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Update on Cromwell European REIT’s Business Amid COVID-19 Outbreak in Europe

- CEREIT is benefitting from early resilience planning, as well as risk management measures and protocols implemented by its sponsor Cromwell Property Group, well-ahead of the market
- Cromwell Property Group has made significant investments over the last few years in systems and processes to manage such market disruptions
- CEREIT’s well-diversified portfolio across asset classes, geographies, tenant-customers, and tenant-customer trade sectors, as well as high occupancy rate, long WALE¹ and significant proportion of government tenants are designed to minimise risk and provide resilience against any short-term economic shocks
- Cash, long-weighted debt maturity, low gearing, and undrawn lines underpin CEREIT’s liquidity and security of income



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Milan, Italy

SINGAPORE – Cromwell EREIT Management Pte. Ltd., the manager (the “**Manager**”) of Cromwell European Real Estate Investment Trust (“**Cromwell European REIT**” or “**CEREIT**”), would like to provide an update on CEREIT’s business in Europe amid the COVID-19 outbreak in Italy and other parts of the region.

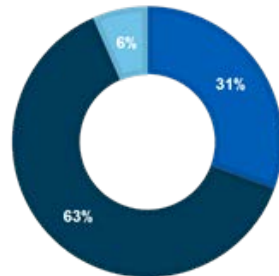
The Manager’s Chief Executive Officer, Mr. Simon Garing, commented, “Like everyone else around the globe, we are closely monitoring the impact of the spread of COVID-19. To date, there has been minimal impact on CEREIT’s income from properties in Italy and wider Europe. Our portfolio is well-diversified across asset classes, geographies, tenant-customers and tenant-customer trade sectors. Together with its high occupancy rate, significant proportion of government tenants and generally long-leased office and light industrial / logistics assets, this provides resilience against any short-term economic shocks.”

“The health and safety of our tenant-customers and employees continue to be our top priority as we face the challenges associated with COVID-19”, he added. “CEREIT’s sponsor Cromwell Property Group has made significant investments over last few years in systems and processes to manage such market disruptions. CEREIT is benefiting from this early resilience planning and risk management measures, implemented well-ahead of the market and supported by 200 staff in 20 cities across Europe, to assist our tenant-customers.”

PORFTOLIO AND CAPITAL MANAGEMENT OVERVIEW

CEREIT’s portfolio is well-diversified across asset classes, geographies, close to 1,000 tenant-customers, and tenant-customer trade sectors, with no country accounting for more than 30% of the portfolio by valuation² or more than 28% of the portfolio by net property income (“NPI”). The portfolio is 63% weighted to office assets, which have, on average, a high 94.6% occupancy rate, a long 4.6-year WALE¹ profile, and less than 6% of leases due for renewal this year. CEREIT’s top 10 tenant-customers have, on average, a 4.5-year long WALE profile.

