



**CROMWELL**  
EUROPEAN REIT



**CROMWELL**  
PROPERTY GROUP

**STRATUS**  
DATA CENTRES

**EXS CAPITAL**

## Media Release

13 July 2020

# Cromwell European REIT Enters into Agreement to Invest in European Data Centres

**SINGAPORE** – Cromwell EREIT Management Pte. Ltd., the manager (the “**Manager**”) of Cromwell European Real Estate Investment Trust (“**Cromwell European REIT**” or “**CEREIT**”), today announced that CEREIT has entered into a Heads of Term Agreement with its sponsor Cromwell Property Group (“**Cromwell**”) and Stratus Data Centres (“**Stratus**”), a member of the EXS Capital Group (“**EXS**”), to co-invest directly into 50% stakes in two data centre projects in London and Frankfurt, subject to various milestones.

Diversified real estate investor and manager Cromwell has separately announced that it has entered into a strategic partnership with Stratus to invest in and manage the rollout of a data centre property platform across Europe and Asia Pacific through the new Stratus Cromwell Data Centre Fund (“**SCDC Fund**” or the “**Fund**”).

This highly complementary partnership will combine Stratus’ data centre sector specialisation and EXS’ Asian network with Cromwell’s capital, funds management and real estate investment experience. Stratus will be responsible for project development, leasing, design and construction.

Cromwell will be a cornerstone investor in the SCDC Fund, which is targeting an eventual gross asset value of over US\$1 billion, with 25% of the portfolio already identified by the first two strategic sites under exclusivity. Cromwell will also source investment funding and subsequently provide joint fund management and asset management services upon the completion of each project.

The first project is a two-stage, 100 megawatt (“**MW**”) data centre serving London. The 6-acre project site is well-located on fibre optic routes in the east of the city and will be powered by renewable energy. Negotiations with potential tenant operators are well advanced and construction is expected to be completed in 2021.

The second, larger project is on a 34-acre strategic site serving Frankfurt. A multi-stage 300MW project with advanced pre-leasing agreements and planning processes underway, it will also be one of the largest data centre campuses in Germany and Western Europe once completed.

The exponential growth of data created by social media, mobile devices, video streaming and cloud computing has driven unprecedented demand for data centres. This demand has only been accelerated by the COVID-19 pandemic pushing more of modern life and business online. With strong real estate



asset backing and long-term leases to world class cloud operators, data centre properties can provide investors with stable income, downside protection and strong potential upside.

Simon Garing, CEO of the Manager of CEREIT said: “We have identified a sector with significant investment opportunity in Europe, where we believe there will be continued demand for data centre projects. Data centres are a natural fit with our existing investment strategy and portfolio composition and we expect to realise attractive risk-adjusted returns for CEREIT unitholders from the partnership. The platform will also allow us to extract additional value through a number of potential future data centre opportunities in strategic locations within CEREIT’s existing 1.4 million sqm portfolio.”

Cromwell’s Chief Investment Officer, Rob Percy said: “The partnership is another good example of our ‘Invest to Manage’ strategy in operation. We are delighted to be able to partner a specialist organisation of Stratus’ calibre to create an exciting investment opportunity that we know will be in strong demand from both leading hyperscale data centre operators and international capital partners.”

Eric Solberg, Chairman of Stratus and EXS, commented: “We are delighted to combine our development and data centre expertise in international markets with Cromwell’s capital, funds management and real estate investment experience.”

“The London and Frankfurt projects are just the beginning, with further projects identified in key gateway cities in Europe including Dublin and Milan, and in Asia, including Tokyo, Manila, Jakarta and Mumbai. As a specialist ‘developer of developers’ in Asian real estate, EXS is excited to bring our network of regional local partners to the SCDC Fund.”

Nigel Clarkson, CEO of Stratus, added: “As a twenty-year plus veteran developing and converting data centres across the UK, Europe, Asia and Australia, I can say that global demand for cloud computing is only going one way – up! With Cromwell’s support, we will look to accelerate the development of our global data centre property portfolio and even better serve our hyperscale and cloud operator tenants and partners.”

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## ABOUT CROMWELL EUROPEAN REIT

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

CEREIT's portfolio comprises 94 primarily freehold or ongoing leasehold properties in or close to major gateway cities in Denmark, Finland, France, Germany, Italy, the Netherlands and Poland, with a balanced focus on the office and light industrial / logistics sectors. As at 31 March 2020, CEREIT's portfolio had an appraised value of approximately €2,075<sup>1</sup> million and an aggregate lettable area of approximately 1.4 million square metres with close to 800 tenant-customers and a WALE profile of around 4.5 years.

CEREIT is the first REIT with a diversified Pan-European portfolio to be listed on the Singapore Exchange Securities Trading Limited. CEREIT is managed by Cromwell EREIT Management Pte. Ltd., a wholly-owned subsidiary of CEREIT's Sponsor, Cromwell Property Group.

## ABOUT CROMWELL PROPERTY GROUP

Cromwell Property Group (ASX:CMW) is a diversified real estate investor and manager with operations on three continents and a global investor base. As at 31 December 2019, Cromwell had a market

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<sup>1</sup> Valuation is based on independent valuations conducted by Colliers and Cushman & Wakefield as at 31 December 2019 for 91 existing properties in the portfolio. The three assets acquired in Germany with completion on 24 March 2020 are being carried at their purchase price.

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capitalisation of \$3.1 billion, a direct property investment portfolio valued at \$3.2 billion and total assets under management of \$11.9 billion across Australia, New Zealand and Europe.

## ABOUT STRATUS DATA CENTRES

Stratus is an independent data centre (DC) property platform, led and managed by an experienced, specialist management team, which has over 20 years of proven track record in DC property investments, development and management. Stratus has worked with a number of global investors to identify and secure exclusive access to DC projects and tenants through existing relationships.

Stratus provides comprehensive products that meet tenants' needs, such as Powered & Planned Shell, Fully-fitted, and turnkey solutions. Stratus is not a DC operator and does not compete with tenants in colocation business. Stratus aims to be the long-term property partner of its customers, who can leverage its expertise in sourcing sites outside their home markets, securing power and planning, and developing build-to-suit DCs in multiple locations across Asia & Europe, achieving true "resource augmentation" for global hyperscale and cloud operators.

## ABOUT EXS CAPITAL

EXS is an independent private equity real estate investment firm with offices in the Cayman Islands, Hong Kong and Singapore and led by Eric Solberg, a 30-year Asia investment veteran and a pedigree team. Over the past decade, EXS has led over US\$1 billion of completed and ongoing investments across Asia and related markets.

EXS sponsors private equity style investments into real estate businesses in partnership with expert management, either local developers or sector specialists, with the goal of building high-valuation market leaders. EXS' highly differentiated strategy and fund structure allows closer long-term partnership with management, counter-cyclical multi-stage investments and ultimately higher expected realizations and returns.

Various members of the EXS Capital Group are licensed in Singapore with the MAS in Singapore for Fund Management; in Hong Kong with the Securities & Futures Commission in Hong Kong for Advisory, Corporate Finance and Asset Management, the Hong Kong Estates Agents Authority for Real Estate; and with CIMA in the Cayman Islands.