IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY U.S. PERSON OR TO ANY PERSON OR ADDRESS IN THE UNITED STATES.

IMPORTANT: You must read the following before continuing. The following applies to the information memorandum following this page, and you are therefore advised to read this carefully before reading, accessing or making any other use of the information memorandum. In accessing the information memorandum, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES ARE BEING OFFERED OR SOLD ONLY OUTSIDE THE UNITED STATES TO CERTAIN PERSONS IN OFFSHORE TRANSACTIONS IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT AND MAY NOT BE OFFERED OR SOLD WITHIN THE U.S., EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE FOLLOWING INFORMATION MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

If you have gained access to this transmission contrary to any of the foregoing restrictions, you are not authorised and will not be able to purchase any of the Perpetual Securities described in the attached information memorandum.

Confirmation of your Representation: In order to be eligible to view the following information memorandum or make an investment decision with respect to the securities, investors must not be U.S. persons (within the meaning of Regulation S under the Securities Act). The following information memorandum is being sent at your request and by accepting the e-mail and accessing the following information memorandum, you shall be deemed to have represented to us that: (1) you are not a U.S. person nor are you acting on behalf of a U.S. person, the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the United States and, to the extent you purchase the securities described in the attached information memorandum, you will be doing so pursuant to Regulation S under the Securities Act; and (2) you consent to delivery of the following information memorandum and any amendments and supplements thereto by electronic transmission.

By accepting this document, if you are an investor in Singapore, you: (A) represent and warrant that you are either an institutional investor (as defined under Section 4A of the Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time (the SFA)) pursuant to Section 274 of the SFA, a relevant person (as defined under Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or a person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018 of Singapore; and (B) agree to be bound by the limitations and restrictions described herein. Any reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

You are reminded that the following information memorandum has been delivered to you on the basis that you are a person into whose possession the following information memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the following information memorandum to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and any of the dealers or any affiliate of any of the dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such dealer or such affiliate on behalf of the Issuer in such jurisdiction.

The following information memorandum has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently, none of Perpetual (Asia) Limited (in its capacity as trustee of Cromwell European Real Estate Investment Trust), Cromwell EREIT Management Pte. Ltd. (in its capacity as manager of Cromwell European Real Estate Investment Trust), DBS Bank Ltd., Oversea-Chinese Banking Corporation Limited or any person who controls any of them or any director, officer, employee or agent of any of them or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the information memorandum distributed to you in electronic format and the hard copy version available to you on request from DBS Bank Ltd. and Oversea-Chinese Banking Corporation Limited.

Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

INFORMATION MEMORANDUM DATED 5 November 2021

CROMWELL EUROPEAN REAL ESTATE INVESTMENT TRUST

(Constituted in the Republic of Singapore pursuant to a trust deed dated 28 April 2017 (as amended))

PERPETUAL (ASIA) LIMITED (IN ITS CAPACITY AS TRUSTEE OF CROMWELL EUROPEAN REAL ESTATE INVESTMENT TRUST)

(incorporated with limited liability in Singapore)
(UEN/Company registration number: 200518022M)

S$750,000,000
Multicurrency Perpetual Securities Programme

Under this S$750,000,000 Multicurrency Perpetual Securities Programme (the **Programme**), Perpetual (Asia) Limited (in its capacity as trustee of Cromwell European Real Estate Investment Trust (**CEREIT**)) (the **Issuer** or the **CEREIT Trustee**), subject to compliance with all relevant laws, regulations and directives, may from time to time issue perpetual securities (the **Perpetual Securities**) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

The maximum aggregate nominal amount of all Perpetual Securities from time to time outstanding under the Programme will not exceed S$750,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement (as defined herein)), subject to increase as described herein.

The Perpetual Securities may be issued on a continuing basis to one or more of the Dealers specified under "*Overview of the Programme*" and any further Dealer appointed under the Programme from time to time by the Issuer (each a **Dealer** and together the **Dealers**), which appointment may be for a specific issue or on an ongoing basis. References in this Information Memorandum to the **Issuer** shall be to the CEREIT Trustee, as issuer of the Perpetual Securities under the Programme, and references to the **relevant Dealer** shall, in the case of an issue of Perpetual Securities being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Perpetual Securities.

An investment in Perpetual Securities issued under the Programme involves certain risks. For a discussion of these risks see "*Risk Factors*".

Approval in-principle has been received from the Singapore Exchange Securities Trading Limited (the **SGX-ST**) in connection with the Programme and application will be made for permission to deal in, and for quotation of, any Perpetual Securities to be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Perpetual Securities have been admitted to the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Approval in-principle from, admission to the Official List of, and listing and quotation of the Perpetual Securities on, the SGX-ST are not to be taken as an indication of the merits of the Issuer, CEREIT, Cromwell EREIT Management Pte. Ltd., in its capacity as manager of CEREIT (the **CEREIT Manager**), their respective subsidiaries, their respective associated companies (if any), the Programme or the Perpetual Securities.

The Perpetual Securities may also be listed and/or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer(s) in relation to each Series (as defined in "*Overview of the Programme*") of Perpetual Securities. The Issuer may also issue Perpetual Securities which are unlisted and/or not admitted to trading on any market.

Each Tranche (as defined in "*Overview of the Programme*") of Perpetual Securities or each Series of Perpetual Securities in bearer form will be represented on issue by a temporary global perpetual security in bearer form (each a **Temporary Global Perpetual Security**) or a permanent global perpetual security in bearer form (each a **Permanent Global Perpetual Security** and, together with the Temporary Global Perpetual Securities, the **Bearer Global Perpetual Securities** and each a **Bearer Global Perpetual Security**). Perpetual Securities in registered form will initially be represented by a global perpetual security in registered form (each a **Registered Global Perpetual Security** and together with any Bearer Global Perpetual Securities, the **Global Perpetual Securities** and each a **Global Perpetual Security**). Global Perpetual Securities may be deposited on the issue date with a common depositary for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream**). Global Perpetual Securities may also be deposited with The Central Depository (Pte) Limited (**CDP**).

The Perpetual Securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) or any U.S. States securities laws and may not be offered or sold in the United States (or, in certain circumstances, to, or for the account or benefit of, U.S. persons as defined in Regulation S under the Securities Act) unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction. See "*Form of the Perpetual Securities*" for descriptions of the manner in which the Perpetual Securities will be issued. The Perpetual Securities are subject to certain restrictions on transfer, see "*Subscription and Sale*".

This Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore (the **MAS**). Accordingly, this Information Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Perpetual Securities may not be circulated or distributed, nor may the Perpetual Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act, Chapter 289 of Singapore, as modified or amended from time to time (the **SFA**)) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018 of Singapore, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. Any reference to the SFA is a reference to the Securities and Futures Act, Chapter 289 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

The Issuer may agree with any Dealer and the Trustee (as defined herein) that Perpetual Securities may be issued in a form not contemplated by the Conditions, in which event a supplemental Information Memorandum, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Perpetual Securities.

Perpetual Securities issued under the Programme may be rated or unrated. Where an issue of a certain Series of Perpetual Securities is rated, its rating will not necessarily be the same as the rating applicable to the Programme and (where applicable) such rating will be specified in the applicable Pricing Supplement. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

Arrangers and Dealers

DBS OCBC Bank

The Issuer accepts responsibility for the information contained in this Information Memorandum. The Issuer, having made all reasonable enquiries, confirms that (i) this Information Memorandum contains all material information with respect to the Issuer, CEREIT, the Group, the CEREIT Manager, the Programme and the Perpetual Securities, (ii) this Information Memorandum does not contain an untrue statement of material fact or omit to state a material fact that is necessary in order to make the statements made in this Information Memorandum, in the light of the circumstances under which they were made, not misleading and (iii) the statements of intention, opinion, belief or expectation contained in this Information Memorandum are honestly and reasonably made or held.

Each Tranche of Perpetual Securities will be issued on the terms set out herein under "*Terms and Conditions of the Perpetual Securities*", as amended and/or supplemented by the Pricing Supplement specific to such Tranche. This Information Memorandum must be read and construed together with any amendments or supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Perpetual Securities, must be read and construed together with the applicable Pricing Supplement.

References in this Information Memorandum to "Conditions" shall mean the Conditions set out in the "*Terms and Conditions of the Perpetual Securities*". Any reference to a numbered "Condition" is to the correspondingly numbered provision thereof.

Subject as provided in the applicable Pricing Supplement, the only persons authorised to use this Information Memorandum in connection with an offer of Perpetual Securities are the persons named in the applicable Pricing Supplement as the relevant Dealer or the Managers, as the case may be.

Copies of Pricing Supplements will be available upon prior written request at the registered office of the CEREIT Manager and the specified office set out below of the Issuing and Paying Agent (as defined below) or, as the case may be, CDP Issuing and Paying Agent (as defined below) (save that a Pricing Supplement relating to an unlisted Perpetual Security will only be available to a holder of such Perpetual Security and such holder must produce evidence satisfactory to the CEREIT Manager or the Issuing and Paying Agent or, as the case may be, CDP Issuing and Paying Agent as to its holding of Perpetual Securities and its identity).

This Information Memorandum is to be read in conjunction with all documents which are deemed to be incorporated in it by reference (see "*Documents Incorporated by Reference*"). This Information Memorandum shall be read and construed on the basis that those documents are incorporated and form part of this Information Memorandum.

None of the Arrangers, the Dealers, the Agents (as defined below) and the Trustee have independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Arrangers, the Dealers, the Agents or the Trustee as to the accuracy or completeness of the information contained or incorporated in this Information Memorandum or any other information provided by the Issuer in connection with the Programme. None of the Arrangers, the Dealers, the Agents or the Trustee accepts any liability in relation to the information contained or incorporated by reference in this Information Memorandum or any other information provided by the Issuer in connection with the Programme. To the fullest extent permitted by law, none of the Arrangers, the Dealers, the Agents or the Trustee accepts any responsibility for the contents of this Information Memorandum or for any other statement made or purported to be made by the Arrangers, the Dealers, the Agents or the Trustee on their behalf in connection with the Issuer or the issue and offering of the Perpetual Securities. Each of the Arrangers, each Dealer, the Trustee and each Agent accordingly disclaims all and any liability, whether arising in tort or contract or otherwise which it might otherwise have in respect of this Information Memorandum or any such statement.

No person is or has been authorised by the Issuer, the CEREIT Manager, the Arrangers, the Dealers, the Agents or the Trustee to give any information or to make any representation not contained in or not consistent with this Information Memorandum or any other information supplied in connection with the Programme or the Perpetual Securities and, if given or made, such information or representation must not be relied upon as having been authorised by any of the Issuer, the CEREIT Manager, the Arrangers or any of the Dealers, any of the Agents or the Trustee.

Neither this Information Memorandum nor any other information supplied in connection with the Programme or any Perpetual Securities (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by any of the Issuer, the CEREIT Manager, the Arrangers or any of the Dealers, any of the Agents or the Trustee that any recipient of this Information Memorandum or any other information supplied in connection with the Programme, should purchase any Perpetual Securities. Each investor contemplating purchasing any Perpetual Securities should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and CEREIT. Neither this Information Memorandum nor any other information supplied in connection with the Programme or the issue of any Perpetual Securities constitutes an offer or invitation by or on behalf of the Issuer, the CEREIT Manager, the Arrangers or any of the Dealers, any of the Agents or the Trustee to any person to subscribe for or to purchase any Perpetual Securities.

None of the Arrangers, the Dealers, the Issuer, the CEREIT Manager, the Agents or the Trustee makes any representation to any investor in the Perpetual Securities regarding the legality of its investment under any applicable laws. Any investor in the Perpetual Securities should be able to bear the economic risk of an investment in the Perpetual Securities for an indefinite period of time.

Neither the delivery of this Information Memorandum nor the offering, sale or delivery of any Perpetual Securities shall in any circumstances imply that the information contained in it concerning the Issuer and/or CEREIT is correct at any time subsequent to its date or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Arrangers, the Dealers, the Agents and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuer or CEREIT during the life of the Programme or to advise any investor in Perpetual Securities issued under the Programme of any information coming to their attention.

The Perpetual Securities have not been and will not be registered under the Securities Act and are subject to U.S. tax law requirements. Subject to certain exceptions, Perpetual Securities may not be offered or sold in the United States or, if Category 2 is specified in the applicable Pricing Supplement, to, or for the account or benefit of, U.S. persons (see "*Subscription and Sale*").

The Perpetual Securities have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority, nor has any of the foregoing authorities passed upon or endorsed the merits of any offering of Perpetual Securities or the accuracy or the adequacy of this Information Memorandum. Any representation to the contrary is a criminal offence in the United States.

Neither this Information Memorandum nor any Pricing Supplement constitutes an offer to sell or the solicitation of an offer to buy any Perpetual Securities in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Information Memorandum or any Pricing Supplement and the offer or

sale of Perpetual Securities may be restricted by law in certain jurisdictions. The Issuer, the CEREIT Manager, the Arrangers, the Dealers and the Trustee do not represent that this Information Memorandum or any Pricing Supplement may be lawfully distributed, or that any Perpetual Securities may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the CEREIT Manager, the Arrangers, the Dealers or the Trustee which is intended to permit a public offering of any Perpetual Securities or distribution of this Information Memorandum or any Pricing Supplement in any jurisdiction where action for that purpose is required. Accordingly, no Perpetual Securities may be offered or sold, directly or indirectly, and neither this Information Memorandum nor any Pricing Supplement or advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Information Memorandum, any Pricing Supplement or any Perpetual Securities may come must inform themselves about, and observe, any such restrictions on the distribution of this Information Memorandum, any Pricing Supplement and the offering and sale of Perpetual Securities. In particular, there are restrictions on the distribution of this Information Memorandum and the offer or sale of Perpetual Securities in the United States, the European Economic Area, the United Kingdom, Japan, Hong Kong and Singapore (see "*Subscription and Sale*").

CEREIT does not have a separate legal personality and accordingly, in this Information Memorandum, all representations, warranties, undertakings and other obligations and liabilities expressed or otherwise contemplated to be given, assumed, discharged or performed by CEREIT, and all rights, powers and duties of CEREIT, shall be construed and take effect as representations and warranties given, as undertakings and other obligations, liabilities assumed or to be discharged and performed by, and rights, powers and duties of, the CEREIT Trustee, in accordance with the CEREIT Trust Deed (as defined herein).

IMPORTANT – EEA RETAIL INVESTORS

If the Pricing Supplement in respect of any Perpetual Securities includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Perpetual Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the **Prospectus Regulation**). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Perpetual Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Perpetual Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

IMPORTANT – UK RETAIL INVESTORS

If the Pricing Supplement in respect of any Perpetual Securities includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Perpetual Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (**UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European (Withdrawal) Act 2018 (the **EUWA**); or (ii) a customer within the meaning of the provisions of the

Financial Services and Markets Act 2000 (the **FSMA**) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Perpetual Securities or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Perpetual Securities or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

MIFID II PRODUCT GOVERNANCE/TARGET MARKET

The Pricing Supplement in respect of any Perpetual Securities may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Perpetual Securities and which channels for distribution of the Perpetual Securities are appropriate. Any person subsequently offering, selling or recommending the Perpetual Securities (a **distributor**) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Perpetual Securities (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the **MiFID Product Governance Rules**), any Dealer subscribing for any Perpetual Securities is a manufacturer in respect of such Perpetual Securities, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MIFIR PRODUCT GOVERNANCE/TARGET MARKET

The Pricing Supplement in respect of any Perpetual Securities may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Perpetual Securities and which channels for distribution of the Perpetual Securities are appropriate. Any person subsequently offering, selling or recommending the Perpetual Securities (a **distributor**) should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Perpetual Securities (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for Perpetual Securities is a manufacturer in respect of such Perpetual Securities, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

SECTION 309B(1)(C) NOTIFICATION

Unless otherwise stated in the Pricing Supplement in respect of any Perpetual Securities, all Perpetual Securities issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Presentation of Financial Information

Unless otherwise indicated, the financial information in this Information Memorandum relating to the Group as at and for the years ended 31 December 2018, 31 December 2019 and 31 December 2020 has been derived from the audited consolidated financial statements of the Group as at and for the financial years ended 31 December 2018, 31 December 2019 and 31 December 2020 respectively (the **Audited Financial Statements**). The interim consolidated financial statements of the Group as at and for the six-month periods ended 30 June 2020 and 30 June 2021 (the **Unaudited Financial Statements**) have been derived from the Group's unaudited financial statements announcement as at and for the six months ended 30 June 2021.

The Audited Financial Statements have been prepared in accordance with the recommendations of the Statement of Recommended Accounting Practice 7 (**RAP 7**) "*Reporting Framework for Unit Trusts*" issued by the Institute of Singapore Chartered Accountants and audited by Deloitte & Touche LLP. RAP 7 requires the accounting policies to generally comply with the recognition and measurement principles of International Financial Reporting Standards. The Unaudited Financial Statements have been prepared in accordance with the recommendations of RAP 7 "*Reporting Framework for Unit Trusts*" issued by the Institute of Singapore Chartered Accountants.

Certain figures and percentages included in this Information Memorandum have been subject to rounding adjustments; accordingly, figures shown in the same category presented in different tables may vary slightly and figures shown as total in certain tables may not be an arithmetic aggregation of the figures which precede them. Any discrepancies in any table between totals and sums of the amounts listed are due to rounding.

Certain Defined Terms and Conventions

Capitalised terms which are used but not defined in any particular section of this Information Memorandum will have the meaning attributed to them in "*Terms and Conditions of the Perpetual Securities*", "*Glossary*" or any other section of this Information Memorandum.

All references in this Information Memorandum to **U.S. dollars**, **U.S.$** and **$** refer to United States dollars, **RMB** and **CNY** refer to Renminbi, **S$** and **SGD** refer to Singapore dollars and **£** or **Sterling** refers to British Pounds Sterling. In addition, all references to **euro** and **€** refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended. References to the **United States**, **U.S.** or **US** in this Information Memorandum shall be to the United States of America, its territories and possessions, any State of the United States and the District of Columbia.

In this Information Memorandum, unless the contrary intention appears, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

SUITABILITY OF INVESTMENT

The Perpetual Securities may not be a suitable investment for all investors. Each potential investor in the Perpetual Securities must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

(i) has sufficient knowledge and experience to make a meaningful evaluation of the Perpetual Securities, the merits and risks of investing in the Perpetual Securities and the information contained or incorporated by reference in this Information Memorandum or any applicable supplement;

(ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Perpetual Securities and the impact the Perpetual Securities will have on its overall investment portfolio;

(iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Perpetual Securities, including Perpetual Securities with principal, distribution payable in one or more currencies, or where the currency for principal, distribution payments is different from the potential investor's currency;

(iv) understands thoroughly the terms of the Perpetual Securities and is familiar with the behaviour of any relevant indices and financial markets; and

(v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Perpetual Securities are legal investments for it, (2) Perpetual Securities can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Perpetual Securities. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Perpetual Securities under any applicable risk-based capital or similar rules.

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

Some statements in this Information Memorandum may be deemed to be forward looking statements. Forward looking statements include statements concerning CEREIT's plans, objectives, goals, strategies, future operations and performance and the assumptions underlying these forward looking statements. When used in this Information Memorandum, the words "anticipates", "estimates", "expects", "believes", "intends", "plans", "aims", "seeks", "may", "will", "should", "future", "can" and any similar expressions generally identify forward looking statements. The Issuer and the CEREIT Manager have based these forward looking statements on the current view of their management with respect to future events and financial performance. Although each of the Issuer and the CEREIT Manager believes that the expectations, estimates and projections reflected in its forward looking statements are reasonable as of the date of this Information Memorandum, if one or more of the risks or uncertainties materialise, including those which the Issuer and the CEREIT Manager have identified in this Information Memorandum under the section "*Risk Factors*", or if any of the Issuer's or the CEREIT Manager's underlying assumptions prove to be incomplete or inaccurate, CEREIT's and the Group's actual results of operation may vary from those expected, estimated or predicted.

Given the risks and uncertainties that may cause the actual future results, performance or achievements of CEREIT to be materially different from the future results, performance or achievements expected, expressed or implied by the financial forecasts, profit projections and forward-looking statements in this Information Memorandum, investors must exercise caution when reviewing those forecasts, projections and statements. The Issuer, the CEREIT Manager, the Group, the Arrangers and the Dealers do not represent or warrant that the actual future results, performance or achievements of CEREIT will be as discussed in those statements.

Any forward looking statements contained in this Information Memorandum speak only as at the date of this Information Memorandum. Without prejudice to any requirements under applicable laws and regulations and without prejudice to the undertaking above to prepare an amendment or supplement to this Information Memorandum or to publish a replacement Information Memorandum, each of the Issuer, the CEREIT Manager, the Group, the Arrangers and any Dealer expressly disclaims any obligation or undertaking to disseminate after the date of this Information Memorandum any updates or revisions to any forward looking statements contained in it to reflect any change in expectations or any change in events, conditions or circumstances on which any such forward looking statement is based.

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OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Information Memorandum and, in relation to the terms and conditions of any particular Tranche of Perpetual Securities, the applicable Pricing Supplement. The Issuer and any relevant Dealer may agree that Perpetual Securities shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, if appropriate, a supplemental Information Memorandum will be published.

Words and expressions defined in "Form of the Perpetual Securities" and "Terms and Conditions of the Perpetual Securities" shall have the same meanings in this Overview.

Issuer:	Perpetual (Asia) Limited (in its capacity as trustee of CEREIT).
Legal Entity Identifier (**LEI**) of the Issuer	21380093RFHTC319NL93.
Description:	Multicurrency Perpetual Securities Programme.
Arrangers:	DBS Bank Ltd. Oversea-Chinese Banking Corporation Limited
Dealers:	DBS Bank Ltd., Oversea-Chinese Banking Corporation Limited and any other Dealers appointed in accordance with the Programme Agreement.
Certain Restrictions:	Each issue of Perpetual Securities denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale*") including the following restrictions applicable at the date of this Information Memorandum.
Trustee:	The Bank of New York Mellon, Singapore Branch
Issuing and Paying Agent and Calculation Agent in respect of Perpetual Securities to be cleared through Euroclear and Clearstream:	The Bank of New York Mellon, London Branch
Registrar and Transfer Agent in respect of Registered Perpetual Securities to be cleared through Euroclear and Clearstream:	The Bank of New York Mellon SA/NV, Dublin Branch
CDP Issuing and Paying Agent, CDP Calculation Agent, CDP Registrar and CDP Transfer Agent:	The Bank of New York Mellon, Singapore Branch

Programme Size:	Up to S$750,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution:	The Perpetual Securities may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
	The Perpetual Securities will be issued in series (each a **Series**) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of distribution, if any), the Perpetual Securities of each Series being intended to be interchangeable with all other Perpetual Securities of that Series. Each Series may be issued in tranches (each a **Tranche**) on the same or different issue dates. The specific dates of each Tranche of the Perpetual Securities (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first payment of distribution and the nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in the applicable Pricing Supplement.
Currencies:	Subject to any applicable legal or regulatory restrictions, the Perpetual Securities may be denominated in euro, Sterling, U.S. dollars, Japanese yen, Renminbi, Singapore dollars and, subject to any applicable legal or regulatory restrictions, any other currency agreed between the Issuer and the relevant Dealer(s).
Maturities:	The Perpetual Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall only have the right to redeem or purchase them in accordance with the Conditions or as otherwise specified in the applicable Pricing Supplement.
Issue Price:	The Perpetual Securities may be issued on a fully-paid or a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Perpetual Securities:	The Perpetual Securities will be issued in bearer form (**Bearer Perpetual Securities**) or in registered form (**Registered Perpetual Securities**), as described in "*Form of the Perpetual Securities*". Bearer Perpetual Securities will not be exchangeable for Registered Perpetual Securities and *vice versa*.

Denomination of Perpetual Securities:	The Perpetual Securities will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer(s) save that the minimum denomination of each Perpetual Security will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency.
Risk Factors:	There are certain factors that may affect the Issuer's ability to fulfil its obligations under Perpetual Securities issued under the Programme. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Perpetual Securities issued under the Programme and risks relating to the structure of a particular Series of Perpetual Securities issued under the Programme. All of these are set out under "*Risk Factors*".
Rating(s):	Perpetual Securities issued under the Programme may be rated or unrated. Where an issue of a certain Series of Perpetual Securities is rated, its rating will not necessarily be the same as the rating applicable to the Programme and (where applicable) such rating will be specified in the applicable Pricing Supplement. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.
Listing:	Approval in-principle has been received from the SGX-ST in connection with the Programme and application will be made for permission to deal in, and for quotation of, any Perpetual Securities to be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Perpetual Securities have been admitted to the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Approval in-principle from, admission to the Official List of, and listing and quotation of the Perpetual Securities on, the SGX-ST are not to be taken as an indication of the merits of any of the Issuer, CEREIT, the CEREIT Manager, their respective subsidiaries, their respective associated companies (if any), the Programme or the Perpetual Securities. The Perpetual Securities may also be listed and/or admitted to trading, as the case may be, on such other or further stock exchange(s) or markets as may be agreed between the Issuer and the relevant Dealer(s) in relation to each Series of Perpetual Securities.

For so long as any Perpetual Securities are listed on the SGX-ST and the rules of the SGX-ST so require, such Perpetual Securities listed on the SGX-ST will be traded on the SGX-ST in a minimum board lot size of at least S$200,000 (or its equivalent in any other currency).

Series of Perpetual Securities which are unlisted and/or not admitted to trading on any market may also be issued pursuant to the Programme.

The applicable Pricing Supplement will state whether or not the relevant Perpetual Securities are to be listed and/or admitted to trading, as the case may be, and, if so, on which stock exchange(s) and/or markets.

Clearing Systems: Euroclear, Clearstream, CDP and/or any other clearing system as specified in the applicable Pricing Supplement, see "*Form of the Perpetual Securities*".

Selling Restrictions: There are restrictions on the offer, sale and transfer of the Perpetual Securities in the United States, the European Economic Area, the United Kingdom, Japan, Hong Kong and Singapore and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Perpetual Securities, see "*Subscription and Sale*".

United States Selling Restrictions: Regulation S, Category 1/2 as specified in the applicable Pricing Supplement. TEFRA C or D/TEFRA not applicable, as specified in the applicable Pricing Supplement.

Fixed Rate Perpetual Securities: Fixed distributions will be payable on Fixed Rate Perpetual Securities on such date or dates as may be agreed between the Issuer and the relevant Dealer(s) and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer(s).

Floating Rate Perpetual Securities: Floating Rate Perpetual Securities will confer a right to receive distribution at a rate determined:

(a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating either the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc. (**ISDA**), and as amended and updated as at the Issue Date of the first Tranche of the Perpetual Securities of the relevant Series) or the latest version of the 2021 ISDA Interest Rate Derivatives Definitions (as published by ISDA as at the Issue Date of the first Tranche of the Perpetual Securities of the relevant Series) as specified in the applicable Pricing Supplement; or

(b) on the basis of a reference rate set out in the applicable Pricing Supplement; or

(c) on such other basis as may be agreed between the Issuer and the relevant Dealer(s).

The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer(s) for each Series of Floating Rate Perpetual Securities.

Floating Rate Perpetual Securities may also have a maximum distribution rate, a minimum distribution rate or both.

Index Linked Perpetual Securities:	Payments of distribution in respect of Index Linked Distribution Perpetual Securities will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as the Issuer and the relevant Dealer(s) may agree.
Dual Currency Perpetual Securities:	Payments (whether in respect of principal or distribution or otherwise) in respect of Dual Currency Perpetual Securities will be made in such currencies, and based on such rates of exchange, as the Issuer and the relevant Dealer(s) may agree.
Partly Paid Perpetual Securities:	The Issuer may issue Perpetual Securities in respect of which the issue price is paid in separate instalments in such amounts and on such dates as the Issuer and the relevant Dealer(s) may agree.
Other Perpetual Securities:	The Issuer may agree with any Dealer and the Trustee that Perpetual Securities may be issued in a form not contemplated by the Conditions, in which event the relevant provisions will be included in the applicable Pricing Supplement.
Optional Deferral of Distribution:	The applicable Pricing Supplement will specify whether the Issuer may, at its sole discretion, elect to defer any distribution (in whole or in part) which is otherwise scheduled to be paid on (i) (if Non-Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) a Distribution Payment Date or (ii) (if Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) a Distribution Payment Date to the next Distribution Payment Date, by giving a Deferral Election Notice to the Perpetual Securityholders and Couponholders in accordance with Condition 13, the Trustee and the Agents not more than 15 nor less than five Business Days prior to a scheduled Distribution Payment Date (or such other notice period as may be specified in the applicable Pricing Supplement). If Dividend Pusher is specified as being applicable in the applicable Pricing Supplement, the Issuer may not elect to defer any distribution if, during such period(s) prior to such Distribution Payment Date as may be specified in the applicable Pricing Supplement, a Compulsory Distribution Payment Event has occurred.

Cumulative Deferral of Distribution:	If Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement, any distribution validly deferred pursuant to Condition 4.6 shall constitute **Arrears of Distribution**. The Issuer may, at its sole discretion, elect to (in the circumstances set out in Condition 4.6(a)) further defer any Arrears of Distribution by complying with the notice requirements applicable to any deferral of an accrued distribution in accordance with Condition 4.6(c). The Issuer is not subject to any limit as to the number of times distributions and Arrears of Distribution can or shall be deferred pursuant to Condition 4.6 by complying with such notice requirements except that Condition 4.6(d) of the Perpetual Securities shall be complied with until all outstanding Arrears of Distribution have been paid in full.
Non-Cumulative Deferral of Distribution:	If Non-Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement, any distribution deferred pursuant to Condition 4.6 of the Perpetual Securities is non-cumulative and will not accrue distribution. The Issuer is not under any obligation to pay that or any other distributions that have not been paid in whole or in part.
Optional Distribution:	If Optional Distribution is specified as being applicable in the applicable Pricing Supplement, the Issuer may, at its sole discretion, and at any time, elect to pay an Optional Distribution at any time by giving irrevocable notice of such election to the Perpetual Securityholders and the Couponholders (in accordance with Condition 13), the Trustee and the Issuing and Paying Agent not more than 15 nor less than five Business Days (or such other notice period as may be specified in the applicable Pricing Supplement) prior to the relevant payment date specified in such notice (which notice is irrevocable and shall oblige the Issuer to pay the relevant Optional Distribution on the payment date specified in such notice).
Restrictions in the case of Deferral:	If Dividend Stopper is specified as being applicable in the applicable Pricing Supplement and on any Distribution Payment Date, payment of distributions (including Arrears of Distribution and Additional Distribution Amount) scheduled to be made on such date is not made in full by reason of Condition 4.6 of the Perpetual Securities, the Issuer shall not, and shall procure that none of its Subsidiaries (as defined in the Trust Deed) shall, in respect of the Junior Obligations or the Parity Obligations: (i) voluntarily declare or pay any dividends, distributions or make any other payment on, and will procure that no dividend, distribution or other payment is made on any of the Junior Obligations or (except on a pro rata basis) any of the Parity Obligations;

(ii) voluntarily redeem, purchase, cancel, reduce, buy-back or otherwise acquire for any consideration on any of the Junior Obligations or (except on a *pro rata* basis) any of the Parity Obligations; or

(iii) as otherwise specified in the applicable pricing supplement,

in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, officers, directors or consultants of the Group (as defined in the Trust Deed) or (2) as a result of the exchange or conversion of the Parity Obligations for the Junior Obligations unless and until (x) (if Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) if the Issuer has made payment in whole (and not in part only) of all outstanding Arrears of Distributions and any Additional Distribution Amounts; or (y) (if Non-Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) a redemption of all the outstanding Perpetual Securities in accordance with Condition 6 has occurred, the next scheduled distribution has been paid in full, or an Optional Distribution equal to the amount of a distribution payable with respect to the most recent Distribution Payment Date that was unpaid in full or in part, has been paid in full; or (z) when so permitted by an Extraordinary Resolution (as defined in the Trust Deed) of the Perpetual Securityholders and the Couponholders.

Redemption of Perpetual Securities:	The applicable Pricing Supplement will indicate that the relevant Perpetual Securities may not be redeemed at the option of the Issuer, or will specify the basis for calculating the redemption amounts payable and indicate the circumstances in which the relevant Perpetual Securities may be redeemed, whether for taxation reasons, upon the occurrence of an Accounting Event, upon the occurrence of a Tax Deductibility Event, upon the occurrence of a Ratings Event, upon the occurrence of a Regulatory Event, at the option of the Issuer or in the case of Minimum Outstanding Amount or as otherwise provided in the Conditions or specified in the applicable Pricing Supplement.

Taxation:	All payments of principal and distribution in respect of the Perpetual Securities and Coupons by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction as provided in Condition 7, unless such withholding or deduction of taxes is required by law. In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 7, pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Perpetual Securities or Coupons after such withholding or deduction shall equal the respective amounts of principal and distribution which would have been receivable in respect of any Perpetual Securities or Coupons, as the case may be, in the absence of such withholding or deduction.
Enforcement Events:	There are no events of default under the Perpetual Securities. The terms of the Perpetual Securities will contain enforcement events as further described in Condition 9.
Status of the Senior Perpetual Securities:	The Senior Perpetual Securities and any related Coupons constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* and without any preference among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.
Status of the Subordinated Perpetual Securities:	The Subordinated Perpetual Securities and any related Coupons constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and rank *pari passu* and without any preference or priority among themselves and with any Parity Obligations, from time to time outstanding. The rights and claims of the Perpetual Securityholders and Couponholders are subordinated in the manner described in Condition 3.2(b).

Subordination of the Subordinated Perpetual Securities:	Subject to the insolvency laws of Singapore and other applicable laws, in the event of the final and effective Winding-Up of the Issuer or CEREIT, there shall be payable by the Issuer in respect of each Subordinated Perpetual Security relating to them (in lieu of any other payment by the Issuer), such amount, if any, as would have been payable to the Perpetual Securityholder and the Couponholder of such Subordinated Perpetual Security if, on the day prior to the commencement of the Winding-Up of the Issuer or CEREIT, and thereafter, such Perpetual Securityholder were the holder of one of a class of the preferred units in the capital of CEREIT (and if more than one class of preferred units is outstanding, the most junior ranking class of such preferred units) (**CEREIT Notional Preferred Units**) having an equal right to return of assets in the Winding-Up of the Issuer or CEREIT and so ranking pari passu with the holders of that class or classes of preferred units (if any) which have a preferential right to return of assets in the Winding-Up of the Issuer or CEREIT, and so rank ahead of, the holders of the Junior Obligations, but junior to the claims of all other present and future creditors of the Issuer (other than the Parity Obligations), on the assumption that the amount that such Perpetual Securityholder and Couponholder of a Subordinated Perpetual Security was entitled to receive under the Conditions in respect of each CEREIT Notional Preferred Unit on a return of assets in such Winding-Up were an amount equal to the principal amount (and any applicable premium outstanding) of the relevant Subordinated Perpetual Security together with distributions accrued and unpaid since the immediately preceding Distribution Payment Date or the Issue Date (as the case may be) and any unpaid Optional Distributions (as defined in Condition 4.6(f)) in respect of which the Issuer has given notice to the Perpetual Securityholders and Couponholders in accordance with the Conditions and/or as otherwise specified in the applicable Pricing Supplement.

Set-off in relation to Subordinated Perpetual Securities:	Subject to applicable law, no Perpetual Securityholder or Couponholder may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities and the Coupons relating to them, as the case may be, and each Perpetual Securityholder or Couponholder shall, by virtue of their holding of any Subordinated Perpetual Securities or any Coupons related to them, be deemed to have waived all such rights of set-off, deduction, withholding or retention against the Issuer. Notwithstanding the preceding sentence, if any of the amounts owing to any Perpetual Securityholder or Couponholder by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities, as the case may be, is discharged by set-off, such Perpetual Securityholder or Couponholder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of the Winding-Up or administration of the Issuer or CEREIT, the liquidator or, as appropriate, administrator of the Issuer or, as the case may be, CEREIT) and, until such time as payment is made, shall hold such amount in trust for CEREIT (or the liquidator or, as appropriate, administrator of the Issuer or, as the case may be, CEREIT) and accordingly any such discharge shall be deemed not to have taken place.
Governing Law:	The Perpetual Securities, the Coupons, the Trust Deed and the Agency Agreement are governed by and shall be construed in accordance with Singapore law.

RISK FACTORS

The Issuer believes that the following factors may affect the ability of the Issuer to fulfil its obligations under Perpetual Securities issued under the Programme. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which are material for the purpose of assessing the market risks associated with Perpetual Securities issued under the Programme are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Perpetual Securities issued under the Programme, but the inability of the Issuer to pay distribution, principal or other amounts on or in connection with any Perpetual Securities may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to them or which they may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Information Memorandum and reach their own views prior to making any investment decision.

RISKS RELATING TO THE GROUP'S PROPERTIES

The Group may be adversely affected by economic and real estate market conditions (including uncertainties and instability in global market conditions and increased competition in the real estate markets), political or constitutional instability, conflicts and/or crises, as well as changes in regulatory, fiscal and other governmental policies in Europe.

The Group's properties are, and its future properties will be, located in Europe. As a result, the revenue of the Group is derived from properties located across Europe and the results of operations depend upon the performance of the European economy. A downturn in the economies of any of these European markets, or the impact that an economic decline in the European economy may have upon these European markets, could result in reduced demand for office, light industrial/logistics and/or retail space and in turn adversely affect CEREIT's results of operations and future growth and in turn impact its ability to make payments under the Perpetual Securities.

There is uncertainty as to the strength of the global economy, the potential for slowdown in consumer demand, the impact of the global downturn on the European economy and the impact of political or constitutional instability, conflicts and/or crises in European countries. These could contribute to an economic decline in Europe, which may adversely affect the Group's business, financial condition, results of operations and future growth.

In recent years, the global economy and global financial markets have experienced significant volatility as a result of, among other things, the occurrence of several health epidemics, such as the Covid-19 pandemic, uncertainty as to the scale of the downturn in the US or the global economy, the outcome and effects of the volatility of commodities' prices, the decrease in consumer demand and the resultant impact on Singapore's external trade dependent economy and the European internal and external trade economy. Ongoing involvement by the US in global trade wars, interest rate fluctuations as well as changes in policy rates by the US Federal Reserve and other central banks may also negatively impact the US and global economy.

These events could adversely affect CEREIT as they could result in:

- a negative impact on the ability of tenant-customers to pay their rents in a timely manner or continue their leases, loss of key tenant-customers and difficulties in finding suitable replacement tenant-customers in a timely manner and on a comparable lease term, tenants requesting rental rebates or restructuring of their lease terms due to the impact of an economic downturn or tenant-customers requesting waiver of interest on late payment of rent, thus reducing CEREIT's cash flow;

- a decline in the demand for leased space for office, light industrial/logistics and retail purposes across Europe and the rents that can be charged when leases are renewed or new leases entered into, as compared to rents that are currently charged;

- a decline in the market values of the Group's properties;

- access to debt capital markets becoming more difficult, expensive or impossible resulting in a material adverse effect on the ability of the Group to obtain debt or equity capital to fund its operations, meet its obligations, purchase additional properties or otherwise conduct its business;

- an increase in counterparty risk (being the risk of monetary loss which the Group may be exposed to if any of its counterparties encounters difficulty in meeting its obligations under the terms of its respective transaction); and/or

- an increased likelihood that one or more of (i) the Group's banking syndicates (if any) or (ii) the Group's insurers, may be unable to honour their commitments to the Group.

Further, the Group and its properties will be subject to real estate laws, regulations and policies of European jurisdictions as a result of its property investments in Europe. Measures and policies adopted by European governments and regulatory authorities at national, state or local levels, such as government control over property investments or foreign exchange regulations, may negatively impact the Group's properties.

The Group's properties might be adversely affected if the CEREIT Manager, the Property Manager or any other person appointed to manage a property does not provide adequate management and maintenance.

The tenant-customers rely on the proper functioning of the infrastructure of the Group's properties for their business operations. If the CEREIT Manager, the Property Manager or any other person appointed to manage a property fails to provide adequate management and maintenance to such a property, the value or proper operation of the property might be adversely affected which may result in a loss of tenant-customers, affect CEREIT's business, financial condition, results of operations, prospects and in turn its ability to make payments under the Perpetual Securities.

The financial performance of the Group is subject to the Group's ability to secure tenant-customers, rent renewals or re-lettings and manage lease expiries.

The financial performance of the Group is subject to the Group's ability to secure initial tenant-customers, rent renewals or re-lettings and manage lease expiries which are reflected in the occupancy rates of the Group's properties. The Group's ability to manage occupancy rates is also dependent upon its ability to attract tenant-customers, the remaining term of the Group's lease agreements, the financial position of its current tenant-customers and the attractiveness of properties to current and prospective tenant-customers. Further, the ongoing and evolving Covid-19 situation could have a negative impact on the Group's ability to attract tenant-customers, the remaining term of the Group's lease agreements, the financial position of its current tenant-customers and the attractiveness of properties to current and prospective tenant-customers.

In order to retain current tenant-customers or attract new tenant-customers the Group may be required to offer lease incentives such as reductions in rent, capital expenditure programmes, rent clauses based on turnover rent, gross rentals and other terms in its lease agreements that make such leases less favourable to the Group.

Any downturn in the businesses, bankruptcy or insolvency of a tenant-customer of the Group may result in such tenant-customer deciding not to or being unable to renew its lease at the end of a lease cycle or such tenant-customer's lease to terminate before its expiry date. Factors that affect the ability of tenant-customers to meet their obligations under the leases include, but are not limited to:

- their financial position;
- the local economies in which the tenant-customers have business operations;
- the ability of tenant-customers to compete with their competitors;
- in the instance where tenant-customers have sub-leased any of the Group's properties, the failure of the sub-tenant-customers to pay rent; and
- material losses in excess of insurance proceeds.

Certain leases may also grant optional early termination rights to tenant-customers subject to certain conditions, including but not limited to the payment of termination fees or, in the case of leases with major tenant-customers, at certain specified points in time without termination fees, or operate to allow tenant-customers the right to terminate at short notice (for example, a six-month notice period or such shorter notice period in the case of rolling leases).

If a major tenant-customer or a significant number of tenant-customers terminate their leases or do not renew their leases at expiry, the Group's financial condition, results of operations, capital growth and prospects may be adversely affected. The amount of rent and the terms on which lease renewals and new leases are agreed may also be less favourable than the current leases and substantial amounts may have to be spent for leasing commissions, tenant-customer improvements or tenant-customer inducements. Additionally, the demand for rental space may be reduced by tenant-customers seeking to reduce their leased space at renewal or during the term of the lease for a variety of reasons. The low occupancy rates of certain properties due to, for example, tenant-customer bankruptcy or non-renewal due to the global financial crisis resulted in a material adverse impact on financials and/or operations, and if replacement tenant-customers cannot be found in a timely manner or on terms acceptable to the CEREIT Manager upon a tenant-customer's default, non-renewal, early termination or reduction in space, this is likely to have a material adverse effect on the Group's properties, which could adversely affect the business, financial condition, results of operations and prospects of the Group, as well as the ability of the Issuer to make payments to Perpetual Securityholders.

Upon expiry of an existing lease, the Group is also subject to the risk of a downward negotiation of the rent by the tenant-customer, notably depending on the rental levels in the market which are affected by overall conditions in the economy. Both rental income and property values may also be affected by factors specific to the real estate market, including rent reviews with tenant-customers that may not be agreed at the current rental values. Most lease agreements to which the Group is a party include clauses which provide for partial or full indexation of rent, which, in most cases, is indexed in line with a consumer price index. Consequently, the increase in the rental proceeds from such leases is dependent not only on general economic developments or market conditions, but largely on future rates of inflation which can be subject to governmental or European monetary policy adoptions such as quantitative easing. Each of these factors may restrict the Group's ability to increase rents and could therefore have a material adverse effect on the Group's business, growth opportunities (both organic and by means of acquisitions), financial condition, prospects and results of operations. Given the uncertain nature of the Covid-19 pandemic, the Group is unable at this stage to quantify the duration of the impact and while no European legislation has impacted operations and the Group's earnings, it is not possible to predict if this will change in the future.

Increases in operating and administrative expenses could have an adverse effect on the business, financial condition and results of operations of CEREIT.

The Group's operating and administrative expenses, as well as repair and maintenance costs related to the gradual ageing of the Group's properties, could increase without a corresponding increase in turnover or tenant-customer reimbursements, mainly owing to reimbursement caps that may be included in various lease agreements or other legal restrictions. Further, there may be expenses which are not rechargeable to tenant-customers. Factors which could increase operating and administrative expenses include, amongst others, increases relating to the rate of inflation, legal expenses, property taxes and other statutory charges, energy costs and costs of services provided by third party providers; movements in foreign exchange rates; increases in insurance premium; increases in construction, redevelopment and maintenance costs; and increases in capital expenditure which arise as a result of defects relating to the properties needing to be rectified. Any such increases, if not reimbursed by the Group's tenant-customers, could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

The Group may not be able to execute disposals of real estate at acceptable prices, on acceptable terms or at all.

In accordance with its asset recycling programme, the Group has in the past sold properties in part or in full and may continue to divest properties that are not considered to be part of its core portfolio in the future. The Group intends to continue to improve the quality of its portfolio through additional divestments in the coming years.

The value and price of disposed properties are influenced by several factors, such as general economic conditions, investor base, asset class and quality, interest rates, inflation expectations, investor yield requirements, available financing and competitive dynamics. There can be no guarantee that the Group will be able to execute future disposals at acceptable prices or at prices that are similar or higher than the fair market valuation of a particular property, in particular in the current economic environment driven by the impact of the Covid-19 pandemic on the European markets and the global economy. The inability of the Group to sell at acceptable prices, or any such shortfall, delay or restriction, or any claim under the sale agreement, could have an unfavourable impact on the Group's balance sheet and may have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

Amenities and transportation infrastructure near the properties of the Group may not be completed or implemented as planned, or may be closed, relocated, terminated or delayed.

There is no assurance that amenities, transportation infrastructure and public transport services near the Group's properties will be completed or implemented as planned, or, if in existence, will not be closed, relocated, terminated or delayed. If such an event were to occur, it could adversely impact the accessibility of the relevant property and the attractiveness and marketability of the relevant property to tenant-customers which may in turn have an adverse impact on the demand and rental rates for the relevant property and the ability of the Issuer to make payments under the Perpetual Securities.

The Group is exposed to risks related to capex, maintenance, repositioning and repair of properties. Those initiatives may take more time, be more expensive or ultimately generate a lower yield than originally anticipated.

The Group is required to maintain the properties in the portfolio of the Group in good condition, based not only on the requirements of law and its obligations under the relevant lease agreements, but also based on the quality of similar properties in the relevant regions of the portfolio. The Group performs maintenance and repairs, as well as investing in capex, in its properties for many reasons, including among others to increase value or in order to avoid loss of value and to maintain demand for its properties. Modernisation, refurbishment and capex for the Group's properties may also be necessary in order to increase their appeal or to meet changing legal requirements, such as provisions relating to modernisation and energy savings and health requirements/social distancing under Covid-19 legislation. In some cases, the amount invested in a property by the Group may be significant.

Although the Group takes steps to predict the expenses associated with its properties, there is no guarantee that the Group has predicted, or will correctly predict in the future, the amount of time and money that it must spend on maintenance, repairs, modernisation, repositioning, fit-out or capex and development of its properties. These costs may increase substantially as a result of many factors, such as increased costs of materials, increased labour costs, increased energy costs, bad weather conditions, unexpected safety requirements or unforeseen complexities and developments at the building site. The Group may be unable to undertake work on its properties in a timely fashion or at all for many reasons, including lack of a skilled labour force, bad weather conditions or the failure of contractors or subcontractors to adhere to agreed-upon time schedules or continue as going concerns during the course of necessary work. Further, necessary building or other permits may be delayed or denied, or only issued subject to further restrictions or with fewer rights than anticipated by the Group. The occurrence of any of the foregoing factors may have a material adverse effect on the business, net assets, cash flows, financial condition, results of operations and net profits.

In the case of real estate asset disposals, the Group may be exposed to liability claims for several years after the sale.

Liability risks may be incurred when the Group disposes of real estate assets. The Group makes certain representations and warranties to the acquirers under the respective real estate sale agreements in respect of the nature and condition of the real estate sold. The possibility cannot be fully excluded that the Group's management is not aware of a risk that is covered by a certain representation and warranty in a sales agreement. As a result, there will generally be a risk that any member of the Group as seller may be liable to a prospective purchaser for breach of a warranty. The obligations under such representations and warranties typically last for several years following the sale. The Group may be exposed to liability claims of acquirers who argue that certain statements of the Group were incorrect or that the Group did not comply with its obligations under the real estate sale agreements. This could lead to legal disputes or litigation with the acquirers that may result in the Group being liable to such acquirers, which may have a material adverse effect on the business, financial condition and results of operations of the Group.

The Group may not be able to put in place or maintain adequate insurance in relation to the Group's properties and its potential liabilities to third parties or may suffer material losses in excess of insurance proceeds.

The Group's properties face the risk of suffering physical damage caused by fire, terrorism, acts of God such as natural disasters like earthquakes, flooding or other causes, as well as potential public liability claims, including claims arising from the operations of any of the Group's properties. In addition, certain risks, such as floods and losses caused by the outbreak of contagious diseases, contamination or other environmental impairment or breaches, may be uninsurable or the cost of insurance may be prohibitive when compared to the risk. As an example, the Group's property and casualty insurance policies for the Group's properties do not currently cover acts of war, intentional or dishonest acts, nuclear reaction or radio-active contamination, asbestos contamination or other long-term environmental impairments. The examples set out above do not purport to be an exhaustive set of policy coverage exclusions.

Further, should an uninsured loss or a loss in excess of insured limits occur, the Group could be required to pay compensation and/or lose capital invested in the affected property as well as anticipated future revenue from that property as it may not be able to rent out or sell the affected property and any financial obligations secured by such property may be accelerated. The Group would also remain liable for any debt or other financial obligation related to the properties and the business, financial condition and results of operations of the Group may be adversely affected. No assurance can be given that material losses in excess of insurance proceeds will not occur or that adequate insurance coverage for the Group will be available on commercially reasonable terms, at commercially reasonable rates or at all.

Renovation or redevelopment works or physical damage to the Group's properties may disrupt operations and collection of rental income or otherwise result in adverse impact on the financial condition of the Group.

The quality and design of the Group's properties have a direct influence over the demand for space in, and the rental rates of, a property. The Group's properties may need to undergo renovation or redevelopment works from time to time to retain their competitiveness and may also require ad hoc maintenance, repairs or refurbishment in respect of faults or problems or as a result of new planning laws or regulations. The costs of maintaining the Group's properties and the risk of unforeseen maintenance or repair requirements tend to increase over time as buildings age or if the Group's properties are not maintained properly. The business and operations conducted at a property may suffer some disruption, and it may not be possible to collect the full or any rental income on space affected by such renovation, redevelopment, maintenance, repair or refurbishment works.

In addition, physical damage to a property resulting from fire or other causes may significantly disrupt the business and operations conducted at such property and may cause injury or loss of life to human beings. These, together with the aforesaid maintenance or repair requirements, may result in unanticipated costs and liability for the Group and result in an adverse impact on the business, financial condition and results of operations of the Group.

The Group could incur significant liability or costs related to environmental matters or compliance costs.

The Group's operations are subject to various environmental laws, including those relating to air pollution control, water pollution control, land pollution control, noise control, waste disposal, and the release, threatened release, storage, disposal and use of hazardous or toxic materials or substances. Under these laws, an owner or operator of real property may be subject to liability, including a fine or imprisonment, for environmental pollution, including without limitation discharge of pollutants into the air or water bodies without a permit or for the improper handling or storage of hazardous or toxic substances at a property, notwithstanding that the owner or operator may not have caused the environmental pollution or that the pollution did not occur during the current ownership or operation of the property. In such circumstances, the owner or operator's liability is generally not limited under such laws and the costs of any required removal, investigation or remediation can be substantial. In addition, the financial position of the tenant-customers which are in violation may be adversely impacted, affecting their ability to conduct business and to meet their tenancy obligations and there might be adverse impact on the value of the affected property.

Furthermore, the Group may be required to comply with stricter environmental, health, fire and safety laws or enforcement policies or become involved in claims and lawsuits relating to environmental matters. Meeting stricter compliance standards or defending potential actions, including for any alleged non-compliance with applicable laws and regulations, may have a significant negative impact on its results of operations. Since the outbreak of Covid-19, the Group has had to comply with stricter health and safety policies and the Issuer is unable at this stage to quantify the duration and the extent that the impact of these stricter health and safety policies will have on its operations and Group earnings.

In addition, the Group may be required to incur expenses and make capital expenditures to comply with these environmental laws. The discharge, release or disposal of air or water pollutants without a valid permit or the improper use, storage or handling of hazardous or toxic materials or substances at any of the Group's properties may expose the Group to liability or materially adversely affect its ability to sell or lease a property or to borrow using a property as collateral. The Group's properties and other assets acquired in the future by the Group may be affected by contamination or other environmental issues which may not previously have been identified and/or rectified at the time of the acquisition of an asset or which may subsequently occur after the acquisition of an asset.

Further, asbestos-containing materials are present in some of the Group's properties. The countries where these properties are located have relevant regulations in relation to management of asbestos in the buildings which the Group will have to comply with or procure compliance with on an ongoing basis. The regulations require, amongst other things, regular inspection and monitoring of the asbestos-containing premises. If the Group removes the asbestos or renovates or demolishes the buildings, certain environmental regulations govern the way the asbestos must be handled and removed, and the Group could incur substantial costs complying with such regulations. As at the date of this Information Memorandum, the Group does not have any material non-compliance with the relevant laws and regulations relating to the management of asbestos. In addition, the Group is of the view that the presence of asbestos is common in older buildings and with proper management, the presence of asbestos-containing materials in certain of the Group's properties would not prevent or delay the sale of such properties.

The Group may not be able to procure sufficient insurance cover to protect against any losses that it may incur as a result of known or unknown environmental conditions and there can be no assurance that environmental conditions present at the Group's properties, now or in the future, and costs which may be incurred to address environmental contamination, will not materially and adversely affect the Group.

The ongoing political debate about climate change has resulted in various treaties, laws and regulations which are intended to limit carbon emissions. Any such laws being enacted or proposed may cause energy costs at the Group's properties level to increase in the future or may require CEREIT to make material investments in the Group's properties which could in turn materially and adversely affect its financial condition and results of operations and its ability to make payments under the Perpetual Securities.

Although CEREIT is not aware of the abovementioned risks at the Group's properties having resulted in a material adverse impact on the Group's financials and/or operations, there is no assurance that the business, financial condition, results of operations and prospects of the Group will not be adversely affected arising from the abovementioned risks materialising at the properties.

Certain properties of the Group's portfolio are registered as contaminated land.

Several of the Group's properties have been registered as contaminated land according to the respective national registries. However, as there are no outstanding orders to investigate or clean up against any of such properties, CEREIT is currently not required to take any further action in relation to the soil contamination issues. Furthermore, there is no indication that any of the impacted properties are not in material compliance with the applicable legislation on soil protection in respect of their current use.

However, there is no assurance that the Group will not be required to incur expenses and make capital expenditures to comply with laws on soil contamination or other environmental laws in relation to any of its properties in the future. Should the Group be required to incur significant expenses or undertake significant capital expenditure in order to comply with applicable environmental laws, or should the use of the Group's properties be affected by applicable environmental laws, the business, financial condition and/or results of operations of the Group may be adversely affected, which would in turn affect the Issuer's ability to make payments under the Perpetual Securities.

Occurrence of any acts of God, natural disasters, war and terrorist attacks may adversely and materially affect the business and operations of the Group's properties.

Acts of God, such as natural disasters like earthquakes, flooding, war, terrorist attacks and global pandemics are beyond the control of the Issuer, the CEREIT Manager or CEREIT. These may materially and adversely affect the economy, infrastructure and livelihood of the local population. The Group's properties, business, financial condition, results of operations, and income available for distribution may be adversely affected should such earthquakes, flooding, war, terrorist attacks or global pandemics occur. There is no assurance that any war, terrorist attack or other hostilities in any part of the world, potential, threatened or otherwise, will not, directly or indirectly, have an adverse effect on the operations of the Group's properties and hence CEREIT's income available for distribution.

In addition, physical damage to the Group's properties resulting from fire, earthquakes, floods or other acts of God or acts of war, civil unrest, political disruption or instability, terrorist attacks or other hostilities in any part of the world, potential, threatened or otherwise, may directly or indirectly lead to a significant disruption to the business and operation of the properties. This may result in the loss of invested capital in affected properties as well as anticipated future revenues as the Group may not be able to rent out or sell the affected properties. The Group may suffer a loss of or disputes with existing tenant-customers in the affected properties and any financial obligations secured by such properties may be accelerated.

Certain of the Group's properties are subject to flooding risk.

Some of the Group's properties are exposed to an increased risk of flooding, physical damage to the properties and injury to tenant-customers and visitors resulting from floods which may lead to significant disruption to the business and operations of the tenant-customers of these properties, who may seek compensation or which may result in the termination of these leases, or which would result in significant cost to the Group to repair and contain the damage, all of which could in turn result in an adverse impact on the business, financial condition, results of operations and prospects of the Group.

In certain properties, explosives material may be present in the ground.

Explosive ordinances might be present in the ground below certain properties. Such explosive ordinances include unexploded bombs from World War II which may have been buried beneath a property. In addition, some of the Group's properties are also located within reported World War II bomb-throwing areas. In the event that such explosives located on the affected properties are set off, the explosion may cause damage to the Group's properties which will significantly disrupt business operations and may result in an adverse impact on the Group's financial results.

The Group is exposed to risks related to the acquisition of real estate properties, such as the non-completion of the intended acquisitions, a lack of revealing all or the full extent of the risks and liabilities associated with the properties in the due diligence examination and the risks associated with/inherent in the valuation method used to appraise the property.

Each acquisition of real estate entails uncertainties and risks, including the risk that the acquisition may not be completed after significant amounts of time, money and management resources in order to investigate the potential investment have been invested. Only a small percentage of the properties that CEREIT considers for investment are ultimately purchased by the Group. Consequently, assets that the Group may currently be considering as potential candidates for acquisition may never be indirectly invested in at all or may not be indirectly invested in the scope or for the consideration currently contemplated, which may result in wasted resources.

In addition, there can be no guarantee that the due diligence examination carried out by the Group will reveal all or the full extent of the risks and liabilities associated with such properties. Warranties obtained from the seller of a real estate asset with respect to certain legal and factual issues may not necessarily cover all of the problems that may arise following the purchase or may not fully compensate the Group for a decrease in the value of the property or other loss, which may affect the Group's financial condition and results of operations, and in turn affect the Issuer's ability to make payments under the Perpetual Securities. In addition, it may be difficult or impossible to enforce these warranties against a seller for various reasons, including the insolvency of the seller or the expiration of such warranties.

The Group's properties and the entities through which they were acquired could be affected by missing or inconsistent documents.

Not all documents relating to the Group's properties and the entities through which they were acquired requested or being requested in the course of due diligence (including without limitation, building permits, occupancy permits, zoning decisions, water permits and corporate records) were or may be available. They could have been or can be misplaced by the vendors or missing due to the age of the records or otherwise not obtained at all. In addition, certain documents may be partly incomplete or, due to the passage of time, illegible. There is therefore no assurance that the due diligence has or may uncover all non-compliance with the laws, regulations, terms of all documentation relevant to the Group's properties and the entities through which they were acquired, and all material liabilities in respect of the properties and the entities through which they were acquired.

There may be potential grounds for invalidation of zoning decisions, building permits or occupancy permits issued in respect of certain properties because of irregularities in the documentation relating to the construction process in relation to the construction of certain parts of the Group's properties such as potential inconsistencies between the building permits, and occupancy permits, zoning permits, cadastral maps and/or master plans, or irregularities in the administrative decisions or proceedings relating to the issuance of zoning decisions, building permits and/or occupancy permits. If a zoning decision, building permit or occupancy permit is invalidated or not obtained, or certain areas of a property are found to be not in compliance with applicable laws and regulations, it may result in financial penalties being imposed, the affected area of the property having to be demolished or reinstated to its previous condition (as the case may be) unless, where applicable, a legalisation procedure is successfully undertaken, and the payment of a legalisation fee is made. This may result in unbudgeted costs for the Group or an unexpected decrease in the value of the Group's properties which might result in an adverse impact on the financial condition and results of operations of the Group and the Issuer's ability to make payments under the Perpetual Securities.

Certain of the Group's properties are subject to rights of first refusal and rights of first offer and other provisions under the relevant lease agreements or at law in favour of the tenant-customers.

Lease agreements with certain tenant-customers at the Group's properties contain rights of first refusal or pre-emptive rights exercisable by such tenant-customers in the event of an asset sale of part and/or all of the relevant property. Where a pre-emptive right exists, the relevant subsidiary of the Group must first offer the relevant tenant-customer an opportunity to purchase the relevant property (or part thereof) or portfolio of the properties on the same terms that the Group is proposing to sell on. As a result, the relevant subsidiary of the Group may only proceed with the sale of the relevant property (or part thereof) or portfolio of properties if the relevant tenant-customer does not wish to exercise its pre-emptive right. In addition, certain tenant-customers have pre-emptive rights to lease vacated premises which fulfil certain criteria.

These rights of first refusal and rights of first offer may impact the Group's ability to obtain the best possible price (under the relevant market conditions) on a divestment of such properties or to capture potential market upside (whether in terms of rental income or selling price). Certain tenant-customers of the Group's properties also have expansion rights that allow them to lease additional premises in the properties and require the development/conversion of certain space at the properties for their leasing, on terms set forth in their leases, or may have extension or renewal rights for their existing space upon terms more favourable than available in the market. This may affect the landlord's ability to negotiate with existing tenant-customers for more favourable terms (depending on the prevailing tenant-customer market), to enter into lease agreements with new tenant-customers at more favourable terms (depending on the prevailing tenant-customer market) with respect to such space or otherwise to capitalise on other sources of value in the Group's properties. This may in turn affect the Group's ability to increase the income from its properties.

Certain leases may also contain provisions that are favourable to the tenant-customer. These include, without limitation: non-compete clauses which prevent the landlord from leasing premises to tenant-customers that are competitors to existing tenant-customers; provisions entitling the tenant-customer to early termination or rental reduction if the level of commercialisation falls below the thresholds specified in the lease agreements, or where the property is undergoing redevelopment, or if certain actions of the landlord cause the location of the tenant-customer premises to materially deteriorate, thereby affecting the tenant-customer's turnover or the attractiveness of the location and turnover; provisions entitling the tenant-customer to rent abatement; provisions requiring the landlord to be liable for an act or omission of a subsequent co-owner which results in a breach of the landlord's obligation under the lease.

The Group's contractual rights under its leases may be limited.

The Group may be subject to statutory restrictions on its right to modify or terminate lease agreements. This may restrict the Group's ability to let its properties at market rent levels or to manage its tenant-customer base as it sees fit, thereby adversely affecting the Group's business, financial condition, prospects and results of operations.

With respect to certain properties, the Group is bound by pre-emption rights and other restrictions in favour of government authorities.

Some of the Group's properties have pre-emption rights and/or other restrictions in favour of government authorities.

For all the Group's properties located in France, under applicable French laws, a proposed asset sale of the properties or a sale of the majority of the shares of the French real estate civil companies which directly hold certain properties is subject to a pre-emption right in favour of the respective urban authorities.

The existence of such pre-emption rights may impact the Group's ability to obtain the best possible price (under the relevant market conditions) on a divestment of such properties or to capture market upside.

The Group's properties or any part of them may be acquired compulsorily by the respective governments in the countries in which the properties are located.

The Group's portfolio comprises properties which are located across Denmark, France, Germany, Italy, Poland, Finland, the Netherlands, the Czech Republic, Slovakia and the United Kingdom. The Group may also acquire properties in other countries in Europe in the future in line with its investment mandate and strategy. Under the laws and regulations of each of the respective countries, there are various circumstances under which the various governments are empowered to acquire property. For example, under the laws and regulations of Italy, there are various circumstances under which the government of the Italian Republic is empowered to acquire any of the Group's properties in Italy. Such expropriation procedures may be in relation to urbanisation works such as the construction of an expressway. In the event of any compulsory acquisition of property in Italy, the amount of compensation to be awarded includes, among others, compensation for the value of the property, which is based on the open market value of such property and assessed on the basis prescribed in the relevant ordinances. If any of the Group's property located in Italy is acquired compulsorily by the Italian government, the level of compensation for the property paid to the Group pursuant to this basis of calculation may be less than the price which the Group paid for such property and/or the market value of such property at the relevant time. In the event that the compensation paid for the compulsory acquisition of a property of the Group is less than the market value of the property, such compulsory acquisitions would have an adverse effect on the revenue of the Group and the value of its asset portfolio.

In addition, under the laws and regulations of France, the French administration may acquire any real estate properties in France provided that it complies with a formal two-step process of (i) declaration of public interest and (ii) expropriation.

The Group's properties may face increased competition from other properties.

The Group's properties are, and CEREIT expects that subsequently acquired properties will be, located in areas where other competing properties are present and new properties may be developed which may compete with the Group's properties. Some competing properties may be newer, be better located, have more attractive features, floor plans or amenities or otherwise be more attractive to tenant-customers. Competing properties may also have lower rates of occupancy or operating cost than the Group's properties, which may result in competing owners offering available space at lower rents than those offered at the Group's properties.

The income from, and the market value of, the Group's properties will be dependent on the ability of such properties to compete against other properties for tenant-customers. If competing properties are more successful in attracting and retaining tenant-customers, or similar properties in their vicinity are substantially upgraded and refurbished, the income from the Group's properties and subsequently acquired properties could be reduced, adversely affecting the business, financial condition, results of operations, prospects of the Group and the Issuer's ability to fulfil its payment obligations under the Perpetual Securities.

The fair value of the Group's properties may fluctuate.

A variety of factors must be considered in valuing properties, and there can be no guarantee that any valuation method will be reliable. In addition, some of the criteria used in valuations are subjective in nature and may be assessed differently by different persons. The Group might rely on a valuation method or valuation criterion that results in an erroneous assessment of the value of a particular property. In addition, the expert and management opinions on which any investment decision made by the Group is based may be flawed. Flawed assessments of valuation factors could lead to an inaccurate analysis by the Group in respect of an investment decision.

The fair value of the Group's properties is inherently uncertain due to the individual nature of each property and the characteristics of the local, regional and national real estate markets. The fair value is influenced by several factors, such as general and local economic conditions, interest rates, inflation expectations, current and future market rent levels, currency fluctuations, vacancy rates, property investors' yield requirements and competition. In particular, the continuing spread of the Covid-19 pandemic and the related government-imposed trading restrictions in response to the pandemic could have a negative impact on the fair value of the Group's properties.

The valuation of property is inherently subjective due to, among other factors, the individual nature of each property, its location, the expected future rental revenues from that particular property, the expected expenses, subsidies, capital expenditures and, in the case of development land, the expectations as to the cost and timing of that development and its ability to attract tenant-customers.

As a result, the valuations of property, which account for the vast majority of the Group's assets, will be subject to a degree of uncertainty and will be made on the basis of assumptions, which may prove to be inaccurate or incomplete, particularly in periods of volatility or low transaction volume in the real estate property market.

A reduction of the market value of a property based on such a valuation analysis could have an adverse effect, among other things, on the Group's value of its total assets and its profitability. In addition, the Group's existing debt facilities contain certain covenants, such as an obligation to maintain a maximum loan to valuation ratio, which could also be adversely affected by a decrease in the market value of its properties. As a result, fluctuations in the valuation of the Group's properties could have a material adverse effect on the Group's business, financial condition, prospects, results of operations and execution of its strategy.

There can be no assurance that the assumptions on which the appraisals of the Group's properties are, or will be, based are accurate measures of the market, and the values may be evaluated inaccurately. A subjective determination of certain factors relating to a property such as its relative market position, financial and competitive strengths, and physical condition which has been relied on and, accordingly, the valuation of a property may be subjective and prove incorrect.

Some of the Group's properties are subject to various encumbrances.

The Group's properties are subject to various encumbrances. These encumbrances include easements granted for the maintenance of technical facilities (for example, pipes), rights of way, encroachments, building restrictions, rights to use car parking spaces, rights regarding distance spaces to neighbouring buildings or usage restrictions, pre-emption rights and other rights and claims of and other limitations imposed by third parties.

There is a risk that the encumbrances may (i) affect the Group's ability to divest the affected properties in the future; (ii) restrict future development plans of the Group; (iii) cause the Group to be liable for damages in the event certain encumbrances are not strictly adhered to; (iv) cause the Group to incur additional expenses if it wishes to remove such encumbrances by contractual means; and (v) restrict the pool of potential tenant-customers arising from the usage restrictions. As a result, the encumbrances may have a material adverse effect on the business, financial condition, results of operations and/or prospects of the Group and the Issuer's ability to fulfil its payment obligations under the Perpetual Securities.

RISKS RELATING TO THE GROUP'S OPERATIONS

The CEREIT Manager may not be able to successfully implement its investment strategy for the Group.

The Group faces active competition in acquiring suitable and attractive properties from other property investors, including other REITs, property development companies and private investment funds. There is no assurance that the Group will be able to compete effectively against such entities and its ability to source and fund acquisitions under its acquisition growth strategy. The real estate industry in which the Group operates is capital intensive and the Group may from time to time require significant amounts of capital for purposes such as acquisitions or redevelopment. As the Group depends on raising funds in listed capital markets which are frequently volatile, it may not always be able to source capital quickly enough as compared to its private investment funds or other similar type competitors. Even if the Group were able to successfully acquire properties or other investments, there is no assurance that the Group will achieve its intended return on such acquisitions or investments and acquisitions that are accretive may be adversely affected.

Therefore, the CEREIT Manager may not be able to successfully implement its investment strategy, expand the Group's portfolio at any specified rate or to any specified size, or make acquisitions or investments on favourable terms or within a desired time frame.

The CEREIT Manager may change the investment strategy for the Group.

The CEREIT Manager may amend the investment strategy for the Group under certain conditions. In the event of a change of investment strategies, the CEREIT Manager may, subject to the relevant laws, regulations and rules, alter such investment strategies. The methods of implementing the Group's investment strategies may vary as new investment and financing techniques are developed or otherwise used. Such changes may adversely affect the Perpetual Securityholders' investment in the Perpetual Securities.

The Group's investment strategy may entail a higher level of risk as compared to other types of unit trusts that have a more diverse range of investments.

The Group's 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, as well as real estate-related assets in connection with the foregoing, will subject the Group to risks inherent in concentrating in real estate. The level of risk could be higher as compared to other types of unit trusts that have a more diverse range of investments in other sectors.

A concentration of investments in real estate located in Europe which are primarily used for office and light industrial/logistics purposes means that a substantial portion of the Group's earnings depends on the continued strength of Europe's office and light industrial/logistics property markets, which are in turn affected by general economic and business conditions. This exposes the Group to the risk of an economic downturn in Europe in general. Any economic slowdown in Europe could negatively affect the performance of the relevant markets in Europe. The renewal of leases in the Group's properties will depend, in part, upon the success of the tenant-customers. Any economic downturn may cause higher levels of non-renewals of leases or vacancies as a result of failures or defaults by tenant-customers or the market pressures exerted by an increase in available space for properties used for such purposes.

Future acquisitions may not yield the returns expected and may result in disruptions to the Group's business, may strain management resources and may result in dilution of holdings.

The Group intends to grow through selective acquisitions. However, there can be no guarantee that the Group will find new targets on acceptable commercial terms or that it will succeed to negotiate and complete new acquisitions.

Moreover, those investments require, among other things, an analysis of a wide variety of factors, including subjective assessments and assumptions. It is possible that the Group may overestimate the potential of those investments, when making investments decisions, or may base its decision on inaccurate information or assumptions that turn out to be incorrect. For example, the Group may overestimate the attractiveness of a property or its location, or the demand for such premises, in which case it may be difficult to find suitable tenant-customers that are willing to enter into favourable leases. The Group may also underestimate the likelihood that a newly acquired real estate asset will require substantial renovation, capital repairs or an environmental action. Such errors may only become apparent at a later stage and require the Group to recognise fair value losses on its statement of financial position and income statement.

Furthermore, the Group cannot guarantee that its due diligence when acquiring a real estate asset will uncover all the potential liabilities and risks related to the property, such as construction defects, liabilities for clean-up or remediation of environmental conditions, claims of customers, vendors or other persons dealing with the acquired entities, tax liabilities and other liabilities whether incurred in the ordinary course of business or otherwise, or that it will have recourse to the seller of the property for the non-disclosure of such risks. Official information in the land register of some of the countries in which the Group has its operations or assets may not be accurate and complete. Thus, although the Group may have to rely upon the information contained in land registers, it may not have effective redress against the government of the relevant country if the information upon which the Group relied in deciding whether or not to make an investment was inaccurate, misleading or incomplete.

In addition, as the Group acquires properties and increases its market share, compliance with competition regulations may become more onerous. It is possible that competition authorities may rule that certain future acquisitions are anti-competitive. Adverse proceedings with authorities regarding acquisitions could harm the Group investment and expansion plans.

Any of these factors, alone or in combination, could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

Future acquisitions may cause disruptions to the Group's operations and divert management's attention away from day-to-day operations.

Newly acquired properties may require significant management attention that would otherwise be devoted to the Group's ongoing business. Notwithstanding pre-acquisition due diligence, the Group does not believe that it is possible to fully understand a property before it is owned and operated for an extended period of time.

In addition, the Group's acquisition growth strategy and its asset selection process may not be successful. There are risks associated with pursuing further acquisitions of office, light industrial/logistics and retail assets and successfully integrating them into the Group's portfolio. For example, the expected benefit, synergies or efficiencies from such acquisitions may take longer than expected to achieve or may not be achieved at all. In addition, future acquisitions may cause disruptions to the Group's operations and divert management's attention away from day-to-day operations.

The Group may be unable to successfully integrate and operate acquired properties, which could have a material adverse effect on the Group.

Even if the Group is able to make acquisitions on favourable terms, its ability to successfully integrate and operate them is subject to the following significant risks:

- it may spend more than budgeted amounts to make necessary improvements or renovations to acquired properties, as well as require substantial management time and attention;
- it may be unable to integrate new acquisitions quickly and efficiently, particularly acquisitions of operating businesses or portfolios of properties, into its existing operations;
- acquired properties may be subject to reassessment, which may result in higher than expected property tax payments;
- its tenant-customer retention and lease renewal risks may be increased; and
- market conditions may result in higher than expected vacancy rates and lower than expected rental rates and/or higher than expected tenant-customer incentives.

Any inability to integrate and operate acquired properties to meet the Group's financial, operational and strategic expectations could have a material adverse effect on the Group.

The amount that the Group's companies may borrow is limited, which may affect the operations of the Group.

Under Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore in relation to REITs, CEREIT is permitted to borrow up to 50% of the value of the Deposited Property[1] at the time the borrowing is incurred, taking into account deferred payments[2]. On or after 1 January 2022, the aggregate leverage limit is 45% of CEREIT's Deposited Property, and CEREIT's aggregate leverage may exceed this limit (up to a maximum of 50%) only if it has a minimum adjusted interest coverage ratio[3] of 2.5 times after taking into account the interest payment obligations arising from the new borrowings.

As at 30 June 2021, CEREIT's aggregate leverage was 37.9%, which is within the 50% aggregate leverage limit prior to 1 January 2022 allowed by the MAS under the Property Funds Appendix for property trusts in Singapore. A decline in the value of the Deposited Property may also cause the borrowing limit to be exceeded, thus affecting CEREIT's ability to make further borrowings.

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1 In response to the Covid-19 pandemic, the MAS had, on 16 April 2020, announced that the aforementioned aggregate leverage limit for REITs will be raised from 45.0% to 50.0%, with immediate effect. In addition, the MAS will defer to 1 January 2022 the implementation of the minimum interest coverage requirement it had proposed in its consultation paper on "Proposed Amendments to the Requirements for REITs" published on 2 July 2019 (**Consultation Paper**). In the Consultation Paper, the MAS had proposed reviewing the aggregate leverage limit, including introducing the option of allowing a REIT's aggregate leverage to exceed 45.0%, with a higher aggregate leverage limit of 50.0%. The flexibility for a REIT to take on higher leverage in excess of the 45.0% limit would be subject to any requirements which the MAS may impose, such as a minimum interest coverage ratio of 2.5 times after taking into account the interest payments arising from the new debt.

2 See Code on Collective Investment Scheme – Monetary Authority of Singapore: https://www.mas.gov.sg/~/media/MAS/Regulations%20and%20Financial%20Stability/Regulations%20Guidance%20and%20Licensing/Securities%20Futures%20and%20Fund%20Management/Regulations%20Guidance%20and%20Licensing/Codes/CIS%20CODE%2016%20AUG%202018.pdf

3 "Adjusted interest coverage ratio" means a ratio that is calculated by dividing the trailing 12 months earnings before interest, tax, depreciation and amortisation (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), by the trailing 12 months interest expense, borrowing-related fees and distributions on hybrid securities.

The Group may, from time to time, require further debt financing to achieve its investment strategies. In the event that the Group decides to incur additional borrowings in the future, the Group may face adverse consequences as a result of this limitation on future borrowings, and these may include:

- having to miss out on attractive acquisition opportunities which may be available for only a limited period of time but for which debt financing in excess of the borrowing limits would have been required;

- an inability to fund capital expenditure requirements of the Group's existing asset portfolio or for future acquisitions to expand its portfolio; and

- a decline in the value of a property may cause the borrowing limit to be exceeded, thus affecting the Group's ability to make further borrowings.

The Group may face risks associated with debt financing and the separate loan facilities which the Issuer, the Group or any of its subsidiaries have obtained from its lenders and the debt covenants could limit or affect the Group's operations.

As at 30 June 2021, the Group had total gross borrowings of approximately €927 million, including bank loans/notes and private placements (German *Schuldschein*), of which €845 million was unsecured. Gross borrowings include the issuance of a €300 million 5-year bond in November 2020, followed by a tap of €200 million in January 2021 from CEREIT's EMTN Programme. A new revolving credit facility due to expire in 2024 was upsized to €200 million in early 2021 and remains undrawn as at 30 June 2021. With the exception of the one remaining asset-level funding arrangement, the unsecured bank loans/notes and private placements contain financial covenants which require the Group to maintain a consolidated leverage (or gearing) ratio below 0.45, a debt yield of at least 0.11 to 1, a priority debt ratio of 0.30 to 1 or lower and an unencumbrance ratio of 220%. As at 30 June 2021 the Group's consolidated leverage ratio was 0.379, the debt yield was at 0.142 to 1, the priority debt ratio at 0.034 and the unencumbrance ratio at 260%. The Group's existing secured asset-level funding arrangement contains certain financial covenants, such as an obligation to maintain a maximum loan to valuation and debt yield ratio. The Group's compliance with such covenants is dependent on, amongst other things, the fair market value and income-yielding capacity of its mortgaged properties. A decline in the fair market value or net income of such properties could affect the Group's compliance with these covenants and in the case of a breach thereof result in the locking of cure amounts, the forfeiture of its secured assets or making future borrowing more difficult.

The Group has continuously demonstrated its ability to raise external, secured asset level bank funding. However, to support the Group's future growth strategy and provide it with the required operational flexibility there is an increasing need for new funding.

Any of the events described could lead to a material adverse effect on the Group's business, financial condition, prospects and results of operations. The availability of financing in line with the financial covenants of the Group and borrowing costs may fluctuate over time. The factors that affect the availability of financing and financing costs, including the maintenance of CEREIT's and the Perpetual Securities' investment grade credit rating, could have a material adverse effect on the execution of the Group's strategy or on the ability to refinance on commercially acceptable terms debt falling due in accordance with the maturity schedule of the Group's indebtedness which could in turn have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

In the event of interest rates or other factors at the time of refinancing (such as the possible reluctance of lenders to make commercial property loans) resulting in higher interest rates, the interest expense relating to such refinanced indebtedness would increase, thereby adversely affecting the Group's cash flow. Since its initial public offering, the Group has maintained a high hedge ratio in excess of +70.0% and comprised in the majority medium to long-term interest rate caps, mostly capped at zero per cent[1].

Tightening regulation of the banking sector (Basel III & IV and CRD IV) may lead to higher costs of financing for the banks, which may again result in an increase in the Group's borrowing costs. The continued diversification of the Group's funding structure (see section "*Description of the Group – Capital Structure of the Group*" of this Information Memorandum) will enable it to pro-actively address liquidity events in the future. The refinance of these bank loans/notes and German *Schuldschein*, may (considering any of the above items) lead to the Group's average borrowing costs increasing in the future.

References to "**Debt Yield**" mean, in respect of any last day of each financial year and financial half year of CEREIT, the ratio of Adjusted Consolidated Profits Before Interest and Tax to Consolidated Net Borrowings.

The Group is exposed to the risk of revaluation losses of real estate properties.

The present macroeconomic environment in the countries in which the Group's properties are located is characterised by low interest rates, which has resulted in increased valuations of property portfolios. A rise in interest rates could reverse this trend. Should the economic conditions lead to a rise in interest rates, investors may have a preference for investments with a higher risk profile and investments in real estate could appear less attractive.

Additionally, in an environment of rising interest rates, the discount rate which, in accordance with IAS 40 in conjunction with International Financial Reporting Standard (**IFRS**) 13, is used for calculating the value of the Group's real estate recorded in the balance sheet of the Group (**Fair Value**), would in most cases rise, too, which in turn could reduce the Fair Value of the Issuer's real estate.

The Group is exposed to a rise in interest rates.

A rise in interest rates could also lead to an increase in the Group's funding costs, including costs for hedging instruments. When negotiating or renewing financing agreements, the Group depends on its ability to negotiate interest rates that do not impair its targeted earnings levels and repayment schedules that allow for distribution of the envisaged dividends. Moreover, the Issuer may not be able to acquire the hedging instruments needed in the case of variable interest rates, or may be able to acquire them only at considerable additional expense.

Neither CEREIT nor the CEREIT Manager has a long established operating history.

CEREIT was constituted on 28 April 2017 and the CEREIT Manager was incorporated on 31 January 2017. Although Cromwell Property Group (the **Sponsor**) has a long operating history and has 15 years of asset management track record in Europe, neither CEREIT nor the CEREIT Manager have sufficient operating histories by which their past performance may be judged. The lack of a long established operating history will make it more difficult for investors to assess CEREIT's or the CEREIT Manager's future performance.

The Group depends on certain key personnel and the loss of any key personnel may adversely affect its operations.

The success of the Group depends, among other things, on the professional skills of the directors and the CEREIT Manager's management and other key personnel of the Sponsor and the Property Manager, as well as on the ability to retain its current management and to be able to recruit new

[1] As at 30 June 2021, 100% of CEREIT's total gross borrowings were hedged by using interest rate caps or are fixed on a co-maturing basis.

skilled personnel when needed. Whereas the directors proactively manage the succession of senior roles, the unexpected loss of some or all of these individuals, including potentially to the Group's competitors, or an inability to attract, retain and maintain additional personnel could prevent the Group from implementing its business strategy and could adversely affect the Group's business, financial condition, prospects and results of operations. The CEREIT Manager does not carry key man insurance with respect to any of these individuals. There can be no assurance that the CEREIT Manager will be able to retain all of its existing senior personnel or to attract additional qualified personnel when needed which in turn could affect adversely the Group's business, financial condition, prospects and results of operations.

Entities of the Group may be subject to litigation, administrative proceedings and similar claims.

Entities of the Group have been and will likely continue to be subject to various administrative and legal proceedings. These proceedings, even for routine matters, can be lengthy and expensive and involve substantial Group's resources. In addition, larger or unexpected proceedings may distract management from, or or delay it in, implementing the Group's business strategy. The Group may also be subject to litigation involving tax authorities or in connection with agreements entered into by the Issuer or members of the Group relating to the purchase and/or sale of property, interests in companies or other assets, or other activities of the Group. It is impossible for the Group to predict if and when significant litigation or administrative or legal proceedings may occur. The occurrence of any of these factors may have a material adverse effect on the business, cash flows, financial condition, results of operations, net profits and prospects of the Group.

Laws, regulations and policies imposed by various government and regulatory authorities may adversely affect the Group.

The Group's ownership, operation and rights in respect of its properties are subject to various laws and regulations and policies of government and regulatory authorities in Singapore, Denmark, France, Germany, Italy, Jersey, Luxembourg, the Netherlands, Finland, Poland, the Czech Republic, Slovakia and the UK.

For example, these laws and regulations (including, without limitation, restrictions on foreign ownership of the Group's properties) can impose limitations on the Group's operations and plans with respect to the Group's properties. Compliance with, as well as failure to comply with, such laws, regulations and policies can have an adverse effect on the business, financial condition, results of operations and prospects of the Group.

CEREIT may not be able to control or exercise any influence over entities in which it has minority interests.

CEREIT may, in the course of acquisitions, acquire directly or indirectly minority interests in real estate-related investment entities or in the case of assets proposed to be developed through co-ownership or co-operation arrangements (including among others joint venture arrangements) with third parties.

There is no assurance that the Issuer will be able to exercise active control over such entities and the management of such entities may make decisions which could adversely affect the operations of CEREIT and in turn the ability of the Issuer to make payments under the Perpetual Securities.

Specific risks arising from co-ownership and co-operation arrangements or relating to title sharing, which are not present in relation to projects that are wholly-owned, operated and developed by the Group, include risks that (i) the Group's relevant partners may have different objectives from the Group, including with respect to the appropriate timing and pricing of any sale or refinancing of an investment property held as part of a co-ownership arrangement; (ii) the Group's relevant partners may take action contrary to the Group's instructions or requests, policies or objectives, or frustrate its actions; (iii) the Group's relevant partners might become bankrupt or insolvent; and (iv) with respect to co-title and development projects, the Group may be required to provide additional financing to make up for any shortfall due to the Group's relevant partner(s) failing to provide such finance or to furnish any required collateral to any financing banks. In addition, risks relating to joint venture arrangements may include potential joint and several or secondary liability for transactions and liabilities of the joint venture entity; the difficulty of maintaining uniform standards, controls, procedures and policies; and depending on the specific joint venture terms, the possible termination or commencement of a forced buy or sell procedure in relation to either the investment property or a stake in the joint venture. These risks, if realised, could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

CEREIT is subject to certain obligations and restrictions due to the listings of its units.

Presently, CEREIT's units are admitted to trading on the SGX-ST under the tickers: CWBU (Euro-denominated) and CWCU (Singapore dollar-denominated). Consequently, CEREIT is exposed to the restrictions and obligations arising from the applicable laws and regulations in Singapore. Listing of CEREIT's units imposes obligations and restrictions on CEREIT, under the applicable capital markets provisions as well as under the applicable rules of the relevant stock exchange. In addition, CEREIT is subject to applicable capital markets laws and regulations, such as certain notification obligations on shareholding, public takeover regulations and squeeze-out provisions. These laws and regulations are constantly evolving, and the diversity and complexity of these laws and regulations create a risk that, in some instances, CEREIT may be deemed liable for violations of such laws and regulations, in particular, in connection with a failure to comply with those laws and regulations. Any violation or breach of these laws and regulations could affect the overall reputation of CEREIT and, depending on the case, expose CEREIT to administrative or judicial proceedings, which could result in adverse judgements. The occurrence of any of these factors may have a material adverse effect on the Group's business, financial condition, cash flows, results of operations, net profits and prospects.

The Issuer and the other companies of the Group may engage in hedging transactions, which can limit gains and increase exposure to losses, and not offer full protection against interest rate and exchange rate fluctuations.

The Issuer and the other companies of the Group may enter into hedging transactions to protect themselves or their portfolio from, among others, the effects of interest rate and currency exchange fluctuations on floating rate debt and interest rate and prepayment fluctuations. Hedging transactions may include entering into interest rate hedging instruments, purchasing or selling futures contracts, purchasing put and call options or entering into forward agreements.

These hedging activities may not have the desired beneficial impact on the results of operations or financial condition of the Group. No hedging activity can completely insulate the Issuer or the other companies of the Group from risks associated with changes in interest rates and exchange rates, and changes in foreign exchange rates, for example, may negatively affect the Issuer or the other companies of the Group's asset value. Moreover, interest rate hedging could fail to protect the Issuer or the other companies of the Group or adversely affect the Issuer or the other companies of the Group because among others:

- the available hedging may not correspond directly with the risk for which protection is sought;
- the duration or nominal amount of the hedge may not match the duration of the related liability;
- the party owing money in the hedging transaction may default on its obligation to pay;
- the credit quality of the party owing money on the hedge may be downgraded to such an extent that it impairs the ability of the Issuer or the other companies of the Group to sell or assign their side of the hedging transaction; and

- the value of the derivatives used for hedging may be adjusted from time to time in accordance with accounting rules to reflect changes in fair value. Downward adjustments and the significant loss in value of hedging instruments due to a write down to fair value would reduce the net asset value of the Issuer or the other companies of the Group.

In addition, hedging activities involve risks and transaction costs, which may reduce overall returns and possibly limit the amount of cash available for payment by the Issuer under the Perpetual Securities. These costs increase as the period covered by the hedging increases and during periods of rising and volatile interest rates. The CEREIT Manager will regularly monitor the feasibility of engaging in such hedging transactions, taking into account the cost of such transactions.

The Group is exposed to disruption and other damages to its information technology and other networks and operations and breaches in data security.

The Group is dependent on the proper functioning of information technology systems and processes. In terms of cyber-readiness and data governance, the CEREIT Manager works within the information technology infrastructure of the Sponsor and has policies and processes in place to comply with applicable data applicable privacy laws. Operating within the Sponsor's information technology infrastructure has allowed the CEREIT Manager to leverage cybersecurity systems which are maintained as guided by the ISO27001 information security management systems certification, which the Sponsor has attained. The CEREIT Manager has also ensured that its data handling practices are aligned to relevant data protection regulations. Nevertheless, the CEREIT Manager's and the Property Manager's systems and the services of external system providers on which it relies are vulnerable to damage or interruption from various factors, including but not limited to power loss, telecommunication failures, data corruption, network failure, computer viruses, security breaches, natural disasters, theft, vandalism, rapidly changing technology and information technology infrastructure global environment or other acts or events. Increased frequency and sophistication of cyber threats could lead to installation of malicious software, unauthorised access to data and other electronic security breaches that could lead to disruptions in systems, unauthorised disclosure of confidential or otherwise protected information and the corruption of data. A disruption in the infrastructure that supports the Group's businesses could have a material adverse effect on its ability to continue to operate the Group's business which in turn could lead to loss of business and the incurrence of significant costs related to information retrieval and verification and the restoration of normal service.

The CEREIT Manager and the Property Manager may also accumulate, store and use in their operations data for marketing purposes and such data may be protected by data protection laws. Although the Group takes precautions to protect customer data in accordance with the applicable laws, the Group cannot discount the possibility of future data leakages. The Group works with third-party service providers, such as certain software companies, which may not fully comply with the relevant contractual terms and all data protection obligations imposed on them. The Group's insurance also covers disruption of its information technology systems, but there is no guarantee that such insurance is adequate to cover all potential losses. Unanticipated information technology problems, system failures, computer viruses, intentional/unintentional misuses, hacker attacks or unauthorised access to the Group's network or other failures could result in a failure to maintain and protect customer data in accordance with applicable regulations and requirements and could affect the quality of the Group's services, compromise the confidentiality of its customer data or cause service interruptions, and may result in the imposition of fines, claims for damages, prosecution of relevant employees and managers, reputational damage and customer churn and may have a material adverse effect on the Group's business, prospects, results of operation and financial condition.

The risk management and compliance systems of the Group may prove to be partially or completely insufficient or fail, and unknown, unrecognised, underestimated or unexpected risks may materialise, any of which could lead to government investigations and significant reputational, financial or other consequences. The Group may fail to adequately account for potential liabilities or risk exposures.

The Group has put in place risk management and compliance systems that it believes are suitable to its business, and the Group continues to develop and update its risk management and compliance systems in order to monitor market risk, liquidity and financial risk, operational risk, organisational risk and the risk of reputational damage. There is no guarantee, however, that the Group's risk management or compliance systems are in fact sufficient to manage the risks faced by the Group. The Group may be faced with risks that were previously unknown, unrecognised, underestimated or unconsidered, and its risk management or compliance systems may function incorrectly or fail. Inappropriate risk management or compliance measures may cause irregularities leading to among other things cash losses or delays in development of the Group, or to official investigations or third-party claims against the Group, which in turn could have significant financial, reputational and other consequences. The Group books provisions for potential liabilities such as tax liabilities, litigation exposure and bad debt. These provisions are based on management's assumptions, estimates and judgements, and there is no guarantee that the provisions taken by the Group adequately account for the Group's potential or actual liabilities or risk exposures. Failure to take adequate provisions against potential liabilities could have significant financial, reputational and other consequences for the Issuer or the Group.

The occurrence of any of these risks could have a material adverse effect on the Group's business, net assets, financial condition, cash flows, results of operations, net profits, reputation and prospects.

A loss of reputation or harm to the brand name of the Group may reduce the demand for the Group's properties, shares or debt, reduce the ability of the Group to raise capital or debt on attractive terms and to retain key personnel.

The Group's ability to attract and retain tenant-customers, raise capital, issue debt or gain access to bank financing, as well as retain personnel in its employment, may suffer if the Group's reputation is damaged or harm to the brand name of the Group is done. Matters affecting the Group's reputation may include, amongst other things, the quality and safety of the Group's assets, compliance with legislation and regulations. Any damage to the Group's reputation may result in a material decline in the unit price of CEREIT or the trading prices of its securities, and may have a material adverse effect on the business, net assets, cash flows, financial condition, results of operations, net profits and prospects of the Group.

Changes in accounting standards may impact the financial situation and results presented in the financial statements of the Group.

The Group's accounting policies and methods are fundamental to how it records and reports its financial condition and results of operations. From time to time amendments are adopted to the applicable financial accounting and reporting standards that govern the preparation of the Group's financial statements. Any amendment to the IFRS which, in future, is adopted and which concerns the valuation of the balance sheet, off-balance sheet items, disclosures or creating write-downs and provisions, may have a negative impact on the presentation of the financial and economic situation of the Group and consequently on the Issuer's ability to perform its obligations under the Perpetual Securities.

The financial information of the Group for FY2018 is not directly comparable with the corresponding financial information for FY2019 and FY2020.

This Information Memorandum includes the audited consolidated financial statements of the Group for FY2018, FY2019 and FY2020. The audited consolidated financial statements of the Group for FY2019 and FY2020 are for the 12-month period ended on 31 December of such year, while the audited consolidated financial statements of the Group for FY2018 are for the period from the date of constitution of CEREIT (being 28 April 2017) to 31 December 2018. Investors should note that the comparative amounts presented for the consolidated financial statements in relation to the 20-month period for FY2018 would not be directly comparable to the 12-month period for FY2019 and FY2020, given that the lengths of financial periods are not similar. As such, potential investors should exercise caution when using such data to evaluate the total returns and financial position of the Group.

Risks relating to the use of unaudited financial information.

This Information Memorandum contains unaudited financial information of the Group for 1H2021 and 3Q2021. Such unaudited financial information will not have been audited or subject to review by the auditors in respect of the Group. Accordingly, there can be no assurance that, had an audit or review been conducted in respect of such financial information, the information presented therein would not have been materially different. Prospective investors should not rely on such unaudited financial information to provide the same quality of information that audited financial information would provide and should exercise caution when using such data to evaluate the financial position of the Group and in making an investment decision. Further, any financial metrics set out in this Information Memorandum have limitations as analytical tools and prospective purchasers of the Perpetual Securities should not consider it in isolation from, or as a substitute for analysis of, the Group's financial condition or results of operations as reported under the IFRS. The Group's presentation of the financial metrics may not be comparable to similarly titled measures presented by other issuers or REITs. Prospective investors should not compare the Group's financial ratios with ratios presented by other issuers or REITs because not all issuers or REITs use the same definitions. None of the Arrangers and the Dealers or any of their respective affiliates, directors or advisers has independently verified any of the information contained therein and can give assurance that such information is accurate, truthful or complete. CEREIT's financial statements for any interim period should not be taken as an indication of the expected financial condition and results of operations of the Group for the full financial year.

The Group may be exposed to risks associated with exchange rate fluctuations and changes in foreign exchange regulations.

Any revenue received from the Group's properties is in Euros, Polish Zloty, Czech Koruna, Pounds Sterling, and Danish Krone. The Euros, Polish Zloty, Czech Koruna, Pounds Sterling and Danish Krone may have to be converted into Singapore dollars to settle expenses in Singapore dollars at CEREIT level.

The value of Euros, Polish Zloty, Czech Koruna, Pounds Sterling, and Danish Krone against foreign currencies fluctuates and is affected by changes in Europe and international political and economic conditions and by many other factors. Significant fluctuations in the exchange rates between such currencies will also, among others, affect the NAV of the units of CEREIT.

There is no assurance that the credit ratings given to the Issuer will be maintained or that the credit ratings will not be reviewed, downgraded, suspended or withdrawn, and credit ratings assigned to the Issuer or any Perpetual Securities may not reflect all the risks associated with an investment in the Perpetual Securities.

As at 19 October 2020, the Issuer has been assigned an overall corporate rating of "BBB-" with a "stable" outlook by Fitch Ratings. The credit ratings assigned by Fitch Ratings are based on the views of Fitch Ratings only. Credit rating agencies rate the Issuer based on factors that include its operating results, actions that the credit rating agencies take, the credit rating agencies' view of the general outlook for the REIT industry and the economy. Actions taken by the rating agencies can include maintaining, upgrading or downgrading the current rating or placing the Issuer on a watch list for possible future downgrading. Any rating (including rating outlook) changes that could occur may have a negative impact on the market value of the Perpetual Securities. Downgrading, suspending or withdrawing the credit rating assigned to the Issuer would increase the Issuer's cost of financing, thereby adversely affecting the Issuer's cash flows, and have a material adverse effect on the business, financial condition and results of operations of the Issuer. A rating (including rating outlook) by a rating agency is not a recommendation to buy, sell or hold the Perpetual Securities, in as much as it does not comment as to the market price or suitability of a particular investor, does not address the likelihood or timing of prepayment, if any, or the receipt of default interest, and may be subject to revision or withdrawal at any time by the assigning rating agency. The ratings may not reflect the potential impact of all risks related to the Group and the Perpetual Securities discussed in this section, and other factors that may affect the value of the Perpetual Securities.

There may be potential conflicts of interest between the Issuer, the CEREIT Manager, the Property Manager and the Sponsor.

As at 30 June 2021, the Sponsor has an aggregate deemed interest in 156.6 Units, which is equivalent to approximately 28.0% of the total number of Units in issue. The Sponsor operates a fully integrated property, investment and asset management model and takes an active approach to property portfolio and asset management, specialising in value-add projects and asset transformations. Some of the Sponsor's properties compete directly with the Group's properties for customers. Furthermore, the Sponsor may in the future invest in or sponsor other REITs or private real estate funds which may also compete directly with the Issuer. There can be no assurance that conflicts of interest will not arise between the Issuer on the one hand and the Sponsor on the other, or that the Issuer's interests will not be subordinated to those of the Sponsor, whether in relation to the future acquisition of additional properties in Singapore or elsewhere.

The CEREIT Manager may not be able to implement its asset enhancement initiatives or successfully carry out its development activities.

The CEREIT Manager may from time to time perform AEIs on some of its properties. There can be no assurance that the CEREIT Manager will be able to implement any of its proposed AEIs successfully or successfully carry out its development activities or that the carrying out of any AEI or development activities will enhance the value of the relevant property. Furthermore, the CEREIT Manager may not be able to carry out the proposed AEI or development activities within a desired timeframe, and any benefit or return which is expected from such AEI or development activities may be reduced or lost. Even if the AEI or development is successfully carried out, they may not achieve their desired results or may incur significant costs, which could have a material adverse effect on the business, financial condition and results of operations of the Issuer.

As a condition for tax transparency treatment, applicable Singapore law requires the Issuer to distribute at least 90% of its taxable income (after deduction of applicable expenses) (failing which the Issuer would be liable to pay Singapore tax on its taxable income) and may face liquidity constraints.

As a condition for tax transparency treatment, the Issuer is required to distribute at least 90% of its taxable income to Unitholders, failing which the Issuer would be liable to pay tax on its taxable income (after deduction of applicable expenses).

If the Issuer's taxable income (after deduction of applicable expenses) is greater than its cash flow from operations, it may have to borrow funds to meet ongoing cash flow requirements in order to distribute at least 90% of its taxable income to Unitholders (after deduction of applicable expenses) since it may not have any reserves to draw on. The Issuer's ability to borrow is, however, limited by the Property Funds Appendix. See the risk factor "*The amount that the Group's companies may borrow is limited, which may affect the operations of the Group*" above.

Failure to make such distributions to Unitholders would put the Issuer in breach of the terms for tax transparency treatment and the Issuer would be liable to pay income tax. This may in turn have an adverse effect on the business, financial condition and results of operations of the Issuer.

If the CEREIT Manager's capital market services licence for REIT management (CMS Licence) is cancelled or the authorisation of the Issuer as a collective investment scheme under Section 286 of the SFA is suspended, revoked or withdrawn, the operations of the Issuer will be adversely affected.

The CMS Licence issued to the CEREIT Manager is subject to conditions and is valid unless otherwise cancelled or renewed. If the CMS Licence of the CEREIT Manager is cancelled by the MAS, the operations of CEREIT will be adversely affected, as the CEREIT Manager would no longer be able to act as the manager of the Issuer.

The Issuer is authorised as a collective investment scheme and must comply with the requirements under the SFA and the Property Funds Appendix. In the event that the authorisation of the Issuer is suspended, revoked or withdrawn, its operations may be adversely affected.

The termination or retirement of the CEREIT Manager could have an adverse effect on the business, financial condition, results of operations and prospects of CEREIT.

The CEREIT Manager is responsible for, among other things, formulating and executing CEREIT's investment strategy and making recommendations to the CEREIT Trustee on the acquisition and disposal of properties. As such, the business, financial condition, results of operations and prospects of CEREIT will depend on the performance of the CEREIT Manager. Upon the retirement, removal or termination of the CEREIT Manager, the replacement of the CEREIT Manager on satisfactory terms may not occur in a timely manner, and thus may adversely affect the business, financial condition, results of operations and prospects of CEREIT.

The Issuer also operates through the ReoCos and its ability to make payments to Perpetual Securityholders through the CEREIT Trustee is dependent on the financial position of the ReoCos.

The Group's properties are held directly or indirectly by the ReoCos, which are in turn held directly or indirectly by the Issuer through various Singapore and European holding companies. Accordingly, the Issuer also operates through the ReoCos, and relies on payments and other distributions from the ReoCos for its income and cash flows.

In order to make payments to Perpetual Securityholders, the Issuer will rely on the receipt by it of the distributions or other payments from the ReoCos. The ability of the ReoCos to make such payments may be restricted by, among other things, the ReoCos' respective businesses and financial positions, the availability of distributable profits, applicable laws and regulations (which may restrict the payment of dividends by the ReoCos), the terms of agreements to which they are, or may become, a party to and their ability to advance, pay, repay or prepay principal and/or interest and/or distribute dividends and/or to upstream cash in any other way whatsoever to the Issuer.

There can be no assurance that the ReoCos will have sufficient distributable or realised profits or surplus in any future period to pay dividends or make advances to the Issuer.

The occurrence of these or other factors that affect the ability of the ReoCos to pay dividends or other distributions to the Issuer may adversely affect the ability of the Issuer to make payments to the Perpetual Securityholders.

The Group relies on third parties to provide various services.

The Group engages or will engage third-party contractors to provide various services in connection with any commercial/industrial developments it may have and with the day-to-day operation of its properties and physical asset enhancement works, including, inter alia, construction, building and property fitting-out work, alterations and additions, interior decoration and installation of air-conditioning units and lifts. The Group is exposed to the risk that a contractor may require additional capital in excess of the price originally tendered to complete a project and the Group may have to bear such additional amounts in order to provide the contractor with sufficient incentives to complete the project. Furthermore, there is a risk that major contractors may experience financial or other difficulties which may affect their ability to carry out construction works, thus delaying the completion of development projects or resulting in additional costs to the Group. There can also be no assurance that the services rendered by such third parties will always be satisfactory or match the Group's targeted quality levels. All of these factors could adversely affect the Group's business, financial condition and results of operations or cash flows.

There is no assurance that the Issuer will be able to leverage on the Sponsor's experience in the operation of its properties or the Sponsor's experience in the management of REITs.

In the event that the Sponsor decides to transfer or dispose of its Units or its shares in the CEREIT Manager, the Issuer may no longer be able to leverage on the Sponsor's experience in the ownership and operation of properties or the Sponsor's financial strength, market reach and network of contacts to further its growth. This may have a material adverse impact on the Issuer's financial condition and results of operations.

The outbreak of an infectious disease or any other serious public health concerns in Europe, Asia and elsewhere could adversely impact the business, financial condition and results of operations of the Group.

Widespread health crises or the fear of any such crises at such time (such as Covid-19, SARS or other coronaviruses, measles, Ebola, H1N1, Zika, avian influenza, swine flu, or other epidemic infectious diseases) in a particular region or nationwide as well as governmental action or inaction in respect of, or responses to, any such widespread health crises, may weaken economic conditions and reduce the value of the Group's properties and any revenue received from its properties.

The outbreak of an infectious disease such as those mentioned above in Europe and elsewhere, together with any resulting governmental responses, restrictions on travel and/or imposition of quarantines, could result in reduced demand for office, light industrial/logistics and/or retail space and could consequently have a negative impact on the economy and business activities in Europe and could thereby adversely impact the revenues and results of the Group. These factors could materially and adversely affect the business, financial condition and the results of operations of the Group.

Risks relating specifically to the ongoing Covid-19 pandemic are set out under the risk factor "*The continuing spread of a new strain of coronavirus, which causes the viral disease known as*

Covid-19 and any (future) outbreak of an infectious disease, European or global pandemic event or any other serious public health concerns, may adversely affect the business and financial condition of the Group" below.

The continuing spread of a new strain of coronavirus, which causes the viral disease known as Covid-19 and any (future) outbreak of an infectious disease, European or global pandemic event or any other serious public health concerns, may adversely affect the business and financial condition of the Group.

Since its discovery in China in December 2019, a new strain of coronavirus, which causes Covid-19, has spread to many other countries, including the Group's core markets in Europe.

The impact of the Covid-19 pandemic on the Group's markets and world economies has resulted in a world-wide economic downturn that will likely lead to corporate bankruptcies in the most affected industries and has already led to a substantial increase in unemployment.

Since March 2020, government-imposed trading restrictions in the Group's areas of operations were introduced in some of the assets, most notably in Italy, and the Covid-19 pandemic has had, and may continue to have, an impact on business and operating results of the Group. While the global economy may expand in 2021, this remains subject to significant downside risks, including the possibility of additional Covid-19 waves and financial stress amid high debt levels in emerging market and developing economies. Such global growth is also underpinned by Covid-19 variants and highly unequal vaccine access, where advanced economies have generally seen substantial vaccination progress which has helped limit to a certain extent the spread of Covid-19, but vaccination access remains limited in emerging market and developing economies.

While the strict lockdown measures in some of the Group's regions have been gradually lifted, there is recent evidence that the cases are on the rise again and there is a risk that some governments which have reduced strict lockdown measures may impose new or stricter temporary measures and regulations or prolong imposed quarantines and other government measures and regulations.

Continued quarantines, states of emergencies and other government measures and regulations taken in response to the evolving Covid-19 situation within the Group's operational jurisdictions may negatively impact the business, the value of the Group's assets, financial condition, access to debt capital markets/loans, the ability to further execute the Group's asset rotation strategy and to expand the Group's investment strategy into the residential for rent asset class, the results of operations and prospects of the Group. Tenant-customers had requested deferral of rent payments and CEREIT had considered options such as moving from quarterly to monthly payments, postponing by up to three months of rent and in exceptional cases, provided rent-free leases as an incentive for an early lease extension or removal of break options. During the initial period of the Covid-19 outbreak, CEREIT deprioritised non-essential capex spending and increased its focus on operating cost savings. Staff have been largely working from home while several countries in Europe experienced compulsory closures of non-essential commercial customer-facing activities. In Italy, all non-essential commercial and industrial production activities were suspended. Some tenants have been given the right to renegotiate lease agreements in certain situations and there has been a slowdown in new leasing. Additional costs associated with additional cleaning and security as part of preventive actions for Covid-19 have also been incurred. Deal completion and capital deployment plans may also be potentially delayed as investors are likely to delay committing to new acquisitions.

Given the uncertainties as to how the Covid-19 pandemic will continue to evolve and when it can be fully contained, it is difficult to predict how long such conditions will exist and when normal economic activities will return fully and the extent to which CEREIT may be affected by such conditions. Moreover, given the unprecedented nature of the Covid-19 pandemic, the ongoing pandemic may also adversely affect CEREIT in ways that cannot be foreseen. Other than the ongoing Covid-19 pandemic, the occurrence of any other outbreak of infectious disease or serious public health concerns, or the measures taken by the governments of affected countries, against such an outbreak, such as the imposition of quarantines and lockdown measures, could severely disrupt CEREIT's business operations and undermine investor confidence, thereby materially and adversely affecting its financial condition and results of operations. Any (future) outbreak of any infectious disease or any other serious public health concerns in the various countries the Group operates, or in other parts of the world, could adversely impact the business, financial condition, results of operations and prospects of the Group.

In addition, the Covid-19 pandemic could impact the health of the Group's management team and employees. Any of these negative impacts, alone or in combination with others, could also exacerbate many of the other risk factors discussed elsewhere in this section "*Risk Factors*".

The Group is exposed to risk in relation to data protection.

The Group holds, controls and processes a significant volume of personal data and could be adversely affected if any of this data were to be lost, compromised or not handled in accordance with the relevant data protection legislation. This could give rise to legal or regulatory penalties as well as commercial costs. Although the Group has robust data protection policies and procedures in place, any loss or compromise of personal data or other breach of data protection legislation could have a material adverse effect on the Group's business, results of operations and financial performance which could adversely affect the Issuer's ability to make payments on the Perpetual Securities.

The EU General Data Protection Regulation (the **EU GDPR**), which came into force on 25 May 2018, imposes obligations on data controllers and data processors and new rights for data subjects which the Group needs to comply with. The EU GDPR also introduces significantly increased financial penalties that can be imposed on the Group as the result of any non-compliance with the EU GDPR.

Data protection legislation in the UK is governed by the Data Protection Act 2018 and the UK General Data Protection Regulation (the **UK GDPR**). The UK GDPR is based upon an amended version of the EU GDPR, which was incorporated into UK law as retained EU law following the UK's exit from the EU, and imposes similar obligations as the EU GDPR.

There is a risk that the measures introduced by the GDPR and the UK GDPR may not have been implemented correctly or that individuals within the Issuer will not be fully compliant with such measures. If there are breaches of these measures, the Issuer could face significant administrative and monetary sanctions as well as reputational damage which may have a material adverse effect on the Issuer's operations, financial condition and prospects.

RISKS RELATING TO EUROPE

Laws, regulations and policies imposed by various government and regulatory authorities may adversely affect the Group.

The Group's ownership, operation and rights in respect of CEREIT's subsidiaries and the Group's properties are subject to various laws and regulations and policies of government and regulatory authorities in Denmark, France, Germany, Italy, Jersey, Luxembourg, the Netherlands, Finland, Poland, the Czech Republic, Slovakia and the UK (as well as in Singapore).

For example, these laws and regulations (including without limitation, restrictions on foreign ownership of CEREIT's subsidiaries and the Group's properties) can impose limitations on the Group's operations and plans with respect to CEREIT's subsidiaries and the Group's properties. Compliance with, as well as failure to comply with, such laws, regulations and policies can have an adverse effect on the business, financial condition, results of operations and prospects of the Group.

There may also be laws that could result in a reduction in the revenue of the Group's properties, for example, under the Italian Law Decree No. 66 dated 24 April 2014 concerning the costs reduction of passive leases entered into by public administration tenant-customers (**Public tenant-customers**). Based on this decree, rents paid by such Public tenant-customers could be reduced by 15% upon a renewal of their relevant leases. There is no assurance that other properties held by the Group would not in future enter into leases with such Public tenant-customers that may be subject to such rental reduction, which may result in an adverse impact on the earnings of the Group.

There are uncertainties in the taxation and fiscal systems in the countries in which the Group has its operations or assets.

The lack of established jurisprudence and case law in the countries in which the Group has, or may have, its operations or assets may result in unclear, inconsistent or non-existent regulations, decrees and explanations of the taxation laws and/or views or interpretations thereof. In some cases, laws may be enacted with retrospective effect and the application of international legal frameworks and treaties reinterpreted. Moreover, taxation laws (including case law) in those countries may as a result be more likely to be subject to changes which can result in unusual complexities and more significant tax risks for the relevant member of the Group operating in those countries and the business of the Group generally. For example, tax law and regulations or their interpretation or application in relation to tax deductibility of interest expenses, taxable income, tax receivables or liabilities as well as deferred tax assets or liabilities may be subject to change. In addition, there are various supra-national initiatives to counter certain tax structures such as BEPS (as defined below). See the risk factor *"The Group is exposed to OECD and EU tax measures".*

To date it is not clear how this will affect the Group. Any of these matters, alone or in combination, could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

In addition, the Group's future effective tax rates may be adversely affected by a number of factors, including changes in the value of CEREIT's deferred tax assets and liabilities, increases in expenses not deductible for tax purposes, the outcome of any potential discussions with the relevant tax authorities, changes in relation to taxation laws or tax rates or the interpretation of such taxation laws and changes in generally accepted accounting principles. Any significant increase in the Group's future effective tax rates could adversely impact the net results for such future periods and as a result could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

The Group is exposed to OECD and EU tax measures

The following is a general overview of EU law, relating to certain aspects of EU taxation as at the date of this Information Memorandum. It is not intended to be, nor should it be construed to be, legal or tax advice. The following summary does not purport to be a comprehensive description of all the tax considerations. Each prospective holder or beneficial owner of Perpetual Securities should consult its own tax advisor as to the applicable tax consequences that these measures may have.

The Group may be subject to further taxation under BEPS/ATAD 1 and ATAD 2

The main objective of the Action Plan on Base Erosion and Profit Shifting (**BEPS**) proposed by the Organisation for Economic Co-operation and Development (**OECD**) is to take steps to address tax rules that permit entities to minimise inappropriate taxes in jurisdictions where they operate in, own assets in or are incorporated in.

On 5 October 2015, the OECD published final recommendations for new, or amendments to existing, tax laws arising from its BEPS project. One of the recommendations of the OECD in relation to the BEPS project is that double tax treaties modelled on the OECD model convention should include enhanced anti-abuse provisions such as a "limitation of benefits" or "principal purpose test" clauses (BEPS Action 6 – Prevention of tax treaty abuse). Additionally, the BEPS project further lays down anti-hybrid mismatch rules (BEPS Action 2 – Neutralising the effects of hybrid mismatch arrangements). As a result of such measures, members of the Group may be subject to further taxation.

The Group may be subject to anti-hybrid mismatch rules

Following the publication by the OECD of its BEPS recommendations, the EU Member States adopted the Council Directive (EU) 2016/1164 of 12 July 2016 laying down rules against tax avoidance practices that directly affect the functioning of the internal market in the form of an anti-tax avoidance directive (**ATAD 1**) which is to be implemented in the EU Member States' domestic legal frameworks common measures to tackle tax avoidance practices. ATAD 1 lays down (i) controlled foreign company rules, (ii) anti-hybrid mismatches within the EU context rules, (iii) general interest limitation rules, (iv) a general anti-abuse rule, and (v) exit taxation rules.

Following the adoption of ATAD 1, the EU Member States further addressed hybrid-mismatches with third countries by adopting the Council Directive (EU) 2017/952 of 29 May 2017 (**ATAD 2**) amending ATAD 1 provisions with respect to anti-hybrid mismatches. ATAD 1 was to be implemented by EU Member States as of 1 January 2019 (with the exception of exit tax rules which must had been implemented as from 1 January 2020), and ATAD 2 was to be implemented as of 1 January 2020 (with an exception for the reverse hybrid mismatches provisions which must come into force as of 1 January 2022).

ATAD 2 targets hybrid mismatches with third countries and broadens the definition of hybrid mismatches included in ATAD 1. Hybrid mismatches are limited to situations arising (i) between associated enterprises, (ii) between a taxpayer and an associated enterprise, (iii) between the head office and its permanent establishment, (iv) between two or more permanent establishments of the same company, or (v) under a structured arrangement.

ATAD 2 covers the following mismatches: (i) hybrid transfers, (ii) hybrid permanent establishment mismatches, (iii) imported mismatches, (iv) dual resident mismatches, (v) hybrid entity mismatches, and (vi) hybrid financial instrument mismatches.

As a result of such measures, members of the Group may be subject to further taxation.

The Group may be subject to interest limitation rules

ATAD 1 introduced a framework that limits the deduction of interest and other deductible payments and charges for EU-based companies subject to corporate income taxes which may potentially include members of the Group. These rules may result in corporate income taxes being effectively imposed and due on these companies to the extent that they derive income other than interest income or income equivalent to interest from its underlying assets and transactions and depending on the amount of interest at stake.

In essence, "exceeding borrowing costs" are deductible from the taxable basis of a taxpayer only up to the higher of (i) 30% of the taxpayer's fiscal earnings before interest, tax, depreciation, and amortisation (**EBITDA**) and (ii) EUR 3 million (**Safe Harbour Rule**).

EBITDA is adjusted to tax criteria and thus corresponds to net income, as increased by the adjusted amounts for exceeding borrowing costs, depreciation, and amortisation. Tax-exempt income as well as expenses related to such income are excluded from the computation of the EBITDA.

For the purposes of the interest limitation rule, “exceeding borrowing costs” are defined as the amount by which the deductible borrowing costs of a taxpayer exceeds taxable interest income and other economically equivalent taxable income that the taxpayer receives.

ATAD 1 does not define the notion of “income”; “interest income” or “other economically equivalent taxable revenues” neither includes any examples. It is market practice to accept a symmetric approach by analogy to the concept of “borrowing costs”.

“Exceeding borrowing costs” that are not deductible in a fiscal year pursuant to the IDLR may be carried forward without time limitation. Consequently, if such exceeding borrowing costs are below the above threshold in a given fiscal year (year X), in addition to the exceeding borrowing costs of the next fiscal year (year X1), those exceeding borrowing costs that were not deductible in previous financial year (year X) (within the limits of the threshold of such year) remain deductible. The older non-employed/non-deducted amounts become deductible first.

Unused interest capacity can be carried forward for five subsequent years. Hence, if the “exceeding borrowing costs” are above threshold limit in a fiscal year (year X), this surplus of “exceeding borrowing costs” can be carried forward for subsequent five fiscal years (till year X5). The older non-employed/non-deducted amounts become deductible first.

The interest deduction limitation rule encompasses all interest-bearing debt (i.e., debts from related parties but also debts from third parties).

The definition of “borrowing costs” means interest expenses on all forms of debt, other costs economically equivalent to interest and expenses incurred in connection with the raising of finance as defined in national laws, including, without being limited to, payments under profit participating loans, imputed interest on instruments such as convertible bonds and zero coupon bonds, amounts under alternative financing arrangements, such as Islamic finance, the finance cost element of finance lease payments, capitalised interest included in the balance sheet value of a related asset, or the amortisation of capitalised interest, amounts measured by reference to a funding return under transfer pricing rules where applicable, notional interest amounts under derivative instruments or hedging arrangements related to an entity’s borrowings, certain foreign exchange gains and losses on borrowings and instruments connected with the raising of finance, guarantee fees for financing arrangements, arrangement fees and similar costs related to the borrowing of funds.

When implementing these directives, in certain matters EU Member States may take a *de minimis* or a more restrictive approach, leading to different national rules from one country to the other. Whilst these measures may be subject to future amendments and further guidance, their impact on members of the Group is uncertain. ATAD 1 and ATAD 2 may result in corporate income tax being effectively imposed and due on members of the Group.

The Group may be subject to disclosure requirements under DAC 6

In 2018, EU Directive 2018/822/EU of 25 May 2018 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation in relation to reportable cross-border arrangements (**DAC 6**) was published and came into force, introducing new mandatory disclosure requirements on intermediaries who design, market, organise, make available for implementation or manage the implementation of a reportable cross-border arrangement (or who provide, directly or by means of other persons, aid, assistance or advice with respect thereto) for their clients and, under certain circumstances, on relevant taxpayers. EU Member States had until 31 December 2019 to transpose DAC 6 into domestic law. As a result, intermediaries, and, in certain cases, taxpayers, involved with cross border arrangements meeting certain hallmarks may be obliged to report these structures to their tax authorities. EU Member States exchange this information with each other.

Therefore, it cannot be excluded that these transparency rules may have an impact on transparency disclosure and/or reporting obligations in relation to the investments and operations of members of the Group.

Investors should consult their tax advisors in relation to potential disclosure requirements regarding reportable transactions under DAC 6.

The Group may be subject to Financial Transactions Tax (FTT).

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**). However, Estonia has since stated that it will not participate.

The Commission's Proposal has a very broad scope and could, if introduced, apply to certain dealings in financial instruments (including secondary market transactions) under certain circumstances.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it may apply to certain dealings in the Perpetual Securities.

Prospective investors are advised to seek their own professional advice in relation to the FTT. See section "*Taxation – The proposed financial transactions tax (FTT)*" of this Information Memorandum.

The Group may be exposed to risks associated with changes in foreign direct investment regulations.

German law does not currently provide for any permanent currency or administrative controls on foreign investments. Foreign investors are subject to the same conditions as their German counterparts in obtaining operating licences, securing building permits and obtaining approval for investment incentives. However, according to section 4 of the German Foreign Trade and Payments Act (*Außenwirtschaftsgesetz*), under certain circumstances, foreign trade, payments transactions and legal transactions can be restricted and obligations to act can be imposed by ordinance (for example, in order to guarantee the essential security interests of the Federal Republic of Germany or to prevent a substantial disturbance to the foreign relations of the Federal Republic of Germany). Should such a restriction be imposed in relation to Singapore, the transfer of payments such as dividends and interest from inter-company loans to CEREIT could be impeded.

Furthermore, according to Article 86 of the Introductory Act to the German Civil Code (*Einführungsgesetz zum BGB*) the government of the Federal Republic of Germany is entitled to restrict the acquisition of rights by foreigners or foreign legal entities by way of an approval requirement, if German and domestic legal entities are limited in the relevant State in the acquisition of rights and foreign policy reasons require such restriction. This does not apply to foreigners or foreign entities from member states of the European Union. However, it is not clear in German law literature whether this exception applies to foreign entities from member states of the European Union which are held by non-European Union entities. Should such approval requirements be imposed, while it would not affect transactions that have already been completed at the time of the introduction of such requirement, this may adversely affect the ability of CEREIT to make future acquisitions in Germany.

Furthermore, restriction of capital movements (for example, incoming rents) as a result of an embargo relating to certain areas, entities or persons may apply as a result of applicable resolutions adopted by the United Nations and the European Union.

There is no assurance that the government of the Federal Republic of Germany will not introduce additional measures to restrict foreign direct investment in Germany, or that the United Nations and the European Union will not adopt resolutions which have a similar effect. The introduction of such new measures may materially and adversely affect the Group's business, financial condition and results of operations.

The Group's properties in France may fall within the scope of the ICPE regulations, which may lead to increased compliance costs being incurred by the Group.

The Group's properties in France may fall within the scope of the legal and regulatory framework for industrial facilities which may entail a risk for human health and safety, protection of the natural environment, or other legally protected interests (**ICPE** or **Classified Facilities**), in particular in relation to the "1510" category relating to warehouses containing flammable materials with over 500 tons of storage (the **ICPE Warehouse Provision**).

Although the Group specifically provided for certain quotas in the relevant lease agreements to avoid falling within the scope of the ICPE regulations, there is a risk that tenant-customers may exceed the quotas specified in the leases, which may lead to increased compliance costs being incurred by the Group (to the extent that such costs cannot be recovered from the tenant-customers for non-compliance with the lease agreements).

RISKS RELATING TO INVESTING IN REAL ESTATE

The Group is exposed to certain risks relating to real estate investments.

Investing in real estate is generally subject to various risks, including adverse changes in national or international economic conditions, political instability, sanctions, weaker demographics (including ageing) and changes in urbanisation trends, declining flow of capital due to global changes and reduced available liquidity, adverse local market conditions, the financial condition of the retail sector, changes in the availability of debt financing, changes in interest rates and foreign exchange rates, real estate tax rates and other operating expenses, environmental and operational laws and regulations (for example, opening hour restrictions), planning laws and other governmental rules and fiscal policies, changes in technology and online retailing, changes in the relative popularity of real estate types and locations and risks and operating problems arising out of the presence of certain construction materials.

These factors could cause fluctuations in rental income, operating expenses, occupancy rate and/or the value of the properties, causing a negative effect on the operating returns derived from properties. The value of properties may also be significantly diminished in the event of a downturn in real estate prices or the occurrence of any of the other factors noted above. Such a decrease in rental income, increase in operating expenses and decrease in the occupancy rate or in the value of the properties could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

A decreased demand for, or an increased supply of, real estate, or a contraction of the market where the Group's properties are located, could adversely affect the business and financial condition of the Group.

Changes in supply and demand for real estate, or a contraction of the property market in any of the countries in which the Group has its operations or assets, in particular in respect of its properties, may negatively influence the occupancy rates of the Group's properties, the rental rates, the level of demand and ultimately the value of such properties. Similarly, the demand for rental space at the Group's existing properties may decrease as a result of poor economic conditions, an increase in available space, new or renewed adjacent competitive schemes and heightened competition for stronger and better performing tenant-customers. This could result in lower occupancy rates, higher capital expenditure required to contract or retain tenant-customers, and lower rental income owing to lower rental rates, as well as shorter lease periods.

A key part of the Group's strategy is to focus on core markets with planned dispositions of high yielding secondary assets to improve the quality of the portfolio and the security of current and future cash flows. The Group's dominant assets in strong locations remain the focus of the portfolio, further supported by redevelopments and the expansion of the Group's investment strategy into the residential for rent asset class. There can be no guarantee that the Group will be able in the future to execute disposals at all or execute them at acceptable prices or at prices that are higher than the fair market valuation of a particular property, in particular in the current economic environment driven by the impact of the Covid-19 pandemic with its effects on the Group's markets and world economies.

All of these risks, if realised, could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

Increasing competition in the real estate market.

The Group faces competition from other owners, operators and developers of real estate. One of the primary areas of focus for the Group is the active management of its current portfolio through optimising its tenant-customer mix and ensuring asset attractiveness is achieved and improved by finding the right balance between retaining existing tenant-customers and re-letting rental space to new tenant-customers. The Group competes with local real estate developers, private investors, property funds and other property owners for tenant-customers. Other than the requirements for capital, there are few other barriers to entry to the property market. Some of the Group's competitors may have properties that are newer, better located or in superior condition to its properties.

The Group is subject to the counterparty risk of its tenant-customers.

The creditworthiness of a tenant-customer can decline over the short or medium term, for example as a result of change in the economic environment, political environment or health environment (for example, the Covid-19 pandemic), leading to a risk that the tenant-customer will become insolvent or be otherwise unable to meet its obligations under the relevant lease agreement.

Although the Group receives and holds advance deposits, such deposits may be insufficient and the amounts payable to the Group under its lease agreements with tenant-customers that are not secured (by deposits, bank guarantees or corporate guarantees) bear the risk that these tenant-customers may be unable to pay such amounts when due. The Group is not insured against this credit risk. If a tenant-customer seeks bankruptcy protection, the Group may be subject to delays in receipt of rental and other contractual payments, if it is able to collect such payments at all, and the Group may not be able to secure vacant possession of the property without a court order, thus preventing the Group from re-letting that property to a new tenant-customer. The Group may not be able to limit its potential loss of revenues from tenant-customers who are unable to make their lease payments. The Group's credit losses may increase in the future. Any significant credit losses could have a material adverse effect on the Group's business, financial condition, cash flows, prospects and results of operations.

Risk related to climate change.

The Group is exposed to the potential impacts of future climate change and climate change-related risks. In particular, the Group is exposed to unpredictable physical risks from possible future changes in climate and rare catastrophic weather events.

The Group may be adversely affected by the illiquidity of real estate investments.

The Group's investment strategy involves a higher level of risk, as compared to a portfolio which has a more diverse range of investments. Real estate investments are relatively illiquid and such illiquidity may affect the Group's ability to vary its investment portfolio or liquidate part of its assets in response to changes in economic, property market or other conditions. The Group may be unable to sell its assets on short notice or may be forced to give a substantial reduction in the price that may otherwise be sought for such assets in order to ensure a quick sale. Rising capitalisation rates and/or REIT yields may also result in increasing difficulty in the divestment of properties. Moreover, the Group may also face difficulties in securing timely and commercially favourable financing in asset-based lending transactions secured by real estate, due to the illiquid nature of real estate assets. These factors could have an adverse effect on the Group's financial condition and results of operations, with a consequential adverse effect on the Issuer's ability to make payments under the Perpetual Securities.

In addition, if CEREIT defaults on any secured payment obligations, mortgagees to any of the properties over such which obligations are secured could foreclose or require a forced sale of such properties with a consequent loss of income and asset value to CEREIT. The amount to be received upon a foreclosure or forced sale of such properties would be dependent on numerous factors, including the actual fair market valuation of the relevant property at the time of such sale, the timing and manner of the sale and the availability of buyers. There can be no assurance that the proceeds from any foreclosure or forced sale will be sufficient for CEREIT to meet its secured payment obligations.

The Issuer's ability to meet its payment obligations under the Perpetual Securities may be adversely affected by increases in direct expenses and other operating expenses.

The Issuer's ability to make payments to Perpetual Securityholders could be adversely affected if direct expenses and other operating expenses for which tenant-customers are not responsible pursuant to the lease agreements increase. Such operating expenses include, but are not limited to:

- compliance with laws, regulations or policies;
- direct or indirect tax policies, laws or regulations;
- subcontracted service costs;
- labour costs; and
- repair and maintenance costs.

RISKS RELATED TO THE MARKET

The current economic conditions in the Eurozone may affect the business of the Issuer and the rights of the Perpetual Securityholders.

Global markets and economic conditions have been negatively impacted in recent years by the banking and sovereign debt crisis in the European Union and globally. The economies in many countries in the European Union and the Eurozone in particular have not yet recovered and concerns relating to credit risk (including that of sovereigns and of those entities which have exposure to sovereigns) persist, in particular with respect to current economic, monetary and political conditions in the Eurozone. Countries in the Eurozone are considered to be subject to deflation risk, failing economic reforms and budgetary discipline concerns, which in turn may have an adverse impact on global markets and economic conditions throughout the world.

If such concerns persist and/or such conditions further deteriorate, then these matters may cause further severe stress in the financial system generally and/or may adversely affect the Issuer or one or more of the other parties to the transaction documents in respect of the Perpetual Securityholders.

Given the current uncertainty and the range of possible outcomes to the conditions in the Eurozone, no assurance can be given as to the impact of any of the matters described above and, in particular, no assurance can be given that such matters would not adversely affect the rights of the Perpetual Securityholders, the market value of the Perpetual Securities and/or the ability of the Issuer to satisfy its obligations under the Perpetual Securities.

The relationship of the United Kingdom with the European Union may affect the business of the Group.

In Europe, the UK officially exited the EU on 31 January 2020 following the EU-UK Withdrawal Agreement signed in October 2019. The UK and the EU had also signed the EU-UK Trade and Cooperation Agreement (the **Trade and Cooperation Agreement**) on 30 December 2020 to govern future relations between the EU and the UK following the end of the transition period. The EU formally ratified the Trade and Cooperation Agreement on 29 April 2021 and it came into force on 1 May 2021.

Due to the ongoing political uncertainty as regards the structure of the future relationship between the UK, the jurisdictions in which the Group holds properties and the rest of the EU, it is not possible to determine the precise impact on general economic conditions in the EU (and in particular on the economies of the jurisdictions in which the Group holds properties) created by such uncertainty. There is a risk that the future political relationship between the UK and the EU could lead to a downturn in such economies and a reduction in the market value of properties located in such countries and therefore have a negative impact on: (i) the value of the properties held by the Group in such countries; or (ii) the demand for office, light industrial/logistics and/or retail space in such countries. It is also not possible to determine the precise impact that these matters will have on the business of the Group.

As such, no assurance can be given that such matters would not adversely affect the ability of the Issuer to satisfy its obligations under the Perpetual Securities and/or the market value and/or the liquidity of the Perpetual Securities in the secondary market.

RISKS RELATING TO THE PERPETUAL SECURITIES

Risks related to the structure of a particular issue of Perpetual Securities

A range of Perpetual Securities may be issued under the Programme. A number of these Perpetual Securities may have features which contain particular risks for potential investors. Set out below is a description of the most common of such features, distinguishing between factors which may occur in relation to any Perpetual Securities and those which might occur in relation to certain types of Perpetual Securities:

Risks applicable to all Perpetual Securities

If the Issuer has the right to redeem any Perpetual Securities at its option, this may limit the market value of the Perpetual Securities concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return

An optional redemption feature of any Perpetual Securities is likely to limit their market value. During any period when the Issuer may elect to redeem such Perpetual Securities, the market value of those Perpetual Securities generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Perpetual Securities when its cost of borrowing is lower than the rate of distribution on the Perpetual Securities. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the rate of distribution on the Perpetual Securities being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

If the Perpetual Securities include a feature to convert the distribution basis from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Perpetual Securities concerned

Fixed/Floating Rate Perpetual Securities are Perpetual Securities which bear interest or confer a right to distribution at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Such a feature to convert the distribution basis, and any conversion of the distribution basis, may affect the secondary market in, and the market value of, such Perpetual Securities as the change of distribution basis may result in a lower distribution return for holders of the Perpetual Securities. Where the Perpetual Securities convert from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Perpetual Securities may be less favourable than the then-prevailing spreads on comparable Floating Rate Perpetual Securities tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Perpetual Securities. Where the Perpetual Securities convert from a floating rate to a fixed rate, the fixed rate may be lower than the then-prevailing rates on those Perpetual Securities and could affect the market value of an investment in the relevant Perpetual Securities.

Perpetual Securities which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates

The market values of securities issued at a substantial discount or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Generally, the longer the remaining terms of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities.

The regulation and reform of "benchmarks" may adversely affect the value of Perpetual Securities linked to or referencing such "benchmarks"

Interest rates and indices which are deemed to be "benchmarks" (including CNH HIBOR), are the subject of national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Perpetual Securities linked to or referencing such a benchmark.

