

RESILIENCE • QUALITY • REJUVENATION



# 3Q 2023 Business Update

14 November 2023





# Introduction, 3Q and YTD 2023 highlights





# €2.3 billion high quality resilient pan-European commercial portfolio

110+ predominantly light industrial / logistics and Grade A office assets with ~75%<sup>1</sup> in four core European markets



**51%**

Light industrial / logistics exposure



**110+**

predominantly freehold properties



**1.8 million**

SQM net lettable area



**~85%**

Western Europe and the Nordics



Via dell'Industria 18  
Vittuone, Italy



Haagse Poort  
The Hague, The Netherlands



Göppinger Straße 1 - 3  
Pforzheim, Germany



Saalepark Jena  
Jena, Germany



Moravia Industrial Park  
Uherské Hradiště, The Czech Republic



Lovosice ONE Industrial Park I  
Lovosice, The Czech Republic



Rosa Castellanosstraat 4  
Tilburg, The Netherlands



De Ruijterkade  
Amsterdam, The Netherlands



Parc des Docks  
Paris, France



Centro Logistico Orlando Marconi (CLOM)  
Montepandone, Italy



Prioparken 800  
Copenhagen, Denmark



Nervesa 21  
Milan, Italy

1. By asset value

# 3Q 2023 business update

Indicative DPU up 3% compared to 2Q 2023, positive +10.6% rent reversion; proforma net gearing 37.4%, down 110 bps since 31 December 2022

## Financial highlights

**4.005** 3Q 2023  
Euro Cents INDICATIVE DPU  
+3.0% vs 2Q 2023

**€2.25** NAV  
per Unit -2.2% vs 2Q 2023

**11.795** YTD 2023 DPU  
Euro Cents LIKE FOR LIKE  
-4.1% vs YTD 2022

## Asset management highlights

**95.2%** TOTAL PORTFOLIO  
OCCUPANCY<sup>2</sup>  
-20 bps vs 2Q 2023

**97.1%** LIGHT INDUSTRIAL/  
LOGISTICS OCCUPANCY<sup>2</sup>  
-80 bps vs 2Q 2023

**89.1%** OFFICE  
OCCUPANCY<sup>2</sup>  
+140 bps vs 2Q 2023

**+10.6%** TOTAL PORTFOLIO  
RENT REVERSION<sup>3</sup>  
+700 bps vs 2Q 2023

## Capital management highlights

**37.4%** PROFORMA NET GEARING<sup>1</sup>  
-110 bps vs 31 Dec 2022

**€336** REFINANCINGS IN 3Q 2023  
million No debt expiries till 4Q 2025  
91% of debt is hedged/fixed for >2 years

**€229** IN DIVESTMENTS SINCE 2022  
million Seven divestments<sup>4</sup> at a blended 13.7%  
premium to the most recent valuations

**BBB-** INVESTMENT-GRADE  
CREDIT RATING REAFFIRMED  
Fitch reaffirmed rating with stable  
outlook in Oct 2023

1. Pro Forma net gearing includes the proceeds of €94 million from the sale of Viale Europa 95 on 6 October 2023

2. Occupancy calculations exclude Nervesa 21 which is under redevelopment, Maxima which is under strip out works and the developments of Nove Mesto One Industrial Park I & III and Lovosice One Industrial Park I

3. Calculated on a portfolio basis; with the numerator being the new headline rent of all modified, renewed or new leases over the relevant period and denominator being the last passing rent of the areas being subject to modified, renewed or new leases

4. Two light industrial assets in Germany, one office asset in Finland, one light industrial asset in France, one office asset, a logistics unit and one non-core/other asset in Italy. With regards to the logistics unit in Italy, the sale was of a warehouse unit contained within the CLOM logistics asset in Italy for a consideration of €2.8 million (70% higher than the apportioned value of the most recent valuation as at 31 December 2021). The warehouse is approximately 3.5% of the asset's total lettable surface and previously leased to the buyer. The sale was completed on 25 January 2022

# Resilience of income underpinned by a strong tenant-customer roster

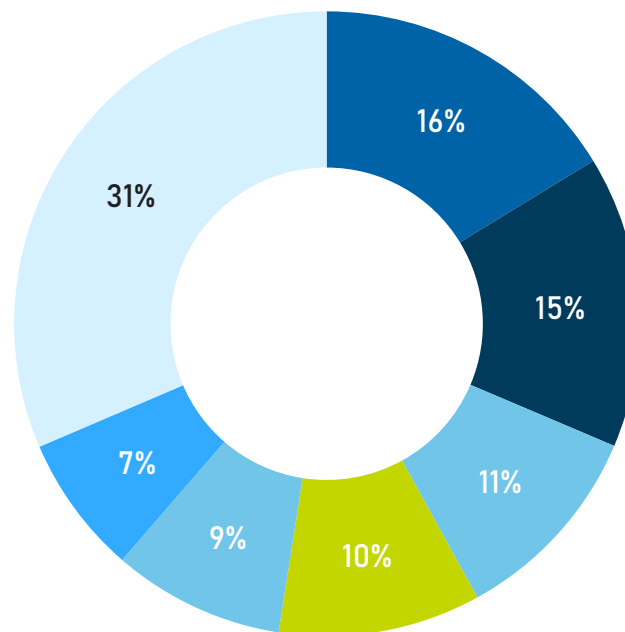
No single industry trade sector represents more than 16% of the portfolio  
 Agenzia Del Demanio now represents 4% of headline rent<sup>1</sup>

## Top 10 tenant-customers

#	Tenant-customer	Country	% of Total Headline Rent <sup>2</sup>
1	Nationale Nederlanden Nederland B.V.	Netherlands	4.4%
2	Agenzia Del Demanio	Italy	4.0%
3	Essent Nederland B.V.	Netherlands	2.8%
4	Employee Insurance Agency (UWV) <sup>3</sup>	Netherlands	2.1%
5	Kamer van Koophandel	Netherlands	2.0%
6	Motorola Solutions <sup>4</sup>	Netherlands	2.0%
7	Holland Casino <sup>5</sup>	Netherlands	1.9%
8	Thorn Lighting	United Kingdom	1.7%
9	Felss Group	Germany	1.5%
10	Coolblue B.V.	Netherlands	1.5%

23.6%

## Tenant-customers by trade industry sector



- Transportation - Storage
- Wholesale - Retail
- Financial - Insurance
- Manufacturing
- Professional - Scientific
- Public Administration
- Others<sup>6</sup>

## Highlights



**1,058**  
leases



**836**  
tenant-customers



**4.6**  
Years WALE

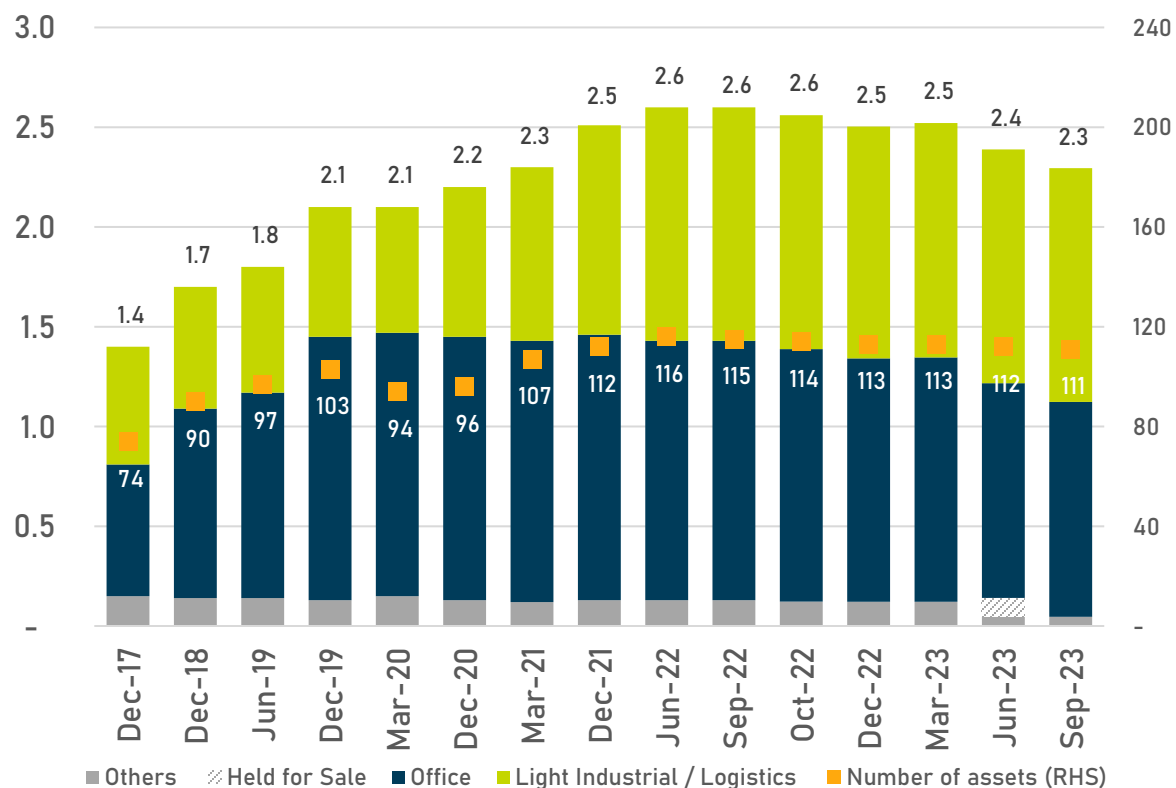
1. Following the sale of Viale Europa 95 on 6 October 2023  
 2. By headline rent, as at 30 September 2023; adjusted for Viale Europa 95 which was divested on 6 October 2023  
 3. Uitvoeringsinstituut Werknemersverzekeringen (UWV)  
 4. Motorola Solutions Systems Polska Sp. z o.o.  
 5. Nationale Stichting tot Exploitatie van Casinospelen in the Netherlands  
 6. Others comprise Utility / Education / Rural / Human Health / Mining / Other Service Activities / Residential / Water / Miscellaneous Services

# Executing on strategy: CEREIT is now 51%<sup>1</sup> light industrial / logistics

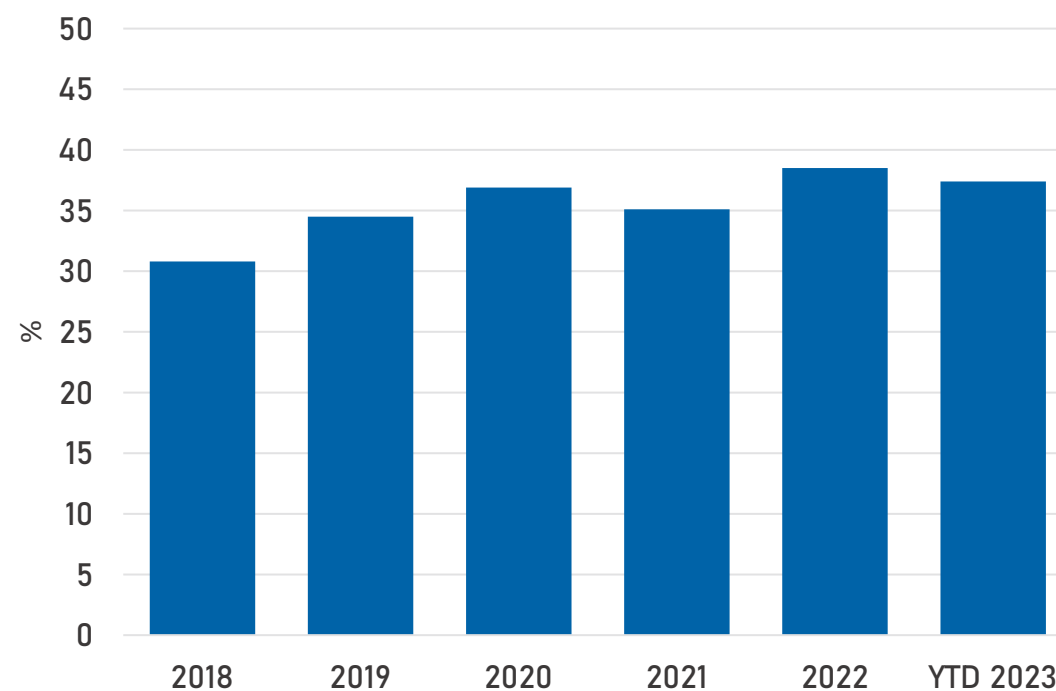
Assets sales to keep gearing within 35-40% Board Policy range and to fund asset enhancement initiative (AEI) program

- €229 million in seven divestments<sup>2</sup> since FY 2022 at a blended 13.7% premium to the most recent valuation
- €400 million divestment program over the next 2 to 3 years on track although the transaction environment is softer

Transactions track record



Historical net gearing ratio



1. Including the sale of Viale Europa 95 which has been completed in October 2023

2. Two light industrial assets in Germany, one office asset in Finland, one light industrial asset in France, one office asset, a logistics unit and one non-core/other asset in Italy. With regards to the logistics unit in Italy, the sale was of a warehouse unit contained within the CLOM logistics asset in Italy for a consideration of €2.8 million (70% higher than the apportioned value of the most recent valuation as at 31 December 2021). The warehouse is approximately 3.5% of the asset's total lettable surface and previously leased to the buyer. The sale was completed on 25 January 2022



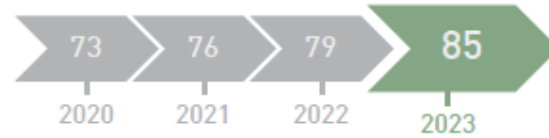
# Record 85 points and upgrade to 4 stars in GRESB 2023

Perfect scores in Social (18/18) and Governance (20/20), Environmental (47/62) at above-GRESB and above-peer benchmark average



**G R E S B**  
 ★ ★ ★ ★ ☆ 2023

## Participation & Score



## Peer Comparison



## ESG Breakdown

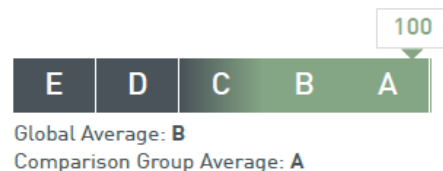


## 2023 GRESB Public Disclosure Report

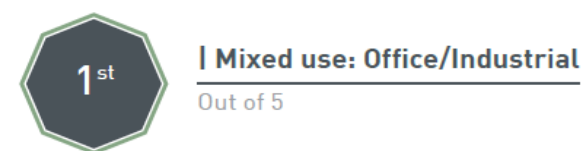
### Participation & Score



### GRESB Public Disclosure Level



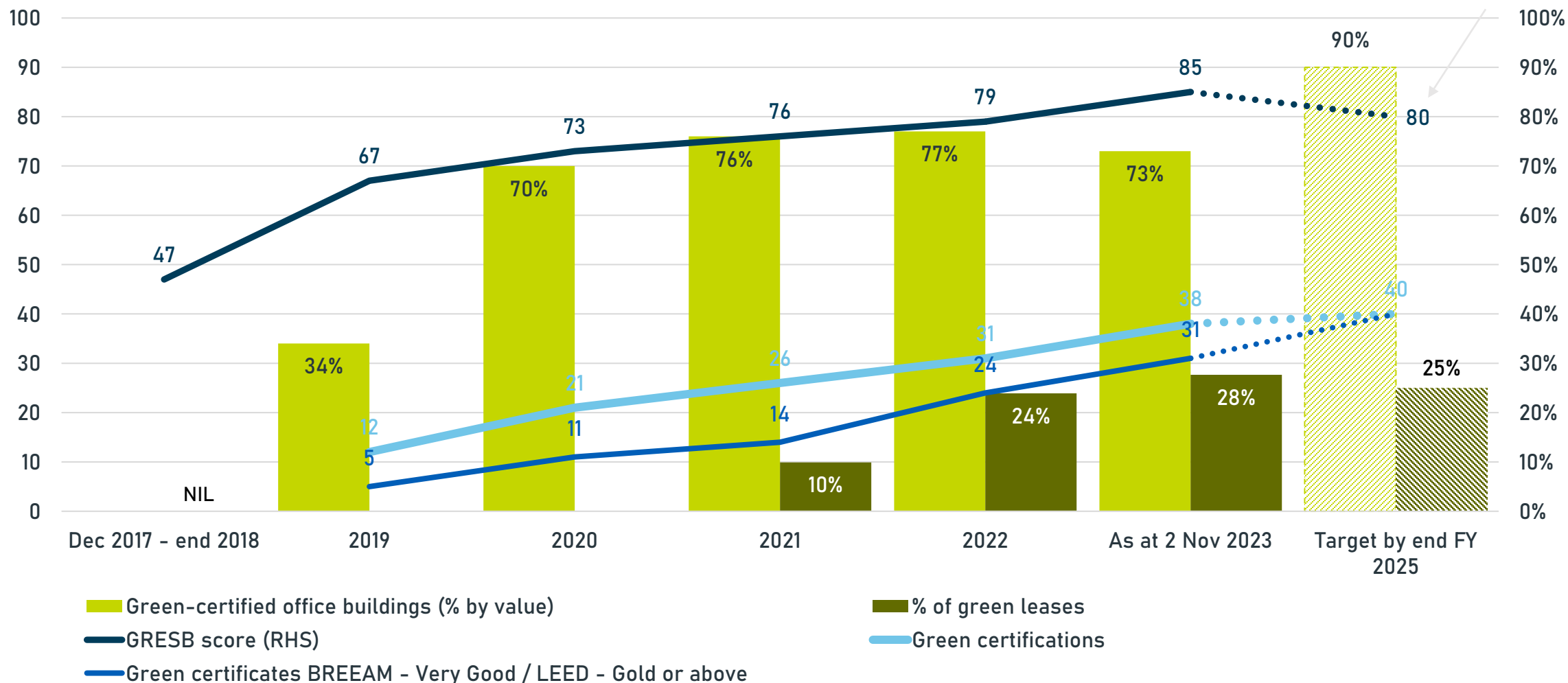
### Comparison Group



# BREEAM and LEED certifications<sup>1</sup>, 'green' leases<sup>2</sup> and GRESB score

GRESB score target has now been surpassed two years ahead of 2025 target

Old target – now surpassed two years in advance



1. As at 02 November 2023  
 2. As at 30 October 2023



## 2. 3Q 2023 financial performance and capital management



# 3Q 2023 financial results summary

On a like-for-like basis<sup>1</sup>, 3Q 2023 NPI was only 2.2% lower than 2Q 2023

