



# SIAS - Cromwell European REIT

## Virtual investor session featuring **CBRE**

29 November 2022



**FOCUS ON STRENGTHS | PIVOT TO LOGISTICS**

• WESTERN EUROPE • THE NETHERLANDS • FRANCE • ITALY • GERMANY • UNITED KINGDOM • THE NORDICS • CENTRAL EUROPE • CORE OFFICE • GATEWAY EUROPEAN CITIES • MAJORITY LIGHT INDUSTRIAL LOGISTICS • NEW ECONOMY • E-COMMERCE • WESTERN EUROPE • THE NETHERLANDS • FRANCE • ITALY • GERMANY • UNITED KINGDOM • THE NORDICS •

# Resilient European portfolio

100% European predominantly freehold commercial real estate underpinning long term income for distributions



**2.6 BILLION<sup>1</sup>**  
EUROPEAN  
COMMERCIAL  
PORTFOLIO



**110+**  
PREDOMINANTLY  
FREEHOLD  
PROPERTIES



**1.9 MILLION**  
SQM NET  
LETTABLE AREA



**95.7%**  
PORTFOLIO  
OCCUPANCY<sup>2</sup>



**50%+**  
Light industrial / logistics  
& 'other' exposure



**4.6-YEAR**  
WALE<sup>3</sup>

UNITS TRADE IN BOTH  
S\$ AND € FULLY  
FUNGIBLE COUNTERS

CWBU.SI  
(€ counter)



CWCU.SI  
(S\$ counter)



FLEXIBILITY TO RECEIVE DISTRIBUTIONS IN S\$ OR €

**WESTERN  
EUROPE** 86%

THE NETHERLANDS  
GERMANY  
FRANCE  
ITALY  
UK

THE NORDICS

Light industrial / logistics

Office

Light industrial / logistics  
and Office

Light industrial / logistics,  
Office and Other

**CENTRAL  
EUROPE**  
14%

# CEREIT's strategy for long-term value creation

1

## Active asset management of high quality portfolio

- Lease up vacancies to maintain high occupancy
- Drive higher rent reversion (+6.8% rent reversion for 3Q 2022)
- CPI indexation and rent reversions to support NPI growth
- Manage higher energy costs for tenant-customers

2

## Pivot to logistics and manage to core office

- Recycle non core assets while cost of equity is high
- Office occupiers switching to ESG-certified conveniently located space
- Projected ~€250 million AEI and developments pipeline to supplement growth

3

## Maintain ample liquidity / no refinancing risk

- Maintain Fitch investment grade rating
- Near-term refinancing requirements limited

4

## Focus on high ESG standards

- Achieve ESG targets including net operational carbon zero by 2040
- Focus on ESG CAPEX to enhance long - hold assets in view of in view of rising ESG regulations and expectations

## How do we execute:

- Leverage Cromwell's local teams on-the-ground strengths and expertise
- Fund via cash and asset sales in the near-term while equity markets rebase
- Manage for risk and volatility through early refinancing and ESG initiatives

# Leveraging the sponsor's on-the-ground expertise in Europe

## Cromwell Property Group

Extensive European platform

Highly experienced local teams, with on-the-ground market knowledge

Specialists in Core+ and Value-add commercial real estate

Strong capabilities in sourcing and executing a pipeline of off-market deals



**20-year**  
track record



**220**  
employees



**11**  
European countries



**17**  
offices

## Office Locations



# CEREIT's diversified base of high quality tenant-customers

Minimal Industry Sector Concentration Risk and significant weight to Government and large MNC Tenant- customer base

## Top 10 tenant-customers (30 September 2022)

#	Tenant-customer	Country	% of Total Headline Rent <sup>1</sup>
1	AGENZIA DEL DEMANIO	Italy	11.4%
2	Nationale Nederlanden Nederland B.V.	Netherlands	5.0%
3	Essent Nederland B.V.	Netherlands	2.4%
4	Employee Insurance Agency (UWV) <sup>2</sup>	Netherlands	2.2%
5	Motorola Solutions Systems Polska	Poland	1.8%
6	Kamer van Koophandel	Netherlands	1.7%
7	Holland Casino <sup>3</sup>	Netherlands	1.7%
8	ABB S.p.A.	Italy	1.4%
9	Thorn Lighting	United Kingdom	1.4%
10	Felss Group	Germany	1.4%
			<b>30.4%</b>

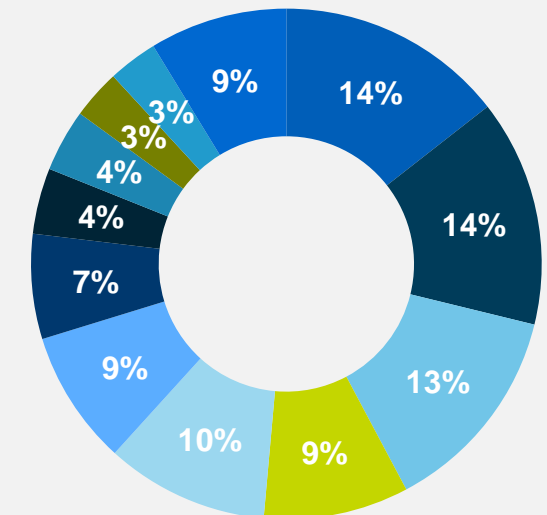
- **Low concentration risk** with top 10 tenant-customers contributing to 30% of total headline rent
- **Majority** of tenant-customers constitute **government agencies' offices, large MNCs and domestic corporations**
- Only **~8%** of headline rent are contributed by SMEs



**859**  
tenant-customers



**1,069**  
leases

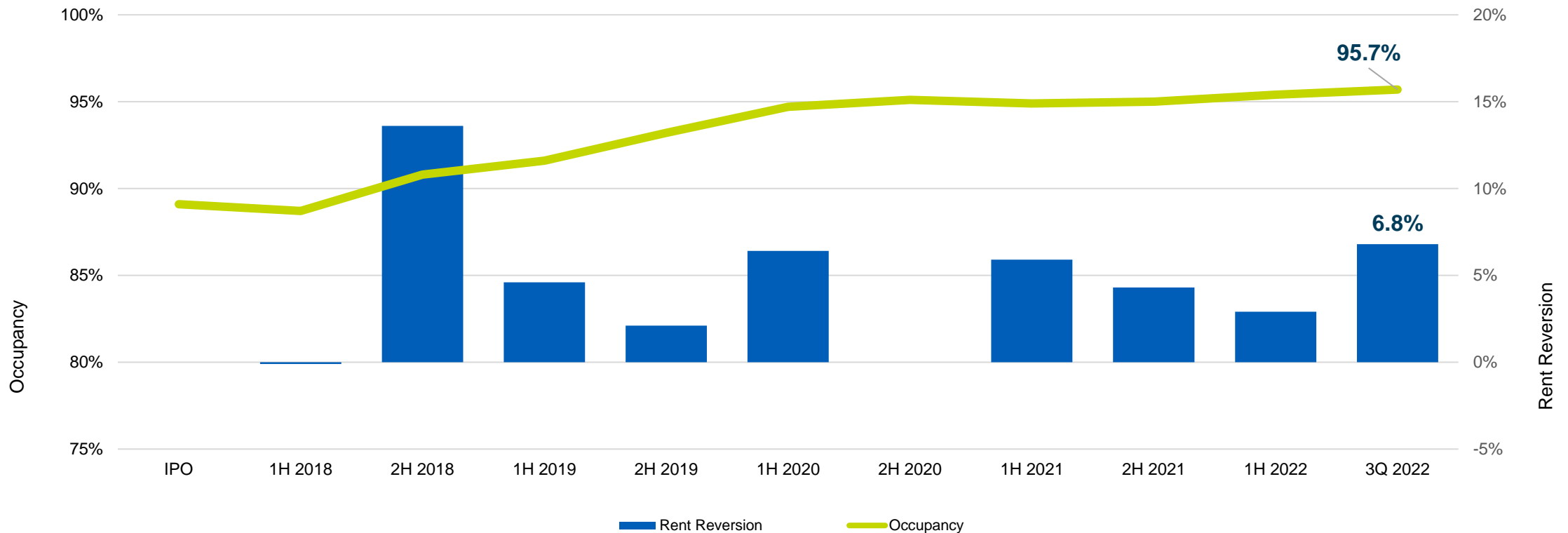


■ Public Administration  
■ Wholesale - Retail  
■ Financial - Insurance  
■ IT - Communication  
■ Entertainment  
■ Construction  
■ Transportation - Storage  
■ Manufacturing  
■ Professional - Scientific  
■ Administrative  
■ Real Estate  
■ Others<sup>4</sup>

# Record 95.7% occupancy in 3Q 2022

3.5% of the portfolio re-leased at +6.8% rent reversion

## Sustained rise in occupancy and positive rent reversions since IPO

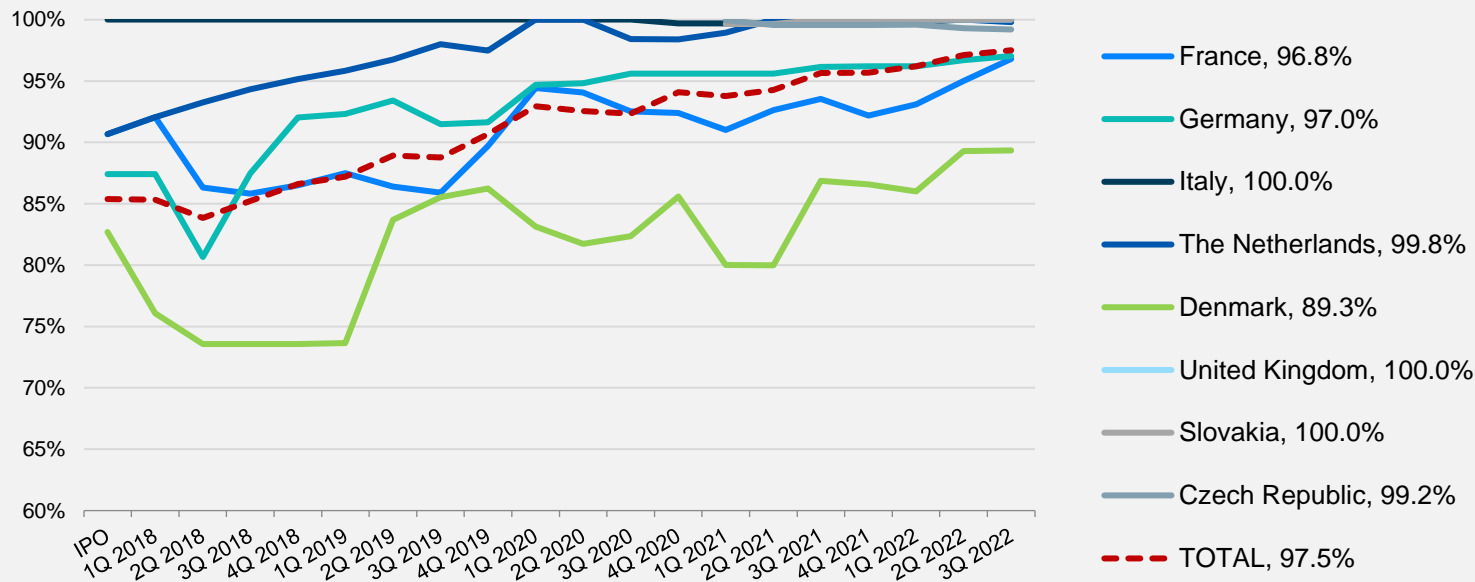


# Light industrial / logistics: record 97.5% occupancy

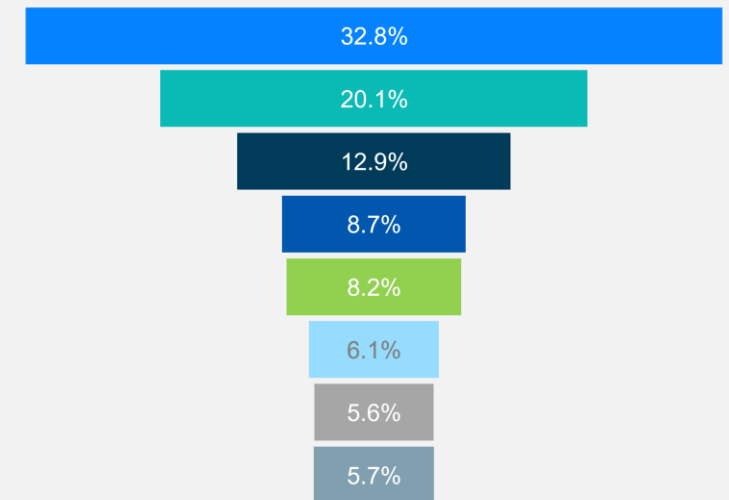
+7.6% rent reversion over 4% of the light industrial/logistics portfolio leased/renewed in 3Q 2022

