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# Cromwell European Real Estate Investment Trust ("CEREIT")

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Unaudited Condensed Interim Financial Statements for the Half Year  
Ended 30 June 2022 ("1H 2022")

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## Introduction

Cromwell European Real Estate Investment Trust ("CEREIT") is a real estate investment trust with a principal mandate of investing, directly or indirectly, in a portfolio of income-producing commercial real estate assets across Europe with a portfolio weighting of at least 75% within 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.

As at 30 June 2022, CEREIT's portfolio comprises 116 properties with a carrying value of approximately €2.56 billion in or close to major gateway cities in the Netherlands, Italy, France, Germany, Poland, Finland, Denmark, the United Kingdom, the Czech Republic and Slovakia. CEREIT's portfolio has an aggregate lettable area of approximately 1.9 million square metres and 800+ tenant-customers.

In 1H 2022, CEREIT completed the following acquisitions and disposals:

- On 25 January 2022, CEREIT completed the sale of a warehouse unit contained within the Centro Logistico Orlando Marconi asset in Italy for a consideration of €2.8 million, which was €1.2 million or 70% higher than the apportioned value of the most recent valuation of the asset as at 31 December 2021.
- On 15 February 2022, CEREIT acquired a freehold light industrial / logistics property in Brescia, Italy for €24.5 million.
- On 17 March 2022, CEREIT acquired a freehold light industrial / logistics property in Milan, Italy for €26.5 million.
- On 21 April 2022, CEREIT acquired a freehold light industrial business park in Jena, Germany for €17.3 million.
- On 18 May 2022, CEREIT acquired a freehold logistics property in Runcorn, United Kingdom for €23.2 million.

	No. of properties	Lettable Area (sqm)	Valuation <sup>(1)</sup> (€'000)	Portfolio Weighting (%)
<b>Light Industrial/ Logistics</b>				
The Netherlands	7	70,040	100,295	3.9%
Italy	5	308,491	149,925	5.9%
France	18	247,379	378,040	14.8%
Germany	16	242,976	233,712	9.1%
Denmark	11	129,817	94,428	3.7%
United Kingdom	3	65,494	72,710	2.8%
Slovakia	5	74,355	64,865	2.5%
The Czech Republic	7	59,679	64,770	2.5%
<b>Total - Light Industrial/ Logistics</b>	<b>72</b>	<b>1,198,231</b>	<b>1,158,745</b>	<b>45.2%</b>
<b>Office</b>				
The Netherlands	7	177,903	564,288	22.1%
Italy	12	142,177	319,810	12.5%
France	3	34,320	65,630	2.6%
Poland	6	111,273	222,950	8.7%
Finland	11	61,988	103,990	4.1%
<b>Total - Office</b>	<b>39</b>	<b>527,661</b>	<b>1,276,668</b>	<b>50.0%</b>
<b>Other<sup>(2)</sup></b>				
Italy	5	176,575	123,365	4.8%
<b>CEREIT Portfolio</b>	<b>116</b>	<b>1,902,467</b>	<b>2,558,778</b>	<b>100.0%</b>

<sup>(1)</sup> Valuation is based on independent valuations conducted by Savills Advisory Services Limited and CBRE Ltd as at 30 June 2022 for 113 assets, the two assets acquired in 2Q 2022 are held at their purchase prices and Moeder Teresalaan 100/200 located in the Netherlands is carried at book value.

<sup>(2)</sup> Other includes three government-let campuses, one retail asset and one hotel in Italy.

## CEREIT Results Overview

	<b>1H 2022</b>	1H 2021 <sup>(1)</sup>	Fav/ (Unfav) %
Gross revenue (€'000)	<b>107,417</b>	99,019	8.5%
Net property income ("NPI") (€'000)	<b>67,330</b>	64,287	4.7%
Total return for the period attributable to Unitholders and perpetual securities holders (€'000)	<b>53,139</b>	60,539	(12.2%)
Income available for distribution to Unitholders (€'000)	<b>48,902</b>	46,159	5.9%
Applicable number of units for the period ('000)	<b>562,392</b>	542,919	3.6%
DPU € cents per unit ("cpu") <sup>(2)</sup>	<b>8.695</b>	8.502	2.3%

<sup>(1)</sup> 1H 2021 refers to the period from 1 January 2021 to 30 June 2021.

<sup>(2)</sup> DPU is calculated based on the total number of units in issue entitled to distributions as at the record date of each distribution.

### Highlights:

- 1H 2022 NPI was 4.7% higher than 1H 2021, mainly attributable to income from new acquisitions in the Czech Republic, Slovakia, Italy, the United Kingdom, the Netherlands and Germany, partially offset by loss of income from Via Nervesa 21 located in Italy due to redevelopment.
- CEREIT's 1H 2022 distributable income ("DI") increased by 5.9% or €2.7 million to €48.9 million.
- DPU for 1H 2022 is €8.695 cents including distribution of divestment gain of €1.1 million (equivalent to €0.197 cents) to compensate for loss of income from Via Nervesa 21 redevelopment commencing.
- CEREIT completed the acquisitions of four new assets in Italy, Germany and the United Kingdom in 1H 2022. The acquisitions were largely funded by drawing €94.7 million from the Revolving Credit Facility and available cash.
- Interest coverage ratio calculated in accordance with the CIS code is 5.9x (31 December 2021: 5.8x) and CIS code aggregate leverage increased to 38.6% from 36.6% at 31 December 2021. The all-in interest rate remains unchanged at 1.72% per annum.
- Portfolio occupancy stood at 95.4% (31 December 2021: 95.0%).
- Portfolio weighted average lease expiry ("WALE") of 4.6 years by headline rent remained unchanged from 31 December 2021.

## Financial Position Summary

	<b>As at 30-Jun-22</b>	As at 31-Dec-21	Change %
Gross asset value ("GAV") (€'000)	<b>2,650,072</b>	2,534,530	4.6%
Net tangible assets ("NTA") attributable to Unitholders (€'000)	<b>1,420,772</b>	1,413,130	0.5%
Gross borrowings before unamortised debt issue costs (€'000)	<b>1,022,075</b>	927,375	10.2%
Aggregate leverage (%)	<b>38.6%</b>	36.6%	2.0 p.p.
Aggregate leverage excluding distribution (%) <sup>(1)</sup>	<b>39.3%</b>	37.3%	2.0 p.p.
Net Gearing (%) <sup>(2)</sup>	<b>37.3%</b>	35.1%	2.2 p.p.
Units in issue ('000)	<b>562,392</b>	561,045	0.2%
Net Asset Value ("NAV") attributable to Unitholders € per unit	<b>2.53</b>	2.52	0.4%
Adjusted NAV attributable to Unitholders € per unit (excluding distributable income)	<b>2.44</b>	2.43	0.4%

p.p. – Percentage point

<sup>(1)</sup> Aggregate leverage excluding distribution is calculated by deducting the distributable income not yet distributed at period end from GAV.

<sup>(2)</sup> Net Gearing is calculated as aggregate debt less cash over total assets less cash.

Gross asset value at 30 June 2022 increased by 4.6% from 31 December 2021 to €2,650 million mainly due to the completion of acquisitions of four logistics and light industrial properties in Italy, Germany and the United Kingdom, fair value gain on the investment properties based on the independent valuation conducted on 30 June 2022 and fair value gain on the derivative financial instruments. The acquisitions of the four properties were funded by available cash and drawing from the Revolving Credit Facility.

As a result, aggregate leverage increased to 38.6% from 36.6% as at 31 December 2021. Net gearing increased to 37.3%.

As at 30 June 2022, NAV attributable to Unitholders per unit and adjusted NAV attributable to Unitholders per unit increased marginally to €2.53 cents and €2.44 cents respectively mainly due to net valuation gain, partially offset by the distribution paid on 31 March 2022.



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EUROPEAN REIT

**CROMWELL EUROPEAN REAL ESTATE INVESTMENT TRUST AND ITS SUBSIDIARIES**  
**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022**

## Unaudited Condensed Consolidated Statement of Total Return

### Six-month period ended 30 June 2022

	Note	CEREIT		
		1H 2022 €'000	1H 2021 €'000	Fav./ (Unfav.) %
Gross revenue	5	<b>107,417</b>	99,019	8.5%
Property operating expense	6	<b>(40,087)</b>	(34,732)	(15.4%)
<b>Net property income</b>		<b>67,330</b>	64,287	4.7%
Net finance costs	13(b)	<b>(10,438)</b>	(11,368)	8.2%
Manager's fees		<b>(2,988)</b>	(2,764)	(8.1%)
Trustee fees		<b>(146)</b>	(136)	(7.4%)
Other trust expenses		<b>(3,353)</b>	(2,715)	(23.5%)
<b>Net income before tax and fair value changes</b>		<b>50,405</b>	47,304	6.6%
Gain on disposal of investment property	8	<b>1,120</b>	-	n.m.
Fair value gain – investment properties		<b>4,655</b>	28,141	(83.5%)
Fair value gain/(loss) – derivatives financial instruments		<b>6,836</b>	(9)	n.m.
<b>Total return for the period before tax</b>		<b>63,016</b>	75,436	(16.5%)
Income tax expense	11	<b>(9,877)</b>	(14,897)	33.7%
<b>Total return for the period</b>		<b>53,139</b>	60,539	(12.2%)
<b>Total return for the period attributable to:</b>				
Unitholders		<b>51,989</b>	60,539	(14.1%)
Perpetual securities holders		<b>1,150</b>	-	n.m.
		<b>53,139</b>	60,539	(12.2%)
<b>Earnings per unit</b>				
Basic and diluted earnings per unit (€ cents)	9	<b>9.255</b>	11.168	(17.1%)
n.m. – not meaningful				

## Unaudited Condensed Consolidated Statement of Comprehensive Income Six-month period ended 30 June 2022

	CEREIT		
	1H 2022 €'000	1H 2021 €'000	Fav./ (Unfav.) %
<b>Total return for the period</b>	<b>53,139</b>	60,539	(12.2%)
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Foreign exchange differences on translation of foreign operations	111	-	n.m.
<b>Other comprehensive income for the period, net of tax</b>	<b>111</b>	-	n.m.
<b>Total comprehensive income for the period</b>	<b>53,250</b>	60,539	(12.0%)
<b>Total comprehensive income the period attributable to:</b>			
Unitholders	52,100	60,539	(13.9%)
Perpetual securities holders	1,150	-	n.m.
	<b>53,250</b>	60,539	(12.0%)



