



(a real estate investment trust constituted on 28 April 2017 under the laws of the Republic of Singapore)  
Managed by Cromwell EREIT Management Pte. Ltd.

## CROMWELL EUROPEAN REIT'S PORTFOLIO VALUATIONS

### 0.6% HIGHER LIKE-FOR-LIKE FOR THE SIX MONTHS TO 30 JUNE 2024

#### 1. Introduction

The Board of Directors of Cromwell EREIT Management Limited, the Manager of Cromwell European Real Estate Investment Trust (the "Manager" and "CEREIT"), wishes to announce<sup>1</sup> that CBRE Ltd ("CBRE") and Savills Advisory Services Limited ("Savills") have carried out respective independent valuations ("Valuations") for 107 properties in CEREIT's portfolio as at 30 June 2024, resulting in a total portfolio valuation of €2,242.3 million<sup>2</sup>.

Valuations as at 30 June 2024 rose by 0.6% or €13.1 million as compared to valuations as at 31 December 2023, reflecting stabilising conditions in Europe, supported by lower risk-free rates and improved financing conditions for selective asset classes, and completed development projects. Taking into account the expected capital expenditure to be incurred in the six months ended 30 June 2024, the net valuation adjustment is expected to be relatively flat.

Simon Garing, CEO of the Manager, said: "I am pleased to report a 0.6% rise in CEREIT's portfolio valuations for the six months till June 2024, the first like-for-like increase in two years. Our teams' proactive leasing and asset management initiatives and the completion of asset enhancement works for assets in Italy, the Czech Republic and Slovakia were the main factors contributing to this valuation uplift. Our focus on improving the environmental performance and tenant amenities across CEREIT's portfolio has also supported the valuations. CEREIT's 21Nervesa Milan redevelopment project was recently awarded LEED-platinum certification with a score of 91, becoming the second-highest certified office building in the whole of Italy. We are pleased to advise that it is now 100% leased as a result.

"Our strategy to pivot the portfolio to majority exposure to the logistics and light industrial sectors benefitted CEREIT's portfolio for yet another valuation round, with the sector recording a valuation gain of €23.4 million (+2.0%) compared to the 31 December 2023 valuations. The improvement was primarily due to the approximately 2.0% market rent growth across the sector, while cap rates have stabilised, reflecting the continued interest from investors.

"Notably, the office portfolio valuations' pace of decline has moderated substantially to just 1.0% over the last six months, compared to the 4.6% decline registered in the 31 December 2023 valuations, with two of the five markets now registering slight valuation gains. Market rents for the sector were flat, while vacancy allowance -an indicator of higher perceived leasing risk in the future - decreased by 0.3%. There was only a slight widening of terminal cap rate of approximately 20 bps with continued drift out in secondary market sentiment by both occupiers and investors. We continue to work hard to reduce our office exposure and have had some good success in our disposal program this half, too.

"Over the last six months, terminal cap rate/exit yield and discount rate for the total portfolio have remained relatively flat, with the terminal cap rate expanding slightly by 9bps and the discount rate compressing slightly by 0.1 bps. The portfolio's initial yield is 6.3% while the reversionary yield is 7.7%, reflecting the valuers' views of rising rental income over the medium to long term. The European market sentiment remains cautious, with a slight pick-up in investment transactions compared to last year.

“The ECB cut interest rates to 3.75% for the first time in five years on 6 June 2024 ahead of its counterparts in the United States and the United Kingdom. With further ECB base rate cuts expected in the coming months, transaction volumes are expected to pick up and see an improved sentiment towards the sector. The Board remains focused on the divestment program with proceeds aimed at recycling into the core portfolio's asset enhancement program to provide unitholders with longer-term sustainable DPU and NAV/Unit while keeping gearing over the medium term between 35-40%.

“Taking into account the €23.1 million in divestments in 1H 2024 (at a blended 5.8% premium to valuations), the Manager now anticipates reporting CEREIT's net gearing<sup>3</sup> at approximately 39.0% as at 30 June 2024, subject to the finalisation of the financial results. NAV per unit is anticipated to be approximately €2.09<sup>4</sup> as at 30 June 2024, unchanged since December 2023, and 49% above CEREIT's most recent €1.40 unit price<sup>5</sup>.”