- **Another record occupancy of 97.5%, up from of 97.1% in the previous quarter, based on strong leasing activity in France (with Parc des Docks occupancy now increased to 91.6%)**
- **WALE at 4.9 year, higher than the usual 3-year WALE for 3PL logistic companies in Europe**

CEREIT's light Industrial / logistics portfolio occupancy by country<sup>2</sup>



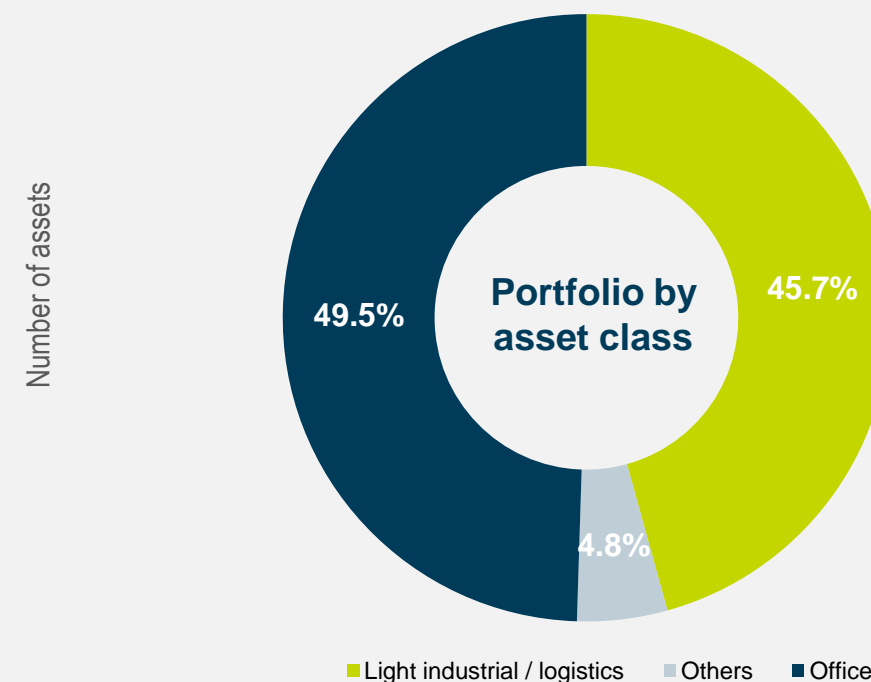
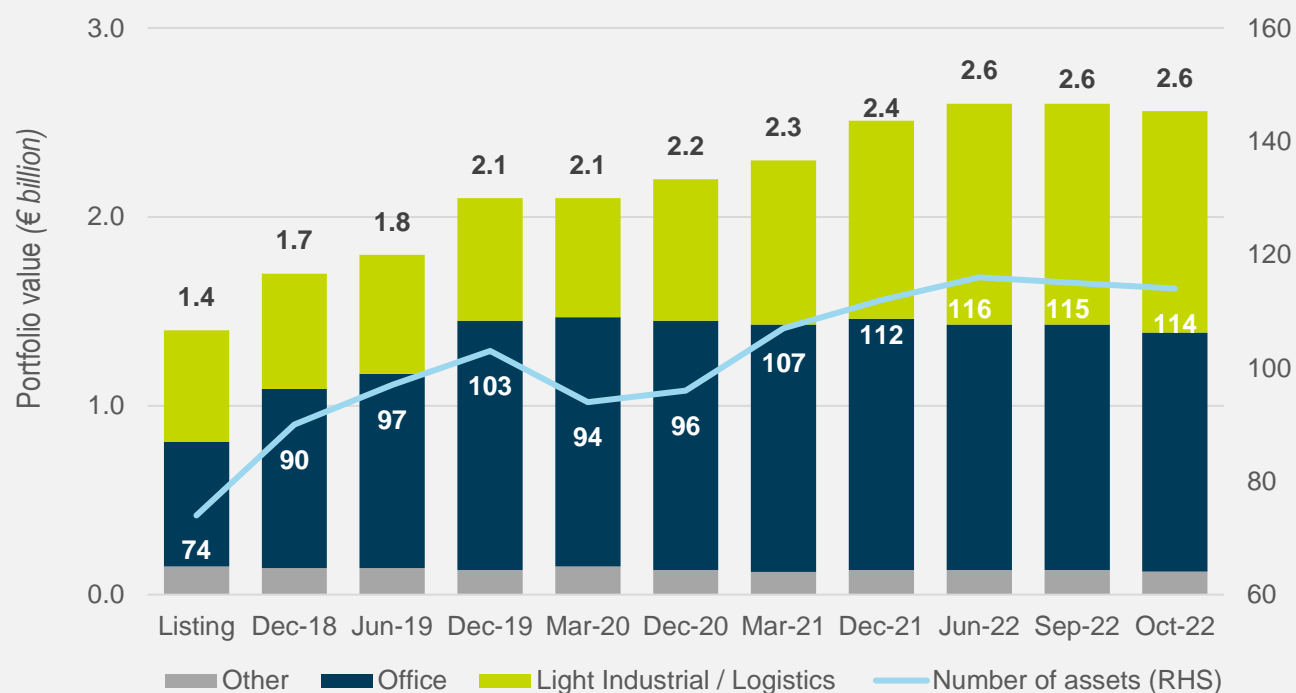
Portfolio weighting by country<sup>2</sup>



# Ongoing pivot to logistics supports resilience and growth

> €410 million in acquisitions with an average 6.2% NOI yield since 2020 (up to 30 September 2022)

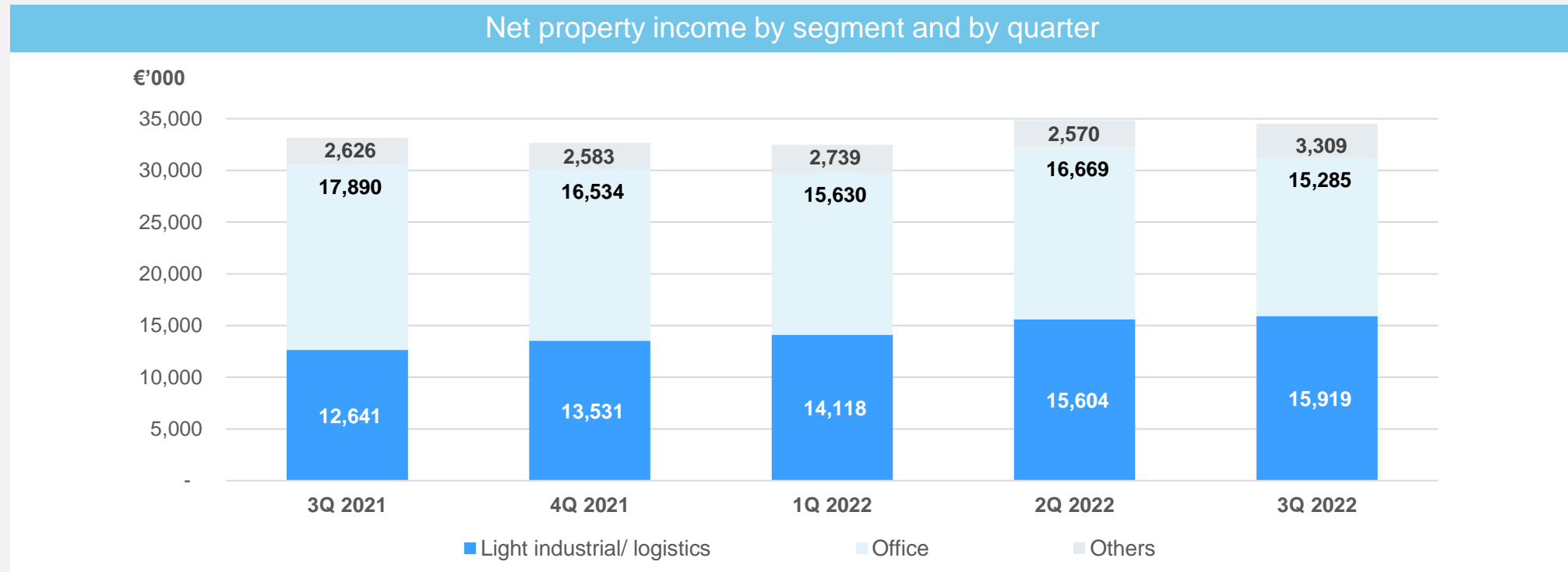
- **Successful completed accretive acquisition pipeline**
- **Light industrial / logistics + 'Other' sectors now 50.5% of the portfolio by value**
- **Focus on asset recycling in the near term; further non-strategic disposals in advanced stages**





# Light industrial / logistics NPI growth underpins resilience

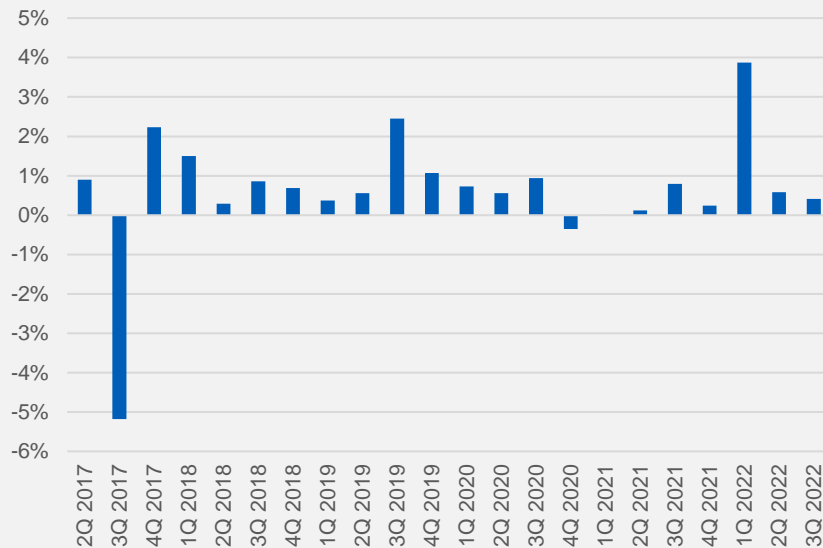
- 3Q 2022 NPI was €34.5 million, which was 4.1% above 3Q 2021 mostly due to higher NPI from light industrial / logistics (“LI/Log”) sector from new acquisitions and higher occupancy in certain assets
- On a like-for like basis, LI/Log NPI was 5.7% higher than pcp, largely due to market rental growth, indexation and higher occupancy especially in Denmark
- YTD 2022 NPI was €101.8 million, which was 4.5% above YTD 2021 mostly due to the LI/Log sector as mentioned above