Regulation (EU) 2016/1011 (the **EU Benchmarks Regulation**) applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the EUWA (the **UK Benchmarks Regulation**) among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the FCA or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on any Perpetual Securities linked to or referencing a benchmark in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

Such factors may have (without limitation) the following effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark and/or (iii) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Perpetual Securities linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

In the case where "Benchmark Discontinuation (General)", or "Benchmark Discontinuation (SORA)" is stated to be applicable in the applicable Pricing Supplement, the Conditions provide for certain fallback arrangements in the event that the relevant Reference Rate and/or any page on which the relevant Reference Rate may be published (or any other successor service) becomes unavailable or a Benchmark Event otherwise occurs. Such fallback arrangements include the possibility that the Reset Rate of Distribution or Rate of Distribution (as applicable) (each term as defined in the Conditions) could be set by reference to a Benchmark Replacement, Successor Rate or an Alternative Rate (each as defined in the Conditions), with or without the application of an adjustment spread and may include amendments to the Conditions to ensure the proper operation of the successor or replacement benchmark, all as determined by the Issuer or the Independent Adviser, as applicable (acting in good faith and in a commercially reasonable manner). An adjustment spread, if applied could be positive or negative and would be applied with a view to reducing or eliminating, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant Reference Rate. However, it may not be possible to determine or apply an adjustment spread and even if an adjustment is applied, such adjustment spread may not be effective to reduce or eliminate economic prejudice to investors. If no adjustment spread can be determined, a Benchmark Replacement, Successor Rate or Alternative Rate may nonetheless be used to determine the Reset Rate of Distribution or Rate of Distribution (as the case may be). The use of a Benchmark Replacement, Successor Rate or Alternative Rate (including with the application of an adjustment spread) will still result in any Perpetual Securities linked to or referencing the relevant Reference Rate performing differently (which may include payment of a lower Reset Rate of Distribution or Rate of Distribution (as the case may be) than they would if the relevant Reference Rate were to continue to apply in its current form.

If, following the occurrence of a Benchmark Event, no Benchmark Replacement, Successor Rate or Alternative Rate is determined, the ultimate fallback for the purposes of calculation of (i) (in the case of Floating Rate Perpetual Securities) the Rate of Distribution for a particular Distribution Period (as defined in the Conditions) may result in the Rate of Distribution for the last preceding Distribution Period being used and (ii) (in the case of Fixed Rate Perpetual Securities) the Reset Rate of Distribution for a particular Reset Period may result in the Reset Rate of Distribution for the last preceding Reset Period being used. This may result in the effective application of a fixed rate for such Perpetual Securities based on the rate which was last observed on the Relevant Screen Page. Due to the uncertainty concerning the availability of Benchmark Replacements, Successor Rates and Alternative Rates, the involvement of an Independent Adviser and the potential for further regulatory developments, there is a risk that the relevant fallback provisions may not operate as intended at the relevant time.

If "Benchmark Discontinuation (General)" or "Benchmark Discontinuation (SORA)" is specified to be "Not Applicable" in the applicable Pricing Supplement, investors should be aware that if the relevant Reference Rate were discontinued or otherwise unavailable, the Rate of Distribution on Perpetual Securities which reference the relevant Reference Rate will be determined for the relevant period by the fallback provisions applicable to such Perpetual Securities. Depending on the manner in which the relevant Reference Rate is to be determined under the Conditions, this may in certain circumstances (i) be reliant upon the provision by reference banks of offered quotations for the relevant Reference Rate which, depending on market circumstances, may not be available at the relevant time or (ii) result in the effective application of a fixed rate for such Perpetual Securities as mentioned above. Any of the foregoing could have an adverse effect on the value or liquidity of, and return on, any such Perpetual Securities which reference the relevant Reference Rate.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, or any of the international or national reforms and the possible application of the benchmark replacement provisions of Perpetual Securities in making any investment decision with respect to any Perpetual Securities linked to or referencing a benchmark.

The market continues to develop in relation to risk free rates (including overnight rates) as reference rates for Floating Rate Perpetual Securities

Investors should be aware that the market continues to develop in relation to risk free rates as reference rates in the capital markets and their adoption as alternatives to the relevant interbank offered rates. Please refer to the risk factor entitled *"The regulation and reform of "benchmarks" may adversely affect the value of Perpetual Securities linked to or referencing such "benchmarks""* for further details of the recent interest rates and benchmarks reform.

The market or a significant part thereof may adopt an application of risk free rates that differs significantly from that set out in the Conditions and used in relation to any that reference risk free rates issued under the Programme. The Issuer may in the future also issue Perpetual Securities referencing risk free rates that differ materially in terms of distribution determination when compared with any previous Perpetual Securities referencing the same risk free rate issued by it under the Programme. The development of risk free rates as distribution reference rates for the Eurobond markets and of the market infrastructure for adopting such rates could result in reduced liquidity or increased volatility or could otherwise affect the market price of any Perpetual Securities issued under the Programme which references any such risk free rate from time to time.

Furthermore, the basis of deriving certain risk free rates, such as SORA, may mean that distribution on the Perpetual Securities which reference any such risk free rate would only be capable of being determined after the end of the relevant observation period and immediately prior to the Distribution Payment Date. It may be difficult for investors in Perpetual Securities which reference any such risk free rate to accurately estimate the amount of distribution which will be payable on such Perpetual Securities, and some investors may be unable or unwilling to trade such Perpetual Securities without changes to their information technology systems, both of which could adversely impact the liquidity of such Perpetual Securities. Further, in contrast to securities which referenced the London interbank offered rate (**LIBOR**), if Perpetual Securities referencing SORA become due and payable as a result of an event of default under the Conditions, the rate of distribution payable for the final Distribution Period in respect of such Perpetual Securities shall only be determined on the date which the Perpetual Securities become due and payable and shall not be reset thereafter. Investors should consider these matters when making their investment decision with respect to any such Perpetual Securities.

In addition, the manner of adoption or application of risk free rates in the Eurobond markets may differ materially compared with the application and adoption of such risk free rates in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of risk free rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Perpetual Securities referencing such risk free rates. Since risk free rates are relatively new market indices, Perpetual Securities linked to any such risk free rate may have no established trading market when issued, and an established trading market may never develop or may not be very liquid. Market terms for debt securities indexed to any risk free rate, such as the spread over the index reflected in distribution rate provisions, may evolve over time, and trading prices of such Perpetual Securities may be lower than those of later-issued indexed debt securities as a result. Further, if any risk free rate to which a series of Perpetual Securities is linked does not prove to be widely used in securities like the Perpetual Securities, the trading price of such Perpetual Securities linked to a risk free rate may be lower than those of Perpetual Securities linked to indices that are more widely used. Investors in such Perpetual Securities may not be able to sell such Perpetual Securities at all or may not be able to sell such Perpetual Securities at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk. There can also be no guarantee that any risk free rate to which a series of Perpetual Securities is linked will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in the Perpetual Securities referencing such risk free rate. If the manner in which such risk free rate is calculated is changed, that change may result in a reduction of the amount of distribution payable on such Perpetual Securities and the trading prices of such Perpetual Securities.

Risks applicable to certain types of Perpetual Securities

There are particular risks associated with an investment in certain types of Perpetual Securities, such as Index Linked Perpetual Securities and Dual Currency Perpetual Securities; in particular, an investor might receive less distribution than expected or no distribution in respect of such Perpetual Securities, and may lose some or all of the principal amount invested by it

The Issuer may issue Perpetual Securities with principal or distribution determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a **Relevant Factor**). In addition, the Issuer may issue Perpetual Securities with principal or distribution payable in one or more currencies which may be different from the currency in which the relevant Perpetual Securities are denominated. Potential investors should be aware that:

(a) the market price of such Perpetual Securities may be volatile;

(b) they may receive no distribution;

(c) payment of principal or distribution may occur at a different time or in a different currency than expected;

(d) they may lose all or a substantial portion of their principal;

(e) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;

(f) if a Relevant Factor is applied to Perpetual Securities in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or distribution payable likely will be magnified; and

(g) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

The historical experience of an index or other Relevant Factor should not be viewed as an indication of the future performance of such Relevant Factor during the term of any Perpetual Securities linked to a Relevant Factor. Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in any Perpetual Securities linked to a Relevant Factor or any Dual Currency Perpetual Securities, and the suitability of such Perpetual Securities in light of its particular circumstances.

Where Perpetual Securities are issued on a partly paid basis, an investor who fails to pay any subsequent instalment of the issue price could lose all of his investment.

The Issuer may issue Perpetual Securities where the issue price is payable in more than one instalment. Any failure by an investor to pay any subsequent instalment of the issue price in respect of its Perpetual Securities could result in such investor losing all of its investment.

Perpetual Securities which are issued with variable distribution rates or which are structured to include a multiplier or other leverage factor are likely to have more volatile market values than more standard securities

Perpetual Securities with variable distribution rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Inverse Floating Rate Perpetual Securities will have more volatile market values than conventional Floating Rate Perpetual Securities

Inverse Floating Rate Perpetual Securities have a distribution rate equal to a fixed rate minus a rate based upon a reference rate such as CNH HIBOR, SORA or SORA-OIS. The market values of those Perpetual Securities typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Perpetual Securities are more volatile because an increase in the reference rate not only decreases the distribution rate of the Perpetual Securities, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Perpetual Securities.

Risks related to Perpetual Securities generally

Set out below is a description of certain risks relating to the Perpetual Securities generally:

The Conditions contain provisions which may permit their modification without the consent of all investors and confer significant discretions on the Trustee which may be exercised without the consent of the Perpetual Securityholders and without regard to the individual interests of particular Perpetual Securityholders

The Conditions contain provisions for calling meetings of Perpetual Securityholders to consider matters affecting their interests generally, or to pass resolutions in writing or through the use of electronic consents. These provisions permit defined majorities to bind all Perpetual Securityholders of a particular Series including Perpetual Securityholders who did not attend and vote at the relevant meeting or, as the case may be, did not sign the written resolution or give their consent electronically, and Perpetual Securityholders who voted in a manner contrary to the majority.

The Conditions provide that the Trustee may agree, without the consent of the Perpetual Securityholders or Couponholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Perpetual Securities or the Trust Deed or the Agency Agreement, where, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Perpetual Securityholders and the Couponholders so to do or may agree, without any such consent as aforesaid, to any modification which is of a formal, minor or technical nature or is made to cure any ambiguity or correct a manifest error or an error which, in the opinion of the Trustee, is proven or to comply with mandatory provisions of law or is required by Euroclear, Clearstream, CDP and/or any other clearing system in which the Perpetual Securities may be held.

Commencement of proceedings under applicable Singapore insolvency or related laws may result in a material adverse effect on Perpetual Securityholders

There can be no assurance that the Issuer and/or CEREIT will not become bankrupt or insolvent or the subject of judicial management, schemes of arrangement, winding-up or liquidation orders or other insolvency-related proceedings or procedures. It is unclear whether Singapore insolvency and related laws applicable to companies can be applied to real estate investment trusts and business trusts. Application of these laws may have a material adverse effect on Perpetual Securityholders. Without being exhaustive, below are some matters that could have a material adverse effect on Perpetual Securityholders. Where any of the Issuer or CEREIT is insolvent or close to insolvent and the Issuer or CEREIT (as the case may be) undergoes certain insolvency procedures, there may be a moratorium against actions and proceedings which may apply in the case of judicial management, schemes of arrangement and/or winding-up in relation to the Issuer or CEREIT (as the case may be). It may also be possible that if a company related to the Issuer or CEREIT (as the case may be) proposes a creditor scheme of arrangement and obtains an order for a moratorium, the Issuer or CEREIT (as the case may be) may also seek a moratorium even if the Issuer or CEREIT (as the case may be) not itself proposing a scheme of arrangement. These moratoriums can be lifted with court permission and in the case of judicial management, additionally with the permission of the judicial manager. Accordingly, if for instance there is any need for the Trustee to bring an action against the Issuer or CEREIT (as the case may be), the need to obtain court permission may result in delays in being able to bring or continue legal proceedings that may be necessary in the process of recovery.

Further, Perpetual Securityholders may be made subject to a binding scheme of arrangement where the majority in number representing 75% in value of creditors and the court approve such scheme. In respect of company-initiated creditor schemes of arrangement, there are cram-down provisions that may apply to a dissenting class of creditors. The court may notwithstanding a single class of dissenting creditors approve a scheme provided an overall majority in number representing 75% in value of the creditors meant to be bound by the scheme have agreed to it and provided that the scheme does not unfairly discriminate and is fair and equitable to each dissenting class and the court is of the view that it is appropriate to approve the scheme. In such scenarios, Perpetual Securityholders may be bound by a scheme of arrangement to which they may have dissented.

The Insolvency, Restructuring and Dissolution Act 2018 (Act 40 of 2018) (the **IRD Act**) was passed in the Parliament of Singapore on 1 October 2018 and came into force on 30 July 2020. The IRD Act includes a prohibition against terminating, amending or claiming an accelerated payment or forfeiture of the term under, any agreement (including a security agreement) with a company that commences certain insolvency or rescue proceedings (and before the conclusion of such proceedings), by reason only that the proceedings are commenced or that the company is insolvent. This prohibition is not expected to apply to any contract or agreement that is, or that is directly connected with, a debenture. However, it may apply to other related contracts that are not found to be directly connected to the Perpetual Securities.

The value of the Perpetual Securities could be adversely affected by a change in Singapore law

The Conditions are based on Singapore law in effect as at the date of this Information Memorandum. No assurance can be given as to the impact of any possible judicial decision or change to Singapore law or administrative practices in such jurisdiction after the date of this Information Memorandum and any such change could materially adversely impact the value of any Perpetual Securities affected by it.

The Perpetual Securities are not secured

The Senior Perpetual Securities and Coupons relating thereto constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves (save for certain obligations required to be preferred by law) and equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding. The Subordinated Perpetual Securities and Coupons relating thereto constitute direct, unconditional, subordinated and unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves (save for certain obligations required to be preferred by law) and equally with any Parity Obligations (as defined in the Conditions) of the Issuer, from time to time outstanding.

Accordingly, on a winding-up of the CEREIT Trustee and/or CEREIT at any time prior to redemption of any Perpetual Securities, the Perpetual Securityholders and Couponholders will not have recourse to any specific assets of the CEREIT Trustee, CEREIT or their respective subsidiaries and/or associated companies (if any) as security for outstanding payment or other obligations under the Perpetual Securities and/or Coupons (as the case may be) owed to the Perpetual Securityholders and Couponholders and there can be no assurance that there would be sufficient value in the assets of the CEREIT Trustee and/or CEREIT, after meeting all claims ranking ahead of the Perpetual Securities, to discharge all outstanding payment and other obligations under the Perpetual Securities and/or Coupons (as the case may be) owed to the Perpetual Securityholders and Couponholders.

Enforcement against the CEREIT Trustee is subject to the CEREIT Trustee's right of indemnity out of the Deposited Property

Perpetual Securityholders should note that the Perpetual Securities are issued by the CEREIT Trustee in its capacity as trustee of CEREIT, and not CEREIT, since CEREIT is not a legal entity. Perpetual Securityholders should note that under the terms of the Perpetual Securities, Perpetual Securityholders shall only have recourse in respect of the Deposited Property and not to the CEREIT Trustee personally nor any other asset held by the CEREIT Trustee as trustee of any trust other than CEREIT. Further, Perpetual Securityholders do not have direct access to the Deposited Property but may only have recourse to such trust properties through the CEREIT Trustee and if necessary seek to subrogate to the CEREIT Trustee's right of indemnity out of the Deposited Property. Accordingly, any claim of the Perpetual Securityholders to the Deposited Property is derivative in nature. A Perpetual Securityholder's right of subrogation could be limited by the CEREIT Trustee's right of indemnity. Perpetual Securityholders should also note that such right of indemnity of the CEREIT Trustee may be limited or lost through fraud, gross negligence, wilful default, breach of trust or breach of the CEREIT Trust Deed by the CEREIT Trustee. The Trust Deed, the Programme Agreement, the Agency Agreement and the Perpetual Securities provide that recourse for any liability of or indemnity given by the CEREIT Trustee under these documents is limited to the assets of CEREIT over which the CEREIT Trustee has recourse to under the CEREIT Trust Deed and shall not extend to any personal assets of Perpetual (Asia) Limited, or any assets held by Perpetual (Asia) Limited as trustee of any trust other than CEREIT. They also provide that the foregoing shall not restrict restrict or prejudice the rights or remedies of the

Trustee, the Perpetual Securityholders or the Couponholders under law or equity whether in connection with any gross negligence, fraud, or breach of trust of the Issuer.

Investors who hold less than the minimum Specified Denomination may be unable to sell their Perpetual Securities and may be adversely affected if definitive Perpetual Securities are subsequently required to be issued

In relation to any issue of Perpetual Securities which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Perpetual Securities may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Perpetual Securities at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in its account with the relevant clearing system at the relevant time may not receive a definitive Perpetual Security in respect of such holding (should definitive Perpetual Securities be printed or issued) and would need to purchase a principal amount of Perpetual Securities at or in excess of the minimum Specified Denomination, such that its holding amounts to a Specified Denomination.

If such Perpetual Securities in definitive form are issued, holders should be aware that definitive Perpetual Securities which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

The Perpetual Securities may be represented by Global Perpetual Securities and holders of a beneficial interest in a Global Perpetual Security must rely on the procedures of the relevant Clearing System(s)

Perpetual Securities issued under the Programme may be represented by one or more Global Perpetual Securities. Such Global Perpetual Securities will be deposited with a common depositary for Euroclear and Clearstream or deposited with CDP (each of Euroclear, Clearstream and CDP, a **Clearing System**). Except in the circumstances described in the relevant Global Perpetual Security, investors will not be entitled to receive the Perpetual Securities in definitive form. The relevant Clearing System(s) will maintain records of the beneficial interests in the Global Perpetual Securities. While the Perpetual Securities are represented by one or more Global Perpetual Securities, investors will be able to trade their beneficial interests only through the Clearing Systems.

While the Perpetual Securities are represented by one or more Global Perpetual Securities, the Issuer will discharge its payment obligations under the Perpetual Securities by making payments to or to the order of the relevant Clearing System(s) for distribution to their account holders.

A holder of a beneficial interest in a Global Perpetual Security must rely on the procedures of the relevant Clearing System(s) to receive payments under the relevant Perpetual Securities. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Perpetual Securities.

Holders of beneficial interests in the Global Perpetual Securities will not have a direct right to vote in respect of the relevant Perpetual Securities. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System(s) to appoint appropriate proxies.

Similarly, holders of beneficial interests in the Global Perpetual Securities will not have a direct right under the respective Global Perpetual Securities to take enforcement action against the Issuer in the event of an enforcement event under the relevant Perpetual Securities but will have to rely upon their rights under the Trust Deed.

The Trustee may request Perpetual Securityholders to provide an indemnity and/or security and/or pre-funding to its satisfaction

In certain circumstances (including under Condition 9), the Trustee may (at its sole discretion) request Perpetual Securityholders to provide an indemnity and/or security and/or pre-funding to its satisfaction before it takes action on behalf of Perpetual Securityholders. The Trustee is not obliged to take any action if not indemnified and/or secured and/or pre-funded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or pre-funding can be a lengthy process and may impact on when such actions can be taken.

The Trustee may not be able to take action, notwithstanding the provision of an indemnity and/or security and/or pre-funding to it, in breach of the Trust Deed and if there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law, it will be for the Perpetual Securityholders to take such action directly.

Performance of contractual obligations by the Issuer depends on other parties

The ability of the Issuer to make payments in respect of the Perpetual Securities may depend upon the due performance by the other parties to the documents relating to the Programme or an issue of Perpetual Securities of their obligations thereunder including the performance by the Trustee and the Agents (as defined in the Trust Deed) of their respective obligations. Whilst the non-performance of any relevant parties will not relieve the Issuer of its obligations to make payments under the Perpetual Securities, the Issuer may not, in such circumstances, be able to fulfil its obligations to the Perpetual Securityholders and/or the Couponholders.

Perpetual Securities may be issued for which investors have no right to require redemption

Perpetual Securities have no fixed final maturity date. Perpetual Securityholders have no right to require the Issuer to redeem Perpetual Securities at any time, and an investor who acquires Perpetual Securities may only dispose of such Perpetual Securities by sale. Perpetual Securityholders who wish to sell their Perpetual Securities may be unable to do so at a price at or above the amount they have paid for them, or at all. Therefore, potential investors should be aware that they may be required to bear the financial risks of an investment in Perpetual Securities for an indefinite period of time.

If specified in the applicable Pricing Supplement, Perpetual Securityholders may not receive Distribution payments if the Issuer elects to defer Distribution payments

If Distribution Deferral is specified as being applicable in the applicable Pricing Supplement, the Issuer may, at its sole discretion, elect to defer any scheduled distribution (in whole or in part) on the Perpetual Securities for any period of time. If Dividend Stopper is specified as being applicable in the applicable Pricing Supplement, the Issuer and any of its Subsidiaries may be subject to certain restrictions in relation to the payment of dividends, distributions or any other payment on any of the Junior Obligations (as defined in the Conditions) or the Parity Obligations (as defined in the Conditions) and the redemption, purchase, cancellation, reduction, buy-back or acquisition for any consideration of any of the Junior Obligations and the Parity Obligations unless and until (aa) (if Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) the Issuer has made payment in whole (and not in part only) of all outstanding Arrears of Distributions and any Additional Distribution Amounts; or (bb) (if Non-Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) a redemption of all the outstanding Perpetual Securities in accordance with Condition 6 has occurred, the next scheduled Distribution has been paid in full, or an Optional Distribution equal to the amount of a Distribution payable with respect to the most recent Distribution Payment Date that was unpaid in full or in part, has been paid in full; or (cc) when so permitted by an Extraordinary Resolution (as defined in the Trust Deed) of the Perpetual Securityholders and the Couponholders.

If Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement, the Issuer is not subject to any limits as to the number of times distributions and Arrears of Distribution can be deferred pursuant to the Conditions subject to compliance with the notice requirements set out in Condition 4.6. Distributions may be cumulative or non-cumulative, as will be set out in the applicable Pricing Supplement. The Issuer may defer its payment for an indefinite period of time by delivering the relevant deferral notices to the holders, and holders have no rights to claim any distribution, Arrears of Distribution and/or Additional Distribution Amount if there is such a deferral. Investors should be aware that the interests of the Issuer may be different to the interests of the Perpetual Securityholders.

If specified in the applicable Pricing Supplement, the Perpetual Securities may be redeemed at the Issuer's option at date(s) specified in the applicable Pricing Supplement or on the occurrence of certain other events

The Conditions provide that the Perpetual Securities may, if Redemption at the Option of the Issuer is specified as being applicable in the applicable Pricing Supplement, be redeemed at the option of the Issuer on certain date(s) specified in the applicable Pricing Supplement at the amount specified in, or determined in the manner specified in, the applicable Pricing Supplement.

In addition, the Issuer may also have the right (but not the obligation) to redeem the Perpetual Securities at an amount specified in the applicable Pricing Supplement (a) for tax reasons; and (b) (if specified in the applicable Pricing Supplement) upon the occurrence of an Accounting Event, upon the occurrence of a Tax Deductibility Event, upon the occurrence of a Ratings Event, upon the occurrence of a Regulatory Event, at the option of the Issuer or in the case of Minimum Outstanding Amount or as otherwise provided in the Conditions or specified in the applicable Pricing Supplement.

The date on which the Issuer elects to redeem the Perpetual Securities may not accord with the preference of Perpetual Securityholders. This may be disadvantageous to Perpetual Securityholders in light of market conditions or the individual circumstances of a Perpetual Securityholder. In addition, an investor may not be able to reinvest the redemption proceeds in comparable securities at an effective distribution rate at the same level as that of the Perpetual Securities.

There are limited remedies for default under the Perpetual Securities

Any scheduled distribution (including Arrears of Distributions and Additional Distribution Amounts) will not be due if the Issuer elects to defer that distribution (including Arrears of Distributions and Additional Distribution Amounts) pursuant to the Conditions. Notwithstanding any of the provisions relating to enforcement events, the right to institute proceedings for the Winding-Up of CEREIT is limited to circumstances where payment has become due and the Issuer fails to make the payment when due and such failure continues for a period of 10 days. Subject to the Conditions, the only remedy against the Issuer available to any Perpetual Securityholder acting through the Trustee for recovery of amounts in respect of the Perpetual Securities following the occurrence of a payment default after any sum becomes due in respect of the Perpetual Securities will be instituting proceedings for the Winding-Up of CEREIT and/or proving in the Winding-Up of the Issuer and/or CEREIT and/or claiming in the liquidation of the Issuer and/or CEREIT in respect of any payment obligations of the Issuer arising from the Perpetual Securities.

The Issuer may raise or redeem other capital which affects the price of the Perpetual Securities

The Issuer may raise additional capital through the issue of other securities or other means. There is no restriction, contractual or otherwise, on the amount of securities or other liabilities which the Issuer may issue or incur and which rank senior to, or *pari passu* with, the Perpetual Securities. Similarly, subject to compliance with the Conditions, the Issuer may redeem securities that rank junior to, *pari passu* with, or senior to the Perpetual Securities. The issue of any such securities or the incurrence of any such other liabilities or the redemption of any such securities may reduce the amount (if any) recoverable by holders of Perpetual Securities on a Winding-Up of the Issuer and/or CEREIT, and may increase the likelihood of a deferral of distribution under the Perpetual Securities. The issue of any such securities or the incurrence of any such other liabilities or the redemption of any such securities might also have an adverse impact on the trading price of the Perpetual Securities and/or the ability of Perpetual Securityholders to sell their Perpetual Securities.

Tax treatment of the Perpetual Securities is unclear

It is not clear whether any particular tranche of the Perpetual Securities (the **Relevant Tranche of the Perpetual Securities**) will be regarded as "debt securities" by IRAS for the purposes of the ITA, whether distribution payments made under the Relevant Tranche of the Perpetual Securities will be regarded as interest payable on indebtedness and whether the tax concessions and exemptions available for qualifying debt securities under the qualifying debt securities scheme (as set out in "*Taxation – Singapore Taxation"*) would apply to the Relevant Tranche of the Perpetual Securities.

If the Relevant Tranche of the Perpetual Securities is not regarded as "debt securities" for the purposes of the ITA, distribution payments made under the Relevant Tranche of the Perpetual Securities are not regarded as interest payable on indebtedness or holders thereof are not eligible for the tax concessions or exemptions under the qualifying debt securities scheme, the tax treatment to holders may differ. In addition, in the event that IRAS does not regard the Relevant Tranche of the Perpetual Securities issued by the Issuer as "debt securities" for Singapore income tax purposes, payments in respect of such Relevant Tranche of the Perpetual Securities (including, without limitation, the distributions, any Optional Distributions, Arrears of Distribution and any Additional Distribution Amounts) may be subject to Singapore withholding tax, and the Issuer may be obliged (in certain circumstances) to withhold or deduct tax on such payments. In that event, the Issuer will not pay any additional amounts in respect of any such withholding or deduction from such payments in respect of such Relevant Tranche of the Perpetual Securities in connection therewith for or on account of any such taxes or duties.

Investors and holders of the Relevant Tranche of the Perpetual Securities should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of the Relevant Tranche of the Perpetual Securities.

The Subordinated Perpetual Securities are subordinated obligations

The obligations of the Issuer under the Subordinated Perpetual Securities and any related Coupons will constitute unsecured and subordinated obligations of the Issuer. In the event of the final and effective Winding-Up of the Issuer or CEREIT, there shall be payable by the Issuer in respect of each Subordinated Perpetual Security relating to them (in lieu of any other payment by the Issuer), such amount, if any, as would have been payable to the Perpetual Securityholder of such Subordinated Perpetual Security if, on the day prior to the commencement of the Winding-Up of the Issuer or CEREIT, and thereafter, such Perpetual Securityholder were the holder of one of a class of the preferred units in the capital of CEREIT (and if more than one class of preferred units is outstanding, the most junior ranking class of such preferred units) (**CEREIT Notional Preferred Units**) having an equal right to return of assets in the Winding-Up of the Issuer or CEREIT and so ranking *pari passu* with the holders of that class or classes of preferred units (if any) which have a preferential right to return of assets in the Winding-Up of the Issuer or CEREIT, and so rank ahead of, the holders of the Junior Obligations, but junior to the claims of all other present and future creditors of the Issuer (other than the Parity Obligations), on the assumption that the amount that such Perpetual Securityholder of a Subordinated Perpetual Security was entitled to receive under the Conditions in respect of each CEREIT Notional Preferred Unit on a return of assets in such Winding-Up were an amount equal to the principal amount (and any applicable premium outstanding) of the relevant Subordinated Perpetual Security together with distributions accrued and unpaid since the immediately preceding Distribution Payment Date or the Issue Date (as the case may be) and any unpaid Optional Distributions in respect of which the Issuer has given notice to the Perpetual Securityholders in accordance with the Conditions and/or as otherwise specified in the applicable Pricing Supplement. In the event of a shortfall of funds or a Winding-Up, there is a real risk that an investor in the Subordinated Perpetual Securities will lose all or some of its investment and will not receive a full return of the principal amount or any unpaid Arrears of Distribution, Additional Distribution Amounts or accrued Distribution.

In addition, subject to the limit on the aggregate principal amount of Perpetual Securities that can be issued under the Programme (which can be amended from time to time by the Issuer without the consent of the Perpetual Securityholders), there is no restriction on the amount of unsubordinated securities or other liabilities which the Issuer may issue or incur and which rank senior to, or *pari passu* with, the Subordinated Perpetual Securities. The issue of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by holders of Subordinated Perpetual Securities on a Winding-Up of the Issuer or CEREIT and/or may increase the likelihood of a non-payment of distribution under the Subordinated Perpetual Securities.

Risks related to the market generally

Set out below is a description of material market risks, including liquidity risk, exchange rate risk, interest rate risk, inflation risk and credit risk:

An active secondary market in respect of the Perpetual Securities may never be established or may be illiquid and this would adversely affect the value at which an investor could sell its Perpetual Securities

There can be no assurance regarding the future development of the market for Perpetual Securities issued under the Programme or the ability of the Perpetual Securityholders, or the price at which the Perpetual Securityholders may be able, to sell their Perpetual Securities (as the case may be). The Perpetual Securities may have no established trading market when issued, and one may never develop. If a market for the Perpetual Securities does develop, it may not be very liquid. Therefore, investors may not be able to sell their Perpetual Securities easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Perpetual Securities that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Perpetual Securities generally would have a more limited secondary market and more price volatility than conventional debt securities.

If the Perpetual Securities are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer and CEREIT. If the Perpetual Securities are trading at a discount, investors may not receive a favourable price for their Perpetual Securities, and in some circumstances, investors may not be able to sell their Perpetual Securities at their fair market value or at all.

Illiquidity may have a severely adverse effect on the market value of the Perpetual Securities. Although issuing additional Perpetual Securities may increase their liquidity, there can be no assurance that the price of such Perpetual Securities will not be adversely affected by the issuance.

Although an application will be made for permission to deal in, and for quotation of, any Perpetual Securities to be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST, there is no assurance that such application will be approved, that any particular Tranche of Perpetual Securities will be so admitted or that an active trading market will develop.

The market value of Perpetual Securities issued under the Programme may fluctuate

The trading price of the Perpetual Securities may be influenced by numerous factors, including the market for similar securities, the operating results and/or financial condition of the Issuer, CEREIT and/or their respective subsidiaries and/or associated companies (if any), and political, economic, financial and any other factors that can affect the capital markets, the industry, the Issuer, CEREIT, their respective subsidiaries and/or associated companies (if any) generally. Adverse economic developments, in Singapore and countries in which the Issuer, CEREIT, their respective subsidiaries and/or associated companies (if any) operate or have business dealings could have a material adverse effect on the operating results, business, financial performance and/or the financial condition of the Issuer, CEREIT, their respective subsidiaries and/or associated companies (if any).

Further, recent global financial turmoil has resulted in substantial and continuing volatility in international capital markets. Any further deterioration in global financial conditions could have a material adverse effect on worldwide financial markets, which may also adversely affect the market price of the Perpetual Securities.

If an investor holds Perpetual Securities which are not denominated in the investor's home currency, it will be exposed to movements in exchange rates adversely affecting the value of its holding; in addition, the imposition of exchange controls in relation to any Perpetual Securities could result in an investor not receiving payments on those Perpetual Securities

The Issuer will pay principal and distribution on the Perpetual Securities, in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Perpetual Securities, (2) the Investor's Currency-equivalent value of the principal payable on the Perpetual Securities and (3) the Investor's Currency-equivalent market value of the Perpetual Securities.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Perpetual Securities. As a result, investors may receive less distribution or principal than expected, or no distribution or principal.

The value of Fixed Rate Perpetual Securities may be adversely affected by movements in market interest rates

Investment in Fixed Rate Perpetual Securities involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Perpetual Securities, this will adversely affect the value of the Fixed Rate Perpetual Securities.

Perpetual Securityholders may be adversely affected by inflation

Perpetual Securityholders may suffer erosion on the return of their investments due to inflation. Perpetual Securityholders would have an anticipated rate of return based on expected inflation rates on the purchase of the Perpetual Securities. An unexpected increase in inflation could reduce the actual returns, as the principal repayment and distribution payments on the Perpetual Securities may not keep pace with inflation.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents (including those published or issued from time to time after the date hereof) shall be deemed to be incorporated in, and to form part of, this Information Memorandum:

(a) each relevant Pricing Supplement;

(b) the most recently published audited consolidated financial statements of the Group (including the auditors' report thereon and notes thereto) since the date of this Information Memorandum and, if published later, the most recently published consolidated interim financial statements of the Group, if any; and

(c) all supplements or amendments to this Information Memorandum circulated by the Issuer from time to time,

save that any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Memorandum. Copies of the documents listed in (b) above which are deemed to be incorporated by reference in this Information Memorandum may be obtained at the SGX-ST's website at www.sgx.com.

The full version of CEREIT's annual reports and the Group's consolidated financial statements published from time to time can be obtained from CEREIT's website at www.cromwelleuropeanreit.com.sg/.

The above website and any other websites referenced in this Information Memorandum are intended as guides as to where other public information relating to the Issuer, the CEREIT Manager, CEREIT and the Group may be obtained free of charge. Information appearing in such websites does not form part of this Information Memorandum or any applicable Pricing Supplement and none of the Issuer, the CEREIT Manager, CEREIT, the Group, the Arrangers and the Dealers accepts any responsibility whatsoever that any information, if available, is accurate and/or up-to-date. Such information, if available, should not form the basis of any investment decision by an investor to subscribe for, purchase or deal in the Perpetual Securities.

The CEREIT Manager will provide, without charge, to each person to whom a copy of this Information Memorandum has been delivered, upon the request of such person, a copy of any or all of the documents deemed to be incorporated herein by reference unless such documents have been modified or superseded as specified above. Requests for such documents should be directed to the CEREIT Manager at its office set out at the end of this Information Memorandum. A Pricing Supplement relating to unlisted Perpetual Securities will only be available to a holder of such Perpetual Securities, and such holder must produce evidence satisfactory to the CEREIT Manager or the Paying Agent as to its holding of Perpetual Securities and its identity.

Any published unaudited interim financial statements in respect of CEREIT and its subsidiaries which are, from time to time, deemed to be incorporated by reference in this Information Memorandum will not have been audited by the auditors of CEREIT and its subsidiaries. Accordingly, there can be no assurance that, had an audit been conducted in respect of such financial statements, the information presented therein would not have been materially different, and investors should not place undue reliance upon them.

FORM OF THE PERPETUAL SECURITIES

The Perpetual Securities of each Series will be in either bearer form, with or without distribution coupons attached, or registered form, without coupons attached. Perpetual Securities (whether in bearer or registered form) will be issued outside the United States in reliance on Regulation S under the Securities Act.

Bearer Perpetual Securities

Each Tranche of Bearer Perpetual Securities will be in bearer form and will be initially issued in the form of a temporary global perpetual security (a **Temporary Global Perpetual Security**) or, if so specified in the applicable Pricing Supplement, a permanent global perpetual security (a **Permanent Global Perpetual Security** and, together with the Temporary Global Perpetual Securities, the **Bearer Global Perpetual Securities** and each a **Bearer Global Perpetual Security**) which will be delivered on or prior to the original issue date of the Tranche to (i) the common depositary for Euroclear and Clearstream or (ii) CDP.

Whilst any Perpetual Security is represented by a Temporary Global Perpetual Security, payments of principal, distribution (if any) and any other amount payable in respect of the Perpetual Securities due prior to the Bearer Perpetual Security Exchange Date (as defined below) will be made against presentation of the Temporary Global Perpetual Security only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Perpetual Security are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream and/or CDP and (in the case of a Temporary Global Perpetual Security delivered to a common depositary for Euroclear and Clearstream) Euroclear and/or Clearstream, as applicable, has given a like certification (based on the certifications it has received) to the Issuing and Paying Agent.

On and after the date (the **Bearer Perpetual Security Exchange Date**) which is 40 days after a Temporary Global Perpetual Security is issued, interests in such Temporary Global Perpetual Security may be exchanged (free of charge) upon notice being given as described therein either for (a) interests in a Permanent Global Perpetual Security of the same Series or (b) definitive Bearer Perpetual Securities of the same Series with, where applicable, distribution coupons and talons attached (as indicated in the applicable Pricing Supplement and subject, in the case of definitive Bearer Perpetual Securities, to such notice period as is specified in the applicable Pricing Supplement), in each case against certification of beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Global Perpetual Security will not be entitled to collect any payment of distribution, principal or other amount due on or after the Bearer Perpetual Security Exchange Date unless, upon due certification, exchange of the Temporary Global Perpetual Security for an interest in a Permanent Global Perpetual Security or for definitive Bearer Perpetual Securities is improperly withheld or refused.

In respect of a Permanent Global Perpetual Security held through Euroclear and/or Clearstream or CDP, payments of principal, distribution (if any) or any other amounts on a Permanent Global Perpetual Security will be made through Euroclear and/or Clearstream or CDP, as the case may be, against presentation or surrender (as the case may be) of the Permanent Global Perpetual Security without any requirement for certification.

The applicable Pricing Supplement will specify that a Permanent Global Perpetual Security will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Perpetual Securities with, where applicable, distribution coupons and talons attached only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means:

(a) in the case of Perpetual Securities cleared through Euroclear and Clearstream, that:

   (i) an Enforcement Event (as defined in Condition 9) has occurred and is continuing;

(ii) the Issuer has been notified that in the case of Perpetual Securities cleared through Euroclear and Clearstream, both Euroclear and Clearstream have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor or alternative clearing system satisfactory to the Trustee is available; or

(iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Perpetual Securities in definitive form and a certificate to such effect signed by an authorised signatory of the Issuer is given to the Trustee; and

(b) in the case of Perpetual Securities cleared through CDP, that:

(i) an event of default, enforcement event or analogous event entitling the Trustee to declare the Perpetual Securities to be due and payable as provided in the Conditions has occurred and is continuing;

(ii) CDP has closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or has announced an intention permanently to cease business and no alternative clearing system is available; or

(iii) CDP has notified the Issuer that it is unable or unwilling to act as depository for the Perpetual Securities and to continue performing its duties set out in its terms and conditions for the provision of depository services, and no alternative clearing system is available.

The Issuer will promptly give notice to Perpetual Securityholders in accordance with Condition 13 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, CDP or Euroclear and/or Clearstream (acting on the instructions of any holder of an interest in such Permanent Global Perpetual Security), or, as the case may be, the common depositary acting on behalf of Euroclear and/or Clearstream, may give notice to the Issuing and Paying Agent or, as the case may be, CDP Issuing and Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (a)(iii) above, the Issuer may also give notice to the Issuing and Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Issuing and Paying Agent or, as the case may be, the CDP Issuing and Paying Agent.

The following legend will appear on all Bearer Perpetual Securities which have an original maturity of more than 365 days and on all distribution coupons relating to such Perpetual Securities:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Perpetual Securities or distribution coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Perpetual Securities or distribution coupons.

Perpetual Securities which are represented by a Bearer Global Perpetual Security will only be transferable in accordance with the rules and procedures for the time being of Euroclear, Clearstream or CDP, as the case may be.

The rights of the holders are set out in and subject to the provisions of the Trust Deed and the Conditions.

Direct Rights in respect of Bearer Global Perpetual Securities cleared through CDP

Where a Bearer Global Perpetual Security is cleared through CDP, if there shall occur any Enforcement Event, the Trustee may exercise the right to institute proceedings for the Winding-up of CEREIT and/or prove in the Winding-up of the Issuer and/or CEREIT and/or claim in the liquidation or termination of the Issuer and/or CEREIT for payment, in accordance with the Conditions.

Following the exercise of such rights, the holder of the Perpetual Securities represented by the Bearer Global Perpetual Security cleared through CDP may (subject as provided below) elect that direct rights (**Direct Rights**) under the provisions of the relevant CDP Deed of Covenant (as defined in the Conditions) shall come into effect in respect of a nominal amount of Perpetual Securities up to the aggregate nominal amount in respect of which such rights have been exercised. Such election shall be made by notice to the CDP Issuing and Paying Agent and presentation of the Bearer Global Perpetual Security to or to the order of the CDP Issuing and Paying Agent for reduction of the nominal amount of Perpetual Securities represented by the Bearer Global Perpetual Security by such amount as may be stated in such notice and by endorsement of the appropriate schedule to the Bearer Global Perpetual Security of the nominal amount of Perpetual Securities in respect of which Direct Rights have arisen under the relevant CDP Deed of Covenant. Upon each such notice being given, the Bearer Global Perpetual Security shall become void to the extent of the nominal amount stated in such notice, save to the extent that the appropriate Direct Rights shall fail to take effect. No such election may however be made on or before the Bearer Perpetual Security Exchange Date unless the holder elects in such notice that the exchange for such Perpetual Securities shall no longer take place.

Registered Perpetual Securities

Each Tranche of Registered Perpetual Securities will initially be represented by a global perpetual security in registered form (a **Registered Global Perpetual Security** and, together with the Bearer Global Perpetual Securities, the **Global Perpetual Securities** and each a **Global Perpetual Security**). Registered Global Perpetual Securities will be deposited with a common depositary for, and registered in the name of a common nominee of, Euroclear and Clearstream or deposited with CDP or its nominee, as specified in the applicable Pricing Supplement. Persons holding beneficial interests in Registered Global Perpetual Securities will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Perpetual Securities in fully registered form.

Payments of principal, distribution and any other amount in respect of the Registered Global Perpetual Securities will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 5.5) as the registered holder of the Registered Global Perpetual Securities. None of the Issuer, the Trustee, any Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Perpetual Securities or for maintaining, supervising, investigating, monitoring or reviewing any records relating to such beneficial ownership interests.

Payments of principal, distribution or any other amount in respect of the Registered Perpetual Securities in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 5.5) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Perpetual Security will be exchangeable (free of charge), in whole but not in part, for definitive Registered Perpetual Securities without distribution coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means:

(a) in the case of Perpetual Securities cleared through Euroclear and Clearstream, that:

(i) an Enforcement Event (as defined in Condition 9) has occurred and is continuing;

(ii) the Issuer has been notified that in the case of Perpetual Securities cleared through Euroclear and Clearstream, both Euroclear and Clearstream have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor or alternative clearing system satisfactory to the Trustee is available; or

(iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Perpetual Securities in definitive form and a certificate to such effect signed by an authorised signatory of the Issuer is given to the Trustee; and

(b) in the case of Perpetual Securities cleared through CDP, that:

(i) an event of default, enforcement event or analogous event entitling the Trustee to declare the Perpetual Securities to be due and payable as provided in the Conditions has occurred and is continuing;

(ii) CDP has been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) has announced an intention permanently to cease business and no alternative clearing system is available; or

(iii) CDP has notified the Issuer that it is unable or unwilling to act as depository for the Perpetual Securities and to continue performing its duties set out in its terms and conditions for the provision of depository services, and no alternative clearing system is available.

The Issuer will promptly give notice to Perpetual Securityholders in accordance with Condition 13 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, CDP or Euroclear and/or Clearstream (acting on the instructions of any holder of an interest in such Registered Global Perpetual Security), or, as the case may be, the common depositary acting on behalf of Euroclear and/or Clearstream may give notice to the Registrar, requesting exchange and, in the event of the occurrence of an Exchange Event as described in (a)(iii) above, the Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar (the last date for such exchange, the **Registered Perpetual Security Exchange Date**).

Interests in a Registered Global Perpetual Security may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Registered Global Perpetual Security. No beneficial owner of an interest in a Registered Global Perpetual Security will be able to transfer such interest, except in accordance with the applicable procedures of Euroclear, Clearstream or CDP or the case may be.

Direct Rights in respect of Registered Global Perpetual Securities cleared through CDP

Where a Registered Global Perpetual Security is cleared through CDP, if there shall occur any Enforcement Event, the Trustee may exercise the right to institute proceedings for the Winding-up of CEREIT and/or prove in the Winding-up of the Issuer and/or CEREIT and/or claim in the liquidation or termination of the Issuer and/or CEREIT for payment, in accordance with the Conditions.

Following the exercise of such rights, the holder of the Perpetual Securities represented by the Registered Global Perpetual Security cleared through CDP may (subject as provided below) elect that Direct Rights under the provisions of the relevant CDP Deed of Covenant shall come into effect in respect of a nominal amount of Perpetual Securities up to the aggregate nominal amount in respect of which such rights have been exercised. Such election shall be made by notice to the CDP Issuing and Paying Agent and presentation of the Registered Global Perpetual Security to or to the order of the CDP Issuing and Paying Agent for reduction of the nominal amount of Perpetual Securities represented by the Registered Global Perpetual Security by such amount as may be stated in such notice and by entry by or on behalf of the CDP Registrar in the Register of the nominal amount of Perpetual Securities in respect of which Direct Rights have arisen under the relevant CDP Deed of Covenant. Upon each such notice being given, the Registered Global Perpetual Security shall become void to the extent of the nominal amount stated in such notice, save to the extent that the appropriate Direct Rights shall fail to take effect. No such election may however be made on or before the Registered Perpetual Security Exchange Date unless the holder elects in such notice that the exchange for such Perpetual Securities shall no longer take place.

General

Pursuant to the Agency Agreement, the Issuing and Paying Agent or the CDP Issuing and Paying Agent shall arrange for, where a further Tranche of Perpetual Securities is issued which is intended to form a single Series with an existing Tranche of Perpetual Securities, the Perpetual Securities of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Perpetual Securities of any other Tranche of the same Series until at least the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Perpetual Securities of such Tranche.

For so long as any of the Perpetual Securities is represented by a Global Perpetual Security held on behalf of Euroclear and/or Clearstream or CDP, each person (other than Euroclear and/or Clearstream or CDP or its nominee) who is for the time being shown in the records of Euroclear or of Clearstream or CDP as the holder of a particular nominal amount of such Perpetual Securities (in which regard any certificate or other document issued by Euroclear and/or Clearstream or CDP as to the nominal amount of such Perpetual Securities standing to the account of any person shall be conclusive and binding for all purposes save for manifest error) shall be treated by the Issuer, the Trustee, (in the case of Registered Global Perpetual Securities) the Registrar and all other agents of the Issuer as the holder of such nominal amount of such Perpetual Securities for all purposes other than with respect to the payment of principal or distribution and, in the case of Perpetual Securities cleared through CDP, premium redemption, purchase and/or any other amounts which accrue or are otherwise payable by the Issuer through CDP, on such nominal amount of such Perpetual Securities, for which purposes the bearer of the relevant Bearer Global Perpetual Security or the registered holder of the relevant Registered Global Perpetual Security shall be treated by the Issuer, the Trustee and their agents as the holder of such nominal amount of such Perpetual Securities in accordance with and subject to the terms of the relevant Global Perpetual Security and the expression **Perpetual Securityholder** and related expressions shall be construed accordingly.

Any reference herein to Euroclear and/or Clearstream and/or CDP shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement.

No Perpetual Securityholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails or neglects to do so within a reasonable period and such failure or neglect shall be continuing.

APPLICABLE PRICING SUPPLEMENT FOR PERPETUAL SECURITIES

Set out below is the form of Pricing Supplement which will be completed for each Tranche of Perpetual Securities issued under the Programme

[**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Perpetual Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or (ii) a customer within the meaning of Directive (EU) 2016/97 [(the **Insurance Distribution Directive**)] where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Perpetual Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Perpetual Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

[**PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Perpetual Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (**UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the **FSMA**) and any rules or regulations made under the FSMA to implement the [Directive (EU) 2016/97/Insurance Distribution Directive], where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by the [Regulation (EU) No 1286/2014/PRIIPs Regulation] as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Perpetual Securities or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Perpetual Securities or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

[**MiFID II product governance/target market** – *[appropriate target market legend to be included]*]

[**UK MiFIR product governance/target market** – *[appropriate target market legend to be included]*]

[**Notification under Section 309B(1)(c) of the Securities and Futures Act, Chapter 289 of Singapore, as modified or amended from time to time (the *SFA*) –** *to insert notice if classification of the Perpetual Securities is not "prescribed capital markets products", pursuant to Section 309B of the SFA or Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products)*]

[*Date*]

PERPETUAL (ASIA) LIMITED
(in its capacity as trustee of Cromwell European Real Estate Investment Trust)

Issue of [Aggregate Nominal Amount of Tranche] [Title of Perpetual Securities]
under the S$750,000,000
Multicurrency Perpetual Securities Programme

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Information Memorandum dated [*date*]. This document constitutes the Pricing Supplement of the Perpetual Securities described herein and must be read in conjunction with the Information Memorandum. Full information on the Issuer and the offer of the Perpetual Securities is only available on the basis of the combination of this Pricing Supplement and the Information Memorandum.

[*The following alternative language applies if the first Tranche of an issue which is being increased was issued under an Information Memorandum with an earlier date:*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Information Memorandum dated [*original date*]. This document is the Pricing Supplement for the Perpetual Securities described herein and must be read in conjunction with the Information Memorandum dated [*current date*], save in respect of the Conditions which are extracted from the Information Memorandum dated [*original date*] and are attached hereto. Full information on the Issuer and the offer of the Perpetual Securities is only available on the basis of the combination of this Pricing Supplement and the Information Memorandums dated [*current date*] and [*original date*].]

[*The following language applies where an advance tax ruling will be requested from the Inland Revenue Authority of Singapore:*

An advance tax ruling will be requested from the Inland Revenue Authority of Singapore (the **IRAS**) to confirm, amongst other things, whether IRAS would regard the Perpetual Securities as "debt securities" for the purposes of the Income Tax Act, Chapter 134 of Singapore (the **ITA**) and the distributions (including any [Optional Distributions, Arrears of Distribution and any Additional Distribution Amounts]) made under the Perpetual Securities as interest payable on indebtedness such that holders of the Perpetual Securities may enjoy the tax concessions and exemptions available for qualifying debt securities under the qualifying debt securities scheme, as set out in the section "*Taxation – Singapore Taxation*" of the Information Memorandum provided that the relevant conditions are met.

There is no guarantee that a favourable ruling will be obtained from IRAS. In addition, no assurance is given that the Issuer can provide all information or documents requested by IRAS for the purpose of the ruling request, and a ruling may not therefore be issued.

If the Perpetual Securities are not regarded as "debt securities" for the purposes of the ITA, the distributions (including any [Optional Distributions, Arrears of Distribution and any Additional Distribution Amounts]) made under the Perpetual Securities are not regarded as interest payable on indebtedness and/or holders thereof are not eligible for the tax concessions or exemptions under the qualifying debt securities scheme, the tax treatment to holders may differ.

No assurance, warranty or guarantee is given on the tax treatment to holders of the Perpetual Securities in respect of the distributions payable to them (including any [Optional Distributions, Arrears of Distribution and any Additional Distribution Amounts]). Investors should therefore consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of the Perpetual Securities.]

[*The following language applies if the Perpetual Securities are intended to be Qualifying Debt Securities for the purposes of the Income Tax Act, Chapter 134 of Singapore:*

Where interest (including distributions which are regarded as interest for Singapore income tax purposes), discount income, prepayment fee, redemption premium or break cost is derived from any of the Perpetual Securities by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the [Income Tax Act, Chapter 134 of Singapore (the **ITA**)]/[ITA], shall not apply if such person acquires such Perpetual Securities using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest (including distributions which are regarded as interest for Singapore income tax purposes), discount income, prepayment fee, redemption premium or break cost derived from the Perpetual Securities is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the ITA.]

[*Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Pricing Supplement.*]

1.	(a)	Issuer:	Perpetual (Asia) Limited (in its capacity as trustee of Cromwell European Real Estate Investment Trust)
	(b)	Legal Entity Identifier (**LEI**) of the Issuer:	21380093RFHTC319NL93
2.	(a)	Series Number:	[●]
	(b)	Tranche Number:	[●]
	(c)	Date on which the Perpetual Securities will be consolidated and form a single Series:	The Perpetual Securities will be consolidated and form a single Series with [*identify earlier Tranches*] on [the Issue Date/the date that is 40 days after the Issue Date/exchange of the Temporary Global Perpetual Security for interests in the Permanent Global Perpetual Security, as referred to in paragraph [●] below, which is expected to occur on or about [*date*]]/[Not Applicable]
3.	Specified Currency or Currencies:		[●]
4.	Aggregate Nominal Amount:		
	(a)	Series:	[●]
	(b)	Tranche:	[●]
5.	(a)	Issue Price:	[●] per cent. of the Aggregate Nominal Amount [plus accrued distributions from [*insert date*] (*if applicable*)]
	(b)	Private banking rebates:	[Yes/Not Applicable]
6.	(a)	Specified Denominations:	[●] (*N.B. In the case of Registered Perpetual Securities, this means the minimum integral amount in which transfers can be made*) *In the case of Bearer Perpetual Securities, where multiple denominations above [€100,000] or equivalent are being used the following sample wording should be followed:* *"[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Perpetual Securities in definitive form will be issued with a denomination above [€199,000]."*

	(b)	Calculation Amount:	[●]
			(*If only one Specified Denomination, insert the Specified Denomination.* *If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations*.)
7.	(a)	Issue Date:	[●]
	(b)	Trade Date:	[●]
	(c)	Distribution Commencement Date:	[*specify*/Issue Date/Not Applicable] (*N.B. A Distribution Commencement Date will not be relevant for certain Perpetual Securities*)
8.	Distributions:		
	(a)	Distribution Basis:	[[●] per cent. Fixed Rate] [[SORA/SORA-OIS/CNH HIBOR]+/-[●] per cent. Floating Rate][1] [Index Linked Distribution] [Dual Currency Distribution] [*specify other*] (*further particulars specified below*)
	(b)	Distribution Deferral:	[Applicable/Not Applicable]
	(c)	Cumulative Deferral:	[Applicable/Not Applicable]
	(d)	Non-Cumulative Deferral:	[Applicable/Not Applicable]
	(e)	Optional Payment:	[Applicable/Not Applicable]
	(f)	Additional Distribution Amount:	[Applicable/Not Applicable]

1 Parties to consider the various IBOR cessation dates (particularly 31 December 2021) in selecting a Reference Rate.

(g)	Dividend Pusher:	[Applicable/Not Applicable] [*Dividend Pusher periods*] (*N.B. If Dividend Pusher is applicable, to specify the period(s) during which a Compulsory Distribution Payment Event must not occur in order for the Issuer to defer any distribution.*) [*Specify any other Compulsory Distribution Payment Events*]
(h)	Dividend Stopper:	[Applicable/Not Applicable] [*Specify any other Dividend Stopper Payment Events*]
9.	Payment Basis:	[Not Applicable] [Partly Paid] [*specify other*] (*N.B. If the Perpetual Securities are issued on a fully paid basis, select "Not Applicable"*)
10.	Change of Distribution Basis or Payment Basis:	[*Specify details of any provision for change of Perpetual Securities into another Distribution Basis or Payment Basis*]/[Not Applicable]
11.	Call Options:	[Redemption for Accounting Reasons] [Redemption for Tax Deductibility Event] [Redemption upon a Ratings Event] [Redemption upon a Regulatory Event] [Redemption at the Option of the Issuer] [Redemption in the case of Minimum Outstanding Amount] [(further particulars specified below)]
12. (a)	Status of the Perpetual Securities:	[Senior/Subordinated]
(b)	[Date [Board] approval for issuance of Perpetual Securities obtained:	[●] [and [●], respectively]] (*N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Perpetual Securities*)

13.	Ranking of claims:	[As specified in Condition 3.2/*give details on ranking of claims on winding-up*]
14.	Parity Obligations:	[As specified in Condition 3.2/*give definition/details*]
15.	Junior Obligations:	[As specified in Condition 3.2/*give definition/details*]

Provisions Relating to Distribution (if any) Payable

16.	Fixed Rate Perpetual Security Provisions:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a) Initial Rate(s) of Distribution:	[●] per cent. per annum [payable [annually/semi-annually/quarterly/other (*specify*)] in arrear] (*If payable other than annually, consider amending Condition 4*)
	(b) Step-Up:	[Applicable/Not Applicable]
	• Step-Up Margin:	[+/-][●] per cent. per annum
	• Step-Up Date:	[●]
	(c) Reset:	[Applicable/Not Applicable]
	• First Reset Date:	[●]
	• Reset Date(s):	The First Reset Date and each date falling every [●] after the First Reset Date [*Consider including the following language for Fixed Rate Perpetual Securities where "Reset" is specified as "Applicable", where the last fixed distribution is intended to apply for the immediate next Fixed Distribution Period only (rather than the full reset period):* *"For the avoidance of doubt, notwithstanding any adjustment to any Original Reset Date (as defined in Condition 4.4([●])) in accordance with Condition 4.4([●]), the immediately following Reset Date shall fall on the date falling [●] calendar years after such Original Reset Date, and not the Adjusted Reset Date."]*
	• Reset Period:	[●] (*give details*)

	• Relevant Rate:	[SORA-OIS/*other (give details)*]
	• Initial Spread:	[●] per cent. per annum
	• Step-Up Margin:	[[+/-][●] per cent. per annum/Not Applicable]
	• Reference Banks:	[●]
(d)	Distribution Payment Date(s):	[[●] in each year up]/[*specify other*][1] (*N.B. This will need to be amended in the case of long or short coupons*)
(e)	Fixed Coupon Amount(s) for Perpetual Securities in definitive form (and in relation to Perpetual Securities in global form see Condition):	[●] per Calculation Amount[2]
(f)	Broken Amount(s): for Perpetual Securities in definitive form (and in relation to Perpetual Securities in global form see Condition):	[●] per Calculation Amount, payable on the Distribution Payment Date falling [in/on] [●]
(g)	Day Count Fraction:	[30/360]/[Actual/Actual (ICMA)]/[Actual/365 (Fixed)]/[*specify other*]]
(h)	Determination Date(s):	[●] in each year *(Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular distribution payment dates, ignoring issue date in the case of a long or short first coupon)*
(i)	Other terms relating to the method of calculating distribution for Fixed Rate Perpetual Securities:	[None/*Give details*]

1 Note that for certain Hong Kong dollar and Renminbi denominated Fixed Rate Perpetual Securities the Distribution Payment Dates are subject to modification and the following words should be added: "provided that if any Distribution Payment Date falls on a day which is not a Business Day, the Distribution Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Distribution Payment Date shall be brought forward to the immediately preceding Business Day. For these purposes, **Business Day** means a day on which commercial banks and foreign exchange markets settle payments [in Renminbi] and are open for general business (including dealing in foreign exchange and foreign currency deposits) in [Hong Kong][Singapore] and [●]"

2 For Hong Kong dollar and Renminbi denominated Fixed Rate Perpetual Securities where the Distribution Payment Dates are subject to modification the following wording may be appropriate: "Each Fixed Coupon Amount shall be calculated by applying the Rate of Distribution to each Calculation Amount, multiplying such sum by the [Day Count Fraction]/[actual number of days in the Fixed Distribution Period divided by 365] and rounding the resultant figure to the nearest [HK$/CNY]0.01, with [HK$/CNY]0.005 being rounded upwards."

17.	Floating Rate Perpetual Security Provisions:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
(a)	Specified Period(s)/Specified Distribution Payment Dates:	[●][, subject to adjustment in accordance with the Business Day Convention set out in (b) below/, not subject to any adjustment, as the Business Day Convention in (b) below is specified to be Not Applicable]
(b)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/ [*specify other*]/Not Applicable]
(c)	Additional Business Centre(s):	[●]
(d)	Manner in which the Rate of Distribution and Distribution Amount is to be determined:	[Screen Rate Determination/ISDA Determination/ *specify other*]
(e)	Party responsible for calculating the Rate of Distribution and Distribution Amount (if not the Calculation Agent):	[●] (the **Calculation Agent**)
(f)	Screen Rate Determination:	[Applicable/Not Applicable] *If not applicable, delete the remaining subparagraphs of this paragraph*)
	• Reference Rate:	[●] *(Either SORA, SORA-OIS, CNH HIBOR or other, although additional information is required if other – including fallback provisions in the Agency Agreement)*
	• Distribution Determination Date(s):	[●] *(The second Hong Kong business day prior to the start of each Distribution Period if CNH HIBOR or the second Singapore business day prior to the start of each Distribution Period if SORA-OIS)* [The Singapore Business Day [immediately following/falling [●] after] the end of [each Observation Period/the Cut-off Date)].] (*Only applicable where the Reference Rate is SORA. Note that Distribution Determination Date should fall at least 5 Business Days prior to the Distribution Payment Date unless otherwise agreed with the Calculation Agent*)

•	Relevant Screen Page:	[●]
•	Observation Method:	[Lockout/Lookback/Backward Shifted Observation Period]
•	"*p*":	[●] (*Only applicable where the Reference Rate is SORA. Note that Distribution Determination Date should fall at least 5 Business Days prior to the Distribution Payment Date unless otherwise agreed with the Calculation Agent*)
•	Reference Banks:	[●]
•	Relevant Financial Centre:	[●]

(g) ISDA Determination: [Applicable/Not Applicable]

(*If not applicable, delete the remaining subparagraphs of this paragraph*)

•	ISDA Definitions:	[2006 ISDA Definitions]/[2021 ISDA Definitions] (*The 2021 ISDA Definitions should not be selected before their effective date of 4 October 2021*)
•	Floating Rate Option:	[●] (*Ensure this is a Floating Rate Option included in the Floating Rate Matrix (as defined in the 2021 ISDA Definitions)*)
•	Designated Maturity:	[●]/[Not Applicable] (*A Designated Maturity period is not relevant where the relevant Floating Rate Option is a risk-free rate*)
•	Reset Date:	[●] *(N.B. The fall-back provisions applicable to ISDA Determination under the 2006 ISDA Definitions are reliant upon the provision by reference banks of offered quotations for LIBOR and/or EURIBOR which, depending on market circumstances, may not be available at the relevant time)*
•	Compounding:	[Applicable/Not Applicable] (If not applicable, delete the remaining items of this subparagraph)

	• Compounding Method:	[Compounding with Lookback Compounding with Lookback Period: [[●] Applicable Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]] [Compounding with Observation Period Shift Compounding with Observation Shift Period: [[●] Observation Period Shift Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)] Set-in-Advance: [Applicable/Not Applicable]] [Compounding with Lockout Compounding with Lockout Period: [[●] Lockout Period Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]] [IOS Compounding]]
(h)	Linear Interpolation:	[Not Applicable/Applicable – the Rate of Distribution for the [long/short] [first/last] Distribution Period shall be calculated using Linear Interpolation (*specify for each short or long distribution period*)]
(i)	Margin(s):	[+/-][●] per cent. per annum
(j)	Minimum Rate of Distribution:	[●] per cent. per annum
(k)	Maximum Rate of Distribution:	[●] per cent. per annum
(l)	Day Count Fraction:	Actual/Actual (ISDA)] [Actual/Actual] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360] [360/360][Bond Basis] [30E/360] [Eurobond Basis]

		[30E/360 (ISDA)]
		[*Other*]
		(See Condition 4.2 for alternatives)
	(m) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Perpetual Securities, if different from those set out in the Conditions:	[See paragraph 18/Not Applicable/*specify others if different from those set out in the Conditions*]
18.	Benchmark Discontinuation:	[[Benchmark Discontinuation (General) (Condition 4.4(a))/Benchmark Discontinuation (SORA) (Condition 4.4(b))] [*Consider including the following language for Fixed Rate Perpetual Securities where "Reset" is specified as "Applicable", where the last fixed distribution is intended to apply for the immediate next Fixed Distribution Period only (rather than the full reset period):* *"If the Issuer does not notify the Trustee, the Agents and the Perpetual Securityholders of [the Benchmark Replacement]/[a Successor Rate or an Alternative Rate] by five business days prior to the Reset Determination Date in accordance with Condition 4.4[●] in respect of a Reset Date (the* ***Original Reset Date****), the Reset Rate of Distribution applicable to the next succeeding Distribution Period falling immediately after the Original Reset Date shall be equal to the Reset Rate of Distribution last determined in relation to the Perpetual Securities in respect of the immediately preceding Fixed Distribution Period (or alternatively, if there has not been a first Distribution Payment Date, the Reset Rate of Distribution shall be the initial Rate of Distribution (if any)). The foregoing shall apply to the relevant next Fixed Distribution Period falling immediately after the Original Reset Date only and any subsequent Distribution Periods are subject to the subsequent operation of, and to adjustments as provided in, Condition 4.4[●] and such relevant Reset Date shall be adjusted so that it falls on the Distribution Payment Date immediately after the Original Reset Date (the* ***Adjusted Reset Date****). For the avoidance of doubt, this paragraph shall apply, mutatis mutandis, to each Adjusted Reset Date until [the Benchmark Replacement]/[a Successor Rate or an Alternative Reference Rate] is determined in accordance with Condition 4.4[●]."].”*

19.	[Index Linked Distribution Perpetual Security Provisions:	[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
	(a) Index/Formula:	[*give or annex details*]
	(b) Calculation Agent:	[*give name*]
	(c) Party responsible for calculating the Rate of Distribution (if not the Calculation Agent) and Distribution Amount (if not the Calculation Agent):	[●]
	(d) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable:	[*need to include a description of market disruption or settlement disruption events and adjustment provisions*]
	(e) Specified Period(s)/Specified Distribution Payment Dates:	[●][, subject to adjustment in accordance with the Business Day Convention set out in (b) below/, not subject to any adjustment, as the Business Day Convention in (b) below is specified to be Not Applicable]
	(f) Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/ *specify other*]
	(g) Additional Business Centre(s):	[●]
	(h) Minimum Rate of Distribution:	[●] per cent. per annum
	(i) Maximum Rate of Distribution:	[●] per cent. per annum
	(j) Day Count Fraction:	[●]
20.	Dual Currency Distribution Perpetual Security Provisions:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a) Rate of Exchange/method of calculating Rate of Exchange:	[*give or annex details*]
	(b) Party, if any, responsible for calculating the principal and/or distribution due (if not the Calculation Agent):	[●] (the **Calculation Agent**)

	(c) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:	[*need to include a description of market disruption or settlement disruption events and adjustment provisions*]
	(d) Person at whose option Specified Currency(ies) is/are payable:	[●]

Provisions Relating to Redemption

21.	Redemption at the option of the Issuer:	[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
	(a) Optional Redemption Date(s):	[●]
	(b) Optional Redemption Amount and method, if any, of calculation of such amount(s):	[●] per Calculation Amount/*specify other*/see Appendix]
	(c) If redeemable in part:	
	(i) Minimum Redemption Amount:	[●] per Calculation Amount
	(ii) Maximum Redemption Amount:	[●] per Calculation Amount
	(d) Notice period (if other than as set out in the Conditions):	[●] (*N.B. When setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which have minimum notice period requirements for a call)*[1] *and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Issuing and Paying Agent or Trustee*)
22.	Redemption for Accounting Reasons:	[Applicable/Not Applicable]
23.	Redemption for Tax Deductibility Event:	[Applicable/Not Applicable]
24.	Redemption upon a Regulatory Event:	[Applicable/Not Applicable]

[1] If Perpetual Securities are being cleared through Euroclear or Clearstream, Euroclear or Clearstream will require a minimum of 5 clearing system business days for a call.

25.	Redemption in the case of Minimum Outstanding Amount:	[Applicable/Not Applicable]
26.	Early Redemption Amount payable on redemption for taxation reasons or Accounting Reasons, upon the occurrence of a Tax Deductibility Event, upon the occurrence of a Regulatory Event, at the option of the Issuer, upon in the case of Minimum Outstanding Amount and/or the method of calculating the same (if required or if different from that set out in the Conditions):	[[●] per Calculation Amount/*specify other*/see Appendix] (*N.B. consider where make-whole amounts or reference rates will be relevant*)

General Provisions Applicable to the Perpetual Securities

27.	Form of Perpetual Securities:	[Bearer Perpetual Securities:] [Temporary Global Perpetual Security exchangeable for a Permanent Global Perpetual Security which is exchangeable for Definitive Perpetual Securities only upon an Exchange Event] [Temporary Global Perpetual Security exchangeable for Definitive Perpetual Securities on and after the Exchange Date] [Permanent Global Perpetual Security exchangeable for Definitive Perpetual Securities only upon an Exchange Event] [Registered Perpetual Securities: Regulation S Registered Global Perpetual Security ([S$][●] nominal amount) exchangeable for Definitive Registered Perpetual Securities only upon an Exchange Event registered in the name of a nominee for a common depositary for Euroclear Bank SA/NV and Clearstream Banking S.A.] (*Specified Denomination construction substantially to the following effect: "*[*€100,000*] *and integral multiples of* [*€1,000*] *in excess thereof up to and including* [*€199,000*].*" is not permitted in relation to any issue of Perpetual Securities which is to be represented on issue by a Temporary Global Perpetual Security exchangeable for Definitive Perpetual Securities.*)

28.	Governing Law of the Perpetual Securities:	Singapore Law
29.	Additional Financial Centre(s) or other special provisions relating to Payment Days:	[Not Applicable/*give details*] *(Note that this paragraph relates to the place of payment and not Distribution Period end dates to which sub-paragraphs 17(c) and 19(g) relate)*
30.	Offshore Renminbi Centre(s):	[Hong Kong[/and]Singapore/*other relevant jurisdiction where clearing bank agreements have been established*] [and a reference to the Offshore Renminbi Centre shall mean[, other than for the purpose of Condition 5.6(b),] a reference to [any] of them] *(Note that this paragraph relates to Conditions 5.1(a), 5.4 and 5.6(b) and consideration should be given as to whether the relevant clearing system and the clearing bank agreements have appropriate mechanisms/procedures in place to deal with payments in the relevant offshore Renminbi centres)*
31.	Talons for future Coupons to be attached to Definitive Bearer Perpetual Securities (and dates on which such Talons mature):	[Yes/No. *If yes, give details*] [Not Applicable]
32.	Details relating to Partly Paid Perpetual Securities: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Perpetual Securities and distribution due on late payment:	[Not Applicable/*give details*. *N.B. a new form of Temporary Global Perpetual Security and/or Permanent Global Perpetual Security may be required for Partly Paid issues*]
33.	Other terms:	[Not Applicable/*give details*]

Distribution

34.	Method of distribution:	[Syndicated/Non-syndicated]
35.	(a) If syndicated, names of Managers:	[Not Applicable/*give names*]
	(b) Date of Subscription Agreement:	[●]
	(c) Stabilising Manager(s) (if any):	[Not Applicable/*give name*]

36.	If non-syndicated, name of relevant Dealer:	[Not Applicable/*give name*]
37.	U.S. Selling Restrictions:	[Reg. S Compliance Category [1/2]; TEFRA D/TEFRA C/TEFRA not applicable]
38.	Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable] *(If the Perpetual Securities clearly do not constitute "packaged" products or the Perpetual Securities do constitute "packaged" products and a key information document will be prepared in the EEA, "Not Applicable" should be specified. If the Perpetual Securities may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.)*
39.	Prohibition of Sales to UK Retail Investors:	[Applicable/Not Applicable] *(If the Perpetual Securities clearly do not constitute "packaged" products or the Perpetual Securities do constitute "packaged" products and a key information document will be prepared in the UK, "Not Applicable" should be specified. If the Perpetual Securities may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.)*
40.	Additional selling restrictions:	[Not Applicable/*give details*]

Operational Information

41.	ISIN Code:	[●]
42.	Common Code:	[●] *(Insert here any other relevant codes)*
43.	Any clearing system(s) other than Euroclear Bank SA/NV, and Clearstream Banking S.A.:	[CDP/Not Applicable/*Give name(s) and number(s)*]
44.	Delivery:	Delivery [against/free of] payment
45.	Names and addresses of additional Paying Agent(s) (if any):	[●]
46.	Registrar:	[●] (*include in respect of Registered Perpetual Securities only*)

47.	Ratings:	[The Perpetual Securities to be issued will not be rated/The Perpetual Securities to be issued have been rated:] *(The above disclosure should reflect the rating allocated to Perpetual Securities of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*
48.	Listing:	[Singapore Exchange Securities Trading Limited/ *specify other*/None]

Listing Application

This Pricing Supplement comprises the final terms required for issue and admission to trading on [the Singapore Exchange Securities Trading Limited] of the Perpetual Securities described herein pursuant to the S$750,000,000 Multicurrency Perpetual Securities Programme of Cromwell European Real Estate Investment Trust.

Responsibility

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

[The Singapore Exchange Securities Trading Limited (the **SGX-ST**) assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this Pricing Supplement. Approval in-principle from, admission to the Official List of, and listing and quotation of the Perpetual Securities on, the SGX-ST are not to be taken as an indication of the merits of the Issuer, CEREIT, the CEREIT Manager, their respective subsidiaries, their respective associated companies (if any), the Programme or the Perpetual Securities.]

Signed on behalf of **Perpetual (Asia) Limited (in its capacity as trustee of Cromwell European Real Estate Investment Trust)**

By: ______________________________
Duly authorised

By: ______________________________
Duly authorised

TERMS AND CONDITIONS OF THE PERPETUAL SECURITIES

The following are the Terms and Conditions of the Perpetual Securities which will be incorporated by reference into each Global Perpetual Security (as defined below), each Definitive Bearer Perpetual Security (as defined below) and each Definitive Registered Perpetual Security (as defined below), but, in the case of Definitive Bearer Perpetual Securities and Definitive Registered Perpetual Securities, only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such Definitive Bearer Perpetual Security or Definitive Registered Perpetual Security will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Pricing Supplement in relation to any Tranche of Perpetual Securities may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Perpetual Securities. The applicable Pricing Supplement (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Perpetual Security and definitive Perpetual Security. Reference should be made to "Applicable Pricing Supplement for Perpetual Securities" for a description of the content of Pricing Supplement which will specify which of such terms are to apply in relation to the relevant Perpetual Securities.

This Perpetual Security is one of a Series (as defined below) of Perpetual Securities issued by Perpetual (Asia) Limited (in its capacity as trustee of Cromwell European Real Estate Investment Trust (**CEREIT**)) (**CEREIT Trustee** or the **Issuer**) and constituted by a trust deed dated 5 November 2021 (as further amended and/or supplemented and/or restated from time to time, the **Trust Deed**) made between (1) the CEREIT Trustee, as issuer, and (2) The Bank of New York Mellon, Singapore Branch (the **Trustee**, which expression shall include any successor as Trustee).

These Terms and Conditions (the **Conditions**) include summaries of, and are subject to, the detailed provisions of the Trust Deed and the Agency Agreement.

References herein to the **Perpetual Securities** shall be references to the Perpetual Securities of this Series and shall mean:

(a) in relation to any Perpetual Securities represented by a global Perpetual Security (a **Global Perpetual Security**), units of each Specified Denomination in the Specified Currency;

(b) any Global Perpetual Security in bearer form (each a **Bearer Global Perpetual Security**);

(c) any Global Perpetual Security in registered form (each a **Registered Global Perpetual Security**);

(d) any definitive Perpetual Securities in bearer form (**Definitive Bearer Perpetual Securities** and, together with Bearer Global Perpetual Securities, the **Bearer Perpetual Securities**) issued in exchange for a Global Perpetual Security in bearer form; and

(e) any definitive Perpetual Securities in registered form (**Definitive Registered Perpetual Securities** and, together with Registered Global Perpetual Securities, the **Registered Perpetual Securities**) (whether or not issued in exchange for a Global Perpetual Security in registered form).

The Perpetual Securities and the Coupons (as defined below) have the benefit of an agency agreement dated [●] 2021 (as further amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) made between (1) the CEREIT Trustee, as issuer, (2) the Trustee, (3) The Bank of New York Mellon, London Branch as issuing and paying agent (the **Issuing and Paying Agent**, which expression shall include any successor issuing and paying agent) and calculation agent (the **Calculation Agent**, which expression shall include any successor calculation agent), (4) The Bank of New York Mellon, Singapore Branch as issuing and paying agent in Singapore solely for the purposes of and in connection with Perpetual Securities cleared or to be cleared through The Central Depository (Pte) Limited (**CDP**) (the **CDP Issuing and Paying Agent**, which expression shall include any successor CDP issuing and paying agent in Singapore) and calculation agent in Singapore solely for the purposes of and in connection with such Perpetual Securities (the **CDP Calculation Agent**, which expression shall include any successor CDP calculation agent in Singapore), the other paying agents named therein (together with the Issuing and Paying Agent and the CDP Issuing and Paying Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents), (5) The Bank of New York Mellon SA/NV, Dublin Branch as registrar (the **Registrar**, which expression shall include any successor registrar) and transfer agent and the other transfer agents named therein (the **Transfer Agent**, which expression shall include any successor transfer agent), and (6) The Bank of New York Mellon, Singapore Branch as registrar in Singapore solely for the purposes of and in connection with Perpetual Securities cleared or to be cleared through CDP (the **CDP Registrar**, which expression shall include any successor CDP registrar in Singapore) and transfer agent in Singapore solely for the purposes of and in connection with such Perpetual Securities and the other CDP transfer agents named therein (the **CDP Transfer Agent**, which expression shall include any successor CDP transfer agent in Singapore). The Issuing and Paying Agent, the CDP Issuing and Paying Agent, the Calculation Agent, the CDP Calculation Agent, the Registrar, the CDP Registrar, the Paying Agents, the Transfer Agent and the CDP Transfer Agent are being together referred to as the **Agents**.

For the purposes of these Conditions, all references:

(i) to the **Issuing and Paying Agent** shall, with respect to a Series of Perpetual Securities cleared or to be cleared through CDP, be deemed to be a reference to the CDP Issuing and Paying Agent;

(ii) to the **Registrar** shall, with respect to a Series of Perpetual Securities cleared or to be cleared through CDP, be deemed to be a reference to the CDP Registrar;

(iii) to the **Transfer Agent** shall, with respect to a Series of Perpetual Securities cleared or to be cleared through CDP, be deemed to be a reference to the CDP Transfer Agent; and

(iv) to the **Calculation Agent** shall, with respect to a Series of Perpetual Securities cleared or to be cleared through CDP, be deemed to be a reference to the CDP Calculation Agent,

and all such references shall be construed accordingly.

Distribution-bearing Definitive Bearer Perpetual Securities have distribution coupons (**Coupons**) and, in the case of Definitive Bearer Perpetual Securities which have more than 27 distribution payments remaining, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Global Perpetual Securities and Registered Perpetual Securities do not have Coupons or Talons attached on issue.

The final terms for this Perpetual Security (or the relevant provisions thereof) are set out in the Pricing Supplement attached to or endorsed on this Perpetual Security which supplement these Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify these Conditions for the purposes of this Perpetual Security. References to the **applicable Pricing Supplement** are to the Pricing Supplement (or the relevant provisions thereof) attached to or endorsed on this Perpetual Security.

The Trustee acts for the benefit of the holders of the Perpetual Securities (the **Perpetual Securityholders** or **holders** in relation to any Perpetual Securities, which expression shall mean (in the case of Bearer Perpetual Securities) the holders of the Perpetual Securities and (in the case of Registered Perpetual Securities) the persons in whose name the Perpetual Securities are registered and shall, in relation to any Perpetual Securities represented by a Global Perpetual Security, be construed as provided below) and the holders of the Coupons (the **Couponholders**, which expression shall, unless the context otherwise requires, include the holders of the Talons), in accordance with the provisions of the Trust Deed.

As used herein, **Tranche** means Perpetual Securities which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Perpetual Securities together with any further Tranche or Tranches of Perpetual Securities which (a) are expressed to be consolidated and form a single series and (b) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of distribution thereon and the date from which distribution starts to accrue.

Where the Perpetual Securities are cleared through CDP, the Perpetual Securityholders and the Couponholders are entitled to the benefit of the CDP deed of covenant dated [●] 2021 (as amended and/or supplemented and/or restated from time to time, the **CDP Deed of Covenant**) made by the Issuer.

Copies of the Trust Deed, the Agency Agreement and the CDP Deed of Covenant are (i) available upon prior appointment and written request and satisfactory proof of holding during normal business hours (being 9.00 a.m. to 3.00 p.m.) at the specified office of each of the Issuing and Paying Agents or (ii) available electronically via e-mail from the Issuing and Paying Agent. Copies of the applicable Pricing Supplement are available upon prior written request at the registered office of the Issuing and Paying Agent or (in the case of Registered Perpetual Securities) the Registrar provided that Perpetual Securityholders and the Couponholders must produce evidence satisfactory to the relevant Issuing and Paying Agent or (in the case of Registered Perpetual Securities) the Registrar as to its holding of such Perpetual Securities and identity. The Perpetual Securityholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Trust Deed, the Agency Agreement, the applicable CDP Deed of Covenant and the applicable Pricing Supplement which are applicable to them.

Words and expressions defined in the Trust Deed, the Agency Agreement or used in the applicable Pricing Supplement shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the Agency Agreement, the Trust Deed will prevail and, in the event of inconsistency between the Trust Deed or the Agency Agreement and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

1. FORM, DENOMINATION AND TITLE

1.1 Form of Perpetual Securities

The Perpetual Securities are either in bearer form or in registered form, as specified in the applicable Pricing Supplement and, in the case of Definitive Bearer Perpetual Securities, serially numbered, in the currency (the **Specified Currency)** and the denominations (the **Specified Denomination(s)**) specified in the applicable Pricing Supplement. Bearer Perpetual Securities of one Specified Denomination may not be exchanged for Bearer Perpetual Securities of another Specified Denomination and Bearer Perpetual Securities may not be exchanged for Registered Perpetual Securities and *vice versa*.

This Perpetual Security may be a Fixed Rate Perpetual Security, a Floating Rate Perpetual Security, an Index Linked Distribution Perpetual Security, a Dual Currency Distribution Perpetual Security or a combination of any of the foregoing, depending upon the Distribution Basis shown in the applicable Pricing Supplement.

This Perpetual Security may be an Index Linked Redemption Perpetual Security, a Dual Currency Redemption Perpetual Security, a Partly Paid Perpetual Security or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Pricing Supplement.

Definitive Bearer Perpetual Securities are issued with Coupons attached.

1.2 Types of Perpetual Securities

Subject as set out below, title to the Bearer Perpetual Securities and Coupons will pass by delivery and title to the Registered Perpetual Securities will pass on registration of transfers in the register which is kept by the Registrar in accordance with the Agency Agreement. The Issuer, the Trustee and any Agent will (except as otherwise required by law) deem and treat the bearer of any Bearer Perpetual Security or Coupon and the registered holder of any Registered Perpetual Security as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Perpetual Security, without prejudice to the provisions set out in the next succeeding paragraph.

1.3 Title

For so long as any of the Perpetual Securities is represented by a Global Perpetual Security held on behalf of Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking S.A. (**Clearstream**), and/or CDP, each person (other than Euroclear, Clearstream or CDP, as the case may be) who is for the time being shown in the records of Euroclear, Clearstream or CDP as the holder of a particular nominal amount of such Perpetual Securities (in which regard any certificate or other document issued by Euroclear, Clearstream or CDP, as the case may be, as to the nominal amount of such Perpetual Securities standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Trustee and the relevant Agent as the holder of such nominal amount of such Perpetual Securities for all purposes other than with respect to the payment of principal or distribution, and in the case of Perpetual Securities cleared through CDP, premium, redemption, purchase and/or any other amounts which accrue or are otherwise payable by the Issuer through CDP, on such nominal amount of such Perpetual Securities, for which purpose the bearer of the relevant Bearer Global Perpetual Security or the registered holder of the relevant Registered Global Perpetual Security shall be treated by the Issuer, the Trustee and any relevant Agent as the holder of such nominal amount of such Perpetual Securities in accordance with and subject to the terms of the relevant Global

Perpetual Security and the expressions **Perpetual Securityholder** and **holder of Perpetual Securities** and related expressions shall be construed accordingly. In determining whether a particular person is entitled to a particular nominal amount of Perpetual Securities as aforesaid, the Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned.

Perpetual Securities which are represented by a Global Perpetual Security will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream and/or CDP, as the case may be. References to Euroclear, Clearstream and CDP shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement or as may otherwise be approved by the Issuer, the Trustee and the relevant Agents.

2. TRANSFER OF REGISTERED PERPETUAL SECURITIES

2.1 Transfers of interests in Registered Global Perpetual Securities

Transfers of beneficial interests in Registered Global Perpetual Securities will be effected by Euroclear, Clearstream or CDP, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of transferors and transferees of such interests. A beneficial interest in a Registered Global Perpetual Security will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Definitive Registered Perpetual Securities or for a beneficial interest in another Registered Global Perpetual Security of the same Series only in the authorised denominations set out in the applicable Pricing Supplement and only in accordance with the rules and operating procedures for the time being of Euroclear, Clearstream or CDP, as the case may be, and in accordance with the terms and conditions specified in the Trust Deed and the Agency Agreement. Transfers of a Registered Global Perpetual Security registered in the name of a nominee of a common depository for Euroclear, Clearstream or CDP shall be limited to transfers of such Registered Global Perpetual Security, in whole but not in part, to another nominee of Euroclear, Clearstream or CDP (as the case may be) or to a successor of Euroclear, Clearstream or CDP (as the case may be) or such successor's nominee.

2.2 Transfers of Definitive Registered Perpetual Securities

Subject as provided in Condition 2.3 (*Registration of transfer upon partial redemption*) and Condition 2.5 (*Closed periods*) below, upon the terms and subject to the conditions set forth in the Trust Deed and the Agency Agreement, a Definitive Registered Perpetual Security may be transferred in whole or in part (in the authorised denominations set out in the applicable Pricing Supplement). In order to effect any such transfer:

(a) the holder or holders must:

   (i) surrender the Definitive Registered Perpetual Security for registration of the transfer of the Definitive Registered Perpetual Security (or the relevant part of the Definitive Registered Perpetual Security) at the specified office of any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or their attorney or attorneys duly authorised in writing; and

   (ii) complete and deposit such other certifications as may be required by the relevant Transfer Agent; and

(b) the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request.

Any such transfer will be subject to such reasonable regulations as the Issuer, the Trustee and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 2 to the Agency Agreement). Subject as provided above, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office, to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Definitive Registered Perpetual Security of a like aggregate nominal amount to the Definitive Registered Perpetual Security (or the relevant part of the Definitive Registered Perpetual Security) transferred. In the case of the transfer of part only of a Definitive Registered Perpetual Security, a new Definitive Registered Perpetual Security in respect of the balance of the Definitive Registered Perpetual Security not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

2.3 Registration of transfer upon partial redemption

In the event of a partial redemption of Perpetual Securities under Condition 6 (*Redemption and Purchase*), the Issuer shall not be required to register or procure the registration of the transfer of any Registered Perpetual Security, or part of a Registered Perpetual Security, called for partial redemption.

2.4 Costs of registration

Perpetual Securityholders and Couponholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

2.5 Closed periods

No Perpetual Securityholder or Couponholder may require the transfer of a Registered Perpetual Security to be registered during the period of (i) 15 days ending on (and including) the due date for redemption of that Perpetual Security, (ii) during the period of 15 days before (and including) any date on which Perpetual Securities may be called for redemption by the Issuer pursuant to Condition 6.7 (*Redemption at the option of the Issuer (Issuer Call)*) and (iii) seven days ending on (and including) any Record Date (as defined in Condition 5.5 (*Payments in respect of Registered Perpetual Securities*).

2.6 Exchanges and transfers of Registered Perpetual Securities generally

Holders of Definitive Registered Perpetual Securities may exchange such Perpetual Securities for interests in a Registered Global Perpetual Security of the same type at any time.

3. STATUS OF THE PERPETUAL SECURITIES

3.1 Senior Perpetual Securities

This Condition 3.1 (Senior Perpetual Securities) applies to Perpetual Securities that are specified in the applicable Pricing Supplement to be Senior.

(a) The Senior Perpetual Securities and any related Coupons are direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* and without any preference among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

3.2 Subordinated Perpetual Securities

This Condition 3.2 (Subordinated Perpetual Securities) applies to Perpetual Securities that are specified in the applicable Pricing Supplement to be Subordinated.

(a) **Status:** The Subordinated Perpetual Securities and any related Coupons constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and rank *pari passu* and without any preference or priority among themselves and with any Parity Obligations, from time to time outstanding. The rights and claims of the Perpetual Securityholders and the Couponholders are subordinated in the manner described in Condition 3.2(b) (*Subordination*).

(b) **Subordination:** Subject to the insolvency laws of Singapore and other applicable laws, in the event of the final and effective Winding-Up of the Issuer or CEREIT, there shall be payable by the Issuer in respect of each Subordinated Perpetual Security relating to them (in lieu of any other payment by the Issuer), such amount, if any, as would have been payable to the Perpetual Securityholder and the Couponholder of such Subordinated Perpetual Security if, on the day prior to the commencement of the Winding-Up of the Issuer or CEREIT, and thereafter, such Perpetual Securityholder and Couponholder were the holder of one of a class of the preferred units in the capital of CEREIT (and if more than one class of preferred units is outstanding, the most junior ranking class of such preferred units) (**CEREIT Notional Preferred Units**) having an equal right to return of assets in the Winding-Up of the Issuer or CEREIT and so ranking *pari passu* with the holders of that class or classes of preferred units (if any) which have a preferential right to return of assets in the Winding-Up of the Issuer or CEREIT, and so rank ahead of, the holders of the Junior Obligations, but junior to the claims of all other present and future creditors of the Issuer (other than the Parity Obligations), on the assumption that the amount that such Perpetual Securityholder and Couponholder of a Subordinated Perpetual Security was entitled to receive under these Conditions in respect of each CEREIT Notional Preferred Unit on a return of assets in such Winding-Up were an amount equal to the principal amount (and any applicable premium outstanding) of the relevant Subordinated Perpetual Security together with distributions accrued and unpaid since the immediately preceding Distribution Payment Date or the Issue Date (as the case may be) and any unpaid Optional Distributions (as defined in Condition 4.6(f) (*Optional Distribution*)) in respect of which the Issuer has given notice to the Perpetual Securityholders and the Couponholders in accordance with these Conditions and/or as otherwise specified in the applicable Pricing Supplement.

(c) **Set-off:** Subject to applicable law, no Perpetual Securityholder or Couponholder may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities and the Coupons relating to them, as the case may be, and each Perpetual Securityholder or Couponholder shall, by virtue of their holding of any Subordinated Perpetual Securities or any Coupons related to them, be deemed to have waived all such rights of set-off, deduction, withholding or retention against the Issuer. Notwithstanding the preceding sentence, if any of the amounts owing to any Perpetual Securityholder or Couponholder by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities, as the case may be, is discharged by set-off, such Perpetual Securityholder or Couponholder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of the Winding-Up or administration of the Issuer or CEREIT, the liquidator or, as appropriate, administrator of the Issuer or, as the case may be, CEREIT) and, until such time as payment is made, shall hold such amount in trust for CEREIT (or the liquidator or, as appropriate, administrator of the Issuer or, as the case may be, CEREIT) and accordingly any such discharge shall be deemed not to have taken place.

For the purposes of these Conditions:

Junior Obligation means:

(i) the ordinary units of CEREIT and any class of equity capital in CEREIT and any other instrument or security issued, entered into or guaranteed by the Issuer, other than any instrument or security (including without limitation any preferred units) ranking in priority in payment and in all other respects to the ordinary units of CEREIT; or

(ii) as otherwise specified in the applicable Pricing Supplement.

Parity Obligation means:

(i) any instrument or security (including without limitation any preferred units in CEREIT) issued, entered into or guaranteed by the Issuer (i) which ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with a CEREIT Notional Preferred Unit and/or other Parity Obligations and (ii) the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Issuer and/or, in the case of an instrument or security guaranteed by the Issuer, the issuer thereof; or

(ii) as otherwise specified in the applicable Pricing Supplement.

Winding-Up of a person means the bankruptcy, termination, winding-up, administration, judicial management, dissolution, liquidation or similar proceedings of that person.

3.3 Winding-Up of the Issuer

For the purposes of these Conditions (which, for the avoidance of doubt, includes Condition 3.2 (*Subordinated Perpetual Securities*), Condition 4.6(h) (*Satisfaction of Arrears of Distribution*) and Condition 9 (*Enforcement Event*)), any reference to the Winding-Up of the Issuer shall only apply in the circumstances where (i) a final and effective order is made or an effective resolution is passed for the Winding-Up of Perpetual (Asia) Limited affecting its role as trustee of CEREIT (or of any previous replacement or substitute trustee of CEREIT) and (ii) the replacement or substitute trustee of CEREIT is not appointed in accordance with the terms of the CEREIT Trust Deed (as defined in the Trust Deed) or by a court of competent jurisdiction within nine months of such order or resolution; provided that nothing in these Conditions shall prevent the taking of any steps by the Trustee or, as the case may be, the

Perpetual Securityholders or Couponholders, in such Winding-Up of the CEREIT Trustee (including but not limited to the proving in such Winding-Up) within any prescribed time limit (if such time limit falls within nine months of such order or resolution of Winding-Up) as stipulated under any applicable laws, order of court or which may otherwise be imposed by the relevant legislative body, court, governmental agency, regulatory authority, or a liquidator, receiver, judicial manager, administrator or other officer acting on behalf of Perpetual (Asia) Limited (or of any previous replacement or substitute trustee of CEREIT in such Winding-Up at the appropriate juncture, but not well in advance of the expiry of such applicable time period.

3.4 Final and effective Winding-Up

For the purposes of these Conditions (which, for the avoidance of doubt, includes Condition 3.2 (*Subordinated Perpetual Securities*), Condition 4.6(h) (*Satisfaction of Arrears of Distribution*) and Condition 9 (*Enforcement Event*)), any reference to Winding-Up being **final and effective** shall refer to any order, resolution, declaration or other determination for an effective Winding-Up which has not been stayed, suspended or otherwise set-aside.

4. DISTRIBUTION

4.1 Distribution on Fixed Rate Perpetual Securities

(a) Distribution Payment Dates

Subject to Condition 4.6 (*Distribution deferral*), each Fixed Rate Perpetual Security confers a right to receive distribution from (and including) the Distribution Commencement Date at the rate(s) per annum equal to the Rate(s) of Distribution. Distribution will be payable in arrear on the Distribution Payment Date(s) in each year up to (and including) the due date for redemption.

If the Perpetual Securities are in definitive form, except as provided in the applicable Pricing Supplement, the amount of distribution payable on each Distribution Payment Date in respect of the Fixed Distribution Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of distribution on any Distribution Payment Date will, if so specified in the applicable Pricing Supplement, amount to the Broken Amount so specified.

As used in these Conditions:

Fixed Distribution Period means the period from (and including) a Distribution Payment Date (or the Distribution Commencement Date) to (but excluding) the next (or first) Distribution Payment Date.

Except in the case of Perpetual Securities in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Pricing Supplement, distribution shall be calculated in respect of any period by applying the Rate of Distribution to:

(i) in the case of Fixed Rate Perpetual Securities which are (A) represented by a Global Perpetual Security or (B) Registered Perpetual Securities in definitive form, the aggregate outstanding nominal amount of (x) the Fixed Rate Perpetual Securities represented by such Global Perpetual Security or (y) such Registered Perpetual Securities (or, in each case, if they are Partly Paid Perpetual Securities, the aggregate amount paid up); or

(ii) in the case of Fixed Rate Perpetual Securities which are Bearer Perpetual Securities in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction.

The resultant figure (including after application of any Fixed Coupon Amount or Broken Amount, as applicable, to the aggregate outstanding nominal amount of Fixed Rates Perpetual Securities which are Registered Perpetual Securities in definitive form or the Calculation Amount in the case of Fixed Rate Perpetual Securities which are Bearer Perpetual Securities in definitive form) shall be rounded to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

Where the Specified Denomination of a Fixed Rate Perpetual Security which is a Bearer Perpetual Security in definitive form is a multiple of the Calculation Amount, the amount of distribution payable in respect of such Fixed Rate Perpetual Security shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of distribution in accordance with this Condition 4.1 (*Distribution on Fixed Rate Perpetual Securities*):

(a) if "**Actual/Actual (ICMA)**" is specified in the applicable Pricing Supplement:

(i) in the case of Perpetual Securities where the number of days in the relevant period from (and including) the most recent Distribution Payment Date (or, if none, the Distribution Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates (as specified in the applicable Pricing Supplement) that would occur in one calendar year; or

(ii) in the case of Perpetual Securities where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year;

(b) if "**30/360**" is specified in the applicable Pricing Supplement, the number of days in the period from (and including) the most recent Distribution Payment Date (or, if none, the Distribution Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360; and

(c) if "**Actual/365 (Fixed)**" is specified in the applicable Pricing Supplement, the actual number of days in the period from (and including) the most recent Distribution Payment Date (or, if none, the Distribution Commencement Date) to (but excluding) the relevant Distribution Payment Date divided by 365.

In these Conditions:

Determination Period means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Distribution Commencement Date or the final Distribution Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

sub-unit means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

(b) Rate of Distribution

The Rate(s) of Distribution payable from time to time in respect of Fixed Rate Perpetual Securities will be determined and may be reset in the manner specified in the applicable Pricing Supplement. Subject to the terms of the applicable Pricing Supplement, the Rate(s) of Distribution in respect of a Fixed Rate Perpetual Security shall be:

(i) (if no Reset Date is specified in the applicable Pricing Supplement):

(A) if no Step-Up Margin is specified in the applicable Pricing Supplement, the Initial Rate of Distribution as specified in the applicable Pricing Supplement; or

(B) if a Step-Up Margin is specified in the applicable Pricing Supplement, (x) for the period from, and including, the Distribution Commencement Date to, but excluding, the Step-Up Date specified in the applicable Pricing Supplement, the Initial Rate of Distribution and (y) for the period from, and including, the Step-Up Date, the Initial Rate of Distribution plus the Step-Up Margin specified in the applicable Pricing Supplement; and

(ii) (if a Reset Date is specified in the applicable Pricing Supplement):

(A) for the period from, and including, the Distribution Commencement Date to, but excluding, the First Reset Date specified in the applicable Pricing Supplement, the Initial Rate of Distribution as specified in the applicable Pricing Supplement; and

(B) for the period from, and including, the First Reset Date and each Reset Date (as specified in the applicable Pricing Supplement) falling thereafter to, but excluding, the immediately following Reset Date, the Reset Rate of Distribution.

In these Conditions:

Reset Rate of Distribution means SORA-OIS or such other Relevant Rate to be specified in the applicable Pricing Supplement with respect to the relevant Reset Date plus the Initial Spread (as specified in the applicable Pricing Supplement) plus the Step-Up Margin (if applicable, as specified in the applicable Pricing Supplement). Unless otherwise stated in the applicable Pricing Supplement, the minimum Reset Rate of Distribution shall be deemed to be zero; and

SORA-OIS means the rate per annum which appears on the "OTC SGD OIS" page on Bloomberg under "BGN" appearing under the column headed "Ask" (or such other substitute page thereof or if there is no substitute page, the screen page which is the generally accepted page used by market participants at that time as determined by an independent financial institution (which is appointed by the Issuer and notified to the Calculation Agent)) for a period equal to the duration of the Reset Period specified in the applicable Pricing Supplement at the close of business on the second business day prior to the relevant Reset Date (the **Reset Determination Date**).

(c) Determination and notification of the Reset Rate of Distribution

The Calculation Agent shall determine the applicable Reset Rate of Distribution in respect of each Perpetual Security on each Reset Determination Date and cause the applicable Reset Rate of Distribution to be notified to the Trustee, the Issuer, the Issuing and Paying Agent and the Perpetual Securityholders and the Couponholders as soon as possible after their determination but in no event later than the fourth Business Day thereafter. For the purposes of this paragraph, the expression Business Day means (i) (in the case of Perpetual Securities denominated in Singapore dollars) a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks and foreign exchange markets are open for general business in Singapore, and (ii) (in the case of Perpetual Securities denominated in a currency other than Singapore dollars) a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks and foreign exchange markets are open for business in Singapore and the principal financial centre for that currency.

The determination of any rate, the obtaining of each quotation and the making of each determination or calculation for the purposes of this Condition 4.1(c) (*Determination and notification of the Reset Rate of Distribution*), by the Calculation Agent, shall (in the absence of wilful default, fraud or manifest error) be binding on the Issuer, the Trustee, the Issuing and Paying Agent, the other Agents and all Perpetual Securityholders and Couponholders and (in the absence of wilful default, fraud or manifest error) no liability to the Issuer, the Perpetual Securityholders or the Couponholders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

4.2 Distribution on Floating Rate Perpetual Securities

(a) Distribution Payment Dates

Subject to Condition 4.6 (*Distribution deferral*), each Floating Rate Perpetual Security confers a right to receive distribution from (and including) the Distribution Commencement Date and such distribution will be payable in arrear on either:

(i) the Specified Distribution Payment Date(s) in each year specified in the applicable Pricing Supplement; or

(ii) if no Specified Distribution Payment Date(s) is/are specified in the applicable Pricing Supplement, each date (each such date, together with each Specified Distribution Payment Date, a **Distribution Payment Date**) which falls the number of months or other period specified as the Specified Period in the applicable Pricing Supplement after the preceding Distribution Payment Date or, in the case of the first Distribution Payment Date, after the Distribution Commencement Date.

Such distribution will be payable in respect of each Distribution Period. In these Conditions, **Distribution Period** means the period from (and including) a Distribution Payment Date (or the Distribution Commencement Date) to (but excluding) the next (or first) Distribution Payment Date or the relevant payment date if the Perpetual Securities become payable on a date other than a Distribution Payment Date.

If a Business Day Convention is specified in the applicable Pricing Supplement and (x) if there is no numerically corresponding day in the calendar month in which a Distribution Payment Date should occur or (y) if any Distribution Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(A) in any case where Specified Periods are specified in accordance with Condition 4.2(a)(ii) above, the Floating Rate Convention, such Distribution Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Distribution Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Distribution Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Distribution Payment Date occurred; or

(B) the Following Business Day Convention, such Distribution Payment Date shall be postponed to the next day which is a Business Day; or

(C) the Modified Following Business Day Convention, such Distribution Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Distribution Payment Date shall be brought forward to the immediately preceding Business Day; or

(D) the Preceding Business Day Convention, such Distribution Payment Date shall be brought forward to the immediately preceding Business Day.

In these Conditions, **Business Day** means:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Singapore and each Additional Business Centre (other than the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the **TARGET2 System**)) specified in the applicable Pricing Supplement;

(b) if TARGET2 System is specified as an Additional Business Centre in the applicable Pricing Supplement, a day on which the TARGET2 System is open; and

(c) either (i) in relation to any sum payable in a Specified Currency other than euro and Renminbi, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively); (ii) in relation to any sum payable in euro, a day on which the TARGET2 System is open; or (iii) in relation to any sum payable in Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets are open for business and settlement of Renminbi payments in the Offshore Renminbi Centre(s).

For the purpose of these Conditions, the term **Renminbi** means the lawful currency of the People's Republic of China.

(b) Rate of Distribution

The Rate of Distribution payable from time to time in respect of Floating Rate Perpetual Securities will be determined and may be reset in the manner specified in the applicable Pricing Supplement.

(i) ISDA Determination for Floating Rate Perpetual Securities

Where ISDA Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Distribution is to be determined, the Rate of Distribution for each Distribution Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any). For the purposes of this paragraph (i), **ISDA Rate** for a Distribution Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as calculation agent for that swap transaction under the terms of an agreement incorporating (I) if "2006 ISDA Definitions" is specified in the applicable Pricing Supplement, the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Perpetual Securities; or (II) if "2021 ISDA Definitions" is specified in the applicable Pricing Supplement, the latest version of the 2021 ISDA Interest Rate Derivatives Definitions as published by ISDA as at the Issue Date of the first Tranche of the Perpetual Securities; (together, the **ISDA Definitions)** and under which:

(A) the Floating Rate Option is as specified in the applicable Pricing Supplement;

(B) the Designated Maturity, if applicable, is a period specified in the applicable Pricing Supplement;

(C) the relevant Reset Date is the day specified in the applicable Pricing Supplement; and

(D) if the Floating Rate Option is an Overnight Floating Rate Option, the Overnight Rate Compounding Method is one of the following as specified in the applicable Pricing Supplement:

(a) Compounding with Lookback;

(b) Compounding with Observation Period Shift;

(c) Compounding with Lockout; or

(d) IOS Compounding.

In connection with the Overnight Rate Compounding Method, references in the ISDA Definitions to numbers or other items specified in the relevant confirmation shall be deemed to be references to the numbers or other items specified for such purpose in the applicable Pricing Supplement.

For the purposes of this paragraph (i), **Floating Rate**, **Floating Rate Option**, **Designated Maturity**, **Reset Date**, **Overnight Floating Rate Option**, **Overnight Rate Compounding Method, Compounding with Lookback**, **Compounding with Observation Period Shift**, **Compounding with Lockout** and **OIS Compounding** have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Pricing Supplement the Minimum Rate of Distribution shall be deemed to be zero.

(ii) Screen Rate Determination for Floating Rate Perpetual Securities where the Reference Rate is specified as being CNH HIBOR

Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Distribution is to be determined, the Rate of Distribution for each Distribution Period will, subject as provided below, be either:

(A) the offered quotation; or

(B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at approximately 11.15 a.m. (Hong Kong time) on the Distribution Determination Date in question plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any), all as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Distribution in the event that the Relevant Screen Page is not available or if, in the case of (A) above, no such offered quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

Unless otherwise stated in the applicable Pricing Supplement the Minimum Rate of Distribution shall be deemed to be zero.

(iii) Screen Rate Determination for Floating Rate Perpetual Securities where the Reference Rate is specified as Singapore Overnight Rate Average – Overnight Indexed Swap (**SORA-OIS**, and such Perpetual Security, a **SORA-OIS Floating Rate Perpetual Security**):

The Rate of Distribution payable from time to time in respect of each SORA-OIS Floating Rate Perpetual Securities will be determined by the Issuing and Paying Agent on the basis of the following provisions:

(A) the Issuing and Paying Agent will, at or about the Relevant Time on the relevant Distribution Determination Date in respect of each Distribution Period, determine the Rate of Distribution for such Distribution Period as being the rate which appears on the Reuters Screen PYSGD4 Page under the column headed "SORA SWAP" for "Ask" rate (or such other substitute page thereof or if there is no substitute page, the screen page which is the generally accepted page used by market participants at that time as determined by an independent financial institution (which is appointed by the Issuer and notified to the Issuing and Paying Agent)) at or about the Relevant Time on such Distribution Determination Date and for a period equal to the duration of such Distribution Period plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any); and

(B) if on any Distribution Determination Date the Issuing and Paying Agent is otherwise unable to determine the Rate of Distribution under paragraph (A) above, the Rate of Distribution shall be the Rate of Distribution determined as at the preceding Distribution Determination Date (though substituting, where a different Margin or Maximum Rate of Distribution or Minimum Rate of Distribution is to be applied to the relevant Distribution Period from that which applied to the last preceding Distribution Period, the Margin or Maximum Rate of Distribution or Minimum Rate of Distribution (as specified in the applicable Pricing Supplement) relating to the relevant Distribution Period in place of the Margin or Maximum Rate of Distribution or Minimum Rate of Distribution relating to that last preceding Distribution Period).

Unless otherwise stated in the applicable Pricing Supplement the Minimum Rate of Distribution shall be deemed to be zero.

(iv) Screen Rate Determination for Floating Rate Perpetual Securities where the Reference Rate is specified as being SORA (**SORA Floating Rate Perpetual Securities**)

(A) In the case of Floating Rate Perpetual Securities which are specified in the applicable Pricing Supplement as being SORA Floating Rate Perpetual Securities, the Rate of Distribution for each Distribution Period will, subject as provided below, be Compounded Daily SORA (as defined below) plus or minus the Margin:

(B) where "Lockout" is specified as the Observation Method in the applicable Pricing Supplement:

Compounded Daily SORA means, with respect to a Distribution Period, the rate of return of a daily compound interest investment during such Distribution Period (with the reference rate for the calculation of interest being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Calculation Agent (or such other party responsible for the calculation of the Rate of Distribution, as specified in the applicable Pricing Supplement) on the Distribution Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards.

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{\mathrm{SORA}_i \times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

where:

d is the number of calendar days in the relevant Distribution Period;

d_o, for any Distribution Period, is the number of Singapore Business Days in such Distribution Period;

i, for the relevant Distribution Period, is a series of whole numbers from one to d_o, each representing the relevant Singapore Business Days in chronological order from, and including, the first Singapore Business Day in such Distribution Period to, but excluding, the last Singapore Business Day in such Distribution Period;

Distribution Determination Date means the Singapore Business Day immediately following the Rate Cut-off Date;

$\mathbf{n}_i$, for any Singapore Business Day "*i*", is the number of calendar days from and including such Singapore Business Day "*i*" up to but excluding the following Singapore Business Day;

p means five Singapore Business Days (or such other number of Singapore Business Days as specified in the applicable Pricing Supplement);

Rate Cut-Off Date means, with respect to a Rate of Distribution and Distribution Period, the date falling "*p*" Singapore Business Days prior to the Distribution Payment Date in respect of the relevant Distribution Period;

Singapore Business Days or **SBD** means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

SORA means, in respect of any Singapore Business Day "*i*", a reference rate equal to the daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore's website currently at http://www.mas.gov.sg, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) (the **Relevant Screen Page**) on the Singapore Business Day immediately following such Singapore Business Day "*i*";

$\mathbf{SORA}_i$ means, in respect of any Singapore Business Day falling in the relevant Distribution Period:

(a) if such Singapore Business Day is a SORA Reset Date, the reference rate equal to SORA in respect of that Singapore Business Day; and

(b) if such Singapore Business Day is not a SORA Reset Date (being a Singapore Business Day falling in the Suspension Period), the reference rate equal to SORA in respect of the first Singapore Business Day falling in the Suspension Period (the **Suspension Period SORA*i***) (such first day of the Suspension Period coinciding with the Rate Cut-Off Date). For the avoidance of doubt, the Suspension Period SORA*i* shall apply to each day falling in the relevant Suspension Period;

SORA Reset Date means, in relation to any Distribution Period, each Singapore Business Day during such Distribution Period, other than any Singapore Business Day falling in the Suspension Period corresponding with such Distribution Period; and

Suspension Period means, in relation to any Distribution Period, the period from (and including) the date falling "*p*" Singapore Business Days prior to the Distribution Payment Date in respect of the relevant Distribution Period (such Singapore Business Day coinciding with the Rate Cut-Off Date) to (but excluding) the Distribution Payment Date of such Distribution Period.

(C) where "Lookback" is specified as the Observation Method in the applicable Pricing Supplement:

Compounded Daily SORA means, with respect to a Distribution Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Distribution Period (with the reference rate for the calculation of interest being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Calculation Agent (or such other party responsible for the calculation of the Rate of Distribution, as specified in the applicable Pricing Supplement) on the Distribution Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards.

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{\mathrm{SORA}_{i-p\,SBD}\times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

where:

d is the number of calendar days in the relevant Distribution Period;

$\mathbf{d_o}$, for any Distribution Period, is the number of Singapore Business Days in such Distribution Period;

i, for the relevant Distribution Period, is a series of whole numbers from one to do, each representing the relevant Singapore Business Days in chronological order from, and including, the first Singapore Business Day in such Distribution Period to, but excluding, the last Singapore Business Day in such Distribution Period;

Distribution Determination Date means, with respect to a Rate of Distribution and Distribution Period, the date falling one Singapore Business Day after the end of each Observation Period unless otherwise specified in the applicable Pricing Supplement;

$\mathbf{n}_{\boldsymbol{i}}$, for any Singapore Business Day "*i*", is the number of calendar days from and including such Singapore Business Day "*i*" up to but excluding the following Singapore Business Day;

Observation Period means, for the relevant Distribution Period, the period from, and including, the date falling "*p*" Singapore Business Days prior to the first day of such Distribution Period (and the first Distribution Period shall begin on and include the Distribution Commencement Date) and to, but excluding, the date falling "*p*" Singapore Business Days prior to the Distribution Payment Date at the end of such Distribution Period (or the date falling "*p*" Singapore Business Days prior to such earlier date, if any, on which the SORA Floating Rate Perpetual Securities become due and payable);

p means five Singapore Business Days (or such other number of Singapore Business Days as specified in the applicable Pricing Supplement);

Singapore Business Days or **SBD** means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

SORA means, in respect of any Singapore Business Day "*i*", a reference rate equal to the daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore's website currently at http://www.mas.gov.sg, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) (the **Relevant Screen Page**) on the Singapore Business Day immediately following such Singapore Business Day "*i*"; and

$\text{SORA}_{i-p\ SBD}$" means, in respect of any Singapore Business Day falling in the relevant Distribution Period, the reference rate equal to SORA in respect of the Singapore Business Day falling "*p*" Singapore Business Days prior to the relevant Singapore Business Day "*i*".

(D) where "Backward Shifted Observation Period" is specified as the Observation Method in the applicable Pricing Supplement:

Compounded Daily SORA means, with respect to a Distribution Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Distribution Period (with the reference rate for the calculation of interest being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Calculation Agent (or such other party responsible for the calculation of the Rate of Distribution, as specified in the applicable Pricing Supplement) on the Distribution Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards.

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{\text{SORA}_i \times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

where:

d is the number of calendar days in the relevant Observation Period;

d_o, for any Distribution Period, is the number of Singapore Business Days in such Observation Period;

i, for the relevant Distribution Period, is a series of whole numbers from one to do, each representing the relevant Singapore Business Days in chronological order from, and including, the first Singapore Business Day in such Observation Period to, but excluding, the last Singapore Business Day in such Observation Period;

Distribution Determination Date means, with respect to a Rate of Distribution and Distribution Period, the date falling one Singapore Business Day after the end of each Observation Period unless otherwise specified in the applicable Pricing Supplement;

$\mathbf{n}_i$, for any Singapore Business Day "*i*", is the number of calendar days from and including such Singapore Business Day "*i*" up to but excluding the following Singapore Business Day;

Observation Period means, for the relevant Distribution Period, the period from, and including, the date falling "*p*" Singapore Business Days prior to the first day of such Distribution Period (and the first Distribution Period shall begin on and include the Distribution Commencement Date) and to, but excluding, the date falling "*p*" Singapore Business Days prior to the Distribution Payment Date at the end of such Distribution Period (or the date falling "*p*" Singapore Business Days prior to such earlier date, if any, on which the SORA Floating Rate Perpetual Securities become due and payable);

Singapore Business Days or **SBD** means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

SORA means, in respect of any Singapore Business Day "*i*", a reference rate equal to the daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore's website currently at http://www.mas.gov.sg, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) (the **Relevant Screen Page**) on the Singapore Business Day immediately following such Singapore Business Day "*i*"; and

SORA*i* means, in respect of any Singapore Business Day falling in the relevant Observation Period, the reference rate equal to SORA in respect of that Singapore Business Day.

(E) In the event that the Rate of Distribution cannot be determined in accordance with the foregoing provisions by the Calculation Agent, subject to Condition 4.4 (*Benchmark Discontinuation*), the Rate of Distribution shall be:

(i) that determined as at the last preceding Distribution Determination Date (though substituting, where a different Margin or Maximum Rate of Distribution or Minimum Rate of Distribution is to be applied to the relevant Distribution Period from that which applied to the last preceding Distribution Period, the Margin or Maximum Rate of Distribution or Minimum Rate of Distribution (as specified in the applicable Pricing Supplement) relating to the relevant Distribution Period in place of the Margin or Maximum Rate of Distribution or Minimum Rate of Distribution relating to that last preceding Distribution Period); or

(ii) if there is no such preceding Distribution Determination Date, the initial Rate of Distribution which would have been applicable to such SORA Floating Rate Perpetual Securities for the first Distribution Period had the SORA Floating Rate Perpetual Securities been in issue for a period equal in duration to the scheduled first Distribution Period but ending on (and excluding) the Distribution Commencement Date (but applying the Margin and any Maximum Rate of Distribution or Minimum Rate of Distribution applicable to the first Distribution Period).

(F) If the SORA Floating Rate Perpetual Securities become due and payable in accordance with Condition 9 (*Enforcement Event*), the final Distribution Determination Date shall, notwithstanding any Distribution Determination Date specified in the applicable Pricing Supplement, be deemed to be the date on which such SORA Floating Rate Perpetual Securities became due and payable (with corresponding adjustments being deemed to be made to the relevant SORA formula) and the Rate of Distribution on such SORA Floating Rate Perpetual Securities shall, for so long as any such SORA Floating Rate Perpetual Security remains outstanding, be that determined on such date.

(v) If the Reference Rate from time to time in respect of Floating Rate Perpetual Securities is specified in the applicable Pricing Supplement as being other than CNH HIBOR, SORA-OIS or SORA, the Rate of Distribution in respect of such Perpetual Securities will be determined as provided in the applicable Pricing Supplement.

Unless otherwise stated in the applicable Pricing Supplement the Minimum Rate of Distribution shall be deemed to be zero.

In these Conditions:

Reference Banks means, in the case of a determination of CNH HIBOR, the principal Hong Kong office of four major banks dealing in Chinese Yuan in the Hong Kong inter-bank market, in each case selected by the Issuer (or the independent advisor appointed by it) or as specified in the applicable Pricing Supplement;

Reference Rate means the rate specified in the applicable Pricing Supplement;

Relevant Screen Page means such page, section, caption, column or other part of a particular information service as may be specified in the applicable Pricing Supplement or such other page, section, caption, column or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate; and

Relevant Time means (in the case of SORA-OIS Floating Rate Perpetual Securities where the) 11.00 a.m. (Singapore time).

(c) Minimum Rate of Distribution and/or Maximum Rate of Distribution

If the applicable Pricing Supplement specifies a Minimum Rate of Distribution for any Distribution Period, then, in the event that the Rate of Distribution in respect of such Distribution Period determined in accordance with the provisions of Condition 4.2(b) (*Rate of Distribution*) above is less than such Minimum Rate of Distribution, the Rate of Distribution for such Distribution Period shall be such Minimum Rate of Distribution. Unless otherwise stated in the applicable Pricing Supplement, the Minimum Rate of Distribution shall be deemed to be zero.

If the applicable Pricing Supplement specifies a Maximum Rate of Distribution for any Distribution Period, then, in the event that the Rate of Distribution in respect of such Distribution Period determined in accordance with the provisions of Condition 4.2(b) (*Rate of Distribution*) above is greater than such Maximum Rate of Distribution, the Rate of Distribution for such Distribution Period shall be such Maximum Rate of Distribution.

(d) Determination of Rate of Distribution and calculation of Distribution Amounts

The Calculation Agent will at or as soon as practicable after each time at which the Rate of Distribution is to be determined, determine the Rate of Distribution for the relevant Distribution Period.

The Calculation Agent will calculate the amount of distribution (the **Distribution Amount**) payable on the Floating Rate Perpetual Securities for the relevant Distribution Period by applying the Rate of Distribution to:

(i) in the case of Floating Rate Perpetual Securities which are (x) represented by a Global Perpetual Security or (y) Registered Perpetual Securities in definitive form, the aggregate outstanding nominal amount of (A) the Perpetual Securities represented by such Global Perpetual Security or (B) such Registered Perpetual Securities (or, in each case, if they are Partly Paid Perpetual Securities, the aggregate amount paid up); or

(ii) in the case of Floating Rate Perpetual Securities which are Bearer Perpetual Securities in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Perpetual Security which are Bearer Perpetual Securities in definitive form is a multiple of the Calculation Amount, the Distribution Amount payable in respect of such Perpetual Security shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of distribution in accordance with this Condition 4.2 (*Distribution on Floating Rate Perpetual Securities*):

(i) if "**Actual/Actual (ISDA)**" or "**Actual/Actual**" is specified in the applicable Pricing Supplement, the actual number of days in the Distribution Period divided by 365 (or, if any portion of that Distribution Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Distribution Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Distribution Period falling in a non-leap year divided by 365);

(ii) if "**Actual/365 (Fixed)**" is specified in the applicable Pricing Supplement, the actual number of days in the Distribution Period divided by 365;

(iii) if "**Actual/365 (Sterling)**" is specified in the applicable Pricing Supplement, the actual number of days in the Distribution Period divided by 365 or, in the case of a Distribution Payment Date falling in a leap year, 366;

(iv) if "**Actual/360**" is specified in the applicable Pricing Supplement, the actual number of days in the Distribution Period divided by 360;

(v) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the applicable Pricing Supplement, the number of days in the Distribution Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

$\mathbf{Y_1}$ is the year, expressed as a number, in which the first day of the Distribution Period falls;

$\mathbf{Y_2}$ is the year, expressed as a number, in which the day immediately following the last day of the Distribution Period falls;

$\mathbf{M_1}$ is the calendar month, expressed as a number, in which the first day of the Distribution Period falls;

$\mathbf{M_2}$ is the calendar month, expressed as a number, in which the day immediately following the last day of the Distribution Period falls;

$\mathbf{D_1}$ is the first calendar day, expressed as a number, of the Distribution Period, unless such number is 31, in which case D_1 will be 30; and

$\mathbf{D_2}$ is the calendar day, expressed as a number, immediately following the last day included in the Distribution Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(vi) if "**30E/360**" or "**Eurobond Basis**" is specified in the applicable Pricing Supplement, the number of days in the Distribution Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

$\mathbf{Y_1}$ is the year, expressed as a number, in which the first day of the Distribution Period falls;

$\mathbf{Y_2}$ is the year, expressed as a number, in which the day immediately following the last day of the Distribution Period falls;

$\mathbf{M_1}$ is the calendar month, expressed as a number, in which the first day of the Distribution Period falls;

$\mathbf{M_2}$ is the calendar month, expressed as a number, in which the day immediately following the last day of the Distribution Period falls;

$\mathbf{D_1}$ is the first calendar day, expressed as a number, of the Distribution Period, unless such number would be 31, in which case D_1 will be 30; and

$\mathbf{D_2}$ is the calendar day, expressed as a number, immediately following the last day included in the Distribution Period, unless such number would be 31, in which case D_2 will be 30;

(vii) if "**30E/360 (ISDA)**" is specified in the applicable Pricing Supplement, the number of days in the Distribution Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

Y_1 is the year, expressed as a number, in which the first day of the Distribution Period falls;

Y_2 is the year, expressed as a number, in which the day immediately following the last day of the Distribution Period falls;

M_1 is the calendar month, expressed as a number, in which the first day of the Distribution Period falls;

M_2 is the calendar month, expressed as a number, in which the day immediately following the last day of the Distribution Period falls;

D_1 is the first calendar day, expressed as a number, of the Distribution Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

D_2 is the calendar day, expressed as a number, immediately following the last day included in the Distribution Period, unless (i) that day is the last day of February but not the due date for redemption or (ii) such number would be 31, in which case D_2 will be 30.

(e) Linear Interpolation

Where Linear Interpolation is specified as applicable in respect of a Distribution Period in the applicable Pricing Supplement, the Rate of Distribution for such Distribution Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Pricing Supplement) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Pricing Supplement), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Distribution Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Distribution Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Issuer (or the independent advisor appointed by it) shall determine such rate at such time and by reference to such sources as it determines appropriate.

Designated Maturity means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

(f) Notification of Rate of Distribution and Distribution Amounts

The Calculation Agent will cause the Rate of Distribution and each Distribution Amount for each Distribution Period and the relevant Distribution Payment Date to be notified to the Issuer, the Trustee and the Issuing and Paying Agent as soon as possible after its determination but in no event later than the fourth business day thereafter. If so required by the Issuer, the Calculation Agent will cause the Rate of Distribution, the Distribution Amounts for each Distribution Period and the relevant Distribution Payment Date to be notified to Perpetual Securityholders and the Couponholders in accordance with Condition 13 (*Notices*) after its determination. Each Distribution Amount and Distribution Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Distribution Period. Any such amendment will be promptly notified by the Calculation Agent to the Issuer, the Trustee and the Issuing and Paying Agent and, if so required by the Issuer, to the Perpetual Securityholders and the Couponholders in accordance with Condition 13 (*Notices*).

For the purposes of this paragraph, the expression business day means:

(i) (in the case of Perpetual Securities denominated in Singapore dollars) a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks and foreign exchange markets are open for general business in Singapore; and

(ii) (in the case of Perpetual Securities denominated in a currency other than Singapore dollars) a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks and foreign exchange markets are open for business in Singapore and the principal financial centre for that currency.

(g) Determination or Calculation by Independent Advisor

If for any reason at any relevant time the Calculation Agent defaults in its obligation to determine the Rate of Distribution or the Calculation Agent defaults in its obligation to calculate any Distribution Amount in accordance with Condition 4.2(b)(i) or Condition 4.2(b)(ii) above (as the case may be) or as otherwise specified in the applicable Pricing Supplement, as the case may be, and in each case in accordance with Condition 4.2(d) above and no replacement Calculation Agent has been appointed by the Issuer within two Business Days of the relevant Distribution Payment Date, an independent advisor or an agent appointed by the Issuer shall determine the Rate of Distribution at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition, but subject always to any Minimum Rate of Distribution or Maximum Rate of Distribution specified in the applicable Pricing Supplement), it shall deem fair and reasonable in all the circumstances or, as the case may be, the independent advisor shall calculate the Distribution Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances.

(h) Certificates to be Final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4.2 (*Distribution on Floating Rate Perpetual Securities*), whether by the Calculation Agent or independent advisor, shall (in the absence of wilful default, fraud or manifest error) be binding on the Issuer, the Trustee, the Issuing and Paying Agent, the other Agents and all Perpetual Securityholders and Couponholders and (in the absence of wilful default, fraud or manifest error) no liability to the Issuer, the Perpetual Securityholders or the Couponholders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

4.3 Other Reference Rates, Index Linked Distribution Perpetual Securities, Partly Paid Perpetual Securities etc.

In the case of Perpetual Securities where the applicable Pricing Supplement identifies that Screen Rate Determination applies to the calculation of distribution, if the Reference Rate from time to time is specified in the applicable Pricing Supplement as being other than CNH HIBOR, SORA or SORA-OIS, the Rate of Distribution in respect of such Perpetual Securities will be determined as provided in the applicable Pricing Supplement.

The rate or amount of distribution payable in respect of Perpetual Securities which are not also Fixed Rate Perpetual Securities or Floating Rate Perpetual Securities shall be determined in the manner specified in the applicable Pricing Supplement, provided that (a) where such Perpetual Securities are Index Linked Distribution Perpetual Securities the provisions of Condition 4.2 (*Distribution on Floating Rate Perpetual Securities*) and Condition 4.4 (*Benchmark Discontinuation*) shall, save to the extent amended in the applicable Pricing Supplement, apply as if the references therein to Floating Rate Perpetual Securities were references to Index Linked Distribution Perpetual Securities, and (b) where the Perpetual Securities are Partly Paid Perpetual Securities, distribution will accrue as aforesaid on the paid-up nominal amount of such Perpetual Securities and otherwise as specified in the applicable Pricing Supplement.

In the case of Index Linked Distribution Perpetual Securities, the Calculation Agent will notify the Paying Agents of the Rate of Distribution for the relevant Distribution Period as soon as practicable after calculating the same.

4.4 Benchmark Discontinuation

Notwithstanding the provisions above in this Condition 4 (*Distribution*):

(a) Benchmark Discontinuation (General)

Where the applicable Pricing Supplement specifies "Benchmark Discontinuation (General)" as applicable:

(i) Independent Adviser

If a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Distribution or Reset Rate of Distribution (or any component part thereof) remains to be determined by reference to such Original Reference Rate, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, or failing which, an Alternative Rate (in accordance with Condition 4.4(a)(ii)), in either case, an Adjustment Spread, if any (in accordance with Condition 4.4(a)(iii)), and any Benchmark Amendments (in accordance with Condition 4.4(a)(iv)).

In making such determination, the Independent Adviser appointed as an expert pursuant to this Condition 4.4(a) shall act as an expert in good faith, in a commercially reasonable manner and in consultation with the Issuer. In the absence of fraud, wilful default or manifest error, the Independent Adviser shall have no liability whatsoever to the Issuer, the Trustee, the Agents or the Perpetual Securityholders and the Couponholders for any determination made by it, or for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Condition 4.4(a).

If the Issuer is unable to appoint an Independent Adviser after using its reasonable endeavours, or the Independent Adviser appointed by it fails to determine the Successor Rate, or failing which, an Alternative Rate five business days prior to the relevant (in the case of Fixed Rate Perpetual Securities) Reset Determination Date or (in the case of Floating Rate Perpetual Securities) Distribution Determination Date, the Issuer (acting in good faith and in a commercially reasonable manner) may determine the Successor Rate, or failing which, an Alternative Rate (in accordance with Condition 4.4(a)(ii)) and an Adjustment Spread if any (in accordance with Condition 4.4(a)(iii)) and any Benchmark Amendments (in accordance with Condition 4.4(a)(iv)).

If the Issuer is unable to determine the Successor Rate, or failing which, an Alternative Rate (in accordance with Condition 4.4(a)(ii)) prior to the relevant (in the case of Fixed Rate Perpetual Securities) Reset Determination Date or (in the case of Floating Rate Perpetual Securities) Distribution Determination Date:

(1) (in the case of Fixed Rate Perpetual Securities) the Reset Rate of Distribution applicable to the next succeeding Reset Period shall be equal to the Reset Rate of Distribution last determined in relation to the Perpetual Securities in respect of the immediately preceding Reset Period. If there has not been a first Reset Date, the Reset Rate of Distribution shall be the initial Rate of Distribution. Where a different Margin or Maximum Rate of Distribution or Minimum Rate of Distribution is to be applied to the relevant Reset Period from that which applied to the last preceding Reset Period, the Margin or Maximum Rate of Distribution or Minimum Rate of Distribution relating to the relevant Distribution Period shall be substituted in place of the Margin or Maximum Rate of Distribution or Minimum Rate of Distribution relating to that last preceding Reset Period. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Reset Period only and any subsequent Reset Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 4.4(a)(i); and

(2) (in the case of Floating Rate Perpetual Securities) the Rate of Distribution applicable to the next succeeding Distribution Period shall be equal to the Rate of Distribution last determined in relation to the Perpetual Securities in respect of the immediately preceding Distribution Period. If there has not been a first Distribution Payment Date, the Rate of Distribution shall be the initial Rate of Distribution. Where a different Margin or Maximum Rate of Distribution or Minimum Rate of Distribution is to be applied to the relevant Distribution Period from that which applied to the last preceding Distribution Period, the Margin or Maximum Rate of Distribution or Minimum Rate of Distribution relating to the relevant Distribution Period shall be substituted in place of the Margin or Maximum Rate of Distribution or Minimum Rate of Distribution relating to that last preceding Distribution Period. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Distribution Period only and any subsequent Distribution Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 4.4(a)(i).

(ii) Successor Rate or Alternative Rate

If the Independent Adviser or the Issuer (as the case may be) determines that:

(A) there is a Successor Rate, then such Successor Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Distribution or Reset Rate of Distribution (or the relevant component part thereof) for all future payments of distribution on the Perpetual Securities (subject to the operation of this Condition 4.4(a)); or

(B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Distribution or Reset Rate of Distribution (or the relevant component part thereof) for all future payments of distribution on the Perpetual Securities (subject to the operation of this Condition 4.4(a)).

(iii) Adjustment Spread

The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Rate (as the case may be). If the Independent Adviser (in consultation with the Issuer) or the Issuer (as the case may be) is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or Alternative Rate (as applicable) will apply without an Adjustment Spread.

(iv) Benchmark Amendments

If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 4.4(a) and the Independent Adviser (in consultation with the Issuer) or the Issuer (as the case may be) determines:

(A) that amendments to these Conditions, the Trust Deed and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the **Benchmark Amendments**); and

(B) the terms of the Benchmark Amendments,

then the Issuer shall, subject to giving notice thereof in accordance with Condition 4.4(a)(v), without any requirement for the consent or approval of Perpetual Securityholders, the Couponholders, the Trustee or the Agents, vary these Conditions, the Trust Deed and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee and the Agents of a certificate signed by two authorised signatories of the Issuer pursuant to Condition 4.4(a)(v), the Trustee and the Agents shall (at the expense of the Issuer), without any requirement for the consent or approval of the Perpetual Securityholders or the Couponholders be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, *inter alia*, by the execution of a deed or document supplemental to or amending the Trust Deed and/or the Agency

Agreement), provided that the Trustee or the Agents shall not be obliged so to concur if in the opinion of the Trustee or the Agents doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee in these Conditions or the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) in any way.

For the avoidance of doubt, the Trustee and the Agents shall, at the direction and expense of the Issuer, effect such consequential amendments to the Trust Deed, the Agency Agreement and these Conditions as may be required in order to give effect to this Condition 4.4(a)(iv). Perpetual Securityholders' or Couponholders' consent shall not be required in connection with effecting the Successor Rate or the Alternative Rate (as applicable) or such other changes, including the execution of any documents or any steps by the Trustee or the Agents (if required). Further, none of the Trustee or the Agents shall be responsible or liable for any determinations or certifications made by the Issuer or the Independent Adviser with respect to any Successor Rate or Alternative Rate (as applicable) or any other changes and shall be entitled to rely conclusively on any certifications provided to each of them in this regard. In connection with any such variation in accordance with this Condition 4.4(a)(iv), the Issuer shall comply with the rules of any stock exchange on which the Perpetual Securities are for the time being listed or admitted to trading.

(v) Notices

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 4.4(a) will be notified promptly by the Issuer to the Trustee and the Agents and, in accordance with Condition 13 (*Notices*), the Perpetual Securityholders and the Couponholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Trustee and the Agents of the same, the Issuer shall deliver to the Trustee and the Agents a certificate signed by two authorised signatories of the Issuer:

(A) confirming:

(1) that a Benchmark Event has occurred;

(2) the Successor Rate or, as the case may be, the Alternative Rate;

(3) the applicable Adjustment Spread (if any); and

(4) the specific terms of the Benchmark Amendments (if any),

in each case as determined in accordance with the provisions of this Condition 4.4(a); and

(B) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread.

The Trustee and the Agents shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Successor Rate, Alternative Rate, the Adjustment Spread or the Benchmark Amendments (if any) specified in such certificate will (in the absence of wilful default, fraud or manifest error in the determination of the Successor Rate, Alternative Rate, the Adjustment Spread or the Benchmark Amendments (if any) and without prejudice to the Trustee's or the Agents' ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Agents and the Perpetual Securityholders and the Couponholders.

(vi) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Conditions 4.4(a)(i) to Conditions 4.4(a)(v), the Original Reference Rate and the fallback provisions provided for in Conditions 4.1 and 4.2, as applicable, will continue to apply unless and until the Calculation Agent has been notified of the Benchmark Replacement, and any Adjustment Spread and Benchmark Amendments, in accordance with Condition 4.4(a)(v).

(vii) Definitions

As used in this Condition 4.4(a):

Adjustment Spread means either:

(A) a spread (which may be positive, negative or zero); or

(B) a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

(1) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or

(2) (if no such recommendation has been made, or in the case of an Alternative Rate) the Independent Adviser determines as being customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or

(3) (if the Independent Adviser determines that no such spread is customarily applied) the Independent Adviser (in consultation with the Issuer) determines, and which is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be).

