CHAIR'S ADDRESS

Welcome securityholders and guests to Cromwell's 2019 Annual General Meeting.

Firstly, I would like to thank you for your attendance here this morning. I'd like to acknowledge all the additional correspondence, phone calls, proxy forms and general media noise you will have experienced recently. This has undoubtedly been a lot to absorb but it has resulted in much greater engagement with investors than normal over the last few weeks. This has been reflected in historically high voting levels which, I believe, is ultimately very much a positive for Cromwell.

Cromwell was founded in 1998, when five individuals with similar views on property investing, and the idea that people come first, recapitalised a property syndicator called Westholme Limited on the Australian Stock Exchange and changed its name to Cromwell Corporation Limited.

The founders, including CEO Paul Weightman, sourced, begged and borrowed capital from friends and family. As Paul has subsequently said many times, the founders were very aware of the trust that had been placed in them and whose money it was they were investing.

Core to the success of the business since has been a recognition of our purpose 'that we exist to look after people', and the importance of keeping that hard-earned trust and ensuring everyone in the business lives by Cromwell's values of being Principled, Respectful and Responsible.

We believe strongly in doing the principled thing, as well as the right thing; And sometimes the hardest thing and the right thing are the same! As part of our responsibilities as directors, we seek to be proactive with respect to corporate governance best practice, to ensure our policies and procedures and the decisions we take are in the best interests of Cromwell's securityholders, large and small, equally.

Cromwell's non-executive directors bring judgement to bear on all issues before the Board without aligning with the interests of any one major securityholder over another. I would like to assure you that all the decisions the Board takes are considered and consistent with Cromwell's values, independence and best practice corporate governance.

It is pleasing to acknowledge that this has led to third party, independent endorsement of our practices by GRESB, which is the main global real estate industry benchmark, and an AA rating in the 2019 MSCI ESG Ratings assessment, which classifies Cromwell as an industry 'Leader'.

We have been refreshing the Board in an orderly and measured manner for some time now, with two new directors up for election today. We have also unanimously appointed Mr Leon Blitz to the role of Deputy Chair.

I have been Chair for 11 years, and under ASX good corporate governance policy, a director is no longer considered independent once they have been on the Board for 12 years. This will be my last AGM therefore as your independent, non-executive Chair, and I will retire from that role in 2020 once the new directors have settled into their roles.

It has been a privilege to serve your interests as Chair and I am confident that under a new independent Chair in the future, Cromwell will continue to go from strength to strength.

In this public forum, I would like to take this opportunity to thank Ms Michelle McKellar, who is retiring as a director of Cromwell Corporation Limited and Cromwell Property Securities Limited after 12 years.

Michelle joined a very different, pre-GFC Cromwell back in 2007, and she has been an integral part of the Board that helped steer the business through the GFC, to its first overseas foray in 2014, to where it is today, an ASX Top 200 listed real estate investor and manager with $11.9 billion in Funds Under Management.

Please join with me in expressing your appreciation for Michelle's contribution and wish her well in all her future endeavours.

I will return for the more formal voting aspects of our agenda but for now I would now like to hand over to CEO and Managing Director Paul Weightman.

Thank you.

CEO'S ADDRESS

Thank you, Geoff, and welcome securityholders and guests.

Cromwell reported statutory profit of $159.9 million for the 2019 financial year.

Operating profit, considered by the directors to best reflect the underlying earnings of Cromwell, was up 11.1% from the prior year to $174.2 million. Operating profit was 0.21 cents per security, ahead of full year guidance at 8.21 cents per security.

Overall, and in line with our stated strategy, we retained some funds for re-investment into growing the business and paid out 90% of earnings to securityholders. This amounted to distributions of $157.5 million, or 7.25 cents per security, meeting full year guidance.

Looking at our three business segments:

1. The direct property investment segment, which consists of 21 Australian balance-sheet properties, reported operating profit of $136.1 million, a 13% increase on the prior year. The portfolio had like-for-like Net Operating Income, or NOI, growth of 5.5%, a WALE of 6.9 years and occupancy of 91.7%. The portfolio was valued at circa $2.5 billion.
2. Our indirect property investment segment, which recognises earnings arising from investments we make in assets, mandates or funds, reported profit of $45.4 million, up 95% from the prior year. Nearly all of this was attributed to our 32% interest in the Singaporean SGX listed, Cromwell European REIT or CEREIT. I will come to CEREIT shortly.
3. Operating profit from our funds and asset management segment, was $28.5 million, down $6.5 million the previous year. The difference represented increased investment to facilitate future growth of the platform, plus one-off costs, including the acquisition of our AIFM licence in Luxembourg, to future-proof the business against any potential Brexit fallout.

   Total AUM increased 3.2% to $9 billion, driven by an increase in retail AUM of $300 million to $2.3 billion, while wholesale AUM was unchanged at $6.7 billion.