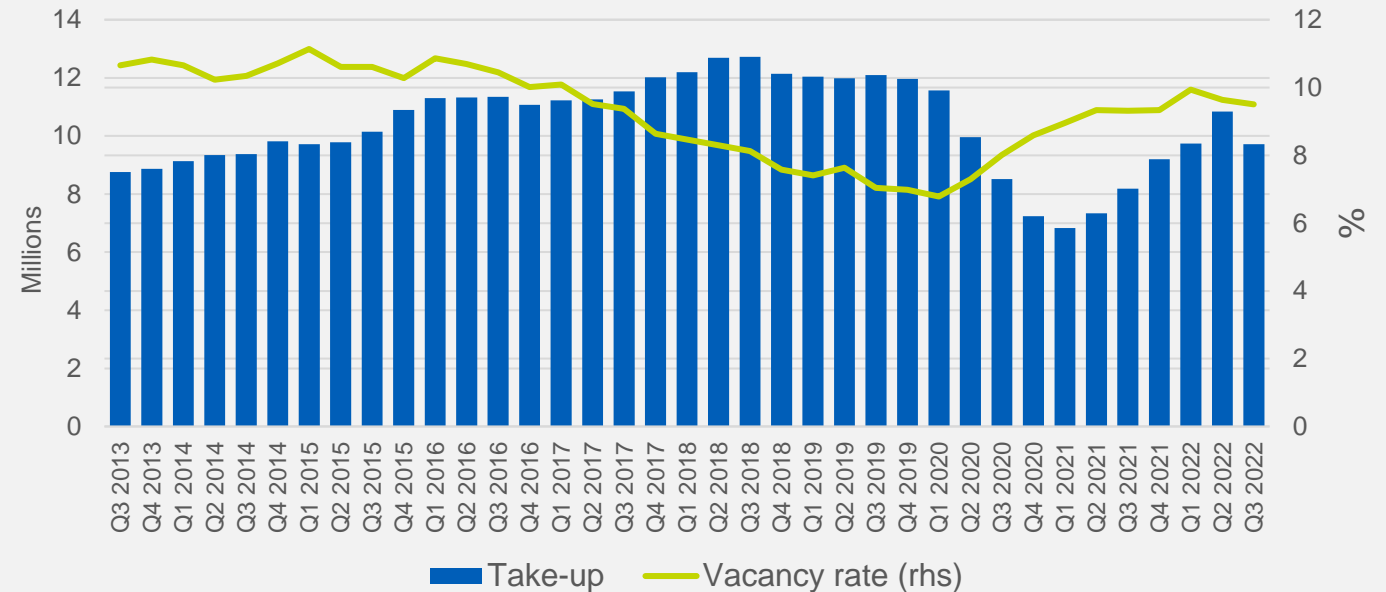
# European office take-up skewed to A-grade assets

- **Wider economic uncertainty has led to a consolidation in office occupier activity**
- Rental values continue to grow positively for well located and modern office space
- Consecutive quarterly falls in vacancy rate to 9.5%<sup>1</sup> assisted by muted new supply

CBD office rent growth<sup>3</sup> (%)



Annual take-up<sup>2</sup> and vacancy rates<sup>1</sup> in CEREIF's countries with exposure to office



# Projected developments pipeline to supplement growth

Some major examples currently under construction or in advanced planning and approval processes



**€29 million**  
estimated cost

*Artist impression*

**Via Nervesa 21, Milan I** office re-development  
Construction works commenced; 20% additional GFA approved due to sustainability building specifications



**€45 million**  
estimated cost

*Artist impression*

**Via dell' Amba Aradam 5, Rome** | office redevelopment  
planning stage commenced, subject to permit and feasibility approvals; Current tenant to vacate Dec 2022



**€90 million**  
estimated cost

**De Ruyterkade 5, Amsterdam I** office redevelopment  
on prime location~subject to new masterplan and feasibility approvals for increase in GFA to >20,000sqm



**€250+ million**

**medium-term redevelopment pipeline** (excluding Parc des Docks)

2022

2023

2024

2025

2026

2027

2028 - 2035

**Lovosice ONE Industrial Park I – new development**  
Commenced construction on c.14,700 sqm extension of warehouse and office space – 40% pre-leased

**€15 million**  
estimated cost



**Novo Mesto ONE Industrial Park I / III, Slovakia**  
New development; 15,800 sqm warehouse and office space; 25% pre-leased to existing tenant-customer

**€11 million**  
estimated cost



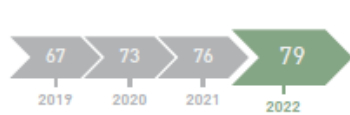
**Parc des Docks, Saint Ouen, Paris I** Phase 1 / Phase 2 planning stages completed.  
Targeting planning and feasibility approvals by 2026; re-zoning and community master plan to include substantial GFA plot ratio upgrades



# S-REIT leader in ESG initiatives and reporting

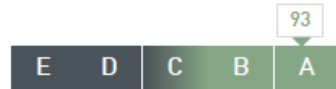
## GRESB<sup>1</sup> 2022 Real Estate Assessment and ESG ratings

### Participation & Score



**GRESB Score** **Green Star**  
GRESB Average 74 Peer Average 77

### GRESB Public Disclosure Level



Global Average: **B**  
Comparison Group Average: **B**

### Comparison Group



**Europe | Other**  
Out of 10

## Adopting green financing

- ASEAN's first sustainability-linked cross currency swap in 2021
- Established green bond framework in 1H 2022
- 4-year sustainability loan facility completed with three sustainability-linked KPIs and a notable inclusion of percentage increase in the number of green clauses over the total number of leases (one of the first in Singapore)

## Excellence in corporate governance and transparency



- Bronze EPRA<sup>5</sup> Sustainability Best Practice Recommendations Award for a second year in a row



Award nominee  
South East Asia 2022



Centre of Governance and Sustainability NUS Business School

- Ranked within the **Top 10** for 3 years consecutively at the Singapore Governance & Transparency Index (SGTI)
- Ranked **Top 3** in GIFT 2022 rankings

## Building certifications



- 30 BREEAM<sup>2</sup> ratings and one LEED<sup>3</sup> Platinum Certification



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# 3Q 2022 overview and highlights



# 3Q 2022 business update highlights

Continued resilient results, sound balance sheet and positive portfolio metrics

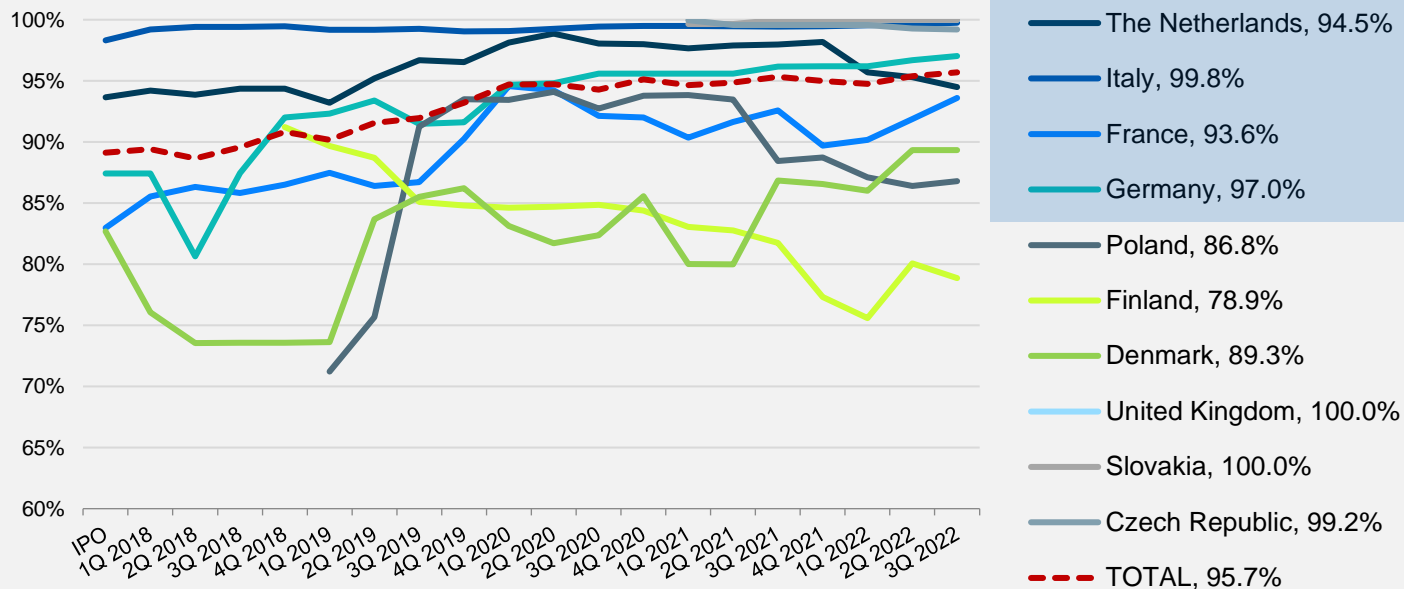
Financial highlights	Key credit metrics underpin BBB- IG rating	Key portfolio performance metrics
<b>YTD 2022 gross rental revenue</b> €163.4 million <b>+9.1% y-o-y</b>	<b>New €180 million debt facility</b> signed in October 2022 to refinance RCF <sup>1</sup> and large portion of 2023 expiries <b>76% of debt is hedged / fixed</b> over the next 2 years	<b>Record-high 95.7%</b> portfolio occupancy <b>+0.7%</b> compared to 31 Dec 2021
<b>YTD 2022 net property income</b> €101.8 million <b>+4.5% y-o-y</b>	<b>3.0-year weighted average debt to expiry<sup>2</sup></b> -no material debt expiries until November 2024	<b>+4.5% rent reversion<sup>3</sup></b> across the portfolio in YTD 2022 <b>+6.8%</b> for 3Q 2022
<b>YTD 2022 income available for distribution</b> <b>+3.8% y-o-y</b>	<b>38.9% aggregate gearing</b> Ample liquidity with ~€220 million in cash, undrawn RCF and assets held for sale	<b>4.6-year weighted average lease to expiry</b> for overall portfolio

# Four core markets accounting for 76% of total portfolio drive results

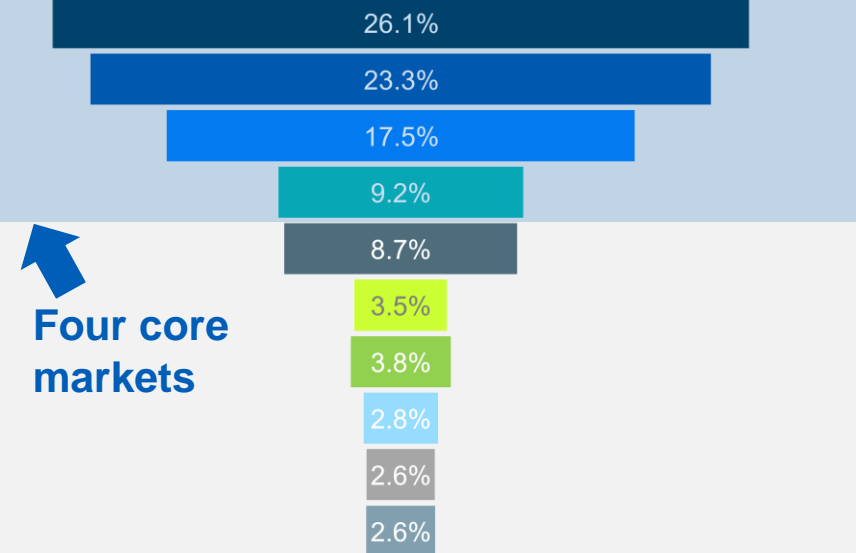
11.5% of portfolio NLA re-leased in past nine months, demonstrating quality of asset management and portfolio teams

- **95.7% all-time high overall portfolio** occupancy, a 0.3 percentage point increase Q-o-Q
- **+6.8% blended rent reversion** driven by new leases in both office and light industrial / logistics
- **4.6-year WALE** unchanged QonQ

