CROMWELL EUROPEAN REIT

RESULTS PRESENTATION

FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018
AND
THE FINANCIAL PERIOD
FROM 30 NOVEMBER 2017 TO 31 DECEMBER 2018

27 February 2019

CROMWELL EUROPEAN REIT

Disclaimer

This presentation shall be read only in conjunction and as a supplementary information to Cromwell European REIT's ("CEREIT") financial results announcement dated 27 February 2019 published on SGX Net.

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

Notes:
1. All figures in this presentation are as at 31 December 2018 and stated in Euro ("EUR" or "€"), unless otherwise stated
2. "p.p." refers to percentage points, and "bp" refers to basis points
3. The Prospectus disclosed a 1-month profit forecast for the period from 1 December 2017 to 31 December 2017 ("December 2017 Forecast"), and a full-year profit projection from 1 January 2018 to 31 December 2018 (the "FY2018 Projection"). Accordingly, "IPO forecast" refers to the summation of the December 2017 Forecast and the FY2018 Projection
4. "1Q FY18" refers to the financial period from 30 November 2018 to 31 March 2018; "1H FY18" refers to the financial period from 30 November 2018 to 30 June 2018; "9M FY18" refers to the financial period from 30 November 2017 to 30 September 2018; and "FY18" refer to the financial period from 30 November 2017 to 31 December 2018

Contents

CEREIT Investment Case

Cromwell European REIT Investment Case – Focus on Yield and Growth

Effective 8.0% Annualised Distribution Yield[1]

- Cromwell European REIT ("CEREIT") has delivered year-to-date above the IPO Forecast[2]
- Return on Contributed Equity of 9.3% for annualised FY2018[3]

€1.8 billion Diversified and Balanced Pan-European Exposure[4]

- 97 predominantly office and light industrial/logistics assets with significant scale and diversification across approximately 1.4 million square metres net lettable area with over 900 tenants
- Best positioned to take advantage of accretive acquisition opportunities in Europe on the back of attractive spreads with negative bond yield curves in Europe[5]

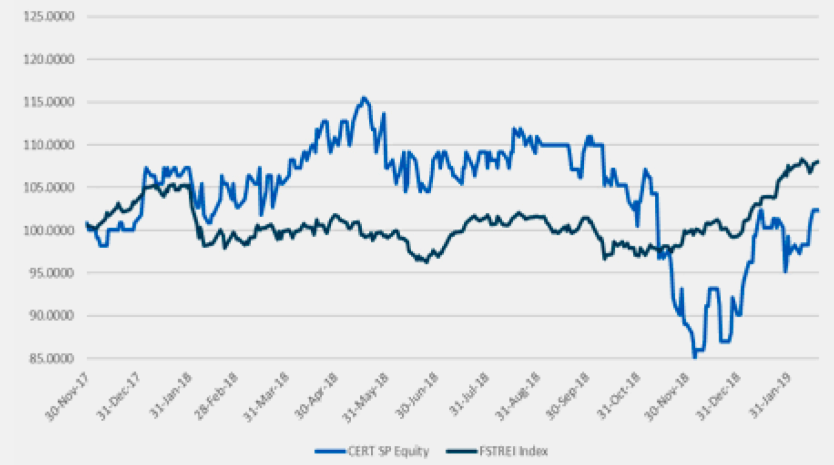
Opportunities for Income and Net Asset Value Growth

- Lease-up of residual portfolio vacancy on existing portfolio and higher reversionary yield on recent acquisitions provides growth opportunities
- Increased resilience from enlarged portfolio size and enhanced geographical diversification, from 5 countries to 7 countries
- Active asset enhancement initiatives underway

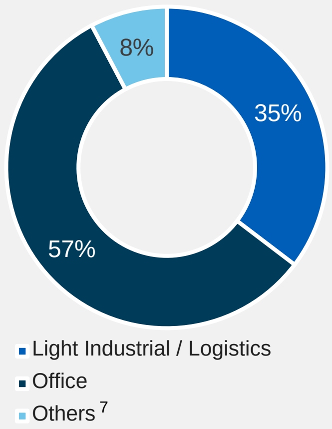
Internationally recognised Sponsor

- Cromwell Property Group (CMW.ASX) ("Sponsor") is a real estate investor and manager operating on three continents with a global investor base and extensive track record

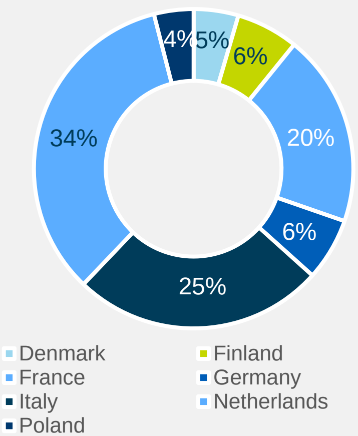
Total Return



Balanced Asset Class Exposure[6]



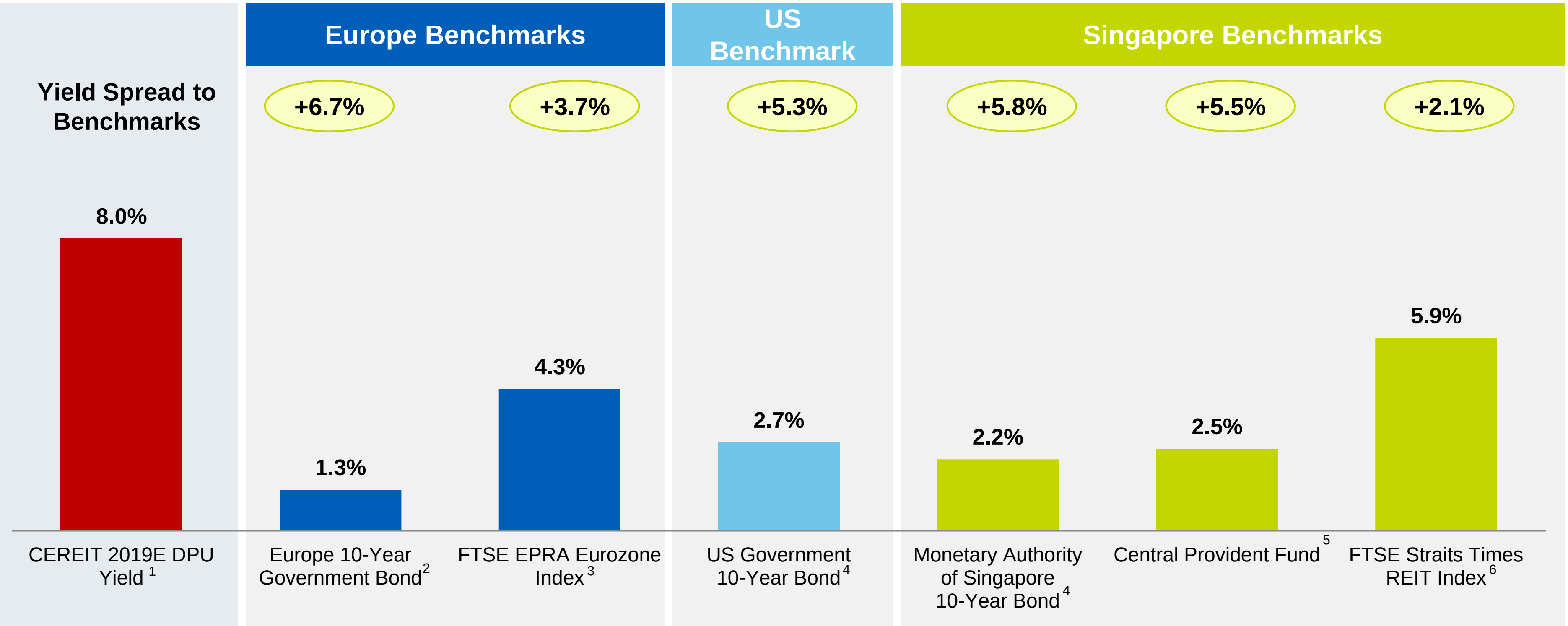
Diversified Geography Exposure[6]



1. Based on €0.50, the last traded price on SGX-ST on 18 February 2019 and DPU of 4.02 Euro cents per unit ("cpu") (FY19 IPO Forecast of 4.40 cpu adjusted for the rights issue)
2. The Prospectus disclosed a 1-month profit forecast for the period from 1 December 2017 to 31 December 2017 ("December 2017 Forecast"), and a full-year profit projection from 1 January 2018 to 31 December 2018 (the "FY2018 Projection"). Accordingly, "IPO Forecast" refers to the summation of the December 2017 Forecast and the FY2018 Projection
3. Calculated using Earnings per Unit for annualised FY2018 and restated to reflect the bonus element in the new Units issued pursuant to the rights issue in December 2018, divided by the total equity contributed by investors of 49.95 Euro cents
4. As at 15 February 2019, based on 97 properties post the completion of all recent acquisitions
5. Source www.ecb.europa.eu/stats "Euro area yield curves"
6. Based on valuations as at 31 December 2018 for the IPO portfolio (including Ivrea) and purchase price for the recently acquired properties in Italy, Netherlands, Finland, Poland and France
7. Others include three government-let campuses, one leisure / retail property and one hotel in Italy on a master lease

Cromwell European REIT – Distribution Yield

CEREIT Effective Yield of 8.0%[1] compares favourably to other global yield investment products



Source: Bloomberg, European Commission, data as of 12 Feb, 2019

1. Based on €0.50, the last traded price on SGX-ST on 18 February 2019, and DPU Forecast of 4.02 cpu (FY19 IPO Forecast of 4.40 cpu adjusted for the rights issue)
2. Based on the monthly averages (non-seasonally adjusted data) of the yields of the 10-year government bonds of the countries in the Eurozone
3. Based on Bloomberg's estimated DPU yield for the year ended 31 December 2019 for FTSE EPRA Eurozone Index
4. Based on Bloomberg's bid yield to maturity of bond
5. Based on the legislated minimum interest of 2.5% per annum earned in Central Provident Fund ("CPF") Ordinary Account
6. Based on Bloomberg's estimated DPU yield for the year ended 31 December 2019 for FTSE Straits Times Real Estate Investment Trust Index

CEREIT Journey Since IPO

74 properties
Portfolio value at **€1,354 million**

Nov 2017: Listed on SGX-ST

Mar 2018: Portfolio revalued higher at €1,361 million

Apr 2018: Commenced dual currency trading

75 properties
Portfolio value at **€1,390 million**

Jun 2018: Completed acquisition of property in Ivrea, Italy

Jul 2018: Secured settlement on deferred consideration for Parc Des Docks, Paris, France, leading to €6 million valuation gain

Oct 2018: Awarded GRESB Sustainability Benchmark

77 properties
Portfolio value at **€1,426 million**

Dec 2018: Completed acquisition of properties in Bari and Genova, Italy

90 properties
Portfolio value at **€1,695 million**

Dec 2018: Completed acquisition of properties in Utrecht and 's-Hertogenbosch, the Netherlands, and in Helsinki and Kuopio, Finland

93 properties
Portfolio value at **€1,718 million**

Jan 2019: Completed acquisition of properties in Sully-sur-Loire, Parcay-Meslay and Villeneuve-lès-Béziers, France

97 properties
Portfolio value at **€1,795 million**

Feb 2019: Completed acquisition of the property in Genevilliers, France and properties in Warsaw and Gdansk, Poland

Long-Term Focus on Sustainability

Environment, Social and Governance ("ESG") is Key Priority to CEREIT

May 2018:

- CEREIT's Board of Directors approved 10 material matters against which the CEREIT Management team would report in its first sustainability report, with materiality matrix fully aligned with the Sponsor
- The matters range from trust, transparency and governance to economic value creation, talent management, stakeholder engagement and environment
- Significant progress has been achieved since in the development of Enterprise Risk Management and governance frameworks

September 2018:

- In CEREIT's inaugural Global Real Estate Sustainability Benchmark ("GRESB") assessment the Manager was marked particularly highly in the 'Management' category, scoring a maximum of 100 points
- Overall, it achieved a score of 47, with encouraging results, compared to its peer group, in four of the seven assessment categories, including 'Building Certifications', 'Performance Indicators', and 'Risks and Opportunities'

January 2019:

- The CEREIT team conducted its first customer satisfaction survey, in the process also establishing measurable targets in line with GRESB reporting
- A total of 44 of CEREIT's key customers participated, representing 42% of CEREIT's tenant base based on floorspace and 49% based on rental income
- The final report showed overall portfolio satisfaction of 58% - an encouraging set of results for the first baseline study for CEREIT. As a key highlight, 71% of customers gave high marks on their relationship with the asset managers at country level

Portfolio Highlights

Portfolio Valuation[1] up 6.3 percent

- The CEREIT property portfolio[1] was externally valued as at 31 March 2018 and as at 31 December 2018
  - ✓ 6.3% valuation increase of CEREIT's portfolio at 31 December 2018 from IPO purchase price
  - ✓ 2.0% valuation increase of CEREIT's portfolio at 31 December 2018 from 31 March 2018

Country	Valuation as at 31 December 2018 €'000	Purchase Price €'000	Variance between Valuation and Purchase Price %
Netherlands	480,350	454,465	5.7%
Italy	421,100	421,800	(0.2%)
France	321,600	289,800	11.0%
Germany	113,600	91,254	24.4%
Denmark	81,302	76,089	6.9%
Total	**1,417,952**	**1,333,408**	**6.3%**

1. 75 Properties including Ivrea and excluding new acquisitions

High-Quality and Diversified Tenant Base

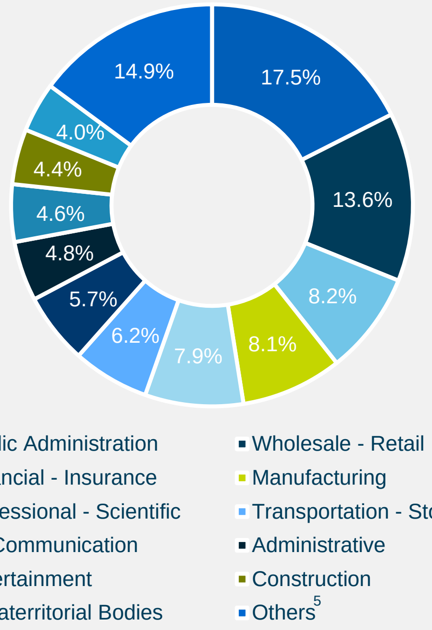
Diversified tenant mix with top 10 tenants representing 39% of portfolio

Total No. of Leases as at 31 December 2018	1,038
Total No. of Tenants as at 31 December 2018	857

Top 10 Tenants

#	Tenant	Country	% of Total Headline Rent[1]
1	Agenzia del Demanio (Italian State Property Office)	Italy	16.2%
2	Nationale-Nederlanden	Netherlands	5.7%
3	Essent Nederland B.V.	Netherlands	3.3%
4	Kamer van Koophandel	Netherlands	2.5%
5	Employee Insurance Agency (UWV)[2]	Netherlands	2.4%
6	Holland Casino[3]	Netherlands	2.0%
7	CBI Nederland B.V.	Netherlands	1.9%
8	Anas	Italy	1.7%
9	A. Manzoni & c. S.p.A.[4]	Italy	1.7%
10	Coolblue B.V.	Netherlands	1.6%
			39.0%

Tenant trade sector breakdown by headline rent[1]



1. As at 31 December 2018
2. Uitvoeringsinstituut Werknemersverzekeringen (UWV)
3. Nationale Stichting tot Exploitatie van Casinospelen in the Netherlands
4. GEDI Gruppo Editoriale
5. Others comprise Accommodation / Utility / Education / Rural / Human Health / Mining / Other Service Activities / Residential / Water / Miscellaneous Services

Investment Highlights

Creating value through acquisitions for the long-term benefit of the Unitholders

June 2018:

Maiden acquisition

- Acquired Vodafone's Italian headquarters in Ivrea for €16.9 million
- Attractive Net Initial Yield of 8.4%[1]
- 100% occupied and freehold
- Long WALE of more than 10 years[2]
- Enhances the stability of CEREIT portfolio's cash flows

December 2018 - February 2019:

Acquisition of 22 office and logistics properties

- Total purchase price of €376.8 million[3]
- Attractive Net Initial Yield of 6.6%[2] and Reversionary Yield of 7.4% with current cost of debt of 1.4%
- 90.6%[4] occupied and on 98.2% freehold or freehold-equivalent land[5]
- WALE of 4.0 years
- Provides access to the attractive office markets in Finland and Poland, while strengthening positions in the Dutch and Italian office markets as well as the French logistics market

1. Net Initial Yield is calculated as Gross Rent / Purchase Price
2. As at 31 December 2018; WALE is defined as weighted average lease expiry by headline rent based on the final termination date of the agreement (assuming the tenant does not terminate the lease on any of the permissible break date(s), if applicable)
3. Purchase price relates to the properties only and excludes other net assets acquired in relation to where properties where acquired using special purpose vehicles
4. Occupancy rate as at 31 December 2018 for new acquisition properties in Netherlands, Finland and Italy and as at 1 August 2018 for Poland and France
5. All properties are on freehold land except for Genevilliers which is on leasehold land and Moeder Teresalaan 100-200 in Utrecht, which is on a leasehold land that is acquired in perpetuity. Leasehold acquired in perpetuity means a leasehold for an indefinite period of time and the ground rent has been paid off perpetually

Demonstration of Execution Capabilities

Acquisition of 3 portfolios with 22 properties funded by Rights Issue and Debt Financing

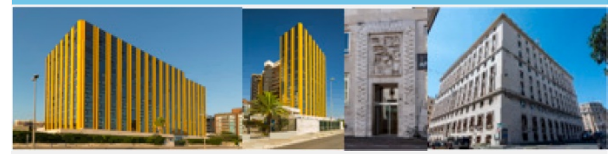
New Properties

- 16 predominantly office properties in the Netherlands, Finland and Poland
- Purchase Price[1]: €312.6 million
- Net Initial Yield[2]: 6.2%
- Subject to Unitholders' approval

