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Cromwell European REIT

Continues to Register Strong Leasing Momentum; Secures Large Leases in France, Poland and Denmark

SINGAPORE – Cromwell EREIT Management Pte. Ltd., the manager (the “**Manager**”) of Cromwell European Real Estate Investment Trust (“**Cromwell European REIT**” or “**CEREIT**”), is pleased to announce that CEREIT has secured three large leases spanning over 25,000 square metres (“**sq m**”) of office and light industrial / logistics space across France, Poland and Denmark. These comprise renewals and new leases to well-established multinational and domestic corporations.

The Manager’s Chief Executive Officer, Mr. Simon Garing, commented, “The three major renewals and new leases build on CEREIT’s leasing momentum in 1H 2020 and are just some of the highlights of the continued active leasing activity in 3Q 2020. Cromwell Property Group’s pan-European on-the-ground teams have been able to operate effectively even amid the ongoing COVID-19 pandemic and we are encouraged by the local teams’ successes in securing recurring cashflows from the three assets for the next few years.”

The largest of the three leases is for a 15,444 sq m light industrial / logistics space in the Parc de Popey asset leased to a major postal service and logistics company which is largely owned by the French government. The tenant-customer renewed its lease for a 3/6/9 lease structure at the asset, which is located in Bar le Duc, the centre of the Grand Est Region in eastern France. It has made significant investments in highly specialised machinery, establishing Parc de Popey as one of the most important industrial parcel distribution centres in the region.

In Poland, UBS Kraków has extended its lease for a 5,000 sq m office space in the Green Office Asset until 2026. The asset is located in Kraków, the second-largest city and largest regional office market in Poland. It is located in the ‘Krakowski Park Technologiczny’ Special Economic Zone, a leading office location for technology companies in Kraków and situated close to the Kraków motorway ring road which is linked to the Kraków Airport.

In Denmark, CEREIT signed a 5,314 sq m lease for four years with a new tenant-customer, Hverdag.dk, at Priorparken 800. The tenant-customer is a fast-growing e-commerce business with an AA credit. The light industrial / logistics asset is located in Brøndby, Denmark and is just 1.5 kilometres from the Glostrup city centre, benefitting from good access to highways E47 and E20.

In the first half ended 30 June 2020, CEREIT secured 81 new and renewed leases spanning 43,484 sq m of space, achieving a +6.4% blended rent reversion rate and maintaining portfolio occupancy at 94.7%. These pertain to CEREIT's entire portfolio, which largely comprises office assets (63%) and light industrial / logistics assets (31%). On a segmented basis, CEREIT signed 32 leases for office space, recording a +1.8% rent reversion rate, and signed 49 leases for light industrial / logistics space, recording a +13.0% average rent reversion rate.

The Assets



Image: Parc de Popey, Bar le Duc, France



Image: Green Office Asset, Kraków, Poland



Image: Priorparken 800, Brøndby, Denmark

ABOUT CROMWELL EUROPEAN REIT

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

CEREIT’s portfolio comprises 95 properties with an appraised value of approximately €2,078 million as at the date of this announcement in or close to major gateway cities in the Netherlands, Italy, France, Poland, Germany, Finland and Denmark, with a balanced focus on the office and light industrial / logistics sectors. CEREIT’s portfolio comprised 94 properties with an aggregate lettable area of approximately 1.4 million square metres, around 800 tenant-customers and a WALE¹ profile of approximately 5.1 years as at 30 June 2020.

CEREIT is the first REIT with a diversified pan-European portfolio listed on the Singapore Exchange Limited. CEREIT is managed by Cromwell EREIT Management Pte. Ltd., a wholly-owned subsidiary of CEREIT’s sponsor, Cromwell Property Group², a real estate investor and manager with operations in 14 countries, listed on the Australian Securities Exchange Ltd.

¹ “**WALE**” refers to weighted average lease expiry. CEREIT’s WALE is by headline rent based on the final termination date of the “agreement (assuming the tenant-customer does not terminate the lease on any of the permissible break date(s), if applicable. WALE is as at 30 June 2020. The reassessment of the lease structure for the tenant-customer Agenzia del Demanio in Italy had a positive impact of 0.8 years on the portfolio WALE, which would have otherwise been 4.3 years.

² Cromwell Property Group is a stapled group comprising Cromwell Corporation Limited and Cromwell Diversified Property Trust (the responsible entity of which is Cromwell Property Securities Limited).

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