## 2. Portfolio valuations commentary

CEREIT's portfolio valuations rose by 0.6% compared to December 2023 (like-for-like comparison and excluding capital expenditure). The main drivers contributing to valuation growth include:

- a. Increase in market rents across the portfolio due to positive economic and market factors such as inflation, easing monetary policy and improving demand prospects;
- b. Completion of properties under development or extensive asset enhancement in Italy (21Nervesa in Milan and Via dell'Industria 18 in Vittuone), Czech Republic (Lovosice I in Lovosice), and Slovakia (Nove Mesto I in Beckov and Nove Mesto III in Kočovce) have created additional value via lease-up/pre-letting and increase in market rents, while better asset quality is expected to result in a reduction in future capital expenditure
- c. CEREIT's logistics / light industrial portfolio initial yield in is now 6.0%, supported by a high 95% occupancy<sup>6</sup> and long WALE of 5.1 years<sup>6</sup> with a higher reversionary yield of 7.0% reflecting the expectation for further market rent growth.
- d. CEREIT's office portfolio initial yield in is now 6.5%, supported by a stabilised 90%<sup>6</sup> occupancy and long WALE of 4.5<sup>6</sup> years, with a higher reversionary yield of 8.5%.

## 3. Sector country and valuations commentary

Key performance numbers by country and sector are outlined in the table below. Compared to six months ago, the light industrial / logistics sector valuation reversionary yield remains at 7.0%, 150 bps lower than CEREIT's office portfolio. CEREIT's office portfolio is valued at a 8.5% reversionary yield, which has expanded approximately 20 bps compared to six months ago, reflecting the valuers' view on office rent growth.

Sector / Country	Valuation (30Jun24) (€ million)	Valuation (31Dec23) (€ million)	6-mth change in valuation (€ million)	6-mth change in valuation (%)	Initial yield 30Jun24 (%)	Reversionary yield 30Jun24 (%)
Light Industrial / Logistics	1,210.4	1,187.0	23.4	2.0%	6.0%	7.0%
France	395.2	388.1	7.2	1.8%	6.2%	7.1%
Germany	204.8	204.6	0.2	0.1%	5.9%	6.5%
Italy	161.6	154.1	7.5	4.9%	6.3%	8.0%
Denmark	134.6	128.3	6.3	4.9%	5.5%	7.4%
The Netherlands	105.6	102.8	2.8	2.8%	5.0%	6.2%
Czech Republic	76.4	77.4	-1.0	(1.3%)	5.5%	6.0%
Slovakia	69.9	70.8	-1.0	(1.4%)	6.4%	7.4%
United Kingdom	62.3	60.9	1.4	2.3%	7.2%	6.6%

Sector / Country	Valuation (30Jun24) (€ million)	Valuation (31Dec23) (€ million)	6-mth change in valuation (€ million)	6-mth change in valuation (%)	Initial yield 30Jun24 (%)	Reversionary yield 30Jun24 (%)
Office	987.9	998.3	-10.4	(1.0%)	6.5%	8.5%
The Netherlands	510.2	513.8	-3.6	(0.7%)	5.8%	6.8%
Italy	201.3	197.3	4.0	2.0%	5.5%	9.4%
Poland	157.8	166.3	-8.4	(5.1%)	9.1%	11.3%
Finland	62.3	65.0	-2.7	(4.2%)	7.4%	11.2%
France	56.3	55.9	0.4	0.7%	7.3%	10.4%
Others	44.0	43.9	0.1	0.2%	9.2%	9.3%
Italy	44.0	43.9	0.1	0.2%	9.2%	9.3%
Grand Total	2,242.3	2,229.2	13.1	0.6%	6.3%	7.7%

#### Notes

1. Grandinkulma, Padova, Grojecka 5, Bari Europa, Bari Trieste, Milano Affari, Parc du Bois du Tambour, Opus 1, Gewerbepark Bischofsheim II and Gewerbepark Frankfurt-Hanau were excluded from all valuation numbers above as they have been sold.

2. Gewerbepark Jena, Sognevej 25 - Brøndby, Moeder Theresalaan 100-200 and Runcorn were excluded from Jun 2022 valuation numbers but included in Dec 2023, Jun 2023 and Dec 2022 valuations because they were not valued in Jun 2022 valuations.

### 3.1 Light industrial / logistics sector performance commentary

Six out of the eight countries in CERET's light industrial / logistics portfolio recorded valuation uplifts in the past six months: Italy (+4.9% or €7.5 million), Denmark (+4.9% or €6.3 million), the Netherlands (+2.8% or €2.8 million), the United Kingdom (+2.3% or €1.4 million), France (+1.8% or €7.2 million), and Germany (+0.1% or €0.2 million). These favourable movements were generally due to higher passing and market rents, new leases signed and ongoing rent inflation indexation. The valuation uplift in the United Kingdom was due to the 2.3% appreciation of the GBP against EUR over the last six months.

