Media Release
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CROMWELL EUROPEAN REIT

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Cromwell European REIT Announces Accretive Acquisitions of Six Properties in France and Poland

- Marks entry into robust Greater Paris office market and increases presence in attractive Polish office market
- Strategically located freehold properties with excellent connectivity and high occupancy rates enlarge earnings base and enhance diversity, strengthening resilience and reducing concentration risks
- Acquisitions at Net Initial Yield[1] of 7.4% expected to increase distribution per unit ("**DPU**")[2]
- Potential upside from rental growth, leveraging expertise and on-the-ground asset management team of Cromwell Property Group[3] (the "**Sponsor**")
- To be funded by a mix of debt and equity pursuant to a private placement

SINGAPORE – Cromwell EREIT Management Pte. Ltd., the manager (the "**Manager**") of Cromwell European Real Estate Investment Trust ("**CEREIT**"), today announced that it has entered into agreements to acquire three freehold properties in France (the "**France Properties**") and three freehold[4] properties in Poland (the "**Poland Properties**", and together with the France Properties, the "**New Properties**").

The Manager's Chief Executive Officer, Mr. Simon Garing, commented, "Consistent with our commitment to deliver long-term DPU and net asset value growth, the acquisitions are expected to be DPU-accretive and to strengthen CEREIT's portfolio. Capitalising on the low interest rate environment in Europe as well as the Sponsor's pipeline sourcing and execution capabilities, we have successfully negotiated deals to buy the New Properties below replacement costs and at attractive yields. The acquisitions mark our entry

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1 "**Net Initial Yield**" means the annualised current passing rental income net of non-recoverable property expenses, divided by aggregate purchase price before transaction costs.

2 On a pro forma basis, in relation to calendar year 2018 ("**CY2018**").

3 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).

4 Includes Avatar Asset (as defined in the CEREIT announcement on 21 June 2019 titled "Acquisition of Six Assets in France and Poland"), which is partially a perpetual usufruct leasehold property.

into the office property market in Greater Paris, a Tier-1 European capital city. They also increase our exposure to Poland, which has an economy that has outperformed the Eurozone average as well as an office property market with robust fundamentals and a favourable outlook. In addition, they will enhance the portfolio's geographical, tenant, and tenant trade sector diversity, providing CEREIT with greater resilience."

The New Properties

The France Properties comprise three predominantly office properties located in or near major business districts, such as Ivry-sur-Seine, La Défense, and Charles de Gaulle Étoile. They also have easy access to the Charles de Gaulle Airport, Orly Airport, major train station Gare Saint-Lazare, as well as the Paris ring road; and have an abundant supply of highly-sought parking lots. In aggregate, they have a net lettable floor area ("**LFA**") spanning 33,786 square metres ("**sq m**") and a 95.9% occupancy rate as at 31 May 2019, as well as a 5.2-year weighted average lease expiry profile ("**WALE**")[5] as at 31 March 2019. Key tenants include Accenture, Interforum, and Regus.

The Poland Properties comprise two predominantly office properties in Kraków, the second-largest city in Poland (the "**Kraków Properties**") and an office property in Poznań, the fifth-largest city in Poland (the "**Poznań Property**"). One of the Kraków Properties is located close to the city centre and the other is in Special Economic Zone: Krakówski Park Technology, with both having close access to key roads. They have an aggregate LFA spanning 34,295 sq m and a 100% occupancy rate as at 1 March 2019, as well as a 6.1-year WALE[5,6] as at 31 March 2019; and their key tenants include BGŻ BNP Paribas, Motorola Solutions Systems, and UBS Kraków. The Poznań Property is located within a large academic cluster with over 110,000 students as well as 24 universities, and is centrally positioned between the airport and city centre, close to a large shopping centre. It has an aggregate LFA spanning 42,267 sq m and a 100% occupancy rate as at 23 May 2019, as well as a 3.4-year WALE[5] as at 31 March 2019; and its key tenants include CapGemini, GSK, MAN Group, and Santander Group.