Financial performance (Selected Line Items)	3Q 2023 €'000 (Unless stated)	2Q 2023 €'000 (Unless stated)	Fav./ (Unfav.)
Gross Revenue	53,588	53,567	0.0%
Opex	(21,367)	(18,677)	(14.4%)
Net Property Income	32,221	34,890	(7.6%)
Finance Costs	(8,729)	(8,577)	(2.0%)
Current Tax Credit/(Expense)	241	(2,121)	n.m.
Distributable Income	22,523	21,867	3.0%
Indicative DPU (€ cents)	4.005	3.888	3.0%

## Commentary

- NPI was lower mainly due to lower income due to the sale of Piazza Affari 2, higher expenses which included provisions for rental adjustment claims by the Italian government, higher service charge expenses and non-recoverable expenses of which a portion has been received through service charge income
- Net interest costs (excluding amortised establishment costs) were 8.8% lower than the previous quarter as the debt fixed/hedging ratio remained at 91% and proceeds from the sale of Piazza Affari were used to repay the RCF, although total finance costs were a little higher
- DPU outperformance of 3% was largely driven by the release of a tax accrual previously made in the Netherlands which is now not required

1. Like-for-like includes normalising the provisions for rental adjustment claims by the Italian government



# YTD 2023 financial results summary

On a like-for-like basis, YTD NPI was 2.1% higher than pcp<sup>1</sup>

Financial performance (Selected Line Items)	YTD 2023 €'000 (Unless stated)	YTD 2022 €'000 (Unless stated)	Fav./ (Unfav.)
Gross Revenue	161,929	163,361	(0.9%)
Opex	(61,173)	(61,518)	0.6%
Net Property Income	100,756	101,843	(1.1%)
Finance Costs	(24,445)	(16,140)	(51.5%)
Current Tax Credit/(Expense)	(4,036)	(5,815)	30.6%
Distributable Income	66,332	73,081	(9.2%)
Indicative DPU (€ cents)	11.795	12.995	(9.2%)
Like-for-like <sup>1</sup> DPU (€ cents)	11.795	12.294 <sup>1</sup>	(4.1%)

## Commentary

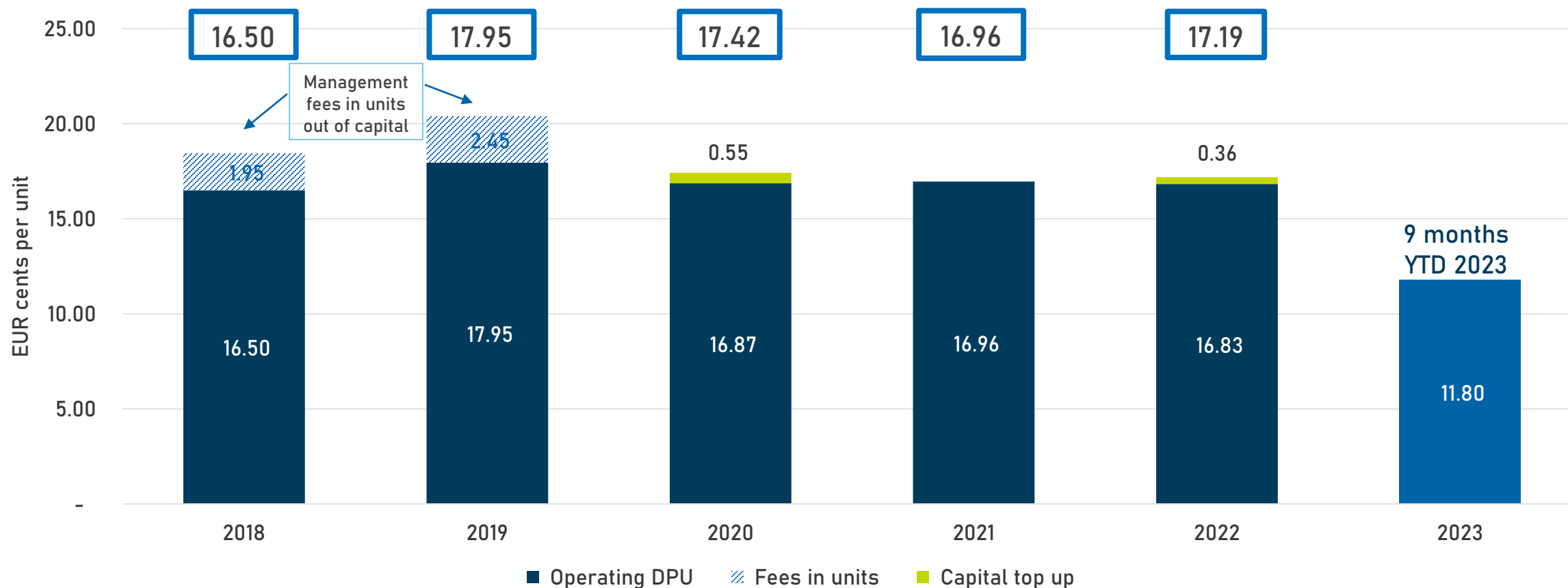
- NPI was 1.1% lower due to divestments, the now vacant site of Maxima in Rome under its strip out works, the 15% rent reduction mechanism claimed by Italian government and higher operating costs.
- Like for Like NPI was 2.1% higher.
- Finance costs were 52% higher due to higher average interest rate of 2.58% compared to 1.73% in the pcp resulting from higher 3M Euribor, higher margins from new loans and higher borrowings drawn down over the year
- Although headline indicative DPU was 9.2% lower, on a like-for-like basis the indicative DPU is only 4.1% lower than pcp

1. Like-for-like basis excludes acquisition, divestments and in YTD 2022 adjusts for absence of income from Nervesa 21 & Maxima due to redevelopment and strip out works respectively

# 6-year track record of stable distributions

Resilient like-for-like DPU even in the height of COVID-19 and amidst the current prolonged uncertainty in macroeconomic environment

Like-for-like DPU<sup>1</sup> History (Note: like-for-like DPU shown in the box at top)



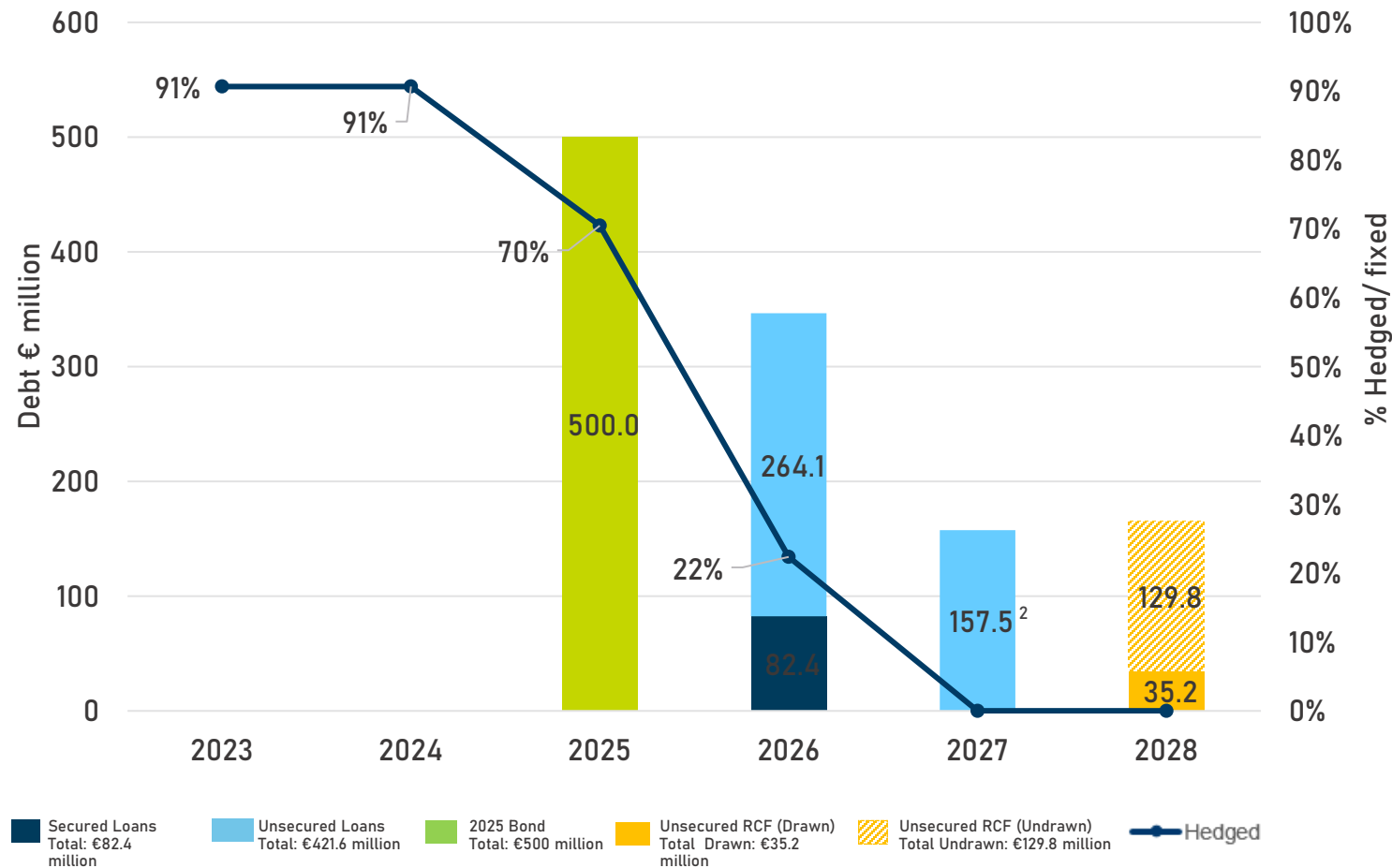
1. Like-for-like DPU is based on the following assumptions: (a) Management Fees in Units that are added back for DPU calculation are excluded from 2018 and 2019, (b) Units in issue and DPU prior to the 5:1 Unit consolidation have been adjusted accordingly, (c) divestment gains paid out are included in like-for-like DPU and (d) 2018 DPU covers the period from 1 January 2018 to 31 December 2018 (stub period from IPO date to 31 December 2017 is excluded)



# Continued focus on capital management to minimise rise in interest rates

€336 million of new facilities signed in 3Q 2023; no debt expiring until November 2025

Debt maturity<sup>1</sup> and percentage hedged / fixed rate as at 30 September 2023



## Commentary

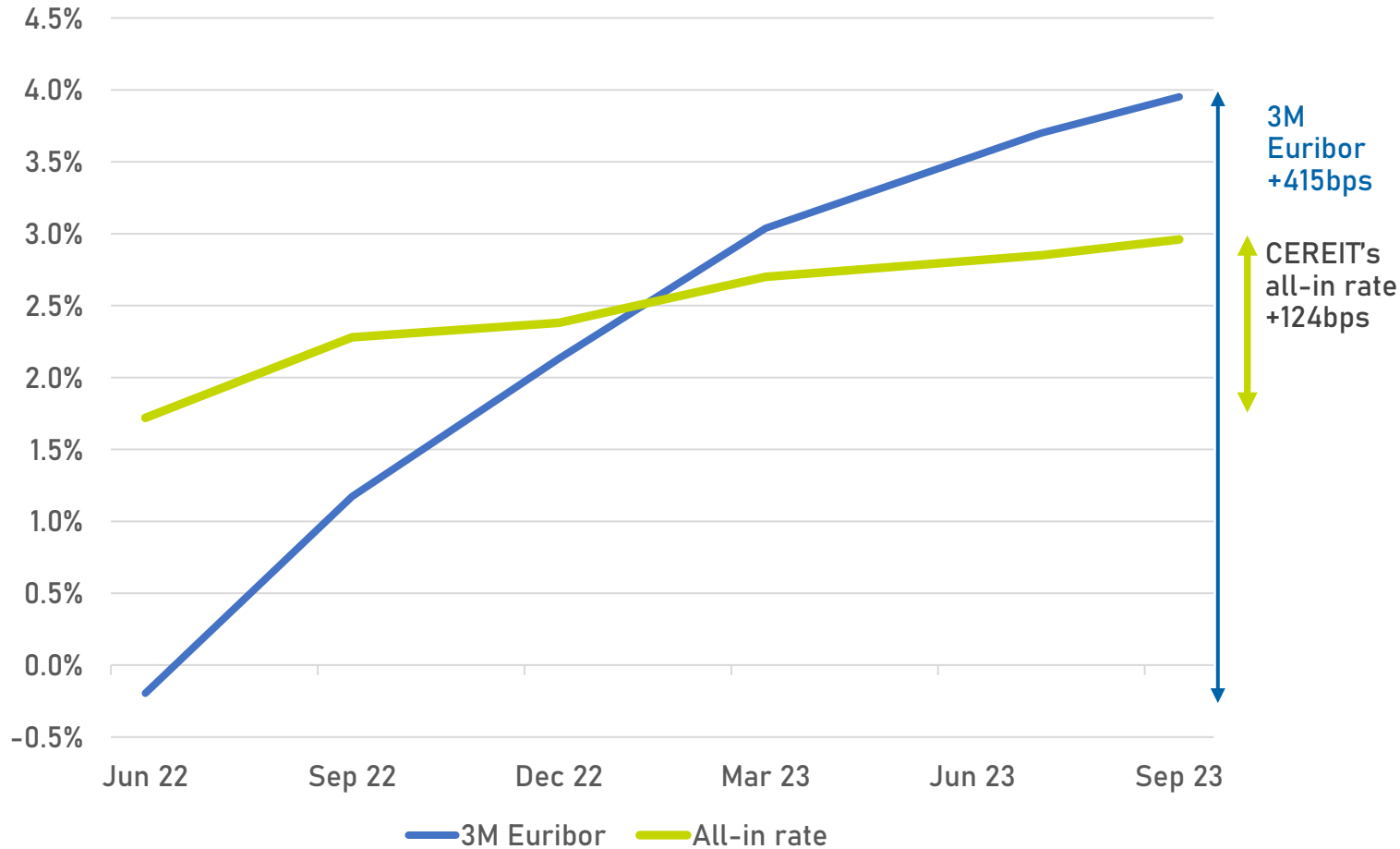
- New sustainability-linked facilities for a total of €336 million signed in 3Q 2023
  - RCF accordion has a further commitment of €35 million following credit committee approval by an existing lender which will take the RCF to a total commitment of €200 million
  - Higher interest costs (YTD 2023 vs YTD 2022) are a result of the following:
    - Higher interest rate on the 3-month Euribor (€9.6 million)
    - Higher margins from new facilities signed (€1.4 million)
    - Higher average loan balance (€0.6 million)
- Offset by:
- Income from benefit from interest rate caps (€3.6 million)
  - Higher interest income (€0.6 million)

1. Excludes S\$100 million of perpetual securities (classified as equity instruments) issued in November 2021  
 2. The Term Loan Facility has an initial term of 2 years with the option to extend for up to another 2 years at the Borrower's request

# 91% hedged / fixed minimises further impact from interest rates

3M Euribor has increased by more than 400 bps in just over a year

CEREIT's all-in interest rate vs. 3M Euribor



## Commentary

- CEREIT has been actively managing interest rate risk with hedged and fixed rate debt
- CEREIT's all-in interest rate of 3.0% as at 30 September 2023 has increased by less than one-third of the move in 3M Euribor
- 91% of debt is fixed / hedged for an average of 2.14 years as at 30 September 2023
- A European Central Bank Governing Council member was recently quoted as saying that they were "finished with the process of raising interest rates for now as inflation is falling now"



# Capital metrics

Proforma net gearing including cash receipts from the sale of Viale Europa 95 on 6 October 2023 would be 37.4%

	As at 30 Sep 2023	As at 31 Dec 2022	Debt covenants
Total Gross Debt	€1,039.2 million	€1,019.9 million	
Aggregate Leverage <sup>1</sup>	41.2%	39.4%	Ranges from 50 - 60%
Net Gearing (Leverage Ratio)	39.7%	38.5%	<60%
Interest Coverage Ratio ("ICR") <sup>2</sup>	4.0x	5.3x	≥ 2x
Unencumbrance Ratio	231.9%	249.5%	>170-200%
All-in Interest Rate	2.96%	2.38%	
Weighted Average Term to Maturity	2.8 years <sup>3</sup>	2.9 years	
NAV	€1,331 million	€1,423 million	>€600 million

1. Proforma Aggregate Leverage calculated as per the Property Funds Appendix would be 38.9% assuming sale proceeds of €94 million from Viale Europa 95 in Bari which were received in October 2023 are being used to pay down debt
2. Calculated as net income before tax and fair value changes and finance costs divided by interest expense including amortised debt establishment costs in the numerator calculated per the PFA. Adjusted ICR including perpetual securities coupons is 3.7x (31 December 2022: 4.9x)
3. WATM will increase to 3.1 years assuming that the new RCF is fully drawn and the maturity of the new refinanced facility expiring in Aug 2025 is extended for a 4-year term

