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## **Cromwell European REIT to Issue €300 Million Inaugural Five-Year Notes**

- Successful inaugural bond launch from CEREIT saw healthy demand from global credit investors, with book over two times covered at peak, allowing a 15-basis-point tightening from the initial price target
- Landmark transaction increases weighted average debt maturity profile from 2.6 years to 3.9 years and further diversifies CEREIT's funding mix

**SINGAPORE** – Cromwell EREIT Management Pte. Ltd., the manager (the “**Manager**”) of Cromwell European Real Estate Investment Trust (“**Cromwell European REIT**” or “**CEREIT**”), is pleased to announce that CEREIT’s wholly-owned subsidiary Cromwell EREIT Lux Finco S.à r.l. has priced an offering of €300 million five-year senior unsecured notes due November 2025 (the “**Notes**”) at a coupon of 2.125% and a reoffer yield of 2.161%. Issued under CEREIT’s recently established €1.5 billion Euro Medium Term Note Programme (the “**EMTN Programme**”), the Notes are expected to be issued on 19 November 2020 and dual-listed on the Singapore Exchange Securities Trading Limited and the Luxembourg Stock Exchange.

The net proceeds from the issuance will be used to refinance existing debt. Following the transaction, CEREIT’s weighted average debt maturity profile will be extended from 2.6 years to 3.9 years, with no major maturities due until November 2022. CEREIT will have 90% of its debt unsecured – a major capital transformation for the benefit of equity investors.

The Manager’s Chief Executive Officer, Mr. Simon Garing, commented, “I am very pleased with the strong demand seen from global credit investors in our inaugural debt capital market transaction. The positive investor feedback and widespread support we have received is an endorsement of Cromwell Property Group’s integrated European platform, treasury management capabilities as well as recognised corporate governance and risk management processes. As a result of our responsible capital management approach, CEREIT is now in a stronger financial position, with no further debt expiring for two years and a much improved weighted average debt maturity profile, all underpinned by CEREIT’s recent “BBB-” investment-grade Fitch<sup>1</sup> rating.”

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“Today’s landmark issuance completes a series of successful capital management initiatives this year after our recent establishment of a four-year €135 million unsecured revolving credit facility with an accordion increase option of a further €65 million, providing undrawn facilities amounting to €235 million. We look forward to developing enduring investor relationships with our debt investors, much in the same way as we have built successful relationships with our many equity investors over the last three years since CEREIT’s initial public offering.”

The Notes have been rated “BBB-” by Fitch<sup>1</sup>, which earlier assigned CEREIT a Long-Term Issuer Default Rating (“IDR”) of “BBB- with stable outlook”. The IDR is underpinned by CEREIT’s high-quality tenant-customer base and geographically diverse portfolio of office and logistics / industrial properties, which Fitch<sup>1</sup> expects will reflect steady operating metrics and provide cash flow over the medium term despite the ongoing pandemic-induced economic downturn.

Morgan Stanley acted as sole bookrunner for the Notes.

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## ABOUT CROMWELL EUROPEAN REIT

Cromwell European Real Estate Investment Trust (“**Cromwell European REIT**” or “**CEREIT**”) 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.

CEREIT’s portfolio comprises 95 properties with an appraised value of approximately €2,082 million as at the date of this announcement in or close to major gateway cities in the Netherlands, Italy, France, Poland, Germany, Finland and Denmark, with a balanced focus on the office and light industrial / logistics sectors. CEREIT’s portfolio has an aggregate lettable area of approximately 1.4 million square metres, around 800 tenant-customers and a WALE<sup>2</sup> profile of approximately 5.0 years as at 30 September 2020.

CEREIT is the first REIT with a diversified pan-European portfolio listed on the Singapore Exchange Limited. CEREIT is managed by Cromwell EREIT Management Pte. Ltd., a wholly-owned subsidiary of CEREIT’s sponsor, Cromwell Property Group<sup>3</sup>, a real estate investor and manager with operations in 14 countries, listed on the Australian Securities Exchange Ltd.

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## MEDIA ENQUIRIES

### **Cromwell EREIT Management**

Elena Arabadjieva  
Chief Operating Officer & Head of Investor Relations  
+65 6817 9589  
elena.arabadjieva@cromwell.com.sg

### **Newgate Communications**

Bob Ong  
Associate Director  
bob.ong@newgatecomms.com.sg

Amira Sadiran  
Senior Consultant  
amira.sadiran@newgatecomms.com.sg

Cherie Hui  
Executive  
cherie.hui@newgatecomms.com.sg

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- 1 Fitch Ratings Singapore Pte Ltd.
  - 2 **“WALE”** is defined as weighted average lease expiry by headline rent based on the final termination date of the agreement (assuming the tenant-customer does not terminate the lease on any of the permissible break date(s), if applicable. WALE includes a WALE of 7.0 years for CEREIT’s assets in the ‘Others’ segment (comprising three government-let campuses, one hotel and one leisure / retail property in Italy).
  - 3 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).