**Unaudited Condensed Balance Sheets**  
**As at 30 June 2022**

	Note	CEREIT			Trust		
		30-Jun-22 €'000	31-Dec-21 €'000	Increase/ (Decrease) %	30-Jun-22 €'000	31-Dec-21 €'000	Increase/ (Decrease) %
<b>Current assets</b>							
Cash and cash equivalents		52,730	59,258	(11.0%)	511	1,176	(56.5%)
Receivables		17,477	18,491	(5.5%)	13,785	12,342	11.7%
Current tax assets		807	865	(6.7%)	-	-	-
<b>Total current assets</b>		<b>71,014</b>	<b>78,614</b>	<b>(9.7%)</b>	<b>14,296</b>	<b>13,518</b>	<b>5.8%</b>
<b>Non-current assets</b>							
Investment properties	12	2,565,072	2,449,014	4.7%	-	-	-
Investments in subsidiaries		-	-	-	1,496,236	1,468,952	1.9%
Receivables		423	663	(36.2%)	-	-	-
Derivative financial instruments	14	7,783	947	>100%	4,984	569	>100%
Deferred tax assets		5,780	5,292	9.2%	-	-	-
<b>Total non-current assets</b>		<b>2,579,058</b>	<b>2,455,916</b>	<b>5.0%</b>	<b>1,501,220</b>	<b>1,469,521</b>	<b>2.2%</b>
<b>Total assets</b>		<b>2,650,072</b>	<b>2,534,530</b>	<b>4.6%</b>	<b>1,515,516</b>	<b>1,483,039</b>	<b>2.2%</b>
<b>Current liabilities</b>							
Borrowings	13	23,000	23,000	-	-	-	-
Payables		42,318	35,691	18.6%	186,264	160,845	15.8%
Current tax liabilities		2,980	3,709	(19.7%)	1	1	-
Other current liabilities		30,423	28,783	5.7%	-	-	-
<b>Total current liabilities</b>		<b>98,721</b>	<b>91,183</b>	<b>8.3%</b>	<b>186,265</b>	<b>160,846</b>	<b>15.8%</b>
<b>Non-current liabilities</b>							
Payables		-	-	-	98,080	89,104	10.1%
Borrowings	13	993,488	899,729	10.4%	-	-	-
Deferred tax liabilities		66,718	60,017	11.2%	-	-	-
Other non-current liabilities		6,233	6,321	(1.4%)	-	-	-
<b>Total non-current liabilities</b>		<b>1,066,439</b>	<b>966,067</b>	<b>10.4%</b>	<b>98,080</b>	<b>89,104</b>	<b>10.1%</b>
<b>Total liabilities</b>		<b>1,165,160</b>	<b>1,057,250</b>	<b>10.2%</b>	<b>284,345</b>	<b>249,950</b>	<b>13.8%</b>
<b>Net assets</b>		<b>1,484,912</b>	<b>1,477,280</b>	<b>0.5%</b>	<b>1,231,171</b>	<b>1,233,089</b>	<b>(0.2%)</b>
Represented by:							
Unitholders' funds		1,420,772	1,413,130	0.5%	1,167,031	1,168,939	(0.2%)
Perpetual securities holders' funds	16	64,140	64,150	(0.0%)	64,140	64,150	(0.0%)
		<b>1,484,912</b>	<b>1,477,280</b>	<b>0.5%</b>	<b>1,231,171</b>	<b>1,233,089</b>	<b>(0.2%)</b>
Units in issue ('000)	15	562,392	561,045	0.2%	562,392	561,045	0.2%
Net asset value attributable to Unitholders per Unit (€)	18	2.53	2.52	0.4%	2.08	2.08	-



## Unaudited Distribution Statement

### Six-month period ended 30 June 2022

	Note	CEREIT		
		1H 2022 €'000	1H 2021 €'000	Increase (Decrease) %
Income available for distribution at beginning of period		<b>47,670</b>	44,791	n.m.
Total return for the period		<b>53,139</b>	60,539	(12.2%)
Less: Total return attributable to perpetual securities holders		<b>(1,150)</b>	-	n.m.
Distribution adjustments (Note A)		<b>(3,087)</b>	(14,380)	n.m.
<b>Income available for distribution to Unitholders</b>		<b>96,572</b>	90,950	6.2%
Distribution to Unitholders during the period (Note B)	10	<b>(47,459)</b>	(59,403)	(20.1%)
<b>Income available for distribution at end of period</b>		<b>49,113</b>	31,547	n.m.
<b>Actual DPU (cpu) for the period <sup>(1)</sup></b>		<b>8.695</b>	8.502	2.3%
<b>Note A - Distribution adjustments</b>				
Straight-line rent adjustments and leasing fees		<b>(123)</b>	(1,431)	91.4%
Trustee Fees		<b>146</b>	136	7.4%
Gain on disposal of investment property		<b>(1,120)</b>	-	n.m.
Amortisation of debt issuance costs		<b>1,297</b>	2,683	(51.7%)
Fair value gain – investment properties		<b>(4,655)</b>	(28,141)	83.5%
Fair value (gain)/ loss – derivative financial instruments		<b>(6,836)</b>	9	n.m.
Net foreign exchange loss/(gain)		<b>386</b>	(143)	n.m.
Deferred tax expense		<b>6,269</b>	12,388	(49.4%)
Tax credit related to disposal of assets/liabilities held for sale		-	(306)	100%
Distribution of divestment gain		<b>1,108</b>	-	n.m.
Others		<b>441</b>	425	3.8%
<b>Total distribution adjustments</b>		<b>(3,087)</b>	(14,380)	n.m.
<b>Note B - Distribution to Unitholders during the period</b>				
Distribution of 8.459 cpu from 1 Jul 2021 to 31 Dec 2021		<b>47,459</b>	-	n.m.
Distribution of 2.324 cpu from 1 Jul 2020 to 4 Mar 2021		-	59,403	n.m.
		<b>47,459</b>	59,403	(20.1%)

n.m. – Not meaningful

<sup>(1)</sup> DPU is calculated based on the total number of units in issue entitled to distributions as at the record date of each distribution.

## Unaudited Condensed Statements of Movements in Unitholders' Funds Six-month period ended 30 June 2022

	CEREIT		Trust	
	1H 2022 €'000	1H 2021 €'000	1H 2022 €'000	1H 2021 €'000
<b>Unitholders' funds</b>				
At beginning of period	<b>1,413,130</b>	1,302,152	<b>1,168,939</b>	1,117,699
<b>Operations</b>				
Total return for period attributable to Unitholders' and perpetual securities holders	<b>53,139</b>	60,539	<b>43,700</b>	8,340
Less: Total return for the period attributable to perpetual securities holders	<b>(1,150)</b>	-	<b>(1,150)</b>	-
<b>Net increase in net assets resulting from operations</b>	<b>51,989</b>	60,539	<b>42,550</b>	8,340
<b>Movement in foreign currency translation reserve</b>	<b>111</b>	-	-	-
<b>Unitholders' transactions</b>				
Issue of units:				
- Private placement	-	100,000	-	100,000
- Distribution reinvestment plan	<b>3,021</b>	3,490	<b>3,021</b>	3,490
Issue expenses	<b>(20)</b>	(2,230)	<b>(20)</b>	(2,230)
Distributions paid to Unitholders (Note 10)	<b>(47,459)</b>	(59,403)	<b>(47,459)</b>	(59,403)
<b>Net (decrease)/increase in net assets resulting from Unitholders' transactions</b>	<b>(44,458)</b>	41,857	<b>(44,458)</b>	41,857
<b>Unitholders' funds at end of period</b>	<b>1,420,772</b>	1,404,548	<b>1,167,031</b>	1,167,896
<b>Perpetual securities holders' funds</b>				
At beginning of period	<b>64,150</b>	-	<b>64,150</b>	-
Issue expenses	<b>(1)</b>	-	<b>(1)</b>	-
Total return for the period attributable to perpetual securities holders	<b>1,150</b>	-	<b>1,150</b>	-
Distribution paid to perpetual securities holders	<b>(1,159)</b>	-	<b>(1,159)</b>	-
<b>Perpetual securities holders' funds at end of period</b>	<b>64,140</b>	-	<b>64,140</b>	-
<b>Total at end of period</b>	<b>1,484,912</b>	1,404,548	<b>1,231,171</b>	1,167,896

## Unaudited Condensed Consolidated Statement of Cash Flows

### Six-month period ended 30 June 2022

	1H 2022 €'000	1H 2021 €'000
<b>Cash flows from operating activities</b>		
Total return for the period before tax	63,016	75,436
<i>Adjustments for:</i>		
Amortisation of lease costs	1,116	1,880
Effect of recognising rental income on a straight-line basis	(1,680)	(16)
Gain on disposal of investment property	(1,120)	-
Net finance costs	10,438	11,368
Allowance/ (writeback of) for credit losses	148	(626)
Change in fair value of investment properties	(4,655)	(28,141)
Change in fair value of derivative financial instruments	(6,836)	9
Net foreign exchange loss/ (gain)	386	(143)
Operating cash flows before movements in working capital	60,813	59,767
<i>Changes in operating assets and liabilities:</i>		
(Increase)/ decrease in receivables	(3,078)	1,956
Decrease in payables	(3,279)	(10,813)
Increase in other liabilities	48	2,238
<b>Cash generated from operations</b>	<b>54,504</b>	<b>53,148</b>
Interest paid	(4,267)	(3,728)
Interest received	-	1
Tax paid	(4,335)	(3,220)
<b>Net cash provided by operating activities</b>	<b>45,902</b>	<b>46,201</b>
<b>Cash flows from investing activities</b>		
Payments for acquisitions of subsidiaries, net of cash	-	(114,304)
Payments for acquisition of investment properties	(86,066)	-
Payment for acquisition costs	(6,037)	(2,861)
Payments for capital expenditure on investment properties	(11,612)	(7,320)
Proceeds from sale of investment property	2,800	-
Payment for transaction costs for divestment of investment property	(36)	-
<b>Net cash used in investing activities</b>	<b>(100,951)</b>	<b>(124,485)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of CEREIT units	-	100,000
Payment of equity issue costs	(121)	(2,151)
Proceeds from bank borrowings and issue of Euro Medium Term Note ("EMTN")	94,700	205,623
Repayment of bank borrowings	-	(130,000)
Payment of transaction costs on issuance of perpetual securities	(252)	-
Payment of debt/ EMTN issuance costs	(42)	(1,929)
Distributions paid to Unitholders	(44,438)	(55,913)
Distributions paid to perpetual securities holders	(1,159)	-
Payment of finance lease	(167)	(167)
<b>Net cash provided by financing activities</b>	<b>48,521</b>	<b>115,463</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>(6,528)</b>	<b>37,179</b>
Cash and cash equivalents at beginning of period	59,258	43,593
<b>Cash and cash equivalents at end of period</b>	<b>52,730</b>	<b>80,772</b>

## Statement of Portfolio As at 30 June 2022

Property <i>(by Geography)</i>	Location	Acquisition Date	Land Tenure	Remaining Term (Years)		Carrying Amount		Percentage of Net Assets	
				30-Jun-22	31-Dec-21	30-Jun-22 €'000	31-Dec-21 €'000	30-Jun-22 %	31-Dec-21 %
<b>The Netherlands</b>									
<b>Light Industrial / Logistics</b>									
Veemarkt	Veemarkt 27-75 / 50-76 / 92-114, Amsterdam	30 Nov 2017	Continuing leasehold	Various 16.5-20.5	Various 17.0-21.0	48,900	45,200	3.3	3.1
Rosa Castellanosstraat 4	Rosa Castellanosstraat 4, Tilburg	30 Dec 2021	Freehold	n/a	n/a	12,545	11,325	0.8	0.8
Boekweitstraat 1 - 21 & Luzernestraat 2 - 12	Boekweitstraat 1 - 21 & Luzernestraat 2 - 12, Nieuw-Vennep	30 Nov 2017	Freehold	n/a	n/a	10,025	8,880	0.7	0.6
De Immenhorst 7	De Immenhorst 7, s'Heerenberg	23 Dec 2021	Freehold	n/a	n/a	9,170	8,350	0.6	0.6
Capronilaan 22 - 56	Capronilaan 22 - 56, Schiphol-Rijk	30 Nov 2017	Freehold	n/a	n/a	8,180	7,510	0.6	0.5
Kapoeasweg 4 - 16	Kapoeasweg 4 - 16, Amsterdam	30 Nov 2017	Freehold	n/a	n/a	6,740	5,530	0.5	0.4
Folkstoneweg 5 - 15	Folkstoneweg 5 - 15, Schiphol	30 Nov 2017	Leasehold	17.4	17.9	4,735	4,420	0.3	0.3
<b>Office</b>									
Central Plaza	Plaza 2 – 25 (retail) / Weena 580 – 618 (offices), Rotterdam	19 Jun 2017	Freehold/leasehold <sup>(1)</sup>	66.1	66.6	165,180	165,610	11.1	11.2
Haagse Poort	Prinses Beatrixlaan 35 - 37 & Schenkade 60 - 65, Den Haag	30 Nov 2017	Part Freehold, Part Right of Superficies and Part Perpetual	n/a	n/a	162,705	167,705	11.0	11.4
Bastion	Willemsplein 2 - 10, 's-Hertogenbosch	28 Dec 2018	Freehold	n/a	n/a	75,820	78,360	5.1	5.3
De Ruyterkade 5	De Ruyterkade 5, Amsterdam	19 Jun 2017	Leasehold	66.0	66.5	59,435	58,780	4.0	4.0
Moeder Teresalaan 100 / 200	Moeder Teresalaan 100 / 200, Utrecht	28 Dec 2018	Perpetual leasehold	n/a	n/a	59,278	59,300	4.0	4.0
Blaak 40	Blaak 40, Rotterdam	30 Nov 2017	Freehold	n/a	n/a	21,230	20,540	1.4	1.4
Koningskade 30	Koningskade 30, Den Haag	19 Jun 2017	Perpetual leasehold	n/a	n/a	20,640	21,570	1.4	1.5

n/a – not applicable

(1) Part freehold and part leasehold interest ending 31 July 2088.

