

# Singapore Company Update

## Cromwell European REIT

Bloomberg: CERT SP | Reuters: CROM.SI

Refer to important disclosures at the end of this report

DBS Group Research . Equity

24 Feb 2022

### BUY

Last Traded Price (23 Feb 2022): EUR2.36 (STI : 3,393.00)  
Price Target 12-mth: EUR2.80 (19% upside) (Prev EUR3.00)

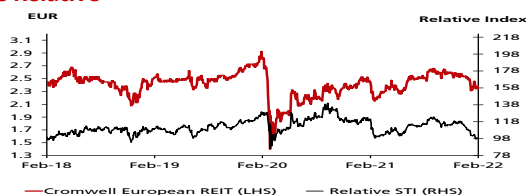
#### Analyst

Dale LAI +65 66823715 dalelai@dbs.com  
Derek TAN +65 6682 3716 derektan@dbs.com

#### What's New

- FY21 NPI increased 10.9%, mainly due to industrial/logistics acquisitions valued at EUR212.6m during the year
- Positive rental reversions of 5.0% despite some pressure on office occupancies
- Some disruption to earnings in the near term due to ongoing portfolio repositioning; earnings to rebound in FY23
- Maintain BUY with a revised TP of EUR2.80

#### Price Relative



#### Forecasts and Valuation

FY Dec (EURm)	2021A	2022F	2023F	2024F
Gross Revenue	200	205	211	215
Net Property Inc	130	134	138	141
Total Return	96.4	84.8	87.5	88.4
Distribution Inc	93.6	95.4	97.5	98.5
EPU (Euro cts.)	18.0	15.1	15.6	15.8
EPU Gth (%)	16	(16)	3	1
DPU (Euro cts.)	17.0	17.0	17.4	17.6
DPU Gth (%)	(3)	0	2	1
NAV per shr (Euro cts.)	252	252	252	252
PE (X)	13.1	15.6	15.1	15.0
Distribution Yield (%)	7.2	7.2	7.4	7.4
P/NAV (x)	0.9	0.9	0.9	0.9
Aggregate Leverage (%)	37.4	38.2	39.1	39.9
ROAE (%)	7.1	6.0	6.2	6.3

Distn. Inc Chng (%): (4) (3) (2)

Source of all data on this page: Company, DBS Bank, Bloomberg Finance L.P.

### Pivot to logistics has paid off

#### Investment Thesis

**Diversified portfolio in European gateway cities.** Cromwell European REIT (CERT) is a fast-growing Pan-European S-REIT with a diversified portfolio of office, industrial, and logistics assets valued at more than EUR2.5bn. CERT has been an active asset recycler, driving portfolio yields and optimising returns to unitholders. CERT is currently repositioning its portfolio and pivoting towards more light industrial/logistics exposure.

**Resilient financial performance amid COVID-19.** CERT has weathered the COVID pandemic well in our view, reporting resilient occupancies and achieving positive rental reversions. Although the office portfolio is facing some near-term headwinds, there are plans in place to reposition some of the older properties and carry out AELs and redevelopment work to prepare for the economic rebound and long-term growth.

**Emerging logistics play.** We remain excited about the management's pivot to the industrial/logistics sector, which accounted for c.53% of assets as of February 2022. The REIT continues to increase exposure in this fast-growing subsector, and we believe this strategy will drive a further compression in yields for the stock.

#### Valuation:

Our target price of EUR2.80 is based on DCF valuation with a WACC of 5.7% (risk-free rate of 2.5%). This implies a target yield of 6.1% and a P/NAV multiple of 1.1x.

#### Where we differ:

CERT is gradually emerging as a logistics play with its pivot towards greater portfolio exposure in the industrial/logistics segment. We believe this could drive a further compression in its yield.

#### Key Risks to Our View:

The key risk to our view is lower-than-expected rental income arising from loss of tenants or slower upturn in rents/inflation.

#### At A Glance

Issued Capital (m shrs)	561
Mkt. Cap (EURm/US\$m)	1,324 / 1,500
Major Shareholders (%)	
Tang Gordon	9.1
BlackRock Inc	5.9
Cromwell Singapore Holdings Pte	5.6
Free Float (%)	74.4
3m Avg. Daily Val (US\$m)	0.84
GIC Industry : Real Estate / Equity Real Estate Investment (REITs)	



Watchlist the stock on Insights Direct to receive prompt updates



Live more, Bank less

## WHAT'S NEW

### Pivot to logistics has paid off

**FY21 NPI increased 10.9% y-o-y.** CERT's FY21 NPI increased 10.9% y-o-y to EUR130.1m, mainly due to acquisitions in the Czech Republic, Slovakia, the UK, Italy, and the Netherlands. On a like-for-like basis, FY21 NPI increased 2.3%, mainly due to the improved performance in its light industrial/logistics portfolio (+3.0%) and office portfolio (+2.1%). However, the decline in occupancy of its office portfolio is likely to put some pressure on this portfolio in the coming quarters.

**FY21 DPU of 16.961 Euro cents was 2.6% lower y-o-y.** Although CERT's distributable income of EUR93.6m was 5.0% higher y-o-y, DPU declined slightly by 2.6%. The decline was mainly due to i) the absence of a capital gains distribution of EUR2.8m paid in FY20 (accounts for 0.55 Euro cents in FY20), ii) a timing difference between private placement and the completion of an acquisition, and iii) higher interest due to the refinancing of EUR500m through a bond issuance.