French Properties

- 4 logistics properties
- Purchase Price: €28.2 million
- Net Initial Yield[1]: 8.9%

Italian Properties



- 2 office properties
- Purchase Price: €36.0 million
- Net Initial Yield1: 7.4%

Total Purchase Price: €376.8 million

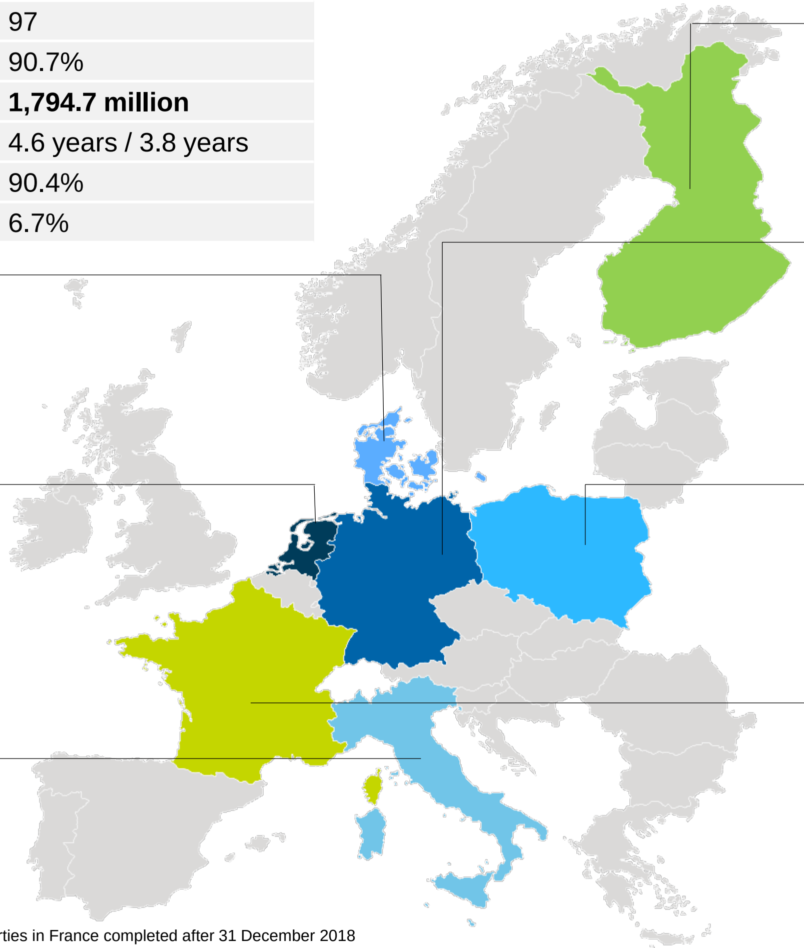
Financing	▪ €224.1 million from Rights Issue ▪ Remaining from Debt Financing

Rights Issue	▪ 600,834,459 Rights Units
	▪ 38 Rights Units for every 100 Units held
	▪ €0.373 for each Rights Unit
	  ▪ 25.0% discount to theoretical ex-rights price ("**TERP**") of €0.498
	  ▪ 98.2 % Rights Units valid acceptance rate amongst existing Unitholders
	  ▪ Overwhelming support by Unitholders with 99% voting in support of all resolutions

1. Purchase price relates to the properties only and excludes other net assets acquired in relation to where properties where acquired using special purpose vehicles
2. Net Initial Yield means the average of the Independent Valuers' annualised current passing rental income net of non-recoverable property expenses, divided by the Property Purchase Price

Enlarged Portfolio Post Completion of all Acquisitions[1]

Properties	97
Occupancy Rate (by lettable area)	90.7%
Valuation (€)[2]	**1,794.7 million**
WALE[3] / WALB[3]	4.6 years / 3.8 years
% Freehold[4]	90.4%
Average Reversionary Yield[2,5]	6.7%



Finland	
Properties	11
Lettable Area (sqm)	61,971
Valuation (€ million)	113.1
% of Portfolio	6.3%
Average Reversionary Yield	7.4%

Denmark	
Properties	13
Lettable Area (sqm)	151,490
Valuation (€ million)	81.3
% of Portfolio	4.5%
Average Reversionary Yield	7.9%

Germany	
Properties	11
Lettable Area (sqm)	166,458
Valuation (€ million)	113.6
% of Portfolio	6.3%
Average Reversionary Yield	7.0%

The Netherlands	
Properties	17
Lettable Area (sqm)	260,205
Valuation (€ million)	607.9
% of Portfolio	33.9%
Average Reversionary Yield	5.8%

Poland	
Properties	3
Lettable Area (sqm)	34,496
Valuation (€ million)	71.8
% of Portfolio	4.0%
Average Reversionary Yield	8.8%

Italy	
Properties	17
Lettable Area (sqm)	335,977
Valuation (€ million)	457.1
% of Portfolio	25.5%
Average Reversionary Yield	6.1%

France	
Properties	25
Lettable Area (sqm)	370,324
Valuation (€ million)	349.8
% of Portfolio	19.5%
Average Reversionary Yield	8.2%

1. Including acquisitions of three properties in Poland, and four properties in France completed after 31 December 2018
2. Valuation as at 31 December 2018 for the IPO Portfolio and the property in Ivrea, Italy. For the 22 newly acquired properties, valuation dates are as follows: 27 September 2018 for new properties in the Netherlands and Finland; 30 September 2018 for the new properties in Italy; 27 September 2018 for new properties in Poland; and 19 October 2018 for new properties in France
3. WALE and WALB as at 31 December 2018 for existing portfolio including new properties in Poland and France; WALB is defined as the weighted average lease break by headline rent based on the earlier of the next permissible break date at the tenant's election or the expiry of the lease
4. % Freehold and continuing / perpetual leasehold by value
5. A proxy to present cap rate. Reversionary Yield is the net market rental value per annum (net of non-recoverable running costs and ground rent) expressed as a percentage of the net capital value. The reversionary yield for the portfolio and sub portfolios is the average Reversionary Yield weighted by the valuation.

Asset Management Highlights

Creating value through active leasing and property management

Active leasing

- Strong performance of the logistics/light industrial sector, with occupancy increasing by 1.4% from 85.2% as at end of 3Q 2018 to 86.6% as at end of 4Q 2018
- 12,893 sqm of leases renewed in 4Q 2018 in light industrial / logistics portfolio
- 54% of remaining potential expiries and breaks until June 2019 have been de-risked through renewals or new leases
- German portfolio performed well with a major new lease of 9,626 sqm and with occupancy up 11.4% since 2Q 2018

Asset enhancement initiatives

Current Projects:

- **Haagse Poort, The Hague**: Ongoing upgrade of climate control with a total cost of €5.8m. Significant savings to building power consumption and expected cost savings for tenants
- **München-Maisach**: Substantial reconfiguration of 6,178 sqm and re-leasing to new tenant with long WALE
- **Parc du Bois du Tambour**: Capital expenditure of approximately €1.5m (including environmental compliance works), resulting in anchor tenant taking up more space and extending lease
- **Duisburg, Hochstrasse**: Refurbishment works (€1.0m) in connection with a new lease, as a result of which the property is now fully leased

Future Opportunities

- Exploring future major urban redevelopment projects in Amsterdam and Paris to monetise valuable land

Future Development Opportunities

Parc des Docks St Ouen, Greater Paris Presents Significant Opportunity

- 10 hectare light industrial site valued at €114m (€1,075/sqm land value per sqm)
- 17 buildings on site (73,371 sqm NLA) managed by Cromwell Property Group since 2005
- French Government is no longer pursuing the potential expropriation of the site to develop a Hospital and University Complex and School
- Saint-Ouen has started a complete regeneration process of a 100-hectare new eco-district and creative hub that is a pillar of the Grand Paris urban redevelopment (c. €25 billion of infrastructure committed)
- The property presents significant opportunity with an estimated gross development value above €1.0 billion over 10-15 years

Further increase in occupancy and reduction of leasing risk

Portfolio occupancy up 3.1 p.p. to 90.8%[1] including acquisitions completed as at 31 December 2018 and 90.5% on a like for like basis

- Better leasing outcomes through "barbell approach" to portfolio management with growth provided by light industrial/logistics sector and stability provided by office sector
- Committed leases spanning over 1.2 million sqm

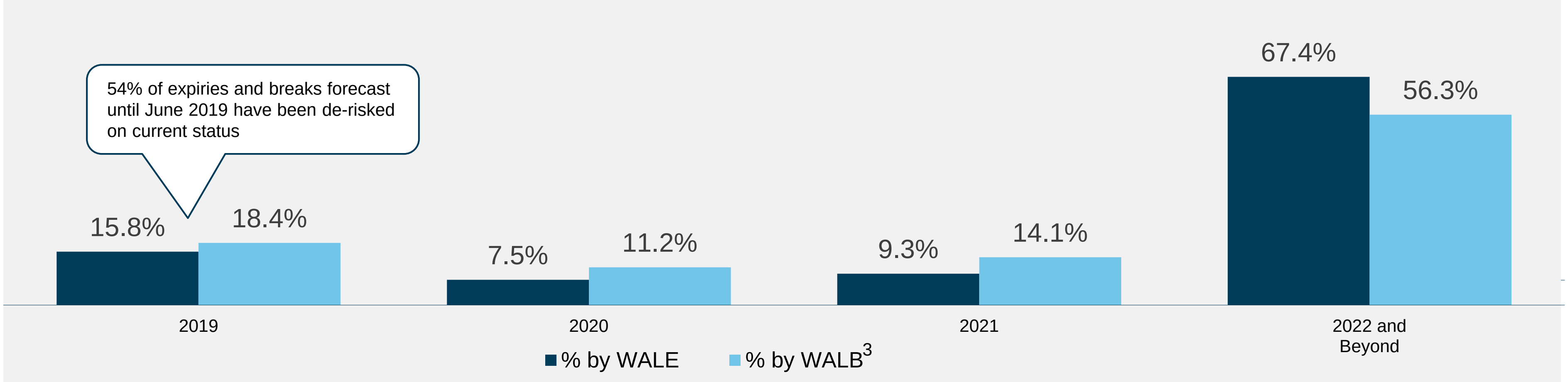
Stable WALE[2]

- 4.7-year WALE profile on a total portfolio basis as at 31 December 2018
- Top 10 tenants having a 4.8-year WALE profile as at 31 December 2018

De-risking the portfolio

- 54% of potential expiries and breaks until June 2019 have been de-risked through renewals or new leases

Lease expiry profile

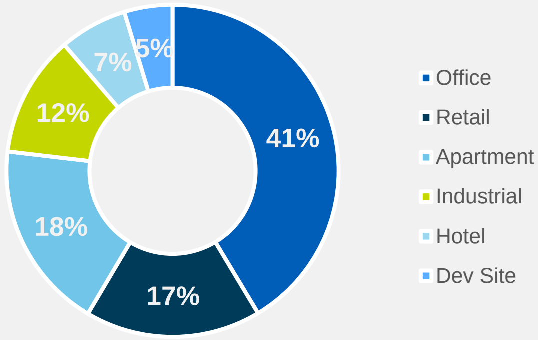


1. As compared to occupancy of 87.7% as stated in Prospectus; occupancy was 90.8% as at 31 December 2018
2. WALE is defined as weighted average lease expiry by headline rent based on the final termination date of the agreement (assuming the tenant does not terminate the lease on any of the permissible break date(s), if applicable)
3. WALB is defined as the weighted average lease break by headline rent based on the earlier of the next permissible break date at the tenant's election or the expiry of the lease

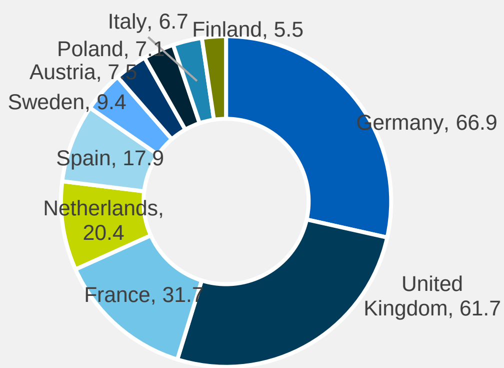
European Commercial Real Estate - Recent Performance

- For the fourth year in a row European commercial property investment was in excess of €250 billion. 2018 trading volumes reached €273 billion with levels boosted by a strong last quarter of the year where €90 billion traded.
- Total activity was down by 15% on 2017 investment but activity in many markets is still hovering near record highs and investor sentiment is generally upbeat. It should not be forgotten that 2017 was an exceptional year for real estate.
- Offices were the most targeted sector - 41% of all deals over 2018. The residential sector with 18% just pipped retail (17%) to second position. The industrial sector continues to attract investor interest with 12% of total investment activity across Europe in 2018.
- Indications are that there is still equity looking for opportunities in real estate and while global uncertainties and geopolitical headwinds are on investors' radar they do not seem to be deterring investors away from European real estate, although more investors are looking to de-risk making core markets and long income streams more attractive.
- Office yields are at, or close to, historic lows in the majority of European markets following sustained downward pressure. A stabilisation in 2019 is largely expected with potentially a few exceptions as interest rates move out.
- For the fifth consecutive year the office market drew more than €100 billion in capital. For the first time since 2015 more was spent on CBD offices than non-CBD assets indicating where demand has focused and some of the risk awareness that has started to deter investors from pressing into less liquid markets at a mature point in the cycle.
- There is more balance between international and domestic capital with a 50:50 split in 2018. Asian capital is more active, in particular from Singapore and Korean investors who continue to buy into European real estate. While Chinese buying is evident, it is somewhat curtailed by capital controls.

Investment by Sector (12 months to December 2018)



Top 10 European Destinations € billion, 12 months to December 2018



Sources:
Real Capital Analytics – data as at 30 January 2019
CBRE – European Outlook 2019

Financial Performance

Key Financial Highlights

Ongoing focus on meeting and exceeding IPO Forecast[1, 2]

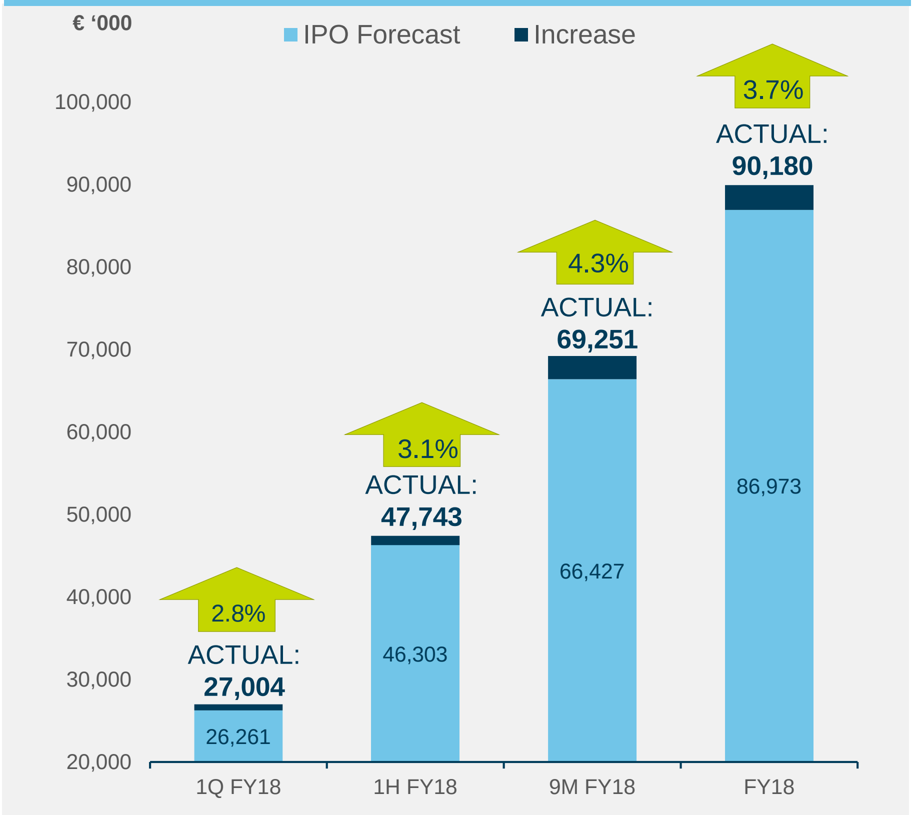
Higher income	Robust balance sheet
Gross revenue **up 1.3%**[2]	Aggregate leverage **down 3.8p.p. to 33.0%**[4]
Net property income **up 3.7%**[2]	Total Asset Value **up 32% at €1.8 billion**
Total return attributable to Unitholders **up 48.9%**[2]	
Adjusted[3] Distribution per Unit ("DPU") of **4.7 Euro cents up by 1.4%**	

1. For the Financial Period, which refers to the financial period from 30 November 2017 to 31 December 2018
2. As compared to amounts stated in Prospectus dated 22 November 2017, adjusted for rights issue where applicable
3. The adjusted DPU normalises the impact of the enlarged Unit base from the Rights Issue
4. Refers to "aggregate leverage" as defined under the Property Funds Appendix; as compared to the Prospectus pro-forma balance sheet aggregate leverage as at listing date stated at 36.8%