Property <i>(by Geography)</i>	Location	Acquisition Date	Land Tenure	Remaining Term (Years)		Carrying Amount		Percentage of Net Assets	
				30-Jun-22	31-Dec-21	30-Jun-22 €'000	31-Dec-21 €'000	30-Jun-22 %	31-Dec-21 %
<b>Italy</b>									
<b>Light Industrial / Logistics</b>									
Centro Logistico Orlando Marconi <sup>(2)</sup>	Via del Lavoro, 63076 Monteprandone	23 Dec 2020	Freehold	n/a	n/a	53,700	54,600	3.6	3.7
Via Fogliano 1, Coccaglio	Via Fogliano 1, Coccaglio, Brescia	15 Feb 2022	Freehold	n/a	n/a	31,500	-	2.1	-
Via dell'Industria 18	Via dell'Industria 18, Vittuone	17 Mar 2022	Freehold	n/a	n/a	29,900	-	2.0	-
Via Fornace	Via Fornace snc, Mira	29 Oct 2021	Freehold	n/a	n/a	21,000	21,000	1.4	1.4
Strada Provinciale Adelfia	Strada Provinciale Adelfia, Rutigliano	30 Nov 2017	Freehold	n/a	n/a	13,825	13,525	0.9	0.9
<b>Office</b>									
Piazza Affari 2	Piazza degli Affari 2, Milan	30 Nov 2017	Freehold	n/a	n/a	102,000	96,900	6.9	6.6
Via dell'Amba Aradam 5	Via dell'Amba Aradam 5, Rome	30 Nov 2017	Freehold	n/a	n/a	42,400	46,000	2.9	3.1
Via Pianciani 26	Via Pianciani 26, Rome	30 Nov 2017	Freehold	n/a	n/a	35,600	33,400	2.4	2.3
Building F7-F11	Viale Milanofiori 1, Assago	30 Nov 2017	Freehold	n/a	n/a	26,400	26,700	1.8	1.8
Via Camillo Finocchiaro Aprile 1	Via Camillo Finocchiaro Aprile 1, Genova	05 Dec 2018	Freehold	n/a	n/a	23,150	23,475	1.6	1.6
Via Nervesa 21	Via Nervesa 21, Milan	30 Nov 2017	Freehold	n/a	n/a	21,475	23,725	1.4	1.6
Via della Fortezza 8	Via della Fortezza 8, Florence	15 Feb 2018	Freehold	n/a	n/a	15,825	16,200	1.1	1.1
Cassiopea 1-2-3	Via Paracelso 22-24-26, Milan	28 Nov 2019	Freehold	n/a	n/a	15,100	16,550	1.0	1.1
Nuova ICO	Via Guglielmo Jervis 9, Ivrea	27 Jun 2018	Freehold	n/a	n/a	14,825	16,625	1.0	1.1
Corso Lungomare Trieste 29	Corso Lungomare Trieste 29, Bari	05 Dec 2018	Freehold	n/a	n/a	10,750	11,300	0.7	0.8
Corso Annibale Santorre di Santa Rosa 15	Corso Annibale Santorre di Santa Rosa 15, Cuneo	30 Nov 2017	Freehold	n/a	n/a	7,525	7,575	0.5	0.5
Via Rampa Cavalcavia 16-18	Via Rampa Cavalcavia 16-18, Venice Mestre	30 Nov 2017	Freehold	n/a	n/a	4,760	5,200	0.3	0.4
<b>Other</b>									
Viale Europa 95	Viale Europa 95, Bari	30 Nov 2017	Freehold	n/a	n/a	73,300	74,100	4.9	5.0
Starhotels Grand Milan	Via Varese 23, Saronno	30 Nov 2017	Freehold	n/a	n/a	17,525	17,500	1.2	1.2
Via Madre Teresa 4	Via Madre Teresa 4, Lissone	30 Nov 2017	Freehold	n/a	n/a	16,900	17,100	1.1	1.2
Via Salara Vecchia 13	Via Salara Vecchia 13, Pescara	30 Nov 2017	Freehold	n/a	n/a	11,650	11,900	0.8	0.8
Via Brigata Padova 19	Via Brigata Padova 19, Padova	30 Nov 2017	Freehold	n/a	n/a	3,990	4,220	0.3	0.3

n/a – not applicable

(2) A warehouse unit contained within Centro Logistico Orlando Marconi was disposed on 25 January 2022.

Property <i>(by Geography)</i>	Location	Acquisition Date	Land Tenure	Remaining Term (Years)		Carrying Amount		Percentage of Net Assets	
				30-Jun-22	31-Dec-21	30-Jun-22 €'000	31-Dec-21 €'000	30-Jun-22 %	31-Dec-21 %
<b>France</b>									
<b>Light Industrial / Logistics</b>									
Parc des Docks	50 rue Ardoin, Saint Ouen	30 Nov 2017	Freehold	n/a	n/a	155,700	147,300	10.5	10.0
Parc des Guillaumes	58 rue de Neuilly – 2 rue du Trou Morin, ZAC des Guillaumes, Noisy-le-Sec	30 Nov 2017	Freehold	n/a	n/a	31,000	29,100	2.1	2.0
Parc du Landy	61 rue du Landy, Aubervilliers	30 Nov 2017	Freehold	n/a	n/a	27,000	24,400	1.8	1.7
Parc des Grésillons	167-169 avenue des Grésillons, Gennevilliers	30 Nov 2017	Freehold	n/a	n/a	25,100	25,300	1.7	1.7
Parc Delizy	32 rue Délizy, Pantin	30 Nov 2017	Freehold	n/a	n/a	21,800	19,900	1.5	1.3
Parc Urbaparc	75-79 rue du Rateau, La Courneuve	30 Nov 2017	Freehold	n/a	n/a	19,800	18,700	1.3	1.3
Parc du Merantais	1-3 rue Georges Guynemer, Magny-Les-Hameaux	30 Nov 2017	Freehold	n/a	n/a	11,400	11,100	0.8	0.8
Parc Béziers	Rue Charles Nicolle, Villeneuve-lès-Béziers	23 Jan 2019	Freehold	n/a	n/a	11,200	12,300	0.8	0.8
Parc le Prunay	13-41 rue Jean Pierre Timbaud, ZI du Prunay, Sartrouville	30 Nov 2017	Freehold	n/a	n/a	9,540	8,800	0.6	0.6
Parc des Érables	154 allée des Érables, Villepinte	30 Nov 2017	Freehold	n/a	n/a	9,430	9,720	0.6	0.7
Parc Jean Mermoz	53 rue de Verdun – 81, rue Maurice Berteaux, La Courneuve	30 Nov 2017	Freehold	n/a	n/a	9,190	9,240	0.6	0.6
Parc Locaparc 2	59-65 rue Edith Cavell, Vitry-sur-Seine	30 Nov 2017	Freehold	n/a	n/a	8,630	8,360	0.6	0.6
Parc Louvresses	46-48 boulevard Dequevauvilliers, Gennevilliers	14 Feb 2019	Leasehold	24.95	25.45	8,580	7,740	0.6	0.5
Parc de Champs	40 boulevard de Nesles, ZAC le Ru du Nesles, Champs sur Marne	30 Nov 2017	Freehold	n/a	n/a	7,260	7,020	0.5	0.5
Parc du Bois du Tambour	Route de Nancy, Gondreville	30 Nov 2017	Freehold	n/a	n/a	7,100	4,620	0.5	0.3
Parc Acticlub	2 rue de la Noue Guimante, ZI de la Courtillière , Saint Thibault des Vignes	30 Nov 2017	Freehold	n/a	n/a	6,480	6,330	0.4	0.4
Parc Parçay-Meslay	ZI du Papillon, Parçay-Meslay	23 Jan 2019	Freehold	n/a	n/a	5,570	4,710	0.4	0.3
Parc Sully	105 route d'Orléans, Sully-sur-Loire	23 Jan 2019	Freehold	n/a	n/a	3,260	3,250	0.2	0.2
<b>Office</b>									
Cap Mermoz	38-44 rue Jean Mermoz, Maisons-Laffitte, Paris	17 Jul 2019	Freehold	n/a	n/a	33,700	35,800	2.3	2.4
Paryseine	3 Allée de la Seine, Ivry-Sur Seine, Paris	17 Jul 2019	Freehold	n/a	n/a	28,000	27,600	1.9	1.9
Lénine	1 rue de Lénine, 94200 Ivry-Sur Seine, Ivry-Sur Seine, Paris	17 Jul 2019	Freehold	n/a	n/a	3,930	3,950	0.3	0.3
<b>Poland</b>									
<b>Office</b>									
Business Garden	2, 4, 6, 8 and 10 Kolorowa Street, Poznań	24 Sep 2019	Freehold	n/a	n/a	84,500	85,400	5.7	5.8
Green Office	80, 80A, 82 and 84 Czerwone Maki Street, Kraków	25 Jul 2019	Freehold	n/a	n/a	48,500	51,400	3.3	3.5
Riverside Park	Fabryczna 5, Warsaw	14 Feb 2019	Freehold	n/a	n/a	29,700	30,600	2.0	2.1
n/a – not applicable									

