NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, CANADA, JAPAN OR AUSTRALIA

This announcement is not for publication or distribution, directly or indirectly, in or into the United States of America ("**United States**"), Canada, Japan or Australia. This announcement is not an offer of securities for sale in the United States, Canada, Japan, Australia or any other jurisdiction. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and may not be offered or sold in the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements under the U.S. Securities Act and in compliance with any applicable state securities laws. There will be no public offering of the securities of CEREIT (as defined herein) in the United States.

CROMWELL
EUROPEAN REIT

(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.

ANNUAL GENERAL MEETING ON 27 APRIL 2021

RESPONSES TO UNITHOLDERS' QUESTIONS

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**") would like to thank CEREIT unitholders for submitting their questions in advance of CEREIT's annual general meeting to be convened and held by way of electronic means, on Tuesday, 27 April 2021 at 3.00 pm (Singapore time).

As there are areas of overlap between several questions, the Manager has grouped together similar and related questions and responses, and organised them under different topic headers, for ease of reference. Please refer to the Appendix below.

The Manager looks forward to welcoming registered unitholders to the annual general meeting.

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)

27 April 2021

ABOUT CROMWELL EUROPEAN REAL ESTATE INVESTMENT TRUST

Cromwell European REIT is a diversified pan-European real estate investment trust ("**REIT**") with a principal mandate to invest, directly or indirectly, in income-producing real estate assets in Europe that are used primarily for office, light industrial / logistics, and retail purposes. The investment strategy of CEREIT is focused on a 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. CEREIT's purpose is to provide Unitholders with stable and growing distributions and NAV per Unit over the long term.

CEREIT's portfolio has aggregate lettable area of approximately 1.7 million square metres, 800+ tenant-customers and a WALE profile of approximately 4.9 years. As at 11 March 2021, CEREIT's portfolio comprises 107 properties with an appraised value of approximately €2,291 million[1] in or close to major gateway cities in the Netherlands, Italy, France, Poland, Germany, Finland, Denmark, the Czech Republic and Slovakia.

CEREIT is listed on the SGX-ST and is managed by Cromwell EREIT Management Pte. Ltd., a wholly-owned subsidiary of CEREIT's sponsor, Cromwell Property Group, a real estate investor and manager with operations in 14 countries, listed on the Australian Securities Exchange Ltd.

IMPORTANT NOTICE

This announcement is not for distribution, directly or indirectly, in or into the United States and is not an offer of securities for sale in the United States or any other jurisdictions.

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 or any of their respective affiliate.

An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request that the Manager redeem or purchase their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the 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 for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units in the United States or any other jurisdiction. The past performance

[1] Portfolio value for 95 properties is based on independent valuations as at 31 Dec 2020. The new acquisition in Italy acquired on 23 Dec 2020 and the 11 new assets in the Czech Republic and Slovakia acquired on 11 March 2021 are based on their respective purchase prices.

of CEREIT and the Manager is not necessarily indicative of the future performance of CEREIT and the Manager.

This announcement is not for release, publication or distribution, directly or indirectly, in or into the United States, Canada, Japan or Australia, and should not be distributed, forwarded to or transmitted in or into any jurisdiction where to do so might constitute a violation of applicable securities laws or regulations.

For the purposes of marketing (as defined in the EU's Alternative Investment Fund Manager's Directive 2011/61/EU ("**AIFMD**") and, with respect to prospective UK investors, the Alternative Investment Fund Managers Regulations 2013 ("**UK AIFM Regulations**") Interests (as an alternative investment fund for the purposes of the AIFMD or the UK AIFM Regulations, as appropriate) to investors domiciled in or with a registered office in a jurisdiction which is in the European Economic Area ("**EEA**") or the UK, the Manager (as an alternative investment fund manager for the purposes of the AIFMD or the UK AIFM Regulations, as appropriate) intends to rely on such jurisdiction's national private placement regime for the purposes of marketing alternative investment funds as implemented in such jurisdiction pursuant to Article 42 of the AIFMD, or pursuant to Article 59 of the UK AIFM Regulations, as appropriate. The Manager maintains a list, which is available on request, of the EEA jurisdictions in which it is permitted to market Interests to investors (the "**Permitted EEA Jurisdictions**").

Applicants in Permitted EEA Jurisdictions or the UK who wish to invest in CEREIT must qualify as a "professional investor" under the AIFMD and the implementing national legislation in the investor's Permitted EEA Jurisdiction or under the UK AIFM Regulations, as appropriate. Interests are not offered to investors who are domiciled in or with a registered office in the EEA but not in a Permitted EEA Jurisdiction. Interests are not offered to investors in a Permitted EEA Jurisdiction or the UK who are not professional investors. Neither CEREIT nor the Manager is subject to supervision by the competent authorities of the Permitted EEA Jurisdictions or the UK.

