



Cromwell European Real Estate Investment Trust ("CEREIT")

Unaudited Condensed Interim Financial Statements for the Half Year
Ended 30 June 2023 ("1H 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 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.

On 28 June 2023, CEREIT completed the divestment of an office asset in Italy for a consideration of €93.6 million, which was 0.2% above the independent valuation dated 1 June 2023 and 14.6% premium to its purchase price.

As at 30 June 2023, CEREIT's portfolio comprises 112 properties with a carrying value of approximately €2.4 billion in or close to major gateway cities in the Netherlands, Italy, France, Germany, Poland, Denmark, Finland, the Czech Republic, Slovakia and the United Kingdom. CEREIT's portfolio has an aggregate lettable area of approximately 1.9 million square metres and 800+ tenant-customers.

	No. of properties	Lettable Area (sqm)	Valuation ⁽¹⁾ (€'000)	Portfolio Weighting (%)
Light Industrial/ Logistics				
The Netherlands	7	70,039	98,960	4.1%
Italy	5	309,059	144,300	6.0%
France	17	231,792	380,400	15.9%
Germany	14	229,560	211,570	8.9%
Denmark	12	152,432	127,708	5.4%
The Czech Republic	7	59,680	77,330	3.2%
Slovakia	5	74,355	69,370	2.9%
United Kingdom	3	65,494	61,512	2.6%
Total - Light Industrial/ Logistics	70	1,192,411	1,171,150	49.0%
Office				
The Netherlands	7	177,904	523,300	21.9%
Italy	11	134,391	218,100	9.1%
France	3	34,320	62,190	2.6%
Poland	6	111,236	195,175	8.2%
Finland	10	55,177	78,000	3.3%
Total - Office	37	513,028	1,076,765	45.1%
Other⁽²⁾				
Italy	5	176,574	140,740	5.9%
CEREIT Portfolio	112	1,882,013	2,388,655	100.0%

⁽¹⁾ Valuation is based on the independent valuations conducted by Savills Advisory Services Limited and CBRE Ltd as at 30 June 2023 for 111 properties. Viale Europa 95, an asset held for sale as at 30 June 2023, is included in the above table and valuation is based on its selling price.

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



CEREIT Results Overview

	1H 2023	1H 2022 ⁽¹⁾	Fav./ (Unfav.)
	€'000	€'000	%
Gross revenue (€'000)	108,341	107,417	0.9%
Net property income ("NPI") (€'000)	68,535	67,330	1.8%
Total (loss)/return for the period (€'000)	(15,560)	53,139	n.m.
Total (loss)/return for the period attributable to Unitholders (€'000)	(16,715)	51,989	n.m.
Income available for distribution to Unitholders (€'000)	43,809	48,902	(10.4%)
Applicable number of units for the period ('000)	562,392	562,392	-
DPU € cents per unit ("cpu") ⁽²⁾	7.790	8.695	(10.4%)

⁽¹⁾ 1H 2022 refers to the period from 1 January 2022 to 30 June 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:

- 1H 2023 NPI was 1.8% higher than 1H 2022, mainly attributable to income from the five acquisitions completed in FY 2022 in Italy, Germany, Denmark and the United Kingdom, higher income from annual inflation indexation across the portfolio, and outperformance of the French light industrial / logistics portfolio, partially offset by loss of income from an Italian office asset, namely Maxima due to FY 2022 lease expiry in preparation for redevelopment, divestments completed in FY 2022, lower rental income due to the mandatory 15% rent reduction by government decree for three Italian properties, and lower income from Business Garden in Poland due to absence of one-off additional income.
- Total loss for 1H 2023 was €15.6 million compared to total return for 1H 2022 of €53.1 million, mainly due to 1H 2023 fair value loss on investment properties of €57.6 million compared to fair value gain on investment properties of €4.7 million in 1H 2022.
- DPU for 1H 2023 is €7.790 cents, 10.4% lower than 1H 2022 mainly attributable to: (i) higher interest expense mostly due to higher interest rate; (ii) the absence of distribution of realised capital gain of €1.1 million made in prior period (equivalent to €0.197 cents); (iii) loss of income from Maxima due to redevelopment, partially offset by additional income from new acquisitions and inflation indexation.
- On a like-for-like basis, 1H 2023 DPU was 4.5% lower than 1H 2022, excluding income from Maxima and distribution of capital gain recorded in 1H 2022.
- Interest coverage ratio calculated in accordance with the CIS Code is 4.4x (31 December 2022: 5.3x). Adjusted interest coverage ratio including perpetual securities coupon is 4.1x (31 December 2022: 4.9x). The weighted average all-in interest rate increased to 2.85% 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⁽³⁾ stood at 95.4% (31 December 2022: 96.0%).
- Portfolio weighted average lease expiry ("WALE") by headline rent decreased slightly to 4.4 years from 4.6 years on 31 December 2022.

⁽³⁾ Occupancy calculation excludes the redevelopment projects in Nervesa 21 (Italy) and Maxima (formerly known as Via dell'Amba Aradam 5) (Italy).



Financial Position Summary

	As at 30-Jun-23	As at 31-Dec-22	Change %
Gross asset value ("GAV") (€'000)	2,583,420	2,589,984	(0.3%)
Net tangible assets ("NTA") attributable to Unitholders (€'000)	1,294,487	1,358,717	(4.7%)
Gross borrowings before unamortised debt issue costs (€'000)	1,072,905	1,019,905	5.2%
Aggregate leverage (%)	41.5%	39.4%	2.1 p.p.
Aggregate leverage excluding distribution (%) ⁽¹⁾	42.2%	40.1%	2.1 p.p.
Net Gearing (%) ⁽²⁾	38.2%	38.5%	(0.3) p.p.
Units in issue ('000)	562,392	562,392	-
Net Asset Value ("NAV") attributable to Unitholders € per unit	2.30	2.42	(5.0%)
Adjusted NAV attributable to Unitholders € per unit (excluding distributable income)	2.22	2.33	(4.7%)

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 30 June 2023 decreased marginally compared to 31 December 2022 to €2,583 million mainly due to the fair value loss on investment properties of €57.6 million based on the independent valuation conducted on 30 June 2023, offset by proceeds from the divestment of Piazza Affari 2, Milan, Italy received in late June 2023.

As at 30 June 2023, aggregate leverage increased to 41.5% from 39.4% as at 31 December 2022, due to drawing from the Revolving Credit Facility ("RCF") to fund development costs and capital expenditure, as well as due to a 1.6% decline in the fair value of investment properties. Net gearing was 38.2% taking into account the €93.6 million received from divestment mentioned above. Subsequently on 28 July 2023, the RCF has been fully repaid, funded by proceeds from the divestment which results in pro forma aggregate leverage of 39.5% as at 31 July 2023.

As at 30 June 2023, NAV attributable to Unitholders per unit decreased by 5.0% to €2.30 and adjusted NAV attributable to Unitholders per unit decreased by 4.7% to €2.22 mainly due to valuation loss.



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CROMWELL EUROPEAN REAL ESTATE INVESTMENT TRUST AND ITS SUBSIDIARIES
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

Unaudited Condensed Consolidated Statement of Total Return

Six-month period ended 30 June 2023

	Note	CEREIT		
		1H 2023 €'000	1H 2022 €'000	Fav./ (Unfav.) %
Gross revenue	5	108,341	107,417	0.9%
Property operating expense	6	(39,806)	(40,087)	0.7%
Net property income		68,535	67,330	1.8%
Net finance costs	14(b)	(15,716)	(10,438)	(50.6%)
Manager's fees	7	(3,012)	(2,988)	(0.8%)
Trustee fees		(148)	(146)	(1.4%)
Other trust expenses		(2,871)	(2,967)	3.2%
Net foreign exchange gain/(loss)		1,473	(386)	n.m.
Net income before tax and fair value changes		48,261	50,405	(4.3%)
(Loss)/Gain on divestment	8	(7,550)	1,120	n.m.
Fair value (loss)/gain – investment properties		(57,583)	4,655	n.m.
Fair value (loss)/gain – derivative financial instruments		(978)	6,836	n.m.
Total (loss)/return for the period before tax		(17,850)	63,016	n.m.
Income tax credit/(expense)	11	2,290	(9,877)	n.m.
Total (loss)/return for the period		(15,560)	53,139	n.m.
Total (loss)/return for the period attributable to:				
Unitholders		(16,715)	51,989	n.m.
Perpetual securities holders		1,155	1,150	0.4%
		(15,560)	53,139	n.m.
Earnings per unit				
Basic and diluted earnings per unit (€ cents)	9	(2.972)	9.255	n.m.
n.m. – not meaningful				



Unaudited Condensed Consolidated Statement of Comprehensive Income
Six-month period ended 30 June 2023