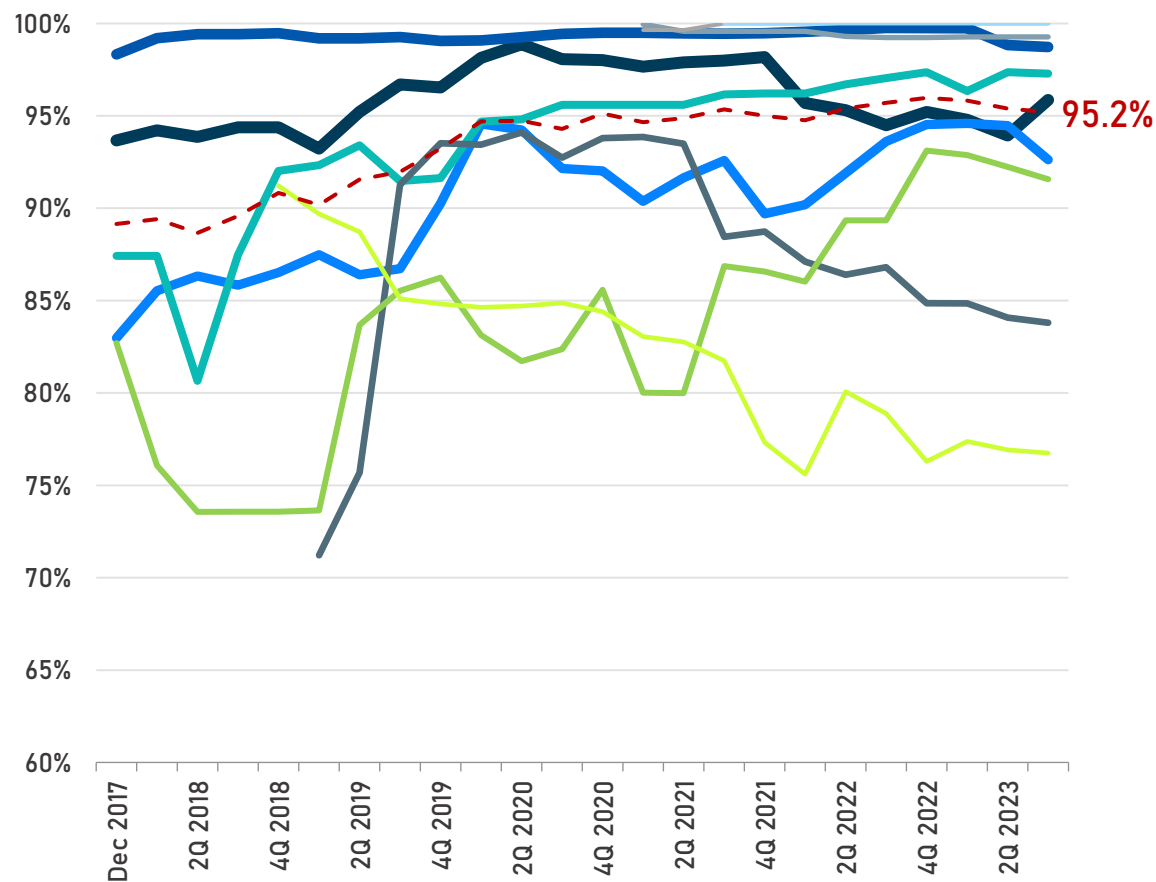
# 3. 3Q and YTD 2023 portfolio and asset management highlights



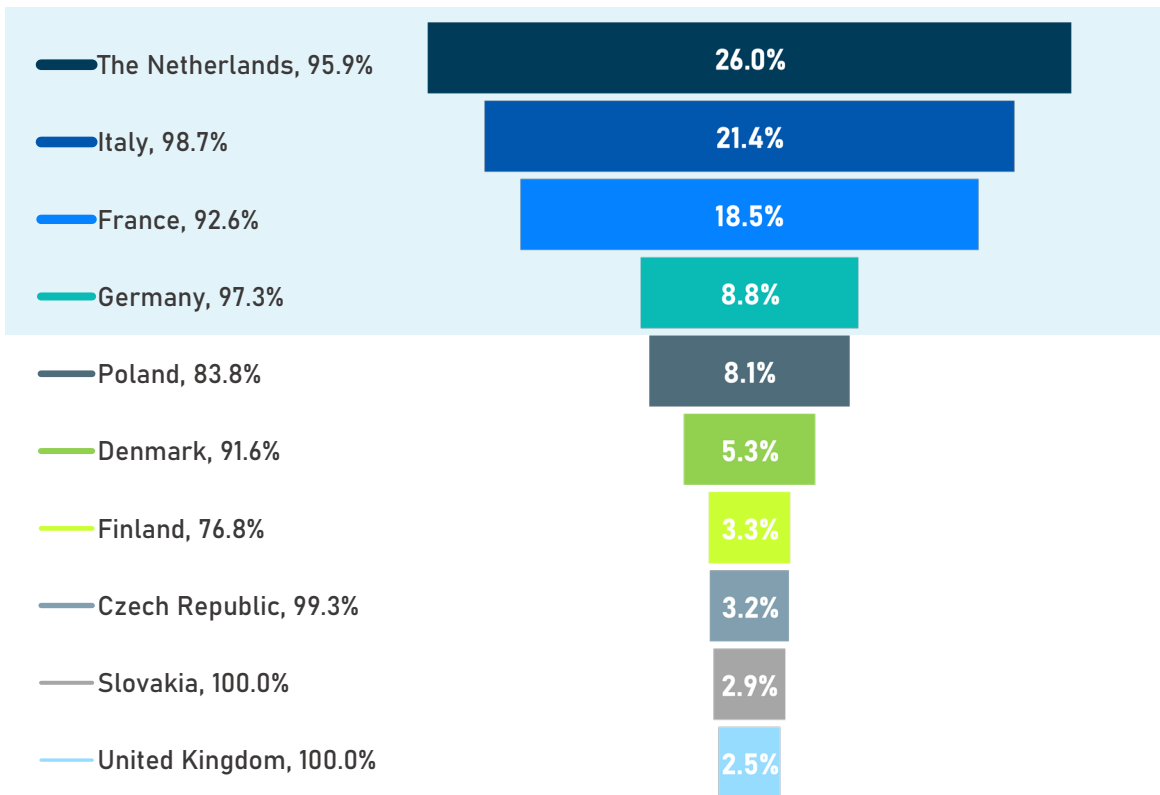
# Portfolio occupancy maintained at 95.2%

Dutch office portfolio occupancy improving, while France's dip is temporary as new leases commence in 4Q 2023

Occupancy by country<sup>1</sup>



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



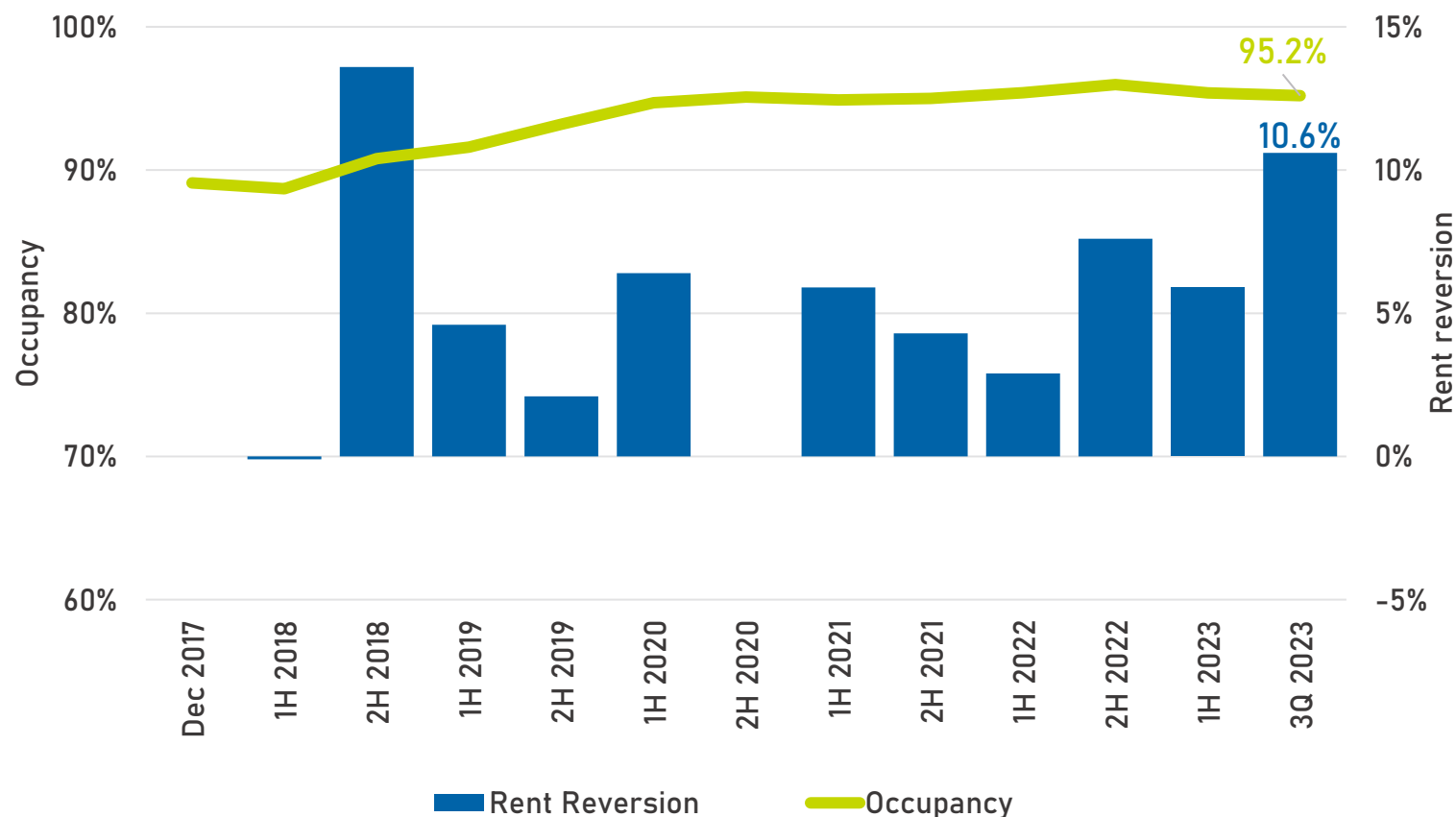
1. Occupancy rate is based on NLA and excludes Nervesa 21 which is under redevelopment, Maxima which is under strip out works and as the developments of Nove Mesto One Industrial Park I & III and Lovosice One Industrial Park I  
 2. Country portfolio allocation based on book value as of 30 September 2023



# Total portfolio: strong +10.6% rent reversion and longer 4.6-year WALE in 3Q 2023

Sustained high level of rent reversions YTD at +7.4% on improving office performance

## Portfolio occupancy<sup>1</sup> and rent reversions



## Portfolio performance highlights



**WALE**  
4.6 years<sup>2</sup>



**Rent reversion**  
+10.6% in 3Q 2023  
+7.4% YTD 2023



**Leases<sup>3</sup> signed / renewed**  
4.3% in 3Q 2023 (81,799 sqm)  
11.1% YTD 2023 (209,409 sqm)



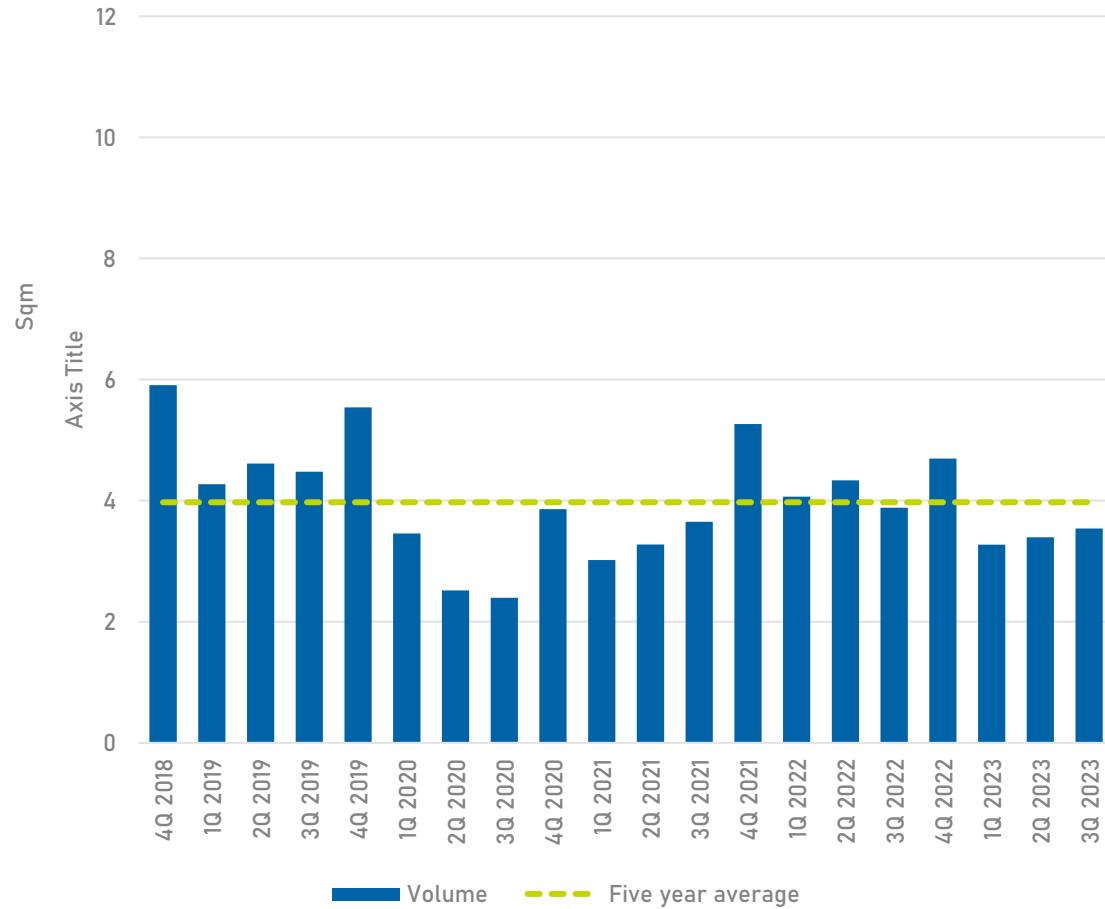
**Tenant retention**  
54.2% in 3Q 2023  
66.9% YTD 2023

1. Occupancy calculations exclude the Nerveša 21 redevelopment, Maxima (formerly known as Via dell'Amba Aradam 5) strip out works, and the current developments of Nove Mesto One Industrial Park I & III and Lovosice One Industrial Park I  
2. As at 30 September 2023  
3. By NLA

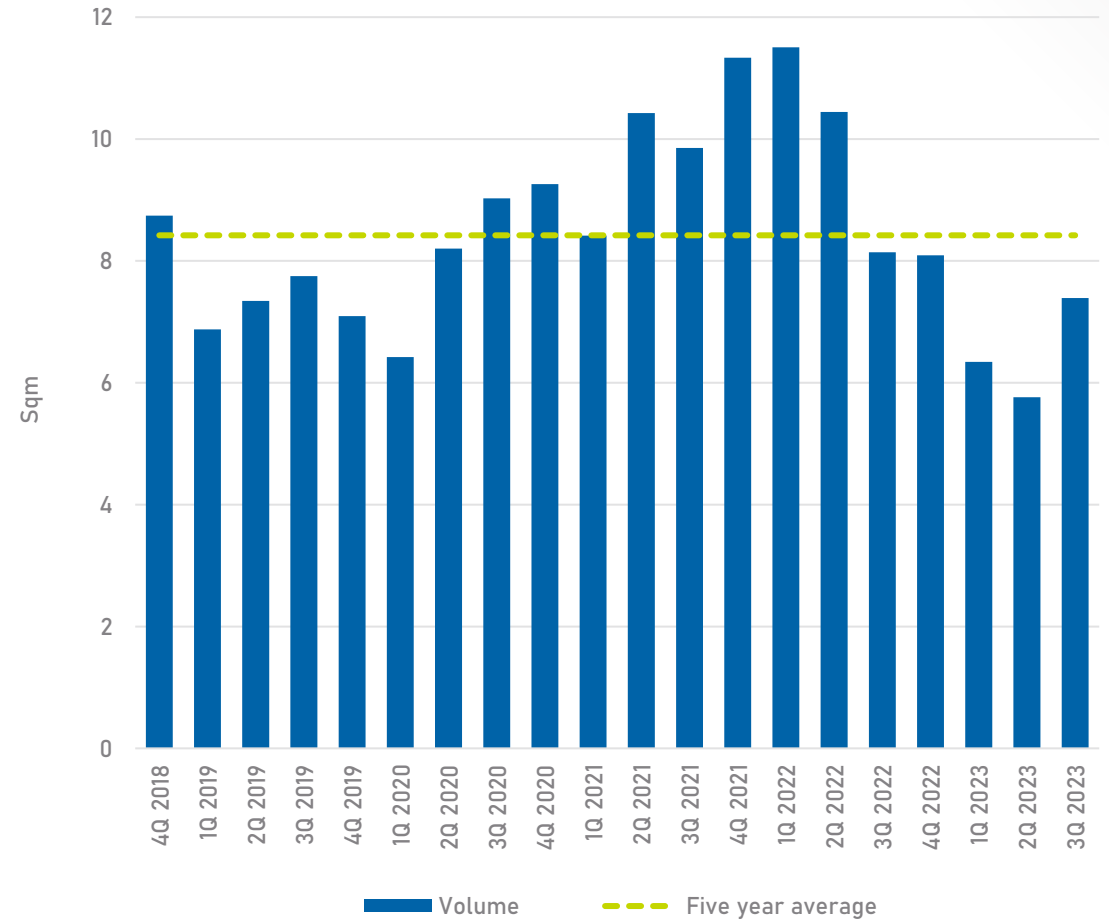
# European leasing volumes are lower with occupiers highly selective

Reflecting the slower economy

European office take-up (quarterly)



