



Cromwell European Real Estate Investment Trust ("CEREIT")

Unaudited Condensed Interim Financial Statements for the Second Half ("2H 2023) and Year Ended 31 December 2023 ("FY 2023")

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Introduction

Cromwell European Real Estate Investment Trust ("CEREIT") is a real estate investment trust with a principal mandate to invest, directly or indirectly, in income-producing 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.

As at 31 December 2023, CEREIT's €2.3 billion portfolio comprised 110 predominantly freehold properties in or close to major gateway cities in the Netherlands, France, Italy, Germany, Poland, Denmark, the Czech Republic, Slovakia, Finland and the United Kingdom. CEREIT's portfolio has an aggregate lettable area of approximately 1.8 million square metres and 800+ tenant-customers.

In 2H 2023, CEREIT completed the following divestments:

- On 6 October 2023, CEREIT completed the divestment of an 'other' asset in Italy for a consideration of €94.0 million, which was 33.5% above the independent valuation dated 1 June 2023 and a 13.1% premium to its purchase price.
- On 21 December 2023, CEREIT completed the divestment of an office asset in Italy for a consideration of €8.9 million, which was 3.7% below the independent valuation dated 1 December 2023 and a 27.7% discount to its purchase price.

| | No. of properties | Lettable Area (sqm) | Valuation ⁽¹⁾ (€'000) | Portfolio Weighting (%) |
|--|-------------------|---------------------|----------------------------------|-------------------------|
| Light Industrial/ Logistics | | | | |
| The Netherlands | 7 | 70,039 | 102,800 | 4.6% |
| France | 17 | 231,792 | 388,065 | 17.2% |
| Italy | 5 | 309,059 | 154,100 | 6.8% |
| Germany | 14 | 229,560 | 204,580 | 9.1% |
| Denmark | 12 | 152,433 | 128,304 | 5.8% |
| The Czech Republic | 7 | 73,840 | 77,410 | 3.4% |
| Slovakia | 5 | 90,147 | 70,840 | 3.1% |
| United Kingdom | 3 | 65,494 | 60,905 | 2.7% |
| Total - Light Industrial/ Logistics | 70 | 1,222,364 | 1,187,004 | 52.7% |
| Office | | | | |
| The Netherlands | 7 | 177,904 | 513,800 | 22.8% |
| France | 3 | 34,320 | 55,930 | 2.5% |
| Italy | 10 | 122,842 | 197,330 | 8.8% |
| Poland | 6 | 111,258 | 181,750 | 8.1% |
| Finland | 10 | 55,179 | 70,600 | 3.1% |
| Total - Office | 36 | 501,503 | 1,019,410 | 45.3% |
| Other⁽²⁾ | | | | |
| Italy | 4 | 53,314 | 45,700 | 2.0% |
| CEREIT Portfolio | 110 | 1,777,181 | 2,252,114 | 100.0% |

⁽¹⁾ Valuation is based on the independent valuations conducted by Savills Advisory Services Limited and CBRE Ltd as at 31 December 2023 for 108 assets. The assets held for sale as at 31 December 2023, namely Via Brigata Padova 19 (Italy) and Grójecka 5 (Poland) are included in the above table and carried at their contracted selling prices.

⁽²⁾ Other includes two government-let campuses, one retail asset and one hotel in Italy.

CEREIT Results Overview

| | 2H 2023 €'000 | 2H 2022 ⁽¹⁾ €'000 | Fav./ (Unfav.) % | FY2023 €'000 | FY2022 €'000 | Fav./ (Unfav.) % |
|---|------------------|---------------------------------|------------------------|-----------------|-----------------|------------------------|
| Gross revenue | 108,148 | 114,688 | (5.7%) | 216,489 | 222,105 | (2.5%) |
| Net property income ("NPI") | 65,746 | 69,445 | (5.3%) | 134,281 | 136,775 | (1.8%) |
| Total (loss)/return for the period/ year (€'000) | (58,339) | (11,190) | (> 100%) | (73,899) | 41,949 | n.m. |
| Total (loss)/return for the period/year attributable to Unitholders (€'000) | (59,510) | (12,361) | (> 100%) | (76,225) | 39,628 | n.m. |
| Income available for distribution to Unitholders (€'000) | 44,445 | 47,765 | (7.0%) | 88,254 | 96,667 | (8.7%) |
| Applicable number of units for the period/year ('000) | 562,392 | 562,392 | - | 562,392 | 562,392 | - |
| DPU € cents per unit ("cpu") ⁽²⁾ | 7.903 | 8.494 | (7.0%) | 15.693 | 17.189 | (8.7%) |

n.m. – not meaningful

⁽¹⁾ 2H 2022 refers to the period from 1 July 2022 to 31 December 2022.

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

Highlights:

- FY 2023 NPI was 1.8% or €2.5 million lower than FY 2022 mainly attributable to i) divestments completed in FY 2022 & FY 2023, ii) loss of income from an Italian office asset, namely Maxima, Rome due to the previous master lease expiry on 31 December 2022 in preparation for redevelopment, and iii) lower rental income due to the rent reduction by government decree for 8 Italian properties, partially offset by higher income from annual inflation indexation and positive rent reversion on new leases across the portfolio.
- Total loss for FY 2023 was €73.9 million compared to total return for FY 2022 of €41.9 million, mainly due to higher fair value loss on investment properties by €74.1 million and fair value loss on derivative financial instruments of €8.8 million for FY 2023 compared to fair value gain on derivative financial instruments of €16.3 million in FY 2022.
- DPU for FY 2023 was €15.693 cents, 8.7% below FY 2022 mainly attributable to: (i) higher interest expense mostly due to higher interest rates and bank borrowing costs; (ii) lower NPI as explained above; and (iii) the absence of distribution of realised capital gain of €2.1 million (equivalent to €0.365 cents) paid in FY 2022, partially offset by lower current tax expense mostly due to the release of accrual on potential tax of a Dutch subsidiary following the receipt of confirmation from the Dutch tax authority on settlement of a tax matter.
- 2H 2023 NPI was 5.3% lower than 2H 2022 mainly attributable to i) divestments in 2H 2022 and FY 2023; ii) loss of income from Maxima as mentioned above; iii) lower rental income due to the rent reduction by government decree for 8 Italian properties; and (iv) lower turnover rent received by Starhotels Grand Milan, Italy, partially offset by (i) one-off dilapidation income received for Maxima; (ii) new substantial lease in Haagse Poort (the Netherlands); (iii) outperformance of Business Garden (Poland); and (iv) higher income from annual inflation indexation and positive rent reversion across the portfolio.
- DPU for 2H 2023 of €7.903 cents was 7.0% below 2H 2022 mostly due to lower NPI as explained above, higher interest expense mostly due to higher interest rates and the absence of distribution of realised capital gain of €0.9 million (equivalent to €0.167 cents), partially offset by lower current tax expense.
- On a like-for-like basis, FY 2023 DPU was 4.1% below FY 2022, excluding previous income from Maxima and distribution of capital gain both recorded in FY 2022 but not in FY 2023.
- Interest coverage ratio calculated in accordance with the CIS code is 3.8x (31 December 2022: 5.3x). The weighted average all-in interest rate increased to 3.19% p.a. from 2.38% as at 31 December 2022 due to the increase in 3-month Euribor and Euro Short Term Rate, as well as higher margin on the new facilities.
- Portfolio occupancy stood at 94.3%⁽³⁾ (31 December 2022: 96.0%).
- Portfolio weighted average lease expiry ("WALE") of 4.7 years by headline rent, increased from 4.6 years at 31 December 2022.

⁽³⁾ Occupancy calculations exclude: (i) Nervesa 21 redevelopment; (ii) Maxima which is under strip out works; and (iii) Grójecka 5 which is not allowed to be leased



Financial Position Summary

| | As at 31-Dec-23 | As at 31-Dec-22 | Change % |
|--|---------------------------|--------------------|------------|
| Gross asset value ("GAV") (€'000) | 2,367,473 | 2,589,984 | (8.6%) |
| Net tangible assets ("NTA") attributable to Unitholders (€'000) | 1,190,937 | 1,358,717 | (12.3%) |
| Gross borrowings before unamortised debt issue costs (€'000) | 954,005 | 1,019,905 | (6.5%) |
| Aggregate leverage (%) | 40.3% | 39.4% | 0.9 p.p. |
| Aggregate leverage excluding distribution (%) ⁽¹⁾ | 41.1% | 40.1% | 1.0 p.p. |
| Net Gearing (%) ⁽²⁾ | 38.4% | 38.5% | (0.1) p.p. |
| Units in issue ('000) | 562,392 | 562,392 | - |
| Net Asset Value ("NAV") attributable to Unitholders € per unit | 2.12 | 2.42 | (12.4%) |
| Adjusted NAV attributable to Unitholders € per unit (excluding distributable income) | 2.04 | 2.33 | (12.4%) |

p.p. – Percentage point

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

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

Gross asset value at 31 December 2023 decreased by 8.6% from 31 December 2022 mainly due to: i) the divestment of two office assets and an "other" asset in Italy; ii) fair value loss on the investment properties based on 31 December 2023 independent valuations; and iii) fair value loss on derivative financial instruments, partially offset by i) capital expenditure and development costs incurred during the year; and ii) higher cash and cash equivalents.

As at 31 December 2023, aggregate leverage increased by 0.9 p.p to 40.3% from 39.4% as at 31 December 2022, due to the decline in the fair value of investment properties, partially offset by Revolving Credit Facility repayments and €50 million bond buyback completed in 4Q 2023. Net gearing was 38.4% after deducting cash balance of €73.8 million as at 31 December 2023. Cash balance increased from €35.4 million as at 31 December 2022 due primarily to asset sales.

As at 31 December 2023, NAV attributable to Unitholders per unit and adjusted NAV attributable to Unitholders per unit decreased by 12.4% to €2.12 and €2.04 respectively, mainly due to i) net valuation loss; ii) fair value loss on derivative financial instruments; and iii) distributions paid out during the year, partially offset by income generated during the year.



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UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD AND FULL YEAR ENDED 31 DECEMBER 2023

Unaudited Condensed Consolidated Statement of Total Return Six-month period and full year ended 31 December 2023

| | Note | CEREIT | | | | | |
|---|-------|------------------|------------------|------------------------|------------------|-----------------|------------------------|
| | | 2H 2023 €'000 | 2H 2022 €'000 | Fav./ (Unfav.) % | FY2023 €'000 | FY2022 €'000 | Fav./ (Unfav.) % |
| Gross revenue | 5 | 108,148 | 114,688 | (5.7%) | 216,489 | 222,105 | (2.5%) |
| Property operating expense | 6 | (42,402) | (45,243) | 6.3% | (82,208) | (85,330) | 3.7% |
| Net property income | | 65,746 | 69,445 | (5.3%) | 134,281 | 136,775 | (1.8%) |
| Net finance costs | 15(b) | (16,664) | (13,949) | (19.5%) | (32,380) | (24,387) | (32.8%) |
| Manager's fees | 7 | (2,882) | (3,069) | 6.1% | (5,894) | (6,057) | 2.7% |
| Trustee fees | | (143) | (152) | 5.9% | (291) | (298) | 2.3% |
| Other trust expenses | | (2,872) | (3,044) | 5.7% | (5,743) | (6,011) | 4.5% |
| Net foreign exchange (loss)/gain | | (681) | (1,547) | 56.0% | 792 | (1,933) | n.m. |
| Net income before tax and fair value changes | | 42,504 | 47,684 | (10.9%) | 90,765 | 98,089 | (7.5%) |
| (Loss)/gain on divestments | 8 | (2,321) | (357) | (>100%) | (9,871) | 763 | n.m. |
| Gain on bond buyback | 9 | 3,068 | - | n.m. | 3,068 | - | n.m. |
| Fair value loss – investment properties | | (75,987) | (64,138) | (18.5%) | (133,570) | (59,483) | (>100%) |
| Fair value (loss)/gain – derivative financial instruments | | (7,791) | 9,495 | n.m. | (8,769) | 16,331 | n.m. |
| Total (loss)/return for the period/year before tax | | (40,527) | (7,316) | >100% | (58,377) | 55,700 | n.m. |
| Income tax expense | 12 | (17,812) | (3,874) | (>100%) | (15,522) | (13,751) | (12.9%) |
| Total (loss)/return for the period/year | | (58,339) | (11,190) | (>100%) | (73,899) | 41,949 | n.m. |
| Total (loss)/return for the period/year attributable to: | | | | | | | |
| Unitholders | | (59,510) | (12,361) | (>100%) | (76,225) | 39,628 | n.m. |
| Perpetual securities holders | | 1,171 | 1,171 | - | 2,326 | 2,321 | 0.2% |
| | | (58,339) | (11,190) | (>100%) | (73,899) | 41,949 | n.m. |
| Earnings per unit | | | | | | | |
| Basic and diluted earnings per unit (€ cents) | 10 | (10.582) | (2.198) | (>100%) | (13.554) | 7.050 | n.m. |

n.m. – not meaningful



Unaudited Condensed Consolidated Statement of Comprehensive Income
Six-month period and full year ended 31 December 2023

| | CEREIT | | | | | |
|---|------------------|------------------|------------------------|-----------------|-----------------|------------------------|
| | 2H 2023 €'000 | 2H 2022 €'000 | Fav./ (Unfav.) % | FY2023 €'000 | FY2022 €'000 | Fav./ (Unfav.) % |
| Total (loss)/return for the period/year | (58,339) | (11,190) | (> 100%) | (73,899) | 41,949 | n.m. |
| Items that may be reclassified subsequently to profit or loss: | | | | | | |
| Foreign exchange differences on translation of foreign operations | (229) | (794) | 71.2% | 25 | (683) | n.m. |
| Other comprehensive (loss)/ income for the period/year, net of tax | (229) | (794) | 71.2% | 25 | (683) | n.m. |
| Total comprehensive (loss)/income for the period/year | (58,568) | (11,984) | (> 100%) | (73,874) | 41,266 | n.m. |
| Total comprehensive (loss)/income for the period/year attributable to: | | | | | | |
| Unitholders | (59,739) | (13,155) | (> 100%) | (76,200) | 38,945 | n.m. |
| Perpetual securities holders | 1,171 | 1,171 | - | 2,326 | 2,321 | 0.2% |
| | (58,568) | (11,984) | (> 100%) | (73,874) | 41,266 | n.m. |

