



2019 AGM PRESENTATION

28 November 2019



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Directors



Geoffrey H Levy, AO
INDEPENDENT
NON-EXECUTIVE CHAIR



Leon Blitz
INDEPENDENT
NON-EXECUTIVE DEPUTY CHAIR



Paul Weightman
MANAGING DIRECTOR / CEO



Tanya Cox
INDEPENDENT
NON-EXECUTIVE DIRECTOR



Andrew Fay
INDEPENDENT
NON-EXECUTIVE DIRECTOR



Michelle McKellar
INDEPENDENT
NON-EXECUTIVE DIRECTOR
(Retiring)



Lisa Scenna
INDEPENDENT
NON-EXECUTIVE DIRECTOR



Jane Tongs
INDEPENDENT
NON-EXECUTIVE DIRECTOR

Meeting Agenda

1. Open
2. Chair's Address
3. CEO's Address
4. Formal Voting
5. Items of Business
6. Questions



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SECTION 2

Chair's Address

Cromwell Property Group Overview

Cromwell is a real estate investor and manager operating on three continents with a global investor base

Portfolio



**\$11.9/
€7.5bn**
AUM



270+
properties



3.7m
sqm



3,800+
tenants

Platform



420+
people



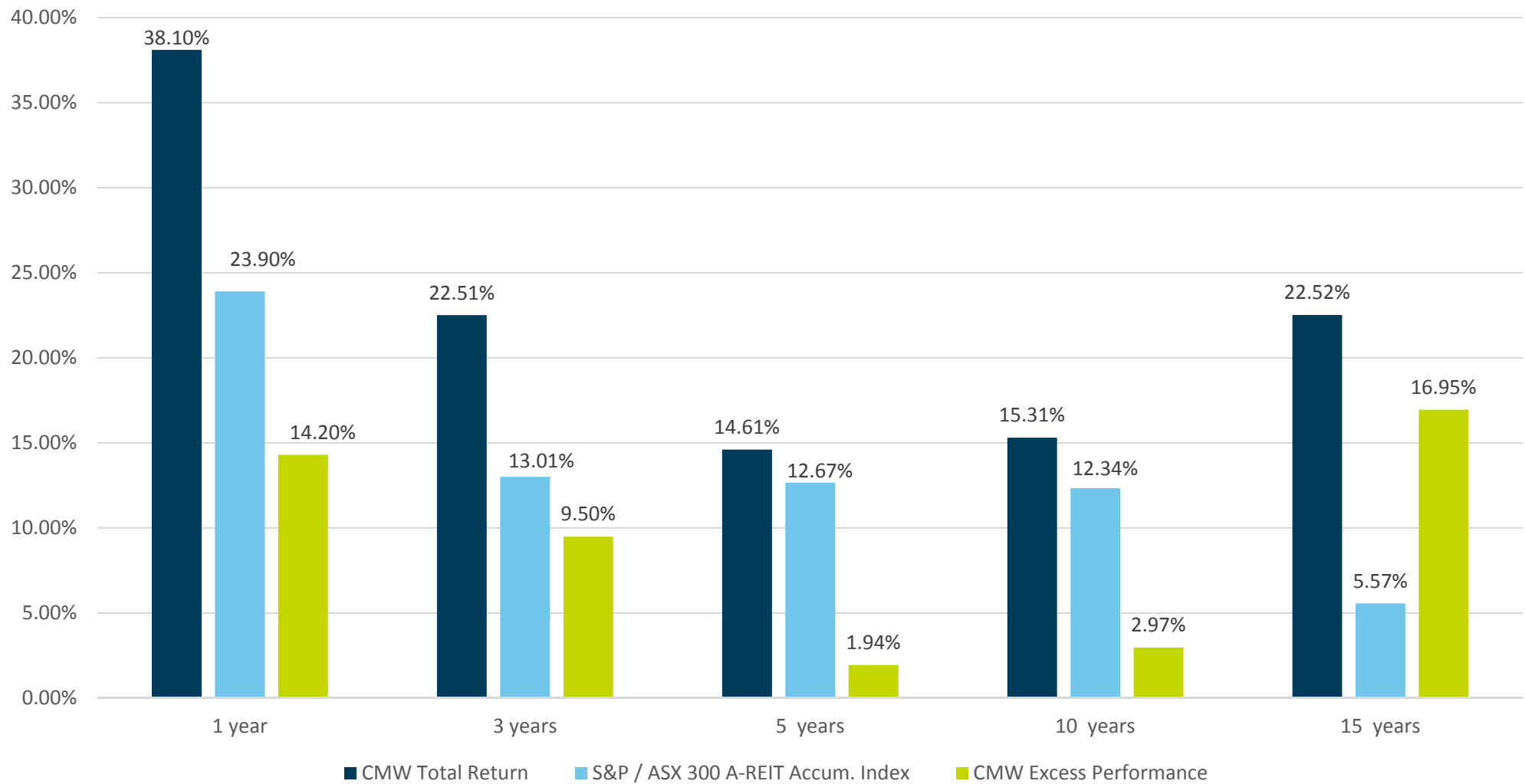
15
countries



29
offices



Cromwell Total Securityholder Returns (as at 31 October 2019)





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SECTION 3

CEO's Address

Financial Update – FY19 Headline Results

FY19 Highlights

- ✓ FY19 operating profit up 11.1%
- ✓ NTA per unit of \$0.97
- ✓ AUM up to \$11.9 billion
- ✓ WALE of 6.9 years
- ✓ Gearing of 35.0% (pro-forma capital raising 23.9%)
- ✓ Debt tenor of 4.5 years
- ✓ Operating profit > guidance by 0.21 cps
- ✓ Distributions of 7.25 cps met guidance

FY19 Performance Versus Prior Year

| | FY19 | FY18 | Change |
|---------------------------------------|---------|---------|---------|
| Statutory profit (\$M) | \$159.9 | \$204.1 | (21.7%) |
| Statutory profit (cents per security) | 7.53 | 10.89 | (30.9%) |