Gearing at 35% was in the middle of our through-the-cycle revised gearing target range of 30% to 40%. The weighted average debt expiry was 4.5 years, diversified across 12 domestic and international lenders and two Convertible Bond issues.

In Australia, our Core portfolio will continue to underpin our earnings and distribution policy. We have a long WALE, high occupancy and good NOI growth. We also have a number of 'active assets' which will provide additional repositioning opportunities in coming years.

We continue to recycle capital from the assets where we have already added significant value, as we have done with Northpoint Tower in North Sydney, where we sold our 50% interest for $300 million, to opportunities where we can create new funds with capital partners, such as 400 George Street in Brisbane which we recently acquired for $524.75 million.

Our circa $1 billion pipeline of active assets will provide value accretion and opportunities to attract new capital partners. The ongoing repositioning of Greenway, ACT, an old campus style office park into a Seniors' Living village with our joint venture partner LDK Healthcare, is a great example of what we can do. The project is progressing well, with pre-sales well ahead of target and residents due to move in next year. It's an opportunity that is attracting substantial investor interest.

In Singapore, the Cromwell European REIT, which connects Asian capital to European real estate, is celebrating its second birthday. Last year, we completed two large, multi-country transactions on its behalf, the first involved the acquisition of 23 assets in five European countries and the second for six assets in two countries, for a total of $775 million.

CEREIT's portfolio has grown more than 50% in value since its IPO in November 2017 and now comprises 103 properties in seven European countries. Cromwell's 32% stake is worth approximately €400 million, and despite the naysayers, I think it is fair to say that this has been a successful venture for both Cromwell and CEREIT securityholders, and a strategy I note that other managers, Lendlease being the most recent, are starting to follow.

European FUM was steady at €3.8 billion, but post completion of the CEREIT acquisitions and successful acquisition of investor interests in the Cromwell Polish Retail Fund, recurring earnings have increased to 64%, making the business much more resilient and less prone to transactional income fluctuations.

Cromwell's 'Invest to Manage' strategy involves investing balance sheet capital to create new funds to attract investment from capital partners, enabling us to release and redeploy capital into other opportunities to build enterprise value.

The Polish Retail Fund is a good example of our strategy at work. Poland is Europe's success story. Gross Domestic Product (GDP) has grown by 4.20% on average over the last 25 years. It has been Europe's fastest growing economy over the past five years and has one of the highest expected future growths in disposable income, consumer spending and retail sales globally.

The Fund owns seven catchment-dominating retail centres with a Gross Asset Value of approximately $1 billion. Our 34-strong team in Poland have been managing and developing the assets for more than a decade. They know the assets intimately and have identified value enhancement initiatives that we expect will drive attractive future returns for investors.

We are currently in the process of restructuring the Fund and in advanced discussions to sell interests in it to investors once the restructure is completed.

European 2019 GDP growth is now forecast to average 1.20%. However, in a market of over 500 million people, this average masks sizable variances as Poland, Czech Republic and The Netherlands are all expected to out-perform other European countries, and I might add Australia.

Indeed, Australia is not immune to global market volatility, despite being somewhat protected by its mineral wealth. Exports continue to grow, although low domestic wage growth, coupled with a soft residential housing market, have prompted the RBA to reduce interest rates to 0.75%. 2019 GDP is now just slightly ahead of the European average at 1.40%.

Even though we have prudently, deliberately and carefully, diversified some exposure to other markets and faster growing economies, we remain focused on our core Australian portfolio, capital recycling, value-add pipeline and development opportunities. We are well positioned to take advantage of the opportunities in our pipeline, and those that we identify in a competitive market in general.

With our local teams, presence and expertise in 15 different countries and the knowledge of where to go, when, and why, we believe we are very well positioned to continue our long-term track record of delivering value for our capital partners, investors and securityholders.

FY20 operating profit guidance is forecast to be not less than 8.30 cps and distributions guidance is no less than 7.50 cps, a 3.45% increase on FY19. Based on the security price of $1.24 at close of business yesterday, this represents an operating profit per security and distributions per security yield of 6.7% and 6.0% respectively.

I would like to extend my thanks to the Board for their counsel and support, and to Michelle for her longstanding contribution to Cromwell's success. I would also like to acknowledge the wider Cromwell team for their hard work and effort in all the countries in which we operate.

Thank you.

Ends.

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ABOUT CROMWELL PROPERTY GROUP

Cromwell Property Group (ASX:CMW) is a Real Estate Investor and Manager with operations on three continents and a global investor base. The Group is included in the S&P/ASX200. As at 30 June 2019, Cromwell had a market capitalisation of $3.0 billion, a direct property investment portfolio in Australia valued at $2.5 billion and total assets under management of $11.9 billion across Australia, New Zealand and Europe.