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Cromwell European REIT delivers +7.0%¹ total NPI growth in 3Q 2024, supported by redevelopments and resilient portfolio occupancy

- Portfolio occupancy of 93.9% with 9M 2024 +4.3% rent reversion and long WALE at 4.7 years
- NAV €2.05/unit and 39.7% net gearing
- €472 million new debt facilities recently agreed, WADE will be extended to 2.7 years, taking CERET's available undrawn lines to €665 million to cover 2025 expiries
- Fitch Ratings revised CERET's Outlook to Positive, 'affirmed BBB-' Issuer Default Rating (IDR)

	3Q 2024 €'000	Variance to 3Q 2023 (%)	9M 2024 €'000	Variance to 9M 2023 (%)
Gross Revenue	53,933	0.6%	160,217	(1.1%)
Net Property Income ("NPI")	34,474	7.0%	99,984	(0.8%)
Distributable Income ("DI")	20,759	(7.8%)	60,408	(8.9%)

SINGAPORE – Cromwell EREIT Management Pte. Ltd., the manager (the "Manager") of Cromwell European Real Estate Investment Trust ("Cromwell European REIT" or "CEREIT"), today released CEREIT's business update for the third quarter ("3Q 2024") ended 30 September 2024.

Introduction

The Manager's Chief Executive Officer, Mr Simon Garing, commented: "We are pleased to report that CEREIT delivered overall 7.0% NPI growth in the third quarter, boosted by the completion of Nervesa21 office redevelopment in Milan and Novo Mesto ONE Industrial Park I/III logistics development near Bratislava. CEREIT's office portfolio NPI grew 13.8%, while the logistics / light industrial sector NPI grew 6.7% for the quarter, reflecting prior strong rent reversion and gains in occupancy.

"Distributable income for 3Q 2024 was up 4.1% compared to 2Q 2024, reflecting the stabilisation of the portfolio as the asset sale programme, designed to keep net gearing within the Board's policy of 35-40% over the medium term, is largely behind us.

"I am especially pleased to report that we have credit committee approval and are finalising documentation for €472 million in new debt facilities. In conjunction with CEREIT's €200 million

revolving credit facility, we have more than fully backstopped the November 2025 bond maturity heading into year-end. We can now optimise the timing and pricing for a new, longer-dated bond.

“In October 2024, Fitch Ratings revised CEREIT’s Outlook to Positive from Stable and affirmed its investment grade ‘BBB-’ rating, noting that the recent divestment programme had improved the quality of CEREIT’s portfolio by pivoting the weighting to 54% logistics / light industrial sector, while operating conditions in Europe had largely stabilised.

CEREIT’s NAV remains relatively stable at €2.05/Unit, approximately 20% higher than CEREIT’s most recent trading unit price².”

9M 2024 financial highlights

Gross revenue was down 1.1% compared to the prior corresponding period (“pcp”) to €160.2 million for 9M 2024, mainly due to divestments³. NPI declined slightly by 0.8% to €100.0 million, with divestments impacting NPI by €6.7 million compared to pcp. Like-for-like NPI was up 4.4%, excluding divestments and developments. 9M 2024 distributable income fell 8.9% to €60.4 million compared to pcp, mainly due to the earlier divestments and higher interest costs. 3Q 2024 distributable income grew 4.1% compared to 2Q 2024 (€20.8 million vs €19.9 million), as the impact from asset divestments largely dissipated.

NAV/Unit (including distributable income) was down slightly at €2.05/Unit due to the 1H 2024 distribution being paid out, partially offset by the total return generated. NAV excluding distributable income was also down slightly to €2.02/Unit, with EPRA NAV €2.17/Unit.

Net gearing was 39.7% as at 30 September 2024, remaining below 40% for the period, with €50.7 million held in cash. Aggregate leverage increased slightly to 41.0% due to the recent drawdown on the revolving credit facility (“RCF”) to primarily fund capex.

Capital management highlights

A new €340 million bridge debt facility with final maturity in 2027 has been credit committee-approved to be used towards refinancing the November 2025 bond unless a new bond is issued prior to this date. With the bridge facility and €192 million undrawn RCF, CEREIT has ample liquidity for refinancing the €450 million bond if required.

Two other new facilities are also credit committee-approved and in the process of being documented. Firstly, a €50 million facility with a 2029 maturity is to be secured by a property earmarked for development. Secondly, a new €82.4 million secured debt facility with maturity in 2029

is earmarked to refinance the 2026 maturing secured loan. Taking into account all these new facilities, WADE would increase to 2.7 years (prior to the potential issue of a new bond duration of 5-7 years).

87.6% of CEREIT's total debt was hedged / fixed as at 30 September 2024. CEREIT's all-in interest rate stood slightly lower at 3.16% as at 30 September 2024, compared to 3.19% in December 2023. The interest coverage ratio was 3.6x, well above the covenants for the Euro Medium-Term Note programme.