| Operating profit (\$M) | \$174.2 | \$156.8 | 11.1% |
| Operating profit (cents per security) | 8.21 | 8.36 | (1.8%) |
| Distributions (\$M) | \$157.5 | \$157.1 | 0.2% |
| Distributions (cents per security) | 7.25 | 8.34 | (13.1%) |
| Payout ratio | 90% | 100% | (10.0%) |

Financial Update – FY19 Segment Results¹

FY19 Commentary

- Direct Property Investment Segment profit was \$136.1 million, up 12.9% from the prior period, driven by strong like-for-like NOI growth
- Indirect Property Investment Segment profit, primarily representing Cromwell's interest in CEREIT, increased 94.9% to \$45.4 million
- Funds and Asset Management Segment profit was \$28.5 million, down from \$35.0 million
- Corporate costs include investing into future-proofing the platform, establishing the management team in Singapore and the set-up of an AIFM in Luxembourg in preparation for Brexit

FY19 Segment Profit Versus FY18

| | FY19 (\$M) | FY18 (\$M) | Change |
|--|---------------|---------------|---------------|
| Direct property investment | 136.1 | 120.6 | 12.9% |
| Indirect property investment | 45.4 | 23.3 | 94.9% |
| Funds and asset management | 28.5 | 35.0 | (18.6%) |
| Total segment results | 210.0 | 178.9 | 17.4% |
| Finance income | 4.8 | 9.0 | 46.7% |
| Corporate costs ² | (39.6) | (26.7) | (48.3%) |
| Income tax expense | (1.0) | (4.4) | 77.3% |
| Operating profit | 174.2 | 156.8 | 11.1% |
| Operating profit (cents per security) | 8.21 | 8.36 | (1.8%) |

1. See Annual Results presentation for further details of segment results, operating profit and reconciliation to statutory profit

2. Includes non-segment specific corporate costs pertaining to Group level functions such as finance and tax, legal, risk and compliance, corporate secretarial and marketing and other corporate services

