Media release
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Stoneweg European REIT in confident operational and capital management position in 1Q 2025

- **Resilient performance:** Indicative DPU 3.374 Euro cents +0.3% higher than last quarter
- **Stable portfolio metrics:** +7.4% like-for-like NPI growth
- **Strong financial position:** €500 million 6-year green bond issued
- **Strategic growth focus:** SERT's manager is evaluating SWI Group's pipeline (ROFR), including logistics and complementary asset classes like data centres

	1Q 2025	1Q 2024	Variance
Gross revenue (€'000)	**53,562**	53,278	0.5%
Net property income ("NPI") (€'000)	**33,506**	32,732	2.4%
Income available for distribution to Unitholders (€'000)	**18,922**	19,710	(4.0%)
Indicative Distribution per Unit ("DPU") (Euro cents)	**3.374**	3.505	(3.7%)

SINGAPORE – Stoneweg EREIT Management Pte. Ltd., the manager (the "**Manager**") of Stoneweg European Real Estate Investment Trust ("**Stoneweg European REIT**" or "**SERT**"), today announced SERT's operational and business updates for the first quarter ended 31 March 2025 ("**1Q 2025**"), demonstrating SERT's strengthened operational and capital management position with a rebased portfolio, income growth and derisked debt book.

Resilient financial performance

Net property income ("NPI") for 1Q 2025 was €33.5 million, up 2.4% compared to the prior corresponding period ("pcp"), primarily driven by higher rental income from assets such as Nervesa21 in Milan and Thorn Lighting in Durham, along with a reversal of bad debt provisions in France as two tenants paid up their arrears. Still, NPI growth was mitigated by the loss of income from assets sold. On a like-for-like basis, NPI rose 7.4%, reflecting the full contribution from the now fully leased Nervesa21 in Milan and higher indexation in general. All three portfolio sectors recorded strong like-for-like NPI growth: logistics/Light Industrial increased by 9.6%, office grew by 4.2%, and the 'Others' segment saw a 19.3% rise due to higher turnover rent from Starhotels Grand Milan.

Gross revenue for 1Q 2025 was €53.6 million, largely in line with pcp, with stable leasing activity supporting income levels. 1Q 2025 indicative distribution per unit (DPU) was 3.7% lower than the pcp, mainly due to the full impact of higher interest expense. However, DPU was up 0.3% compared to 4Q 2024, signalling continued stabilisation following the NPI trough associated with the necessary portfolio rebalancing in recent years.

Capital strength and financial stability

SERT's financial position strengthened further following the successful issuance of a €500 million 6-year green bond in January 2025. Proceeds were used to redeem the €450 million bond due November 2025 fully, extending the weighted average debt maturity to 4.1 years with no debt maturing until late 2026. The Manager also recently entered into €150 million of new hedges, maintaining fixed/hedged debt at 89% for a longer period, while fixed/hedged cover was extended to 73% in 2027.

SERT's net gearing is 41.7%, slightly above the Board's medium-term policy range of 35–40%, though still well below regulatory thresholds and the Board ceiling of 45%. All other financial metrics remain comfortably within the covenants of bond and loan facilities and the credit rating agencies' metrics for an investment-grade rating. Fitch Ratings and S&P Global investment grade ratings remain unchanged.

Major leasing activity to boost occupancy

Total portfolio occupancy temporarily dipped to 92% in 1Q 2025. The Western European portfolio's occupancy was 93.1%, while the Central Eastern European portfolio was 85.9%, mainly due to a new vacancy in Poznan, Poland, where leasing marketing has commenced.

The occupancy of the logistics and light industrial portfolio in 1Q 2025 was 94%, similar to year-end 2024. 8,000 sqm leases in Parc des Docks Paris were terminated during the quarter, and the Manager expects to release them at higher rents soon. Leasing successes in Denmark, The Netherlands and France partly mitigated the impact of these lease terminations. The sector recorded a +4.9% rent reversion and maintained a long weighted average lease expiry (WALE) of 5.2 years.

In 1Q 2025, the office portfolio maintained a long WALE of 5.1 years. However, occupancy temporarily declined to 85.7%, primarily due to NN Groups NV's space optimisation in Haagse Poort (tied to a much larger commitment to the building - see below). The Manager is in advanced lease negotiations to re-let most of the 7,000 vacant space at substantially higher rents. Office occupancy across the core prime office portfolio stabilised at 90.5%, excluding the weaker Polish and downsized Finnish portfolios.

