



# FY19 RESULTS PRESENTATION

**29 August 2019**



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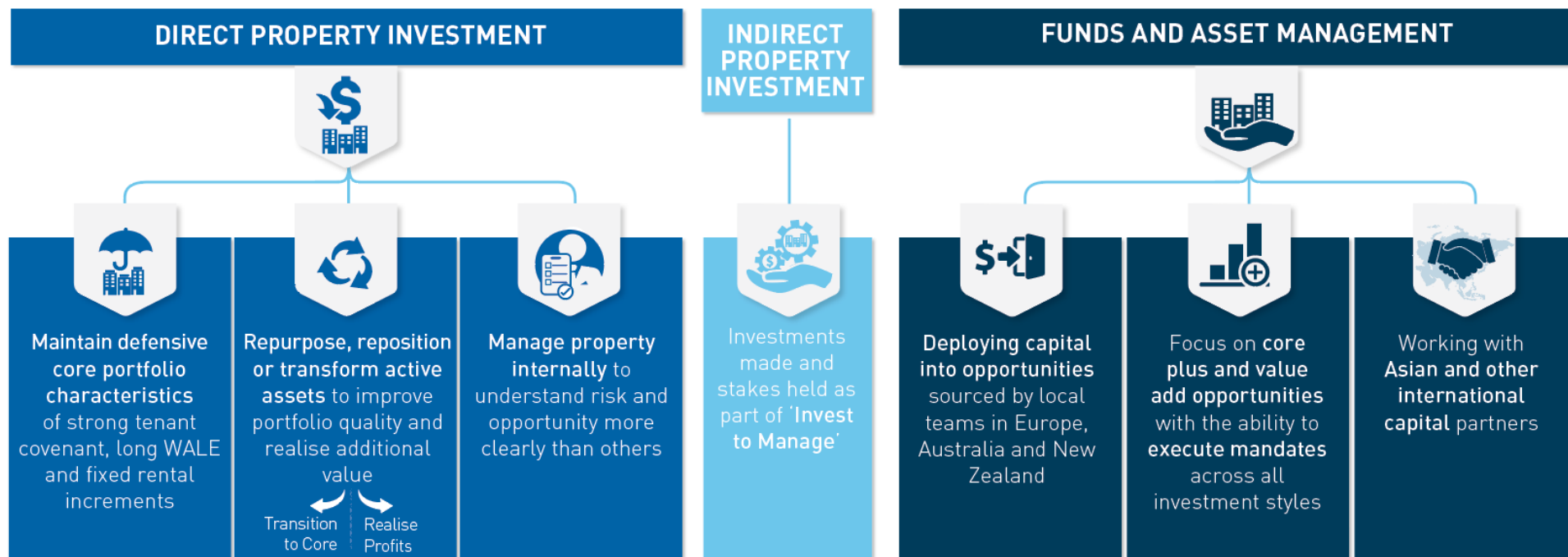
SECTION 1

# Strategy Update & Overview



# Cromwell Property Group Overview

- Cromwell is a real estate investor and manager operating on three continents with a global investor base
- Securityholders benefit from stable long term cash flows, demonstrated asset enhancement capabilities and transactional profits, and low risk exposure to Asian capital flows and European economic growth
- Cromwell maintains a strong and secure balance sheet and long-dated Australian property portfolio which enables it to recycle assets and reinvest into its property investment and funds management businesses



# Key FY19 Milestones

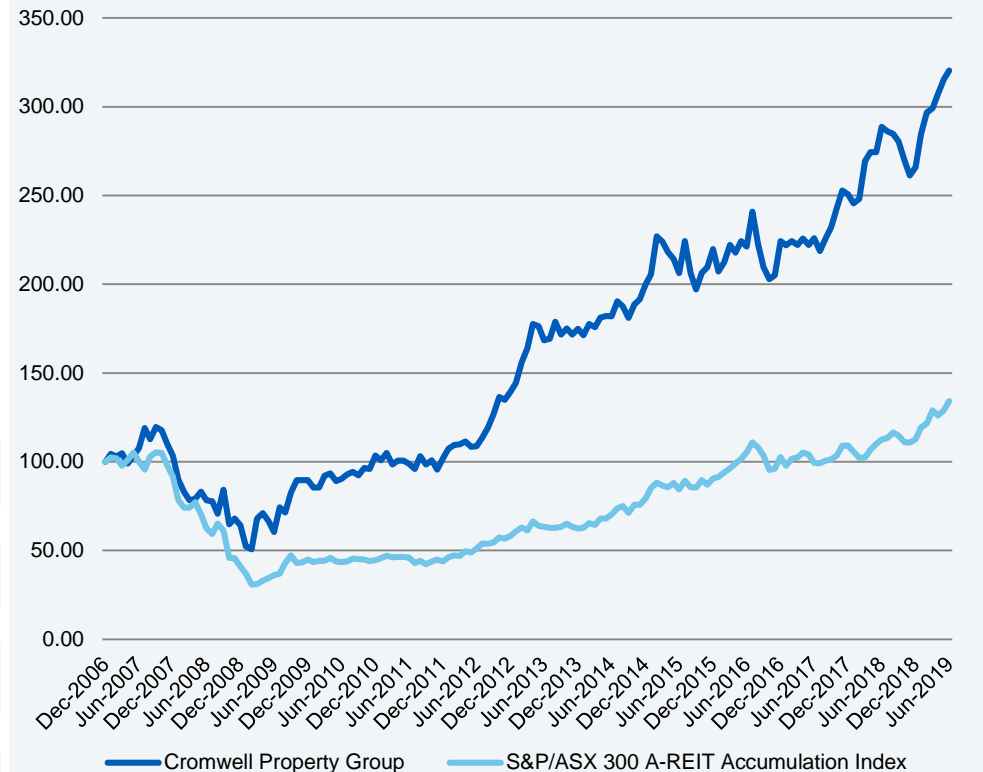
<b>24 August</b>	• TechnologyOne, and subsequently AECOM and Bechtel, all renew leases at HQ North
<b>26 September</b>	• Cromwell Ipswich City Heart Trust unitholders vote to extend Trust term to June 2023
<b>30 October</b>	• CEREIT announces rights issue to acquire 23 assets for €384.4 million
<b>10 October</b>	• First logistics development with Linkcity (Bouygues Construction) completes in Czech Republic
<b>18 December</b>	• Cromwell's accelerated non-renounceable entitlement offer completes raising \$228 million
<b>20 December</b>	• Sold four office buildings (25,417 sqm) in the Netherlands on behalf of Goldman Sachs
<b>21 December</b>	• Energy Queensland Head Office acquired for \$63.5 million on behalf of unitholders in DPF
<b>25 February</b>	• The Landings acquired for \$60 million in LDK Seniors Living joint venture in Sydney
<b>27 March</b>	• Pirelli R&D Facility in Milan acquired on behalf of Korean capital partner for €88 million
<b>29 March</b>	• \$75 million development approval received for mixed use project at Chatswood, Sydney
<b>17 April</b>	• Alternative Investment Funds Management (AIFM) licence received from Luxembourg regulator
<b>21 June</b>	• CEREIT announces accretive acquisitions of 6 properties for €246.9 million
<b>27 June</b>	• \$375 million institutional placement successfully completed (allotment 2 July 2019)
<b>28 June</b>	• New three-year €225 million syndicated facility agreement executed
<b>28 June</b>	• Altitude Corporate Centre in Sydney added to Cromwell Direct Property Fund for \$113.3 million
<b>Proforma</b>	
<b>1 July</b>	• 50% interest in Northpoint exchanged for \$300 million, subject to FIRB approval
<b>26 July</b>	• Security Purchase Plan closes oversubscribed
<b>22 August</b>	• Exchanged contracts for \$524.75 million to acquire 400 George Street, Brisbane
<b>28 August</b>	• Exercised pre-emptive right on Cromwell Polish Retail Fund (GAV approx. €600 million)

# FY19 Results and Invest to Manage Strategy Update

## 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 exceeded guidance by 0.21 cps
- ✓ Distributions of 7.25 cps met guidance

## Total Securityholder Return (TSR)<sup>1</sup>



1. Stapling event in December 2006 to 30 June 2019

# FY19 Results and Invest to Manage Strategy Update

## 'Invest to Manage' Summary

***Investing capital to acquire assets, create new funds and sell down to capital partners***

### **EXISTING 'Invest to Manage' Opportunities**

- Cromwell European REIT (CEREIT)
- Seniors Living - LDK Healthcare
- Northpoint Tower (Exchanged contracts to sell 1 July 2019)

### **Cromwell Stake**

35.8% (pro-forma 32%)  
50%  
50%

### **NEW 'Invest to Manage' Opportunities**

- 400 George Street, Brisbane
- Cromwell Polish Retail Fund
- Victoria Avenue, Chatswood
- 700 Collins Street, Melbourne
- \$500 million in other value add opportunities

50% (Target)  
20 - 30% (Target)  
TBD  
TBD  
TBD

# FY19 Results and Invest to Manage Strategy Update

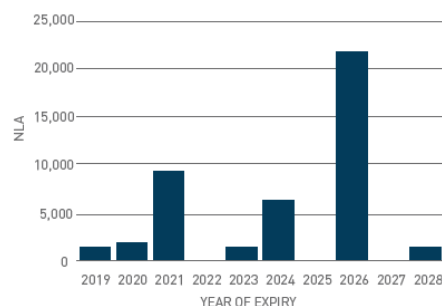
## 400 George Street, Brisbane

- Asset suitable for new wholesale fund and subsequent sell down to capital partners as part of Invest to Manage strategy
- 35 levels, including four basement levels, a ground level foyer, a mezzanine food court and 30 levels of office above
- Completed in October 2009 and is situated opposite from the Brisbane Magistrates Court in Brisbane's North Quarter Precinct
- Occupancy rate of 99.8% underpinned by blue-chip corporate and State and Commonwealth Government tenants
- Superior sustainability credentials with 5.5 Star NABERS Energy, 4.0 Star NABERS Water and 5.0 Star NABERS Indoor Environment Ratings as well as a 5.0 Star Green Star As-Built Rating

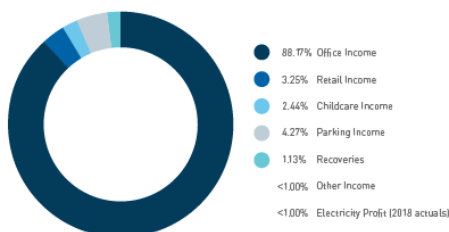
## Property Overview

Site Area	2,902 sqm
NLA	43,978 sqm
Occupancy	99.8%
WALE	4.9 years
NABERS Energy	5.5 Star
NABERS Water	4.0 Star

## Expiry Profile NLA



## Income source





# FY19 Results and Invest to Manage Strategy Update

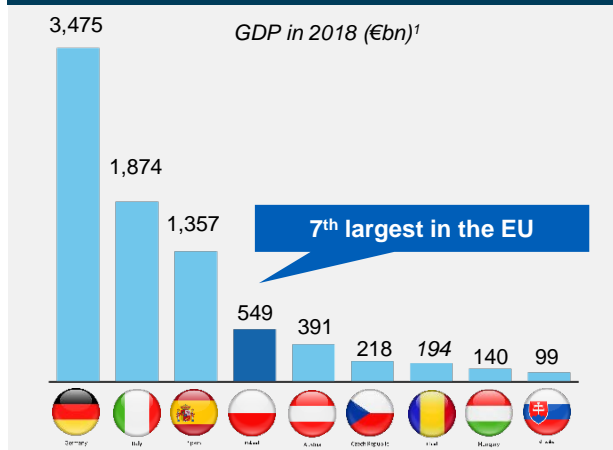
## Cromwell Polish Retail Fund

- Cromwell has exercised its pre-emptive right to acquire the third party investor interests in the Fund
- Acquired interests are planned to be rolled into a new Fund which Cromwell will underwrite and take a co-investment stake (20 – 30%)
- Fund comprises a portfolio of seven, catchment dominating, shopping centres in Poland with GAV of approx. €600 million (\$990 million)
- Local team has managed the Fund for over 10 years and knows assets intimately
- Poland is Europe's success story with a forecast GDP CAGR of 3.1% p.a. over the next 5 years
- High expected growths in disposable income (5.8%), consumer spending and retail sales growth (5.5%)
- Retail rental rates substantially below Western European peers alongside future value enhancement opportunities provide upside

