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CROMWELL EUROPEAN REIT

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

Managed by Cromwell EREIT Management Pte. Ltd.

ANNOUNCEMENT

ACQUISITION OF SIX ASSETS IN FRANCE AND POLAND

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1. INTRODUCTION

Cromwell EREIT Management Pte. Ltd., in its capacity as manager of Cromwell European Real Estate Investment Trust ("**CEREIT**", and the manager of CEREIT, the "**Manager**"), wishes to announce that:

(i) CEREIT has, through Logistics France 1 SAS, entered into a share purchase agreement with Alix Venture S.a.r.l. (the "**Paryseine SPA**") to acquire 100.0% of the equity interests in Sci Confluence Paryseine, which holds the property located at 3 Allée de la Seine, 94200 Ivry-sur-Seine, France (the "**Paryseine Asset**");

(ii) CEREIT has, through Logistics France 1 SAS, entered into an asset purchase

Goldman Sachs (Singapore) Pte. and UBS AG, Singapore Branch are the joint issue managers for the initial public offering of the units in Cromwell European Real Estate Investment Trust (the "**Offering**"). DBS Bank Ltd., Goldman Sachs (Singapore) Pte., and UBS AG, Singapore Branch are the joint global coordinators for the Offering. DBS Bank Ltd., Goldman Sachs (Singapore) Pte., UBS AG, Singapore Branch, Daiwa Capital Markets Singapore Limited and CLSA Singapore Pte Ltd are the joint bookrunners and underwriters for the Offering.

agreement with Ivry Lénine S.a.r.l (the "**Lénine APA**") to acquire the property located at 1 Rue Lénine, 94200 Ivry-sur-Seine, France (the "**Lénine Asset**"). It is intended that the Lénine APA will be assigned to SCI Confluence Paryseine immediately prior to completion under the Lénine APA;

(iii) CEREIT has, through Logistics France 1 SAS, entered into a share purchase agreement with 21 RDB (the "**Cap Mermoz SPA**") to acquire 100.0% of the equity interests in Sci Cap Mermoz (minus 1 share), and through Parc d'Activités 1 Luxembourg S.a.r.l into a share purchase agreement with Alix Venture S.a.r.l to acquire 1 share of the equity interest in Cap Mermoz which holds the property located at 38-44 rue Jean-Mermoz, 78600 Maisons-Laffitte, France (the "**Cap Mermoz Asset**", together with the Paryseine Asset and the Lénine Asset, the "**France Properties**", and the acquisition of the France Properties, the "**France Acquisitions**"));

(iv) CEREIT has, through Cromwell EREIT Lux 3A S.a.r.l., entered into a share purchase agreement with Brassa SP Z o. o. (the "**Poland SPA**") to acquire 100.0% of the equity interests in (a) Cambil SP. Z o. o. which holds the property located at 80, 80A, 82 and 84 Czerwone Maki Street, Kraków, Poland (the "**Green Office Asset**") and (b) Kasteli SP. Z o. o., which holds the property located at 28 Armii Krajowej Street, Kraków, Poland (the "**Avatar Asset**"); and

(v) CEREIT has, through Europe 1 Propco S.à r.l., entered into an asset purchase agreement with Vastint Poland sp. z o. o. (the "**Poland APA**") to acquire the property located at 2, 4, 6, 8 and 10 Kolorowa street, Poznań, Poland ("**Business Garden**", together with the Green Office Asset and the Avatar Asset, the "**Poland Properties**", and the acquisition of the Poland Properties, the "**Poland Acquisitions**").

The France Properties and the Poland Properties are together collectively referred to as the "**New Properties**", and the France Acquisitions and the Poland Acquisitions are together collectively referred to as the "**New Acquisitions**".

2. INFORMATION ON THE NEW PROPERTIES

2.1 FRANCE PROPERTIES

The France Properties comprise two predominantly office properties (Paryseine Asset and Lénine Asset) and one office property (Cap Mermoz Asset) located in Greater Paris, France.

Greater Paris is the fifth-largest economic area in the world and the largest in Europe. The Greater Paris office market is Europe's deepest and most liquid investment market, and enjoys strong leasing momentum due to strong job creation and the rise of French technology companies and start-ups. The Greater Paris region office market is 57.5 million square metres ("**sq m**"), with 2.5 million sq m of leasing completed in 2018, and a 5.1% vacancy rate as at March 2019.

The Paryseine Asset and Lénine Asset are freehold, majority office properties comprising a total of 23,066 sq m of net lettable floor area, including a 10,024 sq m adjacent, modern three-level warehouse. The combined occupancy rate is 95.4% and the property has a

WALE[1] of 5.1 years. Key tenants include Interforum, subsidiary of the second-largest publishing group in France; and Kaviari, a wholesale supplier of caviar, which leases the warehouse facility. Located in the established Ivry-sur-Seine office district, which is home to several large companies' headquarters (such as French retail chain Fnac and integrated security solutions provider Stanley Security), the Paryseine Asset and Lénine Asset sit on a 19,950 sq m amalgamated site, which also includes an independently owned hotel. The properties are located six kilometres from Paris' city centre, close to transport nodes, with a tram station to be opened in front of the properties, linking commuters to the RER C line (a regional rapid transit system) Ivry-sur-Seine station. Both properties enjoy easy access to the Paris Ring Road and proximity to the city centre, and offer abundant parking spaces, which are highly sought after in Paris. The Paryseine Asset and Lénine Asset are also expected to benefit from the completion of the Paris Metro Line 10 extension to Ivry-sur-Seine, scheduled to be completed by 2030, thereby offering redevelopment potential in a rapidly gentrifying neighbourhood.

