



CROMWELL EUROPEAN REIT

**SGX-REITAS EDUCATION SERIES:
Insight into the REITs Industry**

14 November 2019



CROMWELL
EUROPEAN REIT

Disclaimer

This presentation shall be read only in conjunction with and as a supplementary information to Cromwell European Real Estate Investment Trust's ("CEREIT") financial results announcement dated 12 November 2019 published on SGXNet.

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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.

All figures in this presentation are as at 30 Sep 2019 and stated in Euro ("EUR" or "€"), unless otherwise stated

1. "p.p." refers to percentage points, and "b.p." refers to basis points
2. "DPU" refers to distribution per unit
3. "cpu" refers to cents per unit
4. "YoY" refers to year-on-year
5. "sq m" refers to square metres
6. "Sponsor" refers to CEREIT's sponsor, Cromwell Property Group
7. The CEREIT Initial Public Offering ("IPO") Prospectus dated 22 Nov 2017 ("Prospectus") disclosed a profit projection for the period from 1 Jan 2019 to 31 Dec 2019. "IPO Forecast" refers to the interpolation of this projection for the relevant period adjusted for the issuance of 600,834,459 new Units in Dec 2018 (the "Rights Issue") where applicable
8. "YTD Sep 2018" refers to the period from 1 Jan 2018 to 30 Sep 2018; "1Q 2019" refers to the period from 1 Jan 2019 to 31 Mar 2019; "2Q 2019" refers to the period from 1 Apr 2019 to 30 Jun 2019; "1H 2019" refers to the period from 1 Jan 2019 to 30 Jun 2019; "3Q 2019" refers to the period from 1 Jul 2019 to 30 Sep 2019; "YTD" or "YTD Sep 2019" refers to the period from 1 Jan 2019 to 30 Sep 2019; "FY2019" refers to the period from 1 Jan 2019 to 31 Dec 2019

Haagse Poort
The Hague, The Netherlands



Piazza Affari
Milan, Italy




Our Sponsor

Cromwell Property Group is a Strong and Committed Sponsor

Cromwell Property Group is a Real Estate Investor and Manager Operating Across Three Continents with 200+ People Working on the Ground in Twenty European cities


Portfolio

 **A\$11.9bn**
€7.5bn
AUM

 **270+**
properties

 **3.7m**
sqm

 **A\$3.0bn**
€1.8bn
Market capitalisation³

 **A\$159.9m**
€97.4m
Profit for the financial year⁴

Platform

 **420+**
people

 **15**
countries

 **29**
offices

 **3,800+**
tenants

Legend:

 Markets with Cromwell's presence



1. Exchange rate as at 30 Jun 2019
2. Total assets for Cromwell Property Group as at 30 Jun 2019 including attributable asset under management ("AUM") of Phoenix Portfolios (45%) and Oyster Group (50%)
3. Market capitalisation as at 30 Jun 2019
4. Profit for the financial year ended 30 Jun 2019

Parc des Grésillons
Gennevilliers, France



Hochstraße 150-152
Duisburg, Germany

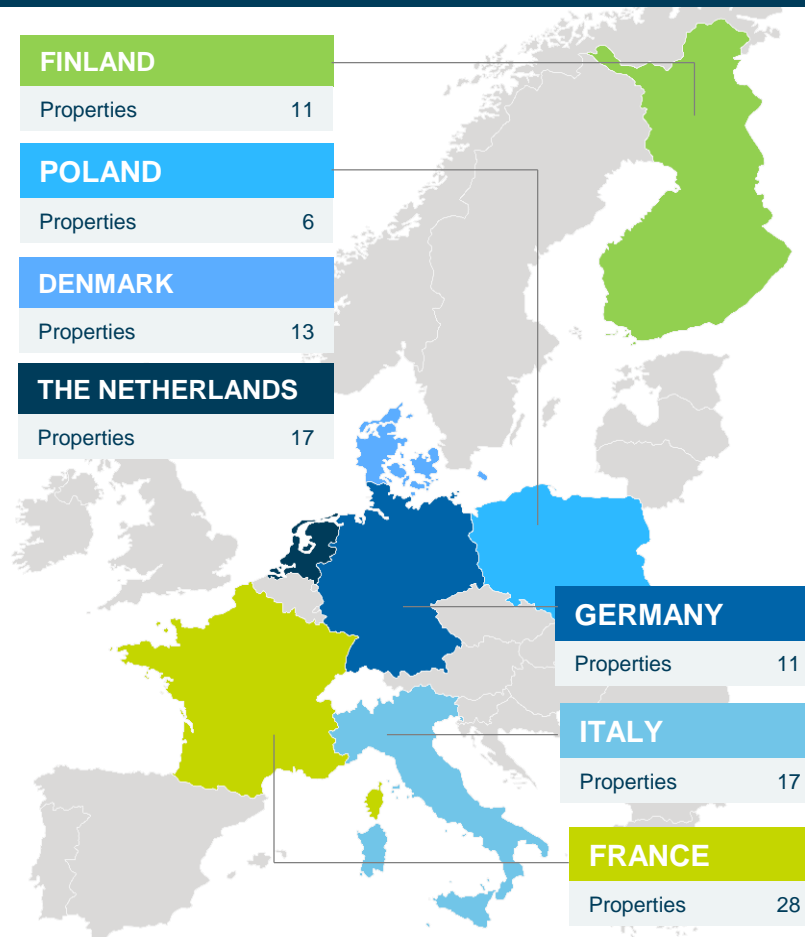
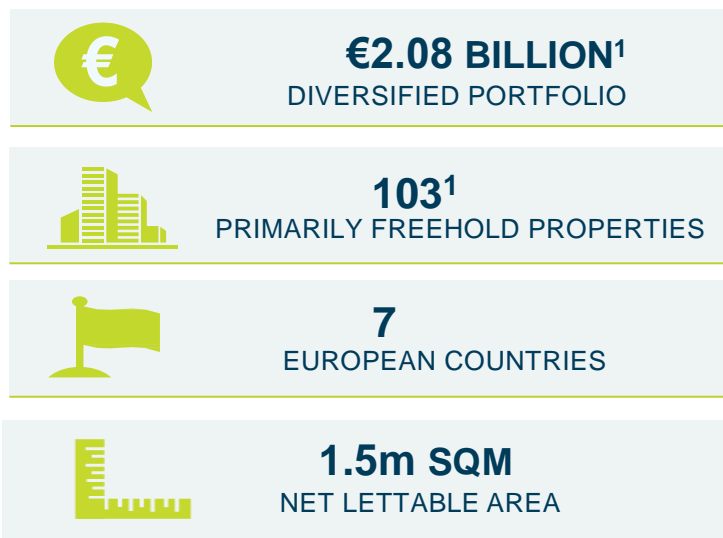