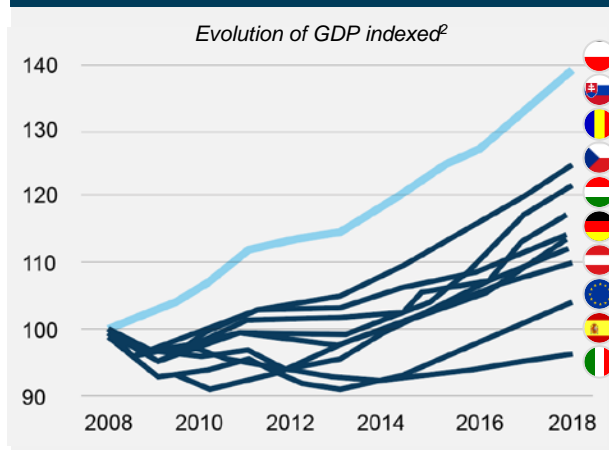


# Poland is Europe's Economic Success Story

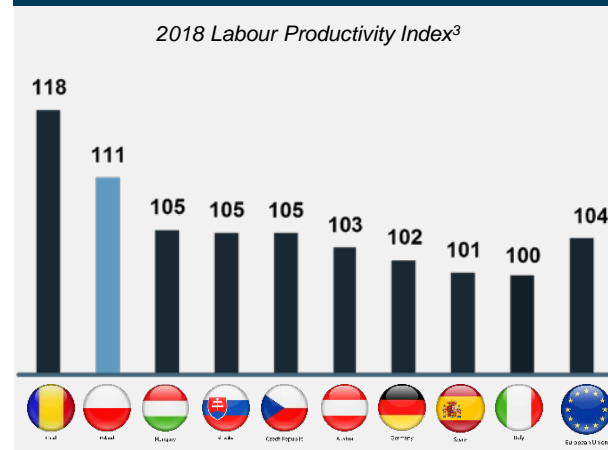
## 7<sup>th</sup> largest European economy



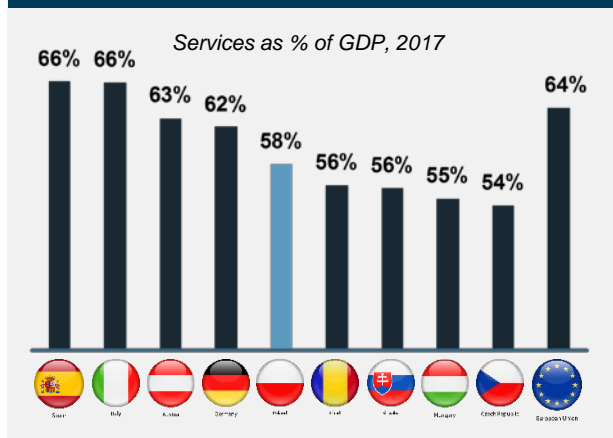
## ... constantly outperforming peers



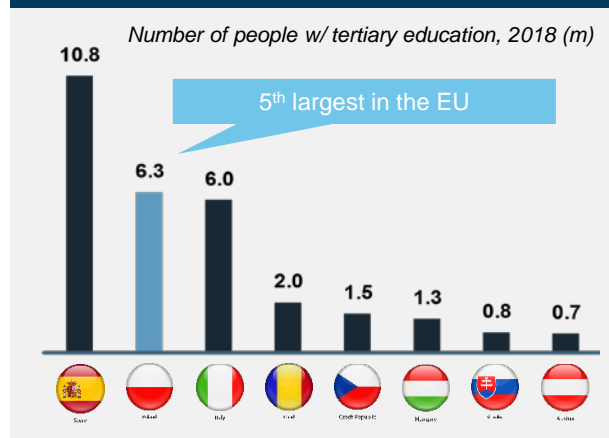
## ...due to a productive labour market



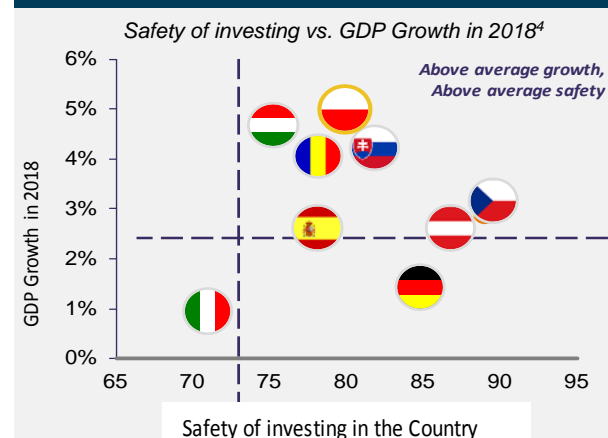
## Is an attractive business destination



## ... with a well educated workforce



## ...that combines stability and growth



Sources Eurostat, World Bank, CIA World Factbook, IHS Markit

1. Year-end estimation as of 15 October 2018
2. 2008 set to 100 as a base year
3. IHS Markit data as of March 2018 – growth in labour productivity, rebased to 2015 (100)
4. PRS Group Regional Political Risk Index as of April 2018, (0 = lowest safety, 100 = highest safety)



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SECTION 2

# Financial and Capital Management Update

# Financial Update - FY19 Headline Results<sup>1</sup>

## FY19 COMMENTARY

- Statutory Profit was \$159.9 million compared to prior corresponding period of \$204.1 million
- Underlying Operating Profit was up 11.1% to \$174.2 million compared to the prior corresponding period (FY18 \$156.8 million)
- Payout ratio of 90% as some funds retained for re-investment into value adding opportunities within the business
- Distributions amounted to \$157.5 million, a slight increase on the previous year (\$157.1 million)
- Operating profit was 0.21 cps ahead of full year guidance at 8.21 cps
- Distributions per security were 7.25 cps, meeting full year guidance

## FY19 Performance Versus PCP

	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) <sup>1</sup>	\$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%)

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



# Financial Update - FY19 Segment Results<sup>1</sup>

## 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 PCP

	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%)
<b>Total segment results</b>	<b>210.0</b>	<b>178.9</b>	<b>17.4%</b>
Finance income	4.8	9.0	46.7%
Corporate costs <sup>2</sup>	(39.6)	(26.7)	(48.3%)
Income tax expense	(1.0)	(4.4)	77.3%
<b>Operating profit</b>	<b>174.2</b>	<b>156.8</b>	<b>11.1%</b>
<b>Operating profit (cents per security)</b>	<b>8.21</b>	<b>8.36</b>	<b>(1.8%)</b>

1. See Appendix 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 – Balance Sheet Well Positioned

## Balance sheet remains well positioned

- Cash and Cash Equivalents of \$101.6 million
- The value of equity accounted investments primarily represented by Cromwell's investments in Northpoint and CEREIT increased by \$112.1 million (16%)
- Total assets increased by 6.6% with borrowings reducing by \$55.6 million
- Net Tangible Assets (NTA) up \$0.01 to \$0.97 per security

## Entitlement Offer

- 2 for 13 accelerated non-renounceable entitlement offer concluded in December 2018. The Offer raised \$228 million
- Institutional placement completed June 2019 raising \$375 million plus SPP completed oversubscribed raising a further \$32.5 million in July (new securities allotted July 2019)
- Total number of securities on issue as at 30 June 2019 was 2,236.6 million (1,985.3 million 30 June 2018)

1. Calculated as (total borrowings less cash)/(total tangible assets less cash). Look through gearing adjusts for the 50% interest in Northpoint Tower and 35% interest in CEREIT.

	FY19 (Actual \$M)	FY18 (Actual \$M)
Cash and cash equivalents	101.6	204.6
Investment property	2,520.9	2,451.1
Investment property held for sale	-	0.9
Equity accounted investments	814.5	702.4
Receivables	194.2	44.0
Intangibles	4.5	2.3
Investments at fair value	22.6	33.0
Other assets	37.4	28.0
<b>Total assets</b>	<b>3,695.7</b>	<b>3,466.3</b>
Borrowings	(1,356.4)	(1,412.0)
Derivative financial instruments	(37.1)	(37.7)
Distribution payable	(40.5)	(41.4)
Payables	(60.3)	(52.3)
Other liabilities	(18.4)	(21.4)
<b>Total liabilities</b>	<b>(1,512.7)</b>	<b>(1,564.8)</b>
<b>Net assets</b>	<b>2,183.0</b>	<b>1,901.5</b>
Securities on issue ('000)	2,236.6	1,985.3
<b>NTA per security</b>	<b>\$0.97</b>	<b>\$0.96</b>
<b>Gearing<sup>1</sup></b>	<b>35.0%</b>	<b>37.1%</b>
<b>Gearing (look-through)<sup>1</sup></b>	<b>42.3%</b>	<b>42.6%</b>

# Capital Management – Position Improves Further

## Strong Debt Profile

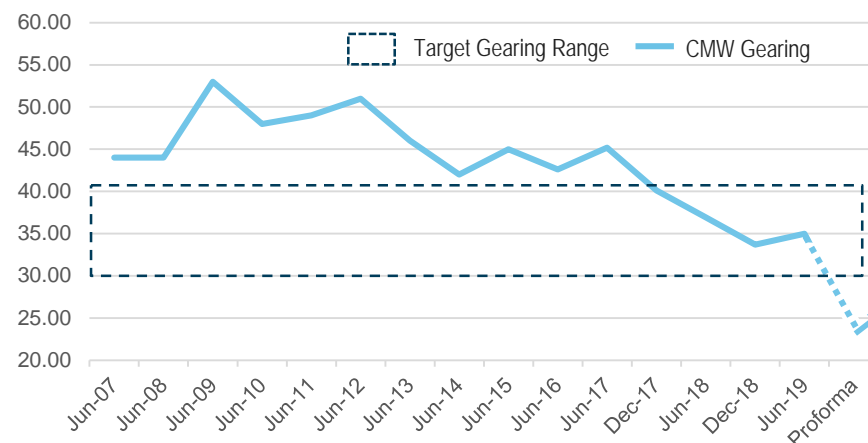
- Cromwell has been progressively reducing gearing and is now targeting a 30 – 40% gearing range through the cycle
- Group gearing<sup>1</sup> of 35.0% (42.3% look-through) is in the middle of the revised, through the cycle, target gearing range
- Leverage capacity will be used on a short term basis 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 twelve domestic and international lenders and two Convertible Bond issues

## Interest Rate Hedging

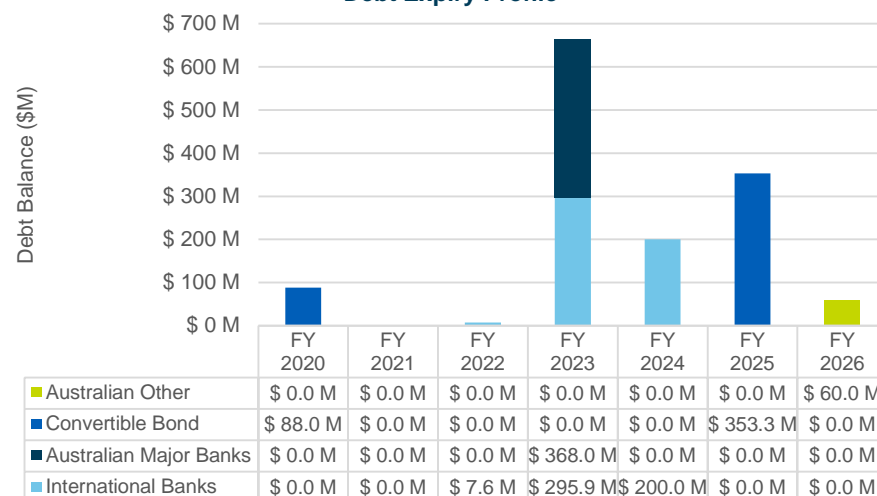
- 99.9% of balance sheet hedged with a weighted average hedge term of 3.3 years
- On a look through basis 89.3% hedged with a weighted average hedge term of 2.9 years
- Forward exposures are actively managed against an annually agreed target to ensure the best possible protection

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

## Group Gearing



## Debt Expiry Profile





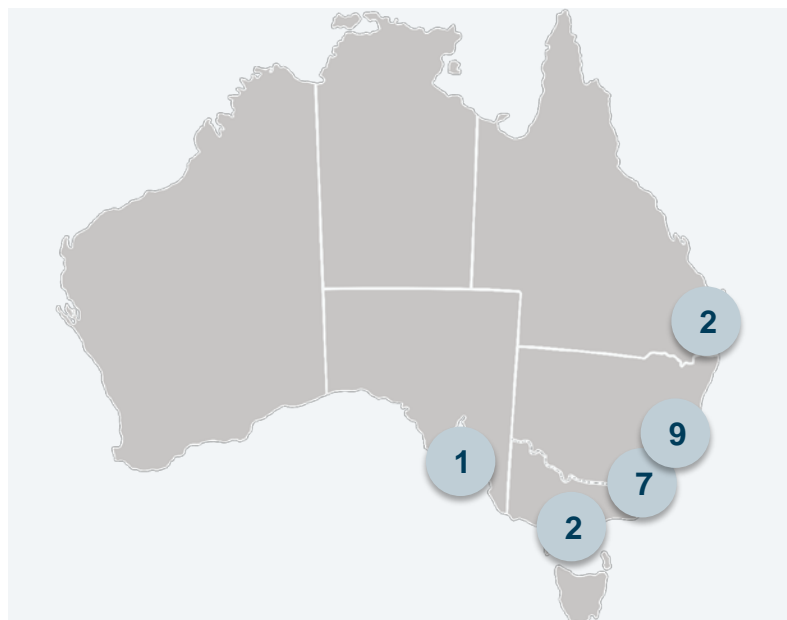
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SECTION 3

# Direct Property Investment



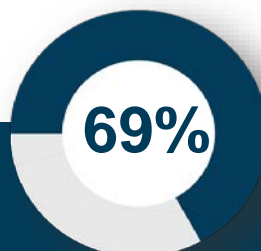
# Property Portfolio – Component Snapshot (as at 30 June 2019)