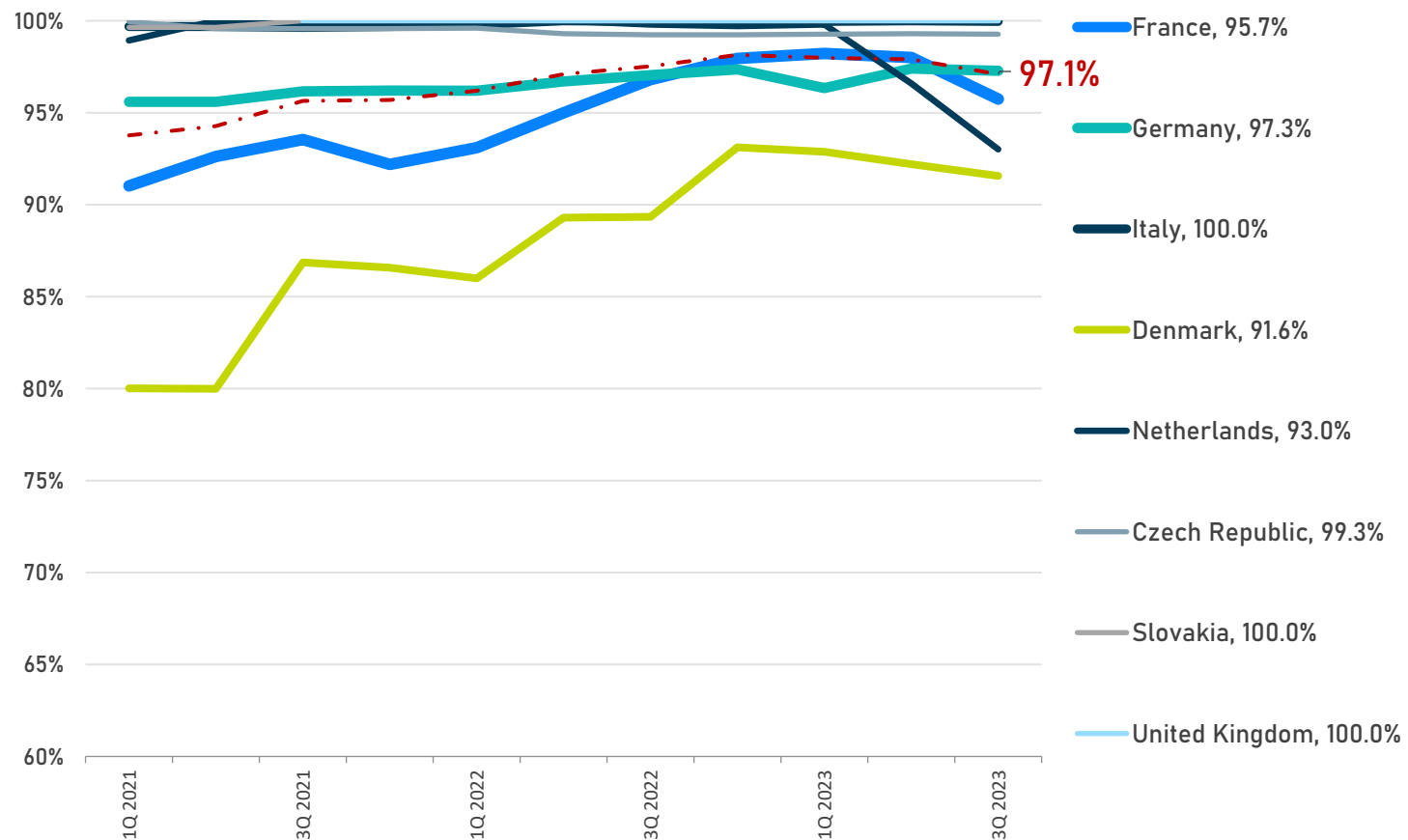
European logistics & industrial take-up (quarterly)



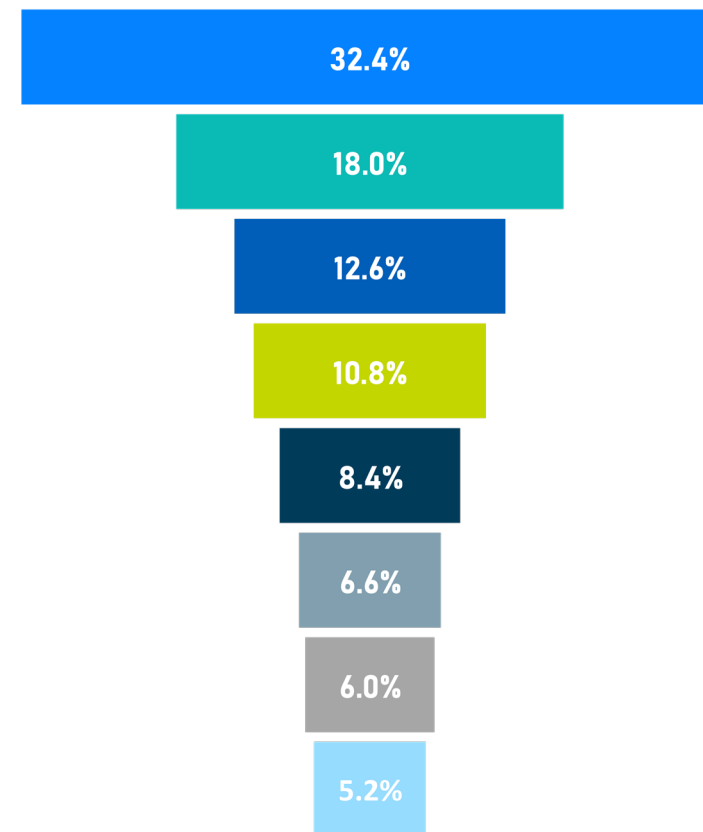
# Light industrial / logistics occupancy slightly down to 97.1%

France and the Netherlands facing temporary vacancies with space now being leased

Occupancy by country<sup>1</sup>



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



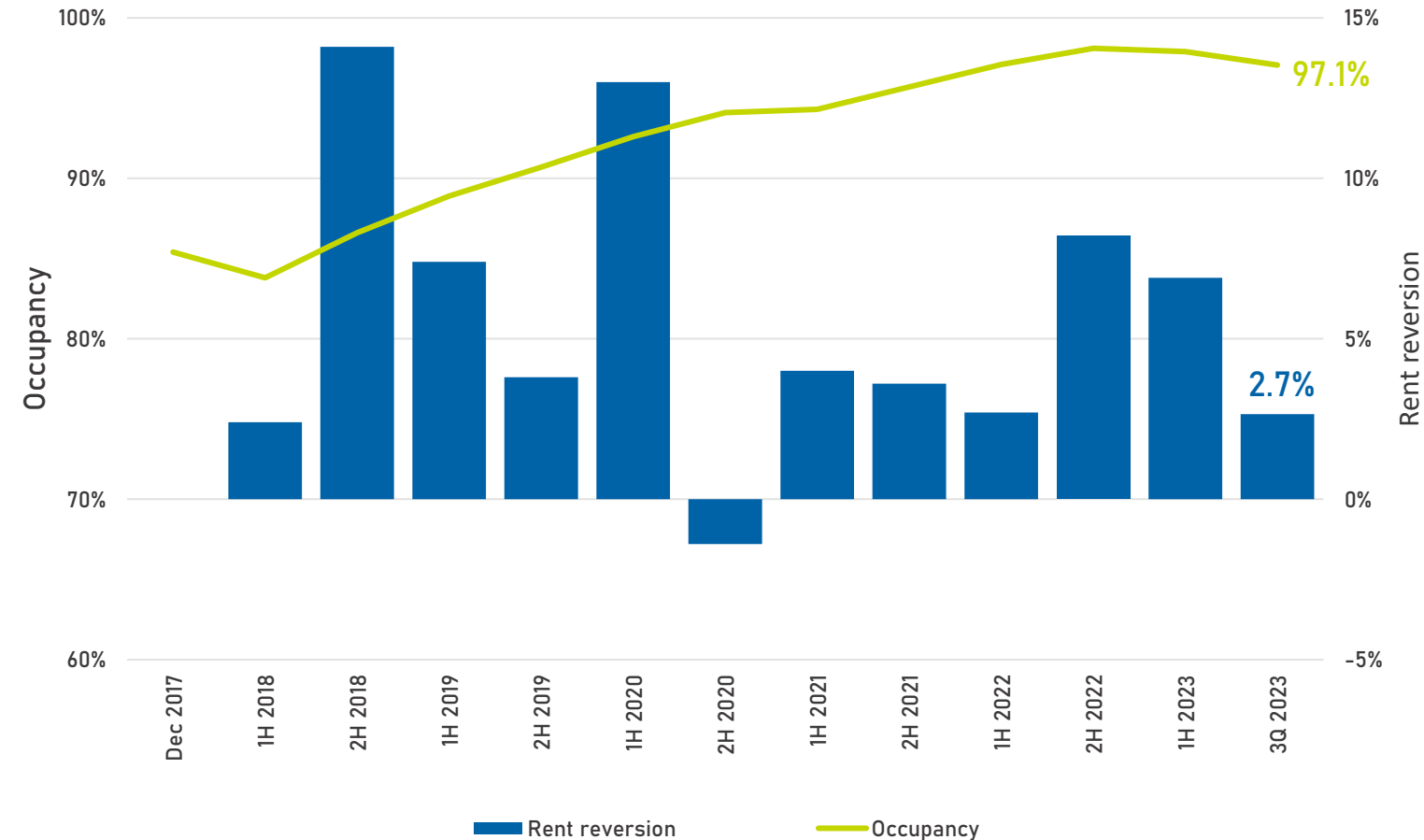
1. Occupancy rate is based on NLA and excludes the development area of Nove Mesto One Industrial Park I & III and Lovosice One Industrial Park I  
 2. Country portfolio allocation based on book value as of 30 September 2023



# Light industrial / logistics: focus on tenant retention and lease extensions

3Q 2023 +2.7% rent reversion positive but slightly lower vs. 2Q 2023 mainly due to higher proportion of lease renewals and extensions and moderating inflation

## Occupancy & rent reversion (%)



## Sector performance highlights



**WALE**  
5.1 years<sup>1</sup>



**Rent reversion**  
+2.7% in 3Q 2023  
+5.0% YTD 2023



**Leases<sup>2</sup> signed / renewed**  
5.4% in 3Q 2023 (64,693 sqm)  
10.8% YTD 2023 (128,943 sqm)



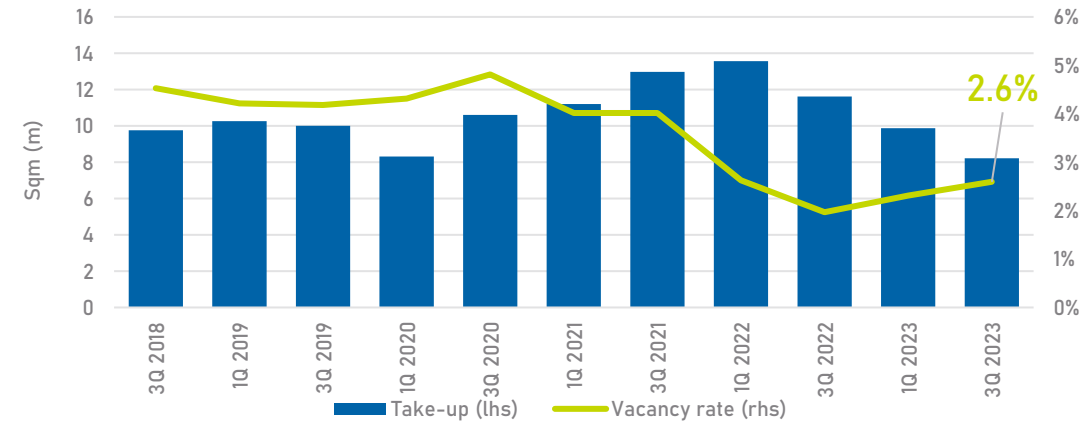
**Tenant retention**  
78.0% in 3Q 2023  
68.8% YTD 2023

1. As at 30 September 2023  
2. Light industrial / logistics sector of the portfolio, by NLA

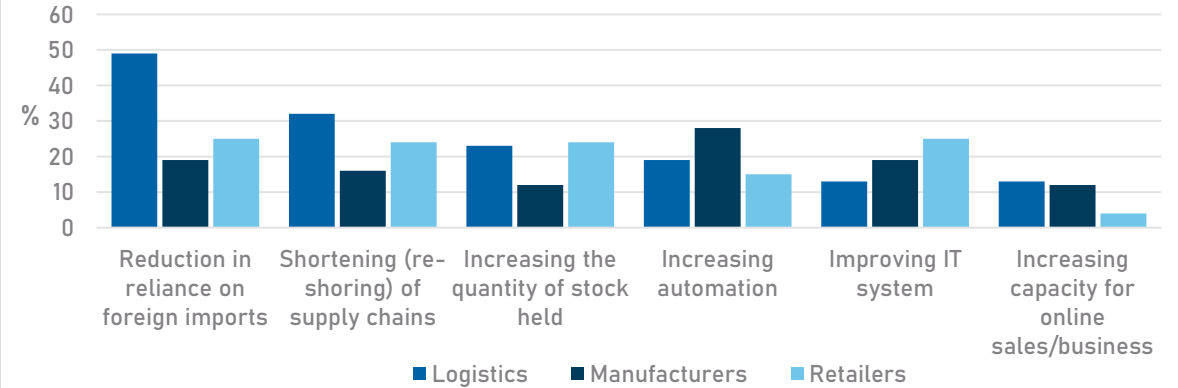
# Low 2.6% logistics market vacancy; take up from re-shoring rising

Take-up<sup>1</sup>, vacancy rates and market rent growth<sup>2</sup> in CEREIT's countries<sup>3</sup> with exposure to logistics

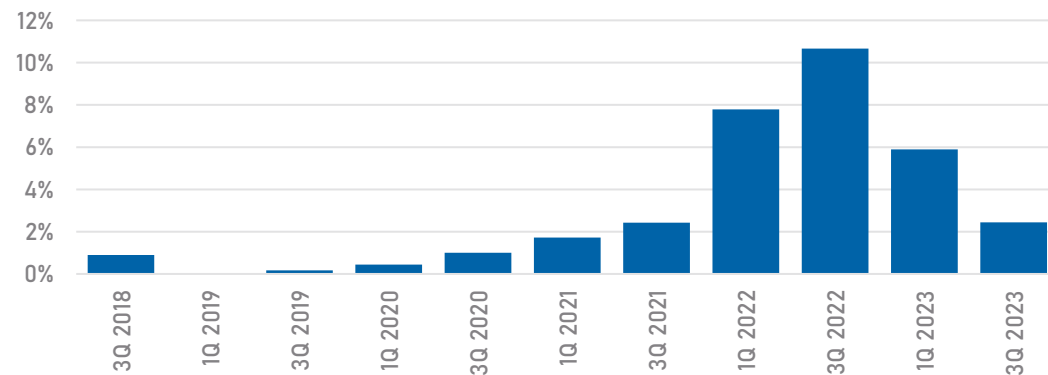
### Rolling six-month take-up and average vacancy rates



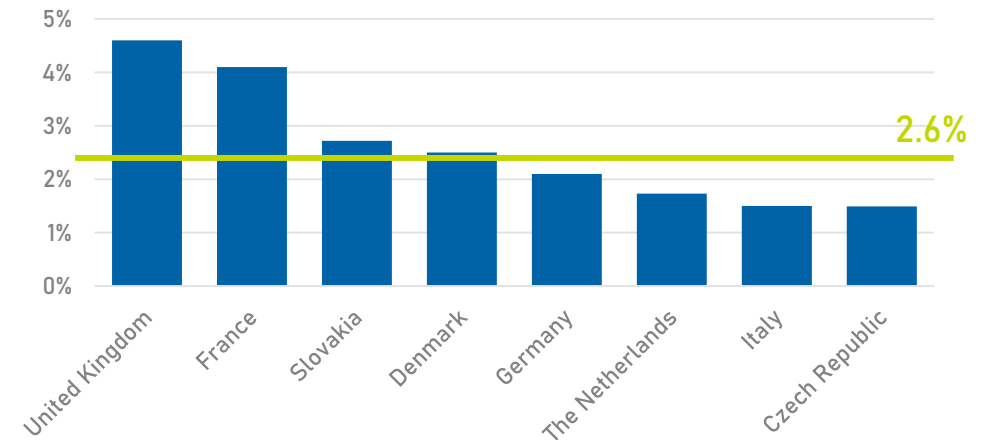
### Occupiers shift focus to re-shoring, use of automation amidst ongoing supply chain evolution



### Rolling semi-annual six-month market rent growth<sup>3</sup>



### Vacancy rates by country (3Q 2023)



Source: CBRE 3Q 2023 and Savills 2023 European Real Estate Logistics Census

1. Take-up covers the sum of quarterly logistics take-up across seven of CEREIT's eight countries with exposure to logistics with exception of Denmark (no data available for it)
2. Average quarterly logistics vacancy rate and market rent growth covers all eight of CEREIT's countries with exposure to logistics
3. CEREIT's countries with exposure to logistics - Denmark, France, Germany, Italy, the Netherlands, Slovakia, the United Kingdom and the Czech Republic

# New logistics leases see strong double-digit rent reversions

+174% rent reversion at a new 4.5 year 1,389 sqm lease at the recently acquired Sognevej 25 in Brøndby