Excluding the capital gains distribution in FY20, DPU in FY21 would have increased by 0.5% y-o-y.

**Portfolio valuations increased by 2.4% y-o-y.** On a like-for-like basis, CERT's portfolio valuation increased by c.EUR52.0m or 2.4%. This was mainly attributed to the logistics portfolio, which saw a slight compression in cap rates and improved occupancy. The logistics portfolio reported a gain of EUR56.2m, mainly due to higher valuations in France, Germany, Denmark, and the Netherlands.

Although the office and other assets portfolio saw a EUR4.2m decline in valuations, selected markets reported an increase in valuations. The office portfolios in Finland and Poland reported a 3.9% and 1.6% decline in valuations, respectively, largely due to lower occupancies, but it was partially offset by some valuation uplifts in Amsterdam and Milan.

**Strong positive rental reversions of 5.0% in FY21.** CERT continued to report positive rental reversions of 5.0% for FY21. Both its light industrial/logistics and office portfolios continue to record positive rental reversions of 6.4% in 4Q21. Despite the pressure on occupancy rates for its office portfolio, rental reversions were still very strong in 4Q21, averaging 14.3%.

**Overall portfolio occupancy inched down to 95.0%.** The slight dip in the overall portfolio occupancy rate on a q-o-q basis was mainly caused by CERT's office portfolio. The light industrial/logistics portfolio recorded a higher occupancy rate of 95.7%, but office portfolio occupancy declined to 91.9%.

The light industrial/logistics portfolio reported a strong occupancy rate of 95.7% in 4Q21 and has an average WALE of 5.0. The decline in CERT's office portfolio occupancy rate was due to lower occupancies in France and Finland. In France, a tenant from the publishing industry discontinued part of its lease, while several small office tenants returned space in Finland.

**EUR250m in redevelopment and AEs to unlock value.** We understand that CERT has commenced planning redevelopment work and AEs worth c.EUR250m within its portfolio to unlock value. The redevelopment of Via Nervesa 21 in Italy has commenced, and the property will be redeveloped into a Grade A office space. The redevelopment is expected to be completed in the second half of FY23. Another development that is in the works is the expansion of Nove Mesto One Industrial Park I in Slovakia. Phase 1 of the development work is expected to commence in mid-2022, and a total budget of EUR7.5m has been set aside for it.

CERT has also identified two other potential office property redevelopment spaces in the Netherlands and Italy. Although these two potential redevelopment projects are still in the early stages, the REIT targets an estimated 6% ROI for the projects.

## Cromwell European REIT

### Redevelopment and AIEs worth EUR\$250m planned for FY22



Source: Cromwell European REIT

### Our thoughts

Despite the prolonged COVID-19 pandemic, CERT was able to report a relatively resilient set of results. Its pivot towards more light industrial/logistics assets has enabled it to offset some of the weaknesses felt in its office portfolio. In FY21, light industrial/logistics acquisitions to the tune of EUR212.6m were done on a blended NOI yield of 6.3%, which is very attractive, given how cap rates for logistics properties have compressed significantly over the past two years.

We believe that its office portfolio will likely face further pressure as tourism in Europe remains muted and businesses continue to rationalise their space as they shift towards more work-from-home arrangements. However, we understand that CERT is actively working on repositioning some of its office assets and undertaking AIEs and redevelopment work at some of the underperforming properties. **The office portfolio is likely to see further headwinds until at least the second half of FY22.**

While CERT continues its pivot towards more light industrial/logistics exposure, we expect to see further divestments of low-yielding assets and those which are fully valued. **This repositioning of its portfolio will likely lead to some near-term disruptions to earnings, before seeing a**

**pick-up by FY23.** Over the past month, CERT has divested a warehouse unit in Italy for a consideration of EUR2.8m, and subsequently completed the acquisition of another light industrial/logistics property in Italy for EUR24.5m. The absence of income from the redevelopment of Via Nervesa 21, and another two potential redevelopments will also cause a near-term disruption to its earnings.

As such, we have moderated our earnings estimates for FY22 to account for these earnings disruptions, before projecting a rebound from FY23 onwards. Moreover, we have also taken a more conservative approach in our valuations by assuming that long-term borrowing costs inch up to c.2.0%.

Although we remain positive about CERT given its relatively resilient earnings, we revised our projections to take into account near-term earnings disruptions and adjust its WACC to 5.7%, as a result of the rising interest rate environment.

**With our revised projections, we expect FY22 DPU to remain relatively flat before staging a rebound of c.2.3% in FY23.** Based on the higher WACC, our revised target price of EUR\$2.80 implies an attractive target yield of c.6.1%. As such, we maintain our **BUY** recommendation with a revised TP of EUR2.80.

