

Appendix 4D

Results for Announcement to the Market For the six months ended 31 December 2023

CROMWELL PROPERTY GROUP

The Appendix 4D should be read in conjunction with the half-year financial report of Cromwell Property Group for the half-year ended 31 December 2023.

1. CROMWELL PROPERTY GROUP STRUCTURE

This report is for the Cromwell Property Group ("Cromwell"), consisting of Cromwell Corporation Limited (ABN 44 001 056 980) ("the Company"), and Cromwell Diversified Property Trust (ABN 30 074 537 051) ("the Trust").

Cromwell Property Group was formed in December 2006 by the Stapling of shares in the Company to units in the Trust. Each stapled security consists of one share in the Company and one unit in the Trust, which cannot be dealt with or traded separately.

The responsible entity of the Trust is Cromwell Property Securities Limited (ABN 11 079 147 809), a subsidiary of the Company.

2. REPORTING PERIOD

The financial information contained in this report is for the **six month period ended 31 December 2023**. The previous corresponding period is the six month period ended 31 December 2022. This report should be read in conjunction with Cromwell Property Group's annual report for the year to 30 June 2023 which is available from Cromwell's website at www.cromwellpropertygroup.com.

3. HIGHLIGHTS OF RESULTS

	Half-year 31 Dec 2023 \$'M	Half-year 31 Dec 2022 \$'M	% Change
Revenue and other income ⁽¹⁾	160.2	157.9	1%
Operating profit attributable to stapled security holders as assessed by the directors ⁽²⁾	83.7	87.1	(4%)
Operating profit per stapled security as assessed by the directors ^{(2) (3)}	3.2 cents	3.3 cents	(3%)
Other items (including fair value adjustments)	(355.1)	(216.6)	64%
Loss after tax from continuing operations	(208.9)	(71.9)	191%
Loss from discontinuing operations, net of tax	(62.5)	(57.6)	9%
Loss after tax attributable to stapled security holders	(271.4)	(129.5)	110%
Basic earnings per stapled security from continuing operations ⁽³⁾	(8.0) cents	(2.7) cents	196%
Diluted earnings per stapled security from continuing operations ⁽⁴⁾	(8.0) cents	(2.7) cents	196%
Basic earnings per stapled security ⁽³⁾	(10.4) cents	(4.9) cents	112%
Diluted earnings per stapled security ⁽⁴⁾	(10.3) cents	(4.9) cents	110%
Distributions per stapled security	1.6 cents	2.8 cents	(43%)
	31 Dec 2023 \$'M	30 Jun 2023 \$'M	
Total assets	3,854.3	4,215.7	(9%)
Net assets	1,888.1	2,212.2	(15%)
Net tangible assets ("NTA") ⁽⁵⁾	1,895.5	2,211.2	(14%)
Net debt ⁽⁶⁾	1,645.4	1,735.4	(5%)
Gearing (%) ⁽⁷⁾	44.7%	42.6%	5%
Securities issued (M)	2,618.9	2,618.9	-%
NTA per security	\$0.72	\$0.84	(14%)
NTA per security (excluding interest rate derivatives)	\$0.71	\$0.82	(13%)

- (1) Restatement to 31 December 2022 comparatives required due to the presentation of Polish portfolio as discontinued operations in the Statement of Profit or Loss.
- (2) Operating profit is calculated after adjusting for certain items (including fair value adjustments, realised gains on sale and other items) as set out in the Directors Report of the December 2023 half-year financial report.
- (3) Earnings per stapled security calculated using weighted average number of stapled securities on issue during the relevant period.
- (4) Earnings per stapled security calculated using weighted average number of stapled securities and potential stapled securities on issue during the period.
- (5) Net assets less deferred tax assets and liabilities, intangible assets and right-of-use assets and associated lease liabilities.
- (6) Interest bearing liabilities excluding lease liabilities and cash and cash equivalents.
- (7) Net debt divided by total tangible assets less cash and cash equivalents.

4. COMMENTARY ON THE RESULTS

Refer to the Directors' Report of the half-year financial report for a commentary on the results of Cromwell.

5. DISTRIBUTIONS AND DIVIDENDS

Interim distributions/dividends declared during the current and previous half-year were as follows:

	Dividend per Security	Distribution per Security	Total per Security	Total \$A'M	Franked amt per Security	Record Date	Payment Date
31 Dec 2023							
Interim distribution	-	0.8300¢	0.8300¢	21.7	-	29/09/23	17/11/23
Interim distribution	-	0.7500¢	0.7500¢	19.6	-	29/12/23	16/02/24
	-	1.5800¢	1.5800¢	41.3	-		
31 Dec 2022							
Interim distribution	-	1.3750¢	1.3750¢	36.0	-	30/09/22	18/11/22
Interim distribution	-	1.3750¢	1.3750¢	36.0	-	30/12/22	17/02/23
	-	2.7500¢	2.7500¢	72.0	-		

6. DISTRIBUTION REINVESTMENT PLAN

Cromwell Property Group operates a distribution reinvestment plan ("Plan") which enables security holders to reinvest dividends/distributions and acquire Cromwell Property Group stapled securities. The directors may specify a discount rate to be applied to the issue price of stapled securities for Plan participants, however currently no discount applies. The issue price is generally the average of the daily volume weighted average price of stapled securities sold on ASX for the 10 trading days immediately prior to the Plan Record Date to which the distribution relates. The Plan Record Date is generally 15 business days prior to the distribution payment date.

An election to participate in the Plan in respect of some or all of a holding can be made at any time. To participate in the Plan in respect of a specific distribution, the security holder must have lodged their Plan election notice on or before the record date for that distribution.

In accordance with Rule 13 of the Plan, the Plan was suspended for the quarters ended 30 September 2023 and 31 December 2023 respectively and relevant distributions were paid to securityholders in cash.

7. INVESTMENTS IN JOINT VENTURES

All investments in joint ventures and associates remain the same as at 30 June 2023 and are disclosed in Note 8 of the half-year financial report, except for Cromwell's 50% interest in Cromwell Italy Urban Logistics Fund (CIULF) which was formed after Cromwell sold 50% of the units in CIULF to Value Partners, a Hong Kong based asset manager to create a joint venture during July 2023 (refer Note 8 of the half-year financial report).

8. AUDIT REVIEW REPORT

The information contained in this report is unaudited. The financial report for the half-year ended 31 December 2023 has been reviewed by the auditors for the Cromwell Property Group.

This Report has been prepared in accordance with AASB Standards (including Australian Interpretations) and standards acceptable to ASX. This Report, and the financial reports upon which the report is based, use the same accounting policies unless otherwise stated in the notes to the financial report.

A copy of the Cromwell Property Group half-year financial report for the 6 months ended 31 December 2023 with the auditors review opinion has been lodged with ASX.

Authorised for lodgement by Michael Foster (Company Secretary and Senior Legal Counsel) and Michelle Dance (Chief Financial Officer).



Michelle Dance
Chief Financial Officer
29 February 2024
Sydney



CROMWELL
PROPERTY GROUP

Cromwell Property Group Half-Year Financial Report

31 December 2023

Consisting of the combined consolidated Financial Reports of
Cromwell Corporation Limited (ABN 44 001 056 980) and
Cromwell Diversified Property Trust (ARSN 102 982 598)

Cromwell Corporation Limited
ABN 44 001 056 980
Level 10, 100 Creek Street
Brisbane QLD 4000

Cromwell Diversified Property Trust
ARSN 102 982 598

Responsible entity:
Cromwell Property Securities Limited
ABN 11 079 147 809 AFSL 238052
Level 10, 100 Creek Street
Brisbane QLD 4000

CONTENTS

Directors' Report	3
Auditor's Independence Declaration	15
Financial Statements	
Consolidated Statements of Profit or Loss	16
Consolidated Statements of Other Comprehensive Income	17
Consolidated Balance Sheets	18
Consolidated Statements of Changes in Equity	19
Consolidated Statements of Cash Flows	21
Notes to the Financial Statements	
About this report	23
Results	25
Operating assets	32
Finance and capital structure	39
Other items	41
Directors' Declaration	47
Independent Auditor's Review Report	48

DIRECTORY

Board of Directors:

Gary Weiss AM
 Eng Peng Ooi
 Robert Blain
 Jonathan Callaghan
 Tanya Cox
 Joseph Gersh AM
 Lisa Scenna
 Jialei Tang

Secretary:

Michael Foster

Share Registry:

Link Market Services Limited
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 Brisbane QLD 4000
 Tel: 1300 550 841 (+61 2 8280 7100)
 Web: www.linkmarketservices.com.au

Registered Office:

Level 10
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 Brisbane QLD 4000
 Tel: +61 7 3225 7777
 Web: www.cromwellpropertygroup.com

Listing:

Cromwell Property Group is listed on the
 Australian Securities Exchange (ASX: CMW)

Auditor:

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 Sydney NSW 2000
 Tel: +61 2 9322 7000
 Web: www.deloitte.com.au

Directors' Report

The Directors of Cromwell Corporation Limited and Cromwell Property Securities Limited as responsible entity for the Cromwell Diversified Property Trust (collectively referred to as "the Directors") present their report together with the consolidated financial statements for the half-year ended 31 December 2023 for both:

- the Cromwell Property Group ("Cromwell") consisting of Cromwell Corporation Limited ("the Company") and its controlled entities and the Cromwell Diversified Property Trust ("the CDPT") and its controlled entities; and
- the CDPT and its controlled entities ("the Trust").

The shares of the Company and units of the CDPT are combined and issued as stapled securities in Cromwell. The shares of the Company and units of CDPT cannot be traded separately and can only be traded as stapled securities.

Principal activities

The principal activities of Cromwell and the Trust, which did not change through the half-year, are summarised below:

Funds and asset management	Fund management represents activities in relation to the establishment and management of external funds for institutional and retail investors. Asset management includes property and facility management, leasing and project management and development related activities. These activities are carried out by Cromwell itself and by associates and contributes related fee revenues or the relevant share of profit of each investee to consolidated results.
Co-investments	This activity includes Cromwell's investments in assets warehoused while being repositioned for deployment into the fund and asset management business and assets it may not fully own or over which it cannot exercise unilateral control. This includes interests in investment property portfolios in Poland (CPRF) and Italy (CIULF), the Cromwell European Real Estate Investment Trust (CEREIT), and other investment vehicles. This activity contributes net rental income and the relevant share of profit of each investee to consolidated results.
Investment portfolio	This involves the ownership of investment properties located in Australia. These properties are held for long term investment purposes and primarily contribute net rental income and associated cash flows to results.