Valuation declines were recorded in Czech Republic (-1.3% or €1.0 million) and Slovakia (-1.4% or €1.0 million). The valuation decline in the Czech Republic was mainly due to approximately 10 bps widening in terminal cap rate and a 1.9% rise in vacancy, partially offset by 0.8% and 0.2% increase in passing and market rents. The decline in Slovakia was mainly due to an approximately 10 bps widening in both terminal cap rate and discount rates, partially offset by approximately 0.6% increase in market rent.

### 3.2 Office sector performance commentary

Two of the five countries in CERET's office portfolio recorded valuation uplifts in the last six months: Italy (+2.0% or €4.0 million) and France (+0.7% or €0.4 million). This compares favourably to six months ago, when no countries in the office sector portfolio recorded valuation increases. The valuation uplift in Italy was mainly due to approximately 20 bps compression in discount rate and 0.6% and 1.9% increase in passing and market rents respectively, partially offset by approximately 30 bps terminal cap rate expansion. The uplift in France valuations was mainly due to approximately 90 bps compression in discount rate and 3.6% and 0.1% increase in passing and market rents respectively, partially offset by approximately 20 bps terminal cap rate expansion and 1.2% increase in vacancy allowance.

Valuation declines were recorded in the Netherlands (-0.7% or €3.6 million), Finland (-4.2% or €2.7 million) and Poland (-5.1% or €8.4 million). The decline was largely due to the widening of terminal cap rates of 5-50bps across these three markets and ongoing weak occupier demand in secondary office markets in Poland and Finland.

### 3.3 'Others' sector performance commentary

Valuation uplifts were recorded in Italy's 'others' portfolio (+0.2% or €0.1 million), mainly due to 2.6% increase in market rent, partially offset by approximately 10bps widening in both terminal cap rate and discount rate, as well as 8.8% increase in vacancy allowance.

#### 4. Valuation table

The Valuations summarised below will be reflected in the financial statements of CEREIT for the period ended 30 June 2024 on completion of portfolio management discussion and analysis accompanying the release of the 2024 half year financial results expected to be in early August 2024.

Property	Country	Asset Class	30-Jun-24 Valuation € million
<b>1. Valued by Savills</b>			
Kuopion Kauppakeskus - Kuopio	Finland	Office	6.8
Liiketalo Myyrinraitti - Vantaa	Finland	Office	6.4
Mäkitorpantie 3 - Helsinki	Finland	Office	6.6
Pakkalan K-Koski 12 - Vantaa	Finland	Office	5.1
Pakkalan K-Koski 3 - Vantaa	Finland	Office	7.1
Plaza Allegro - Vantaa	Finland	Office	8.2
Plaza Forte - Vantaa	Finland	Office	10.1
Plaza Vivace - Vantaa	Finland	Office	9.9
Purotie 1 - Helsinki	Finland	Office	2.1
Gewerbe- u. Logistikpark Frankfurt - Bischofsheim	Germany	Light Industrial / Logistics	13.9
Gewerbe- u. Logistikpark München - Kirchheim West	Germany	Light Industrial / Logistics	36.8
Gewerbe- u. Logistikpark München- Maisach	Germany	Light Industrial / Logistics	10.0
Gewerbepark Duisburg	Germany	Light Industrial / Logistics	12.5
Gewerbepark Hamburg - Billbrook	Germany	Light Industrial / Logistics	9.6
Gewerbepark Hamburg - Billstedt	Germany	Light Industrial / Logistics	10.7
Gewerbe- u. Logistikpark München - Kirchheim Ost	Germany	Light Industrial / Logistics	12.4
Gewerbepark Straubing	Germany	Light Industrial / Logistics	8.8
Gewerbe- u. Logistikpark Stuttgart - Frickenhäuser	Germany	Light Industrial / Logistics	17.9
Gewerbepark Bretten	Germany	Light Industrial / Logistics	13.6
Gewerbepark Königsbach - Stein	Germany	Light Industrial / Logistics	9.2
Gewerbepark Pforzheim	Germany	Light Industrial / Logistics	15.1
Gewerbepark Sangerhausen	Germany	Light Industrial / Logistics	17.8
Gewerbepark Jena	Germany	Light Industrial / Logistics	16.5
Santorre - Cuneo	Italy	Office	6.0
Fortezza - Firenze	Italy	Office	15.1
F. Aprile - Genova	Italy	Office	18.4
Jervis - Ivrea	Italy	Office	6.7
Rampa Cavalcavia - Mestre	Italy	Office	4.3
Assago - Milano	Italy	Office	21.8
Nervesa - Milano	Italy	Office	56.1
Cassiopea - Agrate Brianza	Italy	Office	12.5
Pianciani - Roma	Italy	Office	33.5

