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## **Cromwell European REIT Enters Top 10 in Governance Index for Trusts Ranking**

**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 has been ranked 10<sup>th</sup> in the Governance Index for Trusts (“**GIFT**”) 2020, which is supported by Singapore Exchange Limited and recognised by MoneySense, Singapore’s national financial education programme. This follows an assessment of governance and business risks in 45 real estate investment trusts (“**REITs**”) and business trusts listed in Singapore.

The Manager’s Chief Executive Officer, Mr. Simon Garing, commented, “We are gratified that CEREIT’s strong governance and risk management practices have been recognised twice within a short span of a few months, this time with CEREIT entering the top ten in the GIFT ranking of REITs and business trusts. As CEREIT reaches its third anniversary, this recognition, together with the REIT’s recently achieved 7<sup>th</sup> spot in the Singapore Governance and Transparency Index 2020 ranking, validates the effectiveness of our efforts to always act in the best interests of unitholders. We remain steadfast in our commitment to create value for unitholders even as we navigate the COVID-19 business landscape.”

CEREIT jumped seven places from its 17<sup>th</sup> place in last year’s GIFT ranking, achieving an improved score of 73.0 points, 0.5 percentage points higher than its 2019 score, and just 2.5 percentage points lower than the score achieved by the second-placed REIT. It also attained higher-than-index-average scores in both the governance risk and business risk aspects of the GIFT assessment, scoring 55.0 points and 18.0 points, respectively, compared to the index averages of 48.0 points and 16.3 points. This result is even more important on a backdrop of most REITs and business trusts scoring lower on average this year, following changes in the GIFT scorecard and scoring methodology. Specifically, the weighting for the business risk aspect was increased and minor adjustments were made to how certain items were assessed, with a greater focus on substance compared to disclosure.

The index rankings can be found [here](#). The governance risk aspect covers elements such as board matters, remuneration of directors and key management, alignment of incentives and interests, internal and external audit, as well as communication with unitholders. Business risk was assessed using leverage-related factors, including overall leverage, debt maturity, percentage of fixed interest rate borrowing, and interest coverage ratio, as well as other factors relating to development limit, lease expiry, income support arrangements, and foreign assets and foreign currency risks.

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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 €2,078 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 comprised 94 properties with an aggregate lettable area of approximately 1.4 million square metres, around 800 tenant-customers and a WALE<sup>1</sup> profile of approximately 5.1 years as at 30 June 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>2</sup>, a real estate investor and manager with operations in 14 countries, listed on the Australian Securities Exchange Ltd.

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<sup>1</sup> “**WALE**” refers to weighted average lease expiry. CEREIT’s WALE is 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 is as at 30 June 2020. The reassessment of the lease structure for the tenant-customer Agenzia del Demanio in Italy had a positive impact of 0.8 years on the portfolio WALE, which would have otherwise been 4.3 years.

<sup>2</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).

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