Key results and metrics

	Half year ended				
	31 Dec 2023	31 Dec 2022	31 Dec 2021	31 Dec 2020	31 Dec 2019
Financial performance					
Total assets under management (\$B)	11.4	12.0	12.1	11.6	11.9
Total revenue and other income for the half-year (\$M) ⁽¹⁾	160.2	157.9	250.2	261.1	377.6
Statutory (loss) / profit for the half-year (\$M)	(271.4)	(129.5)	132.5	145.2	227.3
Statutory (loss) / profit per stapled security for the half-year (basic) (cents)	(10.36)	(4.94)	5.06	5.53	8.78
Results from operations:					
Funds and asset management	11.8	27.2	22.7	22.8	34.1
Co-investments	53.4	37.2	41.2	38.9	30.4
Investment portfolio	78.0	80.6	86.1	89.9	124.6
Unallocated items	(59.5)	(57.9)	(53.6)	(52.5)	(55.0)
Operating profit for the half-year (\$M)	83.7	87.1	96.4	99.1	134.1
Operating profit per stapled security for the half-year (cents)	3.20	3.33	3.68	3.79	5.18
Dividends / distributions for the half-year (\$M)	41.3	72.0	85.1	98.1	97.5
Dividends / distributions per stapled security for the half-year (cents)	1.58	2.75	3.25	3.75	3.75

(1) Total revenue and other income for all periods reflect the reclassification of the Polish investments as discontinued operations.

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Directors' Report

	As at				
	31 Dec 2023	30 Jun 2023	30 Jun 2022	30 Jun 2021	30 Jun 2020
Financial position					
Total assets (\$M)	3,854.3	4,215.7	5,054.2	5,008.9	4,984.5
Net assets (\$M)	1,888.1	2,212.2	2,710.4	2,665.3	2,583.4
Net tangible assets (\$M) ⁽¹⁾	1,895.5	2,211.2	2,721.2	2,656.4	2,573.4
Net debt (\$M) ⁽²⁾	1,645.4	1,735.4	1,879.5	2,021.2	1,975.9
Gearing (%) ⁽³⁾	44.7%	42.6%	39.6%	41.8%	41.6%
Look-through gearing (%)	50.0%	47.6%	44.8%	46.2%	47.5%
Stapled securities issued (M)	2,618.9	2,618.9	2,618.9	2,617.5	2,612.9
NTA per stapled security	\$0.72	\$0.84	\$1.04	\$1.02	\$0.99

(1) Net assets less deferred tax assets, intangible assets, leased assets and leased liabilities, and deferred tax liabilities.

(2) Borrowings less cash and cash equivalents and restricted cash.

(3) Net debt divided by total tangible assets less cash and cash equivalents.

Financial performance

Statutory profit/(loss)

Cromwell recorded a statutory loss of \$271.4 million for the half-year ended 31 December 2023 (December 2022: statutory loss of \$129.5 million). The Trust recorded a statutory loss of \$289.0 million for the half-year ended 31 December 2023 (December 2022: statutory loss of \$134.0 million).

Operating profit

Statutory profit includes a number of items which are non-cash in nature or occur infrequently and / or relate to realised or unrealised changes in the values of assets and liabilities and in the opinion of the Directors should be adjusted for in order to allow securityholders to gain a better understanding of Cromwell's operating profit. Operating profit is considered by the Directors to reflect the underlying earnings of Cromwell. It is a key metric taken into account in determining distributions. Operating earnings is not a measure which is calculated in accordance with International Financial Reporting Standards ("IFRS") and has not been reviewed by Cromwell's auditor.

Cromwell recorded an operating profit of \$83.7 million for the half-year ended 31 December 2023 compared with \$87.1 million for the previous comparable period.

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Directors' Report

A reconciliation of Cromwell's operating profit, as assessed by the Directors, to statutory loss is below:

	Half-year ended	
	31 Dec 2023 \$M	31 Dec 2022 \$M
Operating profit	83.7	87.1
<i>Reconciliation to loss for the half-year</i>		
Gain on sale of investment properties	-	2.0
Fair value net losses – Investment properties	(195.7)	(113.2)
Fair value net losses – Derivative financial instruments	(24.4)	(3.4)
Fair value gain – Campbell Park Rights cost ⁽¹⁾	15.2	-
Lease cost and incentive amortisation and rent straight-lining	(10.0)	(5.2)
Relating to equity accounted investments ⁽²⁾	(46.0)	(26.8)
Net exchange gain / (loss) on foreign currency borrowings	3.6	(1.5)
Tax expense relating to non-operating items ⁽³⁾	(3.5)	12.1
Non-cash or non-operating items from discontinued operations ⁽⁴⁾	(80.1)	(71.1)
Other non-cash expenses or non-recurring items ⁽⁵⁾	(14.2)	(9.5)
Loss after tax	(271.4)	(129.5)

(1) The Campbell Park income assignment deed and call option deed ("Rights") financial asset was revalued during the period to the estimated proceeds of \$27.5 million that Cromwell would receive upon the sale of its Rights. Included in operating profit as distribution revenue is the part of the proceeds \$12.3 million in excess of the initial acquisition cost of \$15.2 million.

(2) Comprises fair value adjustments included in share of profit of equity accounted entities.

(3) Comprises tax expense attributable to changes in deferred tax liabilities derecognised as a result of decreases in the carrying value of investments.

(4) Non-cash or non-recurring items in relation to Poland being disclosed as a discontinued operation include:

- \$44.5 million (2022: \$68.1 million) fair value loss on investment properties
- \$13.9 million (2022: \$1.9 million) impairment of equity accounted investments
- \$10.3 million (2022: nil) of transactions costs
- \$6.1 million tax expense (2022: \$0.4m tax benefit) relating to non-operating items

(5) These expenses include but are not limited to:

- Amortisation of loan transaction costs.
- Amortisation of intangible assets and depreciation of property, plant and equipment.
- Other transaction costs.

Operating profit per security for the half-year was 3.20 cents (December 2022: 3.33 cents). This represents a decrease of approximately 3.9% over the prior corresponding period. Operating profit is analysed within each segment in the following section.

Analysis of segment performance

The contribution to operating profit of each of Cromwell's 3 segments and the reconciliation to total operating profit is set out in the upcoming sections.

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Directors' Report

FUNDS AND ASSET MANAGEMENT

Financial highlights in relation to funds and asset management include:

	Total		Australia		Europe		Joint ventures	
	Half-year ended							
	31 Dec 2023 \$M	31 Dec 2022 \$M	31 Dec 2023 \$M	31 Dec 2022 \$M	31 Dec 2023 \$M	31 Dec 2022 \$M	31 Dec 2023 \$M	31 Dec 2022 \$M
Fee and other revenues	47.6	45.0	10.0	11.3	37.6	33.7	-	-
Development income	1.7	17.3	-	-	1.7	1.4	-	15.9
Share of operating profit	0.7	2.0	-	-	0.3	1.2	0.4	0.8
Expenses attributable	38.2	37.1	6.5	6.6	31.7	30.5	-	-
Operating profit	11.8	27.2	3.5	4.7	7.9	5.8	0.4	16.7
	As at							
	31 Dec 2023 \$B	30 Jun 2023 \$B	31 Dec 2023 \$B	30 Jun 2023 \$B	31 Dec 2023 \$B	30 Jun 2023 \$B	31 Dec 2023 \$B	30 Jun 2023 \$B
	Assets under management	11.4	11.5	3.9	4.1	6.3	6.2	1.2

Australia

Retail funds management

A breakdown of retail funds management results is below:

	Half-year ended	
	31 Dec 2023 \$M	31 Dec 2022 \$M
Recurring fee income	4.3	5.2
Performance fee income	0.1	-
Total fee revenue	4.4	5.2
Costs attributable	1.8	1.9
Operating profit	2.6	3.3

Retail funds management profit decreased from \$3.3 million in the prior comparative period to \$2.6 million for the half-year, driven primarily by a reduction in asset values of investment properties under management. Total assets under management at 31 December 2023 was \$1.3 billion (June 2023: \$1.4 billion).

Volatility in the real estate capital markets has meant that the environment has not been conducive to raising capital for retail investor products, with the relative risk/reward favouring more risk-free investments. The uncertainty surrounding asset valuations has compounded this difficulty, with investors cautious on investing until more stability occurs.

Cromwell remains committed to increasing the scale and diversification of its retail funds management business, which it believes is highly complementary to its property and facilities management activities.

Completion of the interest rate tightening cycle should bring stability to real estate markets, and open up opportunities for Cromwell to execute its growth strategy in Funds Management.

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Wholesale funds management

A breakdown of wholesale funds management results is below:

	Half-year ended	
	31 Dec 2023 \$M	31 Dec 2022 \$M
Recurring fee income	0.2	0.5
Total fee revenue	0.2	0.5
Operating profit	0.2	0.5

During the half-year wholesale funds management activities related to the management of the 50% interest held by an external party in the investment property at 475 Victoria Avenue, Chatswood NSW. In the prior period Cromwell also managed a second property for an external investor, this arrangement concluded on 31 December 2022.

Property management

A breakdown of property management results is below:

	Half-year ended	
	31 Dec 2023 \$M	31 Dec 2022 \$M
Recurring fee income	5.4	5.6
Costs attributable	4.7	4.7
Operating profit	0.7	0.9

Property management profit decreased to \$0.7 million (2022: \$0.9 million) due to a small decrease in recurring fee income.

Europe

A breakdown of European funds management results is below:

	Half-year ended	
	31 Dec 2023 \$M	31 Dec 2022 \$M
<i>Fee and other revenue</i>		
Recurring fee income	31.9	27.8
Transactional fee income	2.3	2.1
Performance fee income	3.4	3.8
Development income	1.7	1.4
Total fee and other revenue	39.3	35.1
<i>Costs attributable</i>		
Employee benefits expense:		
Performance fee-related	0.7	0.6
Other	23.9	23.4
Other operational costs	7.1	6.5
Total costs attributable	31.7	30.5
Operating profit	7.6	4.6

The European funds management business generated an operating profit of \$7.6 million (2022: \$4.6 million) for the period. This was the result of a combination of higher recurring fee income and a reduction in employee benefits expenses.

Excluding the impact of foreign currency translation, recurring fee income has increased by \$1.5 million, which is largely attributable to an increase in leasing fees through achieving favourable leasing outcomes for various buildings predominately in Germany and Netherlands.

Employee benefits expense has reduced \$1.7 million period on period but is offset by an unfavourable FX translation of \$2.3 million. The European business is continuing to focus on streamlining its processes and operations to achieve greater and more consistent results in a challenging market.

Directors' Report

At 31 December 2023 the European fund management business had €3.9 billion (\$6.3 billion) Assets Under Management (AUM) (30 June 2023: €3.8 billion (\$6.2 billion)). The business has signed one new mandate during the period, a Finnish mandate consisting of 5 assets all leased to a single tenant adding €142.0 million to AUM which will add further diversification to the recurring fee income base with potential for development fee income in the future.

CEREIT continued to reposition its portfolio towards a focus on light industrial / logistics class assets during the period with the disposal of an Italian mixed-use asset for €94.0 million.

Joint ventures

Phoenix – Australia

Phoenix Portfolios Pty Ltd experienced a decrease in the level of management and performance fee income compared to the previous comparative period.

Cromwell recognised a share of operating profit of \$0.1 million for the half-year (December 2022: \$0.4 million).