Property <i>(by Geography)</i>	Location	Acquisition Date	Land Tenure	Remaining Term (Years)		Carrying Amount		Percentage of Net Assets	
				30-Jun-22	31-Dec-21	30-Jun-22 €'000	31-Dec-21 €'000	30-Jun-22 %	31-Dec-21 %
<b>Poland (cont'd)</b>									
Avatar	28 Armii Krajowej Street, Kraków	25 Jul 2019	Freehold/ Perpetual usufruct	n/a	n/a	23,125	26,200	1.6	1.8
Grójecka 5	Grójecka 5, Warsaw	14 Feb 2019	Freehold	n/a	n/a	19,800	19,900	1.3	1.3
Arkońska Business Park	Arkońska 1&2, Gdańsk	14 Feb 2019	Freehold	n/a	n/a	17,325	18,000	1.2	1.2
<b>Germany</b>									
<b>Light Industrial / Logistics</b>									
Parsdorfer Weg 10	Parsdorfer Weg 10, Kirchheim	30 Nov 2017	Freehold	n/a	n/a	40,300	40,300	2.7	2.7
An der Wasserschluft 7	An der Wasserschluft 7, 06526 Sangerhausen	13 Aug 2020	Freehold	n/a	n/a	19,925	19,750	1.3	1.3
Siemensstraße 11	Siemensstraße 11, Frickenhausen	30 Nov 2017	Freehold	n/a	n/a	18,650	18,250	1.3	1.2
Göppinger Straße 1 – 3	Pforzheim, Göppinger Straße 1 – 3	24 Mar 2020	Freehold	n/a	n/a	18,625	18,250	1.3	1.2
Löbstedter Str. 101-109	Löbstedter Str. 101 – 109, Unstrutweg 1, 4, Ilmstr. 4, 4a, Jena	21 Apr 2022	Freehold	n/a	n/a	17,342	-	1.2	0.0
Gewerbestraße 62	Bretten, Gewerbestraße 62	24 Mar 2020	Freehold	n/a	n/a	17,175	16,825	1.2	1.1
An der Kreuzlache 8-12	An der Kreuzlache 8-12, Bischofsheim	30 Nov 2017	Freehold	n/a	n/a	15,025	14,725	1.0	1.0
Henschelring 4	Henschelring 4, Kirchheim	30 Nov 2017	Freehold	n/a	n/a	12,125	12,125	0.8	0.8
Frauenstraße 31	Frauenstraße 31, Maisach	30 Nov 2017	Freehold	n/a	n/a	12,000	12,025	0.8	0.8
Gutenbergstraße 1, Dieselstraße 2	Königsbach-Stein, Gutenbergstraße 1, Dieselstraße 2	24 Mar 2020	Freehold	n/a	n/a	11,800	11,575	0.8	0.8
Kolumbusstraße 16	Kolumbusstraße 16, Hamburg	30 Nov 2017	Freehold	n/a	n/a	11,325	10,850	0.8	0.7
Dresdner Straße 16, Sachsenring 52	Dresdner Straße 16, Sachsenring 52, Straubing	30 Nov 2017	Freehold	n/a	n/a	10,050	10,000	0.7	0.7
Hochstraße 150-152	Hochstraße 150-152, Duisburg	30 Nov 2017	Freehold	n/a	n/a	9,810	9,940	0.7	0.7
Moorfleeter Straße 27, Liebigstraße 67-71	Moorfleeter Straße 27, Liebigstraße 67-71, Hamburg	30 Nov 2017	Freehold	n/a	n/a	9,410	9,190	0.6	0.6
An der Steinlach 8-10	An der Steinlach 8-10, Bischofsheim	30 Nov 2017	Freehold	n/a	n/a	5,150	5,130	0.3	0.3
Kinzigheimer Weg 114	Kinzigheimer Weg 114, Hanau	30 Nov 2017	Freehold	n/a	n/a	5,000	3,840	0.3	0.3
<b>Finland</b>									
<b>Office</b>									
Opus 1	Hitsaajankatu 24, Helsinki	28 Dec 2018	Freehold	n/a	n/a	15,375	15,225	1.0	1.0
Plaza Vivace	Äyritie 8 C, Vantaa	28 Dec 2018	Freehold	n/a	n/a	11,925	11,600	0.8	0.8
Plaza Forte	Äyritie 12 C, Vantaa	28 Dec 2018	Freehold	n/a	n/a	11,700	11,650	0.8	0.8
Myyrämäenraitti 2	Myyrämäenraitti 2, Vantaa	28 Dec 2018	Freehold	n/a	n/a	10,250	10,475	0.7	0.7

n/a – not applicable

Property <i>(by Geography)</i>	Location	Acquisition Date	Land Tenure	Remaining Term (Years)		Carrying Amount		Percentage of Net Assets	
				30-Jun-22	31-Dec-21	30-Jun-22 €'000	31-Dec-21 €'000	30-Jun-22 %	31-Dec-21 %
<b>Finland (cont'd)</b>									
Mäkitorpantie 3b	Mäkitorpantie 3b, Helsinki	28 Dec 2018	Freehold	n/a	n/a	9,650	9,580	0.6	0.6
Plaza Allegro	Äyritie 8 B, Vantaa	28 Dec 2018	Freehold	n/a	n/a	9,590	9,720	0.6	0.7
Pakkalankuja 6	Pakkalankuja 6, Vantaa	28 Dec 2018	Freehold	n/a	n/a	9,300	9,640	0.6	0.7
Grandinkulma	Kielotie 7, Vantaa	28 Dec 2018	Freehold	n/a	n/a	9,130	11,650	0.6	0.8
Kauppakatu 39	Kauppakatu 39, Kuopio	28 Dec 2018	Freehold	n/a	n/a	7,690	7,820	0.5	0.5
Pakkalankuja 7	Pakkalankuja 7, Vantaa	28 Dec 2018	Freehold	n/a	n/a	6,070	5,550	0.4	0.4
Purotie 1	Purotie 1, Helsinki	28 Dec 2018	Freehold	n/a	n/a	3,310	3,710	0.2	0.3
<b>Denmark</b>									
<b>Light Industrial / Logistics</b>									
Naverland 7-11	Naverland 7-11, Glostrup	30 Nov 2017	Freehold	n/a	n/a	13,932	13,051	0.9	0.9
Priorparken 700	Priorparken 700, Brøndby	30 Nov 2017	Freehold	n/a	n/a	13,837	12,742	0.9	0.9
Priorparken 800	Priorparken 800, Brøndby	30 Nov 2017	Freehold	n/a	n/a	11,498	10,995	0.8	0.7
Islevdalvej 142	Islevdalvej 142, Rødovre	30 Nov 2017	Freehold	n/a	n/a	8,741	8,310	0.6	0.6
Stamholmen 111	Stamholmen 111, Hvidovre	30 Nov 2017	Freehold	n/a	n/a	8,539	7,849	0.6	0.5
Herstedvang 2-4	Herstedvang 2-4, Albertslund	30 Nov 2017	Freehold	n/a	n/a	8,216	7,890	0.6	0.5
Naverland 8	Naverland 8, Glostrup	30 Nov 2017	Freehold	n/a	n/a	7,598	7,433	0.5	0.5
Hørskætten 4-6	Hørskætten 4-6, Tåstrup	30 Nov 2017	Freehold	n/a	n/a	7,127	6,317	0.5	0.4
Fabriksparken 20	Fabriksparken 20, Glostrup	30 Nov 2017	Freehold	n/a	n/a	6,791	6,331	0.5	0.4
Hørskætten 5	Hørskætten 5, Tåstrup	30 Nov 2017	Freehold	n/a	n/a	4,236	4,140	0.3	0.3
Naverland 12	Naverland 12, Glostrup	30 Nov 2017	Freehold	n/a	n/a	3,913	3,871	0.3	0.3
<b>United Kingdom</b>									
<b>Light Industrial / Logistics</b>									
Thorn Lighting	DurhamGate, Spennymoor, County Durham	17 Dec 2021	Freehold	n/a	n/a	37,517	38,463	2.5	2.6
The Cube	Whitehouse Industrial Estate, Preston Brook, Runcorn, Cheshire WA7 3GA	18 May 2022	Freehold	n/a	n/a	23,230	-	1.6	-
Kingsland 21	21 Kingsland Grange, Warrington	03 Aug 2021	Freehold	n/a	n/a	11,963	11,908	0.8	0.8

n/a – not applicable



Property <i>(by Geography)</i>	Location	Acquisition Date	Land Tenure	Remaining Term (Years)		Carrying Amount		Percentage of Net Assets	
				30-Jun-22	31-Dec-21	30-Jun-22 €'000	31-Dec-21 €'000	30-Jun-22 %	31-Dec-21 %
<b>Slovakia</b>									
<b>Light Industrial / Logistics</b>									
Nove Mesto ONE Industrial Park III	Rakol'uby 242, 916 31 Kocovce	11 Mar 2021	Freehold	n/a	n/a	17,700	17,300	1.2	1.2
Nove Mesto ONE Industrial Park I	Beckov 645, 916 38 Beckov	11 Mar 2021	Freehold	n/a	n/a	17,045	16,845	1.1	1.1
Kosice Industrial Park	Veľká Ida 785, 044 55 Veľká Ida	11 Mar 2021	Freehold	n/a	n/a	14,400	14,800	1.0	1.0
Nove Mesto ONE Industrial Park II	Kocovce 245, 916 31 Kocovce	11 Mar 2021	Freehold	n/a	n/a	10,200	9,980	0.7	0.7
Zilina Industrial Park	Priemyselna 1, 013 02 Nededza	11 Mar 2021	Freehold	n/a	n/a	5,520	5,510	0.4	0.4
<b>The Czech Republic</b>									
<b>Light Industrial / Logistics</b>									
Moravia Industrial Park	Jaktare 1752, 686 01 Uherske Hradiste	11 Mar 2021	Freehold	n/a	n/a	16,600	16,300	1.1	1.1
Lovosice ONE Industrial Park II.	Prumyslova 1190, 410 02 Lovosice	11 Mar 2021	Freehold	n/a	n/a	16,600	14,500	1.1	1.0
South Moravia Industrial Park	Cukrovarska 494/39, Mesto, 682 01 Vyskov	11 Mar 2021	Freehold	n/a	n/a	11,640	11,640	0.8	0.8
One-Hradec Králové	Vážní 536, 500 03 Hradec Králové	04 Jun 2021	Freehold	n/a	n/a	10,700	10,300	0.7	0.7
Pisek Industrial Park I.	Stanislava Mlainy 464, 397 01 Pisek	11 Mar 2021	Freehold	n/a	n/a	4,280	4,340	0.3	0.3
Lovosice ONE Industrial Park I.	Tovami 1162, 410 02 Lovosice	11 Mar 2021	Freehold	n/a	n/a	3,180	3,270	0.2	0.2
Pisek Industrial Park II.	U Hrebince 2564/23, 391 01 Pisek	11 Mar 2021	Freehold	n/a	n/a	1,770	1,730	0.1	0.1
<b>Portfolio of investment properties, at fair value</b>						<b>2,558,778</b>	<b>2,442,625</b>	<b>172.3</b>	<b>165.3</b>
Other adjustments (note 12(a))						6,294	6,389	0.4	0.4
<b>Investment properties as shown in the balance sheet</b>						<b>2,565,072</b>	<b>2,449,014</b>	<b>172.7</b>	<b>165.8</b>
Other assets and liabilities, net						(1,080,160)	(971,734)	(72.7)	(65.8)
<b>Net assets</b>						<b>1,484,912</b>	<b>1,477,280</b>	<b>100.00</b>	<b>100.00</b>

n/a – not applicable

## Notes to the Unaudited Condensed Interim Financial Statements

### 1. Corporate information

The Cromwell European Real Estate Investment Trust ("Trust") is a Singapore real estate investment trust constituted pursuant to a trust deed dated 28 April 2017 (date of "Constitution") (as amended, varied or supplemented from time to time) (the "Trust Deed") between Cromwell EREIT Management Pte. Ltd. as the Manager of CEREIT (the "Manager") and Perpetual (Asia) Limited as Trustee of CEREIT (the "Trustee"). CEREIT was listed on the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 30 November 2017 ("Listing Date"). The Trust and its subsidiaries are collectively referred to as "CEREIT" in the consolidated financial statements.

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 currently targets a majority investment weighting to the light industrial / logistics sector while also investing in core office assets in gateway cities.

### 2. Basis of preparation

The condensed interim financial statements for the six-month period ended 30 June 2022 have been prepared in accordance with IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in CEREIT's financial position and performance of CEREIT since the last annual financial statements for the year ended 31 December 2021.

The accounting policies adopted and method of computation are consistent with those of the previous financial year which were prepared in accordance with International Financial Reporting Standards adopted by the International Accounting Standards Board, the recommendations of *The Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" (Revised 2017)* issued by the Institute of Singapore Chartered Accountants and the provisions of the Trust Deed.

The condensed interim financial statements are presented in Euro ("€") and had been rounded to the nearest thousand, unless otherwise stated.

#### 2.1 New and amended standards adopted by CEREIT

The accounting policies applied by CEREIT in these interim financial statements are the same as those applied by CEREIT in the financial statements as at and for the year ended 31 December 2021.

#### 2.2 Use of judgements and estimates

The preparation of the condensed financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying CEREIT's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis and are based on historical or professional experience and other factors such as expectations about future events. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

<b>Area of estimation</b>	<b>Note</b>
Measurement of deferred tax liabilities	
Determination of fair value of investment properties using significant unobservable inputs	12(c)
Acquisition of subsidiaries: the fair value of the consideration transferred (including contingent consideration) and the fair value of the assets and liabilities assumed, measured on a provisional basis	

### **2.3 Working capital**

As at 30 June 2022, CEREIT had net current liabilities of €27,707,000 (31 December 2021: 12,569,000). The net current liabilities position was mainly due to the German Schuldschein which is an unsecured private placement borrowing of €23.0 million with maturity due in November 2022. The unaudited condensed financial statements have been prepared on a going concern basis as CEREIT has available various sources of funding including committed undrawn revolving credit facility of €105.3 million (31 December 2021: €200 million) which matures in October 2024 which could be used to repay the borrowing. Therefore, the Manager is confident that CEREIT can meet its obligations as and when they fall due.