Total portfolio occupancy by country<sup>3</sup>



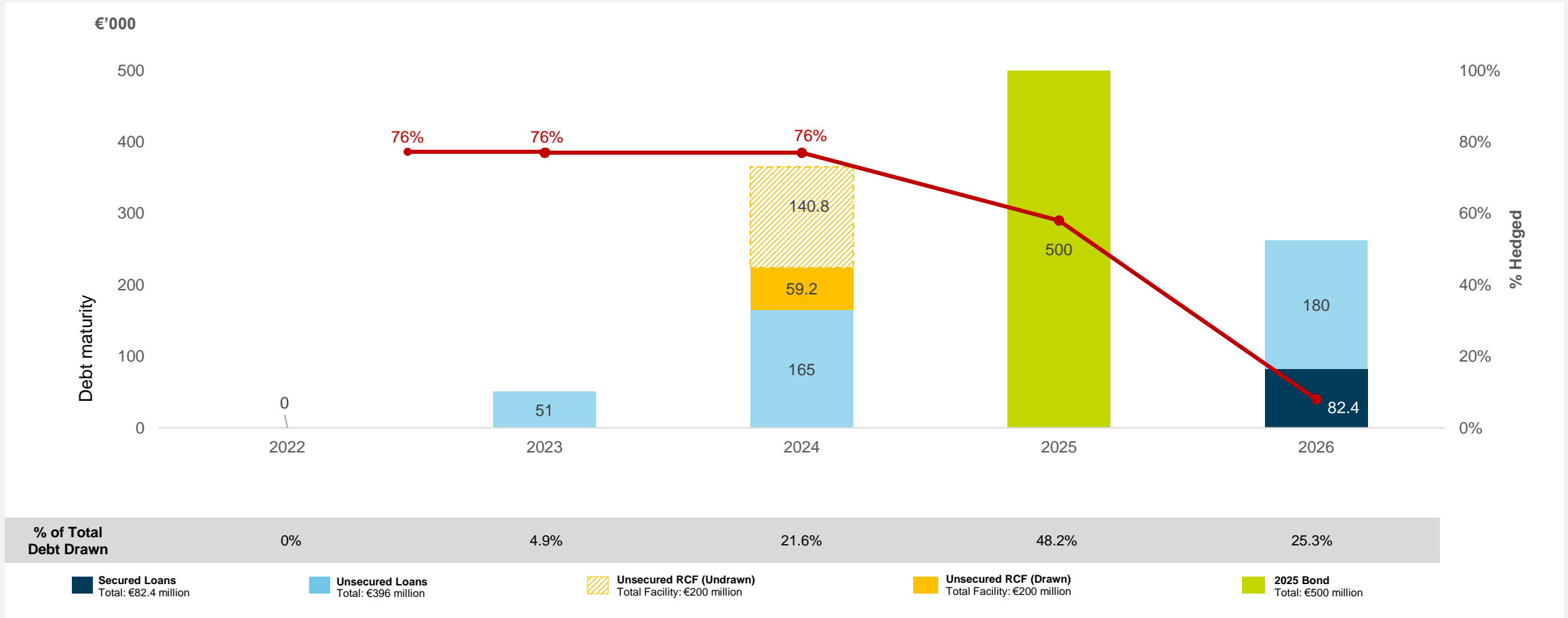
Portfolio weighting by country<sup>3</sup>



Four core markets

# Recent refinancing and hedging has reduced risk; no material refinancing until November 2024 and 76% debt is fixed / hedged

Debt maturity<sup>1</sup> and percentage hedged / fixed rate as at November 2022



1. Excludes S\$100 million of perpetual securities (classified as equity instruments) issued in November 2021



# Key financial indicators in good shape

- **Investment-grade BBB-** Fitch Rating (stable outlook) was confirmed by Fitch on 13 October 2022
- **Well within loan covenants** and Investment grade metrics
- As at 30 September 2022, **all-in interest rate<sup>1</sup> was 2.28%** with total gross debt 76.4% hedged / fixed

	As at 30 Sep 2022	As at 31 Dec 2021	Bond covenant
<b>Total Gross Debt</b>	€1,037.6 million	€927.4 million	N.A.
<b>Aggregate Leverage<sup>2</sup></b>	38.9%	36.6%	≤ 60%
<b>Net Gearing</b>	37.6%	35.1%	N.A.
<b>Interest Coverage Ratio (“ICR”)<sup>3</sup></b>	6.5x	6.7x	≥ 2x
<b>Priority Debt<sup>4</sup></b>	2.9%	3.3%	≤ 35%
<b>Unencumbrance Ratio<sup>4</sup></b>	249.6%	260.7%	> 170%
<b>Weighted Average Term to Maturity<sup>5</sup></b>	3.0 years	3.4 years	N.A.

# Takeaways and outlook

1

## High quality portfolio performance

- Record 95.7% occupancy: +6.8% rent reversion for 3Q
- +4.1% 3Q 2022 NPI growth y-o-y, led by light industrial / logistics at +5.7% on a like-for-like basis
- Higher interest costs starting to flow through
- Income available for distribution €24.2 million for 3Q 2022 (pre “top-up”) – flat on pcp and +3.8% YTD growth

2

## Strong occupier market fundamentals

- Record low vacancy and strong take up in logistics also leading to inflation like rent reversion
- Office occupiers switching to ESG-certified conveniently located space

3

## Ample liquidity / no refinancing risk

- 38.9% gearing and high 6.5x ICR<sup>1</sup>
- 76.4% hedged / fixed till end 2024
- Ample liquidity with ~€220 million in cash, undrawn RCF and assets held for sale

## Outlook

- Expect to maintain very high occupancy
- Inflation - linked rent increases and positive rent reversions to support NPI growth
- Current construction projects and planning for next phase office redevelopments and logistics developments to add to DPU and NAV accretion over the medium term
- Focus in the near term on asset recycling; further non-strategic divestments in advanced stages
- Key risks include energy supply interruptions, prolonged inflation, geopolitical tensions, Ukraine war escalation, global supply disruptions and weaker economic growth, all potentially leading to asset value declines

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# Q&A





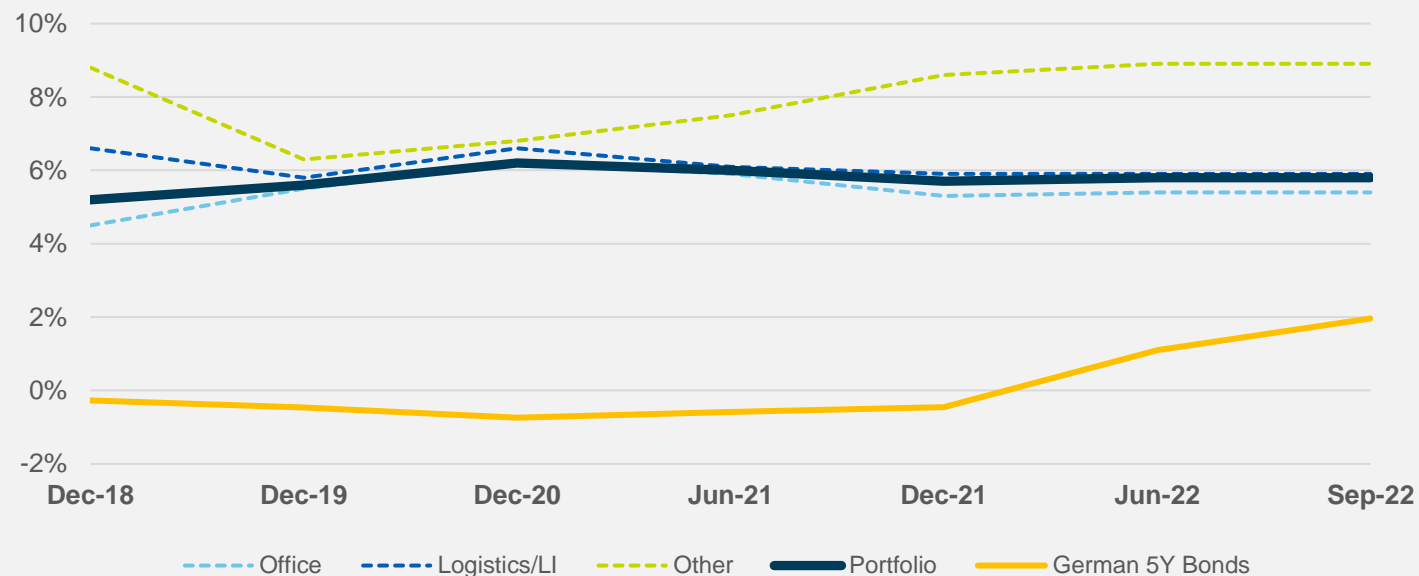
# Appendices relevant to pre-submitted Qs



# Net initial yields relatively stable in the last four years

- Analysis of **Net Initial Yield (“NIY”)** over the past four years in the chart below indicates that the NIY has not moved significantly relative to the lower interest rates, even through the COVID-19 period
- Today’s relative high yield spread to interest rates provides some downside protection
- Slight decline in NAV still expected at 31 December 2022, due to broader market weakness

Net initial yield by asset class 2018 - 2022



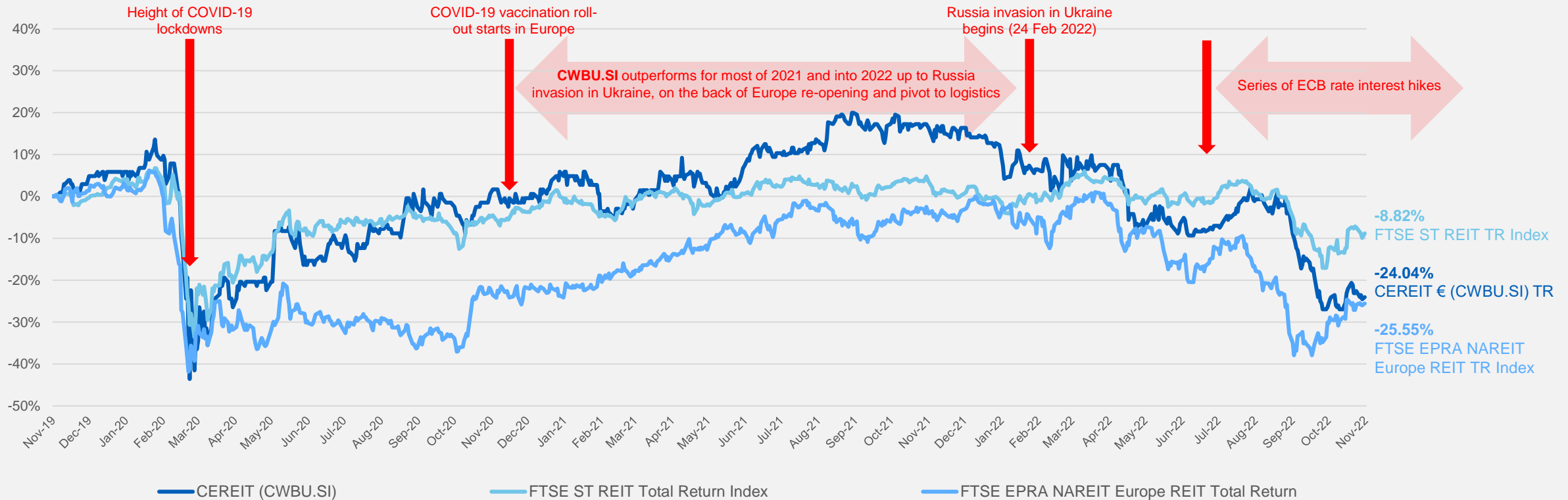
# Key risks, impact analysis and mitigating factors