Oyster – New Zealand

Oyster Property Group's assets under management remained steady at NZD\$1.8 billion at half-year end (June 2023: NZD\$1.9 billion).

Cromwell recognised a share of operating profit of \$0.3 million for the half-year (December 2022: \$0.4 million).

LDK

In the prior comparative period, Cromwell sold its 50% interest in LDK for \$20.0 million versus a carrying amount of \$12.0 million. The gain on disposal reflected future development profit and was included in operating profit for the half-year.

The development loans provided to LDK were fully repaid in March 2023. During the half-year ended 31 December 2022 Cromwell and the Trust recorded \$8.2 million finance income in respect of development-related loans made to LDK.

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Directors' Report

CO-INVESTMENTS

Financial highlights in relation to Co-investments include:

	Total		CPRF		CIULF		CEREIT		Other investments	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Rental income and recoverable outgoings (\$M)	40.2	37.7	39.8	35.4	0.4	2.3	-	-	-	-
Share of operating profit (\$M)	22.8	21.5	1.9	1.4	0.6	-	20.3	20.1	-	-
Distribution income (\$M)	12.8	0.8	-	-	-	-	-	-	12.8	0.8
Operating profit (\$M)	53.4	37.2	19.3	14.7	1.0	1.6	20.3	20.1	12.8	0.8
Net fair value (losses) / gains (\$M)	(44.5)	(68.0)	(44.5)	(68.1)	-	0.1	-	-	-	-
	31 Dec 2023	30 Jun 2023	31 Dec 2023	30 Jun 2023	31 Dec 2023	30 Jun 2023	31 Dec 2023	30 Jun 2023	31 Dec 2023	30 Jun 2023
Occupancy rate (%)	95.6%	93.9%	95.6%	92.7%	-	100%	-	-	-	-
WALE (years)	3.1	4.2	3.1	3.5	-	7.8	-	-	-	-
Ownership share (%)	-	-	100.0%	100.0%	50.0%	100.0%	27.8%	27.8%	-	-
Investment value (\$M)	1,102.4	1,261.4	498.2	559.6	23.7	91.5	535.2	589.7	45.3	20.6

CPRF

The 100% owned Cromwell Polish Retail Fund (CPRF) portfolio consists of six retail centre assets of varying sizes as well as a seventh shopping centre asset held jointly with Unibail Rodamco Westfield (URW), located throughout Poland.

Portfolio highlights for the 6 directly owned retail centre assets:

- Increase in retail centre turnover by 10.4% and increase in footfall by 1.0% compared to the prior half-year;
- Occupancy of 95.6% (30 June: 92.7%) with of WALE of 3.1 years (30 June: 3.5 years);
- Net operating income (NOI) of €12.4 million compared to €11.0 million for the prior half-year, an increase of 12.7%.

During the period 45 leases were signed for 9,840 sqm, including 4,036 sqm of space that was vacant on 30 June 2023. Major improvement works included the installation of digital signage and the creation of eco and co-working zones at the portfolio's biggest asset Janki in Warsaw for a total of €593,000 (\$960,000), the installation of a playground at Korona, Wrocław for €75,000 (\$121,000) and bathroom upgrades at Rondo, Bydgoszcz and Ster, Szczecin for €228,000 (\$369,000).

At 30 June 2023 Cromwell valued its six Polish investment properties with reference to a non-binding offer price. Over the past six months Cromwell and the independent third party acquirer have significantly progressed the sale to the point where a sale is highly probable. During December 2023, a new non-binding arrangement was entered into with the same acquirer at a revised offer price of €285.0 million (\$461.2 million). As further progress has been made towards a sale, the six Polish investment properties, associated loan facilities (secured against the properties), the derivatives associated with the loan facilities, the right of use asset and lease liability associated with one of the investment properties have been reclassified at 31 December 2023 to current assets held for sale.

In addition, during the period, Cromwell updated its Joint Venture implementation agreement with Unibail (URW) in regard to selling its interest in the Ursynów Joint Venture to its partner Unibail. The updated agreement provides for the calculation of the sale price for the

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Directors' Report

shares held in the Joint Venture along with the payout of the financing loan made by Cromwell during the 2022 financial year. The sale is expected to settle in early March 2024.

The statutory loss for the period after tax from CPRF has been disclosed under Discontinued Operations in Cromwell's Consolidated Statements of Profit or Loss.

CIULF

The Cromwell Italy Urban Logistics Fund (CIULF) portfolio contains seven logistics assets in Italy. As announced, in July 2023, Cromwell successfully entered into a joint venture with Value Partners to share ownership of the assets. Cromwell's initial equity value for its 50% share of the joint venture was \$21.5 million, represented by Cromwell's 50% share of the investment property within the joint venture of \$45.75 million (100% value \$91.5 million) and Cromwell's 50% share of borrowings and other working capital.

The value of the seven investment properties has increased since the inception of the joint venture to \$94.0 million based on external valuations performed in December 2023.

CEREIT

Cromwell continues to manage and sponsor CEREIT, a SGX-listed real estate investment trust. At 31 December 2023 Cromwell owned 27.8% of CEREIT (30 June 2023: 27.8%). During the period, CEREIT continued its pivot towards light industrial / logistics class assets whilst moving away from the traditional office and "other" classes of assets.

At 31 December 2023, CEREIT owns 111 investment properties with a fair value of €2.3 billion (30 June 2023: 112 properties with a fair value of €2.3 billion) located across Europe. Occupancy has remained steady at 95.6% (30 June 2023: 95.4%). As at 31 December 2023, external valuations were conducted for 108 properties representing approximately 97% of CEREIT's portfolio by value resulting in net fair value losses of €65.7 million (30 June 2023: external valuations were conducted for 111 properties representing approximately 99% of CEREIT's portfolio by value resulting in net fair value losses of €56.1 million).

During the period Cromwell recognised its share of operating profit of \$20.3 million (31 December 2022: \$20.1 million) and received \$20.5 million in distributions (31 December 2022: \$19.8 million).

OTHER INVESTMENTS

Cromwell, through an income assignment deed and call option deed entered into in 2017 ("Rights"), acquired a 49% interest in an investment property in Campbell Park, ACT for \$15.2 million. The Rights had been fair valued to nil over time as the timing and nature of the cashflows were sporadic and uncertain. During the current period a sale contract for underlying property was entered into, with settlement occurring in January 2024. As a result of the sale of the sole asset in the property trust, Cromwell's Rights were repurchased at the estimated contract price of \$27.5 million. The distribution income recognised by Cromwell for the period represents the estimated contract price above the initial cost of acquisition of \$15.2 million.

Cromwell also has co-investments in Australian and European real estate investment mandates which are accounted for as investments at fair value through profit or loss. Cromwell receives distributions from these investments which also support the funds management business.

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Directors' Report

INVESTMENT PORTFOLIO

Cromwell continues to be dedicated to driving the performance of the property portfolio through leasing and asset management initiatives while also remaining focused on its strategy to simplify the Group structure by disposing of non-core assets and moving the Group to be a capital light real estate fund manager. Following the disposal of non-core investment properties since financial year 2022, Cromwell completed the sale of 2-6 Station Street, Penrith, NSW for \$45.3 million, and have signed contracts or are in advanced stages of negotiation to dispose of other investment properties totalling \$44.7 million.

Investment portfolio performance and key metrics

	Half-year ended	
	31 Dec 2023 \$M	31 Dec 2022 \$M
<i>Portfolio performance</i>		
Rental income and recoverable outgoings ⁽¹⁾	96.7	100.1
Property expenses ⁽²⁾	(17.8)	(18.8)
Net operating income	78.9	81.3
Investment property revaluation loss	(195.7)	(113.3)

⁽¹⁾ Rental income and recoverable outgoings excluding lease incentive amortisation and rent straight-lining.

⁽²⁾ Property expenses excluding lease cost amortisation.

	As at		
	31 Dec 2023	30 Jun 2023	31 Dec 2022
<i>Key metrics</i>			
Investment portfolio value (\$M)	2,347.3	2,584.1	2,813.8
Weighted average capitalisation rate (%)	6.4	5.7	5.4
Total lettable area (sqm)	255,823	256,637	279,966
Occupancy (%)	93.4	94.6	94.4
Weighted average lease expiry (years)	5.3	5.3	5.6

Net operating income from the investment portfolio decreased by 3.0% compared to the prior period largely due to the continued execution of our strategy to dispose of non-core investment properties over the past few financial years. On a like-for-like basis, net operating income increased by 0.9%.

Cromwell's tenant security continues to remain strong with 82% of income derived from Government or top tier tenants, with good diversification across all sectors.

The value of the properties in Cromwell's investment portfolio decreased on a like-for-like basis by \$185.5 million or 7.3% primarily as a result of an expansion of capitalisation rates, on a weighted average basis, by 70 basis points from 5.7% to 6.4%. All states in which Cromwell's investment properties are located were affected by the general expansion of capitalisation rates that reflect the demand for higher returns by investors following the recent rise in interest rates.

Major individual valuation movements included decreases in fair value of 400 George St in QLD by \$40.2 million (8.4%), 203 Coward St in NSW by \$38.0 million (7.3%), 207 Kent St in NSW by \$34.0 million (11.8%) all primarily due to an expansion in capitalisation rates of between 62.5 and 100 basis points.

Cromwell has taken material active steps to improve the sustainability of the portfolio by undertaking projects such as building electrification for 2-24 Rawson Place, Sydney, NSW and the removal of the Cogen plant at HQ North, Fortitude Valley, QLD. Improving the ESG credentials of Cromwell's investment properties will make them more appealing to our current and potential tenants. At 700 Collins Street, Melbourne VIC a solar installation project is underway with similar projects planned to be rolled out across other properties.

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Directors' Report

Capital management

As at 31 December 2023 Cromwell's gearing was at 44.7% compared with the 30 June 2023 gearing level of 42.6%. The increase followed the fair value decrease of investment properties in Cromwell's Australian investment portfolio by 7.5% and in Cromwell's CPRF co-investment portfolio by 8.0%. Gearing levels currently sit outside Cromwell's stated target range of 30% - 40% through the cycle. Cromwell currently has two non-core Australian investment properties in negotiation for sale and has continued to progress the sale of the CPRF assets with the same acquirer that was undertaking due diligence as at 30 June 2023.

While total borrowings have decreased during the year by \$49.4 million (2.7%), interest expense in relation to borrowings for the period increased to \$36.1 million (2022: \$31.4 million). Interest expense has been impacted by rising cash rates set by Central Banks, however Cromwell's average interest rate for the current period increased by only 1.26% to 4.71% (3.45% for the prior comparative period), compared to the average cash rate increase of 2.0% for the same period.

The net fair value loss in relation to derivative financial instruments of \$24.4 million (2022: loss of \$3.4 million) arose as a result of the revaluation of interest rate swap, cap and collar contracts. Cromwell has hedged future interest rates through various types of interest rate derivatives (predominately interest rate caps) with 70% of borrowings at period end hedged to minimise the risk of changes in interest rates in the future (2023: 70%).