### **3. Seasonal operations**

CEREIT's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

### **4. Segment and revenue information**

CEREIT's operating segments regularly reviewed by the Chief Operating Decision Maker ("CODM"), being the Chief Executive Officer ("CEO"), are CEREIT's property sub-portfolios by location and asset class as each of these sub-portfolios have different performance characteristics.

CEREIT operated in three property classes and ten (31 December 2021: ten) countries as at 30 June 2022. The property segments below are reported in a manner consistent with the internal reporting provided to the CODM.

**4.1 Segment results**

CEREIT	1H 2022			1H 2021		
	Gross revenue from external customers €'000	Property operating expenditure €'000	Segment Profit/(Loss) €'000	Gross revenue from external customers €'000	Property operating expenditure €'000	Segment Profit/(Loss) €'000
<i>Light industrial / Logistics</i>						
The Netherlands	3,283	(1,000)	<b>2,283</b>	2,640	(1,116)	<b>1,524</b>
Italy	5,427	(1,279)	<b>4,148</b>	3,039	(836)	<b>2,203</b>
France	15,466	(5,984)	<b>9,482</b>	15,015	(5,112)	<b>9,903</b>
Germany	8,361	(2,853)	<b>5,508</b>	7,948	(2,776)	<b>5,172</b>
Denmark	5,046	(2,427)	<b>2,619</b>	4,567	(1,813)	<b>2,754</b>
United Kingdom	1,793	(193)	<b>1,600</b>	-	-	-
Slovakia	3,351	(1,026)	<b>2,325</b>	1,646	(314)	<b>1,332</b>
Czech Republic	2,323	(566)	<b>1,757</b>	1,192	(172)	<b>1,020</b>
<b>Total - Light industrial / Logistics</b>	<b>45,050</b>	<b>(15,328)</b>	<b>29,722</b>	<b>36,047</b>	<b>(12,139)</b>	<b>23,908</b>
<i>Office</i>						
The Netherlands	21,480	(8,207)	<b>13,273</b>	20,436	(7,408)	<b>13,028</b>
Italy	11,218	(3,673)	<b>7,545</b>	11,807	(3,361)	<b>8,446</b>
France	2,834	(1,764)	<b>1,070</b>	4,713	(1,853)	<b>2,860</b>
Poland	14,119	(6,285)	<b>7,834</b>	13,325	(5,236)	<b>8,089</b>
Finland	5,338	(2,761)	<b>2,577</b>	5,659	(2,648)	<b>3,011</b>
<b>Total - Office</b>	<b>54,989</b>	<b>(22,690)</b>	<b>32,299</b>	<b>55,940</b>	<b>(20,506)</b>	<b>35,434</b>
<i>Other</i>						
Italy	7,378	(2,069)	<b>5,309</b>	7,032	(2,087)	<b>4,945</b>
<b>Total - Other</b>	<b>7,378</b>	<b>(2,069)</b>	<b>5,309</b>	<b>7,032</b>	<b>(2,087)</b>	<b>4,945</b>
<b>Total - Segments</b>	<b>107,417</b>	<b>(40,087)</b>	<b>67,330</b>	<b>99,019</b>	<b>(34,732)</b>	<b>64,287</b>
<i>Unallocated items:</i>						
Net finance costs			(10,438)			(11,368)
Manager's fees			(2,988)			(2,764)
Trustee fees			(146)			(136)
Other trust expenses			(3,353)			(2,715)
Gain on disposal of investment property			1,120			-
Fair value gain - investment properties			4,655			28,141
Fair value gain/(loss) - derivative financial instruments			6,836			(9)
Income tax expense			(9,877)			(14,897)
<b>Total return for the period</b>			<b>53,139</b>			<b>60,539</b>

#### 4.2 Segment assets and liabilities

	30-Jun-22		31-Dec-21	
	Segment assets: Investment properties €'000	Other information Capital expenditure €'000	Segment assets: Investment properties €'000	Other information Capital expenditure €'000
<b>CEREIT</b>				
<i>Light industrial / Logistics</i>				
The Netherlands	106,589	160	97,604	698
Italy	149,925	506	89,125	1,042
France	378,040	1,430	357,890	3,293
Germany	233,712	1,466	212,775	3,195
Denmark	94,428	1,078	88,929	613
United Kingdom	72,710	-	50,371	-
Slovakia	64,865	34	64,435	193
Czech Republic	64,770	48	62,080	342
<b>Total - Light industrial / Logistics</b>	<b>1,165,039</b>	<b>4,722</b>	<b>1,023,209</b>	<b>9,376</b>
<i>Office</i>				
The Netherlands	564,288	2,512	571,865	5,868
Italy	319,810	1,621	323,650	1,880
France	65,630	136	67,350	1,980
Poland	222,950	553	231,500	1,893
Finland	103,990	1,885	106,620	557
<b>Total - Office</b>	<b>1,276,668</b>	<b>6,707</b>	<b>1,300,985</b>	<b>12,178</b>
<i>Other</i>				
Italy	123,365	156	124,820	493
<b>Total - Other</b>	<b>123,365</b>	<b>156</b>	<b>124,820</b>	<b>493</b>
<b>Total - Segments</b>	<b>2,565,072</b>	<b>11,585</b>	<b>2,449,014</b>	<b>22,047</b>
<i>Reconciliation to total consolidated assets:</i>				
Cash and cash equivalents	52,730		59,258	
Receivables - current	17,477		18,491	
Current tax assets	807		865	
Receivables - non-current	423		663	
Derivative financial instruments	7,783		947	
Deferred tax assets	5,780		5,292	
<b>Consolidated total assets</b>	<b>2,650,072</b>		<b>2,534,530</b>	

#### Segment liabilities

There are no liabilities allocated to segments.

## 5 Gross revenue

Gross revenue includes the following items:

	CEREIT		
	1H 2022 €'000	1H 2021 €'000	Fav./ (Unfav.) %
Gross rental income	86,293	79,589	8.4%
Service charge income	19,879	17,827	11.5%
Other property related income <sup>(1)</sup>	1,245	1,603	(22.3%)
<b>Total gross revenue</b>	<b>107,417</b>	<b>99,019</b>	<b>8.5%</b>

<sup>(1)</sup> Other property related income comprises advertising billboards and signage, kiosks, early termination indemnity from tenants and other income attributable to the operation of the properties.

## 6 Property operating expense

Property operating expense comprises service charge expenses, non-recoverable expenses and allowance for doubtful debts.

Service charge expenses are generally offset and recoverable by service charge income, and include where applicable, insurance, provision of utilities, land tax, and maintenance and service of common equipment and common areas. Service charge expenses may exceed service charge income due to vacancies within the properties.

Non-recoverable expenses include property insurance, maintenance and repairs, marketing costs, property taxes, leasing costs and property management fees. Leasing costs include payments to third-party brokers and/or the property manager. Property management fees are payable to the property manager. Property management fees are based on 0.67% of deposited property pursuant to the Trust Deed.

Property operating expense includes the following items:

	CEREIT		
	1H 2022 €'000	1H 2021 €'000	Fav./ (Unfav.) %
Service charge expenses and non-recoverable expenses	31,236	27,303	(14.4%)
Property management fees paid in cash	8,703	8,055	(8.0%)
Provision for/(writeback of) doubtful debts	148	(626)	n.m.
<b>Total property operating expense</b>	<b>40,087</b>	<b>34,732</b>	<b>(15.4%)</b>

## 7 Manager's fees

Pursuant to the Trust Deed, the Manager is entitled to a base fee of 0.23% per annum of the deposited property and a performance fee of 25.0% of the difference in DPU in a financial year with the DPU in the preceding financial year (calculated before accounting for the performance fee in each financial year) multiplied by the weighted average number of units in issue for such financial year.

	CEREIT		
	1H 2022 €'000	1H 2021 €'000	Fav./ (Unfav.) %
Manager's base fees paid in cash <sup>(i)</sup>	2,988	2,764	(8.1%)
Manager's performance fees <sup>(ii)</sup>	-	-	n.m.
<b>Total manager's fees</b>	<b>2,988</b>	<b>2,764</b>	<b>(8.1%)</b>

<sup>(i)</sup> Includes some employee reimbursements which are netted off against total base fees.

<sup>(ii)</sup> Performance fees are calculated annually and accrued for, if applicable, in the full year result of each financial year.

n.m. – Not meaningful

## 8 Gain on disposal of investment property

This relates to gain on disposal of a warehouse unit contained within Centro Logistico Orlando Marconi asset in Italy on 25 January 2022 for a consideration of €2.8 million.

## 9 Consolidated Earnings per Unit and distribution per Unit

	CEREIT	
	1H 2022	1H 2021
<b>Earnings per unit ("EPU")</b>		
Weighted average number of units ('000) <sup>(1)</sup>	561,722	542,093
Total return for the period attributable to Unitholders (€'000)	51,989	60,539
EPU (basic and diluted) (cents)	9.255	11.168

<sup>(1)</sup> The weighted average number of units was based on the weighted average number of units during the respective period including any units issuable to the Manager and Property Manager.

	CEREIT	
	1H 2022	1H 2021
<b>Distribution per unit ("DPU")</b>		
Applicable number of units for the period ('000) <sup>(2)</sup>	562,392	542,919
Income available for distribution to Unitholders (€'000)	48,902	46,159
DPU (cents)	8.695	8.502

<sup>(2)</sup> DPU is calculated based on the total number of units in issue entitled to distributions as at record date of each distribution.

## 10 Distribution to Unitholders

CEREIT's aim is to provide investors with regular and stable distributions that are growing over time. CEREIT's distribution policy is to distribute at least 90% of its annual distributable income in each financial year but this will be re-affirmed at the Manager's discretion at the time of each distribution announcement. CEREIT will typically make distributions to Unitholders on a semi-annual basis, with the amount calculated as at 30 June and 31 December for the six-month period ending on each of these dates.

Distribution to Unitholders during the period:

Distribution period	Distribution type	Distribution per unit (in € cents)	CEREIT and Trust	
			1H 2022 €'000	1H 2021 €'000
1 July 2021 to 31 December 2021	Tax exempt & capital	8.459	47,459	-
1 July 2020 to 4 March 2021	Tax exempt	2.324	-	59,403
<b>Total distribution</b>			<b>47,459</b>	<b>59,403</b>

## 11 Income tax expense

CEREIT calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. Income tax expense includes the following:

	CEREIT		
	1H 2022 €'000	1H 2021 €'000	Fav./ (Unfav.) %
Current tax expense	3,608	2,509	(43.8%)
Deferred tax expense	6,269	12,388	49.4%
<b>Total income tax expense</b>	<b>9,877</b>	<b>14,897</b>	<b>33.7%</b>

## 12 Investment properties

### 12(a) Reconciliation of carrying amount of investment properties

	30-Jun-22				
	Independent valuation €'000	Directors' valuation €'000	Total valuation €'000	Right-Of-Use asset €'000	Carrying amount €'000
The Netherlands	605,305	59,278	664,583	6,294	670,877
Italy	593,100	-	593,100	-	593,100
France	443,670	-	443,670	-	443,670
Germany	216,370	17,342	233,712	-	233,712
Poland	222,950	-	222,950	-	222,950
Finland	103,990	-	103,990	-	103,990
Denmark	94,428	-	94,428	-	94,428
United Kingdom	49,480	23,230	72,710	-	72,710
Slovakia	64,865	-	64,865	-	64,865
Czech Republic	64,770	-	64,770	-	64,770
<b>Total</b>	<b>2,458,928</b>	<b>99,850</b>	<b>2,558,778</b>	<b>6,294</b>	<b>2,565,072</b>

### 12(b) Movements in investment properties

	CEREIT	
	30-Jun-22 €'000	31-Dec-21 €'000
<b>At 1 January</b>	<b>2,449,014</b>	2,184,529
Acquisition of new properties <sup>(i)</sup>	91,572	208,649
Acquisition costs	5,547	9,637
Disposal of existing property	(1,644)	(5,914)
Capital expenditure	11,585	22,047
Lease incentives, lease costs and rent straight-lining	5,702	3,243
Net gain from fair value adjustments	4,655	27,061
Exchange differences	(1,193)	244
Others	(166)	(482)
<b>At 30 June/ 31 Dec</b>	<b>2,565,072</b>	2,449,014

(i) FY 2021 includes some purchase price adjustments for the share deals acquisitions.