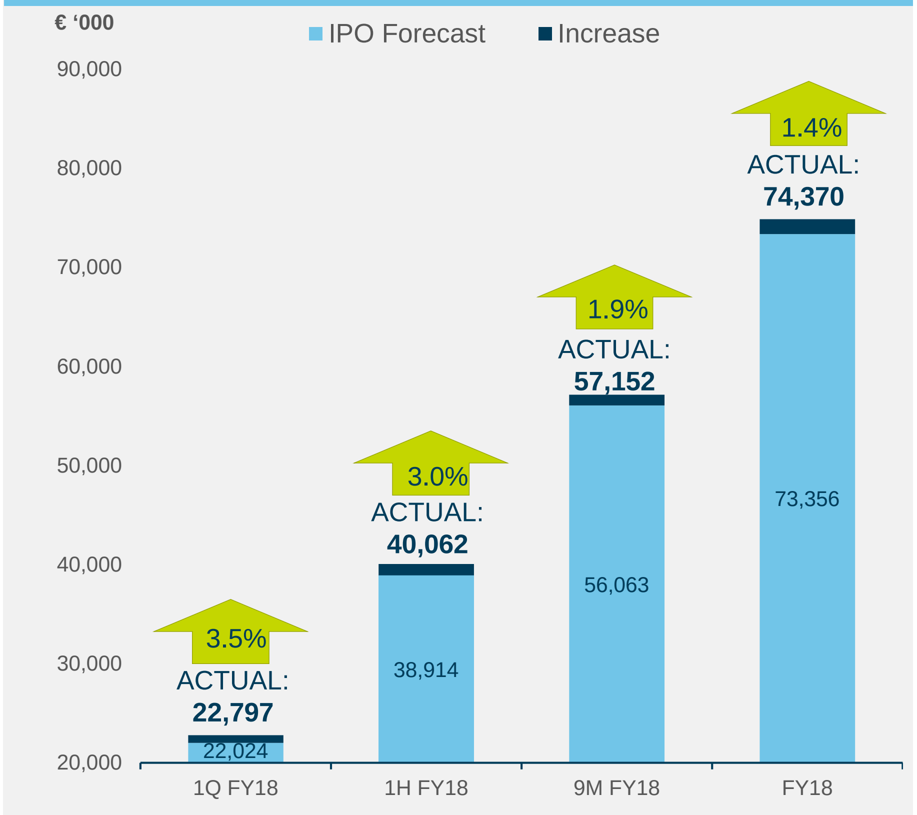
Key Financial Metrics

NPI and DI Exceed IPO Forecast

Net Property Income[1] (€'000)



Income Available for Distribution[1] (€'000)

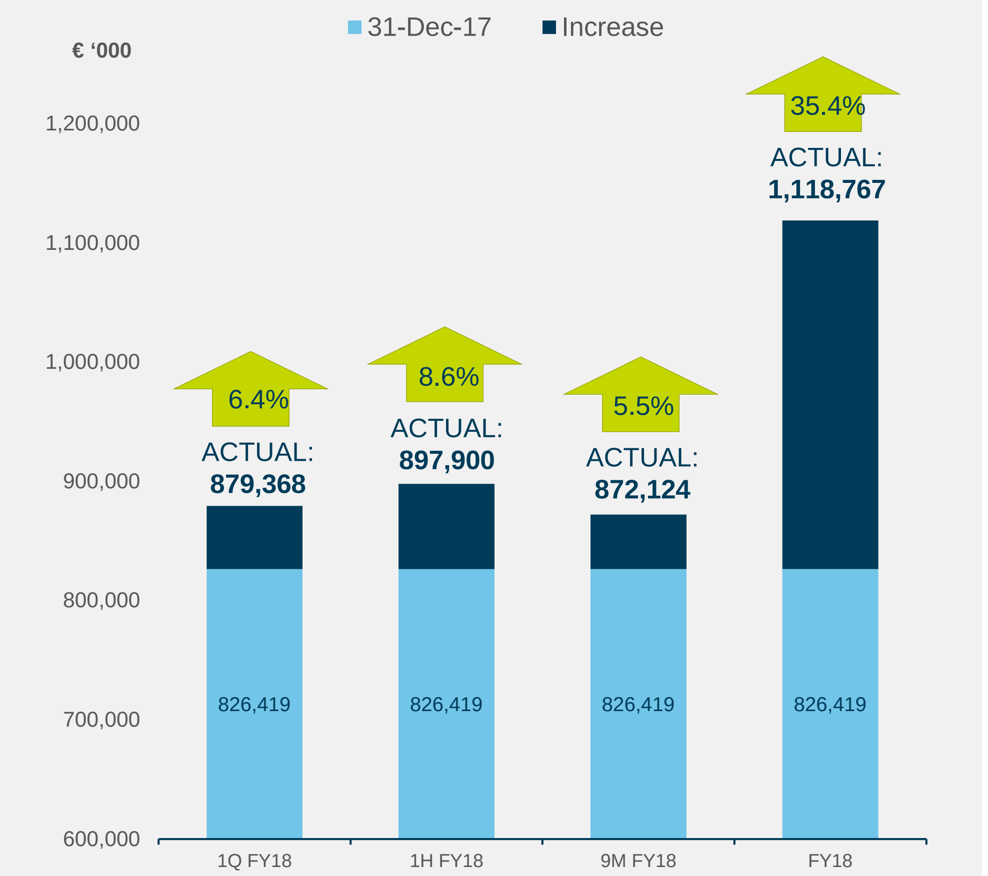


1. Actual refers to the actual figures for the respective period on a year-to-date basis

Key Financial Metrics

- NTA increased by 35.4% to €1,118.8 million as at 31 December 2018 compared to 31 December 2017
- NTA per Unit (given enlarged unitholder base following rights issue) decreased marginally to 51.3 Euro Cents

NTA[1] (€'000)



1. Actual refers to the actual figures for the respective Financial Period

Balance Sheet

Liquidity position remains strong

- Total asset value up by 29.6%[1]
- NTA up by 35.4% to €1,118.8 million[1]
- Cash and cash equivalents stand at €57.8 million
- €74.4 million distributable income for the Financial Period

	As at 31-Dec-18 €'000	As at 31-Dec-17 €'000	Variance
Current Assets	107,701	100,311	7.4%
Non-Current Assets	1,707,141	1,299,968	31.3%
TOTAL ASSETS	**1,814,842**	**1,400,279**	**29.6%**
Current Liabilities	76,840	73,435	4.6%
Non-Current Liabilities	619,235	500,425	23.7%
TOTAL LIABILITIES	**696,075**	**573,860**	**21.3%**
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	**1,118,767**	**826,419**	**35.4%**
Number of Units in Issue ('000)	2,181,978	1,573,990	38.6%
NTA per Unit	€0.513	€0.525	(€0.012)

1. As compared to asset value/NTA as at 31 December 2017

Responsible Capital Management

Well-managed debt book delivering low debt cost and significant interest cover

- Cash balance at €57.8 million
- Two capital management tools that we aim to implement in 2019 are the Unit Buyback program (to be proposed for approval at our AGM) and the potential introduction of a dividend reinvestment plan ("DRP")
- These tools will allow us the flexibility to take advantage of any share market price distortions above or below our assessed valuation of CEREIT and cost of equity

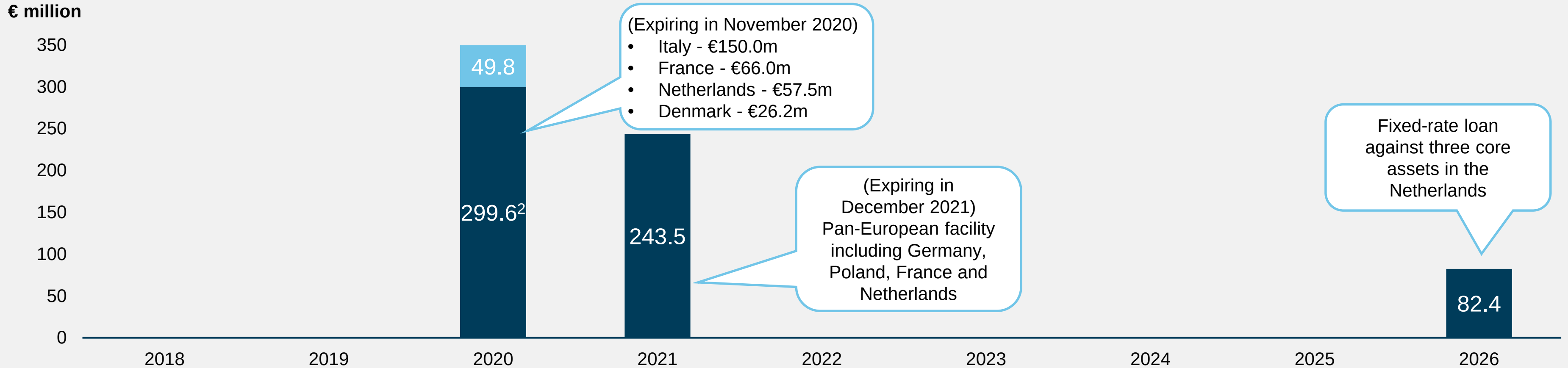
	As at 27-Feb-19	As at 31-Dec-18	As per Prospectus
Total Gross Debt	€675.3 million	€598.2 million	€494.4 million
Proportion of Hedge Ratio[1]	87.4%	71.2%	85.5%
Aggregate Leverage[2]	35.6%	33.0%	36.8%
Interest Coverage Ratio ("ICR")	N.A.	8.9x[3]	9.6x[3]
Weighted Average Term to Maturity	2.8 years	3.0 years	4.0 years

1. Following the execution of additional hedge instruments in February 2019
2. Refers to "aggregate leverage" as defined under the Property Funds Appendix (post distribution payment).
3. Based on Net Property Income and net finance costs (excluding amortisation of debt issuance costs) over the interest expense for the Financial Period. Projected ICR as per IPO is based on Net Property Income and net finance costs for Projection Year 2018.

Well positioned to access low-cost debt

- Pan-European debt facilities are well-diversified across lenders and jurisdictions
- Weighted Average Debt Expiry ("WADE") of 2.8 years as at 27 February 2019
- Annualised cost of debt stands at ~1.40% per annum (excludes RCF)
- Current 3 Month Euribor stands at -0.31bps
- Key management priority is to refinance November 2020 debt to take advantage of attractive bond yields

Weighted average term to maturity is 2.8 years[1]



	2018	2019	2020	2021	2022	2023	2024	2025	2026
% of Total Debt			51.7%	36.1%					12.2%

■ **Asset Financing Facilities** Total: €625.5 million

■ **Unsecured Revolving Credit Facility (Drawn)** Total: €49.8million

1. Weighted average term to maturity includes the drawn portion of the Revolving Credit Facility ("RCF").
2. Expiring by November 2020 and the potential refinancing of these facilities is part of the ongoing assessment of the future capital (debt) structure of CEREIT.

Key Performance Metrics

DPU for financial period adjusted for rights issue surpassed IPO Forecast

- 13-month DPU adjusted for rights issue is 4.70 cpu, up from IPO forecast by 1.4%
- Actual FY18 DPU is 4.10 Euro cents, given the enlarged unitholder base following rights issue
- FY2019 IPO Prospectus DPU forecast of 4.40 cpu adjusts to 4.02 cpu post rights issue[1]

	Actual 30-Nov-17 to 31-Dec-18	IPO Forecast 30-Nov-17 to 31-Dec-18	Variance %
Income available for distribution to Unitholders (€'000)	74,370	73,356	1.4%
13-month Actual DPU (cpu)	4.10	4.64	(11.6%)
For Information only:			
Earnings per unit (cpu)[2]	4.99	n.a.	n.a.
13-month DPU adjusted for rights issue (cpu)[3]	4.70	4.64	1.4%
12-month FY2018 DPU adjusted for rights issue (cpu)[4]	4.30	4.30	-
12-month FY2018 Illustrative DPU (cpu)[5]	3.75	3.75	-

1. On a restated basis to take into account new units issued (in accordance with Paragraph 48 of Statement of Recommended Accounting Practice 7)
2. The EPU has been restated to reflect the bonus element in the new Units issued pursuant to the rights issue in December 2018
3. 13-month DPU adjusted for Rights Issue compares actual DPU excluding the rights issue units to IPO Forecast on a like-for-like basis for the financial period
4. 12-month FY2018 Adjusted DPU calculates like for like DPU for calendar year 2018 compared against IPO Projection
5. 12-month FY2018 Illustrative DPU calculates the DPU for calendar year 2018 using the weighted average number of units applicable as a result of the new units being eligible for the distribution for 2H FY2018. The IPO Forecast has also been adjusted by using the same weighted average number of units.

CEREIT 4Q Distribution

Distribution Timetable

Notice of Books Closure Date	27 February 2019 (Wednesday)
Last Day of Trading on a “cum” Basis	5 March 2019 (Tuesday)
Ex-Date	6 March 2019 (Wednesday)
Books Closure Date	7 March 2019 (Thursday)
Distribution Payment Date	29 March 2019 (Friday)
Distribution Amount per Unit	1.57 Euro Cents

Distributions from CEREIT to Unitholders are computed based on 100.0% of CEREIT’s Annual Distributable Income for the period from the Listing Date to the end of 2019[1].

Distributions are declared in EUR. Each Unitholder will receive his distribution in the Singapore dollar equivalent of the EUR distribution declared, unless he elects to receive the relevant distribution in Euros by submitting a “Currency Election Notice” that will be sent out to all Unitholders.

1. CEREIT commitment as per Prospectus

Takeaways and Priorities

Key Takeaways

Exceeded IPO Forecast for Financial Period

- Net property income up 3.7%
- Total return attributable to Unitholders up 48.9% (including unrealised revaluation gains)
- Adjusted DPU up 1.4% at 4.7 Euro cents

Providing Resilient Income and Managing for Growth

- Experienced real estate team is executing on strategy and delivering results above forecasts
- Increased resilience from enlarged portfolio size and enhanced geographical diversification, from 5 countries to 7 countries, with the inclusion of Finland and Poland in the recently announced acquisition of 3 portfolios, as well as potential upside in reversionary yield
- Better leasing outcomes through “barbell approach” of stable office sector, coupled with significant leasing activity in the light industrial portfolio in Germany, as well as in France and Netherlands

Responsible Capital Management

- Substantial headroom available in our debt facilities to take advantage of opportunities
- Interest coverage ratio is significant at 8.9x
- Currently 87.4% hedged to minimise exposure to market volatility and maximise risk-adjusted returns to Unitholders

Key Management Priorities for the Year Ahead

Delivering on IPO Forecast through effective business strategy execution

- Meeting and exceeding IPO Forecast (FY19 DPU IPO Forecast 4.02 cpu adjusted for Rights issue)
- Onboarding the €376.8 million acquisition of 3 portfolios and driving up the occupancy and net operating income of CEREIT, as per the valuers' assessment of reversionary yield of 7.4% from current net initial yield of 6.2%
- Unlocking asset value through proactive approach to acquisitions and divestments

Providing clear visibility for investors to our path to growth

- **Active engagement with broadening pool of investors**
- **Organic portfolio growth**
  - Inflation-linked leases provide built-in rental-growth mechanism
  - Active leasing and asset enhancements further improve portfolio occupancy
- **Inorganic growth for the future**
  - Deep pool of acquisition opportunities including those accessed through the Sponsor's extensive pan-European platform

Managing capital actively

- Key focus for management team in 2019 will be driving risk adjusted return on equity above Cost of Capital
- Two capital management tools that we aim to implement are the Unit Buyback program (to be proposed for approval at our AGM) and the potential introduction of a DRP
- These tools will allow us the flexibility to take advantage of any share market price distortions above or below our assessed valuation of CEREIT and cost of equity

Appendix

Key Performance Metrics

Total Return and Distribution Exceed IPO Forecast

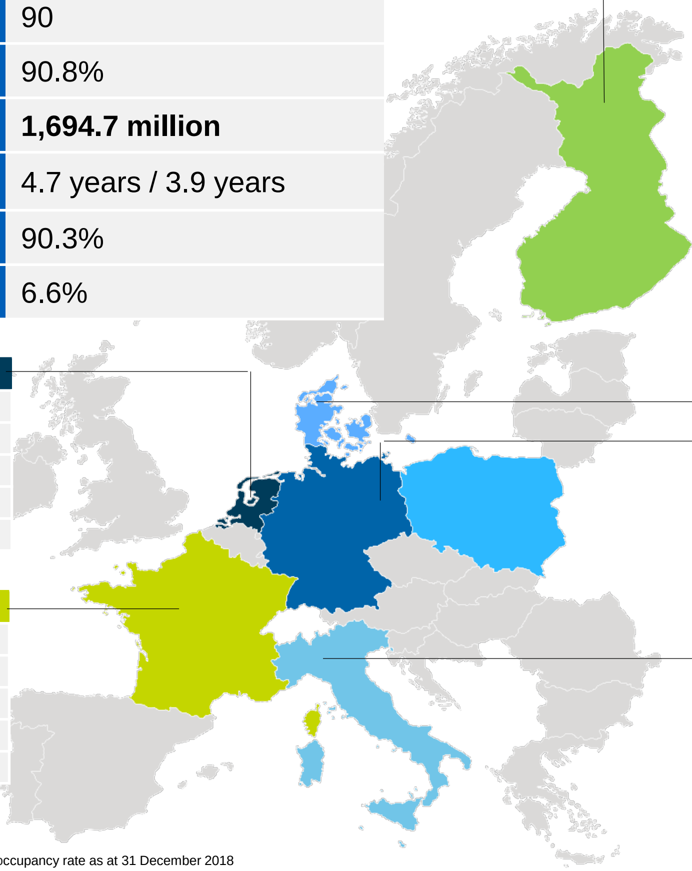
- **Gross revenue**
  - €135.3 million, up 1.3% compared to the IPO Forecast
- **Net property income**
  - €90.2 million, up 3.7% compared to the IPO Forecast
- **Distributable income**
  - €74.4 million, equating to an actual DPU of 4.1 Euro cents (unadjusted)
  - €34.3 million for 2H 2018 equating to an actual DPU of 1.57 Euro cents (unadjusted). After adjusting for the Rights issue, the DPU is in line with the IPO Forecast

	30-Nov-17 to 31-Mar-18	1-Apr-18 to 30-Jun-18	1-Jul-18 to 30-Sep-18	1-Oct-18 to 31-Dec-18	Total 30-Nov-17 to 31-Dec-18	IPO Forecast 30-Nov-17 to 31-Dec-18	Variance
Gross Revenue (€'000)	41,033	31,812	31,453	30,988	135,286	133,525	▲ 1.3%
Net Property Income (€'000)	27,004	20,739	21,508	20,929	90,180	86,973	▲ 3.7%
Net Income before tax and fair value changes (€'000)	21,014	16,103	16,956	15,783	69,856	69,936	▼ (0.1%)
Total return for the period attributable to Unitholders (€'000)	30,660	18,700	12,214	24,159	85,733	57,580	▲ 48.9%
Income Available for Distribution to Unitholders (€'000)	22,797	17,265	17,090	17,220	74,370	73,356	▲ 1.4%

Portfolio Overview as at 31 December 2018

Unique opportunity to invest in scale and diversification across Europe

Properties[1]	90
Occupancy Rate (by lettable area)[1,2]	90.8%
Valuation (€)[3]	**1,694.7 million**
WALE[1] / WALB[4]	4.7 years / 3.9 years
% Freehold[5]	90.3%
Average Reversionary Yield[3,6]	6.6%



The Netherlands	
Properties	17
Lettable Area (sqm)	260,205
Valuation (€ million)	607.9
% of Portfolio	35.8%
Average Reversionary Yield	5.8%

France	
Properties	21
Lettable Area (sqm)	332,983
Valuation (€ million)	321.6
% of Portfolio	19.0%
Average Reversionary Yield	8.1%

Finland	
Properties	11
Lettable Area (sqm)	61,971
Valuation (€ million)	113.1
% of Portfolio	6.7%
Average Reversionary Yield	7.4%

Denmark	
Properties	13
Lettable Area (sqm)	151,490
Valuation (€ million)	81.3
% of Portfolio	4.8%
Average Reversionary Yield	7.9%

Germany	
Properties	11
Lettable Area (sqm)	166,458
Valuation (€ million)	113.6
% of Portfolio	6.7%
Average Reversionary Yield	7.0%

Italy	
Properties	17
Lettable Area (sqm)	335,977
Valuation (€ million)	457.1
% of Portfolio	27.0%
Average Reversionary Yield	6.1%

1. As at 31 December 2018
2. Assumes Milano Piazza Affari is 100% leased in view of the rental guarantee; occupancy rate as at 31 December 2018
3. Valuation as at 31 December 2018 for existing portfolio of 75 properties. For the 22 newly acquired properties, valuation dates are as follows: 27 September 2018 for new properties in the Netherlands and Finland; 30 September 2018 for Bari and Genova; 27 September 2018 for new properties in Poland; and 19 October 2018 for new properties in France
4. WALE as at 31 December 2018 for existing portfolio
5. % Freehold and continuing / perpetual leasehold by value
6. A proxy to present cap rate. Reversionary Yield is the net market rental value per annum (net of non-recoverable running costs and ground rent) expressed as a percentage of the gross capital value. The Reversionary Yield for the portfolio and sub portfolios is the average reversionary yield weighted by the valuation.