During the six months to December 2023 Cromwell entered into \$100 million of new interest rate hedging via a forward starting interest rate cap (commencing July 2025) and extended a further \$300 million of existing hedging from current expiry of October 2025 to new expiry of July 2027. The weighted average hedge term at 31 December 2023 was 1.8 years (2023: 1.7 years).

Debt

Cromwell's debt platform is underpinned by its bilateral facilities secured against selected assets of Cromwell's Australian investment portfolio. The bilateral facilities continue to have headroom against covenants to accommodate further falls in property valuations should they arise or any further increases in variable interest rates.

Cromwell continues to fund its co-investment in CPRF via a Euro revolving credit facility. The Euro revolving facility continues to have headroom to covenants to cover further falls in asset values should they arise or any further increases in variable interest rates.

All other loan facilities are asset level financing with no reference to group level gearing.

Cromwell continues to actively monitor and manage its compliance obligations under its borrowing arrangements.

During the period Cromwell extended the maturity of \$250 million of debt within Cromwell's bilateral facilities from June 2025 to November 2026.

Liquidity

As at 31 December 2023 Cromwell has \$156.0 million of cash (30 June 2023: \$113.9 million) and undrawn and available bank facilities totalling \$36.9 million (30 June 2023: \$173.6 million).

Equity

No additional stapled securities were issued during the period. Securities required to meet the exercise of employee performance rights are now acquired on market.

Net tangible assets (NTA) per security has decreased during the period from \$0.84 to \$0.72, primarily as a result of an overall decrease in property valuations.

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Directors' Report

Strategy

Cromwell remains committed to its long-term stability and growth objectives:

- Ongoing growth of fund management platforms through the launch of new products in retail markets, as well as partnerships and mandates;
- Continued focus on resilience and strength of the Investment Portfolio through active management and leasing initiatives;
- Reducing gearing to within target range;
- Measured approach to capital recycling as opportunities present; and
- Long term commitment to ESG with the implementation of scope 1-3 emissions inventory and modelling reduction pathways.

Outlook

Cromwell is operating in an economic environment characterised by higher interest rates, challenging property markets, subdued property transactional volumes in fund management markets and the need to reduce gearing to within its target range. As a consequence, Cromwell has maintained a prudent approach to distribution payments.

A distribution of 0.75cps is expected to be paid for the March 2024 quarter.

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Directors' Report

Directors

The Directors of Cromwell Corporation Limited and Cromwell Property Securities Limited as responsible entity of the CDPT ("responsible entity") during the half-year and up to the date of this report are:

Directors		Date of Appointment
Dr Gary Weiss AM	Non-executive Chair	18 September 2020 (Chair since 17 March 2021)
Mr Eng Peng Ooi	Non-executive Deputy Chair	8 March 2021 (Deputy Chair since 17 March 2021)
Mr Robert Blain	Non-executive Director	8 March 2021
Mr Jonathan Callaghan	Managing Director / Chief Executive Officer	7 October 2021
Ms Tanya Cox	Non-executive Director	21 October 2019
Mr Joseph Gersh AM	Non-executive Director	18 September 2020
Ms Lisa Scenna	Non-executive Director	21 October 2019
Ms Jialei Tang	Non-executive Director	9 July 2021

Company Secretary

The Company Secretary at any time during the half-year and up to the date of this report was:

Company Secretary	Date of Appointment
Mr Michael Foster	6 April 2022

Subsequent events

Other than as disclosed in note 16, no matter or circumstance has arisen since 31 December 2023 that has significantly affected or may significantly affect:

- Cromwell's operations in future financial years; or
- the results of those operations in future financial years; or
- Cromwell's state of affairs in future financial years.

Rounding of amounts

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 amounts in the Directors' report have been rounded off to the nearest one hundred thousand dollars, or in certain cases to the nearest dollar, unless otherwise indicated.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* (Cth) accompanies this report.

This report is made pursuant to section 306(3) of the *Corporations Act 2001* (Cth).



Dr Gary Weiss AM
Chair
29 February 2024
Sydney



Jonathan Callaghan
Managing Director / Chief Executive Officer

29 February 2024

Board of Directors
Cromwell Corporation Limited and
Cromwell Property Securities Limited (as responsible entity for Cromwell Diversified Property Trust)
Level 10, 100 Creek Street
Brisbane QLD 4000

Dear Directors

Auditor's Independence Declaration to Cromwell Property Group

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the Board of Directors of Cromwell Corporation Limited and Cromwell Property Securities Limited as responsible entity for Cromwell Diversified Property Trust.


As lead audit partner for the review of the consolidated half year financial report of Cromwell Property Group (the stapled entity which comprises Cromwell Corporation Limited, Cromwell Diversified Property Trust and the entities they controlled at the end of the half-year or from time to time during the half-year) and Cromwell Diversified Property Trust for the half year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- Any applicable code of professional conduct in relation to the review.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Nicholas Rozario
Partner
Chartered Accountants

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Consolidated Statements of Profit or Loss

For the half-year ended 31 December 2023

	Notes	Cromwell		Trust	
		Half-year ended		Half-year ended	
		31 Dec 2023 \$M	31 Dec 2022 \$M	31 Dec 2023 \$M	31 Dec 2022 \$M
Revenue	5(a)	133.5	148.2	89.6	104.4
Other income					
Fair value net gains from:					
Investments at fair value through profit or loss		24.4	-	-	-
Net foreign currency gains		2.3	-	2.4	1.0
Gain on sale of investment properties		-	2.0	-	2.0
Gain on sale of interest in joint venture held for sale		-	7.7	-	-
Other income		-	-	-	1.0
Total revenue and other income		160.2	157.9	92.0	108.4
Expenses					
Property expenses and outgoings		16.1	17.2	18.5	19.1
Funds management costs		3.9	3.8	-	-
Employee benefits expense	6(a)	41.2	39.9	-	-
Administrative and other expenses	6(b)	17.6	18.1	10.2	12.1
Finance costs	6(c)	37.9	36.1	37.7	35.9
Fair value net losses from:					
Investment properties	7(f)	195.7	113.2	195.7	113.2
Derivative financial instruments		24.4	3.4	24.4	3.4
Investments at fair value through profit or loss		-	1.1	2.9	1.0
Share of loss of equity accounted investments	8(e)	24.3	4.7	24.4	6.5
Net foreign currency losses		-	2.1	-	-
Other transaction costs		4.1	1.4	0.7	1.4
Total expenses		365.2	241.0	314.5	192.6
Loss before income tax from continuing operations		(205.0)	(83.1)	(222.5)	(84.2)
Income tax expense / (benefit)		3.9	(11.2)	0.6	(11.0)
Loss after tax from continuing operations		(208.9)	(71.9)	(223.1)	(73.2)
Discontinued operations					
Loss from discontinued operations, net of tax	14(d)	(62.5)	(57.6)	(65.9)	(60.8)
Loss after tax		(271.4)	(129.5)	(289.0)	(134.0)
<i>Loss after tax is attributable to securityholders:</i>					
Profit attributable to the Company		17.6	4.5	-	-
Loss attributable to the Trust		(289.0)	(134.0)	(289.0)	(134.0)
Total loss after tax attributable to securityholders		(271.4)	(129.5)	(289.0)	(134.0)
Earnings per security from continuing operations					
Basic earnings per stapled security (cents)	3(b)	(7.97¢)	(2.75¢)	(8.51¢)	(2.80¢)
Diluted earnings per stapled security (cents)	3(b)	(7.95¢)	(2.74¢)	(8.49¢)	(2.79¢)
Earnings per security					
Basic earnings per stapled security (cents)	3(b)	(10.36¢)	(4.94¢)	(11.03¢)	(5.11¢)
Diluted earnings per stapled security (cents)	3(b)	(10.33¢)	(4.93¢)	(11.00¢)	(5.10¢)

The above consolidated statements of profit or loss should be read in conjunction with the accompanying notes.

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Consolidated Statements of Other Comprehensive Income

For the half-year ended 31 December 2023

	Cromwell		Trust	
	Half-year ended		Half-year ended	
	31 Dec 2023 \$M	31 Dec 2022 \$M	31 Dec 2023 \$M	31 Dec 2022 \$M
Loss after tax	(271.4)	(129.5)	(289.0)	(134.0)
Other comprehensive (loss) / income				
<i>Items that may be reclassified to profit or loss</i>				
Exchange differences on translation of foreign operations	(11.2)	42.3	(11.1)	41.1
Income tax relating to this item	-	-	-	-
Other comprehensive (loss) / income, net of tax	(11.2)	42.3	(11.1)	41.1
Total other comprehensive loss	(282.6)	(87.2)	(300.1)	(92.9)
<i>Total other comprehensive loss is attributable to securityholders:</i>				
Other comprehensive income attributable to the Company	17.5	5.7	-	-
Other comprehensive loss attributable to the Trust	(300.1)	(92.9)	(300.1)	(92.9)
Total other comprehensive loss	(282.6)	(87.2)	(300.1)	(92.9)
<i>Other comprehensive (loss) / income, net of tax arises from:</i>				
Continuing operations	(10.7)	31.1	(10.6)	29.9
Discontinued operations	(0.5)	11.2	(0.5)	11.2
Other comprehensive (loss) / income, net of tax	(11.2)	42.3	(11.1)	41.1

The above consolidated statements of other comprehensive income should be read in conjunction with the accompanying notes.