n.m. – not meaningful

Unaudited Condensed Balance Sheets

As at 31 December 2023

| | Note | CEREIT | | | Trust | | |
|--|------|--------------------|--------------------|------------------------------|--------------------|--------------------|------------------------------|
| | | 31-Dec-23 €'000 | 31-Dec-22 €'000 | Increase/ (Decrease) % | 31-Dec-23 €'000 | 31-Dec-22 €'000 | Increase/ (Decrease) % |
| Current assets | | | | | | | |
| Cash and cash equivalents | | 73,795 | 35,432 | >100% | 3,309 | 372 | >100% |
| Assets held for sale | 13 | 17,300 | - | n.m. | - | - | - |
| Receivables | | 14,450 | 16,340 | (11.6%) | 80,016 | 11,391 | >100% |
| Current tax assets | | 1,829 | 960 | 90.5% | - | - | - |
| Derivative financial instruments | 16 | 5,879 | - | n.m. | - | - | - |
| Total current assets | | 113,253 | 52,732 | >100% | 83,325 | 11,763 | >100% |
| Non-current assets | | | | | | | |
| Investment properties | 14 | 2,241,570 | 2,509,407 | (10.7%) | - | - | - |
| Investments in subsidiaries | | - | - | - | 1,214,988 | 1,534,065 | (20.8%) |
| Receivables | | 87 | 328 | (73.5%) | - | - | - |
| Derivative financial instruments | 16 | 5,769 | 19,150 | (69.9%) | 5,769 | 8,397 | (31.3%) |
| Deferred tax assets | | 6,794 | 8,367 | (18.8%) | - | - | - |
| Total non-current assets | | 2,254,220 | 2,537,252 | (11.2%) | 1,220,757 | 1,542,462 | (20.9%) |
| Total assets | | 2,367,473 | 2,589,984 | (8.6%) | 1,304,082 | 1,554,225 | (16.1%) |
| Current liabilities | | | | | | | |
| Borrowings | 15 | - | 50,630 | (100.0%) | - | - | - |
| Payables | | 42,073 | 42,385 | (0.7%) | 116,557 | 181,532 | (35.8%) |
| Current tax liabilities | | 3,947 | 4,992 | (20.9%) | 74 | - | n.m. |
| Other current liabilities | | 36,234 | 31,286 | 15.8% | - | - | - |
| Total current liabilities | | 82,254 | 129,293 | (36.4%) | 116,631 | 181,532 | (35.8%) |
| Non-current liabilities | | | | | | | |
| Payables | | - | - | - | 170,830 | 179,142 | (4.6%) |
| Borrowings | 15 | 947,600 | 964,284 | (1.7%) | - | - | - |
| Derivative financial instruments | 16 | 279 | - | n.m. | 198 | - | n.m. |
| Deferred tax liabilities | | 74,527 | 66,538 | 12.0% | - | - | - |
| Other non-current liabilities | | 7,672 | 6,948 | 10.4% | - | - | - |
| Total non-current liabilities | | 1,030,078 | 1,037,770 | (0.7%) | 171,028 | 179,142 | (4.5%) |
| Total liabilities | | 1,112,332 | 1,167,063 | (4.7%) | 287,659 | 360,674 | (20.2%) |
| Net assets | | 1,255,141 | 1,422,921 | (11.8%) | 1,016,423 | 1,193,551 | (14.8%) |
| Represented by: | | | | | | | |
| Unitholders' funds | | 1,190,937 | 1,358,717 | (12.3%) | 952,219 | 1,129,347 | (15.7%) |
| Perpetual securities holders' funds | 18 | 64,204 | 64,204 | - | 64,204 | 64,204 | - |
| | | 1,255,141 | 1,422,921 | (11.8%) | 1,016,423 | 1,193,551 | (14.8%) |
| Units in issue ('000) | 17 | 562,392 | 562,392 | - | 562,392 | 562,392 | - |
| Net asset value attributable to Unitholders per Unit (€) | 20 | 2.12 | 2.42 | (12.4%) | 1.69 | 2.01 | (15.9%) |

n.m. – not meaningful

Unaudited Distribution Statement

Six-month period and full year ended 31 December 2023

| | Note | CEREIT | | | | | |
|--|------|------------------|------------------|-----------------------|-----------------|-----------------|-----------------------|
| | | 2H 2023 €'000 | 2H 2022 €'000 | Fav/ (Unfav.) % | FY2023 €'000 | FY2022 €'000 | Fav/ (Unfav.) % |
| Amount available for distribution to Unitholders at beginning of period/year | | 44,018 | 49,113 | n.m. | 47,978 | 47,670 | n.m. |
| Total (loss)/return for the period/year | | (58,339) | (11,190) | (>100%) | (73,899) | 41,949 | n.m. |
| Less: Total return attributable to perpetual securities holders | | (1,171) | (1,171) | - | (2,326) | (2,321) | 0.2% |
| Distribution adjustments (Note A) | | 103,955 | 60,126 | n.m. | 164,479 | 57,039 | n.m. |
| Income available for distribution to Unitholders | | 44,445 | 47,765 | (7.0%) | 88,254 | 96,667 | (8.7%) |
| Amount available for distribution to Unitholders | | 88,463 | 96,878 | (8.7%) | 136,232 | 144,337 | (5.6%) |
| Distribution to Unitholders during the period/year (Note B) | 11 | (43,811) | (48,900) | (10.4%) | (91,580) | (96,359) | (5.0%) |
| Amount available for distribution at end of period/year | | 44,652 | 47,978 | n.m. | 44,652 | 47,978 | n.m. |
| Actual DPU (cpu) for the period/year ⁽¹⁾ | 10 | 7.903 | 8.494 | (7.0%) | 15.693 | 17.189 | (8.7%) |
| Note A - Distribution adjustments | | | | | | | |
| Straight-line rent adjustments and leasing fees | | 750 | 425 | 76.5% | 1,332 | 302 | >100% |
| Trustee Fees | | 143 | 152 | (5.9%) | 291 | 298 | (2.3%) |
| Loss/(gain) on divestments | | 2,321 | 357 | >100% | 9,871 | (763) | n.m. |
| Gain on bond buyback | | (3,068) | - | n.m. | (3,068) | - | n.m. |
| Amortisation of debt issuance costs | | 2,841 | 3,375 | (15.8%) | 4,462 | 4,672 | (4.5%) |
| Fair value adjustments – investment properties | | 75,987 | 64,138 | 18.5% | 133,570 | 59,483 | >100% |
| Fair value adjustments – derivative financial instruments | | 7,791 | (9,495) | n.m. | 8,769 | (16,331) | n.m. |
| Net foreign exchange loss/ (gain) | | 681 | 1,547 | (56.0%) | (792) | 1,933 | n.m. |
| Deferred tax expense/ (credit) | | 16,262 | (2,840) | n.m. | 9,695 | 3,429 | >100% |
| Tax expense relating to divestments | | - | 1,456 | (100.0%) | - | 1,456 | (100.0%) |
| Distribution of realised capital gain | | - | 942 | (100.0%) | - | 2,050 | (100.0%) |
| Others | | 247 | 69 | >100% | 349 | 510 | (31.6%) |
| Total distribution adjustments | | 103,955 | 60,126 | n.m. | 164,479 | 57,039 | n.m. |

n.m. – Not meaningful

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



Unaudited Distribution Statement (continued)
Six-month period and full year ended 31 December 2023

| | CEREIT | | | | | |
|---|------------------|------------------|-----------------------|-----------------|-----------------|-----------------------|
| | 2H 2023 €'000 | 2H 2022 €'000 | Fav/ (Unfav.) % | FY2023 €'000 | FY2022 €'000 | Fav/ (Unfav.) % |
| Note B - Distributions to Unitholders during the period/year | | | | | | |
| Distribution of 7.790 cpu from 1 Jan 2023 to 30 Jun 2023 | 43,811 | - | n.m. | 43,811 | - | n.m. |
| Distribution of 8.494 cpu from 1 Jul 2022 to 31 Dec 2022 | - | - | n.m. | 47,769 | - | n.m. |
| Distribution of 8.695 cpu from 1 Jan 2022 to 30 Jun 2022 | - | 48,900 | n.m. | - | 48,900 | n.m. |
| Distribution of 8.459 cpu from 1 Jul 2021 to 31 Dec 2021 | - | - | n.m. | - | 47,459 | n.m. |
| | 43,811 | 48,900 | (10.4%) | 91,580 | 96,359 | (5.0%) |

n.m. – Not meaningful

Unaudited Condensed Statements of Movements in Unitholders' Funds Six-month period and full year ended 31 December 2023

| | CEREIT | | Trust | |
|--|------------------|------------------|------------------|------------------|
| | 2H 2023 €'000 | 2H 2022 €'000 | 2H 2023 €'000 | 2H 2022 €'000 |
| Unitholders' funds | | | | |
| At beginning of the period | 1,294,487 | 1,420,772 | 1,069,692 | 1,167,031 |
| Operations | | | | |
| Total (loss)/return for the period | (58,339) | (11,190) | (72,491) | 12,387 |
| Less: Total return for the period attributable to perpetual securities holders | (1,171) | (1,171) | (1,171) | (1,171) |
| Net (decrease)/increase in net assets resulting from operations | (59,510) | (12,361) | (73,662) | 11,216 |
| Movement in foreign currency translation reserve | (229) | (794) | - | - |
| Unitholders' transaction | | | | |
| Distributions paid to Unitholders (Note 11) | (43,811) | (48,900) | (43,811) | (48,900) |
| Net decrease in net assets resulting from Unitholders' transaction | (43,811) | (48,900) | (43,811) | (48,900) |
| Unitholders' funds at end of the period | 1,190,937 | 1,358,717 | 952,219 | 1,129,347 |
| Perpetual securities holders' funds | | | | |
| At beginning of the period | 64,201 | 64,140 | 64,201 | 64,140 |
| Issue expenses | - | 62 | - | 62 |
| Total return for the period attributable to perpetual securities holders | 1,171 | 1,171 | 1,171 | 1,171 |
| Distribution paid to perpetual securities holders | (1,168) | (1,169) | (1,168) | (1,169) |
| Perpetual securities holders' funds at end of the period | 64,204 | 64,204 | 64,204 | 64,204 |
| Total at end of the period | 1,255,141 | 1,422,921 | 1,016,423 | 1,193,551 |

Unaudited Condensed Statements of Movements in Unitholders' Funds (continued)

Six-month period and full year ended 31 December 2023

| | CEREIT | | Trust | |
|--|------------------|------------------|------------------|------------------|
| | FY 2023 €'000 | FY 2022 €'000 | FY 2023 €'000 | FY 2022 €'000 |
| Unitholders' funds | | | | |
| At beginning of the year | 1,358,717 | 1,413,130 | 1,129,347 | 1,168,939 |
| Operations | | | | |
| Total (loss)/return for the year | (73,899) | 41,949 | (83,222) | 56,087 |
| Less: Total return for the year attributable to perpetual securities holders | (2,326) | (2,321) | (2,326) | (2,321) |
| Net (decrease)/increase in net assets resulting from operations | (76,225) | 39,628 | (85,548) | 53,766 |
| Movement in foreign currency translation reserve | 25 | (683) | - | - |
| Unitholders' transactions | | | | |
| Issue of units - Distribution reinvestment plan | - | 3,021 | - | 3,021 |
| Issue expenses | - | (20) | - | (20) |
| Distributions paid to Unitholders (Note 11) | (91,580) | (96,359) | (91,580) | (96,359) |
| Net decrease in net assets resulting from Unitholders' transactions | (91,580) | (93,358) | (91,580) | (93,358) |
| Unitholders' funds at end of the year | 1,190,937 | 1,358,717 | 952,219 | 1,129,347 |
| Perpetual securities holders' funds | | | | |
| At beginning of the year | 64,204 | 64,150 | 64,204 | 64,150 |
| Issue expenses | - | 61 | - | 61 |
| Total return for the year attributable to perpetual securities holders | 2,326 | 2,321 | 2,326 | 2,321 |
| Distribution paid to perpetual securities holders | (2,326) | (2,328) | (2,326) | (2,328) |
| Perpetual securities holders' funds at end of the year | 64,204 | 64,204 | 64,204 | 64,204 |
| Total at end of the year | 1,255,141 | 1,422,921 | 1,016,423 | 1,193,551 |



Unaudited Condensed Consolidated Statement of Cash Flows
Full year ended 31 December 2023

| | FY 2023 €'000 | FY 2022 €'000 |
|--|------------------|------------------|
| Cash flows from operating activities | | |
| Total (loss)/ return for the year before tax | (58,377) | 55,700 |
| <i>Adjustments for:</i> | | |
| Amortisation of lease costs | 2,487 | 2,438 |
| Straight-line rent adjustments and leasing fees | (1,881) | (1,895) |
| Loss/ (gain) on divestments | 9,871 | (763) |
| Gain on bond buyback | (3,068) | - |
| Net finance costs | 32,380 | 24,387 |
| Allowance for credit losses | 1,909 | 540 |
| Change in fair value of investment properties | 133,570 | 59,483 |
| Change in fair value of derivative financial instruments | 8,769 | (16,331) |
| Net foreign exchange (gain)/loss | (792) | 1,933 |
| Operating cash flows before movements in working capital | 124,868 | 125,492 |
| <i>Changes in operating assets and liabilities:</i> | | |
| Decrease/ (increase) in receivables | 413 | (3,318) |
| Decrease in payables | (5,399) | (5,318) |
| Increase in other liabilities | 5,924 | 3,622 |
| Cash generated from operations | 125,806 | 120,478 |
| Interest paid | (35,295) | (20,112) |
| Interest received | 6,495 | 28 |
| Tax paid | (7,874) | (8,048) |
| Net cash provided by operating activities | 89,132 | 92,346 |
| Cash flows from investing activities | | |
| Payments for acquisitions of investment properties | - | (101,196) |
| Payment of transaction costs for acquisitions of investment properties | - | (6,267) |
| Payments for capital expenditure on investment properties | (83,053) | (38,884) |
| Proceeds from divestment of a subsidiary | - | 15,989 |
| Proceeds from divestment of investment properties | 196,506 | 24,767 |
| Payment for transaction costs for divestments of investment properties | (1,861) | (751) |
| Net cash provided by/ (used in) investing activities | 111,592 | (106,342) |
| Cash flows from financing activities | | |
| Payment of unit issue costs | (13) | (121) |
| Proceeds from bank borrowings | 306,000 | 329,000 |
| Repayment of bank borrowings and Euro Medium Term Notes ("EMTN") | (368,557) | (236,470) |
| Payment of transaction costs on issuance of perpetual securities | - | (251) |
| Payment for transaction costs related to borrowings and EMTN | (4,300) | (4,116) |
| Net payment to acquire/ settlement of derivative financial instruments | (986) | (1,872) |
| Distributions paid to Unitholders | (91,580) | (93,338) |
| Distributions paid to Perpetual securities holders | (2,326) | (2,328) |
| Payment of finance lease | (599) | (334) |
| Net cash used in financing activities | (162,361) | (9,830) |
| Net increase / (decrease) in cash and cash equivalents | 38,363 | (23,826) |
| Cash and cash equivalents at beginning of year | 35,432 | 59,258 |
| Cash and cash equivalents at end of year | 73,795 | 35,432 |