This announcement is distributed only to persons in relation to whom exemptions under the Financial Services and Markets Act (Financial Promotions) Order 2005 (as amended) of the UK (the "**FPO**") apply including: (a) persons who are professional investors within the meaning of Article 19(5) of the FPO: (b) persons to whom Article 49(2) of the FPO (high net worth companies, unincorporated associations, etc) applies; (c) persons falling within the categories of "certified high net worth individual" described in Article 48(2) of the FPO (being individuals who have certified their net worth in the form and as required by the FPO) and "self-certified sophisticated investor" described in Article 50a(1) of the FPO (being individuals who have certified that they are a sophisticated investor, in the form and as required by the FPO); or (d) other persons to whom it may otherwise lawfully be offered or distributed.

The Units have not been and will not be registered under the U.S. Securities Act and may not be offered or sold in the United States, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable laws. There will be no public offering of the securities referred to herein in the United States.

This announcement has not been reviewed by the Monetary Authority of Singapore.

Appendix

FY 2020 ANNUAL GENERAL MEETING
EXTRAORDINARY GENERAL MEETING

Questions & Answers

CONTENTS

(A) Portfolio Strategy

1. CEREIT is re-balancing the portfolio towards light industrial / logistics and away from office. What is the target percentage in terms of total portfolio for the light industrial / logistics segment?

CEREIT's primary purpose is to deliver stable and growing distributions and net asset value ("NAV") per Unit to the unitholders of CEREIT ("Unitholders") over the long term. CEREIT aims to generate superior risk-adjusted returns through 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).

The investment strategy of the Manager targets a 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. The Manager's current strategic focus is on:

- Increasing exposure to the light industrial / logistics sector towards 50% of the portfolio (from current 38%), including potential logistics opportunities in the post-Brexit U.K. market;
- Divesting a number of select office buildings and other non-strategic assets; and
- Planning key logistics and office redevelopment and other asset enhancement initiatives of existing assets in Paris, Amsterdam and Milan, amongst others

The Manager sees opportunities in the light industrial / logistics sector where yields, while competitive, remain accretive to earnings. Secular trends such as the growth of e-commerce will drive tenant-customer demand for light industrial / logistics assets. Last-mile logistics assets, which are vital to the delivery value chain, will also continue to be sought after. As an example, logistics take-up in Italy reached new highs in 2020, surpassing 2019 levels by 19%. Undersupply and growing tenant demand for logistics assets are likely to create an upswing in valuations and rental growth. Based on the above, the Manager is more likely to focus on 'Core+' logistics and light industrial sectors, given the hot demand for long-leased 'Core' warehouses.

With the U.K.'s official exit from the European Union ("EU") and an agreed trade agreement in place, we have begun exploring opportunities in the U.K. logistics market, one of the most liquid markets of its kind in Europe.

2. Given that CEREIT has properties all over Europe and that real estate is about location and local knowledge, does Cromwell have the local knowledge, scale and resources necessary to operate in each country?

Cromwell Property Group is the Sponsor of CEREIT. Cromwell Property Group is an Australian Securities Exchange-listed real estate investor and manager operating on three continents with a global investor base and A$11.6 billion of assets under management as at 31 December 2020. The Sponsor operates a fully-integrated property, investment and asset management model. As at 31 December 2020, the Sponsor has approximately €3.7 billion of real estate assets under management in Europe. CEREIT is well-supported by Cromwell's established property and asset management platform in Europe with 210+ people across 17 offices in 11 countries.

Cromwell's local European knowledge, track record and expertise are proven in each of CEREIT's invested countries and is covered extensively in a number of company public disclosures including but not limited to the most recent FY 2020 results presentation / Annual Report ("AR") / website, etc.

Cromwell Europe's capabilities was demonstrated in the midst of the COVID-19 pandemic when, on 24 March 2020, the Manager completed a 12-asset disposal across three countries contemporaneously with the acquisition of three logistics properties in Germany on the same day – a testament to our execution capabilities and benefit of having Cromwell's staff on the ground close to CEREIT's properties.

Throughout FY 2020, Cromwell's pan-European asset management team worked tirelessly during the pandemic, securing more than 170 leases. As a result, CEREIT finished the year with an unchanged weighted average lease expiry ("WALE") of 4.9 years, occupancy levels above 95%, positive rent reversions and close to 100% cash collection, demonstrating its pan-European asset management credentials. All but one asset has been acquired off-market, highlighting Cromwell's local relationships.

3. Any update on the divestment plans for the office properties?

It is the Manager's stated strategy to rebalance CEREIT's portfolio towards a higher logistics exposure, and CEREIT aims to achieve this with a higher share of office and other asset sales and a focus on light industrial / logistics assets for new acquisitions.

The Manager is regularly assessing the existing portfolio with a structured process of hold / sell analysis. As announced in CEREIT's FY 2020 results, the Manager has identified for sale a number of office and other non-strategic assets and will conduct sales processes at suitable points in time, depending on achieving acceptable terms.

