**Media release**
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STONEWEG
EUROPEAN REIT

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# Stoneweg European REIT well-positioned for cyclical growth in 2025

- **Resilient performance:** FY 2024 DPU of 14.106 Euro cents (-10.1% YoY); 100% payout maintained
- **Stable portfolio metrics:** Like-for-like NPI growth of 2.8%[1] and 93.5% occupancy[2]
- **Strong financial position:** €500 million 6-year green bond issued, de-risking balance sheet
- **Strategic growth focus:** Portfolio repositioned to 55%+ logistics / light industrial for future value creation (0.8% increase in portfolio valuations[3], NAV of €2.03/unit)

| | FY 2024 | FY 2023 | Variance | 2H 2024 | 1H 2024 | Variance |
|---|---|---|---|---|---|---|
| **Gross revenue** (€'000) | **212,919** | 216,489 | (1.6%) | **106,635** | 106,284 | 0.3% |
| **Net property income ("NPI")** (€'000) | **131,145** | 134,281 | (2.3%) | **65,635** | 65,510 | 0.2% |
| **Income available for distribution to Unitholders** (€'000) | **79,328** | 88,254 | (10.1%) | **39,679** | 39,649 | 0.1% |
| **Distribution per Unit ("DPU")** (Euro cents) | **14.106** | 15.693 | (10.1%) | **7.056** | 7.050 | 0.1% |

**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 results for the second half and full year ended 31 December 2024 ("**2H 2024**" and "**FY 2024**"), demonstrating financial resilience and strategic positioning to capitalise on cyclical opportunities in 2025.

**Robust financial performance**

SERT delivered stable operating performance despite market headwinds, with FY 2024 net property income ("**NPI**") of €131.1 million, reflecting a moderate 2.3% decline YoY due to asset divestments. Encouragingly, like-for-like NPI grew 2.8%, led by positive rent reversions and higher occupancy, particularly in the Netherlands, with office portfolio delivering +5.0% NPI like-for-like growth and the logistics / light industrial sector +1.5% like-for-like growth.

FY 2024 gross revenue stood at €212.9 million (-1.6% YoY), with resilient leasing activity supporting income stability. While DPU declined 10.1% YoY, mainly due to asset sales and higher interest costs, it remained stable in 2H 2024 vs. 1H 2024 (+0.1%), signalling a bottoming out of NPI impact from the strategic rebalancing over the last couple of years.

## Strengthened portfolio and investment strategy

SERT's strategic pivot to logistics and light industrial assets continues to drive value, with the sector now comprising 55% of the portfolio. Logistics and light industrial valuations rose 4.5% YoY, underpinning the 0.8% overall portfolio valuation uplift (prior to taking into account capital expenditure). Office valuations declined by 3.5% mainly due to the weaker Finnish portfolio and a methodology change in the Dutch portfolio, reclassifying two major assets as pre-development sites. This methodology shift is expected to boost future valuations as these projects progress, while stabilising yields and rent growth supported overall office sector performance.

## Capital strength and financial stability

SERT's financial position significantly improved following the successful issuance of a €500 million 6-year green bond in January 2025, which attracted almost 5x oversubscription from 100+ institutional investors. Proceeds were used to fully redeem the €450 million bond due November 2025, extending weighted average debt maturity to 4.3 years with no debt maturing until late 2026.

Net gearing is at 40.2%, within board policy limits and well below regulatory thresholds. The €235.7 million in undrawn credit facilities and cash provides ample liquidity for future investments.

## Sustained growth through active leasing

SERT achieved a high leasing success rate in 2024, securing 327,493 sqm in new and renewed leases at a +2.8% rent reversion. Tenant retention remained strong at 69.6%, and overall portfolio occupancy was 93.5%, reinforcing income stability and organic rental growth potential.