Statement of Portfolio As at 31 December 2023

| Property <i>(by Geography)</i> | Location | Acquisition Date | Land Tenure | Remaining Term Of Leasehold (Years) | | Carrying Amount | | Percentage of Net Assets | |
|--|--|------------------|---|-------------------------------------|----------------------|--------------------|--------------------|--------------------------|----------------|
| | | | | 31-Dec-23 | 31-Dec-22 | 31-Dec-23 €'000 | 31-Dec-22 €'000 | 31-Dec-23 % | 31-Dec-22 % |
| The Netherlands | | | | | | | | | |
| Light Industrial / Logistics | | | | | | | | | |
| Veemarkt | Veemarkt 27-75 / 50-76 / 92-114, Amsterdam | 30 Nov 2017 | Continuing leasehold | Various 15.0-19.0 | Various 16.0-20.0 | 47,100 | 49,700 | 3.8 | 3.5 |
| De Immenhorst 7 | De Immenhorst 7, s'Heerenberg | 23 Dec 2021 | Freehold | n/a | n/a | 11,100 | 10,200 | 0.9 | 0.7 |
| Boekweitstraat 1 - 21 & Luzernestraat 2 - 12 | Boekweitstraat 1 - 21 & Luzernestraat 2 - 12, Nieuw-Vennep | 30 Nov 2017 | Freehold | n/a | n/a | 10,700 | 11,500 | 0.9 | 0.8 |
| Rosa Castellanosstraat 4 | Rosa Castellanosstraat 4, Tilburg | 30 Dec 2021 | Freehold | n/a | n/a | 10,700 | 11,000 | 0.9 | 0.8 |
| Capronilaan 22 - 56 | Capronilaan 22 - 56, Schiphol-Rijk | 30 Nov 2017 | Freehold | n/a | n/a | 9,620 | 9,040 | 0.8 | 0.6 |
| Kapoeasweg 4 - 16 | Kapoeasweg 4 - 16, Amsterdam | 30 Nov 2017 | Freehold | n/a | n/a | 7,290 | 7,140 | 0.6 | 0.5 |
| Folkstoneweg 5 - 15 | Folkstoneweg 5 - 15, Schiphol | 30 Nov 2017 | Leasehold | 16.9 | 16.9 | 6,290 | 5,510 | 0.5 | 0.4 |
| Office | | | | | | | | | |
| Haagse Poort | Prinses Beatrixlaan 35 - 37 & Schenkkade 60 - 65, Den Haag | 30 Nov 2017 | Part Freehold, Part Right of Superficies and Part Perpetual | n/a | n/a | 163,200 | 158,000 | 13.1 | 11.1 |
| Central Plaza | Plaza 2 – 25 (retail) / Weena 580 – 618 (offices), Rotterdam | 19 Jun 2017 | Freehold/leasehold ⁽¹⁾ | 64.6 | 65.6 | 140,800 | 156,000 | 11.3 | 11.0 |
| Bastion | Willemsplein 2 - 10, 's-Hertogenbosch | 28 Dec 2018 | Freehold | n/a | n/a | 67,200 | 72,900 | 5.4 | 5.1 |
| Moeder Teresalaan 100 / 200 | Moeder Teresalaan 100 / 200, Utrecht | 28 Dec 2018 | Perpetual leasehold | n/a | n/a | 56,300 | 54,500 | 4.5 | 3.8 |
| De Ruyterkade 5 | De Ruyterkade 5, Amsterdam | 19 Jun 2017 | Leasehold | 64.5 | 65.5 | 50,400 | 54,500 | 4.0 | 3.8 |
| Koningskade 30 | Koningskade 30, Den Haag | 19 Jun 2017 | Perpetual leasehold | n/a | n/a | 19,200 | 20,700 | 1.5 | 1.5 |
| Blaak 40 | Blaak 40, Rotterdam | 30 Nov 2017 | Freehold | n/a | n/a | 16,700 | 18,500 | 1.3 | 1.3 |
| 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 Of Leasehold (Years) | | Carrying Amount | | Percentage of Net Assets | |
|-------------------------------------|--|------------------|-------------|-------------------------------------|-----------|--------------------|--------------------|--------------------------|----------------|
| | | | | 31-Dec-23 | 31-Dec-22 | 31-Dec-23 €'000 | 31-Dec-22 €'000 | 31-Dec-23 % | 31-Dec-22 % |
| France | | | | | | | | | |
| Light Industrial / Logistics | | | | | | | | | |
| Parc des Docks | 50 rue Ardoin, Saint Ouen | 30 Nov 2017 | Freehold | n/a | n/a | 164,450 | 157,950 | 13.2 | 11.1 |
| 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 | 34,450 | 32,900 | 2.8 | 2.3 |
| Parc du Landy | 61 rue du Landy, Aubervilliers | 30 Nov 2017 | Freehold | n/a | n/a | 29,000 | 26,550 | 2.3 | 1.9 |
| Parc des Grésillons | 167-169 avenue des Grésillons, Gennevilliers | 30 Nov 2017 | Freehold | n/a | n/a | 26,750 | 22,300 | 2.1 | 1.6 |
| Parc Delizy | 32 rue Délizy, Pantin | 30 Nov 2017 | Freehold | n/a | n/a | 24,250 | 24,650 | 1.9 | 1.7 |
| Parc Urbaparc | 75-79 rue du Rateau, La Courneuve | 30 Nov 2017 | Freehold | n/a | n/a | 19,200 | 17,625 | 1.5 | 1.2 |
| Parc du Merantais | 1-3 rue Georges Guynemer, Magny-Les-Hameaux | 30 Nov 2017 | Freehold | n/a | n/a | 11,600 | 11,250 | 0.9 | 0.8 |
| Parc Béziers | Rue Charles Nicolle, Villeneuve-lès-Béziers | 23 Jan 2019 | Freehold | n/a | n/a | 11,350 | 11,150 | 0.9 | 0.8 |
| Parc Louvresses | 46-48 boulevard Dequevauvilliers, Gennevilliers | 14 Feb 2019 | Leasehold | 23.45 | 24.45 | 9,195 | 12,550 | 0.7 | 0.9 |
| Parc Jean Mermoz | 53 rue de Verdun – 81, rue Maurice Berteaux, La Courneuve | 30 Nov 2017 | Freehold | n/a | n/a | 9,180 | 9,120 | 0.7 | 0.6 |
| Parc Locaparc 2 | 59-65 rue Edith Cavell, Vitry-sur-Seine | 30 Nov 2017 | Freehold | n/a | n/a | 9,170 | 8,680 | 0.7 | 0.6 |
| Parc le Prunay | 13-41 rue Jean Pierre Timbaud, ZI du Prunay, Sartrouville | 30 Nov 2017 | Freehold | n/a | n/a | 8,950 | 8,490 | 0.7 | 0.6 |
| Parc des Érables | 154 allée des Érables, Villepinte | 30 Nov 2017 | Freehold | n/a | n/a | 8,850 | 9,430 | 0.7 | 0.7 |
| Parc de Champs | 40 boulevard de Nesles, ZAC le Ru du Nesles, Champs sur Marne | 30 Nov 2017 | Freehold | n/a | n/a | 7,410 | 6,960 | 0.6 | 0.5 |
| Parc Acticlub | 2 rue de la Noue Guimante, ZI de la Courtillière , Saint Thibault des Vignes | 30 Nov 2017 | Freehold | n/a | n/a | 6,830 | 6,630 | 0.5 | 0.5 |
| Parc Parçay-Meslay | ZI du Papillon, Parçay-Meslay | 23 Jan 2019 | Freehold | n/a | n/a | 4,360 | 4,920 | 0.3 | 0.3 |
| Parc Sully | 105 route d'Orléans, Sully-sur-Loire | 23 Jan 2019 | Freehold | n/a | n/a | 3,070 | 3,490 | 0.2 | 0.2 |
| Office | | | | | | | | | |
| Paryseine | 3 Allée de la Seine, Ivry-Sur Seine, Paris | 17 Jul 2019 | Freehold | n/a | n/a | 27,370 | 31,250 | 2.2 | 2.2 |
| Cap Mermoz | 38-44 rue Jean Mermoz, Maisons-Laffitte, Paris | 17 Jul 2019 | Freehold | n/a | n/a | 26,370 | 29,830 | 2.1 | 2.1 |
| Lénine | 1 rue de Lénine, 94200 Ivry-Sur Seine, Ivry-Sur Seine, Paris | 17 Jul 2019 | Freehold | n/a | n/a | 2,190 | 3,230 | 0.2 | 0.2 |

n/a – not applicable

| Property <i>(by Geography)</i> | Location | Acquisition Date | Land Tenure | Remaining Term Of Leasehold (Years) | | Carrying Amount | | Percentage of Net Assets | |
|---|---|------------------|-------------|-------------------------------------|-----------|--------------------|--------------------|--------------------------|----------------|
| | | | | 31-Dec-23 | 31-Dec-22 | 31-Dec-23 €'000 | 31-Dec-22 €'000 | 31-Dec-23 % | 31-Dec-22 % |
| Italy | | | | | | | | | |
| Light Industrial / Logistics | | | | | | | | | |
| Centro Logistico Orlando Marconi | Via del Lavoro, 63076 Montepredone | 23 Dec 2020 | Freehold | n/a | n/a | 57,500 | 53,100 | 4.6 | 3.7 |
| Via dell'Industria 18 | Via dell'Industria 18, Vittuone | 17 Mar 2022 | Freehold | n/a | n/a | 35,400 | 31,400 | 2.8 | 2.2 |
| Via Fogliano 1 | Via Fogliano 1, Coccaglio, Brescia | 15 Feb 2022 | Freehold | n/a | n/a | 26,000 | 27,200 | 2.1 | 1.9 |
| Via Fornace | Via Fornace snc, Mira | 29 Oct 2021 | Freehold | n/a | n/a | 18,600 | 18,800 | 1.5 | 1.3 |
| Strada Provinciale Adelfia | Strada Provinciale Adelfia, Rutigliano | 30 Nov 2017 | Freehold | n/a | n/a | 16,600 | 15,600 | 1.3 | 1.1 |
| Office | | | | | | | | | |
| Via Nervesa 21 | Via Nervesa 21, Milan | 30 Nov 2017 | Freehold | n/a | n/a | 47,300 | 27,200 | 3.8 | 1.9 |
| Via Pianciani 26 | Via Pianciani 26, Rome | 30 Nov 2017 | Freehold | n/a | n/a | 33,600 | 37,000 | 2.7 | 2.6 |
| Maxima (formerly Via dell'Amba Aradam 5) | Via dell'Amba Aradam 5, Rome | 30 Nov 2017 | Freehold | n/a | n/a | 29,900 | 39,100 | 2.4 | 2.7 |
| Building F7-F11 | Viale Milanofiori 1, Assago | 30 Nov 2017 | Freehold | n/a | n/a | 22,200 | 28,400 | 1.8 | 2.0 |
| Via Camillo Finocchiaro Aprile 1 | Via Camillo Finocchiaro Aprile 1, Genova | 05 Dec 2018 | Freehold | n/a | n/a | 18,500 | 20,900 | 1.5 | 1.5 |
| Via della Fortezza 8 | Via della Fortezza 8, Florence | 15 Feb 2018 | Freehold | n/a | n/a | 15,100 | 15,900 | 1.2 | 1.1 |
| Cassiopea 1-2-3 | Via Paracelso 22-24-26, Milan | 28 Nov 2019 | Freehold | n/a | n/a | 13,100 | 16,700 | 1.0 | 1.2 |
| Nuova ICO | Via Guglielmo Jervis 9, Ivrea | 27 Jun 2018 | Freehold | n/a | n/a | 7,230 | 11,800 | 0.6 | 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 | 6,030 | 7,300 | 0.5 | 0.5 |
| Via Rampa Cavalcavia 16-18 | Via Rampa Cavalcavia 16-18, Venice Mestre | 30 Nov 2017 | Freehold | n/a | n/a | 4,370 | 4,610 | 0.3 | 0.3 |
| Piazza Affari 2 ⁽²⁾ | Piazza degli Affari 2, Milan | 30 Nov 2017 | Freehold | n/a | n/a | - | 99,800 | - | 7.0 |
| Corso Lungomare Trieste 29 ⁽³⁾ | Corso Lungomare Trieste 29, Bari | 05 Dec 2018 | Freehold | n/a | n/a | - | 10,700 | - | 0.8 |
| Other | | | | | | | | | |
| Starhotels Grand Milan | Via Varese 23, Saronno | 30 Nov 2017 | Freehold | n/a | n/a | 18,800 | 17,100 | 1.5 | 1.2 |
| Via Madre Teresa 4 | Via Madre Teresa 4, Lissone | 30 Nov 2017 | Freehold | n/a | n/a | 14,200 | 15,700 | 1.1 | 1.1 |
| Via Salara Vecchia 13 | Via Salara Vecchia 13, Pescara | 30 Nov 2017 | Freehold | n/a | n/a | 10,900 | 11,400 | 0.9 | 0.8 |
| Via Brigata Padova 19 ⁽⁴⁾ | Via Brigata Padova 19, Padova | 30 Nov 2017 | Freehold | n/a | n/a | - | 3,960 | - | 0.3 |
| Viale Europa 95 ⁽⁵⁾ | Viale Europa 95, Bari | 30 Nov 2017 | Freehold | n/a | n/a | - | 73,300 | - | 5.2 |

n/a – not applicable

(2) The property was disposed on 28 June 2023

(3) The property was disposed on 21 December 2023

(4) The property was reclassified as "Asset Held for Sale" pursuant to a binding offer entered into with an unrelated third party on 11 December 2023

(5) The property was disposed on 6 October 2023

| Property <i>(by Geography)</i> | Location | Acquisition Date | Land Tenure | Remaining Term Of Leasehold (Years) | | Carrying Amount | | Percentage of Net Assets | |
|---|---|------------------|-------------------------------|-------------------------------------|-----------|--------------------|--------------------|--------------------------|----------------|
| | | | | 31-Dec-23 | 31-Dec-22 | 31-Dec-23 €'000 | 31-Dec-22 €'000 | 31-Dec-23 % | 31-Dec-22 % |
| Germany | | | | | | | | | |
| Light Industrial / Logistics | | | | | | | | | |
| Parsdorfer Weg 10 | Parsdorfer Weg 10, Kirchheim | 30 Nov 2017 | Freehold | n/a | n/a | 37,300 | 38,800 | 3.0 | 2.7 |
| Siemensstraße 11 | Siemensstraße 11, Frickenhausen | 30 Nov 2017 | Freehold | n/a | n/a | 18,100 | 18,200 | 1.4 | 1.3 |
| An der Wasserschluft 7 | An der Wasserschluft 7, 06526 Sangerhausen | 13 Aug 2020 | Freehold | n/a | n/a | 17,700 | 18,600 | 1.4 | 1.3 |
| Löbstedter Str. 101-109 | Löbstedter Str. 101 – 109, Unstrutweg 1, 4, Ilmstr. 4, 4a, Jena | 21 Apr 2022 | Freehold | n/a | n/a | 16,400 | 16,900 | 1.3 | 1.2 |
| Göppinger Straße 1 – 3 | Pforzheim, Göppinger Straße 1 – 3 | 24 Mar 2020 | Freehold | n/a | n/a | 15,600 | 17,400 | 1.2 | 1.2 |
| An der Kreuzlache 8-12 | An der Kreuzlache 8-12, Bischofsheim | 30 Nov 2017 | Freehold | n/a | n/a | 14,200 | 14,500 | 1.1 | 1.0 |
| Gewerbstraße 62 | Bretten, Gewerbstraße 62 | 24 Mar 2020 | Freehold | n/a | n/a | 14,000 | 16,000 | 1.1 | 1.1 |
| Hochstraße 150-152 | Hochstraße 150-152, Duisburg | 30 Nov 2017 | Freehold | n/a | n/a | 12,100 | 12,900 | 1.0 | 0.9 |
| Henschelring 4 | Henschelring 4, Kirchheim | 30 Nov 2017 | Freehold | n/a | n/a | 11,900 | 11,900 | 1.0 | 0.8 |
| Kolumbusstraße 16 | Kolumbusstraße 16, Hamburg | 30 Nov 2017 | Freehold | n/a | n/a | 10,200 | 11,300 | 0.8 | 0.8 |
| Frauenstraße 31 | Frauenstraße 31, Maisach | 30 Nov 2017 | Freehold | n/a | n/a | 10,100 | 11,300 | 0.8 | 0.8 |
| Gutenbergstraße 1, Dieselstraße 2 | Königsbach-Stein, Gutenbergstraße 1, Dieselstraße 2 | 24 Mar 2020 | Freehold | n/a | n/a | 9,480 | 10,900 | 0.8 | 0.8 |
| Moorfleeter Straße 27, Liebigstraße 67-71 | Moorfleeter Straße 27, Liebigstraße 67-71, Hamburg | 30 Nov 2017 | Freehold | n/a | n/a | 8,750 | 9,320 | 0.7 | 0.7 |
| Dresdner Straße 16, Sachsenring 52 | Dresdner Straße 16, Sachsenring 52, Straubing | 30 Nov 2017 | Freehold | n/a | n/a | 8,750 | 9,230 | 0.7 | 0.6 |
| Poland | | | | | | | | | |
| Office | | | | | | | | | |
| Business Garden | 2, 4, 6, 8 and 10 Kolorowa Street, Poznań | 24 Sep 2019 | Freehold | n/a | n/a | 72,900 | 83,600 | 5.8 | 5.9 |
| Green Office | 80, 80A, 82 and 84 Czerwone Maki Street, Kraków | 25 Jul 2019 | Freehold | n/a | n/a | 39,400 | 46,900 | 3.2 | 3.3 |
| Riverside Park | Fabryczna 5, Warsaw | 14 Feb 2019 | Perpetual usufruct | n/a | n/a | 22,800 | 27,700 | 1.8 | 1.9 |
| Avatar | 28 Armii Krajowej Street, Kraków | 25 Jul 2019 | Freehold / Perpetual usufruct | n/a | n/a | 19,950 | 23,050 | 1.6 | 1.6 |
| Arkońska Business Park | Arkońska 1&2, Gdańsk | 14 Feb 2019 | Perpetual usufruct | n/a | n/a | 11,200 | 16,025 | 0.9 | 1.1 |
| Grójecka 5 ⁽⁶⁾ | Grójecka 5, Warsaw | 14 Feb 2019 | Perpetual usufruct | n/a | n/a | - | 18,450 | - | 1.3 |