Alternative Rate means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with Condition 4.4(a)(ii) is customarily applied in international debt capital markets transactions for the purposes of determining rates of distribution (or the relevant component part thereof) in the same Specified Currency as the Perpetual Securities.

Benchmark Amendments has the meaning given to it in Condition 4.4(a)(iv).

Benchmark Event means the occurrence of one or more of the following events:

(A) the Original Reference Rate ceasing to be published for a period of at least five Business Days or ceasing to exist; or

(B) a public statement by the administrator of the Original Reference Rate that it has ceased or that it will cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

(C) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will be permanently or indefinitely discontinued; or

(D) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Perpetual Securities; or

(E) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is or will be (or is or will be deemed by such supervisor to be) no longer representative of its relevant underlying market; or

(F) it has become unlawful for any Paying Agent, Calculation Agent, the Issuer or other party to calculate any payments due to be made to any Couponholder using the Original Reference Rate,

provided that the Benchmark Event shall be deemed to occur:

(1) in the case of paragraphs (B) and (C) above, on the date of the cessation of publication of the Original Reference Rate or the discontinuation of the Original Reference Rate, as the case may be;

(2) in the case of paragraph (D) above, on the date of the prohibition of use of the Original Reference Rate; and

(3) in the case of paragraph (E) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed by the relevant supervisor to no longer be) representative of its relevant underlying market and which is specified in the relevant public statement,

and, in each case, not the date of the relevant public statement.

The occurrence of a Benchmark Event shall be determined by the Issuer and promptly notified to the Trustee and the Agents. For the avoidance of doubt, neither the Trustee, the Calculation Agent nor the Paying Agents shall have any responsibility for making such determination.

Independent Adviser means an independent financial institution of good repute or an independent financial adviser with experience in the local or international debt capital markets appointed by and at the expense of the Issuer under Condition 4.4(a)(i).

Original Reference Rate means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Distribution or Reset Rate of Distribution (or any component part thereof) on the Perpetual Securities, provided that if a Benchmark Event has occurred with respect to the then-current Original Reference Rate, then the Original Reference Rate means the applicable Successor Rate or Alternative Rate (as the case may be).

Relevant Nominating Body means, in respect of a benchmark or screen rate (as applicable):

(A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of:

(1) the central bank for the currency to which the benchmark or screen rate (as applicable) relates;

(2) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable);

(3) a group of the aforementioned central banks or other supervisory authorities; or

(4) the Financial Stability Board or any part thereof.

Successor Rate means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body as the successor to or, as the case may be, replacement of the Original Reference Rate.

(b) Benchmark Discontinuation (SORA)

This Condition 4.4(b) shall only apply to Singapore dollar-denominated Perpetual Securities where so specified in the applicable Pricing Supplement.

Where the applicable Pricing Supplement specifies "Benchmark Discontinuation (SORA)" as applicable:

(i) Independent Adviser

If a Benchmark Event occurs in relation to an Original Reference Rate prior to the relevant (in the case of Fixed Rate Perpetual Securities) Reset Determination Date or (in the case of Floating Rate Perpetual Securities) Distribution Determination Date when any Rate of Distribution or Reset Rate of Distribution (or any component part thereof) remains to be determined by reference to such Original Reference Rate, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine the Benchmark Replacement (in accordance with Condition 4.4(b)(ii)) and an Adjustment Spread, if any (in accordance with Condition 4.4(b)(iii)), and any Benchmark Amendments (in accordance with Condition 4.4(b)(iv)) five business days prior to the relevant (in the case of Fixed Rate Perpetual Securities) Reset Determination Date or (in the case of Floating Rate Perpetual Securities) Distribution Determination Date. An Independent Adviser appointed pursuant to this Condition 4.4(b)(i) as an expert shall act in good faith, in a commercially reasonable manner and in consultation with the Issuer. In the absence of wilful default, fraud or manifest error, the Independent Adviser shall have no liability whatsoever to the Issuer, the Trustee, the Agents or the Perpetual Securityholders and the Couponholders for any determination made by it or for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Condition 4.4(b)(i).

If the Issuer is unable to appoint an Independent Adviser after using its reasonable endeavours, or the Independent Adviser appointed by it fails to determine the Benchmark Replacement five business days prior to the relevant (in the case of Fixed Rate Perpetual Securities) Reset Determination Date or (in the case of Floating Rate Perpetual Securities) Distribution Determination Date, the Issuer (acting in good faith and in a commercially reasonable manner) may determine the Benchmark Replacement (in accordance with Condition 4.4(b)(ii)) and an Adjustment Spread if any (in accordance with Condition 4.4(b)(iii)) and any Benchmark Amendments (in accordance with Condition 4.4(b)(iv)).

If the Issuer is unable to determine the Benchmark Replacement prior to the relevant (in the case of Fixed Rate Perpetual Securities) Reset Determination Date or (in the case of Floating Rate Perpetual Securities) Distribution Determination Date:

(A) (in the case of Fixed Rate Perpetual Securities) the Reset Rate of Distribution applicable to the next succeeding Reset Period shall be equal to the Reset Rate of Distribution last determined in relation to the Perpetual Securities in respect of the immediately preceding Reset Period. If there has not been a first Reset Date, the Reset Rate of Distribution shall be the initial Rate of Distribution. Where a different Margin or Maximum Rate of Distribution or Minimum Rate of Distribution is to be applied to the relevant Reset Period from that which applied to the last preceding Reset Period, the Margin or Maximum Rate of Distribution or Minimum Rate of Distribution relating to the relevant Distribution Period shall be substituted in place of the Margin or Maximum Rate of Distribution or Minimum Rate of Distribution relating to that last preceding Reset Period. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Reset Period only and any subsequent Reset Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 4.4(b)(i); and

(B) (in the case of Floating Rate Perpetual Securities) the Rate of Distribution applicable to the next succeeding Distribution Period shall be equal to the Rate of Distribution last determined in relation to the Perpetual Securities in respect of the immediately preceding Distribution Period. If there has not been a first Distribution Payment Date, the Rate of Distribution shall be the initial Rate of Distribution. Where a different Margin or Maximum Rate of Distribution or Minimum Rate of Distribution is to be applied to the relevant Distribution Period from that which applied to the last preceding Distribution Period, the Margin or Maximum Rate of Distribution or Minimum Rate of Distribution relating to the relevant Distribution Period shall be substituted in place of the Margin or Maximum Rate of Distribution or Minimum Rate of Distribution relating to that last preceding Distribution Period. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Distribution Period only and any subsequent Distribution Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 4.4(b)(i).

(ii) Benchmark Replacement

The Benchmark Replacement determined by the Independent Adviser or the Issuer (in the circumstances set out in Condition 4.4(b)(i)) shall (subject to adjustment as provided in Condition 4.4(b)(iii)) subsequently be used in place of the Original Reference Rate to determine the Rate of Distribution or Reset Rate of Distribution (or the relevant component part thereof) for all future payments of distribution on the Perpetual Securities (subject to the operation of this Condition 4.4(b)).

(iii) Adjustment Spread

If the Independent Adviser or the Issuer (in the circumstances set out in Condition 4.4(b)(i)) (as the case may be) determines (A) that an Adjustment Spread is required to be applied to the Benchmark Replacement and (B) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Benchmark Replacement.

(iv) Benchmark Amendments

If the Independent Adviser or the Issuer (in the circumstances set out in Condition 4.4(b)(i)) (as the case may be) determines (i) that Benchmark Amendments are necessary to ensure the proper operation of such Benchmark Replacement and/or Adjustment Spread and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 4.4(b)(v), without any requirement for the consent or approval of Perpetual Securityholders, the Couponholders, the Trustee or the Agents, vary these Conditions, the Trust Deed and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee and the Agents of a certificate signed by two authorised signatories of the Issuer pursuant to Condition 4.4(b)(v), the Trustee and the Agents shall (at the expense of the Issuer), without any requirement for the consent or approval of the Perpetual Securityholders or the Couponholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, inter alia, by the execution of a deed or document supplemental to or amending the Trust Deed and/or the Agency Agreement), provided that the Trustee or the Agents shall not be obliged so to concur if in the opinion of the Trustee or the Agents doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee in these Conditions or the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) in any way.

For the avoidance of doubt, the Trustee and the Agents shall, at the direction and expense of the Issuer, effect such consequential amendments to the Trust Deed, the Agency Agreement and these Conditions as may be required in order to give effect to this Condition 4.4(b)(iv). Perpetual Securityholders' or Couponholders' consent shall not be required in connection with effecting the Benchmark Replacement or such other changes, including the execution of any documents or any steps by the Trustee or the Agents (if required). Further, none of the Trustee or the Agents shall be responsible or liable for any determinations or certifications made by the Issuer or the Independent Adviser with respect to any Benchmark Replacement or any other changes and shall be entitled to rely conclusively on any certifications provided to each of them in this regard.

In connection with any such variation in accordance with this Condition 4.4(b)(iv), the Issuer shall comply with the rules of any stock exchange on which the Perpetual Securities are for the time being listed or admitted to trading.

(v) Notices

Any Benchmark Replacement, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 4.4(b) will be notified promptly by the Issuer to the Trustee and the Agents and, in accordance with Condition 13 (*Notices*), the Perpetual Securityholders and the Couponholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Trustee and the Agents of the same, the Issuer shall deliver to the Trustee and the Agents a certificate signed by two authorised signatories of the Issuer:

(A) confirming (1) that a Benchmark Event has occurred, (2) the Benchmark Replacement and, (3) where applicable, any Adjustment Spread and/or the specific terms of any Benchmark Amendments (if any), in each case as determined in accordance with the provisions of this Condition 4.4(b); and

(B) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Benchmark Replacement and/or Adjustment Spread.

The Trustee and the Agents shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Benchmark Replacement and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of wilful default, fraud or manifest error in the determination of the Benchmark Replacement and the Adjustment Spread (if any) and the Benchmark Amendments (if any) and without prejudice to the Trustee's and the Agents' ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Agents and the Perpetual Securityholders and the Couponholders.

(vi) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Conditions 4.4(b)(i) to 4.4(b)(iv), the Original Reference Rate and the fallback provisions provided for in Conditions 4.1 and 4.2, as applicable will continue to apply unless and until the Calculation Agent has been notified of the Benchmark Replacement, and any Adjustment Spread and Benchmark Amendments, in accordance with Condition 4.4(b)(v).

(vii) Definitions

As used in this Condition 4.4(b):

Adjustment Spread means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser or the Issuer (in the circumstances set out in Condition 4.4(b)(i)) (as the case may be) determines is required to be applied to the Benchmark Replacement to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Perpetual Securityholders and Couponholders as a result of the replacement of the Original Reference Rate with the Benchmark Replacement and is the spread, formula or methodology which:

(A) is formally recommended in relation to the replacement of the Original Reference Rate with the applicable Benchmark Replacement by any Relevant Nominating Body; or

(B) if the applicable Benchmark Replacement is the ISDA Fallback Rate, is the ISDA Fallback Adjustment; or

(C) is determined by the Independent Adviser or the Issuer (in the circumstances set out in Condition 4.4(b)(i)) (as the case may be) having given due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the Original Reference Rate with the applicable Benchmark Replacement for the purposes of determining rates of distribution (or the relevant component part thereof) for the same distribution period and in the same currency as the Perpetual Securities;

Alternative Rate means an alternative benchmark or screen rate which the Independent Adviser or the Issuer (in the circumstances set out in Condition 4.4(b)(i)) (as the case may be) determines in accordance with Condition 4.4(b)(ii) has replaced the Original Reference Rate for the Corresponding Tenor in customary market usage in the international or if applicable, domestic debt capital markets for the purposes of determining rates of distribution (or the relevant component part thereof) for the same distribution period and in the same currency as the Perpetual Securities (including, but not limited to, applicable government bonds);

Benchmark Amendments means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Distribution Period", timing and frequency of determining rates and making payments of distribution, changes to the definition of "Corresponding Tenor" solely when such tenor is longer than the Distribution Period, any other amendments to these Conditions, the Trust Deed and/or the Agency Agreement, and other administrative matters) that the Independent Adviser or the Issuer (in the circumstances set out in Condition 4.4(b)(i)) (as the case may be) determines may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Independent Adviser or the Issuer (in the circumstances set out in Condition 4.4(b)(i)) (as the case may be) determines that adoption of any portion of such market practice is not administratively feasible or if the Independent Adviser or the Issuer (in the circumstances set out in Condition 4.4(b)(i)) (as the case may be) determines that no market practice for use of such Benchmark Replacement exists, in such other manner as the Independent Adviser or the Issuer (in the circumstances set out in Condition 4.4(b)(i)) (as the case may be) determines is reasonably necessary);

Benchmark Event means:

(A) the Original Reference Rate ceasing to be published for a period of at least five Singapore Business Days or ceasing to exist; or

(B) a public statement by the administrator of the Original Reference Rate that it has ceased or will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

(C) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or

(D) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been prohibited from being used or that its use has been subject to restrictions or adverse consequences, or that it will be prohibited from being used or that its use will be subject to restrictions or adverse consequences within the following six months; or

(E) it has become unlawful for the Issuing and Paying Agent, the Calculation Agent, the Issuer or any other party to calculate any payments due to be made to any Perpetual Securityholder or Couponholder using the Original Reference Rate; or

(F) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is no longer representative or will, by a specified date within the following six months, be deemed to be no longer representative,

provided that the Benchmark Event shall be deemed to occur:

(1) in the case of paragraphs (B) and (C) above, on the date of the cessation of publication of the Original Reference Rate or the discontinuation of the Original Reference Rate, as the case may be;

(2) in the case of paragraph (D) above, on the date of the prohibition or restriction of use of the Original Reference Rate; and

(3) in the case of paragraph (F) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed to no longer be) representative and which is specified in the relevant public statement,

and, in each case, not the date of the relevant public statement.

Benchmark Replacement means the Interpolated Benchmark, provided that if the Independent Adviser or the Issuer (in the circumstances set out in Condition 4.4(b)(i)) (as the case may be) cannot determine the Interpolated Benchmark by the relevant Distribution Determination Date, then "Benchmark Replacement" means the first alternative set forth in the order below that can be determined by the Independent Adviser or the Issuer (in the circumstances set out in Condition 4.4(b)(i)) (as the case may be):

(A) the Successor Rate;

(B) the ISDA Fallback Rate); and

(C) the Alternative Rate.

Corresponding Tenor with respect to a Benchmark Replacement means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the then-current Original Reference Rate;

Independent Adviser means an independent financial institution of good repute or an independent financial adviser with experience in the local or international debt capital markets appointed by and at the expense of the Issuer under Condition 4.4(b)(i);

Interpolated Benchmark with respect to the Original Reference Rate means the rate determined for the Corresponding Tenor by interpolating on a linear basis between: (1) the Original Reference Rate for the longest period (for which the Original Reference Rate is available) that is shorter than the Corresponding Tenor and (2) the Original Reference Rate for the shortest period (for which the Original Reference Rate is available) that is longer than the Corresponding Tenor;

ISDA Definitions means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association Inc. or any successor thereto, as may be updated, amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time;

ISDA Fallback Adjustment means the spread adjustment (which maybe positive or negative value or zero) that would apply for derivative transactions referencing the Original Reference Rate in the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Original Reference Rate for the applicable tenor;

ISDA Fallback Rate means the rate that would apply for derivative transactions referencing the Original Reference Rate in the ISDA Definitions to be effective upon the occurrence of an index cessation event with respect to the Original Reference Rate for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

Original Reference Rate means, initially, SORA or SORA-OIS, as the case may be (being the originally-specified reference rate of applicable tenor used to determine the Rate of Distribution or Reset Rate of Distribution) or any component part thereof, including the relevant USD London Interbank Offered Rate, provided that if a Benchmark Event has occurred with respect to SORA or SORA-OIS, as the case may be, or the then-current Original Reference Rate, then "Original Reference Rate" means the applicable Benchmark Replacement;

Relevant Nominating Body means, in respect of a benchmark or screen rate (as applicable):

(A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (1) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (2) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (3) a group of the aforementioned central banks or other supervisory authorities or (4) the Financial Stability Board or any part thereof; and

Successor Rate means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body as the replacement for the Original Reference Rate for the applicable Corresponding Tenor.

4.5 Accrual of distribution

Each Perpetual Security (or in the case of the redemption of part only of a Perpetual Security, that part only of such Perpetual Security) will cease to bear distribution (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, distribution will continue to accrue until whichever is the earlier of:

(a) the date on which all amounts due in respect of such Perpetual Security have been paid; and

(b) as provided in the Trust Deed.

4.6 Distribution deferral

(a) **Optional Deferral:** If Distribution Deferral is specified as being applicable in the applicable Pricing Supplement, the Issuer may, at its sole discretion, elect to defer any distribution (in whole or in part) which is otherwise scheduled to be paid on:

(i) (if Non-Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) a Distribution Payment Date; or

(ii) (if Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) a Distribution Payment Date to the next Distribution Payment Date,

by giving notice (a **Deferral Election Notice**) of such election in the form set out in Schedule 5 to the Trust Deed to the Perpetual Securityholders and the Couponholders in accordance with Condition 13 (*Notices*), the Trustee and the Agents not more than 15 nor less than five Business Days prior to a scheduled Distribution Payment Date (or such other notice period as may be specified in the applicable Pricing Supplement).

If Dividend Pusher is specified as being applicable in the applicable Pricing Supplement, the Issuer may not elect to defer any distribution if, during such period(s) prior to such Distribution Payment Date as may be specified in the applicable Pricing Supplement, any of the following has occurred:

(i) the Issuer or any of its Subsidiaries (as defined in the Trust Deed) has voluntarily declared or paid any dividends, distributions or made any other payment on, or procured any dividend, distribution or other payment to be made on any of the Junior Obligations or (except on a *pro rata* basis) any of the Parity Obligations; and/or

(ii) the Issuer or any of its Subsidiaries has voluntarily redeemed, purchased, cancelled, reduced, bought-back or otherwise acquired for any consideration any of the Junior Obligations or (except on a *pro rata* basis) any of the Parity Obligations; and/or

(iii) as otherwise specified in the applicable Pricing Supplement,

in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, officers, directors or consultants of the Group (as defined in the Trust Deed) or (2) as a result of the exchange or conversion of the Parity Obligations for the Junior Obligations (a **Compulsory Distribution Payment Event**).

(b) **No obligation to pay:** The Issuer shall have no obligation to pay any distribution (including any Arrears of Distribution and any Additional Distribution Amount) on any Distribution Payment Date if it validly elects not to do so in accordance with Condition 4.6(a) (*Optional Deferral*) and any failure to pay distributions so deferred shall not constitute a default of the Issuer in respect of the Perpetual Securities.

(c) **Requirements as to Notice:** Each Deferral Election Notice shall be accompanied, in the case of the notice to the Trustee and the Issuing and Paying Agent, and if Dividend Pusher is specified as being applicable in the applicable Pricing Supplement, by a certificate signed by two authorised signatories of the Issuer confirming that no Compulsory Distribution Payment Event has occurred. Any such certificate shall be conclusive evidence that no Compulsory Distribution Payment Event has occurred and the Trustee and the Issuing and Paying Agent shall be entitled to rely without any obligation to verify the same and without liability to any Perpetual Securityholder or Couponholder or any other person on any Deferral Election Notice or any certificate as aforementioned. Each Deferral Election Notice shall be conclusive and binding on the Perpetual Securityholders and the Couponholders.

(d) **Cumulative Deferral:** If Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement, any distribution validly deferred pursuant to this Condition 4.6 (*Distribution deferral*) shall constitute **Arrears of Distribution**. The Issuer may, at its sole discretion, elect to (in the circumstances set out in Condition 4.6(a) (*Optional Deferral*)) further defer any Arrears of Distribution by complying with the foregoing notice requirements applicable to any deferral of an accrued distribution. The Issuer is not subject to any limit as to the number of times distributions and Arrears of Distribution can or shall be deferred pursuant to this Condition 4.6 (*Distribution deferral*) by complying with the foregoing notice requirements except that this Condition 4.6(d) (*Cumulative Deferral*) shall be complied with until all outstanding Arrears of Distribution have been paid in full.

If Additional Distribution Amount is specified as being applicable in the applicable Pricing Supplement, each amount of Arrears of Distribution shall bear further distribution as if it constituted the principal of the Perpetual Securities at the Rate of Distribution and the amount of such distribution (the **Additional Distribution Amount**) with respect to Arrears of Distribution shall be due and payable pursuant to Condition 4 (*Distribution*) and shall be calculated by applying the applicable Rate of Distribution to the amount of the Arrears of Distribution and otherwise mutatis mutandis as provided in the foregoing provisions of Condition 4 (*Distribution*). The Additional Distribution Amount accrued up to any Distribution Payment Date shall be added, for the purpose of calculating the Additional Distribution Amount accruing thereafter, to the amount of Arrears of Distribution remaining unpaid on such Distribution Payment Date so that it will itself become Arrears of Distribution.

(e) **Non-Cumulative Deferral:** If Non-Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement, any distribution deferred pursuant to this Condition 4.6 (*Distribution deferral*) is non-cumulative and will not accrue distribution. The Issuer is not under any obligation to pay that or any other distributions that have not been paid in whole or in part.

(f) **Optional Distribution:** If Optional Distribution is specified as being applicable in the applicable Pricing Supplement, the Issuer may, at its sole discretion, and at any time, elect to pay an optional amount equal to the amount of Distribution which is unpaid in whole or in part (an **Optional Distribution**) at any time by giving irrevocable notice of such election to the Perpetual Securityholders and the Couponholders (in accordance with Condition 13 (*Notices*)) and the Trustee and the Issuing and Paying Agent, not more than 15 nor less than five Business Days (or such other notice period as may be specified in the applicable Pricing Supplement) prior to the relevant payment date specified in such notice (which notice is irrevocable and shall oblige the Issuer to pay the relevant Optional Distribution on the payment date specified in such notice).

Any partial payment of outstanding Optional Distribution by the Issuer shall be shared by the Perpetual Securityholders or Couponholders of all outstanding Perpetual Securities and the Coupons related to them on a pro-rata basis. Further provisions relating to this Condition 4.6(f) (*Optional Distribution*) may be specified in the applicable Pricing Supplement.

(g) **Restrictions in the case of Deferral:** If Dividend Stopper is specified as being applicable in the applicable Pricing Supplement and on any Distribution Payment Date, payment of distributions (including Arrears of Distribution and Additional Distribution Amount) scheduled to be made on such date is not made in full by reason of this Condition 4.6 (*Distribution deferral*), the Issuer shall not, and shall procure that none of its Subsidiaries shall, in respect of the Junior Obligations or the Parity Obligations:

(i) voluntarily declare or pay any dividends, distributions or make any other payment on, and will procure that no dividend, distribution or other payment is made on any of the Junior Obligations or (except on a *pro rata* basis) any of the Parity Obligations;

(ii) voluntarily redeem, purchase, cancel, reduce, buy-back or otherwise acquire for any consideration on any of the Junior Obligations or (except on a *pro rata* basis) any of the Parity Obligations; or

(iii) as otherwise specified in the applicable Pricing Supplement,

in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, officers, directors or consultants of the Group (as defined in the Trust Deed) or (2) as a result of the exchange or conversion of the Parity Obligations for the Junior Obligations unless and until (x) (if Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) if the Issuer has made payment in whole (and not in part only) of all outstanding Arrears of Distributions and any Additional Distribution Amounts; or (y) (if Non-Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) a redemption of all the outstanding Perpetual Securities in accordance with Condition 6 (*Redemption and Purchase*) has occurred, the next scheduled distribution has been paid in full, or an Optional Distribution equal to the amount of a distribution payable with respect to the most recent Distribution Payment Date that was unpaid in full or in part, has been paid in full; or (z) when so permitted by an Extraordinary Resolution (as defined in the Trust Deed) of the Perpetual Securityholders and the Couponholders.

(h) **Satisfaction of Arrears of Distribution:** The Issuer:

(i) may satisfy any Arrears of Distribution (in whole or in part) at any time by giving notice of such election to the Perpetual Securityholders and the Couponholders (in accordance with Condition 13 (*Notices*)) and the Trustee and the Issuing and Paying Agent, not more than 20 nor less than 10 Business Days (or such other notice period as may be specified in the applicable Pricing Supplement) prior to the relevant payment date specified in such notice (which notice is irrevocable and shall oblige the Issuer to pay the relevant Arrears of Distribution on the payment date specified in such notice); and

(ii) in any event shall satisfy any outstanding Arrears of Distribution (in whole but not in part) on the earliest of:

(A) the date of redemption of the Perpetual Securities in accordance with the redemption events set out in Condition 6 (*Redemption and Purchase*);

(B) the next Distribution Payment Date on the occurrence of a breach of Condition 4.6(g) or the occurrence of a Compulsory Distribution Payment Event; and

(C) the date such amount becomes due under Condition 9 (*Enforcement Event*) or on a final and effective Winding-Up of the Issuer or CEREIT.

Any partial payment of outstanding Arrears of Distribution by the Issuer shall be shared by the Perpetual Securityholders or Couponholders of all outstanding Perpetual Securities and the Coupons related to them on a *pro-rata* basis. Further provisions relating to this Condition 4.6(h) may be specified in the applicable Pricing Supplement.

(i) **No default**: Notwithstanding any other provision in these Conditions or the Trust Deed, the deferral of any distribution payment in accordance with this Condition 4.6 (*Distribution deferral*) shall not constitute a default for any other purpose (including, without limitation, pursuant to Condition 9 (*Enforcement Event*) on the part of the Issuer).

5. PAYMENTS

5.1 Method of payment

Subject as provided below:

(a) payments in a Specified Currency other than euro and Renminbi will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively);

(b) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee; and

(c) payments in Renminbi will be made by transfer to a Renminbi account maintained by or on behalf of the relevant Perpetual Securityholder or Couponholder with a bank in the Offshore Renminbi Centre(s).

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

5.2 Presentation of Definitive Bearer Perpetual Securities and Coupons

Payments of principal in respect of Definitive Bearer Perpetual Securities will (subject as provided below) be made in the manner provided in Condition 5.1 (*Method of payment*) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Definitive Bearer Perpetual Securities, and payments of distribution in respect of Definitive Bearer Perpetual Securities will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Fixed Rate Perpetual Securities in definitive bearer form and save as provided in Condition 5.4 (*Specific provisions in relation to payments in respect of certain types of Bearer Perpetual Securities*) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 7 (*Taxation*)) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8 (*Prescription*)) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Perpetual Security in definitive bearer form becoming due and repayable, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Perpetual Security in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

If the due date for redemption of any Definitive Bearer Perpetual Security is not a Distribution Payment Date, distribution (if any) accrued in respect of such Perpetual Security from (and including) the preceding Distribution Payment Date or, as the case may be, the Distribution Commencement Date shall be payable only against surrender of the relevant Definitive Bearer Perpetual Security.

5.3 Payments in respect of Bearer Global Perpetual Securities

Payments of principal and distribution (if any) in respect of Perpetual Securities represented by any Bearer Global Perpetual Security will (subject as provided below) be made in the manner specified above in relation to Definitive Bearer Perpetual Securities or otherwise in the manner specified in the relevant Global Perpetual Security, against presentation or surrender, as the case may be, of such Global Perpetual Security at the specified office of any Paying Agent outside the United States. A record of each payment made, distinguishing between any payment of principal and any payment of distribution, will be made on such Global Perpetual Security by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream or CDP, as applicable.

5.4 Specific provisions in relation to payments in respect of certain types of Bearer Perpetual Securities

Upon the date on which any Dual Currency Perpetual Security or Index Linked Perpetual Security in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

5.5 Payments in respect of Registered Perpetual Securities

Payments of principal in respect of each Registered Perpetual Security (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Perpetual Security at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Perpetual Security appearing in the register of holders of the Registered Perpetual Securities maintained by the Registrar (the **Register**) (i) where in global form, where (A) the Registered Perpetual Securities are cleared through Euroclear and Clearstream, at the close of business on the Clearing System Business Day before the due date for such payments, where **Clearing System Business Day** means a weekday (Monday to Friday, inclusive) except 25 December and 1 January and (B) the Registered Perpetual Securities are cleared through CDP, at the date falling five business days before the due date for such payments (or such other date as may be prescribed by CDP), and (ii) where in definitive form, at the close of business on the fifteenth day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. For these purposes, **Designated Account** means the account (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by a holder with a Designated Bank and identified as such in the Register and **Designated Bank** means (in the case of payment in a Specified Currency other than euro and Renminbi) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); (in the case of a payment in euro) any bank which processes payments in euro; and (in the case of a payment in Renminbi) any bank in the Offshore Renminbi Centre(s) which processes payments in Renminbi in the Offshore Renminbi Centre(s).

Payments of distribution in respect of each Registered Perpetual Security (whether or not in global form) will be made by transfer on the due date to the Designated Account of the holder (or the first named of joint holders) of the Registered Perpetual Security appearing in the Register (i) where in global form, where (A) the Registered Perpetual Securities are cleared through Euroclear and Clearstream, at the close of business on the Clearing System Business Day before the due date for such payments and (B) the Registered Perpetual Securities are cleared through CDP, at the date falling five business days before the due date for such payments (or such other date as may be prescribed by CDP), and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the **Record Date**). Payment of the distribution due in respect of each Registered Perpetual Security on redemption will be made in the same manner as payment of the nominal amount of such Registered Perpetual Security.

No commissions or expenses shall be charged to the holders by the Registrar in respect of any payments of principal or distribution in respect of Registered Perpetual Securities.

None of the Issuer, the Trustee or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Perpetual Securities or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

5.6 General provisions applicable to payments

The holder of a Global Perpetual Security shall be the only person entitled to receive payments in respect of Perpetual Securities represented by such Global Perpetual Security and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Perpetual Security in respect of each amount so paid. Each of the persons shown in the records of Euroclear, Clearstream or CDP, as the beneficial holder of a particular nominal amount of Perpetual Securities represented by such Global Perpetual Security must look solely to Euroclear, Clearstream or CDP, as the case may be, for their share of each payment so made by the Issuer to, or to the order of, the holder of such Global Perpetual Security.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or distribution in respect of Bearer Perpetual Securities is payable in U.S. dollars, such U.S. dollar payments of principal and/or distribution in respect of such Perpetual Securities will be made at the specified office of a Paying Agent in the United States if:

(a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and distribution on the Bearer Perpetual Securities in the manner provided above when due;

(b) payment of the full amount of such principal and distribution at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and distribution in U.S. dollars; and

(c) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

5.7 Payment Day

If the date for payment of any amount in respect of any Perpetual Security or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further distribution or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 8 (*Prescription*)) is:

(a) in the case of Perpetual Securities or Coupons denominated in a Specified Currency other than Renminbi:

   (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits):

      (A) in the case of Perpetual Securities in definitive form only, in the relevant place of presentation; and

      (B) in each Additional Financial Centre (other than TARGET2 System) specified in the applicable Pricing Supplement;

   (ii) if TARGET2 System is specified as an Additional Financial Centre in the applicable Pricing Supplement, a day on which the TARGET2 System is open; and

(iii) either (A) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (B) in relation to any sum payable in euro, a day on which the TARGET2 System is open; and

(b) in the case of Perpetual Securities or Coupons denominated in Renminbi, a day on which commercial banks and foreign exchange markets settle Renminbi payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in (i) in the case of Perpetual Securities in definitive form only, the relevant place of presentation and (ii) the Offshore Renminbi Centre(s).

5.8 Interpretation of principal and distribution

Any reference in these Conditions to principal in respect of the Perpetual Securities shall be deemed to include, as applicable:

(a) any additional amounts which may be payable with respect to principal under Condition 7 (*Taxation*) or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed;

(b) the Early Redemption Amount of the Perpetual Securities;

(c) the Optional Redemption Amount(s) (if any) of the Perpetual Securities; and

(d) any premium and any other amounts (other than distribution) which may be payable by the Issuer under or in respect of the Perpetual Securities.

Any reference in these Conditions to distribution in respect of the Perpetual Securities shall be deemed to include, as applicable, any additional amounts which may be payable with respect to distribution under Condition 7 (*Taxation*) or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed.

6. REDEMPTION AND PURCHASE

6.1 No fixed redemption date

The Perpetual Securities are perpetual securities in respect of which there is no fixed redemption date. Subject to the provisions of Condition 3 (*Status of the Perpetual Securities*) and without prejudice to Condition 9 (*Enforcement Event*), the Perpetual Securities may not be redeemed at the option of the Issuer other than in accordance with this Condition 6 (*Redemption and Purchase*).

6.2 Redemption for tax reasons

Subject to Condition 6.9 (*Specific redemption provisions applicable to certain types of Perpetual Securities*), the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Perpetual Security is neither a Floating Rate Perpetual Security nor a Dual Currency Distribution Perpetual Security) or on any Distribution Payment Date (if this Perpetual Security is either a Floating Rate Perpetual Security or a Dual Currency Distribution Perpetual Security), on giving not less than 30 days' nor more than 60 days' notice (or such other maximum and minimum notice period as may be specified in the applicable Pricing Supplement) to the Trustee and the Issuing and Paying Agent and, in accordance with Condition 13 (*Notices*), the Perpetual Securityholders and the Couponholders (which notice shall be irrevocable), if:

(a) the Issuer (or the CEREIT Manager (as defined in the Trust Deed), as the case may be) receives a ruling by the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that:

(i) the Perpetual Securities will not be regarded as “debt securities” for the purposes of Section 43N(4) of the Income Tax Act, Chapter 134 of Singapore (**ITA**) and Regulation 2 of the Income Tax (Qualifying Debt Securities) Regulations; or

(ii) the distributions (including any Optional Distribution, Arrears of Distribution and any Additional Distribution Amount) will not be regarded as interest payable by the Issuer for the purposes of the withholding tax exemption on interest for “qualifying debt securities” under the ITA; or

(b) the Issuer satisfies the Trustee immediately before the giving of such notice that:

(i) on the occasion of the next payment due under the Perpetual Securities, the Issuer has or will become obliged to pay such additional amounts as provided or referred to in Condition 7 (*Taxation*) or increase the payment of such additional amounts, in each case as a result of any change in, or amendment to, the laws (or any rules, regulations, rulings or other administrative pronouncements promulgated or practice related thereto or thereunder) of a Tax Jurisdiction (as defined in Condition 7 (*Taxation*)) or any change in the application or official interpretation of such laws, rules, regulations, rulings or other administrative pronouncements promulgated or practice related thereto which change or amendment is made public or becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Perpetual Securities; and

(ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Perpetual Securities then due.

Prior to the publication of any notice of redemption pursuant to this Condition 6.2 (*Redemption for tax reasons*), the Issuer shall deliver to the Trustee:

(A) a certificate signed by two authorised signatories of the Issuer stating that (in the case of Condition 6.2(a) above) the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; or (in the case of Condition 6.2(b) above) the obligation referred to in Condition 6.2(b) above cannot be avoided by the Issuer taking reasonable measures to avoid it; and

(B) in the case of a notice of redemption pursuant to Condition 6.2(a) above, a copy of the ruling from the Comptroller of Income Tax in Singapore (or other relevant authority) to such effect as stated in Condition 6.2(a) and (in the case of Condition 6.2(b) above) an opinion of independent tax or legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment, interpretation or pronouncement, and the Trustee shall be entitled to accept the certificate, notice and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Perpetual Securityholders and the Couponholders.

Perpetual Securities redeemed pursuant to this Condition 6.2 (*Redemption for tax reasons*) will be redeemed at their Early Redemption Amount, as specified in the applicable Pricing Supplement, together (if appropriate) with distribution accrued to (but excluding) the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount, if applicable).

6.3 Redemption for Accounting Reasons

Unless Redemption for Accounting Reasons is specified as being not applicable in the applicable Pricing Supplement and subject to Condition 6.9 (*Specific redemption provisions applicable to certain types of Perpetual Securities*), the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Perpetual Security is not a Floating Rate Perpetual Security or Dual Currency Distribution Perpetual Security) or on any Distribution Payment Date (if this Perpetual Security is a Floating Rate Perpetual Security or Dual Currency Distribution Perpetual Security), on giving not less than 30 nor more than 60 days' notice (or such other maximum and minimum notice period as may be specified in the applicable Pricing Supplement) to the Trustee and the Issuing and Paying Agent and in accordance with Condition 13 (*Notices*), the Perpetual Securityholders and the Couponholders (which notice shall be irrevocable) at their Early Redemption Amount, as specified in the applicable Pricing Supplement, together (if appropriate) with distribution accrued to (but excluding) the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount, if applicable) if, as a result of any changes or amendments to Singapore Financial Reporting Standards issued by the Singapore Accounting Standards Council (as amended from time to time, the **SFRS**) or any other accounting standards that may replace SFRS for the purposes of the consolidated financial statements of CEREIT or other internationally generally accepted accounting standards that CEREIT has adopted for the purposes of the preparation of its audited consolidated financial statements (the **Relevant Accounting Standard**), the Perpetual Securities may no longer be recorded as "equity" of CEREIT pursuant to the Relevant Accounting Standard (the **Accounting Event**), provided that such date for redemption shall be no earlier than 90 days prior to the earliest date on which the Perpetual Securities will not or will no longer be recorded as "equity" in the audited consolidated financial statements of CEREIT prepared in accordance with the Relevant Accounting Standard.

Prior to the publication of any notice of redemption pursuant to this Condition 6.3 (*Redemption for Accounting Reasons*), the Issuer shall deliver to the Trustee (a) a certificate signed by two authorised signatories of the Issuer stating that an Accounting Event has occurred and the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (b) an opinion of independent auditors of recognised standing to the effect that an Accounting Event has occurred and is prevailing, and the date on which the relevant change or amendment to the Relevant Accounting Standards is due to take effect.

The Trustee shall be entitled to accept the certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Perpetual Securityholders and the Couponholders. All Perpetual Securities shall be redeemed on the date specified in such notice in accordance with this Condition 6.3 (*Redemption for Accounting Reasons*).

6.4 Redemption for Tax Deductibility Event

Unless Redemption for Tax Deductibility Event is specified as being not applicable in the applicable Pricing Supplement and subject to Condition 6.9 (*Specific redemption provisions applicable to certain types of Perpetual Securities*), the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Perpetual Security is not a Floating Rate Perpetual Security or Dual Currency Distribution Perpetual Security) or on any Distribution Payment Date (if this Perpetual Security is a Floating Rate Perpetual Security or Dual Currency Distribution Perpetual Security), on giving not less than 30 nor more than 60 days' notice (or such other maximum and minimum notice period as may be specified in the applicable Pricing Supplement) to the Trustee and the Issuing and Paying Agent and in accordance with Condition 13 (*Notices*), the Perpetual Securityholders and the Couponholders (which notice shall be irrevocable) at their Early Redemption Amount, as specified in the applicable Pricing Supplement, together (if appropriate) with distribution accrued to (but excluding) the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount, if applicable) if:

(a) the Issuer satisfies the Trustee immediately before giving such notice that, as a result of:

  (i) any amendment to, or change in, the laws (or any rules, regulations, rulings or other administrative pronouncements promulgated or practice related thereto or thereunder) of Singapore or any political subdivision or any taxing authority thereof or therein which is made public, enacted, promulgated, issued or becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Perpetual Securities;

  (ii) any amendment to, or change in, an application or official interpretation of any such laws, rules, regulations, rulings or other administrative pronouncements promulgated or practice related thereto or by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination) which is made public, enacted, promulgated, issued or becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Perpetual Securities; or

  (iii) any applicable official interpretation or pronouncement which is issued or announced on or after the date on which agreement is reached to issue the first Tranche of the Perpetual Securities that provides for a position with respect to such laws, rules, regulations or practice related thereto that differs from the previous generally accepted position,

  the distributions (including any Optional Distribution, Arrears of Distribution and any Additional Distribution Amount) by the Issuer are no longer, or would in the Distribution Period immediately following that Distribution Payment Date no longer be, regarded as sums "payable by way of interest upon any money borrowed" for the purpose of Section 14(1)(a) of the ITA; or

(b) the Issuer (or the CEREIT Manager, as the case may be) receives a ruling by the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that the distributions (including any Optional Distribution, Arrears of Distribution and any Additional Distribution Amount (if any)) will not be regarded as sums "payable by way of interest upon any money borrowed" for the purpose of Section 14(1)(a) of the ITA, (the **Tax Deductibility Event**), provided that no notice of redemption may be given earlier than 90 days prior to the effective date on which the distributions (including any Optional Distribution, Arrears of Distribution and any Additional Distribution Amount) on the Perpetual Securities would not be fully tax deductible by the Issuer for Singapore income tax purposes.

Prior to the publication of any notice of redemption pursuant to this Condition 6.4 (*Redemption for Tax Deductibility Event*), the Issuer shall deliver to the Trustee:

(A) a certificate signed by two authorised signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and

(B) in the case of a notice of redemption pursuant to Condition 6.4(a) above, an opinion of independent tax or legal advisers of recognised standing to the effect that the circumstances referred to above prevail and the date on which the relevant change, amendment, interpretation or pronouncement has taken place or is due to take effect or in the case of a notice of redemption pursuant to Condition 6.4(b) above, a copy of the ruling from the Comptroller of Income Tax in Singapore (or other relevant authority) to such effect as stated in Condition 6.4(b),

and the Trustee shall be entitled to accept the certificate, notice and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Perpetual Securityholders and the Couponholders. All Perpetual Securities shall be redeemed on the date specified in such notice in accordance with this Condition 6.4 (*Redemption for Tax Deductibility Event*).

6.5 Redemption upon a Ratings Event

If Redemption Upon a Ratings Event is specified as being applicable in the applicable Pricing Supplement and subject to Condition 6.9 (*Specific redemption provisions applicable to certain types of Perpetual Securities*), the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Perpetual Security is not a Floating Rate Perpetual Security or Dual Currency Distribution Perpetual Security) or on any Distribution Payment Date (if this Perpetual Security is a Floating Rate Perpetual Security or Dual Currency Distribution Perpetual Security), on giving not less than 30 nor more than 60 days' notice (or such other maximum and minimum notice period as may be specified in the applicable Pricing Supplement) to the Trustee and the Issuing and Paying Agent and in accordance with Condition 13 (*Notices*), the Perpetual Securityholders and the Couponholders (which notice shall be irrevocable) at their Early Redemption Amount, as specified in the applicable Pricing Supplement, together (if appropriate) with Distribution accrued to (but excluding) the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount, if applicable) if, an amendment, clarification or change has occurred or will occur in the equity credit criteria, guidelines or methodology of any Rating Agency requested from time to time by the Issuer to grant an equity classification to the Perpetual Securities and in each case, any of their respective successors to the rating business thereof, which amendment, clarification or change results in a lower equity credit for the Perpetual Securities than the equity credit assigned on the Issue Date or, if equity credit is not assigned on the Issue Date, at the date when equity credit is assigned for the first time (**Ratings Event**).

Prior to the publication of any notice of redemption pursuant to this Condition 6.5 (*Redemption upon a Ratings Event*), the Issuer shall deliver to the Trustee a certificate signed by two authorised signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred.

For the purposes of this Condition 6.5 (*Redemption upon a Ratings Event*):

Rating Agency means Moody's Investors Service or its successors, Fitch, Inc or its successors or Standard & Poor's Rating Services, a division of The McGraw Hill Companies Inc. or its successors.

6.6 Redemption upon a Regulatory Event

Unless Redemption upon a Regulatory Event is specified as being not applicable in the applicable Pricing Supplement and subject to Condition 6.9 (*Specific redemption provisions applicable to certain types of Perpetual Securities*), the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Perpetual Security is not a Floating Rate Perpetual Security or Dual Currency Distribution Perpetual Security) or on any Distribution Payment Date (if this Perpetual Security is a Floating Rate Perpetual Security or Dual Currency Distribution Perpetual Security), in each case on giving not less than 30 nor more than 60 days' notice (or such other maximum and minimum notice period as may be specified in the applicable Pricing Supplement) to the Trustee and the Issuing and Paying Agent and in accordance with Condition 13 (*Notices*), the Perpetual Securityholders and the Couponholders (which notice shall be irrevocable) at their Early Redemption Amount, as specified in the applicable Pricing Supplement, together (if appropriate) with Distribution accrued to (but excluding) the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount, if applicable) if, as a result of any change in, or amendment to, the Property Funds Appendix, or any change in the application or official interpretation of the Property Funds Appendix, the Perpetual Securities count or, in the Distribution Payment Period immediately following that Distribution Payment Date, will count towards the Aggregate Leverage under the Property Funds Appendix, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Perpetual Securities will count towards the Aggregate Leverage.

Prior to the publication of any notice of redemption pursuant to this Condition 6.6 (*Redemption upon a Regulatory Event*), the Issuer shall deliver to the Trustee (i) a certificate, signed by two authorised signatories of the Issuer, stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (ii) an opinion of an independent legal adviser of recognised standing stating that the circumstances referred to above prevail and the date on which the relevant change or amendment to, or change in application or interpretation of, the Property Funds Appendix, has taken place or is due to take effect, and the Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Perpetual Securityholders and the Couponholders. All Perpetual Securities shall be redeemed on the date specified in such notice in accordance with this Condition 6.6 (*Redemption upon a Regulatory Event*).

For the purposes of this Condition 6.6 (*Redemption upon a Regulatory Event*):

Aggregate Leverage means, as defined under the Property Funds Appendix, the total borrowings and deferred payments of a property fund, or such other definition as may from time to time be provided for under the Property Funds Appendix; and

Property Funds Appendix means Appendix 6 of the Code on Collective Investment Schemes, issued by the Monetary Authority of Singapore, as amended, varied or supplemented from time to time.

6.7 Redemption at the option of the Issuer (Issuer Call)

If Issuer Call is specified as being applicable in the applicable Pricing Supplement, the Issuer may, having given not less than 15 days' nor more than 30 days' notice to the Perpetual Securityholders and the Couponholders in accordance with Condition 13 (*Notices*) (or such other maximum and minimum notice period as may be specified in the applicable Pricing Supplement), which notice shall be irrevocable and shall specify the date fixed for redemption, redeem all or some only of the Perpetual Securities then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Pricing Supplement together, if appropriate, with distribution accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Pricing Supplement. In the case of a partial redemption of Definitive Bearer Perpetual Securities or Definitive Registered Perpetual Securities, the Perpetual Securities to be redeemed (**Redeemed Perpetual Securities**) will be selected individually by lot, in the case of Redeemed Perpetual Securities represented by Definitive Bearer Perpetual Securities or Definitive Registered Perpetual Securities, and in accordance with the rules of Euroclear, Clearstream and/or CDP (as applicable), in the case of Redeemed Perpetual Securities represented by a Global Perpetual Security, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**). In the case of Redeemed Perpetual Securities represented by Perpetual Securities in definitive form, a list of the serial numbers of such Redeemed Perpetual Securities will be published in accordance with Condition 13 (*Notices*) not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Perpetual Security will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 6.7 (*Redemption at the option of the Issuer (Issuer Call)*) and notice to that effect shall be given by the Issuer to the Perpetual Securityholders and the Couponholders in accordance with Condition 13 (*Notices*) at least five days prior to the Selection Date.

6.8 Redemption in the case of Minimum Outstanding Amount

Unless Redemption in the case of Minimum Outstanding Amount is specified as being not applicable in the applicable Pricing Supplement and subject to Condition 6.9 (*Specific redemption provisions applicable to certain types of Perpetual Securities*), the Issuer may, at any time (if this Perpetual Security is neither a Floating Rate Perpetual Security nor a Dual Currency Distribution Perpetual Security) or on any Distribution Payment Date (if this Perpetual Security is either a Floating Rate Perpetual Security or a Dual Currency Distribution Perpetual Security), on giving not less than 30 nor more than 60 days' irrevocable notice (or such other maximum and minimum notice period as may be specified in the applicable Pricing Supplement) to the Trustee and the Issuing and Paying Agent and in accordance with Condition 13 (*Notices*), the Perpetual Securityholders and the Couponholders (or such other notice period as may be specified in the applicable Pricing Supplement) redeem the Perpetual Securities, in whole, but not in part, at their Early Redemption Amount as specified in the applicable Pricing Supplement (together with distributions accrued to (but excluding) the date fixed for redemption) if, immediately before giving such notice, the aggregate principal amount of the Perpetual Securities outstanding is less than 20 per cent. of the aggregate principal amount originally issued. All Perpetual Securities shall be redeemed on the date specified in such notice in accordance with this Condition 6.8 (*Redemption in the case of Minimum Outstanding Amount*).

6.9 Specific redemption provisions applicable to certain types of Perpetual Securities

The Final Redemption Amount, any Optional Redemption Amount and the Early Redemption Amount in respect of Floating Rate Perpetual Securities and Dual Currency Redemption Perpetual Securities may be specified in, or determined in the manner specified in, the applicable Pricing Supplement. For the purposes of Conditions 6.2 (*Redemption for tax reasons*) to Condition 6.8 (*Redemption in the case of Minimum Outstanding Amount*), Floating Rate Perpetual Securities and Dual Currency Distribution Perpetual Securities may be redeemed only on a Distribution Payment Date.

Partly Paid Perpetual Securities will be redeemed, whether early redemption or otherwise, in accordance with the provisions of this Condition and the applicable Pricing Supplement.

6.10 No Other Redemption

The Issuer shall not be entitled to redeem the Perpetual Securities and shall have no obligation to make any payment of principal in respect of the Perpetual Securities otherwise than as provided in Condition 6.2 (*Redemption for tax reasons*) and, to the extent specified in the applicable Pricing Supplement, in Condition 6.3 (*Redemption for Accounting Reasons*) to Condition 6.8 (*Redemption in the case of Minimum Outstanding Amount*), and as otherwise specified in the applicable Pricing Supplement.

6.11 Purchases

The Issuer or any of the Subsidiaries of the Issuer may at any time purchase Perpetual Securities (provided that, in the case of Definitive Bearer Perpetual Securities, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. All such Perpetual Securities may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent (in the case of Bearer Perpetual Securities) or the Registrar (in the case of Registered Perpetual Securities) for cancellation.

6.12 Cancellation

All Perpetual Securities which are redeemed will forthwith be cancelled (together with all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Perpetual Securities so cancelled and any Perpetual Securities purchased and cancelled pursuant to Condition 6.11 (*Purchases*) above (together with all unmatured Coupons and Talons cancelled therewith) shall be forwarded to the Issuing and Paying Agent and cannot be reissued or resold.

7. TAXATION

All payments of principal and distribution in respect of the Perpetual Securities and Coupons by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Perpetual Securities or Coupons after such withholding or deduction shall equal the respective amounts of principal and distribution which would otherwise have been receivable in respect of the Perpetual Securities or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Perpetual Security or Coupon:

(a) presented for payment in any Tax Jurisdiction; or

(b) the holder of which is liable for such taxes or duties in respect of such Perpetual Security or Coupon by reason of the holder having some connection with a Tax Jurisdiction other than the mere holding of such Perpetual Security or Coupon or the receipt of any sums due in respect of such Perpetual Security or Coupon (including, without limitation, the holder being a resident of, or a permanent establishment in, a Tax Jurisdiction); or

(c) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 5.7 (*Payment Day*)); or

(d) to, or to a third party on behalf of, a holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any such third party complies with any statutory requirements or by making or procuring that any such third party makes a declaration of non-residence or residence or any other similar claim for exemption to any tax authority; or

(e) by or on behalf of a holder or a beneficial owner who would have been able to avoid such withholding or deduction by satisfying any statutory or procedural requirements.

Where the Perpetual Securities are not recognised as debt securities for Singapore income tax purposes, all payments in respect of the Perpetual Securities by or on behalf of the Issuer may be subject to Singapore withholding tax, regardless of the underlying receipts from which the distributions are made by CEREIT. In that event, the Issuer will not pay any additional amounts in respect of any such withholding or deduction for or on account of any such taxes or duties.

Notwithstanding any other provision of these Conditions, in no event will the Issuer be required to pay any additional amounts in respect of the Perpetual Securities and Coupons for, or on account of, any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, or any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

As used herein:

(i) **Tax Jurisdiction** means Singapore or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which payments made by the Issuer of principal and distribution on the Perpetual Securities become generally subject; and

(ii) the **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Trustee or the Issuing and Paying Agent or the Registrar, as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Perpetual Securityholders and the Couponholders in accordance with Condition 13 (*Notices*).

8. PRESCRIPTION

The Perpetual Securities (whether in bearer or registered form) and Coupons will become void unless claims in respect of principal and/or distribution are made within a period of five years after the Relevant Date (as defined in Condition 7 (*Taxation*)) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 5.2 (*Presentation of Definitive Bearer Perpetual Securities and Coupons*) or any Talon which would be void pursuant to Condition 5.2 (*Presentation of Definitive Bearer Perpetual Securities and Coupons*).

9. ENFORCEMENT EVENT

9.1 Non-payment when due: Notwithstanding any of the provisions below in this Condition 9 (*Enforcement Event*), the right to institute Winding-Up proceedings in respect of CEREIT is limited to circumstances where payment under the Perpetual Securities has become due. In the case of any distribution or Arrears of Distribution, such payment will not be due if the Issuer has elected to defer that payment pursuant to Condition 4.6 (*Distribution deferral*), provided that nothing in this Condition 9 (*Enforcement Event*), including any restriction on commencing proceedings, shall in any way restrict or limit any rights of the Trustee or any of its directors, officers, employees or agents to claim from or to otherwise take any action against the Issuer in respect of any costs, charges, fees, expenses or liabilities incurred by such party pursuant to or in connection with the Trust Deed or the Perpetual Securities or the Coupons.

9.2 Enforcement Events: If any of the following events occurs (each, an **Enforcement Event**), the Trustee at its discretion may, and if so requested in writing by holders of not less than 25 per cent. in principal amount of the Perpetual Securities then outstanding or if so directed by an Extraordinary Resolution shall (provided that the Trustee shall have been indemnified and/or secured and/or pre-funded to its satisfaction) institute proceedings for the Winding-Up of CEREIT and/or prove in the Winding-Up of the Issuer and/or CEREIT and/or claim in the liquidation of the Issuer and/or CEREIT for payment of the Perpetual Securities at their principal amount together with any distributions accrued to (but excluding) such date (including any outstanding Arrears of Distribution and any Additional Distribution Amount, if applicable), as provided in the Trust Deed:

(a) **Non-payment:** the Issuer fails to pay the principal of or any distribution (including Arrears of Distributions and Additional Distribution Amounts) on any of the Perpetual Securities when due (save, for the avoidance of doubt, for distributions (including Arrears of Distribution and Additional Distribution Amounts) which have been deferred in accordance with Condition 4.6 (*Distribution deferral*)) and such failure continues for a period of 10 days; or

(b) **Winding-Up:** a final and effective order is made or an effective resolution passed for the Winding-Up or dissolution of the Issuer and/or CEREIT.

9.3 Enforcement: Without prejudice to Condition 9.2 (*Enforcement Events*) but subject to Condition 9.4 (*Entitlement of Trustee*), the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce the terms of the Trust Deed and the Perpetual Securities (other than any payment obligation of the Issuer under or arising from the Perpetual Securities, the Trust Deed, as the case may be, including, without limitation, payment of any principal or distribution (including any Arrears of Distribution and Additional Distribution Amount) in respect of the Perpetual Securities, including any damages awarded for breach of any obligation), provided that in no event shall the Issuer or CEREIT, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums in cash or otherwise, sooner than the same would otherwise have been payable by it.

9.4 Entitlement of Trustee: The Trustee will not be bound to take any such proceedings unless (i) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Perpetual Securityholders and the Couponholders holding not less than 25 per cent. in principal amount of the Perpetual Securities outstanding, and (ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

9.5 Right of Perpetual Securityholders: No Perpetual Securityholder or Couponholder shall be entitled to proceed directly against the Issuer or CEREIT or to institute proceedings for the Winding-Up of CEREIT or claim in the liquidation of the Issuer or CEREIT or to prove in such Winding-Up of the Issuer or CEREIT unless the Trustee, having become so bound to proceed or being able to prove in such Winding-Up of the Issuer or CEREIT or claim in such liquidation or termination, fails or neglects to do so within a reasonable period and such failure or neglect shall be continuing, in which case the Perpetual Securityholder or the Couponholder shall have only such rights against the Issuer and/or CEREIT as those which the Trustee is entitled to exercise as set out in this Condition 9 (*Enforcement Event*).

9.6 Extent of Perpetual Securityholders' or Couponholders' remedy: No remedy against the Issuer or CEREIT, other than as referred to in this Condition 9 (*Enforcement Event*), shall be available to the Trustee, the Perpetual Securityholders or the Couponholders, whether for the recovery of amounts owing in respect of the Perpetual Securities or the Coupons or under the Trust Deed or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Perpetual Securities or the Coupons or under the Trust Deed.

10. REPLACEMENT OF PERPETUAL SECURITIES, COUPONS AND TALONS

Should any Perpetual Security, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Issuing and Paying Agent, or as the case may be, the Registrar, upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer, the Issuing and Paying Agent or the Registrar may reasonably require. Mutilated or defaced Perpetual Securities, Coupons or Talons must be surrendered before replacements will be issued.

11. PAYING AGENTS AND REGISTRAR

The initial Agents are set out above. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in the applicable Pricing Supplement.

The Issuer is entitled, with the prior written approval of the Trustee, to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, provided that:

(a) there will at all times be an Issuing and Paying Agent and a Registrar;

(b) so long as there are outstanding Perpetual Securities cleared through CDP, a CDP Paying Agent, a CDP Registrar and a CDP Transfer Agent; and

(c) so long as the Perpetual Securities are listed on any stock exchange or admitted to listing by any other relevant authority or entity, there will at all times be a Paying Agent, which may be the Issuing and Paying Agent, and a Transfer Agent, which may be the Registrar, with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority or entity.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 5.6 (*General provisions applicable to payments*). Notice of any variation, termination, appointment or change in Paying Agents will be given to the Perpetual Securityholders and the Couponholders promptly by the Issuer in accordance with Condition 13 (*Notices*).

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and, in certain circumstances specified therein, of the Trustee and do not assume any obligation to, or relationship of agency or trust with, any Perpetual Securityholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Paying Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its corporate trust business to become the successor paying agent.

12. EXCHANGE OF TALONS

On and after the Distribution Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of distribution due in respect of the Perpetual Security to which it appertains) a further Talon, subject to the provisions of Condition 8 (*Prescription*).

13. NOTICES

All notices regarding Bearer Perpetual Securities will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in Singapore, which is expected to be The Business Times. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Bearer Perpetual Securities are for the time being listed or by which they have been admitted to trading including publication on the website of the relevant stock exchange or relevant authority if required by those rules. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to have been given on such date, as the Trustee shall approve.

All notices regarding the Registered Perpetual Securities will be deemed to be validly given if sent by mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Perpetual Securities are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules.

Until such time as any definitive Perpetual Securities are issued, there may, so long as any Global Perpetual Securities representing the Perpetual Securities are held in their entirety on behalf of (i) Euroclear, Clearstream, be substituted for such publication in such newspaper(s) or such mailing, the delivery of the relevant notice to Euroclear, Clearstream for communication by them to the holders of the Perpetual Securities, (ii) CDP, be substituted for such publication in such newspaper(s) or such mailing, (A) (subject to the agreement of CDP) the delivery of the relevant notice to CDP for communication by them to the holders of the Perpetual Securities, (B) the delivery of the relevant notice to the persons shown in the records maintained by the CDP no earlier than three Business Days preceding the date of despatch of such notice as holding interests in the relevant Global Perpetual Securities, or (C) for so long as the Perpetual Securities are listed on the SGX-ST, the publication of the relevant notice on the website of the SGX-ST at http://www.sgx.com, and, in addition, for so long as any Perpetual Securities are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Perpetual Securities on (x) the day after the day on which the said notice was given to Euroclear, Clearstream and/or CDP, as the case may be, and/or (y) (in the case of Perpetual Securities cleared through CDP) the day after the date of the despatch of such notice to the persons shown in the records maintained by CDP, and/or (z) (in the case of Perpetual Securities cleared through CDP) the date of publication of such notice on the website of the SGX-ST.

Notices to be given by any Perpetual Securityholder or the Couponholder shall be in writing and given by lodging the same, together (in the case of any Perpetual Security in definitive form) with the relative Perpetual Security or Perpetual Securities, with the Issuing and Paying Agent (in the case of Bearer Perpetual Securities) or the Registrar. Whilst any of the Perpetual Securities are represented by a Global Perpetual Security, such notice may be given by any holder of a Perpetual Security to the Issuing and Paying Agent or the Registrar through Euroclear, Clearstream and/or CDP, in each case in such manner as the Issuing and Paying Agent, the Registrar, Euroclear, Clearstream and/or CDP as the case may be, may approve for this purpose.

14. MEETINGS OF PERPETUAL SECURITYHOLDERS AND THE COUPONHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION

14.1 The Trust Deed contains provisions for convening meetings (including by way of teleconference or videoconference call) of the Perpetual Securityholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Perpetual Securities, the Coupons or any of the provisions of the Trust Deed. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Issuer if required in writing by Perpetual Securityholders and the Couponholders holding not less than 10 per cent. in nominal amount of the Perpetual Securities for the time being remaining outstanding.

14.2 The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Perpetual Securities for the time being outstanding, or at any adjourned meeting one or more persons being or representing Perpetual Securityholders and the Couponholders whatever the nominal amount of the Perpetual Securities so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Perpetual Securities or the Coupons or the Trust Deed, including:

(i) modifying any date for payment of distribution thereon;

(ii) reducing or cancelling the amount of principal or the rate of distribution payable in respect of the Perpetual Securities;

(iii) varying the method of calculating the rate of distribution payable in respect of the Perpetual Securities;

(iv) altering the currency of payment of the Perpetual Securities or the Coupons; or

(v) amending the subordination provisions of the Perpetual Securities, the quorum shall be one or more persons holding or representing not less than three-fourths in nominal amount of the Perpetual Securities for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-fourth in nominal amount of the Perpetual Securities for the time being outstanding.

14.3 The Trust Deed provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Trust Deed by a majority consisting of not less than three-fourths of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of the holders of not less than three-fourths in nominal amount of the Perpetual Securities for the time being outstanding (a Written Resolution) or (iii) consent given by way of electronic consents through the relevant clearing system(s) by or on behalf of the holders of not less than three-fourths in nominal amount of the Perpetual Securities for the time being outstanding (an Electronic Consent), shall, in each case, be effective as an Extraordinary Resolution of the Perpetual Securityholders and the Couponholders. An Extraordinary Resolution passed by the Perpetual Securityholders and the Couponholders will be binding on all the Perpetual Securityholders and the Couponholders, whether or not they are present at any meeting, and whether or not they voted on the resolution, and on all Couponholders.

14.4 The Trustee may agree, without the consent of the Perpetual Securityholders or Couponholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Perpetual Securities or the Trust Deed or the Agency Agreement, where, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Perpetual Securityholders and the Couponholders so to do or may agree, without any such consent as aforesaid, to any modification which is of a formal, minor or technical nature or is made to cure any ambiguity or correct a manifest error or an error which, in the opinion of the Trustee, is proven, or to comply with mandatory provisions of law or is required by Euroclear, Clearstream, CDP and/or any other clearing system in which the Perpetual Securities may be held. Any such modification, authorisation or waiver shall be binding on the Perpetual Securityholders and the Couponholders and, if the Trustee so requires, any such modification shall be notified to the Perpetual Securityholders and the Couponholders in accordance with Condition 13 (*Notices*) as soon as practicable thereafter.

14.5 In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or determination), the Trustee shall have regard to the general interests of the Perpetual Securityholders or Couponholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Perpetual Securityholders or Couponholders whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Perpetual Securityholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Perpetual Securityholder or Couponholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Perpetual Securityholders or Couponholders except to the extent already provided for in Condition 7 (*Taxation*) and/or any undertaking or covenant given in addition to, or in substitution for, Condition 7 (*Taxation*) pursuant to the Trust Deed.

14.6 Substitution

The Trustee may, without the consent of the Perpetual Securityholders, agree with the Issuer to the substitution in place of the Issuer (or of any previous substitute under this Condition) as the principal debtor under the Perpetual Securities, the Coupons and the Trust Deed of another company, being a Subsidiary of CEREIT, subject to (i) the Perpetual Securityholders being unconditionally and irrevocably guaranteed by the Issuer, (ii) the Trustee being satisfied that the interests of the Perpetual Securityholders will not be materially prejudiced by the substitution and (iii) certain other conditions set out in the Trust Deed being complied with.

14.7 Substitution of the CEREIT Trustee

The Issuer may substitute in place of Perpetual (Asia) Limited (in its capacity as trustee of CEREIT) (or of the previous substitute under this Condition 14.7) as the principal debtor under the Perpetual Securities, the Coupons and the Trust Deed another company being appointed as the replacement or substitute trustee of CEREIT (such substituted company being hereinafter called the **New CEREIT Trustee**) in accordance with the terms of the CEREIT Trust Deed, subject to:

(a) relevant accession or supplemental agreements, trust deeds or deeds poll being executed or some other form of undertaking being given by the New CEREIT Trustee, agreeing to be bound by the provisions of the Trust Deed as fully as if the New CEREIT Trustee had been named in the Trust Deed as the principal debtor in place of the Issuer (or of the previous substitute under this Condition 14.7);

(b) the Trustee being provided with evidence to its satisfaction that the appointment of the New CEREIT Trustee has been completed in accordance with the terms of the CEREIT Trust Deed, including a copy of the deed supplemental to the CEREIT Trust Deed providing for such appointment, a confirmation from the CEREIT Manager that the Deposited Property (as defined in the CEREIT Trust Deed) has been vested in the New CEREIT Trustee, and an opinion from independent legal advisers of recognised standing to the effect such appointment of the New CEREIT Trustee is legal, valid and binding on CEREIT; and

(c) certain other conditions set out in the Trust Deed being complied with.

The Issuer shall deliver to the Trustee a certificate signed by two authorised signatories of the Issuer stating that the appointment of the New CEREIT Trustee has been completed in accordance with the terms of the CEREIT Trust Deed and that the conditions set out in the Trust Deed for the substitution of Perpetual (Asia) Limited (in its capacity as trustee of CEREIT) (or of any previous substitute) have been complied with and the Trustee shall be entitled to accept the certificate as sufficient evidence of the conditions precedent set out above, in which event it shall be conclusive and binding on the Perpetual Securityholders and the Couponholders.

Upon the execution of such documents and compliance with such requirements, the New CEREIT Trustee shall be deemed to be named in the Perpetual Securities, the Coupons and the Trust Deed as the principal debtor in place of Perpetual (Asia) Limited (in its capacity as trustee of CEREIT) (or in place of the previous substitute under this Condition 14.7) under the Perpetual Securities, the Coupons and the Trust Deed and the Perpetual Securities, the Coupons and the Trust Deed shall be deemed to be modified in such manner as shall be necessary to give effect to the above provisions and, without limitation, references in the Perpetual Securities, the Coupons and the Trust Deed to Perpetual (Asia) Limited (in its capacity as trustee of CEREIT) and/or the CEREIT Trustee and/or the Issuer (or such previous substitute under this Condition 14.7), unless the context otherwise requires, be deemed to be or include references to the New CEREIT Trustee.

15. INDEMNIFICATION OF THE TRUSTEE AND TRUSTEE CONTRACTING WITH THE ISSUER

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or pre-funded to its satisfaction.

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into business transactions with the Issuer, CEREIT and/or any of their respective Subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer, CEREIT and/or any of their respective Subsidiaries, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Perpetual Securityholders or Couponholders and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

16. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Perpetual Securityholders or the Couponholders to create and issue further perpetual securities having terms and conditions the same as the Perpetual Securities or the same in all respects save for the amount and date of the first payment of distribution thereon and the date from which distribution starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding Perpetual Securities.

17. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT

No person shall have any right to enforce any term or condition of this Perpetual Security under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

18. GOVERNING LAW AND SUBMISSION TO JURISDICTION

18.1 Governing law

The Perpetual Securities, the Coupons, the Trust Deed the Agency Agreement, the Coupons, the Trust Deed and the Agency Agreement are governed by and shall be construed in accordance with Singapore law.

18.2 Submission to jurisdiction

(a) Subject to Condition 18.2(c), the Singapore courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Trust Deed, the Perpetual Securities and/or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity (a **Dispute**) and accordingly each of the Issuer, the Trustee, any Perpetual Securityholders and Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the Singapore courts.

(b) For the purposes of this Condition 18.2 (*Submission to jurisdiction*), the Issuer waives any objection to the Singapore courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.

(c) To the extent allowed by law, the Trustee, the Perpetual Securityholders and the Couponholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

19. ACKNOWLEDGEMENT BY PARTIES

(a) Notwithstanding any provision to the contrary in these Conditions, the Trust Deed, the Perpetual Securities, the Coupons, the Talons and any documents in connection herewith, the Trustee, the Perpetual Securityholders and the Couponholders hereby agree and acknowledge that Perpetual (Asia) Limited (**Perpetual**) is entering into into these Conditions, the Perpetual Securities and any documents in connection herewith solely in its capacity as trustee of CEREIT and not in its personal capacity and all references to the "Issuer" and "CEREIT Trustee" in these Conditions, the Trust Deed, the Perpetual Securities, the Coupons, the Talons and any documents in connection herewith shall be construed accordingly. As such, notwithstanding any provision to the contrary in these Conditions, the Trust Deed, the Perpetual Securities, the Coupons, the Talons and any documents in connection herewith, Perpetual has assumed all obligations under these Conditions, the Trust Deed, the Perpetual Securities, the Coupons, the Talons and any documents in connection herewith solely in its capacity as trustee of CEREIT and not in its personal capacity and any liability of or indemnity, covenant, undertaking, representation and/or warranty given by the Issuer under these Conditions, the Trust Deed, the Perpetual Securities, the Coupons, the Talons and any documents in connection herewith is given by Perpetual in its capacity as trustee of CEREIT and not in its personal capacity and any power or right conferred on any receiver, attorney, agent and/or delegate is limited to the assets of CEREIT over which Perpetual in its capacity as trustee of CEREIT has recourse and shall not extend to any personal or other assets of Perpetual or any assets held by Perpetual in its capacity as trustee of any trust (other than CEREIT). Any obligation, matter, act, action or thing required to be done, performed or undertaken by the Issuer under these Conditions, the Trust Deed, the Perpetual Securities, the Coupons, the Talons and any documents in connection herewith shall only be in connection with the matters relating to CEREIT and shall not extend to Perpetual's obligations in respect of any other trust or real estate investment trust of which it is a trustee. The foregoing shall not restrict or prejudice the rights or remedies of the Trustee, the Perpetual Securityholders or the Couponholders under law or equity in connection with any gross negligence, fraud, or breach of trust of the Issuer.

(b) Notwithstanding any provision to the contrary in these Conditions, the Trust Deed, the Perpetual Securities, the Coupons, the Talons and any documents in connection herewith, it is hereby acknowledged and agreed that the Issuer's obligations under these Conditions, the Trust Deed, the Perpetual Securities, the Coupons, the Talons and any documents in connection herewith will be solely the corporate obligations of Perpetual in its capacity as trustee of CEREIT and that the Trustee, the Perpetual Securityholders and the Couponholders shall not have any recourse against the shareholders, directors, officers or employees of Perpetual for any claims, losses, damages, liabilities or other obligations whatsoever in connection with any of the transactions contemplated by the provisions of these Conditions, the Trust Deed, the Perpetual Securities, the Coupons, the Talons and any documents in connection herewith. The foregoing shall not restrict or prejudice the rights or remedies of the Trustee, the Perpetual Securityholders or the Couponholders under law or equity in connection with any gross negligence, fraud, or breach of trust of the Issuer.

(c) For the avoidance of doubt, any legal action or proceedings commenced against the Issuer whether in Singapore or elsewhere pursuant to these Conditions, the Trust Deed, the Perpetual Securities, the Coupons, the Talons and any documents in connection herewith shall be brought against Perpetual in its capacity as trustee of CEREIT and not in its personal capacity. The foregoing shall not restrict or prejudice the rights or remedies of the Trustee, the Perpetual Securityholders or the Couponholders under law or equity in connection with any gross negligence, fraud, or breach of trust of the Issuer.

(d) The provisions of this Condition 19 (*Acknowledgement by Parties*) shall survive the termination or rescission of these Conditions, the Trust Deed, the Perpetual Securities, the Coupons, the Talons and any documents in connection herewith and the redemption or cancellation of the Perpetual Securities, any Receipts and/or any Coupons and shall apply, *mutatis mutandis*, to any notices, certificates or other documents which the Issuer issues under or pursuant to these Conditions, the Trust Deed, the Perpetual Securities, the Coupons, the Talons and any documents in connection herewith as if expressly set out therein.

USE OF PROCEEDS

Unless otherwise specified in the applicable Pricing Supplement, the net proceeds from the issue of each Tranche of Perpetual Securities will be used by the Group for financing or refinancing its acquisitions and/or investments, financing any asset enhancement works in which it has an interest, refinancing its existing borrowings and general corporate purposes.

SUMMARY FINANCIAL INFORMATION

The following tables present summary consolidated financial information of the Group as at and for the periods indicated.

The summary consolidated financial information relating to the Group as at and for the years ended 31 December 2018, 31 December 2019 and 31 December 2020 has been derived from the audited consolidated financial statements of the Group as at and for the financial years ended 31 December 2018, 31 December 2019 and 31 December 2020 respectively. The summary consolidated financial information relating to the Group as at and for the six-month periods ended 30 June 2020 and 30 June 2021 have been derived from the Group's unaudited financial statements announcement as at and for the six months ended 30 June 2021. The summary consolidated financial information relating to the Group should be read in conjunction with such audited consolidated financial statements and unaudited financial statements announcement and the notes thereto, included elsewhere in this Information Memorandum.

The Issuer's financial year ends on 31 December, and references to any specific year are to the 12-month period ended on 31 December of such year, with the exception of the audited consolidated financial statements of the Group for FY2018 which are for the period from the date of constitution of the Issuer (being 28 April 2017) to 31 December 2018. Investors should note that the comparative amounts presented for the consolidated financial statements in relation to the 20-month period for FY2018 would not be directly comparable to the 12-month periods for FY2019 and FY2020, given that the lengths of financial periods are not similar. See further the risk factor "The financial information of the Group for FY2018 is not directly comparable with the corresponding financial information for FY2019 and FY2020".

Consolidated Statement of Total Return

	Group				
	FY2020	**FY2019**	**FY2018**[1]	**1H2021**	**1H2020**
	(audited)	**(audited)**	**(audited)**	**(unaudited)**	**(unaudited)**
	€'000	**€'000**	**€'000**	**€'000**	**€'000**
Gross revenue	186,972	177,046	142,126	99,019	93,660
Property operating expense	(69,643)	(60,900)	(46,955)	(34,732)	(35,939)
Net property income	**117,329**	**116,146**	**95,171**	**64,287**	**57,721**
Net finance costs	(17,894)	(18,786)	(13,540)	(11,368)	(8,085)
Manager's fees	(5,246)	(6,620)	(3,640)	(2,764)	(2,656)
Trustee fees	(260)	(250)	(201)	(136)	(132)
Trust expenses	(4,945)	(5,200)	(4,844)	(2,715)	(2,466)
Net income before tax and fair value changes	**88,984**	**85,290**	**72,946**	**47,304**	**44,382**
Loss on disposal of assets/ liabilities held for sale	(358)	–	–	–	(875)
Gain on disposal of investment property	–	2,018	–	–	–
Fair value gain/(loss) – investment properties	8,569	42,378	36,679	28,141	(24,904)
Fair value (loss)/gain – derivative financial instruments	(658)	355	(323)	(9)	(430)
Total return for the year/ period before tax	**96,537**	**130,041**	**109,302**	**75,436**	**18,173**
Income tax (expense)/credit	(17,174)	(20,996)	(21,242)	(14,897)	252

[1] Period from the date of constitution of the Issuer (being 28 April 2017) to 31 December 2018.

	Group				
	FY2020	FY2019	FY2018[2]	1H2021	1H2020
	(audited)	(audited)	(audited)	(unaudited)	(unaudited)
	€'000	€'000	€'000	€'000	€'000
Total return for the year/ period attributable to Unitholders	**79,363**	**109,045**	**88,060**	**60,539**	**18,425**
Earnings per unit					
Basic and diluted earnings per unit (€ cents)[1]	15.525	22.990	38.850	11.168	3.604

Consolidated Statement of Comprehensive Income

	Group				
	FY2020	FY2019	FY2018[2]	1H2021	1H2020
	(audited) €'000	(audited) €'000	(audited) €'000	(unaudited) €'000	(unaudited) €'000
Total return for the year/ period	**79,363**	**109,045**	**88,060**	**60,539**	**18,425**
Other comprehensive income for the year/period, net of tax	–	–	–	–	–
Exchange differences arising on translation of proceeds from issue of units in foreign currency	–	–	112	–	–
Total comprehensive income for the year/period	**79,363**	**109,045**	**88,172**	**60,539**	**18,425**

Balance Sheets

	Group				
	As at 31 December	As at 31 December	As at 31 December	As at 30 June	As at 30 June
	2020	2019	2018	2021	2020
	(audited) €'000	(audited) €'000	(audited) €'000	(unaudited) €'000	(unaudited) €'000
Current assets					
Cash and cash equivalents	43,593	79,250	57,755	80,772	157,978
Assets held for sale	–	68,953	–	5,800	–
Receivables	15,943	57,002	49,719	15,860	38,155
Current tax assets	1,397	1,260	227	1,479	346
Total current assets	**60,933**	**206,465**	**107,701**	**103,911**	**196,479**

1 Periods prior to 2021 are adjusted for 5:1 unit consolidation to provide for a like-for-like comparison.

2 Period from the date of constitution of the Issuer (being 28 April 2017) to 31 December 2018.

	Group				
	As at 31 December	As at 31 December	As at 31 December	As at 30 June	As at 30 June
	2020	2019	2018	2021	2020
	(audited) €'000	(audited) €'000	(audited) €'000	(unaudited) €'000	(unaudited) €'000
Non-current assets					
Investment properties	2,184,529	2,041,499	1,690,224	2,337,029	2,067,980
Receivables	1,028	605	688	659	605
Derivative financial instruments	126	883	5	117	397
Deferred tax assets	3,836	5,421	16,224	5,774	5,415
Total non-current assets	**2,189,519**	**2,048,408**	**1,707,141**	**2,343,579**	**2,074,397**
Total assets	**2,250,452**	**2,254,873**	**1,814,842**	**2,447,490**	**2,270,876**
Current liabilities					
Borrowings	–	20,438	–	–	–
Payables	28,515	30,757	43,557	32,195	31,866
Current tax liabilities	2,943	6,885	2,113	2,333	5,669
Derivative financial instruments	–	99	271	–	43
Other current liabilities	25,418	41,253	30,899	28,789	37,507
Liabilities held for sale	–	1,770	–	–	–
Total current liabilities	**56,876**	**101,202**	**76,840**	**63,317**	**75,085**
Non-current liabilities					
Payables	–	301	742	–	301
Borrowings	847,068	803,360	591,733	921,775	878,159
Deferred tax liabilities	36,627	28,133	21,531	50,934	23,143
Other non-current liabilities	7,729	7,289	5,229	6,916	8,488
Total non-current liabilities	**891,424**	**839,083**	**619,235**	**979,625**	**910,091**
Total liabilities	**948,300**	**940,285**	**696,075**	**1,042,942**	**985,176**
Net assets attributable to Unitholders	**1,302,152**	**1,314,588**	**1,118,767**	**1,404,548**	**1,285,700**

	Group				
	As at 31 December	As at 31 December	As at 31 December	As at 30 June	As at 30 June
	2020	2019	2018	2021	2020
	(audited) €'000	(audited) €'000	(audited) €'000	(unaudited) €'000	(unaudited) €'000
Represented by:					
Unitholders' funds	**1,302,152**	**1,314,588**	**1,118,767**	**1,404,548**	**1,285,700**
Units in issue ('000)[1]	511,216	509,557	436,396	559,330	511,216
Net asset value per Unit (EUR)[1]	2.55	2.58	2.56	2.51	2.52

[1] Periods prior to 2021 are adjusted for 5:1 unit consolidation to provide for a like-for-like comparison

DESCRIPTION OF THE GROUP

1.1 CEREIT

Cromwell European Real Estate Investment Trust (**CEREIT**) is a real estate investment trust (a **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 primarily in the office and light industrial/logistics sectors. CEREIT's purpose is to provide unitholders with stable and growing distributions and net asset value per unit over the long term, while maintaining an appropriate capital structure. CEREIT maintains a long-term target portfolio weighting of at least 75% or more within Western Europe and at least 75% or more in the office and light industrial/logistics sectors.

As at 30 June 2021, the portfolio of CEREIT (the **CEREIT Portfolio**) comprises 108 properties with an appraised value of approximately €2,336.8 million in or close to major gateway cities in the Netherlands, Italy, France, Poland, Germany, Finland, Denmark, the Czech Republic and Slovakia with a balanced focus primarily on office and light industrial/logistics sectors. The CEREIT Portfolio has an aggregate lettable area of approximately 1.7 million square metres (**sqm**) with over 800 tenant-customers and a WALE profile of approximately 4.72 years as at 30 June 2021.

CEREIT is the first REIT with a diversified pan-European portfolio listed on the Singapore Exchange Securities Trading Limited (the **SGX-ST**). CEREIT is managed by Cromwell EREIT Management Pte. Ltd. (the **CEREIT Manager**), a wholly-owned subsidiary of CEREIT's sponsor, Cromwell Property Group (the **Sponsor**), a real estate investor and manager with operations in 14 countries and which is listed on the Australian Securities Exchange Ltd (the **ASX**).

CEREIT was constituted by a trust deed dated 28 April 2017 (as amended and restated from time to time) (the **CEREIT Trust Deed**) between the CEREIT Manager and Perpetual (Asia) Limited as trustee of CEREIT (the **CEREIT Trustee**). CEREIT is a REIT established under the laws of the Republic of Singapore. It is principally regulated by the Securities and Futures Act (the **SFA**) and the Code on Collective Investment Schemes (the **CIS Code**) issued by the Monetary Authority of Singapore (the **MAS**), including Appendix 6 of the CIS Code (the **Property Funds Appendix**), other relevant regulations and the CEREIT Trust Deed. CEREIT was authorised as a collective investment scheme by the MAS on 22 November 2017. The provisions of the SFA and the CIS Code (including the Property Funds Appendix) prescribe certain terms of the CEREIT Trust Deed and certain rights, duties and obligations of the CEREIT Manager, the CEREIT Trustee and holders of units in CEREIT (the **Unitholders**) under the CEREIT Trust Deed. The Property Funds Appendix also imposes certain restrictions on REITs in Singapore, including a restriction on the types of investments which REITs in Singapore may hold, a general limit on their level of borrowings and certain restrictions with respect to interested party transactions (as described under section 5 of the Property Funds Appendix).

1.2 The Manager of CEREIT

Cromwell EREIT Management Pte. Ltd. is the manager of CEREIT. The primary role of the CEREIT Manager is to set the strategic direction of CEREIT and to provide recommendations to the CEREIT Trustee on the acquisition, divestment, development and/or enhancement of CEREIT's assets in accordance with its investment strategy. The CEREIT Manager is also responsible for the risk management of CEREIT. The research, evaluation and analysis required for these objectives are coordinated and carried out by the CEREIT Manager. The CEREIT Manager has general delegated powers of management over the assets of CEREIT, providing a range of services out of both its Singapore office and by its Europe-based team.

The other functions and responsibilities of the CEREIT Manager include:

- **Operations:** using its best endeavours to ensure that CEREIT's operations are carried on and conducted in a proper and efficient manner;

- **Investment management:** formulating CEREIT's investment strategy, including determining the location, sub-sector type and other characteristics of CEREIT's property portfolio, overseeing the negotiations and providing supervision in relation to the investments of CEREIT and making final recommendations to the CEREIT Trustee;

- **Asset management:** formulating CEREIT's asset management strategy, including determining the tenant-customer mix, asset enhancement plans and rationalising operational costs, providing supervision in relation to asset management of CEREIT and making final recommendations to the CEREIT Trustee on material matters;

- **Capital management:** formulating the plans for equity and debt financing for CEREIT's property acquisitions, distribution payments, expense payments and property maintenance payments, executing CEREIT's capital management plans, negotiating with financiers and underwriters, and making final recommendations to the CEREIT Trustee;

- **Finance and accounting:** preparing accounts, financial reports and annual reports for CEREIT on a consolidated basis;

- **Compliance:** making all regulatory filings on behalf of CEREIT and using commercially reasonable best efforts to assist CEREIT in complying with the applicable provisions of the relevant legislation pertaining to the location and operations of CEREIT, the listing manual of the SGX-ST, the CEREIT Trust Deed, any tax ruling and all relevant contracts;

- **Risk management services:** implementing the enterprise risk management framework to set out enterprise level governance, practices and policies. Assess and ensure adequate mitigation of enterprise risk exposures associated with key business operations;

- **Investor relations:** communicating and liaising with investors, research analysts, the investment community and other stakeholder groups;

- **Property planning:** preparing property plans on a regular basis, which may contain proposals and forecasts on revenue, capital expenditures, sales and valuations, explanations of major variances to previous forecasts, written commentary on key issues and any relevant assumptions; and

- **Sustainability:** devising and executing CEREIT's sustainability strategy and plans, including managing stakeholder relations and preparing and submitting sustainability reports and other relevant submissions such as the Global Real Estate Sustainability Benchmark (**GRESB**).

1.3 The Property Manager of CEREIT

Cromwell Europe Limited is the property manager of CEREIT (the **Property Manager**), with a European head office in London and an established property management platform with offices in 17 cities across 11 European countries. The Property Manager is responsible for providing portfolio management services, asset management services, accounting and administration services, financial services and technical property management services. The Property Manager's services include:

- **Investment management services:** assistance with sourcing, due diligence, capital management and execution support for property transactions;

- **Asset management services:** management of the properties, business plan advisory and support services, development/asset enhancement and maintenance services, onboarding of new acquisitions, lease management services, technical management services, sustainability services, appointment and management of third parties, disposal services and general management services;

- **Portfolio management services**;

- **Accounting and administration services**;

- **Treasury management services**;

- **Technical property management services**;

- **Project management services**;

- **Sustainability management services**; and

- **Development management services**.

1.4 The Sponsor of CEREIT

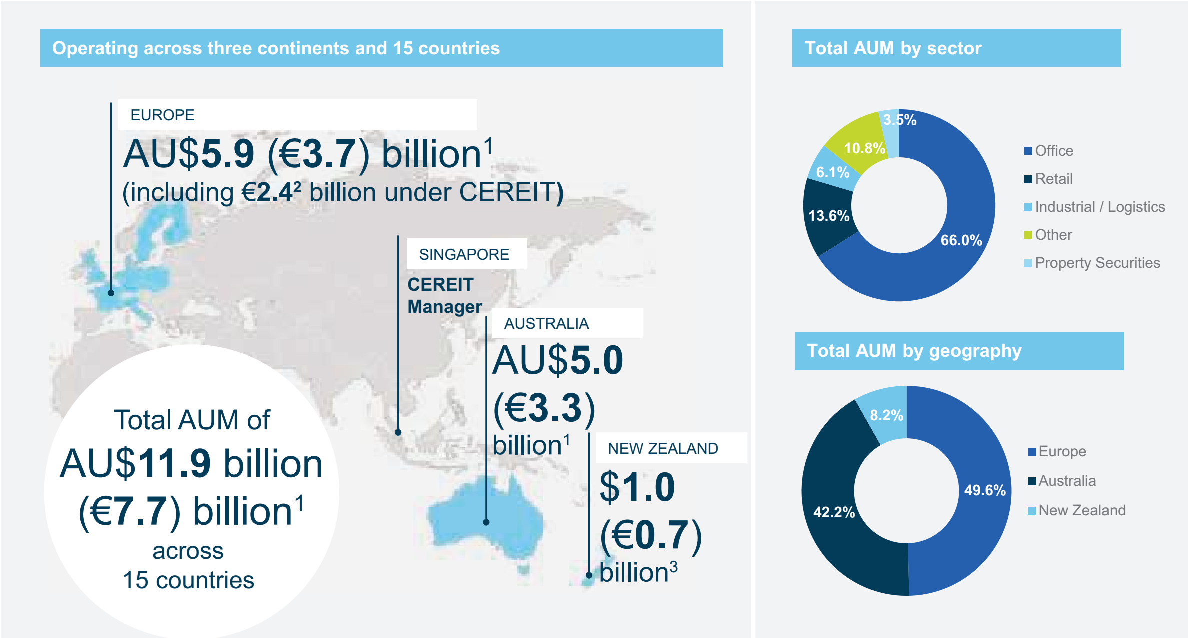
Both the CEREIT Manager and the Property Manager are wholly-owned subsidiaries of Cromwell Property Group, the sponsor of CEREIT.

The Sponsor owns 28.03% of CEREIT's units in issue as at 30 June 2021. The Sponsor is an ASX-listed real estate investor and manager operating on three continents with a global investor base and AUD$11.9 billion (€7.7 billion) of assets under management as at 30 June 2021 (including AUD$5.0 billion (€3.3 billion) in Australia and AUD$1.0 billion (€0.7 billion) in New Zealand)[1], with more than 460 employees in 28 offices across 15 countries.

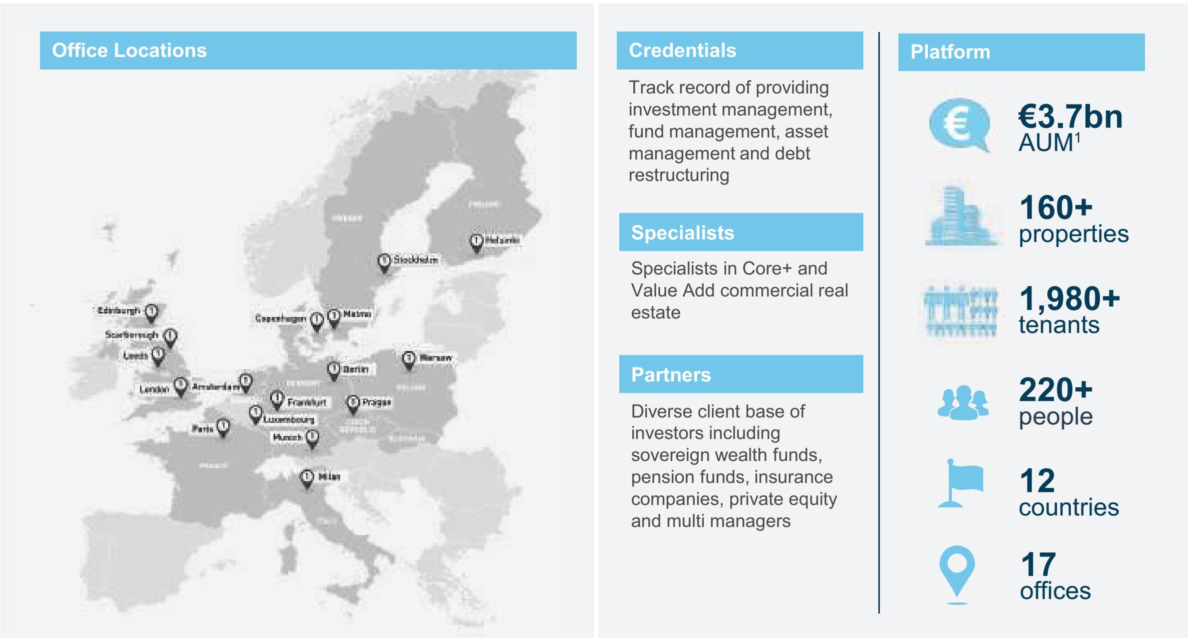
As at 30 June 2021, the Sponsor has approximately €3.7 billion of real estate assets under management in Europe (over 160 properties with more than 1980 tenant-customers) with more than 220 employees across 17 offices in 12 countries in its European operations. It also engages local specialist service providers to assist where required.

[1] 66% office/13.6% retail/6.1% industrial/logistics/10.5% other/3.5% property securities.

The chart below shows the European operations of the Sponsor.



1. Cromwell's operating statistics as at 30 June 2021; source Cromwell's FY 2021 results presentation, 26 August 2021; exchange rate 1 AU$: 0.65
2. Including the latest acquisition in Mira, Greater Venice, Italy
3. Represents Cromwell's 50% equity accounted Interest



1. Source: Cromwell Property Group Credentials Document September 2021; numbers are as at 30 June 2021

The Sponsor operates a fully integrated property, investment and asset management model and takes an active approach to property portfolio and asset management, specialising in value-add projects and asset transformations. Its European team has a track record of more than 20 years managing and owning real estate for institutional investors, in addition to CEREIT.

1.5 The CEREIT Trustee

The trustee of CEREIT is Perpetual (Asia) Limited. It is a company incorporated in Singapore on 30 December 2005 with a paid-up capital of S$9,024,811 as at the Latest Practicable Date. It is an indirect wholly-owned subsidiary of Perpetual Limited, one of the largest independent trustees in Australia and is listed on the ASX. Perpetual (Asia) Limited is licensed as a trust company under the Trust Companies Act, Chapter 336 of Singapore. It is approved to act as a trustee for authorised collective investment schemes under Section 289(1) of the SFA and is regulated by the MAS. It also holds a capital markets services licence for the provision of custodial services. Perpetual (Asia) Limited acts as trustee to Singapore-listed REITs and private unit trusts, custodian to private equity funds and trustee to institutional and retail debt issues including bonds and notes. The CEREIT Trustee is independent of the CEREIT Manager.

Powers, Duties and Obligations of the CEREIT Trustee

The CEREIT Trustee's powers, duties and obligations are set out in the CEREIT Trust Deed. The powers and duties of the CEREIT Trustee include:

- acting as trustee of CEREIT and, in such capacity, safeguarding the rights and interests of the Unitholders, for example, by satisfying itself that transactions it enters into for and on behalf of CEREIT with a Related Party of the CEREIT Manager, the CEREIT Trustee or CEREIT are conducted on normal commercial terms, are not prejudicial to the interests of CEREIT or the Unitholders, and in accordance with all applicable requirements under the Property Funds Appendix and/or the Listing Manual relating to the transaction in question;

- holding the assets of CEREIT on trust for the benefit of the Unitholders in accordance with the CEREIT Trust Deed; and

- exercising all the powers of a trustee and the powers that are incidental to the ownership of the assets of CEREIT.

The CEREIT Trustee has covenanted in the CEREIT Trust Deed that it will exercise all due care, diligence and vigilance in carrying out its functions and duties, and in safeguarding the rights and interests of Unitholders.

In the exercise of its powers, the CEREIT Trustee may (on the recommendation of the CEREIT Manager) and subject to the provisions of the CEREIT Trust Deed, acquire or dispose of any real or personal property, borrow and encumber any asset.

The CEREIT Trustee may, subject to the provisions of the CEREIT Trust Deed, appoint and engage:

- a person or entity to exercise any of its powers or perform its obligations; and

- any real estate agents or managers or service providers or such other persons, including a Related Party of the CEREIT Manager on an arm's length basis, on normal commercial terms and in compliance with the Property Funds Appendix, in relation to the project management, development, leasing, lease management, marketing, property management, purchase or sale of, *inter alia*, any real estate assets and real estate-related assets.

Subject to the CEREIT Trust Deed and the Property Funds Appendix, the CEREIT Manager may direct the CEREIT Trustee to borrow or raise money or obtain other financial accommodation for the purposes of CEREIT, both on a secured and unsecured basis.

The CEREIT Trustee must carry out its functions and duties and comply with all the obligations imposed on it as set out in the CEREIT Trust Deed, the Listing Manual, the SFA, the CIS Code (including the Property Funds Appendix), the Singapore Code on Take-overs and Mergers, any tax ruling and all other relevant laws. It must retain CEREIT's assets, or cause CEREIT's assets to be retained, in safe custody and cause CEREIT's accounts to be audited. Pursuant to the CEREIT Trust Deed, it can appoint any custodian, joint-custodian or sub-custodian (including, without limitation, any Related Party of the CEREIT Trustee) in relation to the whole or any part of CEREIT's assets. It can appoint valuers to value the real estate assets and real estate-related assets of CEREIT in accordance with the CEREIT Trust Deed.

Any liability incurred and any indemnity to be given by the CEREIT Trustee shall be limited to the assets of CEREIT over which the CEREIT Trustee has recourse, provided that the CEREIT Trustee has acted without fraud, gross negligence, wilful default or breach of the CEREIT Trust Deed. The CEREIT Trust Deed contains certain indemnities in favour of the CEREIT Trustee under which it will be indemnified out of the assets of CEREIT for liability arising in connection with certain acts or omissions. These indemnities are subject to any applicable laws.

Retirement and Replacement of the CEREIT Manager or CEREIT Trustee

The CEREIT Manager was appointed in accordance with the terms of the CEREIT Trust Deed. The CEREIT Trust Deed outlines certain circumstances under which the CEREIT Manager can be removed, including by notice in writing given by the CEREIT Trustee upon the occurrence of certain events, or by resolution passed by a simple majority of Unitholders present and voting at a meeting of Unitholders duly convened and held in accordance with the provisions of the CEREIT Trust Deed.

The CEREIT Trustee may retire or be replaced under the following circumstances:

- The CEREIT Trustee shall not be entitled to retire voluntarily except upon the appointment of a new trustee (such appointment to be made in accordance with the provisions of the CEREIT Trust Deed).

- The CEREIT Trustee may be removed by notice in writing to the CEREIT Trustee by the CEREIT Manager:

  o if the CEREIT Trustee goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the CEREIT Manager) or if a receiver is appointed over any of its assets or if a judicial manager is appointed in respect of the CEREIT Trustee;

  o if the CEREIT Trustee ceases to carry on business;

  o if the CEREIT Trustee is in breach of any material obligation imposed on the CEREIT Trustee by the CEREIT Trust Deed, and such breach has not been cured or remedied within 60 days of receipt of written notice of such breach from the CEREIT Manager, provided that at the end of 60 days, the cure period may be extended for such other period as may be agreed between the CEREIT Manager and the CEREIT Trustee;

  o if the Unitholders, by extraordinary resolution duly passed at a meeting of Unitholders held in accordance with the provisions of the CEREIT Trust Deed, and of which not less than 21 days' notice has been given to the CEREIT Trustee and the CEREIT Manager, shall so decide; or

  o if the MAS directs that the CEREIT Trustee be removed.

1.6 CEREIT's Business Model and Investment Strategy

Purpose

CEREIT's primary purpose is to deliver stable and growing distributions and NAV per unit to its Unitholders over the long term, while maintaining an appropriate capital structure.

Investment proposition

CEREIT offers the opportunity to invest in an income-producing, diversified pan-European commercial real estate portfolio managed by a trusted and experienced team.

Strengths

- Resilient and sizeable pan-European portfolio diversified across asset classes, geographies, tenant-customers and industry trade sectors with a long WALE of 4.72 years and high portfolio occupancy of 94.9% as at 30 June 2021;

- Experienced manager, backed by a committed Sponsor with a substantial pan-European platform; and

- Majority independent board directors with steadfast commitment to high environmental, social and governance (**ESG**) standards and disclosures.

Investment strategy

CEREIT aims to generate superior risk-adjusted returns for its Unitholders by buying, owning and actively managing real estate in line with its investment strategy (including disposal of any property that has reached a stage that offers only limited scope for growth or has higher risk). CEREIT's portfolio has a deliberate mix of core and core plus assets to provide the quality and security of cashflows, overlaid with approximately 10% of its asset being described as value add for medium to longer term redevelopment opportunities.

CEREIT maintains a long-term target portfolio weighting of at least 75% or more within Western Europe and at least 75% or more in the office and light industrial/logistics sectors, with a current predominant focus on:

- increasing exposure to the light industrial/logistics sector towards 50% of the CEREIT Portfolio, including logistics opportunities in the post-Brexit UK market;

- divesting a number of select office buildings and other non-strategic assets; and

- progressing key redevelopment opportunities in Paris, Amsterdam and Milan.

The CEREIT Manager aims to achieve CEREIT's objectives through executing the following key strategies:

Active asset management and asset enhancement

- Seeking to drive sustainable and organic growth in income, typically benefiting from annual consumer price index linked rental adjustments, market rent growth reversion on renewals and active asset enhancement initiatives while maintaining and attracting new enduring tenant-customer relationships.

- Continually monitoring each asset's expected contribution to earnings and NAV growth, utilising the Sponsor's proprietary 13-risk factor dynamic portfolio optimisation tool to ensure sustainable and appropriate risk return characteristics.

- Executing the sale of assets that do not meet the risk-return criteria and recycling capital into investment opportunities that will enhance DPU and NAV per unit over the medium to long term.

- Regularly evaluating properties for property enhancement or redevelopment opportunities and executing these plans to enhance CEREIT's returns. Plans will also include specific ESG initiatives to future proof each asset.

Growth through acquisitions

- Adopting rigorous research-backed selection process focused on long-term sector trends and fundamental real estate qualities to ensure investments are focused on attractive locations with above average future tenant demand and an acceptable supply outlook to maximise rent and capital growth.

- Securing a diverse blend of core and core plus assets that provide attractive cash flows and yields, with thorough environmental and risk analysis to enhance risk-adjusted returns for Unitholders.

- Securing a smaller number of value add assets that create future redevelopment, expansion or repositioning opportunities for further DPU and NAV growth and leverage extensive on-the-ground teams to fully capture each asset's potential upside.

Responsible capital management

- Maintaining a strong balance sheet and an investment grade credit rating, employing an appropriate mix of debt, hybrids and equity with sufficient liquidity and tenure.

- Accessing diversified public and private funding sources, including global financial institutions and capital market investors.

- Optimising the cost of debt and financing, utilising interest rate and foreign exchange hedging strategies where appropriate.

High ESG standards and disclosures

- Employing a rigorous approach to ESG matters to achieve high sustainability standards in the operation and management of CEREIT, consistent with the values of the Sponsor and with guidance from the board of the CEREIT Manager (the **Board**) and meeting relevant regulations.

- Safeguarding Unitholders' interests through robust corporate governance and risk management.

- Continuously enhancing corporate disclosures and ESG policies.

- Augmenting senior management's ESG-linked KPIs.

- Improving CEREIT's ranking in relevant Singapore and global ESG ratings.

1.7 Research-backed Approach to Acquisitions

The CEREIT Manager's approach to investment combines research-based fundamental market analysis with rigorous evaluation of property-specific variables and financial forecasts to enable the CEREIT Manager to select assets that meet its investment criteria and enhanced risk adjusted returns.

The initial asset selection entails top-down comprehensive analysis including a number of criteria covering mega trends and a mixture of cities and countries. The process identifies long-term sector mega trends and fundamental real estate attributes to shortlist countries and sectors that will provide attractive returns.

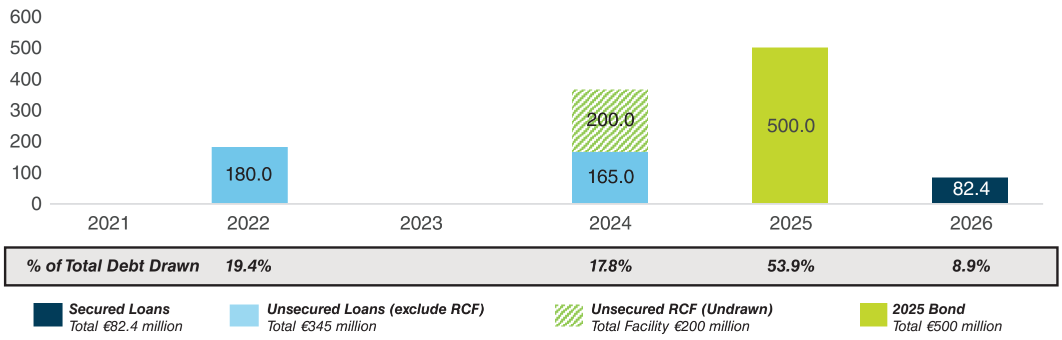
Once top-down comprehensive data analysis has yielded targeted city locations and asset type, the bottom-up investment strategy process focuses on the refinement of the data of portfolio optimisation. For this part of the process, the investment management team has developed proprietary analytics tools that provide the Board with a broad framework to assist in the evaluation of the proposed acquisitions and divestments. This, in turn, allows the asset management team to optimise the portfolio through monitoring key asset and market risks and identify "outliers". These tools include the following:

- an enhanced property risk matrix across three broad categories, encapsulating 13 risk factors, that provides a framework to assess existing properties, proposed investments and potential divestments. The matrix factors in asset, market location, execution, financial and ESG risks. The matrix visualises how the identified asset enhances or detracts from the existing portfolio risk/return profile and lays out the assessed risks in a standardised framework to consider against the projected returns; and

- a dynamic portfolio optimisation tool that provides a real-time measure of CEREIT's overall risk and return by producing an "efficient frontier curve". The tool maps out a dynamic efficient frontier of CEREIT's investable universe, based on the investment team's evaluation of expected returns and an assessment of the overall risk profile of a typical CEREIT property across each asset class in identified cities and countries.

1.8 Capital Structure of the Group

(a) Pro-forma Debt Maturity Profile as at 30 June 2021



(b) Other information on capital structure of the Group

	As at 30 June 2021	As at 31 December 2020	Change%
Gross asset value ("GAV") (€'000)	**2,447,490**	2,250,452	8.8%
Net tangible assets (€'000)	**1,404,548**	1,302,152	7.9%
Gross borrowings before unamortised debt issue costs (€'000)	**927,375**	857,375	8.2%
Aggregate leverage (%)	**37.9%**	38.1%	(0.2) p.p.
Aggregate leverage excluding distribution (%)(1)	**38.4%**	38.9%	(0.5) p.p.
Net Gearing (%)(2)	**35.8%**	36.9%	(1.1) p.p.
Units issued ('000)(3)	**559,330**	511,216	9.4%
NAV per unit (€ per unit)(3)	**2.51**	2.55	(2.0%)
Adjusted NAV € per unit (excluding distributable income)	**2.46**	2.46	–

p.p – Percentage point

(1) Aggregate leverage excluding distribution is calculated by deducting the distributable income not yet distributed at period end from GAV

(2) Net Gearing is calculated as aggregate debt less cash over total assets less cash

(3) Comparative numbers are adjusted for 5:1 unit consolidation to provide for a like-for-like comparison

In FY2020, the CEREIT Manager completed a significant transformation of the original IPO debt structure of predominantly secured or mortgaged debt to mostly unsecured debt. At the onset of the Covid-19 pandemic in the first quarter of 2020, the CEREIT Manager quickly moved to preserve cash and unitholder value and pre-emptively drew down on a €150 million revolving credit facility (the **2019 RCF**). As the supporting measures from governments and central banks had the desired effect on the financial markets, the CEREIT Manager repaid half of the 2019 RCF by the end of 1H2020 and the remaining €75 million of the 2019 RCF by the end of 2H2020.

In October 2020, CEREIT entered into a separate four-year €135 million unsecured revolving credit facility, with an accordion increase option of €65 million (the **2020 RCF**). Such accordion option was exercised in April 2021 increasing the 2020 RCF to €200 million and the 2019 RCF was cancelled.

CEREIT was assigned a credit rating of "BBB- with stable outlook", an investment grade rating by Fitch Ratings in October 2020. The credit rating was underpinned by CEREIT's high-quality tenant-customer base and geographically diverse portfolio of office and light industrial/logistics properties.

In October 2020, Cromwell EREIT Lux Finco S.à r.l. established a €1.5 billion euro medium term note programme (the **EMTN Programme**) unconditionally and irrevocably guaranteed by the CEREIT Trustee and Cromwell EREIT Lux 2 S.à r.l. In late November 2020, an inaugural €300 million five-year Series 1 Notes due in November 2025 were issued pursuant to the EMTN Programme, at a re-offer yield of 2.161%. In early 2021, on the back of strong demand, a further €200 million notes were issued at a re-offer yield of 1.60%, which brought the Series 1 Notes to a benchmark size of €500 million. The net proceeds from the Series 1 Notes under the EMTN Programme were used to refinance existing debt. This improved CEREIT's debt maturity profile, extending its weighted average debt expiry, with no drawn debt expiries until November 2022.

In March 2021, CEREIT also completed a €100 million private placement of new equity which was over-subscribed.

As at 30 June 2021, CEREIT had a combination of property level and unsecured financing facilities with total loans outstanding of €927,375,000, with a weighted average term to maturity of 3.8 years. As at 30 June 2021, CEREIT enjoys a relatively low annualised interest cost of approximately 1.72% and a high interest coverage ratio of 6.0 times. CEREIT's aggregate leverage stands at 37.9%. CEREIT's total gross debt is effectively fully-hedged at a fixed rate.

1.9 Unitholding and Trusteeship

Units

As at the Latest Practicable Date, CEREIT's subscribed units amounted to 561,044,552 units with total market capitalisation of €1,453,105,390, based on the closing price of €2.59 per unit.

CEREIT does not hold any of its own units.

Capital management

On 4 March 2021, the CEREIT Manager announced that CEREIT had issued 232,558,100 new Units at an issue price of €0.43 per new Unit in connection with a private placement (equivalent to 46,511,620 units and €2.15 post the Unit Consolidation).

On 31 March 2021, the CEREIT Manager announced that CEREIT had issued 8,011,760 new Units at an issue price of €0.4356 per new Unit in connection with the Distribution Reinvestment Plan (equivalent to 1,602,352 units and €2.178 post the Unit Consolidation).

On 7 May 2021, the CEREIT Manager announced the completion of CEREIT's unit consolidation exercise (the **Unit Consolidation**). The Unit Consolidation involved the consolidation of every five existing Units in CEREIT held by Unitholders as at 5.00 p.m. on 6 May 2021 into one Unit (the **Consolidated Unit**). The Unit Consolidation reduced the number of Units in issue from 2,796,650,416 existing Units in issue (as at 6 May 2021) to 559,329,743 Consolidated Units following the completion of the Unit Consolidation, with the unit price increasing by five times.

With a strong anchor of holding companies in the Grand Duchy of Luxembourg, CEREIT has a customary number of European subsidiaries as shown in the structure chart included in the section "Description of the Group – Proposed reorganisation of the Group – Structure Charts".

CEREIT is not dependent on any patents or licences which are material to its business and operations.

1.10 Board of Directors and Executive Officers of the CEREIT Manager

Board of Directors of the CEREIT Manager

The Board is entrusted with the responsibility for the overall management of the CEREIT Manager. The CEREIT Manager was incorporated in Singapore on 31 January 2017 and has an issued and paid-up capital of S$4,035,252 as at the Latest Practicable Date. The CEREIT Manager's registered office is located at 50 Collyer Quay, #07-02, OUE Bayfront Singapore 049321. The following table sets forth certain information regarding the directors of the CEREIT Manager.

Name	Age	Address	Position
Lim Swe Guan	66	c/o 50 Collyer Quay, #07-02, OUE Bayfront, Singapore 049321	Chair and Independent Non-Executive Director
Fang Ai Lian	71	c/o 50 Collyer Quay, #07-02, OUE Bayfront, Singapore 049321	Independent Non-Executive Director and Chair of the Audit and Risk Committee
Christian Delaire	53	c/o 50 Collyer Quay, #07-02, OUE Bayfront, Singapore 049321	Independent Non-Executive Director and Chair of the Nominating and Remuneration Committee
Ooi Eng Peng	65	c/o 50 Collyer Quay, #07-02, OUE Bayfront, Singapore 049321	Non-Independent Non-Executive Director
Simon Garing	52	c/o 50 Collyer Quay, #07-02, OUE Bayfront, Singapore 049321	Executive Director and Chief Executive Officer

Experience and Expertise of the Board of Directors of the CEREIT Manager

Information on the business and working experience of the directors of the CEREIT Manager is set out below:

Mr Lim Swe Guan is the Chair and an Independent Non-Executive Director of the CEREIT Manager. He is also a member of the Nominating and Remuneration Committee and the Audit and Risk Committee.

Mr Lim has extensive experience in the investment management and real estate sectors. From 1986 to 1995, he was with Jones Lang Wootton in Sydney, where his last held position was Research Director. He joined Suncorp Investments, Brisbane, Australia and worked as the Portfolio Manager of Property Funds from 1995 to 1997. From 1997 to 2008, he was with the Government of Singapore Investment Corporation, where his last held position was Regional Manager. From 2008 to 2011, he was a Managing Director of GIC Real Estate. His responsibilities included being the Regional Head of Property Investment for Australia, Japan and Southeast Asia and the Global Head of the Corporate Investments Group that invests in public REITs and property companies.

Mr Lim is a director of the Asia Pacific Real Estate Association, a non-profit organisation that promotes real estate investment in the APAC region.

Mr Lim holds a Bachelor of Science in Estate Management from the University of Singapore and a Master of Business Administration from the Colgate Darden Graduate School of Business, The University of Virginia. He is also a Chartered Financial Analyst of the CFA Institute.

Mrs Fang Ai Lian is an Independent Non-Executive Director of the CEREIT Manager and the Chair of the Audit and Risk Committee and a member of the Nominating and Remuneration Committee.

Mrs Fang was with Ernst & Young LLP from 1974 to 2008 and held various senior management positions in the firm. She was appointed Managing Partner of the firm in 1996 and Chair in 2005.

Mrs Fang is currently an Independent Director of Singapore Post Limited, Metro Holdings Limited, which are listed on the SGX-ST. Mrs Fang has previously served on the boards of other companies listed on the SGX-ST, including Banyan Tree Holdings Limited, Great Eastern Holdings Limited, Singapore Telecommunications Limited and Oversea-Chinese Banking Corporation Limited. Additionally, Mrs Fang is also Chair of the Board of Trustees of the Singapore Business Federation and Medishield Life Council.

Mrs Fang is qualified as a Chartered Accountant in England. She is a Fellow of the Institute of Chartered Accountants in England & Wales and is a Fellow of the Institute of Singapore Chartered Accountants.

Mr Christian Delaire is an Independent Non-Executive Director of the CEREIT Manager and the Chair of the Nominating and Remuneration Committee and a member of the Audit and Risk Committee.

Mr Delaire has more than 25 years of experience in the investment management and real estate sectors. After a first experience with KPMG audit as financial and accounting auditor, Mr Delaire joined AXA Real Estate in 1994. From 1994 to 2009, Mr Delaire held various roles throughout the organisation including Head of Asset Management France, Global Head of Corporate Finance and Global Chief Investment Officer. In 2009, Mr Delaire joined AEW Europe, a real estate fund management company in Europe, as Chief Executive Officer (**CEO**), where he managed the Company from 2009 to 2014. Under Mr Delaire's management, AEW Europe's asset under management grew from €16.7 billion to €18 billion. From 2014 to 2016, Mr Delaire also acted as the Global CEO of Generali Real Estate, where he was responsible for the overall strategic vision and management of the firm and its €28 billion worth of assets.

Mr Delaire is currently Senior Advisor to Foncière Atland, a real estate development, investment and asset management company listed on the Euronext Paris Stock Exchange. He is also an Independent Director of Covivio SA, a REIT listed on Euronext Paris Stock Exchange.

Mr Delaire holds a Master of Science in Management from the ESSEC Business School in Paris.

Mr Ooi Eng Peng is a Non-Independent Non-Executive Director of the CEREIT Manager.

Mr Ooi has more than 35 years of real estate experience, including in property investment, development, project management, fund investment and management and capital partnerships in Australia and across Asia.

Mr Ooi joined Lendlease in 1981, working in various finance roles in Sydney, before taking on the role of Chief Financial Officer, Asia in the late 1990s. Later, Mr Ooi returned to Sydney with Lendlease and fulfilled the roles of Chief Financial Officer of Lendlease Development (2000 – 2002), Global Chief Financial Officer of Lendlease Investment Management (2002 – 2003) and Asia Pacific Chief Financial Officer, Lendlease Communities (2003 – 2005). From 2006 to 2010, Mr Ooi was the Asia Chief Executive Officer, Lendlease Investment Management and Retail, based in Singapore. In 2010, Mr Ooi was appointed Asia Chief Executive Officer for Lendlease.

Since retiring from his executive career in late 2011, Mr Ooi has gained board and board committee experience at both listed and non-listed entities across Asia Pacific.

Mr Ooi Eng Peng is the Non-Executive Deputy Chair on the Board of Directors of the Sponsor. Mr Ooi is also currently Deputy Chair and non-independent Non-executive Director of ESR Funds Management (S) Limited, the manager of SGX-listed ESR-REIT and was Chair from 2017 to 30 June 2021. Mr Ooi was previously a Non-executive Director of formerly-SGX-listed Perennial Real Estate Holdings Limited (2015 – 2020), Frasers Property Australia (2014 – 2018) and Perennial China Retail Trust Management Pte Ltd (2012 – 2014).

Mr Ooi holds a Bachelor of Commerce from the University of New South Wales and is a Member of the Certified Practising Accountants of Australia and a Member of the Singapore Institute of Directors.

Mr Simon Garing is the CEO and Executive Director of the CEREIT Manager.

Mr Garing has over 25 years of investment management, financial markets, and accounting experience in the global real estate industry. He was most recently the Chief Capital Officer of Cromwell Property Group, where he was responsible for capital management and fund raising for capital markets, as well as public and private fund initiatives. In that capacity, he worked closely with the group's investment teams across the world to develop asset investment opportunities, funds, real estate investment trusts, and joint ventures that meet the demands of the group's capital partners.

A proven capital markets manager, investor, and analyst, Mr Garing was previously the Managing Director of Bank of America Merrill Lynch Asia Pacific and Bank of America Merrill Lynch Australia. He was also the Chair of the bank's APAC Recommendation Review Committee, managing around 130 equity analysts who evaluated and analysed approximately 1,200 companies spanning several asset classes and industry sectors across 12 APAC countries.

Prior to that, he held several senior roles at leading financial advisory firms and investment banks. These include appointments as Managing Director of Bell Potter, where he founded its Institutional Real Estate Investment Advisory, Research, Sales and Trading team; Executive Director at Babcock & Brown, where he was also Global Co-Head of Real Estate; as well as Managing Director of UBS Australia, where he was also Co-Head of Global Real Estate Research.

Mr Garing holds a Bachelor of Commerce (Accounting and Finance) degree from the University of New South Wales and is a Fellow of CPA Australia and a member of The Hong Kong Institute of Directors, as well as a member of the Singapore Institute of Directors.

Executive Officers of the CEREIT Manager

The executive officers of the CEREIT Manager are entrusted with the responsibility for the daily operations of the CEREIT Manager. The following table sets forth information regarding the executive officers of the CEREIT Manager:

Name	Age	Address	Position
Simon Garing	52	c/o 50 Collyer Quay, #07-02, OUE Bayfront, Singapore 049321	Chief Executive Officer
Shane Hagan	54	c/o 50 Collyer Quay, #07-02, OUE Bayfront, Singapore 049321	Chief Financial Officer

Name	Age	Address	Position
Andreas Hoffmann	52	c/o 50 Collyer Quay, #07-02, OUE Bayfront, Singapore 049321	Head of Property
Elena Arabadjieva	49	c/o 50 Collyer Quay, #07-02, OUE Bayfront, Singapore 049321	Chief Operating Officer and Head of Investor Relations

Experience and Expertise of the Executive Officers of the CEREIT Manager

Information on the working experience of the executive officers of the CEREIT Manager is set out below:

Mr Simon Garing is the CEO of the CEREIT Manager.

Details of his working experience have been set out in the section "Experience and Expertise of the Board of Directors of the CEREIT Manager".

Mr Shane Hagan is the Chief Financial Officer (**CFO**) of the CEREIT Manager.

Mr Hagan was appointed as the CEREIT Manager's Head of Finance in November 2018 and transitioned into the role of the CEREIT Manager's CFO on 1 May 2019.

As CFO, Mr Hagan works with the CEO and other members of the management team to formulate strategic plans in accordance with CEREIT's stated investment objectives, as well as for applying the appropriate capital management strategy for finance, tax, treasury and accounting matters to support the CEREIT Manager's plans and maintain CEREIT's financial health. Mr Hagan has over 25 years of experience in the real estate industry across Singapore, Australia and New Zealand.

Prior to joining the CEREIT Manager, Mr Hagan held executive positions in several Singapore-listed real estate investment trusts, including ESR-REIT, Mapletree Commercial Trust and Ascendas Real Estate Investment Trust.

He holds a Bachelor's degree in Commerce and Administration from Victoria University and is a Chartered Accountant of the Chartered Accountants Australia and New Zealand. Mr Hagan is a member of the regulatory sub-committee of REITAS.

Mr Andreas Hoffmann is the Head of Property.

Mr Hoffmann joined Cromwell in Europe as Head of Property (CEREIT) in January 2019. He oversees all portfolio and asset management and development management functions across Cromwell's European teams that support CEREIT. This includes the recommendations of strategic targets and yearly budgets, planning and overseeing the key stages of asset and development management, leasing and customer retention programmes, asset enhancement initiatives including capex programmes, cost minimisation solutions and delivering on long-term asset plans.

Prior to joining Cromwell, Mr Hoffmann was Managing Director, Head of Asset Management Europe and a member of the European Management team and European Investment Committee at UBS Real Estate & Private Markets for 14 years, where he was responsible for the asset management of a €6 billion portfolio of approximately 150 commercial properties across 12 European countries.

Mr Hoffmann graduated from Dresden University (Dipl.-Ing. in Electrical Engineering). He holds a Master of Science degree in Telecommunications from King's College London and a Master of Business Administration degree from Imperial College London. Mr Hoffmann is a member of EPRA PropTech Committee and a member of the advisory board of BUILTWORLD.

Ms Elena Arabadjieva is the Chief Operating Officer and the Head of Investor Relations of the CEREIT Manager.

As COO, Ms Arabadjieva is responsible for ESG and sustainability, business continuity and general business operations. As Head of Investor Relations, Ms Arabadjieva is responsible for investor and stakeholder engagement, marketing and communications as well as continuous disclosure and transparent market communications.

Ms Arabadjieva has over 20 years of experience in Asia and has held a number of senior marketing, sales and communications positions in Singapore. Prior to joining the CEREIT Manager, Ms Arabadjieva was the Head of Investor Relations and Corporate Communications of Cambridge Industrial Trust (now known as ESR-REIT). Prior to ESR-REIT, Ms Arabadjieva was the Director of Investor Relations of Genting Singapore PLC (listed on the SGX-ST).

Ms Arabadjieva holds a Master's degree in Architecture from the University of Architecture, Civil Engineering and Geodesy (Bulgaria) and a Masters of Business Administration from INSEAD (France and Singapore). Ms Arabadjieva is a member of the alumni association of INSEAD (Singapore Chapter).

1.11 Financial Information

Accounting

Deloitte & Touche LLP are the independent auditors of CEREIT and have audited the Group Financial Statements for the financial years ended 31 December 2020 and 31 December 2019 and the financial period from the date of constitution of CEREIT on 28 April 2017 to 31 December 2018. The registered address of Deloitte & Touche LLP is 6 Shenton Way, OUE Downtown 2, #33-00, Singapore 068809.

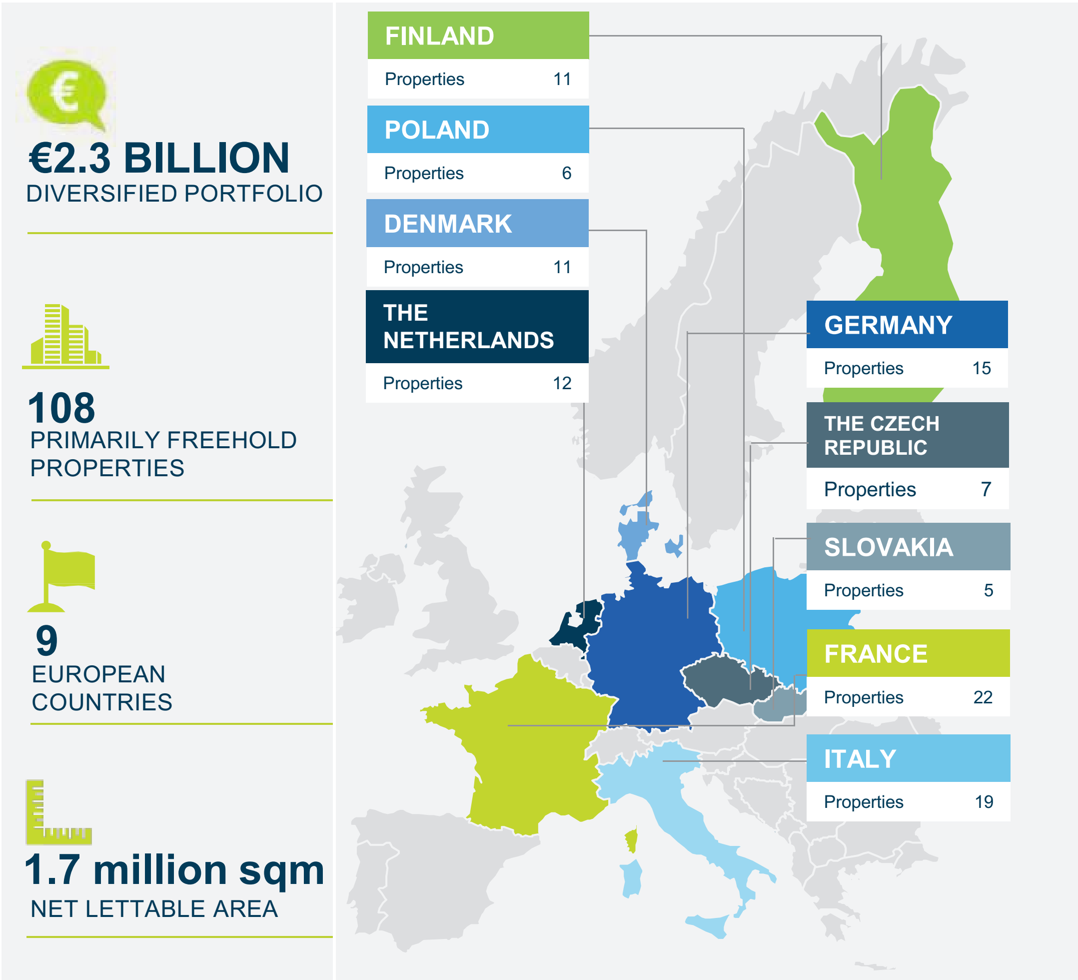
Financial year

CEREIT's financial year begins on the first of January of each year and ends on 31 December of the same year. The first financial year began on the date of the Issuer's incorporation and ended on 31 December 2018.

DESCRIPTION OF THE CEREIT PORTFOLIO

As at 30 June 2021, the date of CEREIT's last publicly announced financial results, the CEREIT Portfolio comprised 108 properties with an aggregate lettable area of approximately 1.7 million sqm, more than 800 tenant-customers and a WALE profile of approximately 4.72 years.

The diagram below reflects details relating to CEREIT as at 30 June 2021.



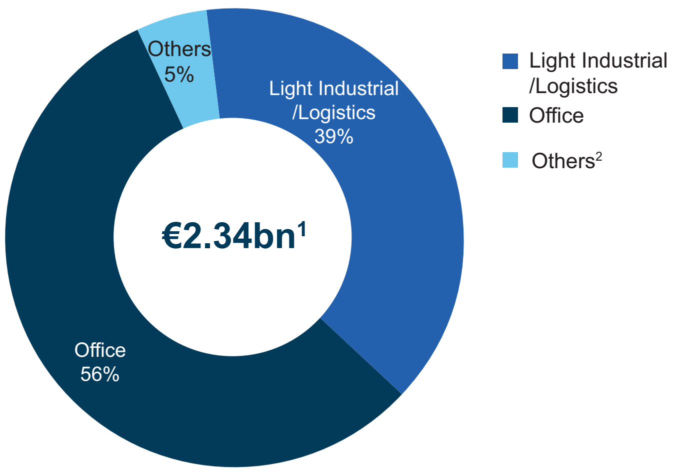
As at 30 June 2021, the CEREIT Portfolio comprised a carrying value of approximately €2,337 million (inclusive of €5.8 million of assets held for sale) in or close to major gateway cities in the Netherlands, Italy, France, Poland, Germany, Finland, Denmark, the Czech Republic and Slovakia with a balanced focus primarily on office and light industrial/logistics sectors. As at 30 June 2021, the Netherlands is the largest contributor to the CEREIT Portfolio (approximately 27% by valuation), with Italy second (approximately 22% by valuation) and France third (approximately 18% by valuation). No country represents more than 30% by valuation of the CEREIT Portfolio. The majority of assets in the CEREIT Portfolio are split between the office (approximately 56% by valuation) and light industrial/logistics sector (approximately 39% by valuation) as at 30 June 2021.

On 4 August 2021, the CEREIT Manager announced that CEREIT acquired its first UK logistics asset for £10.0 million (approximately €11.7 million), in line with its previously articulated strategy to invest in post Brexit UK light industrial/logistics.

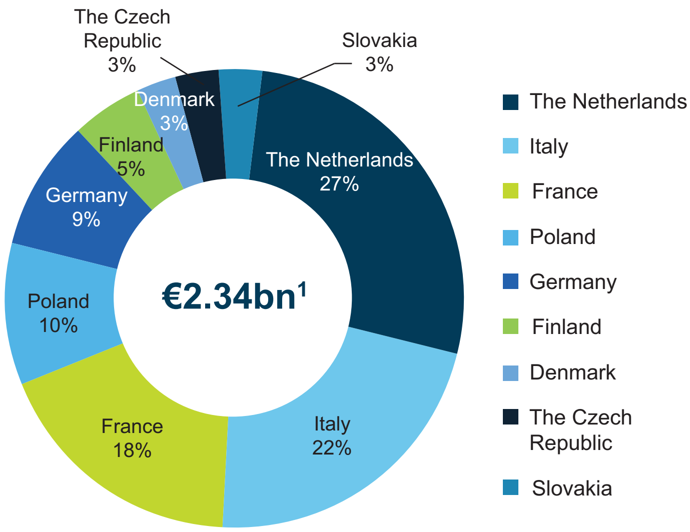
1.1 Portfolio Diversification

The charts below show the breakdown by the asset classes and by geography represented in CEREIT's portfolio by carrying value as at 30 June 2021.

As at 30 Jun 2021



As at 30 Jun 2021



1.2 Portfolio Breakdown by Asset Class and by Country (as at 30 June 2021, unless otherwise stated)

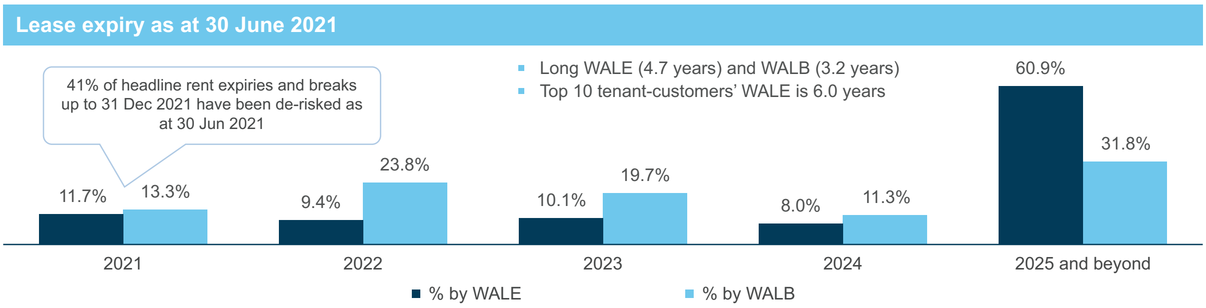
	No. of Assets	NLA	Valuation (€ million)	Occupancy	Gross Revenue YTD June 2021 (€)	Number of Leases
The Netherlands (total)	12	224,195 sqm	639.1	97.9%	23,076,010	196
Office	7	177,902 sqm	571.8	97.3%	20,435,944	53
Light Industrial/Logistics	5	46,293 sqm	67.3	100.0%	2,640,066	143
Italy (total)	19	505,278 sqm	517.2	99.5%	21,877,938	90
Office	12	142,177 sqm	323.7	98.5%	11,806,724	52
Light Industrial/Logistics	2	186,526 sqm	67.8	99.7%	3,039,451	29
Others	5	176,575 sqm	125.7	100%	7,031,763	9
France (total)[1]	22	297,811 sqm	419.3	91.6%	19,727,746	239
Office	3	34,292 sqm	70.0	84.2%	4,713,203	30
Light Industrial/Logistics[1]	19	263,519 sqm	349.3	92.6%	15,014,543	209
Germany (total) – Light Industrial/Logistics	15	226,985 sqm	206.4	95.6%	7,948,056	61
Poland (total) – Office	6	111,242 sqm	235.2	93.5%	13,324,963	100
Finland (total) – Office	11	61,949 sqm	111.3	82.8%	5,659,168	209
Denmark (total) – Light Industrial/Logistics	11	129,817 sqm	83.7	80.0%	4,566,712	107
The Czech Republic (total) – Light Industrial/Logistics	7	59,498 sqm	61.1	99.6%	1,191,610	13
Slovakia	5	74,356 sqm	63.4	99.6%	1,646,477	10
Total	**108**	**1,691,131 sqm**	**2,336.8**	**94.9%**	**99,018,679**	**1,025**

1 Includes an asset announced for sale on 22 June 2021 held at sales price

1.3 Long and Well-staggered Lease Profile

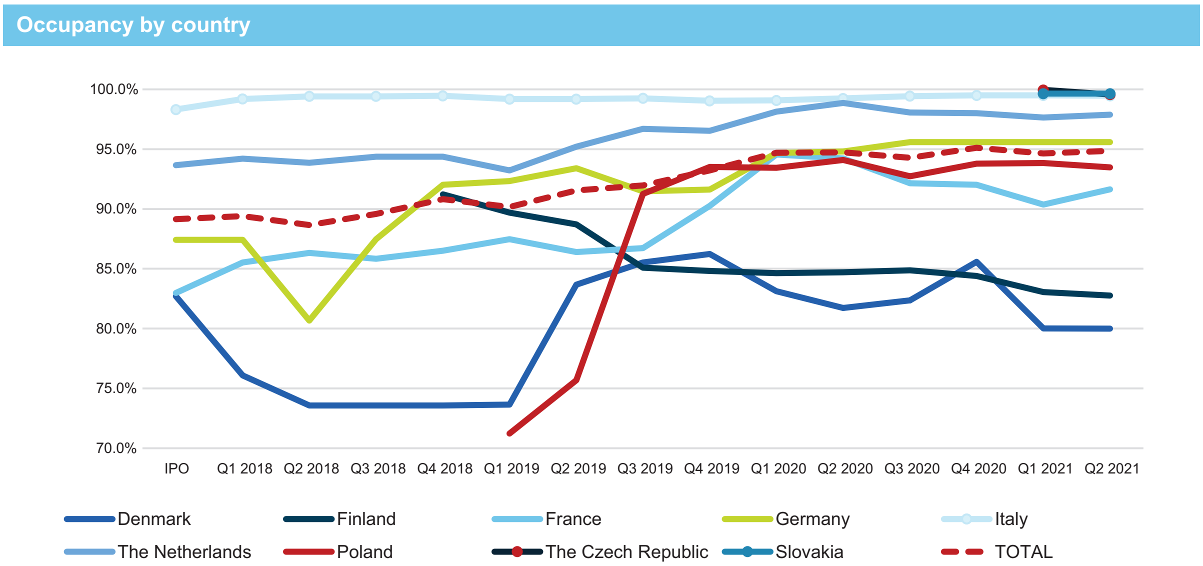
The portfolio had a WALE of 4.72 years and occupancy of 94.9% as at 30 June 2021.