On 25 January 2022, CEREIT completed the sale of a warehouse unit contained within the Centro Logistico Orlando Marconi asset in Italy for a consideration of €2,800,000, which was €1.2 million or 70% higher than the apportioned value of the most recent valuation of the asset as at 31 December 2021.

On 15 February 2022, CEREIT acquired a freehold light industrial / logistics property in Brescia, Italy for €24,500,000.

On 17 March 2022, CEREIT acquired a freehold light industrial / logistics property in Milan, Italy for €26,500,000.

On 21 April 2022, CEREIT acquired a freehold light industrial business park in Jena, Germany for €17,342,000.

On 18 May 2022, CEREIT acquired a third logistics property in United Kingdom for €23,230,000.



## 12(c) Valuation

At 30 June 2022, 113 properties of CEREIF's portfolio of 116 properties were valued by independent valuers with a combined value of €2,458,928,000. The German property acquired in April 2022 and the United Kingdom property acquired in May 2022 were carried at their purchase prices which had been assessed by the Directors of the Manager as the fair values. Moeder Teresalaan 100/200 located in Utrecht, the Netherlands was carried at book value, being valuation as at 31 December 2021 plus capital expenditure incurred during 1H 2022.

The independent valuations for properties located in the Netherlands, Italy, Germany, Poland and Finland were conducted by CBRE Ltd and for properties located in France, Denmark, the United Kingdom, Slovakia and the Czech Republic valuations were conducted by Savills Advisory Services Limited. The valuers have utilised the discounted cash flow and income capitalisation methods (31 December 2021: discounted cash flow and income capitalisation methods).

### Significant unobservable inputs

The following table shows the valuation techniques used in arriving at the fair values of the investment properties, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	30-Jun-22		31-Dec-21	
		Range	Weighted average	Range	Weighted average
<i>Discounted cash flow</i> This valuation model considers the present value of net cash flows to be generated from the property, taking into account expected rental growth rate and occupancy rate. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location, tenant credit quality and lease terms	Net initial yield	-0.1% to 9.8%	6.2%	-13.3% to 12.0%	6.3%
	Net reversionary yield	0.0% to 16.6%	7.0%	5.2% to 16.7%	7.5%
	Discount rate	6.7% to 9.3%	7.6%	5.3% to 12.0%	7.6%
	Exit cap rate	4.8% to 7.7%	5.8%	5.3% to 9%	6.3%
	Occupancy (%)	0% to 100%	91.1%	0% to 100%	90.8%
<i>Income capitalisation</i> This method involves assessing the total net market income receivable from the property and capitalising this perpetually, using an appropriate, market derived capitalisation rate, to derive a capital value, with allowances for capital expenditure reversions such as lease incentives and required capital works payable in the near future and overs / unders when comparing market rent with passing rent.	Net initial yield	-0.1% to 10.6%	6.0%	-0.9% to 10.3%	5.8%
	Net reversionary yield	3.4% to 14.2%	6.6%	3.5% to 12.5%	6.2%
	Occupancy (%)	0% to 100%	92.4%	0% to 100%	93.7%

All the significant inputs noted above are not observable market data, hence investment property valuations are considered level 3 fair value measurements (refer fair value hierarchy described in note 17).

### Sensitivity information

The relationships between the significant unobservable inputs and the fair value of investment properties are as follows:

Inputs	Impact of increase in input on fair value	Impact of decrease in input on fair value
Net initial yield	Decrease	Increase
Reversionary yield	Decrease	Increase
Discount rate	Decrease	Increase
Exit cap rate	Decrease	Increase

### Properties carried at acquisition price

As at 30 June 2022, the German property acquired in April 2022 and the United Kingdom property acquired in May 2022 with an aggregate carrying amount of €40,572,000 were carried at purchase price (31 December 2021: 2 properties in the Netherlands with aggregate carrying amount of €40,472,000).

The transaction prices were considered equal to the fair values of the properties as the sale and purchase agreement was entered into on an arms-length basis between non-related parties. The purchase prices were paid in cash to the sellers. Given the relatively insignificant period that has lapsed from transaction date to financial period end, the Directors of the Managers considered the transaction prices to approximate the fair values of the properties at financial period end.

### 12(d) Assets pledged as security

As at 30 June 2022, a total of three (31 December 2021: three) of CEREIF's investment properties with a combined fair value of €245,255,000 (31 December 2021: €245,960,000) were pledged as security for CEREIF's senior property level financing facility (see note 13(a)).

### 13 Borrowings

CEREIT	30-Jun-22 €'000	31-Dec-21 €'000
<i>Current</i>		
Unsecured loans – financial institutions	23,000	23,000
<b>Total current borrowings</b>	<b>23,000</b>	23,000
<i>Non-current</i>		
Secured	82,375	82,375
Unsecured	916,700	822,000
Less: Unamortised debt issuance costs	(5,587)	(4,646)
<b>Total borrowings</b>	<b>993,488</b>	899,729
<b>Total borrowings</b>	<b>1,016,488</b>	922,729

During 1H 2022, CEREIF drew €94,700,000 under the Revolving Credit Facility to fund the new acquisitions, replenish the cash used to fund the previous acquisitions and for operating expenses.

### 13(a) Borrowing details

Facility	Note	Secured	Maturity	30-Jun-22		31-Dec-21	
				Facility €'000	Utilised €'000	Facility €'000	Utilised €'000
Dutch Office 2	(i)	Yes	Dec-26	82,375	82,375	82,375	82,375
German Schuldschein	(ii)	No	Nov-22	23,000	23,000	23,000	23,000
Term loan 3 years	(iii)	No	Nov-23	157,000	157,000	157,000	157,000
Term loan 5 years	(iii)	No	Nov-24	165,000	165,000	165,000	165,000
Revolving Credit Facility	(iv)	No	Oct-24	200,000	94,700	200,000	-
Euro Medium term note	(v)	No	Nov-25	500,000	500,000	500,000	500,000
<b>Total borrowing facilities</b>				<b>1,127,375</b>	<b>1,022,075</b>	1,127,375	927,375
Less: Unamortised debt issuance costs & unamortised bond premium					<b>(5,587)</b>		(4,646)
<b>Balance at period end</b>					<b>1,016,488</b>		922,729

#### Property level financing facility

Property level financing facilities are secured by first-ranking mortgages over the relevant properties as well as pledges over the receivables of the property holding SPVs, pledges over the entire share capital of the property holding SPVs, pledges over the receivables of any lease agreements and insurance proceeds pertaining to the relevant properties, a first priority account pledge over all bank accounts of the property-holding SPVs and a pledge over all hedging receivables in relation to the relevant property level financing facility.

##### (i) Dutch Office 2

The Dutch Office 2 facility is secured over three (31 December 2021: three) Dutch office properties with an aggregate carrying amount of €245,255,000 (31 December 2021: €245,960,000). Interest is payable quarterly in arrears at a fixed rate of 1.93% p.a.

#### Unsecured financing facilities

##### (ii) German Schuldschein

The German Schuldschein in the amount of €23.0 million which is an unsecured private placement under German governing law was part of the transformational refinancing in November 2019. The German Schuldschein is subject to Euribor 3 months which is floored at 0.0% as long as Euribor is negative. An interest rate cap with a strike rate of 0.0% was executed, covering 100.0% of the notional and co-matures with the term of the private placement.

##### (iii) Term loan 3 and 5 years

Both the 3-year term and 5-year loans and notes are subject to Euribor 3 months which is floored at 0.0% as long as Euribor is negative. An interest rate cap with a strike rate of 0.0% was executed, covering 100.0% of the notional and co-matures with term of each respective tranche.

##### (iv) Revolving Credit Facility ("RCF")

RCF was put in place to provide CEREIT with additional financing flexibility and working capital.

##### (v) Euro Medium Term Note

On 19 October 2020, a subsidiary of CEREIT, Cromwell EREIT Lux Finco S.a.r.l. ("Lux Finco") established a €1.5 billion Euro Medium Term Note Programme ("EMTN Programme"). Under the EMTN Programme, Lux Finco may, from time to time, issue rated notes denominated in any currency agreed between Lux Finco and the relevant dealer with aggregate principal amounts up to €1.5 billion (or its equivalent in other currencies) outstanding at any time.

As at 30 June 2022, CEREIT had €500 million (31 December 2021: €500 million) of senior unsecured fixed rate notes issued under the programme at a coupon of 2.125% p.a. and reoffer yield ranging from 1.60% p.a. to 2.161% p.a., payable annually in arrear, maturing in 2025.

#### All-in interest rate

Excluding commitment fee on the undrawn RCF, the average all-in interest rate is c. 1.72% per annum (31 December 2021: 1.72% p.a.).

#### Guarantees

The Trust has provided corporate guarantees to banks for unsecured borrowings undertaken by Lux Finco. The Trust does not consider it probable that a claim will be made under these guarantees.

#### 13 (b) Net finance costs

Net finance costs include the following:

	CEREIT		
	1H 2022 €'000	1H 2021 €'000	Fav./ (Unfav.) %
Interest expense	9,141	8,686	(5.2%)
Amortisation of debt issuance costs	1,297	2,683	51.7%
Interest income	-	(1)	(100.0%)
<b>Net finance costs</b>	<b>10,438</b>	11,368	8.2%

#### 14 Derivative financial instruments

CEREIT and the Trust's derivative financial instruments consist of interest rate cap contracts which are used to cap interest on floating rate borrowings and cross currency swaps which are used to hedge the currency risk arising from the Singapore dollar denominated perpetual securities. As at 30 June 2022, 100% (31 Dec 2021: 100%) of CEREIT's total gross borrowings (excluding the RCF) were hedged by using interest rate caps or are fixed on a co-maturing basis. The weighted average cap strike rate is 0.0% (31 December 2021: 0.00%).

	CEREIT		Trust	
	30-Jun-22 €'000	31-Dec-21 €'000	30-Jun-22 €'000	31-Dec-21 €'000
<i>Non-current assets</i>				
Interest rate cap contracts	2,799	378	-	-
Cross currency swaps	4,984	569	4,984	569
<b>Total derivative financial instruments</b>	<b>7,783</b>	947	<b>4,984</b>	569

The notional principal amounts and period of expiry of CEREIT's derivative financial instruments were as follows:

	CEREIT		Trust	
	30-Jun-22 €'000	31-Dec-21 €'000	30-Jun-22 €'000	31-Dec-21 €'000
1 - 2 years	475,000	475,000	-	-
3 - 4 years	65,136	-	65,136	-
4 - 5 years	-	65,136	-	65,136
	<b>540,136</b>	540,136	<b>65,136</b>	65,136

**15 Contributed equity**

	CEREIT		Trust	
	30-Jun-22	31-Dec-21	30-Jun-22	31-Dec-21
Total contributed equity (€'000)	<b>1,349,551</b>	1,346,550	<b>1,349,888</b>	1,346,887
Units in issue ('000)	<b>562,392</b>	561,045	<b>562,392</b>	561,045

**15(a) Movements in contributed equity**

	CEREIT and Trust	
	30-Jun-22 No. of units '000	31-Dec-21 No. of units '000
Units in issue at 1 January	<b>561,045</b>	2,556,081
<i>Units issued during the period prior to unit consolidation</i>		
- Private placement	-	232,558
- As payment of distribution pursuant to Distribution Reinvestment Plan ("DRP")	-	8,012
<i>Effect of 5:1 unit consolidation</i>	-	(2,237,321)
<i>Units issued during the period post unit consolidation</i>		
- As payment of acquisition fee	-	40
- As payment of distribution pursuant to DRP	<b>1,347</b>	1,675
<b>Units in issue at 30 June / 31 December</b>	<b>562,392</b>	561,045

CEREIT did not hold any treasury units as at 30 June 2022 and 31 December 2021.