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Consolidated Balance Sheets

As at 31 December 2023

	Notes	Cromwell		Trust	
		As at		As at	
		31 Dec 2023 \$M	30 Jun 2023 \$M	31 Dec 2023 \$M	30 Jun 2023 \$M
Current assets					
Cash and cash equivalents		156.0	113.9	108.0	58.3
Receivables	10(b)	45.5	41.3	17.6	14.7
Derivative financial instruments		20.4	28.0	20.4	28.0
Current tax assets		0.6	0.6	0.1	0.1
Other current assets		10.6	7.0	3.9	2.3
		233.1	190.8	150.0	103.4
Assets held for sale	14(b)	607.8	138.4	580.3	138.4
Total current assets		840.9	329.2	730.3	241.8
Non-current assets					
Investment properties	7(e)	2,347.3	3,098.2	2,347.3	3,098.2
Equity accounted investments	8(a)	580.4	662.2	550.7	632.1
Investments at fair value through profit or loss	9	17.8	20.6	14.8	17.7
Inventories	7(d)	16.7	16.5	-	-
Derivative financial instruments		22.3	28.5	22.3	28.5
Receivables	10(b)	7.6	38.3	31.2	51.1
Property, plant and equipment		21.0	20.2	-	-
Intangible assets		0.3	0.3	-	-
Deferred tax assets		-	1.7	-	1.7
Total non-current assets		3,013.4	3,886.5	2,966.3	3,829.3
Total assets		3,854.3	4,215.7	3,696.6	4,071.1
Current liabilities					
Trade and other payables		71.0	69.8	48.8	42.1
Unearned income		16.7	17.3	15.6	16.1
Dividends / distributions payable		19.6	36.0	19.6	36.0
Interest bearing liabilities	11(a)	287.5	142.8	283.2	138.0
Derivative financial instruments		2.7	-	2.7	-
Provisions		5.2	5.2	-	-
Current tax liabilities		1.1	0.5	0.8	0.2
		403.8	271.6	370.7	232.4
Liabilities directly related to assets held for sale	14(b)	254.2	49.4	254.2	49.4
Total current liabilities		658.0	321.0	624.9	281.8
Non-current liabilities					
Interest bearing liabilities	11(a)	1,290.5	1,681.3	1,280.3	1,669.8
Derivative financial instruments		10.0	-	10.0	-
Provisions		0.6	0.5	-	-
Deferred tax liabilities		7.1	0.7	4.0	0.7
Total non-current liabilities		1,308.2	1,682.5	1,294.3	1,670.5
Total liabilities		1,966.2	2,003.5	1,919.2	1,952.3
Net assets		1,888.1	2,212.2	1,777.4	2,118.8
Equity attributable to securityholders					
Contributed equity	12(a)	2,280.1	2,280.1	2,072.8	2,072.8
Reserves		46.7	58.1	18.4	29.5
Retained earnings		(438.7)	(126.0)	(313.8)	16.5
Equity attributable to securityholders		1,888.1	2,212.2	1,777.4	2,118.8
<i>Comprising</i>					
Total equity attributable to the Company		110.7	93.4	-	-
Total equity attributable to the CDPT		1,777.4	2,118.8	1,777.4	2,118.8
Total Equity attributable to securityholders		1,888.1	2,212.2	1,777.4	2,118.8

The above consolidated balance sheets should be read in conjunction with the accompanying notes.

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Consolidated Statements of Changes in Equity

For the half-year ended 31 December 2023

Cromwell		Attributable to Equity Holders of Cromwell			
		Contributed equity \$M	Reserves \$M	Retained earnings \$M	Total \$M
31 December 2023	Notes				
Balance as at 1 July 2023		2,280.1	58.1	(126.0)	2,212.2
Loss for the half-year		-	-	(271.4)	(271.4)
Other comprehensive loss		-	(11.2)	-	(11.2)
Total comprehensive loss		-	(11.2)	(271.4)	(282.6)
<i>Transactions with equity holders in their capacity as equity holders:</i>					
Contributions of equity, net of equity issue costs		-	-	-	-
Dividends / distributions paid / payable	4	-	-	(41.3)	(41.3)
Employee performance rights		-	(0.2)	-	(0.2)
Acquisition of treasury securities		-	(0.5)	-	(0.5)
Issue of treasury securities		-	0.5	-	0.5
Total transactions with equity holders		-	(0.2)	(41.3)	(41.5)
Balance as at 31 December 2023		2,280.1	46.7	(438.7)	1,888.1

Cromwell		Attributable to Equity Holders of Cromwell			
		Contributed equity \$M	Reserves \$M	Retained earnings \$M	Total \$M
31 December 2022	Notes				
Balance at 1 July 2022		2,280.1	(31.5)	461.8	2,710.4
Loss for the half-year		-	-	(129.5)	(129.5)
Other comprehensive income		-	42.3	-	42.3
Total comprehensive (loss) / income		-	42.3	(129.5)	(87.2)
<i>Transactions with equity holders in their capacity as equity holders:</i>					
Contributions of equity, net of equity issue costs		0.4	-	-	0.4
Dividends / distributions paid / payable	4	-	-	(72.0)	(72.0)
Employee performance rights		-	0.3	-	0.3
Acquisition of treasury securities		-	(1.3)	-	(1.3)
Issue of treasury securities		-	0.8	-	0.8
Total transactions with equity holders		0.4	(0.2)	(72.0)	(71.8)
Balance as at 31 December 2022		2,280.5	10.6	260.3	2,551.4

The above consolidated statements of changes in equity should be read in conjunction with accompanying notes.

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Consolidated Statements of Changes in Equity

For the half-year ended 31 December 2023

Trust		Attributable to Equity Holders of the CDPT			
		Contributed equity \$M	Reserve \$M	Retained earnings \$M	Total equity \$M
31 December 2023	Notes				
Balance at 1 July 2023		2,072.8	29.5	16.5	2,118.8
Loss for the half-year		-	-	(289.0)	(289.0)
Other comprehensive loss		-	(11.1)	-	(11.1)
Total comprehensive loss		-	(11.1)	(289.0)	(300.1)
<i>Transactions with equity holders in their capacity as equity holders:</i>					
Contributions of equity, net of equity issue costs		-	-	-	-
Distributions paid / payable	4	-	-	(41.3)	(41.3)
Total transactions with equity holders		-	-	(41.3)	(41.3)
Balance as at 31 December 2023		2,072.8	18.4	(313.8)	1,777.4

Trust		Attributable to Equity Holders of CDPT			
		Contributed equity \$M	Reserve \$M	Retained earnings \$M	Total equity \$M
31 December 2022	Notes				
Balance at 1 July 2022		2,072.8	(56.6)	599.2	2,615.4
Loss for the half-year		-	-	(134.0)	(134.0)
Other comprehensive income		-	41.1	-	41.1
Total comprehensive (loss) / income		-	41.1	(134.0)	(92.9)
<i>Transactions with equity holders in their capacity as equity holders:</i>					
Contributions of equity, net of equity issue costs		0.3	-	-	0.3
Distributions paid / payable	4	-	-	(72.0)	(72.0)
Total transactions with equity holders		0.3	-	(72.0)	(71.7)
Balance as at 31 December 2022		2,073.1	(15.5)	393.2	2,450.8

The above consolidated statements of changes in equity should be read in conjunction with accompanying notes.

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Consolidated Statements of Cash Flows

For the half-year ended 31 December 2023

	Cromwell		Trust	
	Half-year		Half-year	
	31 Dec 2023 \$M	31 Dec 2022 \$M	31 Dec 2023 \$M	31 Dec 2022 \$M
Cash flows from operating activities				
Receipts in the course of operations	188.5	189.3	139.8	143.5
Payments in the course of operations	(118.1)	(123.6)	(61.0)	(65.0)
Distributions received	21.0	20.7	20.6	20.2
Interest received	3.5	9.7	3.1	9.5
Finance costs paid	(33.3)	(38.8)	(33.3)	(38.8)
Income tax (paid) / refunded	(1.6)	(2.1)	(1.4)	(2.0)
Net cash provided by operating activities	60.0	55.2	67.8	67.4
Cash flows from investing activities				
Proceeds from sale of investment properties	45.3	2.0	45.3	2.0
Payments for investment properties	(18.6)	(12.5)	(18.6)	(12.5)
Payments for equity accounted investments	-	(3.8)	-	(3.8)
Proceeds from sale of subsidiary, net of cash disposed	20.7	-	20.7	-
Net proceeds from sale of equity accounted investments	-	19.7	-	-
Payments for investments at fair value through profit or loss	(0.3)	(1.0)	-	-
Payments for intangible assets	-	(0.1)	-	-
Payments for property, plant and equipment	(3.6)	(0.5)	-	-
Repayment of loans to related entities	0.7	6.6	2.1	29.3
Loans to related entities	-	(5.6)	(13.0)	(3.8)
Payments for other transaction costs	(4.4)	(1.6)	(1.1)	(1.4)
Net cash provided by investing activities	39.8	3.2	35.4	9.8
Cash flows from financing activities				
Proceeds from borrowings	29.1	111.5	29.1	111.5
Repayment of borrowings	(23.3)	(244.8)	(23.3)	(244.8)
Payments for lease liabilities	(3.1)	(3.3)	(0.2)	(0.2)
Payment of loan transaction costs	(0.7)	(1.4)	(0.7)	(1.4)
Payments for derivative financial instruments	(0.2)	(4.8)	(0.2)	(4.8)
Proceeds from issue of stapled securities	-	0.4	-	0.3
Payments for treasury shares	(0.5)	(1.3)	-	-
Payment of dividends / distributions	(57.7)	(78.6)	(57.7)	(78.6)
Net cash used in financing activities	(56.4)	(222.3)	(53.0)	(218.0)
Net increase / (decrease) in cash and cash equivalents	43.4	(163.9)	50.2	(140.8)
Cash and cash equivalents at 1 July	113.9	286.0	58.3	212.8
Cash included in assets held for sale at 1 July	1.5	-	1.5	-
Effects of exchange rate changes on cash and cash equivalents	(2.8)	4.4	(2.0)	3.0
Cash and cash equivalents at 31 December	156.0	126.5	108.0	75.0

The above consolidated statements of cash flows should be read in conjunction with the accompanying notes.

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Notes to the Financial Statements

For the half-year ended 31 December 2023

TABLE OF CONTENTS

Cromwell's half-year financial report has been prepared in a format designed to provide users of the financial report with a clear understanding of relevant balances and transactions that drive Cromwell's financial performance and financial position free of immaterial and superfluous information. Plain English is used in commentary or explanatory sections of the notes to the financial statements to also improve readability of the financial report.

The notes have been organised into the following five sections for reduced complexity and ease of navigation:

ABOUT THIS REPORT

1. Basis of preparation	23
-------------------------	----

RESULTS

2. Operating segment information	25
3. Earnings per security	28
4. Distributions	29
5. Revenue	29
6. Employee benefits expense, administrative and other expenses and finance costs	31

OPERATING ASSETS

7. Investment properties	32
8. Equity accounted investments	35
9. Investments at fair value through profit or loss	38
10. Receivables	38

FINANCE AND CAPITAL STRUCTURE

11. Interest bearing liabilities	39
12. Contributed equity	40

OTHER ITEMS

13. Fair value disclosures – financial instruments	41
14. Assets held for sale and discontinued operations	42
15. Unrecognised items	46
16. Subsequent events	46

For personal use only

Notes to the Financial Statements

For the half-year ended 31 December 2023

ABOUT THIS REPORT

This section of the half-year financial report provides an overview of the basis upon which the financial statements of Cromwell and the Trust have been prepared. Where required accounting policies relating to balances and transactions for which specific note disclosure is presented in this financial report are contained in the relevant note. Accounting policies for other balances and transactions are also contained in this section.

1. Basis of preparation

Shares of Cromwell Corporation Limited ("Company") and units of Cromwell Diversified Property Trust ("CDPT") are stapled to one another forming the Cromwell Property Group and are quoted as a single stapled security on the ASX under the code CMW.

As permitted by *ASIC Corporations (Stapled Group Reports) Instrument 2015/838* the consolidated financial statements and accompanying notes of the Cromwell Property Group ("Cromwell"), consisting of the Company and its controlled entities and CDPT and its controlled entities are presented jointly with the consolidated financial statements and accompanying notes of the CDPT and its controlled entities ("Trust"). Cromwell and the Trust are for-profit entities for the purpose of preparing the financial statements.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by Cromwell during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* (Cth).

