



(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.

## ANNOUNCEMENT

---

### **CROMWELL EUROPEAN REIT AFFIRMS FULL CONTROL OVER PARC DES DOCKS; ENTITLED TO RECEIVE COMPENSATION OF MORE THAN €900,000 FOR LOSS OF POTENTIAL RENTAL INCOME SINCE LISTING**

---

- The French Government has agreed to compensate CEREIT an amount of €907,128 for the loss of potential rental income borne by CEREIT since listing
- Strong interest in leasing space at Parc des Docks is expected to lift occupancy substantially over the rest of 2019, with significant positive rental reversion expected
- Long-term urban renewal potential, given the site's excellent accessibility and proximity to the Paris central business district and major urbanisation ahead of the 2024 Olympics

Cromwell EREIT Management Pte. Ltd., as manager of Cromwell European Real Estate Investment Trust ("**CEREIT**", and the manager of CEREIT, the "**Manager**"), refers to the disclosures in its results presentation for the fourth quarter ended 31 December 2018 and the financial period from 30 November 2017 to 31 December 2018 relating to the French Government's recent decision not to expropriate CEREIT's Parc des Docks Saint-Ouen asset ("**Parc des Docks**" or the "**Asset**") in Paris, France. The French Government has agreed to compensate CEREIT with an amount of €907,128 for the loss of potential rental income borne by CEREIT since listing, as marketing and leasing activities for the property were placed on hold during the French Government's deliberations.

Goldman Sachs (Singapore) Pte. and UBS AG, Singapore Branch are the joint issue managers (the "**Joint Issue Managers**") for the initial public offering of the units in Cromwell European Real Estate Investment Trust (the "**Offering**"). DBS Bank Ltd., Goldman Sachs (Singapore) Pte., and UBS AG, Singapore Branch are the joint global coordinators (the "**Joint Global Coordinators**") for 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 (the "**Joint Bookrunners and Underwriters**") for the Offering.

Mr. Simon Garing, Chief Executive Officer and Executive Director of the Manager, commented: “We are pleased with the French Government’s decision not to expropriate CEREIT’s Parc des Docks site. We have now regained full control of our 10-hectare site and have renewed our marketing efforts to extend leases and secure new customers, leveraging Cromwell Property Group’s on-the-ground Paris team. Current and prospective businesses have expressed strong interest in leasing space at the Asset, given its “last mile” location attracting logistics and e-commerce-related businesses. We anticipate that its occupancy rate, which currently stands at 83%, will increase substantially over the rest of 2019. Given the site’s excellent accessibility and proximity to the Paris central business district, significant rental reversion is also expected.”

CEREIT’s Parc des Docks is a “last mile” logistics asset situated on a 10-hectare freehold site in an industrial area close to Paris’ River Seine. The Asset has a net lettable area of 73,371 square metres of warehouse and ancillary office space. It was independently valued at €114.1 million as at 31 December 2018, 16.4% higher than the €98.0 million CEREIT paid for it in 2017, and is CEREIT’s third-largest asset by value.

The Asset is located in Saint-Ouen sur Seine, a municipality that is set to benefit from rejuvenation and urban renewal works, in part, stimulated by the €35 billion Grand Paris Express urban infrastructure project. A major underground line to the Paris Métro station Mairie de Saint-Ouen is expected to be ready by 2020 and is projected to shorten commute time to the major train stations Gare Saint-Lazare and Gare de Lyon to less than 20 minutes. The same Paris Métro line is expected to extend to the nearby Saint Denis Pleyel, a major train terminal, by 2024, and shorten travel time from central Paris to Charles de Gaulle Airport and Orly Airport to under 23 minutes and 37 minutes respectively, as well as connect all major Paris suburbs through a new outer ring Métro line without requiring congested commute through central Paris.

With new facilities and infrastructure being developed in Saint-Ouen sur Seine in preparation for the 2024 Olympic and Paralympic Games, and the expected completion in 2026 of the upcoming Paris Nord Hospital and Medical School within 200 metres of Parc des Docks, the site also holds significant long-term urban renewal potential.

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

10 June 2019

**PARC DES DOCKS – SELECTED IMAGES**





## **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<sup>1</sup>, light industrial / logistics<sup>1</sup>, and retail purposes<sup>2</sup>. With a portfolio of 97 properties 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<sup>1</sup> and light industrial / logistics<sup>1</sup> sectors, it is also the first REIT with a diversified Pan-European portfolio to be listed on Singapore Exchange Securities Trading Limited (“SGX-ST”).

CEREIT’s portfolio has an aggregate lettable area of approximately 1.4 million sq m with over 900 tenants and a WALE<sup>3</sup> profile of around 4.7 years. Comprising primarily freehold or ongoing leasehold<sup>4</sup> assets, the portfolio has an appraised value of approximately €1,795 million as at 31 March 2019<sup>5</sup>.

CEREIT is managed by Cromwell EREIT Management Pte. Ltd., a wholly-owned subsidiary of CEREIT’s sponsor, Cromwell Property Group<sup>6</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 in CEREIT (“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. Holders of Units (“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 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 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 United States Securities Act of 1933, as amended (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.

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.

- 
1. "Office" properties refer to real estate that are predominantly used for office purposes, whether in existence by themselves as a whole or as part of larger mixed-use developments and "light industrial / logistics" properties refer to real estate that are predominantly used for light industrial, warehouse, and logistics purposes, the majority of which may have an attached office component.
  2. "Retail" properties refer to real estate that are predominantly used for retail purposes.
  3. "WALE" is defined as weighted average lease expiry by headline rent based on the final termination date of the agreement (assuming the tenant does not terminate the lease on any of the permissible break date(s), if applicable).
  4. Classified as Continuing Leasehold or Perpetual Leasehold. A Continuing 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. A Perpetual 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).
  5. Valuation as at 31 December 2018 for the IPO Portfolio and the property in Ivrea, Italy. For the 22 newly acquired properties, valuations are recorded at their respective purchase price as the best approximation of fair value.
  6. Cromwell Property Group is a stapled group comprising Cromwell Corporation Limited and Cromwell Diversified Property Trust (the responsible entity of which is Cromwell Property Securities Limited).