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(a real estate investment trust constituted on 28 April 2017 under the laws of the Republic of Singapore)  
Managed by Cromwell EREIT Management Pte. Ltd.

## **ACQUISITION OF VIA PARACELSO 22-24-26, AGRATE, ITALY**

### **1. INTRODUCTION**

Cromwell EREIT Management Pte. Ltd., in its capacity as manager of Cromwell European Real Estate Investment Trust (“**CEREIT**”, and the manager of CEREIT, the “**Manager**”), wishes to announce that Perpetual (Asia) Limited, in its capacity as trustee of CEREIT, has entered (through Cromwell Investment Luxembourg S.À.R.L, acting as the alternative investment fund manager of Cromwell Europa 1) into a preliminary sale and purchase agreement dated 28 November 2019 (the “**SPA**”) with Savills Investment Management SGR P.A., acting as management company of C3 Investment Fund – FIA italiano immobiliare riservato istituito in forma chiusa, an alternative investment fund established in Italy (the “**Vendor**”), and simultaneously completed the acquisition of the property located at Via Paracelso 22-24-26, Agrate, Italy (the “**Property**”).

Goldman Sachs (Singapore) Pte. and UBS AG, Singapore Branch are the joint issue managers for the Offering. DBS Bank Ltd., Goldman Sachs (Singapore) Pte., and UBS AG, Singapore Branch are the joint global coordinators for the initial public offering of the units in Cromwell European Real Estate Investment Trust (the “**Offering**”). DBS Bank Ltd., Goldman Sachs (Singapore) Pte., UBS AG, Singapore Branch, Daiwa Capital Markets Singapore Limited and CLSA Singapore Pte Ltd are the joint bookrunners and underwriters for the Offering.

## 2. INFORMATION ON THE PROPERTY

The Property comprises a self-contained office building made up of eight floors above ground and one basement level, set out within three adjoining blocks that have been interconnected at various floors. The building has a weighted lettable area (excluding car parking spaces) of 11,500 sq m, was originally built in 1982 and was recently refurbished.

It is located in the 120,000 sq m Colleoni Business Park, Agrate Brianza, which is situated within the province of Monza Brianza, located directly to the north-east city of Milan. In addition to the 182 parking spaces with a parking ratio of 1:63 sq m, the Property's tenants are provided with access to a public shuttle service, provided specifically for the business centre, connecting the business centre to Colongo Nord and San Donato underground stops. The Property is about 1.5 km from the A51 Ring Road of Milan (*Tangenziale Est di Milano*) and 3 km from the A4 motorway (Torino-Trieste).

The Property is a freehold property with diversification of income anchored by three principal tenants responsible for just over 50% of the total income. The Property is almost fully let and the weighted average unexpired lease term to first expiry is approximately 4.8 years as at 28 November 2019.

The Property was independently valued by Colliers International Valuation UK LLP ("**Colliers**") (commissioned by CEREIT) at €17.7 million (approximately S\$26.6 million<sup>1</sup>), as of 22 November 2019, using the income capitalisation method taking into account comparable market transactions. The capital value is €1,539 per sq m (excluding the car park land).

## 3. DETAILS OF THE ACQUISITION

The purchase consideration for the Property is €17.7 million (approximately S\$26.6 million) (the "**Purchase Consideration**") which was arrived at on a willing buyer and willing seller basis and based on the independent valuation of the Property, and takes into account the amount required for capital expenditure works on the Property and outstanding incentives to be funded by the Vendor.

The total cost of the acquisition is estimated to be approximately €18.5 million (approximately S\$27.8 million), comprising the Purchase Consideration, the acquisition fee payable to the Manager and the professional and other fees and expenses in connection with the acquisition (which includes the real estate transfer tax but excludes the recoverable value-added tax).

The total cost of the acquisition is being funded from available cash, which principally originates from the proceeds of the recent sale of Parc d'Osny.

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1 The S\$ equivalent of the € figures in this Announcement has been arrived at based on an exchange rate of €1:S\$1.50.