## Cromwell European REIT

### Company Background

Cromwell European REIT ("CERT") is a Singaporean REIT with the principal investment strategy of investing, directly or indirectly, in a diversified portfolio of income-producing real estate assets in Europe that are used primarily for office, light industrial/logistics, and retail purposes. CERT owns a portfolio of 113 properties in, or close to, major gateway cities in the Netherlands, Italy, France, Poland,

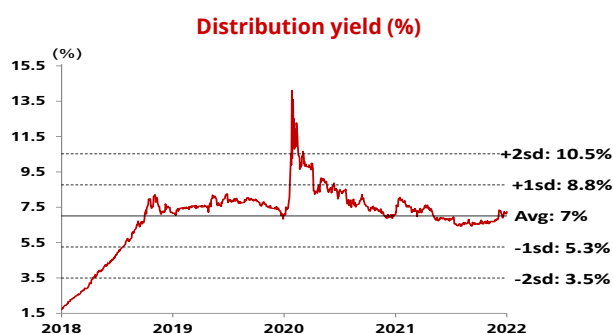
Germany, Finland, Denmark, the Czech Republic, Slovakia, and the UK, and it has been pivoting towards logistics assets. CERT is managed by Cromwell EREIT Management Pte. Ltd., a wholly owned subsidiary of CERT's sponsor, Cromwell Property Group. Cromwell is a real estate investor and manager with operations in 14 countries and is listed on the ASX.

### Interim Income Statement (EURm)

FY Dec	2H2020	1H2021	2H2021	% chg y-o-y	% chg h-o-h
Gross revenue	93.3	99.0	101	8.3	2.1
Property expenses	(33.7)	(34.7)	(35.3)	4.7	1.6
Net Property Income	59.6	64.3	65.8	10.4	2.4
Other Operating expenses	(5.2)	(5.6)	(5.6)	8.6	0.5
Other Non Opg (Exp)/Inc	(0.2)	0.0	0.84	nm	nm
Associates & JV Inc	-	-	-	-	-
Net Interest (Exp)/Inc	(9.8)	(11.4)	(10.4)	(5.7)	8.8
Exceptional Gain/(Loss)	0.0	0.0	0.0	-	-
<b>Net Income</b>	<b>44.4</b>	<b>47.3</b>	<b>50.6</b>	<b>14.1</b>	<b>7.1</b>
Tax	(17.4)	(14.9)	(13.4)	(23.0)	(10.0)
Minority Interest	0.0	0.0	0.0	-	-
<b>Net Income after Tax</b>	<b>27.0</b>	<b>32.4</b>	<b>37.2</b>	<b>38.1</b>	<b>14.9</b>
Total Return	60.4	60.5	36.1	(40.2)	(40.3)
Non-tax deductible Items	(16.4)	(14.4)	11.6	(171.1)	(180.9)
Net Inc available for Dist.	44.6	31.6	47.5	6.5	50.4
<b>Ratio (%)</b>					
Net Prop Inc Margin	63.9	64.9	65.1		
Dist. Payout Ratio	100.0	100.0	100.0		

Source of all data: Company, DBS Bank

### Historical Dividend yield and PB band



Source: Bloomberg Finance L.P., DBS Bank estimates



Source: Bloomberg Finance L.P., DBS Bank estimates

## Cromwell European REIT

### Income Statement (EURm)

FY Dec	2020A	2021A	2022F	2023F	2024F
Gross revenue	187	200	205	211	215
Property expenses	(69.6)	(70.0)	(70.8)	(72.8)	(74.2)
<b>Net Property Income</b>	<b>117</b>	<b>130</b>	<b>134</b>	<b>138</b>	<b>141</b>
Other Operating expenses	(10.5)	(11.0)	(11.9)	(12.4)	(12.5)
Other Non Opg (Exp)/Inc	(0.7)	0.83	0.0	0.0	0.0
Associates & JV Inc	0.0	0.0	0.0	0.0	0.0
Net Interest (Exp)/Inc	(17.9)	(21.7)	(21.3)	(22.0)	(23.7)
Exceptional Gain/(Loss)	8.21	26.7	0.0	0.0	0.0
<b>Net Income</b>	<b>96.5</b>	<b>125</b>	<b>101</b>	<b>104</b>	<b>105</b>
Tax	(17.2)	(28.3)	(10.9)	(11.2)	(11.5)
Minority Interest	0.0	0.0	0.0	0.0	0.0
Preference Dividend	0.0	(0.2)	(5.0)	(5.0)	(5.0)
<b>Net Income After Tax</b>	<b>79.4</b>	<b>96.4</b>	<b>84.8</b>	<b>87.5</b>	<b>88.4</b>
Total Return	79.4	96.4	84.8	87.5	88.4
Non-tax deductible Items	9.78	(2.7)	10.6	10.1	10.1
Net Inc available for Dist.	89.1	93.6	95.4	97.5	98.5
<b>Growth &amp; Ratio</b>					
Revenue Gth (%)	5.6	7.0	2.3	3.0	2.1
N Property Inc Gth (%)	1.0	10.9	2.9	3.1	2.2
Net Inc Gth (%)	(27.2)	21.4	(12.0)	3.2	1.1
Dist. Payout Ratio (%)	100.0	100.0	100.0	100.0	100.0
Net Prop Inc Margins (%)	62.8	65.0	65.4	65.5	65.5
Net Income Margins (%)	42.4	48.2	41.4	41.5	41.1
Dist to revenue (%)	47.7	46.8	46.6	46.3	45.7
Managers & Trustee's fees	5.6	5.5	5.8	5.9	5.8
ROAE (%)	6.1	7.1	6.0	6.2	6.3
ROA (%)	3.5	4.0	3.3	3.4	3.4
ROCE (%)	4.0	4.0	4.4	4.5	4.5
Int. Cover (x)	6.0	5.5	5.7	5.7	5.4

Interest on S\$100m in perpetual securities issued in November 2021 at a cost of 5.0% p.a.