The following chart shows the lease expiry profile of the CEREIT Portfolio as at 30 June 2021.



In 1H2021, a total of 85,168 sqm or approximately 5% of CEREIT's portfolio by NLA was leased out to over 113 tenant-customers, with a blended rent reversion rate of 5.9%.

The following chart shows the occupancy history of the CEREIT Portfolio since IPO, broken down by country.



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

Office sector

As at 30 June 2021, the office sector had WALE and WALB at 4.2 years and 3.2 years respectively and occupancy of 94.3%. The sector commenced the year with 14.9% by WALB expiring in FY2021. As at 30 June 2021, 13% of headline rent facing expiries and breaks up to 31 December 2021 have been de-risked.

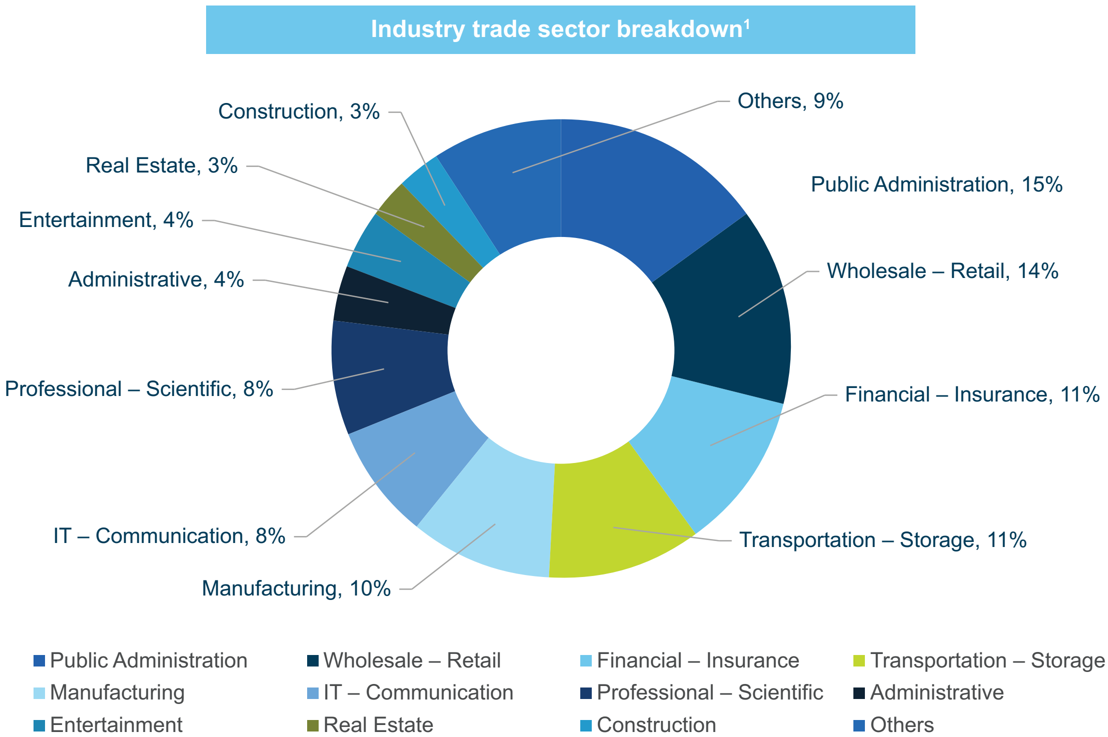
Light industrial/logistics sector

As at 30 June 2021, the light industrial/logistics sector had WALE at 4.8 years and WALB at 3.3 years respectively and occupancy of 94.3%. The sector commenced the year with 32.6% by WALB expiring in FY2021. As at 30 June 2021, 71% of headline rent expiries and breaks up to 31 December 2021 have been de-risked.

1.4 Trade-industry Sector Analysis

CEREIT has highly diversified quality tenant-customer base across trade sectors. Approximately 90% of CEREIT's tenant-customers are government and semi-government, MNCs and large corporates. Leases from the Dutch and Italian government and government-related entity leases where rent is typically paid in advance contribute approximately 21% of CEREIT's headline rent. Some other notable tenant-customers include Motorola, Santander Bank, UBS, KPMG, Vodafone, DHL, UPS, and Coolblue. Approximately 71% of CEREIT's headline rent comes from multinational companies and large domestic corporations and approximately 8% of CEREIT's headline rent comes from small and medium size enterprises.

The following pie chart sets out the trade-industry sector mix based on headline rent as at 30 June 2021.



Notes:

1. By headline rent, as at 30 June 2021.
2. Others comprise Utility/Education/Rural/Human Health/Mining/Other Service Activities/Residential/ Water/ Miscellaneous Services.

1.5 Top 10 Tenant-customers

As at 30 June 2021, CEREIT has a total of 1,025 leases with a diverse trade-industry sector mix and no single tenant-customer accounting for more than 12% of headline rent. CEREIT's largest tenant-customer, Agenzia Del Demanio (the Italian State Property Office), contributes only 12% of total headline rent. The top 10 tenant-customers of the CEREIT Portfolio in aggregate account for approximately 31.2% of the total headline rent as at 30 June 2021, with WALE of 6.02 years.

The tables below set out selected information about the top 10 tenant-customers as at 30 June 2021:

Top 10 Tenant-customers

#	Tenant-customer	Country	% of Total Headline Rent
1	Agenzia del Demanio (Italian State Property Office)	Italy	12.0%
2	Nationale – Nederlanden	The Netherlands	5.6%
3	Essent Nederland	The Netherlands	2.4%
4	Employee Insurance Agency (UWV)	The Netherlands	1.9%
5	Motorola Solutions Systems Polska	Poland	1.8%
6	Kamer van Koophandel	The Netherlands	1.7%
7	Holland Casino	The Netherlands	1.6%
8	Felss Group	Germany	1.4%
9	Santander Bank Polska	Poland	1.3%
10	Anas	Italy	1.3%
			31.2%

1.6 Top 10 Properties

As at 30 June 2021, CEREIT's top 10 properties by valuation represent approximately 42% of the CEREIT Portfolio. The table below sets out selected information for the top 10 properties by valuation, followed by a brief description of each. Information on the rest of the properties that CEREIT owns as at 30 June 2021 is not included in this Information Memorandum for practical reasons. A full list and detailed information of all properties and relevant statistics, is publicly available on CEREIT's website (www.cromwelleuropeanreit.com.sg) and as part of the Property Portfolio overview section.

For further details, please refer to CEREIT's website. For the avoidance of doubt, none of the information contained in the website is intended to be incorporated by reference to or form part of this Information Memorandum.

Over the last three years, CEREIT's GRESB rating (the main global ESG benchmark for real estate assets) has improved significantly. CEREIT is now ranked second amongst Singapore-listed peers and eighth amongst 26 European peers (selected by GRESB based on asset class, geographical location and portfolio composition). In FY2020, CEREIT attained nine additional Building Research Establishment Environmental Assessment Method (**BREEAM**) ratings for its assets, with two more certifications obtained in 1H2021. As a result, more than 75% (by valuation) of CEREIT's office portfolio is BREEAM green certified (19 in total). To-date, CEREIT has 23 BREEAM certifications and one Leadership in Energy and Environmental Design (**LEED**) certification.

[Table of Top 10 Properties set out on the following page]

Country	Location	Property Name	Asset Class	Title (Leasehold/ Freehold)	NLA (sqm)	Occupancy by NLA	Carrying Value (€ million, as at 30 June 2021)	% of the Portfolio (on Carrying Value as at 30 June 2021)	WALE as at 30 June 2021	WALB as at 30 June 2021	Gross Revenue 1H2021 (€ million)	Major Tenant-customer
The Netherlands	Den Haag	Haagse Poort	Office	Part Freehold, part Right of Superficies and part Perpetual Leasehold	68,502	100.0%	172.5	7%	3.3	3.1	7.48	Nationale Nederlanden Nederland B.V.
The Netherlands	Rotterdam	Central Plaza	Office	Part Freehold and part Leasehold	33,263	98.1%	165.5	7%	7.4	7.4	4.78	Nationale Stichting tot Exploitatie van Casinospelen in Nederland
France	St Ouen	Parc Des Docks	Light Industrial/ Logistics	Freehold	73,371	87.6%	144.1	6%	5.3	2.0	5.13	Rexel
Italy	Milan	Piazza Affari	Office	Freehold	7,787	99.7%	94.3	4%	4.9	4.9	2.04	CBRE
Poland	Poznań	Business Garden	Office	Freehold	42,268	99.5%	86.0	4%	1.7	1.7	4.57	Santander Bank Polska S.A.
The Netherlands	‘s-Hertogenbosch	Bastion	Office	Freehold	31,979	94.3%	79.9	3%	4.3	2.7	3.43	Essent Nederland B.V.
Italy	Bari	Viale Europa 95	Others	Freehold	123,261	100.0%	75.1	3%	7.5	1.5	4.77	Agenzia Del Demanio Systems
The Netherlands	Utrecht	Moeder Teresalaan 100/ 200	Office	Perpetual Leasehold	21,922	100.0%	59.0	3%	4.1	3.3	2.17	Uitvoeringsinstituut werknemersverze keringen, Hoofdkantoor UWV
The Netherlands	Amsterdam	De Ruyterkade 5	Office	Continuing Leasehold	8,741	100.0%	57.1	2%	4.1	4.1	1.34	Kamer van Koophandel
Italy	Monteprandone	Centro Logistico Orlando Marconi (CLOM)	Light Industrial/ Logistics	Freehold	156,888	99.6%	54.8	2%	3.4	1.1	2.48	TOD’S S.P.A

(a) Haagse Poort

Den Haag, The Netherlands

Prinses Beatrixlaan 35 – 37 & Schenkkade 60 – 65, Den Haag

Haagse Poort is an impressive office building of approximately 68,500 sqm in net leasable area (**NLA**), developed in 1994. The building consists of a 16-floor high-rise and a seven-floor low-rise section, connected by an arch at the seventh floor. This arch spans the Utrechtsebaan, making it the modern city gate of Den Haag.

Haagse Poort is located in the Beatrixkwartier, in the Bezuidenhout, near the centre of Den Haag. The office spans the A12 motorway towards Utrecht. A13 motorway towards Delft and Rotterdam and A4 motorway towards Amsterdam can be reached within a few minutes via the A12. The Randstadrail stop is 150 metres away. Various buses and trams stop in front of the building.

Property Type	Office
Acquisition Date	30 November 2017
Purchase Price	€158,750,000
Carrying Value (as at 30 June 2021)	€172,500,000
NLA	68,502 sqm
Occupancy (as at 30 June 2021)	100%
Lease Type	Multi-let
Land Tenure	Part Freehold, Part right of superficies and part perpetual leasehold

(b) Central Plaza

Rotterdam, The Netherlands

Central Plaza, 2 – 25 (retail)/Weena 580 – 618 (offices), Rotterdam, The Netherlands

Central Plaza is located in Rotterdam, the second largest city and municipality in the Netherlands. It is in the province of South Holland, in the west part of the Netherlands.

Central Plaza is strategically located directly opposite the recently redeveloped Central Station of Rotterdam, providing access to a wide range of public transport services.

Central Plaza comprises two office towers (A and B), a retail ground floor and two-story underground parking. The retail ground floor features a mixture of retail, hospitality and food and beverage. Some of the units have direct street access and others are accessible from the interior of Central Plaza.

The two office towers A and B each have a dedicated entrance facing the Central Station (north) side of the property and are also accessible from the retail ground floor. A total of 481 car parking spaces are available in the two-story basement car park.

Property Type	Office
Acquisition Date	19 June 2017
Purchase Price	€156,805,000
Carrying Value (as at 30 June 2021)	€165,521,405
NLA	33,263 sqm
Occupancy (as at 30 June 2021)	98.1%
Lease Type	Multi-let
Land Tenure	Part Freehold and Part Leasehold

(c) Parc des Docks

Paris, France

Parc des Docks, 50 rue Ardoin, Saint Ouen, France

Parc des Docks provides approximately 73,371 sqm in NLA of business and warehousing/ logistics and light industrial space, spread across eight buildings built on 11 hectares of land between 1950 and 2000. It is fully-fenced and gated with 24-hours security.

Parc des Docks is located in Saint-Ouen, in the northern suburb of "Ile-de-France" on the outskirts of Paris, in a mixed residential, commercial and industrial area that is undergoing rapid gentrification. Saint-Ouen is easily accessible from Paris by road and public transport and is approximately 22 km away from Roissy-Charles-de-Gaulle International airport.

Property Type	Light Industrial / Logistics
Acquisition Date	30 November 2017
Purchase Price	€98,000,000
Carrying Value (as at 30 June 2021)	€144,100,000
NLA	73,371 sqm
Occupancy (as at 30 June 2021)	87.6%
Lease Type	Multi-let
Land Tenure	Freehold

(d) **Piazza Affari 2**

Milan, Italy

Milano Affari, Piazza degli Affari 2, Milan, Italy

Milano Affari is a grade-A office building of eight above-ground floors and two basement levels. It was built in the 1930s and partially refurbished in 2017. The design of the facade is inspired by rationalist architecture. It currently serves as the Italian national headquarters for five multinational companies.

Piazza Affari Square is named after the Milan Stock Exchange which is adjacent to the property. The asset sits in the heart of the CBD of Milan, approximately 500 metres from Duomo Cathedral. The surrounding area includes prime office properties, hosting many Fortune 500 companies. It takes approximately 25 minutes by car to get to Linate Airport, while Centrale Railway Station is easily accessible by metro in less than 10 minutes.

Property Type	Office
Acquisition Date	30 November 2017
Purchase Price	€81,700,000
Carrying Value (as at 30 June 2021)	€94,300,000
NLA	7,787 sqm
Occupancy (as at 30 June 2021)	99.7%
Lease Type	Multi-let
Land Tenure	Freehold

(e) **Business Garden**

Poznań, Poland

Business Garden, 2, 4, 6, 8 and 10 Kolorowa Street, Poznań, Poland

Business Garden is a freehold office property situated within a large academic cluster with over 110,000 students and 24 universities, centrally located between the city centre of Poznań and Poznań Airport. It is well-connected to public transport such as trams, buses and trains. Business Garden is also close to King Cross Marcelin, a large shopping centre, and INEA football stadium.

Property Type	Office
Acquisition Date	24 September 2019
Purchase Price	€88,800,000
Carrying Value (as at 30 June 2021)	€86,000,000
NLA	42,268 sqm
Occupancy (as at 30 June 2021)	99.5%
Lease Type	Multi-let
Land Tenure	Freehold

(f) Bastion

’s-Hertogenbosch, The Netherlands

Bastion, Willemsplein 2 – 10,’s-Hertogenbosch, The Netherlands

Bastion is an impressive building of 32,000 sqm. It has the shape of a bastion with round towers that lead to pointed roofs. The building was expanded and renovated in 2005 with the addition of new wings at the back.

The Bastion has a number of installations for energy management, such as its own geothermal energy storage. This underground energy storage provides heat in the winter and air-conditioning in the summer.

Bastion is located within walking distance of the central station of the city, opposite the Paleiskwartier. The city centre of ’s-Hertogenbosch is a five-minute walk away.

Bastion is also well-connected to the highways on the south side of the city (A2 and A65) which can be reached within a few minutes via the Vughterweg.

Property Type	Office
Acquisition Date	28 December 2018
Purchase Price	€76,850,000
Carrying Value (as at 30 June 2021)	€79,900,000
NLA	31,979 sqm
Occupancy (as at 30 June 2021)	94.3%
Lease Type	Multi-let
Land Tenure	Freehold

(g) **Viale Europa 95**

Bari, Italy

Viale Europa 95, Bari, Italy

The property is located in Bari, in the Apulia region in Southern Italy. Bari Europa is a large complex built specifically to accommodate the Military Academy of the Tax Police.

The complex, built between 2000 and 2001, consists of 11 mixed-use buildings, basement car parking areas, outdoor and indoor sport facilities, a large parade ground and external areas used for road network, open-air car parking and green areas.

Property Type	Office
Acquisition Date	30 November 2017
Purchase Price	€83,100,000
Carrying Value (as at 30 June 2021)	€75,100,000
NLA	123,261 sqm
Occupancy (as at 30 June 2021)	100%
Lease Type	Master tenant
Land Tenure	Freehold

(h) **Moeder Teresalaan 100/200**

Utrecht, The Netherlands

Moeder Teresalaan 100/200, Utrecht, The Netherlands.

The office complex consists of two buildings with lettable areas of approximately 12,000 sqm and 10,000 sqm respectively. The two buildings are connected underground through parking garage that has a total of 352 parking places below and above ground.

The office complex is located at 24 Oktoberplein, a few minutes by car away from the major Oudenrijn traffic junction, located at the cross section of the most important traffic arteries of the Netherlands (A2 and A12 motorways).

HOV fast tram stop is located directly opposite the office complex. This popular transport connection between Utrecht Central Station and Nieuwegein/IJsselstein has its own route, making Utrecht Central Station fast and easy to reach.

Property Type	Office
Acquisition Date	28 December 2018
Purchase Price	€50,727,904
Carrying Value (as at 30 June 2021)	€59,000,000
NLA	21,922 sqm
Occupancy (as at 30 June 2021)	100%
Lease Type	Multi-let
Land Tenure	Perpetual leasehold

(i) De Ruyterkade 5

Amsterdam, The Netherlands

De Ruyterkade 5, Amsterdam, The Netherlands

De Ruyterkade 5 is an office building of 8,741 sqm spread over six floors. The building has 56 parking places in the garage and 38 parking places on its own grounds. Amsterdam Central Station, Muziekgebouw aan 't IJ and Passenger Terminal Amsterdam are within the immediate vicinity.

The property is located next to Central Station and is within a few minutes' walk from multiple train, bus, tram and metro stops.

De Ruyterkade 5 is 10 minutes from the A10 West motorway via the S102 Sloterdijk/Teleport exit, the Transformatorweg/Spaarndammerdijk (S101) and the Archanchangelweg. Schiphol is a 20-minute drive away.

The Jordaan, a world-famous district in the city centre of Amsterdam with beautiful houses, artisan shops, cosy streets and alleys, is within walking distance.

Property Type	Office
Acquisition Date	19 June 2017
Purchase Price	€36,365,000
Carrying Value (as at 30 June 2021)	€57,100,000
NLA	8,741 sqm
Occupancy (as at 30 June 2021)	100%
Lease Type	Single tenant
Land Tenure	Continuing Leasehold

(j) Centro Logistico Orlando Marconi (CLOM)

Monteprandone, Italy

Via del Lavoro, Monteprandone, Italy

The property is a freehold intermodal logistics park with 156,888 sqm of NLA, spanning a 421,703 sqm site and built in stages between 1995 and 2006. It has nine warehouses with ample loading bays, an office building and a canteen. 18,000 sqm of its NLA is used for cold storage, which commands significantly higher rental rates than space used for general warehousing purposes.

The property also includes a railway with four tracks, each approximately 1 km long, with direct loading/unloading platforms and a freight terminal connected to national railway services.

Property Type	Light Industrial/Logistics
Acquisition Date	23 December 2020
Purchase Price	€52,575,000
Carrying Value (as at 30 June 2021)	€54,800,000
NLA	156,888 sqm
Occupancy (as at 30 June 2021)	99.6%
Lease Type	Multi-let
Land Tenure	Freehold

1.7 Recent Acquisitions and Divestments

Notwithstanding Covid-19 lockdowns across most of Europe, the CEREIT Manager announced and completed approximately €220 million of light industrial/logistics asset acquisitions at a blended net operating income (**NOI**) yield of 6.7% from the beginning of 2020 till the end of 1Q2021. The transactions expanded CEREIT's footprint in Germany and Italy and gained access to two attractive new markets – the Czech Republic and Slovakia. The acquisitions of five light industrial/logistics assets in Germany and Italy for a total of €107 million were completed and the assets were onboarded fully in FY2020, demonstrating the Sponsor's considerable local pipeline sourcing capabilities and ability to execute transactions.

In March 2020, the acquisition of three freehold light industrial/logistics properties in the cities of Konigsbach-Stein, Pforzheim and Bretten (all in Germany), was completed for a purchase price of approximately €38.0 million at 6.2% NOI yield. The properties are fully let to subsidiaries of Felss Group GmbH, a global market leader in cold forming steel technology and a leading manufacturer of machine tools and components, for a 15-year term under lease agreements (with no break clause) concluded on a triple-net basis. The purchase price was 4% below independent valuation and €10.9 million below estimated replacement cost (excluding land). In August 2020, the CEREIT Manager completed the purchase of a freehold light industrial/logistics property Ander Wasserschluft 7 in Sangerhausen, Germany, (announced in February 2020), for €16.4 million at 6.4% NOI yield. The asset is fully let to Euro Pool System International GmbH, a market leader in the field of reusable packaging in the European fresh food supply chain. The lease, which extends until May 2024, is on a double-net basis. The purchase price was approximately 50.0% below the estimated replacement cost.

In December 2020, the CEREIT Manager completed the purchase of a freehold intermodal light industrial/logistics park CLOM in Monterpandone, Italy, as announced in November 2020, for approximately €52.6 million at 7.4% NOI yield. CLOM is close to 100% let to a diverse tenant-customer base comprising 24 different occupiers, with four major ones being Spinservice and its parent brand Eurospin (which collectively account for 27% of gross rental income), Tod's Group (20%), and White Solution (9%). The purchase price was approximately 3.5% below independent valuation and approximately 33% below estimated replacement cost.

On 11 December 2020, CEREIT announced an agreement to acquire a portfolio comprising 11 logistics and light industrial properties in the Czech Republic (six properties) and Slovakia (five properties) for an aggregate purchase price of €113.2 million at 6.7% blended NOI yield, 2.1% below the independent valuation. The properties are all freehold properties, totalling 125,435 sqm gross lettable area, located in good micro-locations in established business parks with access to public transport and in immediate proximity to major highways. The properties also feature three assets with a total of approximately 140,700 sqm of land permitted for development. The assets provide CEREIT with the opportunity to increase its exposure to stable, relatively high-yielding logistics and light industrial assets, sectors that have performed well since the emergence of Covid-19. It will also further establish CEREIT's presence in Central Europe, specifically in the emerging markets of the Czech Republic and Slovakia, which are expected to benefit from further integration with the neighbouring Western European economies. The properties are almost 100% occupied by 18 mostly logistics tenant-customers. On 12 March 2021, CEREIT announced the completion of the acquisition.

On 7 June 2021, CEREIT announced that it had entered into a sale and purchase agreement with an affiliate company of the Sponsor on 4 June 2021, and on the same day completed the acquisition of a logistics asset in the Czech Republic. The acquired property complements the recently completed acquisition of a portfolio of 11 modern light industrial/logistics assets in the attractive markets of the Czech Republic and Slovakia (as described above), reinforcing CEREIT's presence in those markets. The property is a freehold single-story logistics building with a two-story office section, spanning 8,382 sqm on a site area of 31,557 sqm, which has external areas that can accommodate 168 outdoor parking spaces. CEREIT acquired the property for €10.1 million.

On 22 June 2021, CEREIT announced that it had entered into a promissory deed with an affiliate of one of Europe's leading boutique real estate investment funds to divest the Parc de Popey asset located at 5 Chemin de Popey in Bar-le-Duc, France. The property was independently valued at €4.8 million as at 31 December 2020 and consists of a single large warehouse building with ancillary office accommodation totalling 15,724 sqm, occupied by a major postal service and logistics company which is largely owned by the French government and used as an industrial parcel-sorting platform. The divestment of the property was completed on 9 September 2021 for a sale consideration of €5.8 million.

On 4 August 2021, CEREIT announced that it had acquired its first UK logistics asset for £10.0 million (approximately €11.7 million), in line with its previously articulated strategy to invest in post Brexit UK light industrial/logistics. The price reflected an attractive 5.6% NOI yield, approximately 3% below independent valuation and 32% discount to estimated replacement cost. The asset is situated in a prime logistics location close to the major cities of Liverpool and Manchester, with good connectivity to major motorway networks, two airports and a deep-sea port. The asset is 100% occupied by Panther Warehousing Ltd, the UK's leading two-man B2C premium home delivery specialist, with a long WALE profile of 10 years till May 2031. A freehold single-story logistics building with 9,764 sqm of net lettable area and spanning a site area of 20,438 sqm, the asset was originally constructed in 1980 and was recently refurbished this year ahead of the new lease. It has 86 parking spaces, dual-access loading with three dock-level and 14 floor-level loading doors and a maneuvering area with 60 metres yard depth.

1.8 Covid-19

The Covid-19 pandemic has had varying adverse effects on the business and operations of the Group. In response, CEREIT moved to a "safety-first" mode, which entailed completing transactions and providing frequent business updates.

In 1H2020, CEREIT focused on preserving Unitholder value and ensuring appropriate levels of cash. It put on hold various 1H2020 transactions post the successful recycling of 12 small assets into three German logistics in March 2020 and deprioritised non-essential capex as well as minimised non-critical expenses. In 2H2020, CEREIT gradually returned to normal operations, given more normalised market indicators. CEREIT resumed transaction activities, obtained an investment-grade credit rating from Fitch Ratings and issued an inaugural five-year bond.

As at the end of June 2021, there was no material change in re-profiling requests from tenant-customers since late October 2020. However, increased lockdowns has applied pressure on certain tenant-customers' profitability, leading to a renewal of requests for rent re-profiling in 1Q2021. Retail and hospitality tenant-customers, gym and restaurant operators continue to be impacted by lockdowns. Parking income from Central Plaza was also significantly lowered due to reduced footfall. Rent reductions without any lease renewals have also had a negative financial impact of €264,000, as compared to €41,000 in 2020.

Nevertheless, there was no doubtful debt provisions taken in 1H2021 and planned capex for 2021 remains conservative. The Eurozone GDP is projected to expand by 4.9% in 2021 as vaccination programmes continue pace, movement restrictions ease and business activities gradually resume, barring unforeseen circumstances such as the spread of new variants and renewed lockdowns. Over the next few months, broader economic recovery remains linked to vaccination rollout and the unblocking of the global supply chain. As at 12 October 2021, over 74% of all adults aged 18 and over in the European Union and European Economic Area are fully vaccinated.[1] In the European office sector, the average vacancy rate across key cities increased to 8.6% in 2Q2021 from 8.3% in the prior quarter (still well below the 10.6% seen after the global financial crisis), mainly due to challenging business conditions and companies reassessing their space needs. Despite the average increase in availability, office rents in prime locations remained stable, albeit incentive levels are varied across cities, as recently reported by CBRE Limited. The CEREIT Manager is also monitoring the trend of companies looking for increasingly flexible leasing terms to accommodate the growing number of tenant-customers adopting hybrid work models.

In the European logistics sector, the Covid-19 pandemic accelerated the shift to e-commerce, which in turn fueled occupier demand from related sectors, such as third-party logistics and warehousing companies. The rise in demand, coupled with low supply and vacancy rates, has driven rent increases and expected capital value growth. In 2Q2021, average vacancy rates fell marginally to 4.2%, down from 4.5% in the previous quarter. As more businesses look to move the supply chain closer to the end-consumer for delivery and collection, there is greater demand for "last mile" logistics and for warehousing space specifically dedicated to improving customer satisfaction, including time-to delivery, reducing delivery costs and product return convenience. CEREIT's light industrial/logistics assets are strategically located within European gateway cities. CEREIT's current light industrial/logistics occupancy of 94.3% is now at its highest, up from 85.4% in late 2017, reflecting the CEREIT Manager's ability to capitalise on this shift.

[1] Facilitating Covid-19 vaccination acceptance and uptake in the EU/EEA. 15 October 2021. Stockholm: European Centre for Disease Prevention and Control; 2021.

See further the risk factor "The continuing spread of a new strain of coronavirus, which causes the viral disease known as Covid-19 and any (future) outbreak of an infectious disease, European or global pandemic event or any other serious public health concerns, may adversely affect the business and financial condition of the Group".

1.9 ESG

The CEREIT Manager, the Sponsor and the Property Manager of CEREIT aspire to apply market-leading ESG practices across all aspects of its business. This fulfils CEREIT's core purpose of providing Unitholders with stable and growing distributions per Unit and NAV per Unit over the long term. The CEREIT Manager continuously improves CEREIT's ESG processes and reporting in line with increasing regulatory standards, investor demands and other stakeholders interests – as it makes good business sense to do so.

Tenant-customers, employees, investors and other stakeholders are all increasingly requiring greater ESG commitments from the property industry. As CEREIT's Unitholder base expands to include a diversified roster of global institutional investors with an increasing focus on robust ESG targets and disclosures, the CEREIT Manager will further enhance sustainability programmes, setting additional longer-term aspirational targets to reinforce its ongoing efforts.

Some recent ESG highlights as at 30 September 2021 include:

- Environment
  - 23 BREEAM certifications (as compared to 11 as at 31 December 2019) and one LEED certification – a total of 24 certifications
  - 2,842 tonnes of waste generated was diverted from landfill
  - Purchased 100% renewable energy in Denmark, Germany, the Netherlands, Finland and 98% low carbon-intensive energy in France for managed connections
- Social
  - 71% tenant-customer satisfaction (69% in 2019) and 58% increase in participation rate
  - Dialogue with more than 1,800 investors and analysts through close to 140 virtual and physical meetings
  - Helped raise more than S$80,000 for the community
  - Employee engagement score of 89%
  - 50% female employees achieved
  - Six-fold increase in training hours per employee
- Governance
  - Winner of Singapore Corporate Governance Award in the REITs & Business Trusts category in 2021
  - Retained its position in the 'Top 10' amongst all Singapore-listed REITs and business trusts in the Singapore Governance and Transparency Index 2021 for a second year in a row
  - Senior management team has specific ESG-linked KPIs

1.10 Recent Developments – Third Quarter Results and Business Update

On 3 November 2021, the business updates of CEREIT for the 3Q2021 (the "**3Q2021 Business Updates**") was announced on SGXNET. A copy of the 3Q2021 Business Updates is attached as the Appendix to this Information Memorandum. The unaudited financial information from the 3Q2021 Business Updates has not been audited or subject to review by the auditors in respect of the Group. Accordingly, there can be no assurance that, had an audit or review been conducted in respect of such financial information, the information presented therein would not have been materially different, and prospective investors should not rely upon such financial information to provide the same quality of information associated with an audited financial statement. See also *"Risk Factors – Risks Relating to the Group's Operations – Risks relating to the use of unaudited financial information."*

As part of its investment strategy, the CEREIT Manager sources potential acquisitions of quality income-producing commercial properties across Europe to enhance the quality of CEREIT's portfolio.

PROPOSED REORGANISATION OF THE GROUP

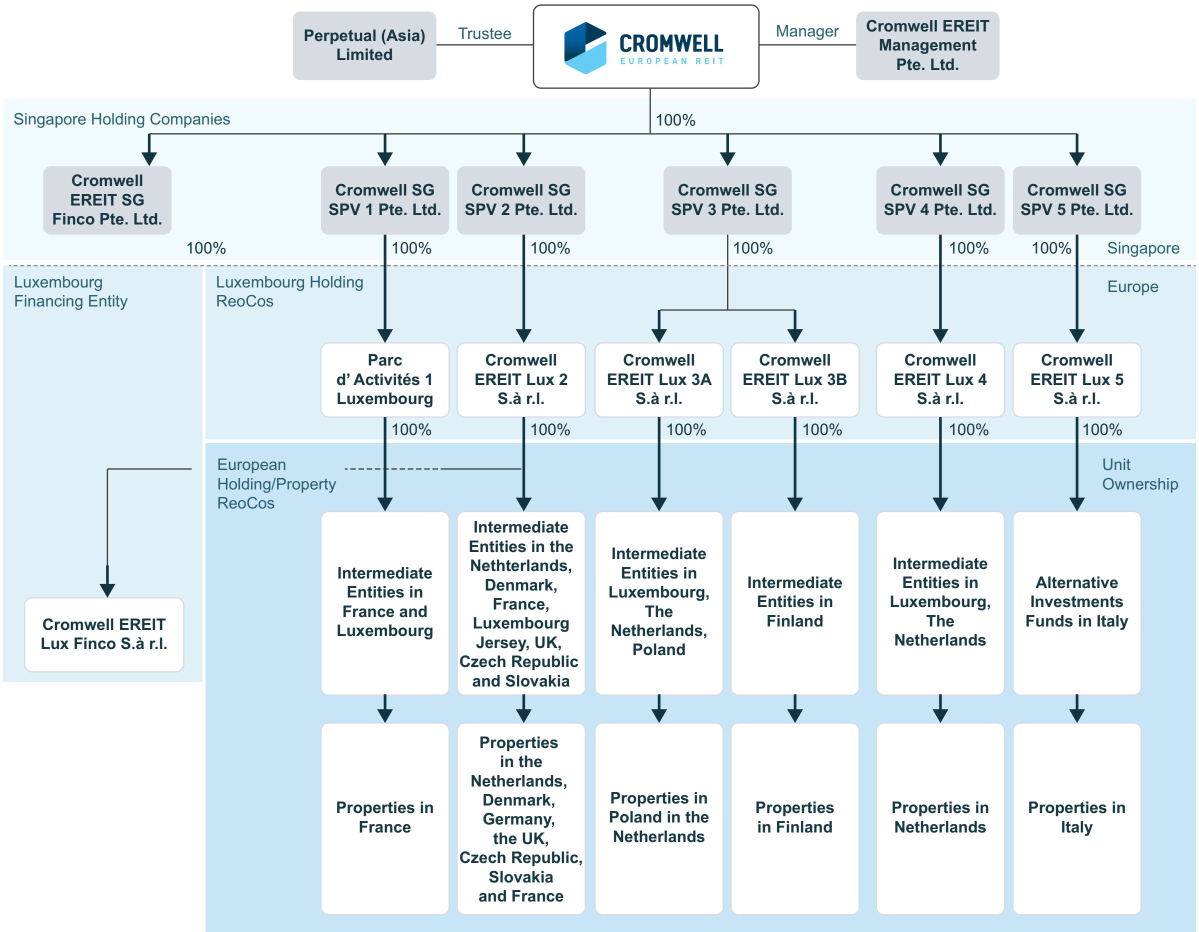
The Group is undergoing a reorganisation which is ongoing during the financial year 2021 and following which: (i) Cromwell EREIT Lux 2 S.à r.l. shall become the parent company of the ReoCos, (ii) all of the current direct and indirect subsidiaries of CEREIT (other than the Singapore Holding Companies) become direct and indirect subsidiaries of Cromwell EREIT Lux 2 S.à r.l., (iii) no intragroup financing arrangements under which inter-company loans are granted to any direct and indirect subsidiaries of Cromwell EREIT Lux 2 S.à r.l. by any entity other than Cromwell EREIT Lux 2 S.à r.l. or any of its direct and indirect subsidiaries are outstanding and (iv) CEREIT and the Singapore Holding Companies shall have no material assets other than the 100% of the share capital of Cromwell EREIT Lux 2 S.à r.l. and shareholder debt owed to it by Cromwell EREIT Lux 2 S.à r.l.

Since its IPO, CEREIT had acquired, inter alia, portfolios of European real estate assets and inherited an asset and corporate structure which it would like to simplify in order to reduce overall operating costs. Consequently, the reorganisation and streamlining of the assets and corporate structure are undertaken with a view to (1) simplify the Group's corporate structure and (2) centralise the main holding structure of the entire European portfolio in Luxembourg.

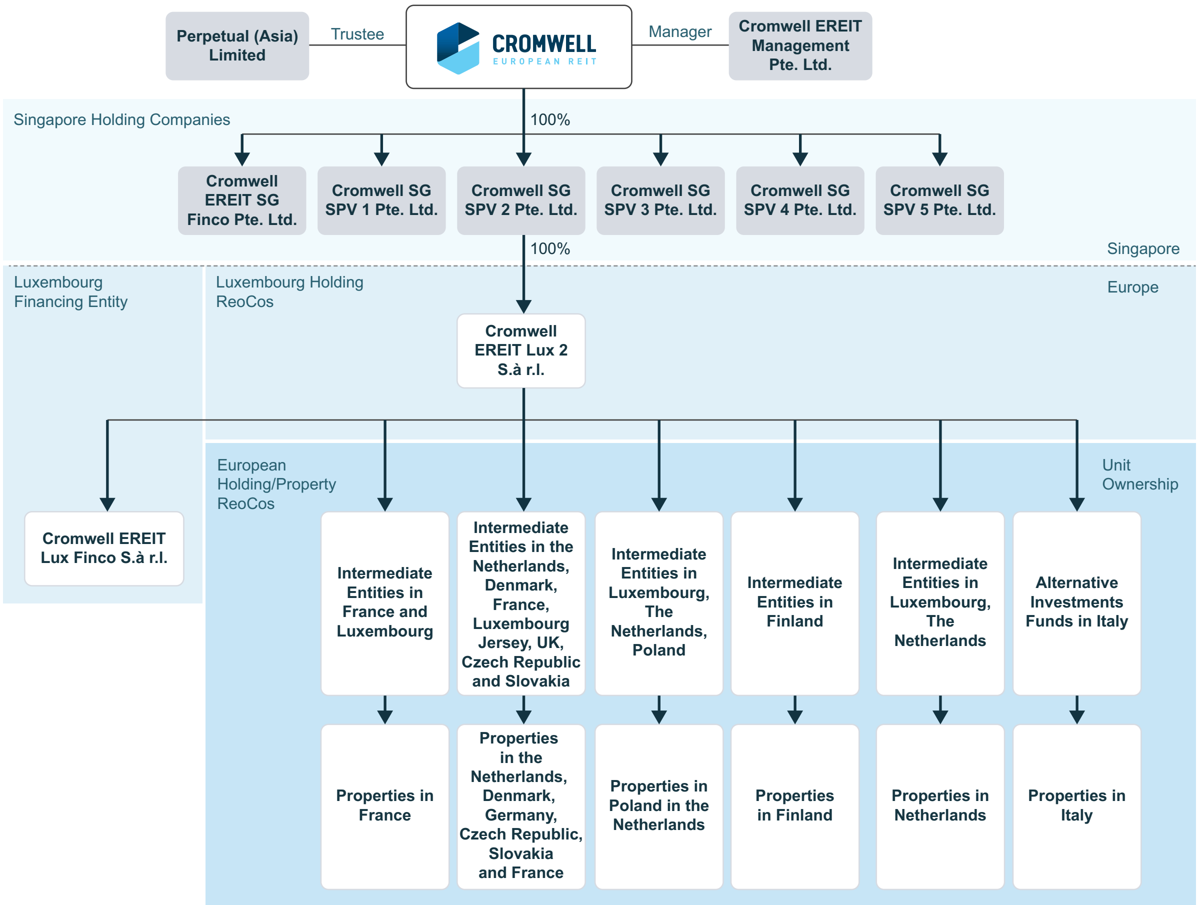
The structure charts below reflect the organisation of the Group prior to and as at the date of such reorganisation.

STRUCTURE CHARTS

1. STRUCTURE CHART OF THE GROUP PRIOR TO THE REORGANISATION DATE



2. PROPOSED STRUCTURE CHART OF THE GROUP AS AT THE REORGANISATION DATE



TAXATION

Singapore Taxation

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines and circulars issued by IRAS and the MAS in force as at the date of this Information Memorandum and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis. These laws, guidelines and circulars are also subject to various interpretations and no assurance can be given that the relevant tax authorities or the courts will agree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Information Memorandum are intended or are to be regarded as advice on the tax position of any holder of the Perpetual Securities or of any person acquiring, selling or otherwise dealing with the Perpetual Securities or on any tax implications arising from the acquisition, sale or other dealings in respect of the Perpetual Securities. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Perpetual Securities and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. Holders and prospective holders of the Perpetual Securities are advised to consult their own professional tax advisers as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of the Perpetual Securities, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Issuer, the CEREIT Manager, the Arrangers, the Dealers and any other persons involved in the Programme or the issue and offer of the Perpetual Securities accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Perpetual Securities.

In addition, the disclosure below is on the assumption that IRAS regards each tranche of the Perpetual Securities as "debt securities" for the purposes of the ITA and that distribution payments made under each tranche of the Perpetual Securities will be regarded as interest payable on indebtedness and holders thereof may therefore enjoy the tax concessions and exemptions available for qualifying debt securities, provided that the other conditions for the qualifying debt securities scheme are satisfied. If any tranche of the Perpetual Securities is not regarded as "debt securities" for the purposes of the ITA, any distribution payment made under any tranche of Perpetual Securities is not regarded as interest payable on indebtedness or holders thereof are not eligible for the tax concessions or exemptions under the qualifying debt securities scheme, the tax treatment to holders may differ. Investors and holders of any tranche of the Perpetual Securities should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of any tranche of the Perpetual Securities.

Interest and Other Payments

Subject to the following paragraphs, under Section 12(6) of the ITA, the following payments are deemed to be derived from Singapore:

(a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or

(b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15 per cent. final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17 per cent. The applicable rate for non-resident individuals is currently 22 per cent. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15 per cent. The rate of 15 per cent. may be reduced by applicable tax treaties.

However, certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

(a) interest from debt securities derived on or after 1 January 2004;

(b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and

(c) prepayment fee, redemption premium or break cost from debt securities derived on or after 15 February 2007,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

In addition, as the Programme as a whole is arranged by DBS Bank Ltd. and Oversea-Chinese Banking Corporation Limited, each of which is a Financial Sector Incentive (Capital Market) Company or Financial Sector Incentive (Standard Tier) Company (each as defined in the ITA) at such time, any tranche of the Perpetual Securities (the **Relevant Securities**) issued as debt securities under the Programme during the period from the date of this Information Memorandum to 31 December 2023 would be qualifying debt securities (**QDS**) for the purposes of the ITA, to which the following treatment shall apply:

(i) subject to certain prescribed conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the MAS may direct, of a return on debt securities to the MAS for the Relevant Securities in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Securities as the MAS may require, and the inclusion by the Issuer in all offering documents relating to the Relevant Securities of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Relevant Securities is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities shall not apply if the non-resident person acquires the Relevant Securities using the funds and profits of such person's operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, the **Qualifying Income**) from the Relevant Securities derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Securities are not obtained from such person's operation through a permanent establishment in Singapore, are exempt from Singapore income tax;

(ii) subject to certain conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the MAS may direct, of a return on debt securities to the MAS in respect of the Relevant Securities in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Securities as the MAS may require), Qualifying Income from the Relevant Securities derived by any company or body of persons (as defined in the ITA) in Singapore is subject to income tax at a concessionary rate of 10 per cent. (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and

(iii) subject to:

(aa) the Issuer including in all offering documents relating to the Relevant Securities a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Securities is not exempt from tax shall include such income in a return of income made under the ITA; and

(bb) the furnishing by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities for the Relevant Securities in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Securities as the MAS may require,

payments of Qualifying Income derived from the Relevant Securities are not subject to withholding of tax by the Issuer.

However, notwithstanding the foregoing:

(A) if during the primary launch of the Relevant Securities, the Relevant Securities are issued to fewer than four persons and 50 per cent. or more of the issue of such Relevant Securities is beneficially held or funded, directly or indirectly, by related parties of the Issuer or the CEREIT Manager, such Relevant Securities would not qualify as QDS; and

(B) even though the Relevant Securities are QDS, if at any time during the tenure of the Relevant Securities, 50 per cent. or more of the Relevant Securities which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer or the CEREIT Manager, Qualifying Income derived from such Relevant Securities held by:

(i) any related party of the Issuer or the CEREIT Manager; or

(ii) any other person where the funds used by such person to acquire such Relevant Securities are obtained, directly or indirectly, from any related party of the Issuer or the CEREIT Manager,

shall not be eligible for the tax exemption or concessionary rate of tax as described above.

The term **related party**, in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

For the purposes of the ITA and this Singapore tax disclosure:

(a) **break cost**, in relation to debt securities and QDS, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption;

(b) **prepayment fee**, in relation to debt securities and QDS, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities; and

(c) **redemption premium**, in relation to debt securities and QDS, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity.

Where interest (including distributions which are regarded as interest for Singapore income tax purposes), discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) is derived from any of the Relevant Securities by any person who (i) is not resident in Singapore and (ii) carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for QDS under the ITA (as mentioned above) shall not apply if such person acquires such Relevant Securities using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest (including distributions which are regarded as interest for Singapore income tax purposes), discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) derived from the Relevant Securities is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the ITA.

Characterisation of the Perpetual Securities

The ITA currently does not contain specific provisions on the Singapore income tax treatment of hybrid instruments (i.e. financial instruments that exhibit both debt-like and equity-like features). However, the IRAS has issued a circular entitled "Income Tax Treatment of Hybrid Instruments" (the **Hybrid Instruments Circular**) which provides guidance on the factors taken into consideration when determining whether a hybrid instrument is to be treated as a debt or equity instrument for Singapore income tax purposes and the corresponding income tax treatment.

Based on the Hybrid Instruments Circular, the first step in determining the characterisation of a hybrid instrument is to determine its legal form, which involves an examination of the legal rights and obligations created by the instrument. A hybrid instrument is generally characterised as equity if the legal terms of the instrument indicate ownership interests in the issuer.

If the legal form of a hybrid instrument is not indicative of or does not reflect the legal rights and obligations, the facts and circumstances surrounding the instrument and a combination of factors would be examined, which include (but are not limited to):

(a) the nature of interest acquired;

(b) investor's right to participate in the issuer's business;

(c) voting rights conferred by the instrument;

(d) obligation to repay the principal amount of the instrument;

(e) payout;

(f) investor's right to enforce payment;

(g) classification by other regulatory authority; and

(h) ranking for repayment in the event of liquidation or dissolution.

As further provided in the Hybrid Instruments Circular:

(a) if a hybrid instrument is characterised as a debt instrument for Singapore income tax purposes, distributions from the issuer to the investor are regarded as interest;

(b) if a hybrid instrument issued by a company is characterised as an equity instrument for Singapore income tax purposes, distributions from the issuer to the investors are regarded as either dividends; and

(c) if a hybrid instrument issued by a REIT is characterised as an equity instrument for Singapore income tax purposes, distributions from the issuer (being a REIT) are taxable in the hands of the holders of such hybrid instrument being returns on investments, regardless of the underlying receipts from which the distributions are made by such issuer.

In the event that a tranche of the Perpetual Securities is characterised as debt instruments for Singapore income tax purposes, payments of distributions (including any Optional Distributions, Arrears of Distribution and any Additional Distribution Amounts, if applicable) should be regarded as interest payments. Accordingly, please see the section "Interest and Other Payments" on the Singapore income tax treatment that may be applicable on the distributions (including any Optional Distributions, Arrears of Distribution and any Additional Distribution Amounts, if applicable) in respect of such Perpetual Securities. In this regard, where interest (including distributions which are regarded as interest), discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) is derived from such Perpetual Securities by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for QDS under the ITA (as mentioned above) shall not apply if such person acquires such Perpetual Securities using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest (including distributions which are regarded as interest), discount income, prepayment fee, redemption premium or break cost derived from such Perpetual Securities is not exempt from tax is required to include such income in a return of income made under the ITA.

In the event that a tranche of the Perpetual Securities which is issued by the Issuer (being a REIT) is characterised as equity instruments for Singapore income tax purposes and the distributions are to be treated as return on investments in the hands of the holders of such Perpetual Securities, the payment of such distributions may be taxable in the hands of the holders of such Perpetual Securities, regardless of the underlying receipts from which the distributions are made by the Issuer (being a REIT). In addition, any Additional Distribution Amounts (if applicable) in respect of such Perpetual Securities, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, may be subject to withholding tax on the basis that such amounts may be regarded as interest in nature. Please see the section "Interest and Other Payments" on the applicable withholding tax rates.

Capital Gains

Any gains considered to be in the nature of capital made from the sale of the Perpetual Securities will not be taxable in Singapore. However, any gains derived by any person from the sale of the Perpetual Securities which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Perpetual Securities who apply or are required to apply Singapore Financial Reporting Standard 39 (**FRS 39**), Financial Reporting Standard 109 – Financial Instruments (**FRS 109**) or Singapore Financial Reporting Standard (International) 9 (Financial Instruments) (**SFRS(I) 9**) (as the case may be) may for Singapore income tax purposes be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Perpetual Securities, irrespective of disposal, in accordance with FRS 39, FRS 109 or SFRS(I) 9 (as the case may be). Please see the section below on "Adoption of FRS 39, FRS 109 or SFRS(I) 9 Treatment for Singapore Income Tax Purposes".

Adoption of FRS 39, FRS 109 or SFRS(I) 9 Treatment for Singapore Income Tax Purposes

Section 34A of the ITA provides for the tax treatment for financial instruments in accordance with FRS 39 (subject to certain exceptions and "opt-out" provisions) to taxpayers who are required to comply with FRS 39 for financial reporting purposes. IRAS has also issued a circular entitled "Income Tax Implications Arising from the Adoption of FRS 39 – Financial Instruments: Recognition and Measurement".

FRS 109 or SFRS(I) 9 (as the case may be) is mandatorily effective for annual periods beginning on or after 1 January 2018, replacing FRS 39. Section 34AA of the ITA requires taxpayers who comply or who are required to comply with FRS 109 or SFRS(I) 9 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109 or SFRS(I) 9 (as the case may be), subject to certain exceptions. IRAS has also issued a circular entitled "Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 – Financial Instruments".

Holders of the Perpetual Securities who may be subject to the tax treatment under Sections 34A or 34AA of the ITA should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Perpetual Securities.

Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a **foreign financial institution** (as defined by FATCA) may be required to withhold on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including Singapore) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Perpetual Securities, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Perpetual Securities, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Perpetual Securities, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Perpetual Securities characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are published generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). However, if additional Perpetual Securities (as described under "*Terms and Conditions of the Perpetual Securities – Further Issues*") that are not distinguishable from previously issued Perpetual Securities are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Perpetual Securities, as the case may be, including the Perpetual Securities offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in Perpetual Securities. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Perpetual Securities, no person will be required to pay additional amounts as a result of the withholding.

The proposed financial transactions tax (FTT)

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in Perpetual Securities (including secondary market transactions) in certain circumstances. The issuance and subscription of Perpetual Securities should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Perpetual Securities where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of Perpetual Securities are advised to seek their own professional advice in relation to the FTT.

CLEARING AND SETTLEMENT

Clearance and Settlement under the Depository System

In respect of Perpetual Securities which are accepted for clearance by CDP in Singapore, clearance will be effected through an electronic book-entry clearance and settlement system for the trading of debt securities (**Depository System**) maintained by CDP. Perpetual Securities that are to be listed on the SGX-ST may be cleared through CDP.

CDP, a wholly owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the securities accounts maintained by such accountholders with CDP.

In respect of Perpetual Securities which are accepted for clearance by CDP, the entire issue of the Perpetual Securities is to be held by CDP in the form of a Global Perpetual Security for persons holding the Perpetual Securities in securities accounts with CDP (**Depositors**). Delivery and transfer of Perpetual Securities between Depositors is by electronic book-entries in the records of CDP only, as reflected in the securities accounts of Depositors.

Settlement of over-the-counter trades in the Perpetual Securities through the Depository System may only be effected through securities sub-accounts held with corporate depositors (**Depository Agents**). Depositors holding the Perpetual Securities in direct securities accounts with CDP, and who wish to trade Perpetual Securities through the Depository System, must transfer the Perpetual Securities to a securities sub-account with a Depository Agent for trade settlement.

CDP is not involved in money settlement between Depository Agents (or any other persons) as CDP is not a counterparty in the settlement of trades of debt securities. However, CDP will make payment of interest and repayment of principal on behalf of issuers of debt securities.

Although CDP has established procedures to facilitate transfer of interests in the Perpetual Securities in global form among Depositors, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Issuing and Paying Agent or any other agent will have the responsibility for the performance by CDP of its obligations under the rules and procedures governing its operations.

Clearance and Settlement under Euroclear and/or Clearstream

Euroclear and Clearstream each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in the accounts of such participants, thereby eliminating the need for physical movements of certificates and any risks from lack of simultaneous transfer. Euroclear and Clearstream provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream each also deals with domestic securities markets in several countries through established depository and custodial relationships. The respective systems of Euroclear and Clearstream have established an electronic bridge between their two systems which enables their respective participants to settle trades with one another. Euroclear and Clearstream participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream is also available to other financial institutions, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream participant, either directly or indirectly.

A participant's overall contractual relations with either Euroclear or Clearstream are governed by the respective rules and operating procedures of Euroclear or Clearstream and any applicable laws. Both Euroclear and Clearstream act under those rules and operating procedures only on behalf of their respective participants, and have no record of, or relationship with, persons holding any interests through their respective participants. Distributions of principal with respect to book-entry interests in the Perpetual Securities held through Euroclear or Clearstream will be credited, to the extent received by the relevant issuing and paying agent, to the cash accounts of the relevant Euroclear or Clearstream participants in accordance with the relevant system's rules and procedures.

SUBSCRIPTION AND SALE

The Dealers have, in the programme agreement (such programme agreement as modified and/or supplemented and/or restated from time to time, the **Programme Agreement**) dated [●] 2021, agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Perpetual Securities. Any such agreement will extend to those matters stated under "*Form of the Perpetual Securities*" and "*Terms and Conditions of the Perpetual Securities*". The Issuer may pay each relevant Dealer a commission as agreed between them in respect of Perpetual Securities subscribed by such Dealer. The Issuer may also from time to time agree with the relevant Dealer(s) that the Issuer may pay certain third parties commissions (including, without limitation, rebates to private banks). In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment, update and any future update of the Programme and the issue of Perpetual Securities under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

The Dealers and their affiliates are full service financial institutions engaged in various activities which may include securities trading, commercial and investment banking, financial advice, investment management, principal investment, hedging, financing and brokerage activities. Each of the Dealers may have engaged in, and may in the future engage in, investment banking and other commercial dealings and advisory services in the ordinary course of business with the Issuer or its subsidiaries, jointly controlled entities or associated companies and may be paid fees and expenses in connection with such services from time to time. In the ordinary course of their various business activities, the Dealers and their affiliates may make or hold (on their own account, on behalf of clients or in their capacity of investment advisers) a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments and enter into other transactions, including credit derivatives (such as asset swaps, repackaging and credit default swaps) in relation thereto. Such transactions, investments and securities activities may involve securities and instruments of the Issuer or its subsidiaries, jointly controlled entities or associated companies, including Perpetual Securities issued under the Programme, may be entered into at the same time or proximate to offers and sales of Perpetual Securities or at other times in the secondary market and be carried out with counterparties that are also purchasers, holders or sellers of Perpetual Securities.

Perpetual Securities issued under the Programme may be purchased by or be allocated to any Dealer or an affiliate for asset management and/or proprietary purposes but not with a view to distribution/whether or not with a view to later distribution. Such persons do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

United States

The Perpetual Securities have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States or, if Category 2 is specified in the applicable Pricing Supplement, to, or for the account or benefit of, U.S. persons except in certain transactions exempt from or not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Perpetual Securities in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder. The applicable Pricing Supplement will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

If Category 1 is specified in the applicable Pricing Supplement, the Perpetual Securities are being offered and sold only outside the United States in offshore transactions in reliance on, and in compliance with Regulation S.

If Category 2 is specified in the applicable Pricing Supplement, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Perpetual Securities (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution of all Perpetual Securities of the Tranche of which such Perpetual Securities are a part, within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S of the Securities Act. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Perpetual Securities during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Perpetual Securities within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Perpetual Securities, an offer or sale of such Perpetual Securities within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Each issuance of Index Linked Perpetual Securities or Dual Currency Perpetual Securities shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Perpetual Securities, which additional selling restrictions shall be set out in the applicable Pricing Supplement.

European Economic Area and the United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not engage in the offer or marketing of the Perpetual Securities in any jurisdiction in which Directive 2011/61/EU (the **AIFM Directive**), including as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**), has been implemented, save that they may, notwithstanding the foregoing but without prejudice to any other matter contained in this section, engage in the offer or marketing of the Perpetual Securities in such jurisdictions as agreed in writing between the Issuer and the relevant Dealer prior to any such marketing or offer taking place (each such jurisdiction in which such marketing or offer is permitted pursuant to this paragraph being a **Relevant AIFMD Jurisdiction**).

For the avoidance of doubt, and notwithstanding the foregoing or the generality of the matters set out under "*Subscription and Sale*" of this Information Memorandum, no Dealer has made any representation, undertaking or agreement that it has complied with the provisions of the AIFM Directive, as such directive is implemented into, and interpreted in accordance with, the laws of each Relevant AIFMD Jurisdiction.

Prohibition of Sales to EEA Retail Investors

Unless the Pricing Supplement in respect of any Perpetual Securities specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer represents and agrees that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Perpetual Securities which are the subject of the offering contemplated by this Information Memorandum as completed by Pricing Supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression **retail investor** means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or

(ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the **Prospectus Regulation**); and

(b) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Perpetual Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Perpetual Securities.

If the Pricing Supplement in respect of any Perpetual Securities specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the European Economic Area each Dealer represents and agrees that it has not made and will not make an offer of Perpetual Securities which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to the public in that Member State except that it may make an offer of such Perpetual Securities to the public in that Member State:

(A) if the Pricing Supplement in relation to the Perpetual Securities specify that an offer of those Perpetual Securities may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Member State (a **Non-exempt Offer**), following the date of publication of a prospectus in relation to such Perpetual Securities which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, provided that any such prospectus has subsequently been completed by the Pricing Supplement contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt offer;

(B) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(C) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(D) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Perpetual Securities referred to in (B) to (D) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an **offer of Perpetual Securities to the public** in relation to any Perpetual Securities in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Perpetual Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Perpetual Securities and the expression **Prospectus Regulation** means Regulation (EU) 2017/1129.

Prohibition of Sales to UK Retail Investors

Unless the Pricing Supplement in respect of any Perpetual Securities specifies “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer represents and agrees, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Perpetual Securities which are the subject of the offering contemplated by this Information Memorandum as completed by Pricing Supplement in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression **retail investor** means a person who is one (or more) of the following:

 (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or

 (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the **FSMA**) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

 (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and

(b) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Perpetual Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Perpetual Securities.

If the Pricing Supplement in respect of any Perpetual Securities specifies “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer represents and agrees, that it has not made and will not make an offer of Perpetual Securities which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to the public in the United Kingdom except that it may make an offer of such Perpetual Securities to the public in the United Kingdom:

(A) if the Pricing Supplement in relation to the Perpetual Securities specify that an offer of those Perpetual Securities may be made other than pursuant to section 86 of the FSMA (a **Public Offer**), following the date of publication of a prospectus in relation to such Perpetual Securities which either (i) has been approved by the Financial Conduct Authority, or (ii) is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provision in Regulation 74 of the Prospectus (Amendment etc.) (EU Exit) Regulations 2019, provided that any such prospectus has subsequently been completed by the Pricing Supplement contemplating such Public Offer, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Public Offer;

(B) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;

(C) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(D) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Perpetual Securities referred to in (B) to (D) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression **an offer of Perpetual Securities to the public** in relation to any Perpetual Securities means the communication in any form and by any means of sufficient information on the terms of the offer and the Perpetual Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Perpetual Securities and the expression **UK Prospectus Regulation** means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

Japan

The Perpetual Securities have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the **FIEA**) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Perpetual Securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Perpetual Securities (except for Perpetual Securities which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (**SFO**)) other than: (i) to "professional investors" as defined in the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Perpetual Securities, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Perpetual Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in of the SFO and any rules made under the SFO.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Perpetual Securities or caused the Perpetual Securities to be made the subject of an invitation for subscription or purchase and will not offer or sell any Perpetual Securities or cause the Perpetual Securities to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Information Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Perpetual Securities, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018 of Singapore, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Perpetual Securities are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Perpetual Securities pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

Any reference to the SFA is a reference to the Securities and Futures Act, Chapter 289 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Perpetual Securities or possesses or distributes this Information Memorandum and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Perpetual Securities under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer, the Trustee nor any of the other Dealers shall have any responsibility therefor.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Dealers or any affiliate of the Dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by that Dealer or its affiliate on behalf of the Issuer in such jurisdiction.

None of the Issuer, the Trustee and the Dealers represents that Perpetual Securities may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with any additional restrictions as may be agreed between the Issuer and the relevant Dealer and set out in the Subscription Agreement, Dealer Accession Letter or dealer confirmation, as relevant or in the applicable Pricing Supplement.

GENERAL INFORMATION

Authorisation

The establishment of the Programme and the issue of Perpetual Securities under the Programme have been duly authorised by a global resolution of the Board of Directors of the CEREIT Trustee dated 11 August 2020.

Listing of Perpetual Securities

Approval in-principle has been received from the SGX-ST in connection with the Programme and application will be made for permission to deal in, and for quotation of, any Perpetual Securities to be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Perpetual Securities have been admitted to the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. The approval-in-principle from, and the admission of any Perpetual Securities to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Issuer, CEREIT, the CEREIT Manager, their respective subsidiaries, their respective associated companies (if any), the Programme or the Perpetual Securities.

The applicable Pricing Supplement in respect of any Series will specify whether or not such Perpetual Securities will be listed and, if so, on which exchange(s) the Perpetual Securities are to be listed. For so long as the Perpetual Securities are listed on the SGX-ST and the rules of the SGX-ST so require, the Perpetual Securities will trade on the SGX-ST in a minimum board lot size of S$200,000 (or its equivalent in other currencies).

Documents Available

So long as Perpetual Securities may be issued under the Programme, copies of the following documents will, when published, be available upon prior appointment and written request and satisfactory proof of holding, during normal business hours on any weekday (public holidays excepted) at the specified office of the CEREIT Manager, and in the case of (d) to (f) below, available (i) upon prior appointment and written request and satisfactory proof of holding, during normal business hours (being 9.00 a.m to 3.00 p.m.) on any weekday (public holidays excepted) at the specified office of the Issuing and Paying Agent or, as the case may be, the CDP Issuing and Paying Agent or (ii) available electronically via email from the Issuing and Paying Agent or, as the case may be, the CDP Issuing and Paying Agent:

(a) the constitutional documents of the Issuer:

(b) the CEREIT Trust Deed;

(c) the most recently published audited consolidated annual financial statements of the Group and the most recently published unaudited interim financial statements (if any) of the Group, together with any audit or review reports prepared in connection therewith;

(d) the Trust Deed, the Agency Agreement, the CDP Deed of Covenant, and the forms of the Global Perpetual Securities, the Perpetual Securities in definitive form, the Coupons and the Talons;

(e) a copy of this Information Memorandum; and

(f) any future information memorandums, prospectuses, information memoranda and supplements including Pricing Supplements (save that a Pricing Supplement relating to an unlisted Perpetual Security will only be available to a holder of such Perpetual Security and such holder must produce evidence satisfactory to the Issuer or the Issuing and Paying Agent or, as the case may be, CDP Issuing and Paying Agent as to its holding of Perpetual Securities and identity) to this Information Memorandum and any other documents incorporated herein or therein by reference.

Clearing Systems

The Perpetual Securities have been accepted for clearance through Euroclear and Clearstream (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Perpetual Securities allocated by Euroclear and Clearstream will be specified in the applicable Pricing Supplement. In addition, the Issuer may also apply to have the Perpetual Securities accepted for clearance through CDP. If Perpetual Securities are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Pricing Supplement.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream is Clearstream Banking S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of CDP is The Central Depository (Pte) Limited, 11 North Buona Vista Drive, #06-07 The Metropolis Tower 2, Singapore 138689.

Conditions for determining price

The price and amount of Perpetual Securities to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

Material Adverse Change

Save as disclosed in this Information Memorandum, there has been no material adverse change in the financial position of CEREIT or the Group since 31 December 2020.

Litigation

There are no legal or arbitration proceedings pending or threatened against the Issuer, CEREIT or any of their respective subsidiaries during the 12 months prior to the date of this Information Memorandum the outcome of which may have or have had a material adverse effect on the financial position of the Issuer, CEREIT or the Group.

Auditors

Deloitte & Touche LLP, have audited, and rendered unqualified audit reports on the consolidated financial statements of the Group for the financial period from date of constitution of CEREIT on 28 April 2017 to 31 December 2018 and financial years ended 31 December 2019 and 31 December 2020.

Deloitte & Touche LLP has given and has not withdrawn its written consent to the issue of this Information Memorandum for the (i) inclusion herein of its name and references thereto; and (ii) inclusion of its audit reports on the audited consolidated financial statements of the Group for the financial period from date of constitution of CEREIT on 28 April 2017 to 31 December 2018 and financial years ended 31 December 2019 and 31 December 2020, in the form and context in which they appear in this Information Memorandum.

GLOSSARY

The following definitions have, where appropriate, been used in this Information Memorandum:

% or **per cent.**	:	Per centum or percentage
1H	:	1 January to 30 June in each year
2H	:	1 July to 31 December in each year
2019 RCF	:	€150 million revolving credit facility
2020 Annual Report	:	CEREIT's FY 2020 annual report
2020 RCF	:	€135 million unsecured revolving credit facility with an accordion increase option of €65 million
AEI	:	Asset enhancement initiative
Agency Agreement	:	The agency agreement relating to the Programme dated 5 November 2021 made between (1) the Issuer, as issuer, (2) The Bank of New York Mellon, Singapore Branch, as CDP issuing and paying agent, CDP calculation agent, CDP transfer agent and CDP registrar, (3) The Bank of New York Mellon, London Branch, as non-CDP issuing and paying agent and non-CDP calculation agent, (4) The Bank of New York Mellon SA/NV, Dublin Branch, as non-CDP transfer agent and non-CDP registrar, and (5) the Trustee, as trustee, as further amended and/or supplemented and/or restated from time to time
Agents	:	Each of the Issuing and Paying Agent, the Registrar, the Transfer Agents, the CDP Issuing and Paying Agent, the CDP Registrar, CDP Transfer Agent, the Calculation Agent, the CDP Calculation Agent, the other Paying Agents, or any of them and shall include such other Agent or Agents as may be appointed from time to time under the Agency Agreement
APAC	:	Asia-Pacific
Arrangers	:	DBS Bank Ltd. and Oversea-Chinese Banking Corporation Limited
ASX	:	Australian Securities Exchange Ltd
Board	:	Board of Directors of the CEREIT Manager
BREEAM	:	Building Research Establishment Environmental Assessment Method

Calculation Agent	:	The Bank of New York Mellon, London Branch as calculation agent under the Agency Agreement in respect of Perpetual Securities cleared through Euroclear and/or Clearstream and any successor issuing and paying agent appointed in accordance with the Agency Agreement
capex	:	Capital expenditure
CDP	:	The Central Depository (Pte) Limited
CDP Calculation Agent	:	The Bank of New York Mellon, Singapore Branch as CDP calculation agent under the Agency Agreement in respect of Perpetual Securities cleared through CDP, which expression shall include any successor CDP calculation agent appointed in accordance with the Agency Agreement
CDP Deed of Covenant	:	The deed of covenant dated 5 November 2021 entered into by the Issuer in respect of Perpetual Securities cleared through CDP, as amended, restated and/or supplemented from time to time
CDP Issuing and Paying Agent	:	The Bank of New York Mellon, Singapore Branch as CDP issuing and paying agent under the Agency Agreement in respect of each Series of Perpetual Securities cleared through CDP, which expression shall include any successor CDP issuing and paying agent appointed in accordance with the Agency Agreement
CDP Registrar	:	The Bank of New York Mellon, Singapore Branch as CDP registrar under the Agency Agreement in respect of each Series of Registered Perpetual Securities cleared through CDP, which expression shall include any successor CDP registrar in relation to all or any Series of such Registered Perpetual Securities appointed in accordance with the Agency Agreement
CDP Transfer Agent	:	The Bank of New York Mellon, Singapore Branch as CDP transfer agent under the Agency Agreement in respect of each Series of Registered Perpetual Securities cleared through CDP, which expression shall include any successor or additional CDP transfer agent appointed in accordance with the Agency Agreement
CEO	:	Chief Executive Officer
CEREIT	:	Cromwell European Real Estate Investment Trust
CEREIT Manager	:	Cromwell EREIT Management Pte. Ltd., in its capacity as manager of CEREIT
CEREIT Portfolio	:	The portfolio of CEREIT, which comprises 108 properties located in the Czech Republic, Denmark, Finland, France, Germany, Italy, the Netherlands, Poland and Slovakia

CEREIT Trust Deed	:	The trust deed constituting CEREIT dated 28 April 2017 made between (1) the CEREIT Manager, as manager of CEREIT, and (2) the CEREIT Trustee, as trustee of CEREIT, as amended and restated by a First Amending & Restating Deed dated 7 September 2017, as supplemented by a First Supplemental Deed dated 15 November 2017 and a Second Supplemental Deed dated 13 April 2020 (in each case made between the same parties), and as further amended, modified or supplemented from time to time
CEREIT Trustee	:	Perpetual (Asia) Limited, in its capacity as trustee of CEREIT
CFO	:	Chief Financial Officer
CIS Code	:	The Code on Collective Investment Schemes issued by the MAS, as amended or modified from time to time
Clearstream	:	Clearstream Banking S.A.
CNH HIBOR	:	The offshore Renminbi Hong Kong interbank offered rate
Companies Act	:	Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
Conditions	:	The Terms and Conditions of the Perpetual Securities, and any reference to a numbered **Condition** is to the correspondingly numbered provision thereof
Continuing Leasehold	:	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
Dealers	:	DBS Bank Ltd., Oversea-Chinese Banking Corporation Limited and any other dealer appointed under the Programme from time to time by the Issuer
Deposited Property	:	All the authorised investments of CEREIT for the time being held or deemed to be held by CEREIT under its constitutive trust deed. Where the proportion of the CEREIT's economic interests and its voting rights in a special purpose vehicle differ, the Deposited Property shall be based on the Issuer's economic interests in such special purpose vehicle
Direct Rights	:	Direct rights which holders of Perpetual Securities may acquire against the Issuer under the provisions of the CDP Deed of Covenant in relation to Perpetual Securities cleared through CDP
DPU	:	Distribution per Unit

EEA	:	European Economic Area
EMTN Programme	:	€1.5 billion euro-medium term note programme established by Cromwell EREIT Lux Finco S.à r.l.
ESG	:	Environment, social and governance
EU	:	European Union
euro or **€**	:	The lawful currency of member states of the European Union that adopt the single currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty of the Functioning of the European Union, as amended
Euroclear	:	Euroclear Bank SA/NV
EUWA	:	European Union (Withdrawal) Act 2018
Exchange Event	:	The relevant Exchange Event under which Perpetual Securities in global form (whether in bearer or registered form) will be exchangeable, in whole but not in part, for Perpetual Securities in definitive form, as set out in "*Form of the Perpetual Securities*"
Fitch Ratings	:	Fitch Ratings Singapore Pte. Ltd.
FY	:	Financial year ended or, as the case may be, ending 31 December
GRESB	:	Global Real Estate Sustainability Benchmark
Gross Rental Income	:	Rental income payable under the respective lease agreements for the Properties, including any turnover rent (if applicable), and after the impact of any straight-line adjustments over the committed term of the lease agreement
Gross Revenue	:	Gross Rental Income, service charge income from tenants which is used to offset recoverable expenses, and other income earned from the properties including but not limited to car park revenue, advertising, licence and signage income
Group	:	CEREIT and its subsidiaries
Interested Party	:	Refers to (a) a director, chief executive officer or controlling shareholder of the CEREIT Manager, or the CEREIT Manager, the CEREIT Trustee or controlling unitholder of CEREIT; or (b) an associate of any director, chief executive officer or controlling shareholder of the CEREIT Manager, or an associate of the CEREIT Manager, the CEREIT Trustee or any controlling unitholder of CEREIT

Interested Person	:	Refers to (a) a director, chief executive officer, or controlling shareholder of CEREIT; or (b) an associate of any such director, chief executive officer, or controlling shareholder
IPO	:	Initial public offering
IRAS	:	The Inland Revenue Authority of Singapore
Issuing and Paying Agent	:	The Bank of New York Mellon, London Branch as issuing and paying agent in respect of each Series of Perpetual Securities cleared through Euroclear and/or Clearstream and any successor issuing and paying agent appointed in accordance with the Agency Agreement
ITA	:	Income Tax Act, Chapter 134 of Singapore, as amended or modified from time to time
KPI(s)	:	Key performance indicators
Latest Practicable Date	:	22 October 2021
LEED	:	Leadership in Energy and Environmental Design
Listing Manual	:	The Listing Manual of the SGX-ST
Luxembourg AIFM	:	Cromwell Investment Luxembourg S.à r.l.
MAS	:	The Monetary Authority of Singapore
NAV	:	Net asset value
NLA	:	Net leasable area
Ordinary Resolution	:	A resolution proposed and passed as such by a majority being greater than 50.0% of the total number of votes cast for and against such resolution at a meeting of Unitholders duly convened and held in accordance with the provisions of the CEREIT Trust Deed
Paying Agent	:	In relation to the Perpetual Securities of any Series, the several institutions (including where the context permits the Issuing and Paying Agent) at their respective specified offices initially appointed as paying agents in relation to such Perpetual Securities by the Issuer pursuant to the Agency Agreement and/or, if applicable, any successor paying agents in relation to such Perpetual Securities
Perpetual Leasehold	:	Leasehold 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)
Perpetual Securityholders	:	Holders of Perpetual Securities

PRC	:	The People's Republic of China, and for the purposes of this Information Memorandum, PRC refers to mainland China excluding the Special Administrative Region of Hong Kong, the Special Administrative Region of Macau, and Taiwan
Pricing Supplement	:	In relation to a Series or Tranche, a pricing supplement specifying the relevant issue details in relation to such Series or Tranche
Programme	:	The S$750,000,000 Multicurrency Perpetual Securities Programme of the Issuer
Programme Agreement	:	The programme agreement relating to the Programme dated 5 November 2021 between (1) the Issuer, as issuer, (2) the CEREIT Manager, as manager, (3) the Arrangers named therein, as arrangers, and (4) the Dealers named therein, as dealers, as further amended and/or supplemented and/or restated.
Property Funds Appendix	:	Appendix 6 to the CIS Code issued by the MAS in relation to property funds as may be modified, amended, supplemented, revised or replaced from time to time
Property Manager	:	Cromwell Europe Limited
Registrar	:	The Bank of New York Mellon SA/NV, Dublin Branch as registrar under the Agency Agreement in respect of each Series of Registered Perpetual Securities cleared through Euroclear and/or Clearstream, which expression shall include any successor registrar in relation to all or any Series of such Registered Perpetual Securities appointed in accordance with the Agency Agreement
Regulation S	:	Regulation S under the Securities Act
RCF	:	Revolving credit facility
REIT	:	Real estate investment trust
Related Party	:	Refers to an Interested Person and/or, as the case may be, an Interested Party

ReoCos	:	Certain subsidiaries of the Group, being as of the date of this Information Memorandum, among others, Cromwell EREIT Czech Properties s.r.o., Moravia Industrial Park s.r.o., Lovosice ONE Industrial Park I. s.r.o., Lovosice ONE Industrial Park II. s.r.o., South Moravia Industrial Park s.r.o., Pisek Industrial Park I. s.r.o., Pisek Industrial Park II. s.r.o., Hradec Králové ONE Industrial Park s.r.o., EHI Fund Denmark ApS, EHI CV1 UK Limited, EHI CV3 UK Limited, EHIF (Denmark) Limited, Artemis Holdco Oy, Kiinteistö Oy Opus 1, Kiinteistö Oy Plaza Allegro, Kiinteistö Oy Plaza Vivace, Plaza Forte Holdco Oy, Kiinteistö Oy Plaza Forte, Airport Plaza Business Park Oy, KOy Kuopio 39, KOy Maki 3, Myyrinraitti Holdco Oy, Liiketalo Myyrinraitti Oy, Vioto Holdco Oy, PKK 3 Holdco Oy, PKK 12 Holdco Oy, Kiin. Oy Pakkalan Kartanonkoski 12, Yrityspuiston Autopaikat Oy, Logistics France 1 SAS, Parc Logistique SAS, SCI Confluence Paryseine, SCI Cap Mermoz, PA Pantin SAS, PA Sartrouville SAS, PA France, PA Acticlub saint-Thibault SCI, PA Aubervilliers SCI, PA La Courneuve, PA Gennevilliers SCI, PA Urbaparc SCI, EHI France 1 Champs Sur Marne SCI, EHI France 4 Magny Les Hameaux SCI, EHI France 5 Saint Ouen SCI, EHI France 9 Villepinte SCI, EHI France 11 Bar Le Duc SCI, EHI France 15 Gondreville Nancy SCI, EHI France 20 Vitry Sur Seine SCI, EHI France 22 Noisy Le Sec SCI, Cromwell EREIT Management Germany GmbH, Cromwell Europa 1, Centro Lissone S.R.L., Cromwell Europa 2, EHI Fund (Jersey) Ltd, EHI Fund Germany Limited, Cromwell EREIT Management Luxembourg S.à r.l., Cromwell EREIT Lux Finco S.à r.l., Parc d'Activités 1 Luxembourg S.à r.l., PA Holdings Luxembourg S.à r.l., Cromwell EREIT Lux 2 S.à r.l., Cromwell Europa 3 HoldCo S.à r.l., Cromwell Europa 4 HoldCo S.à r.l., Europe 5 HoldCo S.à r.l., Cromwell Europa 6 HoldCo S.à r.l., Cromwell EREIT Dutch Logistics S.à r.l., EHI Luxembourg S.à r.l., Cromwell EREIT Lux 3A S.à r.l., Arkonska PL Propco S.à r.l., Europe 1 Propco S.à r.l., Grojecka PL Propco S.à r.l., Moeder Teresalaan NL Propco S.à r.l., Riverside PL Propco S.à r.l., Cromwell EREIT Lux 3B S.à r.l., Cromwell EREIT Lux 4 S.à r.l., Cromwell European Cities Income S.C.Sp., Cromwell European Cities Income Fund General Partner S.à r.l., CECIF Lux Holdco 1, CECIF Lux Holdco 2, CECIF Lux BidCo 1, Cromwell EREIT Lux 5 S.à r.l., EHI Fund One CV, Euroind Two CV, EHI Fund GP (Netherlands) BV, Euroind Three CV, Peacock Real Estate B.V., Yova, Central Plaza B.V., Yova Koningskade B.V., Yova Ruyterkade B.V., Yova Blaak B.V., Yova Haagse Poort B.V., Cambil Sp. Z.o.o., Kasteli Sp. Z.o.o., Cromwell European Real Estate Investment Trust, Perpetual (Asia) Limited, Cromwell EREIT Management Pte. Ltd., Cromwell EREIT SG Finco Pte. Ltd., Cromwell SG SPV 1 Pte. Ltd., Cromwell SG SPV 2 Pte. Ltd., Cromwell SG SPV 3 Pte. Ltd., Cromwell SG SPV 4 Pte. Ltd., Cromwell SG SPV 5 Pte. Ltd., Zilina Industrial Park SK s.r.o., Nove Mesto ONE Industrial Park I SK s.r.o., Nove Mesto ONE Industrial Park II SK s.r.o., Kosice Industrial Park SK s.r.o., Nove Mesto ONE Industrial Park III SK s.r.o.

RMB or **Renminbi** or **CNY**	:	Renminbi, the lawful currency of the PRC.
S$ or **Singapore dollars**	:	Singapore dollars, the lawful currency of the Republic of Singapore
Securities Act	:	U.S. Securities Act of 1933, as amended
Securities and Futures Act or **SFA**	:	Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time; and any reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time
SGX-ST	:	Singapore Exchange Securities Trading Limited
SGX-ST Listing Manual	:	The listing manual of the SGX-ST
Singapore Holding Companies	:	Cromwell EREIT SG Finco Pte. Ltd, Cromwell SG SPV 1 Pte. Ltd., Cromwell SG SPV 2 Pte. Ltd., Cromwell SG SPV 3 Pte. Ltd., Cromwell SG SPV 4 Pte. Ltd. and Cromwell SG SPV 5 Pte. Ltd.
SORA	:	The Singapore overnight rate average
Sponsor	:	Cromwell Property Group
sqm	:	Square metres
£ or **Sterling**	:	British Pounds Sterling, the lawful currency of the United Kingdom
Subsidiary or **subsidiary**	:	Any company which is for the time being, a subsidiary (within the meaning of Section 5 of the Companies Act), and in relation to CEREIT, means any company, corporation, trust, fund or other entity (whether or not a body corporate): (i) which is controlled, directly or indirectly, by the CEREIT Trustee; or (ii) more than half the interests of which is beneficially owned, directly or indirectly, by the CEREIT Trustee; or

		(iii) which is a subsidiary of any company, corporation, trust, fund or other entity (whether or not a body corporate) to which paragraph (i) or (ii) above applies, and for these purposes, any company, corporation, trust, fund or other entity (whether or not a body corporate) shall be treated as being controlled by the CEREIT Trustee if the CEREIT Trustee (whether through its trustee or otherwise) is able to direct its affairs and/or to control the composition of its board of directors or equivalent body.
TARGET2 System	:	The Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System
Transfer Agent	:	The Bank of New York Mellon SA/NV, Dublin Branch as transfer agent under the Agency Agreement in respect of each Series of Registered Perpetual Securities cleared through Euroclear and/or Clearstream, which expression shall include any successor transfer agent in relation to all or any Series of such Registered Perpetual Securities appointed in accordance with the Agency Agreement
Trust Deed	:	The trust deed dated 5 November 2021 made between (1) the Issuer, as issuer, and (2) the Trustee, trustee, as further amended and/or supplemented and/or restated
Trustee	:	The Bank of New York Mellon, Singapore Branch
UK	:	United Kingdom
Unit(s)	:	An undivided interest in CEREIT as provided for in the CEREIT Trust Deed
Unit Consolidation	:	CEREIT's unit consolidation exercise completed on 7 May 2021
Unitholder(s)	:	Holders of units in CEREIT
United States or U.S.	:	United States of America, its territories and possessions, any State of the United States and the District of Columbia
U.S.$ or **U.S. dollars** or **$**	:	United States Dollars, the lawful currency of the United States of America
WALB	:	Weighted average lease term to break in terms of years, defined as the weighted average lease term in years to the next permissible tenant-customer lease break date
WALE	:	Weighted average lease term in years, 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)

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations. Any reference to a time of day in this Information Memorandum shall be a reference to Singapore time unless otherwise stated. Any reference in this Information Memorandum to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or the SFA or any statutory modification thereof and used in this Information Memorandum shall, where applicable, have the meaning ascribed to it under the Companies Act or, as the case may be, the SFA.

CROMWELL
EUROPEAN REIT

Cromwell European REIT

3Q 2021 Business Update

3 November 2021

Contents

Quality Properties in European Gateway Cities

CEREIT's **Diversified Portfolio**

Resilience and growth from asset management opportunities

The Netherlands	
Properties	12
Lettable Area (sqm)	224,194
Valuation (€ million)	639.8
% of Portfolio	27.0%
Average Reversionary Yield	6.0%

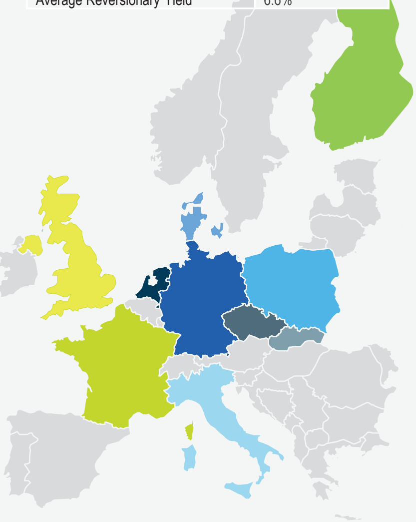
Italy	
Properties	20
Lettable Area (sqm)	533,065
Valuation (€ million)	537.4
% of Portfolio	22.7%
Average Reversionary Yield	6.0%

France	
Properties	21
Lettable Area (sqm)	282,396
Valuation (€ million)	413.8
% of Portfolio	17.5%
Average Reversionary Yield	7.4%

Poland	
Properties	6
Lettable Area (sqm)	111,241
Valuation (€ million)	235.8
% of Portfolio	10.0%
Average Reversionary Yield	8.4%

Germany	
Properties	15
Lettable Area (sqm)	226,985
Valuation (€ million)	207.3
% of Portfolio	8.8%
Average Reversionary Yield	5.7%

Properties	109[1]
Occupancy Rate (by lettable area)	95.3%
Portfolio Valuation	2,366.9 million
WALE / WALB	4.7 years / 3.2 years
% Freehold[2] (by valuation)	92.4%
Average Reversionary Yield	6.6%



Finland	
Properties	11
Lettable Area (sqm)	61,949
Valuation (€ million)	111.8
% of Portfolio	4.7%
Average Reversionary Yield	7.5%

Denmark	
Properties	11
Lettable Area (sqm)	129,817
Valuation (€ million)	84.8
% of Portfolio	3.6%
Average Reversionary Yield	8.4%

The Czech Republic	
Properties	7
Lettable Area (sqm)	59,499
Valuation (€ million)	61.1
% of Portfolio	2.6%
Average Reversionary Yield	5.7%

Slovakia	
Properties	5
Lettable Area (sqm)	74,355
Valuation (€ million)	63.4
% of Portfolio	2.7%
Average Reversionary Yield	6.2%

United Kingdom	
Properties	1
Lettable Area (sqm)	9,764
Purchase Price (€ million)	11.6
% of Portfolio	0.5%
Reversionary Yield	5.3%

1. Including the latest acquisition in Mira, Greater Venice, Italy
2. Freehold and continuing / perpetual leasehold

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1. 3Q 2021 Highlights

Resilient Performance in 3Q 2021

3Q 2021 financial and capital management highlights

Portfolio diversification continues to underpin performance in 3Q 2021

€33.2 million
Net property Income
YTD 2021 NPI 10.3% higher vs. pcp (€97.4 million)

€24.3 million
Distributable Income
YTD 2021 DI 4.9% higher vs. pcp (€70.4 million)

€4.326 cents
Indicative DPU
YTD 2021 indicative DPU €12.828 cents 2.1% higher vs. pcp on a like-for-like basis[1]

35.8%
Net gearing[2]
37.8% aggregate leverage[2] is within range set by the Board

5.8x
Interest coverage[4]
Calculated in line with MAS definitions

3.5-year
WADE
As at 30 Sep 2021; amongst the top 5 longest WADE profiles for REITs in Singapore[3]

Active leasing supports strong occupancy and positive rent reversions

95.3%
portfolio occupancy
As at 30 Sep 2021
Up +1 p.p. vs. 30 Sep 2020

+1.2%
rent reversion
+4.1% for YTD 2021

+2.8%
Like-for-like NPI growth
YTD 2021 vs. pcp (€2.4 million higher)

45,532 sqm
(47 leases)
YTD 2021 new leases and renewals cover 130,700 sqm (160 leases)

4.7-year
WALE
As at 30 Sep 2021

~40%
Portfolio weighting to logistics
As at 30 Sep 2021

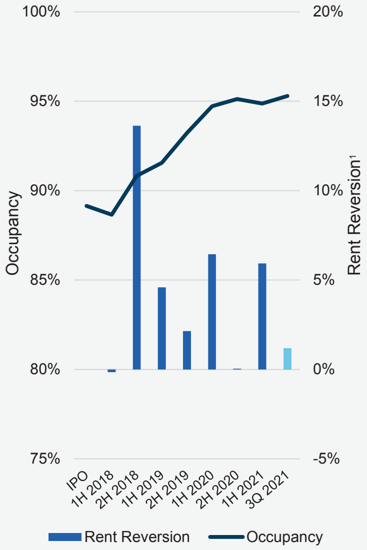
CROMWELL EUROPEAN REIT

1. As compared to pcp. Like-for-like excludes the €2.8 million of realised capital gains that were included in distributable income in FY 2020
2. Net gearing is total debt less cash over total assets less cash. Aggregate leverage is 37.8% as per the Property Funds Appendix
3. As at 30 June 2021
4. Calculated as per the Property Funds Appendix based on net income before tax, fair value changes and finance costs divided by interest expense and amortised debt establishment costs

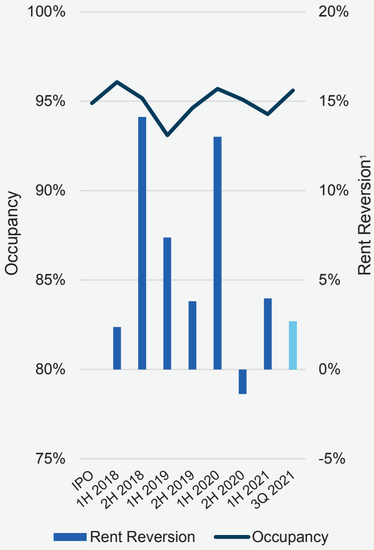
Rise in Occupancy and Positive Rent Reversions

Resilience of income supported by active asset management, CPI indexation, rent reversions[1] and acquisitions

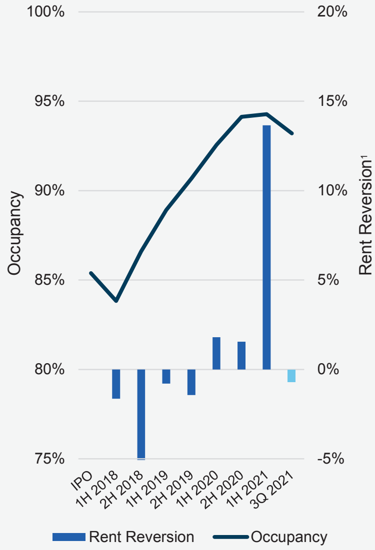
Overall portfolio



Light industrial / logistics



Office

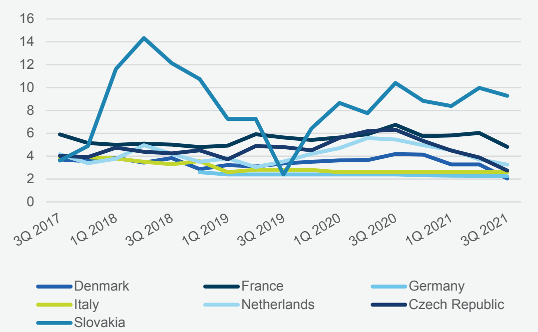


1. Calculated as a percentage with the numerator the new headline rent of all modified, renewed or new leases over the relevant period and denominator the last passing rent of the areas being subject to modified, renewed or new leases

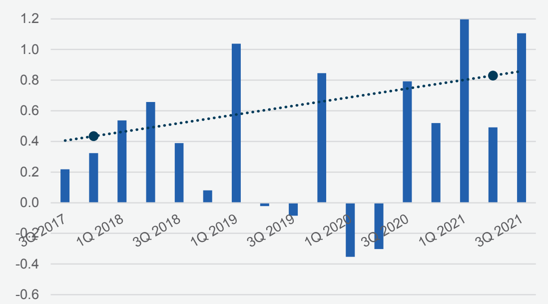
Pivot to Logistics Supported by Market Fundamentals

E-commerce continues to drive occupier demand in European logistics

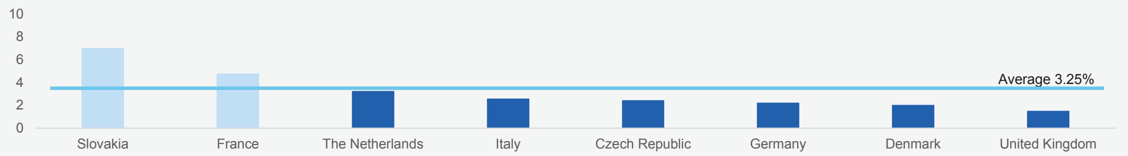
European logistics outlook: vacancy rates (%)



Average quarterly logistics market rent growth[1] (%)



Light industrial / logistics vacancy rates 3Q 2021 (%) in CEREIT's countries of operations

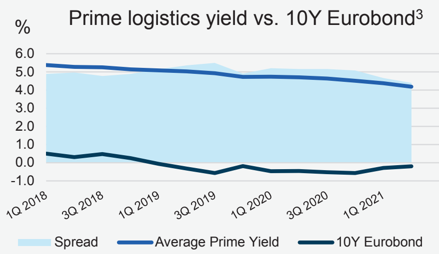


1. Covers the overall average quarterly logistics rent growth across all of CEREIT's countries of operations

Executing the Pivot to Logistics

Advanced pipeline of opportunities under review, supported by attractive spread between European logistics prime yield and European bonds

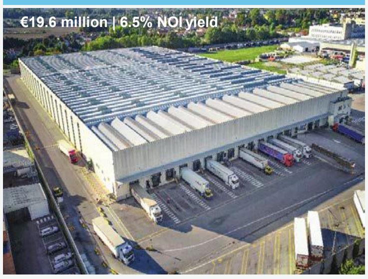
- CEREIT's current pivot towards a 50% portfolio weighting to the light industrial / logistics sector is supported by attractive prime logistics yield to bond spreads at >4%
- Already completed ~€262 million[1] in light industrial / logistics acquisitions (at a 6.7% blended NOI yield[2]) since the beginning of 2020 in Germany, the Czech Republic, Slovakia, Italy and the UK
- Advanced pipeline of opportunities under review in Western Europe, including Germany, the Netherlands, Italy and the UK
- Industrial property investment across Europe in 2021 has so far proven to be exceptional – transaction volume YTD is up by 85%, in comparison to a five-year pre-pandemic average



Hradec Kralove, the Czech Republic

Kingsland 21, the United Kingdom

Mira, Italy



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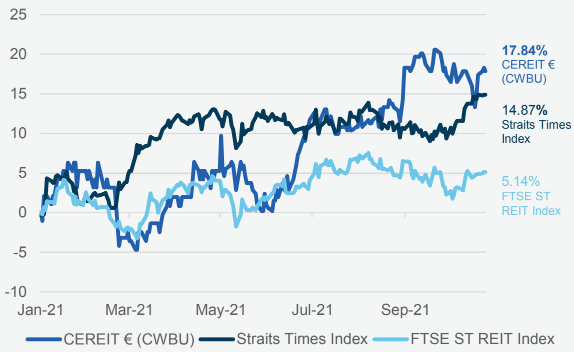
1. Five asset acquisitions completed in FY 2020 and 14 asset acquisitions in YTD 2021 (including Mira in Greater Venice, Italy announced on 1 November 2021)
2. NOI yield is calculated as the annualised Day 1 net operating income pre-asset management fees divided by the purchase price including transaction costs
3. Prime logistics yields; Sources: CBRE / EuroBond and Eikon Thomson Reuters

Improved Liquidity and **Market Performance**

Among the largest new additions to the FTSE EPRA Nareit global Index series (Developed Asia)

CEREIT daily trading volume and share price

Total return YTD (as at 26 Oct 2021)



iEdge S-REIT Index
S&P Dow Jones Indices
MSCI
EPRA
Nareit
FTSE Russell

- Included in **FTSE EPRA Nareit Global Developed Asia Index** with effect from 21 September 2021
- Upgraded to the **FTSE ST Mid Cap Index**, following FTSE Russell's semi-annual review to the FTSE ST Index Series
- A constituent of more than 370 indices including the S&P Asia Pacific REIT Index, FTSE ST REIT Index, FTSE ST Mid Cap Index, MSCI Singapore Investable Market Index, MSCI Singapore All Cap Index, iEdge S-REIT Index and iEdge SG ESG Leaders Index, amongst others

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ESG Credentials and **Recognition**

ESG commitment and integration in day-to-day management of portfolio and operations

Key ESG ratings results and achievements

GRESB 2021

GRESB[1] Public Disclosure Level

98

E D C B A

Global Average: C
Comparison Group Average: A

- Overall score of 76 points (4% YoY increase)
- Maintained 'Green Star' status
- Achieved public disclosure score of 98 points and "A" grade

- 23 BREEAM[2] ratings and 1 LEED[3] Platinum Certification as at 7 October 2021

- Double win at the EPRA[4] Sustainability Best Practice Recommendations Awards for excellence in ESG reporting

Recognitions for corporate governance and transparency

SIAS Investors' Choice Awards

- Winner of Singapore Corporate Governance Award in the REITs & Business Trusts category

NUS National University of Singapore
Centre of Governance and Sustainability
NUS Business School

- Ranked within top 10 for 2020 and 2021 at the Singapore Governance & Transparency Index (SGTI)

ESG ratings upgrade

MSCI ESG RATINGS BBB

CCC | B | BB | BBB | A | AA | AAA

- Upgraded score[5] by two-notches YoY
- Recognised for "stronger business ethics programmes and green building focus"

16.4 Low Risk — SUSTAINALYTICS RATED

Negligible 0 - 10 | Low 10 - 20 | Medium 20 - 30 | High 30 - 40 | Severe 40+

- Two-point YoY decrease for risk
- Recognised for "strong company disclosure"

1. As at October 2021
2. Building Research Establishment Environment Assessment Method
3. Leadership in Energy and Environmental Design
4. European Public Real Estate
5. Disclaimer Statement: CEREIT's use of any MSCI ESG Research LLG or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of CEREIT by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided 'as-is' and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

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2.
Financial and Capital Management Highlights

Like-for-like DPU up 2.1%[1] YTD 2021 vs. pcp

Like-for-like NPI up 2.8% vs. pcp

- YTD 2021 indicative DPU was 2.2% lower than YTD 2020 mainly due to
  i. a slight delay between financing and completing recent acquisitions funded by the private placement;
  ii. higher average cash balance (earning zero rate)
  iii. higher interest due to refinancing debt through bond issues which have extended WADE profile; and
  iv. the absence of payment of capital gains where €2.8 million was paid out in 1H 2020 (equivalent to €0.55 cents in 1H 2020 DPU)

	3Q 2021	3Q 2020	Variance	YTD 2021	YTD 2020	Variance
Gross Revenue (€'000)	50,653	46,092	9.9%	149,672	139,752	7.1%
NPI (€'000)	33,157	30,593	8.4%	97,444	88,314	10.3%
Net Income Before Fair Value Changes but After Current Tax	23,617	21,671	9.0%	68,106	63,200	7.8%
Total Return for the Period Attributable to Unitholders (€'000)	21,270	19,323	10.1%	81,809	37,748	> 100%
Income available for distribution to Unitholders (€'000)	24,272	22,549	7.6%	70,431	67,114	4.9%
Indicative DPU (€ cents)	4.326	4.393	(1.5%)	12.828	13.110	(2.2%)
DPU on a like-for-like[1] basis (€ cents)				12.828	12.560	2.1%

1. As compared to pcp. Like-for-like excludes the €2.8 million of realised capital gains that were included in distributable income in FY 2020

Resilient Balance Sheet

Adjusted NAV excluding distributable income largely unchanged at €2.45 per unit

	As at 30 Sep 2021 €'000 (unless stated otherwise)	As at 31 Dec 2020 €'000 (unless stated otherwise)	Comments
Cash & Cash Equivalents	76,882	43,593	Cash available from operations to provide initial funding for acquisitions
Receivables	15,040	15,943	High cash collection rate maintained over the period
Other Current Assets	748	1,397	
Non-Current Assets	2,359,796	2,189,519	Largely due to new acquisitions in the Czech Republic, Slovakia and UK and fair value gains as at 30 June 2021
Total Assets	**2,452,466**	**2,250,452**	
Current Liabilities	73,642	56,876	
Non-Current Liabilities	980,208	891,424	Increase in debt to partially fund acquisitions
Total Liabilities	**1,053,850**	**948,300**	
Net Assets Attributable to Unitholders	**1,398,616**	**1,302,152**	
Units in Issue ('000)	561,045	511,216	Private placement units issued on 5 March 2021
NAV per Unit (€ cents)	2.49	2.55	Adjusted NAV excluding DI largely unchanged at €2.45
EPRA NRV per Unit (€ cents)	2.58	2.62	Excludes €50.9 million deferred tax in relation to fair value gains

Active Capital Management

Gearing below 40%, high coverage ratio, low interest cost, 91% unsecured debt and all metrics within loan / bond covenants

37.8%
Aggregate leverage[1]
Within Board's medium term range of 35 – 40%

5.8x
Coverage ratio[2]
Well in excess of loan and EMTN covenants

~1.72% p.a.
All-in interest rate
Total gross debt is fully hedged / fixed

BBB-
Fitch Rating
Investment grade (stable outlook) recently reaffirmed

	As at 30 Sep 2021	As at 31 Dec 2020	Bond covenant
Total Gross Debt	€927.4 million	€857.4 million	N.A.
Aggregate Leverage[1]	37.8%	38.1%	≤ 60%
Net Gearing	35.8%	36.9%	N.A.
Interest Coverage Ratio[2]	5.8x	6.4x	≥ 2x
Priority Debt[3]	3.4%	3.6%	≤ 35%
Unencumbrance Ratio[3]	247.7%	251.0%	> 170%
Weighted Average Term to Maturity	3.5 years	3.8 years	N.A.

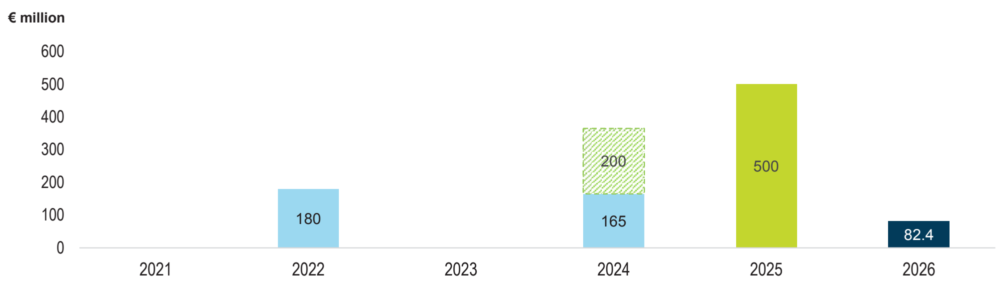
1. Calculated as per the Property Funds Appendix ("**PFA**"). Leverage Ratio as per the EMTN prospectus is 36%, defined as consolidated net borrowings (including capitalised finance leases and excluding cash and cash equivalents) divided by consolidated total assets
2. Calculated as per the PFA based on net income before tax, fair value changes and finance costs divided by interest expense and amortised establishment costs. Interest Cover (excluding amortised establishment costs is 7.2x)
3. As defined in the EMTN prospectus

Debt Maturity Profile

Minimal near-term expiring debt following successful bond issuances

- No debt expiry until November 2022. Terms have been agreed in principle with syndicate banks to extend €157 million of the €180 million expiring in 2022 for further one year. Proforma WADE will improve to 3.7 years after the extension
- €200 million RCF with a 2024 expiry remains undrawn, which provides ample liquidity
- Weighted average interest rate of 1.94% on the combined €500 million November 2025 Bond

Pro-forma debt maturity profile



% of Total Debt Drawn	2021	2022	2023	2024	2025	2026
		19.4%		17.8%	53.9%	8.9%

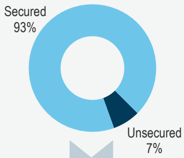
Secured Loans Total: €82.4 million
Unsecured Loans (exclude RCF) Total: €345 million
Unsecured RCF (Undrawn) Total Facility: €200 million
2025 Bond Total: €500 million

Debt Transformed – Bond Trading Well

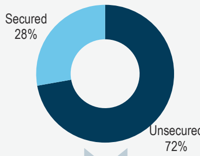
BBB-investment grade (stable outlook) credit rating from Fitch Ratings recently reaffirmed

Debt Transformation

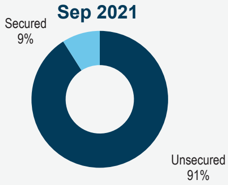
Dec 2017



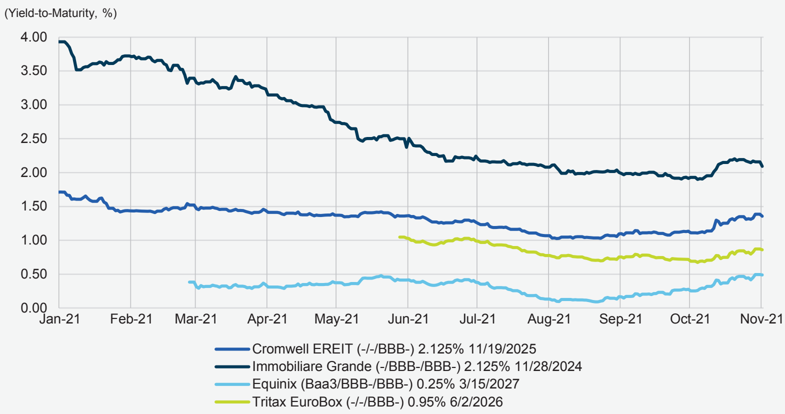
Dec 2019



Sep 2021



CEREIT Nov 2025 Bond and BBB- REIT Comparables – Bid Yield[1]



- November 2025 bond has traded strongly since issuance in November 2020 / February 2021
- Actively exploring further diversification of capital sources to make CEREIT's portfolio more future-ready via acquisitions, divestments and redevelopments
- Board is committed to include 15% – 20% of CEREIT's capital structure in perpetual securities on a long-term basis

1. Source: Bloomberg as at 1 November 2021

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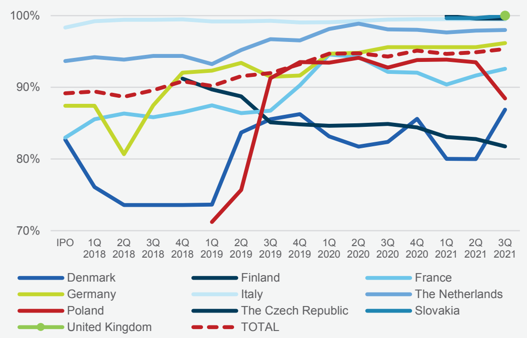
3.
Portfolio and Asset Management Highlights

95.3% Portfolio Occupancy Highest-to-date

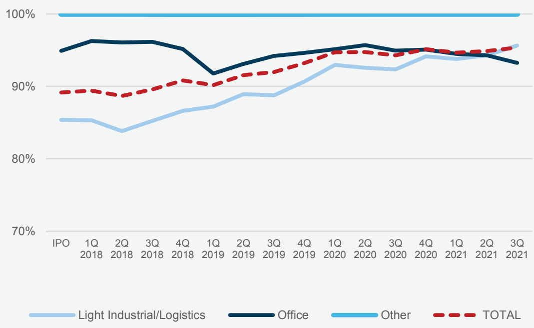
Portfolio management highlights for 3Q 2021

Overall portfolio	Light industrial / logistics	Office
95.3% **portfolio occupancy** Up from 94.3% as at September 2020	**95.6%** **portfolio occupancy** Up from 92.3% as at September 2020	**93.2%** **portfolio occupancy** Down from 94.9% as at September 2020
4.7-year[1] **WALE**	**4.8-year** **WALE**	**4.1-year** **WALE**

Occupancy by country



Occupancy by sector



1. Including 'others' (three government-let campuses, one leisure / retail property and one hotel in Italy)

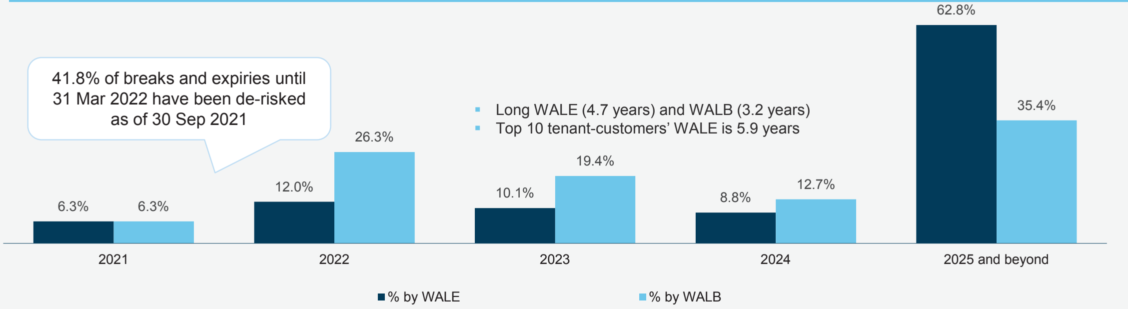
3Q 2021 Leasing Accelerated

Rent reversion +1.2% across the portfolio in 3Q 2021, with 41.8% income expiry up to 31 Mar 2022 de-risked

- Occupancy largely boosted by strong leasing in the light industrial / logistics portfolio in Denmark, offset by weakness in Polish office sector

	Sqm leased / leases	Rent reversion	Tenant-customer retention rate
3Q 2021	**45,532 sqm** 47 new and renewed leases[1]	**+1.2%**	**47%**
YTD 2021	**130,700 sqm** 160 new and renewed leases[2]	**+4.3%**	**51%**

Lease expiry as at 30 September 2021



1. Comprises 29 new leases (24,821 sqm) and 18 renewals (20,711 sqm)
2. Comprises 104 new leases (62,952 sqm) and 56 renewals (67,748 sqm)

3Q 2021 CEREIT **Light Industrial / Logistics Portfolio** Performance

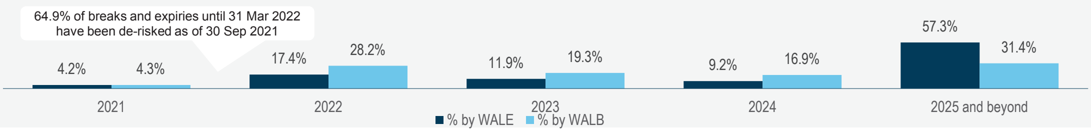
Assets in most countries are close to or at 100% occupancy, reflecting strong tenant-customer demand from 3PL, ecommerce and "just in case" inventory

- Positive +2.7% rent reversion and higher tenant-customer retention across all countries in 3Q 2021 as compared to YTD 2021
- Majority (~65%) of vacancies coming up in next six months already de-risked, nearing full occupancy for the sector

	Sqm leased / leases	Rent reversion	Tenant-customer retention rate
3Q 2021	34,918 sqm 25 new and renewed leases[1]	+2.7%	55%
YTD 2021	101,258 sqm 98 new and renewed leases[2]	+3.6%	48%

Country	%[3]	Occupancy (as at)			WALE (as at)			WALB (as at)		
		30 Sep 21	30 Jun 21	Variance	30 Sep 21	30 Jun 21	Variance	30 Sep 21	30 Jun 21	Variance
Denmark	9.3%	86.9%	80.0%	6.9 p.p.	3.4 years	3.5 years	(0.1) years	3.2 years	3.3 years	(0.1) years
France	37.9%	93.5%	92.6%	0.9 p.p.	5.2 years	5.3 years	(0.1) years	2.1 years	2.0 years	0.1 years
Germany	22.8%	96.2%	95.6%	0.6 p.p.	5.4 years	5.3 years	0.1 years	5.2 years	5.2 years	-
Italy	7.5%	99.6%	99.7%	(0.1) p.p.	3.7 years	3.0 years	0.7 years	1.9 years	1.1 years	0.8 years
The Netherlands	7.4%	100.0%	100.0%	-	3.1 years	3.2 years	(0.1) years	3.1 years	3.2 years	(0.1) years
The Czech Republic	6.7%	99.6%	99.6%	-	6.5 years	6.7 years	(0.2) years	6.5 years	6.7 years	(0.2) years
Slovakia	7.0%	100.0%	99.6%	0.4 p.p.	5.1 years	5.0 years	0.1 years	4.8 years	4.8 years	-
United Kingdom	1.3%	100.0%	-	-	9.7 years	-	-	4.6 years	-	-
TOTAL		95.6%	94.3%	1.3 p.p.	4.8 years	4.8 years	-	3.4 years	3.3 years	0.1 years

Lease expiry profile



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1. Comprises 14 new (20,962 sqm) and 11 renewals (13,956)
2. Comprises 66 new (55,246 sqm) and 32 renewals (46,012 sqm)
3. Percentage of light industrial / logistics sector by valuation

Active Leasing of Light Industrial / Logistics Vacancy

Portfolio management highlights for 3Q 2021

Denmark

- 5,495 sqm new leases signed with two tenant-customers in Priorparken 800, increasing the occupancy rate of the asset from 36% to 74%

Germany

- 8,674 sqm lease renewal with a single tenant-customer in Siemensstraße 11, Stuttgart-Frickenhausen
- 4,345 sqm new lease signed with single tenant-customer in Duisburg

France

- 6,307 sqm new leases and 2,913 sqm renewals signed with a number of tenant-customers across several assets. 2,048 sqm of these are with a single tenant-customer in Bois du Tambour, increasing the occupancy rate of the asset from 63% to 75% QoQ

Slovakia

- 4,335 sqm ten-year lease with a single tenant-customer at Nove Mesto III

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3Q 2021 CEREIT **Office Portfolio** Performance

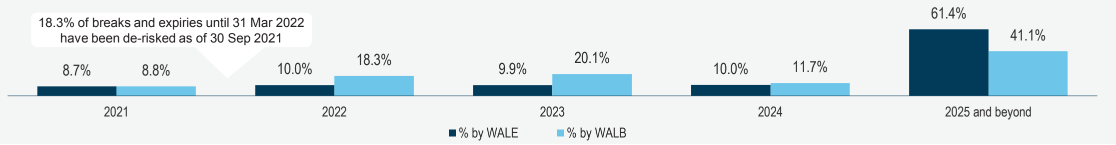
CEREIT has good exposure to the Dutch office market, which is seeing good demand from recovery

- -0.7% rent reversion largely due to a small sample size of one lease renewal of hotel meeting rooms in France
- Occupancy in Polish portfolio dropped predominantly due to pressure from new supply

	Sqm leased / leases	Rent reversion	Tenant-customer retention rate
3Q 2021	**10,614 sqm** 22 new and renewed leases[1]	**-0.7%**	**43%**
YTD 2021	**28,227 sqm** 60 new and renewed leases[2]	**+7.3%**	**52%**

Country	%[3]	Occupancy (as at)			WALE (as at)			WALB (as at)		
		30 Sep 21	30 Jun 21	Variance	30 Sep 21	30 Jun 21	Variance	30 Sep 21	30 Jun 21	Variance
Finland	8.5%	81.8%	82.8%	(1.0) p.p.	3.1 years	3.1 years	-	2.9 years	2.8 years	0.1 years
France	5.3%	85.6%	84.2%	1.4 p.p.	3.0 years	2.7 years	0.3 years	2.0 years	1.9 years	0.1 years
Italy	24.7%	98.5%	98.5%	-	5.1 years	5.4 years	(0.3) years	2.3 years	2.6 years	(0.3) years
The Netherlands	43.6%	97.5%	97.3%	0.2 p.p.	4.5 years	4.7 years	(0.2) years	4.1 years	4.3 years	(0.2) years
Poland	17.9%	88.5%	93.5%	(5.0) p.p.	2.9 years	2.9 years	-	2.5 years	2.5 years	-
TOTAL		**93.2%**	**94.3%**	**(1.1) p.p.**	**4.1 years**	**4.2 years**	**(0.1) years**	**3.1 years**	**3.2 years**	**(0.1) years**

Lease expiry profile



1. Comprises 15 new (3,859 sqm) and 7 renewals (6,755)
2. Comprises 38 new (7,706 sqm) and 22 renewals (20,521 sqm)
3. Percentage of office sector by valuation

Active Leasing of Office Vacancy

Portfolio management highlights for 3Q 2021

Poland

- 2,771 sqm new leases and renewals signed across a number of assets, 1,635 sqm of these are a renewal with a single tenant-customer in Business Garden, Poznan

Italy

- 9-year lease extension signed with a single tenant-customer occupying 1,744 sqm in Pianciani, Roma

Finland

- 2,744 sqm new leases and renewals signed across a number of assets

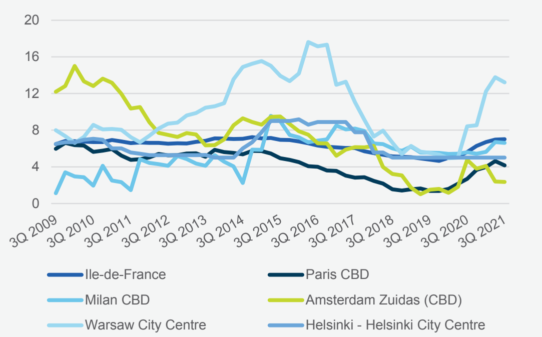
The Netherlands

- Single tenant-customer has signed renewal of 790 sqm and taken up an additional 258 sqm space for a term of 7 years in Blaak - Rotterdam

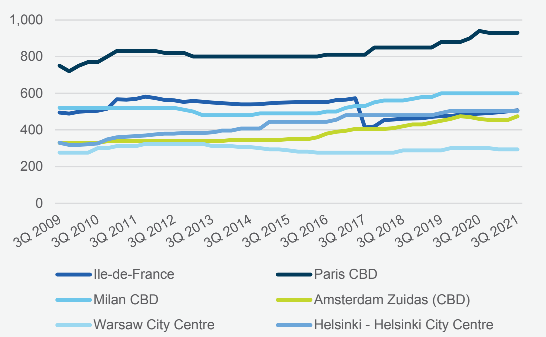
European **Office Market** Update

Prime offices are still in demand, but secondary office vacancy rates are rising

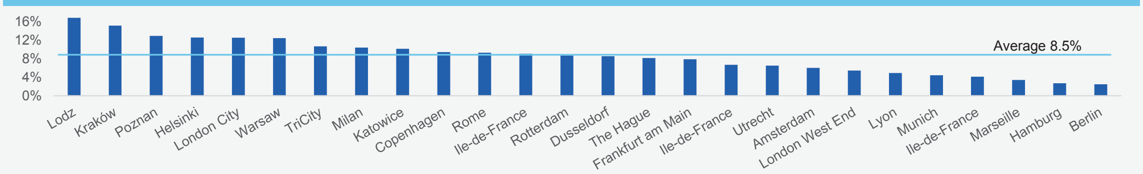
Office vacancy rates (%)



Office rents (€ per sqm)

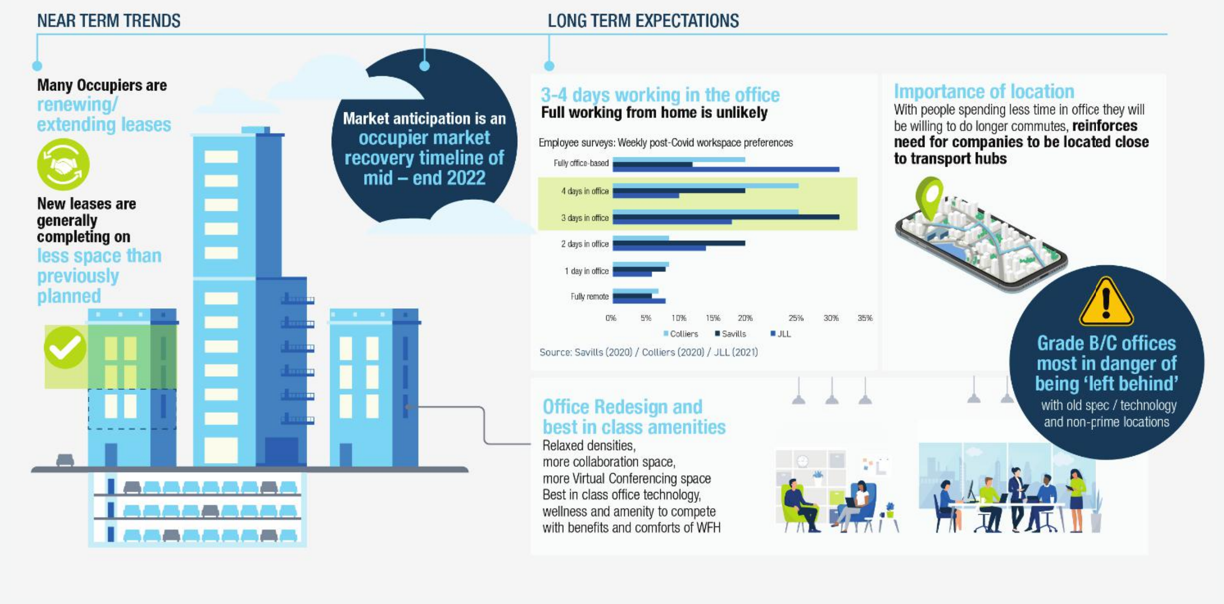


Office vacancy rates for main office markets in Europe 3Q 2021 (%)



Cromwell European Office Market **Insights**

On-the-ground insights based on direct market feedback and tenant-customer engagement



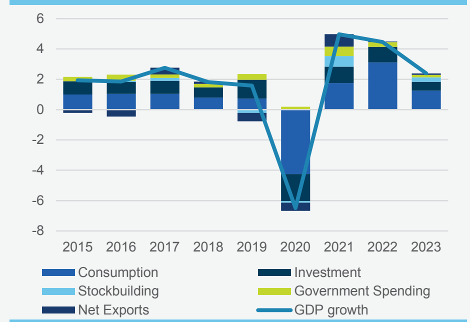
4.
European Economic and Market Update

Eurozone Maintaining **Strong Momentum**

Pent-up demand to fuel recovery in consumption

- Europe 3Q 2021 GDP growth printed 2.2% quarter-on-quarter expansion, exceeding expectations, with France and Italy +3.0% and +2.6% respectively
- Free-spending consumers and investments are expected to continue to drive 5.0% and 4.5% GDP growth in 2021/22 (Oxford Economics)
- Consumer spending is expected to grow by 3.7% this year and 7.1% in 2022, after the 8.0% drop in 2020
- Some supply side restrictions will lead to less strong industrial production offset by the Next Generation EU recovery plan, expanding overall investment activity of 4~4.5% in 2021/22
- Vaccination progress is expected to keep infection rates in check in the winter, and the death rate has continued to decline but the risk of further restrictions has not disappeared. Lingering restrictions on some indoor activities and a degree of voluntary social distancing could dampen services activity, particularly if the Delta variant causes a surge in infections
- October CPI printed at 4.1% year-on-year, up from 3.4% in September, with core inflation at 2.1%, above ECB target of 2.0%, even deducting high energy prices. This should feed through to higher rent growth, given CPI reviews in each CEREIT lease

Eurozone GDP growth & contributions (%)



Eurozone consumption growth (%)

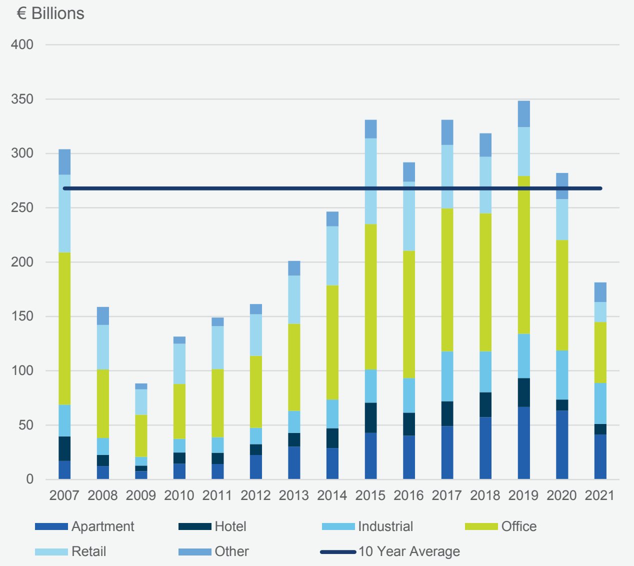
Source: Oxford Economics

European Real Estate Investment Volumes

Strong pick-up in activity in 3Q 2021

- Commercial real estate investment volumes reached €61 billion in 3Q 2021, down 9% from 2Q 2021
- The office sector accounted for 31% of total investment volume during the first three quarters of the year, with strong demand for quality assets in well-connected locations
- Industrial activity accounted for 21% of the total investment volume or €38 billion, over the same period
- The share of investments into the retail sector has increased slightly to 10% or €18.4 billion, as investors continued to rebalance their portfolios and focus on strategic assets and locations
- Investor demand for real estate assets is expected to remain firm in the final quarter of 2021, driven by higher returns compared to other asset classes

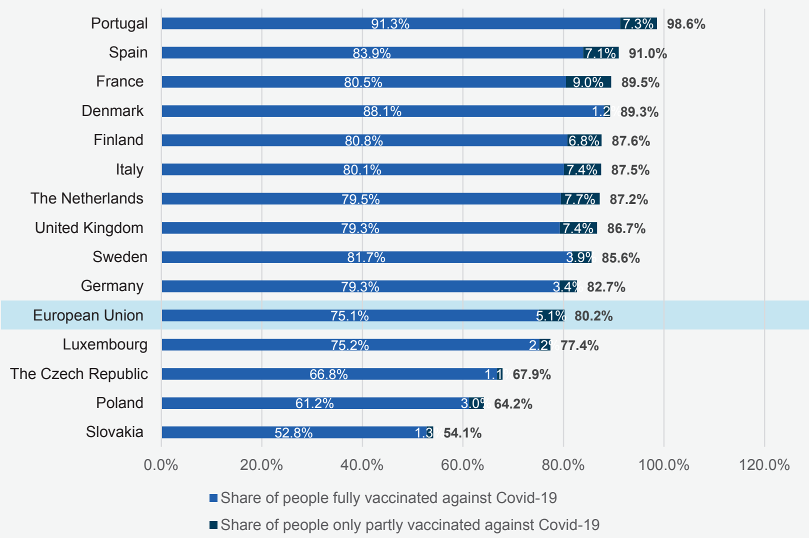
Investment volume by sector[1]



Source: Real Capital Analytics as at Oct 2021

COVID-19 **Vaccine Rollout** in Europe

Progress in the vaccine uptake among adults (18+) in CEREIT's countries of operation[1]



- The EU-27 countries have already achieved 80.2% cumulative uptake of at least one vaccination and 75.1% of the population are fully vaccinated[1] (adults aged 18 and above)
- EU has successfully achieved its target to fully vaccinate 70% of adults (aged 18 and above) in August[2]
- Progress in countries' vaccination campaigns and containment measures have given reason to governments across the region to lift travel restrictions within Europe
- The EU Digital COVID Certificate is now being used across Europe
- More European countries are introducing 'green passes' to control who can enter indoor venues such as restaurants

1. Source: European Centre for Disease Prevention and Control & coronavirus.data.gov.uk as at 29 October 2021
2. Source: Reuters, "EU says it has reached goal of vaccinating 70% of adults", 31 August 2021

5.
Key Takeaways

Key Takeaways and Priorities for 4Q 2021

Beyond the ongoing COVID-19 pandemic, key focus is on lifting light industrial / logistics exposure

Executing the strategy yields results	▪ Income resilience has been supported by the post-COVID-19 lockdown rebound in European economic conditions, the effectiveness of active asset management strategy and the accretive light industrial / logistics acquisitions ▪ CEREIT is among the largest recent additions to the FTSE EPRA Nareit global Index series (Developed Asia) and is a constituent of more than 370 indices, resulting in improved liquidity and market performance ▪ Continued ESG commitment and integration in day-to-day management of portfolio and operations
Portfolio diversification continues to underpin performance in 3Q 2021	▪ YTD 2021 indicative DPU +2.1% higher on like-for-like[1] basis vs. pcp ▪ Positive 3Q 2021 rent reversion at +1.2%; YTD 2021 rent reversion at +4.1% ▪ +2.8% YTD 2021 NPI growth on a like-for-like basis vs. pcp, with the light industrial / logistics portfolio delivering an even higher +3.3% increase ▪ Record occupancy at 95.3% as at 30 September 2021, +1 p.p. up from 94.3% as at September 2020 ▪ WALE profile maintained at 4.7 years
FY 2021 priorities support long-term growth in DPU and NAV per unit	▪ Europe's continued economic recovery is providing positive momentum and confidence ▪ CEREIT's ongoing pivot towards a 50% portfolio weighting to light industrial / logistics is supported by the sector's continuing strength, and underpinned by the structural shift towards e-commerce ▪ Advanced pipeline of 'New Economy' opportunities under review in Western Europe, including Germany, the Netherlands, Italy and the UK. These aspirations can be funded by CEREIT's cash position of €76.9 million and help CEREIT to access to diverse funding sources and capital recycling ▪ Actively exploring further diversification of capital sources to make CEREIT's portfolio more future-ready via acquisitions, divestments and redevelopments ▪ YTD 2021 results demonstrate pan-European execution capabilities and validate focus on active asset and capital management, acquisitions, divestments and redevelopments

1. Like-for-like excludes the €2.8 million of realised capital gains that were included in distributable income in FY 2020

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6. Appendix

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EUROPEAN REIT

6a. European Real Estate Update and Outlook

34

Cross-Border Investment in European Real Estate

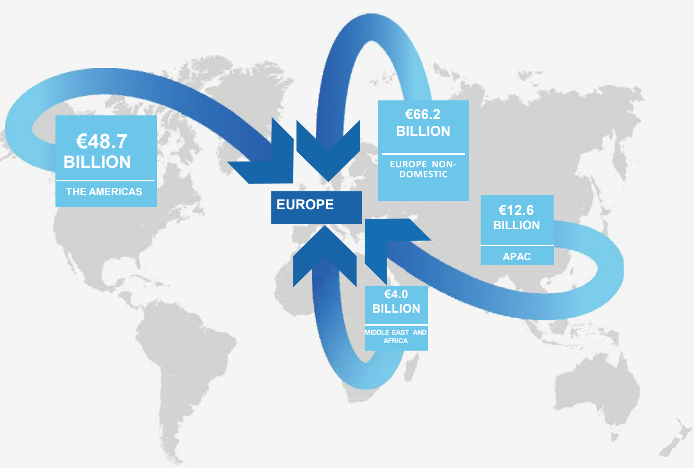
International capital continues to look to Europe for investment opportunities

Capital and gateway cities are targets for international investors

European real estate market review

- Capital inflows into the European real estate market reached €19.7 billion in 3Q 2021
- Industrial property investment across Europe in 2021 has so far proven to be exceptional. Transaction volume year-to-date is up 56% versus the same period in 2020 and up by 85% in comparison to a five-year pre-pandemic average
- The UK sits ahead of Germany in the investment rankings for both the quarter and the year, with strong demand for industrial stock in particular driving the recovery from the COVID-19 pandemic
- France is the only one of Europe's top five countries where deal volume was lower in the third quarter than a year ago. The Parisian office market, which usually accounts for around 50% of all investment in France, has slowed in 2021 after a relatively buoyant 2020

Cross-border activity: 12 months to 3Q 2021



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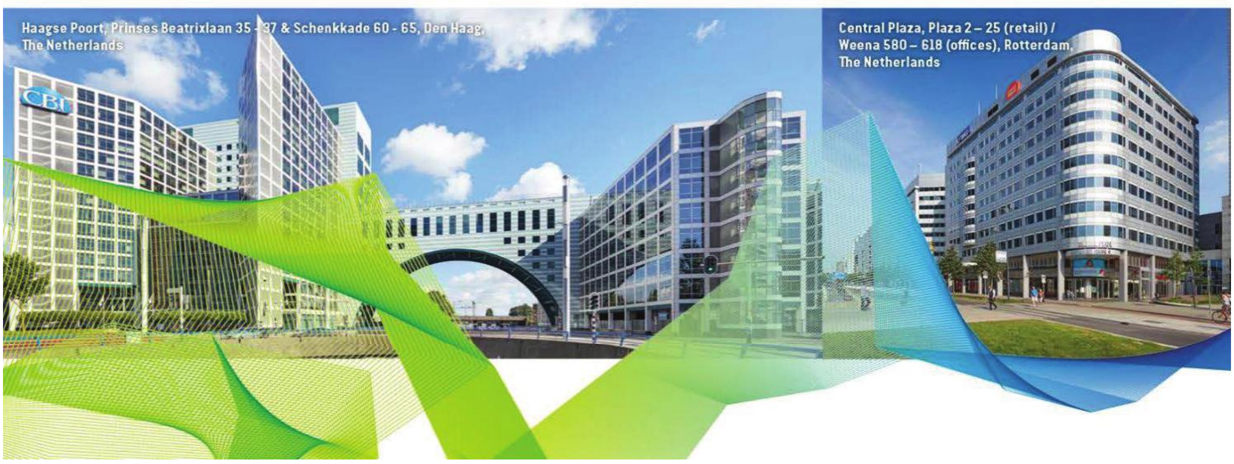
6b.
3Q and YTD 2021 Portfolio Highlights



CEREIT **Property Portfolio** Statistics

Low capital values and high reversionary yields provide further growth potential for NAV and NPI, through rental reversion, index inclusion, higher occupancy and asset enhancement initiatives

	No. of Assets	NLA (sqm)	Valuation (€ million)	Reversionary Yield (%)	Occupancy (%)	NPI (€ million)	Number of Leases
The Netherlands (total)	**12**	**224,194**	**639.8**	**6.0**	**98.0**	**22.0**	**194**
• Office	7	177,902	572.3	6.0	97.5	19.5	52
• Light Industrial & Logistics	5	46,292	67.5	6.4	100.0	2.5	142
Italy (total)	**19**	**505,278**	**517.8**	**6.0**	**99.4**	**23.6**	**89**
• Office	12	142,177	324.0	5.6	98.5	12.8	52
• Light Industrial & Logistics	2	186,526	67.9	7.5	99.6	3.3	28
• Others	5	176,575	125.9	6.2	100.0	7.5	9
France (total)	**21**	**282,396**	**413.8**	**7.4**	**92.6**	**19.3**	**240**
• Office	3	34,320	70.1	8.1	85.6	4.4	31
• Light Industrial & Logistics	18	248,076	343.7	7.2	93.5	14.9	209
Germany (total) – Light Industrial & Logistics	**15**	**226,985**	**207.3**	**5.7**	**96.2**	**7.9**	**63**
Poland (total) – Office	**6**	**111,241**	**235.8**	**8.4**	**88.5**	**12.1**	**98**
Finland (total) – Office	**11**	**61,949**	**111.8**	**7.5**	**81.8**	**4.5**	**209**
Denmark (total) - Light Industrial / Logistics	**11**	**129,817**	**84.8**	**8.4**	**86.9**	**4.0**	**110**
The Czech Republic (total) - Light Industrial / Logistics	**7**	**59,499**	**61.1**	**5.7**	**99.6**	**1.7**	**13**
Slovakia (total) - Light Industrial / Logistics	**5**	**74,355**	**63.4**	**6.2**	**100.0**	**2.2**	**10**
United Kingdom (total) - Light Industrial / Logistics	**1**	**9,764**	**11.6**	**5.3**	**100.0**	**0.1**	**1**
Office (total)	39	527,589	1,314.0	6.5	93.2	53.3	442
Light Industrial and Logistics (total)	64	981,314	907.3	6.8	95.6	36.6	576
Others (total)	5	176,575	125.9	6.2	100.0	7.5	9
TOTAL	108	1,685,478	2,347.3	6.6	95.3	97.4	1,027

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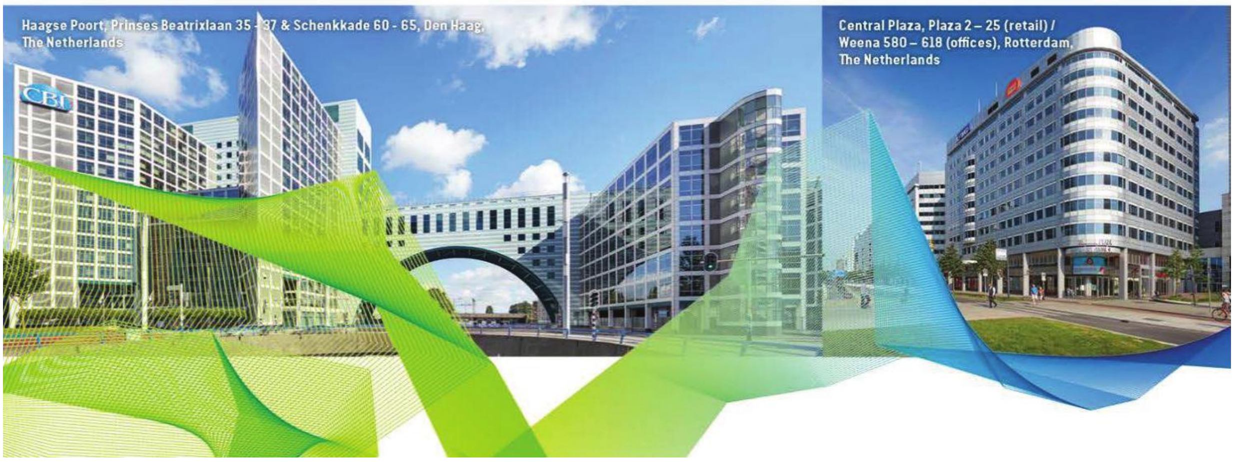
6c.
CEREIT Overview



CEREIT Overview

Focus on resilience and diversification

CEREIT is a diversified, pan-European REIT with a commercial real estate portfolio valued at €2.4 billion

CEREIT is managed by Cromwell EREIT Management Pte. Ltd. ("**Manager**"), a wholly-owned subsidiary of CEREIT's sponsor, Cromwell Property Group ("**Cromwell**"). Cromwell is an experienced property manager with a 20+ year track record in Europe, with 17 offices in 12 European countries

Investment Strategy

- Long-term target portfolio of at least 75% or more within Western Europe and at least 75% or more in office and light industrial / logistics
- Tactically targeting towards a 50% portfolio weighting to light industrial / logistics

Highlights

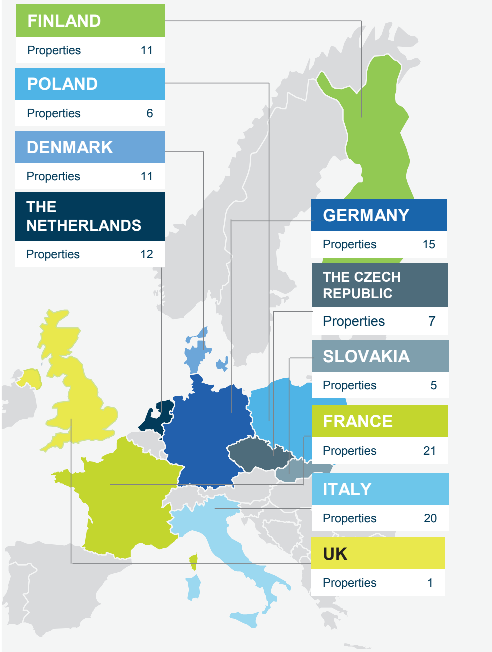
- Resilient portfolio of predominantly office and light industrial / logistics properties, diversified across geographies, tenant-customers and trade sectors
- 85% weighted to Western Europe and ~95% office and light industrial / logistics assets
- Blend of Core (60%)[1], Core Plus (32%) and Value-add (8%) assets with a long WALE of 4.7 years
- Investment-grade rating 'BBB-' (stable) by Fitch Ratings
- Cromwell owns 28% of CEREIT, its largest investment, demonstrating strong alignment with unitholders

€2.4 BILLION[2]
DIVERSIFIED PORTFOLIO

109[2]
PRIMARILY FREEHOLD PROPERTIES

10
EUROPEAN COUNTRIES

1.7 million sqm
NET LETTABLE AREA



1. Includes 'prime'
2. Including the latest acquisition in Mira, Greater Venice, Italy completed on 1 November 2021

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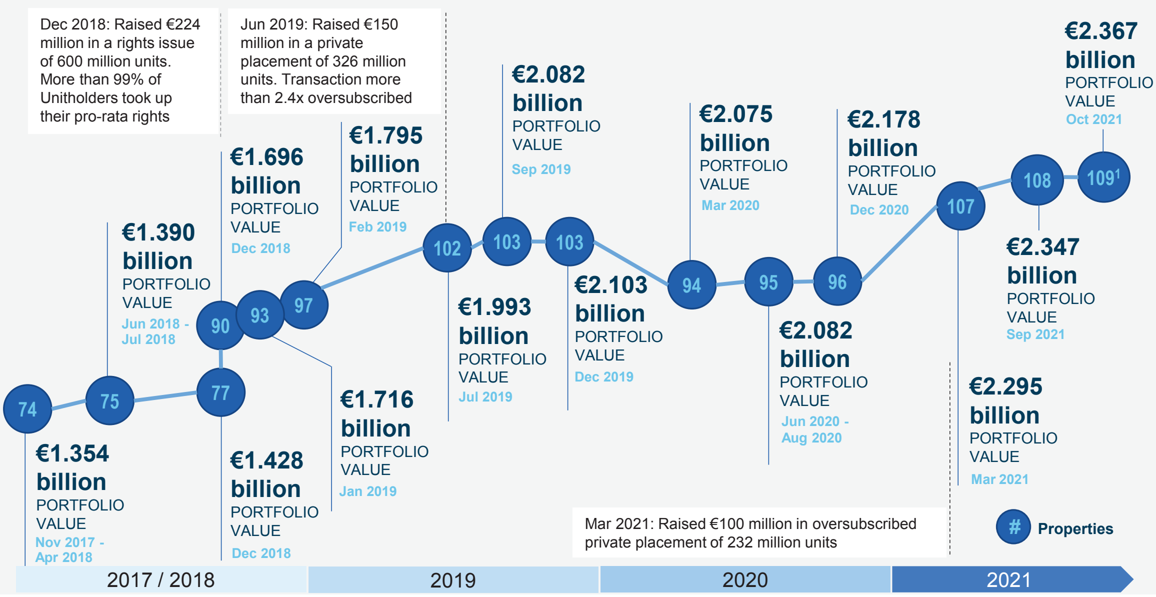
CEREIT's **Track Record Since IPO**

CEREIT continues to target accretive high-quality assets in strategic, "on-theme" cities and markets

Close to €500 million raised in equity since IPO to support acquisitions



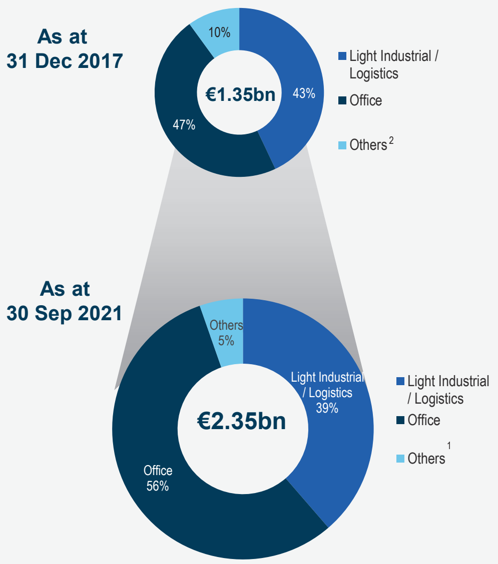
1. Including the new acquisition in the United Kingdom on 4 August 2021 (Kingsland Grange) and the new acquisition in Italy on 1 November (Mira)

CROMWELL EUROPEAN REIT

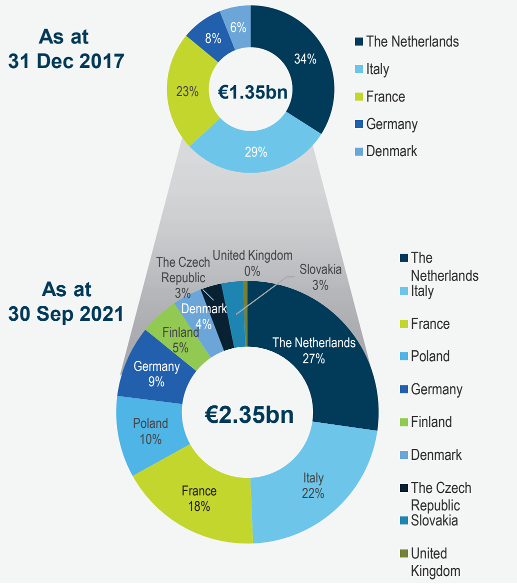
CEREIT – **Executing** the Strategy

Resilience of income from enlarged portfolio size and enhanced geographical diversification

Portfolio breakdown by asset class



Portfolio breakdown by geography



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

CEREIT – **Executing** the Strategy

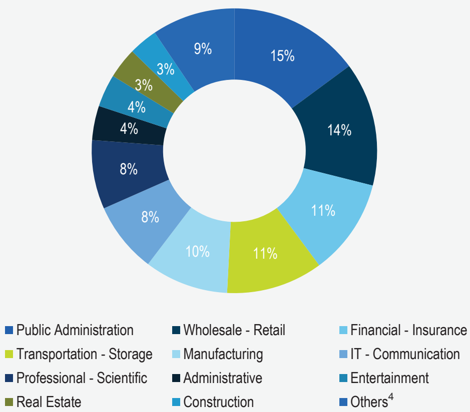
Resilience of income from enhanced tenant-customer base and industry trade sector diversification

Total no. of leases as at 30 September 2021	**1,027**
Total no. of tenant-customers as at 30 September 2021	**839**

Top 10 tenant-customers

#	Tenant-customer	Country	% of Total Headline Rent[1]
1	Agenzia del Demanio (Italian State Property Office)	Italy	12.0%
2	Nationale-Nederlanden	The Netherlands	5.6%
3	Essent Nederland	The Netherlands	2.4%
4	Employee Insurance Agency (UWV)[2]	The Netherlands	1.9%
5	Motorola Solutions Systems Polska	Poland	1.8%
6	Kamer van Koophandel	The Netherlands	1.8%
7	Holland Casino[3]	The Netherlands	1.7%
8	CBI Nederland B.V.	The Netherlands	1.4%
9	Felss Group	Germany	1.4%
10	Coolblue B.V.	The Netherlands	1.4%
			31.4%

Industry trade sector breakdown[1]



1. By headline rent, as at 30 September 2021
2. Uitvoeringsinstituut Werknemersverzekeringen (UWV)
3. Nationale Stichting tot Exploitatie van Casinospelen in the Netherlands
4. Others comprise Utility / Education / Rural / Human Health / Mining / Other Service Activities / Residential / Water / Miscellaneous Services

Cromwell's European Presence

17 regional offices providing on-the-ground local market knowledge and expertise

Office Locations

Credentials

Track record of providing investment management, fund management, asset management and debt restructuring

Specialists

Specialists in Core+ and Value Add commercial real estate

Partners

Diverse client base of investors including sovereign wealth funds, pension funds, insurance companies, private equity and multi managers[2]

1. Excluding investment capacity. Figures as at 30 June 2021
2. Includes past investors in Cromwell's managed funds

Platform

€3.7bn AUM[1]

160+ properties

1,980+ tenants

220+ people

12 countries

17 offices

Non-exhaustive Glossary and Definitions

All figures in this presentation are as at 30 September 2021 and stated in Euro ("EUR" or "€"), unless otherwise stated

Abbreviations / mentions	Definitions
3Q 2020 / 3Q 2021 / 9M (YTD) 2020 / 9M (YTD) 2021 / FY 2020 / FY 2021	"3Q 2020" refers to the period from 1 July 2020 to 30 September 2020; "3Q 2021" refers to the period from 1 July 2021 to 30 September 2021; "9M (YTD) 2020" refers to the period from 1 January 2020 to 30 September 2020; "9M (YTD) 2021" refers to the period from 1 January 2021 to 30 September 2021; "FY 2020" refers to the period from 1 January 2020 to 31 December 2020; "FY 2021" refers to the period from 1 January 2021 to 31 December 2021
CAPEX	Capital expenditure
CPI	Consumer price index-linked
DI	Distributable Income available for distribution to unitholders
DPU / cpu	Distribution per Unit / cents per Unit
EMTN	Euro medium-term note
ERV	Estimated rental value, typically representing valuers' opinion of the open market rent which, on the date of valuation, could reasonably be expected to be obtained on a new letting or rent review of a property
GDP	Gross domestic product
NAV	Net asset value
NOI	Net operating income
NPI	Net property income
P.a.	Per annum
pcp	Prior corresponding period
P.p.	Percentage points
RCF	Revolving credit facility
Rent reversion	Calculated as a percentage representing a fraction with a numerator the new headline rent of all modified, renewed or new leases over the relevant period and denominator the last passing rent of the areas being subject to modified, renewed or new leases
Reversionary Yield	Valuers' term; typically calculated as a percentage representing a fraction with a numerator the net market rental value per annum (net of non-recoverable running costs and ground rent) expressed and denominator he net capital value.
Sponsor	CEREIT's sponsor, Cromwell Property Group
Sqm / NLA	Square metres / Net lettable area
Tenant-customer retention rate	Tenant-customer retention rate by ERV is the % quantum of ERV retained over a reference period with respect to Terminable Leases, defined as leases that either expire or in respect of which the tenant-customer has a right to break over a relevant reference period
YoY / QoQ	Year-on-year / quarter-on-quarter
WADE	Weighted average debt expiry
WALE / WALB	WALE is defined as weighted average lease expiry by headline rent based on the final termination date of the agreement (assuming the leases are not terminated on any of the permissible break date(s), if applicable); WALB is defined as the weighted average lease break by headline rent based on the earlier of the next permissible break date at the tenant-customer's election or the expiry of the lease

Disclaimer

This presentation provides interim business update on the operational and financial performance of Cromwell European Real Estate Investment Trust's ("CEREIT") for the third quarter ended 30 September 2021.