The Cap Mermoz Asset is a freehold office property comprising 10,720 sq m of net lettable floor area. It has an occupancy rate of 96.8% and a WALE[1] of 5.3 years. Key tenants include Accenture, Regus, and Trelleborg (a global engineering company). The Cap Mermoz Asset is located just 17 minutes by train to the Paris central business district, and offers convenient access to major business districts La Défense and Charles de Gaulle Étoile, as well as the Charles de Gaulle Airport, Orly Airport, and major train station Gare Saint-Lazare.

The Paryseine Asset, the Lénine Asset, and the Cap Mermoz Asset were independently valued by Colliers International France SAS (commissioned by the Manager and the Trustee) at €36.8 million, €6.1 million, and €36.0 million, respectively, as of 30 June 2019, using the income capitalisation method.

Property	**Land Tenure**	**Net Lettable Floor Area (sq m)** (1)	**Valuation (€ m)** (2)	**Purchase Price (€ m)**	**WALE (years)** (3)	**Occupancy Rate (%)** (4)
Paryseine Asset and Lénine Asset	Freehold	23,066	42.9	40.1	5.1	95.4
Cap Mermoz Asset	Freehold	10,720	36.0	38.0	5.3	96.8
Total / Average		**33,786**	**78.9**	**78.1**	**5.2**	**95.9**

Notes:

(1) Net lettable floor area as at 31 May 2019.

(2) Valuation of the France Properties as at 30 June 2019.

(3) "**WALE**" refers to the weighted average lease expiry by headline rent based on the final termination date of the agreement (assuming the tenant does not terminate the lease on any of the permissible break date(s), if applicable) as at 31 March 2019.

(4) Occupancy rate as at 31 May 2019.

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) as at 31 March 2019.

2.2 POLAND PROPERTIES

The Poland Properties comprise two predominantly office properties (Green Office Asset and Avatar Asset) in Kraków, the second-largest city in Poland, and an office property (Business Garden) in Poznań, the fifth-largest city in Poland.

2.2.1 Kraków, Poland

Kraków has a population of approximately 770,000 and is the largest regional office market in Poland with more than 1.3 million sq m of office space. It is the top business services centre in Poland with 64,000 employees, which represents 23% of all employees in this sector in Poland. The current unemployment rate is 4.5% within the greater regional area which has a population of 3.4 million.

The Green Office Asset is a freehold, predominantly office property comprising 22,954 sq m of net lettable floor area, built in 2012. It is currently 100% let to Motorola Solutions Systems and UBS Kraków, with a WALE[1] of 6.4 years[2]. The Green Office Asset is located in the 'Krakowski Park Technologiczny' Special Economic Zone, a leading office location for technology companies in Kraków, including Nokia, Ericsson, Shell Business Operations, UBS, Selvita, Onet Data Center and Motorola Solutions Systems. It is situated near the scientific and research units of the reputable Jagiellonian University (including SOLARIS National Synchrotron Radiation Centre, Faculties of Mathematics and Computer Science, Physics, Astronomy and Applied Computer Science, Biochemistry, Biophysics and Biotechnology), providing excellent access to skilled labour. The property is close to the Kraków motorway ring road and benefits from access to the Kraków Airport. The Green Office Asset property is undergoing the Building Research Establishment Environmental Assessment Method ("**BREEAM**") certification process, expected to be finalised in the second quarter of 2019 at "very good" levels in both the Asset performance and Building Management categories.

The Avatar Asset is a freehold / perpetual usufruct leasehold, predominantly office property comprising 11,341 sq m of net lettable floor area, built in 2010. It is fully let to BGŻ BNP Paribas, with a WALE[1] of 5.6 years. The Avatar Asset is located in an established and popular office location in Kraków, close to the city centre, and near the offices of companies such as Raiffeisen Bank, IBM Watson, Deloitte, Mercedes-Benz and Rise.pl. The property is situated in the neighbourhood of the student campus of AGH University of Science and Technology, one of the top three technical universities in Poland, providing excellent access to skilled labour. The Avatar Asset is directly connected with the city centre ring road and the Old Town. It has achieved a "very good" level in the Asset Management category and an "excellent" grade in the Building Management category of the BREEAM certifications.

2.2.2 Poznań, Poland

Poznań has a population of approximately 540,000, with a very low unemployment

2 The 6.4 years WALE is under the assumption that Motorola Solutions Systems has renewed its leases, currently expiring from May 2021 onwards, prior to the scheduled completion date. In absence of such renewal the WALE of the Green Office Asset would be 2.6 years.

rate of 3.0% within the greater regional area which has a population of 3.5 million. It is the fifth largest regional office market in Poland with more than 500,000 sq m of office space. Poznań is a destination for service centres of international companies like Carlsberg Group, Carl Zeiss, Franklin Templeton Investments, GSK, IKEA, McKinsey and Roche.

Business Garden is a freehold office property comprising 42,267 sq m of net lettable floor area. It has an occupancy rate of 100% and a WALE[1] of 3.4 years. Key tenants include CapGemini SE, GSK, MAN Group, and Santander Group. Business Garden is located within a large academic cluster with over 110,000 students and 24 universities, and centrally positioned between the Poznań city centre and Poznań Airport. It is well connected to public transport such as tram, bus and trains. Business Garden is also close to King Cross Marcelin, a large shopping centre, and INEA football stadium.