Source: Company, DBS Bank

### Interim Income Statement (EURm)

FY Dec	1H2020	2H2020	1H2021	2H2021
Gross revenue	93.7	93.3	99.0	101
Property expenses	(35.9)	(33.7)	(34.7)	(35.3)
<b>Net Property Income</b>	<b>57.7</b>	<b>59.6</b>	<b>64.3</b>	<b>65.8</b>
Other Operating	(5.3)	(5.2)	(5.6)	(5.6)
Other Non Opg (Exp)/Inc	(0.4)	(0.2)	0.0	0.84
Associates & JV Inc	-	-	-	-
Net Interest (Exp)/Inc	(8.1)	(9.8)	(11.4)	(10.4)
Exceptional Gain/(Loss)	0.0	0.0	0.0	0.0
<b>Net Income</b>	<b>44.0</b>	<b>44.4</b>	<b>47.3</b>	<b>50.6</b>
Tax	0.25	(17.4)	(14.9)	(13.4)
Minority Interest	0.0	0.0	0.0	0.0
<b>Net Income after Tax</b>	<b>20.4</b>	<b>27.0</b>	<b>32.4</b>	<b>37.2</b>
Total Return	19.3	60.4	60.5	36.1
Non-tax deductible Items	26.1	(16.4)	(14.4)	11.6
Net Inc available for Dist.	44.6	44.6	31.6	47.5
<b>Growth &amp; Ratio</b>				
Revenue Gth (%)	N/A	0	6	2
N Property Inc Gth (%)	nm	3	8	2
Net Inc Gth (%)	nm	(39)	20	15
Net Prop Inc Margin (%)	61.6	63.9	64.9	65.1
Dist. Payout Ratio (%)	100.0	100.0	100.0	100.0

Source: Company, DBS Bank

## Cromwell European REIT

### Balance Sheet (EURm)

FY Dec	2020A	2021A	2022F	2023F	2024F
Investment Properties	2,185	2,449	2,483	2,518	2,553
Other LT Assets	4.99	6.90	6.90	6.90	6.90
Cash & ST Invts	43.6	59.3	36.4	36.2	36.1
Inventory	0.0	0.0	0.0	0.0	0.0
Debtors	15.9	18.5	12.8	13.2	13.5
Other Current Assets	1.40	0.87	0.87	0.87	0.87
<b>Total Assets</b>	<b>2,250</b>	<b>2,535</b>	<b>2,540</b>	<b>2,575</b>	<b>2,611</b>
ST Debt	0.0	23.0	23.0	23.0	23.0
Creditor	28.5	35.7	7.18	7.40	7.55
Other Current Liab	28.4	32.5	32.5	32.5	32.5
LT Debt	847	900	934	969	1,004
Other LT Liabilities	44.4	66.3	66.3	66.3	66.3
Unitholders' funds	1,302	1,477	1,477	1,477	1,477
Minority Interests	0.0	0.0	0.0	0.0	0.0
<b>Total Funds &amp; Liabilities</b>	<b>2,250</b>	<b>2,535</b>	<b>2,540</b>	<b>2,575</b>	<b>2,611</b>
Non-Cash Wkg. Capital	(39.5)	(48.8)	(26.0)	(25.8)	(25.7)
Net Cash/(Debt)	(803)	(863)	(921)	(956)	(991)
<b>Ratio</b>					
Current Ratio (x)	1.1	0.9	0.8	0.8	0.8
Quick Ratio (x)	1.0	0.9	0.8	0.8	0.8
Aggregate Leverage (%)	38.4	37.4	38.2	39.1	39.9
Z-Score (X)	1.1	1.0	1.0	1.0	NA