The Trust's subsidiaries do not hold any units in the Trust as at 30 June 2022 and 31 December 2021.

On 31 March 2022, 1,347,564 new units at an issue price of €2.2409 per new unit were issued under the DRP in relation to distribution for period 1 July 2021 to 31 December 2021.

**15(b) Units issuable**

	CEREIT and Trust	
	30-Jun-22 '000	31-Dec-21 '000
Units issuable	-	-
Units in issue	<b>562,392</b>	561,045
<b>Total units issued and issuable</b>	<b>562,392</b>	561,045

## 16 Perpetual securities

The perpetual securities are classified as equity instruments and recorded as equity in the balance sheets. The €64,140,000 (31 December 2021: €64,150,000) presented on the balance sheets represents the carrying value of the €65,136,000 perpetual securities issued, net of issue costs and includes net return attributable to perpetual securities holders from date of issue.

## 17 Fair value measurement of financial instruments

CEREIT uses a number of methods to determine the fair value of its financial instruments as described in IFRS 13 *Fair Value Measurement*. The methods comprise the following:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The table below presents CEREIT's financial assets and liabilities measured and carried at fair value at the reporting date:

	Note	CEREIT			Total €'000
		Level 1 €'000	Level 2 €'000	Level 3 €'000	
<b>30-Jun-22</b>					
<b>Financial asset at fair value</b>					
Derivative financial instruments	14	-	7,783	-	<b>7,783</b>
<b>31-Dec-21</b>					
<b>Financial asset at fair value</b>					
Derivative financial instruments	14	-	947	-	<b>947</b>

There were no transfers between the levels of the fair value hierarchy during the periods.

### *Disclosed fair values*

The fair values of derivative financial instruments (Level 2) are disclosed in the balance sheets.

The carrying amounts of cash and cash equivalents, receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of non-current variable interest-bearing borrowings approximate their fair values as they are floating rate instruments that are re-priced to market interest rate on or near the reporting date.

The fair value of finance lease liabilities is calculated based on the present value of future cash outflows, discounted at CEREIT's incremental borrowing rates at the reporting date.

### *Valuation techniques used to derive Level 2 fair values*

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 2 financial assets and financial liabilities held by CEREIT include cross currency swaps contracts and interest rate cap contracts (over-the-counter derivatives). The fair value of these derivatives has been determined using a pricing model based on discounted cash flow analysis which incorporates assumptions supported by observable market data at the reporting date including market expectations of future interest rates and discount rates adjusted for any specific features of the derivatives and counterparty or own credit risk. All counterparties to interest rate derivatives are European financial institutions.

*Classification of financial instruments*

	Type of financial instrument	CEREIT		Trust	
		30-Jun-22 €'000	31-Dec-21 €'000	30-Jun-22 €'000	31-Dec-21 €'000
<b>Financial assets</b>					
Cash and cash equivalents	(i)	52,730	59,258	511	1,176
Receivables	(i)	9,195	8,013	13,499	11,993
Derivative financial instruments	(ii)	7,783	947	4,984	569
<b>Total financial assets</b>		<b>69,708</b>	<b>68,218</b>	<b>18,994</b>	<b>13,738</b>
<b>Financial liabilities</b>					
Payables	(i)	42,318	35,691	284,344	249,949
Borrowings	(i)	1,022,075	927,375	-	-
Other liabilities - finance lease liabilities	(i)	6,299	6,394	-	-
<b>Total financial liabilities</b>		<b>1,070,692</b>	<b>969,460</b>	<b>284,344</b>	<b>249,949</b>

Type of financial instrument as per IFRS 7 *Financial Instruments: Disclosure*

(i) At amortised cost

(ii) At fair value through profit or loss

**18 Net Asset Value ("NAV")**

	CEREIT		Trust	
	30-Jun-22	31-Dec-21	30-Jun-22	31-Dec-21
NAV <sup>(1)</sup> at the end of the period attributable to Unitholders (€'000)	1,420,772	1,413,130	1,167,031	1,168,939
Number of Units on issue at the end of the period ('000)	562,392	561,045	562,392	561,045
NAV attributable to Unitholders per unit (€)	2.53	2.52	2.08	2.08
Adjusted NAV attributable to Unitholders per unit (excluding distributable income) (€)	2.44	2.43	1.99	2.00

<sup>(1)</sup> NAV equals net tangible assets ("NTA") as there are no intangible assets carried by CEREIT.

**19 Interested person transactions**

CEREIT has not obtained a general mandate from Unitholders for interested person transactions.

Related parties are persons or entities that are related to CEREIT as defined by IAS 24 *Related Party Disclosures*. These include directors and their close family members and any entities they control as well as subsidiaries, the Manager Cromwell EREIT Management Pte. Ltd., the Manager's parent entity Cromwell Corporation Limited ("CCL") and all subsidiaries and associates of CCL. They also include entities which are considered to have significant influence over CCL.

Related parties include all entities that are defined as Interested Persons under the SGX-ST Listing Manual or Interested Parties under the Code of CIS.

The transactions with interested parties are on normal commercial terms and conditions and at market rates. Transactions entered into with interested persons/parties during the period are as follows:

	CEREIT	
	1H 2022 €'000	1H 2021 €'000
Trustee fees paid and payable to the Trustee	146	136
Base management fees paid and payable to the Manager	2,988	2,764
Property & portfolio management fees paid and payable to the Property Manager	8,703	8,055
Acquisition fees paid and payable to the Property Manager and the Manager	916	1,233
Divestment fee paid and payable to the Property Manager	14	-
Project management fees paid and payable to the Property Manager	556	318
Leasing fees paid and payable to the Property Manager	1,134	533
Acquisition of a subsidiary from an affiliated company of the sponsor, Cromwell Property Group	-	10,396

## 20 Subsequent event

On 6 July 2022, CEREIT completed the divestment of Opus 1 located in Finland for a consideration of €16,200,000 through the divestment of a wholly-owned subsidiary, Kiinteistö Oy Opus 1 to a local investor. The asset was divested at 5.4% above 30 June 2022 independent valuation and at a 20% premium to purchase price.

## 21 Financial ratios

	CEREIT	
	30-Jun-22 %	30-Jun-21 %
<b>Ratio of expenses to weighted average net assets<sup>(1)</sup></b>		
Including performance component of the Manager's management fees	0.78	0.82
Excluding performance component of the Manager's management fees	0.78	0.82
<b>Portfolio turnover rate<sup>(2)</sup></b>	0.59	-

(1) The annualised ratios are computed in accordance with the guidelines of the Investment Management Association of Singapore ("IMAS"). The expenses used in the computation relate to expenses of CEREIT, excluding property expenses, finance expenses, net foreign exchange differences and income tax expense. CEREIT did not pay any performance fee in the period from 1 July 2020 to 30 June 2022.

(2) The annualised ratio is computed based on the lesser of purchases or sales of underlying investment properties of CEREIT expressed as percentage of average net asset value in accordance with the formulae stated in the Code on Collective Investment Schemes.



## OTHER INFORMATION

### 1. Review

*Whether the figures have been audited or reviewed, and if so which auditing standard or practice has been followed.*

The condensed interim financial statements of Cromwell European Real Estate Investment Trust and its subsidiaries ("CEREIT") which comprise the Consolidated Balance Sheet and Statement of Portfolio of CEREIT and Balance Sheet of the Trust as at 30 June 2022 and the related Consolidated Statement of Total Return and Statement of Comprehensive Income, Consolidated Movements in Unitholders' Funds, Distribution Statement and Consolidated Statement of Cash Flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

### 2. Review of performance of CEREIT

#### Review of performance 1H 2022 vs 1H 2021

##### (a) Review of portfolio performance 1H 2022 vs 1H 2021

CEREIT's gross revenue in 1H 2022 increased by 8.5% or €8.4 million to €107.4 million. Property operating expense increased by 15.4% million to €40.1 million. Net property income ("NPI") was 4.7% or €3.0 million higher at €67.3 million. On a like-for-like basis, excluding FY 2021 and 1H 2022 new acquisitions, disposal of Parc de Popey, redevelopment of Via Nervesa 21, exclusion of one-off surrender premium received in Paryseine, France, and exclusion of one-off writeback of provision of doubtful debts in 1H 2021, like-for-like NPI was flat compared to prior corresponding period ("pcp").

Please refer to Note 4.1 on page 20 of the Condensed Interim Financial Statements for portfolio performance by segment.

#### Light industrial/ Logistics

1H 2022 gross revenue for light industrial / logistics portfolio was €45.1 million, 25.0% higher than pcp whilst NPI was €29.7 million, 24.3% higher than pcp mainly due to the benefit of new acquisitions: 2 assets acquired in Italy (Via Fogliano 1, Coccaglio located in Brescia and Via dell'Industria 18 located in Vittuone) in 1Q 2022, 2 assets acquired in 2Q 2022 in Germany (Löbstedter Str. 101 – 109, Jena) and in the United Kingdom (The Cube, Runcorn), 2 assets acquired in the United Kingdom (Kingsland 21 and Thorn Lighting) in Q3 and Q4 2021, 2 assets in the Netherlands (Rosa Castellanosstraat 4 and De Immenhorst 7) in Q4 2021, 1 asset in Italy (Via Fornace) in Q4 2021, and the acquisition of 12 assets in Czech Republic and Slovakia (Arete portfolio and One-Hradec Králové) completed in end of 1Q 2021. These acquisitions added approximately €6.0 million compared to pcp.

On a like-for-like basis, excluding FY 2021 and 1H 2022 new acquisitions and disposal of Parc de Popey in FY 2021, and exclusion of one-off writeback of provision of doubtful debts in 1H 2021, NPI was €21.4 million or 3.1% higher than pcp.

The most notable positive variance was in the Netherlands, mainly due to rent indexation across the portfolio. The German portfolio also performed well with most of the assets improving year on year due to rent indexation, and increased occupancy in some of the assets notably Siemensstraße 11 and Billstedt (Moorfleeter Straße 27, Liebigstraße 67-71).

These positive variances have been partly offset by the lower income in France (-€0.2 million) due to lease expiries in Parcay-Meslay and Sully-sur-Loire. Denmark was slightly lower compared to pcp (-€0.1 million) mostly due to lower occupancy in Herstedvang 2-4 and Islevdalvej 142.

Office

1H 2022 gross revenue for the office assets was €55.0 million, 1.7% lower than the pcp whilst NPI was €32.3 million, 8.8% lower than pcp.

Overall, all countries have underperformed with the exception of the Netherlands, up by €0.2 million compared with pcp due to higher income from Central Plaza and Bastion partly offset by lower occupancy in Haagse Poort as existing tenants gave back some space.

The negative performance in France is mostly due to Paryseine (€1.4 million, -78.1% pcp) as a surrender premium was paid by a departing tenant in 1H 2021 (total amount of €1.0 million was recorded) and lower occupancy after the departure of a tenant in 2H 2021, and lower occupancy in Cap Mermoz. Italy was €0.9 million or 10.7% lower compared to pcp as the lease at Via Nervesa 21 expired and the building has commenced a full redevelopment. Finland was €0.4 million or 14.4% lower compared to pcp mainly due to tenant departures in Plaza Forte, Plaza Vivace, and Purotie 1.

On a like-for-like basis, excluding Via Nervesa 21 due to redevelopment, one-off surrender premium received in Paryseine, France, and one-off writeback of provision of doubtful debts, NPI was €1.0 million or 3% below pcp. This is mostly attributable to France (-€0.8 million) and Finland (-€0.4 million) due to lower occupancy as explained above.