## Key Portfolio Metrics

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

1. Note: Northpoint is equity accounted and excluded.



## Core Portfolio

Wale: 9.4 years  
Occupancy: 99%  
NOI growth: 3.3%

**QANTAS GLOBAL HQ**  
Mascot, NSW

**MCKELL BUILDING**  
Sydney, NSW

**STATION STREET**  
Penrith, NSW

**CROWN STREET**  
Wollongong, NSW

**FARRER PLACE**  
Queanbeyan, NSW

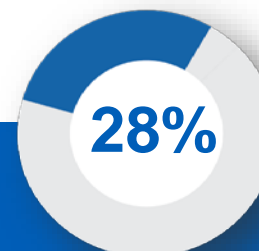
**BULL STREET**  
Newcastle, NSW

**700 COLLINS STREET**  
Docklands, VIC

**VILLAGE CINEMAS**  
Geelong, VIC

**HQ NORTH TOWER**  
Fortitude Valley, QLD

**Soward Way**  
Greenway, ACT



## Core+ Portfolio

Wale: 3.1 years  
Occupancy: 95%  
NOI growth: 5.3%

**207 KENT STREET**  
Sydney, NSW

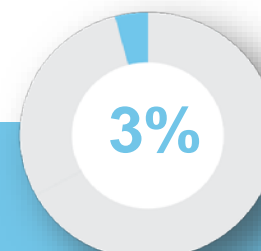
**475 VICTORIA AVENUE**  
Chatswood, NSW

**REGENT CINEMA CENTRE**  
Albury, NSW

**ORACLE BUILDING**  
Lyneham, ACT

**TGA COMPLEX**  
Symonston, ACT

**200 MARY STREET**  
Brisbane, QLD



## Active Portfolio

Wale: 0.6 years  
Occupancy: 52%  
NOI growth: 120.6%

**TUGGERANONG CAR PARK**  
Greenway, ACT

**LOVETT TOWER**  
Woden, ACT

**BORROWDALE HOUSE**  
Woden, ACT

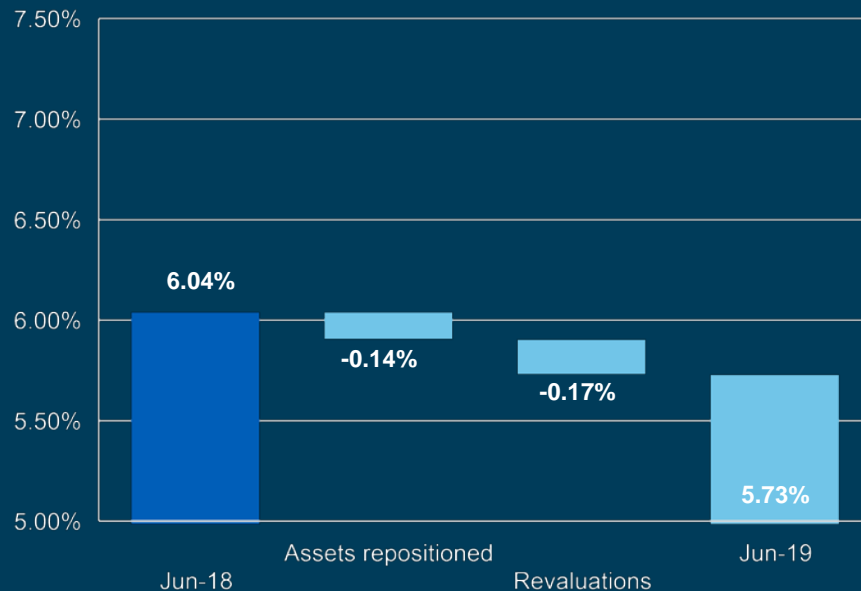
**19 NATIONAL CIRCUIT**  
Barton, ACT

**WAKEFIELD STREET**  
Adelaide, SA

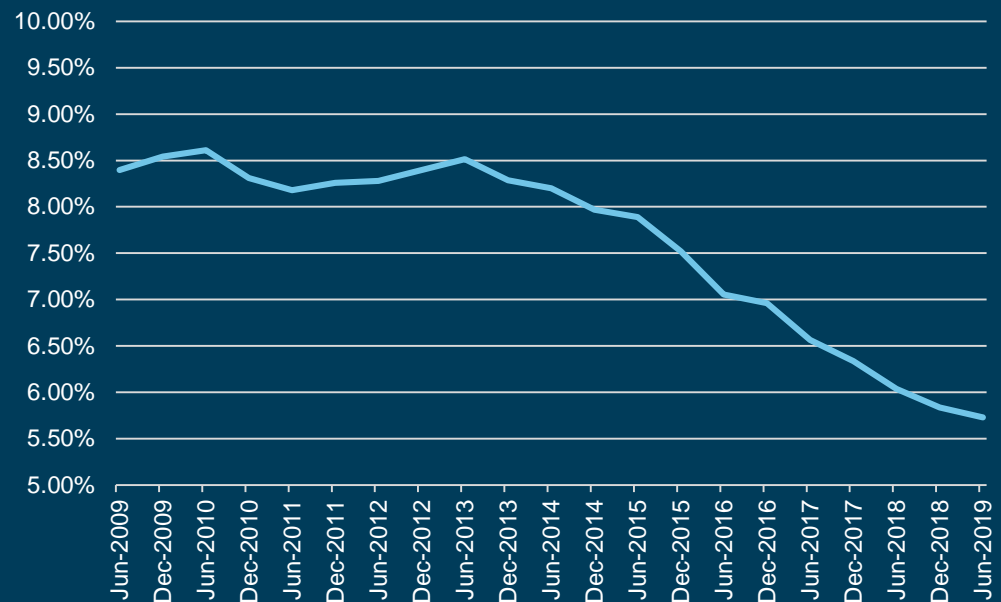
# Property Portfolio – Valuations Continue To Rise

- Eleven assets were externally revalued in the period representing approximately half of the portfolio by value
- Fair value increase in investment property of \$74.9 million net of property improvements, lease costs and incentives
- Weighted Average Cap Rate for the total portfolio (incl. Northpoint) tightened by 0.31% to 5.73%

FY19 Weighted Average Cap Rate Change

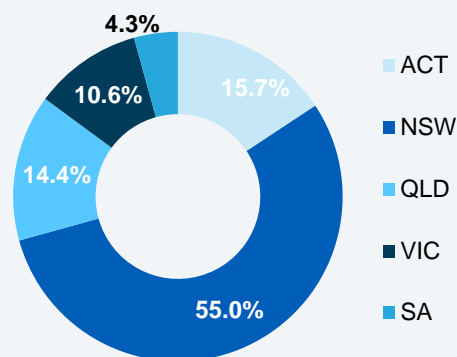


Historic Weighted Average Cap Rate

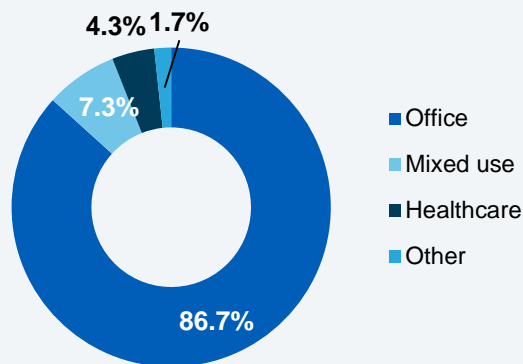


# Property Portfolio – Tenant Profile Remains Robust

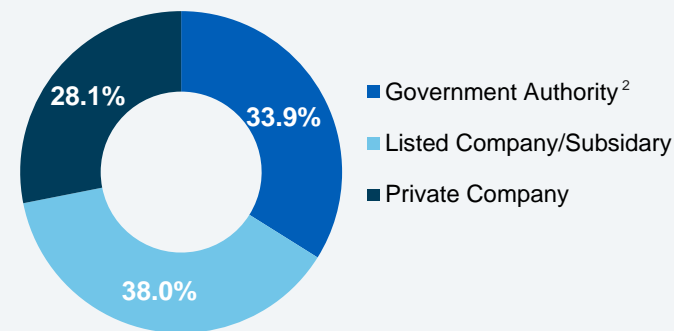
Geographic Diversification<sup>1</sup>



Sector Diversification<sup>1</sup>



Tenant Classification<sup>1</sup>



Top 5 Tenants <sup>1</sup>	% of Gross Income	Cumulative %	Credit Rating <sup>3</sup>
Federal Government	19.0%	19.0%	AAA
Qantas	15.6%	34.6%	Baa2
NSW State Government	13.8%	48.4%	AAA
Calvary Healthcare	4.3%	52.7%	N/A
AECOM Australia Pty Ltd	3.6%	56.3%	BB
<b>TOTAL</b>	<b>56.3%</b>		

1. By gross passing income
2. Includes Government owned and funded entities
3. S&P Ratings as at 28 August 2019

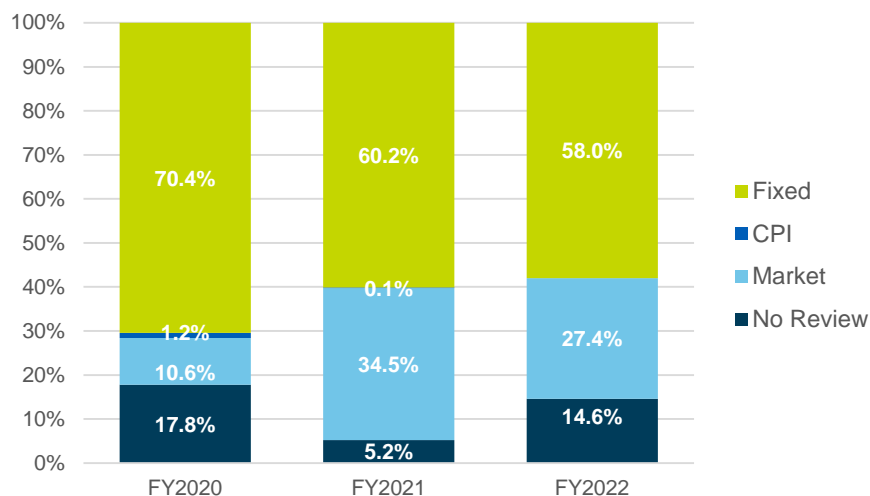
- Tenant profile remains consistent and of high quality
  - Top 5 tenants account for 56.3% of income
  - Government<sup>2</sup> contributes just over one third (33.9%) of income and will increase further post settlement of 400 George Street
- More than half of portfolio is in NSW and benefitting from strong leasing conditions, ACT next largest at 15.7%
- Minimal exposure to residential and retail sectors

All statistics incorporate CMW's 50% ownership of Northpoint

# Property Portfolio – Long WALE of 6.9 years

- WALE of 6.9 years
- Vacancy by NLA of 8.3%<sup>1</sup>
- Vacancy excluding the active asset portfolio is 2.0%
- Average fixed review in next three years
  - 3.70% over 70% of portfolio in FY20
  - 3.08% over 60% of portfolio in FY21
  - 3.74% over 58% of portfolio in FY22

Next Review Type<sup>2,3</sup>



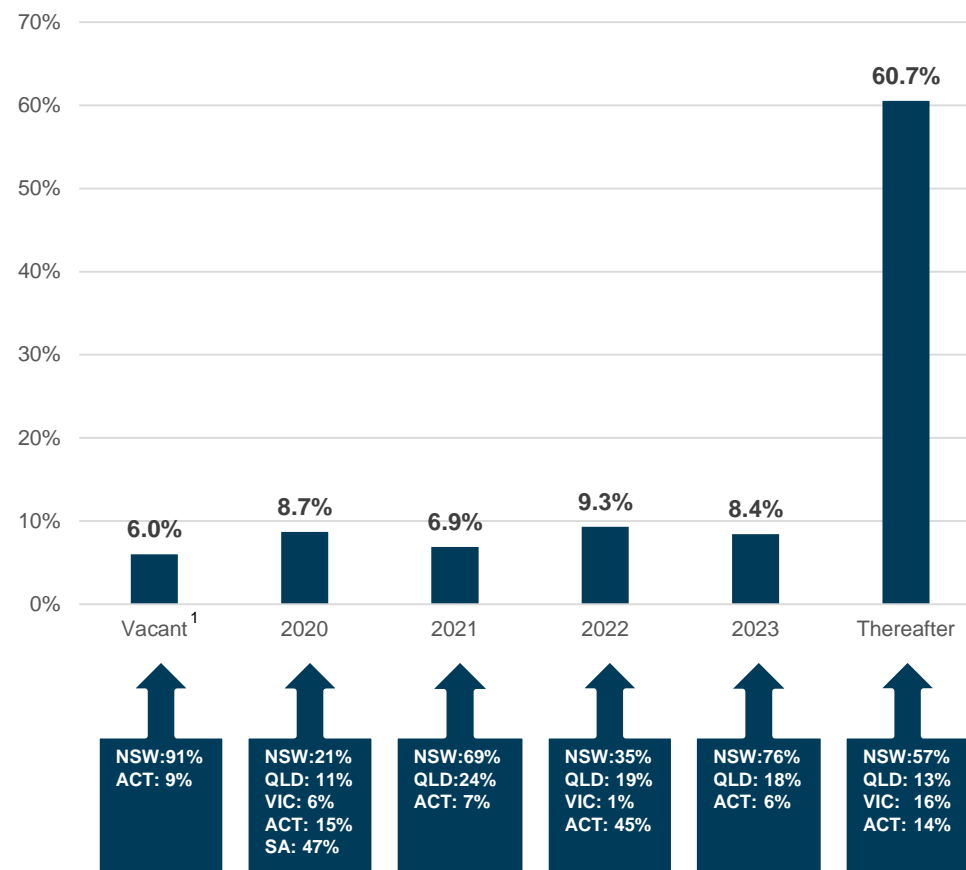
1. Includes vacancy, holdover, casual

2. Includes CPI reviews with a fixed minimum amount

3. Calculated on current gross passing income, subject to review and rounding

All statistics incorporate 50% of Northpoint

Lease Expiry Profile % Gross Income<sup>3</sup>



NSW:91%  
ACT: 9%

NSW:21%  
QLD: 11%  
VIC: 6%  
ACT: 15%  
SA: 47%

NSW:69%  
QLD:24%  
ACT: 7%

NSW:35%  
QLD: 19%  
VIC: 1%  
ACT: 45%

NSW:76%  
QLD: 18%  
ACT: 6%

NSW:57%  
QLD: 13%  
VIC: 16%  
ACT: 14%



# Property Portfolio – Strong Leasing Success

## Leasing update

- Core portfolio is 99% leased with the core+ portfolio at 95% on the back of 67 lease transactions for a total of 56,000 sqm

