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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.

## **DISPOSAL OF A PORTFOLIO OF 12 ASSETS LOCATED IN FRANCE, DENMARK AND THE NETHERLANDS**

### **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 Parc d’Activités 1 Luxembourg, PA Holdings Luxembourg S.à.r.l, PA France, Euroind Two CV, EHI Fund Denmark ApS, EHI Luxembourg S.à.r.l and EHI France 9 Villepinte have entered into a Master Sale and Purchase agreement dated 16 December 2019 (the “**SPA**”) with entities owned by funds advised by affiliates of The Blackstone Group Inc. (the “**Purchaser**”), in relation to the disposal (the “**Disposal**”) of 12 properties from CEREIT’s portfolio located in the Netherlands (the “**Dutch Assets**”), Denmark (the “**Danish Assets**”) and France (the “**French Assets**”) (collectively the “**Portfolio**”).

The Manager’s Chief Executive Officer, Mr. Simon Garing, commented, “The €65.7 million Disposal, spanning three European countries, follows our recent €19 million sale of Parc D’Osny in France and is consistent with our articulated strategy to recycle capital from asset sales where we see good opportunity to do so. I am pleased that we have been able to achieve a 15.2% premium to the IPO purchase price, securing another strong result for CEREIT unitholders. We will continue to use our extensive local knowledge and experience in the European office and light industrial / logistics real estate markets and research-backed investment process to redeploy capital into more ‘on theme’ and accretive opportunities.”

## 2. DETAILS OF THE DISPOSAL

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 Assets) and Colliers International Valuation UK LLP (in respect of the French Assets) as at 30 June 2019<sup>1</sup>.

Pursuant to the SPA, CEREIT will, 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. The sales consideration, taking into account the agreed property sales price for the Dutch Assets and Danish Assets, and the agreed share value based on the net assets of the French companies, is approximately €36.1 million.

The sales consideration is based on the following:

- (i) The agreed sales price of the Dutch Assets of c. €19.1 million;
- (ii) The agreed sales price of the Danish Assets of c. €9.1 million;
- (iii) The provisional sales price of the French companies of €7.9 million which is based on the estimated equity value of the companies, subject to a post-closing adjustment in accordance with the SPA.

The total cost of the Disposal is estimated to be approximately €0.7 million (the “**Total Disposal Cost**”), comprising the disposal fee payable to the Manager and the professional and other fees and expenses in connection with the Disposal.

The Disposal is expected to be completed in the second half of February 2020, subject to the satisfaction of certain conditions precedent in respect of certain of the assets in the Portfolio.

## 3. RATIONALE FOR AND KEY BENEFITS OF THE DISPOSAL

The rationale for and key benefits of the Disposal are as follows:

- 3.1. While CEREIT remains a long term holder of real estate, the Disposal is consistent with the Manager’s investment strategy of disposing of assets that either are not strategic or whose risk-return profile no longer fits CEREIT’s key objectives or benchmarks, allowing capital to be recycled into new investments;
- 3.2. The estimated capital gains to be derived from the sale should be in excess of €5 million, increasing CEREIT’s net asset value (“**NAV**”);
- 3.3. The sale proceeds will provide capital for accretive redeployment into more core assets to enhance CEREIT’s distribution per unit (“**DPU**”) and NAV per unit, and improve the overall risk-return profile of CEREIT’s portfolio; and
- 3.4. The sale contributes to a noticeable improvement in the occupancy rate within the remaining assets in CEREIT’s portfolio by 0.7%<sup>2</sup>

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<sup>1</sup> Valuation is calculated on an Income Capitalisation Methodology as at 30 June 2019.

<sup>2</sup> Based on CEREIT’s occupancy as at 30 September 2019

## 4. INFORMATION ON THE PROPERTIES

### 4.1 Dutch Assets

There are five light industrial / logistics Dutch Assets to be sold.

**Antennestraat 46-76** is a light industrial development comprising two separate buildings built in 1992 with a combined NLA of 6,178 sqm and a valuation of €3,800,000 as at 30 June 2019. The main building is located at Antennestraat street and comprises a multi-tenant building with 13 units. The second building is located at Televisieweg street and comprises a multi-tenant building with six units.