Property	Country	Asset Class	30-Jun-24 Valuation € million
Maxima	Italy	Office	26.8
Rutigliano - Bari	Italy	Light Industrial / Logistics	17.0
CLOM - Montepandone	Italy	Light Industrial / Logistics	60.7
Coccaglio - Brescia	Italy	Light Industrial / Logistics	25.7
Vittuone - Milano	Italy	Light Industrial / Logistics	39.4
Mira - Venezia	Italy	Light Industrial / Logistics	18.8
Salara Vecchia - Pescara	Italy	Others	11.0
Madre Teresa - Valacinevas	Italy	Others	13.5
Varese - Saronno	Italy	Others	19.5
Bastion - Den Bosch	The Netherlands	Office	68.0
Haagse Poort - Den Haag	The Netherlands	Office	162.6
Ruyterkade - Amsterdam	The Netherlands	Office	44.7
Blaak - Rotterdam	The Netherlands	Office	16.8
Koningskade - Den Haag	The Netherlands	Office	19.3
Plaza - Rotterdam	The Netherlands	Office	141.0
MT Laan - Utrecht	The Netherlands	Office	57.8
Veemarkt - Amsterdam	The Netherlands	Light Industrial / Logistics	49.1
Boekweitstraat - Nieuw-Vennep	The Netherlands	Light Industrial / Logistics	10.7
Capronilaan - Schiphol-Rijk	The Netherlands	Light Industrial / Logistics	9.5
Folkstoneweg - Schiphol Zuid Oost	The Netherlands	Light Industrial / Logistics	6.5
Kapoeasweg - Amsterdam	The Netherlands	Light Industrial / Logistics	8.1
De Immenhorst - 's-Heerenberg	The Netherlands	Light Industrial / Logistics	11.0
Rosa Castellanosstraat - Tilburg	The Netherlands	Light Industrial / Logistics	10.8
Thorn Lighting	United Kingdom	Light Industrial / Logistics	32.4
Runcorn - The Cube	United Kingdom	Light Industrial / Logistics	19.2
<b>2. Valued by CBRE</b>			
Fabriksparken 20 - Glostrup	Denmark	Light Industrial / Logistics	8.0
Herstedvang 2-4 - Albertslund	Denmark	Light Industrial / Logistics	10.3
Hørskættten 4-6- Taastrup	Denmark	Light Industrial / Logistics	8.9
Hørskættten 5 - Taastrup	Denmark	Light Industrial / Logistics	5.7
Islevdalvej 142 - Rødovre	Denmark	Light Industrial / Logistics	10.8
Naverland 12 - Glostrup	Denmark	Light Industrial / Logistics	5.1
Naverland 7-11 - Glostrup	Denmark	Light Industrial / Logistics	18.6
Naverland 8 - Glostrup	Denmark	Light Industrial / Logistics	9.4
Priorparken 700 - Brøndbyvester	Denmark	Light Industrial / Logistics	15.6
Priorparken 800 - Brøndbyvester	Denmark	Light Industrial / Logistics	12.8
Stamholmen 111 - Hvidovre	Denmark	Light Industrial / Logistics	12.4
Sognevej 25 - Brøndby	Denmark	Light Industrial / Logistics	17.0
Paryseine - Ivry sur Seine	France	Office	26.3
Cap Mermoz - Maisons Laffitte	France	Office	26.9
Lénine - Ivry sur Seine	France	Office	3.1
Parc des Docks - St Ouen sur Seine	France	Light Industrial / Logistics	166.8
Parc Acticlub - St Thibault des Vignes	France	Light Industrial / Logistics	7.3
Parc de Champs - Champs sur Marne	France	Light Industrial / Logistics	7.5