Financial Update – FY19 Capital Management Results

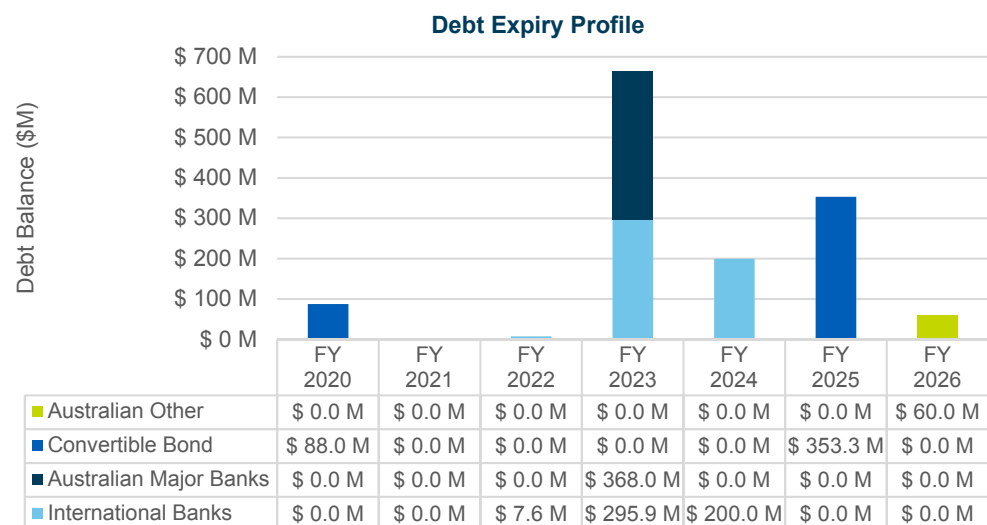
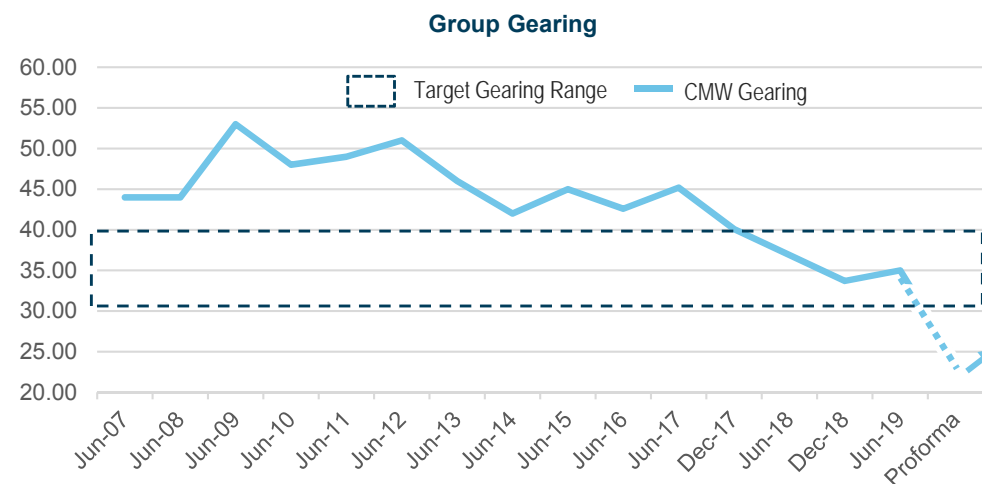
Strong Debt Profile

- Cromwell has been progressively reducing gearing and is now targeting a 30 – 40% gearing range through the cycle
- Group gearing¹ of 35.0% (42.3% look-through) is in the middle of the revised, through the cycle, target gearing range
- Leverage capacity will be used on a short term basis to execute the ‘Invest to Manage’ strategy. Pro-forma gearing post capital raises is below target gearing range at 23.9%
- Weighted average debt expiry is 4.5 years, diversified across 12 domestic and international lenders and two Convertible Bond issues

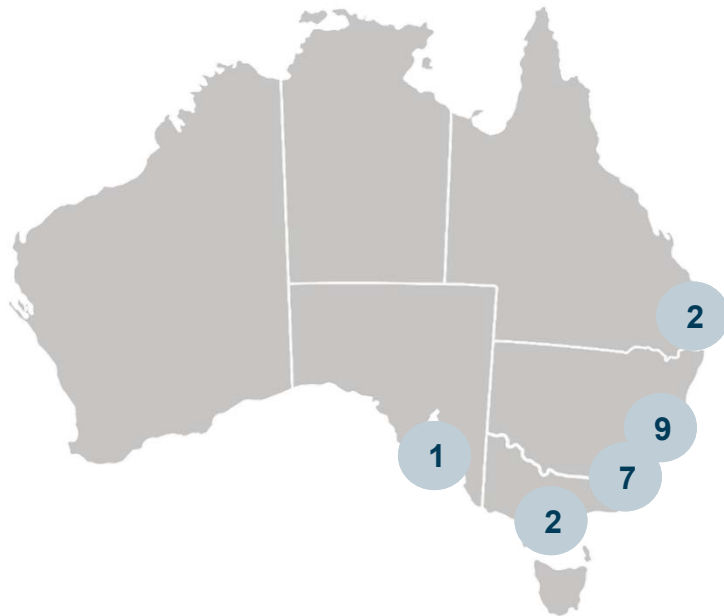
Interest Rate Hedging

- 99.9% of balance sheet hedged with a weighted average hedge term of 3.3 years
- On a look through basis 89.3% hedged with a weighted average hedge term of 2.9 years

