



(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 TWO ASSETS IN ITALY FOR €20.9 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 two separate sale and purchase agreements to divest two office assets in Italy – one located at Via Rampa Cavalcavia 16-18 in Venice Mestre (“Mestre”) and one located at Via della Fortezza, 8 in Florence (“Firenze”), (collectively, the “Divestments”).

The Manager’s Chief Executive Officer, Mr Simon Garing, said, “I am pleased to announce our latest two divestments in Italy at a total price of €20.9 million (S\$29.6 million¹) at a blended 7.7% premium to the latest valuations. These transactions, along with the divestment in Padova, Italy that we completed earlier in the year, have further reduced CEREIT’s exposure² to the Italian government (Agenzia Del Demanio) as a tenant from ~20% at IPO / 3.1% as at September 2024 to only 2.2% of the portfolio at present. CEREIT’s exposure to logistics and light industrial sector is now 54.5% (up from 54.1% as at 30 September 2024).

“Since the beginning of 2022, we have executed €284.5 million in divestments of non-strategic assets at a healthy €33.0 million or 13.1% premium to the latest valuations, assisted by our experienced on-the-ground team in Europe and despite the relative illiquidity and record-low transactions activity in Europe.”

“The ECB has now cut rates four times this year to 3.0% leading to an improved outlook for 2025 logistics and prime office values in gateway cities, which underpins the NAV of €2.05 / unit. We are now at the tail end of CEREIT’s divestment programme of non-core assets this cycle, designed to provide a strong balance sheet and recycle capital into AEI and new acquisitions.”

2. Mestre

CEREIT (through Cromwell Europa 1, an indirect and wholly-owned subsidiary), has completed the divestment of Mestre to the Italian Custom Agency, part of Agenzia Del Demanio.

Built in the late 1990’s, Mestre is a standalone office building comprising seven floors (including a basement carpark floors), located on a rectangular plot of land. The asset is currently occupied by the Italian Customs Agency. The property is located in the southern part of Mestre in the municipality of Venice.

Mestre was independently valued by Savills (as commissioned by the Manager, and by Perpetual Asia Limited (“Perpetual”), in its capacity as trustee of CEREIT) at €4.3 million as at 30 June 2024. It is being divested for a consideration of €5.9 million (approximately S\$8.4 million¹).

3. Firenze

CEREIT, (through Cromwell Europa 1, an indirect and wholly-owned subsidiary), has entered into a binding offer for the divestment of Firenze. The asset is currently held for sale and the divestment completion is subject to Agenzia del Demanio and National Heritage pre-emption rights which expire in March 2025, when the divestment will be completed.

Firenze is four-storey historical building with a central courtyard. Its façade is gazetted by the Superintendence of archaeology, fine arts and landscape for the metropolitan city of Florence due to its cultural value, necessitating the National Heritage pre-emption rights period. Originally build in the 1800's, it now hosts the Italian Revenue Agency. The asset is located in central Florence.

Firenze was independently valued by Savills Ltd (as commissioned by the Manager, and by Perpetual Asia Limited ("Perpetual"), in its capacity as trustee of CEREIT) at €15.1 million as at 30 June 2024. It is being divested for a consideration of €15.0 million (approximately S\$21.2 million).

4. Other information

Each of the sale considerations were arrived at on a willing buyer and willing seller basis. The net proceeds from the Divestments will be deployed to repay the revolving credit facility and / or for other working capital purposes.

A divestment fee of €0.10 million (being 0.5% of the sale consideration) in total for the two divestments 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.

5. Financial effects of the transactions

Based on the relative figures as computed on the bases set out in Rule 1006 of the Listing Manual, each divestment is a "Non-Disclosable 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)

20 December 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 1.7 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 Based on an exchange rate of \$51.41: €1 as at 11 Dec 2024

2 Based on headline rent