Source: Company, DBS Bank

### Cash Flow Statement (EURm)

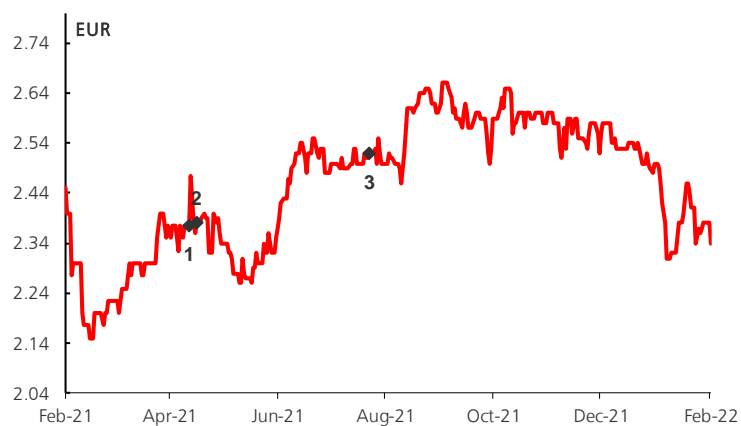
FY Dec	2020A	2021A	2022F	2023F	2024F
Pre-Tax Income	79.4	96.4	84.8	87.5	88.4
Dep. & Amort.	0.0	0.0	0.0	0.0	0.0
Tax Paid	(7.7)	(5.1)	0.0	0.0	0.0
Associates & JV Inc/(Loss)	0.0	0.0	0.0	0.0	0.0
Chg in Wkg.Cap.	(13.7)	(18.5)	(22.9)	(0.2)	(0.1)
Other Operating CF	30.6	24.1	10.6	10.1	10.1
<b>Net Operating CF</b>	<b>88.6</b>	<b>96.9</b>	<b>72.5</b>	<b>97.4</b>	<b>98.4</b>
Net Invnt in Properties	(21.0)	(22.6)	(34.3)	(34.8)	(35.3)
Other Invnts (net)	(105)	(72.2)	0.0	0.0	0.0
Invnts in Assoc. & JV	0.0	(125)	0.0	0.0	0.0
Div from Assoc. & JVs	0.0	0.0	0.0	0.0	0.0
Other Investing CF	79.5	(12.9)	0.0	0.0	0.0
<b>Net Investing CF</b>	<b>(46.3)</b>	<b>(233)</b>	<b>(34.3)</b>	<b>(34.8)</b>	<b>(35.3)</b>
Distribution Paid	(96.2)	(83.2)	(95.4)	(97.5)	(98.5)
Chg in Gross Debt	26.6	75.6	34.3	34.8	35.3
New units issued	0.0	97.7	0.0	0.0	0.0
Other Financing CF	(8.4)	61.3	0.0	0.0	0.0
<b>Net Financing CF</b>	<b>(78.0)</b>	<b>151</b>	<b>(61.1)</b>	<b>(62.8)</b>	<b>(63.2)</b>
Currency Adjustments	0.0	0.0	0.0	0.0	0.0
Chg in Cash	(35.7)	15.7	(22.9)	(0.2)	(0.1)
Operating CFPS (Euro cts.)	20.0	21.5	17.0	17.4	17.6
Free CFPS (Euro cts.)	13.2	13.8	6.82	11.2	11.2

Private placement done in March 2021.

Source: Company, DBS Bank

## Cromwell European REIT

### Target Price & Ratings History



S.No.	Date of Report	Closing Price	12-mth Target Price	Rating
1:	03 May 21	2.38	3.00	BUY
2:	07 May 21	2.38	3.00	BUY
3:	13 Aug 21	2.52	3.00	BUY

**Note:** Share price and Target price are adjusted for corporate actions.

Source: DBS Bank

Analyst: Dale LAI

Derek TAN

**Cromwell European REIT**

DBS Bank recommendations are based on an Absolute Total Return\* Rating system, defined as follows:

**STRONG BUY** (>20% total return over the next 3 months, with identifiable share price catalysts within this time frame)

**BUY** (>15% total return over the next 12 months for small caps, >10% for large caps)

**HOLD** (-10% to +15% total return over the next 12 months for small caps, -10% to +10% for large caps)

**FULLY VALUED** (negative total return, i.e., > -10% over the next 12 months)

**SELL** (negative total return of > -20% over the next 3 months, with identifiable share price catalysts within this time frame)

\*Share price appreciation + dividends

Completed Date: 24 Feb 2022 06:22:15 (SGT)

Dissemination Date: 24 Feb 2022 06:44:50 (SGT)

Sources for all charts and tables are DBS Bank unless otherwise specified.

**GENERAL DISCLOSURE/DISCLAIMER**

**This report is prepared by DBS Bank Ltd.** This report is solely intended for the clients of DBS Bank Ltd, DBS Vickers Securities (Singapore) Pte Ltd, its respective connected and associated corporations and affiliates only and no part of this document may be (i) copied, photocopied or duplicated in any form or by any means or (ii) redistributed without the prior written consent of DBS Bank Ltd.

The research set out in this report is based on information obtained from sources believed to be reliable, but we (which collectively refers to DBS Bank Ltd, its respective connected and associated corporations, affiliates and their respective directors, officers, employees and agents (collectively, the "DBS Group") have not conducted due diligence on any of the companies, verified any information or sources or taken into account any other factors which we may consider to be relevant or appropriate in preparing the research. Accordingly, we do not make any representation or warranty as to the accuracy, completeness or correctness of the research set out in this report. Opinions expressed are subject to change without notice. This research is prepared for general circulation. Any recommendation contained in this document does not have regard to the specific investment objectives, financial situation and the particular needs of any specific addressee. This document is for the information of addressees only and is not to be taken in substitution for the exercise of judgement by addressees, who should obtain separate independent legal or financial advice. The DBS Group accepts no liability whatsoever for any direct, indirect and/or consequential loss (including any claims for loss of profit) arising from any use of and/or reliance upon this document and/or further communication given in relation to this document. This document is not to be construed as an offer or a solicitation of an offer to buy or sell any securities. The DBS Group, along with its affiliates and/or persons associated with any of them may from time to time have interests in the securities mentioned in this document. The DBS Group, may have positions in, and may effect transactions in securities mentioned herein and may also perform or seek to perform broking, investment banking and other banking services for these companies.

Any valuations, opinions, estimates, forecasts, ratings or risk assessments herein constitutes a judgment as of the date of this report, and there can be no assurance that future results or events will be consistent with any such valuations, opinions, estimates, forecasts, ratings or risk assessments. The information in this document is subject to change without notice, its accuracy is not guaranteed, it may be incomplete or condensed, it may not contain all material information concerning the company (or companies) referred to in this report and the DBS Group is under no obligation to update the information in this report.