Portfolio Highlights

Who is Cromwell European REIT

Our purpose is to deliver stable and growing distributions and asset value for all unitholders, through a proactive and sustainable approach to asset and capital management, acquisitions and divestments.

Cromwell European REIT (“CEREIT”) is a real estate investment trust (“REIT”) with the principal investment strategy of investing, directly or indirectly, in a diversified portfolio of income-producing real estate assets in Europe that are used primarily for office, light industrial / logistics, and retail purposes.



1. As at 30 Sep 2019, the last date of the latest publicly announced quarterly results period, CEREIT's portfolio had 97 properties valued as at 30 Jun 2019 and 6 properties as per the announced acquisitions on 21 Jun 2019 recorded at purchase price. Post the successful completion of the sale of Parc d'Osny, the portfolio value currently stands at €2,065 million with a total of 102 properties

A Selection of CEREIT's Properties



Haagse Poort
The Hague, The Netherlands



De Ruijterkade
Amsterdam, The Netherlands



Bastion
's-Hertogenbosch, The Netherlands



Bischofsheim (An der Steinlach)
Frankfurt, Germany



Parc Des Grésillons
Paris, France



Green Office
Krakow, Poland



Milano Piazza Affari
Milan, Italy



Naverland 8
Copenhagen, Denmark



Avatar Office
Krakow, Poland



Central Plaza
Rotterdam, The Netherlands



Koningskade
The Hague, The Netherlands



Plaza Forte
Helsinki, Finland



Roma Amba Aradam
Rome, Italy



Hamburg (Moorfleeter Strasse)
Hamburg, Germany



Parc Des Docks
Paris, France



Riverside
Warsaw, Poland



Herstedvang 2-4
Copenhagen, Denmark

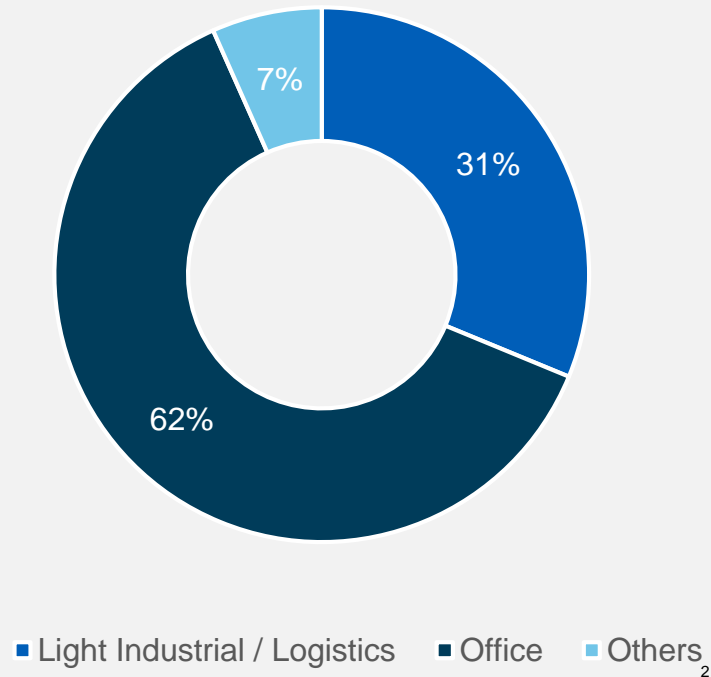


Cap Mermoz
Paris, France

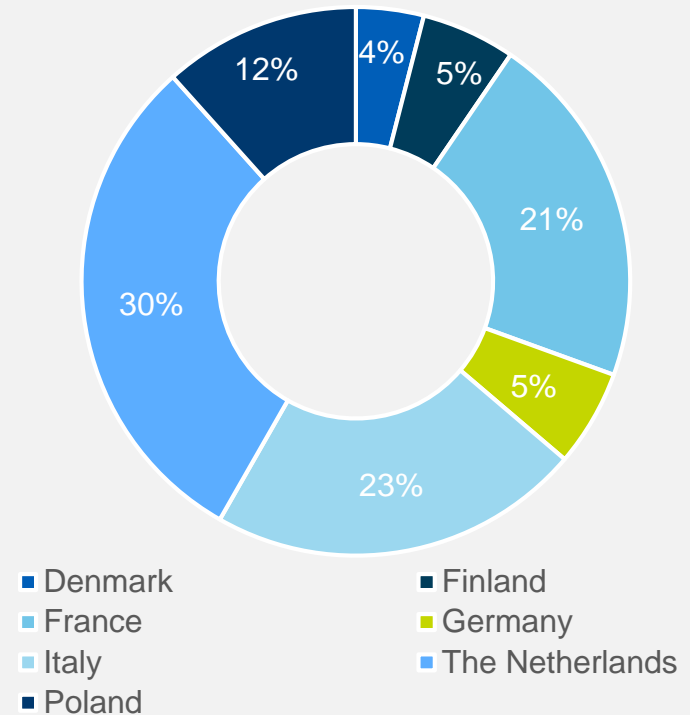
Well-Balanced and Diversified Pan-European Portfolio