As an update, the process for divestments and developments is currently slower due to on-going COVID-19 restrictions still in place in Europe, making site visits and on-site due diligence by prospective buyers and their advisors more difficult. We will keep the market updated throughout the year.

4. Is CEREIT diversifying for the sake of diversification / overstretching in the name of diversification? What are the steps taken to enhance the portfolio resilience amid elevated volatility across economies, industries and currency movements?

The Manager's strategy and approach to portfolio construction is focused on delivering superior risk-adjusted returns. We use a number of quantifiable metrics to assist portfolio risk return characteristics, including both a top-down and bottom-up approach in optimising the portfolio. Cromwell adopts an in-house proprietary 13-risk factor matrix model in assessing each assets' macro and micro risks, creating an efficient frontier of risk-return characteristics. Potential acquisitions are measured against this frontier and need to be additive in the Manager's assessment and not acquired just for the sake of diversification. CEREIT's portfolio construction process and the derived benefits, including diversification, is recognised by Fitch Ratings' investment-grade credit rating and the financial and operating results since IPO. The following diversification themes may support CEREIT's resilience:

Resilience through diversification in three key categories:

a. **Geographical diversification:** Following the completion of the most recent acquisitions in the Czech Republic and Slovakia on 11 March 2021, CEREIT's portfolio consists of 107 assets located across nine countries in Europe. The Netherlands is the largest contributor to the portfolio (28%), with Italy second (22%) and France third (18%). No single country represents more than 30% of the total portfolio. While there is a common European market, 2020 showed a substantial range of GDP real growth rates per individual European country from Italy at the low end at -8.9% to Denmark and Poland of -2.9%[1] and an EU27-average growth of -6.9%. This level of diversification helps mitigate concentration risk in any one country.

b. **Asset class diversification:** Geographical diversification is complemented by asset class risk management. As at 11 March 2021, the majority of assets in CEREIT's portfolio are split between the office (57%) and light industrial / logistics sector (38%). The REIT's current pivot towards light industrial / logistics, in view of the stronger outlook of the sector, will further enhance the risk-return profile.

c. **Tenant-customer diversification:** CEREIT's portfolio is diversified across tenant-customers and tenant-customer industries. The share of headline rent for the top-10 tenant-customers has reduced from >40% at its initial price offering ("IPO") to approximately 30% now. As at 11 March 2021[2], CEREIT's largest tenant-customer, Agenzia Del Demanio (the Italian State Property Office), contributes only 12.5%[3] of total headline rent. The top ten tenant-customers contribute 32% of total headline rent. Government and semi-government tenant-customers account for approximately 24% of CEREIT's income, with a further 68% from multinational companies and large domestic corporations. Other than public tenant-customers, no tenant-customer trade sector represents more than 15% in CEREIT's portfolio. The March 2020 sale of a portfolio of 12 smaller assets with a high share of small- and medium-sized enterprise ("SME") tenant-customers reduced CEREIT's exposure to the SME tenant-customer segment by 30%.

[1] Source Eurostat
[2] Post completion of the Czech Republic and Slovakia acquisitions
[3] 13.0% as at 31 December 2020, prior to the Czech Republic and Slovakia acquisitions

Resilience through operational expertise and on-the-ground presence

CEREIT is supported by the Sponsor's extensive pan-European asset management platform, equipped with local insight and expertise. This includes 210+ people across 17 offices in 11 countries. The result is a valuable competitive advantage that is hard to replicate by other property investors. For instance, CEREIT has access to Cromwell's pipeline sourcing execution capabilities, which is driven by an in-depth knowledge of the targeted key markets, tenant-customers and other important stakeholders. As a result of this local insight and expertise, CEREIT is able to access attractive deals, especially off-market ones, and readily backfill tenancies and lease up assets. The strong tenant-customer engagement activities have helped to maintain a high and stable occupancy rate, which has acted as an effective defence line against market volatility and the COVID-19 impact on distribution per unit ("DPU").

In terms of currency risk, CEREIT derives its income in Euro, with the exception of Denmark where the rent is paid in Danish kroner. The rents in Poland, the Czech Republic and Slovakia are also mostly Euro-denominated. All equity issues and debt financing have been in Euros, as well as all refinancing activities. There is occasional local currency translation risk on local service charges or temporary VAT loans. As such, there is minimum currency risk in CEREIT's current portfolio.

CEREIT investors are able to choose to receive distributions in either Euro or Singapore dollars (at the EUR/SGD) spot rate, which does not impact CEREIT.

The Manager's strategy and approach to portfolio construction with a focus on delivering superior risk-adjusted returns and focus on diversification through resilience have been extensively covered in a number of company public disclosures, including but not limited to the most recent FY 2020 results presentation / AR / website etc.

