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**STONEWEG**  
EUROPEAN REIT

(a real estate investment trust constituted on 28 April 2017 under the laws of the Republic of Singapore)

Managed by Stoneweg EREIT Management Pte. Ltd.

**THE PROPOSED CONVERSION OF STONEWEG EUROPEAN REIT INTO A STAPLED TRUST  
COMPRISING A REIT AND A BUSINESS TRUST**

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**1. INTRODUCTION**

**1.1. Proposed Stapling of Stoneweg European REIT and Stoneweg European BT**

Stoneweg EREIT Management Pte. Ltd. (the "**Manager**"), in its capacity as the manager of Stoneweg European Real Estate Investment Trust ("**Stoneweg European REIT**"), wishes to announce that Stoneweg European REIT is proposed to be converted into a stapled trust (the "**Proposed Stapling**"), comprising Stoneweg European REIT and Stoneweg European Business Trust ("**Stoneweg European BT**"). Each unit in Stoneweg European REIT would be stapled to a unit in Stoneweg European BT (each, a "**Stapled Security**"). The stapled group would be known as Stoneweg European Stapled Trust ("**SERT**").

The Proposed Stapling will be effected by way of Stoneweg European REIT constituting Stoneweg European BT, and the units in Stoneweg European BT would be distributed to holders of units in Stoneweg European REIT (the "**Unitholders**") by way of a distribution *in specie*, and after which Stoneweg European REIT would be stapled to Stoneweg European BT to form Stoneweg European Stapled Trust. The Manager and Stoneweg EBT Management Pte. Ltd., as the trustee-manager of Stoneweg European BT (the "**Trustee-Manager**"), will be the managers of the Stapled Entity.

## **2. RATIONALE FOR AND BENEFITS OF THE PROPOSED STAPLING**

The Manager believes that the Proposed Stapling will benefit Unitholders by providing Stoneweg European REIT with a future-proof corporate structure with optimal tax efficiency.

Furthermore, the stapled real estate investment trust ("**REIT**") - business trust ("**BT**") structure reduces reliance on passive rental income, balancing the more passive income stability of a REIT with the growth potential of a BT, making it more resilient to market cycles. While the REIT component benefits from preferential tax treatment in Singapore, having a stapled REIT-BT structure may allow for greater tax structuring flexibility, especially in Europe.

Specifically, the Manager believes that the rationale for and the benefits of the Proposed Stapling are as follows:

- (i) Potential to optimise tax and holding structure of properties;
- (ii) Future-proofing the corporate structure;
- (iii) Enhanced flexibility and investor appeal; and
- (iv) Enhanced debt financing options.

## **3. STRATEGY OF STONEWEG EUROPEAN STAPLED TRUST**

Stoneweg European Stapled Trust will be established with a 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, logistics/light industrial and retail purposes, as well as real estate-related assets in connection with the foregoing, which is the existing investment mandate of Stoneweg European REIT. However, with the Proposed Stapling there will be additional flexibility in implementing such investment mandate. For example, Stoneweg European BT may embark on incremental or moderate development activities, such activities may or may not have exceeded the development limit as set out in the Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore if such asset was held by Stoneweg European REIT instead, but in any event such development assets would be real estate located in Europe, which is within the existing investment strategy of Stoneweg European REIT. In addition, Stoneweg European BT may invest in assets which support or are ancillary to its real estate, such as solar power installations. Accordingly, while Stoneweg European BT may embark on such activities, the type of investment remains the same as it would invest in real estate assets, real estate-related assets or assets ancillary to, or in support of, such real estate assets and real estate-related assets located in Europe.

The type of properties which Stoneweg European Stapled Trust may invest in remain the same as Stoneweg European REIT. Stoneweg European REIT and Stoneweg European BT will both invest in real estate located in Europe.

The focus and strategy of the Manager and the Trustee-Manager is to ensure they would work together to judiciously examine any investments by the Stapled Entity to ensure that

its risk profile remains the same and that no excessive risks are taken in any investments, while Stoneweg European BT provides flexibility for future operations and investment. Accordingly, the Stapled Entity will continue to invest primarily in real estate assets located in Europe. There is no intention by the Manager and the Trustee-Manager for investments in real estate-related assets or assets ancillary to, or in support of, such real estate assets and real estate-related assets located in Europe to form a significant or majority of the assets of the Stapled Entity. It should be noted that it is also possible that investments by Stoneweg European BT could also comprise completed income-producing real estate which from an acquisition structure perspective may be appropriate to be jointly acquired by Stoneweg European REIT and Stoneweg European BT.

#### **4. RECEIPT OF APPROVAL IN-PRINCIPLE**

Approval in-principle has been obtained from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing of, dealing in, and quotation on the Main Board of the SGX-ST of the Stapled Securities.