n/a – not applicable

(6) The property was reclassified as “Asset Held for Sale” pursuant to the preliminary sale and purchase agreement with an unrelated third party entered into on 29 December 2023

| Property <i>(by Geography)</i> | Location | Acquisition Date | Land Tenure | Remaining Term Of Leasehold (Years) | | Carrying Amount | | Percentage of Net Assets | |
|-------------------------------------|--|------------------|-------------|-------------------------------------|-----------|--------------------|--------------------|--------------------------|----------------|
| | | | | 31-Dec-23 | 31-Dec-22 | 31-Dec-23 €'000 | 31-Dec-22 €'000 | 31-Dec-23 % | 31-Dec-22 % |
| Denmark | | | | | | | | | |
| Light Industrial / Logistics | | | | | | | | | |
| Naverland 7-11 | Naverland 7-11, Glostrup | 30 Nov 2017 | Freehold | n/a | n/a | 18,340 | 16,470 | 1.5 | 1.2 |
| Sognevej 25 | Sognevej 25, Brøndby, Copenhagen | 14 Oct 2022 | Freehold | n/a | n/a | 15,557 | 15,784 | 1.2 | 1.1 |
| Priorparken 700 | Priorparken 700, Brøndby | 30 Nov 2017 | Freehold | n/a | n/a | 15,054 | 14,923 | 1.2 | 1.0 |
| Priorparken 800 | Priorparken 800, Brøndby | 30 Nov 2017 | Freehold | n/a | n/a | 13,103 | 13,216 | 1.0 | 0.9 |
| Stamholmen 111 | Stamholmen 111, Hvidovre | 30 Nov 2017 | Freehold | n/a | n/a | 12,124 | 12,220 | 1.0 | 0.9 |
| Islevdalvej 142 | Islevdalvej 142, Rødovre | 30 Nov 2017 | Freehold | n/a | n/a | 10,621 | 9,075 | 0.9 | 0.6 |
| Herstedvang 2-4 | Herstedvang 2-4, Albertslund | 30 Nov 2017 | Freehold | n/a | n/a | 9,897 | 9,142 | 0.8 | 0.6 |
| Naverland 8 | Naverland 8, Glostrup | 30 Nov 2017 | Freehold | n/a | n/a | 9,119 | 8,255 | 0.7 | 0.6 |
| Hørskætten 4-6 | Hørskætten 4-6, Tåstrup | 30 Nov 2017 | Freehold | n/a | n/a | 7,524 | 7,247 | 0.6 | 0.5 |
| Fabriksparken 20 | Fabriksparken 20, Glostrup | 30 Nov 2017 | Freehold | n/a | n/a | 7,269 | 6,991 | 0.6 | 0.5 |
| Hørskætten 5 | Hørskætten 5, Tåstrup | 30 Nov 2017 | Freehold | n/a | n/a | 4,882 | 4,504 | 0.4 | 0.3 |
| Naverland 12 | Naverland 12, Glostrup | 30 Nov 2017 | Freehold | n/a | n/a | 4,814 | 4,531 | 0.4 | 0.3 |
| The Czech Republic | | | | | | | | | |
| Light Industrial / Logistics | | | | | | | | | |
| Lovosice ONE Industrial Park I. | Tovami 1162, 410 02 Lovosice | 11 Mar 2021 | Freehold | n/a | n/a | 17,500 | 13,950 | 1.4 | 1.0 |
| Lovosice ONE Industrial Park II. | Prumyslova 1190, 410 02 Lovosice | 11 Mar 2021 | Freehold | n/a | n/a | 16,450 | 15,950 | 1.3 | 1.1 |
| Moravia Industrial Park | Jaktare 1752, 686 01 Uherske Hradiste | 11 Mar 2021 | Freehold | n/a | n/a | 15,650 | 15,500 | 1.3 | 1.1 |
| One-Hradec Králové | Vážní 536, 500 03 Hradec Králové | 4 Jun 2021 | Freehold | n/a | n/a | 11,500 | 11,800 | 0.9 | 0.8 |
| South Moravia Industrial Park | Cukrovarska 494/39, Mesto, 682 01 Vyskov | 11 Mar 2021 | Freehold | n/a | n/a | 10,400 | 10,750 | 0.8 | 0.8 |
| Pisek Industrial Park I. | Stanislava Mlainy 464, 397 01 Pisek | 11 Mar 2021 | Freehold | n/a | n/a | 4,180 | 4,410 | 0.3 | 0.3 |
| Pisek Industrial Park II. | U Hrebceince 2564/23, 391 01 Pisek | 11 Mar 2021 | Freehold | n/a | n/a | 1,730 | 1,840 | 0.1 | 0.1 |
| Slovakia | | | | | | | | | |
| Light Industrial / Logistics | | | | | | | | | |
| Nove Mesto ONE Industrial Park I | Beckov 645, 916 38 Beckov | 11 Mar 2021 | Freehold | n/a | n/a | 24,950 | 18,950 | 2.0 | 1.3 |
| Nove Mesto ONE Industrial Park III | Rakol'uby 242, 916 31 Kocovce | 11 Mar 2021 | Freehold | n/a | n/a | 21,570 | 20,060 | 1.7 | 1.4 |
| Kosice Industrial Park | Vel'ka Ida 785, 044 55 Velká Ida | 11 Mar 2021 | Freehold | n/a | n/a | 10,400 | 12,400 | 0.8 | 0.9 |
| Nove Mesto ONE Industrial Park II | Kocovce 245, 916 31 Kocovce | 11 Mar 2021 | Freehold | n/a | n/a | 9,360 | 9,400 | 0.7 | 0.7 |
| Zilina Industrial Park | Priemyselna 1, 013 02 Nededza | 11 Mar 2021 | Freehold | n/a | n/a | 4,560 | 5,160 | 0.4 | 0.4 |

n/a – not applicable

| Property <i>(by Geography)</i> | Location | Acquisition Date | Land Tenure | Remaining Term Of Leasehold (Years) | | Carrying Amount | | Percentage of Net Assets | |
|--|--|------------------|-------------|-------------------------------------|-----------|--------------------|--------------------|--------------------------|----------------|
| | | | | 31-Dec-23 | 31-Dec-22 | 31-Dec-23 €'000 | 31-Dec-22 €'000 | 31-Dec-23 % | 31-Dec-22 % |
| Finland | | | | | | | | | |
| Office | | | | | | | | | |
| Plaza Vivace | Äyritie 8 C, Vantaa | 28 Dec 2018 | Freehold | n/a | n/a | 10,700 | 12,100 | 0.9 | 0.9 |
| Plaza Forte | Äyritie 12 C, Vantaa | 28 Dec 2018 | Freehold | n/a | n/a | 10,300 | 11,500 | 0.8 | 0.8 |
| Plaza Allegro | Äyritie 8 B, Vantaa | 28 Dec 2018 | Freehold | n/a | n/a | 8,600 | 9,300 | 0.7 | 0.7 |
| Pakkalankuja 6 | Pakkalankuja 6, Vantaa | 28 Dec 2018 | Freehold | n/a | n/a | 7,400 | 8,500 | 0.6 | 0.6 |
| Kauppakatu 39 | Kauppakatu 39, Kuopio | 28 Dec 2018 | Freehold | n/a | n/a | 7,100 | 7,700 | 0.6 | 0.5 |
| Mäkitorpantie 3b | Mäkitorpantie 3b, Helsinki | 28 Dec 2018 | Freehold | n/a | n/a | 6,700 | 9,100 | 0.5 | 0.6 |
| Myyrmäenraitti 2 | Myyrmäenraitti 2, Vantaa | 28 Dec 2018 | Freehold | n/a | n/a | 6,400 | 10,000 | 0.5 | 0.7 |
| Grandinkulma | Kielotie 7, Vantaa | 28 Dec 2018 | Freehold | n/a | n/a | 5,600 | 8,600 | 0.4 | 0.6 |
| Pakkalankuja 7 | Pakkalankuja 7, Vantaa | 28 Dec 2018 | Freehold | n/a | n/a | 5,500 | 5,900 | 0.4 | 0.4 |
| Purotie 1 | Purotie 1, Helsinki | 28 Dec 2018 | Freehold | n/a | n/a | 2,300 | 3,100 | 0.2 | 0.2 |
| United Kingdom | | | | | | | | | |
| Light Industrial / Logistics | | | | | | | | | |
| Thorn Lighting | DurhamGate, Spennymoor, County Durham | 17 Dec 2021 | Freehold | n/a | n/a | 31,721 | 30,818 | 2.5 | 2.2 |
| The Cube | Whitehouse Industrial Estate, Preston Brook, Runcorn, Cheshire WA7 3GA | 18 May 2022 | Freehold | n/a | n/a | 18,802 | 17,240 | 1.5 | 1.2 |
| Kingsland 21 | 21 Kingsland Grange, Warrington | 3 Aug 2021 | Freehold | n/a | n/a | 10,382 | 9,409 | 0.8 | 0.7 |
| Portfolio of investment properties, at fair value | | | | | | 2,234,814 | 2,503,885 | 178.9 | 176.0 |
| Other adjustments (note 14(a)) | | | | | | 6,756 | 5,522 | 0.5 | 0.4 |
| Investment properties as shown in the balance sheet | | | | | | 2,241,570 | 2,509,407 | 179.4 | 176.4 |
| Other assets and liabilities, net | | | | | | (986,429) | (1,086,486) | (79.4) | (76.4) |
| Net assets | | | | | | 1,255,141 | 1,422,921 | 100.00 | 100.00 |

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'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.

2. Basis of preparation

The condensed interim financial statements for the six-month period and full year ended 31 December 2023 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 2022 and the unaudited interim financial statements for the period ended 30 June 2023.

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 2022.

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 2022.

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:

| Area of estimation | Note |
|--|-------------|
| Measurement of deferred tax liabilities | |
| Determination of fair value of investment properties using significant unobservable inputs | 14(c) |

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.

At 31 December 2023, CEREIT operated in three property classes and ten (31 December 2022: ten) countries. The property segments below are reported in a manner consistent with the internal reporting provided to the CODM.

4.1 Segment results

| CEREIT | 2H 2023 | | | 2H 2022 | | |
|---|--|---|--------------------------------|--|---|--------------------------------|
| | 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 | 3,470 | (1,052) | 2,418 | 3,365 | (960) | 2,405 |
| France | 17,074 | (7,254) | 9,820 | 17,001 | (6,292) | 10,709 |
| Italy | 5,926 | (1,647) | 4,279 | 6,582 | (1,560) | 5,022 |
| Germany | 9,265 | (2,826) | 6,439 | 8,924 | (3,099) | 5,825 |
| Denmark | 6,392 | (2,986) | 3,406 | 5,802 | (2,771) | 3,031 |
| The Czech Republic | 2,682 | (749) | 1,933 | 2,155 | (520) | 1,635 |
| Slovakia | 2,897 | (927) | 1,970 | 2,943 | (1,036) | 1,907 |
| United Kingdom | 2,410 | (279) | 2,131 | 2,046 | (269) | 1,777 |
| Total - Light industrial / Logistics | 50,116 | (17,720) | 32,396 | 48,818 | (16,507) | 32,311 |
| <i>Office</i> | | | | | | |
| The Netherlands | 23,648 | (8,504) | 15,144 | 23,273 | (9,879) | 13,394 |
| France | 3,195 | (1,886) | 1,309 | 3,294 | (2,141) | 1,153 |
| Italy | 8,005 | (3,193) | 4,812 | 11,568 | (3,898) | 7,670 |
| Poland | 13,232 | (6,441) | 6,791 | 14,075 | (8,085) | 5,990 |
| Finland | 4,846 | (2,319) | 2,527 | 5,176 | (2,635) | 2,541 |
| Total - Office | 52,926 | (22,343) | 30,583 | 57,386 | (26,638) | 30,748 |
| <i>Other</i> | | | | | | |
| Italy | 5,106 | (2,339) | 2,767 | 8,484 | (2,098) | 6,386 |
| Total - Other | 5,106 | (2,339) | 2,767 | 8,484 | (2,098) | 6,386 |
| Total - Segments | 108,148 | (42,402) | 65,746 | 114,688 | (45,243) | 69,445 |
| <i>Unallocated items:</i> | | | | | | |
| Net finance costs | | | (16,664) | | | (13,949) |
| Manager's fees | | | (2,882) | | | (3,069) |
| Trustee fees | | | (143) | | | (152) |
| Other trust expenses | | | (2,872) | | | (3,044) |
| Net foreign exchange loss | | | (681) | | | (1,547) |
| Loss on divestments | | | (2,321) | | | (357) |
| Gain on bond buyback | | | 3,068 | | | - |
| Fair value loss – investment properties | | | (75,987) | | | (64,138) |
| Fair value (loss)/gain – derivative financial instruments | | | (7,791) | | | 9,495 |
| Income tax expense | | | (17,812) | | | (3,874) |
| Total loss for the period | | | (58,339) | | | (11,190) |

| CEREIT | FY 2023 | | | FY 2022 | | |
|---|--|---|--------------------------------|--|---|--------------------------------|
| | 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 | 7,032 | (2,099) | 4,933 | 6,648 | (1,960) | 4,688 |
| France | 33,670 | (13,164) | 20,506 | 32,467 | (12,276) | 20,191 |
| Italy | 11,765 | (3,144) | 8,621 | 12,009 | (2,839) | 9,170 |
| Germany | 18,037 | (5,559) | 12,478 | 17,285 | (5,952) | 11,333 |
| Denmark | 12,809 | (5,716) | 7,093 | 10,848 | (5,198) | 5,650 |
| The Czech Republic | 5,221 | (1,477) | 3,744 | 4,478 | (1,086) | 3,392 |
| Slovakia | 6,087 | (2,105) | 3,982 | 6,294 | (2,062) | 4,232 |
| United Kingdom | 4,620 | (516) | 4,104 | 3,839 | (462) | 3,377 |
| Total - Light industrial / Logistics | 99,241 | (33,780) | 65,461 | 93,868 | (31,835) | 62,033 |
| <i>Office</i> | | | | | | |
| The Netherlands | 46,651 | (17,411) | 29,240 | 44,753 | (18,086) | 26,667 |
| France | 6,157 | (3,754) | 2,403 | 6,128 | (3,905) | 2,223 |
| Italy | 17,665 | (7,009) | 10,656 | 22,786 | (7,571) | 15,215 |
| Poland | 24,589 | (11,002) | 13,587 | 28,194 | (14,370) | 13,824 |
| Finland | 10,024 | (4,869) | 5,155 | 10,514 | (5,396) | 5,118 |
| Total - Office | 105,086 | (44,045) | 61,041 | 112,375 | (49,328) | 63,047 |
| <i>Other</i> | | | | | | |
| Italy | 12,162 | (4,383) | 7,779 | 15,862 | (4,167) | 11,695 |
| Total - Other | 12,162 | (4,383) | 7,779 | 15,862 | (4,167) | 11,695 |
| Total - Segments | 216,489 | (82,208) | 134,281 | 222,105 | (85,330) | 136,775 |
| <i>Unallocated items:</i> | | | | | | |
| Net finance costs | | | (32,380) | | | (24,387) |
| Manager's fees | | | (5,894) | | | (6,057) |
| Trustee fees | | | (291) | | | (298) |
| Other trust expenses | | | (5,743) | | | (6,011) |
| Net foreign exchange gain/(loss) | | | 792 | | | (1,933) |
| (Loss)/ gain on divestments | | | (9,871) | | | 763 |
| Gain on bond buyback | | | 3,068 | | | - |
| Fair value (loss)/gain – investment properties | | | (133,570) | | | (59,483) |
| Fair value (loss)/gain - derivative financial instruments | | | (8,769) | | | 16,331 |
| Income tax expense | | | (15,522) | | | (13,751) |
| Total return for the year | | | (73,899) | | | 41,949 |

4.2 Segment assets and liabilities

| | 31-Dec-23 | | 31-Dec-22 | |
|---|---|--|---|--|
| | Segment assets: Investment properties €'000 | Other information Capital expenditure and capitalised interest €'000 | Segment assets: Investment properties €'000 | Other information Capital expenditure and capitalised interest €'000 |
| CEREIT | | | | |
| <i>Light industrial / Logistics</i> | | | | |
| The Netherlands | 107,992 | 879 | 109,612 | 568 |
| France | 388,065 | 3,663 | 374,645 | 3,665 |
| Italy | 154,100 | 11,372 | 146,100 | 1,117 |
| Germany | 204,580 | 3,316 | 217,250 | 2,776 |
| Denmark | 128,304 | 3,566 | 122,358 | 4,516 |
| The Czech Republic | 77,410 | 6,048 | 74,200 | 9,890 |
| Slovakia | 70,840 | 12,695 | 65,970 | 166 |
| United Kingdom | 60,905 | 44 | 57,467 | - |
| Total - Light industrial / Logistics | 1,192,196 | 41,583 | 1,167,602 | 22,698 |
| <i>Office</i> | | | | |
| The Netherlands | 513,800 | 8,703 | 535,100 | 6,143 |
| France | 55,930 | 409 | 64,310 | 504 |
| Italy | 197,330 | 25,040 | 319,410 | 8,088 |
| Poland | 183,314 | 2,645 | 215,725 | 1,879 |
| Finland | 70,600 | 1,421 | 85,800 | 3,174 |
| Total - Office | 1,020,974 | 38,218 | 1,220,345 | 19,788 |
| <i>Other</i> | | | | |
| Italy | 45,700 | 834 | 121,460 | 554 |
| Total - Other | 45,700 | 834 | 121,460 | 554 |
| Total - Segments | 2,258,870 | 80,635 | 2,509,407 | 43,040 |
| <i>Reconciliation to total consolidated assets:</i> | | | | |
| Cash and cash equivalents | 73,795 | | 35,432 | |
| Receivables - current | 14,450 | | 16,340 | |
| Current tax assets | 1,829 | | 960 | |
| Receivables - non-current | 87 | | 328 | |
| Derivative financial instruments | 11,648 | | 19,150 | |
| Deferred tax assets | 6,794 | | 8,367 | |
| Consolidated total assets | 2,367,473 | | 2,589,984 | |

Segment liabilities

There are no liabilities allocated to segments.