1. Gearing calculated as (total borrowings less cash)/(total tangible assets less cash). Look through gearing adjusts for the 50% interest in Northpoint Tower and 35% of CEREIT and 50% in LDK Joint Venture



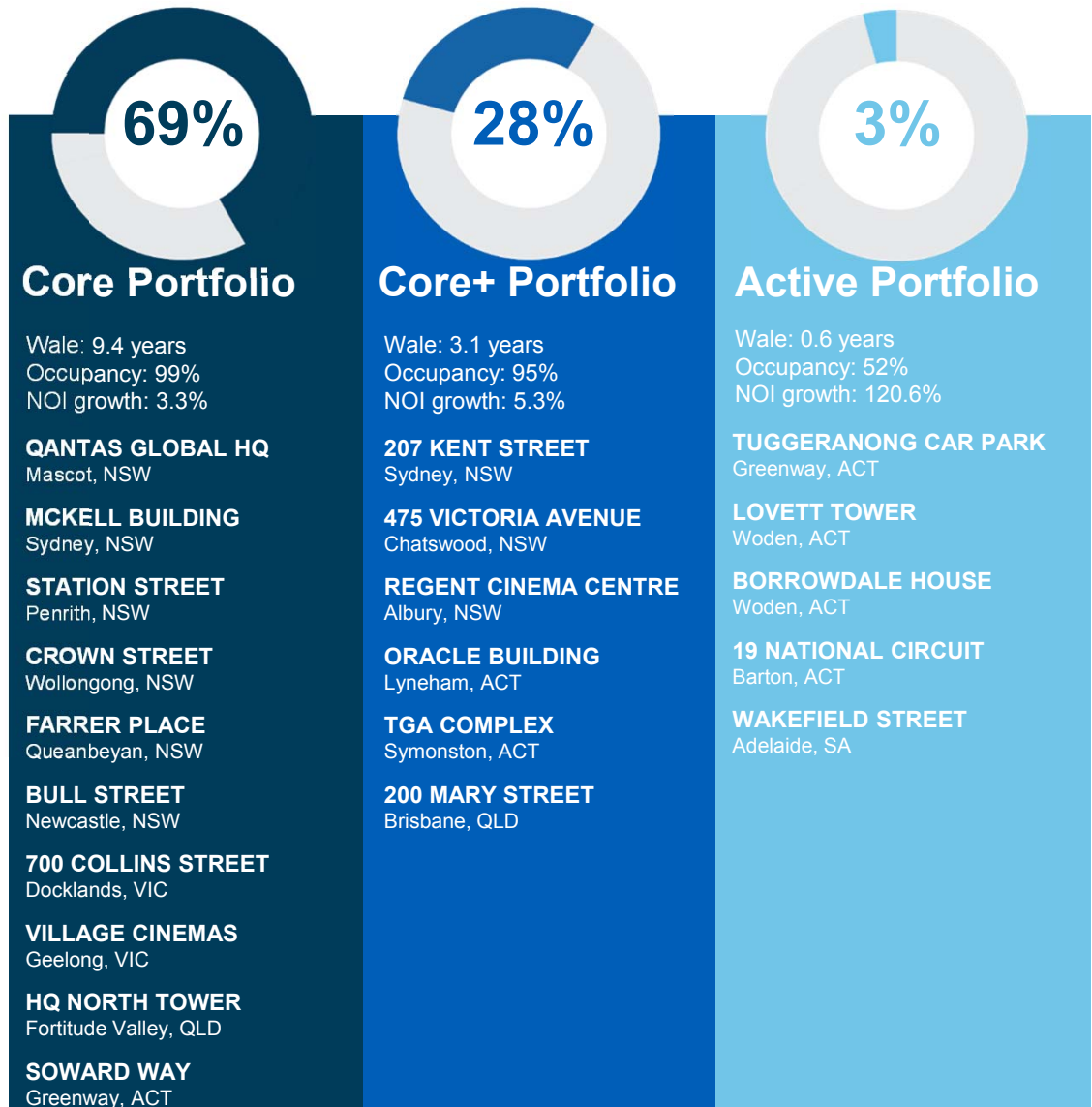
Property Portfolio – Snapshot (as at 30 June 2019)



