



(a real estate investment trust constituted on 28 April 2017 under the laws of the Republic of Singapore)  
Managed by Stoneweg EREIT Management Pts. Ltd.

## **STONEWEG EUROPEAN REIT'S PORTFOLIO VALUATIONS CONTINUE TO RISE AMIDST STABILISING YIELDS AND MARKET RENT GROWTH**

- **0.3% higher like-for-like for the six months to 31 December 2024**
- **Proforma unaudited €2.05 NAV/UNIT as at 31 December 2024**
- **Proforma net gearing 40.2% as at 31 December 2024**

### **1. Introduction**

The Board of Directors of Stoneweg EREIT Management Limited, the Manager of Stoneweg European Real Estate Investment Trust (the "**Manager**" and "**SERT**"), wishes to announce<sup>1</sup> that Jones Lang LaSalle Incorporated ("**JLL**") and Savills Advisory Services Limited ("**Savills**") have carried out respective independent valuations ("**Valuations**") for 105 properties in SERT's portfolio as at 31 December 2024, resulting in a total portfolio valuation of €2,241.8 million<sup>2</sup>.

Valuations at 31 December 2024 rose by 0.3% or €6.9 million compared to valuations at 30 June 2024, reflecting stabilising conditions in Europe, and supported by rental growth, lower risk-free rates and improved financing conditions for selective asset classes. Taking into account the capital expenditure incurred in the period, amount of debt outstanding, and other factors, the proforma unaudited NAV/unit is expected to be approximately €2.05/unit and net gearing of 40.2% as of 31 December 2024.

Simon Garing, CEO of the Manager, said: "I am pleased to report a turnaround in valuations in 2024, which is the result of our teams' proactive leasing and asset management initiatives, as well as a combination of various positive economic and market factors such as lower inflation, easing monetary policy, the valuers' positive outlook on market rents and shifting demand for better quality office stock.

"Our strategy to pivot the portfolio to majority exposure to the logistics and light industrial sectors continued to benefit SERT's portfolio and is now 55% of the total portfolio allocation weight. This sector recorded a valuation gain of €29.6 million (+2.4%) compared to the 30 June 2024 valuations, which were, in turn, up 2.0% in 1H 2024. The improvement was primarily due to the approximately 2.9% market rent growth across the sector with a slight compression of 20bps in terminal cap rate following multiplied rate cuts implemented by ECB this year.

"According to CBRE's latest forecasts, the weighted average yield for logistics and office assets in Europe is projected to tighten gradually from 2025 onward by approximately 25 – 75bps over the next 5 years, while a recent Reuters poll of economists showed the expectation of a further 100bps cuts to ECB rates over 2025 to a target of 2.0%, with inflation moderating to 2.1% in 2025 supporting the improving valuation cycle.

"SERT is well placed with a resilient and well diversified and predominately freehold portfolio, over 1,000 leases, new dedicated and experienced Sponsor with an enhanced 300-person team, leading corporate governance,

an investment grade rating reflecting a robust balance sheet and earnings outlook, and a focus on sustainably growing DPU/NAV/unit over the medium term, while trading at 24% discount to the proforma unaudited NAV of €2.05/unit”.

## 2. Portfolio valuations commentary

SERT’s portfolio valuations rose by 0.3% compared to June 2024 (like-for-like comparison and excluding capital expenditure). The main drivers contributing to valuation growth include:

- Increase in passing and market rents across the portfolio due to positive economic and market factors such as inflation, easing monetary policy and improving demand prospects;
- SERT’s logistics / light industrial portfolio initial yield is now 6.0%, supported by a high 95% occupancy<sup>3</sup> and long WALE of 4.9 years<sup>3</sup> with a higher reversionary yield of 6.9% reflecting the Valuers’ expectation for further market rent growth.
- SERT’s office portfolio initial yield in is now 6.4%, supported by a stabilised 91%<sup>3</sup> occupancy and long WALE of 4.4<sup>3</sup> years, with a higher reversionary yield of 9.2%.