	CEREIT		
	1H 2023 €'000	1H 2022 €'000	Fav./ (Unfav.) %
Total (loss)/return for the period	(15,560)	53,139	n.m.
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange differences on translation of foreign operations	254	111	>100.0%
Other comprehensive income for the period, net of tax	254	111	>100.0%
Total comprehensive (loss)/income for the period	(15,306)	53,250	n.m.
Total comprehensive (loss)/ income the period attributable to:			
Unitholders	(16,461)	52,100	n.m.
Perpetual securities holders	1,155	1,150	0.4%
	(15,306)	53,250	n.m.

n.m. – not meaningful

Unaudited Condensed Balance Sheets

As at 30 June 2023

Note	CEREIT			Trust		
	30-Jun-23 €'000	31-Dec-22 €'000	Increase/ (Decrease) %	30-Jun-23 €'000	31-Dec-22 €'000	Increase/ (Decrease) %
Current assets						
Cash and cash equivalents	140,503	35,432	>100.0%	1,408	372	>100.0%
Receivables	18,525	16,340	13.4%	11,641	11,391	2.2%
Current tax assets	1,688	960	75.8%	-	-	-
Total current assets	160,716	52,732	>100.0%	13,049	11,763	10.9%
Non-current assets						
Asset held for sale	12 94,000	-	n.m.	-	-	-
Investment properties	13 2,300,012	2,509,407	(8.3%)	-	-	-
Investments in subsidiaries	-	-	-	1,568,675	1,534,065	2.3%
Receivables	206	328	(37.2%)	-	-	-
Derivative financial instruments	15 19,158	19,150	0.0%	8,333	8,397	(0.8%)
Deferred tax assets	9,328	8,367	11.5%	-	-	-
Total non-current assets	2,422,704	2,537,252	(4.5%)	1,577,008	1,542,462	2.2%
Total assets	2,583,420	2,589,984	(0.3%)	1,590,057	1,554,225	2.3%
Current liabilities						
Borrowings	14 -	50,630	(100.0%)	-	-	-
Payables	47,069	42,385	11.1%	261,742	181,532	44.2%
Current tax liabilities	7,213	4,992	44.5%	-	-	-
Other current liabilities	33,995	31,286	8.7%	-	-	-
Total current liabilities	88,277	129,293	(31.7%)	261,742	181,532	44.2%
Non-current liabilities						
Payables	-	-	-	194,422	179,142	8.5%
Borrowings	14 1,068,222	964,284	10.8%	-	-	-
Deferred tax liabilities	60,922	66,538	(8.4%)	-	-	-
Other non-current liabilities	7,311	6,948	5.2%	-	-	-
Total non-current liabilities	1,136,455	1,037,770	9.5%	194,422	179,142	8.5%
Total liabilities	1,224,732	1,167,063	4.9%	456,164	360,674	26.5%
Net assets	1,358,688	1,422,921	(4.5%)	1,133,893	1,193,551	(5.0%)
Represented by:						
Unitholders' funds	1,294,487	1,358,717	(4.7%)	1,069,692	1,129,347	(5.3%)
Perpetual securities holders' funds	17 64,201	64,204	(0.0%)	64,201	64,204	(0.0%)
	1,358,688	1,422,921	(4.5%)	1,133,893	1,193,551	(5.0%)
Units in issue ('000)	16 562,392	562,392	-	562,392	562,392	-
Net asset value attributable to Unitholders per Unit (€)	19 2.30	2.42	(5.0%)	1.90	2.01	(5.5%)

n.m. – not meaningful



Unaudited Distribution Statement
Six-month period ended 30 June 2023

	Note	CEREIT		
		1H 2023 €'000	1H 2022 €'000	Increase/ (Decrease) %
Income available for distribution at beginning of period		47,978	47,670	n.m.
Total (loss)/return for the period		(15,560)	53,139	n.m.
Less: Total (loss)/return attributable to perpetual securities holders		(1,155)	(1,150)	0.4%
Distribution adjustments (Note A)		60,524	(3,087)	n.m.
Income available for distribution to Unitholders		43,809	48,902	(10.4%)
Amount available for distribution to Unitholders		91,787	96,572	(5.0%)
Distribution to Unitholders during the period (Note B)	10	(47,769)	(47,459)	0.7%
Income available for distribution at end of period		44,018	49,113	n.m.
Distribution per Unit ("DPU") (€ cents) for the period ⁽¹⁾	9	7.790	8.695	(10.4%)
Note A - Distribution adjustments				
Straight-line rent adjustments and leasing fees		582	(123)	n.m.
Trustee fees		148	146	1.4%
Loss/(Gain) on divestment		7,550	(1,120)	n.m.
Amortisation of debt issuance costs		1,621	1,297	25.0%
Fair value adjustments – investment properties		57,583	(4,655)	n.m.
Fair value adjustments - derivative financial instruments		978	(6,836)	n.m.
Net foreign exchange (gain)/loss		(1,473)	386	n.m.
Deferred tax (credit)/expense		(6,567)	6,269	n.m.
Distribution of divestment gain		-	1,108	(100.0%)
Other adjustments		102	441	(76.9%)
Total distribution adjustments		60,524	(3,087)	n.m.
Note B - Distribution to Unitholders during the period				
Distribution of 8.494 cpu from 1 Jul 2022 to 31 Dec 2022		47,769	-	n.m.
Distribution of 8.459 cpu from 1 Jul 2021 to 31 Dec 2021		-	47,459	n.m.
		47,769	47,459	0.7%

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 Condensed Statements of Movements in Unitholders' Funds Six-month period ended 30 June 2023

	CEREIT		Trust	
	1H 2023 €'000	1H 2022 €'000	1H 2023 €'000	1H 2022 €'000
Unitholders' funds				
At beginning of the period	1,358,717	1,413,130	1,129,347	1,168,939
Operations				
Total (loss)/return for the period	(15,560)	53,139	(10,731)	43,700
Less: Total return for the period attributable to perpetual securities holders	(1,155)	(1,150)	(1,155)	(1,150)
Net (decrease)/ increase in net assets resulting from operations	(16,715)	51,989	(11,886)	42,550
Movement in foreign currency translation reserve	254	111	-	-
Unitholders' transactions				
Issue of units:				
- Distribution reinvestment plan	-	3,021	-	3,021
Issue expenses	-	(20)	-	(20)
Distributions paid to Unitholders (Note 10)	(47,769)	(47,459)	(47,769)	(47,459)
Net decrease in net assets resulting from Unitholders' transactions	(47,769)	(44,458)	(47,769)	(44,458)
Unitholders' funds at end of the period	1,294,487	1,420,772	1,069,692	1,167,031
Perpetual securities holders' funds				
At beginning of the period	64,204	64,150	64,204	64,150
Issue expenses	-	(1)	-	(1)
Total return for the period attributable to perpetual securities holders	1,155	1,150	1,155	1,150
Distribution paid to perpetual securities holders	(1,158)	(1,159)	(1,158)	(1,159)
Perpetual securities holders' funds at end of the period	64,201	64,140	64,201	64,140
Total at end of the period	1,358,688	1,484,912	1,133,893	1,231,171

Unaudited Condensed Consolidated Statement of Cash Flows

Six-month period ended 30 June 2023

	1H 2023 €'000	1H 2022 €'000
Cash flows from operating activities		
Total (loss)/ return for the period before tax	(17,850)	63,016
<i>Adjustments for:</i>		
Amortisation of lease costs	1,167	1,116
Effect of recognising rental income on a straight-line basis	(650)	(1,680)
Loss/ (Gain) on divestment	7,550	(1,120)
Net finance costs	15,716	10,438
Allowance for credit losses	18	148
Change in fair value of investment properties	57,583	(4,655)
Change in fair value of derivative financial instruments	978	(6,836)
Net foreign exchange (gain)/ loss	(1,473)	386
Operating cash flows before movements in working capital	63,039	60,813
<i>Changes in operating assets and liabilities:</i>		
Increase in receivables	(2,081)	(3,078)
Decrease in payables	(5,123)	(3,279)
Increase in other liabilities	3,476	48
Cash generated from operations	59,311	54,504
Interest paid	(10,268)	(4,267)
Interest received	2,003	-
Tax paid	(2,794)	(4,335)
Net cash provided by operating activities	48,252	45,902
Cash flows from investing activities		
Payments for acquisition of investment properties	-	(86,066)
Payment for acquisition costs	-	(6,037)
Payments for capital expenditure on investment properties	(38,329)	(11,612)
Proceeds from divestment of investment property	93,646	2,800
Payment for transaction costs for divestment of investment property	(393)	(36)
Net cash provided by/ (used in) investing activities	54,924	(100,951)
Cash flows from financing activities		
Payment of equity issue costs	-	(121)
Proceeds from bank borrowings	78,800	94,700
Repayment of bank borrowings	(25,800)	-
Payment of transaction costs on issuance of perpetual securities	-	(252)
Payment of debt issuance costs	(987)	(42)
Payment to acquire derivative financial instruments	(986)	-
Distributions paid to Unitholders	(47,769)	(44,438)
Distributions paid to perpetual securities holders	(1,158)	(1,159)
Payment of finance lease	(205)	(167)
Net cash provided by financing activities	1,895	48,521
Net increase/ (decrease) in cash and cash equivalents	105,071	(6,528)
Cash and cash equivalents at beginning of the period	35,432	59,258
Cash and cash equivalents at end of the period	140,503	52,730