€2.08 billion¹ Pan-European Portfolio Diversified across Asset Classes and Geography

Portfolio Breakdown by Asset Class



Portfolio Breakdown by Geography



1. As at 30 Sep 2019, the last date of the latest publicly announced quarterly results period, based on a total of 103 properties (97 properties valued as at 30 Jun 2019 and 6 properties as per the announced acquisitions on 21 Jun 2019 recorded at purchase price). Post the successful completion of the sale of Parc d'Osny, the portfolio value currently stands at €2,065 million with a total of 102 properties

2. Others include three government-let campuses, one leisure / retail property and one hotel in Italy

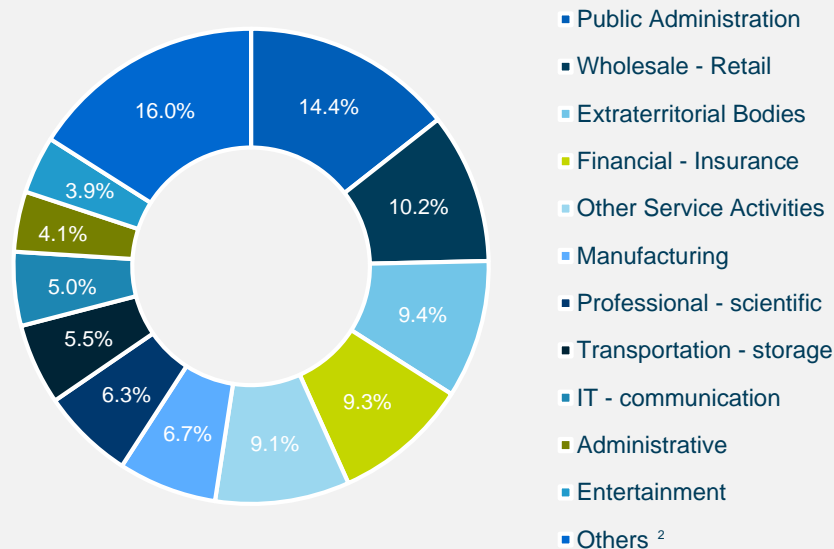
Further Diversification of High-Quality Tenant-Customer Base

Top 10 Tenant-Customers Now Represent 33.5% of the Portfolio (Down from 41% at IPO)

- Long Portfolio WALE (4.6 years)

Total no. of leases as at 30 Sep 2019	1,173
Total no. of tenant-customers as at 30 Sep 2019	970

Tenant-Customer Trade Sector Breakdown by Headline Rent¹



1. As at 30 Sep 2019

2. Others comprise Accommodation / Utility / Education / Rural / Human Health / Mining / Other Service Activities / Residential / Water / Miscellaneous Services