Office Sector – Overview

Office portfolio as a strong and stable anchor for CEREIT

- Limited leasing activity during the quarter off the back of strong occupancy (95.2%)
- Only two leases occupying 949 sqm lost during Q4, total rental income of €0.1M
- New acquisitions in Italy, Netherlands and Finland provides additional €20.5M Gross Rental Income

	30-Nov-17 to 31-Mar-18	1-Apr-18 to 30-Jun-18	1-Jul-18 to 30-Sep-18	1-Oct-18 to 31-Dec-18	Total 30-Nov-17 to 31-Dec-18
No. of New Leases Signed	2	5	-	2	9
No. of Leases Renewed	2	5	2	-	9
Tenant Retention Rate[1]	97%	85%	100%	-%	87%
Total No. of Leases as at 31-Dec-18	308				
Total. No. of Tenants as at 31-Dec-18	196				
Reversion Rate[2]	(15%)				
% Freehold (on valuations) [3]	83%				

1. Tenant retention rate by Estimated Rental Value ("ERV") – 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 has a right to break over a relevant reference period
2. Tenant reversion rate is defined by the fraction the numerator of which is the new headline rent of all modified, renewed or new leases over a reference period and the denominator of which is the sum of (i) the last passing rent with respect to the modified or renewed leases and (ii) the ERV with respect to new leases
3. Reflect total proportion of portfolio based on current valuation that is freehold and continuing / perpetual leasehold

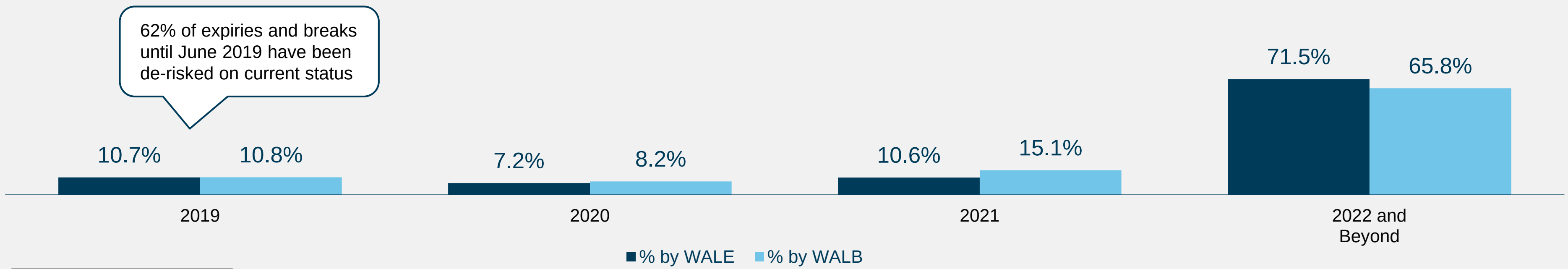
Office Sector – Occupancies and Leases

Office portfolio occupancy has remained stable at a high level

- Occupancy has remained stable over the quarter, the new acquisitions in Finland, Italy and the Netherlands have contributed to the changes in occupancy over the quarter

	Occupancy			WALE[1]			WALB[2]		
	30-Sep-18	31-Dec-18	Variance	30-Sep-18	31-Dec-18	Variance	30-Sep-18	31-Dec-18	Variance
Italy	98.3%	98.6%	0.3 p.p.	5.5 years	5.2 years	(0.3) years	5.0 Years	4.7 years	(0.3) years
Netherlands	94.4%	94.0%	(0.4) p.p.	6.0 years	5.8 years	(0.2) years	6.0 years	5.3 years	(0.7) years
Finland	-	91.2%	N/A	-	3.5 years	N/A	-	3.0 years	N/A
TOTAL	96.1%	95.2%	(0.9) p.p.	5.8 years	5.2 years	(0.6) years	5.6 years	4.7 years	(0.9) years

Lease Expiry Profile



1. WALE is defined as weighted average lease expiry by headline rent based on the final termination date of the agreement (assuming the tenant does not terminate the lease on any of the permissible break date(s), if applicable)
2. WALB is defined as the weighted average lease break by headline rent based on the earlier of the next permissible break date at the tenant's election or the expiry of the lease

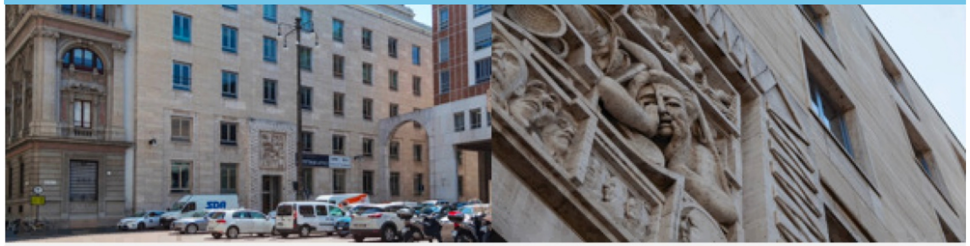
Office Sector – Leasing & Asset Enhancement Initiatives

Overview as at 31-Dec-18				
	No. of Assets	**Net Lettable Area**	**Valuation**	**Reversionary Yield**
Italy	11	129,762 sqm	€ 305,525,000	5.6%
Netherlands	7	177,891 sqm	€ 530,577,904	5.6%
Finland	11	61,971 sqm	€ 113,120,064	7.4%
TOTAL	**29**	**369,624 sqm**	**€ 949,222,968**	**5.8%**

Netherlands

- **Central Plaza, Rotterdam**: Coolblue lease for existing 9,796 sqm at a headline rent of approximately €2 million comes into effect from 1 January 2019 for 7.5 years
- **Haagse Poort, The Hague**: Upgrade of climate control with a total cost of €5.8m commenced in Q3 2018, completion is expected in Q3 2019

Italy



- **Piazza Affari, Milan**: The tender for works to replace and upgrade the cooling and heating mechanical plants has commenced in 4Q 2018 at an estimated cost of €0.6 million. Works are expected to drive considerable savings to building power consumption and costs for the tenants
- **Piazza Affari, Milan**: Refurbishment works across the mezzanine floor (approximately 850 sqm) completed in 4Q 2018 and are 100% occupied by an existing tenant in the property

Light Industrial / Logistics Sector – Overview

Strong leasing performance from light industrial portfolio

- Leasing within the German portfolio has significantly reduced vacancies and de-risked future loss of income
- Occupancy in the German portfolio has increased 4.5% over the quarter

	30-Nov-17 to 31-Mar-18	1-Apr-18 to 30-Jun-18	1-Jul-18 to 30-Sep-18	1-Oct-18 to 31-Dec-18	Total 30-Nov-17 to 31-Dec-18
No. of New Leases Signed	26	36	17	28	107
No. of Leases Renewed	13	27	12	13	65
Tenant Retention Rate[1]	39%	53%	60%	43%	49%
Total No. of Leases as at 31-Dec-18			719		
Total. No. of Tenants as at 31-Dec-18			659		
Reversion Rate[2]			(2%)		
% Freehold (on valuations) [3]			99%		

1. Tenant retention rate by ERV – is the % quantum of ERV retained over a reference period with respect to Terminable Leases. Terminable Leases is defined as leases that either expire or in respect of which the tenant has a right to break over a relevant reference period. Q3 retention includes a sub-tenant taking a direct lease
2. Tenant reversion rate is defined by the fraction the numerator of which is the new headline rent of all modified, renewed or new leases over a reference period and the denominator of which is the sum of (i) the last passing rent with respect to the modified or renewed leases and (ii) the ERV with respect to new leases
3. Reflect total proportion of portfolio based on current valuation that is freehold and continuing / perpetual leasehold

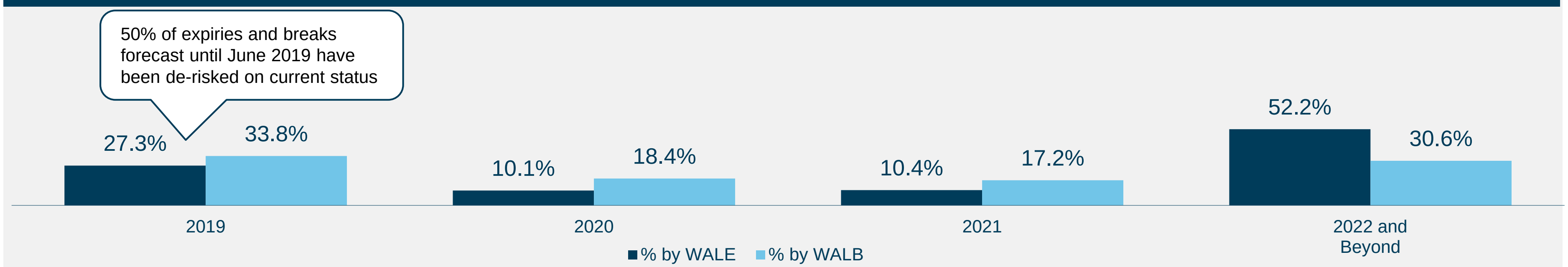
Light Industrial / Logistics Sector – Occupancies and Leases

Strong leasing performance from light industrial portfolio

- In addition to the significant leases reported in Germany, there has been some positive leasing within both the French and Netherlands light industrial portfolios, with immediate reletting of vacant space

	Occupancy			WALE			WALB		
	30-Sep-18	31-Dec-18	Variance	30-Sep-18	31-Dec-18	Variance	30-Sep-18	31-Dec-18	Variance
Denmark	73.6%	73.6%	- p.p.	2.4 years	2.2 years	(0.2) years	2.1 years	1.9 years	(0.2) years
France	85.8%	86.5%	0.7 p.p.	4.8 years	4.7 years	(0.1) years	2.0 years	2.2 years	0.2 years
Germany	87.5%	92.0%	4.5 p.p.	5.0 years	5.0 years	-	4.7 years	4.7 years	-
Italy	100.0%	100.0%	- p.p.	3.9 years	3.6 years	(0.3) years	3.9 years	3.6 years	(0.3) years
Netherlands	94.3%	95.2%	0.9 p.p.	2.7 years	2.6 years	(0.1) years	2.6 years	2.5 years	(0.1) years
TOTAL	85.2%	86.6%	1.4 p.p.	4.2 years	4.1 years	(0.1) years	2.6 years	2.7 years	0.1 years

Lease Expiry Profile



Light Industrial / Logistics Properties Sector

Leasing & Asset Enhancement Initiatives

Overview as at 31-Dec-18	No. of Assets	Net Lettable Area	Valuation	Reversionary Yield
Denmark	13	151,490 sqm	€81,302,000	7.9%
France	21	332,983 sqm	€321,600,000	8.1%
Germany	11	166,458 sqm	€113,600,000	7.0%
Italy	1	29,638 sqm	€12,550,000	7.0%
Netherlands	10	82,314 sqm	€77,350,000	7.3%
TOTAL	**56**	**762,882 sqm**	**€606,402,000**	**7.8%**

France

- A number of smaller lease-ups have secured longer term income, improved occupancy and increased rental income.

Germany

- **Gewerbe-und Logistikpark München-Maisach:** Substantial reconfiguration of 6,178 sqm previously occupied by Theodor-Kattus and Pilkington derisking a potential significant void and securing long term income. Lease to a Swiss technology company occupying 3,721 sqm with annual rent of €377,371 was signed in Q4 2018. Leases to Pilkington (3,687 sqm and annual rent of €264,193) and Dombo (in total 479 sqm and annual rent of €58,121) were agreed in Q4 2018, but signed in Q1 2019

Denmark

- 10,882 sqm leased up over the quarter, most notably Naverland 12 where 6,875 sqm has been leased for total rent of €313,000
- **C.F. Tietgensvej:** new lease over 2,638 sqm (signed in Q1 2019) to replace lease lost at the end of 2018. Stepped rent up to €97,000 by year six
- **Islevdalvej**: Renewal of tenant Ermax over 3,189 sqm with annual rent of €161,000

Portfolio Overview – The Netherlands

Occupancy (as at 31 December 2018)	NPI[1] (€ million)	Last Valuation (as at 31 December 2018)	Weighted Reversionary Yield (as at 31 December 2018)	Number of Leases (as at 31 December 2018)
94.4%	27.4	607.9	5.8%	248

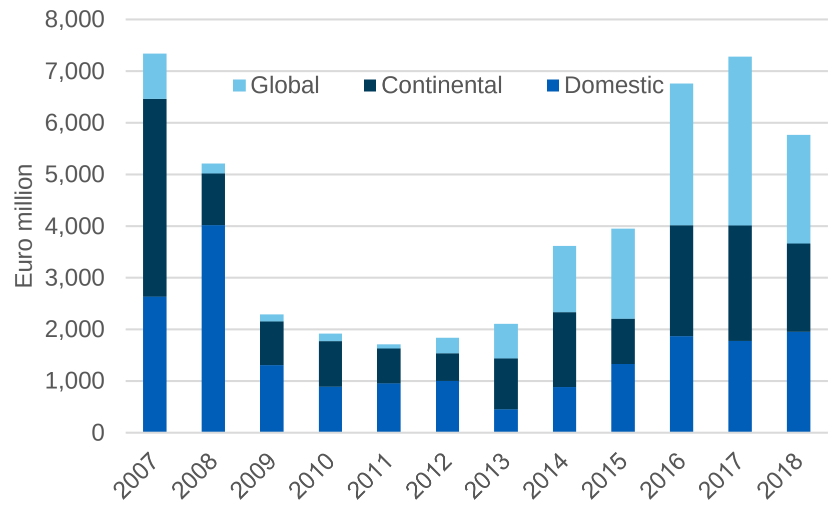
1. For the Financial Period

Netherlands – Office Market Outlook

Real Estate Market

- A record high of €20.4 billion of real estate traded in 2018, of which offices were highly sought after equating to 28% of all 2018 deals. €5.7 billion was invested into the Dutch office market over the course of 2018 with domestic investors again net sellers resulting in rising levels of international ownership and foreign capital attracted by solid economic and occupier market fundamentals.
- While yields are at historic lows across most locations and expected to stabilise, office sector occupier market fundamentals are strong, offering investors opportunities to capitalise on the positive rental growth environment. A combination of low vacancy rates, limited land availability and restrictions on new developments favour positive rental growth – Amsterdam, Utrecht and The Hague all have Grade A vacancy rates around the 5.0% mark.
- Robust economic and employment data has seen demand for office space grow strongly with staff shortages now appearing in some sectors. The tight labour market is highlighting the importance of the quality of the workplace in attracting personnel, with companies looking for modern, multifunctional and sustainable buildings that are well connected.
- Flexible office concepts gained further popularity in 2018 and are taking up an increasing proportion of the available stock. Companies are having to react faster than ever to changing market conditions, and so want more flexibility in their office planning.
- Companies with larger requirements in particular, are encountering difficulties in finding suitable relocation options and so demand, to some extent, is being redirected to locations that can offer larger floorplates such as Amstelveen, Hoofddorp and Amersfoort.

Office Volumes by Capital Source



Economy

Indicator	2018	2019	2020 Outlook (vs 2019)
GDP Growth	2.8%	1.7%	↘
Industrial Production	1.9%	2.5%	↘
Consumer Prices, average	1.7%	2.0%	↘
Population (millions)	17.24	17.33	→
Population Growth Rate	0.59%	0.55%	→
Unemployment Rate	3.9%	3.8%	↘

Annual % change unless specified

- GDP growth eased in 2H 2018 but 2018 full-year estimate is 2.8%, well above the 15-year average of 1.5%.
- Wage growth is supported by a falling unemployment – at 3.9% this is the lowest in over 10 years – underpinning private consumption in 4Q 2018 and 2019.
- As Eurozone and global demand eases the pace of GDP growth is expected to moderate to 1.7% in 2019, but domestic pillars should remain largely intact.