Statement of Portfolio As at 30 June 2023

Property <i>(by Geography)</i>	Location	Acquisition Date	Land Tenure	Remaining Term of Leasehold (Years)		Carrying Amount		Percentage of Net Assets	
				30-Jun-23	31-Dec-22	30-Jun-23 €'000	31-Dec-22 €'000	30-Jun-23 %	31-Dec-22 %
The Netherlands									
Light Industrial / Logistics									
Veemarkt	Veemarkt 27-75 / 50-76 / 92-114, Amsterdam	30 Nov 2017	Continuing leasehold	Various 15.5-19.5	Various 16.0-20.0	47,200	49,700	3.5	3.5
Boekweitstraat 1 - 21 & Luzernestraat 2 - 12	Boekweitstraat 1 - 21 & Luzernestraat 2 - 12, Nieuw-Vennep	30 Nov 2017	Freehold	n/a	n/a	10,900	11,500	0.8	0.8
Rosa Castellanosstraat 4	Rosa Castellanosstraat 4, Tilburg	30 Dec 2021	Freehold	n/a	n/a	10,400	11,000	0.8	0.8
De Immenhorst 7	De Immenhorst 7, 's-Heerenberg	23 Dec 2021	Freehold	n/a	n/a	9,900	10,200	0.7	0.7
Capronilaan 22 - 56	Capronilaan 22 - 56, Schiphol-Rijk	30 Nov 2017	Freehold	n/a	n/a	8,600	9,040	0.6	0.6
Kapoeasweg 4 - 16	Kapoeasweg 4 - 16, Amsterdam	30 Nov 2017	Freehold	n/a	n/a	6,670	7,140	0.5	0.5
Folkstoneweg 5 - 15	Folkstoneweg 5 - 15, Schiphol	30 Nov 2017	Leasehold	16.4	16.9	5,290	5,510	0.4	0.4
Office									
Haagse Poort	Prinses Beatrixlaan 35 - 37 & Schenkade 60 - 65, Den Haag	30 Nov 2017	Part Freehold, Part Right of Superficies and Part Perpetual leasehold	n/a	n/a	161,500	158,000	11.9	11.1
Central Plaza	Plaza 2 – 25 (retail) / Weena 580 – 618 (offices), Rotterdam	19 Jun 2017	Freehold/leasehold ⁽¹⁾	65.1	65.6	148,200	156,000	10.9	11.0
Bastion	Willemsplein 2 - 10, 's-Hertogenbosch	28 Dec 2018	Freehold	n/a	n/a	68,000	72,900	5.0	5.1
Moeder Teresalaan 100 / 200	Moeder Teresalaan 100 / 200, Utrecht	28 Dec 2018	Perpetual leasehold	n/a	n/a	59,400	54,500	4.4	3.8
De Ruyterkade 5	De Ruyterkade 5, Amsterdam	19 Jun 2017	Continuing leasehold	65.0	65.5	50,600	54,500	3.7	3.8
Koningskade 30	Koningskade 30, Den Haag	19 Jun 2017	Perpetual leasehold	n/a	n/a	18,900	20,700	1.4	1.5
Blaak 40	Blaak 40, Rotterdam	30 Nov 2017	Freehold	n/a	n/a	16,700	18,500	1.2	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	
				30-Jun-23	31-Dec-22	30-Jun-23 €'000	31-Dec-22 €'000	30-Jun-23 %	31-Dec-22 %
Italy									
Light Industrial / Logistics									
Centro Logistico Orlando Marconi	Via del Lavoro, 63076 Monteprendone	23 Dec 2020	Freehold	n/a	n/a	56,000	53,100	4.1	3.7
Via dell'Industria 18	Via dell'Industria 18, Vittuone	17 Mar 2022	Freehold	n/a	n/a	26,900	31,400	2.0	2.2
Via Fogliano 1	Via Fogliano 1, Coccaglio, Brescia	15 Feb 2022	Freehold	n/a	n/a	26,500	27,200	2.0	1.9
Via Fornace	Via Fornace snc, Mira	29 Oct 2021	Freehold	n/a	n/a	18,800	18,800	1.4	1.3
Strada Provinciale Adelfia	Strada Provinciale Adelfia, Rutigliano	30 Nov 2017	Freehold	n/a	n/a	16,100	15,600	1.2	1.1
Office									
Piazza Affari 2 ⁽²⁾	Piazza degli Affari 2, Milan	30 Nov 2017	Freehold	n/a	n/a	-	99,800	-	7.0
Maxima (former Via dell'Amba Aradam 5)	Via dell'Amba Aradam 5, Rome	30 Nov 2017	Freehold	n/a	n/a	38,600	39,100	2.8	2.7
Via Nervesa 21	Via Nervesa 21, Milan	30 Nov 2017	Freehold	n/a	n/a	38,000	27,200	2.8	1.9
Via Pianciani 26	Via Pianciani 26, Rome	30 Nov 2017	Freehold	n/a	n/a	35,900	37,000	2.6	2.6
Building F7-F11	Viale Milanofiori 1, Assago	30 Nov 2017	Freehold	n/a	n/a	25,200	28,400	1.9	2.0
Via Camillo Finocchiaro Aprile 1	Via Camillo Finocchiaro Aprile 1, Genova	5 Dec 2018	Freehold	n/a	n/a	20,000	20,900	1.5	1.5
Via della Fortezza 8	Via della Fortezza 8, Florence	15 Feb 2018	Freehold	n/a	n/a	15,500	15,900	1.1	1.1
Cassiopea 1-2-3	Via Paracelso 22-24-26, Milan	28 Nov 2019	Freehold	n/a	n/a	14,000	16,700	1.0	1.2
Nuova ICO	Via Guglielmo Jervis 9, Ivrea	27 Jun 2018	Freehold	n/a	n/a	10,100	11,800	0.7	0.8
Corso Lungomare Trieste 29	Corso Lungomare Trieste 29, Bari	5 Dec 2018	Freehold	n/a	n/a	9,540	10,700	0.7	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	6,710	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	4,550	4,610	0.3	0.3
Other									
Viale Europa 95 ⁽³⁾	Viale Europa 95, Bari	30 Nov 2017	Freehold	n/a	n/a	-	73,300	-	5.2
Starhotels Grand Milan	Via Varese 23, Saronno	30 Nov 2017	Freehold	n/a	n/a	17,400	17,100	1.3	1.2
Via Madre Teresa 4	Via Madre Teresa 4, Lissone	30 Nov 2017	Freehold	n/a	n/a	14,500	15,700	1.1	1.1
Via Salara Vecchia 13	Via Salara Vecchia 13, Pescara	30 Nov 2017	Freehold	n/a	n/a	11,500	11,400	0.8	0.8
Via Brigata Padova 19	Via Brigata Padova 19, Padova	30 Nov 2017	Freehold	n/a	n/a	3,340	3,960	0.2	0.3

n/a – not applicable

(2) The property was disposed on 28 June 2023.

(3) The property was reclassified as "Asset Held for Sale" (Note 12) pursuant to the entry into a Notarial Deed to divest the property on 14 June 2023.