Key Risks	Commentary	Scenario impact analysis	Mitigating factors
<b>Refinancing risk</b>	<ul style="list-style-type: none"> <li>Oxford Economics forecasts short EU interest rates to peak at 2.5% in 2023 vs. 1.94% today, while US interest rates are expected to peak at 4.5-4.75% in 2023 vs US rates at 2.98% today, according to the U.S. central bank's median projections in September 2022</li> </ul>	<p><b>Assuming 3-month Euribor averages 2.5% over FY 2023 and including higher margin from recent bank loan refinancing, impact on DPU may be c. €1 cent and all-in interest rate may increase to 2.59%</b></p>	<ul style="list-style-type: none"> <li>CEREIT has recently refinanced €180 million with the remaining Nov 23 debt expected to be extended in the next few months; no debt maturing till Nov 2024</li> <li>76.4% of debt is hedged / fixed over the next 2 years. This includes €210 million of interest rate caps which fixes the 3-month Euribor at 0.60% until end 2024</li> <li>ICR loan covenant remains high, providing ample buffer should rates continue to rise further</li> <li>Focus on maintaining BBB- (stable outlook) investment grade credit rating from Fitch Ratings</li> <li>Leverage green finance framework to enable access to public debt markets and continue to attract bank capital (incl. sustainability linked)</li> </ul>
<b>Asset values globally are declining; cap rates rising</b>	<ul style="list-style-type: none"> <li>Asset values globally are falling – cap rates rising, with UK quicker to fall than EU</li> <li>This is expected to cause NAV to fall and LTV rise</li> </ul>	<p><b>Assuming a 5% reduction in 30 September 2022 asset value, LTV may increase to c 41% and NAV / Unit may fall by €0.24 cents to €2.26</b></p>	<ul style="list-style-type: none"> <li>Divesting assets from time to time will leave LTV in desired range</li> <li>Reducing gearing allows more liquidity and funding head room for development</li> <li>This will in turn will improve quality of portfolio and boost NAV from development profits</li> <li>CEREIT portfolio's starting cap rate of 5.8% / reversionary yield of 6.2% provides some buffer to lower funding costs</li> </ul>
<b>Europe entering recession</b>	<ul style="list-style-type: none"> <li>Confluence of risks increase recession likelihood; Oxford Economics' latest forecast for Eurozone is for 2.1% GDP recovery in 2024 after mild 2023 recession (GDP in 2023 is forecast at -0.1%)<sup>1</sup></li> </ul>	<p><b>Minimal impact on DPU: positive DPU impact from CPI lease indexation likely to offset negative impact on DPU from decline in rental income from 15% drop in Italy's Demanio leases<sup>1</sup></b></p> <p><b>Weak € – no impact on DPU – 75% of investors elect to receive € DPU</b></p>	<ul style="list-style-type: none"> <li>CEREIT Portfolio is resilient with occupancy above 95% since 1H 2020</li> <li>Supply and demand fundamentals are still attractive</li> <li>Higher energy prices are expected to have a reduced impact due to government subsidies and lower demand</li> <li>Focus on AEI and development with no near term acquisitions</li> </ul>

# CEREIT's 3Y Rolling TSR

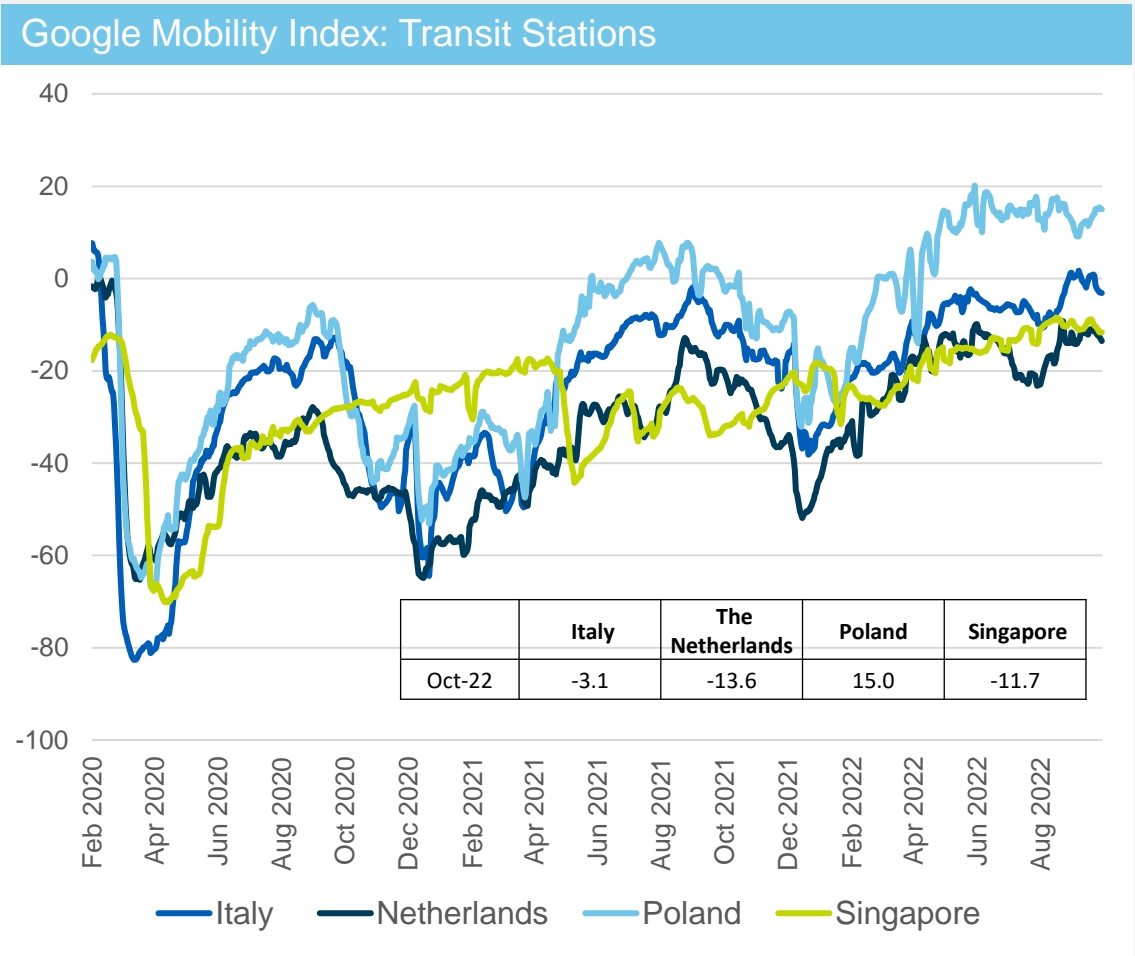
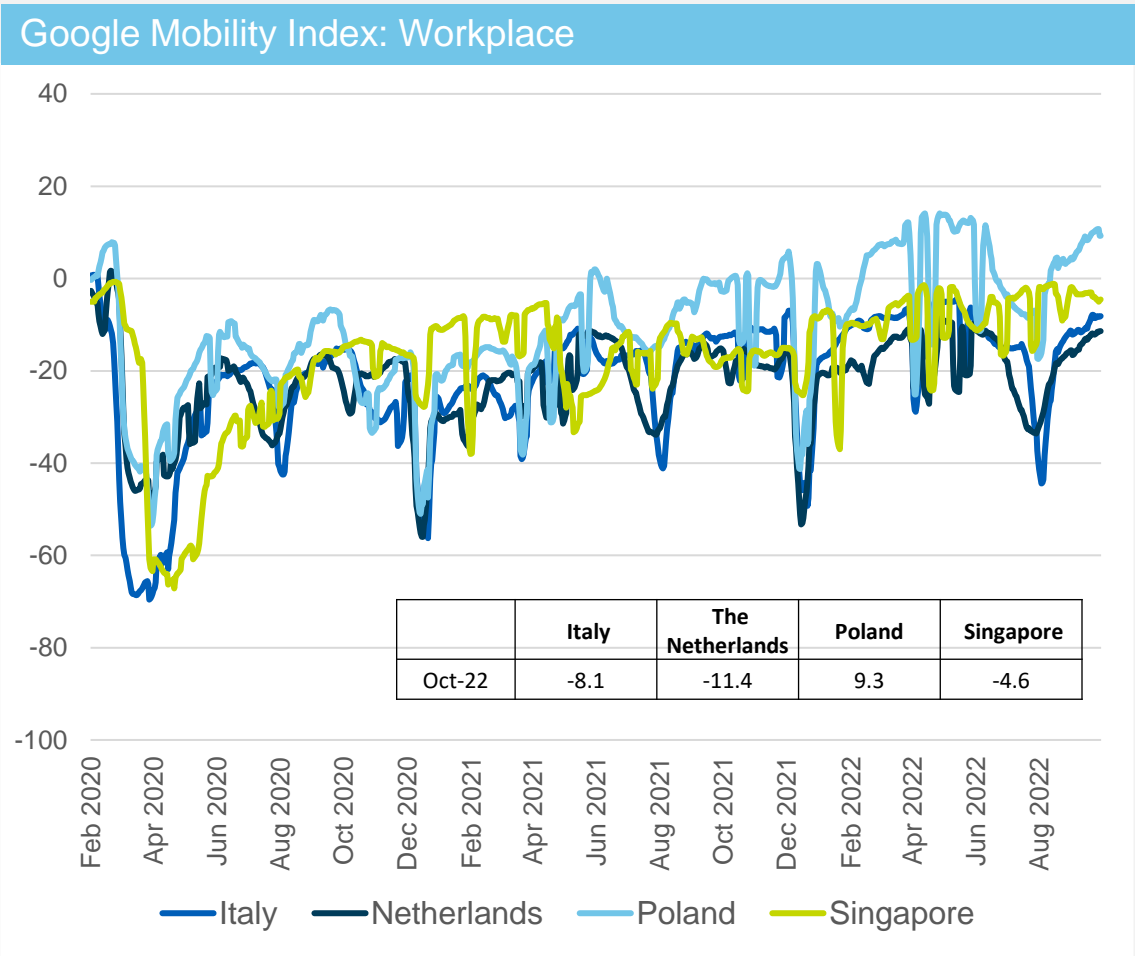
3Y Rolling Total Shareholder Return<sup>1</sup> (equivalent to -8.76% 3Y annualised TSR)

- CEREIT's € counter (CWBU.SI) 3Y annualised rolling TSR is currently underperforming FTSE ST REIT TR index for most of 2022
- Performance is likely affected by a confluence of macro risk factors but most of all negative sentiment from the on-going Russia invasion in Ukraine
- CEREIT's € counter (CWBU.SI) has largely outperformed FTSE EPRA NAREIT Europe REIT TR Index





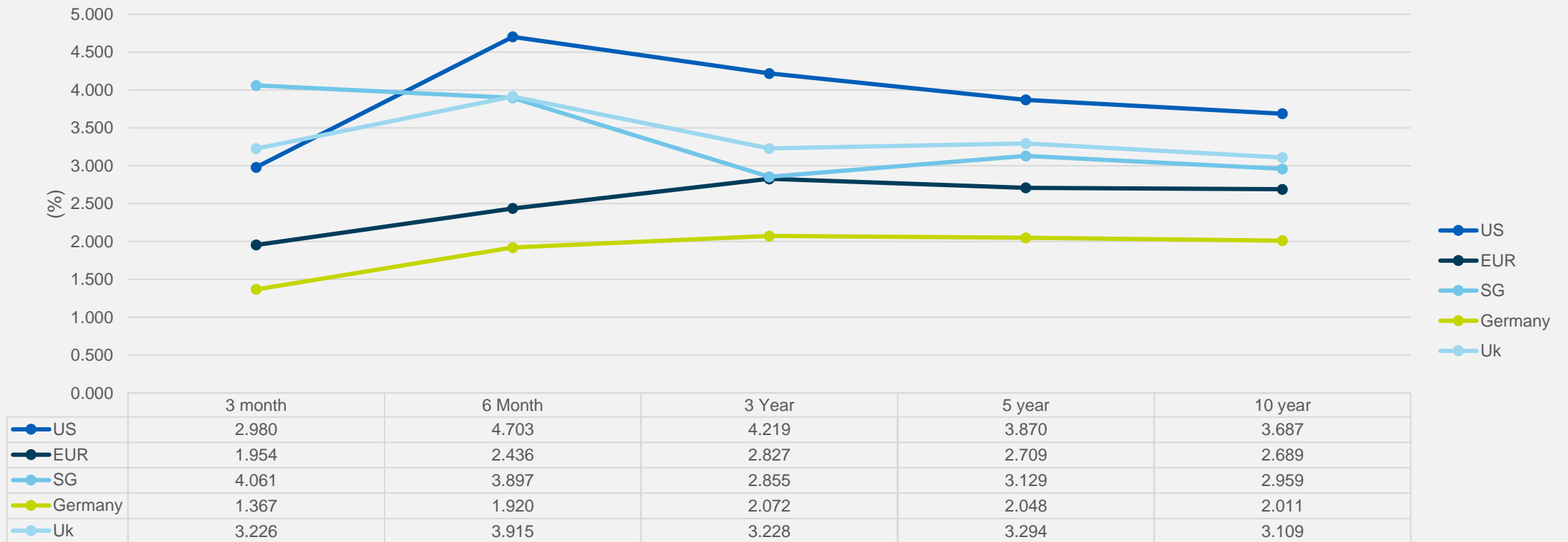
# The Europeans have largely returned back to the workplace and are utilising public transport more than Singapore