## 3. Sector / country and valuations commentary

Key performance numbers by country and sector are outlined in the table below. The Logistics / Light industrial sector is now 55% of the SERT portfolio allocation weight, office is 43% and Other is 2% by value.

Sector / Country	Valuation (31Dec24) (€ million)	Valuation (30Jun24) (€ million)	6-mth change in valuation (€ million)	6-mth change in valuation (%)	Initial yield 31Dec24 (%)	Reversionary yield 31Dec24 (%)
<b>Logistics / Light Industrial</b>	<b>1,240.0</b>	<b>1,210.4</b>	<b>29.6</b>	<b>2.4%</b>	<b>6.0%</b>	<b>6.9%</b>
France	397.4	395.2	2.2	0.5%	6.1%	7.2%
Germany	212.9	204.8	8.2	4.0%	5.9%	6.7%
Italy	165.5	161.6	3.9	2.4%	6.0%	6.8%
Denmark	140.8	134.6	6.1	4.6%	6.0%	7.4%
The Netherlands	107.0	105.6	1.4	1.3%	5.1%	6.0%
Czech Republic	76.4	76.4	(0.0)	(0.0%)	6.0%	5.8%
Slovakia	71.4	69.9	1.6	2.2%	7.2%	7.2%
United Kingdom	68.6	62.3	6.3	10.1%	5.9%	6.9%
<b>Office</b>	<b>958.1</b>	<b>980.5</b>	<b>(22.3)</b>	<b>(2.3%)</b>	<b>6.4%</b>	<b>9.2%</b>
The Netherlands	497.3	510.2	(13.0)	(2.5%)	5.6%	8.5%
Italy	195.7	196.9	(1.2)	(0.6%)	5.0%	8.9%
Poland	155.9	157.8	(2.0)	(1.3%)	9.9%	11.4%
France	55.2	53.2	2.0	3.8%	7.3%	9.3%
Finland	54.1	62.3	(8.2)	(13.2%)	7.7%	10.5%
<b>Others</b>	<b>43.6</b>	<b>44.0</b>	<b>(0.4)</b>	<b>(0.8%)</b>	<b>9.5%</b>	<b>8.3%</b>
Italy	43.6	44.0	(0.4)	(0.8%)	9.5%	8.3%
<b>Grand Total</b>	<b>2,241.8</b>	<b>2,234.9</b>	<b>6.9</b>	<b>0.3%</b>	<b>6.2%</b>	<b>7.9%</b>

### Notes

- Mestre, Lenine, Grandinkulma, Padova, Grojecka 5, Bari Europa, Bari Trieste, Milano Affari, Parc du Bois du Tambour, Opus 1, Gewerbepark Bischofsheim II and Gewerbepark Frankfurt-Hanau were excluded from all valuation numbers above as they have been sold

### 3.1 Logistics / Light Industrial sector performance commentary

Seven out of the eight countries in SERT's logistics / light industrial portfolio recorded valuation uplifts in the past six months: the United Kingdom (+10.1% or €6.3 million), Denmark (+4.6% or €6.1 million), Germany (+4.0% or €8.2 million), Italy (+2.4% or €3.9 million), Slovakia (+2.2% or €1.6 million), the Netherlands (+1.3% or €1.4 million) and France (+0.5% or €2.2 million). These favourable movements were generally due to compression in terminal cap rates, higher passing and market rents, new leases signed and ongoing rent inflation indexation. The valuation uplift in the United Kingdom was also partly due to the 2.2% appreciation of the GBP against EUR over the last six months, as well as 15% increase (or €4.9 million) in Thorn Lighting Spennymoor's valuation because of recent extended lease at higher rents arising from the installation of PV system and fully preleasing a new warehouse expansion on site. Czech Republic's valuation, on the other hand, held steady.

### 3.2 Office sector performance commentary

The office portfolio valuations declined by approximately 2.3% over the last six months. After declining trends since COVID, one of the five countries in SERT's office portfolio notably recorded valuation uplifts in the last six months: France (+3.8% or €2.0 million). The French valuation uplift was mainly due to 20bps compression in terminal cap rate and 1.5% increase in passing effective rent, partially offset by 110bps expansion in discount rate.