## Major transactions

- 24,800 sqm of lease renewals at **HQ North** including major renewals of leases to AECOM, TechnologyOne and Bechtel
- 9,800 sqm at **Northpoint** including 1,600 sqm of retail and whole floors to Access Marketing and Communications, Veriant and Secure Parking
- 5,500 sqm at **207 Kent Street** including whole floors to Compass Services Offices, Pipe Networks and Leap Software Developments

## Major future lease expiries >1% of gross income

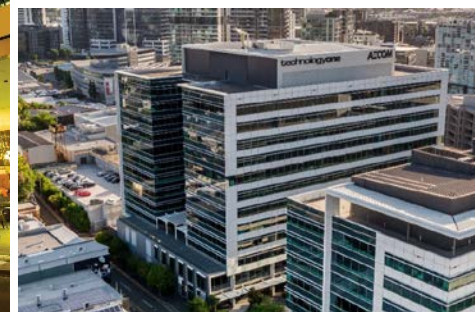
- Active Asset - Wakefield Street** where Calvary Healthcare Adelaide occupy 17,881 sqm expiring February 2020 (4.3% of portfolio)
- Core+ Asset - Victoria Avenue** where Reed Elsevier Australia occupy 8,231 sqm expiring December 2020 (2.6% of portfolio)
- Active Asset – Centenary House** where Commonwealth Government occupy 7,048 sqm expiring Jan 2020 (1.4% of portfolio)



207 Kent Street, Sydney



Northpoint, North Sydney



HQ North, Fortitude Valley



Wakefield Street, Adelaide



Victoria Avenue, Chatswood

# Property Portfolio – c.\$1 Billion Development Pipeline

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



**Greenway, ACT<sup>1</sup>**



**Victoria Avenue, Chatswood  
NSW**



**700 Collins Street,  
Melbourne VIC**

**Confidential Projects**

Description	Construction has commenced converting office buildings to Seniors Living, with 35,000sqm 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
	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



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SECTION 4

# Indirect Property Investment

# Indirect Investment – Segment Results Up Strongly

- Operating profit for the segment was \$45.4 million up 95% from \$23.3 million in the prior period
- This was mostly due to CEREIT, which announced 2019 results to the Singapore Exchange Securities Trading Limited on 27 February 2019<sup>1</sup>
- During the year CEREIT announced acquisition of two sizable portfolios:
  - 23 assets across Netherlands, Finland, Poland, Italy and France for a total €224 million
  - Six assets in France and Poland for a total of €247 million
- CEREIT has delivered consistently above the IPO Forecast<sup>2</sup> since listing and reported:
  - Net Property Income of €90.2 million, 3.7% above IPO Forecast
  - adjusted 13-month distributions per unit, of 4.70 Euro cents, above IPO forecast by 1.4%

## CEREIT Key Financial Highlights H2 2019

- Gross revenue **up 1.3%**<sup>2</sup> 
- Net Property Income **up 3.7%**<sup>2</sup> 
- Portfolio value **up >50%**<sup>2</sup> since IPO 
- Adjusted<sup>3</sup> Distribution per Unit of **4.7 Euro cents up by 1.4%** 
- Total Asset Value (“GAV”) **€1.8 billion up by 32.0%** 

1. For the Financial Period, which refers to the financial period from 30 November 2017 to 31 December 2018

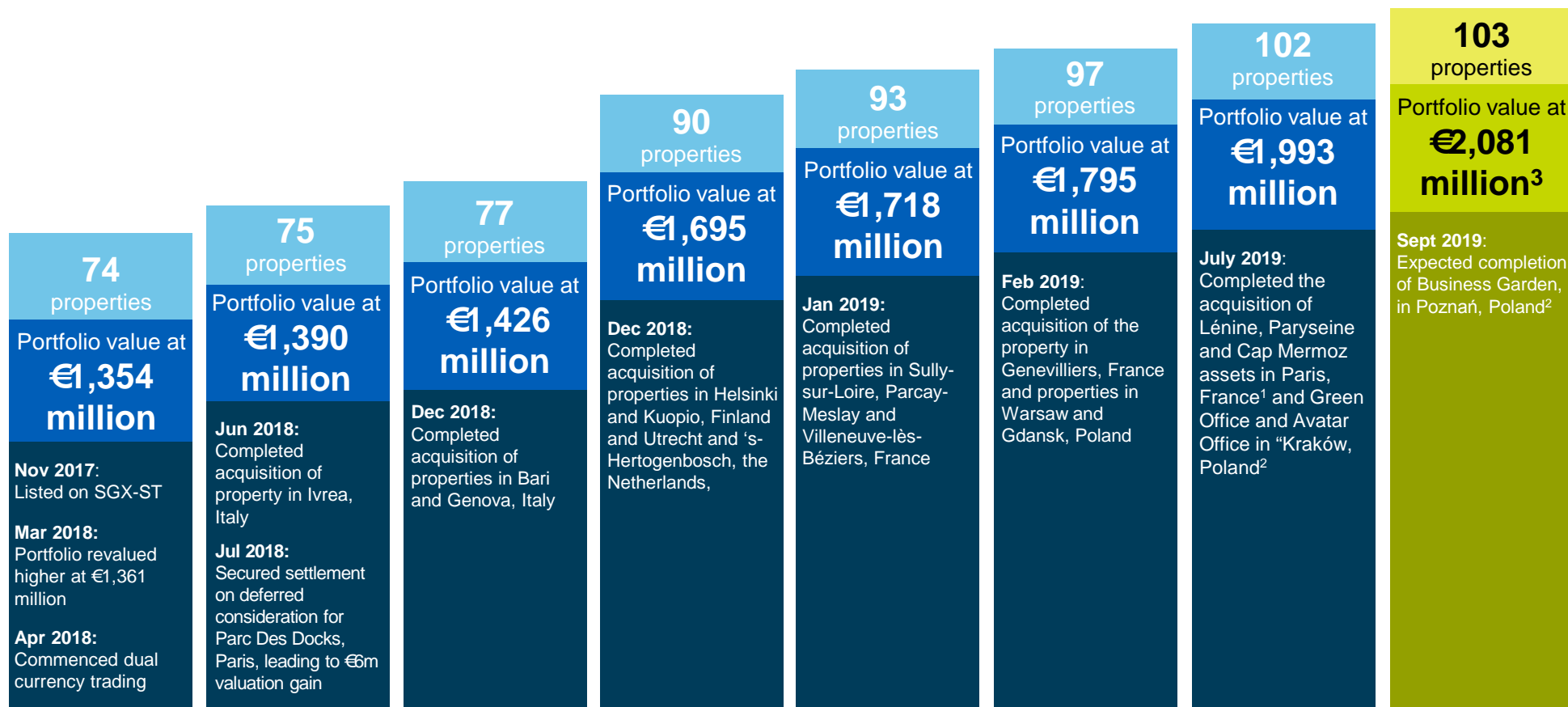
2. €1,354 million at IPO versus €2,060 million upon successful completion of the sale of Parc d’Osny.

3. The adjusted DPU normalises the impact of the enlarged Unit base from the Rights Issue

4. Refers to “aggregate leverage” defined under the Property Funds Appendix; as compared to the Prospectus pro-forma balance sheet aggregate leverage as at listing date stated at 36.8%



# Indirect Investment – CEREIT Growth >50% since IPO



1. Lénine, Paryseine and Cap Mermoz are herein referred to as "Greater Paris Properties"
2. Green Office, Avatar Office and Business Garden are herein referred to as "Poland Properties"
3. Based on a total of 103 properties (97 properties valued as at 30 June 2019 and 6 properties as per the announced acquisitions on 21 June 2019 recorded at purchase price). Upon successful completion of the sale of Parc d'Osny, Portfolio value will stand at € 2,060 million with a total 102 properties



# Indirect Investment - CEREIT Portfolio as at 30 June 2019

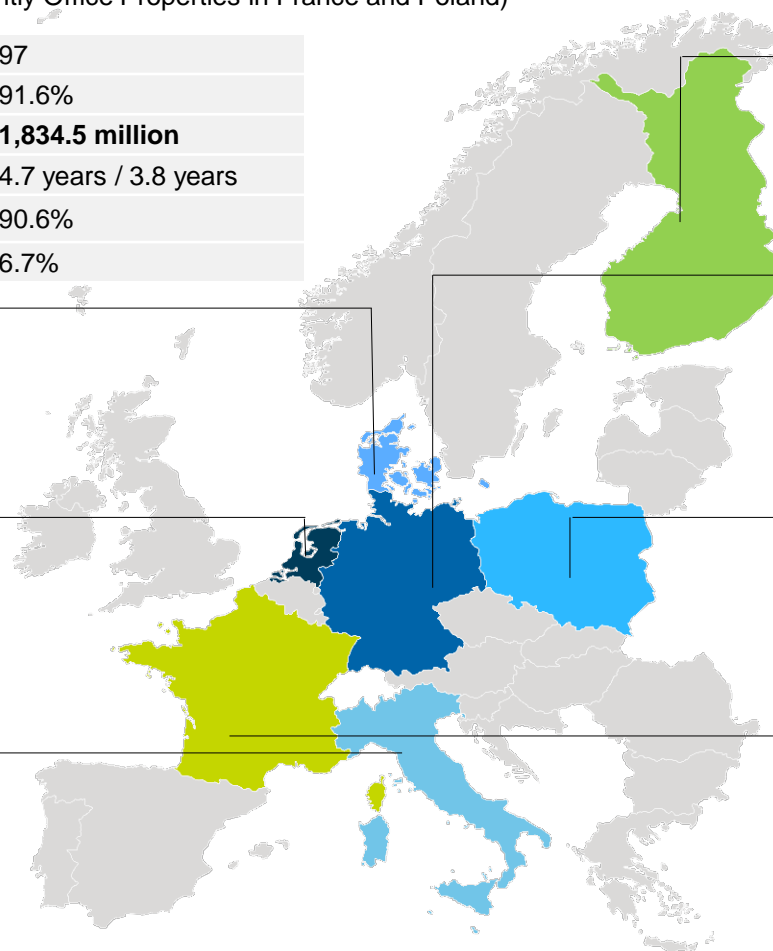
(Excluding the Acquisitions of Six Predominantly Office Properties in France and Poland)

Properties	97
Occupancy Rate (by lettable area)	91.6%
Valuation (€) <sup>1</sup>	<b>1,834.5 million</b>
WALE / WALB <sup>2</sup>	4.7 years / 3.8 years
% Freehold <sup>3</sup>	90.6%
Average Reversionary Yield <sup>4</sup>	6.7%

Denmark	
Properties	13
Lettable Area (sq m)	151,491
Valuation (€ million)	83.2
% of Portfolio	4.5%
Average Reversionary Yield	7.8%

The Netherlands	
Properties	17
Lettable Area (sq m)	260,205
Valuation (€ million)	627.0
% of Portfolio	34.2%
Average Reversionary Yield	5.7%

Italy	
Properties	17
Lettable Area (sq m)	335,977
Valuation (€ million)	458.6
% of Portfolio	25.0%
Average Reversionary Yield	6.0%



Finland	
Properties	11
Lettable Area (sq m)	61,977
Valuation (€ million)	115.5
% of Portfolio	6.3%
Average Reversionary Yield	7.8%

Germany	
Properties	11
Lettable Area (sq m)	166,738
Valuation (€ million)	118.6
% of Portfolio	6.5%
Average Reversionary Yield	6.9%

Poland	
Properties	3
Lettable Area (sq m)	34,362
Valuation (€ million)	73.2
% of Portfolio	4.0%
Average Reversionary Yield	8.5%

France	
Properties	25
Lettable Area (sq m)	370,090
Valuation (€ million)	358.5
% of Portfolio	19.5%
Average Reversionary Yield	8.2%