Each of the Green Office Asset, the Avatar Asset and Business Garden were independently valued by Cushman & Wakefield Debenham Tie Leung Limited (commissioned by the Manager and Perpetual (Asia) Limited, as trustee of CEREIT (the "**Trustee**")) at €52.2 million[3], €28.0 million and €89.0 million, respectively, as of 19 June 2019, using the income capitalisation method. The properties have been valued in accordance with the definition of Market Value, as stated in the RICS Valuation – Global Standards.[4]

Property	**Land Tenure**	**Net Lettable Floor Area (sq m) (1)**	**Valuation (€ m) (2)**	**Purchase Price (€ m)**	**WALE (years) (3)**	**Occupancy Rate (%) (4)**
Green Office Asset	Freehold	22,954	52.2	52.2	6.4	100.0
Avatar Asset	Freehold / perpetual usufruct	11,341	28.0	27.8	5.6	100.0
Kraków Properties		34,295	80.2	80.0	6.1	100.0
Business Garden	Freehold	42,267	89.0	88.8	3.4	100.0
Poznań Property		42,267	89.0	88.8	3.4	100.0
Total / Average		**76,562**	**169.2**	**168.8**	**4.7**	**100.0**

Notes:

(1) Net lettable floor area as at 1 March 2019 for Green Office Asset and Avatar Asset, and 23 May 2019 for Business Garden.

(2) Valuation of the Poland Properties as at 19 June 2019. Valuation of Green Office Asset is on the basis that the Motorola Solutions Systems leases have been renewed.

(3) "**WALE**" refers to the weighted average lease expiry by headline rent based on the final termination date of

3 Valuation of Green Office Asset is on the basis that the Motorola Solutions Systems leases have been renewed.

4 The definition of Market Value as defined in the RICS Valuation – Global Standards, incorporating the International Valuation Standards, is: "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

the agreement (assuming the tenant does not terminate the lease on any of the permissible break date(s), if applicable) as at 31 March 2019.

(4) Occupancy rate as at 1 March 2019 for Green Office Asset and Avatar Asset, and 23 May 2019 for Business Garden.

3. DETAILS OF THE NEW ACQUISITIONS

3.1 FRANCE PROPERTIES

3.1.1 Purchase Consideration

The agreed purchase price for the Paryseine Asset, the Lénine Asset, and the Cap Mermoz Asset is €34.6 million, €5.5 million and €38.0 million, respectively. The estimated share purchase consideration under the Paryseine SPA and the Cap Mermoz SPA (based on the foregoing agreed purchase price for the Paryseine Asset and the Cap Mermoz Asset) is €32.9 million and €38.0 million respectively, subject to closing adjustments and, together with the purchase consideration payable under the Lénine APA is €76.4 million (the "**France Properties Purchase Consideration**"). The agreed purchase price for each of the France Properties was arrived at on a willing buyer and willing seller basis and based on the independent valuation of each France Property.

3.1.2 Estimated Cost of France Acquisitions

The total cost of the France Acquisitions is estimated to be approximately €80.3 million, comprising:

(i) the France Properties Purchase Consideration of €76.4 million;

(ii) the acquisition fee payable to the Manager of €0.8 million;

(iii) the real estate transfer tax of €0.7 million; and

(iv) the professional and other fees and expenses in connection with the France Acquisitions of €2.4 million.

3.1.3 Purchase Agreements

Paryseine SPA

The key terms of the Paryseine SPA include the following:

(i) customary provisions relating to the acquisition, including representations and warranties;

(ii) €5.0 million of the purchase price for the Paryseine Asset (comprising part of the existing shareholder's loan) would be satisfied by the issuance of units in CEREIT ("**Units**") to the vendor (or its nominee) at an issue price equal to the issue price of the Units in the private placement announced by the Manager, provided that the issue price is not more than €0.465 (in which case such amount would be paid in cash). Such Units to be issued as part consideration of the purchase price for the Paryseine Asset would be issued on completion of the acquisition of the Paryseine Asset, which is expected to be sometime in end July 2019. The Units issued would rank pari passu to the Units then existing at the time of issuance;

(iii) the conditions precedents include: (a) the absence of material damage, (b) the satisfaction of conditions precedent relating to Cap Mermoz SPA, (c) the satisfaction of conditions precedent relating to Lénine APA and (d) the non-exercise by the Mairie of Ivry-surSeine of its preemption right set out in article L. 213-1 of the French Town Planning Code;

(iv) the longstop date for completion of the acquisition is 31 July 2019;

(v) the property is being conveyed on a "as is, where is" basis with representations and warranties by both parties; and

(vi) to the extent that the seller's obligations under the Paryseine SPA survive the closing, they will survive for 21 months for damages not relating to taxes and until 31 January 2023 for damage relating to tax, and the seller will not have any liability to the buyer for most breaches until the buyer's claims aggregate more than €100,000 as a threshold.

Lénine APA

The key terms of the Lénine APA include the following:

(i) customary provisions relating to the acquisition including representations and warranties;

(ii) the conditions precedent include the non-exercise by the Mairie of Ivry-surSeine of its preemption right set out in article L. 213-1 of the French Town Planning Code;

(iii) a termination right in the case of material damage; and

(iv) the longstop date for completion of the Acquisition is 31 July 2019.

Cap Mermoz SPA

The key terms of the Cap Mermoz SPA include the following:

(i) customary provisions relating to the acquisition including representations and warranties;

(ii) the conditions precedent include: (a) the absence of material damage, (b) the satisfaction of conditions precedent relating to Lénine APA, (c) the satisfaction of conditions precedent relating to Paryseine APA and (d) the non-exercise by the Prefecture of Versailles of its preemption right set out in article L. 213-1 of the French Town Planning Code;

(iii) the longstop date for completion of the Acquisition is 31 July 2019;

(iv) the property is being conveyed on a "as is, where is" basis with representations and warranties by both parties; and

(v) to the extent that the seller's obligations under the Cap Mermoz SPA survive the closing, they will survive for 21 months for damages not relating to taxes and until 31 January 2023 for damages relating to tax following the closing date and the seller will not have any liability to the buyer for most breaches until the buyer's claims aggregate more than €100,000 as a threshold.