Key Portfolio Metrics

| | |
|---------------------------------|-----------------|
| No. properties on balance sheet | 21 ¹ |
| Value | A\$2.5bn |
| WACR | 5.8% |
| Occupancy by NLA | 91.7% |
| WALE | 6.9 yrs |

1. Note: Northpoint is equity accounted and excluded.



Property Portfolio – c.\$1 Billion Development Pipeline

- Asset recycling strategy has been ongoing since 2010 with \$520 million of assets sold since the start of FY18
- Funds have facilitated development of a c.\$1 billion pipeline of new value add opportunities



Greenway, ACT¹



Victoria Avenue, Chatswood NSW



700 Collins Street, Melbourne VIC

Confidential Projects

| | Greenway, ACT¹ | Victoria Avenue, Chatswood NSW | 700 Collins Street, Melbourne VIC | Confidential Projects |
|-----------------------------------|--|---|--|--|
| Description | Construction has commenced converting office buildings to Seniors Living, with 35,000 sqm capacity for further development | Additional permissions sought from Council. Public notice period completed, expecting response towards end of year with construction, subject to Council approval, starting early in 2020 | DA submitted July 2019 for an additional 13,000 sqm of office, 182 room hotel and c. 280 residential accommodation units. Response expected mid 2020 | Negotiations on redevelopment of existing assets with new and existing tenants |
| Status | Current | Announced | Awaiting DA Approval | New |
| Estimated development cost | >\$150m | c.\$100m | c.\$350m | >\$500m |
| Proposed timing | FY19-21 | FY20-22 | FY21-24 | FY20+ |

1. Cromwell has a 50% ownership interest in LDK Healthcare, the operator of a planned Seniors Living community at Greenway, ACT

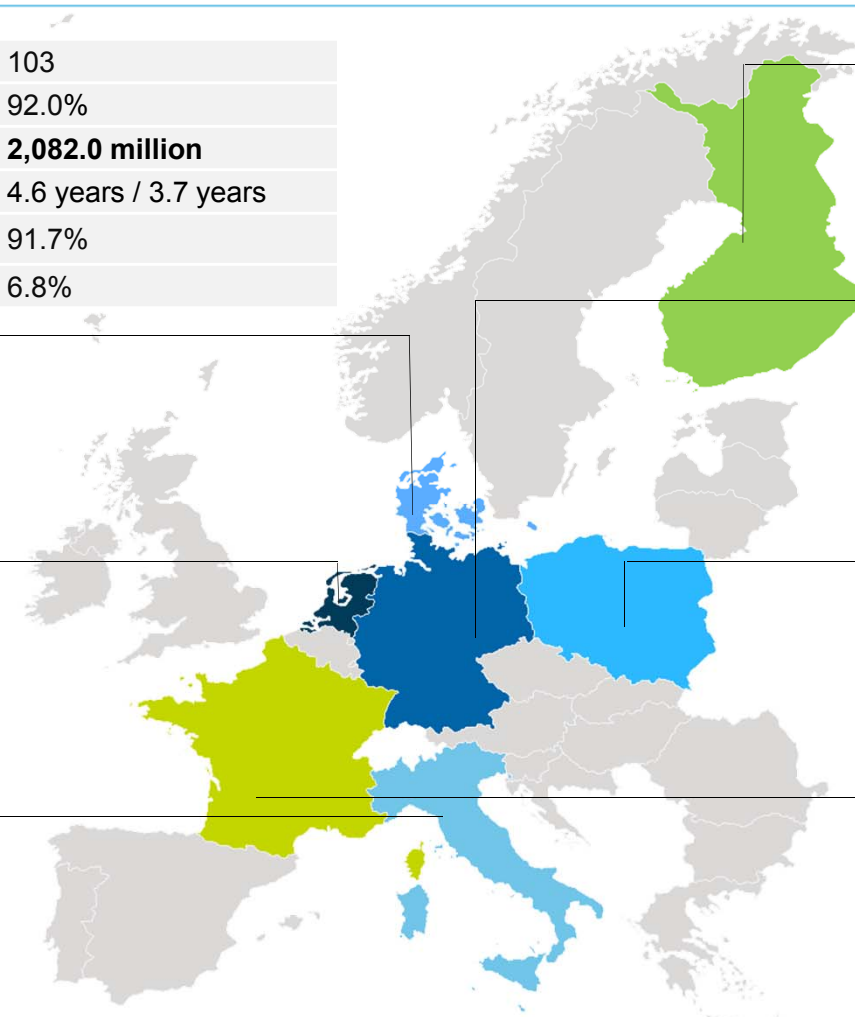
Funds Management – CEREIT (as at 30 September 2019)