**Bohrweg Spijkenisse** is a light industrial property that was built in 1995 and comprises 40 light industrial units in two separate buildings with an NLA of 7,289 sqm and a valuation of €5,600,000 as at 30 June 2019. One building has an I-shape and comprises units with similar floor plans. The second building has an L-shape and comprises units with varying sizes.

**Fahrenheitbaan** is a light industrial, multi-let property divided into five units of light industrial and office accommodation with an NLA of 4,599 sqm and a valuation of €2,500,000 as at 30 June 2019. The property has a triangular shape, with a recessed frontage of 8.5 metres.

**Harderwijkerstraat Deventer** comprises two separate multi-tenant light industrial buildings with an NLA of 12,238 sqm and a valuation of €4,000,000 as at 30 June 2019.

**Nieuwgraaf** comprises nine industrial units in one rectangular shaped building with an NLA of 5,420 sqm and a valuation of €2,450,000 as at 30 June 2019. The building covers approximately 70% of the site, with the surrounding area used for site access, car parking and landscaping.

### 4.2 French Assets

There are five light industrial / logistics French Assets to be sold.

**Parc de la Chauvetière** comprises two separate buildings constructed in 1977 with an NLA of 7,204 sqm and a valuation of €1,800,000 as at 30 June 2019. Building A is on the south and comprises six units; building B on the north comprises seven units. The property has a flat roof and consists of mainly light industrial space with some accompanying offices.

**Parc de l'Esplanade** comprises 13 warehouse, office and light industrial buildings within an industrial zone with an NLA of 29,854 sqm and a valuation of €16,400,000 as at 30 June 2019.

**Parc des Aqueducs** consists of four multiple office and light industrial premises with an NLA of 7,341 sqm and a valuation of €3,900,000 as at 30 June 2019.

**Parc des Mardelles** is a light industrial / logistics property, fenced and gated with landscaped areas and trees on each side of the property with an NLA of 16,289 sqm and a valuation of €10,300,000 as at 30 June 2019.

**Parc Jules Guesde** is a single-building light industrial / logistics property on a site covering 0.9 hectares with an NLA of 5,332 sqm and a valuation of €3,600,000 as at 30 June 2019.

#### **4.3 Danish Assets**

There are two light industrial / logistics Danish properties to be sold.

**Hjulmagervej 3-19** consists of nine warehouse / light industrial buildings with an NLA of 12,807 sqm and a valuation of €5,211,962 as at 30 June 2019 (assuming a rate of 0.13398 EUR/DKK).

**C.F. Tietgensvej 10** is a mixed-use property with warehouse and office space over two floors with an NLA of 9,429 sqm and a valuation of €3,550,565 as at 30 June 2019 (assuming a rate of 0.13398 EUR/DKK).

#### **5. INTERESTS OF DIRECTORS AND CONTROLLING UNITHOLDERS**

As at the date of this announcement, certain directors of the Manager collectively hold an aggregate direct and indirect interest in 547,032 Units.

Paul Weightman is the Non-Independent Non-Executive Director of the Manager and the Chief Executive Officer and Managing Director of the Sponsor, Cromwell Property Group.

As at the date of this announcement and based on information available to the Manager, Cromwell Property Group, through its subsidiaries, namely Cromwell Singapore Holdings Pte. Ltd. and the Manager, holds an aggregate interest in 775,710,634 Units, which is equivalent to approximately 30.4% of the total number of Units in issue.

Save as disclosed above and as at the date of this announcement, none of the directors of the Manager or substantial Unitholders has an interest, direct or indirect, in the Disposal.

By Order of the Board

Simon Garing

Executive Director and Chief Executive Officer

**Cromwell EREIT Management Pte. Ltd.**

(Company Registration No.: 201702701N)

As manager of Cromwell European Real Estate Investment Trust

17 December 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 the SGX-ST.

As at 30 September 2019, CEREIF’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 had 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 CEREIF’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 CEREIF 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 CEREIF, the Cromwell Property Group as the sponsor of CEREIF, 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 CEREIF. The forecast financial performance of CEREIF 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).