Property	Country	Asset Class	30-Jun-24 Valuation € million
Parc Delizy - Pantin	France	Light Industrial / Logistics	24.7
Parc des Erables - Villepinte	France	Light Industrial / Logistics	9.0
Parc des Grésillons - Gennevilliers	France	Light Industrial / Logistics	27.1
Parc des Guillaume - Noisy le Sec	France	Light Industrial / Logistics	35.6
Parc du Landy - Aubervilliers	France	Light Industrial / Logistics	29.5
Parc du Mérantais - Magny-les-Hameaux	France	Light Industrial / Logistics	11.8
Parc Jean Mermoz - La Courneuve	France	Light Industrial / Logistics	9.2
Parc du Prunay - Sartrouville	France	Light Industrial / Logistics	9.2
Parc Locaparc 2 - Vitry sur Seine	France	Light Industrial / Logistics	9.6
Parc Urbaparc - La Courneuve	France	Light Industrial / Logistics	19.3
Parc de Sully - Sully sur Loire	France	Light Industrial / Logistics	3.2
Parc de Meslay - Parçay-Meslay	France	Light Industrial / Logistics	4.5
Parc des Louvresses - Gennevilliers	France	Light Industrial / Logistics	9.6
Parc de Béziers - Villeneuve les Béziers	France	Light Industrial / Logistics	11.5
Moravia - Uherské Hradiště	Czech Republic	Light Industrial / Logistics	15.2
Lovosice I Tovární - Lovosice	Czech Republic	Light Industrial / Logistics	18.3
Lovosice II Tovární - Průmyslová	Czech Republic	Light Industrial / Logistics	16.1
South Moravia - Vyškov	Czech Republic	Light Industrial / Logistics	10.1
Pisek I - Stanislava Maliny	Czech Republic	Light Industrial / Logistics	4.0
Pisek II - U Hřebčince	Czech Republic	Light Industrial / Logistics	1.7
ONE - Hradec Králové	Czech Republic	Light Industrial / Logistics	11.1
Zilina - Priemysel'ná	Slovakia	Light Industrial / Logistics	4.5
Nove Mesto I - Beckov	Slovakia	Light Industrial / Logistics	25.3
Kosice - Veľká Ida	Slovakia	Light Industrial / Logistics	9.4
Nove Mesto III - Rakoľuby	Slovakia	Light Industrial / Logistics	21.3
Nove Mesto II - Kočovce	Slovakia	Light Industrial / Logistics	9.4
Arkonska Business Park - Gdansk	Poland	Office	8.5
Riverside Park - Warszawa	Poland	Office	21.8
Avatar Office - Kraków	Poland	Office	19.8
Green Office Building A, B, C - Kraków	Poland	Office	37.4
Business Garden Poznan - Poznan	Poland	Office	70.4
Kingsland 21	United Kingdom	Light Industrial / Logistics	10.6

The valuation reports will be available for inspection by prior appointment at the Manager's registered office during business hours, for three months from the date of release of the 1H 2024 financial results which is expected to be in early August 2024.

By Order of the Board  
Simon Garing  
Executive Director and Chief Executive Officer

Cromwell EREIT Management Pte. Ltd.  
(Company Registration No.: 201702701N)  
As manager of Cromwell European Real Estate Investment Trust

03 July 2024

## ABOUT CROMWELL EUROPEAN REAL ESTATE INVESTMENT TRUST

Cromwell European Real Estate Investment Trust (“Cromwell European REIT” or “CEREIT”) has a principal mandate to invest, directly or indirectly, in income-producing commercial real estate assets across Europe with a minimum portfolio weighting of at least 75% to Western Europe and at least 75% to the logistics/light industrial and office sectors. CEREIT currently targets a majority investment weighting to the logistics/light industrial sector while also investing in core office assets in gateway cities. CEREIT strives to be a resilient, ethical, and socially responsible organisation that contributes positively to all stakeholders, leading to higher risk-adjusted returns while maintaining an appropriate capital structure.

CEREIT’s €2.2 billion portfolio comprises 100+ predominantly freehold properties in or close to major gateway cities in the Netherlands, Italy, France, Poland, Germany, Finland, Denmark, Slovakia, the Czech Republic and the United Kingdom, with an aggregate lettable area of approximately 1.8 million sqm and 800+ tenant-customers.

CEREIT is listed on the Singapore Exchange Limited and is managed by Cromwell EREIT Management Pte. Ltd., a wholly-owned subsidiary of CEREIT’s sponsor, Cromwell Property Group<sup>7</sup>, a real estate investor and global real estate fund manager with operations in 14 countries, listed on the Australian Securities Exchange Ltd.

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1 Pursuant to Rule 703 of the SGX-ST Listing Manual

2 Excluding Grojecka 5, Grandinkulma and Padova which were divested in 1H2024

3 Net gearing is calculated as aggregate debt less cash over total assets less cash.

4 Subject to finalising the 1H 2024 financial results. Final metrics will only be available from the date of the announcement of the FY 1H 2024 results, which is expected to be released in early August 2024

5 As at 28 June 2024

6 As at 31 March 2024

7 Cromwell Property Group is a stapled group comprising Cromwell Corporation Limited and Cromwell Diversified Property Trust (the responsible entity of which is Cromwell Property Securities Limited)