In April, the Manager renewed nearly 27,000 sqm of office leases with two of its top 10 tenant-customers - Coolblue at Central Plaza in the Netherlands and Motorola at Green Office in Poland for 5 and 7 years, respectively. At Haagse Poort in The Hague, the Manager achieved a significant milestone by recently signing a cooperation agreement with Nationale-Nederlanden ("**NN Group NV**") and a 20-year lease renewal over 28,000 sqm on significantly higher rents, including an upgrade plan of the premise at an expected capex of €60 million, subject to final customary approvals. Office rent reversion was relatively flat in 1Q 2025, but the recent large lease renewal with NN Group NV in April should boost 2Q 2025 rent reversion.

Economic and market commentary

Following President Trump's "Liberation Day" announcement in early April 2025, Oxford Economics revised its Eurozone growth forecasts downward, projecting modest expansions of just 0.8% in 2025 and 1.0% in 2026. These subdued expectations reflect heightened economic uncertainty and Europe's vulnerability to potential U.S. tariffs, particularly due to large bilateral trade surpluses in key sectors like automotive and pharmaceuticals. However, the outlook is expected to improve from 2027 onward, especially for Germany, as Oxford Economics significantly upgraded its forecasts in anticipation of pro-growth fiscal policy changes under the newly elected Conservative government.

Meanwhile, Europe is actively responding to external pressures by accelerating economic and defence reforms, marked by increased investment and strategic policy shifts aimed at bolstering long-term resilience and competitiveness. These developments are particularly positive for the industrial and logistics sector.

Outlook

CEO Simon Garing concluded: "SERT now has the longest WALE and WADE in its history, with nine of the top ten tenant-customer leases now expiring beyond 2030 after very substantive leasing success. SERT has no debt maturing until late 2026, following the successful issuance of a six-year bond.

"SERT is trading on a yield of approximately 9%[1], underpinned by a strengthening Euro currency and a ~25% discount to NAV per unit. We continue to view SERT's investment proposition as compelling, reflected in the Board's decision to commence a unit buyback during the current heightened volatility. Our confidence is reinforced by the good support that we receive from our investors. They recognise the upside potential within the portfolio, underpinned by declining Euro interest rates and an excellent track record in active asset management, development/AEI and disciplined capital management.

"The Manager is now largely integrated with our new sponsor, Stoneweg Icona Global Platform and benefitting from their successful European experience and access to deep capital pools. We are actively taking strategic steps within SERT's portfolio to unlock value, generate alpha and catalyse positive unit price performance to close the gap to NAV/unit. We are rigorously assessing the sponsor's logistics and data centres pipeline for meaningful and value-accretive opportunities.

"We are preparing to adopt the proposed stapled REIT-BT structure for greater flexibility and tax efficiency while maintaining our existing gearing and distribution payout ratios policies. We continue to closely monitor global trade dynamics and assess the potential impact on real estate fundamentals. Our focus remains on delivering sustainable, risk-adjusted returns across market cycles."

1Q 2025 results briefing call

The Manager of SERT invites investors and media to attend a live virtual earnings call which will cover SERT's financial and operational performance for 1Q 2025, hosted by the executive management team.

Details of the event are as follows:

Date	29 April 2025
Time	12.00 PM (Singapore Time)
Registration	https://openexc.zoom.us/webinar/register/WN_kiUI0ndLT8GKJjMx5jZVzA

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ABOUT STONEWEG EUROPEAN REIT

Stoneweg European Real Estate Investment Trust ("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 Icona Capital Platform ("**Stoneweg**"), with its subsidiaries and associates, is the Sponsor and 28% substantial unitholder of SERT. The venture by real estate investment group Stoneweg and alternative investment group Icona Capital currently has ~€10.0 billion of assets under management, employs over 300 professionals and is present in 15 European countries, the US and Singapore.

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An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. Unitholders have no right to request that the Manager redeem or purchase their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. This announcement may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Predictions, projections or forecasts of the economy or economic trends of the markets are not necessarily indicative of the future or likely performance of SERT. The forecast financial performance of SERT is not guaranteed.

A potential investor is cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events. This announcement is not an offer for sale of the Units in the United States or any other jurisdiction. The Units have not been and will not be registered under the Securities Act and may not be offered or sold in the United States unless registered under the Securities Act, or pursuant to an applicable exemption from registration. There is no intention to register any portion of the offering in the United States or to conduct a public offering of securities in the United States. This announcement is not to be distributed or circulated outside of Singapore. Any failure to comply with this restriction may constitute a violation of United States securities laws or the laws of any other jurisdiction

This announcement has not been reviewed by the Monetary Authority of Singapore.

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1 Based on the most recent unit price of €1.50 as at 28 April 2025 and annualised 1Q 2025 indicative DPU