This publication has not been reviewed or authorized by any regulatory authority in Singapore, Hong Kong or elsewhere. There is no planned schedule or frequency for updating research publication relating to any issuer.

The valuations, opinions, estimates, forecasts, ratings or risk assessments described in this report were based upon a number of estimates and assumptions and are inherently subject to significant uncertainties and contingencies. It can be expected that one or more of the estimates on which the valuations, opinions, estimates, forecasts, ratings or risk assessments were based will not materialize or will vary significantly from actual results. Therefore, the inclusion of the valuations, opinions, estimates, forecasts, ratings or risk assessments described herein IS NOT TO BE RELIED UPON as a representation and/or warranty by the DBS Group (and/or any persons associated with the aforesaid entities), that:

- (a) such valuations, opinions, estimates, forecasts, ratings or risk assessments or their underlying assumptions will be achieved, and
- (b) there is any assurance that future results or events will be consistent with any such valuations, opinions, estimates, forecasts, ratings or risk assessments stated therein.



**Cromwell European REIT**

---

Please contact the primary analyst for valuation methodologies and assumptions associated with the covered companies or price targets.

Any assumptions made in this report that refers to commodities, are for the purposes of making forecasts for the company (or companies) mentioned herein. They are not to be construed as recommendations to trade in the physical commodity or in the futures contract relating to the commodity referred to in this report.

DBSVUSA, a US-registered broker-dealer, does not have its own investment banking or research department, has not participated in any public offering of securities as a manager or co-manager or in any other investment banking transaction in the past twelve months and does not engage in market-making.

**ANALYST CERTIFICATION**

The research analyst(s) primarily responsible for the content of this research report, in part or in whole, certifies that the views about the companies and their securities expressed in this report accurately reflect his/her personal views. The analyst(s) also certifies that no part of his/her compensation was, is, or will be, directly or indirectly, related to specific recommendations or views expressed in the report. The research analyst (s) primarily responsible for the content of this research report, in part or in whole, certifies that he or his associate<sup>1</sup> does not serve as an officer of the issuer or the new listing applicant (which includes in the case of a real estate investment trust, an officer of the management company of the real estate investment trust; and in the case of any other entity, an officer or its equivalent counterparty of the entity who is responsible for the management of the issuer or the new listing applicant) and the research analyst(s) primarily responsible for the content of this research report or his associate does not have financial interests<sup>2</sup> in relation to an issuer or a new listing applicant that the analyst reviews. DBS Group has procedures in place to eliminate, avoid and manage any potential conflicts of interests that may arise in connection with the production of research reports. The research analyst(s) responsible for this report operates as part of a separate and independent team to the investment banking function of the DBS Group and procedures are in place to ensure that confidential information held by either the research or investment banking function is handled appropriately. There is no direct link of DBS Group's compensation to any specific investment banking function of the DBS Group.

**COMPANY-SPECIFIC / REGULATORY DISCLOSURES**

1. DBS Bank Ltd, DBS HK, DBS Vickers Securities (Singapore) Pte Ltd ("DBSVS") or their subsidiaries and/or other affiliates have a proprietary position in Cromwell European REIT recommended in this report as of 31 Jan 2022.
2. DBS Bank Ltd, DBS HK, DBSVS, their subsidiaries and/or other affiliates have a net long position exceeding 0.5% of the total issued share capital in Cromwell European REIT recommended in this report as of 31 Jan 2022.
3. DBS Bank Ltd, DBS HK, DBSVS, DBSVUSA or their subsidiaries and/or other affiliates beneficially own a total of 1% of any class of common equity securities of Cromwell European REIT as of 31 Jan 2022.

**Compensation for investment banking services:**

4. DBS Bank Ltd, DBS HK, DBSVS their subsidiaries and/or other affiliates of DBSVUSA have received compensation, within the past 12 months for investment banking services from Cromwell European REIT as of 31 Jan 2022.
5. DBS Bank Ltd, DBS HK, DBSVS, their subsidiaries and/or other affiliates of DBSVUSA have managed or co-managed a public offering of securities for Cromwell European REIT in the past 12 months, as of 31 Jan 2022.

---

<sup>1</sup> An associate is defined as (i) the spouse, or any minor child (natural or adopted) or minor step-child, of the analyst; (ii) the trustee of a trust of which the analyst, his spouse, minor child (natural or adopted) or minor step-child, is a beneficiary or discretionary object; or (iii) another person accustomed or obliged to act in accordance with the directions or instructions of the analyst.

<sup>2</sup> Financial interest is defined as interests that are commonly known financial interest, such as investment in the securities in respect of an issuer or a new listing applicant, or financial accommodation arrangement between the issuer or the new listing applicant and the firm or analysis. This term does not include commercial lending conducted at arm's length, or investments in any collective investment scheme other than an issuer or new listing applicant notwithstanding the fact that the scheme has investments in securities in respect of an issuer or a new listing applicant.

---

## **Cromwell European REIT**

---


6. DBSVUSA does not have its own investment banking or research department, nor has it participated in any public offering of securities as a manager or co-manager or in any other investment banking transaction in the past twelve months. Any US persons wishing to obtain further information, including any clarification on disclosures in this disclaimer, or to effect a transaction in any security discussed in this document should contact DBSVUSA exclusively.