5 Gross revenue

Gross revenue includes the following items:

| | CEREIT | | | | | |
|--|------------------|------------------|------------------------|-----------------|-----------------|------------------------|
| | 2H 2023 €'000 | 2H 2022 €'000 | Fav./ (Unfav.) % | FY2023 €'000 | FY2022 €'000 | Fav./ (Unfav.) % |
| Gross rental income | 85,918 | 89,212 | (3.7%) | 173,980 | 175,505 | (0.9%) |
| Service charge income | 20,235 | 23,678 | (14.5%) | 39,329 | 43,557 | (9.7%) |
| Other property related income ⁽¹⁾ | 1,995 | 1,798 | 11.0% | 3,180 | 3,043 | 4.5% |
| Total gross revenue | 108,148 | 114,688 | (5.7%) | 216,489 | 222,105 | (2.5%) |

⁽¹⁾ 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 | | | | | |
|--|------------------|------------------|------------------------|-----------------|-----------------|------------------------|
| | 2H 2023 €'000 | 2H 2022 €'000 | Fav./ (Unfav.) % | FY2023 €'000 | FY2022 €'000 | Fav./ (Unfav.) % |
| Service charge expenses and non-recoverable expenses | 32,116 | 35,911 | 10.6% | 63,130 | 67,147 | 6.0% |
| Property management fees paid in cash | 8,395 | 8,940 | 6.1% | 17,169 | 17,643 | 2.7% |
| Allowance for doubtful debts | 1,891 | 392 | (>100%) | 1,909 | 540 | (>100%) |
| Total property operating expense | 42,402 | 45,243 | 6.3% | 82,208 | 85,330 | 3.7% |

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 and excluding any realised capital gains paid out in both financial years) multiplied by the weighted average number of units in issue for such financial year.

| | CEREIT | | | | | |
|---|------------------|------------------|------------------------|-----------------|-----------------|------------------------|
| | 2H 2023 €'000 | 2H 2022 €'000 | Fav./ (Unfav.) % | FY2023 €'000 | FY2022 €'000 | Fav./ (Unfav.) % |
| Manager's base fees paid in cash ⁽¹⁾ | 2,882 | 3,069 | 6.1% | 5,894 | 6,057 | 2.7% |
| Manager's performance fees ⁽²⁾ | - | - | - | - | - | - |
| Total manager's fees | 2,882 | 3,069 | 6.1% | 5,894 | 6,057 | 2.7% |

⁽¹⁾ Includes some employee reimbursements which are netted off against total base fees.

⁽²⁾ Performance fees are calculated annually and accrued for, if applicable, in the full year result of each financial year.

8 (Loss)/gain on divestments

| | CEREIT | | | | | |
|--|------------------|------------------|------------------------|-----------------|-----------------|------------------------|
| | 2H 2023 €'000 | 2H 2022 €'000 | Fav./ (Unfav.) % | FY2023 €'000 | FY2022 €'000 | Fav./ (Unfav.) % |
| (Loss)/gain on divestment of investment properties | (2,321) | (741) | (> 100%) | (9,871) | 379 | n.m. |
| Gain on divestment of a subsidiary | - | 384 | (100.0%) | - | 384 | (100.0%) |
| Total (loss)/gain on divestments | (2,321) | (357) | (> 100%) | (9,871) | 763 | n.m. |

n.m. – not meaningful

In 2H 2023, loss on divestment of investment properties mostly comprises:

- (i) Loss on divestment of Viale Europa 5, Italy of €1.5 million which mostly relates to provision for earn-out payment and transaction costs incurred for the divestment. The property was divested on 6 October 2023 for a consideration of €94.0 million, 13.1% above its 30 November 2017 purchase price. The capital gain for the transaction was already booked in fair value gain/loss on investment properties as it was carried at its selling prices at 30 September 2023; and
- (ii) Loss on divestment of Corso Lungomare Trieste 29, Italy of €0.8 million. The property was divested on 21 December 2023 for a consideration of €8.9 million, which was 3.7% below the independent valuation dated 1 December 2023 and 27.7% below its purchase price. The capital loss for the transaction was already booked in fair value gain/loss on investment properties.

In 2H 2022, (loss)/gain on divestment of investment properties relates to:

- (i) transaction costs incurred for the divestment of two light industrial/ logistics assets in Germany. The properties were divested on 7 October 2022 for a total consideration of €11.0 million, which is €4.6 million or 71% above their purchase prices. The capital gain for these transactions was already booked in fair value gain/loss on investment properties as they were carried at their selling prices at 30 September 2022; and
- (ii) transaction costs incurred for the divestment of Parc du Bois du Tambour in France. The property was divested for a consideration of €11.0 million, which is 448% above the purchase price of €2.0 million. The capital gain for the transaction was already booked in fair value gain/loss on investment properties as it was carried at its selling price at 30 September 2022.

In 2H 2022, gain on divestment of a subsidiary relates to the divestment of the subsidiary holding an office asset in Finland on 6 July 2022 for a consideration of €16.2 million, 20.0% above the purchase price of €13.5 million.

9 Gain on bond buyback

2H 2023 and FY 2023 gain on bond buyback of €3.1 million relates to the repurchase of an aggregate principal amount of €50.0 million of the €500.0 million 2.125% Euro medium term notes due 19 November 2025.

10 Consolidated Earnings per Unit and distribution per Unit

| | CEREIT | | | |
|---|-----------------|----------|-----------------|---------|
| | 2H 2023 | 2H 2022 | FY2023 | FY2022 |
| Earnings per unit ("EPU") | | | | |
| Weighted average number of units ('000) ⁽¹⁾ | 562,392 | 562,392 | 562,392 | 562,060 |
| Total (loss)/return for the period/year attributable to Unitholders (€'000) | (59,510) | (12,361) | (76,225) | 39,628 |
| EPU attributable to Unitholders (basic and diluted) (cents) | (10.582) | (2.198) | (13.554) | 7.050 |

⁽¹⁾ 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 | | | |
|--|----------------|---------|----------------|---------|
| | 2H 2023 | 2H 2022 | FY2023 | FY2022 |
| Distribution per unit ("DPU") | | | | |
| Applicable number of units for the period/year ('000) ⁽²⁾ | 562,392 | 562,392 | 562,392 | 562,392 |
| Income available for distribution to Unitholders (€'000) | 44,445 | 47,765 | 88,254 | 96,667 |
| DPU (cents) ⁽²⁾ | 7.903 | 8.494 | 15.693 | 17.189 |

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

11 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/year:

| Distribution period | Distribution type | Distribution per unit (in € cents) | CEREIT and Trust | | | |
|----------------------------|----------------------|------------------------------------|------------------|------------------|-----------------|-----------------|
| | | | 2H 2023 €'000 | 2H 2022 €'000 | FY2023 €'000 | FY2022 €'000 |
| 1 Jan 2023 to 30 Jun 2023 | Capital | 7.790 | 43,811 | - | 43,811 | - |
| 1 Jul 2022 to 31 Dec 2022 | Tax exempt | 8.494 | - | - | 47,769 | - |
| 1 Jan 2022 to 30 Jun 2022 | Tax exempt & capital | 8.695 | - | 48,900 | - | 48,900 |
| 1 Jul 2021 to 31 Dec 2021 | Tax exempt & capital | 8.459 | - | - | - | 47,459 |
| Total distributions | | | 43,811 | 48,900 | 91,580 | 96,359 |

12 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 | | | | | |
|------------------------------------|------------------|------------------|------------------------|-----------------|-----------------|------------------------|
| | 2H 2023 €'000 | 2H 2022 €'000 | Fav./ (Unfav.) % | FY2023 €'000 | FY2022 €'000 | Fav./ (Unfav.) % |
| Current tax expense ⁽¹⁾ | 1,550 | 6,714 | 76.9% | 5,827 | 10,322 | 43.5% |
| Deferred tax expense/(credit) | 16,262 | (2,840) | n.m. | 9,695 | 3,429 | (>100%) |
| Total income tax expense | 17,812 | 3,874 | (>100%) | 15,522 | 13,751 | (12.9%) |

n.m. – not meaningful

⁽¹⁾ In FY 2022, current tax expense includes tax expenses relating to divestments of €1,456,000.

13 Assets held for sale

Assets held for sale are carried at their contracted selling prices. CEREIT's assets held for sale at year-end were as follows:

| | Note | CEREIT | |
|------------------------------|------|--------------------|--------------------|
| | | 31-Dec-23 €'000 | 31-Dec-22 €'000 |
| Grójecka 5, Poland | (a) | 15,500 | - |
| Via Brigata Padova 19, Italy | (b) | 1,800 | - |
| | | 17,300 | - |

(a) On 29 December 2023, CEREIT entered into a preliminary sale and purchase agreement with an unrelated third party to divest the asset for a consideration of €15.5 million.

(b) The asset has been reclassified from investment properties pursuant to a binding offer CEREIT entered with an unrelated third party on 11 December 2023 for a consideration of €1.8 million.

14 Investment properties

14(a) Reconciliation of carrying amount of investment properties

| CEREIT | 31-Dec-23 | | | | |
|----------------------|--------------------------------|-------------------------------|--------------------------|-----------------------------|--------------------------|
| | Independent valuation €'000 | Directors' valuation €'000 | Total valuation €'000 | Right-Of-Use asset €'000 | Carrying amount €'000 |
| The Netherlands | 616,600 | - | 616,600 | 5,192 | 621,792 |
| France | 443,995 | - | 443,995 | - | 443,995 |
| Italy ⁽¹⁾ | 395,330 | - | 395,330 | - | 395,330 |
| Germany | 204,580 | - | 204,580 | - | 204,580 |
| Poland | 166,250 | - | 166,250 | 1,564 | 167,814 |
| Denmark | 128,304 | - | 128,304 | - | 128,304 |
| The Czech Republic | 77,410 | - | 77,410 | - | 77,410 |
| Slovakia | 70,840 | - | 70,840 | - | 70,840 |
| Finland | 70,600 | - | 70,600 | - | 70,600 |
| United Kingdom | 60,905 | - | 60,905 | - | 60,905 |
| Total | 2,234,814 | - | 2,234,814 | 6,756 | 2,241,570 |

⁽¹⁾ The carrying amount of investment properties includes the following properties under development / strip out as at 31 December 2023: (i) Nervesa 21, Italy valued at €47.3 million, (2) Maxima, Italy valued at €29.9 million and (3) Via dell'Industria 18, Italy valued at €35.4 million. The total contracted value of these developments for the purpose of the 10% development limit under Section 7.1(d) of the Property Funds Appendix is €49.5 million or 2.1% of deposited property.

| CEREIT | 31-Dec-22 | | | | |
|-----------------------------------|--------------------------------|-------------------------------|--------------------------|-----------------------------|--------------------------|
| | Independent valuation €'000 | Directors' valuation €'000 | Total valuation €'000 | Right-Of-Use asset €'000 | Carrying amount €'000 |
| The Netherlands | 639,190 | - | 639,190 | 5,522 | 644,712 |
| France | 438,955 | - | 438,955 | - | 438,955 |
| Italy ⁽²⁾ | 586,970 | - | 586,970 | - | 586,970 |
| Germany | 217,250 | - | 217,250 | - | 217,250 |
| Poland | 215,725 | - | 215,725 | - | 215,725 |
| Denmark ⁽³⁾ | 106,574 | 15,784 | 122,358 | - | 122,358 |
| The Czech Republic ⁽²⁾ | 74,200 | - | 74,200 | - | 74,200 |
| Slovakia ⁽²⁾ | 65,970 | - | 65,970 | - | 65,970 |
| Finland | 85,800 | - | 85,800 | - | 85,800 |
| United Kingdom | 57,467 | - | 57,467 | - | 57,467 |
| Total | 2,488,101 | 15,784 | 2,503,885 | 5,522 | 2,509,407 |

⁽²⁾ The carrying amount of investment properties includes the following properties under development as at 31 December 2022: Nervesa 21, Italy valued at €27.2 million, Lovosice ONE Industrial Park I, Czech Republic valued at €14.0 million, Nove Mesto ONE Industrial Park I, Slovakia valued at €19.0 million and Nove Mesto ONE Industrial Park III, Slovakia valued at €20.1 million. The total contracted value of these developments for the purpose of the 10% development limit under Section 7.1(d) of the Property Funds Appendix is €60.5 million or 2.3% of deposited property.

⁽³⁾ Includes one property, Sognevej 25, Denmark which was acquired on 14 October 2022 and therefore carried at its purchase price.

14(b) Movements in investment properties

| | CEREIT | |
|---|--------------------|--------------------|
| | 31-Dec-23 €'000 | 31-Dec-22 €'000 |
| At 1 January | 2,509,407 | 2,449,014 |
| Acquisition of new properties | - | 107,356 |
| Acquisition costs | - | 5,752 |
| Reclass to assets held for sale (Note 13) | (17,300) | - |
| Divestment of existing properties | (203,456) | (39,031) |
| Capital expenditure and capitalised interest ⁽¹⁾ | 80,635 | 43,040 |
| Lease incentives, lease costs and rent straight-lining | 3,547 | 6,085 |
| Net loss from fair value adjustments | (133,570) | (59,483) |
| Exchange differences | 1,049 | (2,996) |
| Others | 1,258 | (330) |
| At 31 December | 2,241,570 | 2,509,407 |

⁽¹⁾ Includes capitalised interest expense of €1,088,000 (2022: €29,000)

Investment properties divestments

During the year ended 31 December 2023, CEREIT divested the following investment properties:

- (i) On 28 June 2023, CEREIT completed the divestment of an office asset (Piazza Affari 2) in Milan, Italy for a consideration of €93.6 million, 14.6% premium to the purchase price of €81.7 million, but €6.2 million below its December 2022 valuation.
- (ii) On 6 October 2023, CEREIT completed the divestment of an 'other' asset (Viale Europa 95) in Italy for a consideration of €94.0 million, which was 33.5% above the independent valuation dated 1 June 2023 and 13.1% premium to its purchase price.
- (iii) On 21 December 2023, CEREIT completed the divestment of an office asset in Italy (Corso Lungomare Trieste 29) for a consideration of €8.9 million, which was 3.7% below the independent valuation dated 1 December 2023 and 27.7% discount to its purchase price.