The accounting policies adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in Cromwell's and the Trust's annual report for the year ended 30 June 2023. These accounting policies are consistent with applicable Australian accounting standards and with international financial reporting standards.

This interim financial report has been prepared on a going concern basis. At 31 December 2023 Cromwell's and the Trust's current assets exceeded current liabilities by \$182.9 million and \$105.4 million respectively (30 June 2023: Cromwell's current assets exceeded current liabilities by \$8.2 million and the Trust's current liabilities exceeded current assets by \$40.0 million). In addition, at 31 December 2023, Cromwell and the Trust has a total of \$36.9 million of undrawn but available bank debt facilities (30 June 2023: \$173.6 million) and current assets includes cash of \$156.0 million and \$108.0 million respectively (30 June 2023: \$113.9 million and \$58.3 million).

Rounding of amounts

In accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* amounts in these consolidated financial statements have been rounded off to the nearest one hundred thousand dollars, unless otherwise indicated.

Presentational changes and comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current half-year.

As disclosed in note 14, the Polish portfolio of investment properties (including the liabilities directly associated with them) and Polish joint venture Ursynów have been classified as held for sale on the Balance Sheet and as discontinued operations in the Statement of Profit or Loss. The presentation of discontinued operations requires the restatement of the prior comparative period to enable users to make meaningful comparisons. Both Cromwell and Trust have presented the results of the Polish investments as discontinued operations for the period ended 31 December 2023 and 2022.

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Notes to the Financial Statements

For the half-year ended 31 December 2023

a) Critical accounting estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis and are based on historical or professional experience and other factors such as expectations about future events. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The areas that involved a higher degree of judgement or complexity and may need material adjustment if estimates and assumptions made in preparation of these financial statements are incorrect are:

Area of estimation	Note
Revenue	5
Investment properties	7
Equity accounted investments	8
Receivables	10
Assets held for sale and discontinued operations	14

b) New and amended accounting standards and interpretations adopted by Cromwell and the Trust

Cromwell and the Trust have adopted all applicable new Australian accounting standards and interpretations. There are no new relevant accounting standards and interpretations that have been adopted in the current period.

There are currently no relevant accounting standards and interpretations that have been issued or amended but are not yet effective and have not been adopted by Cromwell or the Trust.

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Notes to the Financial Statements

For the half-year ended 31 December 2023

RESULTS

This section of the half-year financial report provides further information on Cromwell's and the Trust's financial performance, including the performance of each of Cromwell's three segments, the earnings per security calculation, details of distributions as well as information about Cromwell's revenue and expense items.

2. Operating segment information

a) Overview

Operating segments are distinct business activities from which Cromwell may earn revenues and incur expenses. Cromwell reports the results of its operating segments on a regular basis to its Chief Executive Officer (CEO), the group's chief operating decision maker (CODM), in order to assess the performance of each of Cromwell's operating segments and allocate resources to them.

Operating segments below are reported in a manner consistent with the internal reporting provided to the CEO. These are explained below.

Operating segments:	Business activity:
Funds and asset management	Fund management represents activities in relation to the establishment and management of external funds for institutional and retail investors. Asset management includes property and facility management, leasing and project management and development related activities. These activities are carried out by Cromwell itself and by associates and contributes related fee revenues or the relevant share of profit of each investee to consolidated results.
Co-investments	This activity includes Cromwell's investments in assets warehoused while being repositioned for deployment into the fund and asset management business and assets it may not fully own or over which it cannot exercise unilateral control. This includes interests in investment property portfolios in Poland (CPRF) and Italy (CIULF), the Cromwell European Real Estate Investment Trust (CEREIT), and other investment vehicles. This activity contributes net rental income and the relevant share of profit of each investee to consolidated results.
Investment portfolio	This involves the ownership of investment properties located in Australia. These properties are held for long term investment purposes and primarily contribute net rental income and associated cash flows to results.

b) Segment assets and liabilities

31 December 2023	Funds and asset management \$M	Co-investments \$M	Investment portfolio \$M	Cromwell \$M
Segment assets	177.9	1,147.7	2,528.7	3,854.3
Segment liabilities	47.2	555.3	1,363.7	1,966.2
Segment net assets	130.7	592.4	1,165.0	1,888.1

30 June 2023	Funds and asset management \$M	Co-investments \$M	Investment portfolio \$M	Cromwell \$M
Segment assets	153.3	1,343.2	2,719.2	4,215.7
Segment liabilities	53.1	601.4	1,349.0	2,003.5
Segment net assets	100.2	741.8	1,370.2	2,212.2

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Notes to the Financial Statements

For the half-year ended 31 December 2023

c) Segment results

The table below shows segment results as presented to the CEO in his capacity as CODM. For further commentary on individual segment results refer to the Directors' Report:

31 December 2023	Funds and asset management \$M	Co-investments \$M	Investment portfolio \$M	Cromwell \$M
Segment revenue				
Rental income and recoverable outgoings	-	40.2	96.7	136.9
Operating profit of equity accounted investments	0.7	22.8	-	23.5
Development income	1.7	-	-	1.7
Funds and asset management fees	47.6	-	-	47.6
Distributions	-	12.8	-	12.8
Total segment revenue	50.0	75.8	96.7	222.5
Segment expenses				
Property expenses	-	19.2	17.8	37.0
Funds and asset management direct costs	33.4	2.0	-	35.4
Other expenses	4.8	1.2	0.9	6.9
Total segment expenses	38.2	22.4	18.7	79.3
Segment EBIT	11.8	53.4	78.0	143.2
Unallocated items				
Net finance costs				(39.7)
Corporate costs ⁽¹⁾				(18.5)
Income tax expense				(1.3)
Segment profit				83.7

(1) 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.

31 December 2022	Funds and asset management \$M	Co-investments \$M	Investment portfolio \$M	Cromwell \$M
Segment revenue				
Rental income and recoverable outgoings	-	37.7	100.1	137.8
Operating profit of equity accounted investments	2.0	21.5	-	23.5
Development income ⁽¹⁾	17.3	-	-	17.3
Funds and asset management fees	45.0	-	-	45.0
Distributions	-	0.8	-	0.8
Total segment revenue	64.3	60.0	100.1	224.4
Segment expenses				
Property expenses	-	19.1	18.8	37.9
Funds and asset management direct costs	32.6	2.4	-	35.0
Other expenses	4.5	1.3	0.7	6.5
Total segment expenses	37.1	22.8	19.5	79.4
Segment EBIT	27.2	37.2	80.6	145.0
Unallocated items				
Net finance costs				(33.7)
Corporate costs ⁽²⁾				(21.0)
Income tax expense				(3.2)
Segment profit				87.1

(1) Includes finance income attributable to development loans, fee revenue, and the gain on sale of development related joint venture. Refer to note 2(d) for further details.

(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.

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Notes to the Financial Statements

For the half-year ended 31 December 2023

d) Reconciliation of total segment revenue to total revenue

Total segment revenue reconciles to total revenue as shown in the consolidated Statement of profit or loss as follows:

	Cromwell	
	Half-year ended	
	31 Dec 2023 \$M	31 Dec 2022 \$M
Total segment revenue	222.5	224.4
<i>Reconciliation to total revenue:</i>		
Finance income	3.7	1.8
Straight-line lease income	3.1	6.9
Inter-segmental management fee revenue	(6.2)	(6.3)
Lease incentive amortisation	(13.0)	(11.7)
Gain on sale of equity accounted investments ⁽¹⁾	-	(7.7)
Operating profit from equity accounted investments	(23.5)	(23.5)
Revenue from discontinued operations	(40.8)	(35.7)
Distributions received ⁽²⁾	(12.3)	-
Total revenue	133.5	148.2

- (1) The gain on sale of the LDK joint venture equity interest for the half year ended 31 December 2022 is presented to the Chief Operating Decision Maker as development income. This is consistent with CMW's overall view of the LDK project which has been internally shown and reported as a development project. For this half year financial report, the gain in all other places where it is presented has been classified and disclosed in accordance with the requirements of IFRS.
- (2) The distribution received that has been recorded as revenue in the segment analysis for the half-year ended 31 December 2023 is the fair value gain of \$27.5 million less Cromwell's initial cost of investment to acquire the Campbell Park Rights of \$15.2 million. The Chief Operating Decision Maker has presented all returns from the investment above the initial cost as revenue derived from the investment. For this half year financial report, the distribution in all other places where it is presented has been classified and disclosed in accordance with the requirements of IFRS.

e) Reconciliation of segment profit to statutory loss

	Cromwell	
	Half-year ended	
	31 Dec 2023 \$M	31 Dec 2022 \$M
Segment profit	83.7	87.1
<i>Reconciliation to loss after tax for the half-year</i>		
Gain on sale of investment properties	-	2.0
Fair value net losses - Investment properties	(195.7)	(113.2)
Fair value net losses - Derivative financial instruments	(24.4)	(3.4)
Fair value gain – Campbell Park Rights cost ⁽¹⁾	15.2	-
Lease cost and incentive amortisation and rent straight-lining	(10.0)	(5.2)
Relating to equity accounted investments ⁽²⁾	(46.0)	(26.8)
Net exchange gain / (loss) on foreign currency borrowings	3.6	(1.5)
Tax expense relating to non-operating items ⁽³⁾	(3.5)	12.1
Non-cash or non-recurring items from discontinued operations ⁽⁴⁾	(80.1)	(71.1)
Other non-cash expenses or non-recurring items ⁽⁵⁾	(14.2)	(9.5)
Loss after tax	(271.4)	(129.5)

- (1) The Campbell Park Rights financial asset was revalued during the period to the estimated proceeds of \$27.5 million that Cromwell would receive upon the sale of the Rights. Included in operating profit as distribution revenue is the part of the proceeds \$12.3 million in excess of the initial acquisition cost of \$15.2 million.
- (2) Comprises fair value adjustments included in share of profit of equity accounted entities.
- (3) Comprises tax expense attributable to changes in deferred tax liabilities derecognised as a result of decreases in the carrying value of investments.
- (4) Non-cash or non-recurring items in relation to Poland being disclosed as a discontinued operation include:
- \$44.5 million (2022: \$68.1 million) fair value loss on investment properties
 - \$13.9 million (2022: \$1.9 million) impairment of equity accounted investments
 - \$10.3 million (2022: nil) of transactions costs
 - \$6.1 million tax expense (2022: \$0.4m tax benefit) relating to non-operating items
- (5) These expenses include but are not limited to:
- Amortisation of loan transaction costs.
 - Amortisation of intangible assets and depreciation of property, plant and equipment.
 - Other transaction costs.

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Notes to the Financial Statements

For the half-year ended 31 December 2023

f) Accounting policy

Segment allocation

Segment revenues, expenses, assets and liabilities are those that are directly attributable to a segment and the relevant portion that can be allocated to the segment on a reasonable basis. While most of these assets can be directly attributable to individual segments, the carrying amounts of certain assets used jointly by segments are allocated based on reasonable estimates of usage.