Moderating and negligible valuation declines were recorded in the Italy (-0.6% or €1.2 million), Poland (-1.3% or €2.0 million), the Netherlands (-2.5% or €13.0 million) while). The downward movements were mostly due to upcoming potential refurbishment and redevelopment projects to be undertaken at Haagse Poort and Ruyterkade in the Netherlands. While final approvals are still pending for both projects, the valuers have now accounted for part of the development potential. The valuers have adopted higher market rents (+30.1% increase to between €215 and €250 per sqm, and +61% increase to €562 per sqm respectively) reflecting the quality of the redevelopment, offset by an increase in the discount rate by 100bps to reflect the early development stages risk. Finnish assets continued to be marked down (-13.2% or €8.2 million) due to weak occupier demand in secondary office markets and now reflect a high initial yield of 7.7%.

### 3.3 'Others' sector performance commentary

Slight valuation decline was recorded in Italy's 'others' portfolio (-0.8% or €0.4 million), mainly due to approximately €0.7 million increase in future capex, as well as 2.9% and 8.6% decrease in passing and market effective rents, partially offset by c. 70bps compression in both terminal cap rate and discount rates, and 8.8% decrease in vacancy expectations by the valuers.

## 4. Valuation table

The Valuations summarised below will be reflected in the financial statements of SERT for the year ended 31 December 2024 on completion of portfolio management discussion and analysis accompanying the release of the 2024 full year financial results expected to be in February 2025.

Property	Country	Asset Class	31-Dec-24 Valuation € million
<b>1. Valued by JLL</b>			
Kauppakatu 39	Finland	Office	6.3
Myyrmäenraitti 2	Finland	Office	5.5

Property	Country	Asset Class	31-Dec-24 Valuation € million
Mäkitorpantie 3b	Finland	Office	5.2
Pakkalankuja 7	Finland	Office	4.2
Pakkalankuja 6	Finland	Office	6.3
Plaza Allegro	Finland	Office	7.2
Plaza Forte	Finland	Office	8.7
Plaza Vivace	Finland	Office	8.1
Purotie 1	Finland	Office	2.5
An der Kreuzlache 8-12	Germany	Logistics / Light Industrial	13.6
Parsdorfer Weg 10	Germany	Logistics / Light Industrial	39.0
Frauenstraße 31	Germany	Logistics / Light Industrial	10.2
Hochstraße 150-152	Germany	Logistics / Light Industrial	15.0
Moorfleeter Straße 27, Liebigstraße 67-71	Germany	Logistics / Light Industrial	10.9
Kolumbusstraße 16	Germany	Logistics / Light Industrial	11.0
Henschelring 4	Germany	Logistics / Light Industrial	12.8
Dresdner Straße 16, Sachsenring 52	Germany	Logistics / Light Industrial	8.9
Siemensstraße 11	Germany	Logistics / Light Industrial	18.1
Gewerbestraße 62	Germany	Logistics / Light Industrial	13.5
Gutenbergstraße 1, Dieselstraße 2	Germany	Logistics / Light Industrial	9.2
Göppinger Straße 1 – 3	Germany	Logistics / Light Industrial	15.0
An der Wasserschluff 7	Germany	Logistics / Light Industrial	20.4
Löbstedter Str. 101 – 109, Unstrutweg 1, 4, Ilmstr. 4, 4a	Germany	Logistics / Light Industrial	15.5
Corso Annibale Santorre di Santa Rosa 15	Italy	Office	6.2
Via della Fortezza 8	Italy	Office	15.8
Via Camillo Finocchiaro Aprile 1	Italy	Office	19.0
Nuova ICO	Italy	Office	6.7
Building F7-F11	Italy	Office	20.7
Nervesa 21	Italy	Office	56.5
Cassiopea 1-2-3	Italy	Office	11.7
Via Pianciani 26	Italy	Office	34.1
Maxima	Italy	Office	25.2
Strada Provinciale Adelfia	Italy	Logistics / Light Industrial	16.6
Centro Logistico Orlando Marconi	Italy	Logistics / Light Industrial	60.8
Via Fogliano 1	Italy	Logistics / Light Industrial	26.6
Via dell'Industria 18	Italy	Logistics / Light Industrial	39.7
Via Fornace	Italy	Logistics / Light Industrial	21.8
Via Salara Vecchia 13	Italy	Others	10.7
Via Madre Teresa 4	Italy	Others	12.1
Starhotels Grand Milan	Italy	Others	20.8
Bastion	The Netherlands	Office	64.8
Haagse Poort	The Netherlands	Office	161.1
De Ruyterkade 5	The Netherlands	Office	43.0
Blaak 40	The Netherlands	Office	17.3
Koningskade 30	The Netherlands	Office	19.2
Central Plaza	The Netherlands	Office	140.3
Moeder Teresalaan 100 / 200	The Netherlands	Office	51.6
Veemarkt	The Netherlands	Logistics / Light Industrial	52.3
Boekweitstraat 1 - 21 & Luzernestraat 2 - 12	The Netherlands	Logistics / Light Industrial	11.3