1. Valuations as at 30 June 2019

2. 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

3. % freehold and continuing / perpetual leasehold by value

4. 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

# Indirect Investment – Seniors Living Opportunity

## Seniors Living opportunity

- Cromwell has invested in a 50% ownership interest in LDK Healthcare with LDK Managing Director Paul Browne
- LDK has one operational village in North Sydney and one in Greenway, ACT due to begin accepting residents in 2020
- Ongoing discussions with a number of institutional capital partners interested in the opportunity with potential to establish a sizeable business over the next three to five years

## Villages update

- The Landings, 220 home Seniors village on the Upper North Shore Sydney was acquired for \$60 million earlier in 2019
- Successful conversion of 97% of existing residents to LDK operating model, further expansion of the village is now under investigation
- Progress is also well underway on adaptive re-use of Tuggeranong Office Park to a planned >390 apartment, 500 resident community
- Sales suite has opened, presales have commenced and are ahead of target with first residents planned to move early 2020



The Landings, North Turramurra, NSW



Greenway, ACT



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SECTION 5

# Funds and Asset Management

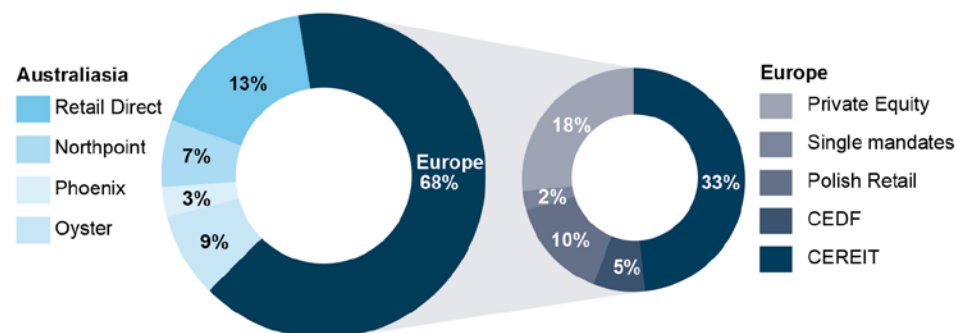
# Funds Management – Foundations In Place

- 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

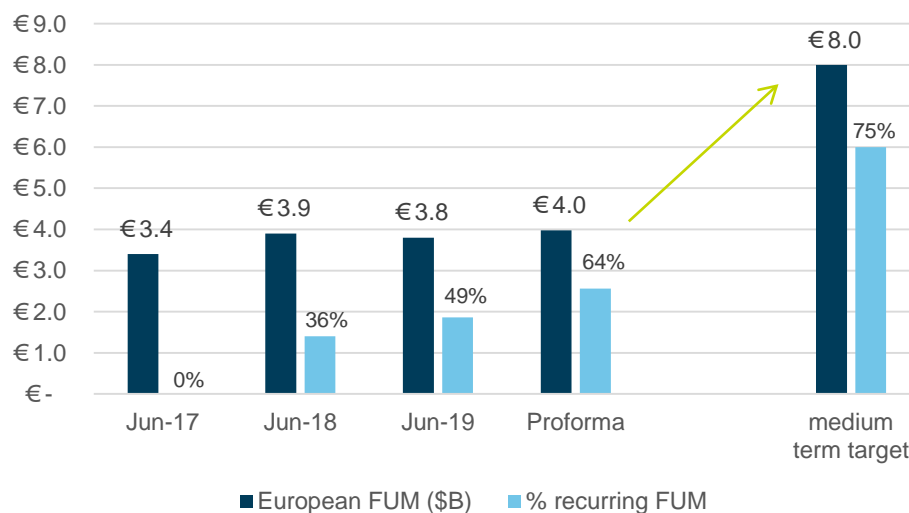
## European Funds Management Update

- 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 Funds Under Management



Path to Securing European FUM<sup>1</sup>



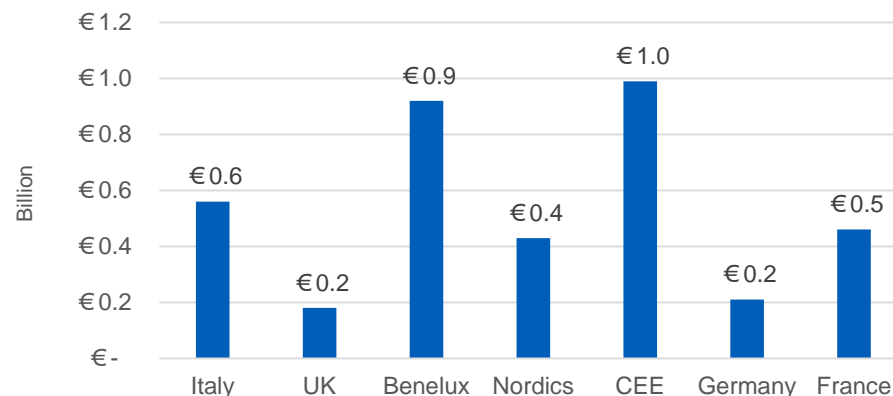
1. Based upon successful completion of CEREIT properties plus Cromwell Polish Retail Fund. There is no certainty that this will complete.

# Funds Management – High Level of Activity Continues

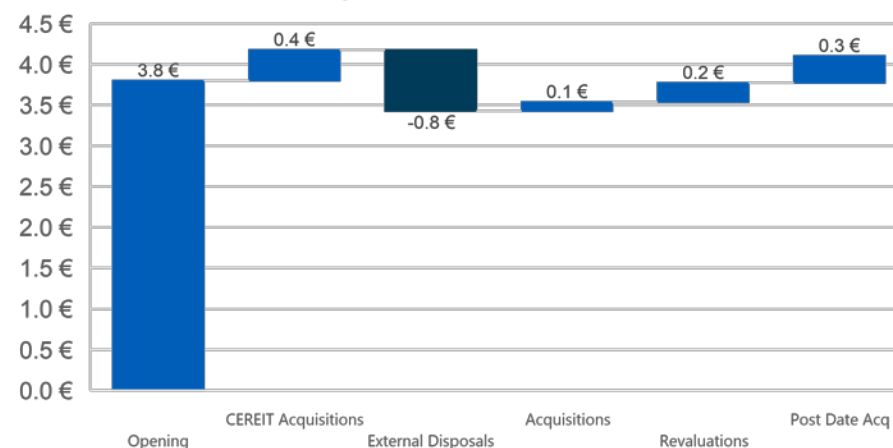
## Key activity in Europe

- High level of leasing activity across the platform with 437,000 sqm of leases signed in 550 transactions, more than ten per week, every week, for the year
- Czech Republic.** Completion of Hradec Kralové Logistics Park and sale of Cestlice Business Park for €17.5 million
- Germany:** Signed new lease with Schmalz + Schön Logistik Gruppe for 13,204 sqm of warehouse space in Frickenhausen
- Italy:** Acquired two office properties in Bari and Genova on behalf of CEREIT for €37.5 million and the 21,688 sqm Pirelli Tyre facility in Milan for €88 million on behalf of a Korean capital partner
- Netherlands:** Sold four office buildings, totalling 25,417 sqm from funds of Goldman Sachs for €34.7 million
- Poland:** 12,000 sqm redevelopment of Centrum Janki in Warsaw completed for €65 million
- UK:** Sold eight assets from Alpha Portfolio totalling 529,020 square feet to M7 Real Estate for £66.3 million

European FUM by Region



Change in FY19 European FUM





# Funds Management – DPF adds two assets

## Retail Funds Management

- Retail Funds Management segment profit was driven by a performance fee of \$4.1 million realised on extension of Ipswich City Heart Trust
- 98.4% of votes cast by unitholders were in favour of the resolution to extend the Trust's term from December 2018 to June 2023
- Queensland State Government occupies 90% of the NLA and more than 10 years remained on the initial lease term
- Retail AUM increased to \$2.3 billion from \$2.0 billion in FY18

## Cromwell Direct Property Fund (DPF)

- DPF purchased its fifth and sixth direct assets during the year,
  - 420 Flinders Street, Townsville for \$63.5 million
  - Altitude Corporate Centre, Mascot in Sydney for \$113.3 million
- Gross assets now in excess of \$380 million and performance since inception (August 2013) is 10.3% annualised (30 June 2019)
- DPF has a highly recommended rating from independent research house Lonsec and currently has a distribution yield of 5.8%



420 Flinders Street, Townsville



Altitude Corporate Centre

# Funds Management – Oyster Continues Growth

- AUM at Oyster Group in New Zealand (50% interest) was up to NZ\$1.7 billion (FY18 NZ\$1.5 billion)

## Key activity during the year

- Settlement of the 6.2-hectare Central Park Corporate Centre for NZ\$209 million in July 2018
- Purchase of C-Drive technology and innovation hub, Albany, Auckland for NZ\$50.5 million was declared unconditional in December 2018. A single asset, retail investor fund was subsequently marketed and closed quickly, fully subscribed
- Oyster Direct Property Fund re-opened in May and purchased two adjoining industrial properties in Wellington; 6 Hurring Place and 12 Newlands Road. Since inception to 31 March 2019, the fund has delivered an annualised total return of 13.85% (pre-tax)
- The recent April 2019 opening of 45 new stores, 17 new dining options and an 800-seat cinema has showcased Oysters asset management skills within the enclosed mall at Tauranga Crossing receiving 70,000 visitors in its first four days of re-opening



C-Drive, Albany, Auckland



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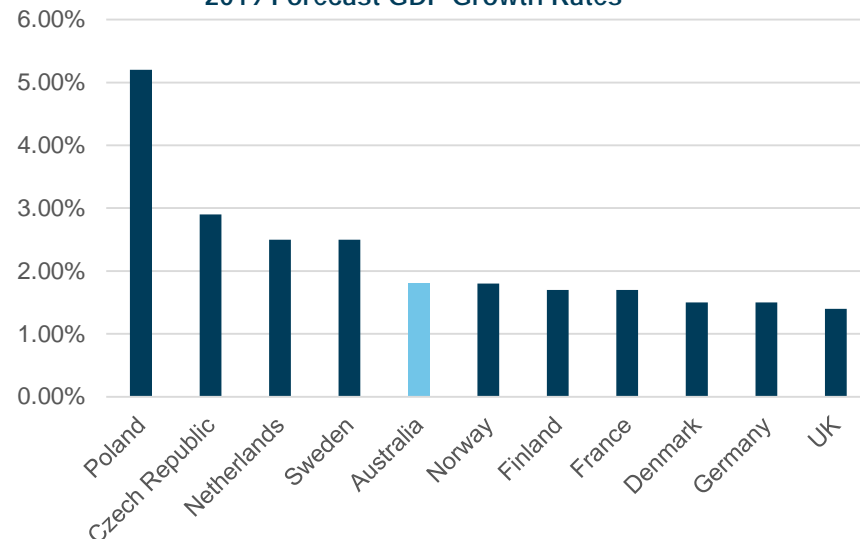
SECTION 5

# Outlook and Guidance

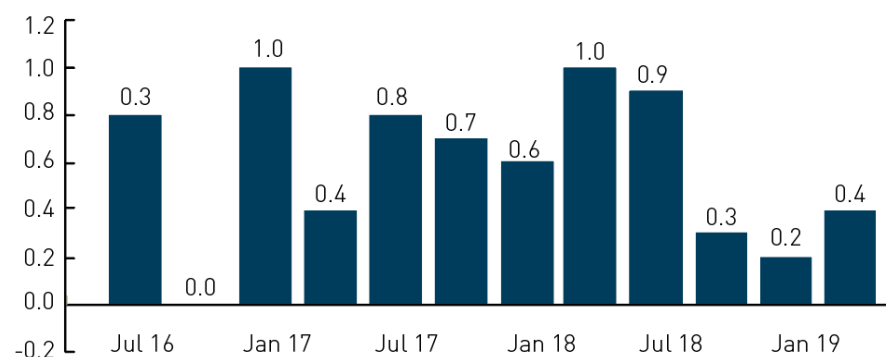
# Outlook – Global Volatility Creates Opportunity

- 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 1.80%. Reserve Bank has dropped interest rates by 0.50% with expectations that there may be more to come
- The Eurozone economy has also slowed with Brexit looming and 2019 GDP growth across the EU27 now anticipated to be 1.20%
- This however masks sizable variances within Europe as Poland, Czech Republic, Netherlands and Sweden are all expected to out-perform other European countries (and Australia)
- Eurozone data indicates a struggling manufacturing sector is being offset by strong domestic demand underpinned by unemployment at a decade low of 7.5%