# 3-month to 10-year interest rate curves

- Oxford Economics forecasts short **EU interest rates to peak at 2.5% in 2023** vs. 1.94% today
- **Long-term funding costs in EU are materially lower** than US and Singapore



# CEREIT portfolio and other highlights





# Quality predominantly freehold mix of light industrial / logistics and office properties, located in European gateway cities



Haagse Poort

Den Haag, The Netherlands



De Ruijterkade

Amsterdam, The Netherlands



Bastion

's-Hertogenbosch, The Netherlands



Centro Logistico Orlando Marconi (CLOM)

Montepandone, Italy



Parc Des Grésillons

Paris, France



Saalepark Jena

Jena, Germany



Milano Piazza Affari

Milan, Italy



Gewerbestr. 62

Bretten, Germany



Via Fornace

Venice, Italy



Central Plaza

Rotterdam, The Netherlands



Moravia Industrial Park

Uherské Hradiště, The Czech Republic



Plaza Forte

Helsinki, Finland



Rosa Castellanosstraat 4

Tilburg, The Netherlands



Moorfleeter Straße 27, Liebigstraße 67-71

Hamburg, Germany



Parc Des Docks

Paris, France



Riverside

Warsaw, Poland



Herstedvang 2-4

Copenhagen, Denmark



Thorn Lighting

Durham, United Kingdom

# CEREIT's portfolio overview as at 30 September 2022

## The Netherlands

Properties	14
Lettable Area (sqm)	247,944
Valuation (€ million)	667.08
% of Portfolio	26.1%
Average Reversionary Yield	5.5%

## Italy

Properties	22
Lettable Area (sqm)	627,243
Valuation (€ million)	594.30
% of Portfolio	23.3%
Average Reversionary Yield	6.3%

## France

Properties	21
Lettable Area (sqm)	281,699
Valuation (€ million)	448.38
% of Portfolio	17.5%
Average Reversionary Yield	6.8%

## Poland

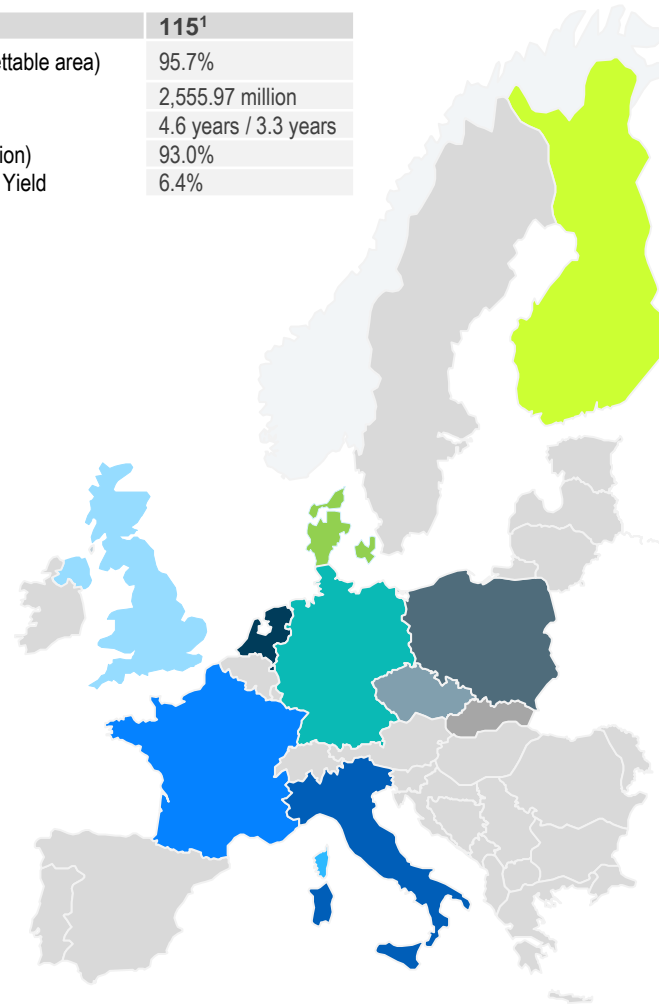
Properties	6
Lettable Area (sqm)	111,273
Valuation (€ million)	223.24
% of Portfolio	8.7%
Average Reversionary Yield	8.9%

## Germany

Properties	16
Lettable Area (sqm)	242,975
Valuation (€ million)	234.70
% of Portfolio	9.2%
Average Reversionary Yield	5.2%

## Properties 115<sup>1</sup>

Occupancy Rate (by lettable area)	95.7%
Portfolio Valuation	2,555.97 million
WALE / WALB	4.6 years / 3.3 years
% Freehold <sup>2</sup> (by valuation)	93.0%
Average Reversionary Yield	6.4%



## Finland

Properties	10
Lettable Area (sqm)	55,179
Valuation (€ million)	89.09
% of Portfolio	3.5%
Average Reversionary Yield	7.8%

## Denmark

Properties	11
Lettable Area (sqm)	129,817
Valuation (€ million)	96.06
% of Portfolio	3.8%
Average Reversionary Yield	7.7%

## The Czech Republic

Properties	7
Lettable Area (sqm)	59,679
Valuation (€ million)	66.19
% of Portfolio	2.6%
Average Reversionary Yield	5.5%

## Slovakia

Properties	5
Lettable Area (sqm)	74,355
Valuation (€ million)	65.56
% of Portfolio	2.6%
Average Reversionary Yield	6.4%

## United Kingdom

Properties	3
Lettable Area (sqm)	65,494
Valuation (€ million)	71.37
% of Portfolio	2.8%
Reversionary Yield	5.0%

1. Based on book value for 115 assets held as at 30 September 2022  
 2. Freehold and continuing / perpetual leasehold

# Predominantly freehold assets located in major gateway cities



## Light industrial / logistics assets

- Combination of last mile and urban logistics with light industrial assembly/manufacturing
- High occupancy rates with a long WALE



## Office assets

- In close proximity to city and town centres with ample amenities
- Strategically located near public transport nodes
- 69% of office portfolio by NLA is green-certified



## Others

- Includes government-let campuses, leisure and retail properties

WESTERN EUROPE 86%

THE NETHERLANDS  
GERMANY  
FRANCE  
ITALY  
UK

THE NORDICS

Light industrial / logistics

Office

Light industrial / logistics and Office

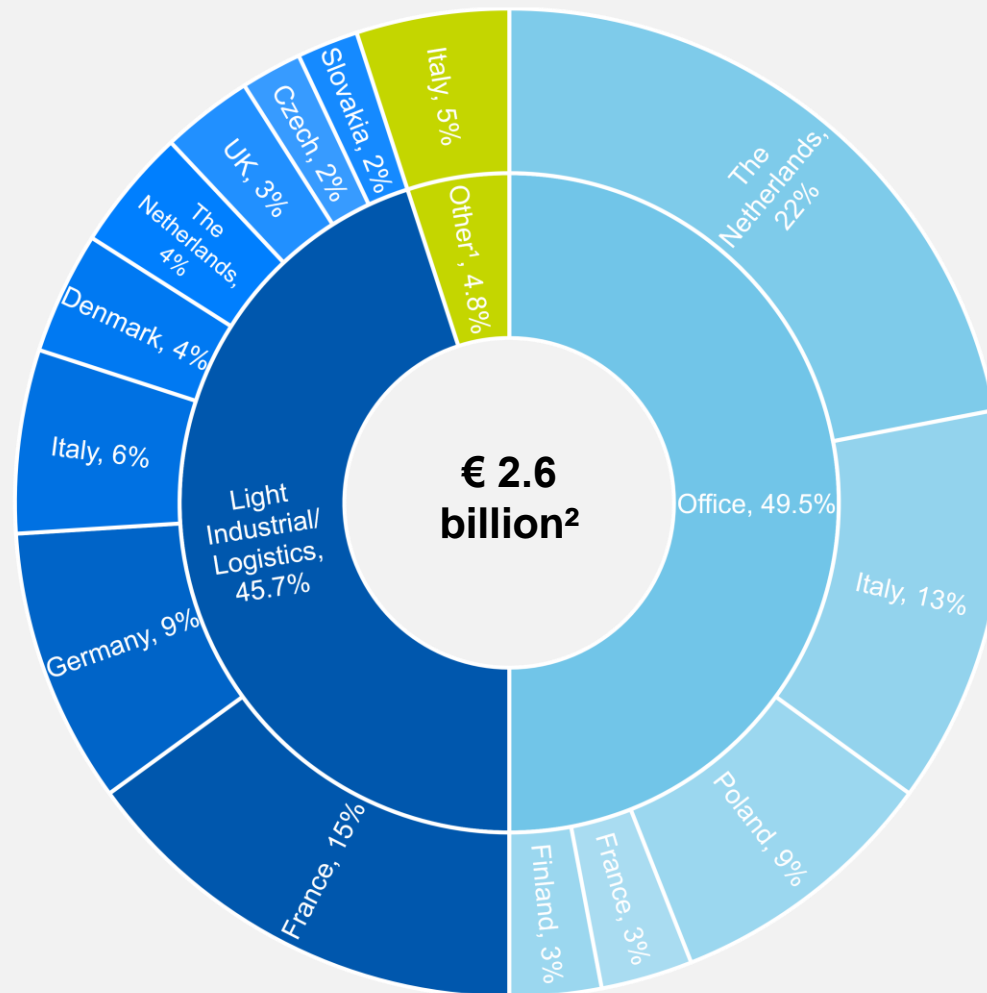
Light industrial / logistics, Office and Other

CENTRAL EUROPE 14%



# CEREIT's portfolio composition as at 30 September 2022

- Completed €411 million in light industrial / logistics acquisitions (at a 6.2% blended NOI yield) since 2020
- CEREIT's portfolio currently has a weighting of 46.4% to light industrial / logistics, advancing the Manager's stated strategy of pivoting CEREIT to a majority weighting of this sector



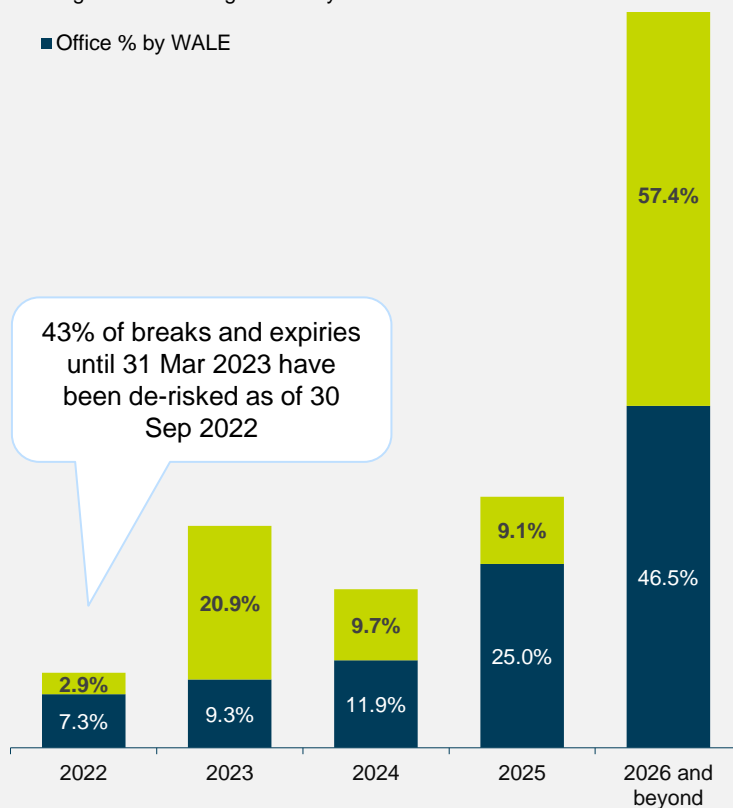
Note: Portfolio breakdowns are based on portfolio value

