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(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.

**CROMWELL EUROPEAN REIT DIVESTS  
THREE LIGHT INDUSTRIAL / LOGISTICS ASSET IN GERMANY AND FRANCE AT  
28% PREMIUM TO LATEST VALUATION**

*Capitalised terms used herein, unless otherwise defined, shall have the meaning ascribed to them as defined herein*

**1. Introduction**

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 has entered into separate sale and purchase agreements to divest two light industrial / logistics assets in Germany (the “**German Divestments**”) and a light industrial / logistics asset in France (the “**French Divestment**”), (collectively, the “**Divestments**”).

The Manager’s Chief Executive Officer Mr. Simon Garing said, “I am pleased to announce the divestment of three non-core assets in France and Germany, for a total price of €22.0<sup>1</sup> million (S\$30.6 million), a blended €4.85m (+28%) premium to the latest June 2022 valuations<sup>2</sup> of €17.15m. The 3 assets formed part of CEREIT’s IPO portfolio five years ago. Cromwell’s local teams recently fulfilled the asset management plans and associated leasing programs for the three older style warehouses. Aided by the strength in the European logistics market, the teams’ executed the sales €13.6 million (162%) above the aggregate IPO purchase price of €8.4 million in 2017. This is testament to the local teams’ ability to identify and manage value add opportunities, realising strong gains for investors.

We expect to complete the divestment process in 4Q2022, subject to fulfilment of certain customary conditions in Germany and France and recycle the capital into other opportunities.”

## 2. The German Divestments

The Manager, (through EHI Fund Germany Limited, an indirect and wholly-owned subsidiary), has entered into a sale and purchase agreement with United Germany 2022 Propco S.à.r.l. to divest two light industrial / logistics assets located at An der Steinlach 8-10, 65474 Bischofsheim, Germany (“**Bischofsheim II**”), and Kinzigheimer Weg 114, 63450 Hanau, Germany (“**Hanau**”).

### 2.1 Bischofsheim II

Bischofsheim II is a 50-year-old commercial and logistics park with 7,158 square metres (“**sqm**”) net lettable area, 25 loading docks, service facilities and convenient location.

Bischofsheim II was independently valued by CBRE Ltd (as commissioned by the Manager, and by Perpetual Asia Limited (“**Perpetual**”), in its capacity as trustee of CEREIT) at €5.15 million as at 30 June 2022, using the income capitalization method.

Bischofsheim II was acquired at IPO on 30 November 2017, for €3.5 million (approximately S\$4.7 million<sup>1</sup>) and is being divested for a consideration of €6.0 million (approximately S\$8.3 million<sup>1</sup>).

### 2.2 Hanau

Hanau is a 51-year-old business park that was more recently extended in 1996. It comprises a three-storey office block and a single storey warehouse with attached set of small office suites.

Hanau was independently valued by CBRE Ltd (as commissioned by the Manager, and by Perpetual, in its capacity as trustee of CEREIT) at €5.0 million as at 30 June 2022, using the income capitalization method.

Hanau was acquired at IPO on 30 November 2017 for €2.9 million (approximately S\$4.0 million<sup>1</sup>) and is being divested for a consideration of €5.0 million (approximately S\$7.0 million<sup>1</sup>).

## 3. The French Divestment

CEREIT has also (through EHI France 15 Gondreville Nancy SCI, an indirect and wholly-owned subsidiary) entered into a promissory deed with a French investor to divest a light industrial / logistics asset located at Parc du Bois du Tambour, Route de Nancy, Gondreville, France (“**Bois du Tambour**”).

### 3.1 Bois du Tambour

Bois du Tambour was constructed between 1980 and 1982 and consists of five main separate structures housing a mix of light industrial / warehouse space and associated offices, 10 km from the centre of Nancy city centre.

Bois du Tambour was independently valued by Savills plc (as commissioned by the Manager, and by Perpetual Asia Limited, in its capacity as trustee of CEREIT) at €7.1 million as at 30 June 2022,

Tambour was acquired at IPO on 30 November 2017 for €2.0 million (approximately S\$2.8 million<sup>1</sup>) and is being divested for a consideration of €11.0 million (approximately S\$15.3 million<sup>1</sup>).

#### **4. Other Information**

Each of the sale considerations were arrived at on a willing buyer and willing seller basis. The net proceeds from the Divestments will be deployed to repay the revolving credit facility and / or for other working capital purposes.

A divestment fee of €0.1 million (being 0.5% of the Sale Consideration) is payable to the Manager in accordance with the trust deed constituting CEREIT.

While CEREIT remains a long-term investor in real estate, divestments from time to time are consistent with the Manager's proactive asset management strategy to improve the risk return quality of CEREIT's portfolio. This is in line with CEREIT's primary purpose to provide CEREIT's unitholders with stable and growing distributions and net asset value per unit over the long term.

#### **5. Financial Effects of the Transactions**

Based on the relative figures as computed on the bases set out in Rule 1006 of the Listing Manual, each divestment is a "Non-Discloseable Transaction" within the meaning of Rule 1008 of the Listing Manual.

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)

9 September 2022

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#### **ABOUT CROMWELL EUROPEAN REAL ESTATE INVESTMENT TRUST**

Cromwell European Real Estate Investment Trust ("Cromwell European REIT" or "CEREIT") 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. 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 currently targets a majority investment weighting to the light industrial / logistics sector while also investing in core office assets in gateway cities.

CEREIT's €2.6 billion portfolio comprises 110+ 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 with an aggregate lettable area of approximately two million sqm and 800+ tenant-customers.

CEREIT is listed on the Singapore Exchange Limited and 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 fund 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 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 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 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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<sup>1</sup> Based on an exchange rate of 1.40 \$S:1€ as at 31 August 2022

<sup>2</sup> Based on independent valuation of €17.3 million as at 30 June 2022

<sup>3</sup> Cromwell Property Group is a stapled group Cromwell Corporation Limited and Cromwell Diversified Property Trust (the responsible entity of which is Cromwell Property Securities Limited)