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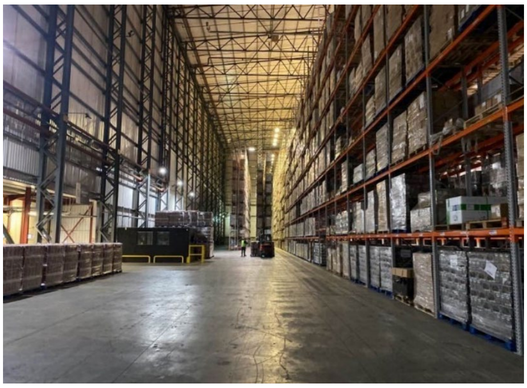
CROMWELL EUROPEAN REIT

(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 AN OFFICE ASSET IN FINLAND AND CONTINUES ITS PIVOT TO LIGHT INDUSTRIAL / LOGISTICS SECTOR WITH THE ACQUISITION OF A THIRD UK LOGISTICS ASSET

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



The Cube at Whitehouse Industrial Estate, Preston Brook, UK

- The UK logistics asset (the **"Runcorn Asset"**) was acquired at a 5.2% net operating income ("**NOI**") yield[1] for £18.9 million (approximately €22.1 million[2] or S$31.8 million[3]), 14.7% below independent valuation[4] and 31.0% discount to replacement cost[5]
- The Runcorn Asset is 100% let on a 10-year triple net lease to a UK national 3PL Kammac Ltd and is situated in a well-established logistics location in Cheshire, close to major cities Liverpool and Manchester, with good connectivity to major motorway networks, two airports and a deep-sea port
- Opus 1 office asset in Finland was divested for €16.2 million (approximately S$23.3 million[6]) to a local investor, 6.4% above 31 December 2021 independent valuation[7] and at a 20% premium to purchase price[8] €13.5 million (approximately S$19.4 million[6]), effectively reducing CEREIT's portfolio exposure to Finland by 15% to 3.6% (down from 4.4% as at 31 December 2021)

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, through an indirect and wholly-owned subsidiary, completed an acquisition of a freehold logistics asset ("the "**Runcorn Asset**" or the "**Acquisition**") from a third-party vendor in the United Kingdom (the "**UK**").

CEREIT has also, through its indirect and wholly-owned subsidiary, Artemis Holdco Oy, completed the divestment of Kiinteistö Oy Opus 1 office asset in Herttoniemi, Helsinki, Finland (the "**Opus Asset**" or the "**Divestment**") to Julius Tallberg-Kiinteistöt Oyj (both the Acquisition and the Divestment collectively, the "**Transactions**").

The Manager's Chief Executive Officer, Mr. Simon Garing, said, "I am pleased to announce CEREIT's third acquisition in the UK – a high-quality freehold logistics property fully-let for a 10-year lease with an RPI[9]-linked rent review at year five to Kammac Ltd, a national reputable 3PL[10] tenant-customer. Our experienced, on-the-ground team sourced and secured the investment at a very competitive yield for this type of property in the UK market, approximately 14.7[4]% below independent valuation and more than 30% below replacement cost[5]. The asset is located in a well-established logistics hub where demand is outstripping supply with vacancy a low 3.1%, complements CEREIT's portfolio well on a risk-adjusted basis and further builds up scale in the UK.

Concurrently, as the Manager of CEREIT we are making progress on the recently announced non-strategic asset divestment pipeline with the sale of CEREIT's largest office asset in Finland. The divestment, which is at a 20% premium to the 2018 purchase price and a 6.4% premium to the latest valuation[7], reflects the local asset management team's success in business plan execution, leasing the building to 90% and our ability to realise value and recycle capital effectively.

These two transactions further demonstrate our transaction capabilities even in the midst of the current turbulent financial market environment, where CEREIT is a cautious strategic buyer and selective vendor. I am pleased to see CEREIT's exposure to light industrial / logistics properties increase to ~44%, while its portfolio allocation to the Finnish office market is effectively reduced to 3.6% (from 4.4%)".

2. The Acquisition

2.1 Details of the Acquisition

Located only 20 kilometres ("**km**") east of Liverpool, the Runcorn Asset is a freehold, light industrial / logistics property on a ~38,300 square metres ("**sqm**") site. With a low coverage area of ~37%, it has gross lettable area (GFA) of 14,120 sqm, which consists of a 7,733 sqm high-bay warehouse, a 5,184 sqm normal 9 m height-bay warehouse and a 1,203 sqm in office and other ancillary areas. A purpose-built distribution facility for modern logistics, the Runcorn Asset's large high-bay warehouse incorporates 28 metres ("**m**") eaves, 2 storey offices, 13 loading doors and a significant canopy area and only 9% office content.

The Runcorn Asset is 100% let to Kammac Limited, a privately-owned, U.K.-focused third-party logistics ("**3PL**") company on a 10-year triple net lease. The tenancy includes a RPI[8]-linked rent review at year five subject to a collar / cap of 1% and 3% (compounded annually), thus providing future positive rent uplift.

The Runcorn Asset is situated within the excellent logistics location of Whitehouse Industrial Estate in Preston Brook, south-east of Runcorn, which is well-positioned in an ideal distribution location for UK logistics and industrial occupiers. Neighbouring operations include Diageo, YKK, DHL and Phoenix medical supplies. The area has a large amount of industrial and distribution warehousing due to its strong transport links and proximity to major cities in the North West of England. The Runcorn Asset is adjacent to the M56 motorway which leads towards Chester (to the west) and towards Manchester (to the east). Junction 11 is only 2.4 km away, which in turn is 10 km South West of the intersection of the M56 and M6, giving the property direct access to the UK National Motorway network. In addition to the excellent road communications, the property benefits from the West Coast Mainline, with local railway stations at Runcorn, Warrington and South

Liverpool. In addition, Liverpool John Lennon Airport is approximately 17 km to the west of the property, while Manchester International Airport is approximately 30 km to the east.