Collectively, the New Properties have an aggregate LFA spanning 110,348 sq m and a 98.7% occupancy rate as at their respective dates above, as well as a 4.8-year WALE[5] as at 31 March 2019. They are valued at €248.1 million in aggregate and CEREIT has agreed to acquire them for €246.9 million[7], which translates to €2,238 per sq m (including land value), well below their estimated replacement cost.

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5 Refers to the weighted average lease expiry by headline rent based on the final termination date of the agreement (assuming the tenant does not terminate the lease on any of the permissible break date(s), if applicable).

6 Based on the assumption that Motorola Solutions Systems Polska Sp. z o.o. has renewed its leases, currently expiring from May 2021 onwards, prior to the scheduled completion date, at the Green Office Asset (as defined in the CEREIT announcement on 21 June 2019 titled "Acquisition of Six Assets in France and Poland"). In absence of such renewal, the WALE of the Green Office Asset would be 2.6 years.

7 Based on the agreed purchase price for the France Properties and the Poland Properties.

Rationale and Benefits

The acquisitions of the France Properties provide CEREIT with access to the office property market in Greater Paris, which is the fifth-largest economic area in the world as well as the largest in Europe and has an office property market spanning over 57.5 million sq m. On a more macro level, France's nominal gross domestic product ("**GDP**") rose 1.5% year-on-year ("**y-o-y**") to US$2.8 trillion in 2018 and is expected to continue rising in 2019 and 2020. The country's real estate market is also one of the largest and most liquid in the world, and fundamentals in Paris remain favourable. Over 2.5 million sq m of office space in Paris were leased in 2018, slightly above the 10-year average of 2.3 million sq m per annum and the Paris region office vacancy rate now stands at just 5.1%. Continued investment, the ascent of French technology firms, and job creation have resulted in upward pressure on rents.

Building on CEREIT's acquisition of two predominantly office properties in Warsaw in February 2019, the acquisitions of the Poland Properties will increase its exposure to Poland to 11.8% by value[7,8]. Poland has registered 27 consecutive years of economic growth and was the only European Union member to not fall into recession during the global financial crisis in 2007 – 2008. Its GDP rose 5.1% y-o-y in 2018, outpacing the Eurozone average of 2.5%, and is expected to continue rising in 2019 and beyond. With a highly educated and relatively low-cost workforce, it is also an attractive outsourcing destination and hinterland for Western Europe, particularly Germany. The country also has a vibrant real estate market, with Warsaw being one of the top 10 global cities with the highest cross-border investments in 2018. Poland's office property market offers attractive yield spreads, higher compared to that in other major European office markets, and strong economic fundamentals continue to buoy interest from international investors. With new supply being absorbed with ease and demand expected to remain robust, supported by the expanding business sector, the supply-demand imbalance will push up rents for quality space.

Moreover, the New Properties are being acquired at an attractive Net Initial Yield[1] of 7.4%, which compares favourably to the Net Initial Yield[1] of 5.8% of CEREIT's existing office assets. The acquisitions are expected to be DPU-accretive on a pro forma basis, increasing CEREIT's 12-month DPU for CY2018 by 6.5% from 3.75 Euro cents to 3.99 Euro cents[9].

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8 Valuation as at 31 December 2018 for the initial public offering portfolio and the property in Ivrea, Italy. For the 22 properties acquired between December 2018 and February 2019, valuations are recorded at their respective purchase price as the best approximation of fair value.

9 The pro forma financial effects for CY2018 are presented strictly for illustrative purposes only, assuming €8.3 million of transaction costs, including professional fees, underwriting fees and acquisition fees, and assuming the acquisition is funded with €100 million from the issuance of new units at a price of 46.5 Euro cents per unit and the remaining by debt. If the acquisition is funded with €150 million from the issuance of new units at a price of 46.5 Euro cents per unit and the remaining by debt, the acquisitions of the New Properties are expected to yield a 2.3% DPU accretion. The 12-month DPU calculates the DPU for CY2018 using the weighted average number of units applicable as a result of the new units issued pursuant to the rights issue in December 2018 being eligible for the distribution for 2H FY 2018.