14(c) Valuation

At 31 December 2023, CEREIT's portfolio of 108 properties were valued by independent valuers with a combined value of €2,234,814,000. At 31 December 2022, 112 properties of CEREIT's portfolio of 113 properties were valued by independent valuers with a combined value of €2,488,101,000. The Danish property acquired on 14 October 2022 was carried at its purchase price which had been assessed by the Directors of the Manager as the fair value.

CBRE Ltd performed independent valuations for properties located in France, Poland, Denmark, The Czech Republic and Slovakia using the income capitalisation method, Savills Advisory Services Limited ("Savills") performed independent valuations for properties located in the Netherlands, Italy, Germany, Finland using the discounted cash flow method and United Kingdom using the income capitalisation.

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 | 31-Dec-23 | | 31-Dec-22 | |
|--|---------------------------------|----------------|------------------|----------------|------------------|
| | | 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 | -2.3% to 17.5% | 5.9% | -1.7% to 11.0% | 5.5% |
| | Net reversionary yield | 4.7% to 27.2% | 7.3% | 4.2% to 20.4% | 7.1% |
| | Discount rate | 5.5% to 11.8% | 7.3% | 5.0% to 10.8% | 7.4% |
| | Exit cap rate | 4.5% to 9.8% | 6.2% | 4.0% to 8.8% | 6.2% |
| | Occupancy (%) | 0% to 100% | 89.6% | 0% to 100% | 88.2% |
| <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 | 2.9% to 11.6% | 6.9% | -0.1% to 9.2% | 5.9% |
| | Net reversionary yield | 5.0% to 18.6% | 7.9% | 0.0% to 12.9% | 6.8% |
| | Occupancy (%) | 35.3% to 100% | 90.8% | 16.7% to 100% | 91.2% |

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 19).

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 31 December 2022, the Danish property acquired on 14 October 2022 with a carrying amount of €15,784,000 was carried at purchase price.

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

14(d) Assets pledged as security

As at 31 December 2023, a total of three (31 December 2022: three) of CEREIF's investment properties with a combined fair value of €210,400,000 (31 December 2022: €231,200,000) were pledged as security for CEREIF's senior property level financing facility (see note 15(a)).

15 Borrowings

| CEREIT | 31-Dec-23 €'000 | 31-Dec-22 €'000 |
|--|----------------------------|----------------------------|
| <i>Current</i> | | |
| Unsecured loans – financial institutions | - | 50,630 |
| Total current borrowings | - | 50,630 |
| <i>Non-current</i> | | |
| Secured | 82,375 | 82,375 |
| Unsecured | 871,630 | 886,900 |
| Less: Unamortised debt issuance costs | (6,405) | (4,991) |
| Total borrowings | 947,600 | 964,284 |
| Total borrowings | 947,600 | 1,014,914 |

During 2H 2023, the following activities were carried out by CEREIF:

- (i) The €165 million 5-year term loan was refinanced in August 2023 by the new €157.5 million 4-year sustainability-linked term loan and additional drawing of €13.5 million from the accordion of the €180 million facility.

- (ii) In July 2023, CEREIF through its wholly-owned subsidiary, Cromwell EREIT Lux Finco S.à r.l., amended and restated its existing Revolving Credit Facility (“RCF”) through a rollover of existing loans and new lenders’ commitments for an aggregate amount of €165.0 million (“the Facility”). The RCF includes an accordion feature which provides flexibility to increase the size of the Facility to up to €250.0 million and has a maturity date of 31 July 2028. Subsequently on 29 December 2023, CEREIF exercised a portion of the accordion feature to increase the RCF by €35.0 million, increasing the facility size to €200.0 million;
- (iii) On 11 August 2023, CEREIF through its wholly-owned subsidiary, Cromwell EREIT Lux Finco S.à r.l entered into a €157.5 million sustainability-linked term loan facility. The term loan has an initial termination date of 11 August 2025 with the option to extend the termination date in year 3 and 4 at the Borrower’s request. Proceeds from the facility has been used to partially refinance the €165 million 5-year term loan which was due to mature in November 2024; and
- (iv) In November 2023 and December 2023, CEREIF repurchased and cancelled an aggregate principal amount of €50.0 million of the €500.0 million Euro Medium Term Notes due 19 November 2025.

15(a) Borrowing details

| CEREIT Facility | Note | Secured | Maturity | 31-Dec-23 | | 31-Dec-22 | |
|--|-------|---------|----------|-------------------|-------------------|-------------------|-------------------|
| | | | | Facility €'000 | Utilised €'000 | Facility €'000 | Utilised €'000 |
| Dutch office 2 | (i) | Yes | Dec-26 | 82,375 | 82,375 | 82,375 | 82,375 |
| 3.5-year sustainability-linked term loan [#] | (ii) | No | Oct-26 | 70,630 | 70,630 | 50,630 | 50,630 |
| Term loan 5 years | (ii) | No | Nov-24 | - | - | 165,000 | 165,000 |
| Revolving credit facility | (iii) | No | Jul-28 | 200,000 | - | 200,000 | 41,900 |
| Euro medium term note | (iv) | No | Nov-25 | 450,000 | 450,000 | 500,000 | 500,000 |
| 4-year sustainability-linked term loan | (v) | No | Nov-26 | 193,500 | 193,500 | 180,000 | 180,000 |
| 4-year sustainability-linked term loan | (vi) | No | Aug-27 | 157,500 | 157,500 | - | - |
| Total borrowing facilities | | | | 1,154,005 | 954,005 | 1,178,005 | 1,019,905 |
| Less: Unamortised debt issuance costs & unamortised bond premium | | | | | (6,405) | | (4,991) |
| Balance at year end | | | | | 947,600 | | 1,014,914 |

[#] Previously term loan 3 years

Property level financing facility

Property level financing facility is 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 2022: three) Dutch office properties with an aggregate carrying amount of €210,400,000 (31 December 2022: €231,200,000). Interest is payable quarterly in arrears at a fixed rate of 1.93% p.a. The facility is fully drawn at €82.4 million and matures in December 2026.

Unsecured financing facilities

(ii) 3.5-year sustainability-linked term loan (previously term loan 3 years) and term loan 5 years

The 3-year term loan facility was amended and restated in March 2023, with new lender commitment, for an aggregate amount of €70.6 million. The facility now has a term of 3.5 years with the extended maturity date on 25 October 2026, and includes an accordion feature providing flexibility to increase the size of the facility to up to €110.0 million. The facility has three sustainability-linked key performance indicators (“KPIs”) that are set and measured on an annual basis over the term of the facility. In April 2023, €20.0 million has been drawn from the facility and this amount, net of facility upfront fee deduction, was used to pay down the Revolving Credit Facility.

The term loan 5 years facility was refinanced in August 2023 by the new €157.5 million 4-year sustainability-linked term loan and additional drawing of €13.5 million from the accordion of the €180.0 million 4-year sustainability-linked term loan (refer to item (v) and (vi) below).

Both the term loans and notes are subject to 3 months Euribor plus a margin.

(iii) Revolving Credit Facility (“RCF”)

The RCF provides CEREIT with additional financing flexibility and working capital. The facility was fully undrawn as 31 December 2023.

In July 2023, CEREIT through its wholly-owned subsidiary, Cromwell EREIT Lux Finco S.à r.l., (“Lux Finco”) amended and restated its existing RCF due to expire in October 2024 through a rollover of existing loans and new lenders’ commitments for an aggregate amount of €165.0 million. The RCF includes an accordion feature which provides flexibility to increase the size of the Facility to up to €250.0 million and has a maturity date of 31 July 2028. In December 2023, CEREIT exercised a portion of the accordion feature to increase the RCF by €35.0 million, increasing the facility to €200.0 million. The RCF is subject to 3 months Euribor plus a margin.

(iv) Euro medium term note

On 19 October 2020, a subsidiary of CEREIT, 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.

CEREIT had €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 November 2025.

In 2H 2023, CEREIT repurchased an aggregate principal amount of €50.0 million of the €500.0 million notes issued. The repurchased notes have been cancelled in December 2023 in accordance with the terms and conditions of the notes.

(v) 4-year sustainability-linked term loan

The facility is subject to euro short-term rate (€STR) plus a margin. The facility has three sustainability-linked key performance indicators that are set and measured on an annual basis over a four-year period. The facility includes an accordion feature, providing flexibility to increase the size of the facility to up to €230.0 million.

In August 2023, additional €13.5 million was drawn down from the accordion of the €180 million facility and used to partially refinance the €165 million 5-year term loan (refer to item (ii) above).

(vi) 4-year sustainability-linked term loan

In August 2023, CEREIT through Lux Finco entered into a €157.5 million sustainability-linked term loan facility. The term loan has an initial termination date of 11 August 2025 with the option to extend the termination date in year 3 and 4 at the Borrower’s request. Proceeds from the facility has been used to partially refinance the €165 million 5-year term loan (refer to item (ii) above).

All-in interest rate

As at 31 December 2023, CEREIF's weighted average all-in interest rate is c. 3.19% per annum (31 December 2022: 2.38% p.a.), including interest rate caps and collars but excluding commitment fee on the undrawn RCF.

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.

15(b) Net finance costs

Net finance costs include the following:

| | CEREIT | | | | | |
|-------------------------------------|------------------|------------------|------------------------|-----------------|-----------------|------------------------|
| | 2H 2023 €'000 | 2H 2022 €'000 | Fav./ (Unfav.) % | FY2023 €'000 | FY2022 €'000 | Fav./ (Unfav.) % |
| Interest expense | 18,699 | 10,855 | (72.3%) | 35,049 | 19,996 | (75.3%) |
| Amortisation of debt issuance costs | 2,841 | 3,375 | 15.8% | 4,462 | 4,672 | 4.5% |
| Interest income | (4,876) | (281) | >100% | (7,131) | (281) | >100% |
| Net finance costs | 16,664 | 13,949 | (19.5%) | 32,380 | 24,387 | (32.8%) |

Interest income mostly relates to proceeds from interest rate cap and collar contracts and interest income on bank deposits.

16 Derivative financial instruments

CEREIT and the Trust's derivative financial instruments consist of interest rate cap and collar 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 31 December 2023, 88% (31 Dec 2022: 77.7%) of CEREIT's total gross borrowings (including the RCF) are fixed rate or hedged by using interest rate caps.

| | CEREIT | | Trust | |
|--------------------------------|--------------------|--------------------|--------------------|--------------------|
| | 31-Dec-23 €'000 | 31-Dec-22 €'000 | 31-Dec-23 €'000 | 31-Dec-22 €'000 |
| Current asset | | | | |
| Interest rate cap contract | 5,879 | - | - | - |
| | 5,879 | - | - | - |
| Non-current assets | | | | |
| Interest rate cap contract | - | 10,753 | - | - |
| Cross currency swaps | 5,769 | 8,397 | 5,769 | 8,397 |
| | 5,769 | 19,150 | 5,769 | 8,397 |
| Non-current liability | | | | |
| Interest rate collar contracts | 279 | - | 198 | - |
| | 279 | - | 198 | - |

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

| | CEREIT | | Trust | |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|
| | 31-Dec-23 €'000 | 31-Dec-22 €'000 | 31-Dec-23 €'000 | 31-Dec-22 €'000 |
| Within one year | 210,000 | - | - | - |
| After one year but within two years | - | 210,000 | - | - |
| After two years but within five years | 215,136 | 65,136 | 165,136 | 65,136 |
| | 425,136 | 275,136 | 165,136 | 65,136 |

17 Contributed equity

| | CEREIT | | Trust | |
|----------------------------------|-----------|-----------|-----------|-----------|
| | 31-Dec-23 | 31-Dec-22 | 31-Dec-23 | 31-Dec-22 |
| Total contributed equity (€'000) | 1,349,551 | 1,349,551 | 1,349,888 | 1,349,888 |
| Units in issue ('000) | 562,392 | 562,392 | 562,392 | 562,392 |

17(a) Movements in contributed equity

| | CEREIT and Trust | | CEREIT and Trust | |
|---|------------------|-----------------|------------------|----------------|
| | 2H 2023 '000 | 2H 2022 '000 | FY2023 '000 | FY2022 '000 |
| Units in issue at beginning of period/year | 562,392 | 562,392 | 562,392 | 561,045 |
| <i>Units issued during the period/year</i> | | | | |
| - As payment of distribution pursuant to Distribution Reinvestment Plan ("DRP") | - | - | - | 1,347 |
| Units in issue at end of period/year | 562,392 | 562,392 | 562,392 | 562,392 |

CEREIT did not hold any treasury units as at 31 December 2023 and 31 December 2022.

The Trust's subsidiaries do not hold any units in the Trust as at 31 December 2023 and 31 December 2022.

The DRP was suspended in FY 2023 and FY 2022.

17(b) Units issuable

| | CEREIT and Trust | |
|--|--------------------|--------------------|
| | 31-Dec-23 €'000 | 31-Dec-22 €'000 |
| Units issuable | - | - |
| Units in issue | 562,392 | 562,392 |
| Total units issued and issuable | 562,392 | 562,392 |

18 Perpetual securities

The perpetual securities are classified as equity instruments and recorded as equity in the balance sheets. The €64,204,000 (31 December 2022: €64,204,000) presented on the balance sheets represents the carrying value of the €65,136,000 perpetual securities issued, net of issue costs and includes total return attributable to perpetual securities holders from date of issue, net of distributions paid to perpetual securities holders.

19 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 | | | |
|--|------|------------------|------------------|------------------|----------------|
| | | Level 1 €'000 | Level 2 €'000 | Level 3 €'000 | Total €'000 |
| 31-Dec-23 | | | | | |
| Financial assets at fair value | | | | | |
| Derivative financial instruments | 16 | - | 11,648 | - | 11,648 |
| Financial liabilities at fair value | | | | | |
| Derivative financial instruments | 16 | - | 279 | - | 279 |
| 31-Dec-22 | | | | | |
| Financial assets at fair value | | | | | |
| Derivative financial instruments | 16 | - | 19,150 | - | 19,150 |

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

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 and collar 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.