From a sustainability perspective, the Asset has a ‘C’ Energy Performance Certificate rating and is expected to achieve a “Good” BREEAM[11] rating in the near term, with further upgrades envisaged in the long term.

2.2 UK economic and market overview

Recent data from Oxford Economics[12] suggests that UK’s economic activity remained muted with expected GDP growth to be 3.6% in 2022, 1.3% in 2023 before reverting to 2.3% in 2024. The inflationary pressure is forecast to peak in October 2022 due to rising food and energy prices before slowly decelerating from next year.

According to Knight Frank, industrial investment volumes for 1Q 2022 showed £3.3 billion invested, the second highest first quarter on record, and just below the record £3.7 billion invested into the market in 1Q 2021. The Runcorn Asset's location has seen strong demand in the multi-let market, due to growth in urban logistics space, coupled with constrained supply support sharpening prices for well located, urban estates. Logistics operators’ desire to locate close to their consumer base looks set to continue, particularly when faced with current rising fuel prices. With low vacancy rates and limited options for development, Knight Frank expects that competition for space will continue to drive rental growth. Urban locations have recorded especially strong rental growth over the past couple of years and growth expectations for 2022 have been revised up (as at the end of 1Q 2022).

In terms of occupier demand for light industrial / logistics space, take up for the first quarter of the year stands at 12.8 million square feet (“**sqft**”), which is down slightly from the 14.6 million sqft of take up recorded in 1Q 2021. The vacancy rate now stands at just 3.1% and there are limited options available for occupiers seeking space. The average rents for UK industrial space continue to accelerate and have risen 11.4% in the year to March 2022[13], from 9.9% in the year to February. According to the 4Q forecast from RealFor, London and the Eastern regions are expected to see the strongest average growth in 2022, with an average of 13.1% and 10.6% respectively; this has been revised up from expectations at the end of 2021 when 8.7% and 7.2% growth rates were forecast.

3. The Divestment

The Opus Asset is an office asset constructed in 2008 and located at Hitsaajankatu 20 - 24 in Herttoniemi, approximately 8 km east of central Helsinki. It has approximately 6,821 sqm in net lettable area and a most recent occupancy of 90%.

4. Other Information

4.1 The Acquisition

The Runcorn Asset was independently valued as at 13 May 2022 by Knight Frank LLP (as commissioned by the Manager and by Perpetual (Asia) Limited in its capacity as trustee of CEREIT) using the comparative and investment methods, at £22.2 million (approximately €25.9 million[2] or S$37.2 million[3]).

The Runcorn Asset was acquired for £18.9 million (approximately €22.1 million[2] or S$31.8 million[3]) (the “**Purchase Consideration**”) on 6 July 2022. The Purchase Consideration was arrived at on a willing buyer and willing seller basis.

The total cost of the Acquisition is approximately £20.3 million (approximately €23.8 million[2] or S$34.1 million[3]), comprising the Purchase Consideration, the acquisition fee payable to the Manager in cash, as well as professional and other fees and expenses in connection with the Acquisition. The Acquisition is not expected to have any material effect on CEREIT’s net tangible assets.

The Acquisition was funded by a combination of CEREIT’s existing cash balances and drawing down from CEREIT indirect and wholly-owned securitisation vehicle’s revolving credit facility.

As a result, the proforma net gearing as at 31 May 2022 remains below 38%.

4.2 The Divestment

The Opus Asset was independently valued by CBRE Ltd (as commissioned by the Manager, and by Perpetual Asia Limited, in its capacity as trustee of CEREIT) at €15.2 million as at 31 December 2021 using the income capitalization method.

The Opus Asset was acquired on 28 December 2018 for €13.5 million (approximately S$19.4 million[6]) and was divested for a consideration of €16.2 million (approximately S$23.3 million[6]) (the "**Sale Consideration**") on 6 July 2022. The Sale Consideration was arrived at on a willing buyer and willing seller basis.

A divestment fee of €81,000 (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 holder of real estate, the sale of the Opus Asset is 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 of the Acquisition and Divestment is a “Non-Disclosable 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)

7 July 2022

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 €2.5 billion portfolio comprises 100+ 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 14, a real estate investor and manager with operations in 14 countries, listed on the Australian Securities Exchange Ltd.

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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.

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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.

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1 NOI yield is calculated as the annualised Day 1 net operating income pre-asset management fees divided by the purchase price including transaction costs
2 Based on exchange rate of £1:€1.17 as at 6 July 2022
3 Based on exchange rate of £1:S$1.68 as at 6 July 2022
4 Based on independent valuation as at 13 May 2022 by Knight Frank LLP

5 Based on independent reinstatement valuation from Paragon (£27.4 million)
6 Based on exchange rate of €1: S$1.44 as at 6 July 2022
7 Independent valuation of €15.2 million as at 31 December 2021
8 As at December 2018
9 The Retail Price Index (RPI) is a price index calculated and published by the UK's Office of National Statistics.
10 Third-party logistics
11 Building Research Establishment Environment Assessment Method
12 Source: Oxford Economics, UK: Higher energy costs to push inflation above 10%, 20 June 2022
13 Source: MSCI
14 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)