Property	Country	Asset Class	31-Dec-24 Valuation € million
Capronilaan 22 - 56	The Netherlands	Logistics / Light Industrial	9.4
Folkstoneweg 5 - 15	The Netherlands	Logistics / Light Industrial	4.2
Kapoeasweg 4 - 16	The Netherlands	Logistics / Light Industrial	7.8
De Immenhorst 7	The Netherlands	Logistics / Light Industrial	11.2
Rosa Castellanosstraat 4	The Netherlands	Logistics / Light Industrial	10.9
Thorn Lighting	United Kingdom	Logistics / Light Industrial	37.5
The Cube	United Kingdom	Logistics / Light Industrial	19.7
Kingsland 21	United Kingdom	Logistics / Light Industrial	11.3

<b>2. Valued by Savills</b>			
Fabriksparken 20	Denmark	Logistics / Light Industrial	8.3
Herstedvang 2-4	Denmark	Logistics / Light Industrial	10.5
Hørskæppen 4-6	Denmark	Logistics / Light Industrial	9.0
Hørskæppen 5	Denmark	Logistics / Light Industrial	6.6
Islevalvej 142	Denmark	Logistics / Light Industrial	11.4
Naverland 12	Denmark	Logistics / Light Industrial	5.3
Naverland 7-11	Denmark	Logistics / Light Industrial	18.6
Naverland 8	Denmark	Logistics / Light Industrial	9.5
Priorparken 700	Denmark	Logistics / Light Industrial	16.5
Priorparken 800	Denmark	Logistics / Light Industrial	16.7
Stamholmen 111	Denmark	Logistics / Light Industrial	11.4
Sognevej 25	Denmark	Logistics / Light Industrial	17.1
Paryseine	France	Office	28.5
Cap Mermoz	France	Office	26.7
Parc des Docks	France	Logistics / Light Industrial	163.8
Parc Acticlub	France	Logistics / Light Industrial	7.5
Parc de Champs	France	Logistics / Light Industrial	7.9
Parc Delizy	France	Logistics / Light Industrial	23.3
Parc des Érables	France	Logistics / Light Industrial	10.1
Parc des Grésillons	France	Logistics / Light Industrial	27.6
Parc des Guillaumes	France	Logistics / Light Industrial	35.9
Parc du Landy	France	Logistics / Light Industrial	29.6
Parc du Merantais	France	Logistics / Light Industrial	12.3
Parc Jean Mermoz	France	Logistics / Light Industrial	8.7
Parc le Prunay	France	Logistics / Light Industrial	10.1
Parc Locaparc 2	France	Logistics / Light Industrial	10.3
Parc Urbaparc	France	Logistics / Light Industrial	19.7
Parc Sully	France	Logistics / Light Industrial	2.6
Parc Parçay-Meslay	France	Logistics / Light Industrial	5.1
Parc Louvresses	France	Logistics / Light Industrial	10.0
Parc Béziers	France	Logistics / Light Industrial	12.9
Moravia Industrial Park	Czech Republic	Logistics / Light Industrial	15.1
Lovosice ONE Industrial Park I	Czech Republic	Logistics / Light Industrial	18.3
Lovosice ONE Industrial Park II	Czech Republic	Logistics / Light Industrial	16.0
South Moravia Industrial Park	Czech Republic	Logistics / Light Industrial	10.1
Pisek Industrial Park I	Czech Republic	Logistics / Light Industrial	4.0
Pisek Industrial Park II	Czech Republic	Logistics / Light Industrial	1.7