#### 4. RATIONALE FOR AND KEY BENEFITS OF THE ACQUISITION

The Manager believes that the acquisition of the Property will bring the following key benefits to the unitholders of CEREIT (the “**Unitholders**”):

- (i) the Property, located in the Greater Milan metropolitan area, complements the current office portfolio of CEREIT in Italy in terms of lease length term, further enhancing the stability of the CEREIT portfolio’s cash flows and bringing further diversification to its tenant-customer base; and
- (ii) the acquisition of the Property funded by the proceeds from the sale of Parc d’Osny that completed recently is confirmation of the Manager’s strategy of recycling capital by selling non-core assets and reinvesting them in a higher yielding asset, thus providing accretion to Unitholders.

#### 5. OTHER INFORMATION

Based on the relative figures as computed on the bases set out in Rule 1006 of the listing manual of Singapore Exchange Securities Trading Limited (the “**Listing Manual**”), the acquisition of the Property is a “Non-Discloseable Transaction” within the meaning of Rule 1008 of the Listing Manual.

#### 6. INTERESTS OF DIRECTORS AND CONTROLLING UNITHOLDERS

Based on information available to the Manager, as at the date of this announcement, none of the directors of the Manager or the controlling Unitholders has any interest, direct or indirect, in the acquisition of the Property.

No person is proposed to be appointed as a director of the Manager in connection with the acquisition of the Property.

By Order of the Board  
Simon Garing  
Chief Executive Officer and Executive Director

**Cromwell EREIT Management Pte. Ltd.**  
(Company Registration No.: 201702701N)  
As manager of Cromwell European Real Estate Investment Trust

29 November 2019

## **ABOUT CROMWELL EUROPEAN REAL ESTATE INVESTMENT TRUST**

Cromwell European REIT is a real estate investment trust (“REIT”) with the principal investment strategy of investing, directly or indirectly, in a diversified portfolio of income-producing real estate assets in Europe that are used primarily for office, light industrial / logistics, and retail purposes. With a portfolio of 103 properties as at the date of this announcement in or close to major gateway cities in Denmark, Finland, France, Germany, Italy, the Netherlands as well as Poland, and a balanced focus on the office and light industrial / logistics sectors, it is also the first REIT with a diversified Pan-European portfolio to be listed on Singapore Exchange Securities Trading Limited.

As at 30 September 2019, CEREIT’s portfolio has an aggregate lettable area of approximately 1.5 million sq m with close to 1,000 tenant-customers and a WALE profile of around 4.6 years. Comprising primarily freehold or ongoing leasehold assets, the portfolio has an appraised value of approximately €2,082 million as at 30 September 2019.

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

## **IMPORTANT NOTICE**

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

The value of the Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager, Perpetual (Asia) Limited, in its capacity as trustee of CEREIT, the Cromwell Property Group as the sponsor of CEREIT, the Joint Issue Managers, Joint Global Coordinators, the Joint Bookrunners and Underwriters or any of their respective affiliates.

An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. 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.

This announcement may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Predictions, projections or forecasts of the economy or economic trends of the markets are not necessarily indicative of the future or likely performance of CEREIT. The forecast financial performance of CEREIT is not guaranteed. A potential investor is cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager’s current view of future events.

This announcement is not an offer or sale of the Units in the United States. The Units have not been and will not be registered under the Securities Act and may not be offered or sold in the

United States absent registration except pursuant to an exemption from, or in a transaction not subject to, the registration requirements under the Securities Act. Any public offering of the Units in the United States would be made by means of a prospectus that would contain detailed information about CEREIT, the Manager and its management, as well as financial statements. There is no intention to register any portion of the offering in the United States or to conduct a public offering of securities in the United States. The Units are being offered and sold outside the United States (including to institutional and other investors in Singapore) in reliance on Regulation S under the Securities Act.

This announcement is not to be distributed or circulated outside of Singapore. Any failure to comply with this restriction may constitute a violation of United States securities laws or the laws of any other jurisdiction.

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<sup>i</sup> Comprising Cromwell Corporation Limited and the Cromwell Diversified Property Trust (the responsible entity of which is Cromwell Property Securities Limited).