3.2 POLAND PROPERTIES

3.2.1 Purchase Consideration

The agreed purchase price for the Green Office Asset, the Avatar Asset and Business Garden is €52.2 million, €27.8 million and €88.8 million, respectively. The estimated share purchase consideration under the Poland SPA (based on the foregoing agreed purchase price for the Green Office Asset and the Avatar Asset) is €74.7 million, subject to closing adjustments and, together with the purchase consideration payable under the Poland APA is €163.2 million (the "**Poland Properties Purchase Consideration**"). The agreed purchase price for each of the Poland Properties was arrived at on a willing buyer and willing seller basis and based on the independent valuation of each Poland Property.

3.2.2 Estimated Cost of the Poland Acquisitions

The total cost of the Poland Acquisitions is estimated to be approximately €168.4 million, comprising:

(i) the Poland Properties Purchase Consideration of €163.2 million;

(ii) the acquisition fee payable to the Manager of €1.7 million;

(iii) the real estate transfer tax of €0.2 million; and

(iv) the professional and other fees and expenses in connection with the Poland Acquisitions of €3.3 million.

3.2.3 Purchase Agreements

Poland SPA

The key terms of the Poland SPA and the escrow arrangement include the following:

(i) customary provisions relating to the acquisition, including representations and warranties;

(ii) out of the purchase price for the Green Office Asset, €9.0 million will be withheld or kept in an escrow account or, as the case may be, retained by CEREIT and will be released subject to the fulfilment of certain lease renewal targets as set out in the Poland SPA. Should such targets not be met in time, the €9.0 million would be retained (if withheld) or returned (if escrowed) to CEREIT, and the purchase consideration would then amount to €43.2 million; and

(iii) conditions precedent including no material damage to the Green Office Asset; and

(iv) the long stop date for completion is 31 July 2019, which may be extended for a further three months.

Claims under the Poland SPA will be subject to the limitations as specified in the Poland SPA and under a warranty and indemnity insurance.

Poland APA

The key terms of the Poland APA include the following:

(i) customary provisions relating to the acquisition, including representations and warranties;

(ii) conditions precedent including (a) a tax ruling confirming the tax approach in the Poland APA in relation to, *inter alia*, value added tax, and (b) a commitment letter from the warranty and indemnity insurer confirming that Vastint Poland sp. z o. o.'s representations and warranties are insurable;

(iii) payment of the sale price and value added tax will be done via an escrow agreement on the basis of an agreement between Europe 1 Propco S.à r.l., Vastint Poland sp. z o. o. and the relevant bank; and

(iv) the long stop date for completion is 30 October 2019.

Claims under the Poland APA will be subject to the limitations as specified in the Poland APA and under a warranty and indemnity insurance.

3.3 RENTAL GUARANTEES

There are rental guarantees in place for the Paryseine Asset, the Cap Mermoz Asset and Business Garden details of which are as follows:

(i) **Paryseine Asset**: A rental guarantee on 1,900 sq m has been agreed that covers rent and service charges for the first year from the purchase date. The rental guarantee amount of €170 per sq m per annum is in line with the estimated rental value ("**ERV**"). The full amount has been agreed as a price deduction and therefore is for the benefit of the purchaser if the space is let before the rental guarantee expires.

(ii) **Cap Mermoz Asset**: One of the major tenants, Colas, has a break in its lease and, should it decide to exercise it, will surrender 3,239 sqm at the end of January 2020. A rental guarantee for the space Colas would vacate as from the end of January 2020, equal to two years of rent (excluding charges), i.e., €1,522,076, has been agreed and guaranteed by the vendor which will be withheld from the agreed consideration for the asset. In the event that Colas does not serve its notice or that the vacated areas are released earlier than the length of the income secured, the residual balance will remain for the benefit of CEREIT. The agreed amount of €210 per sq m per annum on the office space is in line with the ERV.

(iii) **Business Garden**: A rental guarantee on 1,600 sq m of space has been agreed that covers rent and service charge costs until February 2022. The rental guarantee is in line with ERV at €162 per sq m per annum. The rental guarantee has been agreed as a master lease. Therefore, if the space is let before the expiry of the rental guarantee, the remainder is for the benefit of the vendor.

The board of directors of the Manager is of the view that each of the above-mentioned rent guarantees is on normal commercial terms and is not prejudicial to the interests of CEREIT and its Unitholders on the basis that they allow CEREIT to continue to receive market based rental income in relation to certain potential vacant areas in the properties and the rent guarantee is determined based on the comparable market rents in comparable properties in the area where the Properties are located. The amount payable under the rent guarantees will be deducted from the purchase price and held in escrow.

4. RATIONALE FOR AND KEY BENEFITS OF THE NEW ACQUISITIONS

The Manager believes that the New Acquisitions will allow the Manager to deliver on its commitment to unitholders of CEREIT ("**Unitholders**"), by leveraging on the strong track record and execution capabilities of Cromwell Property Group (the "**Sponsor**"). Specifically, the New Acquisitions will bring the following key benefits to the Unitholders:

4.1 Consistent with the Manager's investment strategy

The New Acquisitions are well-aligned with CEREIT's stated investment strategy and key objectives of delivering stable and regular distributions as well as long-term distributions per Unit ("**DPU**") and net asset value ("**NAV**") growth to Unitholders.

The New Properties allow CEREIT to diversify its French portfolio through investment into the robust Greater Paris office market, and to strengthen CEREIT's presence in the attractive Poland office market. Both markets have strong growth fundamentals and are expected to benefit from the countries' economic growth.