5. What is the yield that CEREIT derives from investments in both its office and light industries / logistics portfolios?

Country-by-country reversionary yields for both office and light industrial / logistics sub-portfolios (valuers' opinion on expected yields in the medium term based on normalised occupancy and ERV[4]) are disclosed on a quarterly basis. The most recent yields, classified by country, can be found on Page 47 of CEREIT's FY 2020 results presentation, with the total portfolio reversionary yield stated by the independent valuers to be 6.8%.

[4] Estimated Rental Value

6. **With the recent resurgence of COVID-19 cases in Europe, will there be any detrimental impact on this year's leasing activities? What is the rental accretion that CEREIT expects with new tenant-customer leases over the next 2 years?**

CEREIT's portfolio performed well during COVID-19, finishing the year with occupancy above 95% and positive blended rent reversion of 2.4%, while WALE stayed unchanged at 4.9 years. The approximately 24% of leases with the Italian government and other government and semi-government tenant-customers have proven to be a reliable anchor for occupancy, WALE and rent collection. Throughout the first half of 2020, leasing activity continued with minimum disruption – this was largely in credit to CEREIT's local, on-the-ground asset management teams, who ensured the seamless resumption of activities. With lockdowns easing in the summer of 2020, teams on the ground stepped up efforts in the second half and signed ~50% more leases by area than in the first half. Tenant-customer retention rate also improved in the second half of the year, although we signed leases at relatively lower rent reversions, especially for lease renewals. We did this in order to improve occupancy, reduce rental voids and preserve cashflows.

During the COVID-19 pandemic in FY2020, occupiers generally tended to renew with the existing landlord, as opposed to relocating during lockdowns. This trend is likely to continue in the first part of 2021. Strong demand for logistics facilities is expected to continue as mentioned previously. Leasing out vacant office space will likely be more challenging, due to relatively reduced take-up in the leasing markets across Europe, compared to pre-COVID-19 levels. Most tenant-customers are still watching their occupational costs closely and are therefore sensitive on headline rent and surplus space. Consequently, rent reversion in the second half of FY 2020 was overall flat and this may continue into FY2021.

In CEREIT's FY 2020 results release, the Manager reported that 59% of headline rent expiries and breaks up to 30 June 2021 have been de-risked as at 31 December 2020. Advance indications from 1Q 2021 show that logistics leases continue to be de-risked at a good pace, while office lease renewals remain slower and take longer to execute.

The Manger plans to announce its March 2021 quarter business update on 11 May 2021, where more details of the current trading conditions will be provided.

7. **How many tenant-customers is CEREIT still giving rental relief to? What percentage of CEREIT's tenant-customers would that be? When would this rental relief cease? Will these tenant-customers receive rental relief indefinitely?**

The Manager would like to refer Unitholders to its updates on COVID-related measures in the FY 2020 results presentation and media release as well as in the recently released AR as part of the COVID-19 response section (Page 18-19). The Manager notes that there are no government-mandated relief measures that require CEREIT to provide lease contract amendments or rent relief to the majority of its tenant customers. The Manager is also in a claims process with its insurers for loss of rent caused from COVID-19 for the period in which its Italian hotel and retail and other assets were closed in 2020 by government decree.

Specifically, the Manager refers Unitholders to:

- FY 2020 results presentation (Page 4): "*Asset Management*: No blanket provisions for "rent relief" or across-the-board rent waivers; less than €40,000 in rent abatements". Generally, the Manager has agreed for tenant-customers to pay rentals monthly, rather than the contracted quarterly in-advance payments. We expect this to be temporary.
- AR COVID-19 response (Page 18-19): "Approximately 21% of tenant-customers by income requested rent reprofiling / approximately 12% of income reprofiled following "smart deals", resulting in less than €40,000 given in rent abatements, only in exceptional cases".

The Manger plans to announce its March 2021 quarter business update on 11th May, where more details of the current trading conditions will be provided.

(B) 11-asset acquisition in the Czech Republic and Slovakia

8. Can the Manager elaborate further on the attractiveness and the risks of the Czech Republic and Slovakia markets? What are the synergies and/or network effects, if any, for the REIT to expand into the Czech Republic and Slovakia?

The Manager would like to refer Unitholders to past public disclosures related to the acquisitions, including but not limited to:

- 11 December 2020: Acquisition of Eleven Assets in the Czech Republic and Slovakia (Page 2)
- 23 February 2021: Financial Statements and Related Announcements – 2H and FY 2020 Results, *Economic and Real Estate Country Update Supplement* (Page 13-14)
- 24 February 2021: Launch of Private Placement to Raise Gross Proceeds of No Less Than Approximately EUR90.0 Million (Page 8-12)
- 5 April 2021: Annual Report and Related Documents, specifically *Knight Frank European Property Market Research* (Page 136-142)

As at March 2021, CEREIT's exposure to the Czech Republic and Slovakia is 5% of the total portfolio, post its inaugural acquisition of 11 freehold logistics assets for €113.2 million, 2.1% below the independent valuation. The portfolio is almost 100% occupied by 17 tenants with an average WALE of 6.2 years and acquired on an attractive 6.7% NOI yield. A short overview is included below:

Market attractiveness:

The Czech Republic is one of the most developed industrial economies in Central Europe. Its economy boasts one of the highest forecast GDP growth rates and lowest unemployment levels in the EU. The Czech Republic is rated an AA- by Fitch Ratings Inc.