Outlook

- The lack of commercial property is a key constraint to higher levels of investment activity. There is still evidence of plenty of liquidity in the market but after six consecutive years of investment volume growth many prime assets have already traded and are not expected to come back to the market any time soon. New supply is thus expected to come primarily from new developments, institutional investors' asset-rotation strategies and M&A type deals. In addition, the tight pricing levels have also brought to the fore the opportunities that may exist for smaller assets and more peripheral locations.
- Increasing rents, limited availability and strong demand compressing vacancy rates further, will continue to prompt more occupiers to consider alternatives to prime locations resulting in a positive effect on these less developed areas, opening up opportunities for owners in these locations to make buildings more attractive for the modern office user through investing in redevelopments. Investors are also looking beyond Amsterdam - in 2017 total investment in the capital was 32%, falling to 24% in 2018. The strong increase of rental levels makes it attractive to hold property in Amsterdam and with owners less inclined to sell, active buyers are switching to the other three large cities, accounting for 21% of deals.
- Considering the risks and the turning point in the ECB's monetary policy, investors are likely to take a more cautionary approach in 2019 - this means a strong investment market by historical standards, but perhaps a moderate decline in volume compared to 2018.

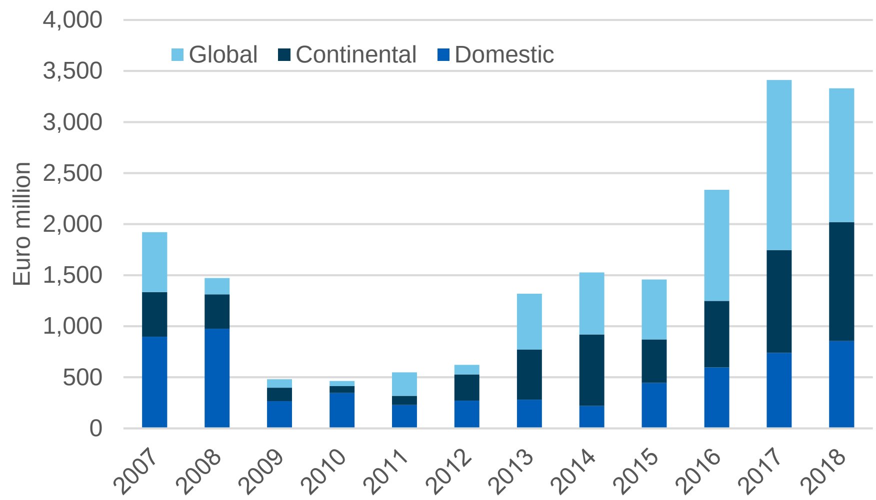
Sources:
CBRE – Real Estate Outlook 2019 Netherlands
Savills – The Future of Dutch Real Estate December 2018
Real Capital Analytics – data as at 30 January 2019
Oxford Economics - Country Economic Forecast Netherlands 21 January 2019 & IMF

Netherlands – Logistics/Industrial Market Outlook

Real Estate Market

- The Dutch logistics market remains active with in excess of 2 million sq.m of take-up reported resulting in the erosion of surplus space and despite the completion of a similar volume of new space in 2018, the vacancy rate has decreased to around 4.0%.
- Real estate fundamentals are benefitting from the combination of good economic growth and the continued expansion of online sales and multi-channel retail activity with groceries and food retailing an active sub-sector within retail. This relies on supply-chain efficiency, automation and temperature-controlled last-mile storage. It also requires smart solutions such as last-mile depots or medium-sized warehouses between the major cities. Those multi-channel retail organisations best able to optimise the integration of their logistics infrastructure and physical sales will be most successful.
- The sustained demand levels that the market has seen over the past few years is now showing itself in positive rental growth in some logistics hubs, for example in the province of North Brabant limited amounts of land for new development are now available and so rents have started to rise. Rent levels are also under upward pressure in regions with new developments, albeit mostly as a reaction to the marked rise in construction costs.
- €3.3 billion was invested into the Dutch industrial sector in 2018 with 4Q 2018 the strongest quarter of the year. Capital is waiting on the sidelines to deploy despite the yield compression that has taken place over the last few years, with the sector seen as an attractive proposition for both domestic and international capital supported by a stable political environment, good infrastructure and a favourable tax framework.

Industrial Volumes by Capital Source



Economy

Indicator	2018	2019	2020 Outlook (vs 2019)
GDP Growth	2.8%	1.7%	↘
Industrial Production	1.9%	2.5%	↘
Consumer Prices, average	1.7%	2.0%	↘
Population (millions)	17.24	17.33	→
Population Growth Rate	0.59%	0.55%	→
Unemployment Rate	3.9%	3.8%	↘

Annual % change unless specified

- GDP growth eased in 2H 2018 but 2018 full-year estimate is 2.8%, well above the 15-year average of 1.5%.
- Wage growth is supported by a falling unemployment – at 3.9% this is the lowest in over 10 years – underpinning private consumption in 4Q 2018 and 2019.
- As Eurozone and global demand eases the pace of GDP growth is expected to moderate to 1.7% in 2019, but domestic pillars should remain largely intact.

Outlook

- The continued growth of e-commerce is a key driver of Dutch logistics and while, not expected in the short to medium term, any slowdown here will impact market performance. A more pressing challenge likely to play out in 2019 and 2020 is the increasing scarcity of land for development and scarcity of labour, both of which will hold back growth.
- The lack of labour availability and suitable land parcels for development near established hubs are prompting the creation of new logistics locations such as Lelystad and Twente.
- The overall logistics vacancy rate is around 4% and market rents are trending upwards, but growth expectations should be viewed with caution. Logistics operators are less able to translate increased business activity into higher profit margins, putting a cap on the rents they can afford. Expectations are for built-to suit developments where logistics companies share the profits with developers, thus allowing higher rent levels in the sale and leaseback they offer investors.
- Foreign and domestic capital are both active and targeting the industrial sector. 2018 has seen local buyers responsible for 26% of acquisitions, a rise on the 22% in 2017. European investors (ex domestic Dutch) accounted for 35% of total 2018 trading volumes, while truly global money accounted for 39% over the same period.

Sources:
CBRE – Real Estate Outlook 2019 Netherlands
Savills – The Future of Dutch Real Estate December 2018
Real Capital Analytics – data as at 30 January 2019
Oxford Economics - Country Economic Forecast Netherlands 21 January 2019

Portfolio Overview – Italy

Occupancy (as at 31 December 2018)	NPI[1] (€ million)	Last Valuation[2] (as at 31 December 2018)	Weighted Reversionary Yield (as at 31 December 2018)	Number of Leases (as at 31 December 2018)
99.5%	27.5	457.1	6.1%	43

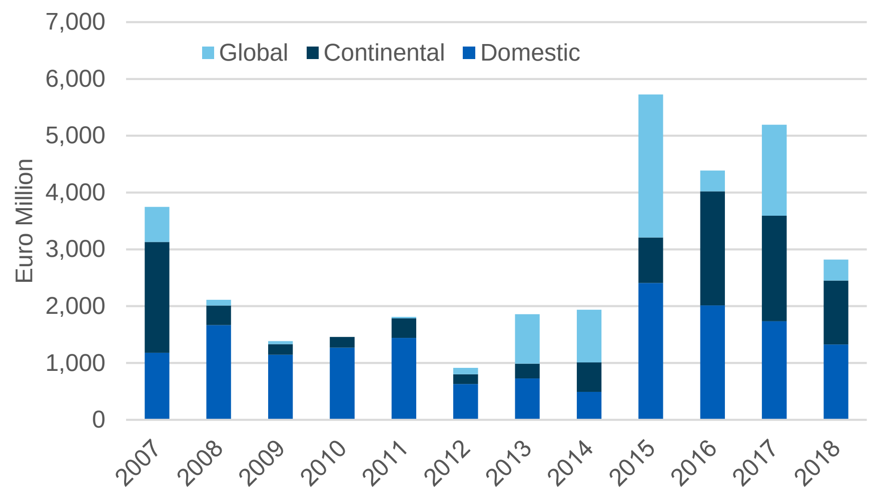
1. For the Financial Period
2. Valuation for Ivrea conducted as at 13th April 2018

Italy – Office Market Outlook

Real Estate Market

- Milan and Rome continue to see occupier activity although variations differentiate the cities. In Milan, the main office submarkets are the CBD and Porta Nuova (the new Business District), the latter seeing momentum grow as it becomes an established area within the city. 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. Rome is predominantly an income-driven market, its occupier base is comprised of government institutions and services. There are signs of positive growth coming through in the Rome market, well-let properties in prime locations offer relatively good value.
- Milan continues to suffer from a lack of good quality availability, particularly in the city centre, and this is resulting in positive rental growth. It is also seeing occupiers look towards the more decentralised areas of the city that offer development potential and over the medium term, positive rental growth is expected here too.
- The office sector dominates investor activity with €2.8 billion invested in 2018. Milan is the main market securing 65% of capital. Rome, and to a lesser extent Turin, are increasingly on the radar with a clear focus on the new construction and redevelopment projects offering opportunities for further growth in these markets.
- Despite a generally weak economic performance investor appetite for Milan has seen prime yields compress to levels comparable with other core European cities, now at 3.50% in the CBD. Levels in Rome are higher at 4.00% with the risk of a narrower range of occupiers and depth of investors built in.

Office Volumes by Capital Source



Economy

Indicator	2018	2019	2020 Outlook (vs 2019)
GDP Growth	0.8%	0.0%	→
Industrial Production	0.9%	0.0%	↗
Consumer Prices, average	1.1%	0.8%	↗
Population (millions)	60.55	60.52	→
Population	-0.04%	-0.04%	→
Unemployment Rate	10.8%	10.5%	↘

Annual % change unless specified

- Italy's economy contracted for the second consecutive quarter at the end of 2018 due to weak domestic demand, dragging the economy into recession - a setback for the new anti-establishment government.
- The stabilisation in some indicators, such as employment and the composite PMI, should set the stage for a marginal increase in Italian GDP in Q1 2019.
- Risks remain on the downside and the recession could drag on into H1 2019, particularly if Eurozone growth continues to disappoint.
- 0.0% GDP growth expected for 2019 as a whole after 0.8% last year.

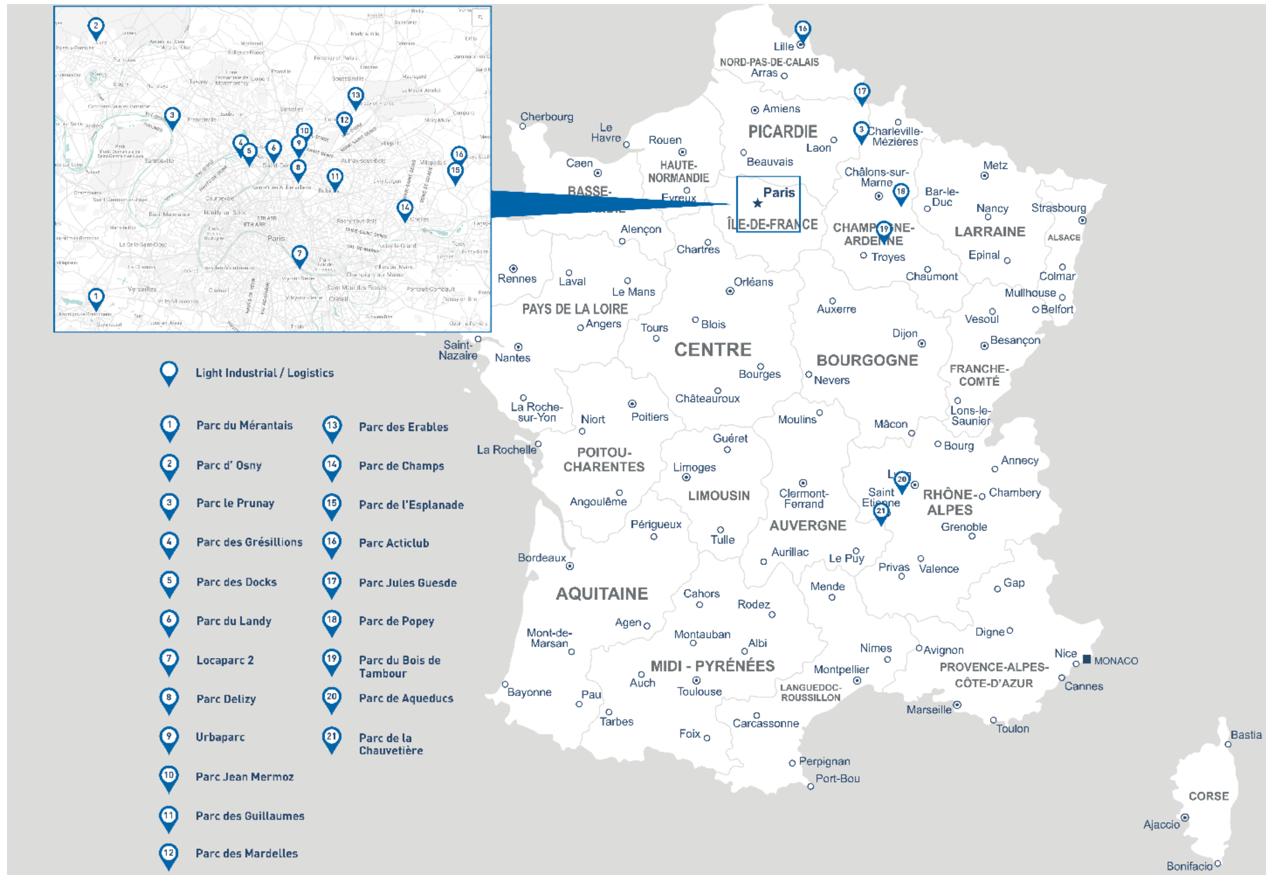
Outlook

- The fragile economic backdrop and political concerns continue to linger over the Italian investment market and those not familiar with the market are unlikely to venture forth, impacting the overall level of investment activity. Indeed, the increased levels of caution are reflected in 2018 volumes that are 30% lower than 2017.
- However, investors with a track record in Italian real estate will continue to monitor the markets for opportunities. Grade A buildings released by some landlords who are rebalancing their portfolios and consolidating in a handful of core markets or potentially well positioned refurbishment projects are likely to be the most sought after assets.
- Developers are responding to the overall lack of quality space in both Milan and Rome by taking on more construction on a speculative basis. The focus is renovation projects rather than new builds which will prevent the market being flooded with potentially surplus new stock plus lower grade space that is harder to let thus limiting any dramatic rise in vacancy.
- Despite the weak economic recovery and fragile banking sector, foreign buyers are still active, securing 53% of all office deals in 2018. The expectation is that this will continue, despite the rising level of overall caution. The stock offered to the market has been on the rise with non-performing loan deleveraging programmes as well as liquidating funds and equity investors taking advantage of the improving market conditions to dispose of more liquid holdings.

Sources:
Oxford Economics – Country Economic Forecast Italy 14 January 2019
Real Capital Analytics – data as at 30 January 2019
JLL – Italy Investment Q3 2018
JLL – Milan & Rome City Profiles Q3 2018

Portfolio Overview – France

Occupancy (as at 31 December 2018)	NPI[1] (€ million)	Last Valuation (as at 31 December 2018)	Weighted Reversionary Yield (as at 31 December 2018)	Number of Leases (as at 31 December 2018)
86.5%	21.7	321.6	8.1%	342



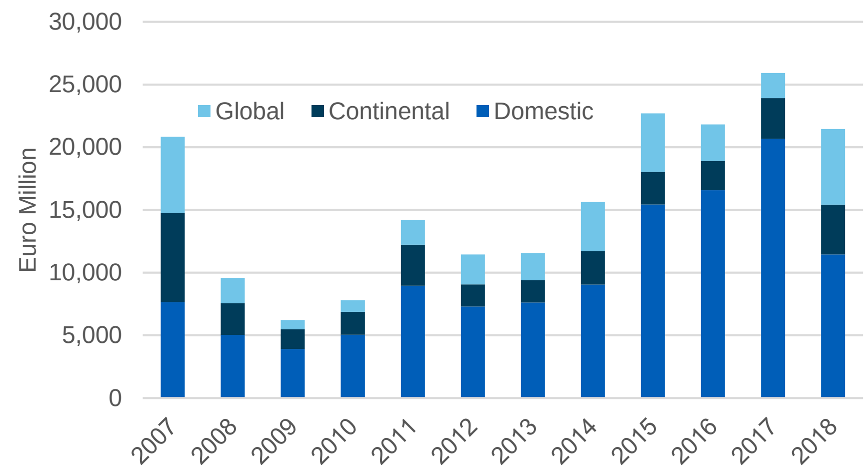
1. For the Financial Period

France – Office Market Outlook

Real Estate Market

- Occupational activity is underpinned by solid fundamentals. Positive employment growth is stimulating demand for office space which is eroding the availability to near critical levels in some submarkets and feeding positive rental growth. Take-up in 4Q 2018 in the Greater Paris region hit 630,000 sq.m and while a decrease on 2017, the year's total of 2.54 million sq.m was on par with that reported in 2017 and around 15% higher than the ten-year average.
- Office vacancy continues to fall – now at 5.4% across the Greater Paris region and circa 2.3% within the city proper, tipping the market even further in favour of landlords, supporting the withdrawal of incentives and positive rental growth. Some occupiers are deciding to exchange Central Paris for the capital's suburbs where rents are lower and choices are more, although not necessarily plentiful – a trend that will slow the recent CBD rent rises.
- 2018 was a stellar year with in excess of €21 billion invested into the French office market. Greater Paris dominates by a long way (87%) but there are variations across the city's submarkets. For example, Inner Paris office trading volumes reached €8.8 billion boosted by six deals over €400 million.
- Domestic investors are a key element (53%) but international capital also has a significant role to play in the office sector. Across 2018 European investors accounted for 19%, while truly global capital took a 28% share. The weight of capital, which is outweighing opportunities has compressed yields to historic lows of 3.00% in Paris' CBD. Prices for regional assets remain attractive compared to Paris allowing investors to diversify. Regional prime yields are between 3.90% - 4.50% in key regional cities such as Lyon, Lille and Nice.