## High ESG standards drive tenant demand and attract capital

84% of SERT's office portfolio is 'BREEAM' or 'LEED' certified, and 45% of its leases are 'green' – nearly double the 25% sustainability loans' KPI target for 2024. Strong ESG performance enabled the Manager to leverage SERT's newly- updated Green Financing Framework and issue its first Green Bond. SERT now holds over €1.1 billion in green bonds and committed sustainability facilities, reinforcing its appeal to tenants and capital partners.

## Compelling investment case

SERT was the equal best-performing S-REIT in 2024, delivering +24% total shareholder return (TSR) and outperforming the FTSE S-REIT Index (-6%). The REIT continues to trade at a ~25% discount to NAV (€2.03/unit) and offers an attractive 9% annualised DPU yield (based on 2024 DPU), positioning it as a compelling value opportunity for investors.

CEO Simon Garing commented, "With our strengthened balance sheet, logistics sector-focused portfolio, experienced team and with the enthusiastic support of the new sponsor Stoneweg, SERT is well-positioned to take advantage of the next phase of the real estate cycle. We remain committed to delivering sustainable returns through disciplined capital management and accretive growth opportunities."

"Investors are recognising the deep value in SERT's portfolio, given our strong fundamentals and improving market conditions. As we move into 2025, we see potential for rental growth and strategic acquisitions that will drive long-term value creation for our unitholders".

**Economic and Market Commentary**

Eurozone GDP grew by 0.7% in 2024 (up from 0.4% in 2023), driven by ECB rate cuts and government spending, though investment slowed due to political and fiscal uncertainties. Oxford Economics forecasts 0.9% GDP growth in 2025 and 1.2% in 2026, with private consumption rising 1.5% in 2024, CPI down to 2.1%, supporting their view that 3-month Euribor interest rate will drop down to 1.8% by end of this year. This environment supports CBRE's forecast of 11.8% pa total return over next 5 years for prime European Logistics assets, as yields retrace part of their recent sell off.

European transaction volumes hit €55.6 billion in 4Q 2024 (+11% y-o-y) according to MSCI, the busiest quarter in two years, led by logistics, industrial, and living sectors. Office investments fell to their lowest since 2009 but remained the largest sector, with demand for prime, energy-efficient assets.

Geopolitical risks and trade barriers could impact growth and inflation (both upside and downside risks), with the potential of the was in Ukraine coming to an end shortly, focusing attention on the rebuild of the economy and European political stability.

**Outlook: positioned for growth**

With macroeconomic conditions stabilising and European real estate at a positive inflection point, SERT is well-placed to capitalise on selective acquisitions, rental growth, and further asset enhancements. Supported by the new sponsor Stoneweg's deep market expertise and institutional networks and strong support and close alignment with all unitholders, SERT is set to drive long-term value on risk-adjusted basis for unitholders while maintaining strong financial discipline.

**FY 2024 results briefing call**

The Manager of SERT invites investors and media to attend an online briefing which will cover SERT's FY 2024 financial and operational performance, hosted by the executive management team.

Details of the event are as follows:

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| Date | 27 February 2025 |
| Time | 12.00 PM (Singapore Time) |
| Registration | https://openexc.zoom.us/webinar/register/WN_jLB838sxQ_SbClr-OhRt_Q |

**END**

## 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.

## INVESTOR ENQUIRIES

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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] Like-for-like NPI excludes FY 2023 & FY 2024 divestments, Nervesa21, Maxima & Via Dell'Industria 18 due to redevelopment

[2] Occupancy calculations exclude Maxima which is under strip out works, Via Dell'Industria 18 vacant units due to redevelopment and Billstedt which is also under redevelopment

[3] Based on the carrying value as at 31 December 2024, where 104 properties are carried at valuations and 1 property (Via della Fortezza 8, an office property in Italy classified as asset held for sale) is carried at the contracted selling price. If all properties are carried at valuation instead, the like-for-like valuation increase over the last 12 months would be 0.9%. Note this is prior to taking into account capital expenditure incurred.