Avatar Office
Kraków, Poland



Cap Mermoz
Paris, France

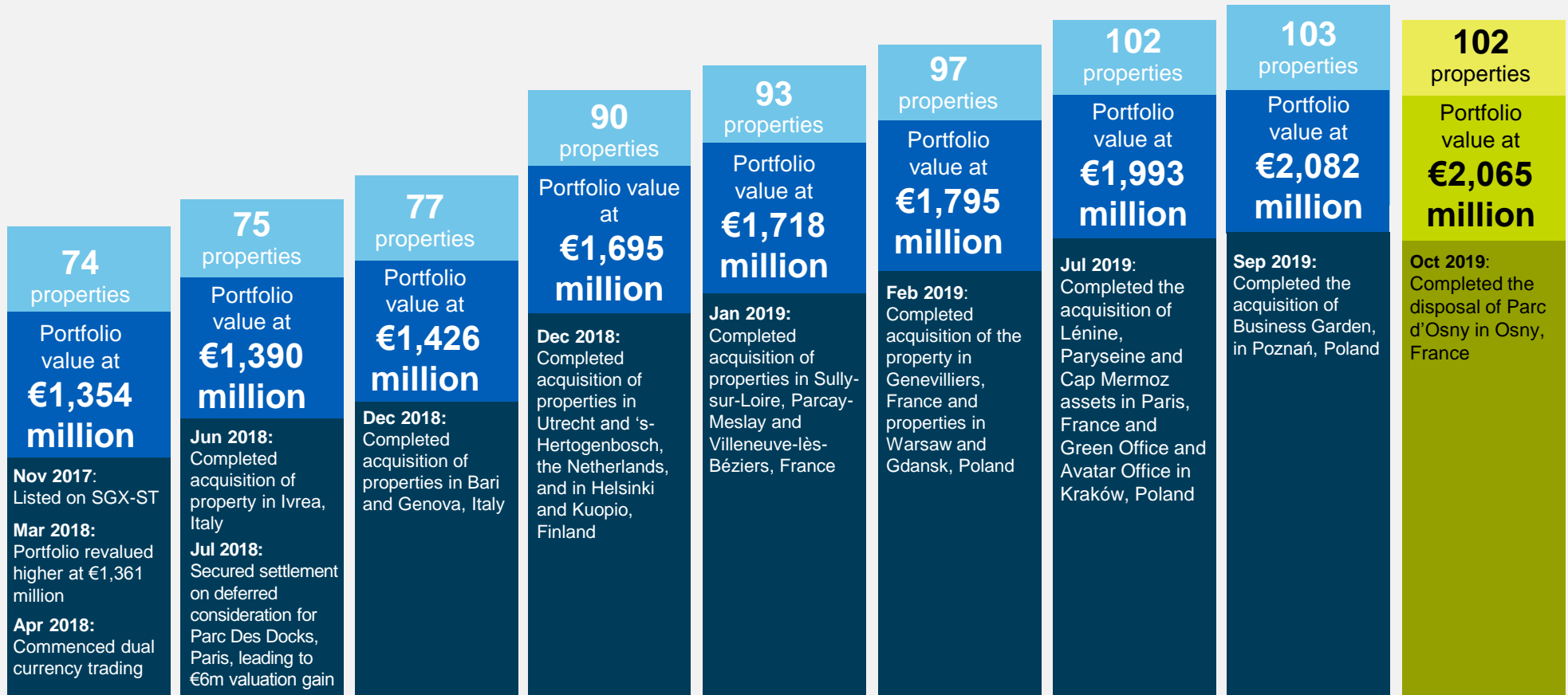


Track Record and Transactions Highlights

CEREIT's Track Record Since IPO

More than 50% Growth in Portfolio Size since IPO

CEREIT Continues to Target Accretive High-Quality Assets in Strategic, "On-Theme" Cities and Markets



Recent Transactions Highlights

CEREIT Continues to Target High-Quality Assets in Strategic, "On-Theme" Cities and Markets

- Recent acquisition highlights include six predominantly office, 100% freehold assets valued at ~€248 million, NPI Yield of 7.4% and 4.6-year WALE

Property / Portfolio	No of assets	Price (€m)	NPI Yield	Completion Date
France				
Paryseine-Lénine, Paris	2	40.7	6.8%	17/7
Cap Mermoz, Paris	1	38.0	6.1%	17/7
Poland				
Avatar and Green Office, Krakow	2	80.0	7.5%	25/7
Business Garden, Poznan	1	88.8	8.0%	24/9
Total	6	247.5	7.4%	



Capital Recycling

Sale Completed at a 13.1% Premium over Valuation and will have Positive Impact on CEREIF Occupancy Rate

- The Parc d'Osny sale was completed on 18 Oct 2019 and will improve CEREIF's occupancy rate by ~ 1.0 p.p.
- The sale consideration of €19.0 million is €2.2 million over the valuation of the property as at 30 Jun 2019, representing a 13.1% premium over the valuation
- The sale of Parc d'Osny is consistent with the Manager's strategy of recycling non-core assets with return profiles that no longer fit CEREIF, into more attractive assets on a risk/return basis
- CEREIF continues disposal programme by evaluating new opportunities such as core Western European logistics properties and gateway city office properties
- CEREIF remains committed to its investment strategy allocation of at least 75% Western Europe and 75% office and light industrial / logistics



Business Garden
Poznan, Poland



Koningskade 30
Den Haag, The Netherlands



**Sustainability is
in Our DNA**

Long-Term Focus on Sustainability

Environment, Social and Governance (“ESG”) Matters remain Key Priority to CEREIT

- The CEREIT Manager has committed to clearly defined sustainability targets that are measured and monitored
- Independent Chairman and majority independent Board
- Senior management team has KPIs⁴ focused on specific ESG targets
- 43% year-on-year increase in GRESB rating
 - GRESB increased CEREIT’s rating from 47 points (rating for 2017 received in 2018) to 67 points (rating for 2018 rating received in 2019)
 - CEREIT was rated “A” for its public disclosure, compared to an average of “C” for all GRESB participating funds and an average of “B” for listed Singaporean peers
 - CEREIT’s objective is to certify another 10 properties for BREEAM² in-use asset level certification in 2020, on top of the five already existing green building certifications (four BREEAM, one LEED³)



1. Environmental Management Systems

2. BREEAM refers to the Building Research Establishment Environmental Assessment Method, the world’s leading sustainability assessment method for master planning projects, infrastructure and buildings. It recognises and reflects the value in higher-performing assets across the built environment lifecycle, from new construction to in-use and refurbishment. BREEAM is used as an asset-level sustainability certification

3. LEED refers to Leadership in Engineering and Design, a certification program focused primarily on new, commercial building projects and based upon a points system. LEED-certified buildings, when well maintained, produce less waste products and are more energy-efficient than they would be otherwise