Slovakia has a small, open economy on a path of strong growth since the economic reforms implemented after 1998. Slovakia is rated at A by Fitch Ratings Inc.

Both markets are expected to benefit from further integration with the neighbouring Western European economies. These two markets boast higher real GDP growth figures of 2.0% (the Czech Republic) and 2.3% (Slovakia) as compared to 1.1% for the EU as a whole for 2019, outperforming also in 2020. Oxford Economics expects both markets to outperform the EU in 2021 through to 2023, with Oxford Economics forecasting 4.0% real GDP growth in Czech Republic and 5.3% in Slovakia for 2021. Both countries are expected to continue to have high industrial production levels and supportive fixed Investments levels in 2021.

CEREIT portfolio synergies

The acquisitions are well aligned with CEREIT's stated investment strategy and key objectives of delivering stable and regular distributions and long-term DPU and NAV per unit growth to Unitholders. The acquisitions underscore the Manager's ability and desire to increase CEREIT's exposure to logistics and light industrial, in-demand sectors enjoying macro tailwinds at attractive yields. The acquisitions also further diversify CEREIT's existing portfolio through access to the attractive Central Europe logistics markets, which have better potential for organic growth and yield compression as their e-commerce markets and transport infrastructure develop, while maintaining its core focus on Western Europe.

9. Does the Manager think that the reward / risk ratio for these high-growth markets is more attractive than the investment opportunities found in more established key European cities?

The Manager would like to refer Unitholders to previous public disclosures on its investment strategy and approach to portfolio construction, including but not limited to:

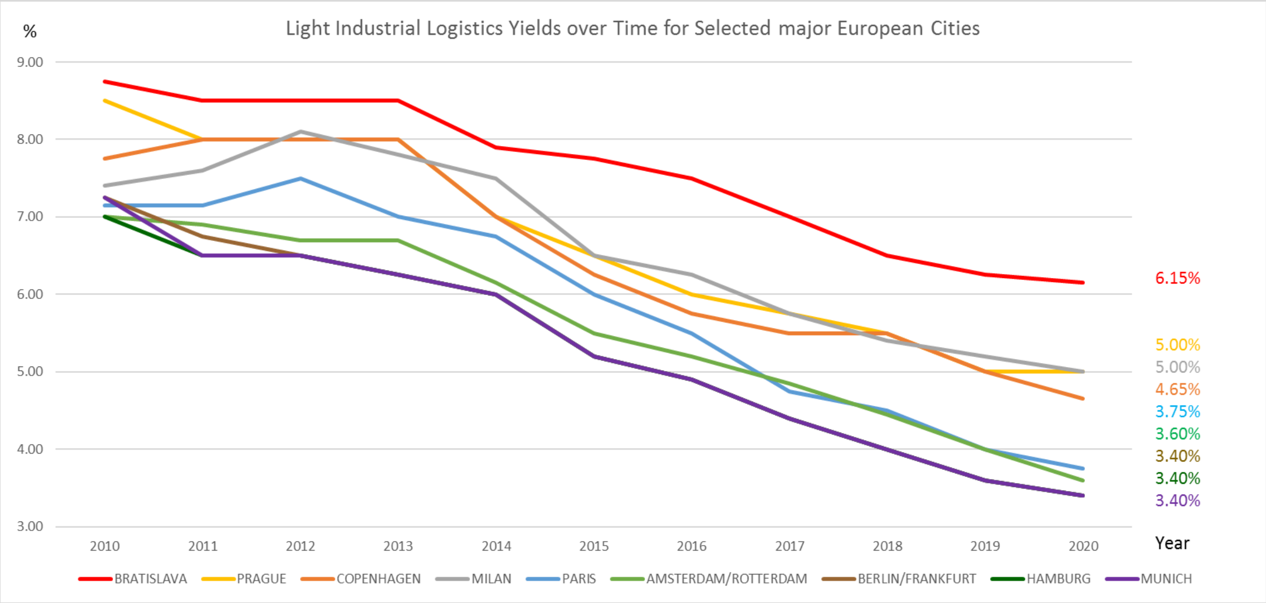
- 5 April 2021: Annual Report and Related Documents, *Chair's Letter to Unitholders* (Page 8-9)
- 5 April 2021: Annual Report and Related Documents, *Business Model and Investment Strategy* (Page 20)

