	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	4,262,590	0.17
13	MAYBANK KIM ENG SECURITIES PTE. LTD.	4,237,138	0.17
14	BNP PARIBAS NOMINEES SINGAPORE PTE. LTD.	2,380,300	0.09
15	LIEW CHEE KONG	2,098,200	0.08
16	EUCO INVESTMENTS PTE LTD	2,000,000	0.08
17	OCBC SECURITIES PRIVATE LIMITED	1,552,140	0.06
18	YEAP LAM HONG	1,315,000	0.05
19	MERRILL LYNCH (SINGAPORE) PTE. LTD.	1,155,313	0.05
20	LING PING SHEUN ARTHUR	1,040,000	0.04
	TOTAL	2,478,609,779	96.97

DIRECTORS' INTERESTS IN UNITS AS AT 21 JANUARY 2020

Based on the Register of Directors' Unitholdings, the interests of the Directors in Units are as follows:

	No. of Units			
Name of Director	Direct Interest	%	Deemed Interest	%
Lim Swe Guan	547,032	0.02	–	–
Paul Weightman	–	–	–	–
Christian Delaire	–	–	–	–
Fang Ai Lian	–	–	–	–
Simon Garing	–	–	–	–

PUBLIC HOLDINGS AS AT 13 MARCH 2020

Percentage of Issued Units Held by the Public

Based on the information available, approximately 44.10% of the issued Units in CEREIT is held by the public as at 13 March 2020 and therefore, pursuant to Rules 1207 and 723 of the Listing Manual of the SGX-ST, it is confirmed that at least 10% of the issued Units in CEREIT is held by the public. Accordingly, Rule 723 of the Listing Manual of the SGX-ST has been complied with.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Lim Swe Guan
Chair and Independent Non-Executive Director

Fang Ai Lian
Independent Non-Executive Director

Christian Delaire
Independent Non-Executive Director

Paul Weightman
Non-Independent and Non-Executive Director

Simon Garing
CEO and Executive Director

AUDIT AND RISK COMMITTEE

Fang Ai Lian
Chair and Independent Non-Executive Director

Lim Swe Guan
Independent Non-Executive Director

Christian Delaire
Independent Non-Executive Director

NOMINATING AND REMUNERATION COMMITTEE

Christian Delaire
Chair and Independent Non-Executive Director

Lim Swe Guan
Independent Non-Executive Director

Fang Ai Lian
Independent Non-Executive Director

MANAGEMENT TEAM

Simon Garing
CEO

Shane Hagan
CFO

Thierry Leleu
CIO

Elena Arabadjieva
COO and Head of Investor Relations

Christina Tham
Head of Legal, Compliance and Company Secretarial

COMPANY SECRETARY

Kim Yi Hwa

TRUSTEE

Perpetual (Asia) Limited
8 Marina Boulevard
#05-02 Marina Bay Financial Centre
Singapore 018981

MANAGER

Cromwell EREIT Management Pte. Ltd.
Registered Address
50 Collyer Quay
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Singapore 049321
Telephone: +65 6920 7539
Facsimile: +65 6920 8108
Email: enquiry@cromwell.com.sg
Website: www.cromwelleuropeanreit.com.sg

UNIT REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623
Telephone: +65 6536 5355
Facsimile: +65 6536 1360

AUDITORS

Deloitte & Touche LLP
6 Shenton Way, OUE Downtown 2
#33-00, Singapore 068809
Partner in charge: Shariq Barmaky
(Appointment date: 1 November 2017)

STOCK INFORMATION

SGX ID: CNNU & CSFU
Bloomberg: CERT:SP
Reuters: CROM.SI
ISIN: SG1EA8000000

INVESTOR RELATIONS

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CROMWELL EUROPEAN REIT

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