**Disclosure of previous investment recommendation produced:**

7. DBS Bank Ltd, DBS Vickers Securities (Singapore) Pte Ltd ("DBSVS"), their subsidiaries and/or other affiliates may have published other investment recommendations in respect of the same securities / instruments recommended in this research report during the preceding 12 months. Please contact the primary analyst listed on page 1 of this report to view previous investment recommendations published by DBS Bank Ltd, DBS Vickers Securities (Singapore) Pte Ltd ("DBSVS"), their subsidiaries and/or other affiliates in the preceding 12 months.

## Cromwell European REIT

### RESTRICTIONS ON DISTRIBUTION

<b>General</b>	This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation.
<b>Australia</b>	<p>This report is being distributed in Australia by DBS Bank Ltd, DBS Vickers Securities (Singapore) Pte Ltd ("DBSVS") or DBSV HK. DBS Bank Ltd holds Australian Financial Services Licence no. 475946.</p> <p>DBS Bank Ltd, DBSVS and DBSV HK are exempted from the requirement to hold an Australian Financial Services Licence under the Corporation Act 2001 ("CA") in respect of financial services provided to the recipients. Both DBS and DBSVS are regulated by the Monetary Authority of Singapore under the laws of Singapore, and DBSV HK is regulated by the Hong Kong Securities and Futures Commission under the laws of Hong Kong, which differ from Australian laws.</p> <p>Distribution of this report is intended only for "wholesale investors" within the meaning of the CA.</p>
<b>Hong Kong</b>	<p>This report has been prepared by a person(s) who is not licensed by the Hong Kong Securities and Futures Commission to carry on the regulated activity of advising on securities in Hong Kong pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). This report is being distributed in Hong Kong and is attributable to DBS Bank (Hong Kong) Limited ("DBS HK"), a registered institution registered with the Hong Kong Securities and Futures Commission to carry on the regulated activity of advising on securities pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). DBS Bank Ltd., Hong Kong Branch is a limited liability company incorporated in Singapore.</p> <p>For any query regarding the materials herein, please contact Carol Wu (Reg No. AH8283) at dbsvhk@dbs.com</p>
<b>Indonesia</b>	This report is being distributed in Indonesia by PT DBS Vickers Sekuritas Indonesia.
<b>Malaysia</b>	<p>This report is distributed in Malaysia by AllianceDBS Research Sdn Bhd ("ADBSR"). Recipients of this report, received from ADBSR are to contact the undersigned at 603-2604 3333 in respect of any matters arising from or in connection with this report. In addition to the General Disclosure/Disclaimer found at the preceding page, recipients of this report are advised that ADBSR (the preparer of this report), its holding company Alliance Investment Bank Berhad, their respective connected and associated corporations, affiliates, their directors, officers, employees, agents and parties related or associated with any of them may have positions in, and may effect transactions in the securities mentioned herein and may also perform or seek to perform broking, investment banking/corporate advisory and other services for the subject companies. They may also have received compensation and/or seek to obtain compensation for broking, investment banking/corporate advisory and other services from the subject companies.</p> <p style="text-align: right;">   Wong Ming Tek, Executive Director, ADBSR </p>
<b>Singapore</b>	This report is distributed in Singapore by DBS Bank Ltd (Company Regn. No. 196800306E) or DBSVS (Company Regn No. 198600294G), both of which are Exempt Financial Advisers as defined in the Financial Advisers Act and regulated by the Monetary Authority of Singapore. DBS Bank Ltd and/or DBSVS, may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an arrangement under Regulation 32C of the Financial Advisers Regulations. Where the report is distributed in Singapore to a person who is not an Accredited Investor, Expert Investor or an Institutional Investor, DBS Bank Ltd accepts legal responsibility for the contents of the report to such persons only to the extent required by law. Singapore recipients should contact DBS Bank Ltd at 6878 8888 for matters arising from, or in connection with the report.