OCCUPANCY  
100%

Germany

Löbstedter Str. 101-109, Jena  
Occupancy rate now at 100%

- One 5-year new lease: 643 sqm, +19.2% rent reversion



OCCUPANCY  
98.9%

France

Parc du Landy, Aubervilliers  
Occupancy rate now at 98.9%

- One 9-year new lease: 415 sqm, +34.9% rent reversion



OCCUPANCY  
91.3%

Denmark

Sognevej 25, Brøndby  
Occupancy rate now at 91.3%

- One 4.5-year new lease: 1,389 sqm, +174% rent reversion



OCCUPANCY  
100%

France

Parc Acticlub, St Thibault des Vignes  
Occupancy rate now at 100%

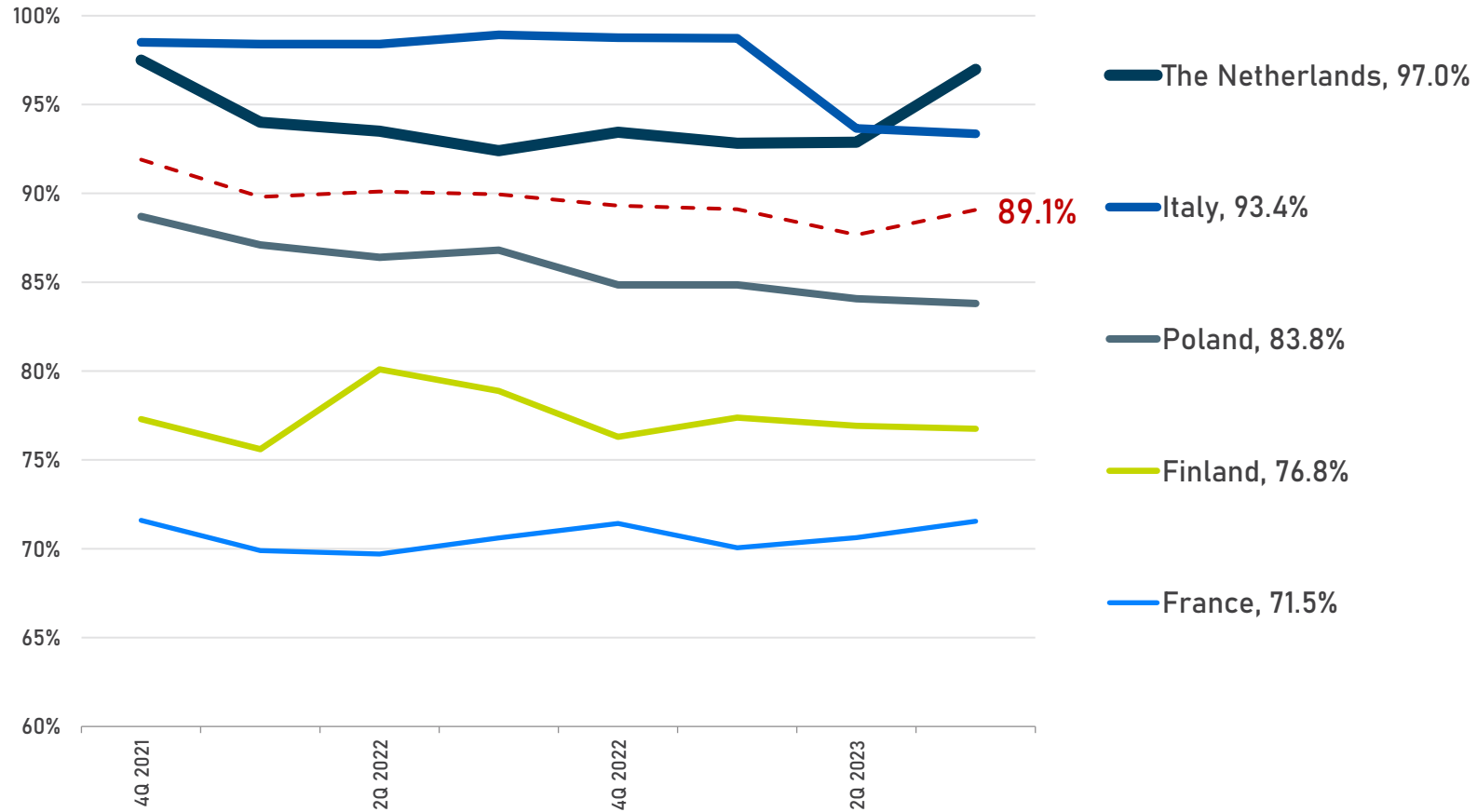
- One 9-year new lease: 276 sqm, +18.3% rent reversion



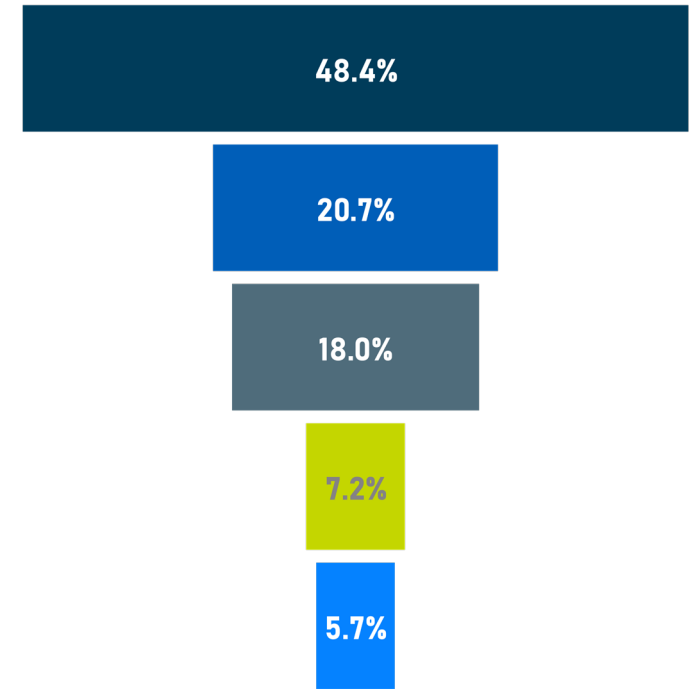
# Office portfolio occupancy up 140 bps to 89.1%

Occupancy up on major new 10-year, ~6,591 sqm lease at Haagse Poort in The Hague

Occupancy by country<sup>1</sup>



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

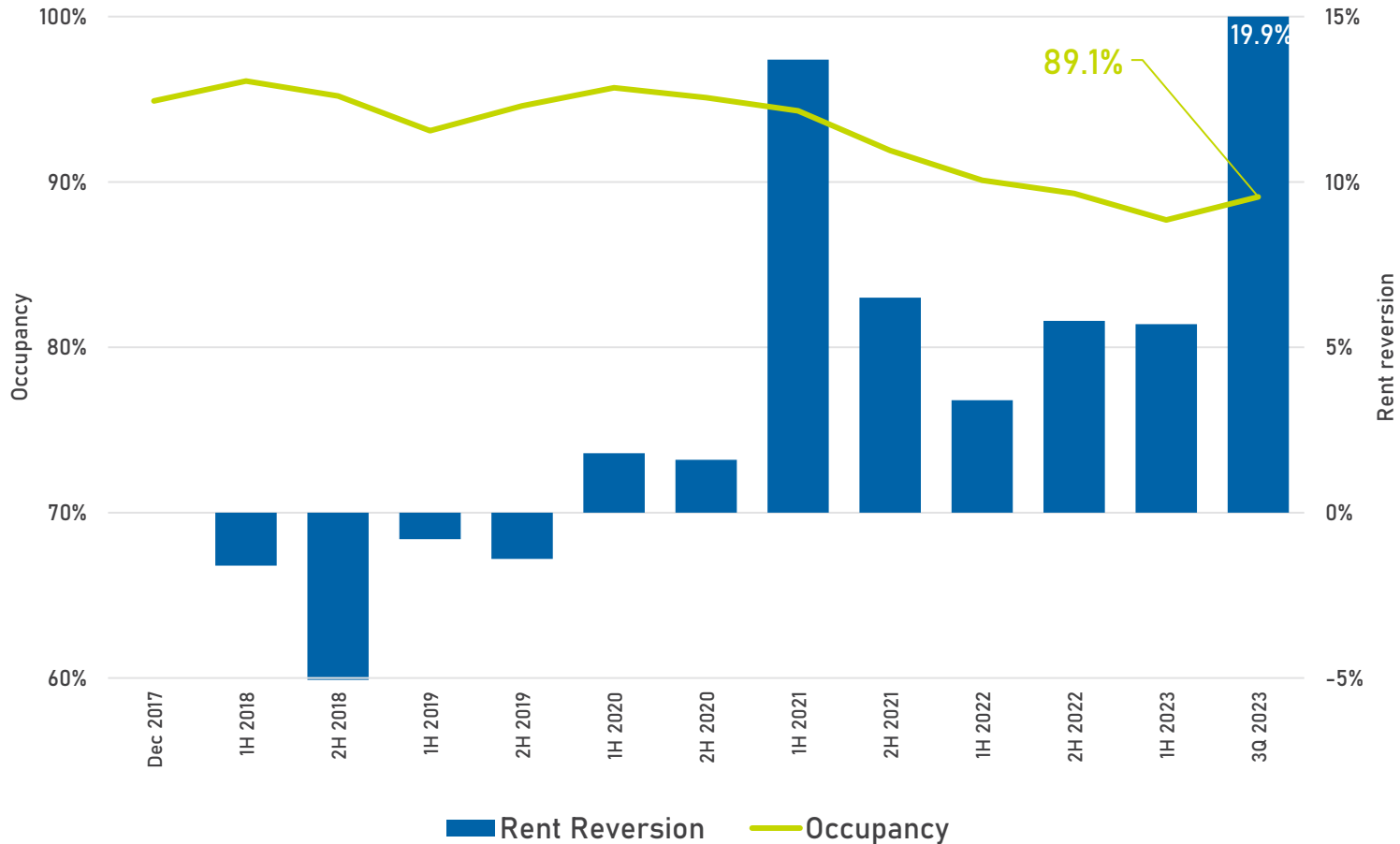


1. Occupancy rate is based on NLA and excludes Nervesa 21 which is under redevelopment and Maxima which is under strip out works  
 2. Country portfolio allocation is based on book value as of 30 September 2023

# +19.9% office rent reversion driven by a major Grade A office lease

Office leasing activity with focus on tenant retention

Office portfolio occupancy and rent reversions (%)



## Office portfolio highlights



**WALE**  
4.0 years<sup>1</sup>



**Rent reversion**  
+19.9% in 3Q 2023  
+9.2% YTD 2023



**Leases<sup>2</sup> signed / renewed**  
3.3% in 3Q 2023 (17,106 sqm)  
15.0% YTD 2023 (77,105 sqm)



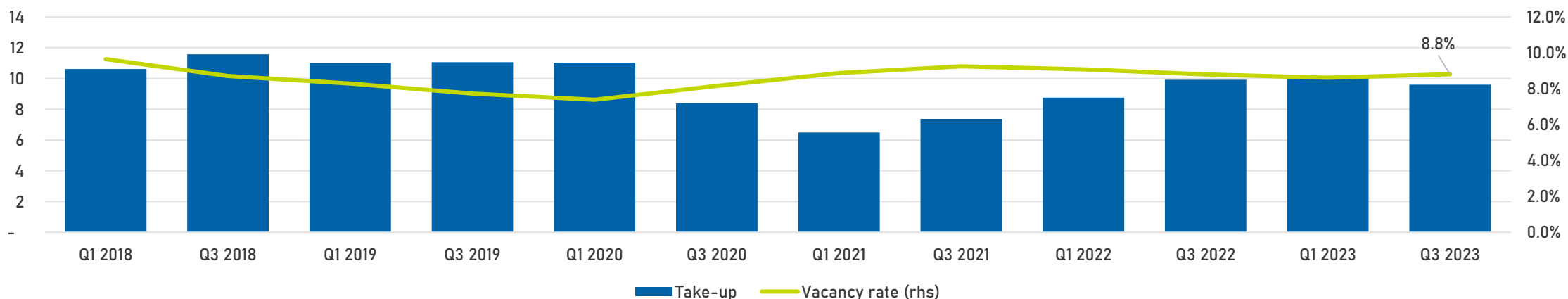
**Tenant retention**  
27.6% in 3Q 2023<sup>3</sup>  
64.4% YTD 2023

1. As at 30 September 2023  
2. The office sector of the portfolio, by NLA  
3. Excluding new leases

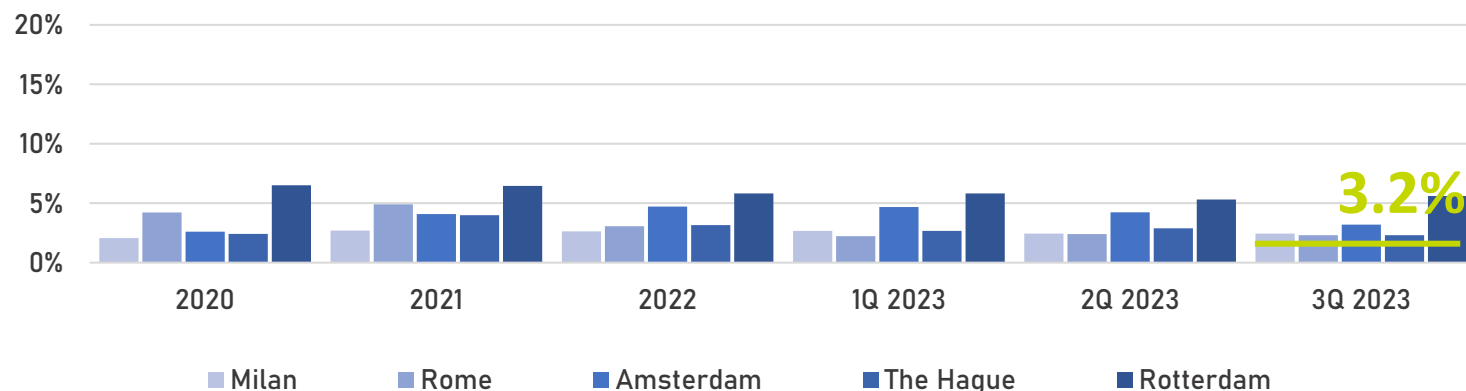
# Grade A office demand continues to widen gap with B/C grade office

Grade A office vacancy in CEREIF's key office markets 3.2% (down 30 bps sequentially) vs 8.8% for all office grades (sequentially unchanged)

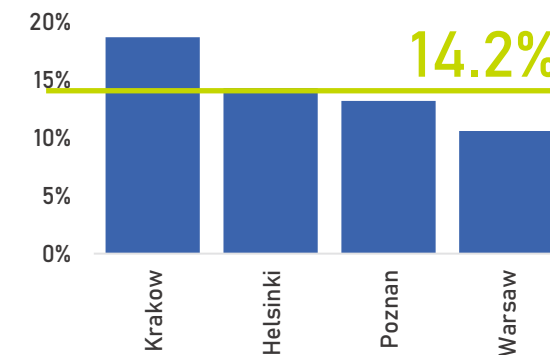
Semi-annual six month take-up<sup>1,2</sup> and average vacancy rates for all office grades<sup>1,3</sup>



Grade A office vacancy in CEREIF's key markets



3Q 2023 vacancy in CEREIF's weaker Polish & Finnish office markets



1. CEREIF's countries with exposure to office – France, Italy, The Netherlands, and Poland (no data for Finland)  
 2. Take up covers the sum of quarterly office take-up across four of CEREIF's five countries with exposure to office with exception of Finland (no data available)  
 3. Average quarterly office vacancy rate covers key cities in the five CEREIF's countries with exposure to office

# CEREIT is well-positioned to monetise office “flight to quality”

Occupiers are focused on smaller footprints but best-in-class space as hybrid working patterns are more settled

## Existing office stock

## CEREIT's office portfolio



Sustainability

20%<sup>1</sup>

27%<sup>2</sup>

BREAAM certified offices

EPC A+, A & B rated stock

73%<sup>5</sup>

48%<sup>6</sup>



Vacancy

3.6%<sup>3</sup>

8.4%<sup>3</sup>

European CBD/Prime/ Grade A vacancy

European non-central vacancy

3.2<sup>8</sup>

8.8%<sup>9</sup>



Functionality

21%<sup>4</sup>

WiredScore certified offices

10-20%<sup>7</sup>

Future-proofed stock

80-90%<sup>7</sup>

Misaligned stock requiring capex or repurposing for alternative uses

1. Source: CBRE
2. Source: Savills
3. Source: JLL
4. WiredScore - similar to LEED for green buildings, WiredScore provides a standardized framework to assess capacity for technology and user experiences and certifies digital connectivity and smart technologies
5. Internal data, based on GAV
6. Internal data, based on GAV and excluding Poland due to no rating given on EPC label there
7. Cromwell Property Group's estimate
8. Grade A office vacancy in CEREIT's key markets
9. In CEREIT's countries with exposure to office - France, Italy, the Netherlands, Poland and Finland



# New Grade A office leases in the Netherlands signed at double-digit positive rent reversions

B/C grade offices in France and Finland weaker at flat to single-digit rent reversions

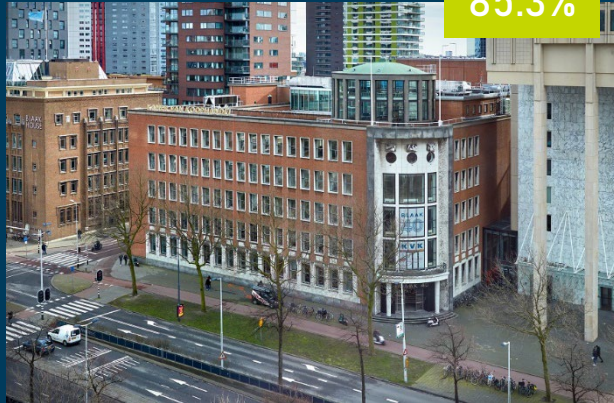
OCCUPANCY  
**98.9%**



**Haagse Poort, Den Haag**  
Occupancy now at 98.9%

- One 10-year new lease (7,975 sqm) at 37.0% rent reversion
- One 5-year new lease (2,052 sqm) at 37.0% rent reversion

OCCUPANCY  
**85.3%**



**Blaak, Rotterdam**  
Occupancy now at 85.3%

- One 3-year new lease (86 sqm) at 12.1% rent reversion

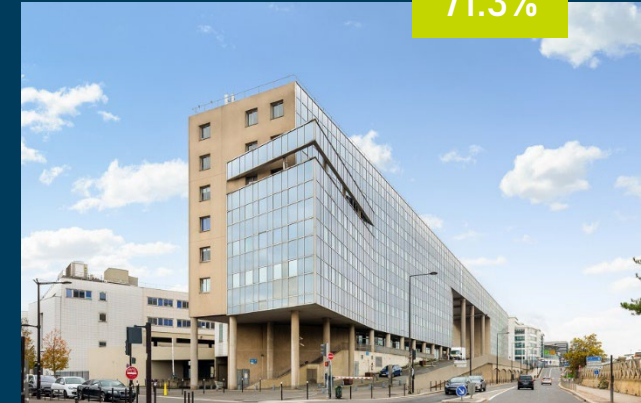
OCCUPANCY  
**72.4%**



**Plaza Allegro, Vantaa**  
Occupancy remains at 72.4%

- One 3-year lease renewal (820 sqm) at 0% rent reversion

OCCUPANCY  
**71.3%**



**Paryseine, Ivry sur Seine**  
Occupancy remains at 71.3%

- One 6-month lease renewal (495 sqm) at 6.5% rent reversion

# Committed developments progressing well

Current projects under construction and / or near completion; cautious approach to commencing new redevelopments