2019 Forecast GDP Growth Rates



Australian Quarterly GDP Growth Rate

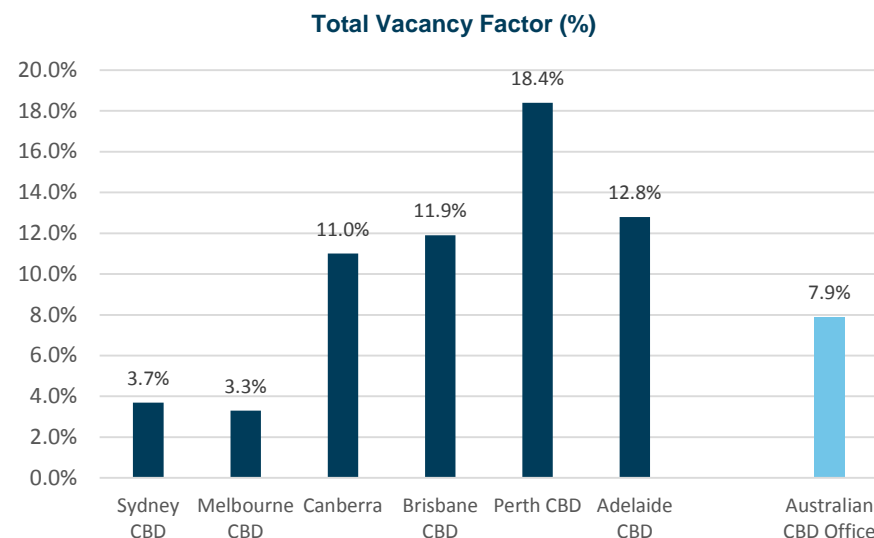


Source: Trading Economics.com, Australian Bureau of statistics

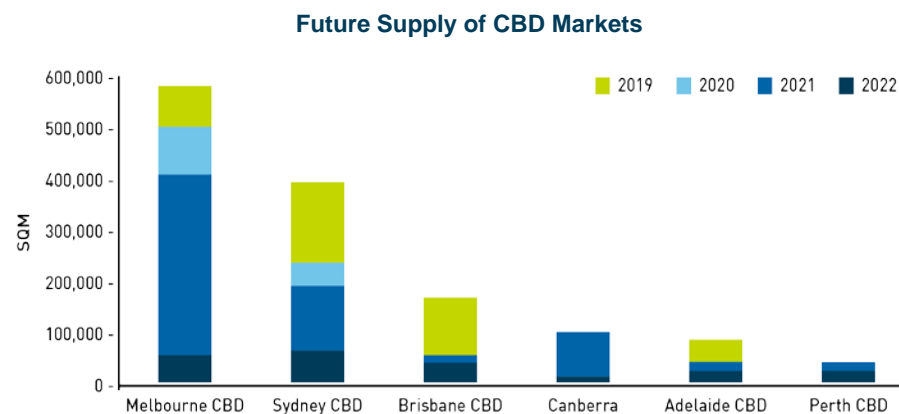


# Outlook – Australian Real Estate Snapshot

- Sydney and Melbourne CBDs have cyclical low CBD office vacancy rates (3.7% and 3.3% respectively)
- Both markets are now in a development phase, with 1.4 million sqm of new stock in pipeline, 40% of which is in Melbourne
- Canberra rate is steady at 11.0% and Brisbane vacancy rates have dropped below their long term average at 11.9%
- Vacancies continue to remain elevated elsewhere particularly in Perth 18.4% and Adelaide 12.8%
- Competition means office and industrial / logistics yields continue to tighten albeit residential and some retail subsectors are out of favour
- Investor demand is down slightly on record levels in 2018 but offshore capital is continuing to invest in Australian commercial real estate



Source: PCA



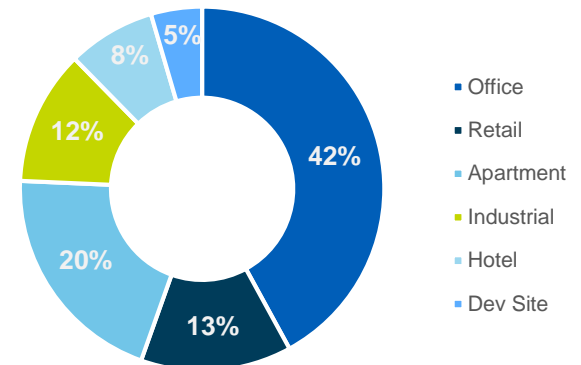
Source: PCA



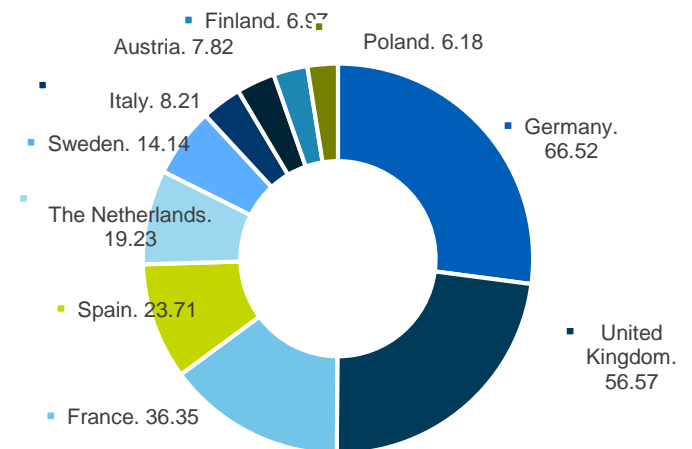
# Outlook – European Real Estate Snapshot

- Europe's real estate markets are in relatively good health despite a slowing economy and lower investment volumes across the region
- European real estate capital inflows are still robust (44% of all global inflows in 2Q) but have edged down since the beginning of 2019, with Asian capital continuing to be the dominant force
- The office sector continues to be the most sought-after, securing 43% of 2Q trading volumes, similar to 1Q; the industrial sector recorded a market share of 10% - a similar level to the last twelve months
- Yields remain at historic lows across office and industrial sectors in the majority of locations having stabilised across at the end of 2018
- Germany surpassed the UK in volume but both markets continue to take the majority of investment. France, Netherlands and Spain continue to round out the top 5
- Gateway European cities and Tier II markets with robust fundamentals will continue to attract institutional investment

**Investment by Sector  
(12 months to June 2019)**



**Top 10 European Destinations  
(€billion, 12 months to June 2019)**



Sources:  
Real Capital Analytics – data as at 29 July 2019  
BNP Paribas – Investment Markets in Europe 2Q 2019

# FY20 Guidance Affirmed at Top of Range

- Business well-positioned to meet possible risks, strong balance sheet with low gearing, long debt tenor, long WALE and favourable lease expiries
- Focus continues to be on execution of asset recycling initiatives and **'Invest To Manage'** strategy
- Capital raised will be deployed and transactions executed when and where there are opportunities to do so, with an eye to long-term value creation
- **FY20 operating profit affirmed at top end of previous guidance range at 8.30 cps with FY20 distribution guidance affirmed at 7.50 cps**
- **This represents an operating profit yield of 6.69% and a distribution yield of 6.05% respectively<sup>1</sup>**

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Auckland, New Zealand

Singapore Office  
50 Collyer Quay  
#07-02 OUE Bayfront  
Singapore 049321

1) Based on CMW closing share price of \$1.24 as at 28 August 2019



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APPENDICES

# Additional Information

# Appendices - Contents

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■ Cromwell Property Group Statistics	40
■ Local European Footprint	41
■ Polish Economic and Real Estate Market Data	42, 43, 44
■ FY19 Operating and Statutory Profit - Reconciliation	45
■ Segment Result - Operating Earnings Detail	46
■ Property Portfolio - Top 10 Assets	47
■ Property Portfolio - Top 20 Leases	48
■ Property Portfolio - Net Property Income	49, 50
■ Property Portfolio - Movement in Book Value	51
■ Property Portfolio - Debt Platform Facility Details	52

# Cromwell Property Group Statistics

## Diverse Product Range

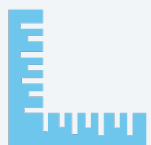
### Portfolio



**\$11.9bn**  
AUM



**270**  
properties



**3.7m+**  
sqm



**3,800+**  
tenants

## Track Record of Successful Partnerships

### Platform



**420+**  
people



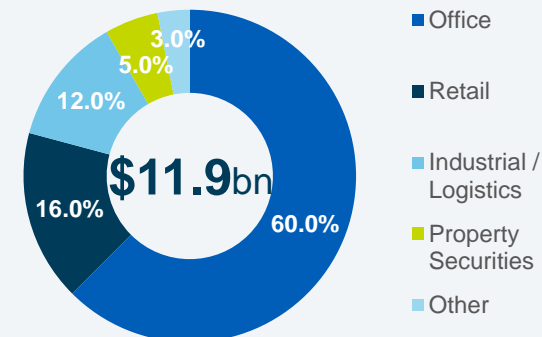
**15**  
countries



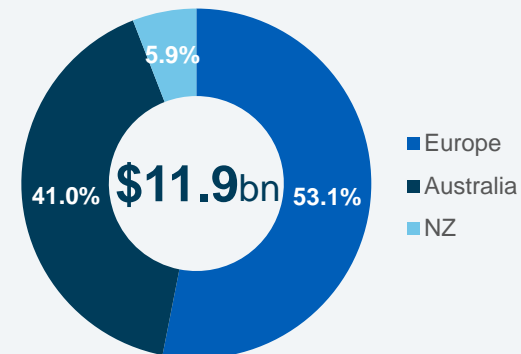
**30**  
offices

## Extensive and Broad Skill Set

### AUM by Sector



### AUM by Geography





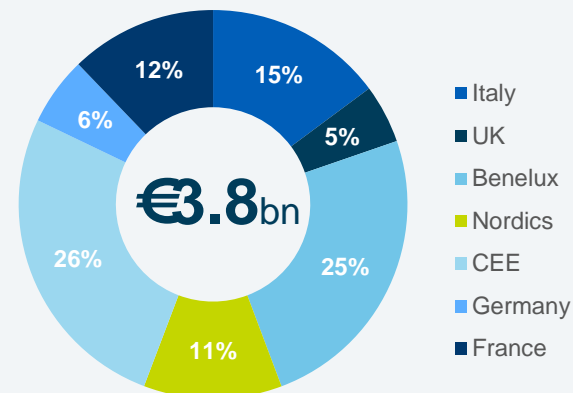
# Local European Footprint

20 regional offices providing on the ground local market knowledge and expertise

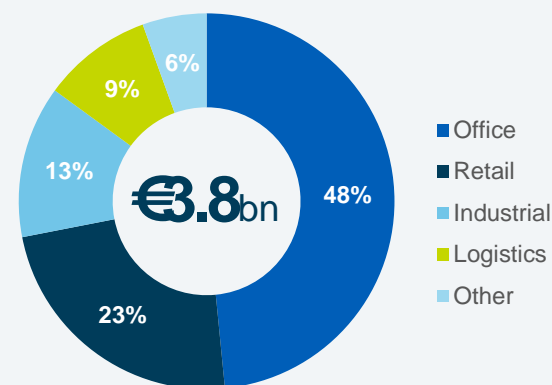


BENELUX	GERMANY	ITALY	UK
Amsterdam	Berlin	Milan	Edinburgh
Luxembourg	Düsseldorf	NORDICS	Leeds
CEE	Frankfurt	Copenhagen	London
Bucharest	Hamburg	Helsinki	Scarborough
Prague	Munich	Malmö	FRANCE
Warsaw		Stockholm	Paris

European Portfolio by Geography



European Portfolio by Sector



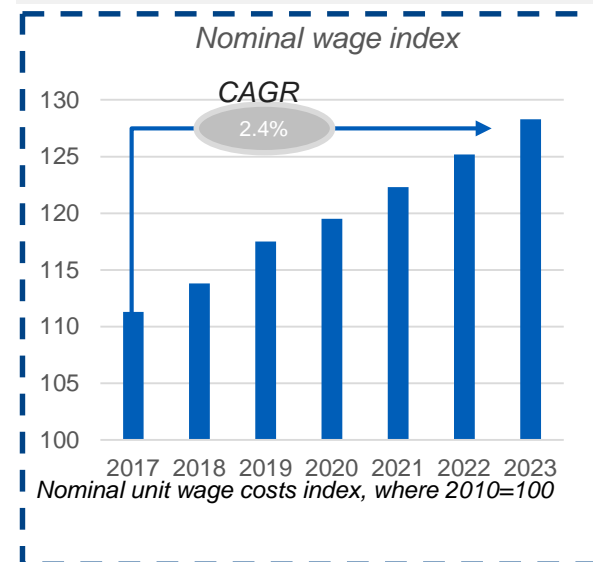
# Polish Macroeconomic Statistics

	2017	2018	2019	2020	2021	2022	2023
<b>Market demand rating: 3.0/10</b>							
Domestic demand, % y/y	4.9	5.3	3.9	3.8	3.0	2.6	2.4
Government balance, % of GDP	-1.6	-0.5	-0.7	-1.4	-1.5	-1.4	-1.4
Gross government debt, % of GDP	51.9	50.1	48.3	46.3	44.5	43.4	42.7
Policy interest rate, %	1.50	1.50	1.50	1.59	1.91	2.31	2.81
Domestic credit, % of GDP	73.5	73.6	73.9	73.9	73.9	73.9	73.9
Fixed investment, % of GDP	17.7	18.1	18.6	19.2	19.7	20.0	20.1
Output gap, % of GDP	0.1	2.1	1.9	1.6	1.5	1.1	0.6
Real GDP per capita, 2015 US\$	13551	14242	14752	15230	15652	16036	16417
<b>Market cost rating: 3.0/10</b>							
Nominal unit wage costs, 2010=100	111.3	113.8	117.5	119.8	122.3	125.2	128.3
Real fuel imports % total imports	19.9	25.2	28.5	27.5	26.7	25.9	25.3
Energy use per unit of GDP PPP	91.3	88.0	84.6	81.3	77.9	74.6	71.2
Exchange rate, average, LCU per US\$	3.78	3.61	3.75	3.56	3.39	3.33	3.30
Output gap, % of GDP	0.1	2.1	1.9	1.6	1.5	1.1	0.6
Unemployment rate, %	7.3	6.1	5.4	5.1	4.9	4.8	4.8
Real GDP per capita, 2015 US\$	13551	14242	14752	15230	15652	16036	16417
<b>Exchange rate rating: 2.5/10</b>							
Exchange rate, average, LCU per US\$	3.78	3.61	3.75	3.56	3.39	3.33	3.30
Exchange rate, avg, PPP, LCU per US\$	1.76	1.74	1.75	1.76	1.77	1.78	1.78
Current account of BOP, % of GDP	0.2	-0.7	-1.5	-1.6	-1.7	-1.7	-1.7
External debt, % of GDP	69.7	63.4	62.5	58.8	55.5	54.0	53.1
Policy interest rate, %	1.50	1.50	1.50	1.59	1.91	2.31	2.81
FX reserves, months of imports	5.2	5.0	5.2	4.8	4.6	4.6	4.6