This presentation is for information purposes only and does not constitute or form legal, financial or commercial advice, or a recommendation of any kind, 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. Nothing herein should be or deemed to be construed, or relied upon, as legal, financial or commercial advice or treated as a substitute for specific advice relevant to particular circumstances. It is not intended nor is it allowed to be relied upon by any person. 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 Cromwell EREIT Management Pte. Ltd, as manager of CEREIT (the "Manager"), Perpetual (Asia) Limited (as trustee of CEREIT) or any of their respective affiliates. The past performance of CEREIT is not necessarily indicative of the future performance of CEREIT.

This presentation may contain forward-looking statements that involve 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. These forward-looking statements speak only as at the date of this presentation. No assurance can be given that future events will occur, that projections will be achieved, or that assumptions are correct. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses, including employee wages benefits and training, property expenses, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business.

Prospective investors and unitholders of CEREIT ("Unitholders") are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of the Manager on future events. No warranties, representations or undertakings, express or implied, is made as to, including, inter alia, the fairness, accuracy, completeness or correctness for any particular purpose of such content, nor as to the presentation being up-to-date. The content of this presentation should not be construed as legal, business or financial advice. No reliance should be placed on the fairness, accuracy, completeness or correctness of the information, or opinions contained in this presentation. None of the Manager, the trustee of CEREIT or any of their respective advisors, representatives or agents shall have any responsibility or liability whatsoever (for negligence of otherwise) for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection with this presentation. The information set out herein may be subject to updating, completion, revision, verification and amendment and such information may change materially. An investment in Units is subject to investment risks, including 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 Singapore Exchange Securities Trading Limited (the "SGX-ST"). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

CROMWELL EUROPEAN REIT

THANK YOU

If you have any queries, kindly contact:
Cromwell EREIT Management Pte. Ltd.,
Chief Operating Officer & Head of Investor Relations, Ms Elena Arabadjieva at
elena.arabadjieva@cromwell.com.sg, Tel: +65 6920 7539,
or SEC Newgate Singapore at cereit@secnewgate.sg

INDEX TO FINANCIAL STATEMENTS

Note: The information in this Appendix has been extracted and reproduced from the audited financial statements of CEREIT and its subsidiaries for the financial period from date of constitution of CEREIT on 28 April 2017 to 31 December 2018 and financial years ended 31 December 2019 and 2020, and has not been specifically prepared for the inclusion in this Information Memorandum. The references to the page numbers herein are those as reproduced from the audited financial statements of CEREIT and its subsidiaries for the financial period from date of constitution of CEREIT on 28 April 2017 to 31 December 2018 and financial years ended 31 December 2019 and 2020.

FINANCIAL STATEMENTS
AND OTHER INFORMATION

CONTENTS

REPORT OF THE TRUSTEE

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018

Perpetual (Asia) Limited (the "Trustee") is under a duty to take into custody and hold the assets of Cromwell European Real Estate Investment Trust (the "Trust") and its subsidiaries (collectively "CEREIT") in trust for the holders of units ("Unitholders") in the Trust. In accordance with, among other things, the Securities and Futures Act, Chapter 289 of Singapore, its subsidiary legislation and the Code on Collective Investment Schemes and the Listing Manual (collectively referred to as the "laws and regulations"), the Trustee shall monitor the activities of Cromwell EREIT Management Pte. Ltd. (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the trust deed dated 28 April 2017 (as amended by the amending and restating deed 7 September 2017 and as supplemented by the supplemental deed dated 15 November 2017) (the "Trust Deed") between the Manager and the Trustee in each annual accounting period and report thereon to Unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed CEREIT and its subsidiaries during the period covered by these financial statements, set out on pages 168 to 229 in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee,
Perpetual (Asia) Limited

Ms Sin Li Choo
Director

Singapore
22 March 2019

STATEMENT BY THE MANAGER

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018

In the opinion of the Directors of the Manager, the accompanying financial statements set out on pages 168 to 229, comprising the Statement of Total Return, Statement of Comprehensive Income, Balance Sheets, Distribution Statement, Statements of Movements in Unitholders' Funds, Cash Flow Statement and Portfolio Statement of CEREIT for the financial period from constitution of the Trust (28 April 2017) to 31 December 2018 and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial positions of CEREIT and the Trust as at 31 December 2018, the consolidated total return of CEREIT, the movements in Unitholders' funds of CEREIT and of the Trust and the distribution statement and the consolidated cash flows of CEREIT for the financial period ended on that date in accordance with International Financial Reporting Standards adopted by the International Accounting Standards Board, the recommendations of Statement of Recommended Accounting Practice 7 (Revised 2017) Reporting Framework for Unit Trusts issued by the Institute of Singapore Chartered Accountants and the provisions of the Trust Deed. At the date of this statement, there are reasonable grounds to believe that CEREIT and the Trust will be able to meet their financial obligations as and when they materialise.

For and on behalf of the Manager,
Cromwell EREIT Management Pte. Ltd.

Mr Simon Garing
Director

Singapore
22 March 2019

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF CROMWELL EUROPEAN REAL ESTATE INVESTMENT TRUST

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Cromwell European Real Estate Investment Trust ("CEREIT") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated financial statements of the Group and the statement of financial position of CEREIT as at 31 December 2018, and the statement of distribution and statements of changes in net assets attributable to Unitholders of CEREIT for the period from the constitution of the trust, 28 April 2017 to 31 December 2018, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 168 to 229.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of distribution and statements of changes in net assets attributable to Unitholders of CEREIT are properly drawn up in accordance with International Financial Reporting Standards ("IFRS") so as to give a true and fair view of the financial position of the Group and of CEREIT as at 31 December 2018, and of the financial performance, changes in net assets attributable to Unitholders and consolidated cash flows of the Group, and distribution and changes in net assets attributable to Unitholders of CEREIT for the period from the constitution of the trust, 28 April 2017 to 31 December 2018.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code *of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF CROMWELL EUROPEAN REAL ESTATE INVESTMENT TRUST

Key Audit Matter	**How the matter was addressed in the audit**
Fair valuation and Disclosure of Fair Value for Investment Properties	
The Group owns a portfolio of 90 investment properties comprising mainly commercial office and light industrial complexes located in Denmark, Finland, France, Germany, Italy and The Netherlands. The investment properties represent the single largest category of assets with a carrying amount of €1,690 million as at 31 December 2018. The Group has adopted the fair value model under IAS 40 *Investment Property* which requires all the investment properties to be measured at fair value. The Group has engaged external independent valuers ("Valuers") to perform the fair value assessment for 75 of the Group's investment properties. The fair valuation of investment properties is considered to be a matter of significance as the valuation process requires the application of judgement in determining the appropriate valuation methodology to be used, use of subjective assumptions and various unobservable inputs. The fair valuations are sensitive to underlying assumptions applied in deriving the underlying cash flows and capitalisation rates as a small change in these assumptions can result in an increase or decrease in fair valuation of the investment properties. The remaining 15 properties' fair values are based on the purchase prices paid by CEREIT in December 2018. Given the insignificant period lapsed from the transaction dates to financial period end, the Directors and the REIT Manager considered the transaction prices equal to the fair values of the properties at financial period end. The valuation techniques, their key inputs and the inter-relationships between the inputs and the valuation have been disclosed in Note 8 to the consolidated financial statements.	We have assessed the Group's process of appointment and determination of the scope of work of the Valuers, as well as their process of reviewing, and accepting the Valuers' investment property valuations. We have reviewed the qualifications, competence, independence, and the terms of engagement of the Valuers with the Group to determine whether there were any matters which might affect objectivity of the Valuers or impede their scope of work. We held discussions with management and the Valuers on the valuation reports, and engaged our valuation specialists to assist in: • assessing the valuation methodology, assumptions and estimates used by the Valuers against general market practice for similar types of properties; • comparing valuation assumptions and the underlying cash flows and capitalisation rates to historical rates, and available industry data for comparable markets and properties; and • reviewing the integrity of the valuation calculations, valuation inputs, including review of lease schedules, lease agreements and comparison to the inputs made to the projected cash flows. Based on the audit procedures performed, the fair valuation of the properties and the various inputs used are within a reasonable range of our expectations. We have considered the reasonableness of using the purchase price paid by CEREIT for the 15 properties where fair value was determined to be the purchase price paid by CEREIT in December 2018. We have also assessed and validated the adequacy and appropriateness of the disclosures made in the financial statements.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE MANAGER AND DIRECTORS OF THE MANAGER FOR THE FINANCIAL STATEMENTS

Cromwell EREIT Management Pte. Ltd. (the "Manager" of CEREIT) is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and comply with the relevant provisions of the Trust Deed dated 28 April 2017 and amended by the amending and restating deed 7 September 2017, supplemented by the supplemental deed dated 15 November 2017 (collectively, the "Trust Deed"), and the relevant requirements of the Code on Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The responsibilities of the directors of the Manager include overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.

- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

- We communicate with the directors of the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors of the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors of the Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the financial statements have been properly prepared in accordance with the relevant provisions of the Trust Deed and the relevant requirements of the CIS Code.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Shariq Barmaky.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

22 March 2019

CONSOLIDATED STATEMENT OF TOTAL RETURN

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018

	Notes	CEREIT Period from Listing 30-Nov-17 to 31-Dec-18 €'000	CEREIT Period from Constitution 28-Apr-17 to 31-Dec-18 €'000
Gross revenue	2(a)	135,286	142,126
Property operating expenses		(45,106)	(46,955)
Net property income		**90,180**	**95,171**
Net finance costs	9(b)	(11,927)	(13,540)
Manager's fees	3(b)	(3,640)	(3,640)
Trustee fees	3(a)	(178)	(201)
Trust expenses	4(a)	(4,579)	(4,844)
Net income before tax and fair value changes		**69,856**	**72,946**
Fair value gain – investment properties	8	37,141	36,679
Fair value loss – derivative financial instruments		(323)	(323)
Total return for the period before tax		**106,674**	**109,302**
Income tax expense	7(a)	(20,941)	(21,242)
Total return since Listing Date attributable to Unitholders		85,733	85,733
Total return for period prior to Listing Date		–	2,327
Total return for the period		**85,733**	**88,060**
Earnings per unit			
Basic and diluted earnings per unit (€ cents)	5	4.99	7.77
Basic and diluted earnings per unit (€ cents) - annualised	5	4.58	4.63

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018

	CEREIT	
	Period from Listing 30-Nov-17 to 31-Dec-18 €'000	**Period from Constitution 28-Apr-17 to 31-Dec-18 €'000**
Total return for the period	**85,733**	**88,060**
Items that will not be reclassified to profit or loss		
Exchange differences arising on translation of proceeds from issue of units in foreign currency	112	112
Total comprehensive income	**85,845**	**88,172**

The accompanying notes form an integral part of the financial statements.

BALANCE SHEETS

AS AT 31 DECEMBER 2018

	Notes	As at 31–Dec–18 CEREIT €'000	 Trust €'000
Current Assets			
Cash and cash equivalents		57,755	15,732
Receivables	14(a)	49,719	42,795
Current tax assets		227	–
Total current assets		**107,701**	**58,527**
Non-current assets			
Investment properties	8	1,690,224	–
Investments in subsidiaries	13	–	1,078,007
Receivables	14(a)	688	–
Derivative financial instruments	10	5	–
Deferred tax assets	7(c)	16,224	–
Total non-current assets		**1,707,141**	**1,078,007**
Total assets		**1,814,842**	**1,136,534**
Current liabilities			
Payables	14(b)	43,557	77,200
Current tax liabilities		2,113	–
Derivative financial instruments	10	271	–
Other current liabilities	15	30,899	–
Total current liabilities		**76,840**	**77,200**
Non-current liabilities			
Payables	14(b)	742	–
Borrowings	9	591,733	21,519
Deferred tax liabilities	7(c)	21,531	–
Other non-current liabilities	15	5,229	–
Total non-current liabilities		**619,235**	**21,519**
Total liabilities		**696,075**	**98,719**
Net assets attributable to Unitholders		**1,118,767**	**1,037,815**
Represented by:			
Unitholders' funds		**1,118,767**	**1,037,815**
Units in issue at the end of the period ('000)	11(b)	2,181,978	2,181,978
Net asset value per Unit (€ cents)		51.3	47.6

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED DISTRIBUTION STATEMENT

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018

	CEREIT Period from Constitution 28-Apr-17 to 31-Dec-18 €'000
Income available for distribution at beginning of the period	–
Total return for the period	88,060
Less: total return for period prior to Listing Date	(2,327)
Total return since Listing Date attributable to Unitholders	**85,733**
Distribution adjustments (Note A)	(11,363)
Income available for distribution	**74,370**
Distributions declared during the financial period to Unitholders (Note B)	(39,906)
Income available for distribution at the end of the period	**34,464**
Units in issue and issuable at the end of the period entitled to distribution ('000) (Note 11(b))	2,194,613
Distribution per Unit (€ cents)	1.57

Note A – Distribution adjustments

Trustee fees	178
Straight-line rent adjustments and leasing fees	(1,207)
Property Manager fees paid in CEREIT units	4,241
Manager base fees paid in CEREIT units	3,640
Amortisation of debt issuance costs	2,788
Fair value adjustments – investment properties	(37,141)
Fair value adjustments – derivative financial instruments	323
Net foreign exchange gain	(27)
Deferred tax expense	15,842
Total distribution adjustments	(11,363)

Note B – Distributions declared to Unitholders during the Financial period

	Distribution rate €cents	**Amount €'000**
From Listing Date 30-Nov-17 to 30-Jun-18	2.53	39,906

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018

CEREIT	Units on issue €'000	Reserves €'000	Retained earnings/ (Accumulated losses) €'000	Total €'000
As at 28-Apr-17 (date of Constitution)	–	–	–	–
Transactions prior to Listing Date				
Issue of units to Sponsor	101,164	–	–	101,164
Total return for period prior to Listing Date	–	–	2,327	2,327
As at 30-Nov-17 (Listing Date)	**101,164**	**–**	**2,327**	**103,491**
Operations				
Total return since listing attributable to Unitholders	–	–	85,733	85,733
Net increase in Unitholders' funds resulting from operations	**–**	**–**	**85,733**	**85,733**
Transactions with Unitholders in their capacity as Unitholders				
Issue of units – IPO, net of issue cost	744,936	112	–	745,048
Issue of units – rights issue, net of issue cost	220,252	–	–	220,252
Issue of units – base management fees	1,916	–	–	1,916
Issue of units – property & portfolio management fees	2,233	–	–	2,233
Distributions paid	–	–	(39,906)	(39,906)
Net increase/(decrease) in Unitholders' funds resulting from transactions with Unitholders	**969,337**	**112**	**(39,906)**	**929,543**
As at 31-Dec-18	**1,070,501**	**112**	**48,154**	**1,118,767**
Trust				
As at 28-Apr-17 (date of Constitution)	–	–	–	–
Transactions prior to Listing Date				
Issue of units to Sponsor	101,164	–	–	101,164
Total return for period prior to Listing Date	–	–	(130)	(130)
As at 30-Nov-17 (Listing Date)	**101,164**	**–**	**(130)**	**101,034**
Operations				
Total return since listing attributable to Unitholders	–	–	7,234	7,234
Net increase in Unitholders' funds resulting from operations	**–**	**–**	**7,234**	**7,234**
Transactions with Unitholders in their capacity as Unitholders				
Issue of units – IPO, net of issue cost	744,936	116	–	745,052
Issue of units – rights issue, net of issue cost	220,252	–	–	220,252
Issue of units – base management fees	1,916	–	–	1,916
Issue of units – property & portfolio management fees	2,233	–	–	2,233
Distributions paid	–	–	(39,906)	(39,906)
Net increase/(decrease) in Unitholders' funds resulting from transactions with Unitholders	**969,337**	**116**	**(39,906)**	**929,547**
As at 31-Dec-18	**1,070,501**	**116**	**(32,802)**	**1,037,815**

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018

	CEREIT	
	Period from Listing 30-Nov-17 to 31-Dec-18 €'000	Period from Constitution 28-Apr-17 to 31-Dec-18 €'000
Cash flows from operating activities		
Total return for the financial period	85,733	88,060
Adjustments for:		
Amortisation of lease costs and incentives	1,762	146
Effect of recognising rental income on a straight-line basis	(1,283)	(1,745)
Net finance costs	11,927	13,540
Allowance for credit losses	676	676
Manager's fees and property manager's fees paid in CEREIT units	4,149	4,149
Change in fair value of investment properties	(37,141)	(36,679)
Change in fair value of derivative financial instruments	323	323
Net foreign exchange gain	(27)	(27)
Changes in operating assets and liabilities:		
Increase in receivables	(29,617)	(27,487)
Increase in payables	18,410	17,095
Movement in current tax assets and liabilities	7,364	7,665
Movement in deferred tax assets and liabilities	13,577	13,577
Increase in other liabilities	14,282	14,363
Cash generated from operations	90,135	93,656
Interest paid	(8,070)	(9,446)
Interest received	27	27
Tax paid	(6,517)	(6,517)
Net cash provided by operating activities	**75,575**	**77,720**
Cash flows from investing activities		
Payments for acquisitions of subsidiaries, net of cash	(531,716)	(521,085)
Payments for acquisition of investment properties	(514,555)	(514,555)
Payment of transaction costs	(46,637)	(46,637)
Payment of deposits – acquisition of investment properties	(18,156)	(18,156)
Payments for capital expenditure on investment properties	(10,020)	(10,020)
Net cash used in investing activities	**(1,121,084)**	**(1,110,453)**
Cash flows from financing activities		
Proceeds from issuance of CEREIT units	982,205	982,205
Payment of unit issue costs	(19,595)	(19,595)
Proceeds from bank borrowings	474,676	474,676
Repayment of bank borrowings	(298,156)	(298,156)
Payment for debt issuance costs	(7,617)	(7,617)
Payment to acquire derivative financial instruments	(155)	(155)
Payment for settlement of derivative financial instruments	(964)	(964)
Distributions paid to Unitholders	(39,906)	(39,906)
Net cash provided by financing activities	**1,090,488**	**1,090,488**
Net increase in cash and cash equivalents	**44,979**	**57,755**
Cash and cash equivalents at the beginning of the period	12,776	–
Cash and cash equivalents at 31-Dec-18	**57,755**	**57,755**

Refer to note 16 for details on non-cash transactions and a reconciliation of movements in net debt.

The accompanying notes form an integral part of the financial statements.

STATEMENT OF PORTFOLIO

AS AT 31 DECEMBER 2018

Property (by Geography)	Location
The Netherlands	
Haagse Poort	Prinses Beatrixlaan 35 and 37, Schenkkade 60 and 65, Den Hague
Central Plaza	Plaza 2 – 25 (retail) / Weena 580 – 618 (offices), Rotterdam
Ruyterkade	De Ruijterkade 5, Amsterdam
Koningskade	Koningskade 30, The Hague
Blaak	Blaak 40, Rotterdam
Veemarkt	Veemarkt 27-75 / 50-76 / 92-114, Amsterdam
Capronilaan	Capronilaan 22-56, Schiphol-Rijk
Folkstoneweg	Folkestoneweg 5-15, Schiphol
Boekweitstraat	Boekweitstraat 1-21, Nieuw-Vennep
Bohrweg	Bohrweg 19 - 57 & 20 - 58, Spijkenisse
Antennestraat	Antennestraat 46 - 76 & Televisieweg 42 - 52, Almere
Harderwijkerstraat	Harderwijkerstraat 5-29, Deventer
Kapoeasweg	Kapoeasweg 4-16, Amsterdam
Fahrenheitbaan	Fahrenheitbaan 4 -4D, Nieuwegein
Nieuwgraaf	Nieuwgraaf 9A - 19 & Fotograaf 32 - 40, Duiven
Moeder Teresalaan	Moeder Teresalaan 100 / 200, Utrecht
Willemsplein 2	Bastion, Willemsplein 2 - 10, 's-Hertogenbosch
Italy	
Milano Affari	Piazza degli Affari 2, Milan
Roma Amba Aradam	Via dell'Amba Aradam no. 5, Rome
Roma Pianciani	Via Pianciani 26, Rome
Assago F7-F11	Viale Milanofiori 1, Milan
Milano Nervesa	Via Nervesa 21, Milan
Firenze	Via della Fortezza 8, Florence
Cuneo	Corso Annibale di Santa Rosa 15, Cuneo
Mestre	Via Rampa Cavalcavia 16-18, Venice Mestre
Rutigliano	Strada Provinciale Adelfia, Rutigliano
Bari Europa	Viale Europa 95, Bari
Lissone	Via Madre Teresa di Calcutta 4, Lissone
Saronno	Via Varese 23, Saronno
Pescara	Via Salaria Vecchia 13, Pescara
Padova	Via Brigata Padova 19, Padova
Ivrea	Via Guglielmo Jervis 13, Ivrea
Bari	Corso Lungomare Trieste 23, Bari
Genova	Via Camillo Finocchiaro Aprile 1, Genova

n/a – not applicable

The accompanying notes form an integral part of the financial statements.

STATEMENT OF PORTFOLIO

AS AT 31 DECEMBER 2018

Type	Acquisition date	Land tenure	Remaining term (years)	Carrying amount €'000	Percentage of net assets %
Office	30-Nov-17	Part Freehold, Part Right of Superficies and Part Perpetual leasehold	n/a	159,850	14.3
Office	19-Jun-17	Freehold/ leasehold[1]	n/a 69.6	160,200	14.3
Office	19-Jun-17	Leasehold	69.5	48,250	4.3
Office	19-Jun-17	Perpetual leasehold	n/a	17,650	1.6
Office	30-Nov-17	Freehold	n/a	17,050	1.5
Light Industrial	30-Nov-17	Leasehold	Various 20.0 – 24.0	37,250	3.3
Light Industrial	30-Nov-17	Freehold	n/a	6,350	0.6
Light Industrial	30-Nov-17	Leasehold	20.9	5,250	0.5
Light Industrial	30-Nov-17	Freehold	n/a	6,200	0.6
Light Industrial	30-Nov-17	Freehold	n/a	5,550	0.5
Light Industrial	30-Nov-17	Freehold	n/a	3,950	0.4
Light Industrial	30-Nov-17	Freehold	n/a	4,350	0.4
Light Industrial	30-Nov-17	Freehold	n/a	3,750	0.3
Light Industrial	30-Nov-17	Freehold	n/a	2,250	0.2
Light Industrial	30-Nov-17	Freehold	n/a	2,450	0.2
Office	28-Dec-18	Perpetual leasehold	n/a	50,728	4.5
Office	28-Dec-18	Freehold	n/a	76,850	6.9
Office	30-Nov-17	Freehold	n/a	85,000	7.6
Office	30-Nov-17	Freehold	n/a	50,200	4.5
Office	30-Nov-17	Freehold	n/a	33,400	3.0
Office	30-Nov-17	Freehold	n/a	26,900	2.4
Office	30-Nov-17	Freehold	n/a	25,400	2.3
Office	15-Feb-18	Freehold	n/a	16,850	1.5
Office	30-Nov-17	Freehold	n/a	9,350	0.8
Office	30-Nov-17	Freehold	n/a	5,500	0.5
Light Industrial	30-Nov-17	Freehold	n/a	12,550	1.1
Other (Barracks)	30-Nov-17	Freehold	n/a	81,000	7.2
Other (Retail)	30-Nov-17	Freehold	n/a	20,000	1.8
Other (Hotel)	30-Nov-17	Freehold	n/a	19,900	1.8
Other (Barracks)	30-Nov-17	Freehold	n/a	12,750	1.1
Other (Barracks)	30-Nov-17	Freehold	n/a	5,400	0.5
Office	27-Jun-18	Freehold	n/a	16,900	1.5
Office	5-Dec-18	Freehold	n/a	12,250	1.1
Office	5-Dec-18	Freehold	n/a	23,775	2.1

[1] Part freehold and part leasehold interest ending 31 July 2088.

The accompanying notes form an integral part of the financial statements.

STATEMENT OF PORTFOLIO

AS AT 31 DECEMBER 2018

Property (by Geography)	Location
France	
Parc Des Docks	50 rue Ardouin, Saint-Ouen
Parc Des Guillaumes	58 rue de Neuilly, Noisy-le-Sec
Parc Du Landy	61 rue du Landy, Aubervilliers
Parc Delizy	32 rue Delizy, Pantin
Parc Des Grésillons	167-169 avenue des Gresillions, Gennevilliers
Parc d'Osny	9 chaussée Jules César, ZAC des Beaux Soleils, Osny
Parc de l'Esplanade	Rue Paul Henri Spaak - rue Enrico Fermi - rue Niels Bohr, Saint Thibault des Vignes
Parc Urbaparc	75-79 rue Rateau, La Courneuve
Parc du Merantais	1-3 rue Georges Guynemer, Magny-les-Hameaux
Parc des Mardelles	44 rue Maurice de Broglie, 16, rue Henri Becquerel, Aulnay-sous-Bois
Parc Jean Mermoz	53 rue de Verdun – 81, rue Maurice Berteaux, La Courneuve
Parc Des Erables	154 allée des Érables, Villepinte
Parc de Champs	40 boulevard de Nesles, ZAC le Ru du Nesles, Champs sur Marne
Parc Locaparc 2	59-65 rue Edith Cavell, Vitry-sur-Seine
Parc le Prunay	13-41 rue Jean Pierre Timbaud, ZI du Prunay, Sartrouville
Parc Acticlub	2 rue de la Noue Guimante, ZI de la Courtillière, Saint Thibault des Vignes
Parc Jules Guesde	1 allée du Chargement, rue Jules Guesde, Villeneuve D'Asq
Parc des Aqueducs	Chemin du Favier, St Genis Laval
Parc de Popey	5 chemin de Popey, Bar-le-Duc
Parc de la Chauvetière	4-28 rue du Vercors, Saint Etienne
Parc Club du Bois du Tambour	Route de Nancy, Gondreville
Germany	
Gewerbe-und Logistikpark München-Kirchheim West	Parsdorfer Weg 10, Kirchheim
Gewerbe-und Logistikpark Stuttgart-Frickenhausen	Siemenstrasse 11, Frickenhausen, Stuttgart
Gewerbe-und Logistikpark Frankfurt-Bischofsheim	An der Kreuzlache 8-12, Bischofsheim
Gewerbepark Hamburg–Billstedt	Kolumbusstraße 16, Hamburg
Gewerbepark München-Kirchheim Ost	Henschelring 4, Kirchheim
Gewerbepark Hamburg-Billbrook Park	Moorfleeter Straße 27, Liebigstraße 67-71, Hamburg
Gewerbe-und Logistikpark München-Maisach	Frauenstraße 31, Maisach
Gewerbepark Duisburg	Hochstraße 150-152, Duisburg
Gewerbepark Straubing	Dresdner Straße 16, Sachsenring 52, Straubing
Gewerbepark Bischofsheim II	An der Steinlach 8-10, Bischofsheim, Frankfurt
Gewerbepark Frankfurt-Hanau	Kinzigheimer Weg 114, Hanau

n/a – not applicable

The accompanying notes form an integral part of the financial statements.

STATEMENT OF PORTFOLIO
AS AT 31 DECEMBER 2018

Type	Acquisition date	Land tenure	Remaining term (years)	Carrying amount €'000	Percentage of net assets %
Light Industrial	30-Nov-17	Freehold	n/a	114,100	10.2
Light Industrial	30-Nov-17	Freehold	n/a	25,400	2.3
Light Industrial	30-Nov-17	Freehold	n/a	20,200	1.8
Light Industrial	30-Nov-17	Freehold	n/a	18,700	1.7
Light Industrial	30-Nov-17	Freehold	n/a	18,400	1.6
Light Industrial	30-Nov-17	Freehold	n/a	16,600	1.5
Light Industrial	30-Nov-17	Freehold	n/a	16,100	1.4
Light Industrial	30-Nov-17	Freehold	n/a	15,000	1.3
Light Industrial	30-Nov-17	Freehold	n/a	10,400	0.9
Light Industrial	30-Nov-17	Freehold	n/a	10,300	0.9
Light Industrial	30-Nov-17	Freehold	n/a	7,800	0.7
Light Industrial	30-Nov-17	Freehold	n/a	7,500	0.7
Light Industrial	30-Nov-17	Freehold	n/a	5,900	0.5
Light Industrial	30-Nov-17	Freehold	n/a	6,100	0.5
Light Industrial	30-Nov-17	Freehold	n/a	5,300	0.5
Light Industrial	30-Nov-17	Freehold	n/a	5,300	0.5
Light Industrial	30-Nov-17	Freehold	n/a	3,600	0.3
Light Industrial	30-Nov-17	Freehold	n/a	3,800	0.3
Light Industrial	30-Nov-17	Freehold	n/a	4,800	0.4
Light Industrial	30-Nov-17	Freehold	n/a	2,100	0.2
Light Industrial	30-Nov-17	Freehold	n/a	4,200	0.4
Light Industrial	30-Nov-17	Freehold	n/a	30,800	2.8
Light Industrial	30-Nov-17	Freehold	n/a	14,250	1.3
Light Industrial	30-Nov-17	Freehold	n/a	12,600	1.1
Light Industrial	30-Nov-17	Freehold	n/a	9,200	0.8
Light Industrial	30-Nov-17	Freehold	n/a	9,400	0.8
Light Industrial	30-Nov-17	Freehold	n/a	7,900	0.7
Light Industrial	30-Nov-17	Freehold	n/a	7,850	0.7
Light Industrial	30-Nov-17	Freehold	n/a	8,100	0.7
Light Industrial	30-Nov-17	Freehold	n/a	6,550	0.6
Light Industrial	30-Nov-17	Freehold	n/a	3,500	0.3
Light Industrial	30-Nov-17	Freehold	n/a	3,450	0.3

The accompanying notes form an integral part of the financial statements.

STATEMENT OF PORTFOLIO

AS AT 31 DECEMBER 2018

Property (by Geography)	Location
Denmark	
Priorparken 700	Priorparken 700, Brøndby
Naverland 7-11	Naverland 7-11, Glostrup
Priorparken 800	Priorparken 800, Brøndby
Herstedvang 2-4	Herstedvang 2-4, Albertslund
Naverland 8	Naverland 8, Glostrup
Islevdalvej 142	Islevdalvej 142, Rødovre
Hørskætten 4-6	Hørskætten 4-6, Tåstrup, Copenhagen
Hjulmagervej 3-19	Hjulmagervej 3-19, Vejle
Fabriksparken 20	Fabiksparken 20, Glostrup
Stamholmen 111	Stamholmen 111, Hvidore
Hørskætten 5	Hørskætten 5, Tåstrup
Naverland 12	Naverland 12, Glostrup
C.F. Tietgensvej 10	C.F. Tietsgensvej 10, Kolding
Finland	
Plaza Vivace	Äyritie 8 C, Vantaa
Plaza Allegro	Äyritie 8 B, Vantaa
Plaza Forte	Äyritie 12 C, Vantaa
Pakkalan Kartanonkoski 3	Pakkalankuja 6, Vantaa
Pakkalan Kartanonkoski 12	Pakkalankuja 7, Vantaa
Grandinkulma	Kielotie 7, Vantaa
Liiketalo Myyrinraitti	Myyrmäenraitti 2, Vantaa
Purotie 1	Purotie 1, Helsinki
Helsingin Mäkitorpantie 3	Mäkitorpantie 3b, Helsinki
Opus 1	Hitsaajankatu 24, Helsinki
Kuopion Kauppakeskus	Kauppakatu 39, Kuopio
Portfolio of investment properties, at fair value	
Other adjustments (note 8)	
Investment properties as shown in the balance sheet	
Other assets and liabilities, net	
Net assets	

n/a – not applicable

The accompanying notes form an integral part of the financial statements.

STATEMENT OF PORTFOLIO

AS AT 31 DECEMBER 2018

Type	Acquisition date	Land tenure	Remaining term (years)	Carrying amount €'000	Percentage of net assets %
Light Industrial	30-Nov-17	Freehold	n/a	12,175	1.1
Light Industrial	30-Nov-17	Freehold	n/a	10,568	0.9
Light Industrial	30-Nov-17	Freehold	n/a	8,987	0.8
Light Industrial	30-Nov-17	Freehold	n/a	6,389	0.6
Light Industrial	30-Nov-17	Freehold	n/a	5,626	0.5
Light Industrial	30-Nov-17	Freehold	n/a	6,282	0.6
Light Industrial	30-Nov-17	Freehold	n/a	5,304	0.5
Light Industrial	30-Nov-17	Freehold	n/a	5,344	0.5
Light Industrial	30-Nov-17	Freehold	n/a	5,612	0.5
Light Industrial	30-Nov-17	Freehold	n/a	5,532	0.5
Light Industrial	30-Nov-17	Freehold	n/a	3,590	0.3
Light Industrial	30-Nov-17	Freehold	n/a	3,134	0.3
Light Industrial	30-Nov-17	Freehold	n/a	2,759	0.2
Office	28-Dec-18	Freehold	n/a	13,234	1.2
Office	28-Dec-18	Freehold	n/a	11,173	1.0
Office	28-Dec-18	Freehold	n/a	12,600	1.1
Office	28-Dec-18	Freehold	n/a	9,700	0.9
Office	28-Dec-18	Freehold	n/a	6,100	0.5
Office	28-Dec-18	Freehold	n/a	12,500	1.1
Office	28-Dec-18	Freehold	n/a	12,000	1.1
Office	28-Dec-18	Freehold	n/a	7,113	0.6
Office	28-Dec-18	Freehold	n/a	7,600	0.7
Office	28-Dec-18	Freehold	n/a	13,500	1.2
Office	28-Dec-18	Freehold	n/a	7,600	0.7
				1,694,675	**151.5**
				(4,451)	
				1,690,224	
				(571,457)	
				1,118,767	

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018

ABOUT THESE FINANCIAL STATEMENTS

The Cromwell European Real Estate Investment Trust ("Trust") is a Singapore real estate investment trust constituted pursuant to a trust deed dated 28 April 2017 (date of "Constitution") (as amended and restated) between Cromwell EREIT Management Pte. Ltd. as the Manager of CEREIT (the "Manager") and Perpetual (Asia) Limited as Trustee of CEREIT (the "Trustee"). CEREIT was listed on the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 31-Dec-18 ("Listing Date"). The Trust and its subsidiaries are collectively referred to as "CEREIT" in the consolidated financial statements.

Prior to Listing Date, CEREIT was a private Singapore Trust, wholly owned by the Cromwell Property Group. During this period CEREIT acquired a group of entities that held three Dutch office assets from Cromwell Property Group. The total return from these properties during the period prior Listing Date does not form part of distributable income to which Unitholders are entitled to. For the benefit of the users these consolidated financial statements present both the period from Listing Date to 31-Dec-18 and the period from Constitution to 31-Dec-18 prepared in accordance with International Financial Reporting Standards ("IFRS").

CEREIT's annual financial statements are presented in Euros ("€" or "EUR") and have been prepared in a format designed to provide users of the financial report with a clear understanding of relevant balances and transactions that drive CEREIT's financial performance and financial position free of immaterial and superfluous information. Accounting policies and, where applicable, the use of significant estimates and judgments are presented in the relating notes to the financial statements and plain English is used in commentary or explanatory sections to improve readability of the financial statements.

The notes have been organised into the following five sections for reduced complexity and ease of navigation:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018

Results

This section of the financial statements provides further information on CEREIT's financial performance, including the performance of each of CEREIT's segments, as well as details of CEREIT's revenue, fees paid to the trustee, Manager and property manager, trust expenses, income tax items and CEREIT's semi-annual distributions, the earnings per security calculation as well as details about Cromwell's income tax items.

1 OPERATING SEGMENT INFORMATION

Overview

CEREIT's operating segments regularly reviewed by the chief operating decision maker (CODM), being the Chief Executive Officer, are CEREIT's property sub-portfolios by location and asset class as each of these sub-portfolios have different performance characteristics. There is no segment information for CEREIT's business segments as CEREIT's activities wholly relate to property investment.

CEREIT operated in three property classes and six countries as at 31-Dec-18. Subsequent to the period end, CEREIT acquired three office assets in Poland, adding a seventh country to its property portfolio. The property segments below are reported in a manner consistent with the internal reporting provided to the CEO.

CEREIT's property segments:

Asset class	*Country*	*Details*
Office	Netherlands	CEREIT holds seven office assets in the Netherlands with a combined valuation of €530,578,000 located in predominantly central business districts of the main cities of the Netherlands-Amsterdam, Rotterdam, The Hague, Utrecht and s'Hertogenbosch. All properties are multi-tenanted with a diverse tenant base comprising corporations across insurance, engineering, e-commerce, governmental & public administration, professional and legal services and various other sectors.
	Italy	CEREIT holds 11 office assets in Italy with a combined valuation of €305,525,000 located in central business districts and city fringe areas of the main cities of Italy-Milan and Rome as well as secondary cities, including Florence, Venice, Bari and Genoa. The properties are a mix of single-tenanted and multi-tenanted buildings with main tenants comprising the Italian government, telecom, professional service, marketing and advertising service corporations.
	Finland	CEREIT acquired just prior to period end on 28-Dec-18, 11 office assets in Finland with a combined value of €113,120,000 predominantly located in well-established office parks in Helsinki. The properties are multi-tenanted with main tenants comprising corporations across energy, healthcare, professional services, retail, construction and manufacturing sectors.

CEREIT's property segments:

Asset class	*Country*	*Details*
Light Industrial	Netherlands	CEREIT holds 10 well-positioned light industrial assets across the Netherlands with a combined valuation of €77,350,000 leased to a diverse tenant base. The properties are predominately located in the wider Amsterdam area, including the Netherlands main airport, Amsterdam Schiphol.
	France	CEREIT holds 21 light industrial assets across France with a combined valuation of €321,600,000 leased to a diverse tenant base with 300+ separate leases, including larger tenants from the transport and logistics sector. 16 properties are located in the greater Paris metropolitan area with the five remaining assets located near larger secondary cities such as Lyon, Nancy and Lille.
	Germany	CEREIT holds 11 light industrial assets across Germany with a combined valuation of €113,600,000 leased to a diverse tenant base predominately located around the large German cities of Munich, Frankfurt, Hamburg and Stuttgart.
	Denmark	CEREIT holds 13 light industrial assets across Denmark with a combined valuation of €81,302,000 also leased to a diverse tenant base. 11 properties are located in the Copenhagen area with remaining two properties located near Kolding. The largest tenant is a manufacturer of commercial cleaning equipment operating world-wide.
	Italy	The Italian light industrial sub-portfolio comprises only one property with a valuation of €12,550,000. The property is located near Bari.
Other	Italy	In addition to its principally office and light industrial property portfolio, CEREIT holds also five assets in Italy in other asset classes with a combined value of €139,050,000. This includes three assets leased to the Italian government used as training and housing facilities (barracks) for the Italian police force, a hotel and a leisure complex with a large cinema.

Accounting policy

Segment allocation

Segment revenues, expenses and assets are those presented to the CODM that are directly attributable to the property segment.

Segment revenue include revenues directly derived from CEREIT's properties and include rental revenue, service charge revenue and any other revenue received from tenants. Segment expenses include expenses directly incurred in operating the properties and include service charge expense, non-recoverable expenses and leasing costs.

Segment assets include investment properties. Cash and other current assets may be held in centralised locations and are not allocated to the property segments. Liabilities are not allocated to segments. CEREIT's borrowings and derivative financial instruments are not reviewed by the CODM on a segment basis as they are centrally managed by CEREIT's treasury function and reviewed by the CODM for CEREIT globally. Other operating liabilities, such as payables are also managed in centralised locations and are not allocated to the property segments.

Segment profit / (loss)

Segment profit / (loss) equals net property income from the property sub-portfolio and does include trust expenses and finance costs or fair value changes of investment properties.

(a) Segment results

The table below shows segment results as presented to the Chief Executive Officer. For further commentary on individual segment results refer to the Financial Review section of this Annual Report. The results for the period prior to Listing Date, while CEREIT was a wholly owned entity of Cromwell Property Group, was not presented to the CODM and is therefore not included in segment results.

(a) Segment results

CEREIT 31-Dec-18	**Gross revenue from external customers €'000**	**Property operating expenditure €'000**	**Segment Profit / Loss €'000**
Office			
Netherlands	31,982	(10,875)	21,107
Italy	20,175	(5,538)	14,637
Finland	–	–	–
Total – Office	**52,157**	**(16,413)**	**35,744**
Light Industrial			
Netherlands	7,795	(1,515)	6,280
France	35,691	(14,006)	21,685
Germany	11,180	(3,714)	7,466
Denmark	10,526	(4,410)	6,116
Italy	1,198	(317)	881
Total – Light Industrial	**66,390**	**(23,962)**	**42,428**
Other			
Italy	16,739	(4,731)	12,008
Total – Other	**16,739**	**(4,731)**	**12,008**
Total – Segments	**135,286**	**(45,106)**	**90,180**
Unallocated items:			
Net finance costs			(11,927)
Manager's fees			(3,640)
Trustee fees			(178)
Trust expenses			(4,579)
Fair value gain – investment properties			37,141
Fair value gain loss – derivative financial instruments			(323)
Income tax expense			(20,941)
Total return since Listing attributable to Unitholders			**85,733**
Total return for period prior Listing Date			2,327
Total return for the period			**88,060**

(b) Segment assets and liabilities

Segment assets

CEREIT 31-Dec-18	***Segment assets:*** **Investment properties €'000**	***Other Information:*** **Capital expenditure €'000**
Office		
Netherlands	524,886	4,080
Italy	305,464	968
Finland	113,120	–
Total – Office	**943,470**	**5,048**
Light Industrial		
Netherlands	82,160	1,016
France	321,240	1,011
Germany	112,500	2,604
Denmark	79,722	258
Italy	12,541	8
Total – Light Industrial	**608,163**	**4,897**
Other		
Italy	138,591	75
Total – Other	**138,591**	**75**
Total – Segments	**1,690,224**	**10,020**
Reconciliation to total consolidated assets:		
Cash and cash equivalents	57,755	
Receivables – current	49,719	
Current tax assets	227	
Receivables – non-current	688	
Derivative financial instruments	5	
Deferred tax assets	16,224	
Consolidated total assets	**1,814,842**	

Segment liabilities

There are no liabilities allocated to segments.

(c) Major customers

Major customers of CEREIT that account for more than 10% of CEREIT's revenue are listed below.

CEREIT 31-Dec-18	Gross revenue €'000	Segment	Percentage of total revenue %
Agenzia del Demanio (Italian State Property Office)	24,409	Italy – Office/Other	16.2

The Trust is domiciled in Singapore. However, all properties are located in Europe and are held by subsidiaries of the Trust also domiciled in Europe. As such, all revenue from external customers is recognised in the European countries as shown in section (a).

2. REVENUE

Overview

This note provides a further breakdown of property revenue for the financial period. CEREIT's revenue consists of rental income from operating leases of CEREIT's investment properties, service charge revenue and other incidental revenue from property ownership such as billboards, signage and kiosks. This note also provides overview of the accounting policies on how these revenue items are recognised.

Revenue from properties

	CEREIT	
	Period from Listing 30-Nov-17 to 31-Dec-18 €'000	Period from Constitution 28-Apr-17 to 31-Dec-18 €'000
Rental revenue	114,814	120,926
Service charge revenue	20,084	20,812
Other property revenue	388	388
Total revenue	**135,286**	**142,126**

Accounting policy

Lease revenue

Lease income from operating leases, with CEREIT as lessor of investment properties, is recognised in income on a straight-line basis over the lease term. The respective leased assets, being CEREIT's investment properties, are included in the balance sheet.

Service charge revenue

Service charge revenue are payments from tenants for costs incurred by the landlord to provide services to the tenants, including providing utilities, cleaning, certain maintenance and building management among other operating costs of a property. Service charge revenue is recognised over time as and when the tenant receives and consumes the benefit of the service provided, which is generally simultaneously.

Other property revenue

Other property related revenue is recognised on a straight-line basis over the term of the contract if the contract requires the customer to make fixed payments over time equivalent to a lease.

3. TRUSTEE AND MANAGER'S FEES

Overview

This note provides and overview of the fees charged by the Trustee, the Manager and the Property Manager for the management services they provide to the Unitholders as well as description of how these fees and any other fees that may arise in the future are calculated.

(a) Trustee fees

The trustee fee is calculated as 0.015% per annum of the value of CEREIT's deposited property up to S$1 billion in deposited property and 0.01% on deposited property value in excess of S$1 billion, subject to a minimum of S$15,000 (approximately €9,700) per month. Prior to the Listing Date, the trustee fee was S$6,000 per month.

	CEREIT	
	Period from Listing 30-Nov-17 to 31-Dec-18 €'000	Period from Constitution 28-Apr-17 to 31-Dec-18 €'000
Total trustee fees	**178**	**201**

(b) Manager's fees

The Manager is entitled to management fees comprising a base fee and a performance fee as follows:

Base management fee

The Manager's base fee is calculated as 0.23% per annum of the value of CEREIT's deposited property. The management fee is payable quarterly in arrears.

Performance fee

The Manager's performance fee is calculated as 25.0% of the difference in DPU in a financial year with the distributable income per unit ("DPU") in the preceding financial year. For the current first financial period the performance fee is calculated as difference between the actual DPU and the projected DPU as set out in the projection for the 2018 year as set out in CEREIT's prospectus dated 22 Nov-17. The performance fee is payable after the completion of a financial year.

The Manager may, at its election, be paid base and/or performance fees in cash, in CEREIT units or a combination of both. The price of CEREIT units issued is determined based on the volume weighted average traded price for a CEREIT unit for all trades on SGX-ST for the last ten business days immediately preceding and including the end date of the relevant periods in which the fees accrue.

As disclosed in CEREIT's prospectus dated 22-Nov-17, the Manager has elected to receive all base and performance fees in CEREIT units until the financial year end 2019.

The following fees were charged and units issued or are issuable during and for the financial period ending 31-Dec-18:

	CEREIT	
	Period from Listing 30-Nov-17 to 31-Dec-18 €'000	**Units issued or issuable '000**
Base management fees	3,640	6,907
Performance fees	–	–
Total manager's fees	**3,640**	**6,907**

Base management fees were only charged from Listing Date. During the financial period 3,303,739 Units were issued at a price of €0.5758 (1,875,845 Units) and €0.5856 (1,427,894 Units) in payment of 100% of the base management fees for the period from Listing Date to 30-Jun-18.

(c) Property manager's fees

The property & portfolio management fee is calculated as 0.67% per annum of the value of CEREIT's deposited property. The property & portfolio management fee is payable quarterly in arrears.

The property manager may, at its election, be paid its fees in cash, in CEREIT units or a combination of both. The price of CEREIT units issued is determined based on the volume weighted average traded price for a CEREIT unit for all trades on SGX-ST for the last ten business days immediately preceding and including the end date of the relevant periods in which the fees accrue.

As disclosed in CEREIT's prospectus dated 22-Nov-17, the property manager has elected to receive 40% of its fees in CEREIT units until the financial year end 2019.

The following fees were charged and units issued or are issuable during and for the financial period ended 31-Dec-18:

	Period from Listing 30-Nov-17 to 31-Dec-18 €'000	CEREIT Period from Constitution 28-Apr-17 to 31-Dec-18 €'000	Units issued or issuable '000
Total property & portfolio management fees	10,604	11,372	8,048

Property & portfolio management fees are shown within property operating expense in the Consolidated Statement of Total Return.

During the financial period, 3,849,575 Units were issued at a price of €0.5758 (2,185,768 Units) and €0.5856 (1,663,807 Units) in payment of 40% of the property and portfolio management fees for the period from Listing Date to 30-Jun-18.

(d) Other fees

Acquisition and divestment fees

Acquisition fees are calculated as 1.0% of the gross acquisition price (or a lower percentage at the discretion of the charging party) of any real estate or any other income producing investment purchased by CEREIT. Divestment fees are calculated as 0.5% of the gross sale price (or lower percentage at the discretion of the charging party) of any real estate or other investment. The fee may be charged by the Manager, the property manager or shared between both.

Acquisition and investments fees may, at the election of the charging party, be paid in cash, in CEREIT units or a combination of both. Under the CIS, in respect of any acquisition of real estate assets from interested parties, such a fee will be in the form of units issued by CEREIT at prevailing market price(s). Such units may not be sold within one year from the date of their issuance.

The IPO acquisition fee was calculated at 0.5% of the agreed purchase price of the IPO portfolio by the Manager and were paid in units. All subsequent acquisition fees were calculated at 1.0% of the gross acquisition price.

The following acquisition and divestment fees were charged to CEREIT and units issued or are issuable in satisfaction of such fees during the financial period ended 31-Dec-18.

	CEREIT	
	Fees for period from Listing 30-Nov-17 to 31-Dec-18 €'000	Units issued or issuable '000
Acquisition fees	9,489	16,747
Divestment fees	–	–
Total acquisition and divestment fees	**9,489**	**16,747**

Acquisition and divestment fees were only charged from Listing Date.

Development management and project management fees

Development management fees are calculated as 3.0% of the total project costs incurred. Where the estimated total project costs are greater than S$200.0 million, the trustee and the Manager's independent Directors will first review and approve the quantum of the development management fee, whereupon the Manager may be directed by the independent directors to reduce the development management fee. Further, in cases where the market pricing for comparable services is, in the Manager's view, materially lower than the development management fee, the independent Directors of the Manager shall have the right to direct a reduction of the development management fee to less than 3.0% of the total project costs. The development fee may, at the election of the Manager or property manager, be paid in the form of cash and/or CEREIT units.

Project management fees are calculated as 5.0% of the construction costs for any refurbishment, retrofitting, addition and alteration or renovation works to the relevant property. The project management fee is payable to the property manager in the form of cash and/or CEREIT units (as may be agreed between the Manager and the property manager from time to time, and if there is no such agreement, the payment shall be in the form of cash).

Leasing fees

The property manager is entitled to the following leasing fees:

(a) (in relation to new leases secured by the property manager) 5.0% of the net rent receivable (as defined herein) (capped at 20% of the average rent receivable);

(b) (in relation to renewal of leases secured by the property manager) 2.5% of the net rent receivable (capped at 10% of the average rent receivable); and

(c) (in relation to leases in respect of which fees are owed to a third-party agent) 1.0% of the net rent receivable, (capped at 4% of the average rent receivable).

The following fees were charged during the financial period:

	CEREIT Period from Listing 30-Nov-17 to 31-Dec-18 €'000
Development fees	–
Project management fees	146
Leasing fees	871
Total other fees	**1,017**

All fees were paid/payable in cash. There were no fees prior to Listing Date.

4. OTHER TRUST EXPENSES

Overview

CEREIT incurs certain non-property or debt related expenses presented as other trust expenses in the consolidated statement of total return. Such expenses generally consist of compliance, advisory or reporting costs. This note provides a further breakdown of other trust expenses. Additionally, this note also provides information on fees paid to CEREIT's external auditor.

(a) Other trust expenses breakdown

	CEREIT	
	Period from Listing 30-Nov-17 to 31-Dec-18 €'000	Period from Constitution 28-Apr-17 to 31-Dec-18 €'000
Auditor's fees	821	821
Internal audit fees	204	204
Tax compliance fees	597	597
Valuation fees	579	579
Sustainability reporting costs	105	105
Bank fees	433	433
Other expenses	1,840	2,061
Total other trust expenses	**4,579**	**4,844**

Accounting policy

Expenses

Other trust expenses as well as property-related expenses are recognised on an accruals basis.

(b) Auditor's remuneration

Deloitte & Touche LLP Singapore ("Deloitte") are the independent auditors of CEREIT. Deloitte and its overseas affiliates have provided a number of audit, other assurance and non-assurance related services to CEREIT during the financial period.

Below is a summary of fees paid/payable for various services to Deloitte and it overseas affiliates during the financial period:

	CEREIT Period from Constitution 28-Apr-17 to 31-Dec-18 €'000
Audit and other assurance services	
Auditing of financial reports	821
Review of forecasts for capital raising purposes	649
Fees paid/payable for audit and other assurance services to Deloitte	**1,470**
Other services	
Financial due diligence	803
Other services	5
Total remuneration paid/payable to Deloitte	**2,278**

Fees paid for reviews of forecasts for capital raising purposes and financial due diligence services are recorded in the balance sheet as unit issue costs and as acquisition costs of investment properties respectively.

5. Earnings per unit

Overview

This note provides information about CEREIT's earnings on a per CEREIT unit basis. Earnings per unit (EPU) is a measure that makes it easier for users of CEREIT's financial report to compare CEREIT's performance between different reporting periods. Accounting standards require the disclosure of two EPU measures, basic EPU and diluted EPU. CEREIT does not have dilutive potential units such as options over units. However, the weighted number of average units on issue take into account any units that are issuable at financial period end, that is units to be issued relating to expenses incurred during the financial period.

(a) Earnings per unit

	CEREIT	
	Period from Listing 30-Nov-17 to 31-Dec-18 €'000	**Period from Constitution 28-Apr-17 to 31-Dec-18 €'000**
Basic and diluted earnings per unit (€ cents)	4.99	7.77
Basic and diluted earnings per unit (€ cents) – annualised[1]	4.58	4.63
Total return since Listing attributable to Unitholders (€'000)	85,733	88,060
Weighted average number of units ('000)	1,719,385	1,143,177

[1] Annualised basic and diluted earnings are calculated earning per unit over the entire period divided by the days of the respective period times days in one year.

For units issuable at financial period end refer to note 11(b).

6. DISTRIBUTIONS

CEREIT's aim is to provide investors with regular and stable distributions that are growing over time. CEREIT's distribution policy is to distribute 100% of CEREIT's annual distributable income for the period from the Listing Date to the end of the 2019 financial year. Thereafter, CEREIT will distribute at least 90% of its annual distributable income for each financial year. The actual level of distribution will be determined at the Manager's discretion. Distributions are paid on a semi-annual basis.

CEREIT has made the following distributions since Listing Date:

Distribution period	Distribution type	Distribution per unit (in € cents)	Total distribution €'000	Date paid
30-Nov-17 to 30-Jun-18	Capital	2.53	39,906	28-Sep-18
Total		**2.53**	**39,906**	

The distribution represented an annualised distribution yield of 7.9% based on the IPO issue price of the CEREIT units. For distribution details for the period from 1-Jul-18 to 31-Dec-18 refer to the financial review section.

7. INCOME TAX

Overview

This note provides detailed information about CEREIT's income tax items and accounting policies. This includes a reconciliation of income tax expense applying the tax rates of each jurisdiction to CEREIT's total return before income tax as shown in the consolidated statement of total return as well as an analysis of CEREIT's deferred tax balances.

Accounting standards require the application of the "balance sheet method" to account for CEREIT's income tax. Accounting profit does not always equal taxable income. There are a number of timing differences between the recognition of accounting expenses and the availability of tax deductions or when revenue is recognised for accounting purpose and tax purposes. These timing differences reverse over time but they are recognised as deferred tax assets and deferred tax liabilities in the balance sheet until they are fully reversed.

Taxation in Singapore

CEREIT has obtained a Tax Ruling from the IRAS in respect of foreign dividend and interest income from its European property portfolio ("Specified Exempt Income") and derived by its wholly-owned Singapore resident subsidiaries. Pursuant to this Tax Ruling, the wholly-owned Singapore resident subsidiaries will be exempt from Singapore income tax on the Specified Exempt Income.

As such all income tax expense relates to income tax levied on CEREIT's European subsidiaries that hold properties and earn income.

(a) Income tax expense

	CEREIT	
	Period from Listing 30-Nov-17 to 31-Dec-18 €'000	**Period from Constitution 28-Apr-17 to 31-Dec-18 €'000**
Current income tax expense	5,099	5,400
Deferred tax expense	15,842	15,842
Total income tax expense	**20,941**	**21,242**
Deferred tax expense		
Increase in deferred tax assets	(5,689)	(5,689)
Increase in deferred tax liabilities	21,531	21,531
Total deferred tax expense	**15,842**	**15,842**

(b) Numerical reconciliation between income tax expense and total return before tax

	CEREIT	
	Period from Listing 30-Nov-17 to 31-Dec-18 €'000	**Period from Constitution 28-Apr-17 to 31-Dec-18 €'000**
Total return before income tax	**106,674**	**109,302**
Net expenses incurred in Singapore not subject to income tax	7,920	8,050
Profits subject to income tax in overseas jurisdictions	**114,594**	**117,352**
Tax at domestic rates applicable to profits subject to income tax in overseas jurisdictions (refer below for corporate income tax rates of all jurisdictions in which CEREIT operates)	35,414	36,104
Tax effect of amounts which are deductible / (taxable) in calculating taxable income:		
Other deductible expenses/non-taxable income	(8,784)	(9,173)
Change in tax losses recognised	(5,689)	(5,689)
Total income tax expense	**20,941**	**21,242**

Corporate income tax rates applicable in overseas jurisdictions

	Income tax rate %
Netherlands	25.0
France	33.3
Germany	30.0 – 33.0
Denmark	22.0
Luxembourg	25.5
Italy	10.0[1]

[1] The alternative investments funds (AIFs) that hold CEREIT's Italian properties are exempt from corporate income tax. Instead withholding tax is applied on profit distributions and interest payments to non-resident investors in Italy. The ordinary withholding tax rate is 26%. However, under the Italy-Luxembourg tax treaty the rate is reduced to 10%. CEREIT's AIFs are held by Luxembourg resident companies also wholly owned by CEREIT.

(c) Deferred tax

Deferred tax assets

	CEREIT As at 31-Dec-18 €'000
Deferred tax assets are attributable to:	
Tax losses recognised	16,224
Total deferred tax assets	**16,224**
Movements:	
Deferred tax assets acquired at acquisition property holding entities	10,535
Credited to profit or loss	5,689
Balance at 31 December	**16,224**

Unrecognised tax losses at 31-Dec-18 were €15,601,000.

Deferred tax liabilities

	CEREIT As at 31-Dec-18 €'000
Deferred tax liabilities are attributable to:	
Temporary differences between carrying amounts and tax base of investment properties	21,531
Total deferred tax liabilities	**21,531**
Movements:	
Deferred tax liabilities acquired at acquisition property holding entities	–
Charged to profit or loss	21,531
Balance at 31 December	**21,531**

There are no deferred tax balances in relation to the Trust.

Accounting policy

Income tax

CEREIT's income tax expense for the period is the tax payable on the current period's taxable income adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. Deferred tax is not recognised for the recognition of goodwill on business combination and for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Current and deferred tax balances attributable to amounts recognised in other comprehensive income or directly in equity are also recognised in other comprehensive income or directly in equity.

Current and deferred tax balances attributable to amounts recognised in other comprehensive income or directly in equity are also recognised in other comprehensive income or directly in equity.

Significant estimates – deferred tax liabilities Netherlands and France

Total deferred tax liabilities include deferred tax liabilities in relation investment properties whereby the carrying amount exceeds the tax depreciated value of certain properties which will in future crystallise a capital gains tax upon disposal of the respective property. CEREIT has recognised a deferred tax liability in relation to the future capital gains tax payable at financial year-end. In accordance with IAS 12 Income Taxes deferred tax liabilities (and assets) shall be measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled.

Both, the French and Dutch governments have announced a reduction in corporate income tax rates over the coming years. The corporate tax rate in the Netherlands will thereby reduce from currently 25% to 15% by 2021 and in France from currently 33.3% to 25% by 2022. It is Management's estimate that all properties held in France and the Netherlands will be held by CEREIT over the next three years. As a result, the reduced tax rates, as announced by the respective governments, have been used to compute the deferred tax liabilities for French and Dutch investment properties.

The deferred tax liabilities in relation to these properties at financial period end was €20,455,000.

Operating Assets

This section of the annual financial report provides further information on CEREIT's operating assets. These are assets that individually contribute to CEREIT's revenue and currently consist of investment properties only, however may in the future include joint ventures or associates and investments in listed and unlisted securities to the extent allowable under the Property Funds Appendix of the Code on Collective Investment Schemes ("CIS Code").

8. INVESTMENT PROPERTIES

Overview

Investment properties are properties (land, building or both) held solely for the purpose of earning rental income and / or for capital appreciation. At period end CEREIT's investment property portfolio comprised 90 commercial properties in six countries of which 29 properties are predominantly office use, 56 predominantly light industrial use with the remaining five properties being of other use (refer Statement of Portfolio).

This note provides further details on CEREIT's investment property portfolio, including details of acquisitions and other movements during the financial period as well as details on the fair value measurement of the properties.

(a) Reconciliation of carrying amount of investment properties

	France €'000	Italy €'000	Netherlands €'000	Germany €'000	Denmark €'000	Finland €'000	Total €'000
At independent valuation dated 31-Dec-18	321,600	421,100	480,350	113,600	81,300	–	**1,417,950**
At acquisition price (directors' valuation)	–	36,025	127,580	–	–	113,120	**276,725**
	321,600	**457,125**	**607,930**	**113,600**	**81,300**	**113,120**	**1,694,675**
Adjustments to carrying amount:							
Finance lease liability[1]							**4,979**
Unspent vendor funded capital expenditure[2]							**(8,466)**
Other							**(964)**
Total adjustments							**(4,451)**
Carrying amount at 31-Dec-18							**1,690,224**

[1] In accordance with International Financial Reporting Standards (IFRS), future ground rent payments for leasehold properties are accounted for as finance lease liability with an equal increase of the investment property carrying amount.

[2] As disclosed in the Prospectus, the vendors of CEREIT's investment property portfolio have provided funding for any budgeted capital expenditure that was budgeted in the 2017 year and had not been incurred at IPO.

Accounting policies

Investment properties

Investment properties are initially measured at cost including transaction costs and subsequently measured at fair value, with any change therein recognised in profit or loss.

Fair value is based upon active market prices, given the assets' highest and best use, adjusted if necessary, for any difference in the nature, location or condition of the relevant asset. If this information is not available, CEREIT uses the capitalised earnings approach for valuations of its investment properties. The highest and best use of an investment property refers to the use of the investment property by market participants that would maximise the value of that investment property.

The carrying value of the investment property includes components relating to lease incentives and other items relating to the maintenance of, or increases in, lease rentals in future periods.

Investment properties under construction are classified as investment property and carried at fair value. Finance costs incurred on investment properties under construction are included in the construction costs.

Investment properties on leasehold land

If CEREIT's investment properties are situated on land under leasehold that are not perpetual in nature, the remaining ground rent obligations are accounted for as finance leases. The respective lease asset is shown within investment properties and the lease liability within other liabilities on the balance sheet.

Lease incentives

Lessees may be offered incentives as an inducement to enter into non-cancellable operating leases. These incentives may take various forms including up-front cash payments, rent free periods, or a contribution to certain lessee costs such as fit out costs or relocation costs. Lease incentives form part, as a deduction, of total rent receivable from CEREIT's operating lease contracts and as such are recognised on a straight-line basis over the lease term.

Initial direct leasing costs

Initial direct leasing costs incurred by CEREIT in negotiating and arranging operating leases are recognised as an asset in the balance sheet as a component of the carrying amount of investment property and are amortised as an expense on a straight-line basis over the lease term.

(b) Movements in investment properties

	CEREIT €'000
Balance at Constitution	–
Transactions prior to Listing Date:	
Acquisition of CECIF portfolio (note 8(c))	209,765
Net loss from fair value adjustments	(462)
Other movements	3,563
Balance at Listing Date	**212,866**
Acquisition of IPO portfolio (note 8(c))	1,106,743
Acquisition of Italian properties (note 8(c))	52,925
Acquisition of new properties (note 8(c))	240,698
Acquisition costs	58,023
Acquisition accounting adjustments[1]	(30,758)
Capital expenditure	10,020
Lease incentives, lease costs and rent straight-lining	2,613
Net gain from fair value adjustments	37,141
Balance at 31-Dec-18	**1,690,224**

[1] At IPO, all of the properties, except properties located in Italy were acquired through the acquisition of all shares in ultimate holding companies of those properties. Additionally, of the properties acquired since IPO, the majority of properties in Finland and one property in the Netherlands were also acquired through the acquisition of 100% of the share capital of ultimate holding entities. Under IFRS, these share acquisitions do not represent business combinations as all entities acquired are mere holding entities of properties which does not constitute a business. As a result, such acquisitions are accounted for as asset acquisitions where all acquisition price adjustments that were the result of commercial negotiations, are accounted for through adjustments to the assets acquired.

(c) Investment property acquisitions

Details of investment properties acquired during the financial period are as follows:

	Description	Acquisition price (excl. cost) €'000	Valuation at 31-Dec-18 €'000
Transactions prior to Listing Date:			
CECIF portfolio	Three office assets located in the Netherlands[1].	209,765	226,100
IPO portfolio acquisitions:			
Dutch Office Portfolio	Two office assets located in the Netherlands.	174,700	176,900
French Industrial Portfolio	11 light industrial assets located in France.	129,000	137,300
Pan-European Industrial Portfolio	44 light industrial assets located in Denmark, France, Germany and Netherlands.	398,143	456,552
Italian Diversified Portfolio	14 diversified properties located in Italy.	404,900	404,200
Total IPO portfolio		**1,316,508**	**1,401,052**
Transactions since Listing Date:			
Italian properties	Three Italian office assets located in Ivrea, Bari and Genoa.	52,925	52,925
New properties	Two office assets located in the Netherlands and 11 office assets located in Finland.	240,698	240,698
Total property acquisition since date of Constitution		**1,610,131**	**1,694,675**

Subsequent to financial period end CEREIT acquired another four light industrial properties in France for €28,200,000 and three office assets in Poland for €71,850,000. Refer to note 19 for further details.

[1] Prior to the Listing Date, CEREIT as wholly owned entity of Cromwell Property Group ("Cromwell"), acquired the three Dutch office assets from various Cromwell entities. The consideration was paid to Cromwell in the form of CEREIT units.

(d) Fair value measurement

CEREIT's investment properties, with an aggregate carrying amount of €1,690,224,000, are measured using the fair value model as described in IAS 40 Investment Property. Fair value is thereby defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Gains or losses arising from changes in the fair value of investment property must be included in net profit or loss for the period in which it arises.

At 31-Dec-18, 75 properties of CEREIT's portfolio of 90 properties were valued by independent valuers. The remaining 15 properties are carried at purchase price which has been assessed by the Directors of the Manager as their fair value as these properties were acquired just prior to period end.

Property valuations

At balance date the adopted valuations for 75 of CEREIT's investment properties are based on independent external valuations representing 84% of the value of the portfolio. In accordance with the CIS Code, CEREIT's investment properties are valued at least once per financial year by an independent professionally qualified valuer with a recognised relevant professional qualification, with valuers rotated at least every two years.

All property valuations utilise the income capitalisation model supported by recent market sales evidence.

The independent valuations for the properties located in France and Italy have been prepared by Colliers International Valuation UK LLP and independent valuations for properties located in the Netherlands, Denmark and Germany have been prepared by Cushman & Wakefield Debenham Tie Leung Limited.

Key inputs used to measure fair value

Income capitalisation method	This method involves assessing the total net market income receivable from the property and capitalising this perpetually, using an appropriate, market derived capitalisation rate, to derive a capital value, with allowances for capital expenditure reversions such as lease incentives and required capital works payable in the near future and overs / unders when comparing market rent with passing rent.
Annual net property income	Annual net property income is the contracted amount for which the property space is leased less non-recoverable property expenses.
Estimated rental value ("ERV")	ERV is the estimated amount for which a property or space within a property could be leased between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and wherein the parties have each acted knowledgeably, prudently and without compulsion.
Reversionary yield	Reversionary yield is a proxy to the capitalisation rate. Reversionary yield provided by the external valuer is the net market rental value per annum (net of non-recoverable running costs and ground rent) payable on final reversion date expressed as a percentage of the net capital value.
Net initial yield	Net initial yield is the ratio of contracted net rental income and acquisition price or property value.
Weighted average lease expiry ("WALE") / Weighted average lease to break ("WALB")	WALE or WALB is used to measure the overall tenancy risk of a particular property to assess the likelihood of a property being vacated. WALE of a property is measured across all tenants' remaining lease terms (in years) and is weighted with the tenants' income against total combined income. Similarly, WALB is measured as remaining term (in years) to the next break (for those leases including such break options) and is weighted with the tenants' income against total income.

Occupancy	Property occupancy is used to measure the proportion of the lettable space of a property that is occupied by tenants under current lease contracts and therefore how much rent is received from the property as percentage of total rent possible if the property was fully occupied.

All the significant inputs noted above are not observable market data, hence investment property valuations are considered level 3 fair value measurements (refer fair value hierarchy described in note 12).

Significant unobservable inputs associated with the valuations of CEREIT's investment properties are as follows:

Inputs	**Range**	**Weighted average**
Net initial yield (%)	(2.4%) – 10.7%	6.0%
Reversionary yield (%)	3.6% – 11.8%	6.6%
Annual net property income (€'000)	(48.9) – 8,704.2	1,002.0
WALE (years)	0.0 – 10.5	4.7
WALB (years)	0.0 – 7.8	4.0
Occupancy (%)	0.0% – 100.0%	90.8%

Sensitivity information

The relationships between the significant unobservable inputs and the fair value of investment properties are as follows:

Inputs	**Impact of increase in input on fair value**	**Impact of decrease in input on fair value**
Net initial yield	Decrease	Increase
Revisionary yield	Decrease	Increase
Annual net property income	Increase	Decrease
WALE/WALB	Increase	Decrease
Occupancy	Increase	Decrease

Properties carried at purchase price

15 properties are carried at financial period end at purchase price (net of acquisition costs), all of which have been acquired by CEREIT in December 2018. These properties include two Italian office assets acquired on 5-Dec-18 for €36,025,000 and a portfolio of two Dutch and 11 Finish office assets acquired on 28-Dec-18 for €240,698,000. The transaction price was considered equal to the fair value of these properties as the sale and purchase agreements were entered into on an arms-length basis

between non-related parties. The purchase price was paid in cash to the sellers. Given the insignificant period lapsed from transaction date to financial period end, the Directors of the Managers considered the transaction price to remain the fair value of the properties at financial period end.

(e) Amounts recognised in profit and loss for investment properties

	CEREIT	
	Period from Listing 30-Nov-17 to 31-Dec-18 €'000	**Period from Constitution 28-Apr-17 to 31-Dec-18 €'000**
Gross revenue	135,286	142,126
Property operating expense	(45,106)	(46,955)
Net property income	**90,180**	**95,171**

(f) Non-cancellable operating lease receivable from investment property tenants

Investment properties are generally leased on long-term operating leases. Minimum lease payments under the non-cancellable operating leases of CEREIT's investment properties not recognised in the financial statements are receivable as follows:

	CEREIT As at 31-Dec-18 €'000
Within one year	181,838
After one year but within 5 years	457,246
After 5 years	106,203
Total non-cancellable operating lease receivable from investment property tenants	**745,287**

(g) Assets pledged as security

All of CEREIT's investment properties, except three Italian assets with a total fair value of €52,925,000, have been pledged as security for CEREIT's senior property level financing facilities. Refer to note 9 for further details.

Finance and Capital Structure

This section of the annual financial report provides further information on CEREIT's debt finance and associated costs, and CEREIT's capital.

Capital is defined as the combination of unitholders' equity, reserves and debt. The Board of Directors of the Manager are responsible for CEREIT's capital management strategy. Capital management is an integral part of CEREIT's risk management framework and seeks to safeguard CEREIT's ability to continue as a going concern while maximising unitholder value through optimising the level and use of capital resources and the mix of debt and equity funding. CEREIT's preferred portfolio gearing range is 35% - 38%.

9. BORROWINGS

Overview

CEREIT borrows funds from financial institutions to partly fund the acquisition of investment properties. A significant proportion of these borrowings are generally fixed either directly or using interest rate swaps/ options and/or caps and have a fixed term. This note provides information about CEREIT's debt facilities, including maturity dates, security provided and facility limits as well finance costs incurred in relation to these debt facilities.

	As at 31-Dec-18	
	CEREIT €'000	**Trust €'000**
Non-current		
Secured		
Loans – financial institutions	575,340	–
Unamortised transaction costs	(5,126)	–
Total secured borrowings	**570,214**	**–**
Unsecured		
Revolving credit facilities	22,825	22,825
Unamortised transaction costs	(1,306)	(1,306)
Total unsecured borrowings	**21,519**	**21,519**
Total borrowings	**591,733**	**21,519**

Accounting policy

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost using the effective interest rate method. Under this method, fees, costs, discounts and premiums directly related to the financial liability are spread over their expected life.

Borrowing costs incurred on funds borrowed for the construction of a property are capitalised, forming part of the construction cost of the asset. Capitalisation ceases upon practical completion of the property. Other borrowing costs are expensed.

(a) Borrowing details

Facility	Note	Secured	Maturity	31-Dec 2018 Facility €'000	Utilised €'000
France Light Industrial	(a)	Yes	Nov-20	50,000	50,000
Denmark Light Industrial	(b)	Yes	Nov-20	26,114	26,114
Pan-European Light Industrial	(c)	Yes	Mar-21	95,000	95,000
Dutch Office 1	(d)	Yes	Nov-20	57,500	57,500
Dutch Office 2	(e)	Yes	Dec-26	82,375	82,375
Italy	(f)	Yes	Nov-20	150,000	150,000
Finland	(g)	Yes	Dec-21	53,750	53,750
Dutch Office 3	(h)	Yes	Dec-21	60,601	60,601
Revolving Credit Facility	(i)	No	Jan-20	100,000	22,825
Total borrowing facilities				**675,340**	**598,165**

All property level financing facilities are secured by first-ranking mortgages over the relevant properties as well as pledges over the receivables of the property holding SPVs, pledges over the entire share capital of the property holding SPVs, pledges over the receivables of any lease agreements and insurance proceeds pertaining to the relevant properties, a first priority account pledge over all bank accounts of the property-holding SPVs and a pledge over all hedging receivables in relation to the relevant property level financing facility.

(a) France Light Industrial

The France Industrial portfolio facility is secured over 11 French light industrial properties with an aggregate carrying amount of €137,300,000. Interest is payable quarterly in arrears at variable rates based on the EURIBOR 3 months swap rate (with a floor at zero) plus a loan margin. The EURIBOR 3 months swap rate at 31 Dec-18 was -0.31%.

(b) Denmark Light Industrial

The Denmark Industrial facility, which is denominated in Danish Krone is secured over 13 Danish light industrial properties with an aggregate carrying amount of €81,302,000. Interest is payable quarterly in arrears at variable rates based on the CIBOR 3 months swap rate plus a loan margin.

(c) Pan-European Light Industrial

The Pan-European Industrial facility is secured over 31 light industrial properties located in France, the Netherlands and Germany with an aggregate carrying amount of €375,250,000. Interest is payable quarterly in arrears at variable rates based on the EURIBOR 3 months swap rate plus a loan margin.

(d) Dutch Office 1

The Dutch Office 1 facility is secured over two Dutch office properties with an aggregate carrying amount of €176,900,000. Interest is payable quarterly in arrears at variable rates based on the EURIBOR 3 months swap rate plus a loan margin.

(e) *Dutch Office 2*

The Dutch Office 2 facility is secured over three Dutch office properties with an aggregate carrying amount of €226,100,000. Interest is payable quarterly in arrears at a fixed rate of 1.93% p.a.

(f) *Italy*

The Italy facility is secured against 14 Italian office and other type properties with an aggregate carrying amount of €404,200,000. Interest is payable quarterly in arrears variable rates based on the EURIBOR 3 months swap rate plus a loan margin. The Ivrea, Bari and Genoa properties acquired in 2018, are unencumbered and therefore are not subject to any security claims.

(g) *Finland*

The Finland facility is secured over 11 Finnish office properties with an aggregate carrying amount of € 113,120,000. Interest is payable quarterly in arrears at variable rates based on the EURIBOR 3 months swap rate plus a loan margin.

(h) *Dutch Office 3*

The Dutch Office 3 facility is secured over two Dutch office properties with an aggregate carrying amount of €127,578,000. Interest is payable quarterly in arrears at variable rates based on the EURIBOR 3 months swap rate plus a loan margin.

(i) *Revolving Credit Facility*

The RCF is unsecured and was put in place to provide CEREIT with additional financing flexibility, working capital and to support distribution payments in case of timing differences of distributions from European property SPVs.

(b) Net finance costs

	CEREIT	
	Period from Listing 30-Nov-17 to 31-Dec-18 €'000	**Period from Constitution 28-Apr-17 to 31-Dec-18 €'000**
Interest expense	9,166	10,542
Amortisation of debt issuance costs	2,788	3,025
Interest income	(27)	(27)
Total net finance costs	**11,927**	**13,540**

Information about CEREIT's exposure to interest rate changes is provided in note 12(c).

10. DERIVATIVE FINANCIAL INSTRUMENTS

Overview

CEREIT's derivative financial instruments consist of interest rate swap/options and interest rate cap contracts which are used to fix interest on floating rate borrowings ("interest rate hedge contracts") and form an integral part of CEREIT's interest rate risk management. This note provides for further details on CEREIT's interest rate hedging profile, details of expiries of interest rate hedge contracts as well as CEREIT's accounting policy for such contracts.

	As at 31-Dec-18	
	CEREIT	**Trust**
	€'000	**€'000**
Non-current assets		
Interest rate cap contract	5	-
Current liabilities		
Interest rate swap contracts	271	-

Accounting policy

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured to fair value at balance date. Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

CEREIT enters into interest rate swap and cap agreements that are used to convert certain variable interest rate borrowings to fixed interest rates. The derivatives are entered into with the objective of hedging the risk of adverse interest rate fluctuations. CEREIT has not elected to apply hedge accounting to this arrangement and changes in fair value are recognised immediately in profit or loss.

(a) Interest rate swap and cap contract expiry profile

At 31-Dec-18, the notional principal amounts and period of expiry of CEREIT's interest rate swap and cap contracts were as follows:

	CEREIT As at 31-Dec-18 €'000
Less than 1 year	246,222
1 – 2 years	50,000
2 – 3 years	47,373
3 – 4 years	–
4 years and longer	82,375
Total interest rate hedge contracts	**425,970**

(b) Debt hedging profile

Below table provides an overview of hedging of CEREIT's borrowings through interest rate cap and interest rate swap contracts:

	As at 31-Dec-18			
	Hedge contract notional €'000	Average strike rate %	Borrowing €'000	Percentage hedged %
Interest rate cap contracts	126,123	0.84%	154,873	81.4%
Interest rate swap contracts	299,847	0.05%	306,116	98.0%
Unhedged	–	–	137,176[1]	0.0%
Total	**425,970**	**0.28%**	**598,165**	**71.2%**

[1] Includes new borrowing facilities of €114,351,000 drawn down of 28-Dec-18 to partly fund the acquisition of 11 office asset in Finland and two office assets in the Netherlands (refer Finland and Dutch Office 3 facilities in note 9). Hedge contracts were taken out by CEREIT in relation to these facilities subsequent to period end to hedge 100% of the interest rate risk in relation to these facilities (refer to note 19 for further details). If these interest hedge contracts entered into subsequent to period end are taken into account 90.3% of CEREIT's debt drawn down at financial period end is hedged on a going forward basis with either interest rate cap or interest rate swap contracts.

The weighted average strike rate of interest rate swap contracts at financial period end was 0.05% and the weighted average cap on interest rate cap contracts was 0.84% with a fixed and capped weighted average of 0.28%.

11. CONTRIBUTED EQUITY

Overview

This note provides further details on units issued by CEREIT as at 31-Dec-18, units issuable at financial period end as well as rights attached to CEREIT units.

	CEREIT and Trust As at 31-Dec-18	
	No of units '000	Contributed equity €'000
Total contributed equity	**2,181,978**	**1,070,501**

Accounting policy

Units issued of the Trust are classified as equity forming part of Unitholders' funds. Incremental costs directly attributable to the issue of new units are shown in Unitholders' funds as a deduction from the proceeds.

Where any CEREIT company purchases CEREIT units, for example as the result of a unit buy-back, the consideration paid, including any directly attributable incremental costs is deducted from Unitholders' funds. Unit acquired under a unit buy-back program are cancelled immediately.

(a) Movements in contributed equity

The following reconciliation summarises the movements in contributed equity. Issues of a similar nature have been grouped and the issue price shown is the weighted average. Detailed information on each issue of units is publicly available via the SGXnet and CEREIT's webpage.

	CEREIT and Trust As at 31-Dec-18		
	Issue price € cents	**No of units '000**	**Contributed equity €'000**
Units issued prior Listing Date:			
Issue of units to Sponsor	55.0	183,934	101,164
Units on Issue at Listing Date		**183,934**	**101,164**
Units issued on Listing Date:			
Issue of Sponsor units	55.0	367,788	202,283
Issue of units under the Offering and to cornerstone investors	55.0	1,010,354	555,695
Acquisition fees paid in units	55.0	11,914	6,553
Units issued since Listing Date:			
Manager's base fee	58.0	3,304	1,916
Property manager's fee	58.0	3,850	2,233
Rights issue units	37.3	600,834	224,111
Unit issue costs	–	–	(23,454)
At 31-Dec-18		**2,181,978**	**1,070,501**

Unit issue costs comprise professional, advisory and underwriting fees and other costs related to the issue of units.

(b) Units issuable

	CEREIT and Trust As at 31-Dec-18 '000
Manager's base fee	3,603
Property manager's fee	4,198
Acquisition fee units – Finland and Netherlands acquisition on 28-Dec-18	4,833
Total units issuable	12,634
Units on issue	2,181,978
Total units issued and issuable	**2,194,612**

(c) Rights and restrictions relating to CEREIT units

The rights and interests of Unitholders are contained in CEREIT's trust deed and include the rights to:

- Entitlement to distributions determined in accordance with the trust deed;
- Participate in the termination of the Trust by receiving a share of the net proceeds of realisation among the Unitholders *pro rata* in accordance with the number of units held by the Unitholders and in accordance with the winding up procedures under the trust deed;
- Attend all Unitholder meetings with one vote per unit.

A Unitholder has no equitable or proprietary interest in the underlying assets of CEREIT and is not entitled to the transfer to it of any asset (or any part thereof). The Unitholders' liability is limited to the amount paid or payable for any units. The provisions of the trust deed provide that no Unitholder will be personally liable to indemnify the Trustee or any creditor of the Trustee in the event that liabilities of the Trust exceed its assets.

12. FINANCIAL RISK MANAGEMENT

Overview

CEREIT's activities expose it to a variety of financial risks which include credit risk, liquidity risk and market risk. This note provides information about the Manager's risk management strategy for CEREIT in relation to each of the above financial risks to which CEREIT is exposed to.

The Manager's overall risk management program focuses on managing these risks and seeks to minimise potential adverse effects on the financial performance of CEREIT. CEREIT uses derivative financial instruments such as interest rate derivatives to hedge certain risk exposures. The Manager seeks to deal only with creditworthy counterparties. Liquidity risk is monitored through the use of future rolling cash flow forecasts.

The Manager's management of treasury activities is centralised and governed by policies approved by the Directors who monitor the operating compliance and performance as required. CEREIT has policies for overall risk management as well as policies covering specific areas such as identifying risk exposure, analysing and deciding upon strategies, performance measurement, the segregation of duties and other controls around the treasury and cash management functions.

CEREIT and the Trust hold the following financial instruments:

	Type of financial instrument	As at 31-Dec-18 CEREIT €'000	Trust €'000
Financial assets			
Cash and cash equivalents	(1)	57,755	15,732
Receivables	(1)	38,129	40,586
Derivative financial instruments	(2)	5	–
Total financial assets		**95,889**	**56,318**
Financial liabilities			
Payables	(1)	44,299	77,200
Borrowings	(1)	591,733	21,519
Derivative financial instruments	(2)	271	–
Other liabilities – leasehold investment properties finance leases	(1)	5,084	–
Total financial liabilities		**641,387**	**98,719**

Type of financial instrument as per IFRS 7 – *Financial Instruments: Disclosures*
(1) At amortised cost
(2) At fair value through profit or loss

(a) Credit risk

Credit risk is the risk that a counterparty will default on its contractual obligations under a financial instrument and result in a financial loss to CEREIT. Credit risk arises from cash and cash equivalents and favourable derivative financial instruments with banks and financial institutions and receivables.

CEREIT manages this risk by:

- establishing credit limits for customers and managing exposure to individual entities;
- monitoring the credit quality of all financial assets in order to identify any potential adverse changes in credit quality;
- derivative counterparties and cash transactions, when utilised, are transacted with high credit quality financial institutions with a minimum rating of BBB-/Baa3;
- regularly monitoring receivables on an ongoing basis;
- Requiring tenants to pay deposits upon commencement of leases which may be retained if the tenant defaults on rent payments.

Impairment of financial assets

CEREIT financial assets that are subject to the expected credit loss model are trade receivables. While cash and cash equivalents are also subject to the impairment requirements of IFRS 9 Financial Instruments, there was no identified impairments loss.

Rent and service charges from tenants are due and payable on invoice date with no credit terms provided mitigating largely any credit risk. Additionally, there are no significant concentrations of credit risk, whether through exposure to individual tenants, specific sectors or industries tenants operate in and/or regions.

For any rent receivables due to late payment of rent, CEREIT applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all rental receivables. To measure expected credit losses CEREIT has established an accounting policy that groups rental receivables based on days past due and applies a percentage of expected non-recoveries for each group of receivables. Following this, the level of tenant deposits held against possible non-recoveries is reviewed to identify possible credit losses to CEREIT.

As at financial period end expected credit losses from rental receivables are expected to be insignificant.

(b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash reserves and undrawn finance facilities to meet the ongoing operational requirements of the business. It is CEREIT's policy to maintain sufficient funds in cash and cash equivalents to meet expected near term operational requirements. The Manager prepares and monitors rolling forecasts of liquidity requirements on the basis of expected cash flow. The Manager monitors the maturity profile of borrowings and puts in place strategies designed to ensure that all maturing borrowings are refinanced in the required timeframes.

The contractual maturity of CEREIT's and the Trust's financial liabilities at balance date are shown in the table below. It shows undiscounted contractual cash flows required to discharge Cromwell's financial liabilities, including interest at current market rates.

	CEREIT				Trust			
	1 year or less €'000	1–3 years €'000	4 years or more €'000	Total €'000	1 year or less €'000	1–3 years €'000	4 years or more €'000	Total €'000
Payables	43,557	742	–	44,299	77,200	–	–	77,200
Borrowings	–	509,358	82,375	591,733	–	21,519	–	21,519
Derivative financial instruments	271	–	–	271	–	–	–	–
Other liabilities – leasehold investment properties finance leases	89	969	4,026	5,084	–	–	–	–
Total financial liabilities	**43,917**	**511,069**	**86,401**	**641,387**	**77,200**	**21,519**	**–**	**98,719**

(c) Market risk

Market risk is the risk that the fair value or future cash flows of Cromwell's financial instruments fluctuate due to market price changes. Cromwell is exposed to the following market risks:

- Cash flow and fair value interest rate risk; and
- Foreign exchange risk.

Interest rate risk

CEREIT's interest rate risk primarily arises from long-term borrowings. Borrowings issued at variable rates expose CEREIT to cash flow interest rate risk. Borrowings issued at fixed rates expose CEREIT to fair value interest rate risk. CEREIT's hedging arrangements are monitored on an ongoing basis by the Board of Directors which determine the appropriate level of hedging of CEREIT's borrowings. For the current hedging profile of CEREIT's borrowings refer to note 10(b).

Sensitivity analysis – interest rate risk

The table below details CEREIT's sensitivity to movements in the financial period end interest rates, based on the borrowings and interest rate derivatives held at balance date with all other variables held constant and assuming all CEREIT's borrowings and interest rate derivatives moved in correlation with the movement in financial period end interest rates.

	CEREIT	
	Impact on total return for period from Listing 30-Nov-17 to 31-Dec-18 €'000	**Impact on total return for period from Constitution 28-Apr-17 to 31-Dec-18 €'000**
Interest rates – increase by 100 basis points	3,472	3,306
Interest rates – decrease by 100 basis points	(3,941)	(3,775)

There would have been no impact on other equity balances.

Foreign exchange risk

CEREIT's foreign exchange risk primarily arises from its operations in non-Euro denominated countries. These include Denmark where CEREIT owns 13 light industrial assets and the functional currency is Danish Krona ("DKK"), and Singapore where the Trust is domiciled. While the Trust's functional currency is also Euro, the Trust makes payments to various suppliers and holds cash in Singapore Dollars (S$).

CEREIT's exposure to these foreign currency risk at the end of the financial period, expressed in Euro, was as follows:

	As at 31-Dec-18 DKK €'000	As at 31-Dec-18 S$ €'000
CEREIT		
Cash and cash equivalents	1,404	362
Receivables	167	–
Payables	(3,226)	–
Borrowings	(25,895)	–
Derivative financial instruments	(22)	–
Net exposure	**(27,572)**	**362**
Trust		
Cash and cash equivalents	–	362
Net exposure	**–**	**362**

Amounts recognised in profit or loss and other comprehensive income

	CEREIT Period from Listing 30-Nov-17 to 31-Dec-18 €'000
Amounts recognised in profit or loss	
Net foreign exchange gain	27
Amounts recognised in other comprehensive income	
Exchange difference on converting proceeds from issue of units	112

Sensitivity analysis – foreign exchange risk

CEREIT	Impact on total return for period from listing 30-Nov-17 to 31-Dec-18 DKK €'000	S$ €'000
Increase / (decrease) in total return if foreign currency strengthening 1% on Euro	70	4
Increase / (decrease) in Unitholders' funds if foreign currency strengthening 1% on Euro	375	4

The weakening of the foreign currencies to which CEREIT is exposed to by the same percentage would have had the equal but opposite effect on total return and Unitholders' funds.

(d) Fair value measurement of financial instruments

CEREIT uses a number of methods to determine the fair value of its financial instruments as described in IFRS 13 Fair Value Measurement. The methods comprise the following:

Level 1:	quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2:	inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
Level 3:	inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The table below presents CEREIT's financial assets and liabilities measured and carried at fair value at 31-Dec-18:

			CEREIT As at 31-Dec-18		
	Notes	**Level 1 €'000**	**Level 2 €'000**	**Level 3 €'000**	**Total €'000**
Financial assets at fair value					
Derivative financial instruments	10	–	5	–	5
Financial liabilities at fair value					
Derivative financial instruments	10	–	271	–	271

There were no transfers between the levels of the fair value hierarchy during the financial year.

Disclosed fair values

The fair values of derivative financial instruments (Level 2) are disclosed in the balance sheet.

The carrying amounts of receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of non-current variable interest-bearing borrowings approximate their fair values as they are floating rate instruments that are re-priced to market interest rate on or near balance sheet date.

Valuation techniques used to derive Level 2 fair values

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 2 financial assets and financial liabilities held by CEREIT include "Vanilla" fixed to floating interest rate swap and interest rate cap contracts (over-the-counter derivatives). The fair value of these derivatives has been determined using a pricing model based on discounted cash flow analysis which incorporates assumptions supported by observable market data at balance date including market expectations of future interest rates and discount rates adjusted for any specific features of the derivatives and counterparty or own credit risk. All counterparties to interest rate derivatives are European financial institutions.

Group Structure

This section will provide information about the CEREIT group structure including information about controlled entities (subsidiaries), if applicable, business combination information relating to the acquisition of controlled entities.

13. CONTROLLED ENTITIES

Name	Country of registration	Equity holding %
Cromwell SG SPV 1 Pte. Ltd.	Singapore	100
Cromwell SG SPV 2 Pte. Ltd.	Singapore	100
Cromwell SG SPV 3 Pte. Ltd.	Singapore	100
Cromwell SG SPV 4 Pte. Ltd.	Singapore	100
Cromwell SG SPV 5 Pte. Ltd.	Singapore	100
Parc d'Activités 1 Luxembourg	Luxembourg	100
Cromwell EREIT Lux 2 S.à r.l.	Luxembourg	100
Cromwell EREIT Lux 3A S.à r.l.	Luxembourg	100
Cromwell EREIT Lux 3B S.a.r.l.	Luxembourg	100
Cromwell EREIT Lux 4 S.à r.l.	Luxembourg	100
Cromwell EREIT Lux 5 S.à r.l.	Luxembourg	100
PA Holdings Luxembourg S.à r.l.	Luxembourg	100
EHI Luxembourg S.à r.l.	Luxembourg	100
Cromwell European Cities Income Fund S.C.Sp.	Luxembourg	100
Cromwell European Cities Income Fund General Partner S.à r.l.	Luxembourg	100
CECIF Lux Holdco 1	Luxembourg	100
CECIF Lux Holdco 2	Luxembourg	100
CECIF Lux Bidco 1	Luxembourg	100
Arkońska PL Propco S.à r.l.	Luxembourg	100
Riverside PL Propco S.à r.l.	Luxembourg	100
Grojecka PL Propco S.à r.l.	Luxembourg	100
Moeder Teresalaan NL Propco S.à r.l.	Luxembourg	100
EHI CV1 UK Ltd	UK	100
EHI CV3 UK Ltd	UK	100
EHIF (Denmark) Ltd	UK	100
EHI Fund (Jersey) Ltd	Jersey	100
EHI Fund Germany Ltd	Jersey	100
EHI Fund 1 CV	Netherlands	100
Euroind Two CV	Netherlands	100
Euroind Three CV	Netherlands	100
EHI Fund GP (NED) B.V.	Netherlands	100
Yova Central Plaza B.V.	Netherlands	100
Yova Koningskade B.V.	Netherlands	100
Yova Ruyterkade B.V.	Netherlands	100
Yova Haagse Poort B.V.	Netherlands	100
Yova Blaak B.V.	Netherlands	100
Peacock Real Estate B.V.	Netherlands	100
EHI Fund Denmark ApS	Denmark	100
Cromwell Europa 1 AIF	Italy	100
Cromwell Europa 2 AIF	Italy	100
PA France S.à r.l	France	100
PA Pantin SAS	France	100
PA Osny SAS	France	100

Name	Country of registration	Equity holding %
PA Satrouville SAS	France	100
PA Villeneuve SAS	France	100
PA Acticlub Saint Thibault SCI	France	100
PA Aubervillers SCI	France	100
PA Aulnay SCI	France	100
PA La Courneuve SCI	France	100
PA Gennevillers SCI	France	100
PA St Thibault SCI	France	100
PA Urbaparc SCI	France	100
EHI France 1 Champs Sur Marne SCI	France	100
EHI France 4 Magny Les Hameaux SCI	France	100
EHI France 5 Saint Ouen (Parc des Docks) SCI	France	100
EHI France 8 Saint Genis Laval (Aqueducs) SCI	France	100
EHI France 9 Villepinte SCI	France	100
EHI France 11 Bar Le Duc SCI	France	100
EHI France 15 Gondreville SCI	France	100
EHI France 17 Saint Etienne SCI	France	100
EHI France 20 Vitry Sur Seine SCI	France	100
EHI France 22 Noisy Le Sec SCI	France	100
Myrrinraitti Holdco Oy	Finland	100
PKK 3 Holdco Oy	Finland	100
PKK 12 Holdco Oy	Finland	100
Plaza Forte Oy	Finland	100
Artemis Holdco Oy	Finland	100
Artemis Acquisition Finland Oy	Finland	100
Vioto Holdco Oy	Finland	100
Vioto Oy (OREC)	Finland	100
Koy Maki 3 (OREC)	Finland	100
Koy Kuopio 39 (OREC)	Finland	100
Liiketalo Myyrinraitti Oy (MREC)	Finland	94
Kiinteistö Oy Pakkalan Kartanonski 3 (MREC)	Finland	100
Kiinteistö Oy Pakkalan Kartanonski 12 (MREC)	Finland	100
Kiinteistö Oy Plaza Forte (MREC)	Finland	100
Kiinteistö Oy Plaza Allegro (MREC)	Finland	100
Kiinteistö Oy Plaza Vivace (MREC)	Finland	100
Kiinteistö Oy Opus 1 (MREC)	Finland	100
Yrityspuiston Autopaikat Oy	Finland	57

All of CEREIT's subsidiaries are holding entities or entities that hold CEREIT's investment properties.

Notes:

All of the above entities are audited by Deloitte and Touche LLP with the exception of PA Pantin SAS, PA Osny SAS, PA Satrouville SAS, PA Villeneuve SAS and EHI France 5 Saint-Ouen (Parc des Docks) SCI which are audited by PricewaterhouseCoopers Audit

Other Items

This section of the annual financial report provides information about individually significant items to the balance sheet or the income statement and items that are required to be disclosed by International Financial Reporting Standards, unrecognised items and the basis of preparation of the annual financial report.

14. OTHER RECEIVABLES AND PAYABLES

Overview

This note provides further information about material assets and liabilities that are incidental to CEREIT's and the Trust's trading activities, being receivables, loans receivable and payables.

(a) Receivables

	As at 31-Dec-18	
	CEREIT €'000	**Trust €'000**
Current		
Rental receivables	15,676	–
Deposits – property acquisitions	18,156	18,156
VAT and GST receivables	10,939	2,209
Other receivables	4,297	22,430
Prepayments	651	–
Total receivables – current	**49,719**	**42,795**
Non-current		
Other receivables	688	–
Total receivables – non-current	**688**	**–**

The deposit provided to vendors of pending property acquisitions by CEREIT were fully recovered upon completion of the acquisition of four French light industrial properties and three Polish office assets subsequent to financial period end. Refer to note 19 for further details.

Accounting policy

Trade and other receivables, including rental and service charge receivables are recognised initially at fair value and subsequently measured at amortised cost, less allowance for credit losses. Refer to note 12(a) for further information about CEREIT's impairment policies.

(b) Trade and other payables

	As at 31-Dec-18	
	CEREIT	**Trust**
	€'000	**€'000**
Current		
Trade payables and accrued expenses	28,507	9,948
Vendor funding - lease incentives	2,436	–
Other payables	12,614	3,984
Payables to subsidiaries	–	63,268
Total payable – current	**43,557**	**77,200**
Non-current		
Vendor funding - lease incentives	742	–
Total payables – non-current	**742**	**–**

Accounting policy

Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost. These amounts represent liabilities for goods and services provided to CEREIT prior to the end of the year and which are unpaid. The amounts are usually unsecured and paid within 30-60 days of recognition.

Vendor funding – lease incentives

As part of acquisitions of investment properties, the acquisition price of the properties is reduced for unpaid tenant incentives contracted for as at acquisition date. The purchase price reduction is recorded as payable on the balance sheet. The liability is transferred to profit or loss as and when the respective tenant incentives are paid or taken.

15. OTHER LIABILITIES

	As at 31-Dec-18	
	CEREIT	**Trust**
	€'000	**€'000**
Current		
Tenant security deposits	9,239	–
Rent in advance	18,571	–
Other liabilities	3,089	–
Total other current liabilities	**30,899**	**–**
Non-current		
Other liabilities	5,229	–
Total payables – non-current	**5,229**	**–**

Accounting policy

Tenant security deposits

Tenant security deposits are recognised at the fair value of the amount received within other current liabilities on the balance sheet. The liability is derecognised upon returning the deposit to the tenant at the end of the tenancy or transferred to profit or loss to the extent of rent owed when it has been established that a tenant will default on its rental payment obligations.

Rent in advance

Rent in advance represent rental payments received in advance of due date from tenants. Rent in advance is recognised within other current liabilities on the balance sheet. The liabilities is transferred to rental income within profit or loss as and when the service of providing lettable space to a tenant is provided.

16. CASH FLOW INFORMATION

Overview

This note provides further information about non-cash transactions, the cash accounting policy as well as a reconciliation of net debt.

Accounting policy

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(a) Non-cash transactions

	CEREIT €'000	Trust €'000
Transactions prior to Listing Date:		
Units issued for acquisition of investment property/subsidiaries	101,164	101,164
Transactions since Listing Date:		
Units issued in lieu of acquisition fees	6,553	6,553
Units issued in lieu of base management fees and property management fees	4,149	4,149
Total non-cash transactions	**111,866**	**111,866**

(b) Net debt reconciliation

Net debt

	As at 31-Dec-18 CEREIT €'000	As at 31-Dec-18 Trust €'000
Cash and cash equivalents	57,755	15,732
Gross borrowings – non-current (variable interest rates)	(598,165)	(22,825)
Net debt	**(540,410)**	**(7,093)**

Movements in net debt

CEREIT	Cash and cash equivalents €'000	Borrowings – current €'000	Borrowings – non-current €'000	Net debt €'000
Balance at date of Constitution	–	–	–	–
Cash and borrowings acquired	10,631	(37,100)	(82,375)	(108,844)
Cash flows	2,137	–	–	2,137
Balance at Listing Date	**12,768**	**(37,100)**	**(82,375)**	**(106,707)**
Cash and borrowings acquired	42,168	–	(302,267)	(260,099)
Cash flows	2,819	37,100	(213,620)	(173,701)
Foreign currency movement	–	–	97	97
Net debt at 31-Dec-18	**57,755**	**–**	**(598,165)**	**(540,410)**

17. RELATED PARTIES

Overview

Related parties are persons or entities that are related to CEREIT as defined by IAS 24 Related Party Disclosures. These include directors and their close family members and any entities they control as well as subsidiaries, the Manager Cromwell EREIT Management Pte. Ltd., the Manager's parent entity Cromwell Corporation Limited ("CCL") and all subsidiaries and associates of CCL. They also include entities which are considered to have significant influence over CCL.

Related parties include all entities that are defined as Interested Persons under the SGX-ST Listing Manual or Interested Parties under the Code of CIS.

This note provides information about transactions with related parties during the financial period. All of CEREIT's transactions with related parties are on normal commercial terms and conditions and at market rates.

(a) IPO transactions

At CEREIT's Initial Public Offering ("IPO") on 30-Nov-17 CEREIT acquired entities that were managed by subsidiaries of the Cromwell Property Group for third party investors. These entities held 57 properties of CEREIT's current investment property portfolio. The purchase price for these properties was €695,843,000. Due to the related party nature of the transaction, two independent valuations were obtained for each of the properties involved in the transactions. The appraised value of these properties was €733,860,000.

CEREIT paid €387,314,000 reflecting the net asset value of the entities acquired that held the portfolio of 57 properties as described above.

The Manager received an acquisition fee of €6,553,000 for all IPO property acquisitions which included the transactions above. The Manager received 11,914,000 CEREIT units in satisfaction of the acquisition fee payable.

(b) Rights Issue transaction – new properties

On 30-Oct-18 CEREIT announced its intention to acquire 16 properties (new properties) located in Finland, the Netherlands and Poland for an aggregate purchase price of €312,548,000. These properties were managed by subsidiaries of CCL on behalf of a third-party investor. Due to the related party nature of the transaction, two independent valuations were obtained for each of the properties involved in the transactions. The appraised value of these properties was €322,340,000. Unitholder approval was sought on the transaction with an Extraordinary General Meeting ("EGM") held on 15-Nov-18. CEREIT received 99.84% approval for the transaction of the votes cast at the EGM.

The acquisition of the Finland and Netherlands assets closed on 28-Dec-18 while the acquisition of the Poland assets closed subsequent to period end on 14 February 2019 (refer note 19). CEREIT paid in total €243,298,000 reflecting the preliminary net asset value of the entities in which the properties were held and the acquisition price of one Dutch property that was acquired separately as an asset acquisition.

An acquisition fee of €2,407,000 was payable to the Manager at financial period end. The acquisition fee payable was satisfied through the issue of 4,833,000 CEREIT units on 4 March 2019.

(c) Other related party transactions

The Trustee, Manager, and the Property Manager, which is 100% controlled by CCL, received various management fees during the financial period. Details of the fees paid/payable have been disclosed in note 3 to the financial statements.

A total of €8,042,000 remains payable at financial period end (excluding the acquisition fee payable described in note (b) above).

18. UNRECOGNISED ITEMS

Overview

Items that have not been recognised on CEREIT's balance sheet include contractual commitments for future expenditure and contingent liabilities if applicable, which are not sufficiently certain to qualify for recognition as a liability on the balance sheet. This note provides details of any such items. Additionally, disclosure is also made of any other material contractual arrangements that may result in future cash outflows.

(a) Capital expenditure commitments

Commitments in relation to capital expenditure contracted for at reporting date but not recognised as a liability are as follows:

	As at 31-Dec-18	
	CEREIT €'000	**Trust €'000**
Investment properties	8,318	–

(b) Other – certain earn-out agreements in relation to Italian properties

Upon acquisition of certain Italian properties earn-out agreements have been negotiated with the vendor of the properties whereby CEREIT may be required to make further payments if certain lease outcomes are achieved in the future. As the signing of leases is solely at the discretion of the Manager such arrangements are neither recognised as a liability on the balance sheet nor is it considered to be contingent liability as no contractual obligation exists.

The maximum amount payable under the earn-out agreements is €15,830,000.

Accounting policy

Contingent consideration – acquisition of investment properties

CEREIT applies the cost accumulation model, whereby contingent consideration for the acquisition of investment property is not taken into account on initial recognition of an investment property. The contingent consideration is added to the cost initially recorded as and when incurred.

19. SUBSEQUENT EVENTS

(a) Acquisition of four light industrial assets in France

On 23-Jan-19 CEREIT acquired three light industrial properties in France at a cost of €21,400,000 through the acquisition of all the shares of Challenger DPG France SAS which holds the properties. The acquisition was funded by an increase in the French Light Industrial facility by €16,000,000 and proceeds from the Right Issue that closed on 21-Dec-18. A fourth light industrial property located in France was acquired on 14-Feb-19 for a cost of €6,800,000 also funded from Rights Issue Proceeds.

(b) Acquisition of three office assets in Poland

On 8-Feb-19 CEREIT also completed the acquisition of the remaining three office assets located in Poland of the proposed portfolio acquisition announced on 30-Oct-18 (refer note 17(b)). The total cost of the acquisition was €71,850,000. The acquisition was funded from Rights Issue proceeds and a new debt facility of €34,129,000. The transaction was subject to Polish VAT at 23% of the purchase price for a total of €16,525,000. The VAT was funded through a short-term debt facility. The VAT is expected to be returned prior to financial year end 2019, including repayment of the short-term VAT debt facility.

(c) New interest rate hedging contracts

Subsequent to financial period end, CEREIT entered into various interest rate hedging contracts to 100% hedge the Finland and Dutch Office 3 facilities as well as the new Polish facility described in (b) above. The interest rate hedge contracts include a combination of interest rate cap and swap contracts.

20. FINANCIAL RATIOS

	CEREIT Period from Listing 30-Nov-17 to 31-Dec-18 %
Ratio of expenses to weighted average net assets[1]	
Including performance component of the Manager's management fees	0.87
Excluding performance component of the Manager's management fees	0.87
Portfolio turnover rate[2]	–

[1] The annualised ratios are computed in accordance with the guidelines of the Investment Management Association of Singapore ("IMAS"). The expenses used in the computation relate to expenses of CEREIT, excluding property expenses, finance expenses, net foreign exchange differences and income tax expense. CEREIT did not pay any performance fee for the financial period.

[2] The annualised ratio is computed based on the lesser of purchases or sales of underlying investment properties of CEREIT expressed as percentage of average net asset value in accordance with the formulae stated in the CIS.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018

21. BASIS OF PREPARATION AND OTHER ACCOUNTING POLICIES

Overview

This note provides an overview of CEREIT's accounting policies that relate to the preparation of the financial report as a whole and do not relate to specific items. Accounting policies for specific items in the balance sheet or statement of comprehensive income have been included in the respective note.

(a) Basis of preparation

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") and interpretations adopted by the International Accounting Standards Board. The financial report also complies with applicable requirements of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore ("MAS") and the provisions of the trust deed.

The financial statements have been authorised for issue on 22-Mar-19.

Financial Periods

Prior to Listing Date, CEREIT was a private Singapore Trust, wholly owned by the Cromwell Property Group. The total return during the period prior Listing Date does not from part of distributable income to which Unitholders are entitled to. In accordance with IFRS and the trust deed the consolidated financial statements have been prepared for the financial period from the date of Constitution of CEREIT on 28-Apr-17 to 31-Dec-18. For the benefit of the users these consolidated financial statements also presents the period from Listing Date to 31-Dec-18, where applicable, to provide the users of the consolidated financial statements with relevant financial information.

Accordingly, no comparative financial information is presented for these consolidated financial statements.

Historical cost convention

The financial report is prepared on the historical cost basis except for the following:

- investment properties are measured at fair value;
- derivative financial instruments are measured at fair value.

(b) Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries as at 31-Dec-18 and the results of all subsidiaries for the financial period then ended. Subsidiaries are entities controlled by the Trust. Control exists when the Trust is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The acquisition method of accounting is used to account for business combinations by CEREIT. Inter-entity transactions, balances and unrealised gains on transactions between CEREIT entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by CEREIT.

A business for business combination purposes is defined as an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income (such as dividends or interest) or generating other income from ordinary activities.

Entities acquired, that do not meet the definition of a business are accounted for as acquisition of an asset or a group of assets. This is generally the case if the value of the assets acquired is substantially all concentrated in a single asset or group of similar assets such as investment properties.

Investments in subsidiaries are accounted for at cost in the individual financial statements of the Trust. A list of subsidiaries appears in note 13 to the consolidated financial statements.

(c) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of CEREIT's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Euro, which is the Trust's and CEREIT's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income, except when they are attributable to part of the net investment in a foreign operation. Foreign exchange gains and losses that relate to borrowings are presented in the income statement, within finance costs. All other foreign exchange gains and losses are presented in the income statement on a net basis.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(d) Impairment of assets

At each reporting date, and whenever events or changes in circumstances occur, CEREIT assesses whether there is any indication that any other asset may be impaired. Where an indicator of impairment exists, CEREIT makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and an impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Assets other than goodwill that suffer impairment are reviewed for possible reversal of the impairment at each reporting date.

(e) Critical accounting estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are based on historical or professional experience and other factors such as expectations about future events. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The areas that involved a higher degree of judgement or complexity and may need material adjustment if estimates and assumptions made in preparation of these financial statements are incorrect are:

Area of estimation	**Note**
Measurement of deferred tax liabilities	7
Fair value of investment properties	8
Fair value of derivative financial instruments	10

Preliminary acquisition accounting – Finland and Netherlands acquisitions

On 28-Dec-18 CEREIT acquired two Dutch office assets and 11 Finnish office assets (refer note 8(c)). One of the Dutch office assets and all Finnish assets were acquired through the acquisition of all shares of the entities in which the properties were held. As at the date of this report the final net asset value of the entities acquired had not yet been determined and have therefore been accounted for based on preliminary net asset values. The only material asset held by these entities are the investment properties with the remainder of the remaining net asset value consisting of working capital. Therefore, it is not expected that the final net asset value of these entities will be materially different from the preliminary net asset values.

(g) New accounting standards and interpretations

(i) New and amended standards adopted

CEREIT has early adopted, from the date of Constitution the new International Financial Reporting Standards ("IFRS") IFRS 9 Financial Instruments, IFRS 15 Revenue from Contracts with Customers and revised IFRS (including consequential amendments) and interpretations that are effective for annual financial periods beginning 1-Jan-18.

(ii) New standards and interpretations not yet adopted

Relevant accounting standards and interpretations that have been issued or amended but are not yet effective and have not been adopted for the year are as follows:

	Application date of Standard	**Application date for CEREIT**
IFRS 16 *Leases*	1-Jan-19	1-Jan-19

IFRS 16 Leases

The IASB has issued a new standard for leases. This will replace IAS 17 Leases. The accounting standard introduces a single accounting model for leases by lessees and effectively does away with the operating lease concept. It requires all operating leases, which are currently not recorded on the balance sheet, to be recognised on the balance sheet together with a right-of-use asset. Subsequently, the lease liability is measured at amortised cost using the effective interest rate method. The right-to-use asset will be measured at cost less accumulated depreciation with depreciation charged on a straight-line basis over the lease term.

Accounting as lessor

The Directors have performed an initial assessment of the new requirements of IFRS 16 in respect of CEREIT as a lessor and found that there will be no significant impact on CEREIT and its operating lease arrangements except for a change in the definition of a lease period, which will include renewal options if they are likely to be exercised, which may affect straight-line rent recognised for such leases.

The impact on CEREIT's financial statements is not expected to be significant.

Further IFRS 16 will require more extensive disclosures to be provided by lessors.
CEREIT will adopt the IFRS as at 1-Jan-19.

ADDITIONAL INFORMATION

INTERESTED PERSON TRANSACTIONS

Transactions entered into with interested persons during the Financial Period falling under the SGX-ST Listing Rules and the Property Funds Appendix of the CIS (excluding transactions of less than $100,000 each) are as follows:

Name of interested party	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under unitholders' mandate pursuant to Rule 920 of the SGX-ST Listing Rules) €'000	Aggregate value of all interested person transactions conducted under unitholders' mandate pursuant to Rule 920 of the SGX-ST Listing Rules (excluding transactions less than $100,000) €'000
Cromwell Property Group and its related companies		
Acquisition fees	9,489[1]	–
Base management fees	3,640	–
Property & portfolio management fees	10,604	–
Leasing fees	871	–
Project management fees	146	–
Property acquisition	312,600[2]	–
Perpetual (Asia) Limited and its related companies		
Trustee fees	178	–

Notes:

[1] Acquisition fee of 1.0% on the purchase price of investment properties acquired by CEREIT during the Financial Period (including in respect of the properties acquired at IPO).

[2] Based on the purchase price of the acquisitions of 16 properties in The Netherlands, Finland and Poland which were contracted during the Financial Period and for which Unitholder approval was sought and received on 12 November 2018..

Saved as disclosed above, there were no additional interested person transactions (excluding transactions of less than $100,000 each) entered into up to and including 31 December 2018 nor any material contracts entered by CEREIT or any of its subsidiaries that involve the interests of the CEO, any Directors or any controlling Unitholder of the Trust.

Please also see the Related Party Note 17 in the financial statements.

The acquisition fees, base management fees and trustee fees payable by CEREIT under the Trust Deed, and the acquisition fees, property and portfolio management fees, leasing fees and project management fees payable by CEREIT under the master Master Property and Portfolio Management Agreement entered into on 22 November 2017, each of which constitutes a Related Party Transaction, are deemed to have been specifically approved by the Unitholders upon subscription for the Units and are therefore not subject to Rules 905 and 906 of the Listing Manual to the extent that specific information on these agreements have been disclosed in the Prospectus and there is no subsequent change to the rates and/or bases of the fees charged thereunder which will adversely affect CEREIT.

STATISTICS OF UNITHOLDINGS

AS AT 13 MARCH 2019

Issued and Fully Paid Units: 2,194,613,274

Voting rights: 1 vote per Unit. There is only one class of Units in CEREIT.

Market capitalisation is €1,086 million based on the market closing price of €0.495 on 13 March 2019.

As at 13 March 2019, there are no treasury units held by CEREIT or the Manager.

SUBSTANTIAL UNITHOLDERS AS AT 13 MARCH 2019

Based on the Register of Substantial Unitholders' Unitholdings, the interests of Substantial Unitholders in Units are as follows:

	Direct Interest	%	Deemed Interest	%
Cromwell Property Group[1]	–	–	782,316,217	35.65
Cromwell Singapore Holdings Pte. Ltd.	751,439,282	34.24	–	–
CDPT Finance No.2 Pty Ltd[2]	–	–	751,439,282	34.24
Cromwell Property Securities Limited (as Responsible Entity for Cromwell Diversified Property Trust)[2]	–	–	751,439,282	34.24
Mr Gordon Tang and Mrs Celine Tang[3]	366,089,780	16.68	–	–
Hillsboro Capital, Ltd	250,911,600	11.43	–	–
Mr Andrew L. Tan[4]	–	–	327,834,600	14.94
UBS Group AG[5]	–	–	144,709,374	6.59
UBS AG[6]	1,916,446	0.09	142,792,928	6.50

Notes:

[1] Cromwell Singapore Holdings Pte. Ltd. ("CSHPL") is a wholly-owned subsidiary of CDPT Finance No. 2 Pty Ltd., which is in turn a wholly-owned subsidiary of Cromwell BT Pty Ltd (as custodian (aka bare trustee) for Cromwell Property Securities Limited as responsible entity for Cromwell Diversified Property Trust ("CDPT"). CDPT is part of Cromwell Property Group which is a stapled entity comprising Cromwell Corporation Limited and CDPT. Accordingly, Cromwell Property Group is deemed to be interested in CSHPL's interests in the Units. Additionally, Cromwell EREIT Management Pte. Ltd. (the "Manager") which holds 22,828,581 Units, is a wholly-owned subsidiary of Cromwell Corporation Limited. Cromwell CEREIT Holdings Limited which holds 8,048,354 Units, is a wholly-owned subsidiary of Cromwell Europe Limited, which is in turn a wholly-owned subsidiary of Cromwell European Holdings Limited, which is in turn a wholly-owned subsidiary of Cromwell Corporation Limited. As such, Cromwell Property Group is also deemed to be interested in Cromwell Corporation Limited's deemed interests in the Units held by the Manager and Cromwell CEREIT Holdings Limited.

[2] CSHPL is a wholly-owned subsidiary of CDPT Finance No. 2 Pty Ltd., which is in turn a wholly-owned subsidiary of Cromwell BT Pty Ltd (as custodian (aka bare trustee) for Cromwell Property Securities Limited as responsible entity for Cromwell Diversified Property Trust ("CDPT"). CDPT is part of Cromwell Property Group which is a stapled group comprising Cromwell Corporation Limited and CDPT. Accordingly, CDPT Finance No. 2 Pty Ltd. and Cromwell Property Securities Limited, respectively, are deemed to be interested in CSHPL's interests in the Units.

[3] The Units are held by joint account of Mr. Gordon Tang and Mrs. Celine Tang. Mr. Gordon Tang is the spouse of Mrs. Celine Tang.

[4] Mr Andrew L. Tan is the beneficial owner of 327,834,600 units held through Hillsboro Capital, Ltd. and Worldwide Property Financing Limited.

[5] Deemed interests arising by virtue of (a) UBS Group AG having an interest, or (b) Section 7(4) or 7(4A) of Companies Act, Chapter 50 of Singapore in Units over which subsidiaries/affiliates of UBS Group AG have an interest, by reason of the ability to exercise voting discretion and to acquire/dispose of Units.

[6] Deemed interests arising by virtue of (a) UBS AG having an interest, or (b) Section 7(4) or 7(4A) of the Companies Act, Chapter 50 of Singapore in Units over which subsidiaries/affiliates of UBS AG have an interest, by reason of the ability to exercise voting discretion and to acquire/dispose of Units.

STATISTICS OF UNITHOLDINGS

DISTRIBUTION OF UNITHOLDINGS AS AT 13 MARCH 2019

Size of Unitholdings	No. of Unitholders	%	No. of Units	%
1 - 99	0	0.00	0	0.00
100 - 1,000	175	7.49	161,938	0.01
1,001 - 10,000	783	33.49	4,170,190	0.19
10,001 - 1,000,000	1,362	58.25	55,948,473	2.55
1,000,001 and above	18	0.77	2,134,332,673	97.25
Total	**2,338**	**100.00**	**2,194,613,274**	**100.00**

TWENTY LARGEST UNITHOLDERS AS AT 13 MARCH 2019

	Name	No. of Units	%
1	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	786,906,783	35.86
2	CITIBANK NOMINEES SINGAPORE PTE LTD	646,811,351	29.47
3	DBS NOMINEES (PRIVATE) LIMITED	428,771,032	19.54
4	RAFFLES NOMINEES (PTE.) LIMITED	171,689,972	7.82
5	HSBC (SINGAPORE) NOMINEES PTE LTD	32,112,672	1.46
6	DBSN SERVICES PTE. LTD.	22,984,900	1.05
7	DB NOMINEES (SINGAPORE) PTE LTD	19,379,575	0.88
8	EUCO INVESTMENTS PTE LTD	4,000,000	0.18
9	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	3,996,962	0.18
10	PHILLIP SECURITIES PTE LTD	3,301,636	0.15
11	MAYBANK KIM ENG SECURITIES PTE. LTD.	3,031,222	0.14
12	ABN AMRO CLEARING BANK N.V.	2,321,900	0.11
13	BNP PARIBAS NOMINEES SINGAPORE PTE. LTD.	2,207,196	0.10
14	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	1,684,550	0.08
15	MERRILL LYNCH (SINGAPORE) PTE. LTD.	1,518,122	0.07
16	ATMA SINGH S/O NAND SINGH	1,408,200	0.06
17	KAILAS VEERESH LINGAM	1,150,000	0.05
18	BPSS NOMINEES SINGAPORE (PTE.) LTD.	1,056,600	0.05
19	KHOO TENG HUAT	853,000	0.04
20	LIEW CHEE KONG	810,000	0.04
	Total	**2,135,995,673**	**97.33**

STATISTICS OF UNITHOLDINGS

DIRECTORS' INTERESTS IN UNITS AS AT 21 JANUARY 2019
Based on the Register of Directors' Unitholdings, the interests of the Directors in Units are as follows:

	No. of Units			
Name of Director	**Direct Interest**	**%**	**Deemed Interest**	**%**
Lim Swe Guan	547,032	0.02	–	–
Paul Weightman	–	–	–	–
Christian Delaire	–	–	–	–
Fang Ai Lian	–	–	–	–
Simon Garing	–	–	–	–

PUBLIC HOLDINGS AS AT 13 MARCH 2019

Percentage of Issued Units Held by the Public

Based on the information available, approximately 26.1% of the issued Units in CEREIT is held by the public as at 13 March 2019 and therefore, pursuant to Rules 1207 and 723 of the Listing Manual of the SGX-ST, it is confirmed that at least 10% of the issued Units in CEREIT is held by the public. Accordingly, Rule 723 of the Listing Manual of the SGX-ST has been complied with.

Percentage of Issued Units Held by the Parties not Related to the Sponsor

Mr Gordon Tang, Mrs Celine Tang, Hillsboro Capital, Ltd and UBS AG hold more than 5 % of the issued Units and are substantial Unitholders, however, they are not related to Cromwell Property Group, the Sponsor of CEREIT. As such, approximately 64.35% of the issued Units in CEREIT are held by parties not related to the Sponsor (i.e. the public and unrelated substantial Unitholders such as Mr Gordon Tang, Mrs Celine Tang, Hillsboro Capital Ltd and UBS AG as at 13 March 2019.