Property <i>(by Geography)</i>	Location	Acquisition Date	Land Tenure	Remaining Term of Leasehold (Years)		Carrying Amount		Percentage of Net Assets	
				30-Jun-23	31-Dec-22	30-Jun-23 €'000	31-Dec-22 €'000	30-Jun-23 %	31-Dec-22 %
France									
Light Industrial / Logistics									
Parc des Docks	50 rue Ardoin, Saint Ouen	30 Nov 2017	Freehold	n/a	n/a	161,500	157,950	11.9	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	33,150	32,900	2.4	2.3
Parc du Landy	61 rue du Landy, Aubervilliers	30 Nov 2017	Freehold	n/a	n/a	27,500	26,550	2.0	1.9
Parc Delizy	32 rue Délizy, Pantin	30 Nov 2017	Freehold	n/a	n/a	24,225	24,650	1.8	1.7
Parc des Grésillons	167-169 avenue des Grésillons, Gennevilliers	30 Nov 2017	Freehold	n/a	n/a	23,500	22,300	1.7	1.6
Parc Urbaparc	75-79 rue du Rateau, La Courneuve	30 Nov 2017	Freehold	n/a	n/a	18,275	17,625	1.3	1.2
Parc Louvresses	46-48 boulevard Dequevauvilliers, Gennevilliers	14 Feb 2019	Leasehold	23.95	24.45	11,550	12,550	0.9	0.9
Parc Béziers	Rue Charles Nicolle, Villeneuve-lès-Béziers	23 Jan 2019	Freehold	n/a	n/a	11,350	11,150	0.8	0.8
Parc du Merantais	1-3 rue Georges Guynemer, Magny-Les-Hameaux	30 Nov 2017	Freehold	n/a	n/a	11,300	11,250	0.8	0.8
Parc des Érables	154 allée des Érables, Villepinte	30 Nov 2017	Freehold	n/a	n/a	9,580	9,430	0.7	0.7
Parc Jean Mermoz	53 rue de Verdun – 81, rue Maurice Berteaux, La Courneuve	30 Nov 2017	Freehold	n/a	n/a	9,220	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	9,130	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	8,900	8,490	0.7	0.6
Parc Acticlub	2 rue de la Noue Guimante, ZI de la Courtillière, Saint Thibault des Vignes	30 Nov 2017	Freehold	n/a	n/a	6,940	6,630	0.5	0.5
Parc de Champs	40 boulevard de Nesles, ZAC le Ru du Nesles, Champs sur Marne	30 Nov 2017	Freehold	n/a	n/a	6,720	6,960	0.5	0.5
Parc Parçay-Meslay	ZI du Papillon, Parçay-Meslay	23 Jan 2019	Freehold	n/a	n/a	4,720	4,920	0.3	0.3
Parc Sully	105 route d'Orléans, Sully-sur-Loire	23 Jan 2019	Freehold	n/a	n/a	2,840	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	30,840	31,250	2.3	2.2
Cap Mermoz	38-44 rue Jean Mermoz, Maisons-Laffitte, Paris	17 Jul 2019	Freehold	n/a	n/a	28,280	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	3,070	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	
				30-Jun-23	31-Dec-22	30-Jun-23 €'000	31-Dec-22 €'000	30-Jun-23 %	31-Dec-22 %
Germany									
Light Industrial / Logistics									
Parsdorfer Weg 10	Parsdorfer Weg 10, Kirchheim	30 Nov 2017	Freehold	n/a	n/a	38,100	38,800	2.8	2.7
An der Wasserschluft 7	An der Wasserschluft 7, 06526 Sangerhausen	13 Aug 2020	Freehold	n/a	n/a	18,000	18,600	1.3	1.3
Siemensstraße 11	Siemensstraße 11, Frickenhausen	30 Nov 2017	Freehold	n/a	n/a	18,000	18,200	1.3	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	16,800	16,900	1.2	1.2
Göppinger Straße 1 – 3	Göppinger Straße 1 – 3, Pforzheim	24 Mar 2020	Freehold	n/a	n/a	16,400	17,400	1.2	1.2
Gewerbstraße 62	Gewerbstraße 62, Bretten	24 Mar 2020	Freehold	n/a	n/a	15,000	16,000	1.1	1.1
An der Kreuzlache 8-12	An der Kreuzlache 8-12, Bischofsheim	30 Nov 2017	Freehold	n/a	n/a	14,400	14,500	1.1	1.0
Hochstraße 150-152	Hochstraße 150-152, Duisburg	30 Nov 2017	Freehold	n/a	n/a	12,700	12,900	0.9	0.9
Henschelring 4	Henschelring 4, Kirchheim	30 Nov 2017	Freehold	n/a	n/a	11,600	11,900	0.9	0.8
Kolumbusstraße 16	Kolumbusstraße 16, Hamburg	30 Nov 2017	Freehold	n/a	n/a	11,100	11,300	0.8	0.8
Frauenstraße 31	Frauenstraße 31, Maisach	30 Nov 2017	Freehold	n/a	n/a	10,900	11,300	0.8	0.8
Gutenbergstraße 1, Dieselstraße 2	Gutenbergstraße 1, Dieselstraße 2, Königsbach-Stein	24 Mar 2020	Freehold	n/a	n/a	10,300	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	9,280	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	8,990	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	79,000	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	42,100	46,900	3.1	3.3
Riverside Park	Fabryczna 5, Warsaw	14 Feb 2019	Freehold	n/a	n/a	24,800	27,700	1.8	1.9
Avatar	28 Armii Krajowej Street, Kraków	25 Jul 2019	Freehold/ Perpetual usufruct	n/a	n/a	21,550	23,050	1.6	1.6
Grójecka 5	Grójecka 5, Warsaw	14 Feb 2019	Freehold	n/a	n/a	15,450	18,450	1.1	1.3
Arkońska Business Park	Arkońska 1&2, Gdańsk	14 Feb 2019	Freehold	n/a	n/a	12,275	16,025	0.9	1.1

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	
				30-Jun-23	31-Dec-22	30-Jun-23 €'000	31-Dec-22 €'000	30-Jun-23 %	31-Dec-22 %
Denmark									
Light Industrial / Logistics									
Naverland 7-11	Naverland 7-11, Glostrup	30 Nov 2017	Freehold	n/a	n/a	17,525	16,470	1.3	1.2
Sognevej 25	Sognevej 25, Brøndby	14 Oct 2022	Freehold	n/a	n/a	16,183	15,784	1.2	1.1
Priorparken 700	Priorparken 700, Brøndby	30 Nov 2017	Freehold	n/a	n/a	15,276	14,923	1.1	1.0
Priorparken 800	Priorparken 800, Brøndby	30 Nov 2017	Freehold	n/a	n/a	14,302	13,216	1.1	0.9
Stamholmen 111	Stamholmen 111, Hvidovre	30 Nov 2017	Freehold	n/a	n/a	12,315	12,220	0.9	0.9
Islevdalvej 142	Islevdalvej 142, Rødovre	30 Nov 2017	Freehold	n/a	n/a	10,327	9,075	0.8	0.6
Herstedvang 2-4	Herstedvang 2-4, Albertslund	30 Nov 2017	Freehold	n/a	n/a	9,495	9,142	0.7	0.6
Naverland 8	Naverland 8, Glostrup	30 Nov 2017	Freehold	n/a	n/a	8,407	8,255	0.6	0.6
Hørskætten 4-6	Hørskætten 4-6, Tåstrup	30 Nov 2017	Freehold	n/a	n/a	7,279	7,247	0.5	0.5
Fabriksparken 20	Fabriksparken 20, Glostrup	30 Nov 2017	Freehold	n/a	n/a	7,185	6,991	0.5	0.5
Naverland 12	Naverland 12, Glostrup	30 Nov 2017	Freehold	n/a	n/a	4,821	4,531	0.4	0.3
Hørskætten 5	Hørskætten 5, Tåstrup	30 Nov 2017	Freehold	n/a	n/a	4,593	4,504	0.3	0.3
Finland									
Office									
Plaza Vivace	Äyritie 8 C, Vantaa	28 Dec 2018	Freehold	n/a	n/a	11,400	12,100	0.8	0.9
Plaza Forte	Äyritie 12 C, Vantaa	28 Dec 2018	Freehold	n/a	n/a	10,800	11,500	0.8	0.8
Plaza Allegro	Äyritie 8 B, Vantaa	28 Dec 2018	Freehold	n/a	n/a	9,200	9,300	0.7	0.7
Myyrmäenraitti 2	Myyrmäenraitti 2, Vantaa	28 Dec 2018	Freehold	n/a	n/a	8,500	10,000	0.6	0.7
Pakkalankuja 6	Pakkalankuja 6, Vantaa	28 Dec 2018	Freehold	n/a	n/a	7,900	8,500	0.6	0.6
Mäkitorpantie 3b	Mäkitorpantie 3b, Helsinki	28 Dec 2018	Freehold	n/a	n/a	7,500	9,100	0.6	0.6
Kauppakatu 39	Kauppakatu 39, Kuopio	28 Dec 2018	Freehold	n/a	n/a	7,700	7,700	0.6	0.5
Grandinkulma	Kielotie 7, Vantaa	28 Dec 2018	Freehold	n/a	n/a	6,400	8,600	0.5	0.6
Pakkalankuja 7	Pakkalankuja 7, Vantaa	28 Dec 2018	Freehold	n/a	n/a	5,700	5,900	0.4	0.4
Purotie 1	Purotie 1, Helsinki	28 Dec 2018	Freehold	n/a	n/a	2,900	3,100	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	
				30-Jun-23	31-Dec-22	30-Jun-23 €'000	31-Dec-22 €'000	30-Jun-23 %	31-Dec-22 %
The Czech Republic									
Light Industrial / Logistics									
Lovosice ONE Industrial Park I	Tovami 1162, 410 02 Lovosice	11 Mar 2021	Freehold	n/a	n/a	16,500	13,950	1.2	1.0
Lovosice ONE Industrial Park II	Prumyslova 1190, 410 02 Lovosice	11 Mar 2021	Freehold	n/a	n/a	16,000	15,950	1.2	1.1
Moravia Industrial Park	Jaktare 1752, 686 01 Uherske Hradiste	11 Mar 2021	Freehold	n/a	n/a	16,000	15,500	1.2	1.1
One - Hradec Králové	Vážní 536, 500 03 Hradec Králové	4 Jun 2021	Freehold	n/a	n/a	11,900	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	10,750	10,750	0.8	0.8
Pisek Industrial Park I	Stanislava Mlainy 464, 397 01 Pisek	11 Mar 2021	Freehold	n/a	n/a	4,360	4,410	0.3	0.3
Pisek Industrial Park II	U Hrebince 2564/23, 391 01 Pisek	11 Mar 2021	Freehold	n/a	n/a	1,820	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	22,310	18,950	1.6	1.3
Nove Mesto ONE Industrial Park III	Rakol'uby 242, 916 31 Kocovce	11 Mar 2021	Freehold	n/a	n/a	21,500	20,060	1.6	1.4
Kosice Industrial Park	Vel'ka Ida 785, 044 55 Velká Ida	11 Mar 2021	Freehold	n/a	n/a	11,200	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	5,000	5,160	0.4	0.4
United Kingdom									
Light Industrial / Logistics									
Thorn Lighting	DurhamGate, Spennymoor, County Durham DL16 6HL	17 Dec 2021	Freehold	n/a	n/a	32,037	30,818	2.4	2.2
The Cube	Wincanton Logistics, Aston Land North, Preston Brook, Cheshire WA7 3GE, Runcorn	18 May 2022	Freehold	n/a	n/a	18,990	17,240	1.4	1.2
Kingsland 21	21 Kingsland Grange, Warrington	3 Aug 2021	Freehold	n/a	n/a	10,485	9,409	0.8	0.7
Portfolio of investment properties, at fair value						2,294,655	2,503,885	168.9	176.0
Other adjustments (note 13(a))						5,357	5,522	0.4	0.4
Investment properties as shown in the balance sheet						2,300,012	2,509,407	169.3	176.4
Other assets and liabilities, net						(941,324)	(1,086,486)	(69.3)	(76.4)
Net assets						1,358,688	1,422,921	100.00	100.0