Other

Other property assets consist of three government-let campuses, one retail asset and one hotel, all located in Italy.

1H 2022 gross revenue was €7.4 million which was 4.9% higher than 1H 2021, whilst NPI was €5.3 million which was 7.4% higher than 1H 2021. The 1H 2022 outperformance of €0.4 million is mainly due to higher rental income in Viale Europe 95 compared to pcp, and Via Varesse 23 (Saronno) due to higher turnover rent resulting from lower Covid-19 impact as lockdowns eased in 1H 2022.

- (b) Net finance costs of €10.4 million was 8.2% lower than pcp mainly due to 1H 2021 included one off debt issuance costs written off following the early partial refinancing of €130 million the 3-year term.
- (c) Manager's fees was €0.2 million or 8.1% higher in 1H 2022 due to higher deposited property value mostly from the new acquisitions.
- (d) Other trust expenses were 23.5% or €0.6 million higher than pcp mainly due to net foreign exchange loss of €0.4 million for 1H 2022 compared to net foreign exchange gain of €0.1 million in the pcp.
- (e) Gain on disposal of investment property for 1H 2022 of €1.1 million relates the disposal of a warehouse unit contained within Centro Logistico Orlando Marconi asset in Italy on 25 January 2022 for a consideration of €2.8 million.
- (f) CEREIT recorded fair value gain on investment properties of €4.7 million in 1H 2022 as compared to €28.1 million in 1H 2021.
- (g) Fair value gain on derivative instruments in 1H 2022 was attributable to increase in values of cross currency swaps and interest rate cap contracts as a result of depreciating EUR against SGD and rising interest rate.
- (e) Income tax expense of €9.9 million for 1H 2022 comprises income tax expense of €3.6 million and deferred tax expense of €6.3 million. Income tax expense for 1H 2021 of €14.9 million comprises income tax expense of €2.5 million and deferred tax credit of €12.4 million. Higher income tax expense was mainly attributable to withholding tax on distributable income from entities holding the Polish properties, Polish withholding tax on intercompany loan interest, and the absence of one-off capital gain tax credit.

### 3. Review of balance sheet of CERET

#### *Cash and cash equivalents*

The decrease was mainly attributable to payments for acquisitions of four properties, distribution paid to Unitholders and perpetual securities unitholders, payments for capital expenditure on investment properties and other expenses, partially offset by drawing of €94.7 million from the RCF, cash generated from operating activities and proceeds from sale of a warehouse unit contained within Centro Logistico Orlando Marconi asset in Italy.

#### *Receivables*

The decrease was mainly attributable to the deposits applied to the acquisitions of properties in Germany and Italy upon completion of acquisitions, partially offset by higher prepayments.

#### *Investment properties*

The increase was mainly due to the acquisitions of four light industrial / logistics properties in Italy, Germany and the United Kingdom during 1H 2022, capital expenditure incurred during the period and fair value gain on 113 investment properties based on the independent valuation conduction on 30 June 2022, partially offset by the disposal of one warehouse unit contained within the Centro Logistico Orlando Marconi asset in Italy. Refer to note 12 of the condensed interim financial statements for more details.

#### *Derivative financial instruments*

The increase was mainly attributable to the increase in values of the cross currency swap and interest rate cap contracts as a result of depreciating EUR against SGD and rising interest rates.

#### *Payables (current)*

The increase was mainly attributable to higher accrued interest payable due to interest for the EMTN are paid annually in November, and higher lease incentives.

#### *Borrowings*

The increase was mainly due attributable to the drawing of €94.7 million from the RCF to fund the new acquisitions, replenish the cash used to fund the acquisitions in the fourth quarter of 2021 and for operating expenses.

#### *Deferred tax liabilities*

Deferred tax liabilities are attributable to temporary differences between carrying amounts and tax base of investment properties. The increase was mainly due to valuation gain and changes in tax base values of investment properties.

### 4. Variance between actual and forecast/projection

CERET has not disclosed any forecast to the market.

#### 5. (i) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

CERET did not hold any treasury units as at 30 June 2022 and 31 December 2021.

#### 5. (ii) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

#### 5. (iii) A statement showing all sales, transfers, disposal, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

## 6. Outlook and prospects

*A commentary at the date of announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.*

### **Economic Commentary<sup>1</sup>**

- Oxford Economics Eurozone GDP growth estimates of 3% (2022E) reflect headwinds from surging energy prices, rising inflation, geopolitical risks, and supply chain disruptions
- Eurozone CPI inflation increased to 8.6% y-o-y in June, up 0.5 p.p. from May
- Oxford Economics 2022 CPI forecast for 2022 has risen by 0.5 p.p. to 7.1%, reflecting expectations that inflation will peak at a higher rate
- Gas prices have increased substantially and gas rationing this winter appears increasingly likely, with EU trying to mitigate the impact through a gas rationing plan for EU countries to reduce their gas consumption by 15% until March 2023 taking effect from early August
- According to Oxford economics, the direct impact of 10% gas rationing in 4Q, with governments prioritising gas supply for households, would be on contractions in industry which could in turn lead to direct loss in annual gross value-added (GVA) of up to 2% for the most dependent countries in the eurozone, such as Germany and Italy
- ECB has initiated first interest-rate increase in 11 years with a bigger than market expected rise of 50 bps, bringing the policy rate from minus 0.5% to zero in a bid to support the return to economic stability.

### **Market Commentary<sup>2</sup>**

The availability of logistics space continues to be a major issue across Europe, with vacancy rates continuing to decline. As at the end of 2Q 2022, average vacancy rates across markets in which CEREIT operates were 2.7%, 0.5 p.p. lower as compared to six months ago. In the European logistics sector, e-commerce sales have risen rapidly over the past six years, largely attributed to the COVID-19 pandemic. The pandemic also resulted in moving to “just in case” and reshoring of supply chains to mitigate inventory risk, which in turn helped drive logistics and industrial demand to record levels.

While demand remains robust, take up is slowing down because of rising costs, which in turn is expected to put a cap on market rent growth in the near term. This trend is already flowing through to the relatively more muted +2.7% positive rent reversion across CEREIT’s logistics portfolio in 1H 2022, 1.3 p.p. lower year on year.

CEREIT’s light Industrial / logistics portfolio is at a new record high of 97.1% (up from 95.7% six months ago and 85.4% at IPO). Assets in three (UK, Slovakia and the Netherlands) out of eight countries are at 100% occupancy, with occupancy in Germany (96.7%) and in the Czech Republic (99.3%) effectively close to 100%. France and Denmark remaining vacancies provide upside potential, with occupancy in both countries further improving q-on-q to 95% and close to 90% respectively. Majority (~62%) of vacancies coming up in next six months are already de-risked, nearing full occupancy for this sector.

In the European office sector, 2Q saw the first notable since the pandemic drop-in vacancy rate across CEREIT’s countries with portfolio exposure to office to 9.6% (down from 9.9% three months ago). This was partly due to a shortage of new deliveries of space and tenants withdrawing stock which was previously openly marketed. The European office market continues to see modest recovery, with 12-month leasing activity of 4.9 million sq m in 2Q 2022, the highest activity since the beginning of COVID-19 pandemic in 1Q 2020.

Prime office rents have increased by 6% over the last 12 months, largely due to lease indexation contributing to upward rental pressure, while rising construction costs are helping to support rental levels for existing stock as occupier shift to quality continues, according to CBRE.

<sup>1</sup> Source: Oxford Economics (incl. commentary from the 13 July 2022 Eurozone economic forecast report)

<sup>2</sup> Source: CBREs ERIX database

CEREIT's office portfolio occupancy reflected this trend, with a marginal increase in 2Q 2022 office occupancy up 0.3% compared to 1Q 2022, mainly driven by a lease-up in Finland. CEREIT has good exposure to the Dutch and Milan prime office markets, which are seeing demand from recovery due to flight to quality and core office locations and where occupancy remains high and stable. While only 24% of breaks and expiries until 31 Dec 2022 have been de-risked as of 30 Jun 2022, the Manager expects overall office leasing activity to remain muted, especially in CEREIT's French, Polish and Finnish office portfolios.

### Looking ahead to 2H 2022

A confluence of high inflation, high energy prices, rising interest rates, political uncertainty and prolonged Russian invasion in Ukraine are expected to continue to pose some risk to CEREIT's performance in the near term. The Manager's focus for the second half of the year remains on leveraging CEREIT's strengths and executing on long-term strategy, while retaining a cautious and conservative outlook. Key points are:

- 1H 2022 + 2.3% DPU growth y-o-y outperforms peers<sup>3</sup> and demonstrates CEREIT's portfolio resilience to sustained external shocks from 2.5 pandemic years and Russia's war with Ukraine
- Performance is underpinned by strong in-market presence, active asset management, CPI indexation and rent reversions
- Ongoing strategic portfolio pivot to majority light industrial / logistics validated by market data
- Maintain target weighting to Western Europe of at least 85%
- Continue to pursue acquisitions selectively and actively divest non-core office and other assets, to further improve the risk-return profile of CEREIT's portfolio and further
- Secure pre-leases for the 10,000 sqm redevelopment of an older office asset at Via Nervesa 21 in Milan to a BREEAM Platinum Grade A rating that has just commenced construction
- Progress on greenfield logistics development in Lovosice I and secure further leases beyond 40% already committed
- Further plans to actively divest, re-lease and /or redevelop part of the nine-property portfolio leased to the Italian government
- Refinance near-term debt expiries and activate additional hedges

The Manager's intent remains on optimising CEREIT's portfolio to emerge stronger in FY 2023.

## 7. Distributions

### (a) Current financial period

Any distribution declared for the current financial period? Yes

Period of distribution: Distribution for the period from 1 January 2022 to 30 June 2022

Distribution Type	Distribution Rate (in Euro cents)
Tax-exempt income	7.166
Capital	1.529
<b>Total</b>	<b>8.695</b>

Record date: 23 August 2022

Payment date: 28 September 2022

<sup>3</sup> Based on weighted-average ~1.8% DPU growth reported by selected 22 S-Reits peers operating in similar sectors that have reported their DPU results to the SGX up to 4 August 2022

**(b) Corresponding period of the preceding financial period**

Any distribution declared for the corresponding period of the immediate preceding financial period? Yes

Period of distribution: Distribution for the period from 5 March 2021 to 30 June 2021

Distribution Type	Distribution Rate (in Euro cents)
Tax-exempt income	5.602
<b>Total</b>	<b>5.602</b>

Record date: 23 August 2021

Payment date: 28 September 2021

**8 If no distribution has been declared/recommend, a statement to that effect**

Not applicable.

**9 Interested person transactions**

CEREIT has not obtained a general mandate from Unitholders for interested person transactions.

**10 Confirmation pursuant to Rule 720(1) of the Listing Manual**

The Board of Directors of the Manager hereby confirms that the undertakings from all its directors and executive officers as required in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual were procured.

**11 Confirmation pursuant to Rule 705(5) of the Listing Manual**

The Board of Directors of Cromwell EREIT Management Pte. Ltd. (as manager of Cromwell European Real Estate Investment Trust) (the "Manager") hereby confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Manager which may render the unaudited interim financial results of Cromwell European Real Estate Investment Trust for the six-month period ended 30 June 2022, to be false or misleading, in any material aspect.

On behalf of the Board

Cromwell EREIT Management Pte. Ltd.

As Manager of Cromwell European Real Estate Investment Trust

(Company Registration No: 201702701N)

Lim Swe Guan  
Chairman

Simon Garing  
Executive Director and Chief Executive Officer

### **Important Notice**

This announcement may contain forward-looking statements that involve 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. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business.

Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view on future events.

The value of Units and the income derived from them, if any, may fall or rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors should note that they have no right to request the Manager to redeem 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 is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units. The past performance of Cromwell European REIT and the Manager is not necessarily indicative of the future performance of Cromwell European REIT and the Manager.