Property	Country	Asset Class	31-Dec-24 Valuation € million
ONE – Hradec Králové	Czech Republic	Logistics / Light Industrial	11.2
Zilina Industrial Park	Slovakia	Logistics / Light Industrial	4.6
Nove Mesto ONE Industrial Park I	Slovakia	Logistics / Light Industrial	26.7
Kosice Industrial Park	Slovakia	Logistics / Light Industrial	9.4
Nove Mesto ONE Industrial Park III	Slovakia	Logistics / Light Industrial	21.3
Nove Mesto ONE Industrial Park II	Slovakia	Logistics / Light Industrial	9.5
Arkońska Business Park	Poland	Office	8.0
Riverside Park	Poland	Office	21.6
Avatar	Poland	Office	19.4
Green Office	Poland	Office	36.9
Business Garden	Poland	Office	70.0

The valuation reports will be available for inspection by prior appointment at the Manager's registered office during business hours, for three months from the date of release of the FY 2024 financial results which is expected to be on 27 February 2025.

By Order of the Board  
Simon Garing  
Executive Director and Chief Executive Officer

**Stoneweg EREIT Management Pte. Ltd.**  
(Company Registration No.: 201702701N)  
As manager of Stoneweg European Real Estate Investment Trust

08 January 2025

## **ABOUT STONEWEG EUROPEAN REAL ESTATE INVESTMENT TRUST**

Stoneweg European Real Estate Investment Trust ("**Stoneweg European REIT**" or "**SERT**") has a principal mandate to invest, directly or indirectly, in income-producing commercial real estate assets across Europe with a minimum portfolio weighting of at least 75% to Western Europe and at least 75% to the logistics / light industrial and office sectors. SERT currently targets a majority investment weighting to the logistics / light industrial sector while also investing in core office assets in gateway cities. SERT strives to be a resilient, ethical, and socially responsible organisation that contributes positively to all stakeholders, leading to higher risk-adjusted returns while maintaining an appropriate capital structure.

SERT's €2.2 billion portfolio comprises 100+ predominantly freehold properties in or close to major gateway cities in The Netherlands, Italy, France, Poland, Germany, Finland, Denmark, Slovakia, the Czech Republic and the United Kingdom, with an aggregate lettable area of approximately 1.7 million sqm and 800+ tenant-customers.

SERT is listed on the Singapore Exchange Limited and is managed by Stoneweg EREIT Management Pte. Ltd. Stoneweg Iona Capital Platform ("**Stoneweg**"), with its subsidiaries and associates, is the Sponsor and 28% substantial unitholder of SERT. The venture by alternative investment group Iona Capital and real estate investment group Stoneweg currently has ~€8.0 billion of assets under management, employs over 300 professionals and is present in 15 European countries, the US and Singapore.

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1 Pursuant to Rule 703 of the SGX-ST Listing Manual

2 Excluding Via Rampa Cavalcavia 16-18 which has been sold and completed in December 2024. Including Via della Fortezza, 8 as it will be on SERT's balance sheet as at 31 December 2024 as an asset held for sale pending completion of the sale which is expected to take place in January 2025. The valuations and financial statements are subject to audit review by CEREIT's auditors Deloitte & Touche LLP. Accordingly, the valuation reports would only be available from the date of the announcement of the full-year financial results for FY 2024, which is expected to be on 27 February 2025

3 As at 30 September 2024