Property expenses and outgoings which include rates, taxes and other property outgoings and other expenses are recognised on an accruals basis.

EBIT

Earnings Before Interest and Tax (EBIT) is a measure of financial performance and is used as an alternative to operating profit or statutory profit.

Segment profit

Segment profit, internally referred to as operating profit, is based on income and expenses excluding adjustments for unrealised fair value adjustments and write downs, gains or losses on sale of investment properties and certain other non-cash income and expense items.

3. Earnings per security

a) Overview

Earnings per security (EPS) is a measure that makes it easier for users of Cromwell's financial report to compare Cromwell's performance between different reporting periods. Accounting standards require the disclosure of basic EPS and diluted EPS. Basic EPS information provides a measure of interests of each ordinary issued security of the parent entity in the performance of the entity over the reporting period. Diluted EPS information provides the same information but takes into account the effect of all dilutive potential ordinary securities outstanding during the period, such as Cromwell's performance rights.

b) Earnings per stapled security company share / unit trust

	Cromwell		Company		Trust	
	Half-year ended		Half-year ended		Half-year ended	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Basic earnings per security (cents)	(10.36)	(4.94)	0.67	0.17	(11.03)	(5.11)
From continuing operations	(7.97)	(2.75)	0.54	0.05	(8.51)	(2.80)
From discontinued operations	(2.39)	(2.19)	0.13	0.12	(2.52)	(2.31)
Diluted earnings per security (cents)	(10.33)	(4.93)	0.67	0.17	(11.00)	(5.10)
From continuing operations	(7.95)	(2.74)	0.54	0.05	(8.49)	(2.79)
From discontinued operations	(2.38)	(2.19)	0.13	0.12	(2.51)	(2.31)
<i>Earnings used to calculate basic and diluted earnings per security:</i>						
(Loss) / profit for the half-year attributable to securityholders (\$M)	(271.4)	(129.5)	17.6	4.5	(289.0)	(134.0)
(Loss) / profit from continuing operations	(208.9)	(71.9)	14.2	1.3	(223.1)	(73.2)
(Loss) / profit from discontinued operations	(62.5)	(57.6)	3.4	3.2	(65.9)	(60.8)
<i>Weighted average number of securities used in calculating basic and diluted earnings per security:</i>						
Weighted average number of securities used in calculating basic earnings per security (number)	2,618.9	2,618.9	2,618.9	2,618.9	2,618.9	2,618.9
Effect of performance rights on issue (number)	9.0	7.1	9.0	7.1	9.0	7.1
Weighted average number of securities used in calculating diluted earnings per security (number)	2,627.9	2,626.0	2,627.9	2,626.0	2,627.9	2,626.0

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Notes to the Financial Statements

For the half-year ended 31 December 2023

4. Distributions

Cromwell's objective is to generate sustainable returns for our securityholders, including stable annual distributions. When determining distribution rates Cromwell's board considers a number of factors, including forecast earnings, anticipated capital and lease incentive expenditure requirements over the next three to five years and expected economic conditions.

Distributions paid / payable by Cromwell and the Trust per stapled security and in total for the half-year were as follows:

Date paid for the half-year		Half-year ended		Half-year ended	
31 Dec 2023	31 Dec 2022	31 Dec 2023 cents	31 Dec 2022 cents	31 Dec 2023 \$M	31 Dec 2022 \$M
17 November 2023	18 November 2022	0.830¢	1.375¢	21.7	36.0
16 February 2024	17 February 2023	0.750¢	1.375¢	19.6	36.0
Total		1.580¢	2.750¢	41.3	72.0

5. Revenue

a) Overview

Cromwell derives revenue from its three main business activities / operating segments (described in note 2). These revenue sources and the revenue items relating to them are as follows:

	Cromwell		Trust	
	Half-year ended		Half-year ended	
	31 Dec 2023 \$M	31 Dec 2022 \$M	31 Dec 2023 \$M	31 Dec 2022 \$M
Rental income – lease components	77.2	84.9	77.3	84.6
Recoverable outgoings – non-lease components	10.9	13.1	10.4	12.0
Rental income and recoverable outgoings	88.1	98.0	87.7	96.6
<i>Other revenue from contracts with customers:</i>				
Funds and asset management fees	43.1	40.0	-	-
Total rental income, recoverable outgoings and funds and asset management fees	131.2	138.0	87.7	96.6
<i>Other revenue items recognised:</i>				
Interest	1.8	9.2	1.4	7.1
Distributions	0.5	0.8	0.5	0.5
Other revenue	-	0.2	-	0.2
Total other revenue	2.3	10.2	1.9	7.8
Total revenue	133.5	148.2	89.6	104.4

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Notes to the Financial Statements

For the half-year ended 31 December 2023

b) Disaggregation of revenue from contracts with customers

The table below presents information about the disaggregation of revenue items from Cromwell's contracts with relevant customers:

	Cromwell		Trust	
	Half-year ended		Half-year ended	
	31 Dec 2023 \$M	31 Dec 2022 \$M	31 Dec 2023 \$M	31 Dec 2022 \$M
<i>Rental income and recoverable outgoings – non-lease components:</i>				
Recoverable outgoings ⁽¹⁾	6.7	7.2	6.7	7.2
Cost recoveries ⁽²⁾	4.2	5.9	3.7	4.8
Total rental income and recoverable outgoings – non-lease components	10.9	13.1	10.4	12.0
<i>Funds and asset management fees:</i>				
Funds and asset management fees ⁽¹⁾	27.3	27.2	-	-
Performance fees ⁽²⁾	3.5	3.8	-	-
Asset acquisition and sale fees ⁽²⁾	2.4	2.1	-	-
Project management fees ⁽¹⁾	3.5	2.1	-	-
Leasing fees ⁽²⁾	3.8	2.4	-	-
Property management fees ⁽¹⁾	2.6	2.4	-	-
Total funds and asset management fees	43.1	40.0	-	-
Total revenue from contracts with customers	54.0	53.1	10.4	12.0
<i>Timing of recognition of revenue items</i>				
Recognised over time	40.1	38.9	6.7	7.2
Recognised at point in time	13.9	14.2	3.7	4.8
Total revenue from contracts with customers	54.0	53.1	10.4	12.0

(1) Revenue recognised over time.

(2) Revenue recognised at point in time.

c) Critical accounting estimates and judgements

Poland – Cromwell and the Trust have chosen to recognise an expected credit loss provision at 31 December 2023 of €1.0 million (\$1.7 million) at balance date (30 June 2023: €1.1 million, \$1.8 million).

For further information in relation to the treatment of expected credit losses in relation to receivables see note 10.

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Notes to the Financial Statements

For the half-year ended 31 December 2023

6. Employee benefits expense, administrative and other expenses and finance costs

This note provides further details about Cromwell's other operating business expenses, including Cromwell's employee benefits expenses and its components as well as items included in administrative and other expenses and finance costs.

a) Employee benefits expense

	Cromwell		Trust	
	Half-year ended		Half-year ended	
	31 Dec 2023 \$M	31 Dec 2022 \$M	31 Dec 2023 \$M	31 Dec 2022 \$M
Salaries and wages, including bonuses and on-costs	34.6	34.5	-	-
Directors fees	1.1	1.0	-	-
Contributions to defined contribution superannuation plans	2.3	2.2	-	-
Security-based payments	(0.2)	0.3	-	-
Restructure costs	2.3	0.5	-	-
Other employee benefits expense	1.1	1.4	-	-
Total employee benefits expense	41.2	39.9	-	-

b) Administrative and other expenses

	Cromwell		Trust	
	Half-year ended		Half-year ended	
	31 Dec 2023 \$M	31 Dec 2022 \$M	31 Dec 2023 \$M	31 Dec 2022 \$M
Administrative and overhead costs	11.5	11.8	0.2	0.1
Audit, taxation and other professional fees	2.2	2.4	1.5	1.5
Fund administration costs	-	-	8.5	10.5
Amortisation and depreciation	3.8	3.6	-	-
Other	0.1	0.3	-	-
Total administrative and other expenses	17.6	18.1	10.2	12.1

c) Finance costs

	Cromwell		Trust	
	Half-year ended		Half-year ended	
	31 Dec 2023 \$M	31 Dec 2022 \$M	31 Dec 2023 \$M	31 Dec 2022 \$M
Interest on borrowings ⁽¹⁾	36.7	32.0	36.7	32.0
Interest on lease liabilities	0.2	0.2	-	-
Amortisation of loan transaction costs	1.0	3.9	1.0	3.9
Net exchange losses relating to finance costs	-	-	-	-
Total finance costs	37.9	36.1	37.7	35.9

(1) Interest on borrowings includes interest expense on borrowings of \$49.4 million offset by interest received on interest rate derivatives of \$13.3 million (2022: interest expense on borrowings of \$36.8 million offset by interest received on interest rate derivatives of \$5.4 million) and other interest expense of \$0.6m (2022: \$0.6m).

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Notes to the Financial Statements

For the half-year ended 31 December 2023

OPERATING ASSETS

This section of the half-year financial report provides further information on Cromwell's and the Trust's operating assets. These are assets that individually contribute to Cromwell's revenue and include investment properties, equity accounted investments, investments at fair value through profit or loss and receivables.

7. Investment properties

a) Overview

Investment properties are land, buildings or both held solely for the purpose of earning rental income and / or for capital appreciation. This note provides an overview of Cromwell's investment property portfolio, including movements.

b) Movements in investment properties

A reconciliation of the carrying amounts of investment properties at the beginning and the end of the half-year is set out below.

	Cromwell		Trust	
	Half-year ended		Half-year ended	
	31 Dec 2023 \$M	31 Dec 2022 \$M	31 Dec 2023 \$M	31 Dec 2022 \$M
Balance at 1 July	3,098.2	3,740.0	3,098.2	3,740.0
Capital works:				
Property improvements	3.3	6.1	3.3	6.1
Lifecycle	2.0	0.9	2.0	0.9
Reclassified to:				
Held for sale	(511.8)	(53.0)	(511.8)	(53.0)
Straight-line lease income	3.1	6.9	3.1	6.9
Lease costs and incentive costs	12.4	5.2	12.4	5.2
Amortisation ⁽¹⁾	(14.2)	(12.6)	(14.2)	(12.6)
Net loss from fair value adjustments ⁽²⁾	(240.2)	(181.3)	(240.2)	(181.3)
Foreign exchange differences	(5.5)	27.0	(5.5)	27.0
Balance at 31 December	2,347.3	3,539.2	2,347.3	3,539.2

(1) Pertains to the amortisation of lease costs, lease incentive costs and right-of-use assets.

(2) Refer to note 7(f) for further details.

c) Investment properties sold / reclassified as held for sale

During the current period the Trust sold 2-6 Station Street, Penrith NSW for \$45.3 million. At 30 June 2023 it was classified as held for sale.

In December 2023, the Trust entered into a put and call option for the sale of Tuggeranong Office Park, Tuggeranong ACT for \$17.5 million and reclassified the land as held for sale. Refer to note 14 for further details.