The Manager's Chief Financial Officer, Mr Shane Hagan, commented: "The 5-year Euro mid-swap rate is now ~2.3%, well below the current 3-month Euribor of 3.06% and around 100 bps lower than a year ago. CEREIT is well placed to benefit from the improved interest rate outlook as the Manager continues to consider long-term debt issuance at more attractive rates than would have been available earlier this year, albeit still higher than the current low all-in cost of debt."

Portfolio management highlights

CEREIT's total portfolio occupancy was 93.9% as at 30 September 2024, up 30 bps compared to a quarter ago. The four core Western European countries (~75% of the portfolio) maintained higher occupancy rates at 96.8%⁴. Weighted average lease expiry ("WALE") remained stable at 4.7 years, while 9M 2024 rent reversion was high at +4.3% on the 145,847 square metres ("sqm") of leases signed / renewed in 9M 2024.

The logistics / light industrial portfolio's occupancy increased slightly in 3Q 2024 to 95.1% as at 30 September 2024. Rent reversion for the sector remained strong at +8.8% in the third quarter, averaging 6.1% for the first nine months of 2024. Leasing highlights for the logistics / light industrial sector included a 7-year new 11,816 sqm lease in Milan with +30.1% rent reversion and a 5-year new 771 sqm lease in Amsterdam with +44.7% rent reversion. Leasing activity was quiet due to limited expiries and vacancies, with 6.1% of the logistics / light industrial portfolio (72,883 sqm) leased in 9M 2024. While overall European leasing activity is lower than the peak in 2021 and 2022, conditions across Europe are still conducive for above-inflation market rent growth and recovery in valuations.

The office portfolio's occupancy was up 20 bps in 3Q 2024 to 90.9% as at 30 September 2024. Leasing in the office sector was relatively more active with 15.1% of the office portfolio (72,954 sqm) in new leases and renewals at +3.4% rent reversion signed in the Netherlands, Poland and Finland in the first nine months of 2024. The negative 4.3% rent reversion in 3Q 2024 was due to a single lease representing only ~1.5% of the office portfolio⁵, where a global bank tenant was renewed for a further three years with no hand back of space and minimum incentive - a very pleasing result in Kraków, Poland. The Manager continues to progress with the derisking of 2025 / 2026 leases, while also

progressing planning approvals for major redevelopments at Haagse Poort in the Hague and De Ruyterkade 5 in Amsterdam.

Sustainability highlights

Almost half of CEREIT's debt facilities now have sustainability-linked KPIs, which comprise annual GRESB scores, percentage of green leases in the portfolio, and 'green'⁶ building certifications.

CEREIT retained its four-star rating for a second year and achieved an 83-point overall score in the 2024 GRESB Real Estate Assessment released in October 2024. 83% of CEREIT's office assets are now BREEAM or LEED certified (up from 65% nine months ago), with 45 BREEAM or LEED building certifications in place (out of which 43 are BREEAM Very Good / LEED Gold or above). 37% of the leases across the portfolio now have 'green' clauses. All in all, CEREIT remains ahead on all its sustainability-linked debt facilities KPIs.

CEREIT continues to enjoy the premium MSCI ESG "AA" rating, most recently reiterated in early 2024. It was also recently accorded the 2024 Sustainability Best Practices Recommendations ("sBPR") Gold Award for a second year running by the Europe Public Real Estate Association ("EPRA").

Outlook

The Manager's Chief Executive Officer, Mr Simon Garing, added: "We are pleased with the recent rally in CEREIT's unit price, underscoring growing market recognition of CEREIT's strategy and quality of execution. We also believe the positive momentum reflects further expected ECB interest rate cuts and expected favourable turnaround in real estate valuations, notwithstanding current soft economic conditions and geopolitical risks. CEREIT's quality portfolio is now 54% weighted in the logistics / light industrial sector, and we are also beginning to see the benefits of the €200+ million AEI programme.

"Investors can also benefit from the incoming new sponsor, Stoneweg, providing enhanced European resources and expertise to CEREIT. We look forward to their support for CEREIT's investment strategy and pivot to logistics.

"Our three top priorities remain: (1) focusing on active asset management of the existing portfolio to maintain high occupancy and drive rental income and valuation growth, (2) issue long term debt at optimal pricing, backstopped by €532 million of new bridge facility and the undrawn revolving credit facility and (3) further increase CEREIT's portfolio weighting to logistics / light industrial sector via asset recycling and acquisitions."

END

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 1.7 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, a real estate investor and fund manager with operations in 14 countries, listed on the Australian Securities Exchange Ltd.

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1 Compared to pcp

2 Based on CEREIT's closing unit price of €1.62 as at 30 October 2024

3 Viale Europa 95, Piazza Affari 2, Grójecka 5, Corso Lungomare Trieste 29, Grandinkulma, and Via Brigata Padova 19

4 The Netherlands, France, Italy and Germany

5 By NLA

6 'Green' building certifications refer to BREEAM, LEED or equivalent and for the purpose of the sustainability-linked loans these are BREEAM very good and above and LEED gold or above