| | |
|---|------------------------|
| Properties | 103 |
| Occupancy Rate (by lettable area) | 92.0% |
| Valuation (€) ¹ | 2,082.0 million |
| WALE / WALB ² | 4.6 years / 3.7 years |
| % Freehold ³ | 91.7% |
| Average Reversionary Yield ⁴ | 6.8% |

| Denmark | |
|----------------------------|---------|
| Properties | 13 |
| Lettable Area (sqm) | 151,491 |
| Valuation (€ million) | 83.1 |
| % of Portfolio | 4.0% |
| Average Reversionary Yield | 7.8% |

| The Netherlands | |
|----------------------------|---------|
| Properties | 17 |
| Lettable Area (sqm) | 260,205 |
| Valuation (€ million) | 627.0 |
| % of Portfolio | 30.1% |
| Average Reversionary Yield | 5.7% |

| Italy | |
|----------------------------|---------|
| Properties | 17 |
| Lettable Area (sqm) | 335,994 |
| Valuation (€ million) | 458.6 |
| % of Portfolio | 22.0% |
| Average Reversionary Yield | 6.0% |



| Finland | |
|----------------------------|--------|
| Properties | 11 |
| Lettable Area (sqm) | 61,977 |
| Valuation (€ million) | 115.5 |
| % of Portfolio | 5.5% |
| Average Reversionary Yield | 7.8% |

| Germany | |
|----------------------------|---------|
| Properties | 11 |
| Lettable Area (sqm) | 166,738 |
| Valuation (€ million) | 118.6 |
| % of Portfolio | 5.7% |
| Average Reversionary Yield | 6.9% |

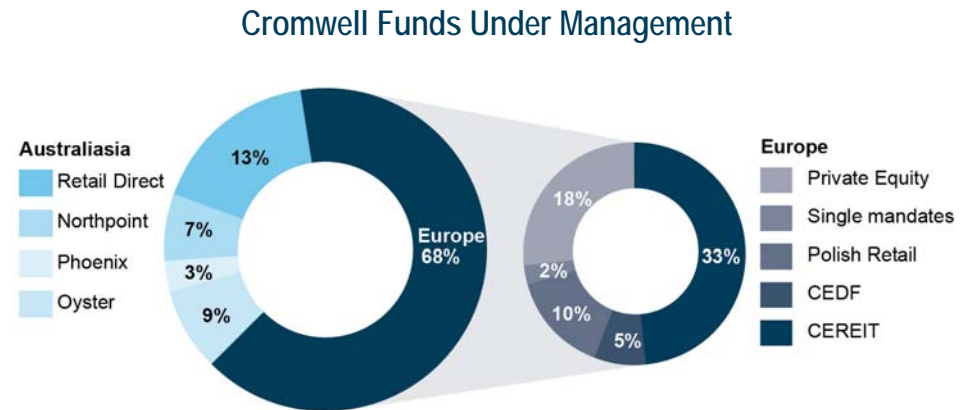
| Poland | |
|----------------------------|---------|
| Properties | 6 |
| Lettable Area (sqm) | 111,210 |
| Valuation (€ million) | 242.0 |
| % of Portfolio | 11.6% |
| Average Reversionary Yield | 7.9% |

| France | |
|----------------------------|---------|
| Properties | 28 |
| Lettable Area (sqm) | 403,878 |
| Valuation (€ million) | 437.2 |
| % of Portfolio | 21.0% |
| Average Reversionary Yield | 8.0% |

- 97 properties valued as at 30 June 2019 and 6 properties as per the announced acquisitions on 21 June 2019 recorded at purchase price
- WALE and WALB as at 30 June 2019. WALE is defined as weighted average lease expiry by headline rent based on the final termination date of the agreement (assuming the tenant-customer does not terminate the lease on any of the permissible break date(s), if applicable); WALB is defined as the weighted average lease break by headline rent based on the earlier of the next permissible break date at the tenant's election or the expiry of the lease
- % freehold and continuing / perpetual leasehold by value
- A proxy to present cap rate. Reversionary Yield is the net market rental value per annum (net of non-recoverable running costs and ground rent) expressed as a percentage of the net capital value. The reversionary yield for the portfolio and sub portfolios is the average reversionary yield weighted by the valuation