The New Acquisitions comprise high-quality, freehold modern office and logistics assets. The New Properties are 98.7% occupied with a long WALE[1] of 4.8 years[5]. The New Acquisitions will further diversify CEREIT's tenant base, reducing tenant concentration risk. With a majority of leases indexed to inflation indices, the New Properties are expected to strengthen CEREIT's income resilience and provide steady and relatively predictable rental growth.

The New Properties are being acquired for €246.9 million, which translates to €2,238 per sq m (including land value), well below their estimated replacement cost and slightly below their collective valuation. The New Properties have a Net Initial Yield[6] of 7.4%, higher than the current Net Initial Yield of 5.8% of CEREIT's existing office assets. The acquisitions will be funded with a combination of debt and equity (see accompanying announcement titled "Launch of Private Placement to Raise Gross Proceeds of no less than approximately €100.0 million". With low borrowing costs of 1.4%, the New Acquisitions are expected to be DPU-accretive on a pro forma basis.

Following the New Acquisitions, the Manager will continue to maintain an optimal capital mix and prudent capital management for CEREIT.

4.2 DPU-accretive acquisitions at attractive yields

The New Properties are being acquired at attractive yields compared to the yields of properties in CEREIT's existing portfolio. Based on the current passing rental income net of non-recoverable property expenses, the New Properties have a Net Initial Yield of 7.4%, which compares favourably to the Net Initial Yield of 5.8% of CEREIT's existing office assets.

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5 Assuming that the Motorola Solutions Systems leases have been renewed as at the date of completion.

6 "**Net Initial Yield**" means the annualised current passing rental income net of non-recoverable property expenses, divided by aggregate purchase price before transaction costs.

Additionally, the New Properties offer potential rental upside as majority of the leases contain rent adjustment clauses which are linked to inflation type indices in the respective jurisdictions in France and Poland, thereby providing stable and relatively predictable rental growth. Polish rents are denominated in Euros, reducing any Polish Zloty risk.

CEREIT will continue to capitalise on the Eurozone's low interest rate environment to deliver an attractive DPU yield to Unitholders. By partially utilising European sourced debt with an all-in cost of 1.4%, CEREIT expects the New Acquisitions to be DPU-accretive on a pro forma basis, increasing the 12-month DPU for CY2018 by 6.5% from 3.75 Euro cents to 3.99 Euro cents[7].

4.3 Entry into Greater Paris office market, a Tier-1 European capital city

France is the sixth-largest economy in the world and the second-largest in Europe, with a nominal gross domestic product ("**GDP**") of US$2.8 trillion in 2018. Greater Paris is the fifth-largest economic area in the world and the largest in Europe.

The French economy grew by 1.5% in 2018 even with the political uncertainty and protest movements during the year. GDP growth is expected to remain unchanged at 1.5% in 2019, as a result of domestic demand, which is driven by private consumption, and anticipated to rise in 2020. Oil prices have kept inflation at a low despite the tight labour markets and rising wages. Public infrastructure investment continues to be robust in part due to the expenditure on the Grand Paris Express transport project, currently Europe's largest infrastructure project.

France has one of the largest and most liquid real estate investment markets globally, and Paris performed well in the fourth quarter of 2018, with momentum carried forth into 2019. The Greater Paris region office stock is 57.5 million sq m. New office supply has declined 25% over the past five years, while leasing take-up has averaged approximately 2.4 million sq m over the same period. Over 2.5 million sq m of office space in Paris were leased in 2018, slightly above the 10-year average of 2.3 million sq m per annum. Coupled with the strong take-up supported by continued investment and job creation, supply of vacant space in Paris has declined, leading to an upward pressure on rents. Office vacancy stood at 5.1% as at March 2019.

Prime rents are expected to remain stable, with occupier activity being supported by employment growth and the rise of French technology firms and start-ups. These factors, combined with companies upgrading their space, will support active demand going forward and potentially further declines in vacancy.

4.4 Increased presence in attractive Polish office market

Poland is the sixth-largest economy in Europe, with a nominal GDP of US$586 billion in

7 The pro forma financial effects for the calendar year from 1 January 2018 to 31 December 2018 ("**CY2018**") are presented strictly for illustrative purposes only, assuming €8.3 million of transaction costs, including professional fees, underwriting fees and acquisition fees, and assuming the acquisition is funded with €100 million from the issuance of new Units at a price of 46.5 Euro cents per Unit and the remaining by debt. If the acquisition is funded with €150 million from the issuance of new Units at a price of 46.5 Euro cents per Unit and the remaining by debt, the New Acquisitions are expected to yield a 2.3% DPU accretion. The 12-month DPU calculates the DPU for CY2018 using the weighted average number of Units applicable as a result of the new Units issued pursuant to the rights issue in December 2018 being eligible for the distribution for 2H FY 2018.

2018. The year marked the country's 27th consecutive year of sustained economic growth, notwithstanding the global financial crisis in 2007-2008.

One of the fastest-growing economies in Europe, Poland recorded a GDP growth of 5.1%, significantly above the Eurozone average GDP growth of 2.5% in 2018. Full-year GDP growth for 2019 is expected to be 4.3%[8]. Domestic demand continues to drive economic growth, demonstrating Poland's resilience to a slowdown in the Eurozone and external headwinds. The abundant supply of highly educated, relatively lower-cost labour makes Poland an attractive outsourcing destination and hinterland for Western Europe, particularly Germany.

Poland is home to a vibrant regional real estate market. Warsaw is one of the top 10 global cities with the highest cross-border investments in 2018, and the first Polish city in which CEREIT entered in February 2019 through the acquisition of two office assets. The Polish market offers attractive yield spreads, higher compared to that in major European office markets. The office market take-up rate hit a new high in 2018 with 825,000 sq m of space transacted, recording a corresponding fall in vacancy to a historic low of 8.7%.