Source: Oxford Economics, 9 May 2019

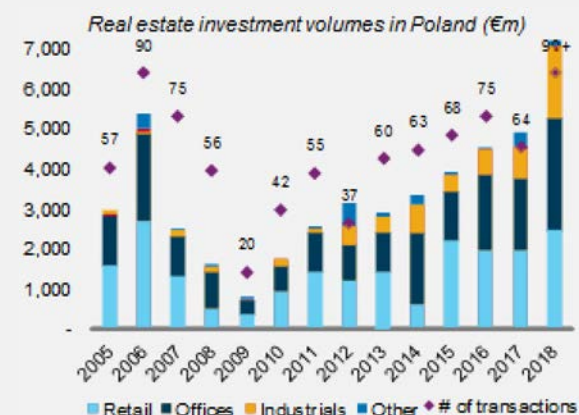
## Household spending

- Tight labour markets kept nominal wage growth at a strong 6.9% y/y in Q1, boding well for consumer spending this year. Unemployment is no longer falling as rapidly as at the start of 2018, while the level of vacancies is lower than a year ago. But the impact of past wage rises will be sustained for a few quarters more and we expect consumption growth to moderate only slightly this year to around 1% per quarter.

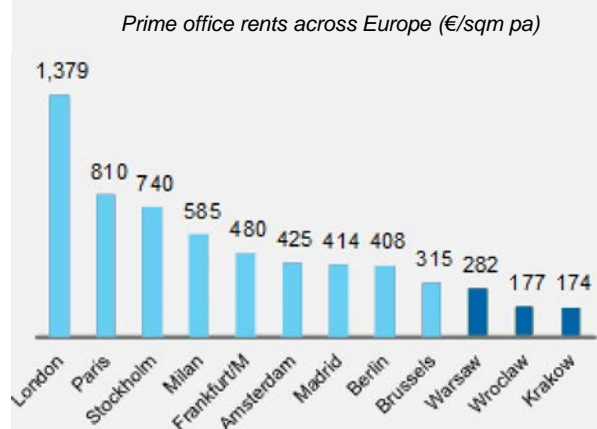


# Polish Real Estate Market

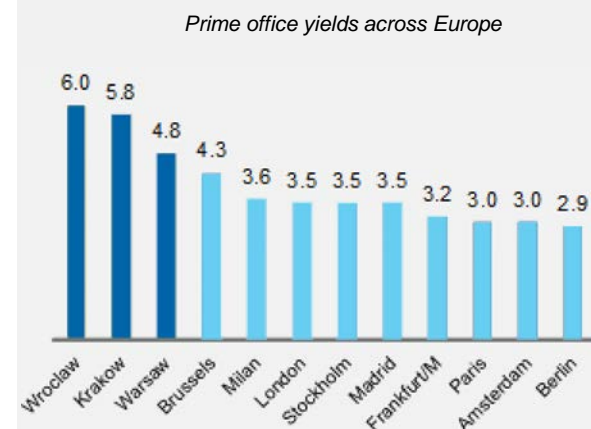
## Solid market liquidity



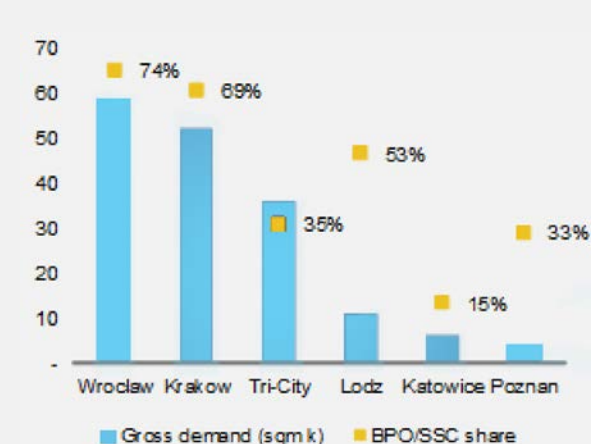
## Some of the most affordable rents



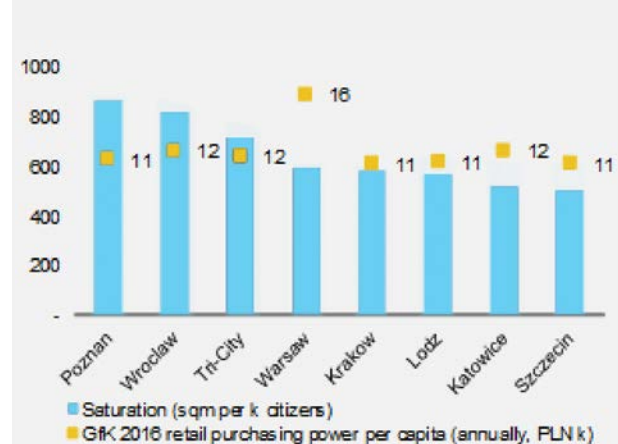
## Offering attractive yields



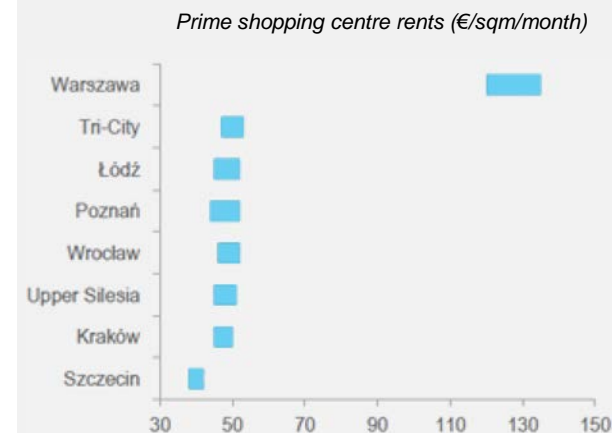
## High demand from SSC/BPO



## Retail growth potential in major cities



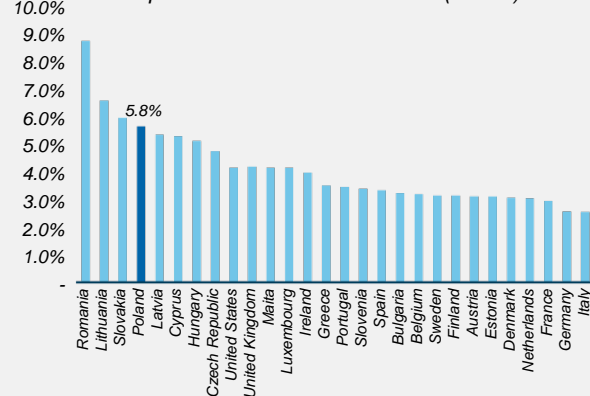
## Warsaw most attractive retail market



# Polish Real Estate Market

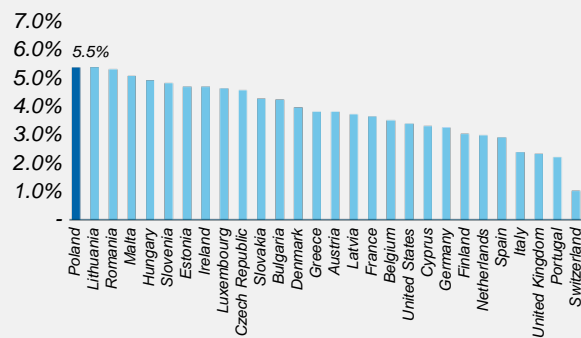
## Growing disposable income

Disposable income in LCU CAGR ('18-'28)



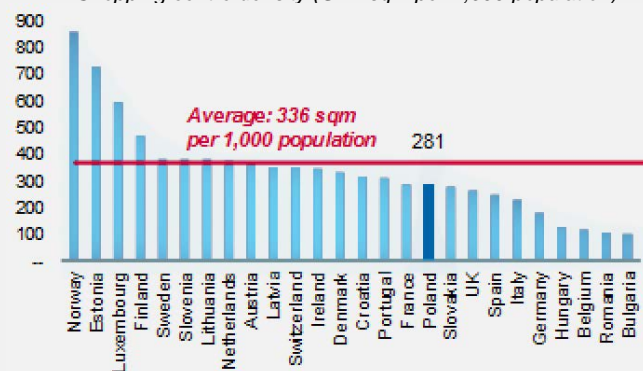
## Translates into high expected growth

Retail sales CAGR ('18-'28)



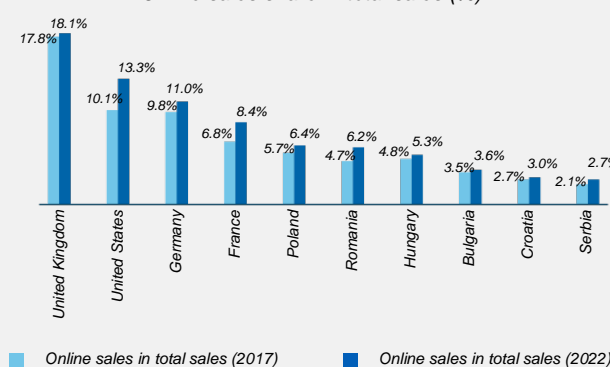
## Catch-up potential driven by low retail density

Shopping centre density (GLA sqm per 1,000 population)



## Low exposure to online

Online sales share in total sales (%)



## Key demand drivers

- Growing disposable income, expected to be reflected in consumer spending
- Total retail sales growth
- Catch-up potential, due to low retail density in Poland compared to Western Europe
- Shift from offline to online
  - Despite high forecasted increases in the online retail sales retail sales in Poland still mostly driven by offline sales
  - Physical stores will continue to play a key role in the retail experience, thanks to customer preference to touch and feel / try on a product before purchase

# FY19 Operating and Statutory Profit Reconciliation

		FY19 (\$M)	FY18 (\$M)
<b>Profit from operations</b>		<b>174.2</b>	<b>156.8</b>
<b>Operating EPS (cents per security)</b>		<b>8.21 cps</b>	<b>8.36 cps</b>
Gain/(loss) on sale of investment properties		0.7	(5.0)
Gain on sale of listed securities		-	15.7
Loss on disposal of other assets		(0.3)	-
Finance costs attributable to disposal group/other assets		-	(2.1)
Other transaction costs		(2.9)	(5.7)
Fair value net gains / (write-downs)	Investment properties	86.4	77.4
	Derivative financial instruments	(10.5)	(13.7)
	Investments at fair value through profit or loss	(9.2)	(3.5)
Non-cash property investment income / (expense)	Straight-line lease income	9.3	27.8
	Lease incentive amortisation	(18.8)	(17.8)
	Lease cost amortisation	(2.0)	(1.7)
Other non-cash expenses:	Amortisation of loan transaction costs	(7.8)	(21.2)
	Net exchange / (loss) on foreign currency borrowings	(12.7)	(10.3)
	Costs in relation to asset classified as held for sale	(35.3)	-
	Net decrease in recoverable amounts	(0.4)	(76.1)
	Amortisation and depreciation, net of deferred tax expense <sup>1</sup>	(2.4)	(4.4)
	Relating to equity accounted investments <sup>2</sup>	1.6	94.8
	Net profit from discontinued operations	-	1.5
	Net foreign exchange losses	(3.0)	(3.2)
	Restructure costs <sup>3</sup>	0.3	(4.7)
	Net tax losses utilised <sup>4</sup>	(7.3)	(0.5)
<b>Profit for the year</b>		<b>159.9</b>	<b>204.1</b>
<b>Statutory EPS (cents per security)</b>		<b>7.53 cps</b>	<b>10.89 cps</b>

1. Comprises depreciation of plant and equipment and amortisation of intangible assets, including management rights and associated deferral tax liability
2. Comprises fair value adjustments included in share of profit of equity accounted entities
3. Relates to the transition of funds management responsibilities for the CEREIT portfolio from Europe to Singapore
4. Comprises tax expense attributable to changes in deferred tax assets recognised as a result of carried forward tax losses and other relevant tax-related adjustments