4. Key Performance Indicators

Parsdorfer Weg 10
Kirchheim, Germany



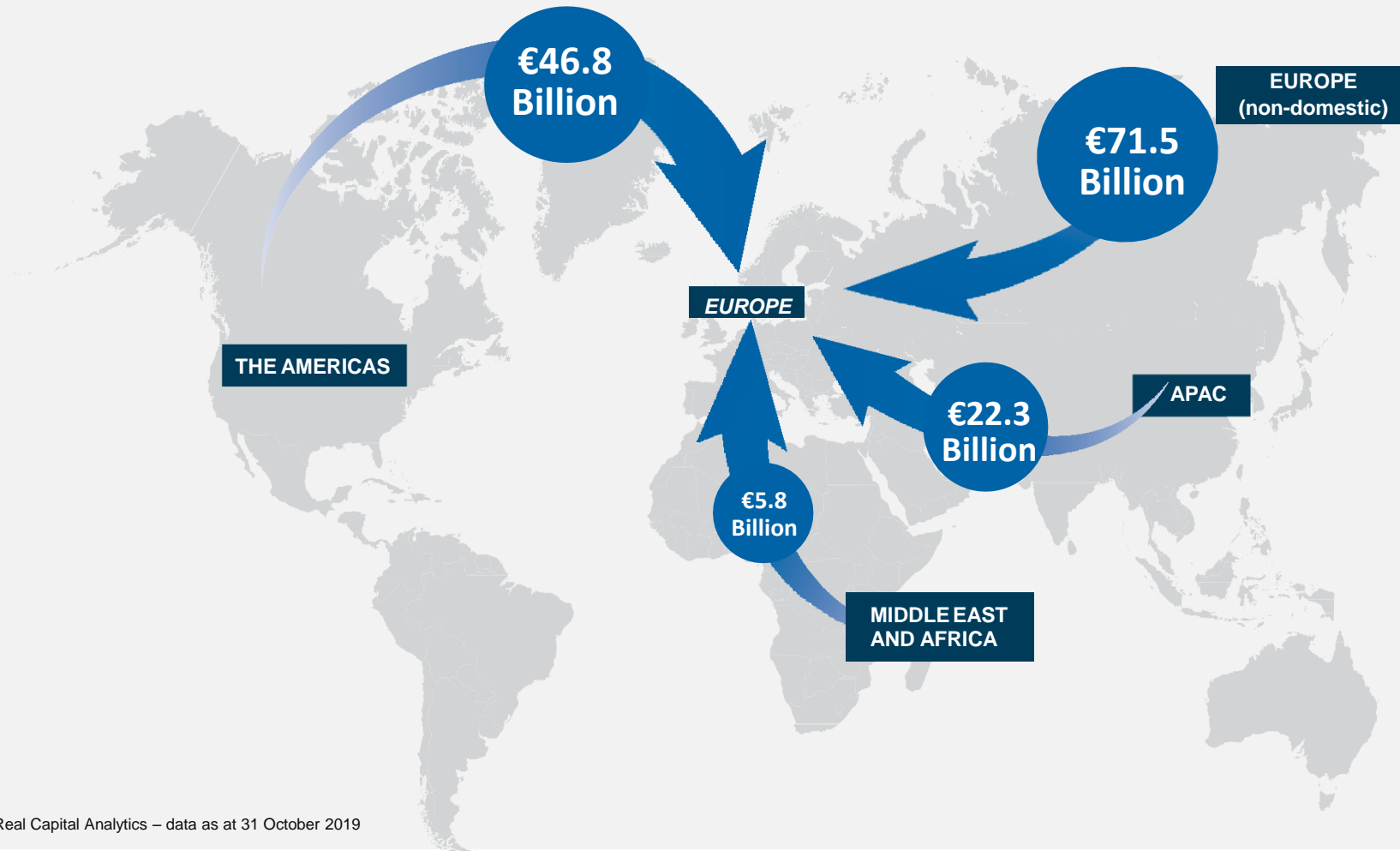
Boekweitstraat 1 - 21 & Luzernestraat 2 - 12
Nieuw-Vennep, The Netherlands



Why Europe

Global Capital Flows to Europe – Momentum Continues in 2019

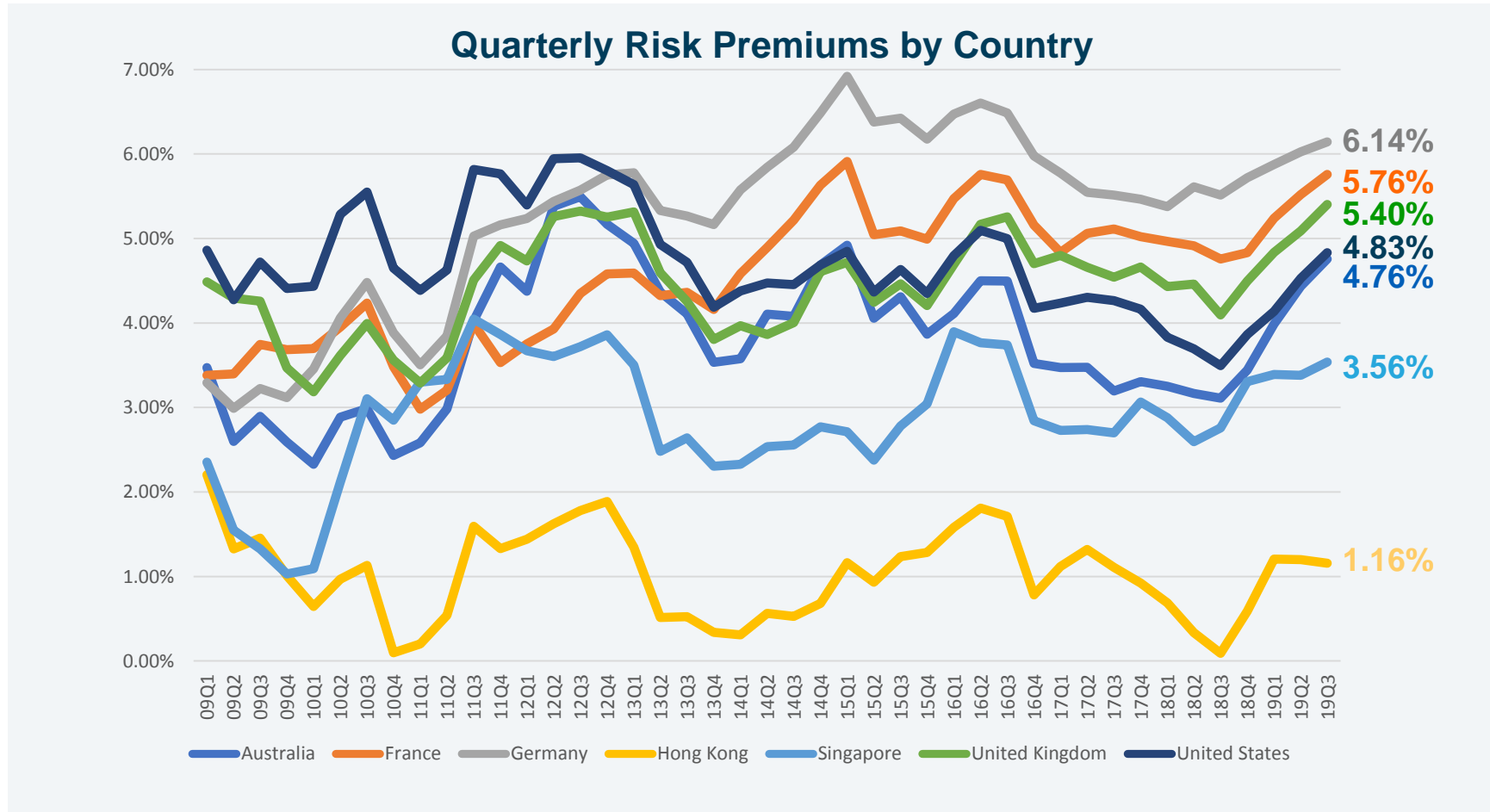
Cross-border activity: Twelve Months to 3Q 2019