Poland's strong economic fundamentals continue to buoy rising interest from international investors. With demand expected to remain robust and underpinned by the expanding business sector, new supply is being absorbed with ease at the expense of older, second-hand space. Vacancy is expected to fall further and the supply-demand imbalance will push up rents for quality space.

4.5 High-quality, well-located freehold properties

4.5.1 Strategically located with excellent connectivity

The New Properties are located in established office districts in Greater Paris, France, as well as Kraków and Poznań, Poland; and enjoy easy access to business centres and/or recreational facilities, as well as key transport infrastructure.

The France Properties are in or near major business districts, such as Ivry-sur-Seine, La Défense, and Charles de Gaulle Étoile, and have convenient access to the Charles de Gaulle Airport, Orly Airport, major train station Gare Saint-Lazare, and the Paris ring road in Paris. The completion of the Grand Paris Express network with the extension of the Metro Line 10 to Ivry-sur-Seine by 2030 will improve commute time to central Paris, six kilometres to the north.

The rental rates at the France Properties are relatively affordable compared to similar properties in central Paris, despite easy accessibility and the abundant supply of parking spaces, which are highly sought after in Paris. The logistics segment of the France Properties offers significant rental growth potential given the close proximity to the city centre.

The Poland Properties are well located within top regional business services or technological centres, or large academic clusters; and are either near the Kraków city centre, or large shopping malls or sports facilities. Well connected to public transport, the Poland Properties benefit from good accessibility to the Kraków John

8 According to Oxford Economics.

Paul II International Airport and the Kraków ring road in Kraków; and Poznań Airport in Poznań.

4.5.2 Increasing proportion of freehold and ongoing leasehold[9] assets in CEREIT's portfolio

The New Acquisitions will increase the proportion of freehold and ongoing leasehold[7] (comprising Continuing Leasehold / Perpetual Leasehold / Usufruct) assets in CEREIT's portfolio from 90.4% to 91.6%.

Country	Before the New Acquisitions	After the New Acquisitions
	Breakdown of valuation[10]	Breakdown of valuation[10,11]
Freehold	72.9%	76.2%
Ongoing Leasehold[9]	17.5%	15.4%
Leasehold	9.6%	8.4%

4.6 Increased resilience from size and diversification

The New Acquisitions will result in a larger portfolio size of 103 assets with a total appraised value of approximately €2.0 billion[10,11] (with office properties accounting for 62.1% of the portfolio's value), up from 97 assets valued at approximately €1.8 billion[10].

CEREIT continues to benefit from low concentration risks given a highly diversified portfolio with no single geography accounting for more than 29.8% of the portfolio.

Country	Before the New Acquisitions	After the New Acquisitions
	Breakdown of valuation[10]	Breakdown of valuation[10,11]
The Netherlands	33.9%	29.8%
Italy	25.5%	22.4%
France	19.5%	21.0%
Finland	6.3%	5.5%

9 Classified as Continuing Leasehold or Perpetual Leasehold / Usufruct. A Continuing Leasehold is agreed in principle for an indefinite period of time but has a fixed ground rent paid to the land owner which must be re-agreed at the end of a certain period, which may result in a termination if the leaseholder and the land owner do not agree on the new ground rent. A Perpetual Leasehold / Usufruct is for an indefinite period of time and the ground rent has been paid off perpetually (which type of leasehold is most similar to a freehold situation).

10 Valuation as at 31 December 2018 for the initial public offering portfolio and the property in Ivrea, Italy. For the 22 properties acquired between December 2018 to February 2019, valuations are recorded at their respective purchase price as the best approximation of fair value.

11 Based on the agreed purchase price for the France Properties and the Poland Properties.

Germany	6.3%	5.6%
Denmark	4.5%	4.0%
Poland	4.0%	11.8%

The New Properties will introduce 58 new tenants into CEREIT's tenant base, increasing the portfolio's tenant and trade sector diversification. The new high-quality tenants include Accenture, CapGemini SE, GSK, Interforum (subsidiary of the second-largest publishing group in France), Motorola Solutions Systems, Regus, Santander Group, and Trelleborg (global engineering company).

Before the New Acquisitions		**After the New Acquisitions**	
Trade Sector	**Breakdown of Gross Rental Income[12,13]**		**Trade Sector**
Public Administration	17.5%	14.9%	Public Administration
Manufacturing	13.7%	13.6%	Manufacturing
IT –Communication	8.2%	10.0%	IT – Communication
Construction	8.1%	9.1%	Financial – Insurance
Wholesale – Retail	7.9%	7.9%	Construction
Professional – Scientific	6.2%	6.7%	Wholesale – Retail
Administrative	5.7%	5.7%	Professional – Scientific
Extraterritorial bodies	4.8%	4.9%	Administrative
Financial –Insurance	4.6%	4.5%	Entertainment
Transportation – Storage	4.4%	4.1%	Extraterritorial bodies
Entertainment	4.0%	3.7%	Transportation – Storage
Others	14.9%	14.8%	Others
Total	**100.0%**	**100.0%**	**Total**

12 Based on gross rental income for CY2018.

13 Breakdown of gross rental income are based on the tenants' gross rental income as at 31 March 2019, except for those for Motorola Solutions Systems Polska Sp. z o.o., Santander Group and BGŻ BNP Paribas S.A., whose gross rental income are as at 23 May 2019.

The New Acquisitions will lower the top 10 tenants' gross rental income contribution from 37.4% to 34.5% of CEREIT's total gross rental income, providing further income diversification. The New Acquisitions will introduce three new tenants into the top 10 tenants: Motorola Solutions Systems, Santander Group and BGŻ BNP Paribas.

