



(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.

## **PRICING OF S\$100,000,000 FIXED RATE SUBORDINATED PERPETUAL SECURITIES PURSUANT TO THE S\$750,000,000 MULTICURRENCY PERPETUAL SECURITIES PROGRAMME**

Cromwell EREIT Management Pte. Ltd. (in its capacity as manager of Cromwell European Real Estate Investment Trust (“**CEREIT**”)) (the “**CEREIT Manager**”), is pleased to announce that Perpetual (Asia) Limited (in its capacity as trustee of CEREIT) (the “**Issuer**”) has today priced S\$100,000,000 fixed rate subordinated perpetual securities comprised in Series 001 (the “**Perpetual Securities**”) at a coupon of 5.00%. At the same time, two 5-year cross currency swaps (“**CCS**”) were entered into to convert the Singapore dollar proceeds into Euro and the Singapore dollar coupon into a fixed rate in Euro of 3.55%. The CCS have a total notional amount of S\$100,000,000 with a Euro equivalent of approximately €65.1 million and have a termination date which falls on the First Reset Date (as defined below). The Euro fixed rate is paid semi-annually. There are certain green ESG initiatives that could see the Euro coupon reduce slightly on a notional amount of S\$50,000,000 of the CCS if certain targets are met.

CEREIT’s Chief Executive Officer, Mr. Simon Garing, commented: “I am very pleased that CEREIT has priced S\$100,000,000 inaugural issuance of perpetual securities today. After transacting a cross currency swap into our functional currency of Euro, the coupon in Euro provides attractive funding, which is treated as equity in CEREIT’s statement of financial position. The perpetual securities market is well-established in Singapore with the securities also being treated as equity for the credit rating assigned by Fitch Ratings Service and also for regulatory purposes.

This is the latest value add initiative in our transformational capital management programme, further diversifying CEREIT’s capital sources enabling it to fund new acquisitions on an accretive basis. We are also pleased that part of our hedging construct includes a green component, which if the targets are met annually will see a small reduction in interest costs.

CEREIT’s pipeline of ‘New Economy’ opportunities are well-advanced in Western Europe, including Germany, the Netherlands, Italy and the UK which provide opportunities to acquire assets at net property income yields well in excess of the Euro equivalent coupon of the perpetual securities issue. If materialised, this will bring CEREIT closer to the stated 50% target in terms of portfolio weighting to the light industrial / logistics sector”.

The Perpetual Securities will be issued under the S\$750,000,000 Multicurrency Perpetual Securities Programme (the “**Programme**”) established by the Issuer on 5 November 2021. DBS Bank Ltd., Oversea-Chinese Banking Corporation Limited and Credit Suisse (Singapore) Limited have been appointed as the joint lead managers for the Perpetual Securities. Capitalised terms which are used but not defined herein will have the meaning given to them in the information memorandum dated 5 November 2021 issued in connection with the Programme or the pricing supplement issued in respect of the Perpetual Securities (the “**Pricing Supplement**”).

The Perpetual Securities were offered in Singapore pursuant to exemptions invoked under Sections 274, 275 and/or any other applicable provision of the Securities and Futures Act, Chapter 289 of Singapore.

The Perpetual Securities will be perpetual in respect of which there is no fixed redemption date and will confer a right to receive distribution payments. The rate of distribution applicable to the Perpetual Securities shall be (i) for the period from, and including, 24 November 2021 to, but excluding, 24 November 2026 (the “**First Reset Date**”), 5.00 per cent. per annum; and (ii) for the period from, and including, the First Reset Date and each Reset Date (as specified in the Pricing Supplement) falling thereafter to, but excluding, the immediately following Reset Date, the applicable Reset Rate of Distribution. The Reset Rate of Distribution will be a rate equivalent to SORA-OIS (as defined in the Conditions) or such other Benchmark Replacement (as defined in the Conditions) with respect to the relevant Reset Date plus the initial spread of 3.615 per cent.