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 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 ended 30 June 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.

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	13(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.

As at 30 June 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

	1H 2023			1H 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
CEREIT						
<i>Light industrial / Logistics</i>						
The Netherlands	3,562	(1,047)	2,515	3,283	(1,000)	2,283
Italy	5,839	(1,497)	4,342	5,427	(1,279)	4,148
France	16,596	(5,910)	10,686	15,466	(5,984)	9,482
Germany	8,772	(2,733)	6,039	8,361	(2,853)	5,508
Denmark	6,417	(2,730)	3,687	5,046	(2,427)	2,619
The Czech Republic	3,190	(1,178)	2,012	1,793	(193)	1,600
Slovakia	2,539	(728)	1,811	3,351	(1,026)	2,325
United Kingdom	2,210	(237)	1,973	2,323	(566)	1,757
Total - Light industrial / Logistics	49,125	(16,060)	33,065	45,050	(15,328)	29,722
<i>Office</i>						
The Netherlands	23,003	(8,907)	14,096	21,480	(8,207)	13,273
Italy	9,660	(3,816)	5,844	11,218	(3,673)	7,545
France	2,962	(1,868)	1,094	2,834	(1,764)	1,070
Poland	11,357	(4,561)	6,796	14,119	(6,285)	7,834
Finland	5,178	(2,550)	2,628	5,338	(2,761)	2,577
Total - Office	52,160	(21,702)	30,458	54,989	(22,690)	32,299
<i>Other</i>						
Italy	7,056	(2,044)	5,012	7,378	(2,069)	5,309
Total - Other	7,056	(2,044)	5,012	7,378	(2,069)	5,309
Total - Segments	108,341	(39,806)	68,535	107,417	(40,087)	67,330
<i>Unallocated items:</i>						
Net finance costs			(15,716)			(10,438)
Manager's fees			(3,012)			(2,988)
Trustee fees			(148)			(146)
Other trust expenses			(2,871)			(2,967)
Net foreign exchange gain/(loss)			1,473			(386)
Loss/ (Gain) on divestment			(7,550)			1,120
Fair value (loss)/ gain - investment properties			(57,583)			4,655
Fair value (loss)/gain - derivative financial instruments			(978)			6,836
Income tax credit/ (expense)			2,290			(9,877)
Total (loss)/ return for the period			(15,560)			53,139

4.2 Segment assets and liabilities

	30-Jun-23			31-Dec-22	
	Segment assets:	Segment assets:	Other information	Segment assets:	Other information
	Investment properties	Asset held for sale	Capital expenditure and capitalised interest	Investment properties	Capital expenditure and capitalised interest
CEREIT	€'000	€'000	€'000	€'000	€'000
<i>Light industrial / Logistics</i>					
The Netherlands	104,317	-	309	109,612	568
Italy	144,300	-	2,223	146,100	1,117
France	380,400	-	1,222	374,645	3,665
Germany	211,570	-	1,478	217,250	2,776
Denmark	127,708	-	1,810	122,358	4,516
The Czech Republic	77,330	-	4,287	74,200	9,890
Slovakia	69,370	-	10,982	65,970	166
United Kingdom	61,512	-	-	57,467	-
Total - Light industrial / Logistics	1,176,507	-	22,311	1,167,602	22,698
<i>Office</i>					
The Netherlands	523,300	-	3,217	535,100	6,143
Italy	218,100	-	11,934	319,410	8,088
France	62,190	-	112	64,310	504
Poland	195,175	-	1,156	215,725	1,879
Finland	78,000	-	951	85,800	3,174
Total - Office	1,076,765	-	17,370	1,220,345	19,788
<i>Other</i>					
Italy	46,740	94,000	366	121,460	554
Total - Other	46,740	94,000	366	121,460	554
Total - Segments	2,300,012	94,000	40,047	2,509,407	43,040
<i>Reconciliation to total consolidated assets:</i>					
Cash and cash equivalents	140,503			35,432	
Receivables - current	18,525			16,340	
Current tax assets	1,688			960	
Receivables - non-current	206			328	
Derivative financial instruments	19,158			19,150	
Deferred tax assets	9,328			8,367	
Consolidated total assets	2,583,420			2,589,984	

Segment liabilities

There are no liabilities allocated to segments.

5 Gross revenue

Gross revenue includes the following items:

	CEREIT		
	1H 2023 €'000	1H 2022 €'000	Fav./ (Unfav.) %
Gross rental income	88,062	86,293	2.0%
Service charge income	19,094	19,879	(3.9%)
Other property related income ⁽¹⁾	1,185	1,245	(4.8%)
Total gross revenue	108,341	107,417	0.9%

⁽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		
	1H 2023 €'000	1H 2022 €'000	Fav./ (Unfav.) %
Service charge expenses and non-recoverable expenses	31,014	31,236	0.7%
Property management fees paid in cash	8,774	8,703	(0.8%)
Provision for doubtful debts	18	148	87.8%
Total property operating expense	39,806	40,087	0.7%

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) multiplied by the weighted average number of units in issue for such financial year.

	CEREIT		
	1H 2023 €'000	1H 2022 €'000	Fav./ (Unfav.) %
Manager's base fees paid in cash ⁽ⁱ⁾	3,012	2,988	(0.8%)
Manager's performance fees ⁽ⁱⁱ⁾	-	-	-
Total manager's fees	3,012	2,988	(0.8%)

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

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

8 Loss/ (Gain) on divestment

In 1H 2023, loss on divestment relates to the divestment of an office asset in Milan, Italy completed on 28 June 2023. The property was divested for a consideration of €93.6 million, which is 14.6% above the purchase price, but €6.2 million below the December 2022 valuation. The capital gain for the property (compared to its purchase price) was already booked in fair value gain/loss on investment properties in prior years. In addition, transaction costs and disposal fee relating to the disposal were recognised as part of loss on divestment.

In 1H 2022, gain on divestment relates to the divestment of a warehouse unit contained within Centro Logistico Orlando Marconi asset in Italy.