Collectively, the acquisitions of the New Properties add six high-quality assets in established office districts and near key transport infrastructure to CEREIT's portfolio. This will result in the size and value of properties in the portfolio increasing from 97 properties with an appraised value of approximately €1.8 billion[8] to 103 properties with an appraised value of approximately €2.0 billion[7,8], with office properties accounting for 62.1% of the portfolio's value. With the addition of the New Properties, the proportion of freehold and ongoing leasehold[10] assets in CEREIT's portfolio also increases from 90.4%[8] to 91.6%[7,8] by valuation.

In addition, the acquisitions provide CEREIT with greater resilience due to enhanced geographical, tenant, and tenant trade sector diversity. No single country will account for more than 29.8% of the enlarged portfolio's value and the proportion of the top 10 tenants' contribution to CEREIT's gross rental income[11] will decrease from 37.4% to 34.5%, reducing concentration risks. Three tenants of the New Properties – BGŻ BNP Paribas, Motorola Solutions Systems, and Santander Group – will be among the top 10 tenants.

Furthermore, the Manager is well-positioned to realise synergies and extract greater value from the New Properties, leveraging the expertise of the Sponsor's on-the-ground asset management teams. The Sponsor has over 200 employees in 20 offices spanning 12 European countries managing approximately €3.9 billion of real estate assets as at 31 December 2018, and has core competencies across the entire value chain.

Funding

The Manager intends to finance the acquisitions of the New Properties via a combination of loans drawn from new debt facilities that are currently being established and the issuance of new CEREIT units pursuant to a private placement to raise gross proceeds of no less than approximately €100 million.

Credit Suisse (Singapore) Limited and UBS AG, Singapore Branch are the joint lead managers and underwriters for the private placement.

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[10] Classified as Continuing Leasehold or Perpetual Leasehold / Usufruct. A Continuing Leasehold is agreed in principle for an indefinite period of time but has a fixed ground rent paid to the land owner which must be re-agreed at the end of a certain period, which may result in a termination if the leaseholder and the land owner do not agree on the new ground rent. A Perpetual Leasehold / Usufruct is for an indefinite period of time and the ground rent has been paid off perpetually (which type of leasehold is most similar to a freehold situation).

[11] Based on gross rental income for CY2018. Breakdown of gross rental income are based on the tenants' gross rental income as at 31 March 2019, except for those for Motorola Solutions Systems Polska Sp. z o.o., Santander Group and BGŻ BNP Paribas S.A., whose gross rental income are as at 23 May 2019.

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[12], light industrial / logistics[12], and retail purposes[13]. With a portfolio of 97 properties 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[12] and light industrial / logistics[12] sectors, it is also the first REIT with a diversified Pan-European portfolio to be listed on Singapore Exchange Securities Trading Limited ("**SGX-ST**").

CEREIT's portfolio has an aggregate lettable area of approximately 1.4 million sq m with over 900 tenants and a WALE[5] profile of around 4.7 years. Comprising primarily freehold or ongoing leasehold[10] assets, the portfolio has an appraised value of approximately €1,795 million as at 31 March 2019[8].

CEREIT is managed by Cromwell EREIT Management Pte. Ltd., a wholly-owned subsidiary of CEREIT's sponsor, Cromwell Property Group[3], a real estate investor and manager with operations in 15 countries, listed on the Australian Securities Exchange Ltd.

IMPORTANT NOTICE

This announcement is for information purposes only and does not constitute or form part of an offer, invitation or solicitation of any offer to purchase or subscribe for any securities of CEREIT in Singapore or any other jurisdiction nor should it or any part of it form the basis of, or be relied upon in connection with, any contract or commitment whatsoever.

The value of units in CEREIT ("**Units**") and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by the Manager, Perpetual (Asia) Limited (as trustee of CEREIT) or any of their respective affiliates.

An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. Holders of Units ("**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 Singapore Exchange. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. The past performance of CEREIT is not necessarily indicative of the future performance of CEREIT.

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12 "Office" properties refer to real estate that are predominantly used for office purposes, whether in existence by themselves as a whole or as part of larger mixed-use developments and "light industrial / logistics" properties refer to real estate that are predominantly used for light industrial, warehouse, and logistics purposes, the majority of which may have an attached office component.

13 "Retail" properties refer to real estate that are predominantly used for retail purposes.

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