**€32 million** (estimated cost)

Nervesa 21, Milan, Italy

- Redevelopment of existing office to a 10,000 sqm LEED platinum Grade A office; on track and on budget, planned completion in 1Q 2024
- Pre-let ~70% of NLA four months ahead of planned completion to blue-chip media company Universal Music Group and other communications and tech tenants

**€15 million** (completed cost)

Lovosice ONE Industrial Park I, The Czech Republic

- Refurbishment of 2,611 sqm existing building and development of five new warehouse units and with a total lettable area of 14,679 sqm
- Pre-let ~46% of NLA with one tenant already moved in and new tenant discussions underway

**€13 million** (completed cost)

Nove Mesto ONE Industrial Park I / III, Slovakia

- Development of two new warehouse units DC 3 (3,850 sqm) and DC 7 (11,975 sqm)
- DC4 completed with early access and occupancy permit mid-August
- Pre-let ~60% with one tenant already moved in and new tenant discussions underway

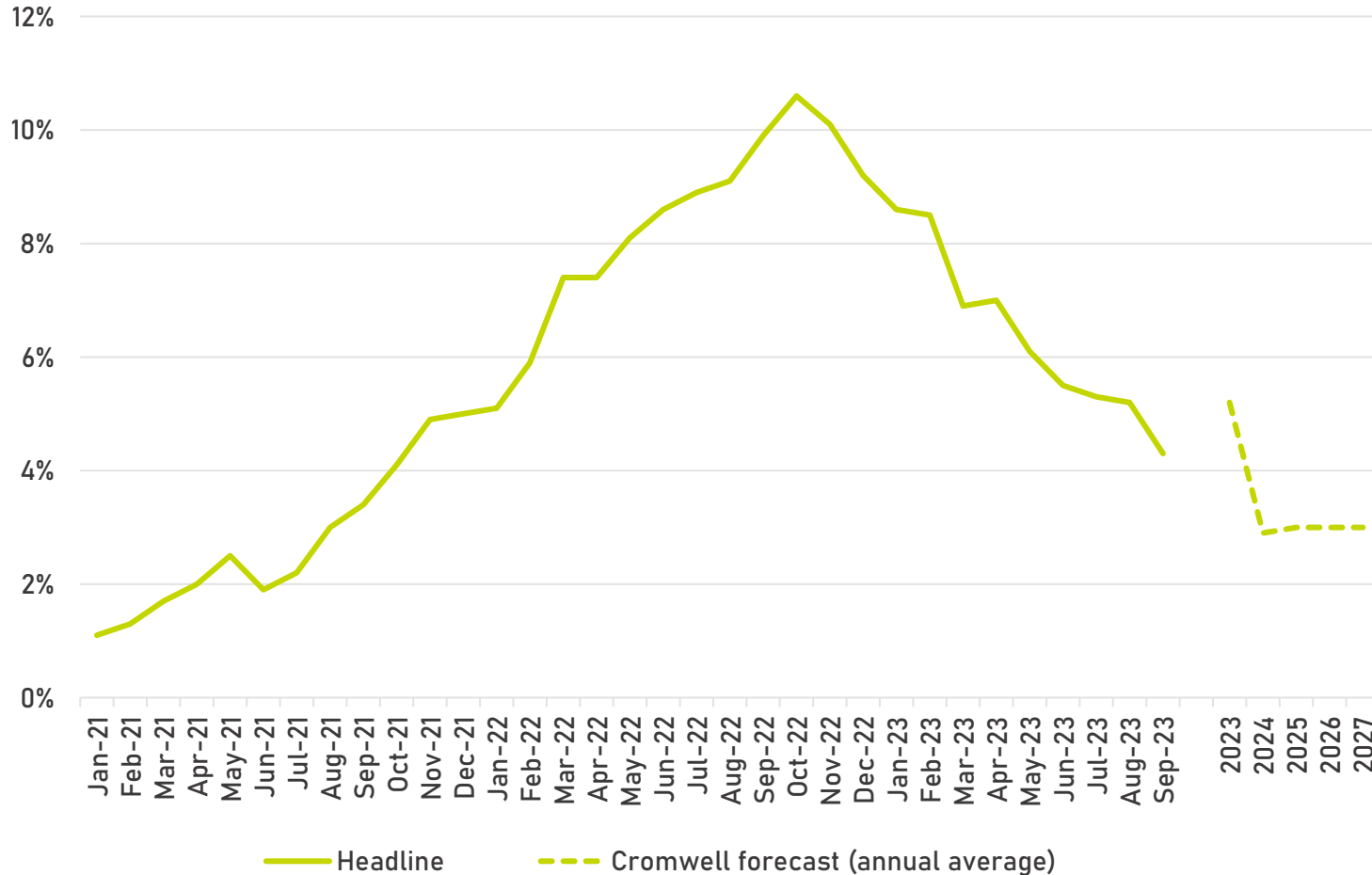


## 4. Market commentary and management outlook



# Inflation: CPI down to 2.9% in October 2023

Euro area CPI inflation: core inflation falling and likely to settle around a 3% average



Sources: Oxford Economics, Cromwell Property Group (Forecast)

## Drivers



Climate change



Decarbonisation



Demographics



Expectations



Government policy

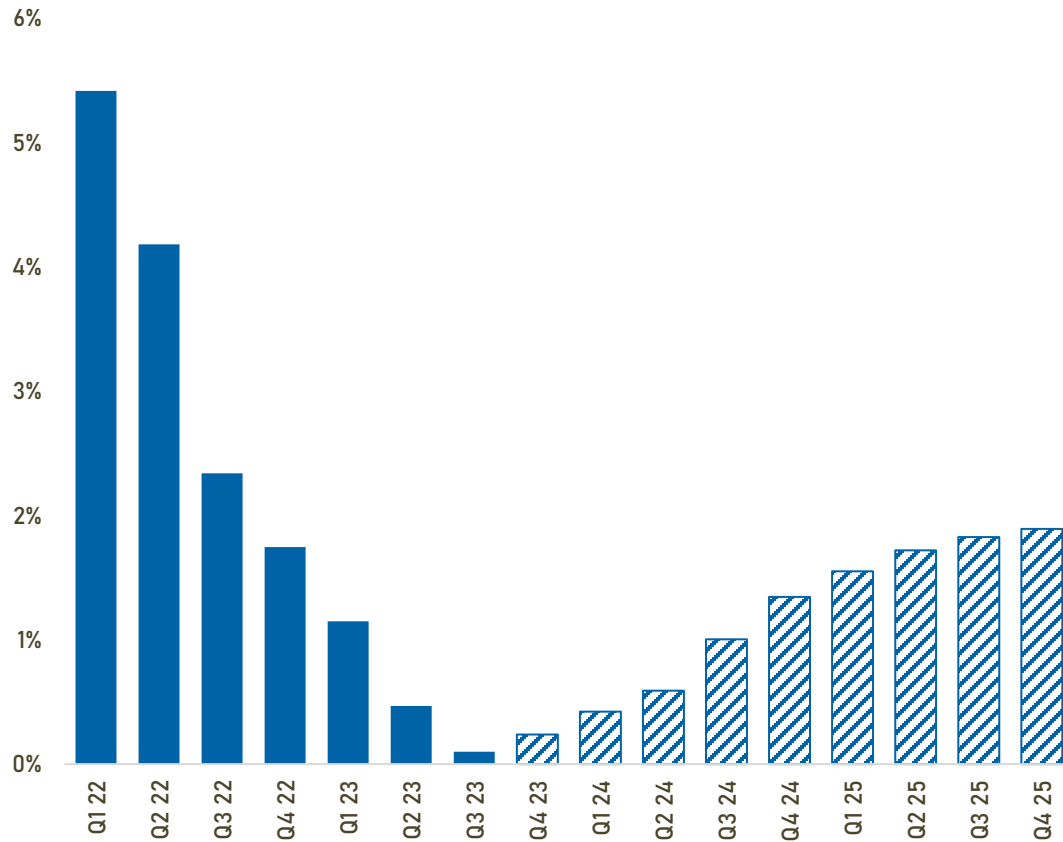


Space scarcity

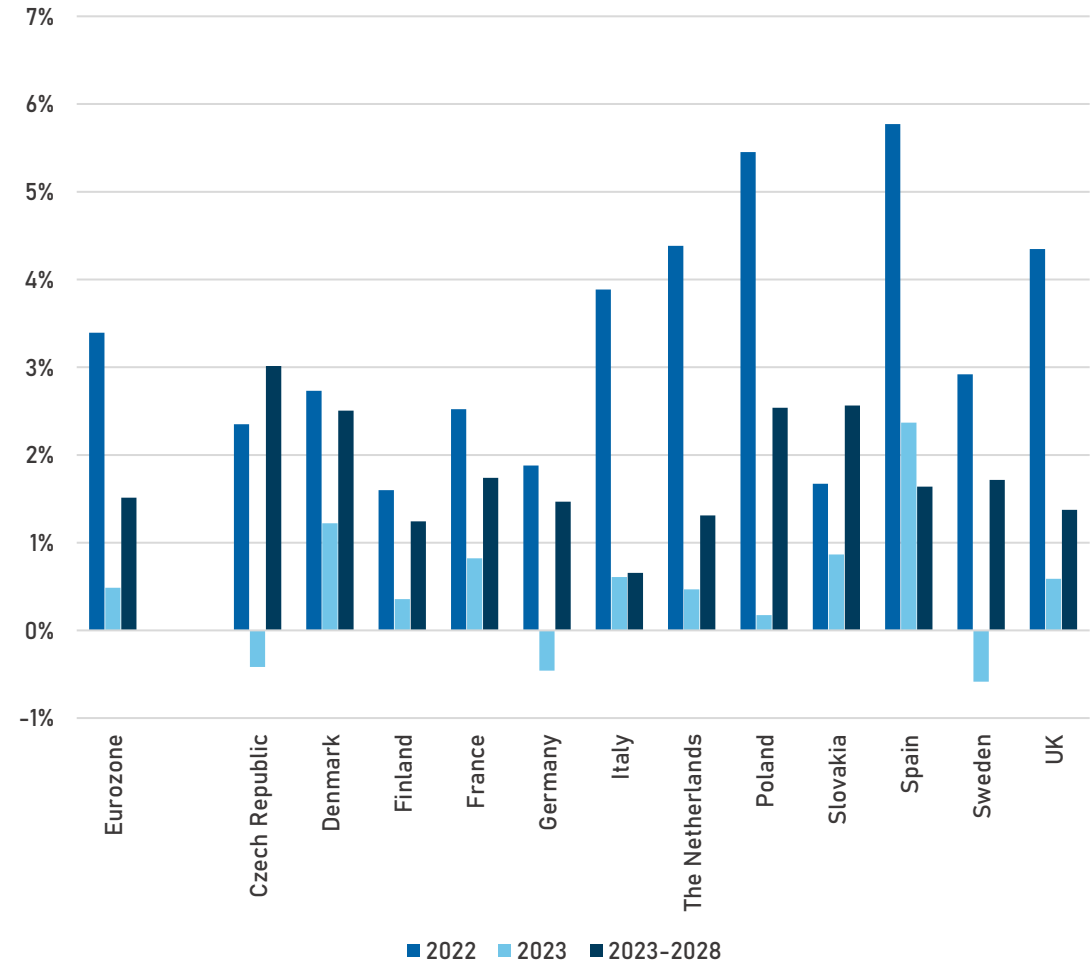


# Eurozone GDP: relatively modest 0.5% economic growth from cyclical lows

Eurozone GDP growth: Positive but sub-1%



2023-2028 (annualised): Countries are on different trajectories

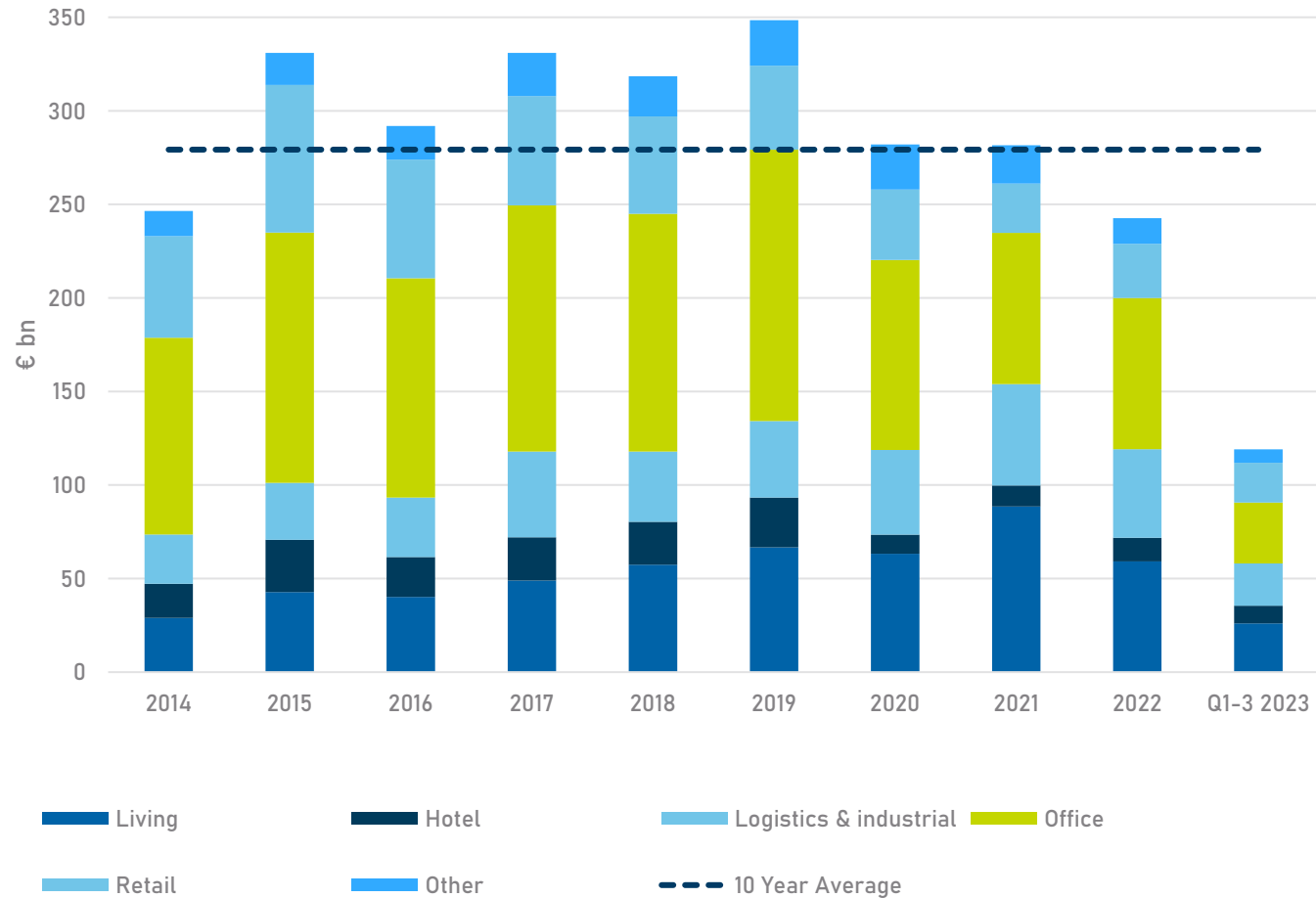


Source: Oxford Economics

# Low European real estate investment volumes

3Q 2023 European commercial property acquisitions fell to the lowest level since 2010

## Investment volumes by sector



Source: Real Capital Analytics, 3Q 2023

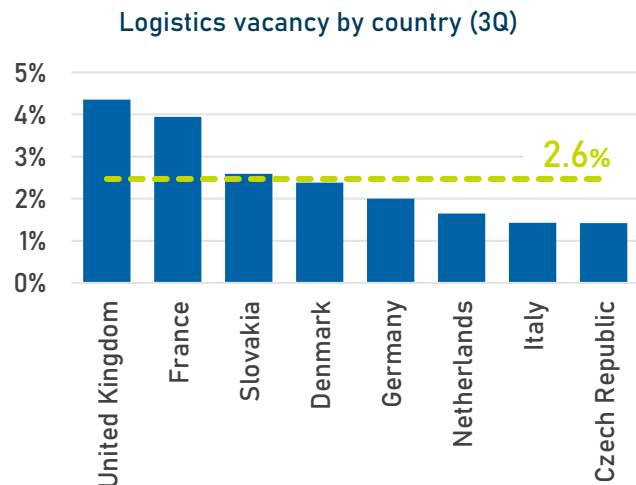
## Commentary

- European commercial investment volumes are down 54% y-o-y so far this year. Q3 volumes were the lowest since 2010
- Offices are most impacted by falling liquidity with YTD volumes down 61% y-o-y. Q3 23 office deals were the lowest ever. A substantial price expectations gap exists between buyers and sellers
- Logistics transactions were down 58% YTD in Q3 23 but comparable to the pre-pandemic averages. Pricing expectations are more aligned and some markets like UK appear to have repriced with evidence of price and value stabilisation
- A pick-up in activity is not anticipated in the near-term. Market participants are seeking price certainty but given low liquidity and high finance costs which constrain deal flow and size, this is not likely to occur until 2024

# Structural shifts in Europe that impact CEREIF

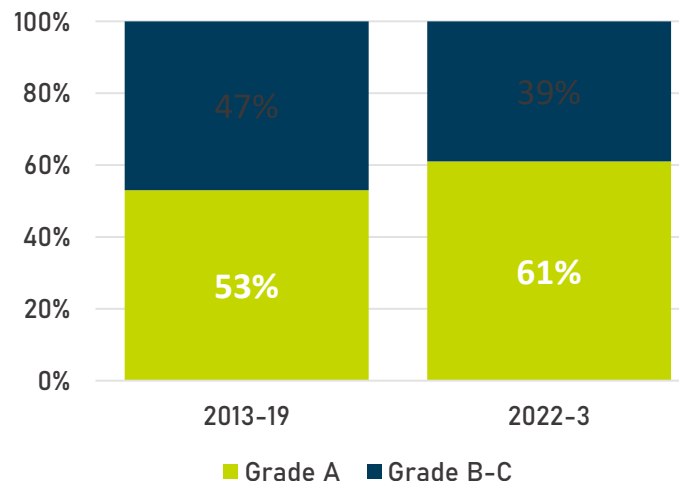
Ongoing adaptation to hybrid working, geopolitics and e-commerce adoption fuels demand for better logistics & office space