NOTICE OF ANNUAL GENERAL MEETING

CROMWELL EUROPEAN REAL ESTATE INVESTMENT TRUST

(a real estate investment trust constituted on 28 April 2017 under the laws of the Republic of Singapore)

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of the holders of units of Cromwell European Real Estate Investment Trust ("**CEREIT**", and the holders of units of CEREIT, "**Unitholders**") will be held at Stephen Riady Auditorium @ NTUC Centre, Level 7 One Marina Boulevard, Singapore 018989 on Monday, 29 April 2019 at 10:00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt the Report of Perpetual (Asia) Limited, as trustee of CEREIT (the "**Trustee**"), the Statement by Cromwell EREIT Management Pte. Ltd., as manager of CEREIT (the "**Manager**"), and the Audited Financial Statements of CEREIT for the financial period ended 31 December 2018 and the Auditors' Report thereon. — Ordinary Resolution 1

2. To re-appoint Deloitte & Touche LLP as Auditors of CEREIT to hold office until the conclusion of the next AGM of CEREIT, and to authorise the Manager to fix their remuneration. — Ordinary Resolution 2

SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without any modifications, the following resolutions:

3. That authority be and is hereby given to the Manager to: — Ordinary Resolution 3

   (a) (i) issue units in CEREIT ("**Units**") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, debentures or other instruments convertible into Units,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Manager may in its absolute discretion deem fit; and

   (b) issue Units in pursuance of any Instrument made or granted by the Manager while this Resolution was in force (notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time such Units are issued), provided that:

(1) the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed fifty per cent. (50.0%) of the total number of issued Units (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Units to be issued other than on a *pro rata* basis to Unitholders (including Units to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed twenty per cent. (20.0%) of the total number of issued Units (as calculated in accordance with sub-paragraph (2) below);

(2) subject to such manner of calculation as may be prescribed by Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the purpose of determining the aggregate number of Units that may be issued under sub-paragraph (1) above, the total number of issued Units shall be based on the total number of issued Units at the time this Resolution is passed, after adjusting for:

(a) any new Units arising from the conversion or exercise of any convertible securities or options which are outstanding or subsisting at the time this Resolution is passed; and

(b) any subsequent bonus issue, consolidation or subdivision of Units;

(3) in exercising the authority conferred by this Resolution, the Manager shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the trust deed dated 28 April 2017 constituting CEREIT (as amended) (the "**Trust Deed**") for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore);

(4) (unless revoked or varied by the Unitholders in a general meeting) the authority conferred by this Resolution shall continue in force until (i) the conclusion of the next annual general meeting of CEREIT or (ii) the date by which the next annual general meeting of CEREIT is required by applicable laws and regulations or the Trust Deed to be held, whichever is the earlier;

(5) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted in the event of rights, bonus or other capitalisation issues or any other events, the Manager is authorised to issue additional Instruments or Units pursuant to such adjustment notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments or Units are issued; and

(6) the Manager and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager or, as the case may be, the Trustee may consider expedient or necessary or in the interests of CEREIT to give effect to the authority conferred by this Resolution.

(Please see Explanatory Note)

BY ORDER OF THE BOARD
CROMWELL EREIT MANAGEMENT PTE. LTD.
(Registration Number: 201702701N)
as manager of **Cromwell European Real Estate Investment Trust**

SIMON GARING
Chief Executive Officer and Executive Director

Singapore
11 April 2019

EXPLANATORY NOTE:

Ordinary Resolution 3

Ordinary Resolution 3, if passed, will empower the Manager to issue Units and to make or grant Instruments and to issue Units in pursuance of such Instruments from the date of the AGM of CEREIT until (i) the conclusion of the next annual general meeting of CEREIT or (ii) the date by which the next annual general meeting of CEREIT is required by applicable laws and regulations or the Trust Deed to be held, whichever is the earlier, unless such authority is earlier revoked or varied by the Unitholders in a general meeting. The aggregate number of Units which the Manager may issue (including Units to be issued pursuant to Instruments) under this Resolution must not exceed fifty per cent. (50.0%) of the total number of issued Units with a sub-limit of twenty per cent. (20.0%) for issues other than on a *pro rata* basis to Unitholders.

For the purpose of determining the aggregate number of Units that may be issued, the total number of issued Units will be based on the total number of issued Units at the time Ordinary Resolution 3 is passed, after adjusting for (i) new Units arising from the conversion or exercise of any convertible securities or options which are outstanding or subsisting at the time this Resolution is passed and (ii) any subsequent bonus issue, consolidation or subdivision of Units.

Fund raising by issuance of new Units may be required in instances of property acquisitions or debt repayments. In any event, if the approval of Unitholders is required under the Listing Manual of the SGX-ST and the Trust Deed or any applicable laws and regulations, in such instances, the Manager will then obtain the approval of Unitholders accordingly.

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. (a) A Unitholder who is not a relevant intermediary (as defined below) is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such Unitholder's Proxy Form appoints more than one proxy, the proportion of the unitholding concerned to be represented by each proxy shall be specified in the Proxy Form.

   (b) A Unitholder who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different Unit or Units held by such Unitholder. Where such Unitholder's Proxy Form appoints more than one proxy, the number of Units in relation to which each proxy has been appointed shall be specified in the Proxy Form.

   "**relevant intermediary**" means:

   (i) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;

   (ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore, and who holds Units in that capacity; or

   (iii) the Central Provident Fund Board ("CPF Board") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

2. A proxy need not be a Unitholder.

3. The Proxy Form must be deposited at the office of CEREIT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 no later than 26 April 2019 at 10 a.m., being 72 hours before the time appointed for holding the AGM.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM of CEREIT and/or any adjournment thereof, a Unitholder (i) consents to the collection, use and disclosure of the Unitholder's personal data by the Manager and the Trustee (or their agents) for the purpose of the processing and administration by the Manager and the Trustee (or their agents) of proxies and representatives appointed for the AGM of CEREIT (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM of CEREIT (including any adjournment thereof), and in order for the Manager and the Trustee (or their agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the Unitholder discloses the personal data of the Unitholder's proxy(ies) and/or representative(s) to the Manager and the Trustee (or their agents), the Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Manager and the Trustee (or their agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Unitholder will indemnify the Manager and the Trustee in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Unitholder's breach of warranty.

FINANCIAL STATEMENTS AND OTHER INFORMATION

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FINANCIAL STATEMENTS

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NOTES TO THE FINANCIAL STATEMENTS

REPORT OF THE TRUSTEE

FOR THE YEAR ENDED 31 DECEMBER 2019

Perpetual (Asia) Limited (the "Trustee") is under a duty to take into custody and hold the assets of Cromwell European Real Estate Investment Trust (the "Trust") and its subsidiaries (collectively "CEREIT") in trust for the holders of units ("Unitholders") in the Trust. In accordance with, among other things, the Securities and Futures Act, Chapter 289 of Singapore, its subsidiary legislation and the Code on Collective Investment Schemes and the Listing Manual (collectively referred to as the "laws and regulations"), the Trustee shall monitor the activities of Cromwell EREIT Management Pte. Ltd. (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the trust deed dated 28 April 2017 (as amended by the amending and restating deed dated 7 September 2017 and as supplemented by the supplemental deed dated 15 November 2017) (the "Trust Deed") between the Manager and the Trustee in each annual accounting period and report thereon to Unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed CEREIT and its subsidiaries during the year covered by these financial statements, set out on pages 180 to 252 in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee,
Perpetual (Asia) Limited

Ms Sin Li Choo
Director

Singapore
Date: 25 March 2020

STATEMENT BY THE MANAGER

FOR THE YEAR ENDED 31 DECEMBER 2019

In the opinion of the Directors of the Manager, the accompanying financial statements set out on pages 180 to 252, comprising Balance Sheets and Statements of changes in Unitholders' Funds of Cromwell European Real Estate Investment Trust (the "Trust") and its subsidiaries (collectively referred to as the "CEREIT"), Consolidated Statement of Total Return, Consolidated Statement of Comprehensive Income, Consolidated Distribution Statement, Consolidated Statement of Cash Flows, Statement of Portfolio of CEREIT and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the consolidated balance sheet of CEREIT and the balance sheet of the Trust as at 31 December 2019, and the consolidated statement of total return, consolidated statement of comprehensive income, consolidated distribution statement, consolidated statement of movements in unitholders' funds, consolidated statement of cash flows and statement of portfolio of CEREIT and the statement of movements in unitholders' funds of the Trust for the year then ended on that date in accordance with International Financial Reporting Standards adopted by the International Accounting Standards Board, the recommendations of Statement of Recommended Accounting Practice 7 (Revised 2017) Reporting Framework for Unit Trusts issued by the Institute of Singapore Chartered Accountants and the provisions of the Trust Deed. At the date of this statement, there are reasonable grounds to believe that CEREIT and the Trust will be able to meet their financial obligations as and when they materialise.

For and on behalf of the Manager,
Cromwell EREIT Management Pte. Ltd.

Mr Simon Garing
Director

Singapore
Date: 25 March 2020

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF CROMWELL EUROPEAN REAL ESTATE INVESTMENT TRUST

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Cromwell European Real Estate Investment Trust ("Trust") and its subsidiaries (collectively referred to as the "CEREIT"), which comprise the consolidated balance sheet of CEREIT and the balance sheet of the Trust as at 31 December 2019, and the consolidated statement of total return, consolidated statement of comprehensive income, consolidated distribution statement, consolidated statement of movements in unitholders' funds, consolidated statement of cash flows and statement of portfolio of CEREIT and the statement of movements in unitholders' funds of the Trust for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 180 to 252.

In our opinion, the accompanying consolidated financial statements of CEREIT, and the balance sheet and statement of movements in unitholders' funds of the Trust are properly drawn up in accordance with International Financial Reporting Standards ("IFRS") so as to give a true and fair view of the consolidated financial position of CEREIT and the financial position of the Trust as at 31 December 2019, and of the consolidated statement of total return, consolidated statement of comprehensive income, consolidated distribution statement, consolidated statement of movements in unitholders' funds, consolidated statement of cash flows and statement of portfolio of CEREIT and the statement of movements in unitholders' funds of the Trust for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of CEREIT in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF CROMWELL EUROPEAN REAL ESTATE INVESTMENT TRUST

Key Audit Matter	How the matter was addressed in the audit
Fair valuation and Disclosure of Fair Value for Investment Properties	
CEREIT owns a portfolio of investment properties as at 31 December 2019, comprising mainly commercial office and light industrial complexes located in France, Italy, Poland and The Netherlands. The investment properties represent the single largest category of assets with a carrying amount of €2,041 million as at 31 December 2019. CEREIT has adopted the fair value model under IAS 40 *Investment Property* which requires all the investment properties to be measured at fair value. CEREIT has engaged external independent valuers ("Valuers") to perform the fair value assessment for all 91 investment properties. The fair valuation of investment properties is considered to be a matter of significance as the valuation process requires the application of judgement in determining the appropriate valuation methodology to be used, use of subjective assumptions and various unobservable inputs. The fair valuations are sensitive to underlying assumptions applied in deriving the underlying cash flows and capitalisation rates as a small change in these assumptions can result in an increase or decrease in fair valuation of the investment properties. The valuation techniques, their key inputs and the inter-relationships between the inputs and the valuation have been disclosed in Note 8 to the consolidated financial statements.	We have assessed CEREIT's process of appointment and determination of the scope of work of the Valuers, as well as their process of reviewing, and accepting the Valuers' investment property valuations. We have reviewed the qualifications, competence, independence, and the terms of the engagement of the Valuers with CEREIT to determine whether there were any matters which might affect objectivity of the Valuers or impede their scope of work. We held discussions with management and the Valuers on the valuation reports, and engaged our valuation specialists to assist in: • Assessing the valuation methodology, assumptions and estimates used by the Valuers against general market practice for similar types of properties; • Comparing valuation assumptions and the underlying cash flows and capitalisation rates to historical rates, and available industry data for comparable markets and properties; and • Reviewing the integrity of the valuation calculations, valuation inputs, including review of lease schedules, lease agreements and comparison to the inputs made to the projected cash flows. Based on the audit procedures performed, the fair valuation of the properties and the various inputs used are within a reasonable range of our expectations. We have assessed and validated the adequacy and appropriateness of the disclosures made in the financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF CROMWELL EUROPEAN REAL ESTATE INVESTMENT TRUST

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager and Directors of the Manager for the Financial Statements

Cromwell EREIT Management Pte. Ltd. (the "Manager" of CEREIT) is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and comply with the relevant provisions of the Trust Deed dated 28 April 2017 and amended by the amending and restating deed 7 September 2017, supplemented by the supplemental deed dated 15 November 2017 (collectively, the "Trust Deed"), and the relevant requirements of the Code on Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing CEREIT's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate CEREIT or to cease operations, or has no realistic alternative but to do so.

The responsibilities of the directors of the Manager include overseeing CEREIT's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CEREIT's internal control.

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF CROMWELL EUROPEAN REAL ESTATE INVESTMENT TRUST

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.

- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on CEREIT's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.
  Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause CEREIT to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within CEREIT to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors of the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors of the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors of the Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the financial statements have been properly prepared in accordance with the relevant provisions of the Trust Deed and the relevant requirements of the CIS Code.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Shariq Barmaky.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

Date: 25 March 2020

CONSOLIDATED STATEMENT OF TOTAL RETURN

FOR THE YEAR ENDED 31 DECEMBER 2019

		CEREIT	
	Note	1 Jan 2019 to 31 Dec 2019 €'000	Period from Constitution 28 Apr 2017 to 31 Dec 2018 €'000
Gross revenue	2	177,046	142,126
Property operating expense		(60,900)	(46,955)
Net property income		**116,146**	**95,171**
Net finance costs	9(b)	(18,786)	(13,540)
Manager's fees	3(b)	(6,620)	(3,640)
Trustee fees	3(a)	(250)	(201)
Trust expenses	4(a)	(5,200)	(4,844)
Net income before tax and fair value changes		**85,290**	**72,946**
Gain on disposal of investment property	8(d)	2,018	–
Fair value gain – investment properties	8(b)	42,378	36,679
Fair value gain/(loss) – derivative financial instruments		355	(323)
Total return for the year/period before tax		**130,041**	**109,302**
Income tax expense	7(a)	(20,996)	(21,242)
Total return for the year/period		**109,045**	**88,060**
Total return for the year/period comprises:			
Total return since Listing Date attributable to Unitholders		109,045	85,733
Total return for period prior to Listing Date		–	2,327
Total return for the year/period		**109,045**	**88,060**
Earnings per unit			
Basic and diluted earnings per unit (€ cents)	5	4.60	7.77
Basic and diluted earnings per unit (€ cents) – annualised	5	4.60	4.63

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2019

	CEREIT	
	1 Jan 2019 to 31 Dec 2019 €'000	Period from Constitution 28 Apr 2017 to 31 Dec 2018 €'000
Total return for the year/period	**109,045**	**88,060**
Items that will not be reclassified to profit or loss		
Exchange differences arising on translation of proceeds from issue of units in foreign currency	–	112
Total comprehensive income	**109,045**	**88,172**

The accompanying notes form an integral part of the financial statements.

BALANCE SHEETS

AS AT 31 DECEMBER 2019

		CEREIT		Trust	
	Note	31 Dec 2019 €'000	31 Dec 2018 €'000	31 Dec 2019 €'000	31 Dec 2018 €'000
Current assets					
Cash and cash equivalents		79,250	57,755	14,346	15,732
Assets held for sale	16	68,953	–	–	–
Receivables	14(a)	57,002	49,719	114,122	42,795
Current tax assets		1,260	227	–	–
Total current assets		**206,465**	**107,701**	**128,468**	**58,527**
Non-current assets					
Investment properties	8(b)	2,041,499	1,690,224	–	–
Investments in subsidiaries	13	–	–	1,199,789	1,078,007
Receivables	14(a)	605	688	–	–
Derivative financial instruments	10	883	5	–	–
Deferred tax assets	7(c)	5,421	16,224	–	–
Total non-current assets		**2,048,408**	**1,707,141**	**1,199,789**	**1,078,007**
Total assets		**2,254,873**	**1,814,842**	**1,328,257**	**1,136,534**
Current liabilities					
Borrowings	9	20,438	–	–	–
Payables	14(b)	30,757	43,557	178,442	77,200
Current tax liabilities		6,885	2,113	–	–
Derivative financial instruments	10	99	271	–	–
Other current liabilities	15	41,253	30,899	–	–
Liabilities held for sale	16	1,770	–	–	–
Total current liabilities		**101,202**	**76,840**	**178,442**	**77,200**
Non-current liabilities					
Payables	14(b)	301	742	–	–
Borrowings	9	803,360	591,733	–	21,519
Deferred tax liabilities	7(c)	28,133	21,531	–	–
Other non-current liabilities	15	7,289	5,229	–	–
Total non-current liabilities		**839,083**	**619,235**	**–**	**21,519**
Total liabilities		**940,285**	**696,075**	**178,442**	**98,719**
Net assets attributable to Unitholders		**1,314,588**	**1,118,767**	**1,149,815**	**1,037,815**
Represented by:					
Unitholders' funds		**1,314,588**	**1,118,767**	**1,149,815**	**1,037,815**
Units in issue ('000)	11(b)	2,547,787	2,181,978	2,547,787	2,181,978
Net asset value per Unit (€ cents)		51.6	51.3	45.1	47.6

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED DISTRIBUTION STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2019

	CEREIT	
	1 Jan 2019 to 31 Dec 2019 €'000	Period from Constitution 28 Apr 2017 to 31 Dec 2018 €'000
Income available for distribution at beginning of the year/period	34,464	–
Total return for the year/period	109,045	88,060
Less: total return for period prior to Listing Date	–	(2,327)
Total return attributable to Unitholders	**143,509**	**85,733**
Distribution adjustments (Note A)	(12,147)	(11,363)
Income available for distribution to Unitholders	**131,362**	**74,370**
Distributions declared to Unitholders during the year/period (Note B)	(79,518)	(39,906)
Income available for distribution at the end of the year/period	**51,844**	**34,464**
Distribution per Unit ("DPU") (€ cents) for the year/period	4.08	4.10
Note A – Distribution adjustments		
Trustee fees	250	178
Straight-line rent adjustments and leasing fees	(657)	(1,207)
Property Manager's fees paid in CEREIT units	5,440	4,241
Manager's fees paid in CEREIT units	6,301	3,640
Amortisation of debt issuance costs	5,981	2,788
Facility break fee	719	–
Gain on disposal of investment property	(2,018)	–
Fair value adjustments – investment properties	(42,378)	(37,141)
Fair value adjustments – derivative financial instruments	(355)	323
Net foreign exchange loss/ (gain)	53	(27)
Deferred tax expense	13,697	15,842
Tax expense relating to the divestment of investment properties	820	–
	(12,147)	(11,363)
Note B – Distributions declared to Unitholders during the year/period		
Distribution of 2.53 Euro cents per Unit ("cpu") from Listing Date 30 Nov 2017 to 30 Jun 2018	–	39,906
Distribution of 1.57 cpu from 1 Jul 2018 to 31 Dec 2018	34,402	–
Distribution of 2.05 cpu from 1 Jan 2019 to 1 Jul 2019	45,116	–
	79,518	39,906

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS

FOR THE YEAR ENDED 31 DECEMBER 2019

	CEREIT		Trust	
	1 Jan 2019 to 31 Dec 2019 €'000	Period from Constitution 28 Apr 2017 to 31 Dec 2018 €'000	1 Jan 2019 to 31 Dec 2019 €'000	Period from Constitution 28 Apr 2017 to 31 Dec 2018 €'000
Operations				
At beginning of the year/period	48,154	–	(32,802)	–
Total return for the financial period prior to Listing Date	–	2,327	–	(130)
Total return for the year/period	109,045	85,733	24,887	7,234
Distributions paid	(79,518)	(39,906)	(79,518)	(39,906)
At the end of the year/period	77,681	48,154	(87,433)	(32,802)
Unitholders' contributions				
At beginning of the year/period	1,070,501	–	1,070,501	–
Issue of units:				
– to Sponsor, prior to Listing Date	–	101,164	–	101,164
– IPO	–	764,531	–	764,531
– Rights Issue	–	224,111	–	224,111
– Private placement	150,000	–	150,000	–
– Base management fees	5,112	1,916	5,112	1,916
– Property & portfolio management fees	5,956	2,233	5,956	2,233
– Acquisition fees	3,125	–	3,125	–
– Purchase consideration	5,000	–	5,000	–
Issue expenses	(2,899)	(23,454)	(2,562)	(23,454)
At the end of the year/period	1,236,795	1,070,501	1,237,132	1,070,501
Reserves				
At beginning of the year/period	112	–	116	–
Issue of units – IPO	–	112	–	116
At the end of the year/period	112	112	116	116
Unitholders' funds at the end of the year/period	**1,314,588**	**1,118,767**	**1,149,815**	**1,037,815**

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	CEREIT 1 Jan 2019 to 31 Dec 2019 €'000	CEREIT Period from Constitution 28 Apr 2017 to 31 Dec 2018 €'000
Cash flows from operating activities			
Total return for the year/period before tax		130,041	109,302
Adjustments for:			
Amortisation of lease costs and incentives		(3,269)	146
Effect of recognising rental income on a straight-line basis		(4,064)	(1,745)
Gain on disposal of investment property		(2,018)	–
Net finance costs		18,786	13,540
Allowance for credit losses		–	676
Manager's fees and property manager's fees paid in CEREIT units		11,741	4,149
Change in fair value of investment properties		(42,378)	(36,679)
Change in fair value of derivative financial instruments		(355)	323
Net foreign exchange loss/(gain)		53	(27)
Operating cash flows before movements in working capital		108,537	89,685
Changes in operating assets and liabilities:			
Decrease in receivables		(1,830)	(27,487)
(Decrease)/increase in payables		(10,847)	17,095
Increase in other liabilities		6,011	14,363
Cash generated from operations		**101,871**	**93,656**
Interest paid		(11,445)	(9,446)
Interest received		82	27
Tax paid		(3,092)	(6,517)
Net cash provided by operating activities		**87,416**	**77,720**
Cash flows from investing activities			
Payments for acquisitions of subsidiaries, net of cash		(154,125)	(521,085)
Payments for acquisition of investment properties		(172,078)	(514,555)
Payment of transaction costs for acquisition of investment properties		(14,608)	(46,637)
Payment of deposits for acquisition of investment properties		(1,900)	(18,156)
Payments for capital expenditure on investment properties		(11,216)	(10,020)
Payment of VAT in relation to acquisition of investment properties		(20,349)	–
Proceeds from sale of investment property		19,004	–
Payment of transaction costs for disposal of investment property		(95)	–
Net cash used in investing activities		**(355,367)**	**(1,110,453)**
Cash flows from financing activities			
Net proceeds from issuance of CEREIT units		147,563	982,205
Payment of unit issue costs		(2,071)	(19,595)
Proceeds from bank borrowings		862,911	474,676
Repayment of bank borrowings		(630,372)	(298,156)
Payment for transaction costs related to borrowings		(7,696)	(7,617)
Payment to acquire/ for settlement of derivative financial instruments		(727)	(1,119)
Distributions paid to Unitholders		(79,518)	(39,906)
Payment of finance lease		(334)	–
Net cash provided by financing activities		**289,756**	**1,090,488**
Net increase in cash and cash equivalents		**21,805**	**57,755**
Cash and cash equivalents at the beginning of the year/period		57,755	–
Cash and cash equivalents classified to assets held for sale	16	(310)	–
Cash and cash equivalents at the end of the year/period		**79,250**	**57,755**

Refer to note 17 for details of non-cash transactions and a reconciliation of movements in net debt.

The accompanying notes form an integral part of the financial statements.

STATEMENT OF PORTFOLIO

AS AT 31 DECEMBER 2019

Property *(by Geography)*	Location	Acquisition Date
The Netherlands		
Office		
Haagse Poort	Prinses Beatrixlaan 35 – 37 & Schenkkade 60 – 65, Den Haag	30 Nov 2017
Central Plaza	Plaza 2 – 25 (retail) / Weena 580 – 618 (offices), Rotterdam	19 Jun 2017
Bastion	Willemsplein 2 – 10, 's-Hertogenbosch	28 Dec 2018
Moeder Teresalaan 100 / 200	Moeder Teresalaan 100 / 200, Utrecht	28 Dec 2018
De Ruyterkade 5	De Ruyterkade 5, Amsterdam	19 Jun 2017
Koningskade 30	Koningskade 30, Den Haag	19 Jun 2017
Blaak 40	Blaak 40, Rotterdam	30 Nov 2017
Light Industrial / Logistics		
Veemarkt	Veemarkt 27-75 / 50-76 / 92-114, Amsterdam	30 Nov 2017
Capronilaan 22 – 56	Capronilaan 22 – 56, Schiphol-Rijk	30 Nov 2017
Boekweitstraat 1 – 21 & Luzernestraat 2 – 12	Boekweitstraat 1 – 21 & Luzernestraat 2 – 12, Nieuw-Vennep	30 Nov 2017
Folkstoneweg 5 – 15	Folkstoneweg 5 – 15, Schiphol	30 Nov 2017
Kapoeasweg 4 – 16	Kapoeasweg 4 – 16, Amsterdam	30 Nov 2017
Bohrweg 19 – 57 & 20 – 58 (2)	Bohrweg 19 – 57 & 20 – 58, Spijkenisse	30 Nov 2017
Antennestraat 46 – 76 & Televisieweg 42 – 52 (2)	Antennestraat 46 – 76 & Televisieweg 42 – 52, Almere	30 Nov 2017
Harderwijkerstraat 5 – 29 (2)	Harderwijkerstraat 5 – 29, Deventer	30 Nov 2017
Fahrenheitbaan 4 – 4D (2)	Fahrenheitbaan 4 – 4D, Nieuwegein	30 Nov 2017
Nieuwgraaf 9A – 19 & Fotograaf 32 – 40 (2)	Nieuwgraaf 9A – 19 & Fotograaf 32 – 40, Duiven	30 Nov 2017
Italy		
Office		
Piazza Affari 2	Piazza degli Affari 2, Milan	30 Nov 2017
Via dell'Amba Aradam 5	Via dell'Amba Aradam 5, Rome	30 Nov 2017
Via Pianciani 26	Via Pianciani 26, Rome	30 Nov 2017
Building F7-F11	Viale Milanofiori 1, Assago	30 Nov 2017
Via Nervesa 21	Via Nervesa 21, Milan	30 Nov 2017
Via Camillo Finocchiaro Aprile 1	Via Camillo Finocchiaro Aprile 1, Genova	05 Dec 2018
Cassiopea 1-2-3	Via Paracelso 22-24-26, Milan	28 Nov 2019
Nuova ICO	Via Guglielmo Jervis 9, Ivrea	27 Jun 2018
Via della Fortezza 8	Via della Fortezza 8, Florence	15 Feb 2018
Corso Lungomare Trieste 29	Corso Lungomare Trieste 29, Bari	05 Dec 2018
Corso Annibale Santorre di Santa Rosa 15	Corso Annibale Santorre di Santa Rosa 15, Cuneo	30 Nov 2017
Via Rampa Cavalcavia 16-18	Via Rampa Cavalcavia 16-18, Venice Mestre	30 Nov 2017
Light Industrial / Logistics		
Strada Provinciale Adelfia	Strada Provinciale Adelfia, Rutigliano	30 Nov 2017

n/a – not applicable
(1) Part freehold and part leasehold interest ending 31 July 2088.
(2) The properties were reclassified to "Assets held for Sale" (Note 16), pursuant to the announcement to dispose a portfolio of 12 assets located in France, Denmark and the Netherlands on 17 December 2019.

The accompanying notes form an integral part of the financial statements.

STATEMENT OF PORTFOLIO
AS AT 31 DECEMBER 2019

Land Tenure	Remaining Term (Years) 31 Dec 2019	Remaining Term (Years) 31 Dec 2018	Carrying Amount 31 Dec 2019 €'000	Carrying Amount 31 Dec 2018 €'000	Percentage of Net Assets 31 Dec 2019 %	Percentage of Net Assets 31 Dec 2018 %
Part Freehold, Part Right of Superficies and Part Perpetual leasehold	n/a	n/a	169,400	159,850	12.9	14.3
Freehold/ leasehold[1]	n/a 68.6	n/a 69.6	164,200	160,200	12.5	14.3
Freehold	n/a	n/a	79,000	76,850	6.0	6.9
Perpetual leasehold	n/a	n/a	57,000	50,728	4.3	4.5
Continuing leasehold	68.5	69.5	52,350	48,250	4.0	4.3
Perpetual leasehold	n/a	n/a	18,600	17,650	1.4	1.6
Freehold	n/a	n/a	16,900	17,050	1.3	1.5
Continuing leasehold	Various 19.0 – 23.0	Various 20.0 – 24.0	37,150	37,250	2.8	3.3
Freehold	n/a	n/a	6,850	6,350	0.5	0.6
Freehold	n/a	n/a	6,050	6,200	0.5	0.6
Leasehold	19.9	20.9	5,350	5,250	0.4	0.5
Freehold	n/a	n/a	3,900	3,750	0.3	0.3
Freehold	n/a	n/a	–	5,550	–	0.5
Freehold	n/a	n/a	–	3,950	–	0.4
Freehold	n/a	n/a	–	4,350	–	0.4
Freehold	n/a	n/a	–	2,250	–	0.2
Freehold	n/a	n/a	–	2,450	–	0.2
Freehold	n/a	n/a	87,000	85,000	6.6	7.6
Freehold	n/a	n/a	50,700	50,200	3.9	4.5
Freehold	n/a	n/a	33,500	33,400	2.5	3.0
Freehold	n/a	n/a	27,100	26,900	2.1	2.4
Freehold	n/a	n/a	25,400	25,400	1.9	2.3
Freehold	n/a	n/a	23,950	23,775	1.8	2.1
Freehold	n/a	n/a	17,700	–	1.3	–
Freehold	n/a	n/a	16,950	16,900	1.3	1.5
Freehold	n/a	n/a	16,900	16,850	1.3	1.5
Freehold	n/a	n/a	12,250	12,250	0.9	1.1
Freehold	n/a	n/a	8,850	9,350	0.7	0.8
Freehold	n/a	n/a	5,500	5,500	0.4	0.5
Freehold	n/a	n/a	12,575	12,550	1.0	1.1

The accompanying notes form an integral part of the financial statements.

STATEMENT OF PORTFOLIO

AS AT 31 DECEMBER 2019

Property *(by Geography)*	**Location**	**Acquisition Date**
Italy (continued)		
Other		
Viale Europa 95	Viale Europa 95, Bari	30 Nov 2017
Starhotels Grand Milan	Via Varese 23, Saronno	30 Nov 2017
Via Madre Teresa di Calcutta 4	Via Madre Teresa di Calcutta 4, Lissone	30 Nov 2017
Via Salara Vecchia 13	Via Salara Vecchia 13, Pescara	30 Nov 2017
Via Brigata Padova 19	Via Brigata Padova 19, Padova	30 Nov 2017
France		
Office		
Paryseine	3 Allée de la Seine, Ivry-Sur Seine, Paris	17 Jul 2019
Cap Mermoz	38-44 rue Jean Mermoz, Maisons-Laffitte, Paris	17 Jul 2019
Lénine	1 rue de Lénine, 94200 Ivry-Sur Seine, Ivry-Sur Seine, Paris	17 Jul 2019
Light Industrial / Logistics		
Parc des Docks	50 rue Ardoin, Saint Ouen	30 Nov 2017
Parc des Guillaumes	58 rue de Neuilly – 2 rue du Trou Morin, ZAC des Guillaumes, Noisy-le-Sec	30 Nov 2017
Parc du Landy	61 rue du Landy, Aubervilliers	30 Nov 2017
Parc des Grésillons	167-169 avenue des Grésillons, Gennevilliers	30 Nov 2017
Parc Delizy	32 rue Délizy, Pantin	30 Nov 2017
Parc Urbaparc	75-79 rue du Rateau, La Courneuve	30 Nov 2017
Parc Béziers	Rue Charles Nicolle, Villeneuve-lès-Béziers	23 Jan 2019
Parc du Merantais	1-3 rue Georges Guynemer, Magny-Les-Hameaux	30 Nov 2017
Parc Jean Mermoz	53 rue de Verdun – 81, rue Maurice Berteaux, La Courneuve	30 Nov 2017
Parc des Érables	154 allée des Érables, Villepinte	30 Nov 2017
Parc Louvresses	46-48 boulevard Dequevauvilliers, Gennevilliers	14 Feb 2019
Parc Locaparc 2	59-65 rue Edith Cavell, Vitry-sur-Seine	30 Nov 2017
Parc de Champs	40 boulevard de Nesles, ZAC le Ru du Nesles, Champs sur Marne	30 Nov 2017
Parc Parçay-Meslay	ZI du Papillon, Parcay-Meslay	23 Jan 2019
Parc Acticlub	2 rue de la Noue Guimante, ZI de la Courtillière, Saint Thibault des Vignes	30 Nov 2017
Parc le Prunay	13-41 rue Jean Pierre Timbaud, ZI du Prunay, Sartrouville	30 Nov 2017
Parc de Popey	5 chemin de Popey, Bar-le-Duc	30 Nov 2017
Parc Sully	105 route d'Orléans, Sully-sur-Loire	23 Jan 2019
Parc du Bois du Tambour	Route de Nancy, Gondreville	30 Nov 2017
Parc de l'Esplanade (1)	Rue Paul Henri Spaak – rue Enrico Fermi – rue Niels Bohr, Saint Thibault des Vignes	30 Nov 2017
Parc des Mardelles (1)	44 rue Maurice de Broglie, 16, rue Henri Becquerel, Aulnay-sous-Bois	30 Nov 2017
Parc des Aqueducs (1)	Chemin du Favier, St Genis Laval	30 Nov 2017

n/a – not applicable

(1) The properties were reclassified to "Assets held for Sale" (Note 16), pursuant to the announcement to dispose a portfolio of 12 assets located in France, Denmark and the Netherlands on 17 December 2019.

The accompanying notes form an integral part of the financial statements.

STATEMENT OF PORTFOLIO
AS AT 31 DECEMBER 2019

Land Tenure	Remaining Term (Years) 31 Dec 2019	Remaining Term (Years) 31 Dec 2018	Carrying Amount 31 Dec 2019 €'000	Carrying Amount 31 Dec 2018 €'000	Percentage of Net Assets 31 Dec 2019 %	Percentage of Net Assets 31 Dec 2018 %
Freehold	n/a	n/a	81,000	81,000	6.2	7.2
Freehold	n/a	n/a	20,000	19,900	1.5	1.8
Freehold	n/a	n/a	19,750	20,000	1.5	1.8
Freehold	n/a	n/a	12,750	12,750	1.0	1.1
Freehold	n/a	n/a	4,850	5,400	0.4	0.5
Freehold	n/a	n/a	36,800	–	2.8	–
Freehold	n/a	n/a	36,000	–	2.7	–
Freehold	n/a	n/a	5,900	–	0.4	–
Freehold	n/a	n/a	125,500	114,100	9.5	10.2
Freehold	n/a	n/a	25,800	25,400	2.0	2.3
Freehold	n/a	n/a	21,200	20,200	1.6	1.8
Freehold	n/a	n/a	19,600	18,400	1.5	1.6
Freehold	n/a	n/a	18,800	18,700	1.4	1.7
Freehold	n/a	n/a	15,100	15,000	1.1	1.3
Freehold	n/a	n/a	10,700	–	0.8	–
Freehold	n/a	n/a	10,400	10,400	0.8	0.9
Freehold	n/a	n/a	8,100	7,800	0.6	0.7
Freehold	n/a	n/a	7,700	7,500	0.6	0.7
Leasehold	28	n/a	6,700	–	0.5	–
Freehold	n/a	n/a	6,200	6,100	0.5	0.5
Freehold	n/a	n/a	6,100	5,900	0.5	0.5
Freehold	n/a	n/a	5,700	–	0.4	–
Freehold	n/a	n/a	5,400	5,300	0.4	0.5
Freehold	n/a	n/a	5,300	5,300	0.4	0.5
Freehold	n/a	n/a	4,800	4,800	0.4	0.4
Freehold	n/a	n/a	4,600	–	0.3	–
Freehold	n/a	n/a	4,000	4,200	0.3	0.4
Freehold	n/a	n/a	–	16,100	–	1.4
Freehold	n/a	n/a	–	10,300	–	0.9
Freehold	n/a	n/a	–	3,800	–	0.3

The accompanying notes form an integral part of the financial statements.

STATEMENT OF PORTFOLIO

AS AT 31 DECEMBER 2019

Property *(by Geography)*	**Location**	**Acquisition Date**
France (continued)		
Light Industrial / Logistics (continued)		
Parc Jules Guesde [1]	1 allée du Chargement, rue Jules Guesde, ZAC du Tir à Loques , Villeneuve D'Asq	30 Nov 2017
Parc de la Chauvetière [1]	4-28 rue du Vercors, Saint Etienne	30 Nov 2017
Parc d'Osny [2]	9 chaussée Jules César, ZAC des Beaux Soleils, Osny	30 Nov 2017
Poland		
Office		
Business Garden	2, 4, 6, 8 and 10 Kolorowa Street, Poznań	24 Sep 2019
Green Office	80, 80A, 82 and 84 Czerwone Maki Street, Kraków	25 Jul 2019
Riverside Park	Fabryczna 5, Warsaw	14 Feb 2019
Avatar	28 Armii Krajowej Street, Kraków	25 Jul 2019
Grójecka 5	Grójecka 5, Warsaw	14 Feb 2019
Arkońska Business Park	Arkońska 1&2, Gdańsk	14 Feb 2019
Germany		
Light Industrial / Logistics		
Parsdorfer Weg 10	Parsdorfer Weg 10, Kirchheim	30 Nov 2017
Siemensstraße 11	Siemensstraße 11, Frickenhausen	30 Nov 2017
An der Kreuzlache 8-12	An der Kreuzlache 8-12, Bischofsheim	30 Nov 2017
Henschelring 4	Henschelring 4, Kirchheim	30 Nov 2017
Kolumbusstraße 16	Kolumbusstraße 16, Hamburg	30 Nov 2017
Frauenstraße 31	Frauenstraße 31, Maisach	30 Nov 2017
Moorfleeter Straße 27, Liebigstraße 67-71	Moorfleeter Straße 27, Liebigstraße 67-71, Hamburg	30 Nov 2017
Hochstraße 150-152	Hochstraße 150-152, Duisburg	30 Nov 2017
Dresdner Straße 16, Sachsenring 52	Dresdner Straße 16, Sachsenring 52, Straubing	30 Nov 2017
Kinzigheimer Weg 114	Kinzigheimer Weg 114, Hanau	30 Nov 2017
An der Steinlach 8-10	An der Steinlach 8-10, Bischofsheim	30 Nov 2017
Finland		
Office		
Opus 1	Hitsaajankatu 24, Helsinki	28 Dec 2018
Plaza Vivace	Äyritie 8 C, Vantaa	28 Dec 2018
Plaza Forte	Äyritie 12 C, Vantaa	28 Dec 2018
Grandinkulma	Kielotie 7, Vantaa	28 Dec 2018
Myyrmäenraitti 2	Myyrmäenraitti 2, Vantaa	28 Dec 2018
Pakkalankuja 6	Pakkalankuja 6, Vantaa	28 Dec 2018
Plaza Allegro	Äyritie 8 B, Vantaa	28 Dec 2018
Mäkitorpantie 3b	Mäkitorpantie 3b, Helsinki	28 Dec 2018
Kauppakatu 39	Kauppakatu 39, Kuopio	28 Dec 2018
Purotie 1	Purotie 1, Helsinki	28 Dec 2018
Pakkalankuja 7	Pakkalankuja 7, Vantaa	28 Dec 2018

n/a – not applicable

(1) The properties were reclassified to "Assets held for Sale" (Note 16), pursuant to the announcement to dispose a portfolio of 12 assets located in France, Denmark and the Netherlands on 17 December 2019.

(2) The property was disposed on 18 October 2019.

The accompanying notes form an integral part of the financial statements.

STATEMENT OF PORTFOLIO

AS AT 31 DECEMBER 2019

Land Tenure	Remaining Term (Years)		Carrying Amount		Percentage of Net Assets	
	31 Dec 2019	31 Dec 2018	31 Dec 2019 €'000	31 Dec 2018 €'000	31 Dec 2019 %	31 Dec 2018 %
Freehold	n/a	n/a	–	3,600	–	0.3
Freehold	n/a	n/a	–	2,100	–	0.2
Freehold	n/a	n/a	–	16,600	–	1.5
Freehold	n/a	n/a	89,100	–	6.8	–
Freehold	n/a	n/a	52,250	–	4.0	–
Freehold	n/a	n/a	32,100	–	2.4	–
Freehold/ Perpetual usufruct	n/a	n/a	29,050	–	2.2	–
Freehold	n/a	n/a	22,600	–	1.7	–
Freehold	n/a	n/a	18,800	–	1.4	–
Freehold	n/a	n/a	31,550	30,800	2.4	2.8
Freehold	n/a	n/a	15,750	14,250	1.2	1.3
Freehold	n/a	n/a	13,250	12,600	1.0	1.1
Freehold	n/a	n/a	10,350	9,400	0.8	0.8
Freehold	n/a	n/a	9,200	9,200	0.7	0.8
Freehold	n/a	n/a	8,650	7,850	0.7	0.7
Freehold	n/a	n/a	8,450	7,900	0.6	0.7
Freehold	n/a	n/a	8,300	8,100	0.6	0.7
Freehold	n/a	n/a	7,700	6,550	0.6	0.6
Freehold	n/a	n/a	3,600	3,450	0.3	0.3
Freehold	n/a	n/a	3,150	3,500	0.2	0.3
Freehold	n/a	n/a	14,900	13,500	1.1	1.2
Freehold	n/a	n/a	12,975	13,234	1.0	1.2
Freehold	n/a	n/a	12,950	12,600	1.0	1.1
Freehold	n/a	n/a	12,900	12,500	1.0	1.1
Freehold	n/a	n/a	12,000	12,000	0.9	1.1
Freehold	n/a	n/a	10,900	9,700	0.8	0.9
Freehold	n/a	n/a	10,525	11,173	0.8	1.0
Freehold	n/a	n/a	7,900	7,600	0.6	0.7
Freehold	n/a	n/a	7,400	7,600	0.6	0.7
Freehold	n/a	n/a	6,400	7,113	0.5	0.6
Freehold	n/a	n/a	6,150	6,100	0.5	0.5

The accompanying notes form an integral part of the financial statements.

STATEMENT OF PORTFOLIO

AS AT 31 DECEMBER 2019

Property *(by Geography)*	**Location**	**Acquisition Date**
Denmark		
Light Industrial / Logistics		
Priorparken 700	Priorparken 700, Brøndby	30 Nov 2017
Naverland 7-11	Naverland 7-11, Glostrup	30 Nov 2017
Priorparken 800	Priorparken 800, Brøndby	30 Nov 2017
Islevdalvej 142	Islevdalvej 142, Rødovre	30 Nov 2017
Herstedvang 2-4	Herstedvang 2-4, Albertslund	30 Nov 2017
Stamholmen 111	Stamholmen 111, Hvidovre	30 Nov 2017
Naverland 8	Naverland 8, Glostrup	30 Nov 2017
Fabriksparken 20	Fabriksparken 20, Glostrup	30 Nov 2017
Hørskætten 4-6	Hørskætten 4-6, Tåstrup	30 Nov 2017
Hørskætten 5	Hørskætten 5, Tåstrup	30 Nov 2017
Naverland 12	Naverland 12, Glostrup	30 Nov 2017
Hjulmagervej 3-19 [1]	Hjulmagervej 3-19, Vejle	30 Nov 2017
C.F. Tietgensvej 10 [1]	C.F. Tietgensvej 10, Kolding	30 Nov 2017
Portfolio of investment properties, at fair value		
Other adjustments (note 8(a))		
Investment properties as shown in the balance sheet		
Other assets and liabilities, net		
Net assets		

n/a – not applicable

(1) The properties were reclassified to "Assets held for Sale" (Note 16), pursuant to the announcement to dispose a portfolio of 12 assets located in France, Denmark and the Netherlands on 17 December 2019.

The accompanying notes form an integral part of the financial statements.

STATEMENT OF PORTFOLIO

AS AT 31 DECEMBER 2019

Land Tenure	Remaining Term (Years) 31 Dec 2019	Remaining Term (Years) 31 Dec 2018	Carrying Amount 31 Dec 2019 €'000	Carrying Amount 31 Dec 2018 €'000	Percentage of Net Assets 31 Dec 2019 %	Percentage of Net Assets 31 Dec 2018 %
Freehold	n/a	n/a	11,872	12,175	0.9	1.1
Freehold	n/a	n/a	10,881	10,568	0.8	0.9
Freehold	n/a	n/a	8,686	8,987	0.7	0.8
Freehold	n/a	n/a	6,371	6,282	0.5	0.6
Freehold	n/a	n/a	6,358	6,389	0.5	0.6
Freehold	n/a	n/a	6,331	5,532	0.5	0.5
Freehold	n/a	n/a	5,996	5,626	0.5	0.5
Freehold	n/a	n/a	5,728	5,612	0.4	0.5
Freehold	n/a	n/a	5,474	5,304	0.4	0.5
Freehold	n/a	n/a	3,801	3,590	0.3	0.3
Freehold	n/a	n/a	3,092	3,134	0.2	0.3
Freehold	n/a	n/a	–	5,344	–	0.5
Freehold	n/a	n/a	–	2,759	–	0.2
			2,037,315	**1,694,675**	**155.0**	**151.5**
			4,184	(4,451)		
			2,041,499	**1,690,224**		
			(726,911)	(571,457)		
			1,314,588	**1,118,767**		

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

About these Financial Statements

The Cromwell European Real Estate Investment Trust ("Trust") is a Singapore real estate investment trust constituted pursuant to a trust deed dated 28 April 2017 (date of "Constitution") (as amended and restated) between Cromwell EREIT Management Pte. Ltd. as the Manager of CEREIT (the "Manager") and Perpetual (Asia) Limited as Trustee of CEREIT (the "Trustee"). CEREIT was listed on the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 30 November 2017 ("Listing Date"). The Trust and its subsidiaries are collectively referred to as "CEREIT" in the consolidated financial statements.

Prior to Listing Date, CEREIT was a private Singapore Trust, wholly owned by the Cromwell Property Group. During this period CEREIT acquired a group of entities that held three Dutch office assets from Cromwell Property Group. The total return from these properties during the period prior to Listing Date does not from part of distributable income to which Unitholders are entitled to.

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the recommendations of Statement of Recommended Accounting Practice ("RAP") 7 "*Reporting Framework for Unit Trusts*" issued by the Institute of Singapore Chartered Accountants, and the applicable requirements of the Code on Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore ("MAS") and the provisions of the Trust Deed.

The financial statements are presented in Euros ("€" or "EUR") and had been rounded to the nearest thousand, unless otherwise stated. All financial information has been prepared in a format designed to provide users of the financial report with a clear understanding of relevant balances and transactions that drive CEREIT's financial performance and financial position free of immaterial and superfluous information. Accounting policies and, where applicable, the use of significant estimates and judgments are presented in the relating notes to the financial statements and plain English is used in commentary or explanatory sections to improve readability of the financial statements.

The notes have been organised into the following five sections for reduced complexity and ease of navigation:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

Results

This section of the financial statements provides further information on CEREIT's financial performance, including the performance of each of CEREIT's segments, as well as details of CEREIT's revenue, fees paid to the trustee, Manager and property manager, trust expenses, income tax items and CEREIT's semi-annual distributions, the earnings per security calculation as well as details about CEREIT's income tax items.

1 OPERATING SEGMENT INFORMATION

Overview

CEREIT's operating segments regularly reviewed by the Chief Operating Decision Maker ("CODM"), being the Chief Executive Officer ("CEO"), are CEREIT's property sub-portfolios by location and asset class as each of these sub-portfolios have different performance characteristics. There is no segment information for CEREIT's business segments as CEREIT's activities wholly relate to property investment.

CEREIT operated in three property classes and seven countries as at 31 December 2019. The property segments below are reported in a manner consistent with the internal reporting provided to the CODM.

CEREIT's property segments:

Asset class	*Country*	*Details*
Office	The Netherlands	CEREIT holds 7 (2018: 7) office assets in the Netherlands with a combined valuation of €557,450,000 (2018: €530,578,000) located in predominantly central business districts of the main cities of the Netherlands – Amsterdam, Rotterdam, The Hague, Utrecht and s'Hertogenbosch. All properties are multi-tenanted with a diverse tenant base comprising corporations across insurance, engineering, e-commerce, governmental & public administration, professional and legal services and various other sectors.
	Italy	CEREIT completed the acquisition of an office asset in Greater Milan just before the year end in November 2019, bringing the total number of office assets held in Italy to 12 (2018: 11) with a combined valuation of €325,800,000 (2018: €305,525,000). The assets are located in central business districts and city fringe areas of the main cities of Italy – Milan and Rome as well as secondary cities, including Florence, Venice, Bari and Genoa. The properties are a mix of single-tenanted and multi-tenanted buildings with main tenants comprising the Italian government, telecom, professional service, marketing and advertising service corporations.
	France	CEREIT acquired 3 office assets in France in July 2019 with a combined value of €78,700,000 (2018: nil). The assets comprise of two predominantly office properties and one office property located in Greater Paris. The properties are multi-tenanted with main tenants comprising publishing, professional services and global engineering corporations.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Asset class	*Country*	*Details*
	Poland	During the year, CEREIT acquired 6 office assets in Poland with a combined valuation of €243,900,000 (2018: nil). The properties are located in some of the main cities of Poland – Warsaw, Krakow and Poznan, as well as Gdansk which is part of the Tricity – one of the biggest urban areas in Poland. The properties are a mix of single-tenanted and multi-tenanted with main tenants comprising corporations across technology, pharmaceutical, media, banking and financial services and other sectors.
	Finland	CEREIT holds 11 (2018: 11) office assets in Finland with a combined value of €115,000,000 (2018: €113,120,000) predominantly located in well-established office parks in Helsinki. The properties are multi-tenanted with main tenants comprising corporations across energy, healthcare, professional services, retail, construction and manufacturing sectors.
Light Industrial/ Logistics	The Netherlands	CEREIT holds 10 (2018: 10) well-positioned light industrial assets across the Netherlands with a combined valuation of €78,692,000 (2018: €77,350,000) leased to a diverse tenant base. The properties are predominately located in the wider Amsterdam area, including the Netherlands main airport, Amsterdam Schiphol. As at 31 December 2019, 5 of the assets with a combined value of €19,392,000 have been classified as held for sale pursuant to the disposal announcement dated 17 December 2019.
	France	CEREIT acquired 4 logistics properties at the beginning of the year and completed the disposal of 1 light industrial asset in France, bringing the total number of light industrial / logistics assets held in France to 24 (2018: 21). The assets have a combined valuation of €348,885,000 (2018: €321,600,000) and they are leased to a diverse tenant base with 300+ separate leases, including larger tenants from the transport and logistics sector. 16 properties are located in the greater Paris metropolitan area while the remaining assets are located near larger secondary cities such as Lyon, Nancy and Lille. As at 31 December 2019, 5 of the assets with a combined value of €37,185,000 have been classified as held for sale pursuant to the disposal announcement dated 17 December 2019.
	Germany	CEREIT holds 11 (2018: 11) light industrial assets across Germany with a combined valuation of €119,950,000 (2018: €113,600,000) leased to a diverse tenant base predominately located around the large German cities of Munich, Frankfurt, Hamburg and Stuttgart.
	Denmark	CEREIT holds 13 (2018: 13) light industrial assets across Denmark with a combined valuation of €83,713,000 (2018: €81,302,000) also leased to a diverse tenant base. 11 properties are located in the Copenhagen area with remaining two properties located near Kolding. The largest tenant is a manufacturer of commercial cleaning equipment operating world-wide. As at 31 December 2019, 2 of the assets with a combined value of €9,123,000 have been classified as held for sale pursuant to the disposal announcement dated 17 December 2019.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

Asset class	*Country*	*Details*
	Italy	The Italian light industrial sub-portfolio comprises only 1 (2018: 1) property with a valuation of €12,575,000 (2018: €12,550,000). The property is located near Bari.
Other	Italy	In addition to its principally office and light industrial property portfolio, CEREIT holds also 5 (2018: 5) assets in Italy in other asset classes with a combined value of €138,350,000 (2018: €139,050,000). This includes three assets leased to the Italian government used as training and housing facilities (barracks) for the Italian police force, a hotel and a leisure complex with a large cinema.

Accounting policy

Segment allocation

Segment revenues, expenses and assets are those presented to the CODM that are directly attributable to the property segment.

Segment revenue include revenues directly derived from CEREIT's properties and include rental revenue, service charge revenue and any other revenue received from tenants. Segment expenses include expenses directly incurred in operating the properties and include service charge expense, non-recoverable expenses and leasing costs.

Segment assets include investment properties. Cash and other current assets may be held in centralised locations and are not allocated to the property segments. Liabilities are not allocated to segments. CEREIT's borrowings and derivative financial instruments are not reviewed by the CODM on a segment basis as they are centrally managed by CEREIT's treasury function and reviewed by the CODM for CEREIT globally. Other operating liabilities, such as payables are also managed in centralised locations and are not allocated to the property segments.

Segment profit / (loss)

Segment profit / (loss) equals net property income from the property sub-portfolio and does not include trust expenses and finance costs or fair value changes of investment properties.

(a) Segment results

The table below shows segment results as presented to the CODM. For further commentary on individual segment results refer to the Managers Report section of this Annual Report. The results for the period prior to Listing Date, while CEREIT was a wholly owned entity of Cromwell Property Group, was not presented to the CODM and is therefore not included in segment results.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

CEREIT 1 Jan 2019 to 31 Dec 2019	Gross revenue from external customers €'000	Property operating expenditure €'000	Segment Profit / Loss €'000
Office			
The Netherlands	42,056	(15,786)	26,270
Italy	22,499	(6,061)	16,438
France	3,236	(1,539)	1,697
Poland	13,710	(5,382)	8,328
Finland	12,049	(4,436)	7,613
Total – Office	**93,550**	**(33,204)**	**60,346**
Light Industrial / Logistics			
The Netherlands	7,648	(1,767)	5,881
France	38,021	(13,623)	24,398
Germany	11,069	(3,677)	7,392
Denmark	9,980	(4,066)	5,914
Italy	1,131	(312)	819
Total – Light Industrial/ Logistics	**67,849**	**(23,445)**	**44,404**
Other			
Italy	15,647	(4,251)	11,396
Total – Other	**15,647**	**(4,251)**	**11,396**
Total – Segments	**177,046**	**(60,900)**	**116,146**
Unallocated items:			
Net finance costs			(18,786)
Manager's fees			(6,620)
Trustee fees			(250)
Trust expenses			(5,200)
Gain on disposal of investment property			2,018
Fair value gain – investment properties			42,378
Fair value gain – derivative financial instruments			355
Income tax expense			(20,996)
Total return for the year attributable to Unitholders			**109,045**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

CEREIT **Period from Constitution 28 Apr 2017 to 31 Dec 2018**	**Gross revenue from external customers €'000**	**Property operating expenditure €'000**	**Segment Profit / Loss €'000**
Office			
The Netherlands	31,982	(10,875)	21,107
Italy	20,175	(5,538)	14,637
Total – Office	**52,157**	**(16,413)**	**35,744**
Light Industrial/ Logistics			
The Netherlands	7,795	(1,515)	6,280
France	35,691	(14,006)	21,685
Germany	11,180	(3,714)	7,466
Denmark	10,526	(4,410)	6,116
Italy	1,198	(317)	881
Total – Light Industrial/ Logistics	**66,390**	**(23,962)**	**42,428**
Other			
Italy	16,739	(4,731)	12,008
Total – Other	**16,739**	**(4,731)**	**12,008**
Total – Segments	**135,286**	**(45,106)**	**90,180**
Unallocated items:			
Net finance costs			(11,927)
Manager's fees			(3,640)
Trustee fees			(178)
Trust expenses			(4,579)
Fair value gain – investment properties			37,141
Fair value gain loss – derivative financial instruments			(323)
Income tax expense			(20,941)
Total return since Listing Date attributable to Unitholders			**85,733**
Total return for period prior Listing Date			2,327
Total return for the period			**88,060**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

(b) Segment assets and liabilities

Segment assets

CEREIT 31 Dec 2019	*Segment assets:* **Investment properties €'000**	*Segment assets:* **Assets held for sale €'000**	*Segment assets:* **Total €'000**	*Oher Information:* **Capital expenditure €'000**
Office				
The Netherlands	555,328	–	555,328	5,987
Italy	424,400	–	424,400	1,222
France	78,700	–	78,700	–
Poland	243,900	–	243,900	372
Finland	115,000	–	115,000	240
Total – Office	**1,417,328**	**–**	**1,417,328**	**7,821**
Light industrial/Logistics				
The Netherlands	65,967	19,392	85,359	631
France	311,700	40,438	352,138	1,788
Germany	119,950	–	119,950	144
Denmark	74,229	9,123	83,352	677
Italy	12,575	–	12,575	1
Total – Light Industrial/ Logistics	**584,421**	**68,953**	**653,374**	**3,241**
Other				
Italy	39,750	–	39,750	154
Total – Other	**39,750**	**–**	**39,750**	**154**
Total – Segments	**2,041,499**	**68,953**	**2,110,452**	**11,216**

Reconciliation to total consolidated assets:	
Cash and cash equivalents	79,250
Receivables – current	57,002
Current tax assets	1,260
Receivables – non-current	605
Derivative financial instruments	883
Deferred tax assets	5,421
Consolidated total assets	**2,254,873**

Segment liabilities

There are no liabilities allocated to segments.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Segment assets

CEREIT **31 Dec 2018**	*Segment assets:* **Investment properties** **€'000**	*Other Information:* **Capital expenditure** **€'000**
Office		
The Netherlands	524,886	4,080
Italy	305,464	968
Finland	113,120	–
Total – Office	**943,470**	**5,048**
Light Industrial		
The Netherlands	82,160	1,016
France	321,240	1,011
Germany	112,500	2,604
Denmark	79,722	258
Italy	12,541	8
Total – Light Industrial	**608,163**	**4,897**
Other		
Italy	138,591	75
Total – Other	**138,591**	**75**
Total – Segments	**1,690,224**	**10,020**
Reconciliation to total consolidated assets:		
Cash and cash equivalents	57,755	
Receivables – current	49,719	
Current tax assets	227	
Receivables – non-current	688	
Derivative financial instruments	5	
Deferred tax assets	16,224	
Consolidated total assets	**1,814,842**	

Segment liabilities

There are no liabilities allocated to segments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

(c) Major customers

Major customers of CEREIT that account for more than 10% of CEREIT's revenue are listed below.

		CEREIT			
		1 Jan 2019 to 31 Dec 2019		Period from Constitution 28 Apr 2017 to 31 Dec 2018	
Name	Segment	Gross revenue €'000	Percentage of total revenue %	Gross revenue €'000	Percentage of total revenue %
Agenzia del Demanio (Italian State Property Office)	Italy-Office/Other	21,155	12.0	19,283	13.6

The Trust is domiciled in Singapore. However, all properties are located in Europe and are held by subsidiaries of the Trust also domiciled in Europe. As such, all revenue from external customers is recognised in the European countries as shown in section (a).

2 REVENUE

Overview

This note provides a further breakdown of property revenue for the financial year/period. CEREIT's revenue consists of rental income from operating leases of CEREIT's investment properties, service charge revenue and other incidental revenue from property ownership such billboards, signage and kiosks. This note also provides overview of the accounting policies on how these revenue items are recognised.

Revenue from properties

	CEREIT	
	1 Jan 2019 to 31 Dec 2019 €'000	Period from Constitution 28 Apr 2017 to 31 Dec 2018 €'000
Lease revenue	144,688	120,926
Service charge revenue	29,732	20,812
Other property revenue	2,626	388
Total revenue	**177,046**	**142,126**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

Accounting policy

Lease revenue

Lease income from operating leases, with CEREIT as lessor of investment properties, is recognised in income on a straight-line basis over the lease term. The respective leased assets, being CEREIT's investment properties, are included in the balance sheet.

Service charge revenue

Service charge revenue are payments from tenants for costs incurred by the landlord to provide services to the tenants, including providing utilities, cleaning, certain maintenance and building management among other operating costs of a property. Service charge revenue is recognised over time as and when the tenant receives and consumes the benefit of the service provided, which is generally simultaneously.

Other property revenue

Other property related revenue is recognised on a straight-line basis over the term of the contract if the contract requires the customer to make fixed payments over time equivalent to a lease.

3 TRUSTEE AND MANAGER'S FEES

Overview

This note provides an overview of the fees charged by the Trustee, the Manager and the Property Manager for the management services they provide to the Unitholders as well as description of how these fees and any other fees that may arise in the future are calculated.

(a) Trustee fees

Pursuant to Clause 15.3 of the Trust Deed, the trustee fees shall not exceed 0.015% per annum of the value of CEREIT's deposited property and subject to a minimum amount of S$15,000 (approximately €9,700) per month, excluding out-of-pocket expenses and GST, and shall be payable out of the deposited property monthly in arrears. The agreed trustee fee is calculated as 0.015% per annum of the value of CEREIT's deposited property up to S$1 billion in deposited property and 0.01% on deposited property value in excess of S$1 billion. Prior to the Listing Date, the trustee fee was S$6,000 per month.

	CEREIT	
	1 Jan 2019 to 31 Dec 2019 €'000	Period from Constitution 28 Apr 2017 to 31 Dec 2018 €'000
Total trustee fee	**250**	**201**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

(b) Manager's fees

The Manager is entitled to management fees comprising a base fee and a performance fee as follows:

Base management fee

The Manager's base fee is calculated as 0.23% per annum of the value of CEREIT's deposited property. The management fee is payable quarterly in arrears.

Performance fee

The Manager's performance fee is calculated as 25.0% of the difference in DPU in a year with the DPU in the preceding year.

The Manager may, at its election, be paid base and/or performance fees in cash, in CEREIT units or a combination of both. The price of CEREIT units issued is determined based on the volume weighted average traded price for a CEREIT unit for all trades on SGX-ST for the last ten business days immediately preceding and including the end date of the relevant periods in which the fees accrue.

As disclosed in CEREIT's prospectus dated 22 November 2017, the Manager has elected to receive all base and performance fees in CEREIT units until the financial year ended 2019.

The following fees were charged during and for the year/period:

	CEREIT	
	1 Jan 2019 to 31 Dec 2019 €'000	Period from Constitution 28 Apr 2017 to 31 Dec 2018 €'000
Base management fees[1]	4,668	3,640
Performance fees[2]	1,952	–
Total manager's fees	**6,620**	**3,640**

(1) Base management fees were only charged from Listing Date. Total base management fees for FY 2019 include some payroll costs which are netted off against amount payable to the Manager.
(2) FY 2019 performance fee was calculated by taking 25% of the difference between FY 2019 DPU of 4.08 cpu and the 12-month 2018 DPU of 3.75 cpu.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

A summary of units issued or issuable as payment of the Manager's fees in respect of the year/period as follows:

For Period	Issue Date	Units	Issue Price[1] €	Total Value €'000
1 Jan 2019 to 31 Dec 2019				
1 January 2019 to 31 March 2019	30 May 2019	2,180,623	0.4937	1,077
1 April 2019 to 30 June 2019	27 August 2019	2,211,302	0.4976	1,100
1 July 2019 to 30 September 2019	18 November 2019	2,432,130	0.4976	1,210
1 October 2019 to 31 December 2019	Issuable[2]	1,810,389	0.5314	962
FY 2019 performance fee	Issuable[2]	3,673,076	0.5314	1,952
Total		**12,307,520**		**6,301**
Period from Constitution 28 Apr 2017 to 31 Dec 2018				
1 January 2018 to 31 March 2018	17 August 2018	1,875,845	0.5758	1,080
1 April 2018 to 30 June 2018	17 August 2018	1,427,894	0.5856	836
1 July 2018 to 30 September 2018	4 March 2019	1,600,130	0.5281	845
1 October 2018 to 31 December 2018	4 March 2019	2,003,300	0.4390	879
Total		**6,907,169**		**3,640**

1 Issue price is based on the volume weighted average traded price per unit for all trades done on the SGX-ST in the ordinary course of trading for 10 business days immediately preceding and including the end date of the relevant periods in which the fees accrued.
2 The units were subsequently issued on 6 March 2020 (refer to note 20(c)).

(c) Property Manager's fees

The property & portfolio management fee is calculated as 0.67% per annum of the value of CEREIT's deposited property. Property & portfolio management fees are shown within property operating expense in the Consolidated Statement of Total Return.

The property & portfolio management fee is payable quarterly in arrears. The Property Manager may, at its election, be paid its fees in cash, in CEREIT units or a combination of both. The price of CEREIT units issued is determined based on the volume weighted average traded price for a CEREIT unit for all trades on SGX-ST for the last ten business days immediately preceding and including the end date of the relevant periods in which the fees accrue.

As disclosed in CEREIT's prospectus dated 22 November 2017, the Property Manager has elected to receive 40% of its fees in CEREIT units until the financial year ended 2019.

The following fees were charged during and for the year/period:

	CEREIT	
	1 Jan 2019 to 31 Dec 2019 €'000	Period from Constitution 28 Apr 2017 to 31 Dec 2018 €'000
Total property & portfolio management fees	**13,599**	**11,372**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

A summary of units issued or issuable as payment of 40% of the property & portfolio management fees in respect of the year/period is as follows:

For Period	Issue Date	Units	Issue Price[1] €	Total Value €'000
1 Jan 2019 to 31 Dec 2019				
1 January 2019 to 31 March 2019	30 May 2019	2,540,900	0.4937	1,255
1 April 2019 to 30 June 2019	27 August 2019	2,576,647	0.4976	1,282
1 July 2019 to 30 September 2019	18 November 2019	2,833,960	0.4976	1,410
1 October 2019 to 31 December 2019	Issuable[2]	2,809,919	0.5314	1,493
Total		**10,761,426**		**5,440**
Period from Constitution 28 Apr 2017 to 31 Dec 2018				
1 January 2018 to 31 March 2018	17 August 2018	2,185,768	0.5758	1,258
1 April 2018 to 30 June 2018	17 August 2018	1,663,807	0.5856	974
1 July 2018 to 30 September 2018	4 March 2019	1,864,500	0.5281	984
1 October 2018 to 31 December 2018	4 March 2019	2,334,279	0.4390	1,025
Total		**8,048,354**		**4,241**

1 Issue price is based on the volume weighted average traded price per unit for all trades done on the SGX-ST in the ordinary course of trading for 10 business days immediately preceding and including the end date of the relevant periods in which the fees accrued.
2 The units were subsequently issued on 6 March 2020 (refer to note 20(c)).

(d) Other fees

Acquisition and divestment fees

Acquisition fees are calculated as 1.0% of the gross acquisition price (or a lower percentage at the discretion of the charging party) of any real estate or any other income producing investment purchased by CEREIT. Divestment fees are calculated as 0.5% of the gross sale price (or lower percentage at the discretion of the charging party) of any real estate or other investment. The fee may be charged by the Manager, the Property Manager or shared between both.

Acquisition and divestments fees may, at the election of the charging party, be paid in cash, in CEREIT units or a combination of both. Under the CIS, in respect of any acquisition of real estate assets from interested parties, such a fee will be in the form of units issued by CEREIT at prevailing market price(s). Such units may not be sold within one year from the date of their issuance.

The IPO acquisition fee was calculated at 0.5% of the agreed purchase price of the IPO portfolio by the Manager and was paid in units. All subsequent acquisition fees were calculated at 1.0% of the gross acquisition price.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

The following acquisition and divestment fees were charged to CEREIT during the year/period:

	CEREIT	
	1 Jan 2019 to 31 Dec 2019 €'000	Period from Constitution 28 Apr 2017 to 31 Dec 2018 €'000
Acquisition fees	3,633	9,489
Divestment fees	95	–
Total acquisition and divestment fees	**3,728**	**9,489**

Acquisition and divestment fees were only charged from Listing Date.

A summary of units issued in satisfaction of acquisition fees in respect of the year/period is as follows:

For Period	Issue Date	Units	Issue Price €	Total Value €'000
1 Jan 2019 to 31 Dec 2019				
Acquisitions from 1 January 2019 to 31 December 2019	30 May 2019	1,442,771	0.4980[1]	718
Total		**1,442,771**		**718**
Period from Constitution 28 Apr 2017 to 31 Dec 2018				
IPO property acquisitions	30 November 2017	11,914,000	0.5500[2]	6,553
Acquisitions post IPO to 31 December 2019	4 March 2019	4,833,292	0.4980[1]	2,407
Total		**16,747,292**		**8,960**

1 Issue price is based on the theoretical ex-rights price ("TERP") per Unit in relation to the Rights Issue in December 2018 as disclosed in the circular to Unitholders in relation to Rights Issue dated 30 October 2018.
2 Issue price is based on the IPO offering price per Unit as disclosed in the Prospectus dated 22 November 2017.

Development management and project management fees

Development management fees are calculated as 3.0% of the total project costs incurred. Where the estimated total project costs are greater than S$200.0 million, the Trustee and the Manager's independent Directors will first review and approve the quantum of the development management fee, whereupon the Manager may be directed by the independent Directors to reduce the development management fee. Further, in cases where the market pricing for comparable services is, in the Manager's view, materially lower than the development management fee, the independent Directors of the Manager shall have the right to direct a reduction of the development management fee to less than 3.0% of the total project costs. The development fee may, at the election of the Manager or Property Manager, be paid in the form of cash and/or CEREIT units.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

Project management fees are calculated as 5.0% of the construction costs for any refurbishment, retrofitting, addition and alteration or renovation works to the relevant property. The project management fee is payable to the property manager in the form of cash and/or CEREIT units (as may be agreed between the Manager and the Property Manager from time to time, and if there is no such agreement, the payment shall be in the form of cash).

Leasing fees

The Property Manager is entitled to the following leasing fees:

a) (in relation to new leases secured by the Property Manager) 5.0% of the net rent receivable (as defined herein) (capped at 20% of the average rent receivable);

b) (in relation to renewal of leases secured by the Property Manager) 2.5% of the net rent receivable (capped at 10% of the average rent receivable); and

c) (in relation to leases in respect of which fees are owed to a third-party agent) 1.0% of the net rent receivable, (capped at 4% of the average rent receivable).

The following fees were charged during the year/period:

	CEREIT	
	1 Jan 2019 to 31 Dec 2019 €'000	Period from Constitution 28 Apr 2017 to 31 Dec 2018 €'000
Development management fees	–	–
Project management fees	668	146
Leasing fees	1,709	871
Total other fees	**2,377**	**1,017**

All fees were paid/payable in cash. There were no fees prior to Listing Date.

4 OTHER TRUST EXPENSES

Overview

CEREIT incurs certain non-property or debt related expenses presented as other trust expenses in the consolidated statement of total return. Such expenses generally consist of compliance, advisory or reporting costs. This note provides a further breakdown of other trust expenses. Additionally, this note also provides information on fees paid to CEREIT's independent auditor.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

a) Other trust expenses breakdown

	CEREIT	
	1 Jan 2019 to 31 Dec 2019 €'000	**Period from Constitution 28 Apr 2017 to 31 Dec 2018 €'000**
Auditor's fees – Deloitte Singapore	136	138
Auditor's fees – Deloitte overseas offices	816	683
Internal audit fees	360	204
Tax compliance fees	755	597
Valuation fees	373	579
Sustainability reporting costs	64	105
Depository bank fees & bank charges	478	478
Other expenses	2,218	2,060
Total other trust expenses	**5,200**	**4,844**

Accounting policy

Expenses

Other trust expenses as well as property-related expenses are recognised on an accrual basis.

b) Auditor's remuneration

Deloitte & Touche LLP Singapore ("Deloitte") are the independent auditors of CEREIT. Deloitte and its overseas offices have provided a number of audit, other assurance and non-assurance related services to CEREIT during the year/period.

Below is a summary of fees paid/payable for various services to Deloitte and it's overseas affiliates during the year/period:

	CEREIT	
	1 Jan 2019 to 31 Dec 2019 €'000	**Period from Constitution 28 Apr 2017 to 31 Dec 2018 €'000**
Audit and other assurance services		
Auditing of financial reports – current year audit	852	821
Auditing of financial reports – prior year audit	100	–
Review of forecasts for capital raising purposes	–	649
Fees paid/payable for audit and other assurance services to Deloitte	**952**	**1,470**
Other services		
Financial due diligence	–	803
Other services	9	5
Total remuneration paid to Deloitte	**961**	**2,278**

During the period from Constitution 28 April 2017 to 31 December 2018, fees paid for reviews of forecasts for capital raising purposes and financial due diligence services are recorded in the balance sheet as unit issue costs and as acquisition costs of investment properties respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

5 EARNINGS PER UNIT

Overview

This note provides information about CEREIT's earnings on a per unit basis. Earnings per unit ("EPU") is a measure that makes it easier for users of CEREIT's financial report to compare CEREIT's performance between different reporting periods. Accounting standards require the disclosure of two EPU measures, basic EPU and diluted EPU. CEREIT does not have dilutive potential units such as options over units. However, the weighted number of average units in issue take into account any units that are issuable at year/period end, that is units to be issued relating to expenses incurred during the year/period.

(a) Earnings per unit

	CEREIT	
	1 Jan 2019 to 31 Dec 2019 €'000	Period from Constitution 28 Apr 2017 to 31 Dec 2018 €'000
Basic and diluted earnings per unit (€ cents)	4.60	7.77
Basic and diluted earnings per unit (€ cents) – annualised[1]	4.60	4.63
Total return for the year/period attributable to Unitholders (€'000)	109,045	88,060
Weighted average number of units ('000)	2,371,732	1,143,177

1 Annualised basic and diluted earnings are calculated over the entire period divided by the days of the respective period multiplied by days in one year.

For units issuable at the end of year/period refer to note 11(b).

6 DISTRIBUTIONS

CEREIT's aim is to provide investors with regular and stable distributions that are growing over time. CEREIT's initial distribution policy was to distribute 100% of CEREIT's annual distributable income for the period from Listing Date to the end of the financial year 2019. In future, the actual level of distribution will be determined at the Manager's discretion, however the distribution policy is to be maintained at 100% in FY 2020. Distributions are paid on a semi-annual basis.

CEREIT has made the following distributions since Listing Date:

Distribution period	Distribution type	Distribution per unit (in € cents)	Total distribution €'000	Date paid
1 January 2019 to 1 July 2019	Capital	2.05	45,116	31 July 2019
1 July 2018 to 31 December 2018	Capital & Tax Exempt	1.57	34,402	29 March 2019
30 November 2017 to 30 June 2018	Capital	2.53	39,906	28 September 2018
Total		**6.15**	**119,424**	

Distribution for FY 2019 of 4.08 cpu comprises distribution for the period from 1 January 2019 to 1 July 2019 (being the day before the new units were issued pursuant to the private placement) of 2.05 cpu and distribution for the period from 2 July 2019 to 31 December 2019 of 2.03 cpu. Distribution for the period from 2 July 2019 to 31 December 2019 comprises tax exempt income of 1.269 cpu and capital of 0.761 cpu.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

7 INCOME TAX

Overview

This note provides detailed information about CEREIT's income tax items and accounting policies. This includes a reconciliation of income tax expense applying the tax rates of each jurisdiction to CEREIT's total return before income tax as shown in the consolidated statement of total return as well as an analysis of CEREIT's deferred tax balances.

Accounting standards require the application of the "balance sheet method" to account for CEREIT's income tax. Accounting profit does not always equal taxable income. There are a number of temporary differences between the recognition of accounting expenses and the availability of tax deductions or when revenue is recognised for accounting purpose and tax purposes. These timing differences reverse over time but they are recognised as deferred tax assets and deferred tax liabilities in the balance sheet until they are fully reversed.

Taxation in Singapore

CEREIT has obtained a Tax Ruling from the IRAS in respect of foreign dividend and interest income from its European property portfolio ("Specified Exempt Income") and derived by its wholly-owned Singapore resident subsidiaries. Pursuant to this Tax Ruling, the wholly-owned Singapore resident subsidiaries will be exempt from Singapore income tax on the Specified Exempt Income.

As such all income tax expense relates to income tax levied on CEREIT's European subsidiaries that hold properties and earn income.

(a) Income tax expense

	CEREIT	
	1 Jan 2019 to 31 Dec 2019 €'000	**Period from Constitution 28 Apr 2017 to 31 Dec 2018 €'000**
Current income tax expense	7,299	5,400
Deferred tax expense	13,697	15,842
Total income tax expense	**20,996**	**21,242**
Deferred tax expense		
Decrease/(increase) in deferred tax assets	11,143	(5,689)
Increase in deferred tax liabilities	2,554	21,531
Total deferred tax expense	**13,697**	**15,842**

NOTES TO THE FINANCIAL STATEMENTS

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(b) Numerical reconciliation between income tax expense and total return before tax

	CEREIT	
	1 Jan 2019 to 31 Dec 2019 €'000	**Period from Constitution 28 Apr 2017 to 31 Dec 2018 €'000**
Total return before income tax	**130,041**	**109,302**
Net expenses incurred in Singapore not subject to income tax	11,265	8,050
Profits subject to income tax in overseas jurisdictions	**141,306**	**117,352**
Tax at domestic rates applicable to profits subject to income tax in overseas jurisdictions	24,961	36,104
Tax effect of amounts which are deductible / (taxable) in calculating taxable income:		
Other deductible expenses	(7,407)	(9,173)
Change in tax losses recognised	3,442	(5,689)
Total income tax expense	**20,996**	**21,242**

Corporate income tax rates applicable in overseas jurisdictions

	Note	1 Jan 2019 to 31 Dec 2019 %	Period from Constitution 28 Apr 2017 to 31 Dec 2018 %
The Netherlands		25.0	25.0
France		31.0	33.3
Germany		15.8	15.8
Denmark		22.0	22.0
Luxembourg		24.9	25.5
Italy	(i)	10.0	10.0
Finland		20.0	20.0
Poland		19.0	N.A.

N.A. – Not applicable

(i) The alternative investments funds ("AIFs") that hold CEREIT's Italian properties are exempt from corporate income tax. Instead withholding tax is applied on profit distributions and interest payments to non-resident investors in Italy. The ordinary withholding tax rate is 26%. However, under the Italy-Luxembourg tax treaty the rate is reduced to 10%. CEREIT's AIFs are held by Luxembourg resident companies also wholly owned by CEREIT.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

(c) Deferred tax

Deferred tax assets

	CEREIT	
	31 Dec 2019 €'000	**31 Dec 2018 €'000**
Deferred tax assets are attributable to:		
Unutilised tax losses	5,421	16,224
Deferred tax assets	**5,421**	**16,224**
Movements:		
At beginning of year/period	16,224	–
Deferred tax assets acquired at acquisition property holding entities	340	10,535
(Charged)/Credited to Statement of Total Return	(11,143)	5,689
At end of year/period	**5,421**	**16,224**

As at 31 December 2019, deferred tax assets have not been recognised in respect of tax losses of €12,956,000 (2018: €15,601,000).

Deferred tax liabilities

	CEREIT	
	31 Dec 2019 €'000	**31 Dec 2018 €'000**
Deferred tax liabilities are attributable to:		
Temporary differences between carrying amounts and tax base of investment properties	28,133	21,531
Deferred tax liabilities	**28,133**	**21,531**
Movements:		
At beginning of year/period	21,531	–
Deferred tax liabilities acquired at acquisition property holding entities	4,048	–
Charged to Statement of Total Return	2,554	21,531
At end of year/period	**28,133**	**21,531**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

Accounting policy

Income tax

CEREIT's income tax expense for the period is the tax payable on the current period's taxable income adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. Deferred tax is not recognised for the recognition of goodwill on business combination and for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Current and deferred tax balances attributable to amounts recognised in other comprehensive income or directly in equity are also recognised in other comprehensive income or directly in equity.

Current and deferred tax balances attributable to amounts recognised in other comprehensive income or directly in equity are also recognised in other comprehensive income or directly in equity.

Significant estimates – deferred tax liabilities

Total deferred tax liabilities include deferred tax liabilities in relation investment properties whereby the carrying amount exceeds the tax depreciated value of certain properties which will in future crystallise a capital gains tax upon disposal of the respective property. CEREIT has recognised a deferred tax liability in relation to the future capital gains tax payable at year-end. In accordance with IAS 12 *Income Taxes* deferred tax liabilities (and assets) shall be measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled.

NOTES TO THE FINANCIAL STATEMENTS

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Operating Assets

This section of the annual financial report provides further information on CEREIT's operating assets. These are assets that individually contribute to CEREIT's revenue and currently consist of investment properties only, however may in the future include joint ventures or associates and investments in listed and unlisted securities to the extent allowable under the Property Funds Appendix of the Code on Collective Investment Schemes ("CIS Code").

8 INVESTMENT PROPERTIES

Overview

Investment properties are properties (land, building or both) held solely for the purpose of earning rental income and / or for capital appreciation. As at 31 December 2019, CEREIT's investment property portfolio comprised 91 (2018: 90) commercial properties in seven countries of which 39 (2018: 29) properties are predominantly office use, 47 (2018: 56) predominantly light industrial use with the remaining 5 (2018: 5) properties being of other use (refer Statement of Portfolio).

This note provides further details on CEREIT's investment property portfolio, including details of acquisitions and other movements during the year/period as well as details on the fair value measurement of the properties.

(a) Reconciliation of carrying amount of investment properties

CEREIT 31 December 2019	The Netherlands €'000	Italy €'000	France €'000	Poland €'000	Germany €'000	Finland €'000	Denmark €'000	**Total €'000**
Independent valuation dated 31 Dec 2019 [1]	616,750	476,725	390,400	243,900	119,950	115,000	74,590	**2,037,315**
	616,750	**476,725**	**390,400**	**243,900**	**119,950**	**115,000**	**74,590**	**2,037,315**
Adjustments to carrying amount:								
Right-of-use asset								**6,669**
Unspent vendor funded capital expenditure [2]								**(1,907)**
Other								**(578)**
Total adjustments								**4,184**
Carrying amount at 31 Dec 2019								**2,041,499**

1 Exclude investment properties reclassified as held for sale.
2 Certain vendors of CEREIT's investment property portfolio have provided funding for any budgeted capital expenditure that was budgeted but not yet spent at acquisition.

NOTES TO THE FINANCIAL STATEMENTS

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CEREIT **31 December 2018**	The Netherlands €'000	Italy €'000	France €'000	Germany €'000	Finland €'000	Denmark €'000	**Total** **€'000**
Independent valuation dated 31 Dec 2018	480,350	421,100	321,600	113,600	–	81,300	**1,417,950**
At acquisition price (directors' valuation)	127,580	36,025	–	–	113,120	–	**276,725**
	607,930	**457,125**	**321,600**	**113,600**	**113,120**	**81,300**	1,694,675
Adjustments to carrying amount:							
Right-of-use asset							**4,979**
Unspent vendor funded capital expenditure [1]							**(8,466)**
Other							**(964)**
Total adjustments							**(4,451)**
Carrying amount at 31 Dec 2018							1,690,224

1 Certain vendors of CEREIT's investment property portfolio have provided funding for any budgeted capital expenditure that was budgeted but not yet spent at acquisition.

Accounting policies

Investment properties

Investment properties are initially measured at cost including transaction costs and subsequently measured at fair value, with any change therein recognised in profit or loss.

Fair value is based upon active market prices, given the assets' highest and best use, adjusted if necessary, for any difference in the nature, location or condition of the relevant asset. If this information is not available, CEREIT uses the capitalised earnings approach for valuations of its investment properties. The highest and best use of an investment property refers to the use of the investment property by market participants that would maximise the value of that investment property.

The carrying value of the investment property includes components relating to lease incentives and other items relating to the maintenance of, or increases in, lease rentals in future periods.

Investment properties under construction are classified as investment property and carried at fair value. Finance costs incurred on investment properties under construction are included in the construction costs.

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Right-of-use land leases

CEREIT recognises a right-of-use ("ROU") land lease representing its right to use the underlying land and a lease liability representing its obligation to make lease payments. ROU for land leases are measured at the amount of the lease liability, adjusted for any prepaid or accrued lease expenses. Subsequently, the lease liability is measured at amortised cost using the effective interest rate method. The ROU asset will be measured at fair value at the date of initial application for leases previously accounted for as operating leases and that will be accounted for as investment property using the fair value model in IAS 40 from date of initial application.

Lease incentives

Lessees may be offered incentives as an inducement to enter into non-cancellable operating leases. These incentives may take various forms including up-front cash payments, rent free periods, or a contribution to certain lessee costs such as fit out costs or relocation costs. Lease incentives form part, as a deduction, of total rent receivable from CEREIT's operating lease contracts and as such are recognised on a straight-line basis over the lease term.

Initial direct leasing costs

Initial direct leasing costs incurred by CEREIT in negotiating and arranging operating leases are recognised as an asset in the balance sheet as a component of the carrying amount of investment property and are amortised as an expense on a straight-line basis over the lease term.

(b) Movements in investment properties

	CEREIT €'000
Balance at 1 Jan 2019	1,690,224
Acquisition of new properties (note 8(c))	365,275
Acquisition costs	10,984
Disposal of existing properties (note 8(d))	(16,891)
Reclassification of investment properties as held for sale (note 16)	(65,700)
Capital expenditure	11,216
Lease incentives, lease costs and rent straight-lining	4,064
Net gain from fair value adjustments	42,378
Others	(51)
Balance at 31 Dec 2019	**2,041,499**

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	CEREIT €'000
Balance at Constitution	–
Transactions prior to Listing Date:	
Acquisition of CECIF portfolio (note 8(c))	209,765
Net loss from fair value adjustments	(462)
Other movements	3,563
Balance at Listing Date	**212,866**
Acquisition of IPO portfolio (note 8(c))	1,106,743
Acquisition of Italian properties (note 8(c))	52,925
Acquisition of new properties (note 8(c))	240,698
Acquisition costs	58,023
Acquisition accounting adjustments [1]	(30,758)
Capital expenditure	10,020
Lease incentives, lease costs and rent straight-lining and other movements	2,566
Net gain from fair value adjustments	37,141
Balance at 31 Dec 2018	**1,690,224**

1 At IPO, all of the properties, except the properties located in Italy, were acquired through the acquisition of all shares in ultimate holding companies of those properties. In relation to the properties acquired since IPO, the majority of properties were also acquired through the acquisition of 100% of the share capital of ultimate holding entities. Under IFRS, these share acquisitions do not represent business combinations as all entities acquired are mere holding entities of properties which does not constitute a business. As a result, such acquisitions are accounted for as asset acquisitions where all acquisition price adjustments that were the result of commercial negotiations, are accounted for through adjustments to the assets acquired.

(c) Investment property acquisitions

Details of investment properties acquired during the year ended 31 December 2019 are as follows:

	Description	Acquisition price (excl. cost) €'000	Valuation at 31 Dec 2019 €'000
Transactions during the year			
French industrial assets	4 light industrial properties in Sully-sur-Loire, Parcay-Meslay, Gennevilliers and Villeneuve-lès-Béziers	28,200	27,700
Polish office assets	3 office assets located in Warsaw and Gdańsk	71,850	73,500
Bronco portfolio	6 office assets located in France and Poland	247,525	249,100
Italian office asset	1 office asset located in Milan	17,700	17,700
Total property acquisitions during the year		**365,275**	**368,000**

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Details of investment properties acquired during the period ended 31 December 2018 are as follows:

	Description	Acquisition price (excl. cost) €'000	Valuation at 31 Dec 2018 €'000
Transactions prior to Listing Date:			
CECIF portfolio	3 office assets located in the Netherlands[1].	209,765	226,100
IPO portfolio acquisitions:			
Dutch Office Portfolio	2 office assets located in the Netherlands.	174,700	176,900
French Industrial Portfolio	11 light industrial assets located in France.	129,000	137,300
Pan-European Industrial Portfolio	44 light industrial assets located in Denmark, France, Germany and the Netherlands.	398,143	456,552
Italian Diversified Portfolio	14 diversified properties located in Italy.	404,900	404,200
Total IPO portfolio		**1,316,508**	**1,401,052**
Transactions since Listing Date:			
Italian properties	3 Italian office assets located in Ivrea, Bari and Genoa.	52,925	52,925
New properties	2 office assets located in the Netherlands and 11 office assets located in Finland.	240,698	240,698
Total property acquisitions since date of Constitution		**1,610,131**	**1,694,675**

1 Prior to the Listing Date, CEREIT as wholly owned entity of Cromwell Property Group ("Cromwell"), acquired the three Dutch office assets from various Cromwell entities. The consideration was paid to Cromwell in the form of CEREIT units.

(d) Investment property disposal

On 18 October 2019, CEREIT completed its disposal of one industrial property located in France, known as Parc d'Osny for a consideration of €19,004,000 and recognised a gain of €2,018,000.

(e) Fair value measurement

CEREIT's investment properties, with an aggregate carrying amount of €2,041,499,000 (2018: €1,690,224,000), are measured using the fair value model as described in IAS 40 *Investment Property*. Fair value is thereby defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Gains or losses arising from changes in the fair value of investment property must be included in net profit or loss for the period in which it arises.

As at 31 December 2019, CEREIT's portfolio of 103 (2018: 75) properties include 12 (2018: nil) properties held for sale. All 91 (2018: 75) properties of CEREIT's investment properties portfolio were valued by independent valuers. The 12 properties held for sale were recorded at sales price. In 2018, 15 properties were carried at purchase price which had been assessed by the Directors of the Manager as their fair value as these properties were acquired just prior to period end.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

Property valuations

As at 31 December 2019, the adopted valuations for 91 (2018: 75) of CEREIT's investment properties are based on independent external valuations representing 100% (2018: 84%) of the value of the portfolio excluding properties held for sale. In accordance with the CIS Code, CEREIT's investment properties are valued at least once per financial year by an independent professionally qualified valuer with a recognised relevant professional qualification with valuers rotated at least every two years.

All property valuations utilise the income capitalisation model supported by recent market sales evidence.

The independent valuations for the properties located in France, Italy and Finland have been prepared by Colliers International Valuation UK LLP and independent valuations for properties located in the Netherlands, Poland, Denmark and Germany have been prepared by Cushman & Wakefield Debenham Tie Leung Limited.

Key inputs used to measure fair value

Income capitalisation method	This method involves assessing the total net market income receivable from the property and capitalising this perpetually, using an appropriate, market derived capitalisation rate, to derive a capital value, with allowances for capital expenditure reversions such as lease incentives and required capital works payable in the near future and overs / unders when comparing market rent with passing rent.
Estimated rental value ("ERV")	ERV is the estimated amount for which a property or space within a property could be leased between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and wherein the parties have each acted knowledgeably, prudently and without compulsion.
Reversionary yield	Reversionary yield is a proxy to the capitalisation rate. Reversionary yield provided by the external valuer is the gross rental value as a percentage of the gross capital value.
Net initial yield	Net initial yield is the ratio of net rental income and gross capital value.
Weighted average lease expiry ("WALE") / Weighted average lease to break ("WALB")	WALE or WALB is used to measure the overall tenancy risk of a particular property to assess the likelihood of a property being vacated. WALE of a property is measured across all tenants' remaining lease terms (in years) and is weighted with the tenants' income against total combined income. Similarly, WALB is measured as remaining term (in years) to the next break (for those leases including such break options) and is weighted with the tenants' income against total income.
Occupancy	Property occupancy is used to measure the proportion of the lettable space of a property that is occupied by tenants under current lease contracts and therefore how much rent is received from the property as percentage of total rent possible if the property was fully occupied.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

All the significant inputs noted above are not observable market data, hence investment property valuations are considered level 3 fair value measurements (refer fair value hierarchy described in note 12).

Significant unobservable inputs associated with the valuations of CEREIT's investment properties are as follows:

	31 Dec 2019		31 Dec 2018	
Inputs	**Range**	**Weighted average**	**Range**	**Weighted average**
Net initial yield (%)	3.3% – 11.1%	5.93%	(2.4%) – 10.7%	6.0%
Reversionary yield (%)	3.7% – 14.5%	6.76%	3.6% – 11.8%	6.6%
WALE (years)	0.6 – 9.5	4.4	0.0 – 10.5	4.7
WALB (years)	0.6 – 8.5	3.5	0.0 – 7.8	4.0
Occupancy (%)	57.0% – 100.0%	93.2%	0.0% – 100.0%	90.8%

Sensitivity information

The relationships between the significant unobservable inputs and the fair value of investment properties are as follows:

Inputs	**Impact of increase in input on fair value**	**Impact of decrease in input on fair value**
Net initial yield	Decrease	Increase
Revisionary yield	Decrease	Increase
WALE/WALB	Increase	Decrease
Occupancy	Increase	Decrease

Properties carried at purchase price

At 31 December 2018, 15 properties were carried at purchase price (net of acquisition costs). These properties include two Italian office assets acquired on 5-Dec-18 for €36,025,000 and a portfolio of 2 Dutch and 11 Finish office assets acquired on 28 December 2018 for €240,698,000. The transaction price was considered equal to the fair value of the property as the sale and purchase agreement was entered into on an arms-length basis between non-related parties. The purchase price was paid in cash to the sellers. Given the insignificant period lapsed from transaction date to financial period end, the Directors of the Managers considered the transaction price to remain the fair value of the properties at financial period end.

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(f) Amounts recognised in profit and loss for investment properties

	CEREIT	
	1 Jan 2019 to 31 Dec 2019 €'000	Period from Constitution 28 Apr 2017 to 31 Dec 2018 €'000
Gross revenue	177,046	142,126
Property operating expense	(60,900)	(46,955)
Net property income	**116,146**	**95,171**

(g) Non-cancellable operating lease receivable from investment property tenants

Investment properties are generally leased on long-term operating leases. Minimum lease payments under the non-cancellable operating leases of CEREIT's investment properties not recognised in the financial statements are receivable as follows:

	CEREIT	
	31 Dec 2019 €'000	31 Dec 2018 €'000
Within one year	141,503	181,838
After one year but within 5 years	314,380	457,246
After 5 years	77,616	106,203
Total non-cancellable operating lease receivable from investment property tenants	**533,499**	**745,287**

Of the above, the following relates to assets held for sale:

	CEREIT	
	31 Dec 2019 €'000	31 Dec 2018 €'000
Within one year	4,964	–
After one year but within 5 years	6,351	–
After 5 years	409	–
Total non-cancellable operating lease receivable from investment property tenants	**11,724**	**–**

(h) Assets pledged as security

As at 31 December 2019, a total of 19 (2018: 87) of CEREIT's investment properties with a combined fair value of €559,650,000 (2018: €1,641,750,000) were pledged as security for CEREIT's senior property level financing facilities. Refer to note 9 for further details.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Finance and Capital Structure

This section of the annual financial report provides further information on CEREIT's debt finance and associated costs, and CEREIT's capital.

Capital is defined as the combination of unitholders' equity, reserves and debt. The Board of Directors of the Manager are responsible for CEREIT's capital management strategy. Capital management is an integral part of CEREIT's risk management framework and seeks to safeguard CEREIT's ability to continue as a going concern while maximising unitholder value through optimising the level and use of capital resources and the mix of debt and equity funding. CEREIT's preferred portfolio gearing range is 35% – 40%.

9 BORROWINGS

Overview

CEREIT borrows funds from financial institutions to partly fund the acquisition of investment properties. A significant proportion of these borrowings are generally fixed either directly or using interest rate swaps/options and/or caps and have a fixed term. This note provides information about CEREIT's debt facilities, including maturity dates, security provided and facility limits as well finance costs incurred in relation to these debt facilities.

	CEREIT		Trust	
	31 Dec 2019 €'000	**31 Dec 2018 €'000**	**31 Dec 2019 €'000**	**31 Dec 2018 €'000**
Current				
Unsecured loans – financial institutions	20,438	–	–	–
Total current borrowings	**20,438**	**–**	**–**	**–**
Non-current				
Secured loans – financial institutions	230,855	575,340	–	–
Unsecured loans – financial institutions	579,500	22,825	–	22,825
Unamortised transaction costs	(6,995)	(6,432)	–	(1,306)
Total non-current borrowings	**803,360**	**591,733**	–	**21,519**
Total borrowings	**823,798**	**591,733**	–	**21,519**

Accounting policy

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost using the effective interest rate method. Under this method fees, costs, discounts and premiums directly related to the financial liability are spread over their expected life.

Borrowing costs incurred on funds borrowed for the construction of a property are capitalised, forming part of the construction cost of the asset. Capitalisation ceases upon practical completion of the property. Other borrowing costs are expensed.

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FOR THE YEAR ENDED 31 DECEMBER 2019

(a) Borrowing details

CEREIT				**31 Dec 2019**		**31 Dec 2018**	
				Facility	**Utilised**	**Facility**	**Utilised**
Facility	**Note**	**Secured**	**Maturity**	**€'000**	**€'000**	**€'000**	**€'000**
Finland	(a)	Yes	Dec-21	53,750	53,750	53,750	53,750
Dutch Office 3 & Poland Office	(b)	Yes	Dec-21	94,730	94,730	60,601	60,601
Dutch Office 2	(c)	Yes	Dec-26	82,375	82,375	82,375	82,375
France Light Industrial	(d)	Yes	Nov-20	–	–	50,000	50,000
Denmark Light Industrial	(e)	Yes	Nov-20	–	–	26,114	26,114
Pan-European Light Industrial	(f)	Yes	Mar-21	–	–	95,000	95,000
Dutch Office 1	(g)	Yes	Nov-20	–	–	57,500	57,500
Italy	(h)	Yes	Nov-20	–	–	150,000	150,000
Revolving Credit Facility	(l)	No	Jan-20	–	–	100,000	22,825
Poland VAT loan	(i)	No	Apr-20	20,438	20,438	–	–
Note Issuance Facility	(i)	No	Aug-21	104,500	104,500	–	–
German Schuldschein	(j)	No	Nov-22	23,000	23,000	–	–
Term loan 3 year	(k)	No	Nov-22	287,000	287,000	–	–
Term loan 5 year	(k)	No	Nov-24	165,000	165,000	–	–
Revolving Credit Facility	(l)	No	Nov-22	150,000	–	–	–
Total				**980,793**	**830,793**	**675,340**	**598,165**

Trust				**31 Dec 2019**		**31 Dec 2018**	
				Facility	**Utilised**	**Facility**	**Utilised**
Facility	**Note**	**Secured**	**Maturity**	**€'000**	**€'000**	**€'000**	**€'000**
Revolving Credit Facility	(l)	No	Jan-20	–	–	100,000	22,825
Total				**–**	**–**	**100,000**	**22,825**

In November 2019, CEREIT completed a transformational €625.0 million secured to unsecured refinancing which resulted in the repayment of a number of secured property level financing agreement.

Property level financing facilities

Property level financing facilities are secured by first-ranking mortgages over the relevant properties as well as pledges over the receivables of the property holding SPVs, pledges over the entire share capital of the property holding SPVs, pledges over the receivables of any lease agreements and insurance proceeds pertaining to the relevant properties, a first priority account pledge over all bank accounts of the property-holding SPVs and a pledge over all hedging receivables in relation to the relevant property level financing facility.

(a) Finland

The Finland facility is secured over 11 (2018: 11) Finnish office properties with an aggregate carrying amount of €115.0 million (2018: €113.1 million). Interest is payable quarterly in arrears at variable rates based on the EURIBOR 3 months swap rate plus a loan margin. The EURIBOR 3 months swap rate at 31 December 2019 was -0.41% (2018: -0.31%) per annum.

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(b) *Dutch Office 3 & Poland Office*

The Netherlands & Poland facility is secured over 2 (2018: 2) Dutch office properties and 3 (2018: Nil) Polish office properties with an aggregate carrying amount of €209.5 million (2018: €127.6 million). Interest is payable quarterly in arrears at variable rates based on the EURIBOR 3 months swap rate plus a loan margin. The EURIBOR 3 months is capped at a strike rate of 0.50% per annum respectively.

(c) *Dutch Office 2*

The Dutch Office 2 facility is secured over 3 (2018: 3) Dutch office properties with an aggregate carrying amount of €235.2 million (2018: €226.1 million). Interest is payable quarterly in arrears at a fixed rate of 1.93% per annum.

(d) *France Light Industrial*

In 2018, the France Industrial portfolio facility is secured over 11 French light industrial properties with an aggregate carrying amount of €137.3 million. Interest is payable quarterly in arrears at variable rates based on the EURIBOR 3 months swap rate (with a floor at zero) plus a loan margin. The EURIBOR 3 months swap rate at 31 December 2018 was -0.31%. The facility was fully repaid during FY 2019 following the refinancing executed in November 2019.

(e) *Denmark Light Industrial*

In 2018, the Denmark Industrial facility, which is denominated in Danish Krone is secured over 13 Danish light industrial properties with an aggregate carrying amount of €81.3 million. Interest is payable quarterly in arrears at variable rates based on the CIBOR 3 months swap rate plus a loan margin. The facility was fully repaid during FY 2019 following the refinancing executed in November 2019.

(f) *Pan-European Light Industrial*

In 2018, the Pan-European Industrial facility is secured over 31 light industrial properties located in France, the Netherlands and Germany with an aggregate carrying amount of €375.3 million. Interest is payable quarterly in arrears at variable rates based on the EURIBOR 3 months swap rate plus a loan margin. The facility was fully repaid during FY 2019 following the refinancing executed in November 2019.

(g) *Dutch Office 1*

In 2018, the Dutch Office 1 facility is secured over two Dutch office properties with an aggregate carrying amount of €176.9 million. Interest is payable quarterly in arrears at variable rates based on the EURIBOR 3 months swap rate plus a loan margin. The facility was fully repaid during FY 2019 following the refinancing executed in November 2019.

(h) *Italy*

In 2018, the Italy facility is secured against 14 Italian office and other type properties with an aggregate carrying amount of €404.2 million. Interest is payable quarterly in arrears variable rates based on the EURIBOR 3 months swap rate plus a loan margin. The Ivrea, Bari and Genoa properties acquired in 2018, are unencumbered and therefore are not subject to any security claims. The facility was fully repaid during FY 2019 following the refinancing executed in November 2019.

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Unsecured financing facilities

(i) Poland VAT loan and Note Issuance Facility ("NIF")

The Note Issuance Facility, in the amount of €104.5 million was raised for the purpose of funding CEREIT's portfolio acquisitions during the financial year in Poland and France. The facility includes an additional, temporary VAT facility which is denominated in Polish Zloty. Both the NIF and the VAT facility are unsecured and subject to EURIBOR 3 months which is floored at 0.0% as long as EURIBOR is negative. An interest rate cap with a strike rate of 0.0% was executed and co-matures with the loan. The hedge notional is 100.0% (excluding the temporary VAT facility).

(j) German Schuldschein

The German Schuldschein in the amount of €23.0 million which is an unsecured private placement under German governing law was part of the transformational refinancing completed in November 2019. The proceeds were used to refinance secured property level financing arrangements. The German Schuldschein is subject to EURIBOR 3 months which is floored at 0.0% as long as EURIBOR is negative. An interest cap with a strike rate of 0.0% was executed, covering 100.0% of the notional and co-matures with the term of the private placement.

(k) Term Loan 3 and 5 Years

In November 2019, CEREIT raised a total of €452.0 million in the form of unsecured term loan and notes. The financing was raised in two tranches:

i. A 3-year term loan and note amounting to €287.0 million; and

ii. A second, 5-year tranche in the amount of €165.0 million.

Both tranches are subject to EURIBOR 3 months which is floored at 0.0% as long as EURIBOR is negative. An interest rate cap with a strike rate of 0.0% was executed, covering 100.0% of the notional and co-matures with the term of each respective tranche.

(l) Revolving Credit Facility ("RCF")

Trust RCF was fully repaid during FY 2019 and a new RCF was put in place to provide CEREIT with additional financing flexibility and working capital. As part of the completed secured to unsecured financing in November 2019, the new RCF limit was increased to €150.0 million (2018: €100.0 million) and the margin reduced to 1.15% per annum.

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FOR THE YEAR ENDED 31 DECEMBER 2019

(b) Net finance costs

	CEREIT	
	1 Jan 2019 to 31 Dec 2019 €'000	**Period from Constitution 28 Apr 2017 to 31 Dec 2018 €'000**
Interest expense	12,168	10,542
Amortisation of debt issuance costs	5,981	3,025
Facility break fee	719	–
Interest income	(82)	(27)
Total net finance costs	**18,786**	**13,540**

Information about CEREIT's exposure to interest rate changes is provided in note 12(c).

10 DERIVATIVE FINANCIAL INSTRUMENTS

Overview

CEREIT's derivative financial instruments consist of interest rate swap/options and interest rate cap contracts which are used to fix interest on floating rate borrowings ("interest rate hedge contracts") and form an integral part of CEREIT's interest rate risk management. This note provides for further details on CEREIT's interest rate hedging profile, details of expiries of interest rate hedge contracts as well as CEREIT's accounting policy for such contracts.

	CEREIT	
	31 Dec 2019 €'000	**31 Dec 2018 €'000**
Non-current assets		
Interest rate cap contracts	883	5
Current liabilities		
Interest rate swap contracts	(99)	(271)
Total derivative financial instruments	784	(266)
Derivative financial instruments as a percentage of net assets	0.06%	0.02%

Accounting policy

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured to fair value at balance date. Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

CEREIT enters into interest rate swap and cap agreements that are used to convert certain variable interest rate borrowings to fixed interest rates. The derivatives are entered into with the objective of hedging the risk of adverse interest rate fluctuations. CEREIT has not elected to apply hedge accounting to this arrangement and changes in fair value are recognised immediately in profit or loss.

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(a) Interest rate swap and cap contract expiry profile

The notional principal amounts and period of expiry of CEREIT's interest rate swap and cap contracts were as follows:

	CEREIT 31 Dec 2019 €'000	CEREIT 31 Dec 2018 €'000
Less than 1 year	148,480	246,222
1 – 2 years	104,500	50,000
2 – 3 years	–	47,373
3 – 4 years	475,000	–
4 years and longer	82,375	82,375
Total interest rate hedge contracts	**810,355**	**425,970**

(b) Debt hedging profile

Below table provides an overview of hedging of CEREIT's borrowings through interest rate cap and interest rate swap contracts:

	31 Dec 2019				31 Dec 2018			
	Hedge contract notional €'000	Average strike rate %	Borrowing €'000	Percentage hedged %	Hedge contract notional €'000	Average strike rate %	Borrowing €'000	Percentage hedged %
Interest rate cap contracts	674,230	0.07%	674,230	100.0%	126,123	0.84%	154,873	81.4%
Interest rate swap contracts	136,125	0.31%	136,125	100.0%	299,847	0.05%	306,116	98.0%
Unhedged	–	–	20,438	0.0%	–	–	137,176[1]	0.0%
Total	**810,355**	**0.11%**	**830,793**	**97.5%**	**425,970**	**0.28%**	**598,165**	**71.2%**

[1] Includes new borrowing facilities of €114,351,000 drawn down on 28-Dec-18 to partly fund the acquisition of 11 office asset in Finland and two office assets in the Netherlands (refer Finland and Dutch Office 3 facilities in note 9). Hedge contracts were taken out by CEREIT in relation to these facilities in 2019 100% of the interest rate risk in relation to these facilities. If these interest hedge contracts entered into in 2019 are taken into account 90.3% of CEREIT's debt drawn down on at 31 December 2018 hedged on a going forward basis with either interest rate cap or interest rate swap contracts.

The weighted average strike rate of interest rate swap contracts at financial year/period end was 0.31% (2018: 0.05%) and the weighted average cap on interest rate cap contracts was 0.07% (2018: 0.84%) with a fixed and capped weighted average of 0.11% (2018: 0.28%).

NOTES TO THE FINANCIAL STATEMENTS

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11 CONTRIBUTED EQUITY

Overview

This note provides further details on units issued and issuable by CEREIT as at year/period end, and rights attached to CEREIT units.

	CEREIT		Trust	
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
Total contributed equity (€'000)	**1,236,795**	**1,070,501**	**1,237,132**	**1,070,501**
Units in issue ('000)	**2,547,787**	**2,181,978**	**2,547,787**	**2,181,978**

Accounting policy

Units issued of the Trust are classified as equity forming part of Unitholders' funds. Incremental costs directly attributable to the issue of new units are shown in Unitholders' funds as a deduction from the proceeds.

Where any CEREIT company purchases CEREIT units, for example as the result of a unit buy-back, the consideration paid, including any directly attributable incremental costs is deducted from Unitholders' funds. Unit acquired under a unit buy-back program are cancelled immediately.

(a) Movements in contributed equity

The following reconciliation summarises the movements in contributed equity. Issues of a similar nature have been grouped and the issue price shown is the weighted average. Detailed information on each issue of units is publicly available via the SGXnet and CEREIT's webpage.

	CEREIT and Trust	
	31 Dec 2019 No of units '000	31 Dec 2018 No of units '000
At the beginning of the year/period	2,181,978	–
Units issued prior to Listing Date:		
– Issue of units to Sponsor	–	183,934
Units issued on Listing Date:		
– Sponsor units	–	367,788
– Offering and to cornerstone investors	–	1,010,354
– Acquisition fees paid in units	–	11,914
Units issued after Listing Date:		
– Acquisition fees paid in units	6,276	–
– Manager's base fee paid in units	10,427	3,304
– Property manager's fee paid in units	12,150	3,850
– Rights issue	–	600,834
– Private Placement	326,086	–
– Purchase consideration	10,870	–
At end of year/period	**2,547,787**	**2,181,978**

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(b) Units issuable

	CEREIT and Trust	
	31 Dec 2019 '000	**31 Dec 2018 '000**
Manager's base fee	1,810	3,603
Manager's performance fee	3,673	–
Property Manager's fee	2,810	4,198
Acquisition fee	–	4,833
Total units issuable	8,293	12,634
Units in issue	2,547,787	2,181,978
Total units issued and issuable	**2,556,080**	**2,194,612**

(c) Rights and restrictions relating to CEREIT units

The rights and interests of Unitholders are contained in CEREIT's trust deed and include the rights to:

- Entitlement to distributions determined in accordance with the trust deed;
- Participate in the termination of the Trust by receiving a share of the net proceeds of realisation among the Unitholders pro rata in accordance with the number of units held by the Unitholders and in accordance with the winding up procedures under the trust deed;
- Attend all Unitholder meetings with one vote per unit.

A Unitholder has no equitable or proprietary interest in the underlying assets of CEREIT and is not entitled to the transfer to it of any asset (or any part thereof). The Unitholders' liability is limited to the amount paid or payable for any units. The provisions of the trust deed provide that no Unitholder will be personally liable to indemnify the Trustee or any creditor of the Trustee in the event that liabilities of the Trust exceed its assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

12 FINANCIAL RISK MANAGEMENT

Overview

CEREIT's activities expose it to a variety of financial risks which include credit risk, liquidity risk and market risk. This note provides information about the Manager's risk management strategy for CEREIT in relation to each of the above financial risks to which CEREIT is exposed to.

The Manager's overall risk management program focuses on managing these risks and seeks to minimise potential adverse effects on the financial performance of CEREIT. CEREIT uses derivative financial instruments such as interest rate derivatives to hedge certain risk exposures. The Manager seeks to deal only with creditworthy counterparties. Liquidity risk is monitored through the use of future rolling cash flow forecasts.

The Manager's management of treasury activities is centralised and governed by policies approved by the Directors who monitor the operating compliance and performance as required. CEREIT has policies for overall risk management as well as policies covering specific areas such as identifying risk exposure, analysing and deciding upon strategies, performance measurement, the segregation of duties and other controls around the treasury and cash management functions.

CEREIT and the Trust hold the following financial instruments:

	Type of financial instrument	CEREIT 31 Dec 2019 €'000	CEREIT 31 Dec 2018 €'000	Trust 31 Dec 2019 €'000	Trust 31 Dec 2018 €'000
Financial assets					
Cash and cash equivalents	(1)	79,250	57,755	14,346	15,732
Receivables	(1)	27,227	20,661	111,727	40,586
Derivative financial instruments	(2)	883	5	–	–
Total financial assets		**107,360**	**78,421**	**126,073**	**56,318**
Financial liabilities					
Payables	(1)	31,058	44,299	178,442	77,200
Borrowings	(1)	830,793	591,733	–	21,519
Derivative financial instruments	(2)	99	271	–	–
Other liabilities -finance lease liabilities	(1)	6,841	5,084	–	–
Total financial liabilities		**868,791**	**641,387**	**178,442**	**98,719**

Type of financial instrument as per IFRS 7 – *Financial Instruments: Disclosures*

(1) At amortised cost
(2) At fair value through profit or loss

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

(a) Credit risk

Credit risk is the risk that a counterparty will default on its contractual obligations under a financial instrument and result in a financial loss to CEREIT. Credit risk arises from cash and cash equivalents and favourable derivative financial instruments with banks and financial institutions and receivables.

CEREIT manages this risk by:

- establishing credit limits for customers and managing exposure to individual entities;
- monitoring the credit quality of all financial assets in order to identify any potential adverse changes in credit quality;
- derivative counterparties and cash transactions, when utilised, are transacted with high credit quality financial institutions with a minimum rating of BBB-/Baa3;
- regularly monitoring receivables on an ongoing basis;
- Requiring tenants to pay deposits upon commencement of leases which may be retained if the tenant defaults on rent payments.

Impairment of financial assets

CEREIT financial assets that are subject to the expected credit loss model are trade receivables. While cash and cash equivalents are also subject to the impairment requirements of IFRS 9 *Financial Instruments*, there was no identified impairments loss.

Rent and service charges from tenants are due and payable on invoice date with no credit terms provided mitigating largely any credit risk. Additionally, there are no significant concentrations of credit risk, whether through exposure to individual tenants, specific sectors or industries tenants operate in and/or regions.

For any rent receivables due to late payment of rent, CEREIT applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all rental receivables. To measure expected credit losses CEREIT has established an accounting policy that groups rental receivables based on days past due and applies a percentage of expected non-recoveries for each group of receivables. Following this, the level of tenant deposits held against possible non-recoveries is reviewed to identify possible credit losses to CEREIT.

As at year/period end, credit losses from rental receivables are expected to be insignificant.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

(b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash reserves and undrawn finance facilities to meet the ongoing operational requirements of the business. It is CEREIT's policy to maintain sufficient funds in cash and cash equivalents to meet expected near term operational requirements. The Manager prepares and monitors rolling forecasts of liquidity requirements on the basis of expected cash flow. The Manager monitors the maturity profile of borrowings and puts in place strategies designed to ensure that all maturing borrowings are refinanced in the required timeframes.

As at 31 December 2019, the Trust's current liabilities exceed its current assets by €49,974,000 (2018: €18,673,000). As the payables are mostly made up of payables to subsidiaries and with CEREIT's existing finance facilities, the Manager is of the opinion that the Trust will be able to meet its obligations as and when they fall due.

The contractual maturity of CEREIT's and the Trust's financial liabilities at balance date are shown in the table below. It shows undiscounted contractual cash flows required to discharge CEREIT's financial liabilities, including interest at current market rates.

	CEREIT				Trust			
	1 year or less €'000	1-3 years €'000	4 years or more €'000	Total €'000	1 year or less €'000	1-3 years €'000	4 years or more €'000	Total €'000
31 Dec 2019								
Payables	30,757	301	–	31,058	178,442	–	–	178,442
Borrowings	20,438	562,980	247,375	830,793	–	–	–	–
Derivative financial instruments	99	–	–	99	–	–	–	–
Other liabilities – finance lease liabilities	343	1,053	5,445	6,841	–	–	–	–
Total financial liabilities	**51,637**	**564,334**	**252,820**	**868,791**	**178,442**	**–**	**–**	**178,442**

	CEREIT				Trust			
	1 year or less €'000	1-3 years €'000	4 years or more €'000	Total €'000	1 year or less €'000	1-3 years €'000	4 years or more €'000	Total €'000
31 Dec 2018								
Payables	43,557	742	–	44,299	77,200	–	–	77,200
Borrowings	–	509,358	82,375	591,733	–	21,519	–	21,519
Derivative financial instruments	271	–	–	271	–	–	–	–
Other liabilities – finance lease liabilities	89	969	4,026	5,084	–	–	–	–
Total financial liabilities	**43,917**	**511,069**	**86,401**	**641,387**	**77,200**	**21,519**	**–**	**98,719**

CEREIT does not face a significant liquidity risk with regard to its lease liabilities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

	31 Dec 2019 Minimum lease payable €'000	31 Dec 2019 Present value of minimum lease payments €'000
Amounts payable under finance leases:		
Within 1 year	346	343
After 1 year	8,484	6,498
	8,830	6,841
Less: Future finance charges	(1,991)	n.a.
Present value of lease obligations	6,839	6,841
Less: Amount due for settlement within 12 months		(343)
Amount due for settlement after 12 months		6,498

(c) Market risk

Market risk is the risk that the fair value or future cash flows of CEREIT's financial instruments fluctuate due to market price changes. CEREIT is exposed to the following market risks:

- Cash flow and fair value interest rate risk; and
- Foreign exchange risk.

Interest rate risk

CEREIT's interest rate risk primarily arises from long-term borrowings. Borrowings issued at variable rates expose CEREIT to cash flow interest rate risk. Borrowings issued at fixed rates expose CEREIT to fair value interest rate risk. CEREIT's hedging arrangements are monitored on an ongoing basis by the Board of Directors which determine the appropriate level of hedging of CEREIT's borrowings. For the current hedging profile of CEREIT's borrowings refer to note 10(b).

Sensitivity analysis – interest rate risk

The table below details CEREIT's sensitivity to movements in the year/period end interest rates, based on the borrowings and interest rate derivatives held at balance date with all other variables held constant and assuming all CEREIT's borrowings and interest rate derivatives moved in correlation with the movement in financial period end interest rates.

	CEREIT Impact on Total Return	
	1 Jan 2019 to 31 Dec 2019 €'000	Period from Constitution 28 Apr 2017 to 31 Dec 2018 €'000
Interest rates – increase by 100 basis points	9,788	3,306
Interest rates – decrease by 100 basis points	261	(3,775)

There would have been no impact on other equity balances.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Foreign exchange risk

CEREIT's foreign exchange risk primarily arises from its operations in non-Euro denominated countries. These include Denmark where CEREIT owns 13 light industrial assets and the functional currency is Danish Krona ("DKK"), Poland where CEREIT owns 6 office assets and Singapore where the Trust is domiciled. While the Trust's functional currency is also Euro, the Trust makes payments to various suppliers and holds cash in Singapore Dollars (SGD).

CEREIT's exposure to these foreign currency risk at the balance sheet date, expressed in Euro, was as follows:

		CEREIT		Trust
	DKK €'000	**PLN €'000**	**SGD €'000**	**SGD €'000**
31 Dec 2019				
Cash and cash equivalents	1,279	9,032	346	314
Receivables	895	20,482	2,393	2,393
Payables	(40,296)	–	(454)	(425)
Borrowings	–	(20,438)	–	–
Net exposure	**(38,122)**	**9,076**	**2,285**	**2,282**

		CEREIT		Trust
	DKK €'000	**PLN €'000**	**SGD €'000**	**SGD €'000**
31 Dec 2018				
Cash and cash equivalents	1,404	–	362	362
Receivables	167	–	–	–
Payables	(3,226)	–	–	–
Borrowings	(25,895)	–	–	–
Derivative financial instruments	(22)	–	–	–
Net exposure	**(27,572)**	**–**	**362**	**362**

Sensitivity analysis – foreign exchange risk

	1 Jan 2019 to 31 Dec 2019			
		CEREIT		**Trust**
	DKK €'000	**PLN €'000**	**SGD €'000**	**SGD €'000**
Increase / (decrease) in total return if foreign currency strengthening 1% on Euro	381	(91)	(23)	(23)

	Period from Constitution 28 Apr 2017 to 31 Dec 2018			
		CEREIT		**Trust**
	DKK €'000	**PLN €'000**	**SGD €'000**	**SGD €'000**
Increase / (decrease) in total return if foreign currency strengthening 1% on Euro	28	–	(4)	(4)

The weakening of the foreign currencies to which CEREIT is exposed to by the same percentage would have had the equal but opposite effect on total return and Unitholders' funds.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

(d) Fair value measurement of financial instruments

CEREIT uses a number of methods to determine the fair value of its financial instruments as described in IFRS 13 *Fair Value Measurement*. The methods comprise the following:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The table below presents CEREIT's financial assets and liabilities measured and carried at fair value at balance sheet date:

		CEREIT As at 31 Dec 2019			
		Level 1	Level 2	Level 3	Total
	Note	€'000	€'000	€'000	€'000
Financial assets at fair value					
Derivative financial instruments	10	–	883	–	883
Financial liabilities at fair value					
Derivative financial instruments	10	–	99	–	99

		CEREIT As at 31 Dec 2018			
		Level 1	Level 2	Level 3	Total
	Note	€'000	€'000	€'000	€'000
Financial assets at fair value					
Derivative financial instruments	10	–	5	–	5
Financial liabilities at fair value					
Derivative financial instruments	10	–	271	–	271

There were no transfers between the levels of the fair value hierarchy during the year/period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

Disclosed fair values

The fair values of derivative financial instruments (Level 2) are disclosed in the balance sheet.

The carrying amounts of receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of non-current variable interest-bearing borrowings approximate their fair values as they are floating rate instruments that are re-priced to market interest rate on or near balance sheet date.

Valuation techniques used to derive Level 2 fair values

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 2 financial assets and financial liabilities held by CEREIT include "Vanilla" fixed to floating interest rate swap and interest rate cap contracts (over-the-counter derivatives). The fair value of these derivatives has been determined using a pricing model based on discounted cash flow analysis which incorporates assumptions supported by observable market data at balance date including market expectations of future interest rates and discount rates adjusted for any specific features of the derivatives and counterparty or own credit risk. All counterparties to interest rate derivatives are European financial institutions.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

Group Structure

This section will provide information about the CEREIT group structure including information about controlled entities (subsidiaries), if applicable, business combination information relating to the acquisition of controlled entities.

13 CONTROLLED ENTITIES

Name	Country of registration	Equity holding & ownership interest 2019 %	2018 %
Cromwell SG SPV 1 Pte. Ltd.	Singapore	100	100
Cromwell SG SPV 2 Pte. Ltd.	Singapore	100	100
Cromwell SG SPV 3 Pte. Ltd.	Singapore	100	100
Cromwell SG SPV 4 Pte. Ltd.	Singapore	100	100
Cromwell SG SPV 5 Pte. Ltd.	Singapore	100	100
Cromwell EREIT SG Finco Pte. Ltd.^	Singapore	100	–
Parc d'Activités 1 Luxembourg	Luxembourg	100	100
Cromwell EREIT Lux 2 S.à r.l.	Luxembourg	100	100
Cromwell EREIT Lux 3A S.à r.l.	Luxembourg	100	100
Cromwell EREIT Lux 3B S.à r.l.	Luxembourg	100	100
Cromwell EREIT Lux 4 S.à r.l.	Luxembourg	100	100
Cromwell EREIT Lux 5 S.à r.l.	Luxembourg	100	100
PA Holdings Luxembourg S.à r.l.	Luxembourg	100	100
EHI Luxembourg S.à r.l.	Luxembourg	100	100
Cromwell European Cities Income Fund S.C.Sp.	Luxembourg	100	100
Cromwell European Cities Income Fund General Partner S.à r.l.	Luxembourg	100	100
CECIF Lux Holdco 1	Luxembourg	100	100
CECIF Lux Holdco 2	Luxembourg	100	100
CECIF Lux Bidco 1	Luxembourg	100	100
Arkonska PL Propco S.à r.l.	Luxembourg	100	100
Riverside PL Propco S.à r.l.	Luxembourg	100	100
Grojecka PL Propco S.à r.l.	Luxembourg	100	100
Moeder Teresalaan NL Propco S.à r.l.	Luxembourg	100	100
Cromwell EREIT Lux Finco S.à r.l.^	Luxembourg	100	–
Europe 1 Propco S.à r.l^	Luxembourg	100	100
EHI CV1 UK Limited	UK	100	100
EHI CV3 UK Limited	UK	100	100
EHIF (Denmark) Limited	UK	100	100
EHIF Limited	UK	100	100
EHI Fund (Jersey) Limited	Jersey	100	100
EHI Fund Germany Limited	Jersey	100	100
EHI Fund One CV	The Netherlands	100	100
Euroind Two CV	The Netherlands	100	100
Euroind Three CV	The Netherlands	100	100
EHI Fund GP (Netherlands) B.V.	The Netherlands	100	100

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Name	Country of registration	Equity holding & ownership interest 2019 %	2018 %
Yova Central Plaza B.V.	The Netherlands	100	100
Yova Koningskade B.V.	The Netherlands	100	100
Yova Ruyterkade B.V.	The Netherlands	100	100
Yova Haagse Poort B.V.	The Netherlands	100	100
Yova Blaak B.V.	The Netherlands	100	100
Peacock Real Estate B.V.	The Netherlands	100	100
EHI Fund Denmark ApS	Denmark	100	100
Cambil Spółka z ograniczoną odpowiedzialnością^	Poland	100	–
Kasteli Spółka z ograniczoną odpowiedzialnością^	Poland	100	–
Cromwell Europa 1 AIF	Italy	100	100
Cromwell Europa 2 AIF	Italy	100	100
Centro Lissone S.R.L.	Italy	100	100
PA France[a]	France	100	100
PA Pantin SAS[a]	France	100	100
PA Osny SAS[c]	France	100	100
PA Sartrouville SAS[a]	France	100	100
PA Villeneuve SAS[a] [1]	France	100	100
PA Acticlub Saint Thibault	France	100	100
PA Aubervilliers SCI	France	100	100
PA Aulnay[1]	France	100	100
PA La Courneuve	France	100	100
PA Gennevilliers SCI	France	100	100
PA St Thibault[1]	France	100	100
PA Urbaparc SCI	France	100	100
EHI France 1 Champs Sur Marne	France	100	100
EHI France 4 Magny Les Hameaux	France	100	100
EHI France 5 Saint Ouen	France	100	100
EHI France 8 Saint Genis Laval[1]	France	100	100
EHI France 9 Villepinte	France	100	100
EHI France 11 Bar Le Duc	France	100	100
EHI France 15 Gondreville	France	100	100
EHI France 17 Saint Etienne [1]	France	100	100
EHI France 20 Vitry Sur Seine	France	100	100
EHI France 22 Noisy Le Sec	France	100	100
Logistics France 1 SAS^	France	100	–
Parc Logistique SAS[b] ^	France	100	–
SCI Cap Mermoz^	France	100	–
SCI Confluence Paryseine^	France	100	–
Myyrinraitti Holdco Oy	Finland	100	100
PKK 3 Holdco Oy	Finland	100	100
PKK 12 Holdco Oy	Finland	100	100
Plaza Forte Holdco Oy	Finland	100	100
Artemis Holdco Finland Oy	Finland	100	100
Artemis Acquisition Finland Oy[@]	Finland	–	100

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Name	Country of registration	Equity holding & ownership interest 2019 %	2018 %
Vioto Holdco Oy	Finland	100	100
Vioto Oy (OREC)[@]	Finland	–	100
Koy Maki 3 (OREC)	Finland	100	100
Koy Kuopio 39 (OREC)	Finland	100	100
Liiketalo Myyrinraitti Oy (MREC)	Finland	94	94
Kiinteistö Oy Pakkalan Kartanonkoski 3 (MREC)[@]	Finland	–	100
Kiin Oy Pakkalan Kartanonkoski 12 (MREC)	Finland	100	100
Kiinteistö Oy Plaza Forte (MREC)	Finland	100	100
Kiinteistö Oy Plaza Allegro (MREC)	Finland	100	100
Kiinteistö Oy Plaza Vivace (MREC)	Finland	100	100
Kiinteistö Oy Opus 1 (MREC)	Finland	100	100
Yrityspuiston Autopaikat Oy	Finland	57	57

(1) The entities were reclassified as "Assets held for sale" (Note 16), pursuant to the announcement for disposal of a portfolio of 12 assets located in France, Denmark and the Netherlands on 17 December 2019.
^ Established/ acquired during FY 2019
@ Dissolved during FY 2019

All of CEREIT's subsidiaries are holding entities or entities that hold CEREIT's investment properties.

Notes:

All of the above entities are audited by Deloitte and Touche LLP, except for the following:

(a) Audited by PricewaterhouseCoopers.
(b) Audited by Ernst & Young.
(c) Not required to be audited as the subsidiary is in the process of striking off.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

Other Items
This section of the annual financial report provides information about individually significant items to the balance sheet or the income statement and items that are required to be disclosed by International Financial Reporting Standards, unrecognised items and the basis of preparation of the annual financial report.

14 OTHER RECEIVABLES AND PAYABLES

Overview

This note provides further information about material assets and liabilities that are incidental to CEREIT's and the Trust's trading activities, being receivables, loans receivable and payables.

(a) Receivables

	CEREIT		Trust	
	31 Dec 2019 €'000	31 Dec 2018 €'000	31 Dec 2019 €'000	31 Dec 2018 €'000
Current				
Rental receivables	18,957	15,676	–	–
Deposit – property acquisitions	1,900[1]	18,156[2]	–	18,156
VAT and GST receivables	27,776[3]	10,939	2,392	2,209
Other receivables	7,665	4,297	591	–
Loans to subsidiaries[4]	–	–	111,136[5]	22,430
Prepayments	704	651	3	–
Total receivables – current	**57,002**	**49,719**	**114,122**	**42,795**
Non-current				
Other receivables	605	688	–	–
Total receivables – non-current	**605**	**688**	**–**	**–**

1 As at 31 December 2019, a deposit of €1,900,000 was paid for the acquisition of a portfolio of 3 freehold light industrial/ logistics assets in Germany. The acquisition was subsequently completed on 24 March 2020 (refer to note 20(e)).
2 The deposit provided to vendors of pending property acquisitions by CEREIT of €18,156,000 at 31 December 2018 was fully recovered upon completion of the acquisition of 4 French light industrial properties and 3 Polish office assets during FY 2019.
3 As at 31 December 2019, VAT and GST receivables included €20,712,000 (2018: nil) of VAT paid in relation to the acquisition of Polish assets, which was refunded in February 2020.
4 Loans to subsidiaries are unsecured, interest-free and repayable on demand.
5 For purpose of impairment assessment, loans to subsidiaries are considered to have low credit risk as the timing of payment is controlled by CEREIT taking into account cash flow management within CEREIT and there has been no significant increase in the risk of default on the loan since initial recognition. Accordingly, for the purpose of impairment assessment for these loans, the loss allowance is measured at an amount equal to 12-month expected credit losses (ECL).

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In determining the ECL, management has taken into account the financial position of the subsidiaries, adjusted for factors that are specific to the subsidiaries and general economic conditions of the industry in which the subsidiaries operate, in estimating the probability of default of the loans as well as the loss upon default. Management determines the loans to subsidiaries are subject to immaterial credit loss.

Accounting policy

Trade and other receivables, including rental and service charge receivables are recognised initially at fair value and subsequently measured at amortised cost, less allowance for credit losses. Refer to note 12(a) for further information about CEREIT's impairment policies.

(b) Trade and other payables

	CEREIT		Trust	
	31 Dec 2019 €'000	31 Dec 2018 €'000	31 Dec 2019 €'000	31 Dec 2018 €'000
Current				
Trade payables and accrued expenses	26,564	41,121	5,426	13,932
Vendor funding – lease incentives	4,193	2,436	–	–
Payables to subsidiaries[1]	–	–	173,016	63,268
Total payable – current	**30,757**	**43,557**	**178,442**	**77,200**
Non-current				
Vendor funding – lease incentives	301	742	–	–
Total payables – non-current	**301**	**742**	**–**	**–**

1 Payables to subsidiaries are unsecured, interest-free and repayable on demand, except for certain payables to a subsidiary amounting to €68,521,000 (2018: Nil) which bore interest rates ranging from 1.30% to 1.75% per annum.

Accounting policy

Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost. These amounts represent liabilities for goods and services provided to CEREIT prior to the end of the year and which are unpaid. The amounts are usually unsecured and paid within 30-60 days of recognition.

Vendor funding – lease incentives

As part of acquisitions of investment properties, the acquisition price of the properties is reduced for unpaid tenant incentives contracted for as at acquisition date. The purchase price reduction is recorded as payable on the balance sheet. The liability is transferred to profit or loss as and when the respective tenant incentives are paid or taken.

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15 OTHER LIABILITIES

	CEREIT	
	31 Dec 2019 €'000	**31 Dec 2018 €'000**
Current		
Tenant security deposits	12,955	9,239
Rent in advance	22,829	18,571
Other liabilities	5,469	3,089
Total other current liabilities	**41,253**	**30,899**
Non-current		
Other liabilities	7,289	5,229
Total other non-current liabilities	**7,289**	**5,229**

Accounting policy

Tenant security deposits

Tenant security deposits are recognised at the fair value of the amount received within other current liabilities on the balance sheet. The liability is derecognised upon returning the deposit to the tenant at the end of the tenancy or transferred to profit or loss to the extent of rent owed when it has been established that a tenant will default on its rental payment obligations.

Rent in advance

Rent in advance represent rental payments received in advance of due date from tenants. Rent in advance is recognised within other current liabilities on the balance sheet. The liabilities is transferred to rental income within profit or loss as and when the service of providing lettable space to a tenant is provided.

16 ASSETS AND LIABILITIES HELD FOR SALE

	CEREIT 31 Dec 2019 €'000
Asset sale	
5 light industrial / logistics Dutch assets	19,392
2 light industrial / logistics Danish assets	9,123
	28,515
The disposal group	
– Investment properties	37,185
– Cash and cash equivalents	310
– Receivables	2,943
	40,438
Assets held for sale	**68,953**
The disposal group	
– Payables	740
– Other current liabilities	1,030
Liabilities held for sale	**1,770**

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On 16 December 2019, CEREIT entered to a master sale and purchase agreement with entities owned by funds advised by affiliates of the Blackstone Group Inc. in relation to the disposal of 12 properties from CEREIT's portfolio located in the Netherlands, Denmark and France (collectively the "Portfolio"). The agreed property sales price of the Portfolio is €65.7 million, representing a 15.2% premium to the original purchase price and a 4.1% premium to the latest market value of the Portfolio, based on the independent valuations conducted by Cushman & Wakefield Debenham Tie Leung Limited (in respect of the Dutch Assets and the Danish Asserts) and Colliers International Valuation UK LLP (in respect of the French Assets) as at 30 June 2019.

Pursuant to the sale and purchase agreement, CEREIT, through its subsidiaries, sell the Portfolio by way of an asset sale for the Dutch assets and the Danish assets and by way of a sale of shares of the French companies that own the French assets.

Accounting policy

Assets and liabilities that are highly probable to be recovered primarily through sale rather than through continuing use, are classified as held for sale and accounted for as current assets. Immediately before classification as held for sale, the assets are remeasured in accordance with applicable IFRSs. Thereafter, the disposal groups classified as held for sale are generally measured at the lower of their carrying amount and fair value less costs to sell. Investment properties held for sale are measured at fair value.