# Segment Result – Operating Earnings Detail<sup>1</sup>

Full Year ending 30 June 2019	Direct Property Investment (\$M)	Indirect Property Investment (\$M)	Funds And Asset Management (\$M)	FY19
<b>Segment revenue</b>				
Rental income and recoverable outgoings	208.0	-	-	208.0
Operating profits of equity accounted investments	-	51.8	2.2	54.0
Development Sales	9.5	-	-	9.5
Funds and asset management fees	-	-	105.4	105.4
Distributions	-	2.5	-	2.5
<b>Total segment revenue and other income</b>	<b>217.5</b>	<b>54.3</b>	<b>107.6</b>	<b>379.4</b>
<b>Segment expenses</b>				
Property expenses	(38.1)	-	-	(38.1)
Development costs	(5.9)	-	-	(5.9)
Funds and asset management direct costs	-	-	(60.7)	(60.7)
Other expenses	(1.2)	(3.4)	(12.5)	(17.1)
<b>Total segment expenses</b>	<b>(45.2)</b>	<b>(3.4)</b>	<b>(73.2)</b>	<b>(121.8)</b>
<b>EBITDA</b>	<b>172.3</b>	<b>50.9</b>	<b>34.4</b>	<b>257.6</b>
Finance costs	(36.2)	(5.5)	(5.9)	(47.6)
<b>Segment profit after finance costs</b>	<b>136.1</b>	<b>45.4</b>	<b>28.5</b>	<b>210.0</b>
<u>Unallocated items</u>				
Finance income				4.8
Corporate costs <sup>1</sup>				(39.6)
Income tax expense				(1.0)
<b>Segment profit</b>				<b>174.2</b>
<b>Weighted Average Securities on Issue ('000)</b>		-		<b>2,236.6</b>

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

# Property Portfolio – Top 10 Assets

Asset	State	Class	Current Market Value (\$M)	Cap Rate	Occupancy % by NLA	WALE	Major Tenants
Qantas HQ	NSW	Office	502.0	5.13%	100.0%	12.3 years	Qantas Airways Limited
700 Collins Street	VIC	Office	306.0	5.25%	99.8%	6.2 years	Bureau of Meteorology, Metro Trains
Northpoint Tower <sup>1</sup>	NSW	Mixed use	299.3	4.92%	91.5%	5.2 years	CPT Operations, Griffith Hack, Zurich
Kent Street, Sydney	NSW	Office	298.0	6.25%	98.7%	4.3 years	Symantec, Mann Judd, Hajoti
Soward Way	ACT	Office	280.4	5.00%	100.0%	13.2 years	Federal Government
McKell Building	NSW	Office	260.0	5.38%	100.0%	9.0 years	NSW State Government
HQ North Tower	QLD	Office	232.0	6.13%	94.4%	5.7 years	AECOM, TechnologyOne
Victoria Avenue	NSW	Office	232.0	6.00%	93.5%	2.4 years	Reed Elsevier, Leighton Contractors, Ventia
200 Mary Street	QLD	Office	80.0	6.75%	93.1%	2.4 years	Secure Parking, Cromwell, Logicamms
Wakefield Street	SA	Healthcare	50.5	8.50%	100.0%	0.7 years	Calvary Healthcare
<b>Total Top 10 Assets</b>			<b>2,540.2</b>	<b>5.55%</b>	<b>97.4%</b>	<b>7.1 years</b>	
Balance of Portfolio			<b>280.0</b>	<b>6.93%</b>	<b>75.2%</b>	<b>5.3 years</b>	
<b>Total</b>			<b>2,820.2</b>	<b>5.73%</b>	<b>91.7%</b>	<b>6.8 years</b>	

1. Represents Cromwell's 50% interest in Northpoint Tower

# Property Portfolio – Top 20 Leases

Tenant	Tenant Classification	Expiry Date	% of Portfolio Rental Income
Qantas Airways Limited	Listed Company/Subsidiary	Dec-32	15.6%
Commonwealth of Australia (Dept of Social Services)	Government Authority	Sep-32	8.5%
Government Property NSW	Government Authority	Jun-28	7.5%
Bureau of Meteorology	Government Authority	Jul-26	4.4%
Calvary Healthcare Adelaide PTY LTD	Private Company	Feb-20	4.3%
Therapeutic Goods Administration	Government Authority	Jun-22	4.0%
AECOM Australia Pty Ltd	Listed Company/Subsidiary	Sep-25	3.6%
TechnologyOne Limited	Listed Company/Subsidiary	Apr-26	3.4%
Metro Trains Melbourne Pty Ltd	Private Company	Feb-25	3.1%
Reed Elsevier Australia Pty Limited	Listed Company/Subsidiary	Dec-20	2.6%
Symantec (Australia) Pty Ltd	Listed Company/Subsidiary	Jul-21	2.5%
Government Property NSW	Government Authority	Jun-28	1.9%
Government Property NSW	Government Authority	Jun-28	1.7%
Commonwealth of Australia (ANAO)	Government Authority	Jan-20	1.4%
Government Property NSW	Government Authority	Jun-28	1.4%
Government Property NSW	Government Authority	Jun-28	1.4%
Ventia Pty Ltd	Private Company	Feb-23	1.3%
Mann Judd	Private Company	Dec-22	1.2%
CS Energy Limited	Government Authority	Jun-23	1.0%
Village Cinemas	Listed Company/Subsidiary	Mar-25	0.9%
			71.7%

# Property Portfolio – Net Property Income<sup>1</sup>

	FY19 (\$M)	FY18 (\$M)	Variance (\$M)	Variance (%)
Soward Way, Greenway	15.3	11.4	3.9	34.2%
Village Cinema Geelong	1.5	1.3	0.2	15.4%
Farrer Place, Queanbeyan	2.1	2.0	0.1	5.0%
Crown Street, Wollongong	2.8	2.7	0.1	3.7%
Qantas HQ	29.0	28.1	0.9	3.2%
700 Collins Street	16.4	16.0	0.4	2.5%
Station Street, Penrith	2.7	2.7	-	0.0%
Bull Street, Newcastle	1.7	1.7	-	0.0%
McKell Building	12.2	12.3	(0.1)	(0.8%)
HQ North Tower	16.0	18.3	(2.3)	(12.6%)
<b>Core Total</b>	<b>99.7</b>	<b>96.5</b>	<b>3.2</b>	<b>3.3%</b>

	FY19 (\$M)	FY18 (\$M)	Variance (\$M)	Variance (%)
200 Mary Street	6.9	5.7	1.2	21.1%
Kent Street, Sydney	15.4	14.2	1.2	8.5%
TGA Complex	7.2	7.0	0.2	2.9%
Victoria Avenue	13.0	13.0	-	0.0%
Regent Cinema Centre	1.3	1.3	-	0.0%
Oracle Building	2.1	2.4	(0.3)	(12.5%)
<b>Core+ Total</b>	<b>45.9</b>	<b>43.6</b>	<b>2.3</b>	<b>5.3%</b>

1. Includes only properties held for all of FY19 and FY18. Northpoint is equity accounted and therefore excluded from above analysis

# Property Portfolio – Net Property Income<sup>1</sup>

	FY19 (\$M)	FY18 (\$M)	Variance (\$M)	Variance (%)
Tuggeranong Office Car Park	(0.7)	0.0	(0.7)	N/A
Lovett Tower	1.5	2.3	(0.8)	(34.8%)
Borrowdale House	(0.1)	(0.1)	0.0	0.0%
19 National Circuit	2.5	3.1	(0.6)	(19.4%)
Wakefield St, Adelaide	18.2	4.4	13.8	313.6%
<b>Active Assets Total</b>	<b>21.4</b>	<b>9.7</b>	<b>11.7</b>	<b>120.6%</b>
<b>TOTAL HELD PROPERTIES<sup>1</sup></b>	<b>167.0</b>	<b>149.8</b>	<b>17.2</b>	<b>11.5%</b>
Tuggeranong Office park	3.2	2.1	1.1	52.4%
Forestry House, Brisbane	0.0	6.4	(6.4)	(100.0%)
Huntingfield Avenue	0.0	(0.2)	0.2	(100.0%)
Musk Avenue	0.0	4.4	(4.4)	(100.0%)
Bundall Corporate centre	0.0	(0.2)	0.2	(100.0%)
Health House, Brisbane	0.0	(0.4)	0.4	(100.0%)
Car Parking / Mary Street Business Hub	0.9	(0.4)	1.3	(325.0%)
Other consolidation adjustments	4.9	5.3	(0.4)	(7.5%)
<b>Sold / Purchased Assets / Other Total</b>	<b>9.0</b>	<b>17.0</b>	<b>(8.0)</b>	<b>(47.1%)</b>
<b>TOTAL NET PROPERTY INCOME</b>	<b>176.0</b>	<b>166.8</b>	<b>9.2</b>	<b>5.5%</b>

1. Includes only properties held for all of FY19 and FY18. Northpoint is equity accounted and therefore excluded from above analysis



# Property Portfolio – Movement In Book Value

- Strategy of continuously improving portfolio through acquisitions since 2010
- Recycling of capital means disposing of assets before asset has large capex requirements
- In-sourced facilities management model also lowers lifecycle capex

	FY19 (\$M)	FY18 (\$M)	FY17 (\$M)	FY16 (\$M)	FY15 (\$M)	FY14 (\$M)	FY13 (\$M)	FY12 (\$M)	FY11 (\$M)	FY10 (\$M)
Opening balance	2,451.1	2,357.8	2,274.0	2,101.0	2,249.5	2,396.0	1,724.4	1,444.9	1,064.1	1,117.2
Acquisitions	-	51.8	-	-	8.0	-	661.3	263.4	322.4	-
Construction Costs	-	13.6	92.3	47.2	-	-	-	-	-	-
Finance costs capitalised	-	1.1	4.4	-	-	-	-	-	-	-
Property Improvements	21.9	6.7	9.2	2.1	16.5	44.5	76.3	50.2	40.4	1.3
<b>Lifecycle Capex</b>	<b>1.9</b>	<b>2.5</b>	<b>3.0</b>	<b>2.6</b>	<b>6.8</b>	<b>6.8</b>	<b>6.3</b>	<b>2.6</b>	<b>3.0</b>	<b>2.2</b>
Disposals	(54.5)	(89.3)	(87.1)	(150.9)	(205.8)	(250.0)	(42.4)	(39.3)	(33.7)	(22.1)
Transferred to held for sale	-	(0.9)	(69.5)	-	(36.6)	-	-	-	-	-
Straight Lining of Rental Income	9.3	27.8	3.6	2.3	5.5	5.6	6.0	6.9	4.9	0.8
Lease costs and incentives	25.6	22.1	22.8	21.7	37.7	11.9	29.3	15.8	15.9	2.2
Amortisation of leasing costs and incentives	(20.8)	(19.5)	(19.9)	(15.2)	(13.0)	(11.6)	(9.5)	(7.7)	(5.8)	(5.4)
Net gain/(loss) from fair value adjustments	86.4	77.4	125.0	263.2	32.4	46.3	(55.7)	(12.4)	33.7	(32.1)
<b>Balance</b>	<b>2,520.9</b>	<b>2,451.1</b>	<b>2,357.8</b>	<b>2,274.0</b>	<b>2,101.0</b>	<b>2,249.5</b>	<b>2,396.0</b>	<b>1,724.4</b>	<b>1,444.9</b>	<b>1,064.1</b>
Lifecycle Capex as a % on average assets	0.08%	0.10%	0.13%	0.12%	0.31%	0.29%	0.31%	0.16%	0.24%	0.20%

# Property Portfolio – Balance Sheet Debt Details

Facility	Drawn (AUD \$M)	Commitment (AUD \$M)	Maturity Date	Fin Yr Expiry	Years Remaining	Covenants
Bank 1 - 5 Year Facility	100.0	100.0	Jun-2023	2023	4.0	LVR 60% ICR 2.0 x WALE 3.0 yrs
Bank 2 - 5 Year Facility	253.0	250.0	Jun-2023	2023	4.0	
Bank 3 - 5 Year Facility	115.0	250.0	Jun-2023	2023	4.0	
Bank 4 - 5 Year Facility	20.9	150.0	Jun-2023	2023	4.0	
Bank 5 - 6 Year Facility	200.0	200.0	Jun-2024	2024	5.0	
Bank 6 - 5 Year Facility	100.0	100.0	Jun-2023	2023	4.0	
Bank 7 - 5 Year Facility	75.0	75.0	Jun-2023	2023	4.0	
Bank 8 - 5 Year Facility	-	50.0	Jun-2023	2023	4.0	
Bank 9 - 5 Year Facility	-	125.0	Jun-2023	2023	4.0	
Bank 10 - 7 Year Facility	60.0	60.0	Jun-2026	2026	7.0	
<b>Syndicated Debt Platform</b>	<b>923.9</b>	<b>1,360.0</b>			<b>4.4 yrs</b>	
Bank 11 – 4 Year Facility	7.6	7.6	May 2022	2022	2.9 yrs	LVR 60%; ICR 2.0 x; LTC 50% until PC
2020 Convertible Bond	88.0	88.0	Feb-2020	2020	0.6 yrs	
2025 Convertible Bond	353.3	353.3	Mar-2025	2025	5.8 yrs	
Euro Syndicated Facility	-	364.2	Jun-2022	2022	3.0 yrs	Gearing ratio 65%; ICR 2.5 x
<b>TOTAL</b>	<b>1,372.8</b>	<b>2,173.0</b>			<b>4.5 yrs</b>	