## Growing demand for logistics



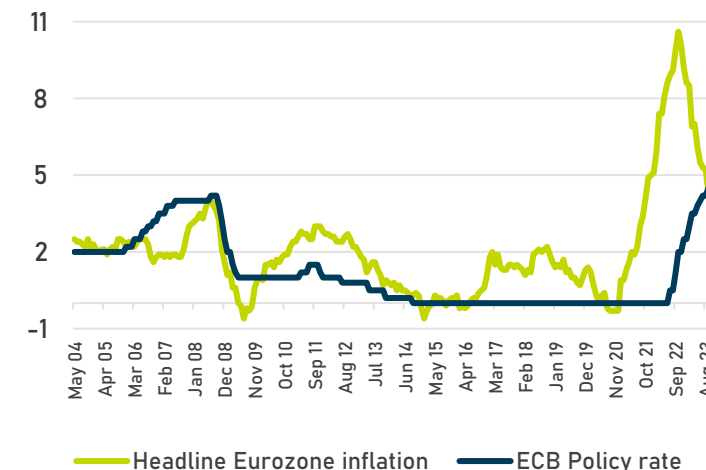
- The COVID-19 pandemic accelerated e-commerce growth, causing significant rise in logistics space take-up; growth has slowed but is expected to still consistently rise over the next few years<sup>1</sup>
- Occupier demand is bolstered by nearshoring and reshoring activity, as global supply chains are reconfigured to prioritise resilience over cost
- Strong demand, a limited pipeline and a focus on quality means prime vacancy remains extremely low (albeit slightly up sequentially to 2.6%)

## Flight to quality in the office space



- Office occupiers have increasingly demanding specification requirements and are focusing on best-in-class space
- Occupiers plan to downsize their office size to reflect lower post-pandemic utilisation rates
- Working from home rates may have peaked, given that nearly two-thirds of companies expect a full return to the office within 3 years

## Higher interest rates causing slowdown



- Unprecedented tightening of monetary policy over the last year led to jump in financing costs
- 3M Euribor has increased by close to 300 bps (3%) in just over a year<sup>3</sup>
- All this has put more emphasis on the importance of interest rate hedging and debt maturity management

1. Source: CBRE  
 2. Source: KPMG  
 3. Source: Refinitiv; Data for the period of Oct 22 to Sep 23

# Priorities ahead

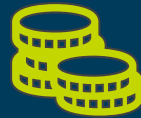
Managing for continued higher rate environment, softening economy and valuations

## Key priorities in 4Q 2023 and into 2024



### Active asset management:

- Maintain high portfolio occupancy
- Drive positive rent reversion growth and capture inflation indexation
- Deliver fully-let current developments and AEIs
- Prepare further projects to rejuvenate and future-proof the portfolio



### Proactive capital management:

- Minimise impact of higher interest rates on distributable income
- Focus on liquidity by preserving cash and maintaining sufficient committed undrawn debt facilities



### Further divestments and asset recycling

- Execute further €200 million divestments by December 2025
- Use proceeds judiciously towards partial debt repayment, Unit and/or Bond buybacks and funding of selective accretive AEIs and developments



Maintain Fitch investment-grade rating and maintain gearing within the Board's long term policy range of 35-40%



## 5. Appendix



# CEREIT: Singapore's largest S-REIT with 100% European assets

€2.3 billion quality pan-European commercial real estate portfolio with four European core markets (~75% of portfolio)



## Exposure to the second largest global economy<sup>1</sup>

110+ properties 10 European countries with 800+ tenants



## Majority logistics assets

Complemented by Grade-A office assets in gateway cities



## Favourable structural trends

E-commerce growth accelerated by pandemic-driven habitual change



## Resilient portfolio

>95% portfolio occupancy rate with >5% rental rate reversion



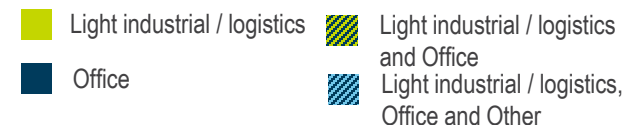
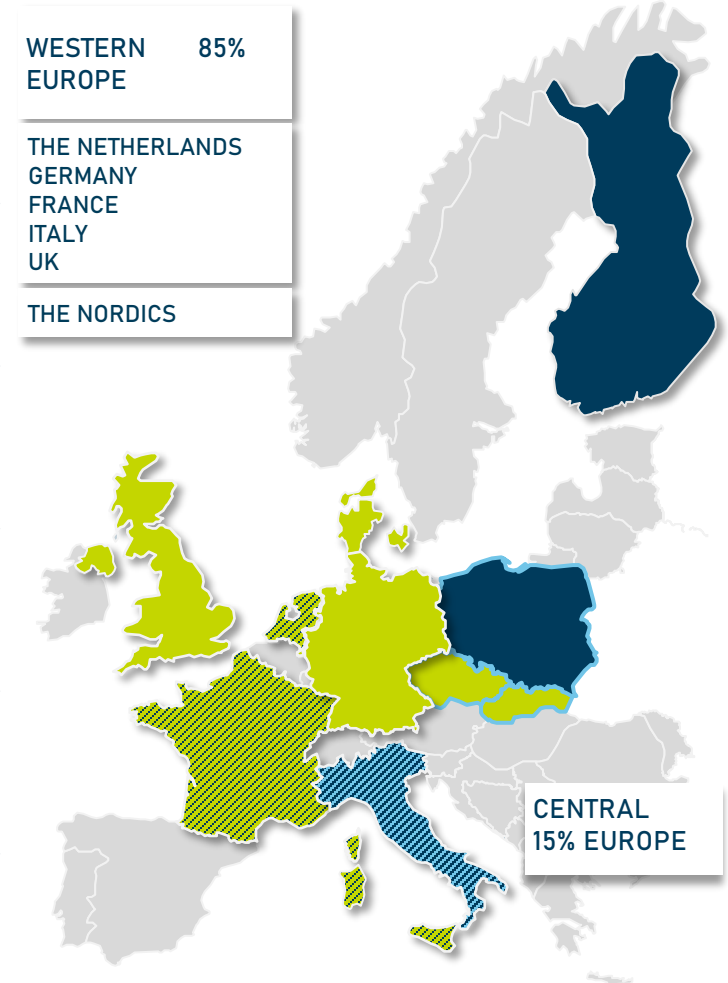
## Well-managed balance sheet

91% fixed/hedged debt with no debt expiry until November 2025



## Experienced local teams

200+ team members across Europe with strong local relationships



<sup>1</sup> Source: IMF World Economic Outlook Database, October 2023; refers to Europe (both Eurozone and non-Eurozone countries)

# Sponsor's European footprint and on-the-ground expertise

## Cromwell Property Group

Strong alignment of interest with Unitholders with ~€400 million invested in CEREIF's Units

Highly experienced local European 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



**28%**  
STAKE IN CEREIF



**20 YEAR**  
TRACK RECORD IN EUROPE



**10+**  
EUROPEAN COUNTRIES



**14**  
EUROPEAN OFFICES

Office Locations





# Logistics: lack of quality energy efficient space generally available

Existing stock provision



**22%<sup>1</sup>**

EPC A+, A & B rated stock (UK)

Sustainability

**23%<sup>1</sup>**

occupiers rating sustainability the main site selection criteria



Connectivity

**530,000 sqm<sup>2</sup>**

industrial land lost post-2011 (London)

**27%<sup>2</sup>**

occupiers rating power the main site selection criteria



Efficiency

**40%<sup>2</sup>**

occupiers state there is a lack of suitable space

**8-10m to 12m+<sup>3</sup>**

minimum optimal height for 10,000sqm+ sheds  
2013 v 2023

<sup>1</sup> Source: Knight Frank

<sup>2</sup> Source: Savills

<sup>3</sup> Source: Cromwell Property Group

**30-40%<sup>3</sup>**

Future-proofed stock

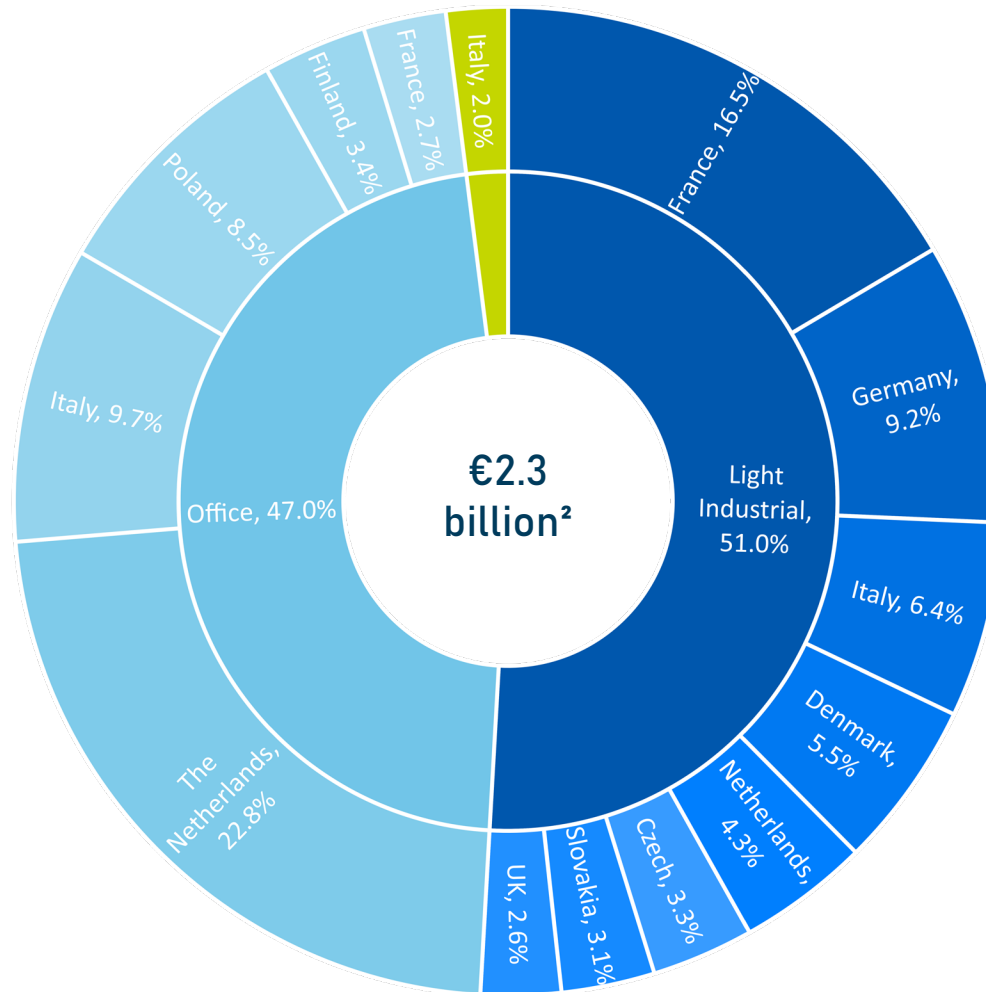
**60-70%<sup>3</sup>**

Misaligned stock  
requiring capex or  
repurposing for  
alternative uses



# CEREIT's portfolio composition

Excluding Viale Europa 95 in Bari, Italy which was divested on 6 October 2023



## Commentary

- CERIT's portfolio has a weighting of 49% to light industrial / logistics as at 30 September 2023 (including Viale Europa 95), advancing the Manager's stated strategy of pivoting CERIT to a majority weighting of this sector
- Upon completion of Viale Europa 95's divestment, weighting increased to 51% wef. 6 October 2023

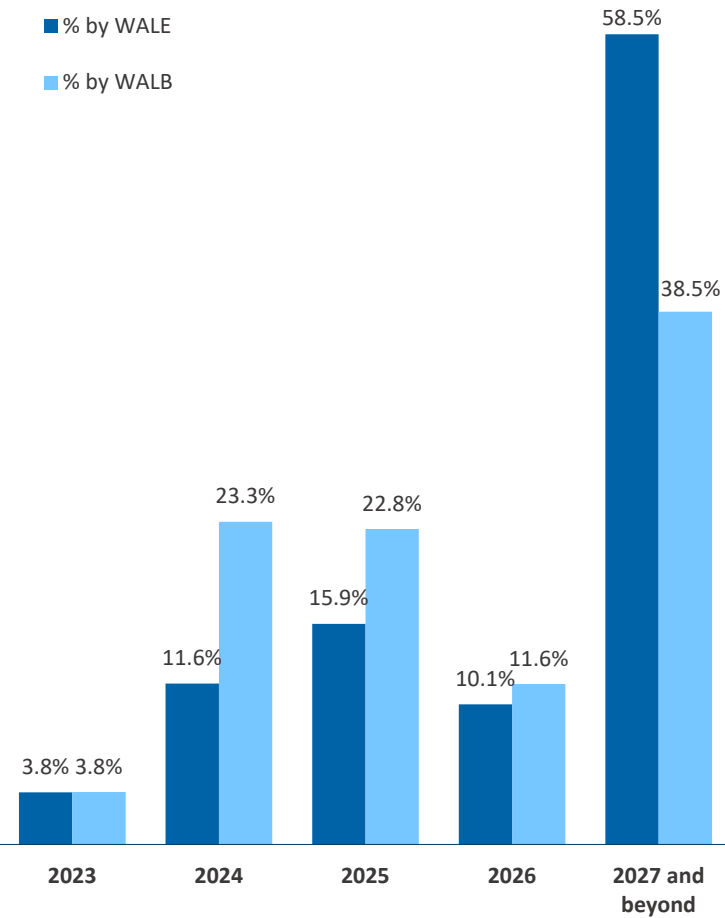
Note: Portfolio breakdowns are based on portfolio value

1. Other includes three government-let campuses, one leisure / retail property and one hotel in Italy
2. Based on carrying value as at 30 September 2023 for 111 assets (excluding Viale Europa 95 which was divested on 6 October 2023)

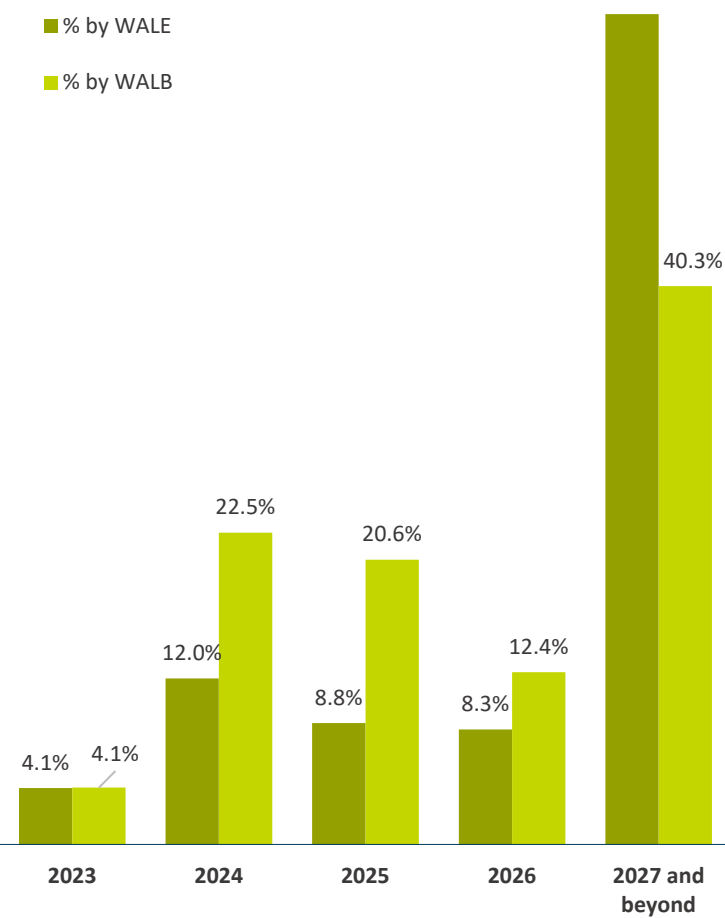
# 45.2% of lease breaks and expiries up to 31 Mar 2024 de-risked

Longer portfolio WALE at 4.6 years (+0.2 years q-o-q) / WALB at 3.5 years (+0.1 year q-o-q) as at 30 September 2023

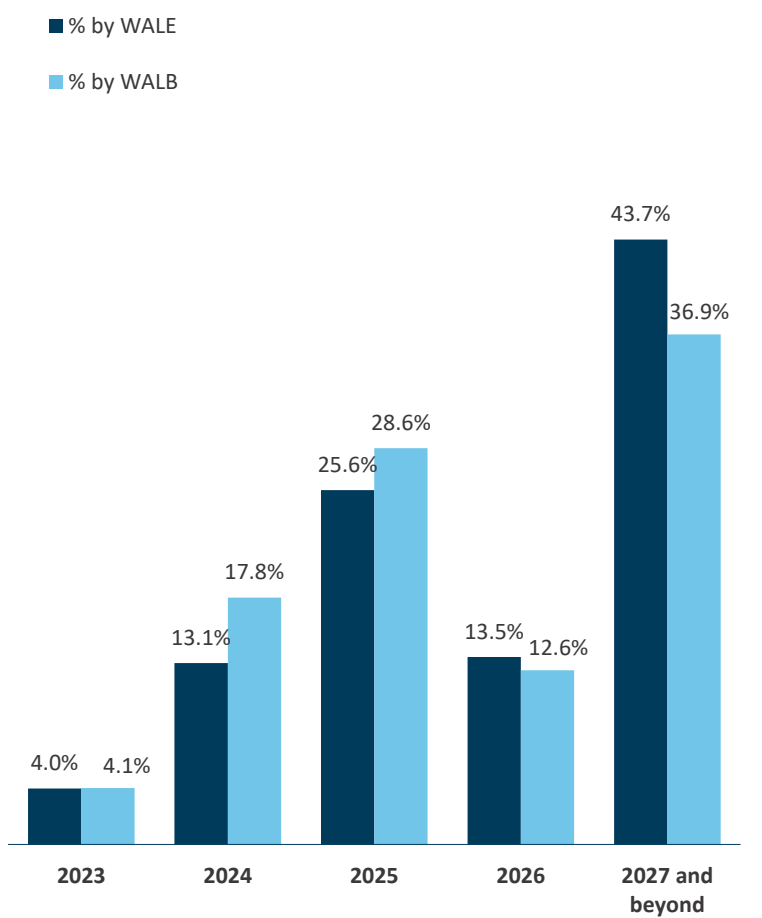
## Portfolio



## Light industrial / logistics



## Office



# CEREIT's portfolio<sup>1</sup> overview as at 30 Sep 2023

## The Netherlands

Properties	14
Lettable Area (sqm)	247,944
Valuation (€ million)	625.53
% of Portfolio	27.1%
Average Reversionary Yield	6.0%