- Other includes three government-let campuses, one leisure / retail property and one hotel in Italy
- Based on carrying value as at 30 September 2022 for 115 assets

# CEREIT's Lease Expiry Profile as at 30 September 2022

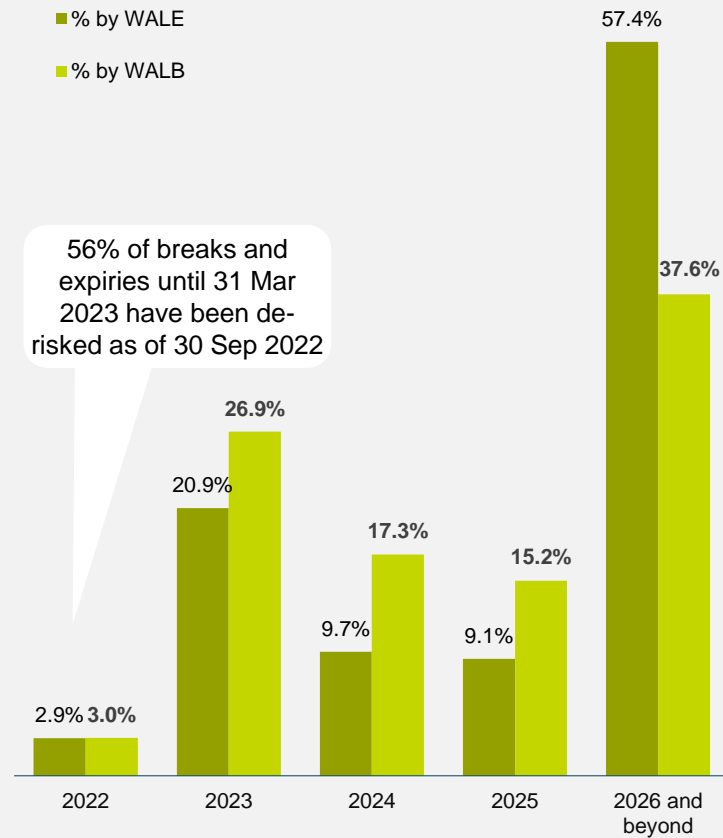
## Total Portfolio

- Light Industrial/Logistics % by WALE
- Office % by WALE



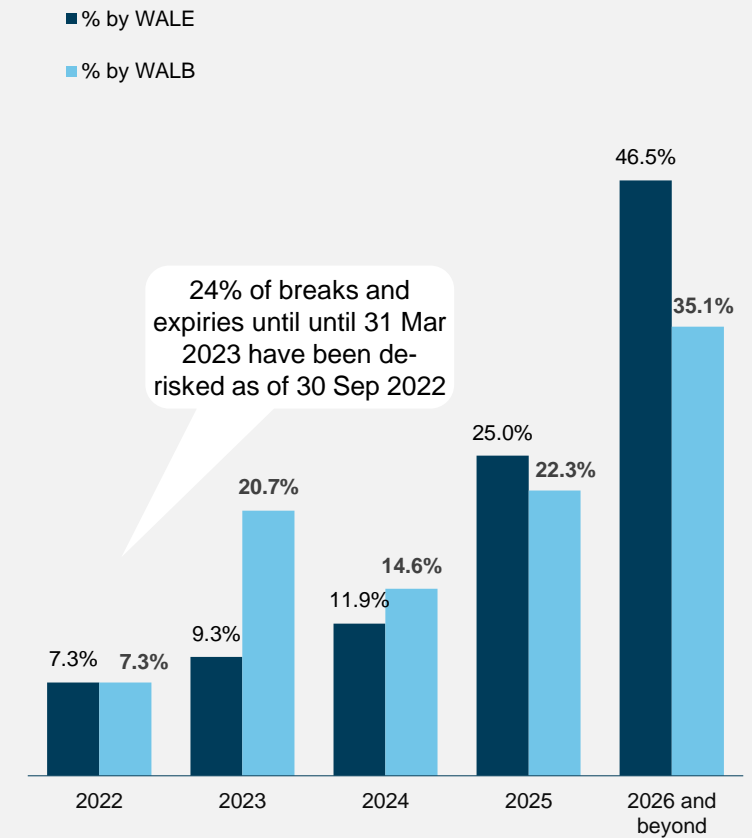
## Light industrial / logistics portfolio

- % by WALE
- % by WALB



## Office portfolio

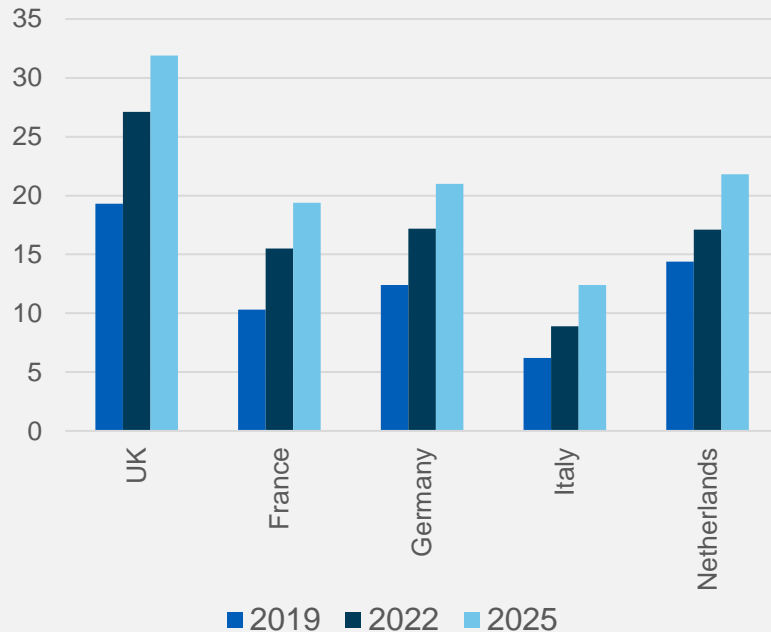
- % by WALE
- % by WALB



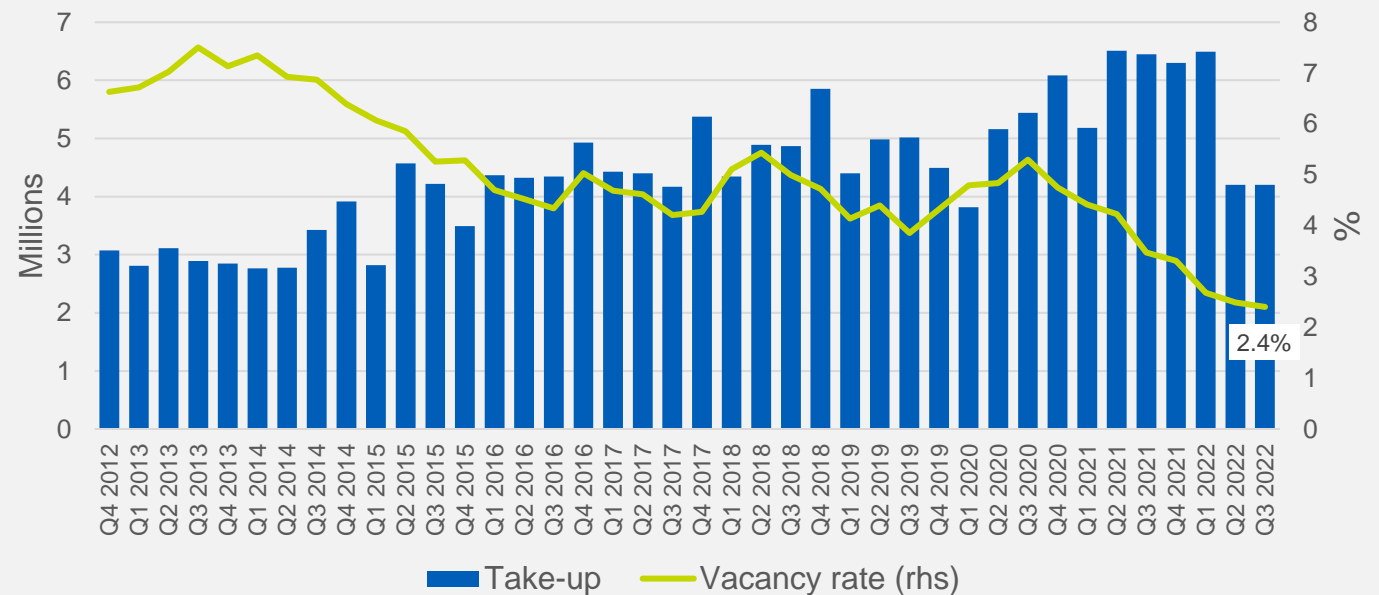
# All-time low 2.4% vacancy rate across European logistics markets

- **Strong European occupier market fundamentals**, rapid rise in **e-commerce** in the last six years
- Reshoring of supply chains driving demand to record levels
- **Major warehouse and logistics space shortage** applying **upward pressure on prime rents**

Internet share of all retail (%)



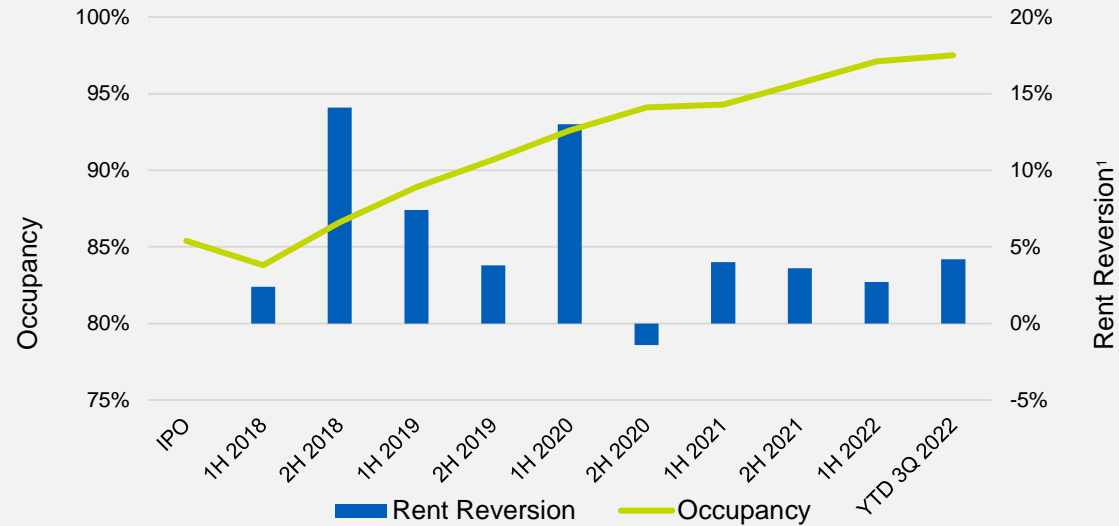
Take-up<sup>2</sup> and vacancy rates<sup>1</sup> in CEREIT's countries with exposure to logistics