Distributions under the Perpetual Securities shall be payable semi-annually in arrear on 24 May and 24 November in each year, commencing on 24 May 2022 unless deferred in accordance with the Conditions. Any distribution unpaid in accordance with the Conditions will be non-cumulative and the Issuer is not under any obligation to pay that or any other distributions that have not been paid in whole or in part. All or some only of the Perpetual Securities may be redeemed at the option of the Issuer on the First Reset Date and each Distribution Payment Date thereafter and otherwise upon the occurrence of certain redemption events specified in the Conditions and in the Pricing Supplement.

The Perpetual Securities will constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference or priority among themselves and with any Parity Obligations (as defined in the Conditions), from time to time outstanding.

The net proceeds from the issue of the Perpetual Securities (after deducting issue expenses) will be used by CEREIT and its subsidiaries (together, the “**Group**”) for financing or refinancing the Group’s acquisitions and/or investments, financing any asset enhancement works in which the Group has an interest, refinancing the Group’s existing borrowings and general corporate purposes.

The Perpetual Securities are expected to be issued on 24 November 2021 and listed on the SGX-ST on or about the business day after such issue.

Application will be made to the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for permission to deal in, and for quotation of, the Perpetual Securities on the SGX-ST. Such permission will be granted when the Perpetual Securities have been admitted to the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. The approval-in-principle from, admission of the Perpetual Securities to the Official List of, and the listing and quotation of the Perpetual Securities on, the SGX-ST are not to be taken as an indication of the merits of the Issuer, CEREIT, the CEREIT Manager, their respective subsidiaries, their respective associated companies (if any), the Programme or the Perpetual Securities.

This announcement is not an offer to sell or a solicitation of an offer to buy, nor is it an offer, solicitation or sale of the Perpetual Securities in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful.

**BY ORDER OF THE BOARD**

**Cromwell EREIT Management Pte. Ltd.**

As Manager of Cromwell European Real Estate Investment Trust  
(Company Registration No.: 201702701N)

Simon Garing

Executive Director and Chief Executive Officer

17 November 2021

## ABOUT CROMWELL EUROPEAN REIT

Cromwell European Real Estate Investment Trust (“**Cromwell European REIT**” or “**CEREIT**”) is a real estate investment trust (a 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 primarily in the office and light industrial / logistics sectors. CEREIT’s purpose is to provide unitholders with stable and growing distributions and net asset value per unit over the long term, while maintaining an appropriate capital structure. CEREIT maintains a long-term target portfolio weighting of at least 75% or more within Western Europe and a tactical target weighting of 50% towards the light industrial / logistics sector.

CEREIT’s portfolio comprises 109 properties with an appraised value of approximately €2,367 million<sup>1</sup> as at the date of this announcement in or close to major gateway cities in the Netherlands, Italy, France, Poland, Germany, Finland, Denmark, the Czech Republic, Slovakia and the United Kingdom. CEREIT’s portfolio has an aggregate lettable area of approximately 1.7 million sqm, 800+ tenant-customers and a WALE<sup>2</sup> profile of approximately 4.7 years as at 30 September 2021.

CEREIT is listed on the Singapore Exchange Limited and is managed by Cromwell EREIT Management Pte. Ltd. (the “**CEREIT Manager**”), a wholly-owned subsidiary of CEREIT’s sponsor, Cromwell Property Group<sup>3</sup> a real estate investor and manager with operations in 15<sup>4</sup> countries, listed on the Australian Securities Exchange Ltd.

---

<sup>1</sup> The value is based on carrying values as of 30 September 2021 and the new acquisition in Italy on 1 November 2021 (Mira), which is recorded at the purchase price.

<sup>2</sup> “**WALE**” is defined as weighted average lease expiry by headline rent based on the final termination date of the agreement (assuming the leases are not terminated on any of the permissible break date(s), if applicable.)

<sup>3</sup> 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).

<sup>4</sup> Cromwell Property Group Annual Report 2021.

## **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 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.

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 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 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.