Office Volumes by Capital Source



Economy

Indicator	2018	2019	2020 Outlook (vs 2019)
GDP Growth	1.6%	1.7%	→
Industrial Production	0.7%	1.5%	→
Consumer Prices, average	1.9%	1.3%	↗
Population (millions)	67.33	67.58	↗
Population Growth Rate	0.35%	0.36%	↗
Unemployment Rate	8.8%	8.5%	↘

Annual % change unless specified

- The 'gilets jaunes' protests have had a negative impact, denting growth and combined with worse than expected industrial production growth in 4Q 2018 is expected to be just 0.1%.
- Domestic demand is a key element of economic growth in 2019, driven by private consumption benefitting from government measures including an additional €10 billion support package for the public finances.
- Inflation remains low driven down by oil prices despite tight labour markets and rising wages. Public investment is expected to remain robust ahead of local elections due in March 2020 and due to expenditure related to the Grand Paris Express project.

Outlook

- President Macron appears to enjoy more support from economic sectors and foreign investors than the French population – this is one to watch as undoubtedly it will have an impact on his planned reforms both in terms of roll-out pace and scale. Real estate fundamentals however remain robust and will go someway to act as shock absorbers in the event of an external economic shock, exampled by the 5.4% office vacancy rate that has been steadily declining for at least the past six years.
- The lack of prime offices alongside capital waiting to be deployed, has seen the inevitable parallel compression in yields. The search for returns remains an important driver of activity and so many investors are and will continue to focus on redevelopment/ repositioning opportunities in established areas, or those that are well connected by public transport, particularly near to the future Grand Paris Express stations. For example, The Pleyel development is benefiting from both the future commissioning of the Grand Paris Express and the 2024 Olympics. Other areas that will gain in popularity are Saint-Denis, Saint-Ouen, Clichy or outside of the Northern Inner Suburbs, particularly the South and East.
- The ability to benefit from the current cycle, which is near its peak, is possible and there is still room for value creation strategies. However, investors will need to be mindful of achieving realistic IRRs which are unlikely to be in double digits and also open to looking outside the capital for potential opportunities.

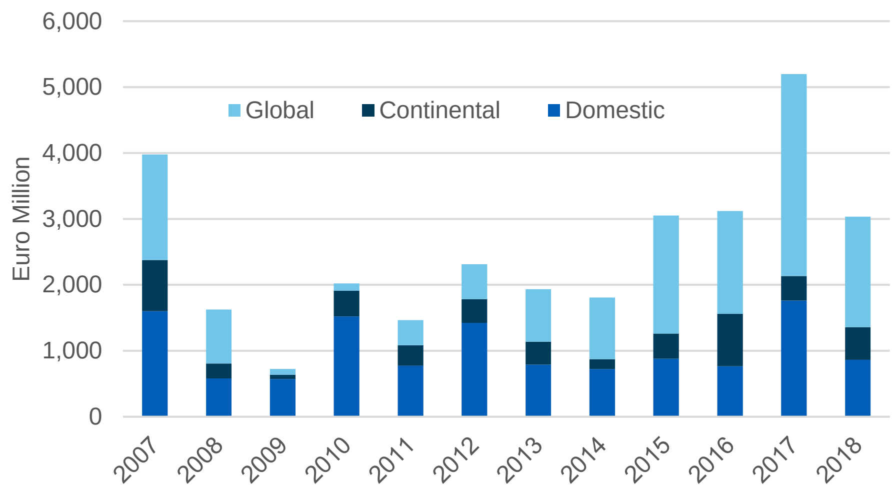
Sources:
Oxford Economics – Country Economic Forecast France 16 January 2019
Real Capital Analytics – data as at 30 January 2019
CBRE – Real Estate Outlook 2019 France
Knight Frank – Paris/Ile-de-France Office Property Market Q4 2018

France – Logistics/Industrial Market Outlook

Real Estate Market

- 2018 recorded healthy levels of occupational activity with 4.1 million sq.m of take-up across the French logistics market and exceeding the 10-year average. While the year got off to a slow start the pick-up seen in Q3 and Q4 boosted the year's total to close to the record performances seen in 2016 and 2017. There has been a notable scaling back in occupier appetite for XXL schemes with take-up dropping from 1.2 million sq.m in 2017 to 518,400 sq.m in 2018 which explains the 14% difference between 2018 take-up levels and those of 2017.
- The Greater Paris market continues to record strong levels of interest translating into deals on the ground and supporting healthy take-up. Key regional markets also fared well; Lille reported a number of owner-occupier deals with shipping companies particularly active, the Rhône-Alpes region was noted for 3PL transactions and in Nord-Pas-de-Calais there were a number of deals in excess of 50,000 sq.m accounting for 30% of 2018 activity.
- The sector's fundamentals are solid, sustained largely by activity linked to e-commerce. Given the depth of transformation of consumer and production modes, the logistics sector is becoming increasingly strategic in order to respond to the massive increase in flows.
- With sharp prime yield compression seen in the office sector over the past few years, investors are increasingly keen to seek out opportunities in the industrial sector as they search for higher returns and diversification, given historically low interest rates. In excess of €3.0 billion was invested into the sector over the course of 2018 accounting for around 9.5% of total trading volumes.

Industrial Volumes by Capital Source



Economy

Indicator	2018	2019	2020 Outlook (vs 2019)
GDP Growth	1.6%	1.7%	→
Industrial Production	0.7%	1.5%	→
Consumer Prices, average	1.9%	1.3%	↗
Population (millions)	67.33	67.58	↗
Population Growth Rate	0.35%	0.36%	↗
Unemployment Rate	8.8%	8.5%	↘

Annual % change unless specified

- The 'gilets jaunes' protests have had a negative impact, denting growth and combined with worse than expected industrial production growth in Q4 is expected to be just 0.1%.
- Domestic demand is a key element of economic growth in 2019, driven by private consumption benefitting from government measures including an additional €10 billion support package for the public finances.
- Inflation remains low driven down by oil prices despite tight labour markets and rising wages. Public investment is expected to remain robust ahead of local elections due in March 2020 and due to expenditure related to the Grand Paris Express project.

Outlook

- The shortage of sought-after large prime assets combined with healthy, record breaking take-up in recent years, has strengthened investor confidence in the underlying fundamentals of the French market. This has renewed developer confidence as well and there has been a notable rise in construction starts.
- Lille, Lyon and Marseille along the north-south logistics axis are benefitting from a lack of supply following healthy demand. With vacancy for quality space below 3%, development lagging, pending authorisations and the challenges of redeveloping brownfield sites, there is room for rental growth.
- Signs are emerging that the end is in sight of the logistics restructuring process for large distribution operators. Activity will continue to be supported by the further expansion and growth of e-commerce –internet sales have risen by 14% y-o-y, and m-commerce has boomed, growing by +50% y-o-y (Fevad 2018). This is supported by the need, of retailers in particular, to supplement their supply chains with urban logistics schemes in order to satisfy the ever shorter delivery times demanded by consumers.
- The appetite of foreign investors is evident with involvement in around 70% of all transactions since the beginning of 2018 with US funds leading, although Germany and UK investors are active too. The weight of capital targeting core and core + is outweighing product, compressing prime yields to historic lows.

Sources:
Oxford Economics – Country Economic Forecast France 16 January 2019
Real Capital Analytics – data as at 30 January 2019
CBRE – Real Estate Outlook 2019 France
CBRE – France Logistics Q4 2018

Portfolio Overview – Germany

Occupancy (as at 31 December 2018)	NPI[1] (€ million)	Last Valuation (as at 31 December 2018)	Weighted Reversionary Yield (as at 31 December 2018)	Number of Leases (as at 31 December 2018)
92.0%	7.5	113.6	7.0%	55

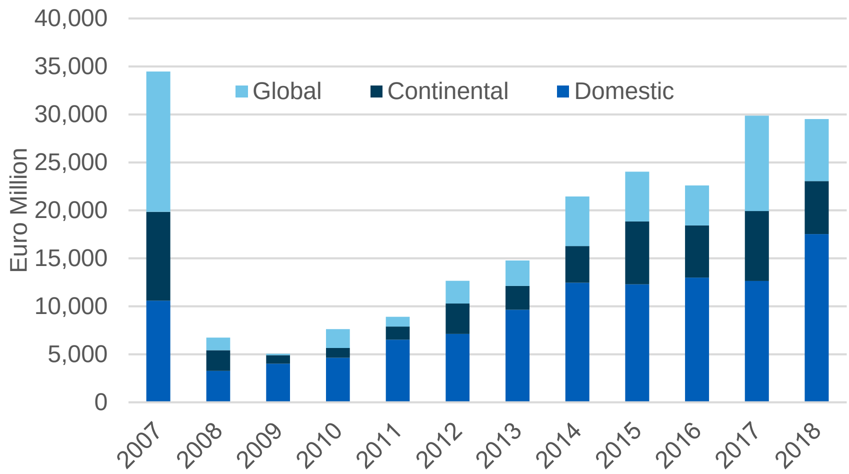
1. For the Financial Period

Germany – Office Market Outlook

Real Estate Market

- 2018 saw €29.5 billion invested into the office sector, reinforcing investor appetite attracted by the size and depth of the market and the robust fundamentals underpinning the occupational market. Domestic investors remain dominant but international capital accounted for approximately a 40% proportion of total activity in 2018.
- Given the weight of capital looking for a home in the German market pricing has intensified further with prime yields compressing in Frankfurt, Hamburg, Munich and Dusseldorf by between 5 to 20 bps over the last quarter of 2018. With yields at historic lows rental growth is a clear focus for investors as it drives capital values.
- Rising employment figures is helping to sustain healthy demand levels. Across Germany's top 7 cities occupier activity in 2018 was just shy of 4 million sq.m, of which almost 30% was in 4Q 2018 alone, making it the strongest quarter of the year. While 2018 was a modest 6.5% behind that of 2017 it marks 2018 as the second most active year on record.
- Important to note is that the decrease in take-up is not to be attributed to flagging expansion efforts or a lack of enthusiasm on the part of companies to relocate given the fact that employment levels are rising, more the case that some planned relocations were not possible to realise because of the unavailability of suitable office space.
- Flexible office operators continue with their aggressive expansion plans with the sector accounting for a 6% share of total take-up, although in prime locations (CBD) the share rises to circa 16%. The lack of availability in top locations is further hampering expansion plans of many corporates with vacancy in the Big 7 at 3.6%.

Office Volumes by Capital Source



Economy

Indicator	2018	2019	2020 Outlook (vs 2019)
GDP Growth	1.8%	1.6%	→
Industrial Production	1.0%	0.4%	↗
Consumer Prices, average	1.9%	1.7%	↗
Population (millions)	83.01	83.24	↗
Population	0.4%	0.3%	↗
Unemployment Rate	3.5%	3.4%	→

Annual % change unless specified

- GDP rose 1.8% y/y in 2018, its slowest rate 2013. It is thought that with official 4Q 2018 data Germany will have narrowly avoided a technical recession - initial data suggests a 4Q 2018 growth of 0.2%, following a contraction of 0.2% in 3Q 2018.
- Slower growth is linked to a slowdown in the global economy, cooling import demand from China, political uncertainty surrounding Brexit and a weaker domestic motor industry.
- 2019 outlook is positive. Solid domestic demand, driven by a pick-up in public and private expenditure growth should support economic activity. Private consumption will likely benefit from the minimum wage increase from 1 January and a tight labour market.

Outlook

- 2019 is likely to see a further fall in availability given the level of pent up occupier demand. Anticipated speculative space is not expected to meet demand, and this is in spite of a slowing economy, and so the current imbalance in supply and demand will continue to be a hurdle for higher levels of take-up.
- Vacancy should fall in 2019 across the Top 7 cities to 3.5% with the supply situation exacerbated by some delayed projects and a scaling back in new completions to only 1.68 million sq.m. Given the low vacancy rates, this should prompt developers to act, but the high capacity utilisation of the construction industry and the relentless rise in development and construction costs are preventing some planned projects from breaking ground.
- Rental growth in the key cities is evident and rises in secondary locations have outpaced this growth, offering attractive alternatives for office users. Over the last five years much stronger growth was generated in secondary and tertiary locations compared to the prime, although this was from a much lower base.
- Tier I locations will continue to attract the bulk of interest despite the historic low yields. The smaller Tier II locations possibly seeing a decline in activity, unable to offer an adequate volume of larger lots that many investors are looking for. With prime yields at historic lows across the main investment markets, careful due diligence is needed with acknowledgement that rental growth will be the most likely element of capital value growth as opposed to yield compression.

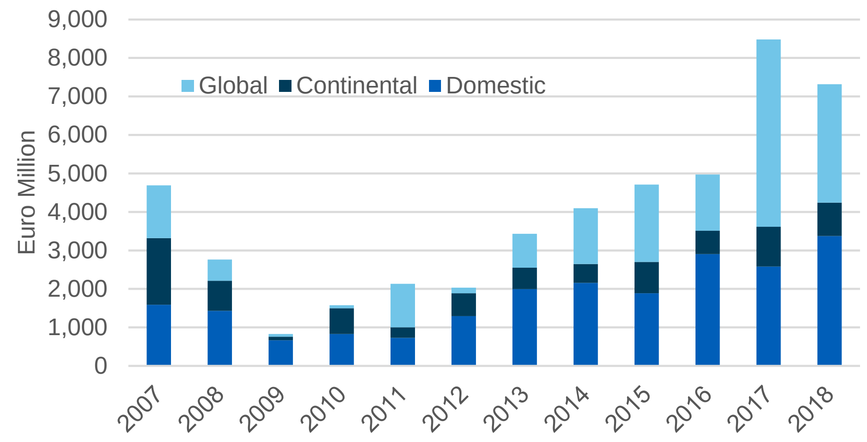
Sources:
Oxford Economics – Country Economic Forecast Germany 8 October 2018
Real Capital Analytics – data as at 30 January 2019
JLL – Office Market Overview Q4 2018
Savills – Germany Commercial Investment Market Q4 2018

Germany – Industrial Market Outlook

Real Estate Market

- Following robust demand for industrial space across 2018 to 3Q 2018, occupier demand remained strong in 4Q 2018 with take-up for the quarter in excess of 1.6 million sq.m, bringing the year's total to close to seven million sq.m. The largest deal of the quarter was for a 100,000 sq.m development site secured by Amazon near Magdeburg.
- The Big 5 locations of Berlin, Düsseldorf, Frankfurt, Hamburg and Munich represented less than 25% of overall 4Q 2018 take-up, marking a shift in focus to second tier locations outside these prime areas, although these areas are growing in popularity and of rising interest for both occupiers and investors. The cause of this shift is predominantly scarcity of affordable land for the development of large-scale distribution centres in the major conglomerations.
- 2018 industrial investment volumes reached €7.3 billion - down 13.7% on the record breaking year of 2017 which was bolstered by very large-scale portfolio transactions, including the sale of Logicor, Hansteen, Gazeley and Goodman. Compared to the 10-year annual average of €3.9 billion trading volumes in 2018 were up significantly.
- International capital accounted for over €3.9 billion of investment in 2018 (54% of 2018 trading volumes), evidencing the continued attractiveness of the industrial sector. Geographically, 85% of the capital invested was in assets located in areas outside the five big cities as investor increasing look for opportunities away from the tightly priced traditional hubs where product can be hard to come by. Portfolio deals helped to boost numbers, accounting for approximately 60% of activity.

Industrial Volumes by Capital Source



Economy

Indicator	2018	2019	2020 Outlook (vs 2019)
GDP Growth	1.8%	1.6%	→
Industrial Production	1.0%	0.4%	↗
Consumer Prices, average	1.9%	1.7%	↗
Population (millions)	83.01	83.24	↗
Population	0.4%	0.3%	↗
Unemployment Rate	3.5%	3.4%	→

Annual % change unless specified

- GDP rose 1.8% y/y in 2018, its slowest rate since 2013. It is thought that with official 4Q 2018 data Germany will have narrowly avoided a technical recession - initial data suggests a 4Q 2018 growth of 0.2%, following a contraction of 0.2% in Q3.
- Slower growth is linked to a slowdown in the global economy, cooling import demand from China, political uncertainty surrounding Brexit and a weaker domestic motor industry.
- The 2019 outlook is positive, solid domestic demand, driven by a pick-up in public and private expenditure growth should support economic activity. Private consumption will likely benefit from the minimum wage increase from 1 January and a tight labour market.