9 Consolidated Earnings per Unit and distribution per Unit

	CEREIT	
	1H 2023	1H 2022
Earnings per unit ("EPU")		
Weighted average number of units ('000) ⁽¹⁾	562,392	561,722
Total (loss)/return for the period attributable to Unitholders (€'000)	(16,715)	51,989
EPU (basic and diluted) (cents)	(2.972)	9.255

⁽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	
	1H 2023	1H 2022
Distribution per unit ("DPU")		
Applicable number of units for the period ('000) ⁽²⁾	562,392	562,392
Income available for distribution to Unitholders (€'000)	43,809	48,902
DPU (cents)	7.790	8.695

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

10 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:

Distribution period	Distribution type	Distribution per unit (in € cents)	CEREIT and Trust	
			1H 2023 €'000	1H 2022 €'000
1 July 2022 to 31 December 2022	Tax exempt	8.494	47,769	-
1 July 2021 to 31 December 2021	Tax exempt & capital	8.459	-	47,459
Total distribution			47,769	47,459

11 Income tax (credit)/ expense

CEREIT calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. Income tax (credit)/ expense includes the following:

	CEREIT		
	1H 2023 €'000	1H 2022 €'000	Fav./ (Unfav.) %
Current tax expense	4,277	3,608	(18.5%)
Deferred tax (credit)/ expense	(6,567)	6,269	n.m.
Total income tax (credit)/ expense	(2,290)	9,877	n.m.

n.m. – Not meaningful

12 Asset held for sale

Asset held for sale relates to Viale Europa 95, Bari, Italy pursuant to the entry into a Notarial Deed to divest the property on 14 June 2023. The asset was carried at its proposed sales price. Completion of the divestment is subject to fulfilment of the conditions precedent and relevant approvals and registrations from the relevant parties.

13 Investment properties

13(a) Reconciliation of carrying amount of investment properties

CEREIT	30-Jun-23		
	Independent valuation €'000	Right-Of-Use asset €'000	Carrying amount €'000
The Netherlands	622,260	5,357	627,617
Italy ⁽ⁱ⁾	409,140	-	409,140
France	442,590	-	442,590
Germany	211,570	-	211,570
Poland	195,175	-	195,175
Denmark	127,708	-	127,708
Finland	78,000	-	78,000
The Czech Republic ⁽ⁱ⁾	77,330	-	77,330
Slovakia ⁽ⁱ⁾	69,370	-	69,370
United Kingdom	61,512	-	61,512
Total	2,294,655	5,357	2,300,012

- (i) The carrying amount of investment properties includes the following properties under development: (1) Nervesa 21, Italy carried at €38.0 million, (2) Lovosice ONE Industrial Park I, Czech Republic carried at €16.5 million, (3) Nove Mesto ONE Industrial Park I, Slovakia carried at €22.3 million; (4) Nove Mesto ONE Industrial Park III, Slovakia carried at €21.5 million; and (5) Maxima, Italy carried at €38.6 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 €65.4 million or 2.5% of deposited property.

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

13(b) Movements in investment properties

	CEREIT	
	30-Jun-23 €'000	31-Dec-22 €'000
At 1 January	2,509,407	2,449,014
Acquisition of new properties	-	107,356
Acquisition costs	43	5,752
Divestment of existing properties	(99,904)	(39,031)
Reclassification to asset held for sale ⁽ⁱ⁾	(94,000)	-
Capital expenditure and capitalised interest ⁽ⁱⁱ⁾	40,047	43,040
Lease incentives, lease costs and rent straight-lining	351	6,085
Net loss from fair value adjustments	(57,583)	(59,483)
Exchange differences	1,816	(2,996)
Others	(165)	(330)
At 30 June 2023/ 31 December 2022	2,300,012	2,509,407

(i) Proposed divestment of Viale Europa 95, Bari, Italy pursuant to the entry into a Notarial Deed to divest the property on 14 June 2023.

(ii) Includes capitalised interest expense of €274,000 (2022: €29,000).

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.

13(c) Valuation

As at 30 June 2023, CERIT's portfolio of 112 properties includes one property held for sale. All 111 properties of CERIT's investment property portfolio were valued by independent valuers. Viale Europa 95 in Italy held for sale was carried at its sales price.

As at 30 June 2023, the independent valuations for properties located in Denmark, France, the Czech Republic, Slovakia and Poland were conducted by CBRE Ltd using the income capitalisation method, and the independent valuations for properties located in Finland, Germany, Italy, the Netherlands and the United Kingdom valuations were conducted by Savills Advisory Services Limited using the discounted cash flow and income capitalisation method.

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	30-Jun-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	-1.6% to 15.4%	5.7%	-1.7% to 11.0%	5.5%
	Net reversionary yield	4.6% to 21.8%	7.1%	4.2% to 20.4%	7.1%
	Discount rate	5.3% to 11.3%	7.2%	5.0% to 10.8%	7.4%
	Exit cap rate	4.5% to 9.5%	6.1%	4.0% to 8.8%	6.2%
	Occupancy (%)	0% to 100%	89.0%	0% to 100.0%	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	-1.4% to 10.6%	6.4%	-0.1% to 9.2%	5.9%
	Net reversionary yield	0.0% to 15.8%	7.7%	0.0% to 12.9%	6.8%
	Occupancy (%)	0% to 100%	89.5%	16.7% to 100.0%	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 to fair value hierarchy described in note 18).

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

13(d) Assets pledged as security

As at 30 June 2023, a total of three (31 December 2022: three) of CEREIF's investment properties with a combined fair value of €217,700,000 (31 December 2022: €231,200,000) were pledged as security for CEREIF's senior property level financing facility (see note 14(a)).

13(e) Amounts recognised in profit and loss for investment properties

	CEREIT	
	1H 2023 €'000	1H 2022 €'000
Gross revenue	108,341	107,417
Property operating expense arising from investment properties that generate rental income during the period	(39,300)	(39,877)
Property operating expense arising from investment properties that did not generate rental income during the period	(506)	(210)
Net property income	68,535	67,330

14 Borrowings

CEREIT	30-Jun-23	31-Dec-22
	€'000	€'000
<i>Current</i>		
Unsecured loans – financial institutions	-	50,630
Total current borrowings	-	50,630
<i>Non-current</i>		
Secured loans – financial institutions	82,375	82,375
Unsecured loans – financial institutions	490,530	386,900
Unsecured Euro medium term notes	500,000	500,000
Unamortised transaction costs	(4,683)	(4,991)
Total non-current borrowings	1,068,222	964,284
Total borrowings	1,068,222	1,014,914

During 1H 2023, CEREIF amended and restated the €50.63 million term loan facility initially maturing in November 2023 through a rollover of the existing 3-year term loan, with new lender commitment, for an aggregate amount of €70.6 million. The amended and restated facility 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. In April 2023, €20.0 million has been drawn from the facility and was used to pay down the RCF.

14(a) Borrowing details

Facility	Note	Secured	Maturity	30-Jun-23		31-Dec-22	
				Facility €'000	Utilised €'000	Facility €'000	Utilised €'000
CEREIT							
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 year	(ii)	No	Nov-24	165,000	165,000	165,000	165,000
Revolving credit facility	(iii)	No	Oct-24	200,000	74,900	200,000	41,900
Medium term notes	(iv)	No	Nov-25	500,000	500,000	500,000	500,000
4-year sustainability-linked term loan	(v)	No	Nov-26	180,000	180,000	180,000	180,000
Total borrowing facilities				1,198,005	1,072,905	1,178,005	1,019,905

Previously Term loan 3 year

Property level financing facility

Property level financing facilities are 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 €217,700,000 (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

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

The 3-year term loan facility was amended and restated during 1H 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.

(iii) Revolving Credit Facility ("RCF")

RCF was put in place to provide CEREIT with additional financing flexibility and working capital.

(iv) Euro Medium Term Note ("EMTN")

On 19 October 2020, a subsidiary of CEREIT, Cromwell EREIT Lux Finco S.a.r.l. ("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.

As at 30 June 2023, CEREIT had €500 million (31 December 2022: €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 2025.

(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 KPIs that are set and measured on an annual basis over a four-year period. The €180.0 million sustainability-linked 4-year term loan facility includes an accordion feature, providing flexibility to increase the size of the facility to up to €230.0 million.

All-in interest rate

As at 30 June 2023, including interest rate caps but excluding commitment fee on the undrawn RCF, CEREIT's average all-in interest rate is c. 2.85% per annum (31 December 2022: 2.38% p.a.).

Guarantees

As at 30 June 2023, the Trust has provided corporate guarantees to banks for unsecured borrowings amounting to €990,530,000 (31 December 2022: €937,530,000) undertaken by Lux Finco. The Trust does not consider it probable that a claim will be made under these guarantees.

14 (b) Net finance costs

Net finance costs include the following:

	CEREIT		
	1H 2023 €'000	1H 2022 €'000	Fav./ (Unfav.) %
Interest expense	16,350	9,141	(78.9%)
Amortisation of debt issuance costs	1,621	1,297	(25.0%)
Interest income	(2,255)	-	n.m.
Net finance costs	15,716	10,438	(50.6%)

Interest income mostly relates to proceeds from interest rate cap contracts.