## Italy

Properties	20
Lettable Area (sqm)	496,764
Valuation (€ million)	419.99
% of Portfolio	18.2%
Average Reversionary Yield	8.5%

## France

Properties	20
Lettable Area (sqm)	266,112
Valuation (€ million)	443.54
% of Portfolio	19.2%
Average Reversionary Yield	7.4%

## Poland

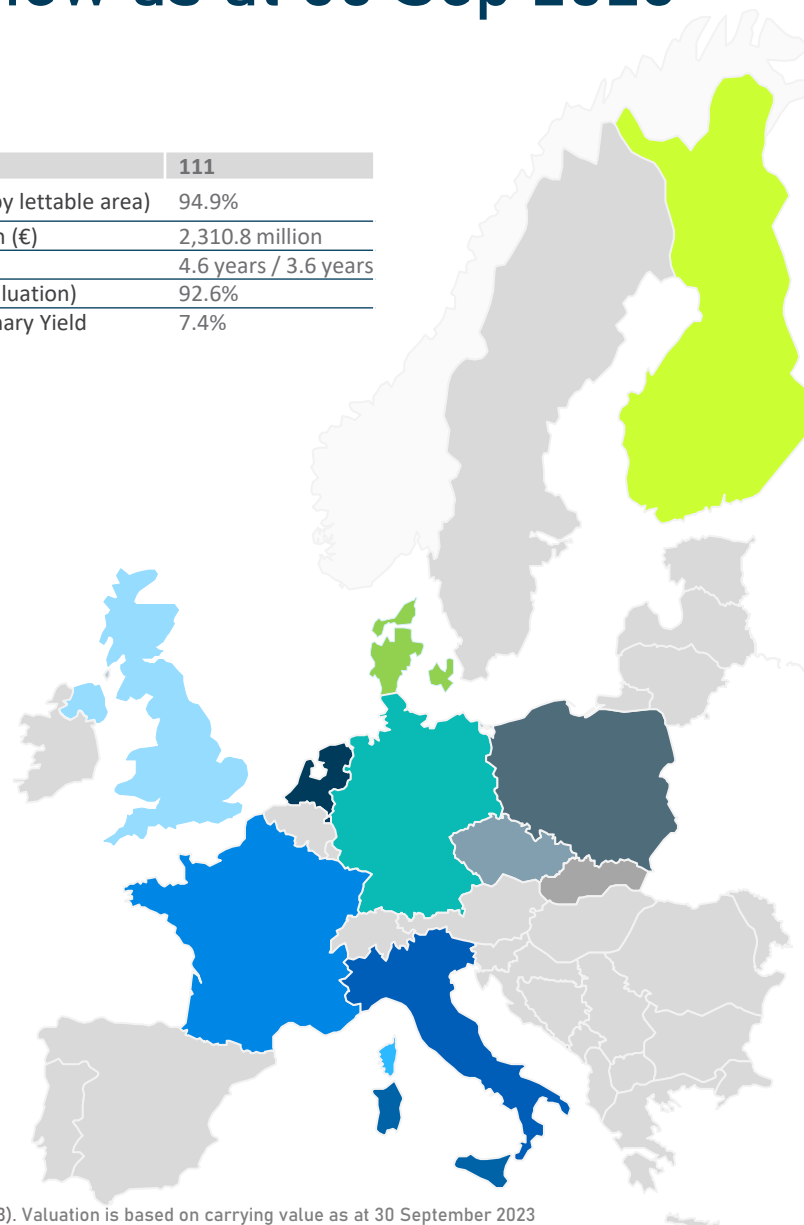
Properties	6
Lettable Area (sqm)	111,236
Valuation (€ million)	195.26
% of Portfolio	8.5%
Average Reversionary Yield	10.2%

## Germany

Properties	14
Lettable Area (sqm)	229,560
Valuation (€ million)	212.16
% of Portfolio	9.2%
Average Reversionary Yield	5.9%

## Properties 111

Occupancy Rate (by lettable area)	94.9%
Portfolio Valuation (€)	2,310.8 million
WALE / WALB	4.6 years / 3.6 years
% Freehold <sup>2</sup> (by valuation)	92.6%
Average Reversionary Yield	7.4%



## Finland

Properties	10
Lettable Area (sqm)	55,177
Valuation (€ million)	77.38
% of Portfolio	3.3%
Average Reversionary Yield	10.4%

## Denmark

Properties	12
Lettable Area (sqm)	152,432
Valuation (€ million)	127.02
% of Portfolio	5.5%
Average Reversionary Yield	7.2%

## The Czech Republic

Properties	7
Lettable Area (sqm)	59,680
Valuation (€ million)	77.38
% of Portfolio	3.3%
Average Reversionary Yield	5.8%

## Slovakia

Properties	5
Lettable Area (sqm)	74,355
Valuation (€ million)	70.82
% of Portfolio	3.1%
Average Reversionary Yield	6.8%

## United Kingdom

Properties	3
Lettable Area (sqm)	65,494
Purchase Price (€ million)	60.88
% of Portfolio	2.6%
Reversionary Yield	6.5%

1. Based on 111 assets (excluding Viale Europa 95 which was divested on 6 October 2023). Valuation is based on carrying value as at 30 September 2023  
 2. Freehold and continuing / perpetual leasehold

# CEREIT's portfolio<sup>1</sup> statistics as at 30 September 2023

	No. of Assets	NLA (sqm)	Valuation (€ million)	Reversionary Yield <sup>2</sup> (%)	Occupancy (%)	Number of Leases
The Netherlands (total)	14	247,943	625.5	6.0	95.9	197
• Light Industrial / Logistics	7	70,039	99.2	5.6	93.0	141
• Office	7	177,904	526.3	6.1	97.0	56
Italy (total)	20	496,764	420.0	8.5	98.4	85
• Light Industrial / Logistics	5	309,059	147.8	8.3	100.0	31
• Office	11	134,391	225.3	9.0	93.4	46
• Others	4	53,314	46.8	8.2	100.0	8
France (total)	20	266,112	443.5	7.4	92.6	256
• Light Industrial / Logistics	17	231,792	381.3	7.0	95.7	216
• Office	3	34,320	62.3	9.4	71.5	40
Germany (total) – Light Industrial / Logistics	14	229,560	212.2	5.9	97.3	75
Poland (total) – Office	6	111,236	195.3	10.2	83.8	113
Finland (total) – Office	10	55,177	78.2	10.4	76.8	201
Denmark (total) – Light Industrial / Logistics	12	152,432	127.0	7.2	91.6	106
The Czech Republic (total) – Light Industrial / Logistics	7	59,680	77.4	5.8	99.3	12
Slovakia (total) – Light Industrial / Logistics	5	74,355	70.8	6.8	100.0	10
United Kingdom (total) – Light Industrial / Logistics	3	65,494	60.9	6.5	100.0	3
Light Industrial / Logistics (total)	70	1,192,411	1,176.6	6.8	97.1	594
Office (total)	37	513,028	1,087.4	7.9	89.1	456
Others (total)	4	53,314	46.8	8.2	100.0	8
<b>TOTAL</b>	<b>111</b>	<b>1,758,753</b>	<b>2,310.8</b>	<b>7.4</b>	<b>94.9</b>	<b>1,058</b>

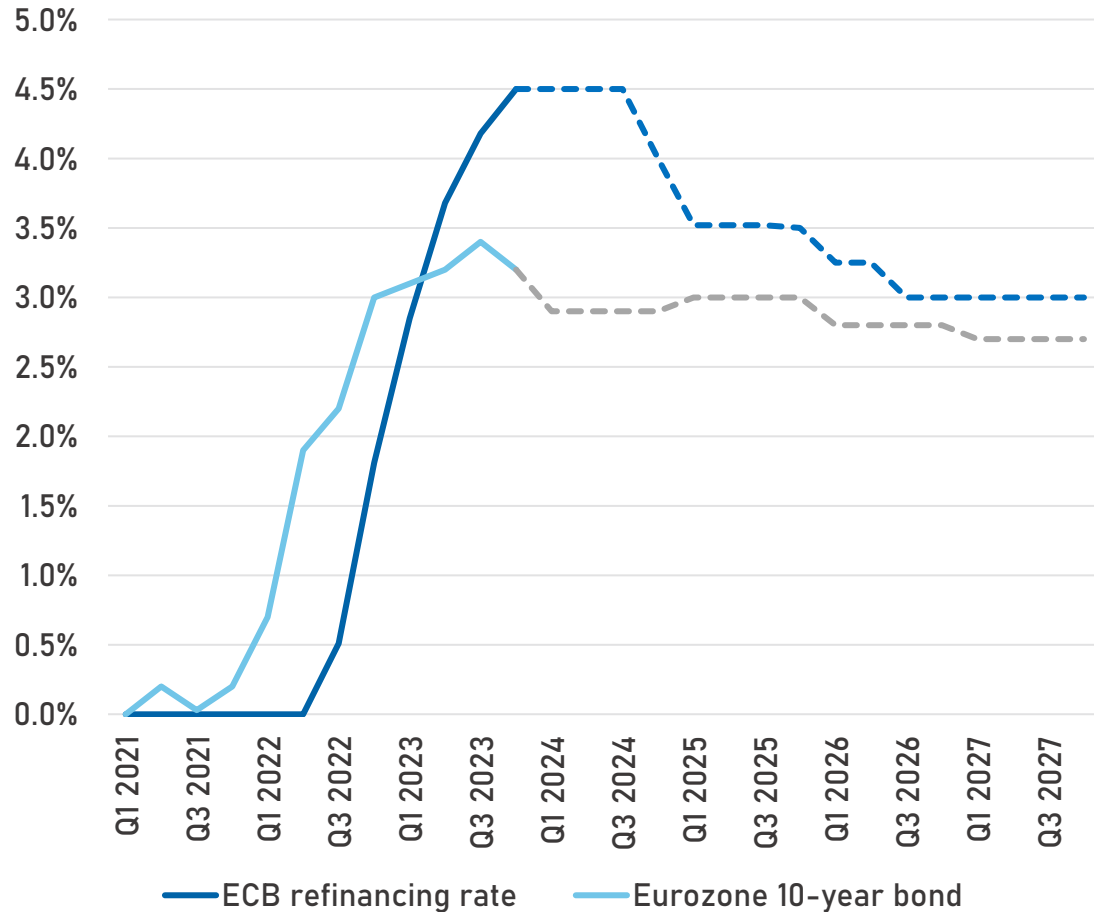
1. Based on 111 assets (excluding Viale Europa 95 which was divested on 6 October 2023). Valuation is based on carrying value as at 30 September 2023  
2. Reversionary Yield is based on independent valuations as of 30 June 2023 and calculated as Market NOI divided by fair value net of purchaser's costs



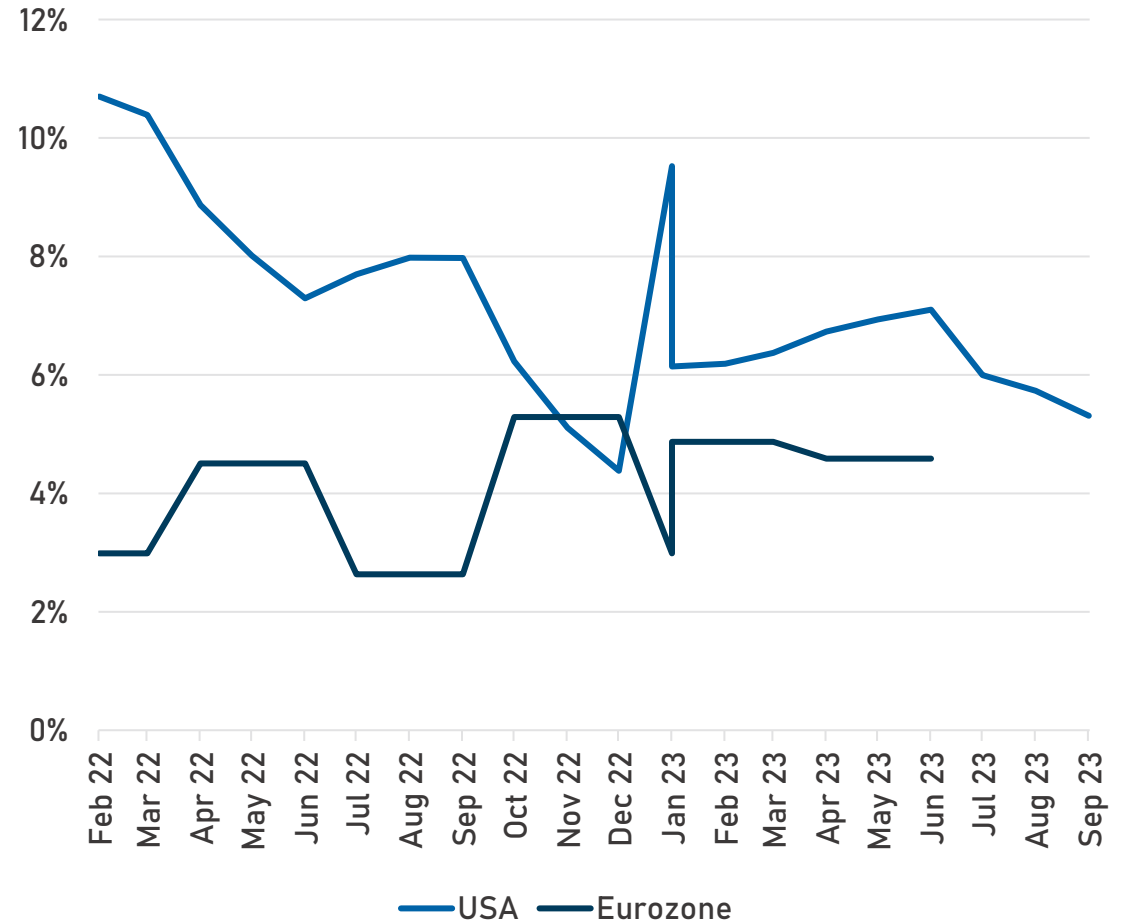
# Rates, bonds & wages have (likely) reached the peak

Further weakening of economic activity and lower headline inflation (Eurozone 2.9%<sup>1</sup>) prompted the Fed, ECB and the BoE to stop raising policy rates

ECB interest rates & Eurozone bonds with Cromwell forecast<sup>2</sup>



Rolling annual wage real growth – Eurozone v USA<sup>2</sup>



1. Source: Oxford Economics, October 2023  
 2. Source: Oxford Economics, Macrobond

# Key economic forecasts in Eurozone

Annual forecasts

	2021	2022	2023E	2024E	2025E	2026E
GDP	5.9	3.4	0.5	0.6	1.8	2.0
Private consumption	4.4	4.2	0.5	1.1	2.1	2.1
Fixed investment	3.7	2.8	1.1	0.9	2.9	2.9
Government consumption	4.2	1.6	0.0	0.7	0.7	0.8
Exports of goods and services	9.1	8.0	-0.4	2.3	3.0	2.5
Imports of goods and services	11.4	7.4	0.1	2.0	3.2	2.7
Industrial production	8.8	2.2	-2.0	0.6	2.6	2.3
Consumer prices	2.6	8.4	5.5	1.9	1.0	1.5
Unemployment rate (%)	7.7	6.7	6.5	6.7	6.6	6.5
Current a/c balance (% of GDP)	2.8	-0.7	1.5	1.7	2.1	2.4
Government balance (% of GDP)	-5.2	-3.6	-3.3	-2.9	-2.4	-2.1
ECB Refinancing rate (% EOP)	0.0	2.5	4.5	3.0	2.0	2.0
10-yr govt.yield, EZ avg (% EOP)	0.3	3.4	3.4	2.9	2.8	2.7
Exchange rate (US\$ per euro, EOP)	1.13	1.07	1.05	1.07	1.12	1.15
Exchange rate (euro per £, EOP)	0.84	0.89	0.86	0.87	0.87	0.88

# Development: Increasingly hard to build modern space

The market cannot build itself out of the supply/demand mismatch



## Costs

Land, labour, materials



## Sites

**76%**

Proportion of European logistics developers stating that a lack of development sites was very important <sup>1</sup>



## Planning

Local resident & council opposition



## Sustainability

Environmental impacts & carbon taxes

# Non-exhaustive glossary and definitions

All numbers in this presentation are as at 30 September 2023 and stated in Euro (“EUR” or “€”), unless otherwise stated

Abbreviations / mentions	Definitions
Bps	Basis points
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
Pcp	Prior corresponding period
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 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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Investors:

Cromwell EREIT Management Pte. Ltd.

Elena Arabadjieva

Chief Operating Officer & Head of Investor Relations

✉ [elena.arabadjieva@cromwell.com.sg](mailto:elena.arabadjieva@cromwell.com.sg)

☎ +65 6920 7539

Media: SEC Newgate Singapore

✉ [cereit@secnewgate.sg](mailto:cereit@secnewgate.sg)