**Cromwell European REIT**

<b>Thailand</b>	<p>This report is being distributed in Thailand by DBS Vickers Securities (Thailand) Co Ltd.</p> <p>For any query regarding the materials herein, please contact [Chanpen Sirithanarattanaku] at [research@th.dbs.com]</p>
<b>United Kingdom</b>	<p>This report is produced by DBS Bank Ltd which is regulated by the Monetary Authority of Singapore.</p> <p>This report is disseminated in the United Kingdom by DBS Vickers Securities (UK) Ltd, ("DBSVUK"). DBSVUK is authorised and regulated by the Financial Conduct Authority in the United Kingdom.</p> <p>In respect of the United Kingdom, this report is solely intended for the clients of DBSVUK, its respective connected and associated corporations and affiliates only and no part of this document may be (i) copied, photocopied or duplicated in any form or by any means or (ii) redistributed without the prior written consent of DBSVUK. This communication is directed at persons having professional experience in matters relating to investments. Any investment activity following from this communication will only be engaged in with such persons. Persons who do not have professional experience in matters relating to investments should not rely on this communication.</p>
<b>Dubai International Financial Centre / United Arab Emirates</b>	<p>This communication is provided to you as a Professional Client or Market Counterparty as defined in the DFSA Rulebook Conduct of Business Module (the "COB Module"), and should not be relied upon or acted on by any person which does not meet the criteria to be classified as a Professional Client or Market Counterparty under the DFSA rules.</p> <p>This communication is from the branch of DBS Bank Ltd operating in the Dubai International Financial Centre (the "DIFC") under the trading name "DBS Bank Ltd. (DIFC Branch)" ("DBS DIFC"), registered with the DIFC Registrar of Companies under number 156 and having its registered office at units 608 - 610, 6th Floor, Gate Precinct Building 5, PO Box 506538, DIFC, Dubai, United Arab Emirates.</p> <p>DBS DIFC is regulated by the Dubai Financial Services Authority (the "DFSA") with a DFSA reference number F000164. For more information on DBS DIFC and its affiliates, please see <a href="http://www.dbs.com/ae/our-network/default.page">http://www.dbs.com/ae/our-network/default.page</a>.</p> <p>Where this communication contains a research report, this research report is prepared by the entity referred to therein, which may be DBS Bank Ltd or a third party, and is provided to you by DBS DIFC. The research report has not been reviewed or authorised by the DFSA. Such research report is distributed on the express understanding that, whilst the information contained within is believed to be reliable, the information has not been independently verified by DBS DIFC.</p> <p>Unless otherwise indicated, this communication does not constitute an "Offer of Securities to the Public" as defined under Article 12 of the Markets Law (DIFC Law No.1 of 2012) or an "Offer of a Unit of a Fund" as defined under Article 19(2) of the Collective Investment Law (DIFC Law No.2 of 2010).</p> <p>The DFSA has no responsibility for reviewing or verifying this communication or any associated documents in connection with this investment and it is not subject to any form of regulation or approval by the DFSA. Accordingly, the DFSA has not approved this communication or any other associated documents in connection with this investment nor taken any steps to verify the information set out in this communication or any associated documents, and has no responsibility for them. The DFSA has not assessed the suitability of any investments to which the communication relates and, in respect of any Islamic investments (or other investments identified to be Shari'a compliant), neither we nor the DFSA has determined whether they are Shari'a compliant in any way.</p> <p>Any investments which this communication relates to may be illiquid and/or subject to restrictions on their resale. Prospective purchasers should conduct their own due diligence on any investments. If you do not understand the contents of this document you should consult an authorised financial adviser.</p>

## Cromwell European REIT

<b>United States</b>	This report was prepared by DBS Bank Ltd. DBSVUSA did not participate in its preparation. The research analyst(s) named on this report are not registered as research analysts with FINRA and are not associated persons of DBSVUSA. The research analyst(s) are not subject to FINRA Rule 2241 restrictions on analyst compensation, communications with a subject company, public appearances and trading securities held by a research analyst. This report is being distributed in the United States by DBSVUSA, which accepts responsibility for its contents. This report may only be distributed to Major U.S. Institutional Investors (as defined in SEC Rule 15a-6) and to such other institutional investors and qualified persons as DBSVUSA may authorize. Any U.S. person receiving this report who wishes to effect transactions in any securities referred to herein should contact DBSVUSA directly and not its affiliate.
<b>Other jurisdictions</b>	In any other jurisdictions, except if otherwise restricted by laws or regulations, this report is intended only for qualified, professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions.

## DBS Regional Research Offices

### HONG KONG

#### DBS (Hong Kong) Ltd

Contact: Carol Wu  
13th Floor One Island East,  
18 Westlands Road,  
Quarry Bay, Hong Kong  
Tel: 852 3668 4181  
Fax: 852 2521 1812  
e-mail: dbsvhk@dbs.com

### MALAYSIA

#### AllianceDBS Research Sdn Bhd

Contact: Wong Ming Tek  
19th Floor, Menara Multi-Purpose,  
Capital Square,  
8 Jalan Munshi Abdullah 50100  
Kuala Lumpur, Malaysia.  
Tel.: 603 2604 3333  
Fax: 603 2604 3921  
e-mail: general@alliancedbs.com  
Co. Regn No. 198401015984 (128540-U)

### SINGAPORE

#### DBS Bank Ltd

Contact: Janice Chua  
12 Marina Boulevard,  
Marina Bay Financial Centre Tower 3  
Singapore 018982  
Tel: 65 6878 8888  
e-mail: groupresearch@dbs.com  
Company Regn. No. 196800306E

### INDONESIA

#### PT DBS Vickers Sekuritas (Indonesia)

Contact: Maynard Priajaya Arif  
DBS Bank Tower  
Ciputra World 1, 32/F  
Jl. Prof. Dr. Satrio Kav. 3-5  
Jakarta 12940, Indonesia  
Tel: 62 21 3003 4900  
Fax: 6221 3003 4943  
e-mail: indonesiaesearch@dbs.com

### THAILAND

#### DBS Vickers Securities (Thailand) Co Ltd

Contact: Chanpen Sirithanarattanukul  
989 Siam Piwat Tower Building,  
9th, 14th-15th Floor  
Rama 1 Road, Pathumwan,  
Bangkok Thailand 10330  
Tel. 66 2 857 7831  
Fax: 66 2 658 1269  
e-mail: research@th.dbs.com  
Company Regn. No 0105539127012  
Securities and Exchange Commission, Thailand