Impairment losses on initial reclassification as held for sale and subsequent gains or losses on remeasurement are recognised in the Consolidated Statement of Total Return. Gains are not recognised in excess of any cumulative impairment loss.

17 CASH FLOW INFORMATION

Overview

This note provides further information about non-cash transactions, the cash accounting policy as well as a reconciliation of net debt.

Accounting policy

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

(a) Non-cash transactions

	CEREIT		Trust	
	1 Jan 2019 to 31 Dec 2019 €'000	Period from Constitution 28 Apr 2017 to 31 Dec 2018 €'000	1 Jan 2019 to 31 Dec 2019 €'000	Period from Constitution 28 Apr 2017 to 31 Dec 2018 €'000
Transactions prior to Listing Date:				
Units issued for acquisition of investment properties/subsidiaries	–	101,164	–	101,164
Transactions since Listing Date:				
Units issued in lieu of acquisition fees	3,125	6,553	3,125	6,553
Units issued in lieu of purchase consideration	5,000	–	5,000	–
Units issued in lieu of base management fees and property management fees	11,068	4,149	11,068	4,149
Total non-cash transactions	**19,193**	**111,866**	**19,193**	**111,866**

(b) Net debt reconciliation

Net debt

	CEREIT		Trust	
	31 Dec 2019 €'000	31 Dec 2018 €'000	31 Dec 2019 €'000	31 Dec 2018 €'000
Cash and cash equivalents	79,250	57,755	14,346	15,732
Gross borrowings – current	(20,438)	–	–	–
Gross borrowings – non-current	(810,355)	(598,165)	–	(22,825)
Net debt	**(751,543)**	**(540,410)**	**14,346**	**(7,093)**

Movements in net debt

CEREIT	Cash and cash equivalents €'000	Borrowings – current €'000	Borrowings – non-current €'000	Net debt €'000
Balance at date of Constitution	12,768	(37,100)	(82,375)	(106,707)
Cash and borrowings acquired	42,168	–	(302,267)	(260,099)
Cash flows	2,819	37,100	(213,620)	(173,701)
Foreign currency movement	–	–	97	97
Net debt at 31 Dec 2018	**57,755**	**–**	**(598,165)**	**(540,410)**
Cash flows	21,805	(20,349)	(212,190)	(210,734)
Cash held for sale	(310)	–	–	(310)
Foreign currency movement	–	(89)	–	(89)
Net debt at 31 Dec 2019	**79,250**	**(20,438)**	**(810,355)**	**(751,543)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

18 RELATED PARTIES

Overview

Related parties are persons or entities that are related to CEREIT as defined by IAS 24 *Related Party Disclosures.* These include directors and their close family members and any entities they control as well as subsidiaries, the Manager Cromwell EREIT Management Pte. Ltd., the Manager's parent entity Cromwell Corporation Limited ("CCL") and all subsidiaries and associates of CCL. They also include entities which are considered to have significant influence over CCL.

Related parties include all entities that are defined as Interested Persons under the SGX-ST Listing Manual or Interested Parties under the Code of CIS.

This note provides information about transactions with related parties during the year/period. All of CEREIT's transactions with related parties are on normal commercial terms and conditions and at market rates.

(a) IPO transactions

At CEREIT's Initial Public Offering ("IPO") on 30 Nov 2017 CEREIT acquired entities that were managed by subsidiaries of the Cromwell Property Group for third party investors. These entities held 57 properties of CEREIT's current investment property portfolio. The purchase price for these properties was €695,843,000. Due to the related party nature of the transaction, two independent valuations were obtained for each of the properties involved in the transactions. The appraised value of these properties was €733,860,000.

CEREIT paid €387,314,000 reflecting the net asset value of the entities acquired that held the portfolio of 57 properties as described above.

In 2018, the Manager received an acquisition fee of €6,553,000 for all IPO property acquisitions which included the transactions above. The Manager received 11,914,000 CEREIT units in satisfaction of the acquisition fee payable.

(b) Rights Issue transaction

On 30 October 2018 CEREIT announced its intention to acquire 16 properties located in Finland, the Netherlands and Poland for an aggregate purchase price of €312,548,000. These properties were managed by subsidiaries of CCL on behalf of a third-party investor. Due to the related party nature of the transaction, two independent valuations were obtained for each of the properties involved in the transactions. The appraised value of these properties was €322,340,000. Unitholder approval was sought on the transaction with an Extraordinary General Meeting ("EGM") held on 15 November 2018. CEREIT received 99.84% approval for the transaction of the votes cast at the EGM.

The acquisition of the Finland and Netherlands assets closed on 28 December 2018 while the acquisition of the Poland assets closed subsequent to period end on 14 February 2019. CEREIT paid in total €243,298,000 reflecting the preliminary net asset value of the entities in which the properties were held and the acquisition price of one Dutch property that was acquired separately as an asset acquisition.

As at 31 December 2018, an acquisition fee of €2,407,000 was payable to the Manager in relation to the above-mentioned acquisitions. The acquisition fee payable was satisfied through the issue of 4,833,292 CEREIT units on 4 March 2019.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

(c) Other related party transactions

The Trustee, Manager, and the Property Manager, which is 100% controlled by CCL, received various management fees, acquisition fees and divestment fees during the year/period. Details of the fees paid/payable have been disclosed in note 3 to the financial statements.

As at 31 December 2019, a total of €7,753,000 (2018: €8,042,000) remains payable (excluding the acquisition fee payable described in note (b) above).

19 UNRECOGNISED ITEMS

Overview

Items that have not been recognised on CEREIT's balance sheet include contractual commitments for future expenditure and contingent liabilities if applicable, which are not sufficiently certain to qualify for recognition as a liability on the balance sheet. This note provides details of any such items. Additionally, disclosure is also made of any other material contractual arrangements that may result in future cash outflows.

(a) Capital expenditure commitments

Commitments in relation to capital expenditure contracted for at reporting date but not recognised as a liability are as follows:

	CEREIT	
	31 Dec 2019	31 Dec 2018
	€'000	€'000
Investment properties	**6,297**	**8,318**

20 SUBSEQUENT EVENTS

(a) On 25 February 2020, the Manager announced a distribution of €2.03 cpu for the period from 2 July 2019 to 31 December 2019 (2018: €1.57 cpu for the period from 1 July 2018 to 31 December 2018).

(b) On 27 February 2020, CEREIT entered into a purchase agreement to acquire a light industrial / logistics asset in Germany for a purchase consideration of €16.6 million. The acquisition is expected to be completed in April 2020.

(c) On 6 March 2020, the Trust issued a total of 8,293,384 units in relation to the following:

- 1,810,389 units were issued to the Manager as payment of 100% of the Manager's base fee for the period from 1 October 2019 to 31 December 2019 at an issue price of €0.5314;
- 3,673,076 units were issued to the Manager as payment the performance fee for FY 2019 at an issue price of €0.5314; and
- 2,809,919 units were issued to the property manager as payment of 40% of the property and portfolio management fee for the period from 1 October 2019 to 31 December 2019 at an issue price of €0.5314.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

(d) On 24 March 2020, the disposal of 12 properties from CEREIT's portfolio located in the Netherlands, Denmark and France was completed (refer to note 16).

(e) Also on 24 March 2020, CEREIT completed the acquisition of a portfolio of 3 light industrial/logistics assets in Germany under a sale and leaseback arrangement, for a total consideration of €38,000,000.

(f) After the FY 2019 financial year ended, the COVID-19 pandemic started to take hold and in the first quarter of 2020 has significantly amplified its impact on global markets and trade, in particular in Europe where all of CEREIT's properties are located. The pandemic continues to evolve at the time of signing CEREIT's FY 2019 financial statements. Due to this, it is difficult to predict the possible future financial impact on CEREIT.

(g) In March 2020, CEREIT's cash position was estimated to be c. €200 million due to the following:

- cash at bank in early March 2020 of approximately €100 million from operating cashflows;
- an additional €150 million cash from fully drawing on the €150 million revolving credit facility in March 2020 to be applied to working capital, early refinancing and/or operating expenses;
- completion of the transactions in (d) and (e) above resulting in a net positive receipt of proceeds; and
- payment of the distribution for 2H 2019 on 30 March 2020.

21 FINANCIAL RATIOS

	CEREIT	
	1 Jan 2019 to 31 Dec 2019 %	Period from Listing 30 Nov 2017 to 31 Dec 2018 %
Ratio of expenses to weighted average net assets(1)		
Including performance component of the Manager's management fees	1.02	0.87
Excluding performance component of the Manager's management fees	0.85	0.87
Portfolio turnover rate(2)	1.42	–

(1) The annualised ratios are computed in accordance with the guidelines of the Investment Management Association of Singapore ("IMAS"). The expenses used in the computation relate to expenses of CEREIT, excluding property expenses, finance expenses, net foreign exchange differences and income tax expense. CEREIT did not pay any performance fee in the period from Listing Date to 31 Dec 2018.

(2) The annualised ratio is computed based on the lesser of purchases or sales of underlying investment properties of CEREIT expressed as percentage of average net asset value in accordance with the formulae stated in the CIS.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

22 BASIS OF PREPARATION AND OTHER ACCOUNTING POLICIES

Overview

This note provides an overview of CEREIT's accounting policies that relate to the preparation of the financial report as a whole and does not relate to specific items. Accounting policies for specific items in the balance sheet or statement of comprehensive income have been included in the respective note.

(a) Basis of preparation

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") and interpretations adopted by the International Accounting Standards Board. The financial report also complies with applicable requirements of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore ("MAS") and the provisions of the trust deed.

The financial statements have been authorised for issue on 25 March 2020.

Financial Periods

Prior to Listing Date, CEREIT was a private Singapore Trust, wholly owned by the Cromwell Property Group. The total return during the period prior to Listing Date does not from part of distributable income to which Unitholders are entitled to. In accordance with IFRS and the trust deed the consolidated financial statements were prepared for the financial period from the date of Constitution of CEREIT on 28 April 2017 to 31 December 2018. The financial statements for 2019 cover the period from 1 January 2019 to 31 December 2019.

Historical cost convention

The financial report is prepared on the historical cost basis except for the following:

- investment properties are measured at fair value;
- derivative financial instruments are measured at fair value.

(b) Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries as at 31 December 2019 and the results of all subsidiaries for the financial year then ended. Subsidiaries are entities controlled by the Trust. Control exists when the Trust is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The acquisition method of accounting is used to account for business combinations by CEREIT. Inter-entity transactions, balances and unrealised gains on transactions between CEREIT entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by CEREIT.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

A business for business combination purposes is defined as an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income (such as dividends or interest) or generating other income from ordinary activities.

Entities acquired, that do not meet the definition of a business are accounted for as acquisition of an asset or a group of assets. This is generally the case if the value of the assets acquired is substantially all concentrated in a single asset or group of similar assets such as investment properties.

Investments in subsidiaries are accounted for at cost in the individual financial statements of the Trust. A list of subsidiaries appears in note 13 to the consolidated financial statements.

(c) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of CEREIT's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Euro, which is the Trust's and CEREIT's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income, except when they are attributable to part of the net investment in a foreign operation. Foreign exchange gains and losses that relate to borrowings are presented in the income statement, within finance costs. All other foreign exchange gains and losses are presented in the income statement on a net basis.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(d) Impairment of assets

At each reporting date, and whenever events or changes in circumstances occur, CEREIT assesses whether there is any indication that any other asset may be impaired. Where an indicator of impairment exists, CEREIT makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and an impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Assets other than goodwill that suffer impairment are reviewed for possible reversal of the impairment at each reporting date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

(e) Critical accounting estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are based on historical or professional experience and other factors such as expectations about future events. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The areas that involved a higher degree of judgement or complexity and may need material adjustment if estimates and assumptions made in preparation of these financial statements are incorrect are:

Area of estimation	Note
Measurement of deferred tax liabilities	7
Fair value of investment properties	8

Preliminary accounting for Finland and the Netherlands acquisitions

On 28 December 2018, CEREIT acquired 2 Dutch office assets and 11 Finnish office assets (refer note 8(c)). One of the Dutch office assets and all Finnish assets were acquired through the acquisition of all shares of the entities in which the properties were held. As at the date of last report, the final net asset value of the entities acquired had not yet been determined, therefore the acquisitions were accounted for based on preliminary net asset values as at 31 December 2018. The only material asset held by these entities are the investment properties with the remainder of the remaining net asset value consisting of working capital. Therefore, it was not expected that the final net asset value of these entities as at 31 December 2018 would be materially different from the preliminary net asset values.

(f) New accounting standards and interpretations

(i) New and amended standards adopted

CEREIT has adopted IFRS 16 (as issued by the IASB in January 2016) that is effective for annual periods that begin on or after 1 January 2019.

IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. There is no significant impact to CEREIT's financial statements due to the adoption of this standard.

The date of initial application of IFRS 16 for CEREIT is 1 January 2019.

In the current year, CEREIT has applied a number of amendments to IFRS Standards and Interpretations issued by the IASB that are effective for an annual period that begins on or after 1 January 2019. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

(ii) *New standards and interpretations not yet adopted*

Relevant accounting standards and interpretations that have been issued or amended but are not yet effective and have not been adopted for the year are as follows:

	Application date of Standard	**Application date for CEREIT**
Amendments to IAS 1 and IAS 8 *Definition of material*	1 Jan 2020	1 Jan 2020
Conceptual Framework Amendments to References to the Conceptual Framework in IFRS Standards	1 Jan 2020	1 Jan 2020

Amendments to IAS 1 and IAS 8 *Definition of material*

The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'.

The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of material or refer to the term 'material' to ensure consistency.

Amendments to References to the Conceptual Framework in *IFRS Standards*

Together with the revised Conceptual Framework, which became effective upon publication on 29 March 2018, the IASB has also issued Amendments to References to the Conceptual Framework in IFRS Standards. The document contains amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.

Not all amendments, however, update those pronouncements with regard to references to and quotes from the framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASC Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework.

The adoption of the standards mentioned above is not expected to have a material impact on CEREIT's financial statements.

CEREIT will adopt the IFRS on 1 January 2020.

ADDITIONAL INFORMATION

INTERESTED PERSON TRANSACTIONS

Transactions entered into with interested persons during the financial year falling under the Listing Manual of SGX-ST and the Property Funds Appendix of the CIS are as follows:

Name of interested party	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under unitholders' mandate pursuant to Rule 920) €'000	Aggregate value of all interested person transactions conducted under unitholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000) €'000
Cromwell Property Group and its related companies	The sponsor of CEREIT and its related companies		
– Acquisition fees		3,633[1]	–
– Divestment fees		95[2]	–
– Base management fees		4,668	–
– Performance fees		1,952	–
– Property & portfolio management fees		13,599	–
– Leasing fees		1,709	–
– Project management fees		668	–
Perpetual (Asia) Limited and its related companies	The trustee of CEREIT and its related companies		
Trustee fees		250	–

(1) Acquisition fee of 1.0% on the purchase price of investment properties acquired by CEREIT during the financial year.

(2) Divestment fee of 0.5% on the gross sale price of investment property divested by CEREIT during the financial year.

With the exception of what has been disclosed above, there were no additional interested person transactions (excluding transactions of less than S$100,000 each) entered into up to and including 31 December 2019, nor any material contracts entered by CEREIT or any of its subsidiaries that involve the interests of the CEO, any Directors or any controlling Unitholder of the Trust.

Please also see the Related Party Note 18 in the financial statements.

The entry into and the fees payable pursuant to the Trust Deed have been approved by the Unitholders upon purchase of the Units at the initial public offering of CEREIT on the SGX-ST in November 2017 and are therefore not subject to Rules 905 and 906 of the Listing Manual.

STATISTICS OF UNITHOLDINGS
AS AT 13 MARCH 2020

Issued and Fully Paid Units: 2,556,080,556

Voting rights: 1 vote per Unit. There is only one class of Units in CEREIT.

Market capitalisation is €1,112 million based on the market closing price of €0.435 on 13 March 2020.

As at 13 March 2020, there are no treasury units held by CEREIT or the Manager.

SUBSTANTIAL UNITHOLDERS AS AT 13 MARCH 2020

Based on the Register of Substantial Unitholders' Unitholdings, the interests of Substantial Unitholders in Units are as follows:

	Direct Interest	%	Deemed Interest	%
Cromwell Property Group[1]	–	–	784,004,018	30.67
Cromwell Singapore Holdings Pte. Ltd.	769,434,281	30.10	–	–
CDPT Finance No.2 Pty Ltd[2]	–	–	769,434,281	30.10
Cromwell Property Securities Limited (as Responsible Entity for Cromwell Diversified Property Trust)[2]	–	–	769,434,281	30.10
ARA Real Estate Investors XXI Pte. Ltd.[3]	–	–	793,268,460	31.03
ARA RE Investment Group (Singapore) Pte. Ltd.[3]	–	–	793,268,460	31.03
ARA Asset Management Limited[3]	–	–	793,268,460	31.03
ARA Investment (Cayman) Limited[3]	–	–	793,268,460	31.03
ARA Asset Management Holdings Pte. Ltd.[3]	–	–	793,268,460	31.03
Straits Equities Holdings (One) Pte. Ltd.[4]	–	–	793,268,460	31.03
The Straits Trading Company Limited[4]	–	–	793,268,460	31.03
The Cairns Pte. Ltd.[5]	–	–	793,268,460	31.03
Raffles Investment Private Limited[5]	–	–	793,268,460	31.03
Tecity Pte. Ltd.[5]	–	–	793,268,460	31.03
Aequitas Pte. Ltd.[5]	–	–	793,268,460	31.03
Tan Chin Tuan Pte. Ltd.[5]	–	–	793,268,460	31.03
Dr Tan Kheng Lian[5]	–	–	793,268,460	31.03
Alexandrite Gem Holdings Limited[6]	–	–	793,268,460	31.03
WP Global LLC[6]	–	–	793,268,460	31.03
Warburg Pincus Partners II, L.P.[6]	–	–	793,268,460	31.03
Warburg Pincus Partners GP LLC[6]	–	–	793,268,460	31.03
Warburg Pincus & Co.[6]	–	–	793,268,460	31.03
AVICT Dragon Holdings Limited[7]	–	–	793,268,460	31.03
AVICT Phoenix Holdings Limited[7]	–	–	793,268,460	31.03
AVIC Trust Co., Ltd.[7]	–	–	793,268,460	31.03
China Aviation Investment Holdings Co., Ltd.[7]	–	–	793,268,460	31.03
AVIC Capital Co., Ltd.[7]	–	–	793,268,460	31.03
Aviation Industry Corporation of China[7]	–	–	793,268,460	31.03
Mr Gordon Tang and Mrs Celine Tang[8]	278,804,780	10.91	–	–
Hillsboro Capital, Ltd	186,590,000	7.30	–	–
Mr Andrew L. Tan[9]	–	–	204,790,000	8.01
UBS Group AG[10]	–	–	160,662,448	6.29
UBS AG[11]	–	–	160,662,448	6.29

STATISTICS OF UNITHOLDINGS

AS AT 13 MARCH 2020

Notes:

(1) Cromwell Singapore Holdings Pte. Ltd. ("CSHPL") is a wholly-owned subsidiary of CDPT Finance No. 2 Pty Ltd., which is in turn a wholly-owned subsidiary of Cromwell BT Pty Ltd (as custodian (aka bare trustee) for Cromwell Property Securities Limited as responsible entity for Cromwell Diversified Property Trust ("CDPT"). CDPT is part of Cromwell Property Group ("CPG") which is a stapled entity comprising Cromwell Corporation Limited and CDPT. Accordingly, CPG is deemed to be interested in CSHPL's interests in the Units. Additionally, Cromwell EREIT Management Pte. Ltd. (the "Manager") which holds 11,759,818 Units, is a wholly-owned subsidiary of Cromwell Corporation Limited. Cromwell CEREIT Holdings Limited which holds 2,809,919 Units, is a wholly-owned subsidiary of Cromwell Europe Limited, which is in turn a wholly-owned subsidiary of Cromwell European Holdings Limited, which is in turn a wholly-owned subsidiary of Cromwell Corporation Limited. As such, CPG is also deemed to be interested in Cromwell Corporation Limited's deemed interests in the Units held by the Manager and Cromwell CEREIT Holdings Limited.

(2) CSHPL is a wholly-owned subsidiary of CDPT Finance No. 2 Pty Ltd., which is in turn a wholly-owned subsidiary of Cromwell BT Pty Ltd (as custodian (aka bare trustee) for Cromwell Property Securities Limited as responsible entity for Cromwell Diversified Property Trust ("CDPT"). CDPT is part of CPG which is a stapled group comprising Cromwell Corporation Limited and CDPT. Accordingly, CDPT Finance No. 2 Pty Ltd. and Cromwell Property Securities Limited, respectively, are deemed to be interested in CSHPL's interests in the Units.

(3) ARA Real Estate Investors XXI Pte. Ltd. holds more than 20.0% of interest in CPG and is therefore deemed interested in the units in CEREIT through CPG's interests. ARA Real Estate Investors XXI Pte. Ltd. is wholly owned by ARA RE Investment Group (Singapore) Pte. Ltd., which is in turn wholly owned by ARA Asset Management Limited, which is in turn wholly owned by ARA Investment (Cayman) Limited, which is in turn wholly owned by ARA Asset Management Holdings Pte. Ltd. ARA RE Investment Group (Singapore) Pte. Ltd., ARA Asset Management Limited, ARA Investment (Cayman) Limited and ARA Asset Management Holdings Pte. Ltd. are therefore deemed interested in the units of CEREIT. The deemed interest held by each of ARA Real Estate Investors XXI Pte. Ltd., ARA RE Investment Group (Singapore) Pte. Ltd., ARA Asset Management Limited, ARA Investment (Cayman) Limited and ARA Asset Management Holdings Pte. Ltd. is based on the last notification of interests received by the Manager on 31 October 2019.

(4) Straits Equities Holdings (One) Pte. Ltd. holds more than 20.0% of voting rights of ARA Asset Management Holdings Pte. Ltd. and is therefore deemed interested in the units in CEREIT through ARA Asset Management Holdings Pte. Ltd.'s deemed interests in the units in CEREIT through CPG's interests. As The Straits Trading Company Limited holds 100% of the voting rights of Straits Equities Holdings (One) Pte. Ltd., it is also deemed interested in the units in CEREIT. The deemed interest held by each of Straits Equities Holdings (One) Pte. Ltd. and The Straits Trading Company Limited is based on the last notification of interests received by the Manager on 31 October 2019.

(5) The Cairns Pte. Ltd. ("Cairns") holds more than 50.0% of voting rights of The Straits Trading Company Limited and is therefore deemed interested in the units in CEREIT through The Straits Trading Company Limited's deemed interests in the units in CEREIT through CPG's interests. As each of Raffles Investment Private Limited ("Raffles"), Tecity Pte. Ltd. ("Tecity") and Tan Chin Tuan Pte. Ltd. ("TCT") holds not less than 20 per cent. of the voting rights of Cairns, Raffles, Tecity and TCT are also deemed interested in the units in CEREIT. As Aequitas Pte. Ltd. ("Aequitas") holds more than 50 per cent. of the voting rights of Raffles, it is also deemed interested in the units in CEREIT. Dr Tan Kheng Lian who holds more than 50 per cent. of the voting rights of TCT is also deemed interested in the units in CEREIT. The deemed interest held by each of Cairns, Raffles, Tecity, TCT, Aequitas and Dr Tan Kheng Lian is based on the last notification of interests received by the Manager on 31 October 2019.

(6) Alexandrite Gem Holdings Limited holds more than 20.0% of ARA Asset Management Holdings Pte. Ltd. and is therefore deemed interested in the units in CEREIT through ARA Asset Management Holdings Pte. Ltd.'s deemed interests in the units in CEREIT through CPG's interests. Alexandrite Gem Holdings Limited is wholly-owned by certain private equity funds which are limited partnerships ("the Funds") managed by Warburg Pincus LLC, a New York limited liability company. Warburg Pincus XII, L.P., a Delaware limited partnership and Warburg Pincus China GP, L.P., a Delaware limited partnership are the general partners of the Funds. WP Global LLC, a Delaware limited liability company ("WP Global"), is the general partner of each of Warburg Pincus XII, L.P. and Warburg Pincus China GP, L.P. Warburg Pincus Partners II, L.P., a Delaware limited partnership ("WPP II"), is the managing member of WP Global. Warburg Pincus Partners GP LLC, a Delaware limited liability company ("WPP GP LLC"), is the general partner of WPP II. Warburg Pincus & Co., a New York general partnership ("WP"), is the managing member of WPP GP LLC. Charles R. Kaye and Joseph P. Landy are each U.S. Citizens and Managing General Partners of WP and Managing Members and Co-Chief Executive Officers of Warburg Pincus LLC and may be deemed to control the Warburg Pincus entities. Charles R. Kaye and Joseph P. Landy disclaim beneficial ownership of all shares held by the Warburg Pincus entities. By virtue of this, each of WP Global, WPP II, WPP GP LLC and WP has a deemed interest in the units in CEREIT which CPG is deemed to be interested in. The deemed interest held by each of Alexandrite Gem Holdings Limited, WP Global, WPP II, WPP GP LLC and WP is based on the last notification of interests received by the Manager on 31 October 2019.

(7) AVICT Dragon Holdings Limited ("AVICT Dragon") holds more than 20 per cent. of the voting rights of ARA Asset Management Holdings Pte. Ltd. AVICT Phoenix Holdings Limited ("AVICT Phoenix") holds more than 50 per cent. of the voting rights of AVICT Dragon. AVIC Trust Co., Ltd. ("AVIC Trust") holds more than 50 per cent. of the voting rights of AVICT Phoenix. China Aviation Investment Holdings Co., Ltd. ("China Aviation") holds more than 50 per cent. of the voting rights of AVIC Trust. AVIC Capital Co., Ltd ("AVIC Capital") holds more than 50 per cent. of the voting rights of China Aviation. Aviation Industry Corporation of China ("AVIC") holds more than 20 per cent. of the voting rights of AVIC Capital. AVIC is wholly-owned by the Central State-Owned Assets Supervision and Administration Commission of the People's Republic of China. By virtue of this, each of AVICT Dragon, AVICT Phoenix, AVIC Trust, China Aviation, AVIC Capital and AVIC has a deemed interest in the units in CEREIT which CPG is deemed to be interested in. The deemed interest held by each of AVICT Dragon, AVICT Phoenix, AVIC Trust, China Aviation, AVIC Capital and AVIC is based on the last notification of interests received by the Manager on 31 October 2019.

(8) The Units are held by joint account of Mr. Gordon Tang and Mrs. Celine Tang. Mr. Gordon Tang is the spouse of Mrs. Celine Tang.

(9) Mr Andrew L. Tan is the beneficial owner of 204,790,000 units held through Hillsboro Capital, Ltd. and Worldwide Property Financing Limited.

(10) Deemed interests arising by virtue of (a) UBS Group AG having an interest, or (b) Section 7(4) or 7(4A) of Companies Act, Chapter 50 of Singapore in Units over which subsidiaries/affiliates of UBS Group AG have an interest, by reason of the ability to exercise voting discretion and to acquire/dispose of Units.

(11) Deemed interests arising by virtue of (a) UBS AG having an interest, or (b) Section 7(4) or 7(4A) of the Companies Act, Chapter 50 of Singapore in Units over which subsidiaries/affiliates of UBS AG have an interest, by reason of the ability to exercise voting discretion and to acquire/dispose of Units.

STATISTICS OF UNITHOLDINGS

AS AT 13 MARCH 2020

DISTRIBUTION OF UNITHOLDINGS

SIZE OF UNITHOLDINGS	NO. OF UNITHOLDERS	%	NO. OF UNITS	%
1 – 99	6	0.20	314	0.00
100 – 1,000	215	7.22	186,596	0.01
1,001 – 10,000	1,134	38.09	6,055,938	0.24
10,001 – 1,000,000	1,602	53.82	71,227,929	2.78
1,000,001 AND ABOVE	20	0.67	2,478,609,779	96.97
TOTAL	2,977	100.00	2,556,080,556	100.00

TWENTY LARGEST UNITHOLDERS

NO.	NAME	NO. OF UNITS	%
1	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	784,273,718	30.68
2	CITIBANK NOMINEES SINGAPORE PTE LTD	619,147,023	24.22
3	DBS NOMINEES (PRIVATE) LIMITED	585,914,458	22.92
4	RAFFLES NOMINEES (PTE.) LIMITED	297,277,800	11.63
5	DBSN SERVICES PTE. LTD.	60,570,216	2.37
6	HSBC (SINGAPORE) NOMINEES PTE LTD	53,487,721	2.09
7	DB NOMINEES (SINGAPORE) PTE LTD	15,850,281	0.62
8	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	15,298,190	0.60
9	ABN AMRO CLEARING BANK N.V.	11,100,471	0.43
10	PHILLIP SECURITIES PTE LTD	9,915,120	0.39
11	BPSS NOMINEES SINGAPORE (PTE.) LTD.	5,734,100	0.22
12	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	4,262,590	0.17
13	MAYBANK KIM ENG SECURITIES PTE. LTD.	4,237,138	0.17
14	BNP PARIBAS NOMINEES SINGAPORE PTE. LTD.	2,380,300	0.09
15	LIEW CHEE KONG	2,098,200	0.08
16	EUCO INVESTMENTS PTE LTD	2,000,000	0.08
17	OCBC SECURITIES PRIVATE LIMITED	1,552,140	0.06
18	YEAP LAM HONG	1,315,000	0.05
19	MERRILL LYNCH (SINGAPORE) PTE. LTD.	1,155,313	0.05
20	LING PING SHEUN ARTHUR	1,040,000	0.04
	TOTAL	2,478,609,779	96.97

DIRECTORS' INTERESTS IN UNITS AS AT 21 JANUARY 2020

Based on the Register of Directors' Unitholdings, the interests of the Directors in Units are as follows:

	No. of Units			
Name of Director	Direct Interest	%	Deemed Interest	%
Lim Swe Guan	547,032	0.02	–	–
Paul Weightman	–	–	–	–
Christian Delaire	–	–	–	–
Fang Ai Lian	–	–	–	–
Simon Garing	–	–	–	–

PUBLIC HOLDINGS AS AT 13 MARCH 2020

Percentage of Issued Units Held by the Public

Based on the information available, approximately 44.10% of the issued Units in CEREIT is held by the public as at 13 March 2020 and therefore, pursuant to Rules 1207 and 723 of the Listing Manual of the SGX-ST, it is confirmed that at least 10% of the issued Units in CEREIT is held by the public. Accordingly, Rule 723 of the Listing Manual of the SGX-ST has been complied with.

FINANCIAL STATEMENTS AND OTHER INFORMATION

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NOTES TO THE FINANCIAL STATEMENTS

REPORT OF THE TRUSTEE

For the year ended 31 December 2020

Perpetual (Asia) Limited (the "Trustee") is under a duty to take into custody and hold the assets of Cromwell European Real Estate Investment Trust (the "Trust") and its subsidiaries (collectively "CEREIT") in trust for the holders of units ("Unitholders") in the Trust. In accordance with, among other things, the Securities and Futures Act, Chapter 289 of Singapore, its subsidiary legislation and the Code on Collective Investment Schemes and the Listing Manual (collectively referred to as the "laws and regulations"), the Trustee shall monitor the activities of Cromwell EREIT Management Pte. Ltd. (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the trust deed dated 28 April 2017 (as amended, varied or supplemented from time to time) (the "Trust Deed") between the Manager and the Trustee in each annual accounting period and report thereon to Unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed CEREIT and its subsidiaries during the year covered by these financial statements, set out on pages 200 to 270 in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee,
Perpetual (Asia) Limited

Ms Sin Li Choo
Director

Singapore
Date: 30 March 2021

STATEMENT BY THE MANAGER

For the year ended 31 December 2020

In the opinion of the Directors of the Manager, the accompanying financial statements set out on pages 200 to 270, comprising Balance Sheets and Statements of Movements in Unitholders' Funds of Cromwell European Real Estate Investment Trust (the "Trust") and its subsidiaries (collectively referred to as "CEREIT"), Consolidated Statement of Total Return, Consolidated Statement of Comprehensive Income, Consolidated Distribution Statement, Consolidated Statement of Cash Flows, Statement of Portfolio of CEREIT and notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the consolidated balance sheet of CEREIT and the balance sheet of the Trust as at 31 December 2020, and the Consolidated Statement of Total Return, Consolidated Statement of Comprehensive Income, Consolidated Distribution Statement, Consolidated Statement of Movements In Unitholders' Funds, Consolidated Statement of Cash Flows and Statement of Portfolio of CEREIT and the Statement of Movements in Unitholders' Funds of the Trust for the year then ended on that date in accordance with International Financial Reporting Standards adopted by the International Accounting Standards Board, the recommendations of Statement of Recommended Accounting Practice 7 (Revised 2017) Reporting Framework for Unit Trusts issued by the Institute of Singapore Chartered Accountants and the provisions of the Trust Deed. At the date of this statement, there are reasonable grounds to believe that CEREIT and the Trust will be able to meet their financial obligations as and when they materialise.

For and on behalf of the Manager,
Cromwell EREIT Management Pte. Ltd.

Mr Simon Garing
Director

Singapore
Date: 30 March 2021

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF CROMWELL EUROPEAN REAL ESTATE INVESTMENT TRUST

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Cromwell European Real Estate Investment Trust ("Trust") and its subsidiaries (collectively referred to as "CEREIT"), which comprise the consolidated balance sheet of CEREIT and the balance sheet of the Trust as at 31 December 2020, and the Consolidated Statement of Total Return, Consolidated Statement of Comprehensive Income, Consolidated Distribution Statement, Consolidated Statement of Movements in Unitholders' Funds, Consolidated Statement of Cash Flows and Statement of Portfolio of CEREIT and the Statement of Movements in Unitholders' Funds of the Trust for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 200 to 270.

In our opinion, the accompanying consolidated financial statements of CEREIT, and the balance sheet and statement of movements in unitholders' funds of the Trust are properly drawn up in accordance with International Financial Reporting Standards ("IFRS") so as to give a true and fair view of the consolidated financial position of CEREIT and the financial position of the Trust as at 31 December 2020, and of the Consolidated Statement of Total Return, Consolidated Statement of Comprehensive Income, Consolidated Distribution Statement, Consolidated Statement of Movements in Unitholders' Funds, Consolidated Statement of Cash Flows and Statement of Portfolio of CEREIT and the Statement of Movements in Unitholders' Funds of the Trust for the year ended on that date in accordance with the recommendations of *Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts"* ("RAP 7") issued by the Institute of Singapore Chartered Accountants.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of CEREIT in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF CROMWELL EUROPEAN REAL ESTATE INVESTMENT TRUST

Key Audit Matter

Fair valuation and Disclosure of Fair Value for Investment Properties

CEREIT owns a portfolio of investment properties as at 31 December 2020, comprising mainly commercial office and light industrial complexes across seven European countries which includes Denmark, Finland, France, Germany, Italy, the Netherlands and Poland. The investment properties represent the single largest category of assets with a carrying amount of €2,185 million as at 31 December 2020.

CEREIT has adopted the fair value model under IAS 40 Investment Property which requires all the investment properties to be measured at fair value. The Group has engaged external independent valuers ("Valuers") to perform the fair value assessment for all 96 investment properties except for 1 property in Italy whose fair value is based on the acquisition price on 23 December 2020. Given the insignificant period lapsed from the transaction date to the financial year end, the Directors and the Manager considered the transaction price of €52.6 million to be equal to the fair value of the properties at financial year end.

The fair valuation of investment properties is considered to be a matter of significance as the valuation process requires the application of judgement in determining the appropriate valuation methodology to be used, use of subjective assumptions and various unobservable inputs. The fair valuations are sensitive to underlying assumptions applied in deriving the underlying cash flows and capitalisation rates as a small change in these assumptions can result in an increase or decrease in fair valuation of the investment properties.

The Valuers for six properties in Poland and two properties in Italy amounting to €268.7 million have highlighted in their valuation reports set out in Note 8(e) to the financial statements that as a result of COVID-19, there is limited transactional evidence and less certainty with regards to valuations and that market value can change rapidly in the context of current market conditions. Accordingly, the Valuers have stated that it has been necessary to make more judgements than are usually required for these assets and the Group has reported the valuation of these properties on the basis of a "material valuation uncertainty". Based on external valuation report issued by the valuer for the Italian properties, the material valuation uncertainty arises from shortage of market evidence for comparison purposes whereas for the external valuation report issued by the valuer for the Polish properties, this is mainly due to lower levels of transactional activity and liquidity.

The valuation techniques, their key inputs and the inter-relationships between the inputs and the valuation have been disclosed in Note 8 to the consolidated financial statements.

How the matter was addressed in the audit

We have assessed CEREIT's process of appointment and determination of the scope of work of the Valuers, as well as their process of reviewing, and accepting the Valuers' investment property valuations.

We have reviewed the qualifications, competence, independence, and the terms of the engagement of the Valuers with CEREIT to determine whether there were any matters which might affect objectivity of the Valuers or impede their scope of work.

We held discussions with management and the Valuers on the valuation reports, and engaged our valuation specialists to assist in:

- Assessing the valuation methodology, assumptions and estimates used by the Valuers against general market practice for similar types of properties;
- Comparing valuation assumptions and the underlying cash flows and capitalisation rates to historical rates, and available industry data for comparable markets and properties;
- Reviewing the integrity of the valuation calculations, valuation inputs, including review of lease schedules, lease agreements and comparison to the inputs made to the projected cash flows; and
- Reviewed management's considerations on the implications of COVID-19 and market uncertainty in the valuations.

Based on the audit procedures performed, the fair valuation of the properties and the various inputs used are within a reasonable range of our expectations.

We have assessed and validated the adequacy and appropriateness of the disclosures made in the financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF CROMWELL EUROPEAN REAL ESTATE INVESTMENT TRUST

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager and Directors of the Manager for the Financial Statements

Cromwell EREIT Management Pte. Ltd. (the "Manager" of CEREIT) is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and the recommendations of *Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts"* issued by the Institute of Singapore Chartered Accountants and comply with the relevant provisions of the Trust Deed dated 28 April 2017 (as amended, varied or supplemented from time to time) (collectively, the "Trust Deed"), and the relevant requirements of the Code on Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing CEREIT's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate CEREIT or to cease operations, or has no realistic alternative but to do so.

The responsibilities of the Directors of the Manager include overseeing CEREIT's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CEREIT's internal control.

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF CROMWELL EUROPEAN REAL ESTATE INVESTMENT TRUST

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.

- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on CEREIT's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause CEREIT to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within CEREIT to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors of the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors of the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors of the Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the financial statements have been properly prepared in accordance with the relevant provisions of the Trust Deed and the relevant requirements of the CIS Code.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Shariq Barmaky.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

30 March 2021

CONSOLIDATED STATEMENT OF TOTAL RETURN

For the year ended 31 December 2020

		CEREIT	
	Note	2020 €'000	2019 €'000
Gross revenue	2	186,972	177,046
Property operating expense		(69,643)	(60,900)
Net property income		**117,329**	**116,146**
Net finance costs	9(b)	(17,894)	(18,786)
Manager's fees	3(b)	(5,246)	(6,620)
Trustee fees	3(a)	(260)	(250)
Trust expenses		(4,945)	(5,200)
Net income before tax and fair value changes	**4(a)**	**88,984**	**85,290**
Loss on disposal of assets/liabilities held for sale	16	(358)	–
Gain on disposal of investment property	8(d)	–	2,018
Fair value gain – investment properties	8(b)	8,569	42,378
Fair value (loss)/gain – derivative financial instruments		(658)	355
Total return for the year before tax		**96,537**	**130,041**
Income tax expense	7(a)	(17,174)	(20,996)
Total return for the year attributable to Unitholders		**79,363**	**109,045**
Earnings per unit			
Basic and diluted earnings per unit (€ cents)	5	3.105	4.598

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2020

	CEREIT	
	2020 €'000	2019 €'000
Total return for the year	**79,363**	**109,045**
Other comprehensive income for the year, net of tax	–	–
Total comprehensive income for the year	**79,363**	**109,045**

The accompanying notes form an integral part of the financial statements.

BALANCE SHEETS

For the year ended 31 December 2020

		CEREIT		Trust	
	Note	2020 €'000	2019 €'000	2020 €'000	2019 €'000
Current assets					
Cash and cash equivalents		43,593	79,250	2,102	14,346
Assets held for sale	16	–	68,953	–	–
Receivables	14(a)	15,943	57,002	16,202	114,122
Current tax assets		1,397	1,260	–	–
Total current assets		**60,933**	**206,465**	**18,304**	**128,468**
Non-current assets					
Investment properties	8(b)	2,184,529	2,041,499	–	–
Investments in subsidiaries	13	–	–	1,328,482	1,199,789
Receivables	14(a)	1,028	605	–	–
Derivative financial instruments	10	126	883	–	–
Deferred tax assets	7(c)	3,836	5,421	–	–
Total non-current assets		**2,189,519**	**2,048,408**	**1,328,482**	**1,199,789**
Total assets		**2,250,452**	**2,254,873**	**1,346,786**	**1,328,257**
Current liabilities					
Borrowings	9	–	20,438	–	–
Payables	14(b)	28,515	30,757	117,065	178,442
Current tax liabilities		2,943	6,885	–	–
Derivative financial instruments	10	–	99	–	–
Other current liabilities	15	25,418	41,253	–	–
Liabilities held for sale	16	–	1,770	–	–
Total current liabilities		**56,876**	**101,202**	**117,065**	**178,442**
Non-current liabilities					
Payables	14(b)	–	301	112,022	–
Borrowings	9	847,068	803,360	–	–
Deferred tax liabilities	7(c)	36,627	28,133	–	–
Other non-current liabilities	15	7,729	7,289	–	–
Total non-current liabilities		**891,424**	**839,083**	**112,022**	**–**
Total liabilities		**948,300**	**940,285**	**229,087**	**178,442**
Net assets attributable to Unitholders		**1,302,152**	**1,314,588**	**1,117,699**	**1,149,815**
Represented by:					
Unitholders' funds		**1,302,152**	**1,314,588**	**1,117,699**	**1,149,815**
Units in issue ('000)	11(b)	2,556,081	2,547,787	2,556,081	2,547,787
Net asset value per Unit (€ cents)		50.9	51.6	43.7	45.1

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED DISTRIBUTION STATEMENT

For the year ended 31 December 2020

	CEREIT	
	2020 €'000	**2019 €'000**
Income available for distribution at 1 January	51,844	34,464
Total return for the year	79,363	109,045
Distribution adjustments (Note A)	9,780	(12,147)
Income available for distribution to Unitholders	**140,987**	**131,362**
Distributions declared to Unitholders during the year (Note B)	(96,196)	(79,518)
Income available for distribution at 31 December	**44,791**	**51,844**
Distribution per Unit ("DPU") (€ cents) for the year	3.484	4.080
Note A – Distribution adjustments		
Trustee fees	260	250
Straight-line rent adjustments and leasing fees	(2,582)	(657)
Property Manager's fees paid in CEREIT units	–	5,440
Manager's fees paid in CEREIT units	–	6,301
Amortisation of debt issuance costs	4,022	5,981
Facility break fee	(38)	719
Loss on disposal of assets/liabilities held for sale	358	–
Gain on disposal of investment property	–	(2,018)
Fair value adjustments – investment properties	(8,569)	(42,378)
Fair value adjustments – derivative financial instruments	658	(355)
Net foreign exchange loss	382	53
Deferred tax expense	10,082	13,697
Tax expense relating to the divestment of investment properties	1,843	820
Distribution of divestment gain	2,814	–
Other adjustments	550	–
	9,780	(12,147)
Note B – Distributions declared to Unitholders during the year		
Distribution of 1.570 Euro cents per Unit ("cpu") from 1 Jul 2018 to 31 Dec 2018	–	34,402
Distribution of 2.050 cpu from 1 Jan 2019 to 1 Jul 2019	–	45,116
Distribution of 2.030 cpu from 2 Jul 2019 to 31 Dec 2019	51,720	–
Distribution of 1.740 cpu from 1 Jan 2020 to 30 Jun 2020	44,476	–
	96,196	79,518

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS

For the year ended 31 December 2020

	CEREIT		Trust	
	2020 €'000	2019 €'000	2020 €'000	2019 €'000
Operations				
At 1 January	77,681	48,154	(87,433)	(32,802)
Total return for the year	79,363	109,045	59,683	24,887
Distributions to Unitholders	(96,196)	(79,518)	(96,196)	(79,518)
At 31 December	60,848	77,681	(123,946)	(87,433)
Unitholders' contributions				
At 1 January	1,236,795	1,070,501	1,237,132	1,070,501
Issue of units:				
– Private placement	–	150,000	–	150,000
– Base management fees	962	5,112	962	5,112
– Property & portfolio management fees	1,493	5,956	1,493	5,956
– Performance management fees	1,952	–	1,952	–
– Acquisition fees	–	3,125	–	3,125
– Purchase consideration	–	5,000	–	5,000
Issue expenses	(10)	(2,899)	(10)	(2,562)
At 31 December	1,241,192	1,236,795	1,241,529	1,237,132
Reserves				
At 1 January and 31 December	112	112	116	116
Unitholders' funds at 31 December	**1,302,152**	**1,314,588**	**1,117,699**	**1,149,815**

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the year ended 31 December 2020

	Note	CEREIT 2020 €'000	2019 €'000
Cash flows from operating activities			
Total return for the year before tax		96,537	130,041
Adjustments for:			
Amortisation of lease costs and incentives		1,499	(3,269)
Effect of recognising rental income on a straight-line basis		(2,582)	(4,064)
Loss on disposal of assets/liabilities held for sale		358	–
Gain on disposal of investment property		–	(2,018)
Net finance costs		17,894	18,786
Allowance for credit losses		3,062	–
Manager's fees and property manager's fees paid in CEREIT units		–	11,741
Change in fair value of investment properties		(8,569)	(42,378)
Change in fair value of derivative financial instruments		658	(355)
Net foreign exchange loss		382	53
Operating cash flows before movements in working capital		109,239	108,537
Changes in operating assets and liabilities:			
Decrease/(increase) in receivables		17,881	(1,830)
Increase/(decrease) in payables		544	(10,847)
(Decrease)/increase in other liabilities		(17,671)	6,011
Cash generated from operations		**109,993**	**101,871**
Interest paid		(13,703)	(11,445)
Interest received		1	82
Tax paid		(7,708)	(3,092)
Net cash provided by operating activities		**88,583**	**87,416**
Cash flows from investing activities			
Payments for acquisitions of subsidiaries, net of cash		–	(154,125)
Payments for acquisition of investment properties		(104,822)	(172,078)
Payment of transaction costs for acquisition of investment properties		(5,121)	(14,608)
Payment of deposits for acquisition of investment properties		(1,000)	(1,900)
Payments for capital expenditure on investment properties		(20,968)	(11,216)
Refund of/(payment for) VAT in relation to acquisition of investment properties		20,438	(20,349)
Proceeds from disposal of assets/liabilities held for sale, net of cash disposed of		65,812	–
Proceeds from sale of investment property		–	19,004
Payment of transaction costs for disposal of investment property		(601)	(95)
Net cash used in investing activities		**(46,262)**	**(355,367)**
Cash flows from financing activities			
Net proceeds from issuance of CEREIT units		–	147,563
Payment of unit issue costs		(10)	(2,071)
Proceeds from bank borrowings		450,000	862,911
Repayment of bank borrowings		(423,418)	(630,372)
Payment for transaction costs related to borrowings and Medium Term Notes		(8,020)	(7,696)
Payment to acquire/ for settlement of derivative financial instruments		–	(727)
Distributions paid to Unitholders		(96,196)	(79,518)
Payment of finance lease		(334)	(334)
Net cash (used in)/provided by financing activities		**(77,978)**	**289,756**
Net (decrease)/increase in cash and cash equivalents		**(35,657)**	**21,805**
Cash and cash equivalents at 1 January		79,250	57,755
Cash and cash equivalents classified to assets held for sale	16	–	(310)
Cash and cash equivalents at 31 December		**43,593**	**79,250**

Refer to note 18 for details of non-cash transactions and a reconciliation of movements in net debt.

The accompanying notes form an integral part of the financial statements.

STATEMENT OF PORTFOLIO

As at 31 December 2020

Property *(by Geography)*	**Location**	**Acquisition Date**
The Netherlands		
Office		
Haagse Poort	Prinses Beatrixlaan 35 – 37 & Schenkkade 60 – 65, Den Haag	30 Nov 2017
Central Plaza	Plaza 2 – 25 (retail) / Weena 580 – 618 (offices), Rotterdam	19 Jun 2017
Bastion	Willemsplein 2 – 10, 's-Hertogenbosch	28 Dec 2018
Moeder Teresalaan 100 / 200	Moeder Teresalaan 100 / 200, Utrecht	28 Dec 2018
De Ruyterkade 5	De Ruyterkade 5, Amsterdam	19 Jun 2017
Koningskade 30	Koningskade 30, Den Haag	19 Jun 2017
Blaak 40	Blaak 40, Rotterdam	30 Nov 2017
Light Industrial / Logistics		
Veemarkt	Veemarkt 27-75 / 50-76 / 92-114, Amsterdam	30 Nov 2017
Boekweitstraat 1 – 21 & Luzernestraat 2 – 12	Boekweitstraat 1 – 21 & Luzernestraat 2 – 12, Nieuw–Vennep	30 Nov 2017
Capronilaan 22 – 56	Capronilaan 22 – 56, Schiphol-Rijk	30 Nov 2017
Folkstoneweg 5 – 15	Folkstoneweg 5 – 15, Schiphol	30 Nov 2017
Kapoeasweg 4 – 16	Kapoeasweg 4 – 16, Amsterdam	30 Nov 2017
Italy		
Office		
Piazza Affari 2	Piazza degli Affari 2, Milan	30 Nov 2017
Via dell'Amba Aradam 5	Via dell'Amba Aradam 5, Rome	30 Nov 2017
Via Pianciani 26	Via Pianciani 26, Rome	30 Nov 2017
Building F7-F11	Viale Milanofiori 1, Assago	30 Nov 2017
Via Camillo Finocchiaro Aprile 1	Via Camillo Finocchiaro Aprile 1, Genova	05 Dec 2018
Via Nervesa 21	Via Nervesa 21, Milan	30 Nov 2017
Cassiopea 1-2-3	Via Paracelso 22-24-26, Milan	28 Nov 2019
Nuova ICO	Via Guglielmo Jervis 9, Ivrea	27 Jun 2018
Via della Fortezza 8	Via della Fortezza 8, Florence	15 Feb 2018
Corso Lungomare Trieste 29	Corso Lungomare Trieste 29, Bari	05 Dec 2018
Corso Annibale Santorre di Santa Rosa 15	Corso Annibale Santorre di Santa Rosa 15, Cuneo	30 Nov 2017
Via Rampa Cavalcavia 16-18	Via Rampa Cavalcavia 16-18, Venice Mestre	30 Nov 2017
Light Industrial / Logistics		
Centro Logistico Orlando Marconi	Via del Lavoro, 63076 Monteprandone	23 Dec 2020
Strada Provinciale Adelfia	Strada Provinciale Adelfia, Rutigliano	30 Nov 2017

n/a – not applicable

(1) Part freehold and part leasehold interest ending 31 July 2088.

The accompanying notes form an integral part of the financial statements.

STATEMENT OF PORTFOLIO

As at 31 December 2020

Land Tenure	Remaining Term (Years) 2020	Remaining Term (Years) 2019	Carrying Amount 2020 €'000	Carrying Amount 2019 €'000	Percentage of Net Assets 2020 %	Percentage of Net Assets 2019 %
Part Freehold, Part Right of Superficies and Part Perpetual leasehold	n/a	n/a	173,500	169,400	13.3	12.9
Freehold/ leasehold[1]	n/a 67.6	n/a 68.6	164,855	164,200	12.7	12.5
Freehold	n/a	n/a	78,600	79,000	6.0	6.0
Perpetual leasehold	n/a	n/a	59,300	57,000	4.6	4.3
Continuing leasehold	67.5	68.5	54,700	52,350	4.2	4.0
Perpetual leasehold	n/a	n/a	21,420	18,600	1.6	1.4
Freehold	n/a	n/a	16,100	16,900	1.2	1.3
Continuing leasehold	Various 18.0 – 22.0	Various 19.0 – 23.0	41,100	37,150	3.2	2.8
Freehold	n/a	n/a	7,560	6,050	0.6	0.5
Freehold	n/a	n/a	7,060	6,850	0.5	0.5
Leasehold	18.9	19.9	4,560	5,350	0.4	0.4
Freehold	n/a	n/a	4,480	3,900	0.3	0.3
Freehold	n/a	n/a	89,800	87,000	6.9	6.6
Freehold	n/a	n/a	49,000	50,700	3.8	3.9
Freehold	n/a	n/a	32,600	33,500	2.5	2.5
Freehold	n/a	n/a	26,400	27,100	2.0	2.1
Freehold	n/a	n/a	23,700	23,950	1.8	1.8
Freehold	n/a	n/a	23,325	25,400	1.8	1.9
Freehold	n/a	n/a	16,650	17,700	1.3	1.3
Freehold	n/a	n/a	16,525	16,950	1.3	1.3
Freehold	n/a	n/a	16,375	16,900	1.3	1.3
Freehold	n/a	n/a	11,475	12,250	0.9	0.9
Freehold	n/a	n/a	7,860	8,850	0.6	0.7
Freehold	n/a	n/a	5,220	5,500	0.4	0.4
Freehold	n/a	n/a	52,575	–	4.0	–
Freehold	n/a	n/a	12,675	12,575	1.0	1.0

The accompanying notes form an integral part of the financial statements.

STATEMENT OF PORTFOLIO
As at 31 December 2020

Property *(by Geography)*	Location	Acquisition Date
Italy (continued)		
Other		
Viale Europa 95	Viale Europa 95, Bari	30 Nov 2017
Starhotels Grand Milan	Via Varese 23, Saronno	30 Nov 2017
Via Madre Teresa 4	Via Madre Teresa 4, Lissone	30 Nov 2017
Via Salara Vecchia 13	Via Salara Vecchia 13, Pescara	30 Nov 2017
Via Brigata Padova 19	Via Brigata Padova 19, Padova	30 Nov 2017
France		
Office		
Cap Mermoz	38-44 rue Jean Mermoz, Maisons-Laffitte, Paris	17 Jul 2019
Paryseine	3 Allée de la Seine, Ivry-Sur Seine, Paris	17 Jul 2019
Lénine	1 rue de Lénine, 94200 Ivry-Sur Seine, Ivry-Sur Seine, Paris	17 Jul 2019
Light Industrial / Logistics		
Parc des Docks	50 rue Ardoin, Saint Ouen	30 Nov 2017
Parc des Guillaumes	58 rue de Neuilly – 2 rue du Trou Morin, ZAC des Guillaumes, Noisy-le-Sec	30 Nov 2017
Parc des Grésillons	167-169 avenue des Grésillons, Gennevilliers	30 Nov 2017
Parc du Landy	61 rue du Landy, Aubervilliers	30 Nov 2017
Parc Delizy	32 rue Délizy, Pantin	30 Nov 2017
Parc Urbaparc	75-79 rue du Rateau, La Courneuve	30 Nov 2017
Parc Béziers	Rue Charles Nicolle, Villeneuve-lès-Béziers	23 Jan 2019
Parc du Merantais	1-3 rue Georges Guynemer, Magny-Les-Hameaux	30 Nov 2017
Parc des Érables	154 allée des Érables, Villepinte	30 Nov 2017
Parc Jean Mermoz	53 rue de Verdun – 81, rue Maurice Berteaux, La Courneuve	30 Nov 2017
Parc Louvresses	46-48 boulevard Dequevauvilliers, Gennevilliers	14 Feb 2019
Parc le Prunay	13-41 rue Jean Pierre Timbaud, ZI du Prunay, Sartrouville	30 Nov 2017
Parc Locaparc 2	59-65 rue Edith Cavell, Vitry-sur-Seine	30 Nov 2017
Parc de Champs	40 boulevard de Nesles, ZAC le Ru du Nesles, Champs sur Marne	30 Nov 2017
Parc Acticlub	2 rue de la Noue Guimante, ZI de la Courtillière, Saint Thibault des Vignes	30 Nov 2017
Parc Parçay-Meslay	ZI du Papillon, Parcay-Meslay	23 Jan 2019
Parc de Popey	5 chemin de Popey, Bar-le-Duc	30 Nov 2017
Parc du Bois du Tambour	Route de Nancy, Gondreville	30 Nov 2017
Parc Sully	105 route d'Orléans, Sully-sur-Loire	23 Jan 2019

n/a – not applicable

The accompanying notes form an integral part of the financial statements.

STATEMENT OF PORTFOLIO

As at 31 December 2020

Land Tenure	Remaining Term (Years)		Carrying Amount		Percentage of Net Assets	
	2020	2019	2020 €'000	2019 €'000	2020 %	2019 %
Freehold	n/a	n/a	76,500	81,000	5.9	6.2
Freehold	n/a	n/a	17,050	20,000	1.3	1.5
Freehold	n/a	n/a	16,350	19,750	1.3	1.5
Freehold	n/a	n/a	12,300	12,750	0.9	1.0
Freehold	n/a	n/a	4,430	4,850	0.3	0.4
Freehold	n/a	n/a	35,600	36,000	2.7	2.7
Freehold	n/a	n/a	29,100	36,800	2.2	2.8
Freehold	n/a	n/a	5,080	5,900	0.4	0.4
Freehold	n/a	n/a	135,300	125,500	10.4	9.5
Freehold	n/a	n/a	28,000	25,800	2.2	2.0
Freehold	n/a	n/a	23,400	19,600	1.8	1.5
Freehold	n/a	n/a	23,300	21,200	1.8	1.6
Freehold	n/a	n/a	18,500	18,800	1.4	1.4
Freehold	n/a	n/a	18,300	15,100	1.4	1.1
Freehold	n/a	n/a	11,000	10,700	0.8	0.8
Freehold	n/a	n/a	9,730	10,400	0.7	0.8
Freehold	n/a	n/a	9,210	7,700	0.7	0.6
Freehold	n/a	n/a	9,140	8,100	0.7	0.6
Leasehold	27	28	7,740	6,700	0.6	0.5
Freehold	n/a	n/a	7,660	5,300	0.6	0.4
Freehold	n/a	n/a	7,650	6,200	0.6	0.5
Freehold	n/a	n/a	7,240	6,100	0.6	0.5
Freehold	n/a	n/a	6,260	5,400	0.5	0.4
Freehold	n/a	n/a	4,850	5,700	0.4	0.4
Freehold	n/a	n/a	4,800	4,800	0.4	0.4
Freehold	n/a	n/a	3,990	4,000	0.3	0.3
Freehold	n/a	n/a	3,390	4,600	0.3	0.3

The accompanying notes form an integral part of the financial statements.

STATEMENT OF PORTFOLIO

As at 31 December 2020

Property *(by Geography)*	Location	Acquisition Date
Poland		
Office		
Business Garden	2, 4, 6, 8 and 10 Kolorowa Street, Poznań	24 Sep 2019
Green Office	80, 80A, 82 and 84 Czerwone Maki Street, Kraków	25 Jul 2019
Riverside Park	Fabryczna 5, Warsaw	14 Feb 2019
Avatar	28 Armii Krajowej Street, Kraków	25 Jul 2019
Grójecka 5	Grójecka 5, Warsaw	14 Feb 2019
Arkońska Business Park	Arkońska 1&2, Gdańsk	14 Feb 2019
Germany		
Light Industrial / Logistics		
Parsdorfer Weg 10	Parsdorfer Weg 10, Kirchheim	30 Nov 2017
An der Wasserschluft 7	An der Wasserschluft 7, 06526 Sangerhausen	13 Aug 2020
Siemensstraße 11	Siemensstraße 11, Frickenhausen	30 Nov 2017
Göppinger Straße 1 – 3	Pforzheim, Göppinger Straße 1 – 3	24 Mar 2020
Gewerbestraße 62	Bretten, Gewerbestraße 62	24 Mar 2020
An der Kreuzlache 8-12	An der Kreuzlache 8-12, Bischofsheim	30 Nov 2017
Henschelring 4	Henschelring 4, Kirchheim	30 Nov 2017
Frauenstraße 31	Frauenstraße 31, Maisach	30 Nov 2017
Gutenbergstraße 1, Dieselstraße 2	Königsbach-Stein, Gutenbergstraße 1, Dieselstraße 2	24 Mar 2020
Kolumbusstraße 16	Kolumbusstraße 16, Hamburg	30 Nov 2017
Dresdner Straße 16, Sachsenring 52	Dresdner Straße 16, Sachsenring 52, Straubing	30 Nov 2017
Hochstraße 150-152	Hochstraße 150-152, Duisburg	30 Nov 2017
Moorfleeter Straße 27, Liebigstraße 67-71	Moorfleeter Straße 27, Liebigstraße 67-71, Hamburg	30 Nov 2017
Kinzigheimer Weg 114	Kinzigheimer Weg 114, Hanau	30 Nov 2017
An der Steinlach 8-10	An der Steinlach 8-10, Bischofsheim	30 Nov 2017
Finland		
Office		
Grandinkulma	Kielotie 7, Vantaa	28 Dec 2018
Opus 1	Hitsaajankatu 24, Helsinki	28 Dec 2018
Plaza Vivace	Äyritie 8 C, Vantaa	28 Dec 2018
Plaza Forte	Äyritie 12 C, Vantaa	28 Dec 2018
Myyrmäenraitti 2	Myyrmäenraitti 2, Vantaa	28 Dec 2018
Pakkalankuja 6	Pakkalankuja 6, Vantaa	28 Dec 2018
Plaza Allegro	Äyritie 8 B, Vantaa	28 Dec 2018
Mäkitorpantie 3b	Mäkitorpantie 3b, Helsinki	28 Dec 2018
Kauppakatu 39	Kauppakatu 39, Kuopio	28 Dec 2018
Purotie 1	Purotie 1, Helsinki	28 Dec 2018
Pakkalankuja 7	Pakkalankuja 7, Vantaa	28 Dec 2018

n/a – not applicable

The accompanying notes form an integral part of the financial statements.

STATEMENT OF PORTFOLIO

As at 31 December 2020

Land Tenure	Remaining Term (Years) 2020	Remaining Term (Years) 2019	Carrying Amount 2020 €'000	Carrying Amount 2019 €'000	Percentage of Net Assets 2020 %	Percentage of Net Assets 2019 %
Freehold	n/a	n/a	85,900	89,100	6.6	6.8
Freehold	n/a	n/a	51,200	52,250	3.9	4.0
Freehold	n/a	n/a	30,200	32,100	2.3	2.4
Freehold/ Perpetual usufruct	n/a	n/a	28,100	29,050	2.2	2.2
Freehold	n/a	n/a	21,600	22,600	1.7	1.7
Freehold	n/a	n/a	18,300	18,800	1.4	1.4
Freehold	n/a	n/a	36,600	31,550	2.8	2.4
Freehold	n/a	n/a	18,350	–	1.4	–
Freehold	n/a	n/a	17,650	15,750	1.4	1.2
Freehold	n/a	n/a	16,875	–	1.3	–
Freehold	n/a	n/a	15,500	–	1.2	–
Freehold	n/a	n/a	13,700	13,250	1.1	1.0
Freehold	n/a	n/a	11,575	10,350	0.9	0.8
Freehold	n/a	n/a	11,450	8,650	0.9	0.7
Freehold	n/a	n/a	10,625	–	0.8	–
Freehold	n/a	n/a	10,300	9,200	0.8	0.7
Freehold	n/a	n/a	9,440	7,700	0.7	0.6
Freehold	n/a	n/a	9,390	8,300	0.7	0.6
Freehold	n/a	n/a	9,000	8,450	0.7	0.6
Freehold	n/a	n/a	3,670	3,600	0.3	0.3
Freehold	n/a	n/a	3,240	3,150	0.2	0.2
Freehold	n/a	n/a	13,500	12,900	1.0	1.0
Freehold	n/a	n/a	13,100	14,900	1.0	1.1
Freehold	n/a	n/a	12,575	12,975	1.0	1.0
Freehold	n/a	n/a	12,225	12,950	0.9	1.0
Freehold	n/a	n/a	11,700	12,000	0.9	0.9
Freehold	n/a	n/a	10,450	10,900	0.8	0.8
Freehold	n/a	n/a	9,990	10,525	0.8	0.8
Freehold	n/a	n/a	8,820	7,900	0.7	0.6
Freehold	n/a	n/a	7,230	7,400	0.6	0.6
Freehold	n/a	n/a	5,700	6,400	0.4	0.5
Freehold	n/a	n/a	5,600	6,150	0.4	0.5

The accompanying notes form an integral part of the financial statements.

STATEMENT OF PORTFOLIO

As at 31 December 2020

Property *(by Geography)*	**Location**	**Acquisition Date**
Denmark		
Light Industrial / Logistics		
Naverland 7-11	Naverland 7-11, Glostrup	30 Nov 2017
Priorparken 700	Priorparken 700, Brøndby	30 Nov 2017
Priorparken 800	Priorparken 800, Brøndby	30 Nov 2017
Stamholmen 111	Stamholmen 111, Hvidovre	30 Nov 2017
Herstedvang 2-4	Herstedvang 2-4, Albertslund	30 Nov 2017
Islevdalvej 142	Islevdalvej 142, Rødovre	30 Nov 2017
Naverland 8	Naverland 8, Glostrup	30 Nov 2017
Hørskætten 4-6	Hørskætten 4-6, Tåstrup	30 Nov 2017
Fabriksparken 20	Fabriksparken 20, Glostrup	30 Nov 2017
Hørskætten 5	Hørskætten 5, Tåstrup	30 Nov 2017
Naverland 12	Naverland 12, Glostrup	30 Nov 2017
Portfolio of investment properties, at fair value		
Other adjustments (note 8(a))		
Investment properties as shown in the balance sheet		
Other assets and liabilities, net		
Net assets		

n/a – not applicable

The accompanying notes form an integral part of the financial statements.

STATEMENT OF PORTFOLIO

As at 31 December 2020

Land Tenure	Remaining Term (Years) 2020	Remaining Term (Years) 2019	Carrying Amount 2020 €'000	Carrying Amount 2019 €'000	Percentage of Net Assets 2020 %	Percentage of Net Assets 2019 %
Freehold	n/a	n/a	11,947	10,881	0.9	0.8
Freehold	n/a	n/a	11,585	11,872	0.9	0.9
Freehold	n/a	n/a	10,698	8,686	0.8	0.7
Freehold	n/a	n/a	7,486	6,331	0.6	0.5
Freehold	n/a	n/a	7,365	6,358	0.6	0.5
Freehold	n/a	n/a	6,679	6,371	0.5	0.5
Freehold	n/a	n/a	6,303	5,996	0.5	0.5
Freehold	n/a	n/a	6,007	5,474	0.5	0.4
Freehold	n/a	n/a	5,900	5,728	0.5	0.4
Freehold	n/a	n/a	3,628	3,801	0.3	0.3
Freehold	n/a	n/a	3,414	3,092	0.3	0.2
			2,177,852	**2,037,315**	**167.3**	**155.0**
			6,677	**4,184**	**0.5**	**0.3**
			2,184,529	**2,041,499**	**167.8**	**155.3**
			(882,377)	(726,911)	(67.8)	(55.3)
			1,302,152	**1,314,588**	**100.0**	**100.0**

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

About these Financial Statements

The Cromwell European Real Estate Investment Trust ("Trust") is a Singapore real estate investment trust constituted pursuant to a trust deed dated 28 April 2017 (date of "Constitution") (as amended and restated) between Cromwell EREIT Management Pte. Ltd. as the Manager of CEREIT (the "Manager") and Perpetual (Asia) Limited as Trustee of CEREIT (the "Trustee"). CEREIT was listed on the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 30 November 2017 ("Listing Date"). The Trust and its subsidiaries are collectively referred to as "CEREIT" in the consolidated financial statements.

Prior to Listing Date, CEREIT was a private Singapore Trust, wholly owned by the Cromwell Property Group. During this period CEREIT acquired a group of entities that held three Dutch office assets from Cromwell Property Group. The total return from these properties during the period prior to Listing Date does not from part of distributable income to which Unitholders are entitled to.

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the recommendations of Statement of Recommended Accounting Practice ("RAP") 7 *"Reporting Framework for Unit Trusts"* issued by the Institute of Singapore Chartered Accountants, and the applicable requirements of the Code on Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore ("MAS") and the provisions of the Trust Deed.

The financial statements are presented in Euro ("€") and had been rounded to the nearest thousand, unless otherwise stated. All financial information has been prepared in a format designed to provide users of the financial report with a clear understanding of relevant balances and transactions that drive CEREIT's financial performance and financial position free of immaterial and superfluous information. Accounting policies and, where applicable, the use of significant estimates and judgments are presented in the relating notes to the financial statements and plain English is used in commentary or explanatory sections to improve readability of the financial statements.

The notes have been organised into the following five sections for reduced complexity and ease of navigation:

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

Results

This section of the financial statements provides further information on CEREIT's financial performance, including the performance of each of CEREIT's segments, as well as details of CEREIT's revenue, fees paid to the Trustee, Manager and Property Manager, trust expenses, income tax items and CEREIT's semi-annual distributions, the earnings per security calculation as well as details about CEREIT's income tax items.

1 OPERATING SEGMENT INFORMATION

Overview

CEREIT's operating segments regularly reviewed by the Chief Operating Decision Maker ("CODM"), being the Chief Executive Officer ("CEO"), are CEREIT's property sub-portfolios by location and asset class as each of these sub-portfolios have different performance characteristics. There is no segment information for CEREIT's business segments as CEREIT's activities wholly relate to property investment.

CEREIT operated in three property classes and seven countries as at 31 December 2020. The property segments below are reported in a manner consistent with the internal reporting provided to the CODM.

CEREIT's property segments:

Asset class	*Country*	*Details*
Office	The Netherlands	CEREIT holds 7 (2019: 7) office assets in the Netherlands with a combined valuation of €568,475,000 (2019: €557,450,000) located in predominantly central business districts of the main cities of the Netherlands - Amsterdam, Rotterdam, The Hague, Utrecht and s'Hertogenbosch. A majority of the properties are multi-tenanted with a diverse tenant-customer base comprising corporations across insurance, engineering, e-commerce, government and public administration, professional and legal services and various other sectors.
	Italy	CEREIT holds 12 (2019: 12) office assets in Italy with a combined valuation of €318,930,000 (2019: €325,800,000). These assets are predominantly located in or close to central business districts and city fringe areas of the main cities of Italy - Milan and Rome as well as secondary cities, including Florence, Venice, Bari and Genova. The properties are a mix of single-tenanted and multi-tenanted buildings with main tenant-customers comprising the Italian government, telecom, professional service, marketing and advertising service corporations.
	France	CEREIT holds 3 (2019: 3) office assets in France with a combined valuation of €69,780,000 (2019: €78,700,000). The assets comprise two predominantly office properties located just six kilometres from Paris' city centre, close to transport nodes, and one office property located in the Greater Paris area. The properties are multi-tenanted with main tenant-customers comprising publishing, professional services and global engineering corporations.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

Asset class	*Country*	*Details*
	Poland	CEREIT holds 6 (2019: 6) office assets in Poland with a combined valuation of €235,300,000 (2019: €243,900,000). The properties are located in some of the main cities of Poland – Warsaw, Krakow and Poznan, as well as Gdansk which is part of the Tricity – one of the biggest urban areas in Poland. The properties are all multi-tenanted with main tenant-customers comprising multinational corporations across technology, pharmaceutical, media, banking and financial services and other sectors.
	Finland	CEREIT holds 11 (2019: 11) office assets in Finland with a combined value of €110,890,000 (2019: €115,000,000) predominantly located in well-established office parks in Helsinki. The properties are multi-tenanted with main tenant-customers comprising corporations across energy, healthcare, professional services, retail, construction and manufacturing sectors.
Light Industrial/ Logistics	The Netherlands	CEREIT completed the disposal of 5 light industrial assets in the Netherlands on 24 March 2020, bringing the total number of light industrial / logistic assets held in the Netherlands to 5 (2019: 10). The assets have a combined valuation of €64,760,000 (2019: €78,692,000) and they are leased to a diverse tenant base. The properties are predominately located in the wider Amsterdam area, including the Netherlands main airport, Amsterdam Schiphol.
	Italy	CEREIT completed the acquisition of a freehold intermodal logistics park just prior to year-end in December 2020. The asset is located in Monteprandone within close proximity to the A14/E55 motorway and is let to a diverse set of 24 tenant-customers. The Italian light industrial portfolio now comprises of 2 assets (2019: 1) with a combined valuation of €65,250,000 (2019: €12,575,000).
	France	CEREIT completed the disposal of 5 light industrial assets in France on 24 March 2020, bringing the total number of light industrial / logistics assets held in France to 19 (2019: 24). The assets have a combined valuation of €339,460,000 (2019: €348,885,000) and they are leased to a diverse tenant base with 200+ separate leases, including larger tenant-customers from the transport and logistics sector. 14 properties are located in the Greater Paris area while the remaining assets are located near larger secondary cities such as Lyon, Nancy and Lille.
	Germany	CEREIT completed the acquisition of 4 light industrial / logistics assets in Germany during the year. The properties are located in the cities of Pforzheim, Bretten, Königsbach-Stein, and Sangerhausen. As at 31 December 2020, CEREIT holds 15 (2019: 11) light industrial / logistics assets across Germany with a combined valuation of €197,365,000 (2019: €119,950,000), leased to a diverse tenant base which include global engineering, technology, automotive, and reusable packaging companies.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

Asset class	*Country*	*Details*
	Denmark	CEREIT completed the disposal of 2 light industrial assets in Denmark on 24 March 2020, bringing the total number of light industrial assets held in Denmark to 11 (2019: 13) with a combined valuation of €81,012,000 (2019: €83,713,000). The properties are predominantly located in the Copenhagen area with a diverse tenant base including shipping and logistics, wholesale and retail, and payment technology companies. One of the largest tenant-customers is a global manufacturer of commercial cleaning equipment.
Other	Italy	In addition to its principally office and light industrial property portfolio, CEREIT also holds 5 (2019: 5) assets in Italy in the 'other' asset class with a combined value of €126,630,000 (2019: €138,350,000). These assets include three that are leased to the Italian government (predominantly used as training and housing campuses for the Italian police force), a 480-room hotel and a leisure complex with a large cinema.

Accounting policy

Segment allocation

Segment revenues, expenses and assets are those presented to the CODM that are directly attributable to the property segment.

Segment revenue include revenues directly derived from CEREIT's properties and include lease revenue, service charge revenue and any other property revenue received from tenants. Segment expenses include expenses directly incurred in operating the properties and include service charge expense, non-recoverable expenses and leasing costs.

Segment assets include investment properties. Cash and other current and non-current assets may be held in centralised locations and are not allocated to the property segments. Liabilities are not allocated to segments. CEREIT's borrowings and derivative financial instruments are not reviewed by the CODM on a segment basis as they are centrally managed by CEREIT's treasury function and reviewed by the CODM for CEREIT globally. Other operating liabilities, such as payables are also managed in centralised locations and are not allocated to the property segments.

Segment profit / (loss)

Segment profit / (loss) equals net property income from the property sub-portfolio and does not include net finance costs, manager's fees, trustee fees, trust expenses, gain or loss on disposal of investment properties or assets / liabilities held for sale, fair value changes of investment properties and derivative financial instruments and income tax expense.

(a) Segment results

The table below shows segment results as presented to the CODM. For further commentary on individual segment results refer to the Managers Report section of this Annual Report.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

CEREIT 2020	**Gross revenue from external customers €'000**	**Property operating expenditure €'000**	**Segment Profit / (Loss) €'000**
Office			
The Netherlands	41,030	(16,574)	24,456
Italy	24,313	(6,760)	17,553
France	8,191	(3,633)	4,558
Poland	25,096	(9,778)	15,318
Finland	11,434	(4,920)	6,514
Total – Office	**110,064**	**(41,665)**	**68,399**
Light Industrial / Logistics			
The Netherlands	5,929	(1,987)	3,942
Italy	1,245	(351)	894
France	32,551	(13,122)	19,429
Germany	13,526	(4,142)	9,384
Denmark	9,465	(4,245)	5,220
Total – Light Industrial/ Logistics	**62,716**	**(23,847)**	**38,869**
Other			
Italy	14,192	(4,131)	10,061
Total – Other	**14,192**	**(4,131)**	**10,061**
Total – Segments	**186,972**	**(69,643)**	**117,329**
Unallocated items:			
Net finance costs			(17,894)
Manager's fees			(5,246)
Trustee fees			(260)
Trust expenses			(4,945)
Loss on disposal of assets/liabilities held for sale			(358)
Fair value gain – investment properties			8,569
Fair value loss – derivative financial instruments			(658)
Income tax expense			(17,174)
Total return for the year attributable to Unitholders			**79,363**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

CEREIT 2019	Gross revenue from external customers €'000	Property operating expenditure €'000	Segment Profit / (Loss) €'000
Office			
The Netherlands	42,056	(15,786)	26,270
Italy	22,499	(6,061)	16,438
France	3,236	(1,539)	1,697
Poland	13,710	(5,382)	8,328
Finland	12,049	(4,436)	7,613
Total – Office	**93,550**	**(33,204)**	**60,346**
Light Industrial / Logistics			
The Netherlands	7,648	(1,767)	5,881
Italy	1,131	(312)	819
France	38,021	(13,623)	24,398
Germany	11,069	(3,677)	7,392
Denmark	9,980	(4,066)	5,914
Total – Light Industrial/ Logistics	**67,849**	**(23,445)**	**44,404**
Other			
Italy	15,647	(4,251)	11,396
Total – Other	**15,647**	**(4,251)**	**11,396**
Total – Segments	**177,046**	**(60,900)**	**116,146**
Unallocated items:			
Net finance costs			(18,786)
Manager's fees			(6,620)
Trustee fees			(250)
Trust expenses			(5,200)
Gain on disposal of investment property			2,018
Fair value gain – investment properties			42,378
Fair value gain – derivative financial instruments			355
Income tax expense			(20,996)
Total return for the year attributable to Unitholders			**109,045**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

(b) Segment assets and liabilities

Segment assets

CEREIT 2020	*Segment assets:* **Investment properties €'000**	*Oher Information:* **Capital expenditure €'000**
Office		
The Netherlands	568,475	10,115
Italy	318,930	1,267
France	69,780	347
Poland	235,300	1,207
Finland	110,890	925
Total – Office	**1,303,375**	**13,861**
Light industrial / Logistics		
The Netherlands	71,437	199
Italy	65,250	44
France	339,460	1,627
Germany	197,365	2,079
Denmark	81,012	2,012
Total – Light Industrial / Logistics	**754,524**	**5,961**
Other		
Italy	126,630	621
Total – Other	**126,630**	**621**
Total – Segments	**2,184,529**	**20,443**
Reconciliation to total consolidated assets:		
Cash and cash equivalents	43,593	
Receivables – current	15,943	
Current tax assets	1,397	
Receivables – non-current	1,028	
Derivative financial instruments	126	
Deferred tax assets	3,836	
Consolidated total assets	**2,250,452**	

Segment liabilities

There are no liabilities allocated to segments.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

Segment assets

CEREIT 2019	*Segment assets:* **Investment properties €'000**	*Segment assets:* **Assets held for sale €'000**	*Segment assets:* **Total €'000**	*Oher Information:* **Capital expenditure €'000**
Office				
The Netherlands	555,328	–	555,328	5,987
Italy	424,400	–	424,400	1,222
France	78,700	–	78,700	–
Poland	243,900	–	243,900	372
Finland	115,000	–	115,000	240
Total – Office	**1,417,328**	**–**	**1,417,328**	**7,821**
Light industrial/Logistics				
The Netherlands	65,967	19,392	85,359	631
Italy	12,575	–	12,575	1
France	311,700	40,438	352,138	1,788
Germany	119,950	–	119,950	144
Denmark	74,229	9,123	83,352	677
Total – Light Industrial/ Logistics	**584,421**	**68,953**	**653,374**	**3,241**
Other				
Italy	39,750	–	39,750	154
Total – Other	**39,750**	**–**	**39,750**	**154**
Total – Segments	**2,041,499**	**68,953**	**2,110,452**	**11,216**
Reconciliation to total consolidated assets:				
Cash and cash equivalents			79,250	
Receivables – current			57,002	
Current tax assets			1,260	
Receivables – non-current			605	
Derivative financial instruments			883	
Deferred tax assets			5,421	
Consolidated total assets			**2,254,873**	

Segment liabilities

There are no liabilities allocated to segments.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

(c) Major customers

Major customers of CEREIT that account for more than 10% of CEREIT's revenue are listed below.

		CEREIT			
		2020		2019	
Name	**Segment**	**Gross revenue €'000**	**Percentage of total revenue %**	**Gross revenue €'000**	**Percentage of total revenue %**
Agenzia del Demanio (Italian State Property Office)	Italy-Office/Other	21,161	11.3	21,155	12.0

The Trust is domiciled in Singapore. However, all properties are located in Europe and are held by subsidiaries of the Trust also domiciled in Europe. As such, all revenue from external customers is recognised in the European countries as shown in section (a).

2 REVENUE

Overview

This note provides a further breakdown of property revenue for the financial year. CEREIT's revenue consists of rental income from operating leases of CEREIT's investment properties, service charge revenue and other incidental revenue from property ownership such as billboards, signage and kiosks. This note also provides overview of the accounting policies on how these revenue items are recognised.

Revenue from properties

	CEREIT	
	2020 €'000	**2019 €'000**
Lease revenue	153,742	144,688
Service charge revenue	32,267	29,732
Other property revenue	963	2,626
Total revenue	**186,972**	**177,046**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

Accounting policy

Lease revenue

Lease income from operating leases, with CEREIT as lessor of investment properties, is recognised on a straight-line basis over the lease term. The respective leased assets, being CEREIT's investment properties, are included in the balance sheet.

Service charge revenue

Service charge revenue are payments from tenants for costs incurred by the landlord to provide services to the tenants, including providing utilities, cleaning, certain maintenance and building management among other operating costs of a property. Service charge revenue is recognised over time as and when the tenant receives and consumes the benefit of the service provided, which is generally simultaneously.

Other property revenue

Other property related revenue is recognised on a straight-line basis over the term of the contract if the contract requires the customer to make fixed payments over time equivalent to a lease.

3 TRUSTEE AND MANAGER'S FEES

Overview

This note provides an overview of the fees charged by the Trustee, the Manager and the Property Manager for the management services they provide to the Unitholders as well as description of how these fees and any other fees that may arise in the future are calculated.

(a) Trustee fees

Pursuant to Clause 15.3 of the Trust Deed, the trustee fees shall not exceed 0.015% per annum of the value of CEREIT's deposited property and subject to a minimum amount of S$15,000 (approximately €9,500) per month, excluding out-of-pocket expenses and GST, and shall be payable out of the deposited property monthly in arrears. The agreed trustee fee is calculated as 0.015% per annum of the value of CEREIT's deposited property up to S$1 billion in deposited property and 0.010% on deposited property value in excess of S$1 billion.

	CEREIT	
	2020 €'000	2019 €'000
Total trustee fee	**260**	**250**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

(b) Manager's fees

The Manager is entitled to management fees comprising a base fee and a performance fee as follows:

Base management fee

The Manager's base fee is calculated as 0.23% per annum of the value of CEREIT's deposited property. The management fee is payable quarterly in arrears.

Performance fee

The Manager's performance fee is calculated as 25.0% of the difference in DPU in a year with the DPU in the preceding year.

The Manager may, at its election, be paid base and/or performance fees in cash, in CEREIT units or a combination of both. As disclosed in CEREIT's prospectus dated 22 November 2017, the Manager elected to receive all base and performance fees in CEREIT units until the financial year ended 2019. Base fee for financial year ended 31 December 2020 were paid / payable 100% in cash.

The following fees were charged during and for the year:

	CEREIT	
	2020 €'000	**2019 €'000**
Base management fees paid in cash[1]	5,246	319
Base management fees paid in units	–	4,349
Performance fees paid in units[2]	–	1,952
Total Manager's fees	**5,246**	**6,620**

(1) Total base management fees include some payroll costs which are netted off against amount payable to the Manager.

(2) FY 2019 performance fee was calculated by taking 25% of the difference between FY 2019 DPU of 4.08 cpu and the 12-month 2018 DPU of 3.75 cpu. No performance fee was payable in respect of FY 2020.

A summary of units issued as payment of the Manager's fees is as follows:

For Period	**Issue Date**	**Units**	**Issue Price[1] €**	**Total Value €'000**
1 Jan 2019 to 31 Dec 2019				
1 January 2019 to 31 March 2019	30 May 2019	2,180,623	0.4937	1,077
1 April 2019 to 30 June 2019	27 August 2019	2,211,302	0.4976	1,100
1 July 2019 to 30 September 2019	18 November 2019	2,432,130	0.4976	1,210
1 October 2019 to 31 December 2019	6 March 2020	1,810,389	0.5314	962
FY 2019 performance fee	6 March 2020	3,673,076	0.5314	1,952
Total		**12,307,520**		**6,301**

1 Issue price is based on the volume weighted average traded price per unit for all trades done on the SGX-ST in the ordinary course of trading for 10 business days immediately preceding and including the end date of the relevant periods in which the fees accrued.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

(c) Property Manager's fees

The property & portfolio management fee is calculated as 0.67% per annum of the value of CEREIT's deposited property. Property & portfolio management fees are shown within property operating expense in the Consolidated Statement of Total Return.

The property & portfolio management fee is payable quarterly in arrears. The Property Manager may, at its election, be paid its fees in cash, in CEREIT units or a combination of both. As disclosed in CEREIT's prospectus dated 22 November 2017, the Property Manager elected to receive 40% of its fees in CEREIT units until the financial year ended 2019. Property & portfolio management fee for financial year ended 31 December 2020 were paid / payable 100% in cash.

The following fees were charged during and for the year:

	CEREIT	
	2020 €'000	**2019 €'000**
Property & portfolio management fees paid in cash	15,271	8,159
Property & portfolio management fees paid in units	–	5,440
Total property & portfolio management fees	**15,271**	**13,599**

A summary of units issued as payment of 40% of the property & portfolio management fees:

For Period	**Issue Date**	**Units**	**Issue Price[1] €**	**Total Value €'000**
1 Jan 2019 to 31 Dec 2019				
1 January 2019 to 31 March 2019	30 May 2019	2,540,900	0.4937	1,255
1 April 2019 to 30 June 2019	27 August 2019	2,576,647	0.4976	1,282
1 July 2019 to 30 September 2019	18 November 2019	2,833,960	0.4976	1,410
1 October 2019 to 31 December 2019	6 March 2020	2,809,919	0.5314	1,493
Total		**10,761,426**		**5,440**

1 Issue price is based on the volume weighted average traded price per unit for all trades done on the SGX-ST in the ordinary course of trading for 10 business days immediately preceding and including the end date of the relevant periods in which the fees accrued.

(d) Other fees

Acquisition and divestment fees

Acquisition fees are calculated as 1.0% of the gross acquisition price (or a lower percentage at the discretion of the charging party) of any real estate or any other income producing investment purchased by CEREIT. Divestment fees are calculated as 0.5% of the gross sale price (or lower percentage at the discretion of the charging party) of any real estate or other investment. The fee may be charged by the Manager, the Property Manager or shared between both. Acquisition and divestments fees may, at the election of the charging party, be paid in cash, in CEREIT units or a combination of both. Under the CIS, in respect of any acquisition of real estate assets from interested parties, such a fee will be in the form of units issued by CEREIT at prevailing market price(s). Such units may not be sold within one year from the date of their issuance.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

The following acquisition and divestment fees were charged to CEREIT during the year:

	CEREIT	
	2020 €'000	2019 €'000
Acquisition fees	1,070	3,633
Divestment fees	329	95
Total acquisition and divestment fees	**1,399**	**3,728**

A summary of units issued as payment of acquisition fees is as follows:

For Period	Issue Date	Units	Issue Price €	Total Value €'000
1 Jan 2019 to 31 Dec 2019				
Acquisitions from 1 January 2019 to 31 December 2019	30 May 2019	1,442,771	0.4980[1]	718
Total		**1,442,771**		**718**

1 Issue price is based on the theoretical ex-rights price ("TERP") per Unit in relation to the Rights Issue in December 2018 as disclosed in the circular to Unitholders in relation to Rights Issue dated 30 October 2018.

Development management and project management fees

Development management fees are calculated as 3.0% of the total project costs incurred. Where the estimated total project costs are greater than S$200.0 million, the Trustee and the Manager's independent Directors will first review and approve the quantum of the development management fee, whereupon the Manager may be directed by the independent Directors to reduce the development management fee. Further, in cases where the market pricing for comparable services is, in the Manager's view, materially lower than the development management fee, the independent Directors of the Manager shall have the right to direct a reduction of the development management fee to less than 3.0% of the total project costs. The development fee may, at the election of the Manager or Property Manager, be paid in the form of cash and/or CEREIT units.

Project management fees are calculated as 5.0% of the construction costs for any refurbishment, retrofitting, addition and alteration or renovation works to the relevant property. The project management fee is payable to the Property Manager in the form of cash and/or CEREIT units (as may be agreed between the Manager and the Property Manager from time to time, and if there is no such agreement, the payment shall be in the form of cash).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2020

Leasing fees

The Property Manager is entitled to the following leasing fees:

(a) (in relation to new leases secured by the Property Manager) 5.0% of the net rent receivable (capped at 20% of the average rent receivable);

(b) (in relation to renewal of leases secured by the Property Manager) 2.5% of the net rent receivable (capped at 10% of the average rent receivable); and

(c) (in relation to leases in respect of which fees are owed to a third-party agent) 1.0% of the net rent receivable, (capped at 4% of the average rent receivable).

The following fees were charged during the year:

	CEREIT	
	2020	**2019**
	€'000	**€'000**
Development management fees	–	–
Project management fees	921	668
Leasing fees	1,817	1,709
Total other fees	**2,738**	**2,377**

All fees were paid/payable in cash.

4 NET INCOME BEFORE TAX AND FAIR VALUE CHANGES

(a) Items included in arriving at net income before tax and fair value changes

The following items have been included in arriving at net income before tax and fair value changes:

		CEREIT	
		2020	**2019**
	Note	**€'000**	**€'000**
Auditor's fees – Deloitte Singapore		126	136
Auditor's fees – Deloitte overseas offices		694	816
Valuation fees		255	373
Allowance for credit losses	12(a)	3,062	–

Accounting policy

Expenses

Other trust expenses as well as property-related expenses are recognised on an accrual basis.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

(b) Auditor's remuneration

Deloitte & Touche LLP Singapore ("Deloitte") are the independent auditors of CEREIT. Deloitte and its overseas offices have provided a number of audit, other assurance and non-assurance related services to CEREIT during the year.

Below is a summary of fees paid/payable for various services to Deloitte and its overseas affiliates during the year:

	CEREIT	
	2020	**2019**
	€'000	**€'000**
Audit fees paid/payable to Deloitte		
Auditing of financial reports – current year audit	820	852
Auditing of financial reports – prior year audit	–	100
Total audit fees paid/payable to Deloitte	**820**	**952**
Non-audit fees paid/payable to Deloitte		
Services rendered in connection with the establishment of EMTN programme	115	–
Other services	–	9
Total non-audit fees paid/payable to Deloitte	**115**	**9**
Total remuneration paid/payable to Deloitte	**935**	**961**

In 2020, fees paid for assurance services in connection with the establishment of EMTN programme of €115,000 were recorded in the balance sheet as debt issuance cost to be amortised over the notes term.

5 EARNINGS PER UNIT

Overview

This note provides information about CEREIT's earnings on a per unit basis. Earnings per unit ("EPU") is a measure that makes it easier for users of CEREIT's financial report to compare CEREIT's performance between different reporting periods. Accounting standards require the disclosure of two EPU measures, basic EPU and diluted EPU. CEREIT does not have dilutive potential units such as options over units. However, the weighted number of average units in issue take into account any units that are issuable at financial year end, that is units to be issued relating to expenses incurred during the year.

	CEREIT	
	2020	**2019**
Basic and diluted earnings per unit (€ cents)	3.105	4.598
Total return for the year attributable to Unitholders (€'000)	79,363	109,045
Weighted average number of units ('000)	2,556,081	2,371,732

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

6 DISTRIBUTIONS

CEREIT's aim is to provide investors with regular and stable distributions that are growing over time. CEREIT's distribution policy is to distribute at least 90% of its annual distributable income in each financial year but this will be re-affirmed at the Manager's discretion at the time of each distribution announcement. Distributions are paid on a semi-annual basis.

Distributions to Unitholder during the year:

		Distribution	CEREIT and Trust	
		per unit	2020	2019
Distribution period	**Distribution type**	**(in € cents)**	**€'000**	**€'000**
1 January 2020 to 30 June 2020	Capital	1.740	44,476	–
2 July 2019 to 31 December 2019	Capital & Tax Exempt	2.030	51,720	–
1 January 2019 to 1 July 2019	Capital	2.050	–	45,116
1 July 2018 to 31 December 2018	Capital & Tax Exempt	1.570	–	34,402
Total distributions			**96,196**	**79,518**

Distribution for FY 2020 of 3.484 cpu comprises distribution for the period from 1 January 2020 to 30 June 2020 of 1.740 cpu made up of capital component and the distribution for the period from 1 July 2020 to 31 December 2020 of 1.744 cpu made up of tax-exempt component. Distribution for FY 2019 of 4.080 cpu comprises distribution for the period from 1 January 2019 to 1 July 2019 (being the day before the new units were issued pursuant to the private placement) of 2.050 cpu and distribution for the period from 2 July 2019 to 31 December 2019 comprises tax exempt income of 1.269 cpu and capital of 0.761 cpu.

7 INCOME TAX

Overview

This note provides detailed information about CEREIT's income tax items and accounting policies. This includes a reconciliation of income tax expense applying the tax rates of each jurisdiction to CEREIT's total return before income tax as shown in the Consolidated Statement of Total Return as well as an analysis of CEREIT's deferred tax balances.

Accounting standards require the application of the "balance sheet method" to account for CEREIT's income tax. Accounting profit does not always equal taxable income. There are a number of temporary differences between the recognition of accounting expenses and the availability of tax deductions or when revenue is recognised for accounting purpose and tax purposes. These timing differences reverse over time but they are recognised as deferred tax assets and deferred tax liabilities in the balance sheet until they are fully reversed.

Taxation in Singapore

CEREIT has obtained a Tax Ruling from the IRAS in respect of foreign dividend and interest income from its European property portfolio ("Specified Exempt Income") and derived by its wholly-owned Singapore resident subsidiaries. Pursuant to this Tax Ruling, the wholly-owned Singapore resident subsidiaries will be exempt from Singapore income tax on the Specified Exempt Income.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2020

As such all income tax expense relates to income tax levied on CEREIT's European subsidiaries that hold properties and earn income.

(a) Income tax expense

	CEREIT	
	2020 €'000	**2019 €'000**
Current income tax expense	7,092	7,299
Deferred tax expense	10,082	13,697
Total income tax expense	**17,174**	**20,996**
Deferred tax expense		
Decrease in deferred tax assets	1,585	11,143
Increase in deferred tax liabilities	8,497	2,554
Total deferred tax expense	**10,082**	**13,697**

(b) Numerical reconciliation between income tax expense and total return before tax

	CEREIT	
	2020 €'000	**2019 €'000**
Total return before income tax	**96,537**	**130,041**
Net expenses incurred in Singapore not subject to income tax	5,135	11,265
Profits subject to income tax in overseas jurisdictions	**101,672**	**141,306**
Tax at domestic rates applicable to profits subject to income tax in overseas jurisdictions	23,270	24,961
Tax effect of amounts which are deductible / (taxable) in calculating taxable income:		
Other deductible expenses	(2,468)	(7,407)
Change in tax losses recognised	(3,628)	3,442
Total income tax expense	**17,174**	**20,996**

Corporate income tax rates applicable in overseas jurisdictions

	Note	**2020 %**	**2019 %**
The Netherlands		25.0	25.0
Italy	(i)	0.0	10.0
France		28.0	31.0
Poland		19.0	19.0
Germany		15.8	15.8
Finland		20.0	20.0
Denmark		22.0	22.0
Luxembourg		24.9	24.9

(i) The alternative investment funds ("AIFs") that hold CEREIT's Italian properties are exempt from corporate income tax. Instead withholding tax is applied on profit distributions and interest payments to non-resident investors in Italy. The ordinary withholding tax rate is 26% which, before FY 2020, was reduced to 10% under the Italy-Luxembourg tax treaty. During FY 2020, CEREIT received confirmation from the Italian and Singaporean tax authorities that distributions from the Italian portfolio are exempt from Italian withholding tax and Singapore tax respectively. CEREIT's AIFs are held by Luxembourg resident companies also wholly owned by CEREIT.

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For the year ended 31 December 2020

(c) Deferred tax

Deferred tax assets

	CEREIT	
	2020 €'000	**2019 €'000**
Deferred tax assets are attributable to:		
Unutilised tax losses	3,836	5,421
Deferred tax assets	**3,836**	**5,421**
Movements:		
At 1 January	5,421	16,224
Deferred tax assets acquired at acquisition property holding entities	–	340
Charged to Statement of Total Return	(1,585)	(11,143)
At 31 December	**3,836**	**5,421**

As at 31 December 2019, deferred tax assets have not been recognised in respect of tax losses of €12,956,000. The tax losses have been fully applied to latent capital gains during the year.

Deferred tax liabilities

	CEREIT	
	2020 €'000	**2019 €'000**
Deferred tax liabilities are attributable to:		
Temporary differences between carrying amounts and tax base of investment properties	36,627	28,133
Deferred tax liabilities	**36,627**	**28,133**
Movements:		
At 1 January	28,133	21,531
Deferred tax liabilities acquired at acquisition property holding entities	–	4,048
Charged to Statement of Total Return	8,497	2,554
Others	(3)	–
At 31 December	**36,627**	**28,133**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

Accounting policy

Income tax

CEREIT's income tax expense for the period is the tax payable on the current period's taxable income adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. Deferred tax is not recognised for the recognition of goodwill on business combination and for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax balances attributable to amounts recognised in other comprehensive income or directly in equity are also recognised in other comprehensive income or directly in equity.

Significant estimates – deferred tax liabilities

Total deferred tax liabilities include deferred tax liabilities in relation to investment properties whereby the carrying amount exceeds the tax depreciated value of certain properties which will in future crystallise a capital gains tax upon disposal of the respective property. CEREIT has recognised a deferred tax liability in relation to the future capital gains tax payable at year-end. In accordance with IAS 12 *Income Taxes* deferred tax liabilities (and assets) shall be measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

Operating Assets

This section of the annual financial statements provides further information on CEREIT's operating assets. These are assets that individually contribute to CEREIT's revenue and currently consist of investment properties only, however may in the future include joint ventures or associates and investments in listed and unlisted securities to the extent allowable under the Property Funds Appendix of the Code on Collective Investment Schemes ("CIS Code").

8 INVESTMENT PROPERTIES

Overview

Investment properties are properties (land, building or both) held solely for the purpose of earning rental income and / or for capital appreciation. As at 31 December 2020, CEREIT's investment property portfolio comprised 96 (2019: 91) commercial properties in seven countries of which 39 (2019: 39) properties are predominantly office use, 52 (2019: 47) properties are predominantly light industrial / logistics use with the remaining 5 (2019: 5) properties being of other uses (refer to Statement of Portfolio).

This note provides further details on CEREIT's investment property portfolio, including details of acquisitions and other movements during the year as well as details on the fair value measurement of the properties.

The independent valuation of 8 of CEREIT's investment properties at 31 December 2020 is subject to a Material Valuation Uncertainty Clause due to COVID-19. See note 8(e) for further details.

(a) Reconciliation of carrying amount of investment properties

CEREIT 31 December 2020	The Netherlands €'000	Italy €'000	France €'000	Poland €'000	Germany €'000	Finland €'000	Denmark €'000	Total €'000
Independent valuation dated 31 Dec 2020	633,235	458,235	409,240	235,300	197,365	110,890	81,012	**2,125,277**
Directors' valuation (at acquisition price)	–	52,575	–	–	–	–	–	**52,575**
	633,235	**510,810**	**409,240**	**235,300**	**197,365**	**110,890**	**81,012**	**2,177,852**
Adjustments to carrying amount:								
Right-of-use assets								**6,677**
Total adjustments								**6,677**
Carrying amount at 31 Dec 2020								**2,184,529**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

CEREIT 31 December 2019	**The Netherlands €'000**	**Italy €'000**	**France €'000**	**Poland €'000**	**Germany €'000**	**Finland €'000**	**Denmark €'000**	**Total €'000**
Independent valuation dated 31 Dec 2019 [1]	616,750	476,725	390,400	243,900	119,950	115,000	74,590	**2,037,315**
	616,750	**476,725**	**390,400**	**243,900**	**119,950**	**115,000**	**74,590**	**2,037,315**
Adjustments to carrying amount:								
Right-of-use assets								**6,669**
Unspent vendor funded capital expenditure [2]								**(1,907)**
Other								**(578)**
Total adjustments								**4,184**
Carrying amount at 31 Dec 2019								**2,041,499**

1 Excludes investment properties reclassified as held for sale.

2 Certain vendors of CEREIT's investment property portfolio have provided funding for any budgeted capital expenditure that was budgeted but not yet spent at time of acquisition.

Accounting policies

Investment properties

Investment properties are initially measured at acquisition cost including transaction costs and subsequently measured at fair value, with any change therein recognised in the total return.

Fair value is based upon active market prices, given the assets' highest and best use, adjusted if necessary, for any difference in the nature, location or condition of the relevant asset. If this information is not available, CEREIT uses the capitalised earnings approach for valuations of its investment properties. The highest and best use of an investment property refers to the use of the investment property by market participants that would maximise the value of that investment property.

The carrying value of the investment property includes components relating to lease incentives and other items relating to the maintenance of, or increases in, lease rentals in future periods.

Investment properties under construction are classified as investment property and carried at fair value. Finance costs incurred on investment properties under construction are included in the construction costs.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2020

Right-of-use land leases

CEREIT recognises a right-of-use ("ROU") land lease representing its right to use the underlying land and a lease liability representing its obligation to make lease payments. ROU for land leases are measured at the amount of the lease liability, adjusted for any prepaid or accrued lease expenses. Subsequently, the lease liability is measured at amortised cost using the effective interest rate method. The ROU asset will be measured at fair value at the date of initial application for leases previously accounted for as operating leases and that will be accounted for as investment property using the fair value model in IAS 40 from date of initial application.

Lease incentives

Lessees may be offered incentives as an inducement to enter into non-cancellable operating leases. These incentives may take various forms including up-front cash payments, rent free periods, or a contribution to certain lessee costs such as fit out costs or relocation costs. Lease incentives form part, as a deduction, of total rent receivable from CEREIT's operating lease contracts and as such are recognised on a straight-line basis over the lease term.

Initial direct leasing costs

Initial direct leasing costs incurred by CEREIT in negotiating and arranging operating leases are recognised as an asset in the balance sheet as a component of the carrying amount of investment property and are amortised as an expense on a straight-line basis over the lease term.

(b) Movements in investment properties

	CEREIT	
	2020	**2019**
	€'000	**€'000**
At 1 January	2,041,499	1,690,224
Acquisition of new properties (note 8(c))	106,967	365,275
Acquisition costs	7,086	10,984
Disposal of existing properties (note 8(d))	–	(16,891)
Reclassification of investment properties as held for sale (note 16)	–	(65,700)
Capital expenditure	20,443	11,216
Lease incentives, lease costs and rent straight-lining	(13)	4,064
Net gain from fair value adjustments	8,569	42,378
Others	(22)	(51)
At 31 December	**2,184,529**	**2,041,499**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

(c) Investment property acquisitions

Details of investment properties acquired during the year ended 31 December 2020 are as follows:

	Description	Acquisition price (excl. cost) €'000	Carrying amount at 31 Dec 2020 €'000
Transactions during the year			
Germany light industrial / logistics assets	Three light industrial / logistics assets in Pforzheim, Bretten and Königsbach-Stein	38,000	43,000
	One light industrial / logistics asset in Sangerhausen	16,392	18,350
Italy logistics asset[1]	One intermodal logistics park in Monteprandone	52,575	52,575
Total property acquisitions during the year		**106,967**	**113,925**

1 Centro Logistico Orlando Marconi was acquired on 23 December 2020 and carried at acquisition price which was assessed by the Directors of the Manager as its fair value.

Details of investment properties acquired during the year ended 31 December 2019 are as follows:

	Description	Acquisition price (excl. cost) €'000	Carrying amount at 31 Dec 2019 €'000
Transactions during the year			
French industrial assets	4 light industrial properties in Sully-sur-Loire, Parcay-Meslay, Gennevilliers and Villeneuve-lès-Béziers	28,200	27,700
Polish office assets	3 office assets located in Warsaw and Gdańsk	71,850	73,500
Bronco portfolio	6 office assets located in France and Poland	247,525	249,100
Italian office asset	1 office asset located in Milan	17,700	17,700
Total property acquisitions during the year		**365,275**	**368,000**

(d) Investment property disposal

In 2019, CEREIT completed its disposal of one industrial property located in France, known as Parc d'Osny for a consideration of €19,004,000 and recognised a gain of €2,018,000.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

(e) Fair value measurement

CEREIT's investment properties, with an aggregate carrying amount of €2,184,529,000 (2019: €2,041,499,000), are measured using the fair value model as described in IAS 40 *Investment Property*. Fair value is thereby defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Gains or losses arising from changes in the fair value of investment property must be included in net profit or loss for the period in which it arises.

As at 31 December 2020, CEREIT's portfolio consists of 96 (2019: 103) properties. 95 (2019: 91) properties in the portfolio were valued by independent valuers and the remaining property in Italy which was acquired on 23 December 2020 was carried at its acquisition price which had been assessed by the Directors of the Manager as the fair value. In 2019, 12 properties held for sale were recorded at their sales price.

Property valuations

In accordance with the CIS Code, CEREIT's investment properties are valued at least once per financial year by an independent professionally qualified valuer with a recognised relevant professional qualification, with valuers rotated at least every two years.

As at 31 December 2020, the carrying amounts of 95 of CEREIT's investment properties are based on independent external valuations, representing 99% of the value of the portfolio. The independent valuations for properties located in Italy, Finland, Germany and the Netherlands were conducted by CBRE Ltd ("CBRE") and for properties located in Denmark, France and Poland by Savills Advisory Services Limited ("Savills").

In 2019, the carrying amounts of 91 properties of CEREIT's investment properties portfolio were based on independent valuations carried out by Colliers International Valuation UK LLP for properties located in France, Italy and Finland, and Cushman & Wakefield Debenham Tie Leung Limited for properties located in the Netherlands, Poland, Denmark and Germany. The 12 properties held for sale were recorded at sales price.

The valuers have utilised the discounted cash flow and income capitalisation methods (2019: income capitalisation method).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2020

Significant unobservable inputs

The following table shows the valuation techniques used in arriving at the fair values of the investment properties, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	2020 Range	2020 Weighted average	2019 Range	2019 Weighted average
Discounted cash flow This valuation model considers the present value of net cash flows to be generated from the property, taking into account expected rental growth rate and occupancy rate. The expected net cash flows are discounted using risk–adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location, tenant credit quality and lease terms	Net initial yield Net reversionary yield Discount rate Exit cap rate Occupancy (%)	4.0% – 16.9% 6.5% – 16.0% 7.0% – 12.0% 5.5% – 10.0% 52.0% – 100.0%	7.6% 8.3% 8.4% 7.0% 91.8%	– – – – –	– – – – –
Income capitalisation This method involves assessing the total net market income receivable from the property and capitalising this perpetually, using an appropriate, market derived capitalisation rate, to derive a capital value, with allowances for capital expenditure reversions such as lease incentives and required capital works payable in the near future and overs / unders when comparing market rent with passing rent.	Net initial yield Net reversionary yield Occupancy (%)	2.0% – 11.9% 3.8% – 11.0% 65.8% – 100.0%	6.1% 6.1% 97.1%	3.3% – 11.1% 3.7% – 14.5% 57.0% – 100.0%	5.9% 6.8% 93.2%

All the significant inputs noted above are not observable market data, hence investment property valuations are considered level 3 fair value measurements (refer fair value hierarchy described in note 12).

Sensitivity information

The relationships between the significant unobservable inputs and the fair value of investment properties are as follows:

Inputs	Impact of increase in input on fair value	Impact of decrease in input on fair value
Net initial yield	Decrease	Increase
Reversionary yield	Decrease	Increase
Discount rate	Decrease	Increase
Exit cap rate	Decrease	Increase

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Material Valuation Uncertainty Clauses due to COVID-19

The valuations of the Polish office assets carried out by Savills and Via Madre Teresa 4 and StarHotels Grand Milan in Italy carried out by CBRE for the year ended 31 December 2020 with a combined valuation of €268.7 million contained 'Material Valuation Uncertainty' clauses ("MVUC") due to COVID-19. The pandemic has caused widespread disruption to the respective economies and real estate markets which resulted in an absence of relevant market evidence on which to base opinions of value. For the avoidance of doubt, the MVUC does not mean that the valuation cannot be relied upon, rather, it has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared. As a result of this increased uncertainty, sensitivities for more extensive changes in assumptions are disclosed in the tables below.

		Italy €'000	Poland €'000	Total €'000
Market value		33,400	235,300	268,700
Impact on valuations of 10% change in estimated rental value	Increase	3,000	21,700	24,700
	Decrease	(3,000)	(21,700)	(24,700)
Impact on valuations of 50bps in net initial yield	Increase	(5,700)	(14,400)	(20,100)
	Decrease	9,000	16,500	25,500
Impact on valuations of 50bps in discount rate	Increase	–	(8,800)	(8,800)
	Decrease	–	9,200	9,200
Impact on valuations of 50bps in exit cap rate	Increase	–	(10,600)	(10,600)
	Decrease	–	12,200	12,200

Property carried at acquisition price

At 31 December 2020, one logistics property in Italy was carried at acquisition price (net of acquisition costs). The property was acquired on 23 December 2020 for €52,575,000. The transaction price was considered equal to the fair value of the property as the sale and purchase agreement was entered into on an arms-length basis between non-related parties. The purchase price was paid in cash to the sellers. Given the insignificant period lapsed from transaction date to financial period end, the Directors of the Managers considered the transaction price to remain the fair value of the properties at financial period end.

(f) Amounts recognised in profit and loss for investment properties

	CEREIT 2020 €'000	CEREIT 2019 €'000
Gross revenue	186,972	177,046
Property operating expense	(69,643)	(60,900)
Net property income	**117,329**	**116,146**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

(g) Non-cancellable operating lease receivable from investment property tenants

Investment properties are generally leased on long-term operating leases. Minimum lease payments under the non-cancellable operating leases of CEREIT's investment properties not recognised in the financial statements are receivable as follows:

	CEREIT	
	2020	**2019**
	€'000	**€'000**
Within one year	142,619	141,503
After one year but within 5 years	309,830	314,380
After 5 years	110,892	77,616
Total non-cancellable operating lease receivable from investment property tenants	**563,341**	**533,499**

Of the above, the following relates to assets held for sale:

	CEREIT	
	2020	**2019**
	€'000	**€'000**
Within one year	–	4,964
After one year but within 5 years	–	6,351
After 5 years	–	409
Total non-cancellable operating lease receivable from investment property tenants	**–**	**11,724**

(h) Assets pledged as security

As at 31 December 2020, a total of 3 (2019: 19) of CEREIT's investment properties with a combined fair value of €240,975,000 (2019: €559,650,000) were pledged as security for CEREIT's senior property level financing facility. Refer to note 9 for further details.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2020

Finance and Capital Structure

This section of the annual financial statements provides further information on CEREIT's debt finance and associated costs, and CEREIT's capital.

Capital is defined as the combination of unitholders' equity, reserves and debt. The Board of Directors of the Manager are responsible for CEREIT's capital management strategy. Capital management is an integral part of CEREIT's risk management framework and seeks to safeguard CEREIT's ability to continue as a going concern while maximising unitholder value through optimising the level and use of capital resources and the mix of debt and equity funding. CEREIT's preferred portfolio gearing range is 35% – 40%.

9 BORROWINGS

Overview

CEREIT borrows funds from financial institutions to partly fund the acquisition of investment properties. A significant proportion of these borrowings are generally fixed either directly or using interest rate swaps/options and/or caps and have a fixed term. This note provides information about CEREIT's debt facilities, including maturity dates, security provided and facility limits as well as finance costs incurred in relation to these debt facilities.

	CEREIT		Trust	
	2020 €'000	**2019 €'000**	**2020 €'000**	**2019 €'000**
Current				
Unsecured loans – financial institutions	–	20,438	–	–
Total current borrowings	**–**	**20,438**	**–**	**–**
Non-current				
Secured loans – financial institutions	82,375	230,855	–	–
Unsecured loans – financial institutions	475,000	579,500	–	–
Unsecured Euro medium term notes	300,000	–	–	–
Unamortised transaction costs	(10,307)	(6,995)	–	–
Total non-current borrowings	**847,068**	**803,360**	**–**	**–**
Total borrowings	**847,068**	**823,798**	**–**	**–**

Accounting policy

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost using the effective interest rate method. Under this method fees, costs, discounts and premiums directly related to the financial liability are spread over their expected life.

Borrowing costs incurred on funds borrowed for the construction of a property are capitalised, forming part of the construction cost of the asset. Capitalisation ceases upon practical completion of the property. Other borrowing costs are expensed.

Interest income is recognised as it accrues, using the effective interest method.

Finance costs comprise interest expense on loans and borrowings, and amortisation of loans and borrowings related costs. Finance costs are recognised in the Statement of Total Return using the effective interest method.

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(a) Borrowing details

CEREIT

Facility	Note	Secured	Maturity	2020 Facility €'000	2020 Utilised €'000	2019 Facility €'000	2019 Utilised €'000
Finland		Yes	Dec–21	–	–	53,750	53,750
Dutch Office 3 & Poland Office		Yes	Dec–21	–	–	94,730	94,730
Dutch Office 2	(a)	Yes	Dec–26	82,375	82,375	82,375	82,375
Poland VAT loan		No	Apr–20	–	–	20,438	20,438
Note Issuance Facility		No	Aug–21	–	–	104,500	104,500
German Schuldschein	(b)	No	Nov–22	23,000	23,000	23,000	23,000
Term loan 3 year	(c)	No	Nov–22	287,000	287,000	287,000	287,000
Term loan 5 year	(c)	No	Nov–24	165,000	165,000	165,000	165,000
Revolving Credit Facility	(d)	No	Nov–22	150,000	–	150,000	–
Revolving Credit Facility	(d)	No	Oct–24	135,000	–	–	–
Euro medium term notes	(e)	No	Nov–25	300,000	300,000	–	–
Total				**1,142,375**	**857,375**	**980,793**	**830,793**

Property level financing facilities

Property level financing facilities are secured by first-ranking mortgages over the relevant properties as well as pledges over the receivables of the property holding SPVs, pledges over the entire share capital of the property holding SPVs, pledges over the receivables of any lease agreements and insurance proceeds pertaining to the relevant properties, a first priority account pledge over all bank accounts of the property-holding SPVs and a pledge over all hedging receivables in relation to the relevant property level financing facility.

The Finland and Dutch Office 3 & Poland Office facilities have been repaid in full during FY 2020 following the issuance of Euro medium term notes.

(a) Dutch Office 2

The Dutch Office 2 facility is secured over 3 (2019: 3) Dutch office properties with an aggregate carrying amount of €240,975,000 (2019: €235,150,000). Interest is payable quarterly in arrears at a fixed rate of 1.93% per annum.

Unsecured financing facilities

(b) German Schuldschein

The German Schuldschein in the amount of €23.0 million which is an unsecured private placement under German governing law was part of the transformational refinancing completed in November 2019. The proceeds were used to refinance secured property level financing arrangements. The German Schuldschein is subject to EURIBOR 3 months which is floored at 0.0% as long as EURIBOR is negative. An interest cap with a strike rate of 0.0% was executed, covering 100.0% of the notional and co-matures with the term of the private placement.

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(c) *Term Loan 3 and 5 Years*

In November 2019, CEREIT raised a total of €452.0 million in the form of unsecured term loan and notes. The financing was raised in two tranches:

i A 3-year term loan and note amounting to €287.0 million; and

ii A second, 5-year tranche in the amount of €165.0 million.

Both tranches are subject to EURIBOR 3 months which is floored at 0.0% as long as EURIBOR is negative. An interest rate cap with a strike rate of 0.0% was executed, covering 100.0% of the notional and co-matures with the term of each respective tranche.

(d) *Revolving Credit Facility ("RCF")*

RCF provides CEREIT with additional financing flexibility and working capital. In October 2020, CEREIT entered into a new €135 million RCF with an accordion increase option of a further €65 million. Both RCFs remained undrawn as at 31 December 2020.

In March 2020, due to the outbreak of COVID-19, CEREIT drew down €150 million from the RCF as a "safety first" move to bolster the level of cash held by CEREIT in the midst of the state of heightened uncertainty in global financial markets. The RCF was fully repaid during the year.

(e) *Euro Medium Term Note ("EMTN")*

On 19 October 2020, a wholly-owned subsidiary of CEREIT, Cromwell EREIT Lux Finco S.a.r.l. ("Lux Finco") established a €1.5 billion EMTN Programme. Under the EMTN Programme, Lux Finco may, from time to time, issue notes denominated in any currency agreed between Lux Finco and the relevant dealer with aggregate principal amounts up to €1.5 billion (or its equivalent in other currencies) outstanding at any time.

As at 31 December 2020, Lux Finco had €300 million (2019: nil) of senior unsecured fixed rate notes (the "Notes") issued under the programme at a coupon of 2.125% p.a. and a reoffer yield of 2.161% p.a., payable annually in arrears, with a tenor of 5 years. Part of the net proceeds from the Notes issuance was used to repay the unsecured €104.5 million Note Issuance Facility in full, as well as the Finland and Dutch Office 3 & Poland Office facilities as mentioned above.

Guarantees

The Trust has provided corporate guarantees to banks for unsecured borrowings undertaken by Lux Finco. The Trust does not consider it probable that a claim will be made under these guarantees.

(b) Net finance costs

	CEREIT	
	2020 €'000	**2019 €'000**
Interest expense	13,911	12,168
Amortisation of debt issuance costs	4,022	5,981
Facility break fee	(38)	719
Interest income	(1)	(82)
Total net finance costs	**17,894**	**18,786**

Information about CEREIT's exposure to interest rate changes is provided in note 12(c).

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For the year ended 31 December 2020

10 DERIVATIVE FINANCIAL INSTRUMENTS

Overview

CEREIT's derivative financial instruments consist of interest rate swap and interest rate cap contracts which are used to fix interest on floating rate borrowings ("interest rate hedge contracts") and form an integral part of CEREIT's interest rate risk management. This note provides for further details on CEREIT's interest rate hedging profile, details of expiries of interest rate hedge contracts as well as CEREIT's accounting policy for such contracts.

	CEREIT	
	2020 **€'000**	**2019** **€'000**
Non-current assets		
Interest rate cap contracts	126	883
Current liabilities		
Interest rate swap contracts	–	(99)
Total derivative financial instruments	126	784
Derivative financial instruments as a percentage of net assets	0.01%	0.06%

Accounting policy

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured to fair value at the reporting date. Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

CEREIT enters into interest rate swap and cap agreements that are used to convert certain variable interest rate borrowings to fixed interest rates. The derivatives are entered into with the objective of hedging the risk of adverse interest rate fluctuations. CEREIT has not elected to apply hedge accounting to this arrangement and changes in fair value are recognised immediately in the total return.

(a) Interest rate swap and cap contract expiry profile

The notional principal amounts and period of expiry of CEREIT's interest rate swap and cap contracts were as follows:

	CEREIT	
	2020 **€'000**	**2019** **€'000**
Less than 1 year	–	148,480
1 – 2 years	–	104,500
2 – 3 years	475,000	–
3 – 4 years	–	475,000
Total interest rate hedge contracts	**475,000**	**727,980**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

(b) Debt hedging profile

Below table provides an overview of hedging of CEREIT's borrowings through interest rate cap and interest rate swap contracts at the reporting date:

	2020				2019			
	Hedge contract notional €'000	Average strike rate %	Borrowing €'000	Percentage hedged %	Hedge contract notional €'000	Average strike rate %	Borrowing €'000	Percentage hedged %
Interest rate cap contracts	475,000	0.00%	475,000	100.0%	674,230	0.07%	674,230	100.0%
Interest rate swap contracts	–	–	–	–	53,750	0.31%	53,750	100.0%
Total interest rate hedge contracts	475,000	0.00%	475,000	n.m.	727,980	0.11%	727,980	n.m.
Fixed rate	–	–	382,375	n.a.	–	–	82,375	n.a.
Unhedged	–	–	–	–	–	–	20,438	n.a.
Total	**475,000**	**0.00%**	**857,375**	**100.0%**	**727,980**	**0.11%**	**830,793**	**97.5%**

n.m. – Not meaningful n.a. – Not applicable

The weighted average cap strike rate on interest rate cap contracts was 0.00% (2019: 0.07%). In 2019, the weighted average strike rate of interest rate swap contracts at financial year end was 0.31%.

11 CONTRIBUTED EQUITY

Overview

This note provides further details on units issued and issuable by CEREIT as at financial year end, and rights attached to CEREIT units.

	CEREIT		Trust	
	2020	2019	2020	2019
Total contributed equity (€'000)	**1,241,192**	**1,236,795**	**1,241,529**	**1,237,132**
Units in issue ('000)	**2,556,081**	**2,547,787**	**2,556,081**	**2,547,787**

Accounting policy

Units issued of the Trust are classified as equity forming part of Unitholders' funds. Incremental costs directly attributable to the issue of new units are shown in Unitholders' funds as a deduction from the proceeds.

Where any CEREIT company purchases CEREIT units, for example as the result of a unit buy-back, the consideration paid, including any directly attributable incremental costs is deducted from Unitholders' funds. Unit acquired under a unit buy-back program are cancelled immediately.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

(a) Movements in contributed equity

The following reconciliation summarises the movements in contributed equity. Issues of a similar nature have been grouped and the issue price shown is the weighted average. Detailed information on each issue of units is publicly available via the SGXNet and CEREIT's webpage.

	CEREIT and Trust	
	2020 No of units '000	**2019 No of units '000**
At 1 January	2,547,787	2,181,978
Units issued during the year:		
– Acquisition fees paid in units	–	6,276
– Manager's base fee paid in units	1,811	10,427
– Manager's performance fee paid in units	3,673	–
– Property Manager's fee paid in units	2,810	12,150
– Private placement	–	326,086
– Purchase consideration	–	10,870
At 31 December	**2,556,081**	**2,547,787**

Refer to note 3 for information on units issued as payment of acquisition fees, Manager's fees, Property Manager's fees, and other fees.

On 2 July 2019, 326,086,000 new units at an issue price of €0.460 per unit were issued pursuant to a private placement, amounting to €149,999,560.

On 17 July 2019, 10,869,565 new units amounting to €5,000,000 were issued at issue price of €0.460 per unit as partial consideration for the acquisition of a French asset.

(b) Units issuable

	CEREIT and Trust	
	2020 '000	**2019 '000**
Manager's base fee	–	1,811
Manager's performance fee	–	3,673
Property Manager's fee	–	2,810
Total units issuable	–	8,294
Units in issue	2,556,081	2,547,787
Total units issued and issuable	**2,556,081**	**2,556,081**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

(c) Rights and restrictions relating to CEREIT units

The rights and interests of Unitholders are contained in CEREIT's Trust Deed and include the rights to:

- Entitlement to distributions determined in accordance with the Trust Deed;
- Participate in the termination of the Trust by receiving a share of the net proceeds of realisation among the Unitholders pro rata in accordance with the number of units held by the Unitholders and in accordance with the winding up procedures under the Trust Deed;
- Attend all Unitholder meetings with one vote per unit.

A Unitholder has no equitable or proprietary interest in the underlying assets of CEREIT and is not entitled to the transfer to it of any asset (or any part thereof). The Unitholders' liability is limited to the amount paid or payable for any units. The provisions of the Trust Deed provide that no Unitholder will be personally liable to indemnify the Trustee or any creditor of the Trustee in the event that liabilities of the Trust exceed its assets.

12 FINANCIAL RISK MANAGEMENT

Overview

CEREIT's activities expose it to a variety of financial risks which include credit risk, liquidity risk and market risk. This note provides information about the Manager's risk management strategy for CEREIT in relation to each of the above financial risks to which CEREIT is exposed to.

The Manager's overall risk management programme focuses on managing these risks and seeks to minimise potential adverse effects on the financial performance of CEREIT. CEREIT uses derivative financial instruments such as interest rate derivatives to hedge certain risk exposures. The Manager seeks to deal only with creditworthy counterparties. Liquidity risk is monitored through the use of future rolling cash flow forecasts.

The Manager's management of treasury activities is centralised and governed by policies approved by the Directors who monitor the operating compliance and performance as required. CEREIT has policies for overall risk management as well as policies covering specific areas such as identifying risk exposure, analysing and deciding upon strategies, performance measurement, the segregation of duties and other controls around the treasury and cash management functions.

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For the year ended 31 December 2020

CEREIT and the Trust hold the following financial instruments:

	Type of financial instrument	CEREIT 2020 €'000	CEREIT 2019 €'000	Trust 2020 €'000	Trust 2019 €'000
Financial assets					
Cash and cash equivalents	(1)	43,593	79,250	2,102	14,346
Receivables	(1)	11,915	27,227	15,060	111,727
Derivative financial instruments	(2)	126	883	–	–
Total financial assets		**55,634**	**107,360**	**17,162**	**126,073**
Financial liabilities					
Payables	(1)	28,515	31,058	229,087	178,442
Borrowings	(1)	857,375	830,793	–	–
Derivative financial instruments	(2)	–	99	–	–
Other liabilities -finance lease liabilities	(1)	6,678	6,841	–	–
Total financial liabilities		**892,568**	**868,791**	**229,087**	**178,442**

Type of financial instrument as per IFRS 7 – *Financial Instruments: Disclosures*

(1) At amortised cost
(2) At fair value through profit or loss

(a) Credit risk

Credit risk is the risk that a counterparty will default on its contractual obligations under a financial instrument and result in a financial loss to CEREIT. Credit risk arises from cash and cash equivalents and favourable derivative financial instruments with banks and financial institutions and receivables.

CEREIT manages this risk by:

- establishing credit limits for customers and managing exposure to individual entities;
- monitoring the credit quality of all financial assets in order to identify any potential adverse changes in credit quality;
- derivative counterparties and cash transactions, when utilised, are transacted with high credit quality financial institutions with a minimum rating of BBB-/Baa3;
- regularly monitoring receivables on an ongoing basis;
- Requiring tenants to pay deposits upon commencement of leases which may be retained if the tenant defaults on rent payments.

NOTES TO THE FINANCIAL STATEMENTS
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Impairment of financial assets

CEREIT financial assets that are subject to the expected credit loss model are trade receivables. While cash and cash equivalents are also subject to the impairment requirements of IFRS 9 *Financial Instruments*, there was no identified impairment loss.

Rent and service charges from tenants are due and payable on invoice date with no credit terms provided mitigating largely any credit risk. Additionally, there are no significant concentrations of credit risk, whether through exposure to individual tenants, specific sectors or industries tenants operate in and/or regions.

For any rent receivables due to late payment of rent, CEREIT applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all rental receivables. To measure expected credit losses CEREIT has established an accounting policy that groups rental receivables based on days past due and applies a percentage of expected non-recoveries for each group of receivables. Following this, the level of tenant deposits held against possible non-recoveries is reviewed to identify possible credit losses to CEREIT.

The ageing of trade receivables at the reporting date was:

CEREIT	Current €'000	Within 30 days €'000	31 to 60 days €'000	61 to 90 days €'000	More than 90 days €'000	Total €'000
2020						
Expected loss rate	2%	13%	16%	54%	60%	
Rental receivables	1,122	1,938	821	294	5,747	9,922
Loss allowance	(24)	(246)	(128)	(160)	(3,456)	(4,014)
2019						
Expected loss rate	–	–	–	–	72%	
Rental receivables	15,008	1,712	118	1,394	2,564	20,796
Loss allowance	–	–	–	–	(1,839)	(1,839)

The movements in impairment loss in respect of rental receivables are as follows:

	CEREIT 2020 €'000	CEREIT 2019 €'000
At 1 January	1,839	1,839
Written off	(887)	–
Charge for the year	3,062	–
At 31 December	**4,014**	**1,839**

Impairment loss at 31 December 2019 of €1,839,000 was largely historical allowance for doubtful debts which CEREIT acquired via share deals. The balance relates to mainly French historical rent and service charge debtors, which can only be written off after 5 years according to local rules.

Other than the above, the Manager believes that no additional allowance is necessary in respect of the remaining trade receivables as these receivables are mainly due from tenants that have good payment records and sufficient securities in the form of bankers' guarantees and cash security deposits as collaterals.

NOTES TO THE FINANCIAL STATEMENTS

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(b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash reserves and undrawn finance facilities to meet the ongoing operational requirements of the business. It is CEREIT's policy to maintain sufficient funds in cash and cash equivalents to meet expected near term operational requirements. The Manager prepares and monitors rolling forecasts of liquidity requirements on the basis of expected cash flow. The Manager monitors the maturity profile of borrowings and puts in place strategies designed to ensure that all maturing borrowings are refinanced in the required timeframes.

As at 31 December 2020, the Trust's current liabilities exceed its current assets by €98,761,000 (2019: €49,974,000). As the payables are mostly made up of payables to subsidiaries and with CEREIT's existing financing facilities, the Manager is of the opinion that the Trust will be able to meet its obligations as and when they fall due.

The contractual maturity of CEREIT's and the Trust's financial liabilities at the reporting date are shown in the table below. It shows undiscounted contractual cash flows required to discharge CEREIT's financial liabilities, including interest at current market rates.

	CEREIT				Trust			
	Within 1 year €'000	Within 2 to 4 years €'000	After 4 years €'000	Total €'000	Within 1 year €'000	Within 2 to 4 years €'000	After 4 years €'000	Total €'000
2020								
Payables	28,515	–	–	28,515	117,065	112,022	–	229,087
Borrowings	–	475,000	382,375	857,375	–	–	–	–
Derivative financial instruments	–	–	–	–	–	–	–	–
Other liabilities – finance lease liabilities	352	1,086	5,240	6,678	–	–	–	–
Total financial liabilities	**28,867**	**476,086**	**387,615**	**892,568**	**117,065**	**112,022**	**–**	**229,087**

	CEREIT				Trust			
	Within 1 year €'000	Within 2 to 4 years €'000	After 4 years €'000	Total €'000	Within 1 year €'000	Within 2 to 4 years €'000	After 4 years €'000	Total €'000
2019								
Payables	30,757	301	–	31,058	178,442	–	–	178,442
Borrowings	20,438	562,980	247,375	830,793	–	–	–	–
Derivative financial instruments	99	–	–	99	–	–	–	–
Other liabilities – finance lease liabilities	343	1,053	5,445	6,841	–	–	–	–
Total financial liabilities	**51,637**	**564,334**	**252,820**	**868,791**	**178,442**	**–**	**–**	**178,442**

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CEREIT does not face a significant liquidity risk with regard to its lease liabilities.

	CEREIT			
	2020		2019	
	Minimum lease payable €'000	Present value of minimum lease payments €'000	Minimum lease payable €'000	Present value of minimum lease payments €'000
Amounts payable under lease liabilities:				
Within one year	355	352	346	343
After 1 year	8,177	6,326	8,484	6,498
	8,532	6,678	8,830	6,841
Less: Future finance charges	(1,854)	n.a.	(1,991)	n.a.
Present value of lease obligations	6,678	6,678	6,839	6,841
Less: Amount due for settlement within 12 months		(352)		(343)
Amount due for settlement after 12 months		6,326		6,498

(c) **Market risk**

Market risk is the risk that the fair value or future cash flows of CEREIT's financial instruments fluctuate due to market price changes. CEREIT is exposed to the following market risks:

- Cash flow and fair value interest rate risk; and
- Foreign exchange risk.

Interest rate risk

CEREIT's interest rate risk primarily arises from long-term borrowings. Borrowings issued at variable rates expose CEREIT to cash flow interest rate risk. Borrowings issued at fixed rates expose CEREIT to fair value interest rate risk. CEREIT's hedging arrangements are monitored on an ongoing basis by the Board of Directors which determine the appropriate level of hedging of CEREIT's borrowings. For the current hedging profile of CEREIT's borrowings refer to note 10(b).

At the reporting date, the interest rate profile of the interest-bearing financial instruments was as follows:

	CEREIT	
	2020 €'000	2019 €'000
Fixed rate instruments		
Financial liabilities	382,375	82,375
Variable rate instruments		
Financial liabilities	475,000	748,418

CEREIT does not account for any fixed rate financial liabilities at fair value through total return. Therefore, a change in interest rate at the reporting date would not affect the Statement of Total Return.

As at 31 December 2020, 100% (2019: 97.5%) of CEREIT's interest-bearing instruments were fixed rate borrowing or were hedged by using interest rate hedging instruments. CEREIT is not exposed to significant interest rate risk.

NOTES TO THE FINANCIAL STATEMENTS
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Foreign exchange risk

CEREIT's foreign exchange risk primarily arises from its operations in non-Euro denominated countries. These include Denmark where CEREIT owns 11 (2019: 13) light industrial assets, Poland where CEREIT owns 6 (2019: 6) office assets and Singapore where the Trust is domiciled. The currencies giving rise to this risk are Danish Krone ("DKK"), Polish Zloty ("PLN") and Singapore Dollars ("SGD").

CEREIT's exposure to these foreign currency risk at the reporting date, expressed in Euro, was as follows:

		CEREIT		Trust
	DKK €'000	PLN €'000	SGD €'000	SGD €'000
2020				
Cash and cash equivalents	2,921	5,574	1,327	1,296
Receivables	991	2,502	1,139	1,139
Payables	(4,142)	(1,041)	(483)	(460)
Net exposure	**(230)**	**7,035**	**1,983**	**1,975**

		CEREIT		Trust
	DKK €'000	PLN €'000	SGD €'000	SGD €'000
2019				
Cash and cash equivalents	1,279	9,032	346	314
Receivables	895	20,482	2,393	2,393
Payables	(40,296)	–	(454)	(425)
Borrowings	–	(20,438)	–	–
Net exposure	**(38,122)**	**9,076**	**2,285**	**2,282**

Sensitivity analysis – foreign exchange risk

The following table details the sensitivity to a 1% increase and decrease in the relevant foreign currencies against the functional currency of each group entity. If the relevant foreign currency strengthens by 1% against the functional currency of each group entity, total return and Unitholders' funds will increase/ (decrease) by:

	Group		Trust	
	2020 €'000	2019 €'000	2020 €'000	2019 €'000
Danish Krone	(2)	(381)	–	–
Polish Zloty	70	91	–	–
Singapore Dollar	20	23	20	23

The weakening of the foreign currencies to which CEREIT is exposed to by the same percentage would have had the equal but opposite effect on total return and Unitholders' funds.