Source: Real Capital Analytics – data as at 31 October 2019

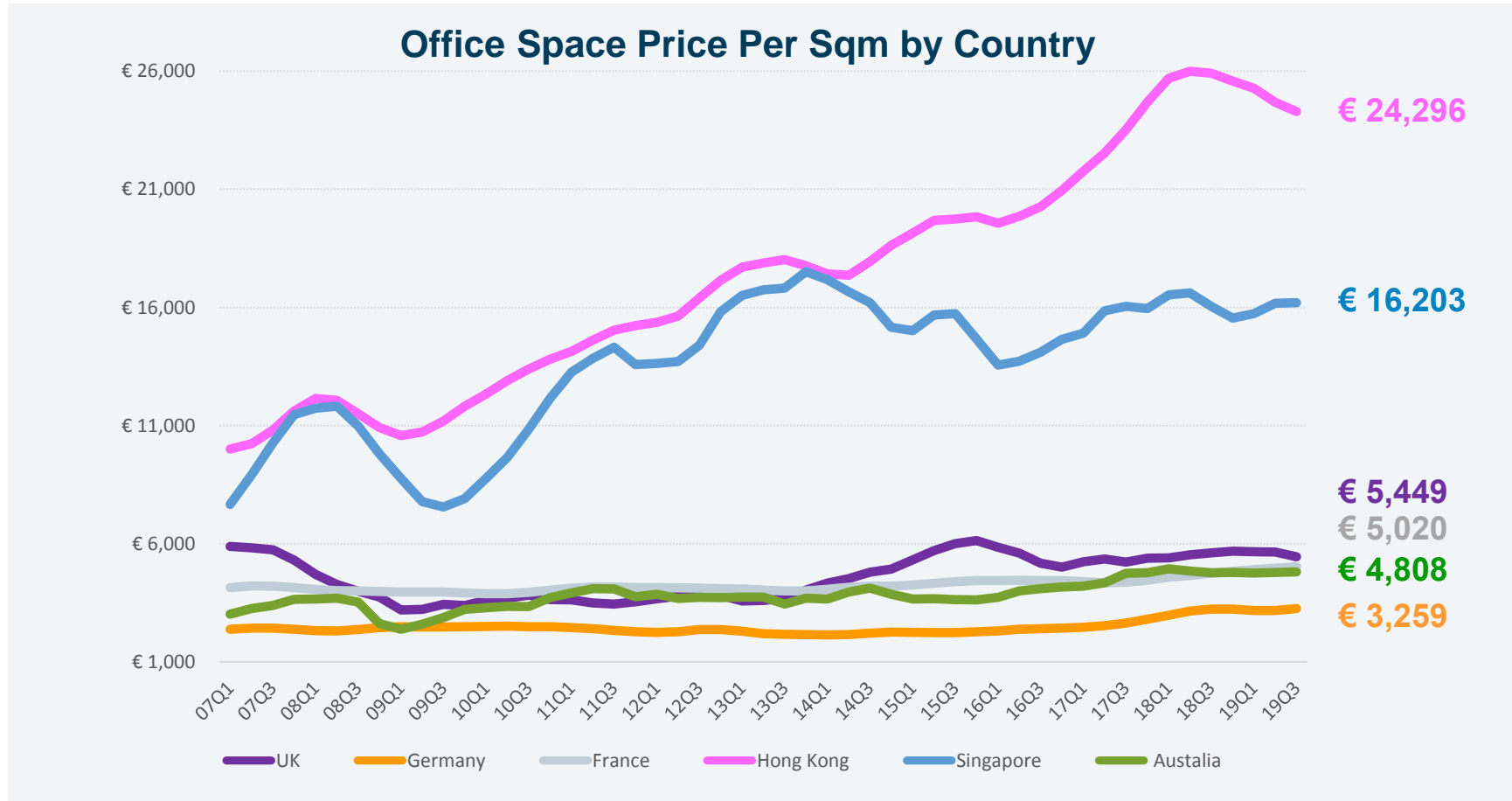
Highest Cap Rates vs. Interest Rates

- Europe offers higher and more attractive risk premiums (5.40%-6.14%) compared to US (4.83%), Singapore (3.54%) and Hong Kong (1.16%)