A short overview is provided below:

The acquisitions were considered in the context of the Manager's approach to portfolio construction – seeking to achieve optimal diversified commercial real estate portfolio that delivers appropriate risk-adjusted returns over the medium to long term. As mentioned in Chair's letter to Unitholders, in CEREIT's FY 2020 AR:

"The Czech Republic and Slovakia have been identified as markets with superior risk adjusted returns via the Manager's top down and bottom-up approach to portfolio management. The top-down approach to reward / risk analysis highlights these two markets as having comparatively favourable macro-economic and consumption trends. The bottom-up approach to reward / risk analysis uses a 13-risk factor matrix. Under this scoring system, both markets score favourably when it comes to environmental and operational risks, sustainable performance and ability to deliver risk-adjusted returns above our cost of capital."

Logistics is a very attractive segment and yields in most European markets have compressed over the last 10 years. Yields are still generally higher in the Czech Republic and Slovakia. The chart below further demonstrates the attractiveness of these two markets[5].



[5] Source - CBRE

(C) Capital Management

10. How does the Board determine the optimal way to raise funds for the REIT's acquisitions? Was a rights issue considered for the March 2021 instead of the €100 million private placement? Did the Board deliberate on and quantify the NAV-impact of carrying out a private placement at a price below the NAV per unit for CEREIT's then Unitholders? What was the REIT's cost of this additional capital?

11. Did the Manager consider an alternative to issuing equity by using debt and taking the leverage above 40%? Could the Manager conduct a preferential offering later to then down the gearing)?

12. Why was the private placement done at such a discount? Would the proposed acquisition of the assets still be accretive for the then Unitholders?

Private placement rationale

The Manager acknowledges that the placement was launched in a period of unfavourable market conditions, which necessitated an issue price below NAV. However, as stated in Chair's letter to Unitholders in CEREIT's FY 2020 AR, "the equity raise was vital as we did not wish to forgo an opportunity to invest in a portfolio of high-yielding assets negotiated during the depth of the pandemic". Given the mix of debt and equity used to fund the acquisitions, the Manager previously announced these are expected to be accretive to distributions.

Here is a recap of some of the key advantages of the acquisitions which the Board decided would benefit CEREIT more than offsetting the impact from the placement:

- Centro Logistico Orlando Marconi Centre ("CLOM") and the 11 logistics assets in the Czech and Slovakian Portfolio were acquired below their respective independent valuations, their respective estimated replacement costs and pre-COVID-19 prices
- The acquisitions comprised approximately €165.8 million of modern freehold logistics / light industrial assets, which complement and enhance CEREIT's portfolio, increasing the share of light industrial / logistics assets in the portfolio to 38%
- The acquisitions further diversify CEREIT's existing portfolio by providing access to the attractive Central Europe logistics markets, which have better potential for organic growth and yield compression, as their e-commerce markets and transport infrastructure develops, while maintaining CEREIT's portfolio core focus on Western Europe
- The acquisitions[6] are close to 100.0% occupied by 40 (24 at CLOM and 16 at Czech and Slovak assets) quality e-commerce, logistics and manufacturing tenant-customers. The assets have a WALE of 4.9 years and majority of the rental rates of the leases have upward-only consumer price index-linked indexation or fixed rental uplifts
- The acquisitions have an attractive net income yield ("NIY") of 6.7%. This compares favourably to the properties within the existing portfolio, which have a NIY of 6.2%
- The properties in this portfolio are highly attractive due to being immediately accretive to DPU and having good growth potential which should provide an IRR above the cost of the equity raise and ultimately be accretive to the return on equity

Placement discount

For the purpose of Rule 811 from SGX listing rules, the discount or premium of the issue price for private placements for REITs is computed with reference to the weighted average price excluding declared distributions for trades done for the underlying units on the SGX for the full market day on which the placement or subscription agreement is signed, provided that the places are not entitled to the declared distributions. As such, the issue price of the €100m March 2021 placement represented 6.3% discount to the adjusted volume-weighted average trading price per Unit ("VWAP") of 45.9 Euro cents per Unit when the estimated cumulative distribution of 2.324 Euro cents per unit is subtracted:

- VWAP (€0.482) – declared distribution (€0.02324) = Adjusted VWAP (€0.459)

[6] As at 11 March 2021

The Manager notes CEREIT's unit price has more than recovered from the placement price level, closing at €0.47 on 23rd April 2021, 2.4% above the adjusted VWAP prior to the placement.

Alternative forms of funding

The Manager also considered alternative forms of fund raising, including a preferential rights issue. While a rights issue would have given the opportunity for all existing Unitholders to participate (including the Sponsor who was also unable to participate in the private placement under SGX listing rule 812), it would have required a much lower issue price / higher discount / higher execution risk due to the longer market exposure during the rights trading period. Rights issues are by nature a deeply discounted form of equity raise and would have therefore been more dilutive as compared to private placements.