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(d) Fair value measurement of financial instruments

CEREIT uses a number of methods to determine the fair value of its financial instruments as described in IFRS 13 *Fair Value Measurement*. The methods comprise the following:

Level 1:	quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2:	inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
Level 3:	inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The table below presents CEREIT's financial assets and liabilities measured and carried at fair value at the reporting date:

			CEREIT 2020		
	Note	Level 1 €'000	Level 2 €'000	Level 3 €'000	Total €'000
Financial assets at fair value					
Derivative financial instruments	10	–	126	–	126

			CEREIT 2019		
	Note	Level 1 €'000	Level 2 €'000	Level 3 €'000	Total €'000
Financial assets at fair value					
Derivative financial instruments	10	–	883	–	883
Financial liabilities at fair value					
Derivative financial instruments	10	–	99	–	99

There were no transfers between the levels of the fair value hierarchy during the year.

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Disclosed fair values

The fair values of derivative financial instruments (Level 2) are disclosed in the balance sheet.

The carrying amounts of receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of non-current variable interest-bearing borrowings approximate their fair values as they are floating rate instruments that are re-priced to market interest rate on or near the reporting date.

Valuation techniques used to derive Level 2 fair values

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 2 financial assets and financial liabilities held by CEREIT include "Vanilla" fixed to floating interest rate swap and interest rate cap contracts (over-the-counter derivatives). The fair value of these derivatives has been determined using a pricing model based on discounted cash flow analysis which incorporates assumptions supported by observable market data at the reporting date including market expectations of future interest rates and discount rates adjusted for any specific features of the derivatives and counterparty or own credit risk. All counterparties to interest rate derivatives are European financial institutions.

Liabilities not measured at fair value for which fair value is disclosed

The following table shows an analysis of CEREIT's liabilities not measured at fair value for which fair value is disclosed:

	CEREIT	
	Fair value determined using significant unobservable inputs (Level 3) €'000	**Carrying amount €'000**
2020		
Liabilities		
Secured loan	83,927	82,375
Unsecured Euro medium term notes	307,511	299,493
2019		
Liability		
Secured loan	84,172	82,375

The fair values of secured loan and unsecured Euro medium term notes are calculated based on the present value of future principal and interest cash flows, discounted at market interest rate at the reporting date.

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Group Structure

This section will provide information about the CEREIT group structure including information about controlled entities (subsidiaries), if applicable, business combination information relating to the acquisition of controlled entities.

13 CONTROLLED ENTITIES

Name	Country of registration	Equity holding & ownership interest 2020 %	2019 %
Cromwell SG SPV 1 Pte. Ltd. [h]	Singapore	100	100
Cromwell SG SPV 2 Pte. Ltd. [h]	Singapore	100	100
Cromwell SG SPV 3 Pte. Ltd. [h]	Singapore	100	100
Cromwell SG SPV 4 Pte. Ltd. [h]	Singapore	100	100
Cromwell SG SPV 5 Pte. Ltd. [h]	Singapore	100	100
Cromwell EREIT SG Finco Pte. Ltd. [h]	Singapore	100	100
Parc d'Activités 1 Luxembourg [a]	Luxembourg	100	100
Cromwell EREIT Lux 2 S.à r.l. [a]	Luxembourg	100	100
Cromwell EREIT Lux 3A S.à r.l. [a]	Luxembourg	100	100
Cromwell EREIT Lux 3B S.à r.l. [a]	Luxembourg	100	100
Cromwell EREIT Lux 4 S.à r.l. [a]	Luxembourg	100	100
Cromwell EREIT Lux 5 S.à r.l. [a]	Luxembourg	100	100
PA Holdings Luxembourg S.à r.l. [a]	Luxembourg	100	100
EHI Luxembourg S.à r.l. [a]	Luxembourg	100	100
Cromwell European Cities Income Fund S.C.Sp. [a]	Luxembourg	100	100
Cromwell European Cities Income Fund General Partner S.à r.l. [a]	Luxembourg	100	100
CECIF Lux Holdco 1 [a]	Luxembourg	100	100
CECIF Lux Holdco 2 [a]	Luxembourg	100	100
CECIF Lux Bidco 1 [a]	Luxembourg	100	100
Arkonska PL Propco S.à r.l. [a]	Luxembourg	100	100
Riverside PL Propco S.à r.l. [a]	Luxembourg	100	100
Grojecka PL Propco S.à r.l. [a]	Luxembourg	100	100
Moeder Teresalaan NL Propco S.à r.l. [a]	Luxembourg	100	100
Cromwell EREIT Lux Finco S.à r.l. [a]	Luxembourg	100	100
Europe 1 Propco S.à r.l [a]	Luxembourg	100	100
Cromwell Europa 3 HoldCo S.à r.l. [a] [f]	Luxembourg	100	–
Cromwell Europa 4 HoldCo S.à r.l. [a] [f]	Luxembourg	100	–
Europe 5 HoldCo S.à r.l. [a] [f]	Luxembourg	100	–
EHI CV1 UK Limited [a]	UK	100	100
EHI CV3 UK Limited [a]	UK	100	100
EHIF (Denmark) Limited [a]	UK	100	100
EHIF Limited [a] [g]	UK	–	100
EHI Fund (Jersey) Limited [a]	Jersey	100	100
EHI Fund Germany Limited [a]	Jersey	100	100
EHI Fund One CV [a]	The Netherlands	100	100
Euroind Two CV [a]	The Netherlands	100	100
Euroind Three CV [a]	The Netherlands	100	100

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Name	Country of registration	Equity holding & ownership interest 2020 %	2019 %
EHI Fund GP (Netherlands) B.V. [a]	The Netherlands	100	100
Yova Central Plaza B.V. [a]	The Netherlands	100	100
Yova Koningskade B.V. [a]	The Netherlands	100	100
Yova Ruyterkade B.V. [a]	The Netherlands	100	100
Yova Haagse Poort B.V. [a]	The Netherlands	100	100
Yova Blaak B.V. [a]	The Netherlands	100	100
Peacock Real Estate B.V. [a]	The Netherlands	100	100
EHI Fund Denmark ApS [a]	Denmark	100	100
Cambil Spółka z ograniczoną odpowiedzialnością [a]	Poland	100	100
Kasteli Spółka z ograniczoną odpowiedzialnością [a]	Poland	100	100
Cromwell Europa 1 AIF [a]	Italy	100	100
Cromwell Europa 2 AIF [a]	Italy	100	100
Centro Lissone S.R.L. [a]	Italy	100	100
PA France [b]	France	100	100
PA Pantin SAS [b]	France	100	100
PA Osny SAS [d]	France	–	100
PA Sartrouville SAS [b]	France	100	100
PA Villeneuve SAS [e]	France	–	100
PA Acticlub Saint Thibault [a]	France	100	100
PA Aubervilliers SCI [a]	France	100	100
PA Aulnay [e]	France	–	100
PA La Courneuve [a]	France	100	100
PA Gennevilliers SCI [a]	France	100	100
PA St Thibault [e]	France	–	100
PA Urbaparc SCI [a]	France	100	100
EHI France 1 Champs Sur Marne [a]	France	100	100
EHI France 4 Magny Les Hameaux [a]	France	100	100
EHI France 5 Saint Ouen [a]	France	100	100
EHI France 8 Saint Genis Laval [e]	France	–	100
EHI France 9 Villepinte [a]	France	100	100
EHI France 11 Bar Le Duc [a]	France	100	100
EHI France 15 Gondreville Nancy [a]	France	100	100
EHI France 17 Saint Etienne [e]	France	–	100
EHI France 20 Vitry Sur Seine [a]	France	100	100
EHI France 22 Noisy Le Sec [a]	France	100	100
Logistics France 1 SAS [a]	France	100	100
Parc Logistique SAS [c]	France	100	100
SCI Cap Mermoz [a]	France	100	100
SCI Confluence Paryseine [a]	France	100	100
Myyrinraitti Holdco Oy [a]	Finland	100	100
PKK 3 Holdco Oy [a]	Finland	100	100
PKK 12 Holdco Oy [a]	Finland	100	100
Plaza Forte Holdco Oy [a]	Finland	100	100
Artemis Holdco Finland Oy [a]	Finland	100	100
Vioto Holdco Oy [a]	Finland	100	100
Koy Maki 3 (OREC) [a]	Finland	100	100

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Name	Country of registration	Equity holding & ownership interest 2020 %	2019 %
Koy Kuopio 39 (OREC) [a]	Finland	100	100
Liiketalo Myyrinraitti Oy (MREC) [a]	Finland	94	94
Kiin Oy Pakkalan Kartanonkoski 12 (MREC) [a]	Finland	100	100
Kiinteistö Oy Plaza Forte (MREC) [a]	Finland	100	100
Kiinteistö Oy Plaza Allegro (MREC) [a]	Finland	100	100
Kiinteistö Oy Plaza Vivace (MREC) [a]	Finland	100	100
Kiinteistö Oy Opus 1 (MREC) [a]	Finland	100	100
Yrityspuiston Autopaikat Oy [a]	Finland	57	57
Cromwell Czech 1 HoldCo s.r.o. [a] [f]	Czech Republic	100	–

All of CEREIT's subsidiaries are holding entities or entities that hold CEREIT's investment properties.

Notes:

(a) Audited by overseas practices of Deloitte Touche Tohmatsu Limited (2019: overseas practices of Deloitte Touche Tohmatsu Limited).

(b) Audited by overseas practices of Deloitte Touche Tohmatsu Limited (2019: PricewaterhouseCoopers).

(c) Audited by Ernst & Young (2019: Ernst & Young).

(d) Not required to be audited in FY 2019 as the subsidiary was in the process of striking off. The subsidiary was dissolved during FY 2020.

(e) The subsidiaries were divested during FY 2020 (Note 17). In 2019, the subsidiaries were audited by overseas practices of Deloitte Touche Tohmatsu Limited, except for PA Villeneuve which was audited by PricewaterhouseCoopers.

(f) Established during FY 2020.

(g) On 9 December 2020, EHIF Limited, an indirect wholly-owned subsidiary of CEREIT which was incorporated in the United Kingdom, has been merged into another indirect wholly-owned subsidiary of CEREIT incorporated in Luxembourg, Cromwell EREIT Lux 2 S.à.r.l., with Cromwell EREIT Lux 2 S.à r.l. being the surviving entity.

(h) Audited by Deloitte & Touche LLP, Singapore.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

Other Items
This section of the annual financial statements provides information about individually significant items to the balance sheet or the income statement and items that are required to be disclosed by International Financial Reporting Standards, unrecognised items and the basis of preparation of the annual financial statements.

14 OTHER RECEIVABLES AND PAYABLES

Overview

This note provides further information about material assets and liabilities that are incidental to CEREIT's and the Trust's trading activities, being receivables, loans receivable and payables.

(a) Receivables

		CEREIT		Trust	
		2020	**2019**	**2020**	**2019**
	Note	**€'000**	**€'000**	**€'000**	**€'000**
Current					
Rental receivables		9,922	20,796	–	–
Impairment loss	12(a)	(4,014)	(1,839)	–	–
		5,908	18,957	–	–
Deposit – property acquisitions	(i)	1,000	1,900	–	–
VAT and GST receivables	(ii)	3,351	27,776	1,139	2,392
Other receivables		4,979	7,665	24	591
Loans to subsidiaries	(iii),(iv)	–	–	15,036	111,136
Prepayments		705	704	3	3
Total receivables – current		**15,943**	**57,002**	**16,202**	**114,122**
Non-current					
Other receivables		1,028	605	–	–
Total receivables – non-current		**1,028**	**605**	**–**	**–**

(i) As at 31 December 2020, a deposit of €1,000,000 was paid for the acquisition of a portfolio of 11 assets in the Czech Republic and Slovakia. The acquisition was subsequently completed on 11 March 2021 (refer to note 21(e)). As at 31 December 2019, a deposit of €1,900,000 was paid for the acquisition of a portfolio of 3 freehold light industrial/ logistics assets in Germany. The acquisition was subsequently completed on 24 March 2020.

(ii) As at 31 December 2019, VAT and GST receivables included €20,712,000 of VAT paid in relation to the acquisition of Polish assets, which was refunded in February 2020.

(iii) Loans to subsidiaries are unsecured, interest-free and repayable on demand.

(iv) For the purpose of impairment assessment, loans to subsidiaries are considered to have low credit risk as the timing of payment is controlled by CEREIT, taking into account cash flow management within CEREIT, and there has been no significant increase in the risk of default on the loan since initial recognition. Accordingly, for the purpose of impairment assessment for these loans, the loss allowance is measured at an amount equal to 12-month expected credit losses (ECL).

In determining the ECL, management has taken into account the financial position of the subsidiaries, adjusted for factors that are specific to the subsidiaries and general economic conditions of the industry in which the subsidiaries operate, in estimating the probability of default of the loans as well as the loss upon default. Management determines the loans to subsidiaries are subject to immaterial credit loss.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

Accounting policy

Trade and other receivables, including rental and service charge receivables are recognised initially at fair value and subsequently measured at amortised cost, less allowance for credit losses. Refer to note 12(a) for further information about CEREIT's impairment policies.

(b) Trade and other payables

		CEREIT		Trust	
		2020	**2019**	**2020**	**2019**
	Note	**€'000**	**€'000**	**€'000**	**€'000**
Current					
Trade payables and accrued expenses		24,711	26,564	1,428	5,426
Vendor funding – lease incentives		3,804	4,193	–	–
Payables to subsidiaries	(i)	–	–	115,637	173,016
Total payable – current		**28,515**	**30,757**	**117,065**	**178,442**
Non–current					
Vendor funding – lease incentives		–	301	–	–
Payables to subsidiaries	(i)	–	–	112,022	–
Total payables – non-current		**–**	**301**	**112,022**	**–**

(i) Payables to subsidiaries are unsecured, interest-free and repayable on demand, except for certain payables to a subsidiary amounting to €112,022,000 (2019: 68,521,000) which bore interest rates ranging from 1.36% to 2.23% (2019: 1.30% to 1.75%) per annum. Payables to subsidiaries of €112,022,000 are due 36 to 60 months after the date of agreements.

Accounting policy

Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost. These amounts represent liabilities for goods and services provided to CEREIT prior to the end of the year and which are unpaid. The amounts are usually unsecured and paid within 30-60 days of recognition.

Vendor funding – lease incentives

As part of acquisitions of investment properties, the acquisition price of the properties is reduced for unpaid tenant incentives contracted for as at acquisition date. The acquisition price reduction is recorded as payable on the balance sheet. The liability is transferred to profit or loss as and when the respective tenant incentives are paid or taken.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

15 OTHER LIABILITIES

	CEREIT 2020 €'000	2019 €'000
Current		
Tenant security deposits	12,485	12,955
Rent in advance	10,264	22,829
Other liabilities	2,669	5,469
Total other current liabilities	**25,418**	**41,253**
Non-current		
Other liabilities	7,729	7,289
Total other non-current liabilities	**7,729**	**7,289**

Accounting policy

Tenant security deposits

Tenant security deposits are recognised at the fair value of the amount received within other current liabilities on the balance sheet. The liability is derecognised upon returning the deposit to the tenant at the end of the tenancy or transferred to profit or loss to the extent of rent owed when it has been established that a tenant will default on its rental payment obligations.

Rent in advance

Rent in advance represent rental payments received in advance of due date from tenants. Rent in advance is recognised within other current liabilities on the balance sheet. The liability is transferred to rental income within profit or loss as and when the service of providing lettable space to a tenant is provided.

16 ASSETS AND LIABILITIES HELD FOR SALE

	CEREIT 2019 €'000
Asset sale	
5 light industrial / logistics Dutch assets	19,392
2 light industrial / logistics Danish assets	9,123
	28,515
The disposal group	
– Investment properties	37,185
– Cash and cash equivalents	310
– Receivables	2,943
	40,438
Assets held for sale	**68,953**
The disposal group	
– Payables	740
– Other current liabilities	1,030
Liabilities held for sale	**1,770**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

On 16 December 2019, CEREIT entered into a master sale and purchase agreement with entities owned by funds advised by affiliates of the Blackstone Group Inc. in relation to the disposal of 12 properties from CEREIT's portfolio located in the Netherlands, Denmark and France (collectively the "Disposals"). The agreed property sales price of the Disposals is €65.7 million, representing a 15.2% premium to the original purchase price and a 4.1% premium to the latest market value of the Disposals, based on the independent valuations conducted by Cushman & Wakefield Debenham Tie Leung Limited (in respect of the Dutch Assets and the Danish Assets) and Colliers International Valuation UK LLP (in respect of the French Assets) as at 30 June 2019.

Pursuant to the sale and purchase agreement, CEREIT, through its subsidiaries, sold the properties by way of an asset sale for the Dutch assets and the Danish assets and by way of a sale of shares of the French companies that own the French assets.

CEREIT completed the Disposals in 2020 for a consideration of €65.7 million and a loss on disposal was recorded in 2020 due to transaction costs incurred. The capital gain for the Disposals had already been recorded as fair value gains in previous years financial statements.

Accounting policy

Assets and liabilities that are highly probable to be recovered primarily through sale rather than through continuing use, are classified as held for sale and accounted for as current assets. Immediately before classification as held for sale, the assets are remeasured in accordance with applicable IFRSs. Thereafter, the disposal groups classified as held for sale are generally measured at the lower of their carrying amount and fair value less costs to sell. Investment properties held for sale are measured at fair value.

Impairment losses on initial reclassification as held for sale and subsequent gains or losses on remeasurement are recognised in the Consolidated Statement of Total Return. Gains are not recognised in excess of any cumulative impairment loss.

17 DISPOSAL OF SUBSIDIARIES

As referred to in Note 16, on 24 March 2020, the following subsidiaries that own the French assets were disposed pursuant to the sale and purchase agreement in relation to the disposal of 12 properties.

	Equity interest disposed %
PA Villeneuve SAS	100
PA St Thibault	100
PA Aulnay	100
EHI France 8 Saint Genis Laval	100
EHI France 17 Saint Etienne	100

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

The assets and liabilities classified as held for sale disposed during the year ended 31 December 2020 were as follows:

	2020 €'000
Investment properties	37,185
Receivables (current)	5,194
Current tax assets	121
Payables (current)	(1,521)
Current tax liabilities	(3)
Other current liabilities	(1,290)
Net assets disposed	39,686
Loss on disposal of assets/liabilities held for sale	(116)
Transaction costs	483
Proceeds from disposal of assets/ liabilities held for sale	40,053
Less: Cash disposed	(3,061)
Net cash flow on disposal of assets and liabilities held for sale	36,992

18 CASH FLOW INFORMATION

Overview

This note provides further information about non-cash transactions, the cash accounting policy as well as a reconciliation of net debt.

Accounting policy

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(a) Non-cash transactions

	CEREIT		Trust	
	2020 €'000	2019 €'000	2020 €'000	2019 €'000
Units issued in lieu of acquisition fees		3,125	–	3,125
Units issued in lieu of purchase consideration	–	5,000	–	5,000
Units issued in lieu of base management fees and property management fees	2,455	11,068	2,455	11,068
Units issued in lieu of management performance fees	1,952	–	1,952	–
Total non–cash transactions	**4,407**	**19,193**	**4,407**	**19,193**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

(b) Net debt reconciliation

Net debt

	CEREIT		Trust	
	2020 €'000	**2019 €'000**	**2020 €'000**	**2019 €'000**
Cash and cash equivalents	43,593	79,250	2,102	14,346
Gross borrowings – current	–	(20,438)	–	–
Gross borrowings – non-current	(857,375)	(810,355)	–	–
Net debt	**(813,782)**	**(751,543)**	**2,102**	**14,346**

Movements in net debt

CEREIT	**Cash and cash equivalents €'000**	**Borrowings – current €'000**	**Borrowings – non-current €'000**	**Net debt €'000**
At 1 January 2019	57,755	–	(598,165)	(540,410)
Cash flows	21,805	(20,349)	(212,190)	(210,734)
Cash held for sale	(310)	–	–	(310)
Foreign currency movement	–	(89)	–	(89)
Net debt at 31 Dec 2019	**79,250**	**(20,438)**	**(810,355)**	**(751,543)**
Cash flows	(35,657)	20,438	(47,020)	(62,239)
Net debt at 31 Dec 2020	**43,593**	**–**	**(857,375)**	**(813,782)**

19 RELATED PARTIES

Overview

Related parties are persons or entities that are related to CEREIT as defined by IAS 24 *Related Party Disclosures.* These include directors and their close family members and any entities they control as well as subsidiaries, the Manager Cromwell EREIT Management Pte. Ltd., the Manager's parent entity Cromwell Corporation Limited ("CCL") and all subsidiaries and associates of CCL. They also include entities which are considered to have significant influence over CCL.

Related parties include all entities that are defined as Interested Persons under the SGX-ST Listing Manual or Interested Parties under the Code of CIS.

This note provides information about transactions with related parties during the year. All of CEREIT's transactions with related parties are on normal commercial terms and conditions and at market rates.

(a) Other related party transactions

The Trustee, Manager, and the Property Manager, which is 100% controlled by CCL, received various management fees, acquisition fees and divestment fees during the year. Details of the fees paid/payable have been disclosed in note 3 to the financial statements.

As at 31 December 2020, a total of €7,613,061 (2019: €7,753,000) remains payable.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

20 UNRECOGNISED ITEMS

Overview

Items that have not been recognised on CEREIT's balance sheet include contractual commitments for future expenditure and contingent liabilities if applicable, which are not sufficiently certain to qualify for recognition as a liability on the balance sheet. This note provides details of any such items. Additionally, disclosure is also made of any other material contractual arrangements that may result in future cash outflows.

(a) Capital expenditure commitments

Commitments in relation to capital expenditure contracted for at reporting date but not recognised as a liability are as follows:

	CEREIT	
	2020	**2019**
	€'000	**€'000**
Investment properties	**4,008**	**6,297**

(b) Other – certain earn-out agreements in relation to Italian properties

Upon acquisition of certain Italian properties, earn-out agreements have been negotiated with the vendor of the properties whereby CEREIT may be required to make further payments if certain lease outcomes are achieved in the future. As the signing of leases is solely at the discretion of the Manager, such arrangements are neither recognised as a liability on the balance sheet nor it is considered as a contingent liability as no contractual obligation exists.

The maximum amount payable under the earn-out agreements is €15,830,000.

21 SUBSEQUENT EVENTS

(a) On 21 January 2021, a wholly-owned subsidiary of CEREIT, Cromwell EREIT Lux Finco S.a.r.l. priced a new €200 million tap issue (the "New Notes") of the existing senior unsecured notes due 2025 at an issue price of 102.410% and a reoffer yield of 1.60%. The New Notes were consolidated and formed a single series with the existing €300 million 2.125% senior unsecured notes due 2025 issued on 19 November 2020. Net proceeds from the tap issuance were used to partially refinance the 3-year term loan and note and for general working capital purposes.

(b) On 23 February 2021, the Manager announced a distribution of €1.744 cpu for the period from 1 July 2020 to 31 December 2020 (2019: €2.030 cpu for the period from 2 July 2019 to 31 December 2019).

(c) On 5 March 2021, 232,558,100 new units amounting to €100 million were issued at an issue price of €0.430 per unit pursuant to the private placement announced on 24 February 2021. Proceeds from the private placement were used to partially replenish working capital applied in connection with the acquisition of Centro Logistico Orlando Marconi on 23 December 2020, partially fund the acquisition of 11 logistics and light industrial properties in Czech Republic and Slovakia and pay the fees and expenses incurred by CEREIT in connection with the private placement.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

(d) On 11 March 2021, the Manager announced a cumulative distribution of €2.324 cpu for the period from 1 July 2020 to 4 March 2021 (being the day before the new units were issued pursuant to the private placement). The cumulative distribution comprises the distribution of €1.744 cpu for the period from 1 July 2020 to 31 December 2020 and the advanced distribution of €0.580 cpu for the period from 1 January 2021 to 4 March 2021.

(e) On 11 March 2021, CEREIT through its wholly-owned subsidiaries, Cromwell Czech 1 HoldCo S.r.o. and Cromwell Europa 3 HoldCo S.a.r.l., completed the acquisition of 11 logistics and light industrial properties in Czech Republic and Slovakia through the acquisition of all the shares of each of the respective property holding companies, for a total consideration of €108.7 million.

(f) The COVID-19 outbreak and the measures taken to contain the spread of the pandemic have created a high level of uncertainty to global economic prospects. There is still significant uncertainty over the future development of the outbreak however the Manager expects the pandemic to moderately impact CEREIT's business operations and financial performance in FY 2021, before performance picks-up and improves in FY 2022. Large-scale vaccination programmes are slowly progressing across Europe. Until the services industry (which accounts for the majority of Europe's GDP) is restored, government support measures may still be required for employment and consumption purposes. Tenant-customers continue to be affected to varying degrees by national lockdowns and there is a real chance that some tenant-customers may face higher insolvency risks. CEREIT may then face the challenge of having to re-let these spaces earlier than planned. Fortunately, Europe's manufacturing output is expected to grow at 8%[1] in year 2021, benefitting from increased trade with China.

(1) Source: Oxford Economics

22 FINANCIAL RATIOS

	CEREIT	
	2020	**2019**
	%	**%**
Ratio of expenses to weighted average net assets[1]		
Including performance component of the Manager's management fees	0.81	1.02
Excluding performance component of the Manager's management fees	0.81	0.85
Portfolio turnover rate[2]	5.08	1.42

(1) The annualised ratios are computed in accordance with the guidelines of the Investment Management Association of Singapore ("IMAS"). The expenses used in the computation relate to expenses of CEREIT, excluding property expenses, finance expenses, net foreign exchange differences and income tax expense. CEREIT did not pay any performance fee in the period from 1 January 2020 to 31 December 2020.

(2) The annualised ratio is computed based on the lesser of purchases or sales of underlying investment properties of CEREIT expressed as percentage of average net asset value in accordance with the formulae stated in the CIS.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

23 BASIS OF PREPARATION AND OTHER ACCOUNTING POLICIES

Overview

This note provides an overview of CEREIT's accounting policies that relate to the preparation of the financial statements as a whole and does not relate to specific items. Accounting policies for specific items in the balance sheet or statement of comprehensive income have been included in the respective note.

(a) Basis of preparation

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") and interpretations adopted by the International Accounting Standards Board. The financial statements also complies with applicable requirements of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore ("MAS") and the provisions of the trust deed.

The financial statements have been authorised for issue on 30 March 2021.

Historical cost convention

The financial report is prepared on the historical cost basis except for the following:

- investment properties are measured at fair value;
- derivative financial instruments are measured at fair value.

(b) Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries as at 31 December 2020 and the results of all subsidiaries for the financial year then ended. Subsidiaries are entities controlled by the Trust. Control exists when the Trust is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The acquisition method of accounting is used to account for business combinations by CEREIT. Inter-entity transactions, balances and unrealised gains on transactions between CEREIT entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by CEREIT.

A business for business combination purposes is defined as an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income (such as dividends or interest) or generating other income from ordinary activities.

Entities acquired, that do not meet the definition of a business are accounted for as acquisition of an asset or a group of assets. This is generally the case if the value of the assets acquired is substantially all concentrated in a single asset or group of similar assets such as investment properties.

Investments in subsidiaries are accounted for at cost in the individual financial statements of the Trust. A list of subsidiaries appears in note 13 to the consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

(c) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of CEREIT's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Euro, which is the Trust's functional currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income, except when they are attributable to part of the net investment in a foreign operation. Foreign exchange gains and losses that relate to borrowings are presented in the income statement, within finance costs. All other foreign exchange gains and losses are presented in the income statement on a net basis.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(d) Impairment of assets

At each reporting date, and whenever events or changes in circumstances occur, CEREIT assesses whether there is any indication that any other asset may be impaired. Where an indicator of impairment exists, CEREIT makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and an impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Assets other than goodwill that suffer impairment are reviewed for possible reversal of the impairment at each reporting date.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

(e) Critical accounting estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are based on historical or professional experience and other factors such as expectations about future events. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The areas that involved a higher degree of judgement or complexity and may need material adjustment if estimates and assumptions made in preparation of these financial statements are incorrect are:

Area of estimation	Note
Measurement of deferred tax liabilities	7
Fair value of investment properties	8

It is noted that the COVID-19 pandemic likely has an impact on the ability to accurately make such critical judgements, estimates and assumptions.

(f) New accounting standards and interpretations

(i) New and amended standards adopted

CEREIT has adopted new accounting standards that are effective for annual periods that begin on or after 1 January 2020 as follows:

Amendments to IAS 1 and IAS 8 *Definition of material*

CEREIT has adopted the amendments to IAS 1 and IAS 8 for the first time in the current year. The amendments make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the *Conceptual Framework* that contain a definition of 'material' or refer to the term 'material' to ensure consistency.

Amendments to References to the Conceptual Framework in IFRS Standards

CEREIT has adopted the amendments included in *Amendments to References to the Conceptual Framework* in IFRS Standards for the first time in the current year. The amendments include consequential amendments to affected Standards so that they refer to the new Framework. Not all amendments, however, update those pronouncements with regard to references to and quotes from the *Framework* so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the *Framework* they are referencing to (the IASC *Framework* adopted by the IASB in 2001, the IASB *Framework* of 2010, or the new revised *Framework* of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised *Conceptual Framework*.

The Standards which are amended are IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

(ii) *New standards and interpretations not yet adopted*

Relevant accounting standards and interpretations that have been issued or amended but are not yet effective and have not been adopted for the year are as follows:

	Application date of Standard	**Application date for CEREIT**
Amendments to IAS 1 *Classification of Liabilities as Current or Non-current*	1 January 2023	1 January 2023
Amendments to IFRS *3 Reference to the Conceptual Framework*	1 January 2022	1 January 2022
Annual improvements to IFRS Standards 2018-2020 Cycle *Amendments to IFRS 1 First-time adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments and IFRS 16 Leases*	1 January 2022	1 January 2022

Amendments to IAS 1 – *Classification of Liabilities as Current or Non-current*

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted.

Amendments to IFRS 3 – *Reference to the Conceptual Framework*

The amendments update IFRS 3 so that it refers to the 2018 *Conceptual Framework* instead of the 1989 *Framework*. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 *Levies*, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated *Conceptual Framework*) at the same time or earlier.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

Annual Improvements to IFRS Standards 2018–2020

The Annual Improvements include amendments to the following Standards.

IFRS 1 *First-time Adoption of International Financial Reporting Standards*

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16(a).

The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

IFRS 9 *Financial Instruments*

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.

The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

IFRS 16 *Leases*

The amendment removes the illustration of the reimbursement of leasehold improvements. As the amendment to IFRS 16 only regards an illustrative example, no effective date is stated.

The adoption of the Standards mentioned above is not expected to have a material impact on CEREIT's financial statements.

ADDITIONAL INFORMATION

INTERESTED PERSON (AS DEFINED IN THE LISTING MANUAL) AND INTERESTED PARTY (AS DEFINED IN THE PROPERTY FUNDS APPENDIX) TRANSACTIONS

Transactions entered into with interested persons/parties during the financial year falling under the Listing Manual of SGX-ST and the Property Funds Appendix of the CIS are as follows:

Name of interested person / party	Nature of relationship	Aggregate value of all interested person/ party transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under unitholders' mandate pursuant to Rule 920) €'000	Aggregate value of all interested person/party transactions conducted under unitholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000) €'000
Cromwell Property Group and its related companies	**Ultimate controlling shareholder of the Manager and Ultimate controlling Unitholder**		
– Acquisition fees		1,070[1]	–
– Divestment fees		329[2]	–
– Base management fees		5,246	–
– Property & portfolio management fees		15,271	–
– Leasing fees		1,817	–
– Project management fees		921	–
Perpetual (Asia) Limited and its related companies	**CEREIT Trustee**		
Trustee fees		260	–

(1) Acquisition fee of 1.0% on the purchase price of investment properties acquired by CEREIT during the financial year.

(2) Divestment fee of 0.5% on the gross sale price of investment property divested by CEREIT during the financial year.

Saved as disclosed above, there were no additional interested person/party transactions (excluding transactions of less than S$100,000 each) entered into up to and including 31 December 2020 nor any material contracts entered by CEREIT or any of its subsidiaries that involve the interests of the CEO, any Directors or any controlling Unitholder of the Trust.

Please also see the Related Party in Note 19 to the financial statements.

The entry into and the fees payable pursuant to the Trust Deed have been approved by the Unitholders upon purchase of the Units at the initial public offering of CEREIT on the SGX-ST in November 2017 and are therefore not subject to Rules 905 and 906 of the Listing Manual.

STATISTICS OF UNITHOLDINGS

AS AT 15 MARCH 2021

Issued and Fully Paid Units: 2,788,638,656

Voting rights: 1 vote per Unit. There is only one class of Units in CEREIT.

Market capitalisation is €1,213 million based on the market closing price of €0.435 on 15 March 2021.

As at 15 March 2021, there are no treasury units held by CEREIT or the Manager.

SUBSTANTIAL UNITHOLDERS AS AT 15 MARCH 2021

Based on the Register of Substantial Unitholders' Unitholdings, the interests of Substantial Unitholders in Units are as follows:

	Direct Interest	%	Deemed Interest	%
Cromwell Property Group[1]	–	–	782,788,645	28.07
Cromwell Singapore Holdings Pte. Ltd.	768,218,908	27.55	–	–
CDPT Finance No.2 Pty Ltd[2]	–	–	768,218,908	27.55
Cromwell Property Securities Limited (as Responsible Entity for Cromwell Diversified Property Trust)[2]	–	–	768,218,908	27.55
ARA Real Estate Investors XXI Pte. Ltd.[3]	–	–	793,268,460	28.45
ARA RE Investment Group (Singapore) Pte. Ltd.[3]	–	–	793,268,460	28.45
ARA Asset Management Limited[3]	–	–	793,268,460	28.45
ARA Investment (Cayman) Limited[3]	–	–	793,268,460	28.45
ARA Asset Management Holdings Pte. Ltd.[3]	–	–	793,268,460	28.45
Straits Equities Holdings (One) Pte. Ltd.[4]	–	–	793,268,460	28.45
The Straits Trading Company Limited[4]	–	–	793,268,460	28.45
The Cairns Pte. Ltd.[5]	–	–	793,268,460	28.45
Raffles Investment Private Limited[5]	–	–	793,268,460	28.45
Tecity Pte. Ltd.[5]	–	–	793,268,460	28.45
Aequitas Pte. Ltd.[5]	–	–	793,268,460	28.45
Tan Chin Tuan Pte. Ltd.[5]	–	–	793,268,460	28.45
Dr Tan Kheng Lian[5]	–	–	793,268,460	28.45
Alexandrite Gem Holdings Limited[6]	–	–	793,268,460	28.45
WP Global LLC[6]	–	–	793,268,460	28.45
Warburg Pincus Partners II, L.P.[6]	–	–	793,268,460	28.45
Warburg Pincus Partners GP LLC[6]	–	–	793,268,460	28.45
Warburg Pincus & Co.[6]	–	–	793,268,460	28.45
Mr Gordon Tang and Mrs Celine Tang[7]	255,474,780	9.16	–	–
Hillsboro Capital, Ltd	186,590,000	6.69	–	–
Mr Andrew L. Tan[8]	–	–	204,790,000	7.34
Lim Hwee Chiang[9]	–	–	784,004,018	28.11

STATISTICS OF UNITHOLDINGS

AS AT 15 MARCH 2021

Notes:

(1) Cromwell Singapore Holdings Pte. Ltd. ("CSHPL") is a wholly-owned subsidiary of CDPT Finance No. 2 Pty Ltd., which is in turn a wholly-owned subsidiary of Cromwell BT Pty Ltd (as custodian (aka bare trustee) for Cromwell Property Securities Limited as responsible entity for Cromwell Diversified Property Trust ("CDPT"). CDPT is part of Cromwell Property Group ("CPG") which is a stapled entity comprising Cromwell Corporation Limited and CDPT. Accordingly, CPG is deemed to be interested in CSHPL's interests in the Units. Additionally, Cromwell EREIT Management Pte. Ltd. (the "Manager") which holds 11,759,818 Units, is a wholly-owned subsidiary of Cromwell Corporation Limited. Cromwell CEREIT Holdings Limited which holds 2,809,919 Units, is a wholly-owned subsidiary of Cromwell Europe Limited, which is in turn a wholly-owned subsidiary of Cromwell European Holdings Limited, which is in turn a wholly-owned subsidiary of Cromwell Corporation Limited. As such, CPG is also deemed to be interested in Cromwell Corporation Limited's deemed interests in the Units held by the Manager and Cromwell CEREIT Holdings Limited.

(2) CSHPL is a wholly-owned subsidiary of CDPT Finance No. 2 Pty Ltd., which is in turn a wholly-owned subsidiary of Cromwell BT Pty Ltd (as custodian (aka bare trustee) for Cromwell Property Securities Limited as responsible entity for Cromwell Diversified Property Trust ("CDPT"). CDPT is part of CPG which is a stapled group comprising Cromwell Corporation Limited and CDPT. Accordingly, CDPT Finance No. 2 Pty Ltd. and Cromwell Property Securities Limited, respectively, are deemed to be interested in CSHPL's interests in the Units.

(3) ARA Real Estate Investors XXI Pte. Ltd. holds more than 20.0% of interest in CPG and is therefore deemed interested in the units in CEREIT through CPG's interests. ARA Real Estate Investors XXI Pte. Ltd. is wholly owned by ARA RE Investment Group (Singapore) Pte. Ltd., which is in turn wholly owned by ARA Asset Management Limited, which is in turn wholly owned by ARA Investment (Cayman) Limited, which is in turn wholly owned by ARA Asset Management Holdings Pte. Ltd. ARA RE Investment Group (Singapore) Pte. Ltd., ARA Asset Management Limited, ARA Investment (Cayman) Limited and ARA Asset Management Holdings Pte. Ltd. are therefore deemed interested in the units of CEREIT. The deemed interest held by each of ARA Real Estate Investors XXI Pte. Ltd., ARA RE Investment Group (Singapore) Pte. Ltd., ARA Asset Management Limited, ARA Investment (Cayman) Limited and ARA Asset Management Holdings Pte. Ltd. is based on the last notification of interests received by the Manager on 31 October 2019.

(4) Straits Equities Holdings (One) Pte. Ltd. holds more than 20.0% of voting rights of ARA Asset Management Holdings Pte. Ltd. and is therefore deemed interested in the units in CEREIT through ARA Asset Management Holdings Pte. Ltd.'s deemed interests in the units in CEREIT through CPG's interests. As The Straits Trading Company Limited holds 100% of the voting rights of Straits Equities Holdings (One) Pte. Ltd., it is also deemed interested in the units in CEREIT. The deemed interest held by each of Straits Equities Holdings (One) Pte. Ltd. and The Straits Trading Company Limited is based on the last notification of interests received by the Manager on 31 October 2019.

(5) The Cairns Pte. Ltd. ("Cairns") holds more than 50.0% of voting rights of The Straits Trading Company Limited and is therefore deemed interested in the units in CEREIT through The Straits Trading Company Limited's deemed interests in the units in CEREIT through CPG's interests. As each of Raffles Investment Private Limited ("Raffles"), Tecity Pte. Ltd. ("Tecity") and Tan Chin Tuan Pte. Ltd. ("TCT") holds not less than 20 per cent. of the voting rights of Cairns, Raffles, Tecity and TCT are also deemed interested in the units in CEREIT. As Aequitas Pte. Ltd. ("Aequitas") holds more than 50 per cent. of the voting rights of Raffles, it is also deemed interested in the units in CEREIT. Dr Tan Kheng Lian who holds more than 50 per cent. of the voting rights of TCT is also deemed interested in the units in CEREIT. The deemed interest held by each of Cairns, Raffles, Tecity, TCT, Aequitas and Dr Tan Kheng Lian is based on the last notification of interests received by the Manager on 31 October 2019.

(6) Alexandrite Gem Holdings Limited holds more than 20.0% of ARA Asset Management Holdings Pte. Ltd. and is therefore deemed interested in the units in CEREIT through ARA Asset Management Holdings Pte. Ltd.'s deemed interests in the units in CEREIT through CPG's interests. Alexandrite Gem Holdings Limited is wholly-owned by certain private equity funds which are limited partnerships ("the Funds") managed by Warburg Pincus LLC, a New York limited liability company. Warburg Pincus XII, L.P., a Delaware limited partnership and Warburg Pincus China GP, L.P., a Delaware limited partnership are the general partners of the Funds. WP Global LLC, a Delaware limited liability company ("WP Global"), is the general partner of each of Warburg Pincus XII, L.P. and Warburg Pincus China GP, L.P. Warburg Pincus Partners II, L.P., a Delaware limited partnership ("WPP II"), is the managing member of WP Global. Warburg Pincus Partners GP LLC, a Delaware limited liability company ("WPP GP LLC"), is the general partner of WPP II. Warburg Pincus & Co., a New York general partnership ("WP"), is the managing member of WPP GP LLC. Charles R. Kaye and Joseph P. Landy are each U.S. Citizens and Managing General Partners of WP and Managing Members and Co-Chief Executive Officers of Warburg Pincus LLC and may be deemed to control the Warburg Pincus entities. Charles R. Kaye and Joseph P. Landy disclaim beneficial ownership of all shares held by the Warburg Pincus entities. By virtue of this, each of WP Global, WPP II, WPP GP LLC and WP has a deemed interest in the units in CEREIT which CPG is deemed to be interested in. The deemed interest held by each of Alexandrite Gem Holdings Limited, WP Global, WPP II, WPP GP LLC and WP is based on the last notification of interests received by the Manager on 31 October 2019.

(7) The Units are held by joint account of Mr. Gordon Tang and Mrs. Celine Tang. Mr. Gordon Tang is the spouse of Mrs. Celine Tang.

(8) Mr Andrew L. Tan is the beneficial owner of 204,790,000 units held through Hillsboro Capital, Ltd. and Worldwide Property Financing Limited.

(9) Lim Hwee Chiang holds 100% of the shares in JL Investment Group Limited ("JLIG") and in JL Investment Group II Limited ("JLIG II"). Lim Hwee Chiang holds 19.85% of the shares of ARA Asset Management Holdings Pte. Ltd. ("ARA Holdings") through JLIG and has on 2 June 2020 acquired shares in ARA Holdings through JLIG II (the "ARA Shares") which resulted in Lim Hwee Chiang holding more than 20.0% interest in ARA Holdings. ARA Holdings is deemed interested in the units in CEREIT through CPG's interests (refer to Note (3) above). As Lim Hwee Chiang holds more than 20.0% interest in ARA Holdings, he is therefore also deemed interested in the units of CEREIT.

STATISTICS OF UNITHOLDINGS

AS AT 15 MARCH 2021

DISTRIBUTION OF UNITHOLDINGS

Size of Unitholdings	No. of Unitholders	%	No. of Units	%
1 – 99	9	0.21	374	0.00
100 – 1,000	334	7.83	270,988	0.01
1,001 – 10,000	1,805	42.31	9,729,153	0.35
10,001 – 1,000,000	2,094	49.09	94,148,069	3.38
1,000,001 AND ABOVE	24	0.56	2,684,490,072	96.26
TOTAL	4,266	100.00	2,788,638,656	100.00

TWENTY LARGEST UNITHOLDERS

No.	Name	No. of Units	%
1	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	786,378,545	28.20
2	DBS NOMINEES (PRIVATE) LIMITED	690,105,013	24.75
3	CITIBANK NOMINEES SINGAPORE PTE LTD	672,279,669	24.11
4	RAFFLES NOMINEES (PTE.) LIMITED	264,544,131	9.49
5	DBSN SERVICES PTE. LTD.	97,098,916	3.48
6	HSBC (SINGAPORE) NOMINEES PTE LTD	41,817,970	1.50
7	MERRILL LYNCH (SINGAPORE) PTE. LTD.	23,327,608	0.84
8	ABN AMRO CLEARING BANK N.V.	19,867,211	0.71
9	OCBC SECURITIES PRIVATE LIMITED	17,385,340	0.62
10	PHILLIP SECURITIES PTE LTD	16,451,916	0.59
11	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	12,242,390	0.44
12	DB NOMINEES (SINGAPORE) PTE LTD	7,615,861	0.27
13	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	6,111,004	0.22
14	MAYBANK KIM ENG SECURITIES PTE. LTD.	5,761,338	0.21
15	IFAST FINANCIAL PTE. LTD.	3,948,240	0.14
16	UOB KAY HIAN PRIVATE LIMITED	3,691,000	0.13
17	LIEW CHEE KONG	3,592,700	0.13
18	BPSS NOMINEES SINGAPORE (PTE.) LTD.	2,122,600	0.08
19	LING PING SHEUN ARTHUR	2,026,200	0.07
20	EUCO INVESTMENTS PTE LTD	2,000,000	0.07
	TOTAL	2,678,367,652	96.05

STATISTICS OF UNITHOLDINGS

AS AT 15 MARCH 2021

DIRECTORS' INTERESTS IN UNITS AS AT 15 MARCH 2021

Based on the Register of Directors' Unitholdings, the interests of the Directors in Units are as follows:

	No. of Units			
Name of Director	Direct Interest	%	Deemed Interest	%
Lim Swe Guan	547,032	0.02	–	–
Paul Weightman[1]	–	–	–	–
Christian Delaire	–	–	–	–
Fang Ai Lian	–	–	–	–
Simon Garing[2]	–	–	–	–
Michael Wilde[3]	–	–	–	–

Notes:

(1) Resigned as Non-Independent Non-Executive Director with effect from 31 December 2020. No interest in Units was held as at 31 December 2020.

(2) Excludes Units that will vest under the Manager's PUP.

(3) Appointed as Non-Independent Non-Executive Director with effect from 25 February 2021.

PUBLIC HOLDINGS AS AT 15 MARCH 2021

Based on the information available, approximately 49.56% of the issued Units in CEREIT is held by the public as at 15 March 2021 and therefore, pursuant to Rules 1207 and 723 of the Listing Manual of the SGX-ST, it is confirmed that at least 10% of the issued Units in CEREIT is held by the public. Accordingly, Rule 723 of the Listing Manual of the SGX-ST has been complied with. For the purposes of SGX-ST Listing Manual, the non-public Unitholdings include substantial Unitholders who own 5% or more, Directors, CEOs, controlling shareholders of the company and its subsidiaries and associates of the above-mentioned.

PERCENTAGE OF ISSUED UNITS HELD BY UNITHOLDERS WITH LESS THAN 10% UNITHOLDINGS AS AT 15 MARCH 2021

Based on the information available, approximately 71.93% of the issued Units in CEREIT is held by Unitholders with less than 10% Unitholdings as at 15 March 2021. The only Unitholder that holds more than 10% of Units (defined as "restricted") is Cromwell Property Group (28.07%).

As per definitions used by FTSE Russell for the calculation of "free-float restrictions" for the purpose of various FTSE related indices.

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Cromwell European Real Estate Investment Trust ("CEREIT")

Unaudited Condensed Interim Financial Statements for the Six-month Period Ended 30 June 2021 ("1H 2021")

Table of Contents:

Introduction

The Cromwell European Real Estate Investment Trust ("CEREIT") was constituted by the Trust Deed dated 28 April 2017 (as amended, varied or supplemented from time to time) between Cromwell EREIT Management Pte. Ltd. as the Manager of CEREIT (the "Manager") and Perpetual (Asia) Limited as Trustee of CEREIT (the "Trustee"). CEREIT was listed on the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 30 November 2017 ("Listing Date").

CEREIT is the first Singapore real estate investment trust with a pan-European portfolio and was established 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 key objectives are to provide Unitholders with stable and growing distributions and net asset value ("NAV") per unit, while maintaining an appropriate capital structure.

The initial IPO portfolio consisted of 74 properties across Europe. In June 2018, CEREIT acquired an office asset in Italy. In December 2018, CEREIT completed the acquisition of 15 office assets in Italy, the Netherlands and Finland. In January/February 2019, the acquisitions of 4 light industrial/ logistics assets in France and 3 office assets in Poland were completed. In July 2019, the acquisitions of 3 properties in Paris, France and 2 properties in Krakow, Poland were completed, followed by the acquisition of an office asset in Poznan, Poland in September 2019. These 6 assets were partially funded from the proceeds of an issue of units pursuant to a private placement on 2 July 2019 which raised €150 million. In October 2019, the French light industrial asset Parc d'Osny was sold for €19.0 million which was 2.2% above the prevailing valuation. In November 2019, the acquisition of an office asset in Agrate, Italy was completed for a purchase price of €17.7 million. On 24 March 2020, the Manager disposed of 12 assets in Denmark, the Netherlands and France at an underlying property value of €65.7 million, 4% higher than the valuation in June 2019. On the same day, the Manager acquired 3 light industrial/ logistics assets in Germany for a combined purchase price of €38.0 million.

On 13 August 2020, the Manager acquired a further light industrial/ logistics asset in Germany for a purchase price of €16.4 million. On 23 December 2020, CEREIT acquired the Centro Logistico Orlando Marconi ("CLOM") intermodal logistics park in Central Italy for a purchase price of €52.6 million.

On 11 March 2021, the Manager acquired a portfolio of 11 light industrial / logistics assets in the Czech Republic and Slovakia for €113.2 million, partially funded by the proceeds of the €100 million in March 2021. On 7 June 2021, the Manager further acquired a light industrial / logistics asset in the Czech Republic (Hradec Kralove) for €10.1 million.

As at 30 June 2021, CEREIT's portfolio of 108 real estate assets consists of properties located in France, Italy, the Netherlands, Germany, Denmark, Finland, Poland, Slovakia and the Czech Republic with an aggregate lettable area of approximately 1.7 million square metres.

	No. of properties	Lettable Area (sqm)	Valuation[1] (€'000)	Valuation (%)
Office				
The Netherlands	7	177,902	571,824	24.5%
Italy	12	142,177	323,700	13.8%
France	3	34,292	70,026	3.0%
Poland	6	111,242	235,200	10.0%
Finland	11	61,949	111,315	4.8%
Total	**39**	**527,562**	**1,312,065**	**56.1%**
Light Industrial/ Logistics				
The Netherlands	5	46,293	67,313	2.9%
Italy	2	186,526	67,800	2.9%
France	19	263,519	349,307	15.0%
Germany	15	226,985	206,375	8.8%
Denmark	11	129,817	83,674	3.6%
Slovakia	5	74,356	63,405	2.7%
The Czech Republic	7	59,498	61,134	2.6%
Total	**64**	**986,994**	**899,008**	**38.5%**
Other[2]				
Italy	5	176,575	125,740	5.4%
Total Portfolio	**108**	**1,691,131**	**2,336,813**	**100%**

(1) Valuation is based on independent valuations conducted by Savills and CBRE as at 30 June 2021 for 80% of the portfolio, the remaining assets are held at book value being valuation as at 31 December 2020 plus any capital expenditure incurred during 1H 2021 (with the exception of the recent acquisition of Hradec Kralove which is held at purchase price). Parc de Popey, an asset held for sale as at 30 June 2021, is included in the above table.

(2) Other includes three government-let campuses, one retail asset and one hotel in Italy.

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CEREIT Results Overview

CEREIT remains resilient in the face of COVID-19 pandemic

	1H 2021	1H 2020[1]	Change %
Gross revenue (€'000)	**99,019**	93,660	5.7%
Net property income ("NPI") (€'000)	**64,287**	57,721	11.4%
Total return for the period attributable to Unitholders (€'000)	**60,539**	18,425	>100%
Distribution adjustments	**(14,380)**	26,140	n.m.
Income available for distribution to Unitholders (€'000)	**46,159**	44,565	3.6%
Applicable number of units for the period ('000)	**542,919**	511,216	6.2%
DPU € cents per unit ("cpu")[2][3]	**8.502**	8.717	(2.5%)

(1) 1H 2020 refers to the period from 1 January 2020 to 30 June 2020.

(2) 1H 2020 DPU is adjusted for 5:1 unit consolidation to provide for a like-for-like comparison.

(3) DPU is calculated based on the total number of units in issue entitled to distributions as at the record date of each distribution.

Highlights:

- CEREIT's 1H 2021 distributable income ("DI") increased by 3.6% or €1.6 million to €46.2 million.
- 1H 2021 NPI was 11.4% higher than 1H 2020, mainly attributable to income from new acquisitions in Italy, the Czech Republic and Slovakia and absence of doubtful debt provisions in 1H 2021 compared to 1H 2020, partially offset by:
  - disposals in France, the Netherlands and Denmark that took place in March 2020;
  - lower income from properties that were pandemic affected for the whole of 1H 2021 whereas only affected for 2Q 2020 such as Central Plaza, the Netherland, Lissone , Italy and Saronno, Italy;
  - lease expiries in Priorparken 700 and 800 in Denmark; and
  - foreseen rent reduction in 5 government-let properties in Italy.

  DPU for 1H 2021 is €8.502 cents, 2.5% lower than 1H 2020 mainly due to:
  - a slight delay between financing and completing recent acquisitions funded by the private placement;
  - higher average cash balance (earning zero rate);
  - higher interest costs due to the bond issuances at a slightly higher rate than the bank syndicated debt (but with longer tenure); and
  - the absence of capital gains where €2.8 million was paid out in 1H 2020 (equivalent to €0.55 cents in 1H 2020 DPU).
- DPU for 2Q2021 was €4.367cpu, 5.6% above 1Q2021 €4.135cpu.
- Total return for 1H 2021 increased >100% or €42.1 million to €60.5 million mainly due to fair value gain of €28.1 million mostly from the revaluation of the 80 selected investment properties at 30 June 2021, compared to fair value loss on investment properties of €24.9 million in 1H 2020 from the downward revaluation of selected investment properties at 30 June 2020.
- An EMTN tap of €200 million was carried out in January 2021 at a re-offer yield of €1.60% which brings the Series 001 Note to a total of €500 million.
- Interest coverage ratio calculated in accordance with the CIS code revised on 14 April 2020 is 6.0x (31 December 2020: 6.4x) and CIS code aggregate leverage decreased marginally to 37.9% from 38.1% at 31 December 2020. The all-in interest rate remains unchanged at 1.72% per annum.
- Portfolio occupancy stood at 94.9% (31 December 2020: 95.1%).
- Portfolio weighted average lease expiry ("WALE") of 4.7 years by headline rent compared to 4.9 years at 31 December 2020.

Financial Position

	As at 30 Jun 21	As at 31 Dec 20	Change %
Gross asset value ("GAV") (€'000)	**2,447,490**	2,250,452	8.8%
Net tangible assets ("NTA") (€'000)	**1,404,548**	1,302,152	7.9%
Gross borrowings before unamortised debt issue costs (€'000)	**927,375**	857,375	8.2%
Aggregate leverage (%)	**37.9%**	38.1%	(0.2) p.p.
Aggregate leverage excluding distribution (%)(1)	**38.4%**	38.9%	(0.5) p.p.
Net Gearing (%)(2)	**35.8%**	36.9%	(1.1) p.p.
Units issued ('000) (3)	**559,330**	511,216	9.4%
Net Asset Value ("NAV") € per unit (3)	**2.51**	2.55	(1.6%)
Adjusted NAV € per unit (excluding distributable income)(3)	**2.46**	2.46	-

p.p. – Percentage point

(1) Aggregate leverage excluding distribution is calculated by deducting the distributable income not yet distributed at period end from GAV.

(2) Net Gearing is calculated as aggregate debt less cash over total assets less cash.

(3) Comparative numbers are adjusted for 5:1 unit consolidation to provide for a like-for-like comparison.

Gross asset value at 30 June 2021 increased by 8.8% from 31 December 2020 mainly due to the completion of acquisitions of 12 logistics and light industrial properties in Slovakia and the Czech Republic and higher cash balance. The acquisitions of 11 properties completed in February 2021 were partly funded in cash and partly funded by part of the proceeds of the private placement that raised gross proceeds of €100 million. The acquisition of a property in June 2021 was funded by available cash.

Aggregate leverage at 30 June 2021 decreased to 37.9% from 38.1% at 31 December 2020. Net gearing decreased to 35.8% mainly attributable to higher cash balance.

As at 30 June 2021, NAV per unit decreased by 1.6% to €2.51 cents mainly due to new units issued pursuant to the private placement in March 2021 and the cumulative distribution paid on 31 March 2021 offset by the total return including the fair value gain. Adjusted NAV per unit excluding distributable income remained unchanged at €2.46.

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CROMWELL EUROPEAN REAL ESTATE INVESTMENT TRUST AND ITS SUBSIDIARIES

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

CROMWELL
EUROPEAN REIT

Consolidated Condensed Interim Statement of Total Return and Condensed Interim Consolidated Statement of Comprehensive Income

		CEREIT		
	Note	**1H 2021 €'000**	1H 2020 €'000	Fav./ (Unfav.) %
Gross revenue	5	**99,019**	93,660	5.7%
Property operating expense	6	**(34,732)**	(35,939)	3.4%
Net property income		**64,287**	57,721	11.4%
Net finance costs	13(b)	**(11,368)**	(8,085)	(40.6%)
Manager's fees	7	**(2,764)**	(2,656)	(4.1%)
Trustee fees		**(136)**	(132)	(3.0%)
Trust expenses		**(2,715)**	(2,466)	(10.1%)
Net income before tax and fair value changes		**47,304**	44,382	6.6%
Loss on disposal of assets/liabilities held for sale	8	**-**	(875)	(100.0%)
Fair value gain/(loss) – investment properties	12(b)	**28,141**	(24,904)	n.m.
Fair value loss – derivatives financial instruments		**(9)**	(430)	97.9%
Total return for the period before tax		**75,436**	18,173	>100%
Income tax (expense)/credit	11(a)	**(14,897)**	252	n.m.
Total return for the period attributable to Unitholders		**60,539**	18,425	>100%
Other comprehensive income				
Other comprehensive income for the period, net of tax		-	-	-
Total comprehensive income for the period		**60,539**	18,425	>100%
Earnings per unit				
Basic and diluted earnings per unit (€ cents)	9	**11.168**	3.604	>100%

n.m. – not meaningful

Condensed Interim Balance Sheets

		CEREIT			Trust		
	Note	**30-Jun 2021 €'000**	31-Dec 2020 €'000	Increase/ (Decrease) %	**30-Jun 2021 €'000**	31-Dec 2020 €'000	Increase/ (Decrease) %
Current assets							
Cash and cash equivalents		**80,772**	43,593	85.3%	**12,251**	2,102	>100%
Asset held for sale	17	**5,800**	-	n.m.	**-**	-	-
Receivables		**15,860**	15,943	(0.5%)	**15,236**	16,202	(6.0%)
Current tax assets		**1,479**	1,397	5.9%	**-**	-	-
Total current assets		**103,911**	60,933	70.5%	**27,487**	18,304	50.2%
Non-current assets							
Investment properties	12	**2,337,029**	2,184,529	7.0%	**-**	-	-
Investments in subsidiaries		**-**	-	-	**1,374,691**	1,328,482	3.5%
Receivables		**659**	1,028	(35.9%)	**-**	-	-
Derivative financial instruments	14	**117**	126	(7.1%)	**-**	-	-
Deferred tax assets		**5,774**	3,836	50.5%	**-**	-	-
Total non-current assets		**2,343,579**	2,189,519	7.0%	**1,374,691**	1,328,482	3.5%
Total assets		**2,447,490**	2,250,452	8.8%	**1,402,178**	1,346,786	4.1%
Current liabilities							
Payables		**32,195**	28,515	12.9%	**122,247**	117,065	4.4%
Current tax liabilities		**2,333**	2,943	(20.7%)	**13**	-	n.m.
Other current liabilities		**28,789**	25,418	13.3%	**-**	-	-
Total current liabilities		**63,317**	56,876	11.3%	**122,260**	117,065	4.4%
Non-current liabilities							
Payables		**-**	-	-	**112,022**	112,022	-
Borrowings	13	**921,775**	847,068	8.8%	**-**	-	-
Deferred tax liabilities		**50,934**	36,627	39.1%	**-**	-	-
Other non-current liabilities		**6,916**	7,729	(10.5%)	**-**	-	-
Total non-current liabilities		**979,625**	891,424	9.9%	**112,022**	112,022	-
Total liabilities		**1,042,942**	948,300	10.0%	**234,282**	229,087	2.3%
Net assets attributable to Unitholders		**1,404,548**	1,302,152	7.9%	**1,167,896**	1,117,699	4.5%
Represented by: **Unitholders' funds**		**1,404,548**	1,302,152	7.9%	**1,167,896**	1,117,699	4.5%
Units in issue ('000)[1]	15(b)	**559,330**	511,216	9.4%	**559,330**	511,216	9.4%
Net asset value per unit (€)[1]	18	**2.51**	2.55	(1.6%)	**2.09**	2.19	(4.6%)

[1] Comparative numbers are adjusted for 5:1 unit consolidation to provide for a like-for-like comparison.

n.m. – Not meaningful

Condensed Interim Consolidated Distribution Statement

	Note	CEREIT		
		1H 2021 €'000	1H 2020 €'000	Increase (Decrease) %
Income available for distribution at beginning of period		**44,791**	51,844	13.6%
Total return for the period		**60,539**	18,425	>100%
Distribution adjustments (Note A)		**(14,380)**	26,140	n.m.
Income available for distribution to Unitholders		**90,950**	96,409	(5.7%)
Distribution paid to Unitholders during the period (Note B)	10	(59,403)	(51,720)	14.9%
Income available for distribution at end of period		**31,547**	44,689	n.m.
Applicable number of units for the period ('000)[1] [2]		**542,919**	511,216	6.2%
Actual DPU (cpu) for the period [1] [2]		**8.502**	8.717	(2.5%)
Note A - Distribution adjustments				
Straight-line rent adjustments and leasing fees		**(1,431)**	(955)	(49.8%)
Trustee Fees		**136**	132	3.0%
Loss on disposal of assets/liabilities held for sale		**-**	875	(100.0%)
Amortisation of debt issuance costs		**2,683**	981	>100%
Facility break fee		**-**	(51)	(100.0%)
Fair value adjustments – investment properties		**(28,141)**	24,904	n.m.
Fair value adjustments – derivative financial instruments		**9**	430	(97.9%)
Net foreign exchange (gain)/loss		**(143)**	115	n.m.
Deferred tax expense/(credit)		**12,388**	(5,026)	n.m.
Tax (credit)/expense related to disposal of assets/liabilities held for sale		**(306)**	1,921	n.m.
Distribution of divestment gain		**-**	2,814	(100.0%)
Others		**425**	-	n.m.
Total distribution adjustments		**(14,380)**	26,140	n.m.
Note B - Distributions paid to Unitholders during the period				
Distribution of 2.324 cpu from 1 Jul 2020 to 4 Mar 2021		**59,403**	-	n.m.
Distribution of 2.030 cpu from 2 Jul 2019 to 31 Dec 2019		**-**	51,720	n.m.
		59,403	51,720	14.9%

n.m. – Not meaningful

[1] DPU is calculated based on the total number of units in issue entitled to distributions as at the record date of each distribution. DPU for the advanced distribution for the period from 1 January 2021 to 4 March 2021 is calculated based on the total number of units in issue entitled to distributions on 4 March 2021.

[2] Comparative numbers are adjusted for 5:1 unit consolidation to provide a like-for-like comparison.

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Condensed Interim Statements of Movements in Unitholders' Funds

	CEREIT		Trust	
	1H 2021 €'000	**1H 2020 €'000**	**1H 2021 €'000**	**1H 2020 €'000**
Operations				
At beginning of period	**60,848**	77,681	**(123,946)**	(87,433)
Total return for period	**60,539**	18,425	**8,340**	2,213
Distributions paid	**(59,403)**	(51,720)	**(59,403)**	(51,720)
At end of period	**61,984**	44,386	**(175,009)**	(136,940)
Unitholders' contributions				
At beginning of period	**1,241,192**	1,236,795	**1,241,529**	1,237,132
Issue of units:				
- Base management fees	**-**	962	**-**	962
- Property management fees	**-**	1,493	**-**	1,493
- Performance management fees	**-**	1,952	**-**	1,952
- Private placement	**100,000**	-	**100,000**	-
- Distribution reinvestment plan	**3,490**	-	**3,490**	-
Issue expenses	**(2,230)**	-	**(2,230)**	-
At end of period	**1,342,452**	1,241,202	**1,342,789**	1,241,539
Reserves				
At beginning and end of period	**112**	112	**116**	116
Unitholders' funds at end of period	**1,404,548**	1,285,700	**1,167,896**	1,104,715

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Condensed Interim Consolidated Statement of Cash Flows

	1H 2021 €'000	1H 2020 €'000
Cash flows from operating activities		
Total return for the period before tax	**75,436**	18,173
Adjustments for:		
Amortisation of lease incentives	**1,880**	(582)
Effect of recognising rental income on a straight-line basis	**(16)**	(1,999)
Loss on disposal of assets/liabilities held for sale	**-**	875
Net finance costs	**11,368**	8,085
(Writeback of)/ allowance for credit losses	**(626)**	2,965
Change in fair value of investment properties	**(28,141)**	24,904
Change in fair value of derivative financial instruments	**9**	430
Net foreign exchange (gain)/loss	**(143)**	115
Operating cash flows before movements in working capital	**59,767**	52,966
Changes in operating assets and liabilities:		
Decrease/(increase) in receivables	**1,956**	(4,430)
(Decrease)/increase in payables	**(10,813)**	2,716
Increase/(decrease) in other liabilities	**2,238**	(1,192)
Cash generated from operations	**53,148**	50,060
Interest paid	**(3,728)**	(6,764)
Interest received	**1**	-
Tax paid	**(3,220)**	(4,966)
Net cash provided by operating activities	**46,201**	38,330
Cash flows from investing activities		
Payments for acquisitions of subsidiaries, net of cash	**(114,304)**	-
Payments for acquisition of investment properties	**-**	(36,100)
Payment for acquisition costs	**(2,861)**	(856)
Payments for capital expenditure on investment properties	**(7,320)**	(7,860)
Proceeds from disposal of assets/liabilities held for sale, net of cash disposed of	**-**	65,225
Refund of VAT in relation to acquisition	**-**	20,438
Payment for transaction costs for divestment of investment property	**-**	(601)
Net cash (used in)/provided by investing activities	**(124,485)**	40,246
Cash flows from financing activities		
Proceeds from issuance of CEREIT units	**100,000**	-
Payment of equity issue costs	**(2,151)**	-
Proceeds from bank borrowings and issue of Euro Medium Term Note ("EMTN")	**205,623**	150,000
Repayment of bank borrowings	**(130,000)**	(95,438)
Payment of debt/ EMTN issuance costs	**(1,929)**	(2,516)
Distributions paid to Unitholders	**(55,913)**	(51,720)
Payment of finance lease	**(167)**	(168)
Payment of facility break fee	**-**	(6)
Net cash provided by financing activities	**115,463**	152
Net increase in cash and cash equivalents	**37,179**	78,728
Cash and cash equivalents at beginning of period	**43,593**	79,250
Cash and cash equivalents at end of period	**80,772**	157,978

Statement of Portfolio

Property *(by Geography)*	Location	Acquisition Date	Land Tenure	Remaining Term (Years) 30 Jun 21	Remaining Term (Years) 31 Dec 20	Carrying Amount 30 Jun 21 €'000	Carrying Amount 31 Dec 20 €'000	Percentage of Net Assets 30 Jun 21 %	Percentage of Net Assets 31 Dec 20 %
The Netherlands									
Office									
Haagse Poort	Prinses Beatrixlaan 35 - 37 & Schenkkade 60 - 65, Den Haag	30 Nov 2017	Part Freehold, Part Right of Superficies and Part Perpetual leasehold	n/a	n/a	172,500	173,500	12.3	13.3
Central Plaza	Plaza 2 – 25 (retail) / Weena 580 – 618 (offices), Rotterdam	19 Jun 2017	Freehold/ leasehold[1]	67.1	67.6	165,521	164,855	11.8	12.7
Bastion	Willemsplein 2 - 10, 's-Hertogenbosch	28 Dec 2018	Freehold	n/a	n/a	79,900	78,600	5.7	6.0
Moeder Teresalaan 100 / 200	Moeder Teresalaan 100 / 200, Utrecht	28 Dec 2018	Perpetual leasehold	n/a	n/a	59,000	59,300	4.2	4.6
De Ruyterkade 5	De Ruyterkade 5, Amsterdam	19 Jun 2017	Continuing leasehold	67	67.5	57,100	54,700	4.1	4.2
Koningskade 30	Koningskade 30, Den Haag	19 Jun 2017	Perpetual leasehold	n/a	n/a	21,343	21,420	1.5	1.6
Blaak 40	Blaak 40, Rotterdam	30 Nov 2017	Freehold	n/a	n/a	16,460	16,100	1.2	1.2
Light Industrial / Logistics									
Veemarkt	Veemarkt 27-75 / 50-76 / 92-114, Amsterdam	30 Nov 2017	Continuing leasehold	n/a	n/a	43,200	41,100	3.1	3.2
Boekweitstraat 1 - 21 & Luzernestraat 2 - 12	Boekweitstraat 1 - 21 & Luzernestraat 2 - 12, Nieuw-Vennep	30 Nov 2017	Freehold	n/a	n/a	7,615	7,560	0.5	0.6
Capronilaan 22 - 56	Capronilaan 22 - 56, Schiphol-Rijk	30 Nov 2017	Freehold	18.4	18.9	7,059	7,060	0.5	0.5
Folkstoneweg 5 - 15	Folkstoneweg 5 - 15, Schiphol	30 Nov 2017	Leasehold	n/a	n/a	4,927	4,560	0.3	0.4
Kapoeasweg 4 - 16	Kapoeasweg 4 - 16, Amsterdam	30 Nov 2017	Freehold	n/a	n/a	4,512	4,480	0.3	0.3
Italy									
Office									
Piazza Affari 2	Piazza degli Affari 2, Milan	30 Nov 2017	Freehold	n/a	n/a	94,300	89,800	6.7	6.9
Via dell'Amba Aradam 5	Via dell'Amba Aradam 5, Rome	30 Nov 2017	Freehold	n/a	n/a	48,600	49,000	3.4	3.8
Via Pianciani 26	Via Pianciani 26, Rome	30 Nov 2017	Freehold	n/a	n/a	33,400	32,600	2.4	2.5
Building F7-F11	Viale Milanofiori 1, Assago	30 Nov 2017	Freehold	n/a	n/a	26,400	26,400	1.9	2.0

n/a – not applicable
(1) Part freehold and part leasehold interest ending 31 July 2088

Property *(by Geography)*	Location	Acquisition Date	Land Tenure	Remaining Term (Years) 30 Jun 21	Remaining Term (Years) 31 Dec 20	Carrying Amount 30 Jun 21 €'000	Carrying Amount 31 Dec 20 €'000	Percentage of Net Assets 30 Jun 21 %	Percentage of Net Assets 31 Dec 20 %
Via Nervesa 21	Via Nervesa 21, Milan	30 Nov 2017	Freehold	n/a	n/a	23,650	23,325	1.7	1.8
Via Camillo Finocchiaro Aprile 1	Via Camillo Finocchiaro Aprile 1, Genova	5 Dec 2018	Freehold	n/a	n/a	23,575	23,700	1.7	1.8
Nuova ICO	Via Guglielmo Jervis 9, Ivrea	27 Jun 2018	Freehold	n/a	n/a	16,700	16,525	1.2	1.3
Cassiopea 1-2-3	Via Paracelso 22-24-26, Milan	28 Nov 2019	Freehold	n/a	n/a	16,425	16,650	1.2	1.3
Via della Fortezza 8	Via della Fortezza 8, Florence	15 Feb 2018	Freehold	n/a	n/a	16,300	16,375	1.2	1.3
Corso Lungomare Trieste 29	Corso Lungomare Trieste 29, Bari	5 Dec 2018	Freehold	n/a	n/a	11,350	11,475	0.8	0.9
Corso Annibale Santorre di Santa Rosa 15	Corso Annibale Santorre di Santa Rosa 15, Cuneo	30 Nov 2017	Freehold	n/a	n/a	7,800	7,860	0.5	0.6
Via Rampa Cavalcavia 16-18	Via Rampa Cavalcavia 16-18, Venice Mestre	30 Nov 2017	Freehold	n/a	n/a	5,200	5,220	0.4	0.4
Light Industrial / Logistics									
Centro Logistico Orlando Marconi	Via del Lavoro, 63076 Monteprandone	23 Dec 2020	Freehold	n/a	n/a	54,800	52,575	3.9	4.0
Strada Provinciale Adelfia	Strada Provinciale Adelfia, Rutigliano	30 Nov 2017	Freehold	n/a	n/a	13,000	12,675	0.9	1.0
Other									
Viale Europa 95	Viale Europa 95, Bari	30 Nov 2017	Freehold	n/a	n/a	75,100	76,500	5.3	5.9
Starhotels Grand Milan	Via Varese 23, Saronno	30 Nov 2017	Freehold	n/a	n/a	17,300	17,050	1.2	1.2
Via Madre Teresa di Calcutta 4	Via Madre Teresa di Calcutta 4, Lissone	30 Nov 2017	Freehold	n/a	n/a	16,900	16,350	1.2	1.3
Via Salara Vecchia 13	Via Salara Vecchia 13, Pescara	30 Nov 2017	Freehold	n/a	n/a	12,100	12,300	0.9	0.9
Via Brigata Padova 19	Via Brigata Padova 19, Padova	30 Nov 2017	Freehold	n/a	n/a	4,340	4,430	0.3	0.3
France									
Office									
Cap Mermoz	38-44 rue Jean Mermoz, Maisons-Laffitte, Paris	17 Jul 2019	Freehold	n/a	n/a	35,709	35,600	2.5	2.7
Paryseine	3 Allée de la Seine, Ivry-Sur Seine, Paris	17 Jul 2019	Freehold	n/a	n/a	29,200	29,100	2.1	2.2
Lénine	1 rue de Lénine, 94200 Ivry-Sur Seine, Ivry-Sur Seine, Paris	17 Jul 2019	Freehold	n/a	n/a	5,117	5,080	0.4	0.4
Light Industrial / Logistics									
Parc des Docks	50 rue Ardoin, Saint Ouen	30 Nov 2017	Freehold	n/a	n/a	144,100	135,300	10.3	10.4
Parc des Guillaumes	58 rue de Neuilly – 2 rue du Trou Morin, ZAC des Guillaumes, Noisy-le-Sec	30 Nov 2017	Freehold	n/a	n/a	27,913	28,000	2.0	2.1
Parc des Grésillons	167-169 avenue des Grésillons, Gennevilliers	30 Nov 2017	Freehold	n/a	n/a	23,334	23,400	1.7	1.8
Parc du Landy	61 rue du Landy, Aubervilliers	30 Nov 2017	Freehold	n/a	n/a	23,285	23,300	1.7	1.8
Parc Delizy	32 rue Délizy, Pantin	30 Nov 2017	Freehold	n/a	n/a	18,465	18,500	1.3	1.4
Parc Urbaparc	75-79 rue du Rateau, La Courneuve	30 Nov 2017	Freehold	n/a	n/a	18,257	18,300	1.3	1.4
Parc Béziers	Rue Charles Nicolle, Villeneuve-lès-Béziers	23 Jan 2019	Freehold	n/a	n/a	11,031	11,000	0.8	0.8
Parc du Merantais	1-3 rue Georges Guynemer, Magny-Les-Hameaux	30 Nov 2017	Freehold	n/a	n/a	9,810	9,730	0.7	0.7
Parc des Érables	154 allée des Érables, Villepinte	30 Nov 2017	Freehold	n/a	n/a	9,220	9,210	0.6	0.7

n/a – not applicable

Property (by Geography)	Location	Acquisition Date	Land Tenure	Remaining Term (Years) 30 Jun 21	Remaining Term (Years) 31 Dec 20	Carrying Amount 30 Jun 21 €'000	Carrying Amount 31 Dec 20 €'000	Percentage of Net Assets 30 Jun 21 %	Percentage of Net Assets 31 Dec 20 %
France (cont'd)									
Parc Jean Mermoz	53 rue de Verdun – 81, rue Maurice Berteaux, La Courneuve	30 Nov 2017	Freehold	n/a	n/a	9,188	9,140	0.6	0.7
Parc Louvresses	46-48 boulevard Dequevauvilliers, Gennevilliers	14 Feb 2019	Leasehold	27	28	7,743	7,740	0.6	0.6
Parc Locaparc 2	59-65 rue Edith Cavell, Vitry-sur-Seine	30 Nov 2017	Freehold	n/a	n/a	7,753	7,650	0.6	0.6
Parc le Prunay	13-41 rue Jean Pierre Timbaud, ZI du Prunay, Sartrouville	30 Nov 2017	Freehold	n/a	n/a	7,684	7,660	0.5	0.6
Parc de Champs	40 boulevard de Nesles, ZAC le Ru du Nesles, Champs sur Marne	30 Nov 2017	Freehold	n/a	n/a	7,218	7,240	0.5	0.6
Parc Acticlub	2 rue de la Noue Guimante, ZI de la Courtillière , Saint Thibault des Vignes	30 Nov 2017	Freehold	n/a	n/a	6,283	6,260	0.4	0.5
Parc Parçay-Meslay	ZI du Papillon, Parcay-Meslay	23 Jan 2019	Freehold	n/a	n/a	4,850	4,850	0.3	0.4
Parc de Popey(2)	5 chemin de Popey, Bar-le-Duc	30 Nov 2017	Freehold	n/a	n/a	-	4,800	0.0	0.4
Parc du Bois du Tambour	Route de Nancy, Gondreville	30 Nov 2017	Freehold	n/a	n/a	3,970	3,990	0.3	0.3
Parc Sully	105 route d'Orléans, Sully-sur-Loire	23 Jan 2019	Freehold	n/a	n/a	3,403	3,390	0.2	0.3
Poland									
Office									
Business Garden	2, 4, 6, 8 and 10 Kolorowa Street, Poznań	24 Sep 2019	Freehold	n/a	n/a	86,000	85,900	6.1	6.6
Green Office	80, 80A, 82 and 84 Czerwone Maki Street, Kraków	25 Jul 2019	Freehold	n/a	n/a	51,200	51,200	3.6	3.9
Riverside Park	Fabryczna 5, Warsaw	14 Feb 2019	Freehold	n/a	n/a	30,100	30,200	2.1	2.3
Avatar	28 Armii Krajowej Street, Kraków	25 Jul 2019	Freehold/ Perpetual usufruct	n/a	n/a	28,100	28,100	2.0	2.2
Grójecka 5	Grójecka 5, Warsaw	14 Feb 2019	Freehold	n/a	n/a	21,500	21,600	1.5	1.7
Arkońska Business Park	Arkońska 1&2, Gdańsk	14 Feb 2019	Freehold	n/a	n/a	18,300	18,300	1.3	1.4
Germany									
Light Industrial / Logistics									
Parsdorfer Weg 10	Parsdorfer Weg 10, Kirchheim	30 Nov 2017	Freehold	n/a	n/a	39,000	36,600	2.8	2.8
An der Wasserschluft 7	An der Wasserschluft 7, 06526 Sangerhausen	13 Aug 2020	Freehold	n/a	n/a	19,375	18,350	1.4	1.4
Siemensstraße 11	Siemensstraße 11, Frickenhausen	30 Nov 2017	Freehold	n/a	n/a	18,025	17,650	1.3	1.4
Göppinger Straße 1 – 3	Pforzheim, Göppinger Straße 1 – 3	24 Mar 2020	Freehold	n/a	n/a	17,500	16,875	1.2	1.3
Gewerbestraße 62	Bretten, Gewerbestraße 62	24 Mar 2020	Freehold	n/a	n/a	16,275	15,500	1.2	1.2

n/a – not applicable

(2) The property was reclassified to "Asset held for sale" (Note 17) pursuant to the announcement to divest a non-core asset in France on 22 June 2021.

Property *(by Geography)*	Location	Acquisition Date	Land Tenure	Remaining Term (Years)		Carrying Amount		Percentage of Net Assets	
				30 Jun 21	31 Dec 20	30 Jun 21 €'000	31 Dec 20 €'000	30 Jun 21 %	31 Dec 20 %
Germany (cont'd)									
An der Kreuzlache 8-12	An der Kreuzlache 8-12, Bischofsheim	30 Nov 2017	Freehold	n/a	n/a	14,300	13,700	1.0	1.1
Henschelring 4	Henschelring 4, Kirchheim	30 Nov 2017	Freehold	n/a	n/a	12,100	11,575	0.9	0.9
Frauenstraße 31	Frauenstraße 31, Maisach	30 Nov 2017	Freehold	n/a	n/a	11,975	11,450	0.9	0.9
Gutenbergstraße 1, Dieselstraße 2	Königsbach-Stein, Gutenbergstraße 1, Dieselstraße 2	24 Mar 2020	Freehold	n/a	n/a	11,225	10,625	0.8	0.8
Kolumbusstraße 16	Kolumbusstraße 16, Hamburg	30 Nov 2017	Freehold	n/a	n/a	10,650	10,300	0.8	0.8
Moorfleeter Straße 27, Liebigstraße 67-71	Moorfleeter Straße 27, Liebigstraße 67-71, Hamburg	30 Nov 2017	Freehold	n/a	n/a	9,880	9,000	0.7	0.7
Dresdner Straße 16, Sachsenring 52	Dresdner Straße 16, Sachsenring 52, Straubing	30 Nov 2017	Freehold	n/a	n/a	9,640	9,440	0.7	0.7
Hochstraße 150-152	Hochstraße 150-152, Duisburg	30 Nov 2017	Freehold	n/a	n/a	9,170	9,390	0.7	0.7
Kinzigheimer Weg 114	Kinzigheimer Weg 114, Hanau	30 Nov 2017	Freehold	n/a	n/a	3,840	3,670	0.3	0.3
An der Steinlach 8-10	An der Steinlach 8-10, Bischofsheim	30 Nov 2017	Freehold	n/a	n/a	3,420	3,240	0.2	0.2
Finland									
Office									
Opus 1	Hitsaajankatu 24, Helsinki	28 Dec 2018	Freehold	n/a	n/a	14,075	13,100	1.0	1.0
Grandinkulma	Kielotie 7, Vantaa	28 Dec 2018	Freehold	n/a	n/a	13,500	13,500	1.0	1.0
Plaza Forte	Äyritie 12 C, Vantaa	28 Dec 2018	Freehold	n/a	n/a	12,025	12,225	0.9	0.9
Plaza Vivace	Äyritie 8 C, Vantaa	28 Dec 2018	Freehold	n/a	n/a	11,950	12,575	0.9	1.0
Myyrmäenraitti 2	Myyrmäenraitti 2, Vantaa	28 Dec 2018	Freehold	n/a	n/a	11,775	11,700	0.8	0.9
Pakkalankuja 6	Pakkalankuja 6, Vantaa	28 Dec 2018	Freehold	n/a	n/a	10,650	10,450	0.8	0.8
Plaza Allegro	Äyritie 8 B, Vantaa	28 Dec 2018	Freehold	n/a	n/a	9,770	9,990	0.7	0.8
Mäkitorpantie 3b	Mäkitorpantie 3b, Helsinki	28 Dec 2018	Freehold	n/a	n/a	8,890	8,820	0.6	0.7
Kauppakatu 39	Kauppakatu 39, Kuopio	28 Dec 2018	Freehold	n/a	n/a	7,270	7,230	0.5	0.6
Purotie 1	Purotie 1, Helsinki	28 Dec 2018	Freehold	n/a	n/a	5,790	5,700	0.4	0.4
Pakkalankuja 7	Pakkalankuja 7, Vantaa	28 Dec 2018	Freehold	n/a	n/a	5,620	5,600	0.4	0.4
Denmark									
Light Industrial / Logistics									
Naverland 7-11	Naverland 7-11, Glostrup	30 Nov 2017	Freehold	n/a	n/a	12,061	11,947	0.9	0.9
Priorparken 700	Priorparken 700, Brøndby	30 Nov 2017	Freehold	n/a	n/a	12,128	11,585	0.9	0.9
Priorparken 800	Priorparken 800, Brøndby	30 Nov 2017	Freehold	n/a	n/a	10,743	10,698	0.8	0.8
Stamholmen 111	Stamholmen 111, Hvidovre	30 Nov 2017	Freehold	n/a	n/a	7,516	7,486	0.5	0.6
Herstedvang 2-4	Herstedvang 2-4, Albertslund	30 Nov 2017	Freehold	n/a	n/a	7,382	7,365	0.5	0.6
Naverland 8	Naverland 8, Glostrup	30 Nov 2017	Freehold	n/a	n/a	6,925	6,303	0.5	0.5

Property *(by Geography)*	Location	Acquisition Date	Land Tenure	Remaining Term (Years) 30 Jun 21	Remaining Term (Years) 31 Dec 20	Carrying Amount 30 Jun 21 €'000	Carrying Amount 31 Dec 20 €'000	Percentage of Net Assets 30 Jun 21 %	Percentage of Net Assets 31 Dec 20 %
Denmark (cont'd)									
Islevdalvej 142	Islevdalvej 142, Rødovre	30 Nov 2017	Freehold	n/a	n/a	6,763	6,679	0.5	0.5
Fabriksparken 20	Fabriksparken 20, Glostrup	30 Nov 2017	Freehold	n/a	n/a	6,253	5,900	0.4	0.4
Hørskætten 4-6	Hørskætten 4-6, Tåstrup	30 Nov 2017	Freehold	n/a	n/a	6,131	6,007	0.4	0.5
Hørskætten 5	Hørskætten 5, Tåstrup	30 Nov 2017	Freehold	n/a	n/a	3,994	3,628	0.3	0.3
Naverland 12	Naverland 12, Glostrup	30 Nov 2017	Freehold	n/a	n/a	3,778	3,414	0.3	0.2
Slovakia									
Light Industrial / Logistics									
Nove Mesto ONE Industrial Park I	Beckov 645, Beckov	11 Mar 2021	Freehold	n/a	-	17,045	-	1.2	-
Nove Mesto ONE Industrial Park III	Rakoľuby 241, Kočovce	11 Mar 2021	Freehold	n/a	-	16,560	-	1.2	-
Kosice Industrial Park SK	Veľká Ida 785, Veľká Ida	11 Mar 2021	Freehold	n/a	-	14,800	-	1.1	-
Nove Mesto ONE Industrial Park II	Kočovce 245, Kočovce	11 Mar 2021	Freehold	n/a	-	9,860	-	0.7	-
Zilina Industrial Park	Priemyselná 1, Nededza	11 Mar 2021	Freehold	n/a	-	5,140	-	0.4	-
The Czech Republic									
Light Industrial / Logistics									
Moravia Industrial Park s.r.o.	Jaktáře 1752, Uherské Hradiště	11 Mar 2021	Freehold	n/a	-	16,100	-	1.1	-
Lovosice ONE Industrial Park II	Průmyslová 1190, Lovosice	11 Mar 2021	Freehold	n/a	-	14,200	-	1.0	-
South Moravia Industrial Park	Cukrovarská 494/39, Vyškov	11 Mar 2021	Freehold	n/a	-	11,500	-	0.8	-
Hradec Králové	Vážní 536, 500 03 Hradec Králové	4 Jun 2021	Freehold	n/a	-	10,099	-	0.7	-
Pisek Industrial Park I	Stanislava Maliny 464, Písek	11 Mar 2021	Freehold	n/a	-	4,240	-	0.3	-
Lovosice ONE Industrial Park I	Tovární 1161, Lovosice	11 Mar 2021	Freehold	n/a	-	3,245	-	0.2	-
Pisek Industrial Park II	U Hřebčince 2564/23, Písek	11 Mar 2021	Freehold	n/a	-	1,750	-	0.1	-
Portfolio of investment properties, at fair value						**2,331,013**	**2,177,852**	**166.0**	**167.3**
Other adjustments (note 12(a))						6,016	6,677	0.4	0.5
Investment properties as shown in the balance sheet						**2,337,029**	**2,184,529**	**166.4**	**167.8**
Other assets and liabilities, net						(932,481)	(882,377)	(66.4)	(67.8)
Net assets						**1,404,548**	**1,302,152**	**100.00**	**100.00**

Notes to the condensed interim consolidated financial statements

1. Corporate information

The Cromwell European Real Estate Investment Trust ("Trust") is a Singapore real estate investment trust constituted pursuant to a trust deed dated 28 April 2017 (date of "Constitution") (as amended, varied or supplemented from time to time) between Cromwell EREIT Management Pte. Ltd. as the Manager of CEREIT (the "Manager") and Perpetual (Asia) Limited as Trustee of CEREIT (the "Trustee"). CEREIT was listed on the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 30 November 2017 ("Listing Date"). The Trust and its subsidiaries are collectively referred to as "CEREIT" in the consolidated financial statements.

CEREIT is a diversified pan-European REIT with a principal mandate to invest, directly or indirectly, in income-producing real estate assets in Europe used primarily for office, light industrial / logistics and retail purposes.

2. Basis of preparation

The condensed interim financial statements for the half year ended 30 June 2021 have been prepared in accordance with IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in CEREIT's financial position and performance of CEREIT since the last annual financial statements for the year ended 31 December 2020.

The accounting policies adopted and method of computation are consistent with those of the previous financial year which were prepared in accordance with International Financial Reporting Standards adopted by the International Accounting Standards Board, the recommendations of Statement of Recommended Accounting Practice 7 (Revised 2017) Reporting Framework for Unit Trusts issued by the Institute of Singapore Chartered Accountants and the provisions of the Trust Deed.

The condensed interim financial statements are presented in Euro ("€") and had been rounded to the nearest thousand, unless otherwise stated.

2.1 New and amended standards adopted by CEREIT

The accounting policies applied by CEREIT in these interim financial statements are the same as those applied by CEREIT in the financial statements as at and for the year ended 31 December 2020.

2.2 Use of judgements and estimates

The preparation of the condensed financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying CEREIT's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated statements as at and for the year ended 31 December 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis and are based on historical or professional experience and other factors such as expectations about future events. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

Area of estimation	Note
Measurement of deferred tax liabilities	11
Determination of fair value of investment properties using significant unobservable inputs	12(c)
Acquisition of subsidiaries: the fair value of the consideration transferred (including contingent consideration) and the fair value of the assets and liabilities assumed, measured on a provisional basis	20

It is noted that the COVID-19 pandemic likely has an impact on the ability to accurately make such critical judgements, estimates and assumptions.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the period.

4. Segment and revenue information

CEREIT's operating segments regularly reviewed by the Chief Operating Decision Maker ("CODM"), being the Chief Executive Officer ("CEO"), are CEREIT's property sub-portfolios by location and asset class as each of these sub-portfolios have different performance characteristics. There is no segment information for CEREIT's business segments as CEREIT's activities wholly relate to property investment.

CEREIT operated in three property classes and nine (31 December 2020: seven) countries as at 30 June 2021. The property segments below are reported in a manner consistent with the internal reporting provided to the CODM.

CROMWELL EUROPEAN REIT

4.1 Segment results

CEREIT	1H 2021 Gross revenue from external customers €'000	1H 2021 Property operating expenditure €'000	1H 2021 Segment Profit/ (Loss) €'000	1H 2020 Gross revenue from external customers €'000	1H 2020 Property operating expenditure €'000	1H 2020 Segment Profit/ (Loss) €'000
Office						
The Netherlands	20,436	(7,408)	**13,028**	20,412	(7,948)	**12,464**
Italy	11,807	(3,361)	**8,446**	11,980	(3,233)	**8,747**
France	4,713	(1,853)	**2,860**	3,955	(1,943)	**2,012**
Poland	13,325	(5,236)	**8,089**	12,702	(5,189)	**7,513**
Finland	5,659	(2,648)	**3,011**	5,738	(2,439)	**3,299**
Total - Office	**55,940**	**(20,506)**	**35,434**	**54,787**	**(20,752)**	**34,035**
Light industrial / Logistics						
The Netherlands	2,640	(1,116)	**1,524**	3,229	(1,275)	**1,954**
Italy	3,039	(836)	**2,203**	552	(162)	**390**
France	15,015	(5,112)	**9,903**	16,492	(6,898)	**9,594**
Germany	7,948	(2,776)	**5,172**	6,065	(1,987)	**4,078**
Denmark	4,567	(1,813)	**2,754**	4,857	(2,107)	**2,750**
Slovakia	1,646	(314)	**1,332**	-	-	**-**
The Czech Republic	1,192	(172)	**1,020**	-	-	**-**
Total - Light industrial / Logistics	**36,047**	**(12,139)**	**23,908**	**31,195**	**(12,429)**	**18,766**
Other						
Italy	7,032	(2,087)	**4,945**	7,678	(2,758)	**4,920**
Total - Other	**7,032**	**(2,087)**	**4,945**	**7,678**	**(2,758)**	**4,920**
Total - Segments	**99,019**	**(34,732)**	**64,287**	**93,660**	**(35,939)**	**57,721**
Unallocated items:						
Net finance costs			(11,368)			(8,085)
Manager's fees			(2,764)			(2,656)
Trustee fees			(136)			(132)
Trust expenses			(2,715)			(2,466)
Loss on disposal of assets/liabilities held for sale			-			(875)
Fair value gain/(loss) - investment properties			28,141			(24,904)
Fair value loss - derivative financial instruments			(9)			(430)
Income tax (expense)/credit			(14,897)			252
Total return for the period attributable to Unitholders			**60,539**			**18,425**

4.2 Segment assets and liabilities

	30 Jun 21				31 Dec 20	
CEREIT	Segment assets: **Investment properties**	Segment assets: **Asset held for sale**	Segment assets: **Total**	Other information **Capital expenditure**	Segment assets: **Investment properties**	Other information **Capital expenditure**
	€'000	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
Office						
The Netherlands	571,824	-	571,824	2,224	568,475	10,115
Italy	323,700	-	323,700	586	318,930	1,267
France	70,026	-	70,026	82	69,780	347
Poland	235,200	-	235,200	265	235,300	1,207
Finland	111,315	-	111,315	906	110,890	925
Total - Office	**1,312,065**	**-**	**1,312,065**	**4,063**	**1,303,375**	**13,861**
Light industrial / Logistics						
The Netherlands	73,329	-	73,329	94	71,437	199
Italy	67,800	-	67,800	32	65,250	44
France	343,507	5,800	349,307	229	339,460	1,627
Germany	206,375	-	206,375	701	197,365	2,079
Denmark	83,674	-	83,674	1,436	81,012	2,012
Slovakia	63,405	-	63,405	-	-	-
The Czech Republic	61,134	-	61,134	-	-	-
Total - Light industrial/ Logistics	**899,224**	**5,800**	**905,024**	**2,492**	**754,524**	**5,961**
Other						
Italy	125,740		125,740	227	126,630	621
Total - Other	**125,740**	**-**	**125,740**	**227**	**126,630**	**621**
Total - Segments	**2,337,029**	**5,800**	**2,342,829**	**6,782**	**2,184,529**	**20,443**
Reconciliation to total consolidated assets:						
Cash and cash equivalents			80,772		43,593	
Receivables - current			15,860		15,943	
Current tax assets			1,479		1,397	
Receivables - non-current			659		1,028	
Derivative financial instruments			117		126	
Deferred tax assets			5,774		3,836	
Consolidated total assets			**2,447,490**		**2,250,452**	

Segment liabilities

There are no liabilities allocated to segments.

5 Gross revenue

Gross revenue includes the following items:

	CEREIT		
	1H 2021 €'000	1H 2020 €'000	Fav./ (Unfav.) %
Gross rental income	**79,589**	77,177	3.1%
Service charge income	**17,827**	16,035	11.2%
Other property related income (1)	**1,603**	448	>100%
Total gross revenue	**99,019**	93,660	5.7%

(1) Other property related income comprises advertising billboards and signage, kiosks and other income attributable to the operation of the properties. 1H 2021 includes one off income from a tenant that pre-terminated its lease in 1H 2021.

6 Property operating expense

Property operating expense comprises service charge expenses, non-recoverable expenses and allowance for doubtful debts.

Service charge expenses are generally offset and recoverable by service charge income, and include where applicable, insurance, provision of utilities, land tax, and maintenance and service of common equipment and common areas. Service charge expenses may exceed service charge income due to vacancies within the properties.

Non-recoverable expenses include property insurance, maintenance and repairs, marketing costs, property taxes, leasing costs and property management fees. Leasing costs include payments to third-party brokers and/or the property manager. Property management fees are payable to the property manager. Property management fees are based on 0.67% of deposited property pursuant to the Trust Deed.

Property operating expense includes the following items:

	CEREIT		
	1H 2021 €'000	1H 2020 €'000	Fav./ (Unfav.) %
Service charge expenses and non-recoverable expenses	**27,303**	25,237	(8.2%)
Property management fees paid in cash	**8,055**	7,737	(4.1%)
(Writeback of)/provision for COVID-19 related doubtful debts	**(626)**	2,965	n.m.
Total property operating expense	**34,732**	35,939	3.4%

7 Manager's fees

Pursuant to the Trust Deed, the Manager is entitled to a base fee of 0.23% per annum of the deposited property and a performance fee of 25.0% of the difference in DPU in a financial year with the DPU in the preceding financial year (calculated before accounting for the performance fee in each financial year) multiplied by the weighted average number of units in issue for such financial year.

	CEREIT		
	1H 2021 €'000	1H 2020 €'000	Fav./ (Unfav.) %
Manager's base fees paid in cash(i)	**2,764**	2,656	(4.1%)
Manager's performance fees(ii)	**-**	-	n.m.
Total manager's fees	**2,764**	2,656	(4.1%)

(i) Includes some employee reimbursements which are netted off against total base fees.

(ii) Performance fees are calculated annually and accrued for, if applicable, in the full year result of each financial year.

n.m. – Not meaningful

8 Loss on disposal of assets/liabilities held for sale

The loss on disposal of assets/liabilities held for sale recorded in 1H 2020 related to transaction costs incurred for the divestment of 12 non-core assets in France, the Netherlands and Denmark on 24 March 2020.

9 Consolidated Earnings per Unit and distribution per Unit

	CEREIT	
	1H 2021	**1H 2020**
Earnings per unit ("EPU")		
Weighted average number of units ('000) [1]	**542,093**	511,216
Total return for the period attributable to Unitholders (€'000)	**60,539**	18,425
EPU (basic and diluted) (cents)	**11.168**	3.604

[1] The weighted average number of units was based on the weighted average number of units during the respective period including units issuable to the Manager and Property Manager. 1H 2020 is adjusted for 5:1 unit consolidation.

	CEREIT	
	1H 2021	**1H 2020**
Distribution per unit ("DPU")		
Applicable number of units for the period ('000) [2]	**542,919**	511,216
Income available for distribution to Unitholders (€'000)	**90,950**	96,409
DPU (cents)	**8.502**	8.717

[2] DPU is calculated based on the number of units in issue entitled to distributions as at the end of the respective period. 1H 2020 is adjusted for 5:1 unit consolidation.

10 Distributions to Unitholders

CEREIT's distribution policy is to distribute at least 90% of its annual distributable income in each financial year. The actual level of distribution will be determined at the Manager's discretion. CEREIT will typically make distributions to Unitholders on a semi-annual basis, with the amount calculated as at 30 June and 31 December for the six-month period ending on each of these dates.

CEREIT's aim is to provide investors with regular and stable distributions that are growing over time. CEREIT's distribution policy is to distribute at least 90% of its annual distributable income in each financial year but this will be re-affirmed at the Manager's discretion at the time of each distribution announcement.

Distributions to Unitholders during the period:

			CEREIT and Trust	
Distribution period	**Distribution type**	**Distribution per unit (in € cents)**	**1H 2021 €'000**	**1H 2020 €'000**
1 July 2020 to 4 March 2021	Tax exempt	2.324	59,403	-
2 July 2019 to 31 December 2019	Capital & tax exempt	2.030	-	51,720
Total distributions			**59,403**	**51,720**

On 23 February 2021, the Manager announced the establishment of a distribution reinvestment plan ("DRP"), pursuant to which unitholders may elect to receive fully paid new units in CEREIT in respect of all of the cash amount of any distribution to which the DRP applies. The DRP may be applied from time to time to any distribution declared by CEREIT as the Manager may determine in its absolute discretion. Participation in the DRP is optional and unitholders may elect to participate in respect of all of their unitholdings. Unless the Manager has determined that the DRP will apply to any particular distribution, the distribution concerned will be paid in cash to unitholders in the usual manner.

The DRP has been applied to CEREIT's distribution for the period from 1 July 2020 to 4 March 2021 and will also apply for the distribution for the period from 5 March 2021 to 30 June 2021.

11 Income tax expense/(credit)

CEREIT calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. Income tax expense includes the following:

	CEREIT		
	1H 2021 €'000	1H 2020 €'000	Fav./ (Unfav.) %
Current tax expense	**2,509**	4,774	47.4%
Deferred tax expense/(credit)	**12,388**	(5,026)	n.m.
Total income tax expense/(credit)	**14,897**	(252)	n.m.

n.m. – Not meaningful

12 Investment properties

12(a) Reconciliation of carrying amount of investment properties

The carrying amount of CEREIT's investment properties at period end and movements during the period were as follows:

	Independent valuation dated 30 Jun 21[(i)] €'000	Directors' valuation €'000	**Total valuation at 30 Jun 21 €'000**	Right-of-use asset €'000	**Carrying amount at 30 Jun 21 €'000**
The Netherlands	411,700	227,437	**639,137**	6,016	**645,153**
Italy	517,240	-	**517,240**	-	**517,240**
France	173,300	240,233	**413,533**	-	**413,533**
Poland	235,200	-	**235,200**	-	**235,200**
Germany	206,375	-	**206,375**	-	**206,375**
Finland	111,315	-	**111,315**	-	**111,315**
Denmark	83,674	-	**83,674**	-	**83,674**
Slovakia	63,405	-	**63,405**	-	**63,405**
The Czech Republic	51,035	10,099	**61,134**	-	**61,134**
Total	1,853,244	477,769	**2,331,013**	6,016	**2,337,029**

(i) Excludes investment property reclassified as held for sale as at 30 June 21.

	Independent valuation dated 31 Dec 20 €'000	Directors' valuation (At acquisition price) €'000	**Total valuation at 31 Dec 20 €'000**	Right-of-use asset €'000	**Carrying amount at 31 Dec 20 €'000**
The Netherlands	633,235	-	**633,235**	6,677	**639,912**
Italy	458,235	52,575	**510,810**	-	**510,810**
France	409,240	-	**409,240**	-	**409,240**
Poland	235,300	-	**235,300**	-	**235,300**
Germany	197,365	-	**197,365**	-	**197,365**
Finland	110,890	-	**110,890**	-	**110,890**
Denmark	81,012	-	**81,012**	-	**81,012**
Total	2,125,277	52,575	**2,177,852**	6,677	**2,184,529**

12(b) Movements in investment properties

	CEREIT	
	30 Jun 21 €'000	**31 Dec 20 €'000**
At beginning of period	**2,184,529**	2,041,499
Acquisition of new properties[i]	**119,284**	106,967
Acquisition costs	**2,435**	7,086
Reclassification of investment properties held for sale	**(5,800)**	-
Capital expenditure	**6,782**	20,443
Lease incentives, lease costs and rent straight-lining	**1,933**	(13)
Net gain from fair value adjustments	**28,141**	8,569
Others	**(275)**	(22)
At end of period	**2,337,029**	**2,184,529**

[i] Includes some purchase price adjustments for the share deals acquisitions.

On 11 March 2021, CEREIT acquired 11 logistics and light industrial properties in the Czech Republic and Slovakia through the acquisition for €113.2 million.

On 4 June 2021, CEREIT further acquired a modern freehold logistics asset in the Czech Republic for €10.1 million.

On 22 June 2021, CERERIT entered into a promissory deed to divest a non-core asset in France, namely Parc de Popey. The asset is reclassified to asset held for sale as at 30 June 2021.

12(c) Valuation

At 30 June 2021, 80 properties of CEREIT's portfolio of 107 properties were valued by independent valuers. The combined value of the 80 properties of €1,853,244,000 representing 80% of CEREIT's portfolio by valuation. Valuation were designed to give a broad coverage of both geographies and asset classes. The independent valuations for properties located in Italy, Finland and Germany and the Netherlands were conducted by CBRE Ltd ("CBRE") and for properties located in Denmark, France, Poland, Slovakia and the Czech Republic by Savills Advisory Services Limited ("Savills"). The valuers have utilised the discounted cash flow and income capitalisation methods.

Out of the remaining 27 properties, 26 properties were carried at the valuation of 31 December 2020 plus any capital expenditure incurred during 1H 2021 and any other adjustments, an asset in the Czech Republic was carried at purchase price as it was acquired just prior to 30 June 2021. Management has undertaken analysis on the 26 properties and based on information such as NPI forecast and the weighted average lease expiry profiles plus an expectation that the weighted average capitalisation rate for these properties is unchanged, there is no indication that the investment properties may be materially misstated as a result of independent valuation not being carried out as at 30 June 2021.

Significant unobservable inputs

The following table shows the valuation techniques used in arriving at the fair values of the investment properties, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	30 Jun 21 Range	30 Jun 21 Weighted average	31 Dec 20 Range	31 Dec 20 Weighted average
Discounted cash flow This valuation model considers the present value of net cash flows to be generated from the property, taking into account expected rental growth rate and occupancy rate. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location, tenant credit quality and lease terms	Net initial yield	1.7% - 9.0%	6.7%	4.0% – 16.9%	7.6%
	Net reversionary yield	5.1% – 9.9%	7.5%	6.5% – 16.0%	8.3%
	Discount rate	7.2% – 10.0%	7.9%	7.0% – 12.0%	8.4%
	Exit cap rate	5.5% – 8.5%	6.5%	5.5% – 10.0%	7.0%
	Occupancy (%)	36.1% – 100.0%	91.6%	52.0% – 100.0%	91.8%
Income capitalisation This method involves assessing the total net market income receivable from the property and capitalising this perpetually, using an appropriate, market derived capitalisation rate, to derive a capital value, with allowances for capital expenditure reversions such as lease incentives and required capital works payable in the near future and overs / unders when comparing market rent with passing rent.	Net initial yield	1.9% – 11.2%	6.0%	2.0% – 11.9%	6.1%
	Net reversionary yield	3.6% – 10.9%	6.2%	3.8% – 11.0%	6.1%
	Occupancy (%)	60.4% – 100.0%	97.1%	65.8% – 100.0%	97.1%

All the significant inputs noted above are not observable market data, hence investment property valuations are considered level 3 fair value measurements (refer fair value hierarchy described in note 16).

Sensitivity information

The relationships between the significant unobservable inputs and the fair value of investment properties are as follows:

Inputs	Impact of increase in input on fair value	Impact of decrease in input on fair value
Net initial yield	Decrease	Increase
Reversionary yield	Decrease	Increase
Discount rate	Decrease	Increase
Exit cap rate	Decrease	Increase

As disclosed in CEREIT's annual report for the year ended 31 December 2020, the valuations of the Polish office assets carried out by Savills and Via Madre Teresa 4 and StarHotels Grand Milan in Italy carried out by CBRE for the year ended 31 December 2020 with a combined valuation of €268.7 million contained 'Material Valuation Uncertainty' clauses ("MVUC") due to COVID-19. For the avoidance of doubt, the independent valuations for the six-months ended 30 June 2021 are no longer reported as being subject to MVUC.

13 Borrowings

CEREIT	30 Jun 21 €'000	31 Dec 20 €'000
Non-current		
Secured	**82,375**	82,375
Unsecured	**845,000**	775,000
Less: Unamortised debt issuance costs	**(5,600)**	(10,307)
Total borrowings	**921,775**	847,068

In January 2021, CEREIT priced a new €200 million tap issue (the "New Notes") of the existing senior unsecured notes due 2025 at an issue price of 102.410% and a reoffer yield of 1.60%. The New Notes were consolidated and formed a single series with the existing €300 million 2.125% senior unsecured notes issued in November 2020. Net proceeds from the tap issuance were used to partial refinance the 3-year term loan (€130 million) maturing November 2022 and for general working capital purposes.

13(a) Borrowing details

				30 Jun 21		31 Dec 20	
Facility	Note	Secured	Maturity	Facility €'000	Utilised €'000	Facility €'000	Utilised €'000
Dutch Office 2	(i)	Yes	Dec-26	**82,375**	**82,375**	82,375	82,375
German Schuldschein	(ii)	No	Nov-22	**23,000**	**23,000**	23,000	23,000
Term loan 3 years	(iii)	No	Nov-22	**157,000**	**157,000**	287,000	287,000
Term loan 5 years	(iii)	No	Nov-24	**165,000**	**165,000**	165,000	165,000
Revolving Credit Facility	(iv)	No	Nov-22	**-**	**-**	150,000	-
Revolving Credit Facility	(iv)	No	Oct-24	**200,000**	**-**	135,000	-
Euro Medium term note	(v)	No	Nov-25	**500,000**	**500,000**	300,000	300,000
Total borrowing facilities				**1,127,375**	**927,375**	1,142,375	857,375
Less: Unamortised debt issuance costs & unamortised bond premium					**(5,600)**		(10,307)
Balance at period end					**921,775**		847,068

Property level financing facility

Property level financing facilities are secured by first-ranking mortgages over the relevant properties as well as pledges over the receivables of the property holding SPVs, pledges over the entire share capital of the property holding SPVs, pledges over the receivables of any lease agreements and insurance proceeds pertaining to the relevant properties, a first priority account pledge over all bank accounts of the property-holding SPVs and a pledge over all hedging receivables in relation to the relevant property level financing facility.

(i) Dutch Office 2

The Dutch Office 2 facility is secured over 3 Dutch office properties with an aggregate carrying amount of €244.0 million (31 December 2020: €241.0 million). Interest is payable quarterly in arrears at a fixed rate of 1.93% p.a.

Unsecured financing facilities

(ii) German Schuldschein

The German Schuldschein in the amount of €23.0 million which is an unsecured private placement under German governing law was part of the transformational refinancing in November 2019. The German Schuldschein is subject to Euribor 3 months which is floored at 0.0% as long as Euribor is negative. An interest rate cap with a strike rate of 0.0% was executed, covering 100.0% of the notional and co-matures with the term of the private placement.

(iii) Term loan 3 and 5 years

Both the 3-year term and 5-year loans and notes are subject to Euribor 3 months which is floored at 0.0% as long as Euribor is negative. An interest rate cap with a strike rate of 0.0% was executed, covering 100.0% of the notional and co-matures with term of each respective tranche.

During 1H 2021, the 3-year term loan was partially repaid (€130 million) using the proceeds from the tap issuance mentioned in note (v) below.

(iv) Revolving Credit Facility ("RCF")

RCF provides CEREIT with additional financing flexibility and working capital. In 1H 2021, the RCF maturing November 2022 was cancelled and the RCF maturing October 2024 was upsized to €200 million. The RCF remained undrawn as at 30 June 2021.

(v) Euro Medium Term Note

On 19 October 2020, Cromwell EREIT Lux Finco S.a.r.l. ("Lux Finco") established a €1.5 billion Euro Medium Term Note Programme ("EMTN Programme"). Under the EMTN Programme, Lux Finco may, from time to time, issue rated notes denominated in any currency agreed between Lux Finco and the relevant dealer with aggregate principal amounts up to €1.5 billion (or its equivalent in other currencies) outstanding at any time.

In January 2021, CEREIT priced a new €200 million tap issue (the "New Notes") of the existing senior unsecured notes due 2025 at an issue price of 102.410% and a reoffer yield of 1.60%. The New Notes were consolidated and formed a single series with the existing €300 million 2.125% senior unsecured notes issued in November 2020. Net proceeds from the tap issuance were used to partial refinance the 3-year term loan (€130 million) maturing November 2022 and for general working capital purposes.

As at 30 June 2021, Lux Finco had €500 million (31 December 2020: €300 million) of senior unsecured fixed rate notes issued under the programme at a coupon of 2.125% p.a. and reoffer yield ranging from 1.60% p.a. to 2.161% p.a., payable annually in arrear, maturing in 2025.

All-in interest rate

Excluding commitment fee on the undrawn RCF, the average all-in interest rate is c. 1.72% per annum.

Guarantees

The Trust has provided corporate guarantees to banks for unsecured borrowings undertaken by Lux Finco. The Trust does not consider it probable that a claim will be made under these guarantees.

13 (b) Net finance costs

Net finance costs include the following:

	CEREIT		
	1H 2021 €'000	1H 2020 €'000	Fav./ (Unfav.) %
Interest expense	**8,686**	7,155	(21.4%)
Amortisation of debt issuance costs	**2,683**	981	(>100%)
Facility break fee	**-**	(51)	100.0%
Interest income	**(1)**	-	n.m.
Net finance costs	**11,368**	8,085	(40.6%)

14 Derivative financial instruments

Derivative financial instruments relate to interest rate swap and cap contracts (provided they are not paid upfront) entered into by CEREIT to fix interest on floating rate borrowings. As at 30 June 2021, 100% (31 Dec 2020: 100%) of CEREIT's total gross borrowings (excluding the RCF) were hedged by using interest rate caps or are fixed on a co-maturing basis. The weighted average cap strike rate is 0.0% (31 December 2020: 0.00%).

The notional principal amounts and period of expiry of CEREIT's hedging instruments (including interest rate cap contracts and fixed rate loans) were as follows:

	CEREIT	
Hedging and Fixed Loan Expiry Profile	**30 Jun 21 €'000**	31 Dec 20 €'000
Less than 1 year	-	-
1 – 2 years	475,000	-
2 – 3 years	-	475,000
Total interest rate hedge contracts	**475,000**	**475,000**

15 Contributed equity

	CEREIT		Trust	
	30 Jun 21 '000	**31 Dec 20 '000**	**30 Jun 21 '000**	**31 Dec 20 '000**
Total contributed equity (€'000)	**1,342,452**	1,241,192	**1,342,789**	1,241,529
Units in issue ('000)	**559,330**	2,556,081	**559,330**	2,556,081
Adjusted units in issue ('000)[(1)]	**559,330**	511,216	**559,330**	511,216

[(1)] 31 December 2020 units in issue are adjusted for 5:1 unit consolidated to provide for a like-for-like comparison.

CROMWELL EUROPEAN REIT

15(a) Movements in contributed equity

	CEREIT and Trust	
	30 Jun 21 No. of units '000	31 Dec 20 No. of units '000
Units in issue at beginning of period	**2,556,081**	2,547,787
Units issued during the financial period		
- Manager's base fee paid in units	**-**	1,811
- Manager's performance fee paid in units	**-**	3,673
- Property Manager's fee paid in units	**-**	2,810
- Private placement	**232,558**	-
- As payment of distribution	**8,012**	-
Effect of 5:1 unit consolidation	**(2,237,321)**	-
Units in issue at end of period	**559,330**	**2,556,081**

CEREIT did not hold any treasury units as at 30 June 2021.

The Trust's subsidiaries do not hold any units in the trust as at 30 June 2021 and 31 December 2020.

On 3 March 2021, 232,558,100 new units at an issue price of €0.430 per new unit were issued pursuant to a private placement, amounting to €100,000,000.

On 30 March 2021, 8,011,760 new units at an issue price of €0.4356 per new unit were issued under CEREIT's distribution reinvestment plan.

On 17 March 2021, the Manager announced the proposed unit consolidation (the "Proposed Unit Consolidation") which involved the consolidation of every five existing units in CEREIT ("Units") held by unitholders of CEREIT at a record date ("Existing Units") into one Unit (the "Consolidated Units"). The Proposed Unit Consolidation was approved by the Unitholders at the Extraordinary General Meeting of CEREIT held on 27 April 2021. The unit consolidation exercise completed on 7 May 2021 and there were in total 559,329,743 Consolidated Units following the Unit Consolidation.

15(b) Units issuable

	CEREIT and Trust	
	30 Jun 21 '000	31 Dec 20 '000
Acquisition fee	**40**	-
Total units issuable	**40**	-
Units in issue	**559,330**	2,556,081
Total units issued and issuable	**559,370**	**2,556,081**

16 Fair value measurement of financial instruments

CEREIT uses a number of methods to determine the fair value of its financial instruments as described in IFRS 13 Fair Value Measurement. The methods comprise the following:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The table below presents CEREIT's financial assets and liabilities measured and carried at fair value at the reporting date:

	Note	CEREIT			
		Level 1 €'000	Level 2 €'000	Level 3 €'000	Total €'000
30 Jun 21					
Financial asset at fair value					
Derivative financial instruments	14	-	117	-	**117**
31 Dec 20					
Financial asset at fair value					
Derivative financial instruments	14	-	126	-	**126**

There were no transfers between the levels of the fair value hierarchy during the periods.

Disclosed fair values

The fair values of derivative financial instruments (Level 2) are disclosed in the balance sheet.

The carrying amounts of receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of non-current variable interest-bearing borrowings approximate their fair values as they are floating rate instruments that are re-priced to market interest rate on or near the reporting date.

Valuation techniques used to derive Level 2 fair values

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 2 financial assets and financial liabilities held by CEREIT include "Vanilla" fixed to floating interest rate swap and interest rate cap contracts (over-the-counter derivatives). The fair value of these derivatives has been determined using a pricing model based on discounted cash flow analysis which incorporates assumptions supported by observable market data at the reporting date including market expectations of future interest rates and discount rates adjusted for any specific features of the derivatives and counterparty or own credit risk. All counterparties to interest rate derivatives are European financial institutions.

Classification of financial instruments

	Type of financial instrument	CEREIT		Trust	
		30 Jun 21 €'000	31 Dec 20 €'000	30 Jun 21 €'000	31 Dec 20 €'000
Financial assets					
Cash and cash equivalents	(i)	**80,772**	43,593	**12,251**	2,102
Receivables	(i)	**10,207**	11,915	**14,884**	15,060
Derivative financial instruments	(ii)	**117**	126	**-**	-
Total financial assets		**91,096**	**55,634**	**27,135**	**17,162**
Financial liabilities					
Payables	(i)	**32,195**	28,515	**234,269**	229,087
Borrowings	(i)	**927,375**	857,375	**-**	-
Other liabilities - finance lease liabilities	(i)	**6,488**	6,678	**-**	-
Total financial liabilities		**966,058**	**892,568**	**234,269**	**229,087**

Type of financial instrument as per IFRS 7 - Financial Instruments: Disclosure

(i) At amortised cost
(ii) At fair value through profit or loss

17 Asset held for sale

Asset held for sale as at 30 June 2021 related to a non-core asset, Parc de Popey located in France, announced for sale on 22 June 2021. The asset was carried at its sale price.

18 Net Asset Value ("NAV")

	CEREIT		Trust	
	30 Jun 21	31 Dec 20	**30 Jun 21**	31 Dec 20
NAV[1] at the end of the period (€'000)	**1,404,548**	1,302,152	**1,167,896**	1,117,699
Number of Units on issue at the end of the period ('000)[2]	**559,330**	511,216	**559,330**	511,216
NAV per unit (€)[2]	**2.51**	2.55	**2.09**	2.19
Adjusted NAV per unit (excluding distributable income) (€)[2]	**2.46**	2.46	**2.03**	2.10

(1) NAV equals net tangible assets ("NTA") as there are no intangible assets carried by CEREIT.

(2) Comparative numbers are adjusted for 5:1 unit consolidation to provide for a like-for-like comparison.

19 Interested person transactions

CEREIT has not obtained a general mandate from Unitholders for interested person transactions.

Related parties are persons or entities that are related to CEREIT as defined by IAS 24 Related Party Disclosures. These include directors and their close family members and any entities they control as well as subsidiaries, the Manager Cromwell EREIT Management Pte. Ltd., the Manager's parent entity Cromwell Corporation Limited ("CCL") and all subsidiaries and associates of CCL. They also include entities which are considered to have significant influence over CCL.

Related parties include all entities that are defined as Interested Persons under the SGX-ST Listing Manual or Interested Parties under the Code of CIS.

The transactions with interested parties are on normal commercial terms and conditions and at market rates. Transactions entered into with interested persons/parties during the period are as follows:

	CEREIT	
	1H 2021 €'000	1H 2020 €'000
Trustee fees paid and payable to the Trustee	**136**	132
Base management fees paid and payable to the Manager	**2,764**	2,656
Property & portfolio management fees paid and payable to the Property Manager	**8,055**	7,737
Acquisition fees paid and payable to the Manager & the Property Manager	**1,233**	3,850
Divestment fee paid and payable to the Property Manager	**-**	329
Project management fees paid and payable to the Property Manager	**318**	288
Leasing fees paid and payable to the Property Manager	**533**	486
Acquisition of a subsidiary from an affiliated company of the sponsor, Cromwell Property Group (refer to note 20)	**10,396**	-

20 Acquisition of properties and subsidiaries

On 11 March 2021, CEREIT through its wholly-owned subsidiaries, Cromwell Czech 1 HoldCo s.r.o. and Cromwell Europa 3 HoldCo S.a.r.l. completed the acquisition of 11 properties in the Czech Republic and Slovakia through the acquisition of all the shares of each of the respective companies holding the 11 properties.

On 7 June 2021, CEREIT completed the acquisition of a logistics asset in the Czech Republic from an affiliated company of CEREIT's sponsor Cromwell Property Group through the acquisition of all the shares of the company that owns the property.

Acquisition of properties and subsidiaries are complex in nature and can be material to the financial statements. Assessment is required to determine the most appropriate accounting treatment of assets acquired and of potential contractual arrangements relating to the acquisitions. The acquisitions during 1H 2021 were accounted for as acquisitions of properties based on the assessment by the Manager, after taking into consideration that these acquisitions did not involve acquiring any strategic management function nor the associated processes along with the underlying assets acquired.

21 Subsequent event

On 3 August 2021, CEREIT through an indirectly wholly-owned subsidiary, Europe 5 HoldCo S.a.r.l., entered into a sale and purchase agreement to acquire a freehold logistics asset in the United Kingdom for a purchase consideration of £10.0 million (approximately €11.7 million) and completed the acquisition on the same day.

22 Financial ratios

	CEREIT	
	30 Jun 21 %	30 Jun 20 %
Ratio of expenses to weighted average net assets(1)		
Including performance component of the Manager's management fees	**0.82**	0.98
Excluding performance component of the Manager's management fees	**0.82**	0.83
Portfolio turnover rate(2)	**-**	6.54

(1) The annualised ratios are computed in accordance with the guidelines of the Investment Management Association of Singapore ("IMAS"). The expenses used in the computation relate to expenses of CEREIT, excluding property expenses, finance expenses, net foreign exchange differences and income tax expense. CEREIT did not pay any performance fee in the period from 1 July 2020 to 30 June 2021.

(2) The annualised ratio is computed based on the lesser of purchases or sales of underlying investment properties of CEREIT expressed as percentage of average net asset value in accordance with the formulae stated in the Code on Collective Investment Schemes.

OTHER INFORMATION

1. Review

Whether the figures have been audited or reviewed, and if so which auditing standard or practice has been followed.

The condensed interim financial statements of Cromwell European Real Estate Investment Trust and its subsidiaries ("CEREIT") which comprise the consolidated balance sheet and statement of portfolio of CEREIT and balance sheet of the Trust as at 30 June 2021 and the related condensed interim consolidated statements of total return and other comprehensive income, condensed interim consolidated statement of changes in equity, condensed consolidated interim distribution statement and condensed interim consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of CEREIT

Review of performance 1H 2021 vs 1H 2020

(a) Review of portfolio performance 1H 2021 vs 1H 2020

CEREIT's gross revenue in 1H 2021 increased by 5.7% or €5.4 million to €99.0 million. Property operating expense decreased by 3.4% million to €34.7 million. Net property income ("NPI") was 11.4% or €6.6 million higher at €64.3 million. On a like-for-like basis, excluding the new acquisitions completed in 2H 2020 and 1H 2021 and the disposal completed in 1H 2020, NPI was €2.8 million or 4.9% higher than 1H 2020, although this does include a partial contribution from the three German assets acquired in March 2020. Please refer to Note 4.1 on page 18of the Condensed Interim Financial Statements for portfolio performance by segment.

Office

CEREIT's office portfolio comprises 39 office buildings. The Netherlands portfolio (7 assets) contributed 37% of the office portfolio's 1H 2021 NPI whilst the Italian portfolio, located mainly in Italy's two main cities of Milan and Rome, contributed 24% with the office assets in Poland contributing 23% of 1H 2021 NPI.

1H 2021 gross revenue for the office subsector was €55.9 million, 2.1% higher than prior corresponding period ("pcp"), whilst NPI was €35.4 million, 4.1% higher than pcp. The main driver of this uplift was in France where mostly due to one off income from a tenant that pre-terminated its lease in 1H 2021. This was partly offset by the reduction in income in the Italian portfolio, as reported last quarter, where three office assets were subject to a 15% rent reduction as part of the Master lease agreement with Agenzia del Demanio (Via della Fortezza 8 (Firenze), Via Camillo Finocchiaro Aprile 1 (Genoa) and Via Rampa Cavalcavia 16-18 (Venice Mestre).

CEREIT's office portfolio remains unchanged compared to pcp, the above analysis reflects the like-for-like analysis.

Light industrial/ Logistics

Following the acquisition of 11 light industrial/logistics assets in the Czech Republic and Slovakia in March 2021 and a further asset in the Czech Republic in June 2021, the portfolio now comprises 64 properties. This is broken down as 19 properties in France; 15 properties in Germany; 11 properties in Denmark; 7 properties in the Czech Republic; 5 properties in Slovakia; 5 properties in the Netherlands and 2 properties in Italy.

1H 2021 gross revenue for this subsector was €36.0 million, 15.6% higher than pcp, whilst NPI was €23.9 million, 27.4% higher than pcp. This includes the impact of the 12 assets acquired in 1H 2021 which contributed €2.4 million to the 1H 2021 NPI. Further, 1H 2021 includes income for the CLOM (Italy) asset acquired in December 2020 and the single German acquisition that completed in August 2020.

On a like for like basis, 1H 2021 gross revenue is €29.9 million, 3.0% higher than pcp, whilst NPI is €19.2 million, 10.3% higher than pcp, although this does include a partial contribution from the three German assets acquired in March 2020. The most notable variance was in France, driven by two assets; Parc des Docks (strong leasing activity and a recovery of arrears) and Parc Sully (Sully-sur-Loire (lease to a new short-term tenant and a recovery of arrears) both contributed to a variance of over €1.0 million more than pcp. This was partially offset by lower income from Denmark due to expiry of leases and some short-term vacancy in Priorparken 700 and 800.

Other

Other property assets consist of 3 government-let campuses, 1 retail asset and 1 hotel, all located in Italy.

1H 2021 gross revenue was €7.0 million, 8.4% lower than pcp whilst NPI was €4.9 million 0.5% higher than pcp. This performance was skewed by the treatment of the bad debt provisions made (as a cost) in 1H 2020 in Via Madre Teresa 4 (Lissone) which were subsequently reversed in 2H 2020 following the lease regear with UCI.

The other factor driving 1H 2021 performance was the foreseen 15% rent reduction on five assets in Italy (two of which were government-let campuses; Via Brigata Padova 19 (Padova); and Via Salara Vecchia 13 (Pescara). The other three as noted above are in the office sector.

CEREIT's other portfolio remains unchanged compared to pcp, the above analysis reflects the like-for-like analysis.

(b) Net finance costs of €11.4 million was 40.6% higher than 1H 2020 mainly due to: (i) debt issuance costs written off in 1H 2021 following the early partial refinancing of €130 million the 3-year term loans with the proceeds from the €200 million tap issuance in January 2021 and the cancellation of €150 million RCF (no impact to DPU); (ii) higher interest expense was mainly attributable to higher borrowing drawn down to fund acquisitions and higher interest rate costs following the EMTN issuance; and (iii) higher amortisation of debt issuance costs due to higher establishment costs incurred for EMTN.

(c) Trust expenses were 10.1% higher than 1H 2020 mainly attributable to higher professional fees incurred in 1H 2021 and costs incurred for abortive transactions and restructuring, both are added back to distribution.

(d) Loss on disposal of assets/liabilities held for sale for 1H 2020 of €0.9 million relates to transaction costs incurred for the divestment of 12 non-core assets in France, the Netherlands and Denmark on 24 March 2020.

(e) CEREIT recorded fair value gain on investment properties of €28.1 million in 1H 2021 as compared to fair value loss of €24.9 million in 1H 2020.

(f) Income tax expense of €14.9 million for 1H 2021 comprises income tax expense of €2.5 million and deferred tax expense of €12.4 million. Income tax credit for 1H 2020 of €0.3 million comprises income tax expense of €4.7 million and deferred tax credit of €5.0 million. The decrease in current tax expense was mainly attributable to capital gain tax related to the disposal of assets/liabilities held for sale incurred in 1H 2020. Excluding capital gain tax, 1H 2021 current tax expense was largely in line with 1H 2020. Deferred tax expense in 1H 2021 was attributable to deferred tax liabilities arose from fair value gain on investment properties and changes in deductible tax values. Deferred tax credit in 1H 2020 mostly due to the fair value loss on investment properties recognised.

3. Review of balance sheet of CEREIT

Cash and cash equivalents

The increase was mainly attributable to proceeds from issuance of EMTN and CEREIT units, as well as net cash generated from operating activities, partially offset by partial refinance of 3-year term loan, payments for the acquisition of 12 new assets during the period and payments for capital expenditure on investment properties and other expenses.

Assets held for sale

Asset held for sale as at 30 June 2021 related to a Parc de Popey located in France announced for sale on 22 June 2021.

Investment properties

The increase was mainly due to the acquisition of 12 assets logistics and light industrial property in the Czech Republic and Slovakia during 1H 2021 and fair value gain on 80 investment properties based on the independent valuation conducted on 30 June 2021. Refer to note 12 of the interim financial statements for more details.

Payables (current)

The increase was mainly attributable to higher accrued interest payable due to interest for the EMTN are paid annually in November.

Borrowings

The increase was mainly due attributable to the €200 million tap issue (the "New Notes") of the existing unsecured EMTN due 2025 at an issue price of 102.410% and a reoffer yield of 1.60%, as well as the unamortised premium on the tap issue. The New Notes were consolidated and formed a single series with the €300 million 2.125% senior secured notes issued on 19 November 2020. The increase was partially offset by the partial refinance of the 3-year term loan using the proceeds from the tap issue.

Deferred tax liabilities

The increase mainly due to recognition of fair value gains following the independent valuation of CEREIT's portfolio as at 30 June 2021 and changes in deductible tax values.

4. Variance between actual and forecast/projection

CEREIT has not disclosed any forecast to the market.

5. (i) To show the total number of issued shares excluding treasury shares as at the end of the current financial period, as and at the end of the immediate preceding year.

CEREIT did not hold any treasury units as at 30 June 2021 and 31 December 2020.

5. (ii) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

5. (iii) A statement showing all sales, transfers, disposal, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

6. Outlook and prospects

A commentary at the date of announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Eurozone GDP is projected to expand by 4.9% in 2021 as vaccination programmes continue pace, movement restrictions ease and business activities gradually resume, barring unforeseen circumstances such as the spread of new variants and renewed lockdowns. Preliminary flash estimates from Eurostat show that the Eurozone's 2Q 2021 GDP is up +2.0% quarter-on-quarter and +13.7% year-on-year. Over the next few months, broader economic recovery remains linked to vaccination rollout and the unblocking of the global supply chain. The EU 27 countries have already achieved 72.9% cumulative uptake of at least one vaccination and 62.2% of the population are fully vaccinated[(1)] adults (aged 18 and above). At the current rate, supported by proactive government initiatives, the European Union is ahead of its target to fully vaccinate 70% of adults by the end of September 2021[(2)].

In the European office sector, the average vacancy rate across key cities increased to 8.6% in 2Q 2021 from 8.3% in the prior quarter (still well below the 10.6% seen after the Global Financial Crisis), mainly due to challenging business conditions and companies reassessing their space needs. Despite the average increase in availability, office rents in prime locations remained stable, albeit incentive levels are varied across cities, as recently reported by CBRE.

The Manager is also monitoring the trend of companies looking for increasingly flexible leasing terms to accommodate the growing number of tenant-customers adopting hybrid work models. With close to 70% of CEREIT's office portfolio green-certified with appeal to post-pandemic office tenant-customers' requirements, the Manager is confident that the CEREIT portfolio is able to adapt to the changing environment of office design and technology.

In the European logistics sector, the COVID-19 pandemic accelerated the shift to e-commerce, which in turn fuelled occupier demand from related sectors, such as third-party logistics and warehousing companies. The rise in demand, coupled with low supply and vacancy rates, has driven rent increases and expected capital value growth. In 2Q 2021, average vacancy rates fell marginally to 4.2%, down from 4.5% in the previous quarter. As more businesses look to move the supply chain closer to the end-consumer for delivery and collection, there is greater demand for "last mile" logistics and for warehousing space specifically dedicated to improving customer satisfaction, including time-to-delivery, reducing delivery costs and product return convenience.

CEREIT's light industrial / logistics assets are strategically located within European gateway cities. CEREIT's current light industrial / logistics occupancy of 94.3% is the highest to date, up from 85.4% in late 2017, reflecting the Manager's ability to capitalise on this shift.

(1) European Centre for Disease Prevention and Control as at 11 August 2021.
(2) Reuters article: "EU says it is on track for 70% vaccination target by end summer" published on 27 July 2021.

7. Distributions

(a) Current financial period

Any distribution declared for the current financial period? Yes

Period of distribution: Distribution for the period from 5 March 2021 to 30 June 2021

Distribution Type	Distribution Rate (in Euro cents)
Tax-exempt income	5.602
Total	**5.602**

Record date: 23 August 2021

Payment date: 28 September 2021

(b) Corresponding period of the preceding financial period

Any distribution declared for the current financial period? Yes

Period of distribution: Distribution for the period from 1 January 2020 to 30 June 2020

Distribution Type	Distribution Rate (in Euro cents)
Capital	1.740
Total	**1.740**

Record date: 24 August 2020

Payment date: 28 September 2020

8 If no distribution has been declared/recommend, a statement to that effect

Not applicable.

9 Interested person transactions

CEREIT has not obtained a general mandate from Unitholders for interested person transactions.

10 Confirmation pursuant to Rule 720(1) of the Listing Manual

The Board of Directors of the Manager hereby confirms that the undertakings from all its directors and executive officers as required in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual were procured.

11 Confirmation pursuant to Rule 705(5) of the Listing Manual

The Board of Directors of Cromwell EREIT Management Pte. Ltd. (as manager of Cromwell European Real Estate Investment Trust) (the "Manager") hereby confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Manager which may render the unaudited interim financial results of Cromwell European Real Estate Investment Trust for the six months ended 30 June 2021, to be false or misleading, in any material aspect.

On behalf of the Board
Cromwell EREIT Management Pte. Ltd.
As Manager of Cromwell European Real Estate Investment Trust
(Company Registration No: 201702701N)

Lim Swe Guan Chairman	Simon Garing Executive Director and Chief Executive Officer

ISSUER

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CEREIT MANAGER

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TRUSTEE

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REGISTRARS AND TRANSFER AGENTS

In respect of Perpetual Securities cleared through CDP

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In respect of Perpetual Securities cleared through Euroclear/Clearstream

The Bank of New York Mellon SA/NV, Dublin Branch
Riverside II
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Grand Canal Dock
Dublin 2
Ireland

ISSUING AND PAYING AGENTS AND CALCULATION AGENTS

In respect of Perpetual Securities cleared through CDP

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In respect of Perpetual Securities cleared through Euroclear/Clearstream

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