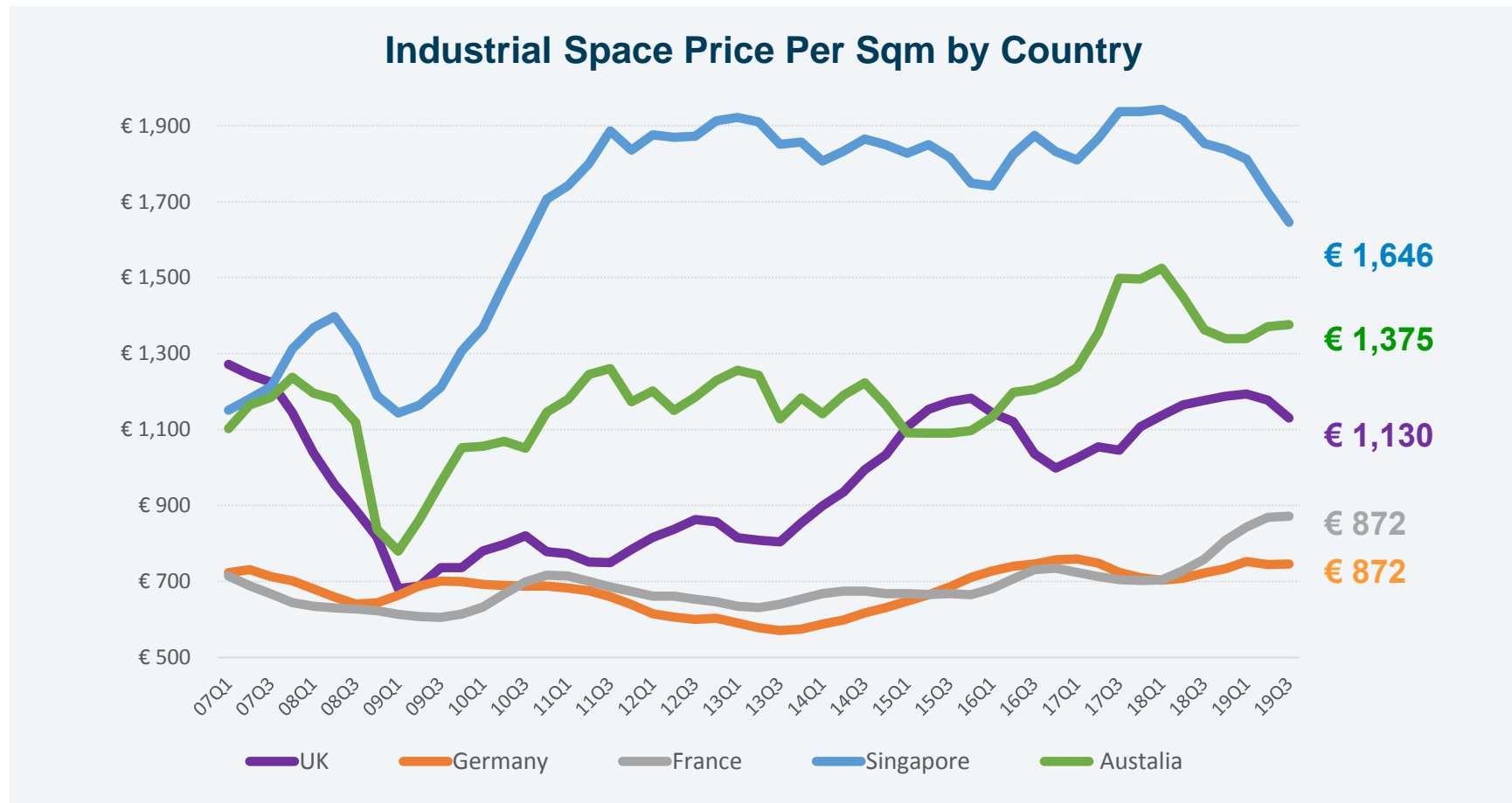
Most Attractive Office Value per Square Metre

- Europe offers cheaper office space (€5,449 - € 3,259) compared to Singapore (€16,203) and Hong Kong (€24,296)
- Cromwell's office portfolio has an average price per sqm of €2,512



Most Attractive Industrial Value per Square Metre

- Europe offers cheaper industrial space (€746- €1,130) compared to Singapore (€1,646)
- Cromwell's office portfolio has an average price per sqm of €812








Business Performance and Investment Proposition

YTD 2019 Results Above Expectations

Delivering Sustainable Unitholder Returns and Opportunities for Growth




YTD Sep 2019 vs YTD Sep 2018

- NPI up **33.2%** 
- Income available for distribution up **39.2%** 
- DPU of **€3.05 cents up by 2.3%**¹ 

Proactive Portfolio Management Drives Growth

Well-Positioned for Capital Recycling

YTD Sep 2019 vs IPO Forecast²

- NPI up **31.3%** 
- Income available for distribution up **35.2%** 
- DPU of **€3.05 cents up by 2.3%** 

Debt Profile Transformed

Best Practice Approach to Sustainability

1. YTD Sep 2018 DPU is restated to reflect the bonus element in the new units issued pursuant to the Rights Issue in Dec 2018

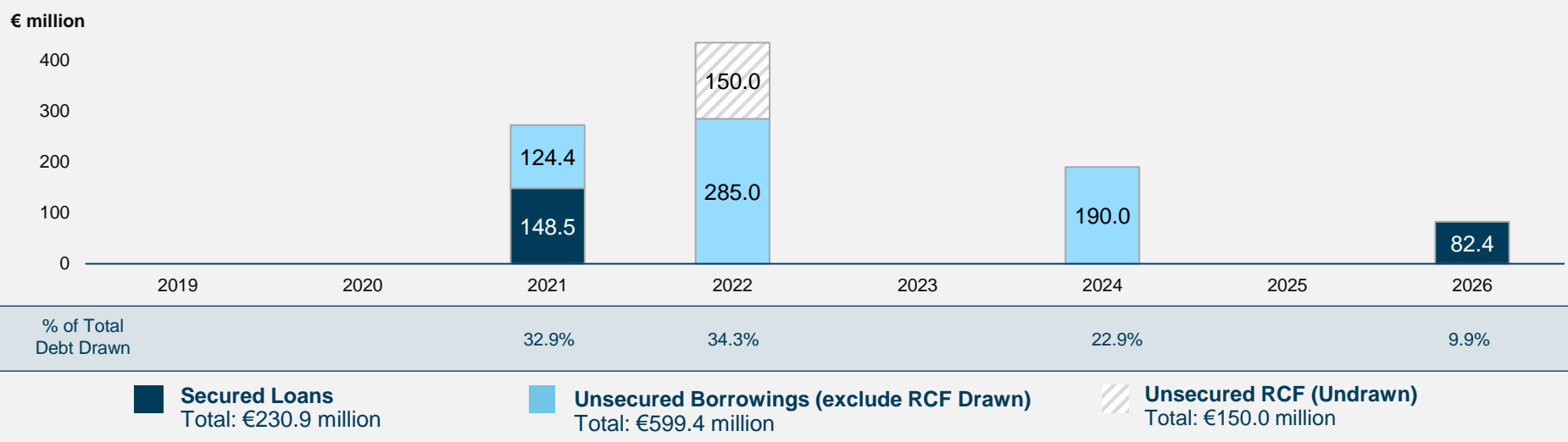
2. As compared to amounts stated in the Prospectus, adjusted for the Rights Issue where applicable. YTD Sep 2019 IPO Forecast is interpolated from FY2019 IPO Forecast