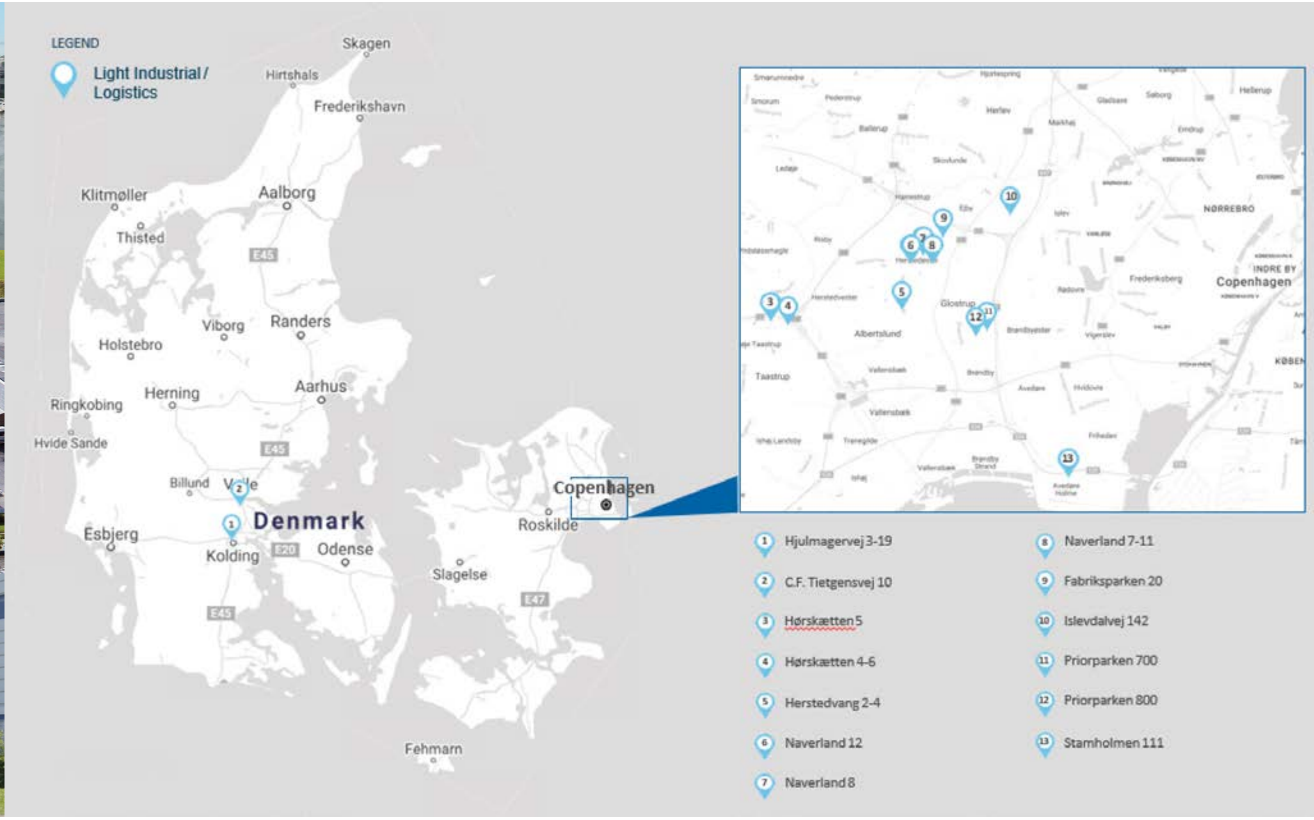
Outlook

- Demand for modern well-located warehouse and logistics space is healthy, helping to erode excess supply and push vacancy rates down further for quality space in particular. City logistics space inside town boundaries remains a niche product partly due to price levels but may face challenges from limited access to some cities due to new emission standards for diesel-powered vehicles. However, as a critical supply chain element in an environment where delivery times are under immense pressure, all parties need to work together.
- The breadth of investors interested in German logistics continues apace and with demand outweighing supply and competition strong for the limited amount of core product, there is room for further prime yield compression in particular. A rising number of investors will start to look up the risk curve in search of yield, diversifying by investigating options in Tier II and III locations and value-add/redevelopment angles as well.
- Occupiers continue to look for new, efficient space but the lack of such space meeting the needs of today's occupiers is a lingering challenge, playing out on multiple levels; location, size and fit-out. Pre-lets dominate the pipeline limiting speculative space, resulting in owner occupiers developing their own space, seeking a quicker route to market in suitable space.
- Given robust demand, construction activity has picked up and a slowdown is not expected near term. While there has been a rise in the amount of owner occupier space and build-to-suit schemes, there has been a notable rise in the amount of speculative construction starts, but space is easily absorbed resulting in the rising dominance of pre-let completions.

Sources:
Oxford Economics – Country Economic Forecast Germany 21 January 2019
Real Capital Analytics – data as at January 2019
Savills – Germany Commercial Investment Market Q4 2018
C&W – Industrial Market Snapshot Q4 2018

Portfolio Overview – Denmark

Occupancy (as at 31 December 2018)	NPI[1] (€ million)	Last Valuation (as at 31 December 2018)	Weighted Reversionary Yield (as at 31 December 2018)	Number of Leases (as at 31 December 2018)
73.6%	6.1	81.3	7.9%	119



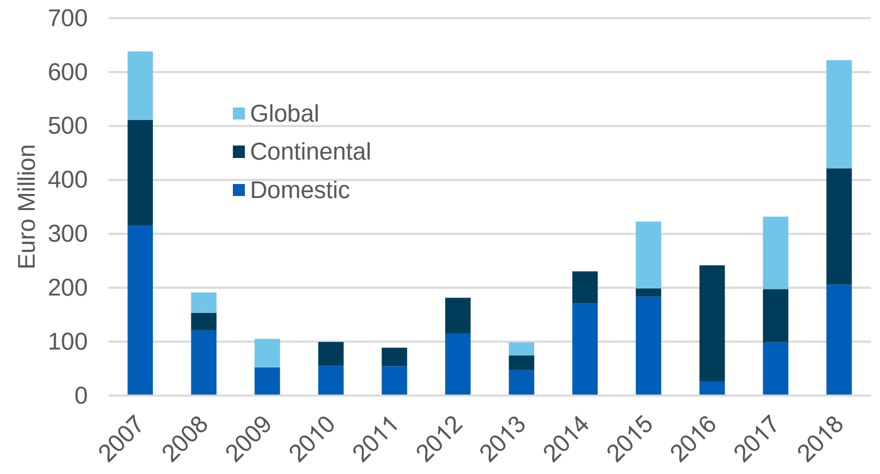
1. For the Financial Period

Denmark – Logistics/Industrial Market Outlook

Real Estate Market

- Occupational demand for well located, efficient logistics schemes continues to go from strength to strength, boosted by the expansion of e-commerce. While large facilities with long leases and multi let units are attractive to investors looking to spread risk, urban logistics are seeing rising levels of interest from both occupiers and investors in the search for the optimal balance between efficient ways to combine quick access to their customer base with warehouse networks, while protecting margins.
- Prime rents are in the region of Dkr 650/sq.m/year in Copenhagen, having seen an upswing of 4.3% on the back of rising demand and a vacancy rate of approximately 2.3%. Availability is likely to fall away further as new deliveries are lagging the pent-up demand.
- The relatively rapid growth of the sector has seen a corresponding rise in interest from institutional investors who, only a few years ago, displayed very little appetite for the sector. 2018 saw €622 million invested into the Danish industrial sector equating to a 12.3% market share, up from the 4% registered in both 2016 and 2017.
- The continued interest in the industrial sector is reflected in strong interest from international capital – in 2016 almost 90% of acquisitions involved foreign buyers, 2017 was lower but still strong at 70% and in 2018, while levels fell to 67%, this is more a reflection on the lack of product coming to market rather than a waning of interest. While neighbouring Nordic investors have been looking for opportunities, British and US investors were active of note over 2018.

Denmark Investment Volumes (€ mn)



Economy

Indicator	2018	2019	2020 Outlook (vs 2019)
GDP Growth	1.5%	2.2%	↘
Industrial Production	1.2%	2.5%	↘
Consumer Prices, average	0.8%	1.2%	↗
Population (millions)	5.78	5.81	↗
Population Growth Rate	0.4%	0.4%	→
Unemployment Rate	5.4%	5.3%	→

Annual % change unless specified

- GDP growth expected to improve in 2019 to 2.2%, supported by a tight labour market and low inflation, driving the domestic economy.
- External sector risks exist, skewed to the downside. The threat of a further escalation in protectionism, a slowing Eurozone economy and the rising possibility of a “no-deal” Brexit could all hit Danish exports this year.
- Unemployment at 5.4% is at a post-financial crisis low and wages are rising. Past pension and labour market reforms should prevent labour shortages from becoming a major constraint on production in 2019. Buoyed by a strong labour market and low inflation, consumer spending growth is forecast to maintain a robust pace.

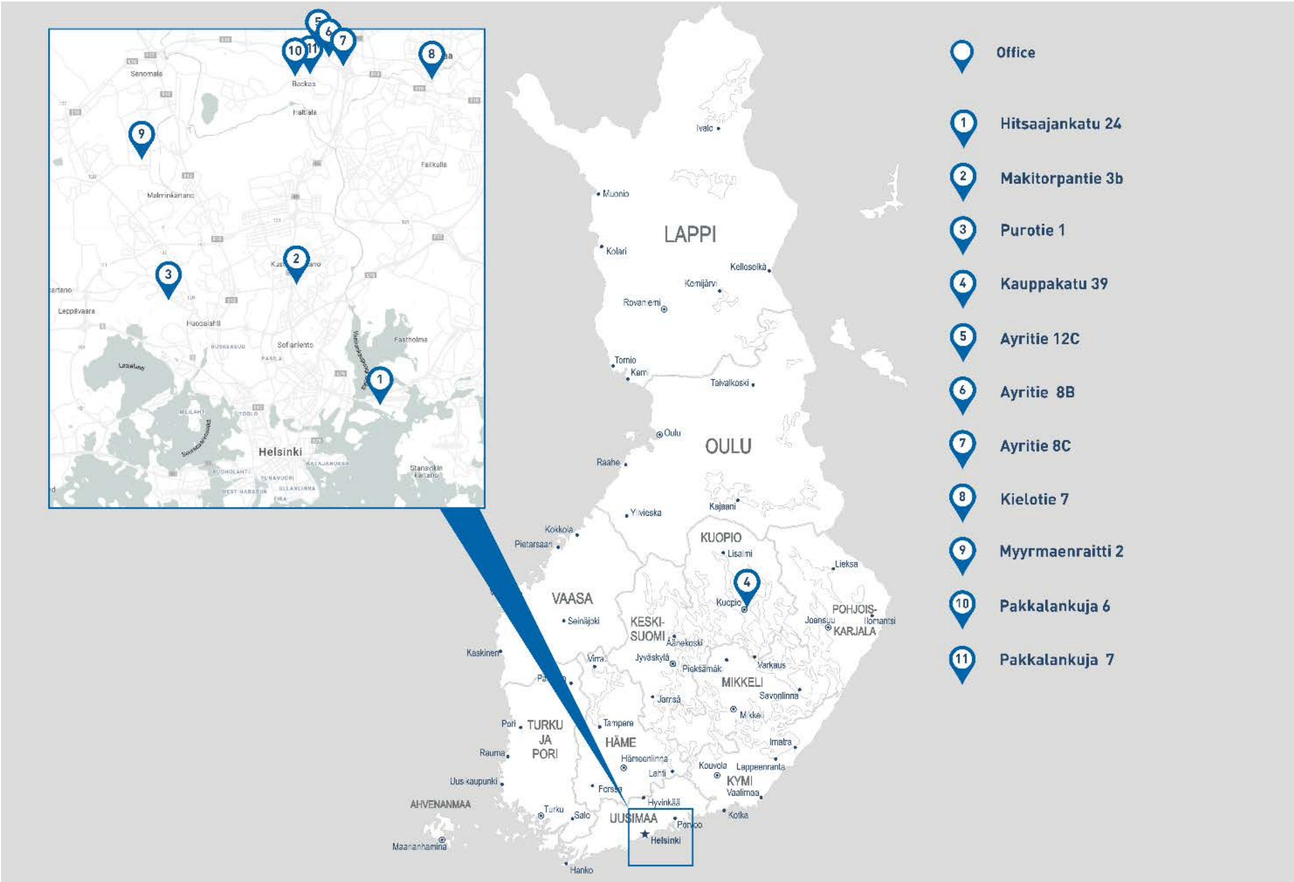
Outlook

- Denmark is viewed by many investors as a safe haven given its strong and stable economic environment with low levels of government debt. It has proven, despite the relatively small market size, as attractive to international investors over the past few years and this is not expected to change so long as product continues to come to the market. Prime yields are at historic lows but some locations continue to offer a discount of 20 basis points over the Nordics average prime logistics yield of 5.31%. The expectation is for prime yields to remain relatively flat in 2019 as rising interest rates exert pressure on property yields, although there may be some compression for the very best space.
- The Greater Copenhagen area is a significant market with occupiers focusing on areas such as Taastrup, Ishoj Koge and Greve and the Triangle area in Jutland. Liquidity drops relatively quickly outside of the core Copenhagen markets and foreign investors tend to be much less active outside these areas.
- Recent strong demand has eroded supply in the major logistics hubs which are now running out of space and access to labour, with unemployment at historic lows of 5.4%. Occupier demand and development activity will shift to some of the smaller logistics hubs that have room for expansion but even the additional completions will not see vacancy rise above 3.5% in the near-medium term. It will however, be critical of any developments, to assess multiple factors relating to site accessibility from both a labour perspective and a transport one. Even new schemes that do not meet these criteria will struggle to let.

Sources:
Oxford Economics – Country Economic Forecast Denmark 15 January 2019
Colliers – Denmark Market Report Q3 2018
Cushman & Wakefield – The DNA of Real Estate Q4 2018
Real Capital Analytics – data as at 30 January 2019

Portfolio Overview – Finland

Occupancy (as at 31 December 2018)	NPI[1] (€ million)	Last Valuation (as at 31 December 2018)	Weighted Reversionary Yield (as at 31 December 2018)	Number of Leases (as at 31 December 2018)
91.2%	N.A.[2]	113.1	7.4%	231



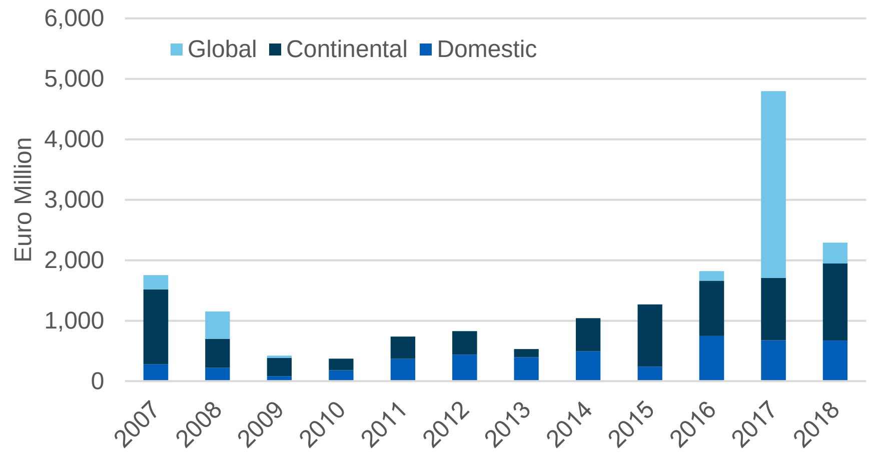
1. For the Financial Period
2. Acquired on 28 Dec 2018 and do not have meaningful contribution to NPI

Finland Office Market Outlook

Real Estate Market

- Helsinki is the main focal point of the Finnish office market and the capital is home to approximately 45% of all office space. While the CBD remains a popular area, most recently for tech companies, it suffers from a lack of large floorplates and this is seeing a rinsing trend in occupiers with large requirements looking further afield in order to satisfy their needs.
- Demand for high quality office space is having a twofold impact on the market; on the one hand rents at the prime end of the market in particular are seeing positive growth and on the other it is encouraging development and refurbishment projects in the wider Helsinki Metropolitan Area (HMA). A significant amount of new office stock has been added to the market and the vacancy rate has trended upwards over the past five years. However, some of this will be structural vacancy in older stock presenting redevelopment opportunities.
- Offices are a key sector of the Finnish investment landscape and 2018 saw €2.3 billion invested into the sector. While this was down on the stellar year that was 2017, 2018 trading volumes are well above the 10-year average of €1.4 billion. 2017 was boosted considerably by the Blackstone acquisition of shares in Finnish Real Estate company Sponda. The €1.8 space billion deal provided a significant boost to the transacted total, particularly for the office sector.
- Prime yields were stable over the last quarter of the year at 3.40% - 3.60% in Helsinki's CBD, 4.50% in the more peripheral areas of the capital to between 5.75% and 6.75% in the Tier II cities of Turku, Tampere and Oulu.

Office Volumes by Capital Source



Economy

Indicator	2018	2019	2020 Outlook (vs 2019)
GDP Growth	2.7%	1.8%	↘
Industrial Production	3.5%	1.8%	↗
Consumer Prices, average	1.1%	1.1%	↗
Population (millions)	5.52	5.53	↗
Population	0.2%	0.2%	↗
Unemployment Rate	7.7%	7.4%	↘

Annual % change unless specified

- 1.8% GDP growth is forecast for 2019 - a slowdown from 2.7% in 2018. Investment growth has come down from the highs of the past two years, but it will continue to contribute to GDP growth as strong domestic demand and ultra-loose monetary policy keep the investment climate favourable.
- But Finland's construction boom looks to be over. Construction permits have started to decline sharply and new building activity is now likely to slow.
- Unemployment has fallen significantly and there is room for further tightening in the labour market. Structural unemployment remains a challenge and reforms are necessary in order to boost tax revenue.

Outlook

- The Helsinki Metropolitan Area will continue to be the target location for both occupiers and investors as it provides the depth and breadth to the market that investors are looking for. Regional markets are however beginning to attract more attention, and their market share of trading volumes is increasing.
- In 2018, 78% of investment in Finland targeted Helsinki with much of the investment outside of Helsinki through portfolio transactions, with assets located in various cities. Close links with the rest of the Nordic region results in a high proportion of international capital in the market.
- Helsinki offices remain a highly attractive investment with the higher yields on offer compared to some other European markets, combined with a stable economy will continue to draw investors. Investment outside of the city centre is expected to increase due to increased development and refurbishment opportunities here.
- Economic growth and expanding businesses will increase demand for office space. The low vacancy rate of 4.3% and supply constraints in the city centre are likely to drive rental growth. High vacancy rates outside of the city centre will not reduce without decommissions of older stock. Rental growth is expected to slow in 2019 but positive growth will continue over the next few years.