The Manager is aware of the relatively limited reach of placement offering predominantly to institution and to professional investors and implemented a distribution reinvestment plan ("DRP"). As a result, in March 2021, all existing Unitholders were given the opportunity to participate in the DRP at €0.4356 per Unit[7], which was comparable to the private placement price. We encourage all investors to access the DRP program where appropriate.

Alternatively, utilising debt via CEREIT's revolving credit facility ("RCF") as an alternative to equity would have brought CEREIT's aggregate leverage to well above 40%. This would be higher than the Board's set range of between 35-40% and thus would eventually require equity to be raised or asset sales at some point in the future. Maintaining debt below the threshold provides a cushion for any unexpected market adversity and headroom to take advantage of attractive pipeline opportunities, while also staying comfortably within Fitch Ratings' investment-grade credit rating metrics. Markets are unpredictable with no certainty or visibility when a more advantageous period to raise equity may arise.

13. Has the Board considered if the quantum of fees payable to the Manager and property managers could be lowered? Has the Board considered if paying fees in cash significantly reduces the Manager / Sponsor alignment of interests with unitholders or if it signals less ongoing support from the Sponsor?

The Manager would like to refer Unitholders to past public disclosures which have covered the rationale for its transition to paying the Manager and property manager fees in cash, including:

- 14 August 2020: 1H 2020 Results Presentation (Page 17) and Media Release (Page 2)
- 5 April 2021: Annual Report and Related Documents, *Chair's Letter to Unitholders* (Page 7)

The Sponsor continues to be fully-aligned with Unitholders through its 28% ownership of CEREIT. The fees that the Manager and the property manager receive are outlined in detail in the IPO prospectus and are in line with market practices. These fees pay for the entire investment and property management services outlined in the IPO prospectus, with all salaries and operating costs of the Manager and its Europe-based teams paid for by the Manager. The Manager is also incentivised to grow the DPU via the right to a performance fee based on DPU growth.

The Manager would like to reiterate its position that the recent transition to payment of management fees only in cash (and not part cash/part new units) is in alignment with its commitment to safeguard Unitholders' interests. The continuing practice of issuing new units in payment for management fees and topping up distributions from unitholders funds leads to more than 100% of earnings and operating cash being paid out, diluting DPU and NAV per unit over the long term.

Consequently, the Board decided to transition to 100% payment in cash of the base Manager fees and property manager fees, rather than paying part in units, not to address any short-term weaknesses in income or performance, but to bring the distribution much closer to the underlying operating cash flow – a sounder and more sustainable proposition for longer-term investors. While this had a one-off impact of rebasing the DPU, it protects unitholder value in the long term and brings CEREIT more in-line with internationally accepted practices.

The Board and the Manager understand that some Unitholders would prefer a higher headline DPU, effectively topped up out of unrealised capital from unitholders funds. However, we have received good support for this decision from core investors who recognise the unsustainability of paying out more income than is earned.

[7] Representing a 2.0% discount to the VWAP for all trades on Singapore Exchange Securities Trading Limited (the "SGX-ST") for each of the Market Days during the period of 10 Market Days prior to and ending on the record date on 4 March 2021. The number of Units to be issued to unitholders of CEREIT ("Unitholders")

(D) Unitholder rights and Sponsor alignment

14. How does the company ensure that minority Unitholders are fairly treated?

CEREIT is listed on the SGX-ST. The Manager is committed to ensuring that the rights of all Unitholders are considered and taken care of, including minority Unitholders. The Board, specifically the Audit and Risk committee, play a key role in the protection of minority Unitholders, monitoring and managing potential conflicts of interest of Management, Board and all Unitholders.

The Manager has also maintained a majority of independent directors since its constitution. Independent directors form a majority of the Board, with the Chair of the Board also an independent director, while all directors serving on the ARC and NRC sub committees are independent. This demonstrates that the independent directors play a substantive role and assure the objectivity and independence of the decision-making process, so that the rights of minority unitholders should not be compromised.

15. What policies are in place to ensure Unitholder alignment and good governance?

The Manager would like to refer Unitholders to the Corporate Governance statement released as part of CEREIT's FY 2020 AR. Specifically, the Manager has established an internal control system to govern related party transactions and to ensure that such transactions are:

- conducted on normal commercial terms;
- not prejudicial to the interests of CEREIT and its Unitholders; and
- in accordance with all applicable requirements of the Property Funds Appendix and/or the Listing Manual relating to the transaction in question

An extensive list of policies such as conflict of interest policies governing investments and divestments are also in place.

(E) Proposed 5:1 Unit consolidation

16. What is the purpose of this unit consolidation?

17. Did the manager conduct extensive research to understand the impact on the trading price and trading volume of share / unit consolidation carried out by other issuers?