Transformational Debt Refinancing at ~1.5% Cost of Funds

Key Highlights of the Debt Refinancing Program Executed on 12 Nov 2019

- Total debt facilities have increased to €980.3 million, with a new fully undrawn RCF of €150.0 million
- Unsecured funding now makes up over 70% of total debt, providing more flexibility in CEREIT's portfolio
- WADE increased by 1.7 years to above 3.6 years
- The debt refinancing allows CEREIT to maintain attractive cost of funding of approximately 1.50%
- Interest Coverage Ratio at 8.9x reflects the wide spread between NPI and interest expense

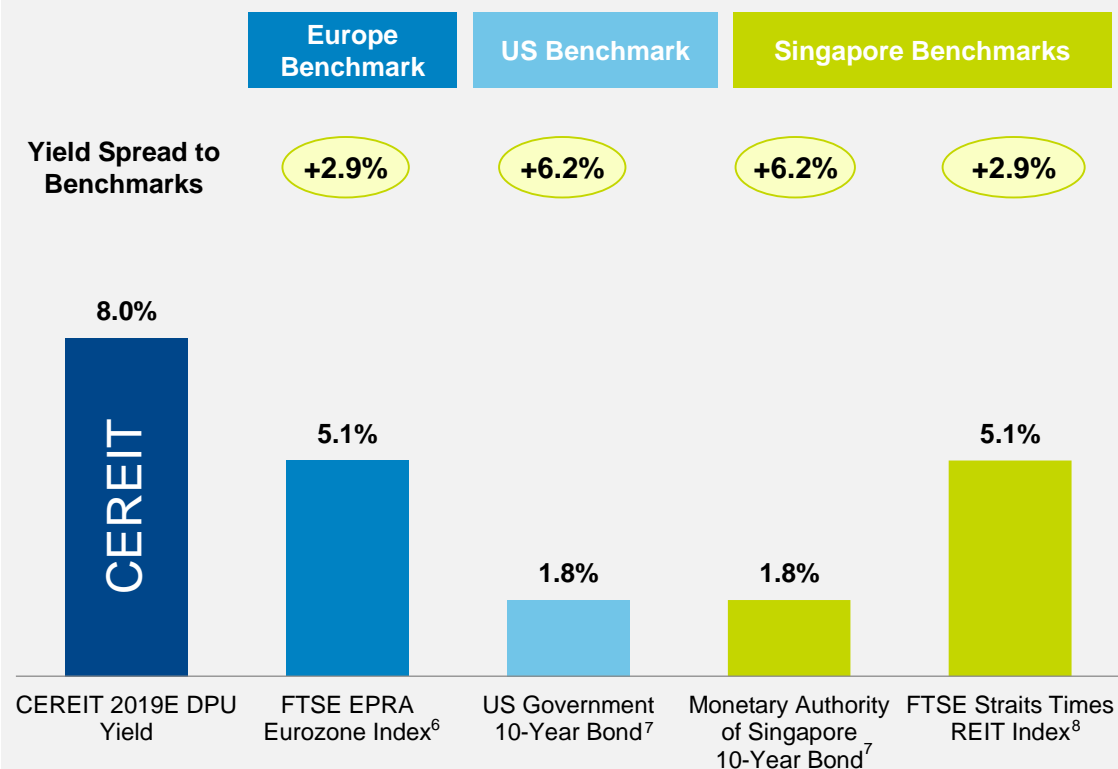
Debt Maturity Profile post Successful Refinancing



Attractive Investment Proposition

CEREIT 2019E DPU Yield of 8.0%¹ Compares Favourably to Other Global Yield Investment Alternatives

- 8.0% Annualised Distribution Yield¹
- Trading at NTA² vs. average S-REIT P/NAV premium of 24%³
- Current market capitalisation is €1.3 (~S\$ 2.0) billion with the Sponsor holding 31.2%
- Free float is ~€0.9 billion⁴
- Liquidity has improved four times since IPO⁵



Sources: Bloomberg, UBS Reports

- Based on €0.50, the last traded price on SGX-ST on 7 Nov 2019 and DPU of €4.02 cpu (FY2019 IPO Forecast of €4.40 cpu adjusted for the Rights Issue)
- Net Tangible Assets
- As at 31 Oct 2019
- As at 31 Oct 2019, calculated by market capitalisation of €1,284 million * [1 - % Owned by Sponsor] (68.8%)
- Period from 2 Jan 2018 to 31 Oct 2019, excluding the period of stabilisation period immediately after IPO
- Based on Bloomberg's estimated DPU yield for the year ended 31 Dec 2019 for FTSE EPRA Nareit Eurozone Index
- Based on Bloomberg's bid yield to maturity of bond
- Based on Bloomberg's estimated DPU yield for the year ended 31 Dec 2019 for FTSE Straits Times Real Estate Investment Trust Index



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: +65 6920 7539,
or Newgate Communications at cerait@newgatecomms.com.sg.



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