Sources:
Oxford Economics – Country Economic Forecast Denmark 22 January 2019
C&W/ - Finland Office Market Snapshot Q4 2018
Real Capital Analytics – data as at 30 January 2019

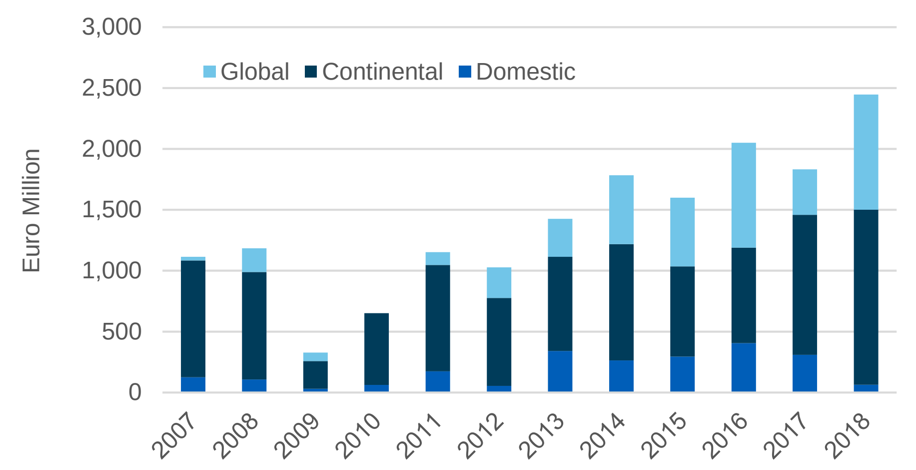
Portfolio Overview – Poland

Poland Office Market Outlook

Real Estate Market

- Robust leasing activity characterised 2018 with vacancy in the capital at a six year low of 8.7% - this masks variations across Warsaw with central areas carrying a vacancy of 5.4% and up to 10% in non-central zones. However, the rate is expected to fall further as active demand erodes availability but with a clear focus on quality at the expense of older space.
- New supply is currently being absorbed with relative ease and the supply:demand imbalance in the market is pushing rents up for quality space. Pre-lets feature strongly in order to secure the right space in the right area but higher construction costs also need be factored in which developers look to recoup via higher rents.
- 2018 was a record-breaking year for investment activity in Poland with €7.1 billion traded of which 35% was in the office sector (€2.45 billion). Warsaw retains its position as the most targeted city but as investors become more comfortable with the country and search for yield the regional markets are seeing more interest with 22% of capital inflows transacting in the key Tier II cities including Gdansk, Katowice and Krakow.
- The lack of prime product and healthy occupational fundamentals has seen office yields, particularly at the prime end of the market, compress over the last 12-18 months but investors may still benefit from a yield premium over major markets of Western Europe. Yields are around 4.75% in Warsaw and 6.00% - 6.75% in the main regional cities. Non-prime products are expected to achieve 7%+ yields depending on the level of vacancy.

Office Volumes by Capital Source



Economy

Indicator	2018	2019	2020 Outlook (vs 2019)
GDP Growth	4.6%	3.2%	↘
Industrial Production	5.9%	3.6%	↗
Consumer Prices, average	1.8%	1.9%	↗
Population (millions)	37.98	37.96	↘
Population	0.0%	-0.1%	↘
Unemployment Rate	4.1%	4.0%	↘

Annual % change unless specified

- 2018 GDP growth is expected to be 4.6%, making it one of the fastest growing economies in Europe and well above the 2.5% of the Eurozone.
- Boosted by strong domestic demand, growth is showing Poland's resilience to a slowdown in the Eurozone and mounting external headwinds.
- The labour market remains supportive of household incomes and real wages in 2019 should continue to grow at a solid, yet slightly more moderate pace.
- 2019 sees growth slow to 3.2% as the business cycle peaks and demographic pressures become more noticeable.

Outlook

- Near term some upward pressure on prime rents is expected due to constrained new speculative supply and robust demand which is supporting rising capital values, particularly in Central Warsaw, where the city is benefitting from both positive rental growth and yield compression. Values are on the rise across the board given the weight of capital looking to invest in the Polish office sector and there is growing interest in the key regional cities. The vacancy rate is below 8.7% in all major cities with the exception of Wroclaw where it nudges just above the 9.0% mark.
- However, despite the positive outlook for the next twelve months an element of caution is expected to surface as investors consider how much further the cycle has to run (particularly so in Warsaw) leading to portfolio diversification and investors increasingly looking at industrial and alternative assets.
- Flexible space operators were very active, taking a 112,000 sq.m of space in Warsaw, equating to 13% of total take-up - 22% in the central areas of the city. Despite the number of active operators in this space 52% of the demand came from just two: WeWork and IWG (Regus & Spaces). The next two years will be a moment of truth in Poland for the concept of workspace as a service due to the opening of large co-working spaces and serviced offices. We will probably see operators consolidate on the market or rents for such space fall. Flexible workspaces have taken hold on the Polish market with more firms likely to opt for hybrid transactions in 2019, leasing both traditional and flexible office space.

Sources:
Oxford Economics – Country Economic Forecast Poland 17 January 2019
CBRE – Investment Market in Poland H2 2018
JLL – Warsaw Office Market Jan 2019
Real Capital Analytics – data as at 30 January 2019

European Update and Outlook

Appendix B

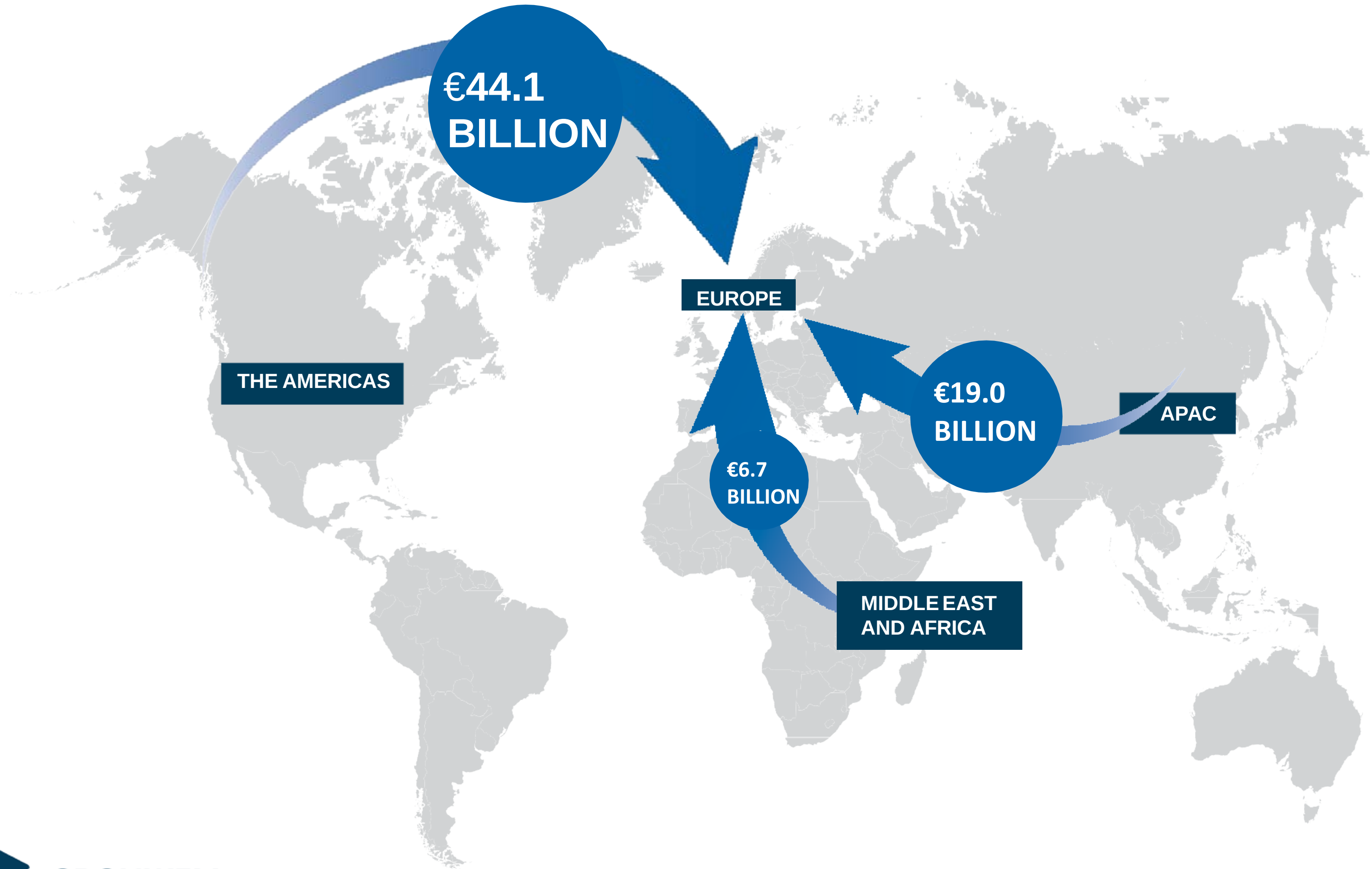
Commentary on the European Economy

- The Eurozone economy expanded by 0.2% in 3Q 2018, the slowest pace in five years. Expectations of a recovery in 4Q 2018 were unfounded with German data showing the economy nearing recession in 2H 2018 and Italian 4Q 2018 GDP showing weak domestic demand dragging the country into a recession in 2H 2018.
- Growth, while weak, remained positive for the Eurozone with the overall economy expanding by 0.2% in 4Q 2018 and 1.8% over 2018 with Denmark providing a bright spot with an 0.9% expansion over the last quarter of 2018, followed by the Netherlands with 4Q 2018 growth of 0.6%.
- 2019 carries this lacklustre performance forward, with growth anticipated to be 1.5%. The slowdown is partially driven by transitory factors, namely the German auto industry and more recently the ‘gilet jaunes’ protests in France, so some recovery is expected as 2019 progresses.
- The European Central Bank, as expected, ended QE purchases in December. However, the outlook is that interest rate hikes are not expected until late in 2019 and with only a very gradual pace of tightening thereafter.
- The last twelve months has seen sustained occupier demand for commercial real estate in Europe, although the declining labour capacity is starting to hinder corporate expansions. The strength of the labour market continues across the wider Eurozone with unemployment unchanged at 7.9% in December – its lowest since 2008 – and stronger wages and low inflation should support household spending.
- Reforms undertaken in some of the peripheral Eurozone countries should help to raise productivity growth to at least what it was before 2008, but there is more than can and should be done to offset some of the mounting headwinds, including fiscal expansion.

Source: Oxford Economics

Global Capital Flows to Europe

Cross-border activity: Twelve Months to Q4 2018



Sources: Real Capital Analytics

European Debt Map

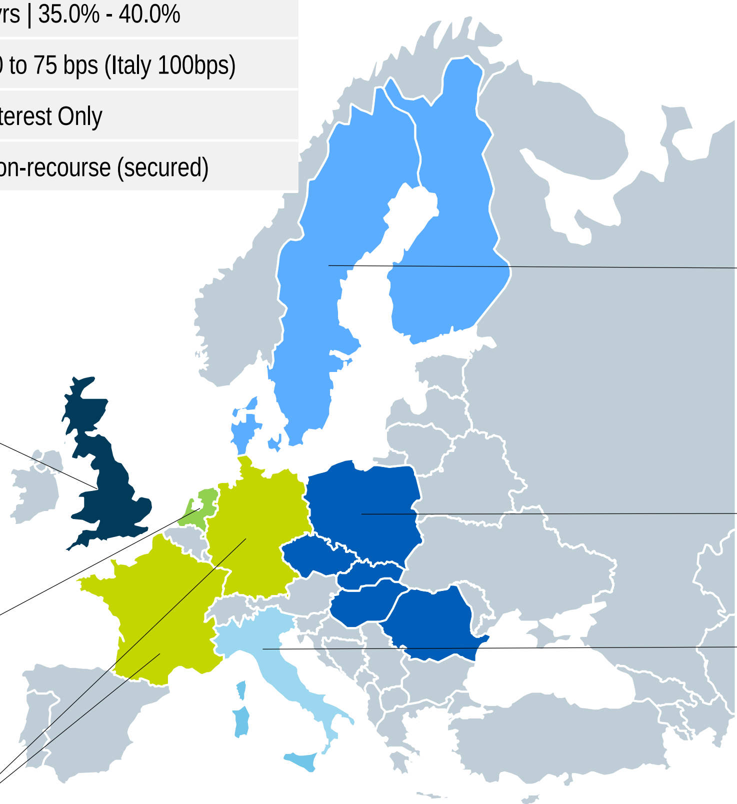
Comparison of Core (Prime) vs. Core+ (Regions) Office Financing Opportunities

Core/Core+ (loan term | LTV)	5yrs | 35.0% - 40.0%
Core/Core+ – upfront fees	40 to 75 bps (Italy 100bps)
Repayment	Interest Only
Lending nature	Non-recourse (secured)

United Kingdom	
Core/Core+ (London)	0.90% - 1.10% p.a.
Core/Core+ (Regions)	1.20% - 1.60% p.a.
Upfront fees	0.50% - 0.75% p.a.
Libor (incl. credit spread)	1.30% p.a.

Netherlands	
Core/Core+ (CBD)	0.80% - 1.10% p.a.
Core/Core+ (Regions)	1.10% - 1.50% p.a.
Upfront fees	0.40% - 0.60% p.a.
Euribor (incl. credit spread)	0.20% p.a.

Germany and France	
Core/Core+ (CBD)	0.60% - 0.90% p.a.
Core/Core+ (Regions)	0.80% - 1.30% p.a.
Upfront fees	nil - 0.50% p.a.
Euribor (incl. credit spread)	0.20% p.a.



Sweden	
Core/Core+ (CBD)	0.90% - 1.30% p.a.
Core/Core+ (Regions)	1.40% - 1.80% p.a.
Upfront fees	0.40% - 0.75% p.a.
Stibor (incl. credit spread)	0.75% p.a.

CEE	
Core/Core+ (CBD)	0.90% - 1.40% p.a.
Core/Core+ (Regions)	1.40% - 2.00% p.a.
Upfront fees	0.50% - 0.75% p.a.
Euribor (incl. credit spread)	0.20% p.a.

Italy	
Core/Core+ (CBD)	1.20% - 1.80% p.a.
Core/Core+ (Regions)	1.80% - 2.25% p.a.
Upfront fees	0.75% - 1.25% p.a.
Euribor (incl. credit spread)	0.20% p.a.

Figures as at 07 February 2019

CEREIT's Sponsor Strength

Appendix C

Sponsored by Cromwell Property Group

Cromwell Property Group ("Cromwell") is a real estate investor and manager operating on three continents with a global investor base

A$11.5 billion AUM[1]

A$2.1 billion Market Capitalisation[2]

A$204.1 million Profit for the financial year[3]

4.0 million sqm

320+ properties

3,800+ tenants

380+ people

1. Total assets for Cromwell as at 30 June 2018 including attributable AUM of Phoenix Portfolios (45%) and Oyster Group (50%) as at 30 June 2018
2. Market capitalisation as at 25 October 2018
3. Profit for the financial year ended 30 June 2018

European Platform with Local Capability

Unique platform of 20 regional offices providing on the ground local market knowledge and expertise

€3.9 billion
AUM^

260+
properties

3,100+
tenants

200+
people

12
countries

20
offices

^ excluding investment capacity.
Figures as of 30 June 2018.

Credentials

Track record of providing holistic asset management, development, corporate restructuring and equity capital investment solutions. Established in 1980.

Specialists

Focused on European Core+ and Value Add commercial real estate.

Partners

Diverse client base of global investors including sovereign wealth funds, pension funds, insurance companies, private equity and multi managers.

Sponsor and Manager Dedicated to Sustainability

Cromwell is committed to acting responsibly and proactively, to understand, measure, manage and communicate the impacts of our activities

- Cromwell has been reporting in accordance with the Global Report Initiative sustainability guidelines since 2009
- CEREIT was awarded the GRESB Sustainability Benchmark
- Benchmarks property performance against Global Real Estate Sustainability Framework
- Targeting inclusion into the Dow Jones Sustainability index
- In 2016 Cromwell launched its global sustainability framework to introduce common benchmarks and consistent disclosure
- Partnered with Qantas in 2017 to offset emissions resulting from corporate air travel globally
- Appointed Chief Sustainability Officer in 2018, with a direct reporting line to Group CEO

GRI Empowering Sustainable Decisions

GRESB

Dow Jones Sustainability Indexes

SUSTAINABILITY EVERYTHING IS CONNECTED

Research-backed Investment Strategy

Rigorous selection process to ensure investments are focused on the right cities, sectors and trends

- Target cities in each sector identified for investment opportunity sourcing
- Process combines statistical and economic analysis, taking into account macro-trends and themes as well as geopolitical risks
- Top-down findings combined with bottom-up on-the-ground experience and expertise of local teams

Detailed and continuous research process

Country level macro economic, political and real estate analysis

Comprehensive in-depth desktop appraisal: 200+ criteria

First cut of city selection

In-house local, on-the-ground market appraisal

Target cities ranked

Sector-level analysis & asset selection

- Investment strategies are increasingly overlapping as investment returns continue to compress
- A thorough understanding of macro and local market dynamics, capital risk/return appetite, as well as occupier trends and requirements are all essential in formulating and implementing a successful strategy

Macro Trends

Sustainability

Sustainability is increasingly **influencing occupier demand, asset management strategies** and **investors appetite** for real estate

Technology

Technology is changing the real estate landscape by **improving production inefficiencies, reducing labour costs** and **maximising income**

Urbanisation

As **urbanisation increases**, real estate will need to **meet additional demand** for working and living in cities

Demographics

Changes in demographics will drive demand and **influence the type, functionality** and **location of assets**

E-Commerce

Changing **consumer behaviour**, supply chains should deliver on the omni-channel offering to consumers

Thank You

If you have any queries, kindly contact:
Cromwell EREIT Management Pte. Ltd., Chief Operating Officer & Head of Investor Relations, Ms Elena Arabadjieva at elena.arabadjieva@cromwell.com.sg, Tel: 6920 7539,
or Newgate Communications at cereit@newgatecomms.com.sg.