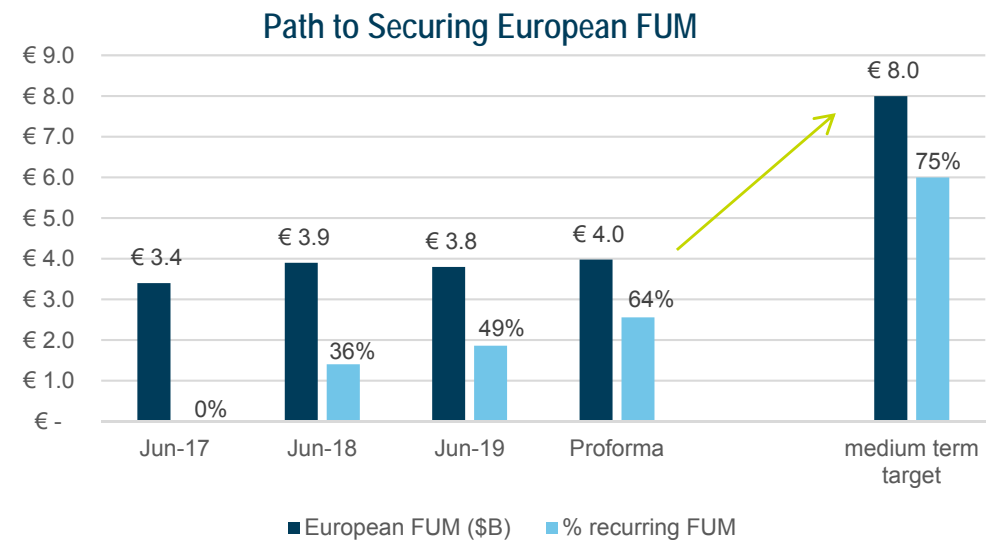
Funds Management – Foundations in Place

- Total Funds and Asset management segment profit was \$28.5 million (FY18 \$35.0 million)
- Total segment AUM increased 3.2% to \$9 billion driven by an increase in retail AUM to \$2.3 billion (FY18 \$2 billion) while wholesale AUM was unchanged at \$6.7 billion