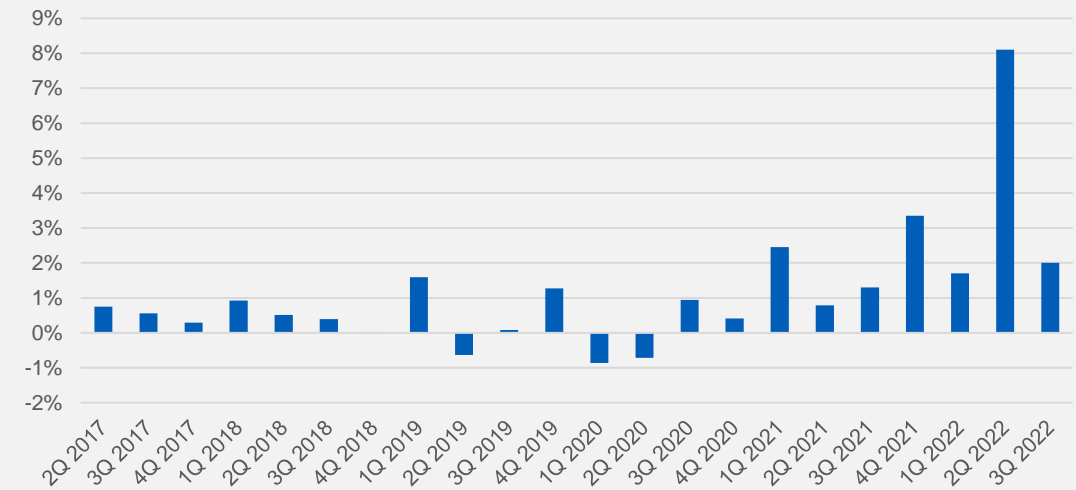


# Record low logistics vacancies and market rent growth

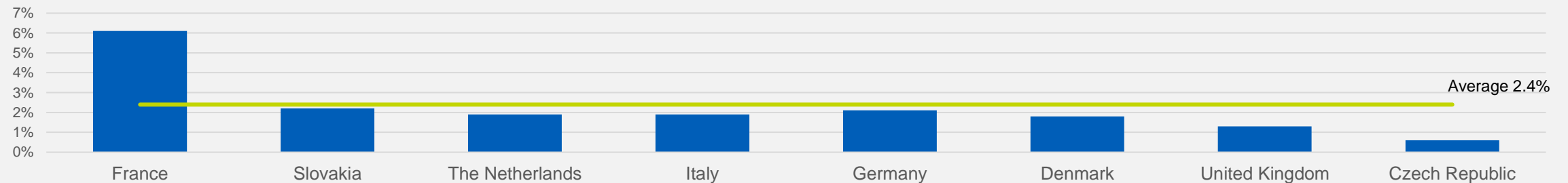
CEREIT's light industrial / logistics portfolio occupancy & rent reversion (%)



Average q-o-q market rent growth in CEREIT's light industrial / logistics markets<sup>2</sup>(%)

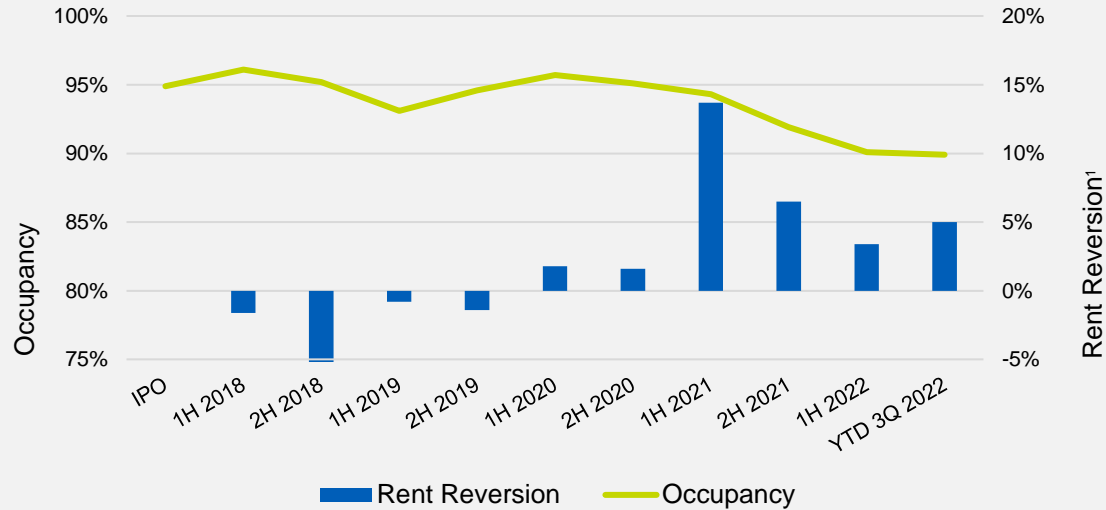


Vacancy rates in CEREIT's light industrial / logistics markets (3Q 2022, %)

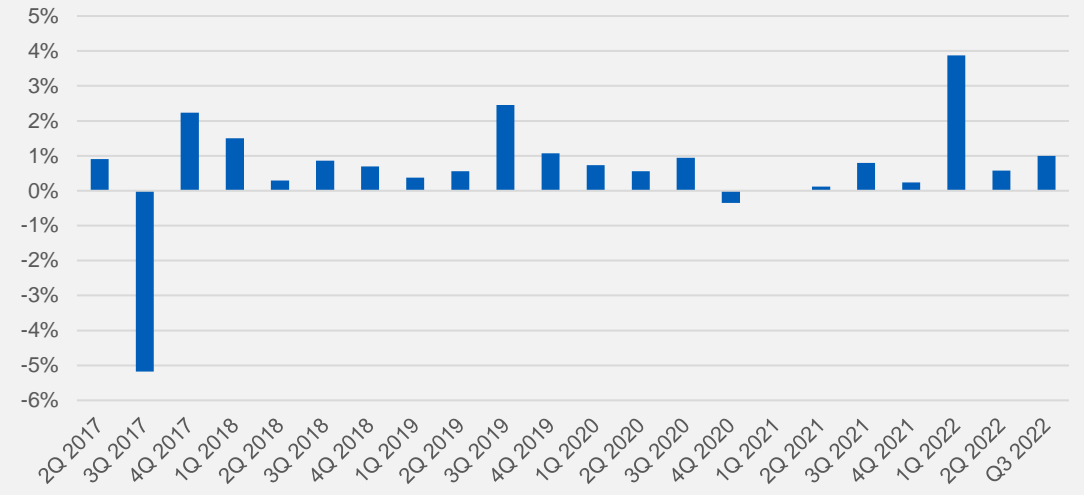


# Office leasing activity in Europe slowly recovering

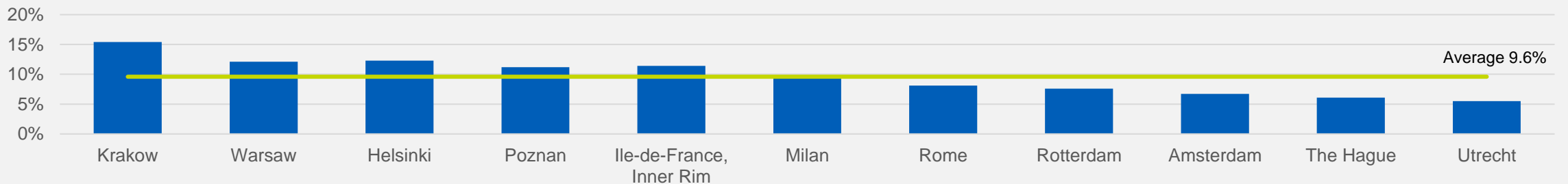
CEREIT's office portfolio occupancy & rent reversion (%)



Average q-o-q CBD office market rent growth in CEREIT's main office markets<sup>2</sup> (%)



Office vacancy rates for main CEREIT office markets (3Q 2022, %)



Source: CBRE ERIX 4Q 2022

1. Calculated as a percentage with the numerator the new headline rent of all modified, renewed or new leases over the relevant period and denominator the last passing rent of the areas being subject to modified, renewed or new leases
2. Average quarterly CBD office rent growth in CEREIT's main office markets – Ile-de-France, Paris CBD, Milan CBD, Amsterdam Zuidas, Warsaw City Centre, Helsinki

# CPI indexation in selected CEREIT countries of operations

Country	Type of inflation indicators	Rental uplift degree	How is the inflation kicker being calculated?
The United Kingdom	CPI / RPI	100% (unless there is a cap disclosed in the rental agreement)	CPI increase on annual basis, rent inflation kicker is based on the Index Rate as per a certain month compared to previous year rate in the same month
Germany	CPI Monthly Index	100% (unless there is a hurdle/cap disclosed in the rental agreement, e.g. 10% CPI change @80% cap)	CPI increase on annual basis, rent inflation kicker is based on the index rate as per a certain month compared to previous year rate in the same month
France	ILAT <sup>1</sup> (c. 80% of the portfolio) ICC <sup>2</sup> (construction index)	100%	Base index is the latest one published at the time of the lease signature and it's compared against the same trimester each following year
Italy	CPI Monthly Index	Generally 75% for all rents (rarely contracts have it at 100%)	CPI increase on annual basis, rent inflation kicker is based on the index rate as per a certain month compared to previous year rate in the same month
The Netherlands	CPI Monthly Index	100% (unless there is a cap disclosed in the rental agreement)	Rent inflation kicker is based on the index rate as per a certain month (anniversary date) compared to previous year rate, 4 month prior the actual index month as per rental agreement.
Poland	HICP / CPI (Polish GUS) <sup>3</sup>	100% (unless there is a cap disclosed in the rental agreement)	Rent inflation kicker is based on the Index Rate as per a certain month compared to previous year rate in the same month
Denmark	CPI / NPI	100%	CPI increase on annual basis, rent inflation kicker is based on the Index Rate as per a certain month compared to previous year rate in the same month
The Czech Republic	HICP	100% (unless there is a cap disclosed in the rental agreement)	HICP increase on annual basis
Finland	CPI Monthly Index	100%	CPI increase on annual basis, rent inflation kicker is based on the index rate as per a certain month compared to base year rate (year 1951)
Slovakia	HICP	100% (unless there is a cap disclosed in the rental agreement)	HICP increase on annual basis

# Key economic forecasts in CEREIT's countries of operations

	Real GDP growth (%)	CPI Growth (%)
	2022E	2022E
<b>Eurozone</b>	<b>0.8</b>	<b>9.0</b>
<b>UK</b>	<b>0.8</b>	<b>9.0</b>
<b>Germany</b>	<b>-0.4</b>	<b>8.4</b>
<b>France</b>	<b>0.4</b>	<b>5.6</b>
<b>Italy</b>	<b>0.5</b>	<b>8.0</b>
<b>The Netherlands</b>	<b>3.0</b>	<b>10.5</b>
<b>Poland</b>	<b>0.8</b>	<b>14.4</b>
<b>Denmark</b>	<b>-0.4</b>	<b>7.8</b>
<b>Czech Republic</b>	<b>0.3</b>	<b>16.0</b>
<b>Finland</b>	<b>0.5</b>	<b>7.0</b>
<b>Slovakia</b>	<b>0.2</b>	<b>12.4</b>

Source: Oxford Economics (31 October 2022), Cromwell Property Group (31 October 2022)

# Non-exhaustive glossary and definitions

All numbers in this presentation are as at 30 September 2022 and stated in Euro (“EUR” or “€”), unless otherwise stated

Abbreviations / mentions	Definitions
Capex	Capital expenditure
CPI	Consumer price index-linked
DI	Distributable Income available for distribution to unitholders
DPU	Distribution per Unit
EMTN	Euro medium-term note
ERV	Estimated rental value, typically representing valuers' opinion of the open market rent which, on the date of valuation, could reasonably be expected to be obtained on a new letting or rent review of a property
GDP	Gross domestic product
HICP	Harmonised Index of Consumer Prices
NAV	Net asset value
NOI	Net operating income
NPI	Net property income
P.p.	Percentage points
RCF	Revolving credit facility
Rent reversion	Calculated as a percentage representing a fraction with a numerator the new headline rent of all modified, renewed or new leases over the relevant period and denominator the last passing rent of the areas being subject to modified, renewed or new leases
Reversionary Yield	Valuers' term; typically calculated as a percentage representing a fraction with a numerator the net market rental value per annum (net of non-recoverable running costs and ground rent) expressed and denominator the net capital value
RPI	Retail Price Index
Sponsor	CEREIT's sponsor, Cromwell Property Group
Sqm / NLA	Square metres / Net lettable area
Tenant-customer retention rate	Tenant-customer retention rate by 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-customer has a right to break over a relevant reference period
y-o-y / Q-o-Q	Year-on-year / quarter-on-quarter
WADE	Weighted average debt expiry
WALE / WALB	WALE is defined as weighted average lease expiry by headline rent based on the final termination date of the agreement (assuming the leases are not terminated on any of the permissible break date(s), if applicable); 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-customer's election or the expiry of the lease

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