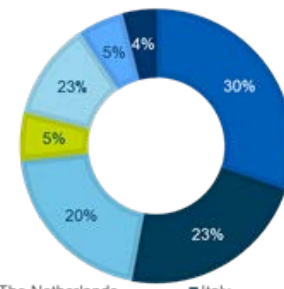
Portfolio Breakdown by Asset Class²



■ Light Industrial / Logistics ■ Office ■ Others*

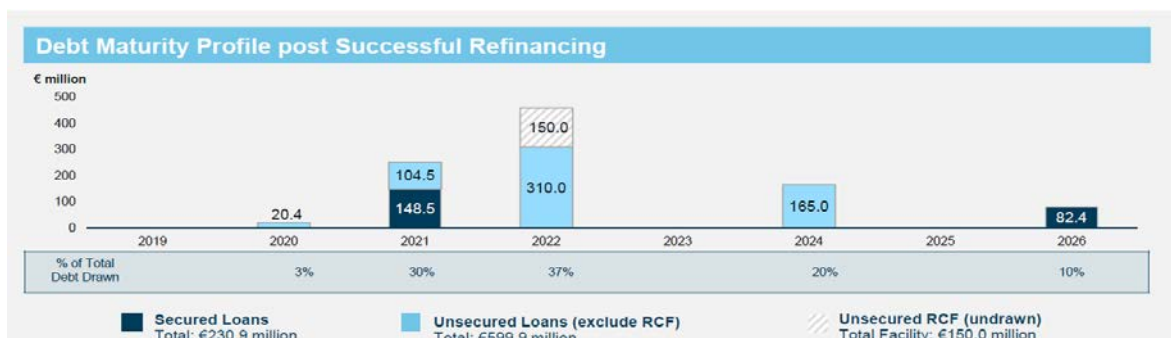
*Others include three government-let campuses, one leisure / retail property and one hotel in Italy

Portfolio Breakdown by Geography²



■ The Netherlands ■ Italy
 ■ France ■ Germany
 ■ Poland ■ Finland
 ■ Denmark

Following its recent transformational refinancing, CEREIT has no debt facilities maturing until 2H 2021, while its interest coverage ratio stands at 8.6 times and pro forma aggregate gearing is ~36%, comfortably below the 45% regulatory gearing limit.



UPDATE ON THE ITALIAN PORTFOLIO

CEREIT's Italian assets are 99% occupied, with the office and light industrial / logistics properties having a 4.2-year and 2.6-year WALE¹ profile, respectively. Three of CEREIT's top 10 tenant-customers are Italian, and collectively account for approximately 16% of its headline rent. The largest Italian contributor is the Italian Federal Government, which accounts for almost 60% of the entire Italian portfolio's income and is committed to long-term leases through to 2023. In total, CEREIT has 62 Italian leases, with more than 80% of these being office leases and leases representing less than €70,000 of NPI expiring this year. CEREIT also owns a four-star hotel and an asset with a cinema in Italy – they account for less than 2.5% of the portfolio's NPI. The Italian portfolio accounts for only 23% of CEREIT's entire portfolio, by valuation.

Taking into an account the current circumstances and having put the appropriate risk mitigation measures in place, FY 2020 DPU is expected to be at FY 2019 DPU level, barring unforeseen circumstances. The Manager will continue to proactively provide regular and timely updates to the market.

ABOUT CROMWELL EUROPEAN REAL ESTATE INVESTMENT TRUST

Cromwell European REIT 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. With a portfolio of 103 properties as at 25 February 2020 in or close to major gateway cities in Denmark, Finland, France, Germany, Italy, the Netherlands as well as Poland, and a balanced focus on the office and light industrial / logistics sectors, it is also the first REIT with a diversified Pan-European portfolio to be listed on Singapore Exchange Securities Trading Limited.

As at 31 December 2019, CEREIT's portfolio has an aggregate lettable area of approximately 1.5 million sq m with close to 1,000 tenant-customers and a WALE¹ profile of around 4.4 years. Comprising primarily freehold or ongoing leasehold assets, the portfolio has an appraised value of approximately €2,103 million as at 31 December 2019.

CEREIT is managed by Cromwell EREIT Management Pte. Ltd., a wholly-owned subsidiary of CEREIT's sponsor, Cromwell Property Group³, a real estate investor and manager with operations in 15 countries, listed on the Australian Securities Exchange Ltd.

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¹ "WALE" is defined as weighted average lease expiry 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). Note: "FY 2019" refers to the period from 1 January 2019 to 31 December 2019; "1H 2020" refers to the period from 1 January 2020 to 30 June 2020; "FY 2020" refers to the period from 1 January 2020 to 31 December 2020; "2H 2021" refers to the period from 1 July 2021 to 31 December 2021

² Valuation is based on independent valuations conducted by Colliers and Cushman & Wakefield as at 31 December 2019 for 91 properties in the portfolio and the sales price for the 12 assets announced for sale on 17 December 2019

³ Comprising Cromwell Corporation Limited and the Cromwell Diversified Property Trust (the responsible entity of which is Cromwell Property Securities Limited)