



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

CROMWELL EUROPEAN REIT DIVESTS

NON-CORE OFFICE ASSET IN POLAND FOR €15.86 MILLION

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

1. Introduction

Cromwell EREIT Management Pte. Ltd., the manager (the “**Manager**”) of Cromwell European Real Estate Investment Trust (“**Cromwell European REIT**” or “**CEREIT**”), wishes to announce that CEREIT has entered into a sale and purchase agreement and completed the divestment of an office asset located at Grojecka 5 (“**G5**”) in Warsaw, Poland (the “**Divestment**”) on 28 March 2024.

The Manager’s Chief Executive Officer, Mr. Simon Garing said, “The divestment of Grojeska 5, one of CEREIT’s six office assets in Poland, for €15.86 million (S\$23.1 million¹) is consistent with our previously announced strategy to reduce exposure to non-core markets and B/C grade office assets, effectively reducing the portfolio’s exposure to Poland to 7.4%² (down from 8.1%). Pleasingly, our experienced on-the-ground team completed the divestment at a 7.5% premium to the latest valuation despite the relative illiquidity in the Central European real estate markets and record-low transaction activity in Europe. I would also like to acknowledge CMS, our legal advisor, and Colliers International, our sales agent.

“Since the beginning of 2022, we have executed €253.3 million divestments of non-strategic assets at a healthy €31.4 million or 14.2% premium to the latest valuations, approximately 63% of the target €400 million sales pipeline we set to complete by 2026. We continue to advance negotiations on other selective opportunities.

“Our divestment success demonstrates the robustness of CEREIT’s NAV of €2.12/unit, compared to CEREIT’s SGX trading price of €1.40/unit, a steep 33% discount to NAV. Our focus to manage CEREIT’s gearing in the 35–40% range over the medium term and improve upon our Fitch Investment Grade credit rating of “BBB- with stable outlook” provides CEREIT with competitive financing and ample liquidity to undertake our active asset enhancement program in core Western Europe locations. In turn, our focus on delivering higher ESG standards and tenant amenities in CEREIT’s portfolio should also provide for higher sustainable distribution streams and ultimately drive higher risk-adjusted returns to our investors. As the European real estate cycle turns on the back of the expected ECB rate cuts, CEREIT should be in a strong position to take advantage of other opportunities that may also present.”

2. Details on G5 divestment

CEREIT (through Cromwell EREIT Lux 3A S.à r.l., an indirect and wholly-owned subsidiary) has entered into a sale and purchase agreement with Solida Capital Europe to divest G5, an office building with

10,864 sqm of net lettable area, 8 floors, and 105 parking spaces. It is located in the Jerozolimskie office district in Warsaw, Poland, and is highly visible and accessible by car and public transportation.

G5 was independently valued by CBRE Ltd (as commissioned by the Manager) and by Perpetual Asia Limited ("Perpetual"), in its capacity as trustee of CEREIT, at €14.75 million as at 31 December 2023. The property is being divested for €15.86 million (approximately S\$23.1 million¹).

To facilitate transaction closing, a deferred payment mechanism for the sale of G5 was agreed with the buyer. The buyer is permitted to delay paying €4.36 million out of the €15.86 million purchase price until the end of September 2024, with a premium applied for the deferred period at market rates. CEREIT will retain equivalent first mortgage rights until final payment is made to protect its interests.

3. Other Information

The sale consideration was arrived at on a willing buyer and willing seller basis. The net proceeds from the Divestment will be deployed to repay the revolving credit facility and / or for other working capital purposes.

A divestment fee of €0.1 million (being 0.5% of the sale consideration) is payable to the Manager in accordance with the trust deed constituting CEREIT.

While CEREIT remains a long-term investor in real estate, divestments from time to time are consistent with the Manager's proactive asset management strategy to improve the risk return quality of CEREIT's portfolio. This is in line with CEREIT's primary purpose to provide CEREIT's unitholders with stable and growing distributions and net asset value per unit over the long term.

4. Financial effects of the transaction

Based on the relative figures as computed on the bases set out in Rule 1006 of the Listing Manual, each divestment is a "Non-Discloseable Transaction" within the meaning of Rule 1008 of the Listing Manual.

By Order of the Board

Simon Garing

Executive Director and Chief Executive Officer

Cromwell EREIT Management Pte. Ltd.

(Company registration no. 201702701N)

(as manager of Cromwell European Real Estate Investment Trust)

3 April 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 current portfolio weighting of >85% to Western Europe and an asset class split of 53% logistics/light industrial and 45% office. CEREIT currently targets retaining a majority investment weighting to the logistics/light industrial sector while also investing in core office assets in gateway cities. The CEREIT manager 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 109 predominantly freehold properties in or close to major gateway cities in the Netherlands, Italy, France, Poland, Germany, Finland, Denmark, Slovakia, Czech Republic and 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, a real estate investor and fund manager with operations in 14 countries, listed on the Australian Securities Exchange Ltd.

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¹ Based on an exchange rate of 1.46\$S:1€ as at 03 April 2024

² Based on 31 December 2023 valuations