Liabilities not measured at fair value for which fair value is disclosed

The following table shows an analysis of CEREIF's liabilities not measured at fair value for which fair value is disclosed:

| | Fair value determined using quoted bid prices in active market (Level 1) €'000 | Fair value determined using significant unobservable inputs (Level 3) €'000 | Carrying amount €'000 |
|----------------------------------|---|--|-----------------------------|
| 31 December 2023 | | | |
| Liabilities | | | |
| Secured loan | - | 80,134 | 82,375 |
| Unsecured Euro medium term notes | 469,240 | - | 451,529 |
| 31 December 2022 | | | |
| Liabilities | | | |
| Secured loan | | 79,859 | 82,375 |
| Unsecured Euro medium term notes | 431,700 | - | 502,599 |

Classification of financial instruments

| | Type of financial instruments | CEREIT | | Trust | |
|---|-------------------------------------|--------------------|--------------------|--------------------|--------------------|
| | | 31-Dec-23 €'000 | 31-Dec-22 €'000 | 31-Dec-23 €'000 | 31-Dec-22 €'000 |
| Financial assets | | | | | |
| Cash and cash equivalents | (i) | 73,795 | 35,432 | 3,309 | 372 |
| Receivables | (i) | 8,339 | 12,115 | 79,815 | 11,210 |
| Derivative financial instruments | (ii) | 11,648 | 19,150 | 5,769 | 8,397 |
| Total financial assets | | 93,782 | 66,697 | 88,893 | 19,979 |
| Financial liabilities | | | | | |
| Payables | (i) | 42,073 | 42,385 | 287,387 | 360,674 |
| Borrowings | (i) | 954,005 | 1,019,905 | - | - |
| Other liabilities - finance lease liabilities | (i) | 7,579 | 6,205 | - | - |
| Derivative financial instruments | (ii) | 279 | - | 198 | - |
| Total financial liabilities | | 1,003,936 | 1,068,495 | 287,585 | 360,674 |

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

- (i) At amortised cost
- (ii) At fair value through profit or loss

20 Net Asset Value ("NAV")

| | CEREIT | | Trust | |
|--|------------------|-----------|----------------|-----------|
| | 31-Dec-23 | 31-Dec-22 | 31-Dec-23 | 31-Dec-22 |
| NAV ⁽¹⁾ at the end of the year attributable to Unitholders (€'000) | 1,190,937 | 1,358,717 | 952,219 | 1,129,347 |
| Number of Units on issue at the end of the year ('000) | 562,392 | 562,392 | 562,392 | 562,392 |
| NAV attributable to Unitholders per unit (€) | 2.12 | 2.42 | 1.69 | 2.01 |
| Adjusted NAV attributable to Unitholders per unit (excluding distributable income) (€) | 2.04 | 2.33 | 1.61 | 1.92 |

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

21 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 | |
|---|-----------------|-----------------|
| | FY2023 €'000 | FY2022 €'000 |
| Trustee fees paid and payable to the Trustee | 291 | 298 |
| Base management fees paid and payable to the Manager | 5,894 | 6,057 |
| Property & portfolio management fees paid and payable to the Property Manager | 17,169 | 17,643 |
| Acquisition fees paid and payable to the Property Manager and the Manager | - | 1,074 |
| Divestment fee paid and payable to the Property Manager | 983 | 205 |
| Project management fees paid and payable to the Property Manager | 2,893 | 1,527 |
| Leasing fees paid and payable to the Property Manager | 3,028 | 1,985 |
| Development fees paid and payable to Property Manager | 655 | 245 |

22 Unrecognised item

Capital and development expenditure commitments

Commitments in relation to capital and development expenditure contracted for at reporting date but not recognised as a liability are as follows:

| | CEREIT | |
|-----------------------|--------------------|--------------------|
| | 31-Dec-23 €'000 | 31-Dec-22 €'000 |
| Investment properties | 18,279 | 56,636 |

Other – certain earn-out agreements in relation to Italian properties

Upon acquisition of certain Italian properties, earn-out agreements have been entered into whereby CEREIT may be required to make further payments to the previous vendor if certain conditions are met in the future. As at 31 December 2023, management is in the midst of finalising a settlement agreement with the vendor and have made necessary accruals which are immaterial based on the current stage of negotiations.

23 Subsequent event

- (i) On 11 January 2024, CEREIT through its wholly-owned subsidiary, Lux Finco amended the terms and conditions of the existing interest rate cap contract. The new terms are new notional €160 million with the extension of the cap to November 2026 at a strike rate of 1.456% with a collar at 1% at zero cost using the net present value of the existing hedge for no further outlay of capital.
- (ii) On 26 February 2024, the Manager announced a distribution of 7.903 Euro cpu for the period from 1 July 2023 to 31 December 2023 comprising 6.555 Euro cpu of tax-exempt income component and 1.348 Euro cpu of capital component (2022: 8.494 Euro cpu for the period from 1 July 2022 to 31 December 2022 comprising wholly tax-exempt income component).

24 Financial ratios

| | FY 2023 % | FY 2022 % |
|---|--------------|--------------|
| Ratio of expenses to weighted average net assets⁽¹⁾ | | |
| Including performance component of the Manager's management fees | 0.87 | 0.84 |
| Excluding performance component of the Manager's management fees | 0.87 | 0.84 |
| Portfolio turnover rate⁽²⁾ | - | 2.78 |

(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 January 2022 to 31 December 2023.

(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 31 December 2023 and the related Consolidated Statement of Total Return and Statement of Comprehensive Income, Consolidated Statement of Movements in Unitholders' Funds, Distribution Statement and Consolidated Statement of Cash Flows for the six-month period and full year ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of CEREIT

Review of performance 2H 2023 vs 2H 2022

(a) Review of portfolio performance 2H 2023 vs 2H 2022

CEREIT's gross revenue in 2H 2023 decreased by 5.7% or €6.5 million to €108.1 million. Property operating expense decreased by 6.3% million to €42.4 million. Net property income ("NPI") of €65.7 million was €3.7 million or 5.3% lower than prior corresponding period ("pcp").

On a like-for-like basis, NPI was €63.2 million, €1.0 million or 1.7% higher than pcp, excluding acquisitions and divestments in 2H 2022 and FY 2023, and Nervesa 21 & Maxima due to redevelopment.

Please refer to Note 4.1 on page 22 of the Condensed Interim Financial Statements for portfolio performance by segment.

Light industrial/ Logistics

The light industrial/logistics sector is made up of 17 properties in France, 14 properties in Germany, 12 properties in Denmark, 7 properties in the Czech Republic, 5 properties in Slovakia, 7 properties in the Netherlands, 5 properties in Italy, and 3 properties in the UK.

2H 2023 gross revenue for these assets was €50.1 million, €1.3 million or 2.7% higher than pcp whilst NPI was €32.4 million, €0.1 million or 0.3% higher than pcp.

In 2H 2022, one asset was acquired in Denmark (Sognevej 25) which contributed €0.2 million additional NPI. In 2H 2022, three assets were disposed: two in Germany (An der Steinlach 8-10 (Bischofsheim II) and Kinzigheimer Weg 114 (Hanau)) and one in France (Parc du Bois du Tambour). These divestments reduced NPI by €0.2 million in 2H 2023.

On a like-for-like basis, NPI was €31.9 million, 0.1% higher than pcp as explained below, excluding acquisitions and divestments in 2H 2022 and FY 2023.

The German portfolio outperformed by €0.6 million which was largely due to higher rental income across the portfolio due to inflation indexation, and lower service charge leakage in Frauenstraße 31, Siemensstraße 11 and Löbstedter Str. 101 – 109.

The United Kingdom outperformed by €0.3 million against pcp mainly due to a rent uplift in Thorn Lighting.

The Czech Republic performed better than pcp due to higher rental income in Lovosice ONE Industrial Park I (lower occupancy in pcp due to development), Lovosice ONE Industrial Park II (positive reversion on leasing) and Moravia Industrial Park (inflation indexation).

Outperformance in the Danish portfolio (€0.2 million) was driven by higher rental income and lower service charge leakage in the Priorparken 700 and Priorparken 800 due to inflation indexation and higher occupancy. Reduced doubtful debts provisions in Islevdalvej 142 were offset by higher service charge leakage in Naverland 8 due to the prior year service charge reconciliation.

Slovakia performed marginally better than pcp and this was mainly due to additional rental income in Nove Mesto ONE Industrial Park I and III due to additional leased area from the development of addition units.

The Netherlands portfolio was in line with pcp, in part due to higher rental income across the portfolio from inflation indexation, early lease-up and regears with positive rent reversion, particularly in Veemarkt however this was largely offset by lower income in Capronilaan 22 – 56 due to increased vacancy.

The French portfolio contributed negative like-for-like performance against pcp which was almost entirely from Parc des Docks mostly attributable to increased doubtful debts provisions due to two former tenant-customers now in liquidation and another under a judiciary process, as well as the absence of one-off income in Parc des Docks and Parc Parçay-Meslay for reimbursements of costs from prior tenant-customers. Rental income was higher across most of the portfolio however this was offset by lower rental income and service charge recovery in Parc des Grésillons due to a short-term vacancy in the property.

Underperformance in the Italian portfolio was mostly due to the absence of one-off early termination indemnity payment received from an anchor tenant in Via dell'Industria 18 in FY 2022 and lower rental income due to increased vacancy. This was partially offset by higher rental income in the remaining portfolio due to inflation indexation.

Office

The office portfolio comprises of 7 properties in the Netherlands, 10 properties in Italy, 3 properties in France, 10 properties in Finland and 6 properties in Poland.

2H 2023 gross revenue for the office portfolio was €52.9 million, €4.5 million or 7.8% lower than the pcp whilst NPI was €30.6 million, largely in line with pcp.

In 2H 2023, Piazza Affari 2 and Corso Lungomare Trieste 29, both located in Italy were divested and reduced NPI by €1.5 million in 2H 2023.

Due to the absence of rental income from Maxima in Italy as the lease expired in December 2022, the property will be undergoing redevelopment, resulting in €1.8 million less rental income compared to 2H 2022. This was partially offset by the receipt of dilapidation income from the prior tenant-customer.

On a like-for-like basis, NPI was €29.7 million, €2.1 million or 7.6% higher than pcp as explained below, excluding divestments completed in 2H 2022 and FY 2023, and Nervesa 21 & Maxima due to redevelopment.

The biggest outperformance of the office portfolio was from The Netherlands, largely due to lease up of the vacant space in Haagse Poort (6,600 sqm) resulting in higher rental income and better service charge recoverability, higher indexation across the portfolio as well as higher car parking income in Central Plaza.

Polish outperformance was mainly attributable to Business Garden due to a combination of reduction of vacant space (2,500 sqm), inflation indexation, space reduction penalties received from 2 tenant-customers, lower doubtful debts provision and lower letting fees. Higher rental income due to inflation indexation in both Avatar and Green Office as well as better service charge recovery in the latter. This was partially offset by lower rental income in the remaining assets in the portfolio in Warsaw and Gdansk due to increased vacancy.

Positive performance in the French portfolio was driven by higher rental income and lower service charge leakage in Cap Mermoz due to a higher occupancy during 2H 2023 as well as increased inflation indexation on existing leases.

Finland portfolio slightly outperformed which was due to inflation indexation.

The only negative performance in office portfolio came from Italy. NPI fell €0.6 million mainly due to provision for doubtful debts relating to the Italian governmental decree enacted to reduce the rent by 15% (backdated to cover previously paid rent in FY 2022) to be paid by the Italian government in four assets and lower occupancy in Nuova ICO. This was partially offset by higher rental income in Building F7-F11 and Cassiopea 1-2-3 from inflation indexation and turnover rent.

Other

Other property assets consist of 2 government-let campuses, 1 retail asset and 1 hotel, all located in Italy.

2H 2023 gross revenue was €5.1 million, €3.4 million or 39.8% lower than the pcp whilst NPI was €2.8 million, €3.6 million or 56.7% lower than pcp.

The 2H 2023 underperformance is mainly due to the divestment of Viale Europa 95 during 4Q 2023 which reduced NPI by €2.5 million.

On a like-for-like basis, NPI was €1.7 million, €1.1 million or 40% lower than pcp, excluding divestments in FY 2023.

The underperformance is largely due to significantly lower turnover rent in Starhotels Grand Milan due to a cap on variable rent being triggered as it was previously high in 2H 2022. Additionally, a doubtful debt provision has been recorded to reflect the Italian governmental decree enacted to reduce the rent by 15% to be paid by the Italian government in two assets (backdated to cover previously recognised rent in FY 2022). This was partially offset by higher income in Via Madre Teresa 4 due to rent indexation as well as better service charge recovery.

- (b) Net finance costs of €16.7 million was 19.5% higher than pcp mainly due to higher interest rates as a result of the increase in 3-month Euribor and Euro Short Term Rate and higher margin on the new facilities, partially offset by cap fixing proceeds and higher interest income from bank deposits.
- (c) Manager's fees were €0.2 million or 6.1% lower in 2H 2023 due to lower deposited property due to the divestments.
- (d) Other trust expenses were 5.7% or €0.2 million lower than pcp mainly due to lower one-off tax consultancy fees incurred.
- (e) 2H 2023 net foreign exchange loss of €0.7 million mostly arose from the revaluation of EUR denominated intercompany loans by a subsidiary of CEREIT due to the depreciation of GBP against EUR, and exchange loss incurred in Poland and Denmark.

2H 2022 net foreign exchange loss mostly arose from the revaluation of EUR denominated intercompany loans by a subsidiary of CEREIT due to the depreciation of GBP against EUR.

- (f) 2H 2023 loss on divestments of €2.3 million mostly relates to the divestment of an "other" asset and an office in Italy. Refer to Note 8 on page 26 for more details.

2H 2022 loss on divestments of €0.4 million relates to the divestments of two light industrial/ logistics assets in Germany and a logistics park in France, partially offset by gain on divestment of a subsidiary from the divestment of an office asset in Finland. Refer to Note 8 on page 26 for more details.

- (g) 2H 2023 gain on bond buyback of €3.1 million relates to the repurchase and cancellation of an aggregate principal amount of €50.0 million of the €500.0 million 2.125% Euro medium term notes due 19 November 2025.
- (h) CEREIT recorded fair value loss on investment properties of €76.0 million in 2H 2023 as compared to €64.1 million in 2H 2022.
- (i) Fair value loss on derivative instruments in 2H 2023 of €7.8 million was attributable to decrease in fair value of interest rate cap and interest rate collar contracts following the decrease in 3-year 3-month Euribor swap rates.

Fair value gain on derivative instruments in 2H 2022 was attributable to increase in fair value of interest rate cap contracts and cross currency swaps as a result of rising Euribor and depreciating EUR against SGD.

- (j) Income tax expense of €17.8 million for 2H 2023 comprises current tax expense of €1.5 million and deferred tax expense of €16.3 million. Income tax expense of €3.9 million for 2H 2022 comprises current tax expense of €5.2 million, capital gain tax expense of €1.5 million and deferred tax credit of €2.8 million.

Lower current tax expense was mainly attributable to the release of an accrual of potential tax of a Dutch subsidiary following the receipt of confirmation from the Dutch tax authority that tax was not payable on a particular matter, lower income tax incurred on non-exempt foreign interest income remitted into Singapore, lower withholding tax on payments of intercompany loan interest. 2H 2022 capital gain tax expense relates to the divestment of Parc du Bois du Tambour in France. Higher deferred tax expense for 2H 2023 was mainly due to no deferred tax assets being recognised on the valuation losses recognised by some of the properties as the reversals of temporary differences are covered by the initial recognition exemption.

Review of performance FY 2023 vs FY 2022

- (a) Review of portfolio performance FY 2023 vs FY 2022

FY 2023 gross revenue decreased by €5.6 million or 2.5% to €216.5 million. Property operating expense decreased by €3.1 million or 3.7% to €82.2 million.

NPI increased by 1.8% or €2.5 million in FY 2023. On a like-for-like basis, NPI was €4.8 million or 4.1% higher than pcp, excluding acquisition and divestments in 2H 2022 and FY 2023, and Nervesa 21 & Maxima due to redevelopment.

Please refer to Note 4.1 on page 23 of the Condensed Interim Financial Statements for portfolio performance by segment.

Light industrial/ Logistics

FY 2023 gross revenue for light industrial / logistics portfolio was €99.2 million, €5.4 million or 5.7% higher than pcp whilst NPI was €65.5 million, €3.4 million or 5.5% higher than pcp.

In FY 2022, the following assets were acquired: 2 assets in Italy (Via Fogliano 1 and Via dell'Industria 18) in 1Q 2022, 2 assets in 2Q 2022 in Germany (Löbstedter Str. 101 – 109) and in UK (The Cube), and 1 asset in 4Q 2022 in Denmark (Sognevej 25). These acquisitions contributed €0.6 million additional NPI in FY 2023 compared to pcp.

It should be noted that Via dell'Industria 18 underperformed against pcp mainly due to the absence of one-off early termination indemnity payment received from the anchor tenant and lower occupancy as a significant refurbishment was undertaken on the area handed back by the tenant-customer.

In 4Q 2022, 3 assets were divested – 2 in Germany (An der Steinlach 8-10 and Kinzigheimer Weg 114) and 1 in France (Parc du Bois du Tambour). These divestments reduced NPI by €0.4 million in FY 2023 compared to pcp.