The SGX-ST's approval in-principle is not to be taken as an indication of the merits of the Stapled Securities, Stoneweg European REIT and/or its subsidiaries. The SGX-ST's in-principle approval is subject to the following:

- (i) compliance with the SGX-ST's listing requirements;
- (ii) the Proposed Stapling having been approved by the Unitholders at an extraordinary general meeting (the "**EGM**"); and
- (iii) a written undertaking from the Manager in the format of Appendix 2.3.1 of Listing Manual of the SGX-ST.

#### **5. Circular**

A circular dated 3 April 2025 has been issued to the Unitholders (the "**Circular**"), together with a notice of EGM, for the purpose of seeking the approval of Unitholders in connection with the Proposed Stapling.

Please refer to the Circular for more information relating to the Proposed Stapling.

By Order of the Board

Simon Garing

Executive Director and Chief Executive Officer

**Stoneweg EREIT Management Pte. Ltd.**

(Company registration no. 201702701N)

(as manager of Stoneweg European Real Estate Investment Trust)

3 April 2025

## **ABOUT STONEWEG EUROPEAN REIT**

Stoneweg European Real Estate Investment Trust ("**Stoneweg European REIT**") has a principal mandate to invest, directly or indirectly, in income-producing commercial real estate assets across Europe with a minimum portfolio weighting of at least 75% to Western Europe and at least 75% to the light industrial / logistics and office sectors. At present, Stoneweg European REIT has approximately 86% exposure to Western Europe and around 55% to the light industrial/logistics sector, with a medium-term goal of increasing Stoneweg European REIT's exposure to this sector to at least a vast majority weighting. Additionally, Stoneweg European REIT undertakes asset enhancement initiatives and redevelopment projects for existing office assets, with a focus on strong ESG credentials in prime and core locations within key European gateway cities.

Stoneweg European REIT's portfolio, valued at €2.2 billion, comprises 100+ predominantly freehold properties in or close to major gateway cities in The Netherlands, Italy, France, Poland, Germany, Finland, Denmark, Slovakia, the Czech Republic and the United Kingdom. The portfolio spans a total lettable area of approximately 1.7 million sqm and serves more than 800 tenant-customers.

Stoneweg European REIT is listed on the Singapore Exchange Limited and is managed by Stoneweg EREIT Management Pte. Ltd. Stoneweg European REIT's sponsor is SWI Group, comprising Stoneweg, Icona Capital, its subsidiaries and associates. SWI Group holds a substantial 28% unitholding in Stoneweg European REIT and the Manager and Property Manager of Stoneweg European REIT are wholly owned by SWI Group, its subsidiaries, and associates.

[www.stonewegeuropeanreit.com.sg](http://www.stonewegeuropeanreit.com.sg)

## **ABOUT SWI GROUP**

Stoneweg European REIT's sponsor SWI Group is an alternative investment platform specialising in real estate, data centres, credit, and the financial sectors. SWI Group comprises Stoneweg, Icona Capital, its subsidiaries and associates. Its investment strategies are founded on in-depth research, first-hand market knowledge, and the ability to execute strategies efficiently for optimal returns. It currently manages over €10.0 billion and is a trusted partner to, and investment manager on behalf of, a diverse range of global and local investors, capital allocators, and finance houses.

SWI Group's real assets arm, Stoneweg, has a strong track record across various asset classes, including logistics and industrial, data centres, living, hospitality, and experiences, operating through both private and listed mandates. Its listed mandates, Stoneweg European REIT and Varia Properties US (listed on the Swiss Stock Exchange, with a strategy to maximise long-term value by acquiring, owning, repositioning, managing, and selling US multifamily properties), collectively represent approximately 40% of SWI Group's assets under management.

SWI Group relies on local operating teams to identify, develop, and manage opportunities worldwide across both real estate and investment strategies. The group has over 350 employees more than 25 offices globally, with a presence in 15 European countries, as well as the US and Singapore.

[www.swi.com](http://www.swi.com)

## **IMPORTANT NOTICE**

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This announcement is for information purposes only and does not constitute or form part of an offer, invitation or solicitation of any securities of Stoneweg European REIT 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 Stoneweg European REIT, Stoneweg as the sponsor of Stoneweg European REIT, 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 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 Stoneweg European REIT. The forecast financial performance of Stoneweg European REIT 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 for sale of the Units in the United States or any other jurisdiction. 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 unless registered under the Securities Act, or pursuant to an applicable exemption from registration.

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.

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**Notification under Section 309B of the Securities and Futures Act 2001:** The Stapled Securities are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) 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)