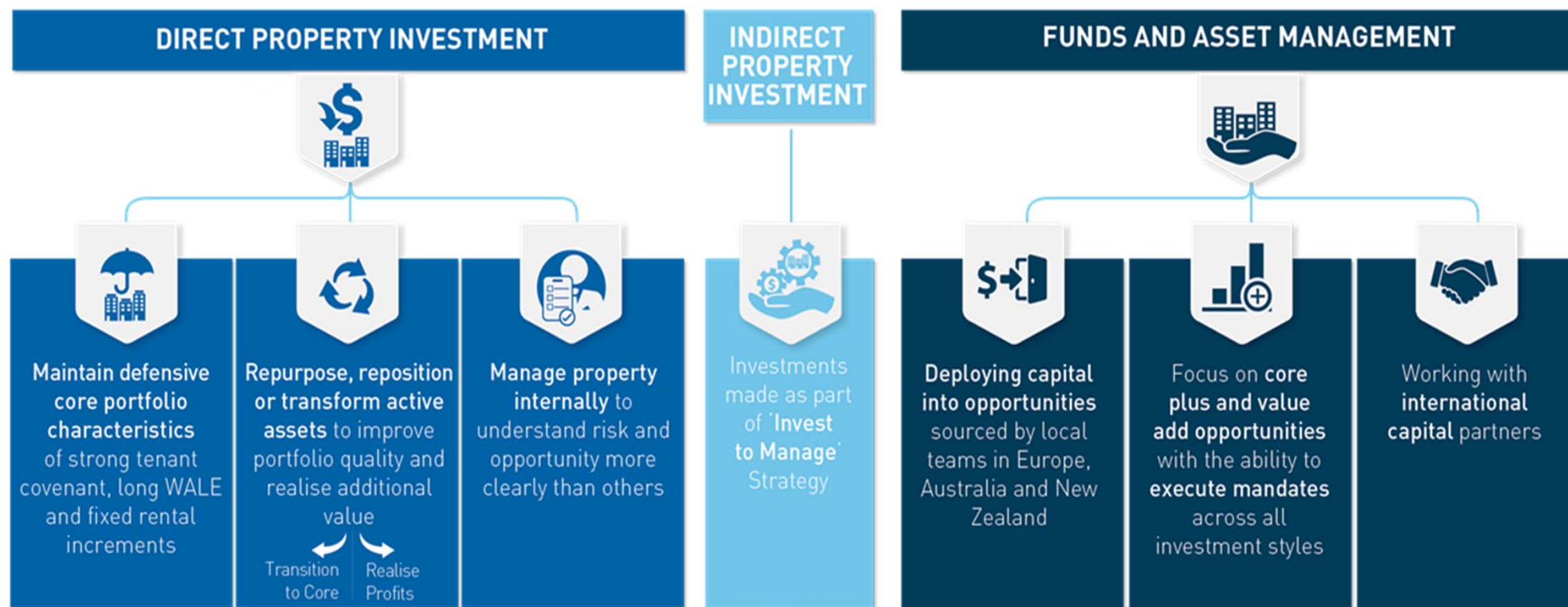
European Funds Management Update

- FUM within Europe was steady at €3.8 billion but just under half (49%) is now successfully underpinned by longer dated capital
- Post completion of recent CEReIT acquisitions and successful acquisition of investor interests in Cromwell Polish Retail Fund this will increase to 64%
- This will provide the business with steady, recurring earnings and make it less prone to transactional income
- Platform is ready to scale with medium term target of €8 billion and 75% of earnings from recurring income



Cromwell Property Group Strategy

- Objective: To provide stable and secure distributions with potential for capital growth underpinned by:
 - stable long-term cash flows from long-dated direct property investment portfolio;
 - recurring profits from indirect investments and stakes held in assets, funds and JVs; and
 - transactional profits from funds management and asset enhancement capabilities.

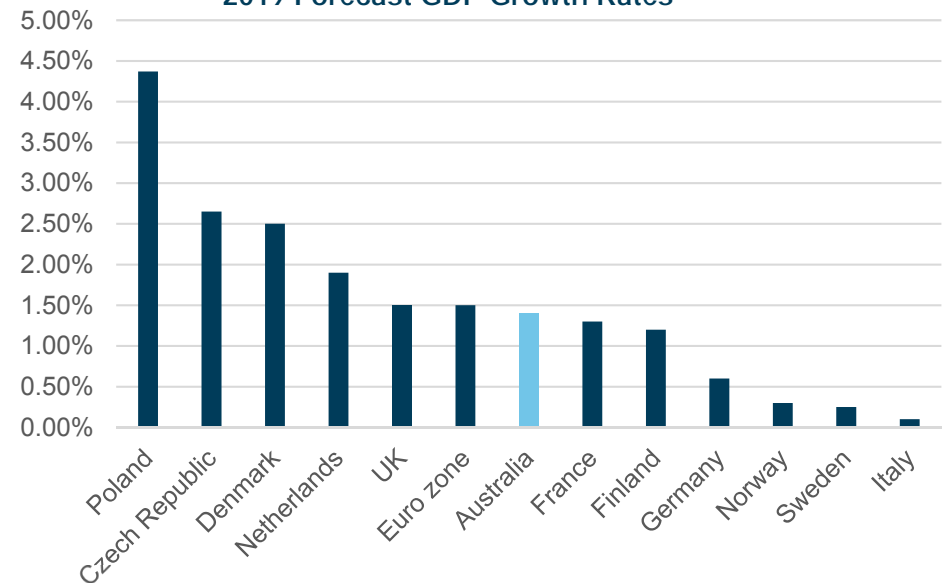


FY19 Outlook and Guidance

- Ripple effects of the US-China trade war are being felt globally
- Spiking economic policy uncertainty will lead to an increase in market volatility, and also opportunity, around the world
- Australia is not immune and GDP growth has been revised down to around 1.40% with the Reserve Bank dropping interest rates recently to a record low of 0.75%
- The Eurozone economy has also slowed with Brexit looming and 2019 GDP growth across the EU27 now anticipated to be 1.20%
- This growth however masks sizable variances within Europe as Poland, Czech Republic, Netherlands and Sweden are all expected to out-perform other European countries (and Australia)
- **FY20 operating profit affirmed at no less than 8.30 cps and distribution guidance affirmed at no less than 7.50 cps**
- **Representing an operating profit yield of 6.7% and a distribution yield of 6.0% respectively¹**

1. Based on CMW closing share price of \$1.24 as at 27 November 2019

2019 Forecast GDP Growth Rates



Australian Quarterly GDP Growth Rate



Source: Trading Economics.com, Australian Bureau of Statistics



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SECTION 4

Formal Voting



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SECTION 5

Items of Business



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SECTION 6

Questions



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