Before the New Acquisitions		**After the New Acquisitions**	
Top 10 tenants	**Breakdown of Gross Rental Income[12,13]**		**Top 10 tenants**
Agenzia el Demanio	16.3%	14.3%	Agenzia el Demanio
Nationale Nederlanden Nederland B.V.	5.8%	5.1%	Nationale Nederlanden Nederland B.V.
Essent Nederland B.V.	3.3%	2.9%	Essent Nederland B.V.
Kamer van Koophandel	2.4%	2.1%	Kamer van Koophandel
Nationale Stichting tot Exploitatie van Casinospelen in Nederland	2.0%	2.0%	Motorola Solutions Systems Polska Sp. z o.o.
Anas	1.7%	1.9%	Santander Group
GEDI Gruppo Editoriale	1.7%	1.8%	Nationale Stichting tot Exploitatie van Casinospelen in Nederland
CBI Nederland B.V.	1.5%	1.5%	Anas
Uitvoeringsinstituut werknemersverzekeringen, Hoofdkantoor UWV	1.3%	1.5%	GEDI Gruppo Editoriale
LA POSTE (French Post)	1.2%	1.4%	BGŻ BNP Paribas S.A.
Total	**37.4%**	**34.5%**	**Total**

4.7 Leveraging the Sponsor's integrated European asset management platform

4.7.1 Sponsor's platform capabilities integral in the off-market acquisitions of assets across three key European cities

The New Properties are being acquired off-market from three separate vendors. By leveraging the Sponsor's extensive pan-European pipeline sourcing capabilities, in-depth knowledge of key local markets, and disciplined research and investment analysis, the Manager has successfully negotiated deals to buy the properties off-market at a collective discount to their independent valuations.

4.7.2 Sponsor's on-the-ground asset management team across France and Poland well positioned to actively manage the assets to drive improved operating and financial performance for CEREIT

CEREIT will be able to extract synergies by leveraging the Sponsor's existing integrated asset management teams in France and Poland. The Sponsor's strength lies in its global platform and infrastructure, operating a fully integrated property, investment and asset management model, combined with local expertise, drawn from the local teams of experienced, real estate professionals. As at 31 December 2018, the Sponsor has approximately €3.9 billion of real estate assets under their management in Europe and the real estate expertise is drawn from over 200 employees in 20 offices across 12 European countries.

The property manager Cromwell Europe Limited Group ("**Cromwell Europe**") has extensive experience in the management of office assets in France and Poland, with core competencies across the entire value chain.

With an active approach to property portfolio and asset management, Cromwell Europe and/or its subsidiaries constantly look to implement strategic asset management initiatives that create income stability and growth at an asset level. Cromwell Europe and/or its subsidiaries are specialists at value-add projects and asset transformations, and have a strong track record in enhancing value through asset enhancement initiatives.

5. METHOD OF FINANCING

The Manager intends to finance the New Acquisitions via a combination of (a) loans drawn from new debt facilities that are currently being established, and (b) issuance of new CEREIT units ("**New Units**") pursuant to a private placement. (See the announcement titled "Launch of Private Placement to Raise Gross Proceeds of no less than approximately €100.0 million" for further details).

6. PRO FORMA FINANCIAL EFFECTS OF THE TRANSACTION

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the New Acquisitions on the DPU and NAV per Unit presented below are strictly for illustrative purposes only and were prepared with reference to the audited financial statements of CEREIT and its subsidiaries (the "**CEREIT Group**") for the financial period from 30 November 2017 to 31 December 2018 adjusted to CY2018 for comparative purposes.

The pro forma financial effects are for illustrative purposes only and do not represent CEREIT's DPU and NAV per Unit following the completion of the New Acquisitions.

6.1 *Pro Forma* DPU

FOR ILLUSTRATIVE PURPOSES ONLY: The *pro forma* financial effects of the New Acquisitions on CEREIT's DPU for CY2018, as if the New Acquisitions were completed on 1 January 2018, are as follows:

	Effects of the New Acquisitions[1]	
	Before the New Acquisitions	**After the New Acquisitions**
Distributable Income (€'000) [2]	67,936	81,477
Illustrative DPU (€ cents) [3]	3.75	3.99
DPU Accretion (%)	-	6.5

Notes:

(1) Assuming that 216 million New Units are issued at an illustrative price of €46.5 cents.

(2) Due to the difficulty of obtaining relevant audited financial statements on the properties as they are being acquired from different vendors under different structures, the pro forma effects assume the New Acquisitions were all acquired on 1 January 2018 and held for CY2018 using the forecast numbers taken from the Manager's internal acquisition feasibility study for the New Acquisitions, based on existing leases.

(3) Illustrative DPU calculates the DPU for CY2018 using the weighted average number of units applicable as a result of the new units issued pursuant to the rights issue in December 2018 being eligible for the distribution for 2H FY2018. The weighted average number of units applicable as at 31 December 2018 is 1,812,245,000 units.

6.2 *Pro Forma* NAV

FOR ILLUSTRATIVE PURPOSES ONLY: The *pro forma* financial effects of the New Acquisitions on the NAV per Unit as at 31 December 2018, as if the New Acquisitions had been completed on 31 December 2018, are as follows:

	Effects of the New Acquisitions	
	Before the New Acquisitions	**After the New Acquisitions**
NAV (€'000)	1,118,767	1,215,442
Issued Units ('000)	2,181,978 [1]	2,410,243 [2]
NAV per Unit (€ cents)	51.3	50.4
Adjusted NAV per Unit (excluding distributable income) (€ cents)	49.7	49.0

Notes:

(1) Based on total number of Units issued as at 31 December 2018.