On a like-for-like basis, NPI was €3.2 million or 5.6% higher than pcp as explained below. Like-for-like analysis excludes acquisitions and divestments in FY 2022.

Germany outperformed by €0.9 million against pcp which was largely due to rent indexation across the portfolio, the absence of one-off income from prior year service charge adjustment in An der Wasserschlufft 7 and the receipt of insurance refund relating to hail damage in Siemensstraße 11. The outperformance was partially offset by higher service charge leakage in Parsdorfer Weg 10 due to prior year service charge refunds and higher expensed works in Kolumbusstraße 16.

The French portfolio outperformance of €0.7 million is attributed to the higher rental income due to a combination of higher inflation indexation and higher occupancy across the portfolio, particularly in Parc des Docks. This was partially offset by lower other property income mainly in Parc Parçay-Meslay and Parc des Docks due to the absence of one-off income for reimbursements of costs from prior tenant-customers and doubtful debts provisions in Parc des Docks as 2 former tenant-customers are now in liquidation and another under a judiciary process.

Outperformance in the Danish portfolio of €0.6 million was driven by greater rental income across the portfolio due to inflation indexation, particularly in the Priorparken 700 and Priorparken 800 which was also partly due to higher occupancy. This was partially offset by higher service charge leakage due to prior year service charge recovery in Hørskætten 4-6 and Naverland 8.

The Czech Republic performed better than pcp due to higher rental income in Lovosice ONE Industrial Park I (higher occupancy following the completion of development), Lovosice ONE Industrial Park II (positive reversion on leasing) and Moravia Industrial Park (inflation indexation).

Italy outperformed by €0.4 million due to inflation indexation across the portfolio, predominantly in Centro Logistico Orlando Marconi and Via Fornace.

Positive performance in the Dutch portfolio is due to higher rental income across the portfolio due to inflation indexation, early lease-up and regears with positive rent reversion, particularly in Veemarkt. This was partially offset by lower rental income in Capronilaan 22 – 56 due to increased vacancy as well as higher other non-recoverable property costs across the portfolio.

The United Kingdom portfolio outperformed by €0.3 million against pcp mainly due to a rent uplift in Thorn Lighting.

Slovakia was the only portfolio which provided a negative like-for-like performance against pcp and this was largely due to the absence of rental guarantee in Nove Mesto ONE Industrial Park III which was received as part of the final purchase price reconciliation in FY 2022.

Office

FY 2023 gross revenue for the office assets was €105.1 million, €7.3 million or 6.5% lower than the pcp whilst NPI was €61.0 million, €2.0 million or 3.2% lower than pcp. This is mainly due to the absence of income from Maxima in Italy as the lease expired in December 2022 and the property will be undergoing redevelopment which was partially offset by dilapidation income received from the tenant-customer.

In 3Q 2022, one asset in Finland (Opus 1) was divested. In FY 2023, one asset in Italy (Piazza Affari 2) was divested in 2Q 2023 and another asset in Italy was divested in 4Q 2023 (Corso Lungomare Trieste 29). These divestments reduced NPI by €1.7 million compared to pcp although this was mainly due to the Italian government rent reduction and a provision for doubtful debt made over a dispute on the calculation of this rent reduction.

On a like-for-like basis, NPI was €2.4 million or 4.2% higher than pcp as explained below, excluding divestments completed in FY 2022 and FY 2023 and Nervesa 21 & Maxima due to redevelopment.

The outperformance of the office portfolio was mainly driven by the Netherlands portfolio, largely due to lease up of the vacant space in Haagse Poort (6,600 sqm) and better service charge recoverability, higher inflation indexation across the portfolio and higher car parking income in Central Plaza.

Finland outperformance against pcp (€0.4 million) was due to higher rental income across the portfolio from inflation indexation.

Positive performance in the French portfolio was driven by higher rental income and better service charge recovery in Cap Mermoz due to higher occupancy during FY 2023 as well as inflation indexation on existing leases.

Italy portfolio underperformed pcp by €0.6 million mainly due to the Italian governmental decree enacted to reduce the rent to be paid by the Italian government by 15% and provisions for doubtful debt have been made over the disputed calculation of this rent reduction in four assets and lower occupancy in Nuova ICO. This was partially offset by higher rental income in Building F7-F11 and Cassiopea 1-2-3 from inflation indexation and turnover rent.

Poland NPI was €0.2 million lower than pcp mainly due to the increased vacancy in Arkońska Business Park and Grójecka 5. This was partially offset by higher contribution from Business Garden due to a combination of reduction of vacant space, rent indexation, and lower doubtful debts, as well as higher rental income in Green Office due to inflation indexation and lower service charge leakage.

Other

FY 2023 gross revenue was €12.2 million, €3.7 million or 23.3% lower than FY 2022. NPI was €7.8 million, €3.9 million or 33.5% lower than FY 2022 mainly due to the divestment of Viale Europa 95 in 4Q 2023, Italian government rent reduction and provision of doubtful debt over a dispute on the calculation of this rent reduction.

On a like-for-like basis, NPI was €3.7 million, €0.7 million or 15.9% lower than pcp as explained below, excluding the divestment of Viale Europa 95 in FY 2023.

The underperformance is largely due to lower turnover rent in Starhotels Grand Milan due to a cap on variable rent being triggered as it was previously high in FY 2022 and provisions for doubtful debts over the dispute on the calculation of the Italian government rent reduction in two assets. This was partially offset by higher income in Via Madre Teresa 4 due to rent indexation as well as better service charge recovery.

- (b) Net finance costs of €32.4 million was €8.0 million or 32.8% higher than pcp mainly due to higher interest rates and borrowing costs as a result of the increase in 3-month Euribor and Euro Short Term Rate and higher margin on the new facilities, as well as higher borrowings in first half of FY 2023 to fund capex and development. The increase was partially offset by cap fixing proceeds and higher interest income from bank deposits.
- (c) Manager's fees for FY 2023 of €5.9 million was 2.7% lower than pcp due to lower deposited property in 2H 2023 due to the divestments.
- (d) FY 2023 other trust expenses of €5.7 million was €0.3 million or 4.5% lower than FY 2022 mainly due to lower one-off tax consultancy fees and legal fees incurred.
- (e) Net foreign exchange gain for FY 2023 mostly arose from the revaluation of EUR denominated intercompany loans by a subsidiary of CEREIT due to the appreciation of GBP against EUR, partially offset by exchange loss incurred in Poland and Denmark.

Net foreign exchange loss for FY 2022 mostly arose from the revaluation of EUR denominated intercompany loans by a CEREIT subsidiary due to the depreciation of GBP against EUR.

- (f) FY 2023 loss on divestments of €9.9 million relates to the divestment of two office assets and one "other" asset in Italy. Refer to Note 8 on page 26 for more details.

FY 2022 gain on divestments €0.8 million arose mainly from the divestment of a warehouse unit contained within Centro Logistico Orlando Marconi asset in Italy and an office asset in Finland, partially offset by loss on divestments of two light industrial/ logistics assets in Germany and a logistics park in France. Refer to Note 8 on page 26 for more details.

- (g) Gain on bond buyback for FY 2023 relates to the repurchase of an aggregate principal amount of €50.0 million of the €500.0 million 2.125% Euro medium term notes due 19 November 2025.
- (h) CEREIT recorded fair value loss on investment properties of €133.6 million in FY 2023 as compared to €59.5 million in FY 2022.
- (i) FY 2023 fair value loss on derivative instruments was mainly attributable to changes in values of interest rate cap and cross currency swap following the decrease in 3-year 3-month Euribor swap rates.

FY 2022 fair value gain on derivative instruments was attributable to increase in values of interest rate cap contracts and cross currency as a result of rising Euribor and depreciating EUR against SGD.

- (j) Income tax expense of €15.5 million for FY 2023 comprises current income tax expense of €5.8 million and deferred tax expense of €9.7 million. Income tax expense of €13.8 million for FY 2022 comprises current income tax expense of €8.9 million, capital gain tax expense of €1.5 million and deferred tax expense of €3.4 million.

Lower income tax expense for FY 2023 was attributed to the release of an accrual of potential tax of a Dutch subsidiary following the receipt of confirmation from the Dutch tax authority that was not payable, lower income tax incurred on non-exempt foreign interest income remitted into Singapore, lower withholding tax on payments of intercompany loan interest. Higher deferred tax expense for FY 2023 mainly due to no deferred tax assets being recognised on the valuation losses recognised by some of the properties as the reversals of temporary differences are covered by the initial recognition exemption. FY 2022 capital gain tax expense relates to the divestment of Parc du Bois du Tambour in France.

3. Review of balance sheet of CEREIT

Cash and cash equivalents

The increase was mainly due to proceeds from divestment of three properties and cash generated from operations, partially offset by repayment of bank borrowings, capital expenditure on investment properties and other expenses.

Receivables (Current)

The decrease was mainly due to receipt of rental guarantee, lower accrued income from turnover rent and lower trade receivables, partially offset by higher VAT receivables.

Current tax assets

The increase was mostly due to advance payment of income taxes in France.

Derivative financial instrument (Current assets)

Current derivative financial instrument relates to the fair value of the €210 million notional interest rate cap due to mature in November 2024.

Investment properties

The decrease was mainly due to fair value loss based on the independent valuation conducted on 31 December 2023, the divestment of two office assets and one government-let campus in Italy and the transfer of an office in Poland and a government-let campus in Italy to assets held for sale, partially offset by capital expenditure invested during the year. Refer to Note 14 (b) on page 30 of the condensed interim financial statements for more details.

Derivative financial instrument (Non-current asset)

The decrease was mainly attributable to the reclass of the fair value of the €210 million notional interest rate cap to current as mentioned above and the decrease in fair value of the cross currency swaps.

Borrowings (Current)

Current borrowing as at 31 December 2022 relates to 3-year term loan due to expire in November 2023 which was amended and restated in March 2023 into a new sustainability-linked loan expiring in October 2026.

Other current liabilities (Current)

The increase was mainly due to higher tenant security deposits mostly from new leases and higher rent in advance.

Borrowings (Non-current)

The decrease was mainly due to the repurchase of €50.0 million of Euro medium term notes and the repayment of the RCF funded by proceeds from divestments, offset by drawing from the RCF during the year to fund development costs and capital expenditure and the reclass of the 3.5-year sustainability-linked term loan facility from current following the amendment and extension of the facility in March 2023.

Deferred tax liabilities

Deferred tax liabilities are attributable to temporary differences between carrying amounts and tax base of investment properties. The increase is mainly due to no deferred tax assets being recognised on the valuation losses recognised by some of the properties as the reversals of temporary differences are covered by the initial recognition exemption.

4. Variance between actual and forecast/projection

CEREIT 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.

CEREIT did not hold any treasury units as at 31 December 2023 and 31 December 2022.

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

- GDP was flat in 4Q 2023 with the Eurozone narrowly avoiding a recession. Although economic outcomes were better than Oxford Economics had expected, the eurozone economy remains weak, with little prospects of immediate improvement and with annual GDP growth in 2024 forecast to be 0.6%.
- Eurozone inflation has continued to fall with the estimate for January expected to be 2.8% y/y, down from 2.9% in December. Core inflation fell slightly due to lower non-energy industrial goods inflation. The disruptions happening in the Red Sea, which have led to a surge in global shipping costs, haven't yet had an impact on inflation, but Oxford Economics expects that it may do in the second half of the year.
- Oxford Economics expects the first rate cut from the ECB to be in April 2024, with some likelihood of that happening in June instead to manage expectations. The lagged impact of the shipping disruptions on core inflation means the expected slowdown in core inflation may be slightly smaller than previously thought. The added risks surrounding CPI may be enough for the ECB to justify taking a slightly more cautious stance.

Market commentary

- The European logistics sector continued to see positive rental growth. Inflation-linked rental growth throughout economic uncertainty is indicative of the tighter supply-side dynamics that have driven the investment case for logistics over the last five years. European logistics leasing is holding up well in the face of low economic growth in 2023 after a surge of leasing activity post Covid-19 in 2021/2022. However, occupiers currently remain highly selective with limited new supply. Occupier demand in 2024 looks likely to be driven by two key trends, continued growth of eCommerce and onshoring manufacturers. Vacancy rates remain close to record lows at 2.9% across CERET's eight logistics markets¹.
- Office vacancy rates increased slightly across the Eurozone to 9.3% despite a relatively robust level of leasing activity. Space take-up increased by 10.8% during the second half of 2023, however demand was focused mainly on quality office space in core locations as Grade A office demand continues to widen gap to B/C grade office. As a result, the vacancy rate for CERET's grade A Dutch and Milan office markets is much lower at 3.2%, with vacancies in CERET's non-strategic office markets in Finland and Poland closer to 14%¹.
- Rental growth analysis from Savills indicates that prime office rents are outperforming the top quartile of total market rents². Comparing 2023 to 2019, the top quartile of market rents have grown by an average of 6%, while Savills' average prime rents have grown by an average of 15%.

Outlook

- Global real estate fundamentals are expected to improve marginally in 2024 as central banks begin to cut rates and improve monetary liquidity;
- CBRE forecasts strongest five-year performance for annualised total returns for office and logistics in a decade;
- Interest rates are expected to fall, as implied by the inverted Euro yield curve;
- While the European economy remains weak, the unemployment rate remains largely unchanged and inflation is proving to be persistent. This may reduce the speed of central bank rate cuts; and
- Climate change will continue to feature. 2023 was the hottest year on record and 2024 could well exceed that³, leading to increased regulations and potentially higher energy prices as conversion to renewable/low carbon emissions takes place. All these developments may impact long-term investment decisions.

Key priorities ahead

- Active asset management to maintain high occupancy and drive positive rent reversion, deliver accretive developments and decarbonise the portfolio;
- Disciplined capital management with focus on liquidity, maintaining sufficient undrawn committed debt facilities to fund asset enhancement initiatives, refinancing the November 2025 bond and maintaining the Fitch investment-grade credit rating; and
- Asset recycling to continue.

¹ Source: CBRE

² Average market rents as defined in MSCI's real estate database

³ Source: NASA, 16 Jan 2024

7. Distributions

(a) Current financial period

Any distribution declared for the current financial period? Yes

Period of distribution: Distribution for the period from 1 July 2023 to 31 December 2023

| Distribution Type | Distribution Rate (in Euro cents) |
|-------------------|-----------------------------------|
| Tax-exempt income | 7.903 |
| Total | 7.903 |

Record date: 5 March 2024

Payment date: 28 March 2024

(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 1 July 2022 to 31 December 2022

| Distribution Type | Distribution Rate (in Euro cents) |
|-------------------|-----------------------------------|
| Tax-exempt income | 8.494 |
| Total | 8.494 |

Record date: 6 March 2023

Payment date: 31 March 2023

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 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Please refer to paragraph 2 on the review of the actual performance.

11 Breakdown of revenue and total return

| | FY2023 €'000 | FY2022 €'000 | Fav./ (Unfav.) % |
|---|-----------------|-----------------|------------------------|
| (a) Revenue reported for first half year | 108,341 | 107,417 | 0.9% |
| (b) Total (loss)/return after tax for first half year | (15,560) | 53,139 | n.m. |
| (c) Revenue reported for second half year | 108,148 | 114,688 | (5.7%) |
| (b) Total loss after tax for second half year | (58,339) | (11,190) | (>100%) |

n.m. – Not meaningful

12 Breakdown of total distributions

| | FY2023 €'000 | FY2022 €'000 |
|--|-----------------|-----------------|
| 1 January 2022 to 30 June 2022 - paid | - | 48,900 |
| 1 July 2022 to 31 December 2022 – paid | - | 47,769 |
| 1 January 2023 to 30 June 2023 - paid | 43,811 | - |
| 1 July 2023 to 31 December 2023 – to be paid | 44,446 | - |

13 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.

14 Confirmation pursuant to Rule 704(13) of the Listing Manual

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Manager confirms that there is no person occupying a managerial position in the Manager or in any of CEREIT or its principal subsidiaries who is a relative of a director, chief executive officer, substantial shareholder of the Manager or substantial unitholder of CEREIT.

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.