15 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.

During 1H 2023, to protect CEREIT against further interest rate increases, CEREIT entered into two 3-year interest rate collar contracts with aggregate notional amount of €150 million.

As at 30 June 2023, 87.8% (31 December 2022: 77.7%) of CEREIT's total gross borrowings (including the RCF) are fixed rate or hedged by using the interest rate caps.

	CEREIT		Trust	
	30-Jun-23 €'000	31-Dec-22 €'000	30-Jun-23 €'000	31-Dec-22 €'000
<i>Non-current assets</i>				
Interest rate cap and collar contracts	13,443	10,753	2,618	-
Cross-currency swaps	5,715	8,397	5,715	8,397
Total derivative financial instruments	19,158	19,150	8,333	8,397

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

	CEREIT		Trust	
	30-Jun-23 €'000	31-Dec-22 €'000	30-Jun-23 €'000	31-Dec-22 €'000
After one year but within two years	210,000	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

16 Contributed equity

	CEREIT		Trust	
	30-Jun-23	31-Dec-22	30-Jun-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

16(a) Movements in contributed equity

	CEREIT and Trust	
	30-Jun-23 No. of units '000	31-Dec-22 No. of units '000
Units in issue at 1 January	562,392	561,045
<i>Units issued during the period</i>		
- As payment of distribution pursuant to Distribution Reinvestment Plan ("DRP")	-	1,347
Units in issue at 30 June 2023 / 31 December 2022	562,392	562,392

CEREIT did not hold any treasury units as at 30 June 2023 and 31 December 2022.

The Trust's subsidiaries do not hold any units in the Trust as at 30 June 2023 and 31 December 2022.

The DRP was suspended in 1H 2023 and FY 2022.

16(b) Units issuable

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

17 Perpetual securities

The perpetual securities are classified as equity instruments and recorded as equity in the balance sheets. The €64,201,000 (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 the perpetual securities holders.

18 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
30 June 2023					
Financial asset at fair value					
Derivative financial instruments	15	-	19,158	-	19,158
31 December 2022					
Financial asset at fair value					
Derivative financial instruments	15	-	19,150	-	19,150

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

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
30 June 2023			
Liabilities			
Secured loan	-	79,859	82,375
Unsecured Euro medium term notes	431,700	-	502,153
31 December 2022			
Liabilities			
Secured loan	-	80,965	82,375
Unsecured Euro medium term notes	395,880	-	502,599

Classification of financial instruments

	Type of financial instrument	CEREIT		Trust	
		30-Jun-23 €'000	31-Dec-22 €'000	30-Jun-23 €'000	31-Dec-22 €'000
Financial assets					
Cash and cash equivalents	(i)	140,503	35,432	1,408	372
Receivables	(i)	8,790	12,115	11,325	11,210
Derivative financial instruments	(ii)	19,158	19,150	8,333	8,397
Total financial assets		168,451	66,697	21,066	19,979
Financial liabilities					
Payables	(i)	47,069	42,385	456,164	360,674
Borrowings	(i)	1,072,905	1,019,905	-	-
Other liabilities - finance lease liabilities	(i)	6,111	6,205	-	-
Total financial liabilities		1,126,085	1,068,495	456,164	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

19 Net Asset Value ("NAV")

	CEREIT		Trust	
	30-Jun-23	31-Dec-22	30-Jun-23	31-Dec-22
NAV ⁽¹⁾ at the end of the period attributable to Unitholders (€'000)	1,294,487	1,358,717	1,069,692	1,129,347
Number of Units on issue at the end of the period ('000)	562,392	562,392	562,392	562,392
NAV attributable to Unitholders per unit (€)	2.30	2.42	1.90	2.01
Adjusted NAV attributable to Unitholders per unit (excluding distributable income) (€)	2.22	2.33	1.82	1.92

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

20 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	
	1H 2023 €'000	1H 2022 €'000
Trustee fees paid and payable to the Trustee	148	146
Base management fees paid and payable to the Manager	3,012	2,988
Property & portfolio management fees paid and payable to the Property Manager	8,774	8,703
Acquisition fees paid and payable to the Property Manager and the Manager	-	916
Divestment fee paid and payable to the Property Manager	468	14
Project management fees paid and payable to the Property Manager	1,143	556
Leasing fees paid and payable to the Property Manager	1,081	1,134
Development fees paid and payable to the Property Manager	379	-

21 Unrecognised item

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 vendor if certain lease outcomes are achieved in the future. As at 30 June 2023, no such lease outcomes or disposals had occurred and therefore no earnout payment triggered except as mentioned below.

An earn-out event is deemed to have materialised following the silent lease renewals from the tenant-customer in Corso Lungomare Trieste 29 and Viale Europa 95 in Italy on 29 December 2022. However, no earnout payment has been crystallised as at 30 June 2023 as there is a minimum occupation period of 1 year required by the respective tenant-customer before any earn-out payment obligations are triggered.

The maximum amount payable under the earn-out agreements is €15,830,000 (31 December 2022: €15,830,000).

22 Subsequent events

- (i) On 31 July 2023, CEREIT 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. The Facility also now features sustainability-linked key performance indicators. The covenants of the Facility are generally similar to the covenants of CEREIT’s existing debt facilities with standard market financial covenants including aggregate leverage up to 50%. A new covenant for this Facility is a minimum net asset value which has been set at €600.0 million.
- (ii) On 11 August 2023, CEREIT through its wholly-owned subsidiary, Cromwell EREIT Lux Finco S.à r.l., entered into a €157.5 million sustainability-linked term loan facility (“Term Loan Facility”). The Term Loan Facility 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. The proceeds from the Term Loan Facility are intended to refinance existing financial indebtedness of CEREIT. The covenants for the Term Loan Facility are generally similar to those under CEREIT’s existing debt facilities.

23 Financial ratios

	CEREIT	
	30-Jun-23 %	30-Jun-22 %
Ratio of expenses to weighted average net assets⁽¹⁾		
Including performance component of the Manager’s management fees	0.85	0.78
Excluding performance component of the Manager’s management fees	0.85	0.78
Portfolio turnover rate⁽²⁾	1.1	0.59

(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 July 2021 to 30 June 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 30 June 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 then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of CEREIT

Review of performance 1H 2023 vs 1H 2022

(a) Review of portfolio performance 1H 2023 vs 1H 2022

CEREIT's gross revenue in 1H 2023 increased by 0.9% or €0.9 million to €108.3 million. Property operating expense decreased by 0.7% to €39.8 million. Net property income ("NPI") was 1.8% or €1.2 million higher at €68.5 million. On a like-for-like basis, NPI was €2.5 million or 3.9% higher than prior corresponding period ("pcp"), excluding acquisitions and divestments completed in FY 2022 (Piazza Affari 2 is not excluded as the divestment completion date of 28 June 2023 was only 2 days away from period-end), and Nervesa 21 & Maxima due to redevelopment.

Please refer to Note 4.1 on page 20 of the Condensed Interim Financial Statements for portfolio performance by segment.

Light Industrial / Logistics

1H 2023 gross revenue for this sector was €49.1 million, 9.0% higher than pcp and NPI was €33.1 million, 11.3% higher than pcp. This is largely due to the benefit of the five properties in Italy, Germany, the United Kingdom and Denmark acquired in FY 2022. These acquisitions contributed an additional €1.1 million compared to 1H 2022 NPI.

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 disposals reduced NPI by €0.2 million in 1H 2023 compared to 1H 2022.

On a like-for-like basis, NPI for this sector was €2.4 million or 8.7% higher than pcp, largely driven by the French portfolio which contributes to more than half of the total variance (€1.4 million) due to a combination of higher inflation indexation and lower vacancy across the portfolio, particularly in Parc des Docks and Parc Parçay-Meslay. Higher rental income from indexation was also seen across several countries like Denmark, the Netherlands and Italy. While in Germany, an insurance refund relating to hail damage in one of the properties contributes to a higher NPI against pcp.

Slovakia was the only segment which contributed 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 1H 2022.

Office

Following the divestment of Piazza Affari 2 in Italy, CEREIT's office portfolio now comprises of 37 properties.

1H 2023 gross revenue for the office assets was €52.2 million, 5.1% lower than the pcp whilst NPI was €30.5 million, 5.7% lower than pcp. The negative performance was 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, resulting in €1.9 million less NPI compared to 1H 2022. The divestment of an office asset in Finland completed in 3Q 2022 also contributed to €0.3 million lower NPI in 1H 2023 compared to 1H 2022.

On a like-for-like basis, NPI for this sector was €0.4 million or 1.2% higher than pcp, with the biggest driver coming from the Netherlands (+€0.8 million) largely due to higher car parking income in Central Plaza, as well as higher indexation across all the properties.