18. Please provide more examples of REITs that have performed well post unit consolidation.

19. How would the liquidity of the REIT increase post unit consolidation, when there are fewer absolute shares floating out in the market?

The Manager would like to refer Unitholders to the Circular on the Proposed Unit consolidation and list of FAQs, both of which were issued and published on CEREIT's website on 12 April 2021. Below is a summary of the key rationale points from the Circular. The list of FAQs also includes other examples, in the Singapore and international markets, that are relevant to CEREIT and support the objectives for CEREIT's Proposed Unit Consolidation.

Below is a summary of the key rationale points:

(a) Potential reduction in the magnitude of fluctuation with regards to the trading of CEREIT units, thereby reducing volatility in its market capitalisation

As an example, if the general market falls or rises 0.5%, at a current Unit price of below €1, CEREIT's Unit price can fall or rise in steps/ticks of €0.005 per Unit, which will result in an over 1 percentage point fall or rise, double the decline of the market. At a post-5:1 consolidation price of above €1, if the general market falls or rises 0.5%, CEREIT's Unit price can fall or rise in steps/ticks of €0.01 per Unit, which will result in a less than 0.5 percentage point fall or rise. The Unit would therefore be less volatile than the general market.

The smaller percentage point impact from Unit trading price fluctuations may also facilitate tighter price discount ranges during corporate actions, which will provide long-term benefits to all Unitholders. The Proposed Unit Consolidation may then result in increased market interest and activity in the Consolidated Units, and generally enhance the attractiveness of the Consolidated Units to investors, including institutional investors.

(b) Potential reduction of percentage transaction cost for trading in each board lot of Consolidated Units

Assuming a Unit trading price of €0.50 pre-consolidation, if an investor puts in an order to purchase €1,000 worth of Units, at a €0.005/Unit bid-ask spread for Units below €1.00, the transaction cost is a 1.0 percentage point spread, resulting in €10.00 of transaction costs for every €1,000. Following the Proposed Unit Consolidation, the new theoretical price of a Unit would now be €2.50. If an investor puts in an order to purchase €1,000 worth of Units at this theoretical price, the €0.01/Unit bid-ask for Units above €1.00 will apply and the transaction cost is a spread of 0.4 percentage point, resulting in €4.00 of transaction costs for every €1,000. The Proposed Unit Consolidation would therefore save an investor €6.00 per every €1,000 traded.

(c) Potential improvement in liquidity and investor demand

By definition, liquidity refers to the ease with which an asset, or security, can be converted into ready cash without affecting its market price. As mentioned above: at a hypothetical bid-ask price of €2.49 / €2.50, a seller can quickly find a buyer by dropping the price by 0.4% without having to cut the price of the trade by 1% for the pre-consolidation denomination of €0.495 / €0.50. Likewise, a buyer is likely to step up and buy CEREIT only 0.4% above the post-consolidation bid price than having to 'pay' 1.0% above the pre-consolidation bid. Investors will be less concerned about less absolute units by *number* "floating around", but by an increase in *value* of turnover when forming a view on liquidity

(d) Lower brokerage trading costs to investors

Trading on Singapore's stock market involves minimum fixed expenses (including but not limited to minimum brokerage fees, clearance fees, and settlement fees). Consequently, trading in Units with small denominations results in higher costs relative to the trading price, for each board lot of Units, and also results in greater price fluctuations. The Proposed Unit Consolidation will result in higher Unit price denomination, therefore, reducing the brokerage trading costs as a percentage of each board lot of Consolidated Units.

(e) Rationalise CEREIT's capital

The proposed 5:1 unit consolidation will rationalise the capital of CEREIT by reducing the large number of Units in issue.

The reduction in the number of existing Units in issue and the resulting increase in the theoretical trading price of each Consolidated Unit by the similar ratio to a unit price approximately five times the current price are expected to broaden the appeal amongst institutional investors, research houses and family offices. All of the top 10 Singapore REITs by market capitalisation have trading prices above S$1 per unit[8].

This procedural restructure will not affect the total distributable income of CEREIT; rather, it will spread it over less units, proportionate to the proposed consolidation. The DPU and NTA per unit will both increase by the 5:1 ratio as well.

20. Please provide the identity of the REIT that the Chairman is referring to (in Chair Letter to Unitholders in Annual Report).

The Chair was referring to GPT Group (Australia). For more information, Unitholders can refer to the FAQs on the Proposed Unit Consolidation, published on 12 April 2021 on CEREIT's website.

21. What is the total cost (e.g. professional fees) for the proposed unit consolidation exercise?

The Manager would like to refer Unitholders to the Circular on the Proposed Unit Consolidation and list of FAQs, both of which were issued and published on CEREIT's website on 12 April 2021.The total cost of the proposed consolidation exercise is published there and stands at approximately €35,000.

[8] As at the date of these Q&As