(2) Including existing Units issued as at 31 December 2018 and assuming that the New Units in relation to the Private Placement were issued at an illustrative price of €46.5 cents.

7. DISCLOSURE UNDER RULE 1010(13) OF THE LISTING MANUAL

Chapter 10 of the Listing Manual classifies transactions by CEREIT into (i) non-discloseable transactions, (ii) discloseable transactions, (iii) major transactions and (iv) very substantial acquisitions or reverse takeovers, depending on the size of the relative figures computed on, *inter alia*, the following applicable bases of comparison set out in Rules 1006(b), and 1006(c) of the Listing Manual:

(i) the net profits attributable to the assets acquired, compared with the CEREIT Group's net profits; and

(ii) the aggregate value of the consideration given, compared with the CEREIT's market capitalisation.

The relative figures for the New Acquisitions using the applicable bases of comparison described above are set out in the table below:

Comparison of:	**Net Profits** (1)		**Purchase Consideration against market capitalisation**(2)	
	(€'000)	**Relative to CEREIT (%)**	**(€'000)**	**Relative to CEREIT (%)**
CEREIT	82,827(3)	-	1,159,150 (4)	-
The New Acquisitions	16,322	19.7	243,594	21.0

Notes:

(1) In the case of real estate investment trusts, net property income ("**NPI**") is considered to be a close proxy to the net profits attributable to its assets.

(2) For the purposes of computation under Rule 1006(c), the aggregate consideration given by CEREIT is the purchase consideration for the New Acquisitions.

(3) NPI for CY2018.

(4) Based on 2,200,777,568 Units in issue and the weighted average price of €0.5267 per Unit on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 19 June 2019, being the market day immediately prior to the date of the New Acquisitions agreements.

The Manager is of the view that the Acquisition is within CEREIT's ordinary course of business as it is within the investment mandate of CEREIT and the Properties are of the same class as CEREIT's existing properties and within the same geographical markets that CEREIT targets. Accordingly, Unitholders' approval for the Acquisition is not required.

8. INTERESTS OF DIRECTORS AND SUBSTANTIAL UNITHOLDERS AND DIRECTORS' SERVICE CONTRACTS

As at the date of this Announcement, certain directors of the Manager collectively hold an aggregate direct and indirect interest in 547,032 Units.

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

As at the date of this announcement and based on information available to the Manager, Cromwell Property Group, through its subsidiaries, namely Cromwell Singapore Holdings

Pte. Ltd. and the Manager, holds an aggregate interest in 788,480,511 Units, which is equivalent to approximately 35.83% of the total number of Units in issue.

Save as disclosed above and as at the date of this announcement, none of the directors of the Manager or substantial Unitholders has an interest, direct or indirect, in the New Acquisitions.

No person is proposed to be appointed as a director of the Manager in connection with the New Acquisitions.

9. DOCUMENTS FOR INSPECTION

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

(i) the Paryseine SPA;

(ii) the Cap Mermoz SPA;

(iii) the Lénine APA;

(iv) the Poland SPA;

(v) the Poland APA; and

(vi) the independent valuation reports from Colliers International France SAS in relation to the France Properties and Cushman & Wakefield Debenham Tie Leung Limited in relation to the Poland Properties.

By Order of the Board

Simon Garing

Executive Director and Chief Executive Officer

Cromwell EREIT Management Pte. Ltd.

(Company Registration No.: 201702701N)

As manager of Cromwell European Real Estate Investment Trust

21 June 2019

ABOUT CROMWELL EUROPEAN REAL ESTATE INVESTMENT TRUST

Cromwell European REIT is a real estate investment trust ("**REIT**") with the principal investment strategy of investing, directly or indirectly, in a diversified portfolio of income-producing real estate assets in Europe that are used primarily for office[14], light industrial / logistics[14], and retail purposes[15]. With a portfolio of 97 properties in or close to major gateway cities in Denmark, Finland, France, Germany, Italy, the Netherlands as well as Poland, and a balanced focus on the office[14] and light industrial / logistics[14] sectors, it is also the first REIT with a diversified Pan-European portfolio to be listed on Singapore Exchange Securities Trading Limited ("**SGX-ST**").

CEREIT's portfolio has an aggregate lettable area of approximately 1.4 million sq m with over 900 tenants and a WALE[1] profile of around 4.7 years. Comprising primarily freehold or ongoing leasehold[9] assets, the portfolio has an appraised value of approximately €1,795 million as at 31 March 2019[10].

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

IMPORTANT NOTICE

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

The value of the Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager, Perpetual (Asia) Limited, in its capacity as trustee of CEREIT, the Cromwell Property Group[17] as the sponsor of CEREIT, the Joint Issue Managers, Joint Global Coordinators, the Joint Bookrunners and Underwriters or any of their respective affiliates.

An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. Unitholders have no right to request that the Manager redeem or purchase their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This announcement may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and

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

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

16 Cromwell Property Group, a stapled group comprising Cromwell Corporation Limited and Cromwell Diversified Property Trust (the responsible entity of which is Cromwell Property Securities Limited).

assumptions. Predictions, projections or forecasts of the economy or economic trends of the markets are not necessarily indicative of the future or likely performance of CEREIT. The forecast financial performance of CEREIT is not guaranteed. A potential investor is cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.

This announcement is not an offer for sale of the Units in the United States or any other jurisdiction. The Units have not been and will not be registered under the Securities Act and may not be offered or sold in the United States unless registered under the Securities Act, or pursuant to an applicable exemption from registration. There is no intention to register any portion of the offering in the United States or to conduct a public offering of securities in the United States.

This announcement is not to be distributed or circulated outside of Singapore. Any failure to comply with this restriction may constitute a violation of United States securities laws or the laws of any other jurisdiction.