The only negative performance in Office NPI comes from Poland. NPI fell €1.0 million mainly due to the absence of one-off additional income received in pcp, higher letting costs in 1H 2023 in Business Garden, and increased vacancy in Arkońska Business Park.

Other

Other property assets consist of 3 government-let campuses, 1 retail asset and 1 hotel, all located in Italy.

1H 2023 gross revenue was €7.1 million which was 4.4% lower than 1H 2022, whilst NPI was €5.0 million which was 5.6% lower than 1H 2022. The underperformance was mainly due to the Italian governmental decree enacted to reduce rent by 15% in Viale Europa 95. This was partially offset by higher turnover rent received in Starhotels Grand Milan, and higher income and insurance recovery received in Via Madre Teresa 4.

As CERET's other portfolio remains unchanged compared to pcp, the above reflects the like-for-like analysis.

- (b) Net finance costs of €15.7 million was 50.6% higher than pcp mainly due to the increase in 3M Euribor and Euro Short Term Rate (compared to pcp where 3M Euribor was negative, hence capped at 0%), higher margin from refinanced loans, and one-off debt issuance costs written off following the early refinancing of the €50.6 million 3-year term loan; partially offset by income from interest rate cap which has a strike rate of 0.60% 3M Euribor.
- (c) 1H 2023 net foreign exchange gain of €1.5 million mostly arose from the revaluation of Euro-denominated intercompany loans by a subsidiary of CERET due to the appreciation of GBP against Euro.

1H 2022 net foreign exchange loss of €0.4 million was mainly attributable to Poland due to weakened Polish Zloty against Euro, and the United Kingdom due to weakened GBP against Euro.

- (d) 1H 2023 loss on divestment of €7.6 million relates to the divestment of an office asset in Italy completed on 28 June 2023, including transaction costs and disposal fees incurred for the divestment.

1H 2022 gain on divestment of €1.1 million relates to the disposal of a warehouse unit contained within a logistic asset in Italy.

- (e) CERET recorded fair value loss on investment properties amounting to €57.6 million in 1H 2023, compared to a fair value gain of €4.7 million in 1H 2022.
- (f) 1H 2023 fair value loss on derivative financial instruments amounting to €1.0 million was mainly due to €2.7 million fair value loss on the cross-currency swaps, partially offset by €1.7 million fair value gain on the interest rate cap & collar contracts.

1H 2022 fair value gain on derivative financial instruments of €6.8 million was attributable to increase in mark-to-market values of both the cross-currency swaps and the interest rate cap contracts.

- (g) Income tax credit of €2.3 million for 1H 2023 comprises income tax expense of €4.3 million and deferred tax credit of €6.6 million. Income tax expense of €9.9 million for 1H 2022 comprises income tax expense of €3.6 million and deferred tax expense of €6.3 million.

Higher income tax expense was mainly due to the United Kingdom portfolio as tax charge was nil in 1H 2022 after tax deductions, as well as other small variances across the portfolio.

1H 2023 deferred tax credit was mainly due to valuation loss and changes in tax values of investment properties.

3. Review of balance sheet of CERET

Cash and cash equivalents

The increase was mainly attributable to proceeds received from the divestment of Piazza Affari 2 in Italy, drawing from the RCF and the enlarged amended and restated 3.5-year term loan facility, and cash generated from operating activities, partially offset by distribution paid to Unitholders, payments for capital expenditure on investment properties and other expenses, and repayment of the RCF.

Receivables (current)

The increase in receivables was largely made up of higher prepaid real estate/property taxes and service charges, partially offset by lower trade receivables.

Asset held for sale

Asset held for sale relates to Viale Europa 95, Bari, Italy pursuant to the entry into a Notarial Deed to divest the property on 14 June 2023. The asset was carried at its proposed sales price. Completion of the divestment is subject to fulfilment of the conditions precedent and relevant approvals and registrations from the relevant parties.

Investment properties

The decrease was mainly due to fair value loss based on the independent valuation conducted on 111 investment properties on 30 June 2023, divestment of an office asset in Milan, Italy, the reclassification of Viale Europa 95, Bari, Italy to asset held for sale. Refer to note 13 of the condensed interim financial statements for more details.

Derivative financial instruments

The increase was mainly attributable to the new interest rate collar contracts entered into in 1H 2023 and increase in value of the existing interest rate cap contract as a result rising interest rates, partially offset by the decrease in value of the cross-currency swap. Refer to note 15 of the condensed interim financial statements for more details.

Borrowings (current)

Current borrowing as at 31 December 2022 relates to the 3-year term loan facility initially due to expire in November 2023. In March 2023, CERET entered into an agreement to amend and restate the 3-year term loan facility. The amended and restated facility has been extended till 25 October 2026 and shown as non-current as at 30 June 2023.

Payables (current)

The increase was mainly attributable to higher accrued interest payable due to interest for the EMTN is paid annually in November and increased interest rates.

Borrowings (Non-current)

The increase was mainly attributable to the amended and restated term loan facility reclassified from current borrowing and the additional drawing from the RCF and the amended and restated 3.5-year sustainability-linked term loan to fund development costs and capital expenditure.

Deferred tax liabilities

Deferred tax liabilities are attributable to temporary differences between carrying amounts and tax base of investment properties. The decrease was mainly due to valuation loss and changes in tax base values of investment properties.

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 30 June 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

- Oxford Economics estimates that Eurozone's GDP rose 0.3% sequentially in Q2 and expects weak growth to continue throughout the rest of this year. It now forecasts GDP to grow by 0.6% this year and 1.1% in 2024
- Eurozone inflation fell to 5.5% y-o-y in June 2023, 60 bps lower than May 2023. Core inflation edged up to 5.4% and is likely to only fall at a very moderate pace given the strength of price pressures in the services sector
- The ECB hiked interest rates by 25 bps in May / June 2023 and maintained the same pace in July 2023 to reach 3.75%. Oxford Economics now expects a further 25 bps hike in September, and subsequently a pause until next spring, before the ECB gradually eases its policy leading to improved economic conditions in 2024 and beyond

Market Commentary

- In the European logistics sector, leasing activity continued to be strong, supported by e-commerce and supply chain investments. Rents continued to rise, although at a slower pace, most recently 4% on average as compared to the previous six months as occupiers are increasingly cost-conscious and impacted by inflation. Vacancy rates continue to remain at a record low of 2.3% across CEREIT's logistics markets
- Office vacancy and take-up rates showed a slight decline as compared to the previous six months across CEREIT's key office markets, as economic conditions moderate. Rent values and space take up continue to grow for well-located Grade A assets, even though occupiers are taking less space overall. Grade A market vacancies in CEREIT's key cities remains tight at 3.5% compared to the higher 8.8% across all grade office space.
- Post COVID - 19, according to JLL, the trend of tenants' moving away from Grade B / C and business park assets now sees less than 33% of new European office leases in the lower grade stock, compared to closer to 45% pre- COVID-19. Occupiers prefer the more energy- efficient and higher quality staff amenities of Grade A and this is consistent with CEREIT's own portfolio skew to A grade Dutch office assets

Outlook

- Global real estate fundamentals are not expected to improve for a year or so, but Europe is expected to outperform other major markets
- Impact from higher interest rates, higher inflation and geopolitical disruptions continue to cause slowing economic growth and softer valuations
- Short-term impact on DPU from asset sales and redevelopments in progress in preparation to take advantage of the cyclical upturn

Key priorities 2H 2023

- Continue with focus on active asset management to:
 - maintain occupancy above 94%
 - drive rent reversion growth and capture ongoing inflation indexation
 - deliver fully let current developments and AELs and prepare further projects to rejuvenate and future-proof the portfolio
- Mitigate impact on distributable income from higher interest costs and operating costs
- Maintain Fitch investment-grade rating and keep gearing within the Board's policy range of 35-40%
- Continue to deliver on asset sales – on track for €200 million by December 2023

7. Distributions

(a) Current financial period

Any distribution declared for the current financial period? Yes

Period of distribution: Distribution for the period from 1 January 2023 to 30 June 2023

Distribution Type	Distribution Rate (in Euro cents)
Capital	7.790
Total	7.790

Record date: 22 August 2023

Payment date: 28 September 2023

(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 January 2022 to 30 June 2022

Distribution Type	Distribution Rate (in Euro cents)
Tax-exempt income	7.166
Capital	1.529
Total	8.695

Record date: 23 August 2022

Payment date: 28 September 2022

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 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.

11 Confirmation pursuant to Rule 705(5) of the Listing Manual

The Board of Directors of Cromwell EREIT Management Pte. Ltd. (as manager of Cromwell European Real Estate Investment Trust) (the "Manager") hereby confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Manager which may render the unaudited interim financial statement of Cromwell European Real Estate Investment Trust for the six-month period ended 30 June 2023, to be false or misleading, in any material aspect.

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.