The Trust has also reclassified the Polish Portfolio of six investment properties with a carrying value of \$467.1 million (including the associated right of use asset) to held for sale as at 31 December 2023. Refer to note 14 for further details.

In February 2024, the Trust, as a result of actively marketing 243 Northbourne Avenue, Lyneham ACT, has entered into advanced stages of negotiation for the sale of the investment property for \$27.2 million and reclassified the investment property as held for sale. Refer to note 14 for further details.

During the prior comparative financial period, the Trust signed a contract for the sale of 84 Crown Street, Wollongong, NSW for a price of \$53.0 million, which subsequently settled on 21 February 2023.

d) Investment properties reclassified as inventory

During the 2021 financial year Cromwell reclassified the investment property at 19 National Circuit, Barton, ACT as an inventory asset. This is due to its intended redevelopment for future sale. To facilitate this ownership, the asset was transferred from the Trust to the Cromwell Development Trust (a subsidiary of Cromwell Corporation Limited) for a contract price of \$10.0 million. Costs totalling \$0.2 million (30 June 2023: \$1.2 million) were incurred during the period, with the Inventory carrying amount at 31 December 2023 totalling \$16.7 million (30 June 2023: \$16.5 million).

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Notes to the Financial Statements

For the half-year ended 31 December 2023

e) Details of Cromwell's investment property portfolio

	Ownership	Title	Asset class	Independent valuation		Carrying amount	
				Date	Amount \$M	31 Dec 2023 \$M	30 Jun 2023 \$M
Australia							
400 George Street, Brisbane QLD	100%	Freehold	Office	Dec 2023	439.8	439.8	480.0
HQ North, Fortitude Valley QLD	100%	Freehold	Office	Dec 2023	217.0	217.0	217.5
203 Coward Street, Mascot NSW	100%	Freehold	Office	Dec 2023	482.0	482.0	520.0
2-24 Rawson Place, Sydney NSW	100%	Freehold	Office	Dec 2023	280.0	280.0	292.0
207 Kent Street, Sydney NSW	100%	Freehold	Office	Dec 2023	255.0	255.0	289.0
475 Victoria Avenue, Chatswood NSW	50%	Freehold	Office	Dec 2023	117.0	117.0	134.0
243 Northbourne Avenue, Lyneham ACT ⁽¹⁾	100%	Leasehold	Office	Jun 2023	33.8	-	33.8
Soward Way, Greenway ACT	100%	Leasehold	Office	Dec 2023	280.0	280.0	300.2
Tuggeranong Office Park, Tuggeranong ACT ⁽²⁾	100%	Leasehold	Land	May 2019	7.5	-	17.5
700 Collins Street, Melbourne VIC	100%	Freehold	Office	Dec 2023	276.5	276.5	300.1
					2,388.6	2,347.3	2,584.1
Poland Portfolio⁽³⁾				Jun 2023	650.9	-	508.1
Total – investment property portfolio					3,039.5	2,347.3	3,092.2
Add: Right-of-use assets – Polish leasehold properties ⁽³⁾					-	-	6.0
Total – investment properties					3,039.5	2,347.3	3,098.2

(1) 243 Northbourne Avenue, Lyneham ACT has been reclassified as held for sale. Refer to note 14 for further details.

(2) Tuggeranong Office Park, Tuggeranong ACT has been reclassified as held for sale. Refer to note 14 for further details.

(3) The Poland Portfolio of 6 investment properties has been reclassified as held for sale. Refer to note 14 for further details.

f) Critical accounting estimates - Revaluation of investment property portfolio

Cromwell's investment properties, with an aggregate carrying amount of \$2,347.3 million (June 2023: \$3,098.2 million) represent a significant balance on Cromwell's and the Trust's Balance sheets. Investment properties are measured at fair value using valuation methods that utilise inputs based upon estimates.

All property valuations utilise valuation models based on discounted cash flow ("DCF") models or income capitalisation models (or a combination of both) supported by recent market sales evidence.

At balance date the adopted valuations for all of Cromwell's investment properties are based on independent external valuations.

For the half-year ended 31 December 2023 Cromwell's approach to property valuations was substantially consistent with prior years, being in accordance with the established Valuations policy, but with an added emphasis in relation to current global economic impacts upon inputs relevant to the valuation model for each property.

The table below shows the half-year end revaluation (losses) / gains for each portfolio.

	Cromwell	
	Half-year ended	
	31 Dec 2023 \$M	31 Dec 2022 \$M
Australia	(195.7)	(113.3)
Italy	-	0.1
Total revaluation loss from continuing operations	(195.7)	(113.2)
Poland	(44.5)	(68.1)
Total revaluation loss from discontinued operations	(44.5)	(68.1)
Total revaluation loss	(240.2)	(181.3)

Notes to the Financial Statements

For the half-year ended 31 December 2023

Valuation inputs

Range and weighted average of unobservable inputs used in the valuation methods to determine the fair value of Cromwell's investment properties at the current half-year and prior year ends are as follows:

	Net property income (\$M)		Capitalisation rate (%)		Discount rate (%)		Terminal yield (%)	
	Range	Weighted average	Range	Weighted average	Range	Weighted average	Range	Weighted average
31 December 2023								
Australia ⁽¹⁾	9.2 – 31.9	22.8	5.8 – 7.0	6.4	6.5 – 8.0	7.0	6.0 – 7.5	6.7
Poland ⁽²⁾	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Portfolio	9.2 – 31.9	22.8	5.8 – 7.0	6.4	6.5 – 8.0	7.0	6.0 – 7.5	6.7
30 June 2023								
Australia ⁽¹⁾	3.0 – 29.8	21.5	5.1 - 7.5	5.7	6.0 – 7.8	6.3	5.6 – 7.8	6.1
Poland ⁽²⁾	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Portfolio	3.0 – 29.8	21.5	5.1 - 7.5	5.7	6.0 – 7.8	6.3	5.6 – 7.8	6.1

- (1) DCF models / income capitalisation models (and unobservable inputs therein) are not applied in certain cases (e.g. H.F.S. assets, vacant assets, etc) where this is not considered an appropriate method of valuation for the particular asset.
- (2) The Polish portfolio of investment properties are not considered in the sensitivity analysis at 31 December 2023 as these properties have been reclassified as held for sale. Refer to note 14 for further details.

Sensitivity analysis

Significant judgement is required when assessing the fair value of investment property, especially in the current global economic environment. Owing to this significant judgement, a sensitivity analysis is included below. The sensitivity analysis shows the impact on the carrying values of directly held investment properties of an increase or decrease of 0.50% on the capitalisation rate, discount rate and terminal yields as at 31 December 2023.

	Cromwell	
	31 December 2023 \$M	31 December 2023 \$M
Australian portfolio	0.50%	(0.50%)
Total	(191.6)	207.8

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Notes to the Financial Statements

For the half-year ended 31 December 2023

8. Equity accounted investments

a) Overview

This note provides an overview and detailed financial information of Cromwell's and the Trust's investments that are accounted for using the equity method of accounting. These include joint arrangements where Cromwell or the Trust have joint control over an investee together with one or more joint venture partners (these can take the form of either joint arrangements or joint ventures depending upon the contractual rights and obligations of each party) and investments in associates, which are entities over which Cromwell is presumed to have significant influence but not control or joint control by virtue of holding 20% or more of the associates' issued capital and voting rights, but less than 50%.

Cromwell's and the Trust's equity accounted investments are as follows:

	Cromwell				Trust			
	31 December 2023		30 June 2023		31 December 2023		30 June 2023	
	%	\$M	%	\$M	%	\$M	%	\$M
Equity accounted investments								
CEREIT	27.8	535.2	27.8	589.7	27.4	527.0	27.4	580.6
Ursynów	-	-	50.0	51.5	-	-	50.0	51.5
CIULF	50.0	23.7	-	-	50.0	23.7	-	-
Others		21.5		21.0		-		-
Total - equity accounted investments		580.4		662.2		550.7		632.1

b) Details of associate

Cromwell European Real Estate Investment Trust

Cromwell and the Trust have an investment in CEREIT with a carrying amount of \$535.2 million (June 2023: \$589.7 million) and \$527.0 million (June 2023: \$580.6 million) respectively. CEREIT is a real estate investment trust (REIT) listed on the mainboard of the Singapore Exchange (SGX) managed by Cromwell through its 100% owned subsidiary Cromwell EREIT Management Pte. Ltd. (the "Manager"). CEREIT invests in commercial property, mainly office and urban logistics, in western and central Europe with a current portfolio of 111 properties located in 10 European countries with an aggregate portfolio value of €2.3 billion (\$3.7 billion). The Manager of CEREIT has its own majority independent board of directors acting solely in the interest of all CEREIT unitholders. As such, Cromwell and the Trust does not control CEREIT, however has significant influence by virtue of their unitholdings.

c) Details of joint ventures

Ursynów

Cromwell and the Trust have an investment in Ursynów which has been reclassified to held for sale at 31 December 2023. Prior to being reclassified as held for sale the investment was impaired by \$13.9 million to the contract value of \$36.9 million. Refer to note 14 for further details.

CIULF

Cromwell and the Trust sold 50% of the units in the Cromwell Italy Urban Logistics Fund (CIULF) in July 2023 to Value Partners, a Hong Kong based asset manager to create a joint venture. CIULF owns seven logistics properties which are fully leased to DHL and are used as security for their debt facilities. Both investors have equal participation rights in the supervisory board and all major decisions governing CIULF's relevant activities require unanimous consent, indicating joint control. The carrying amount of the investment at 31 December 2023 is \$23.7 million (30 June 2023: N/A).

The initial investment, as shown in note 8(e) below, of \$21.5 million was a result of 50% of the assets held for sale at 30 June 2023 of \$93.1m less the liabilities associated with them of \$49.4 million (refer to note 14), adjusted for net profit for the month of July 2023.

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Notes to the Financial Statements

For the half-year ended 31 December 2023

Other joint ventures and associates

Other equity accounted investments include Cromwell's investment in Oyster Property Funds Limited (Oyster) (50% interest, June 2023: 50%), a New Zealand based fund and property manager which is jointly owned with six other shareholders, and Phoenix portfolio's (45% interest, June 2023: 45%), an Australian based equity fund manager; and an investment in VAC Car Park Co. Pty Ltd (CARVAC) (50% interest, June 2023: 50%), an Australian based company which operates the car park in Cromwell's Victoria Avenue Chatswood investment property.

In Europe, Cromwell has investments in Stirling Development Agency Limited (SDA) (50% interest, June 2023: 50%) a UK based property developer; and Redhouse Holdings Limited (Redhouse) (50% interest, June 2023: 50%) a UK based property developer.

d) Critical accounting estimates and judgements

The preparation of financial statements requires management to make judgements and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The judgements and assumptions regarding the investments in Cromwell European Real Estate Investment Trust (CEREIT), Ursynów and CIULF are detailed below.

Cromwell European Real Estate Investment Trust

Cromwell and the Trust are considered to be able to exert significant influence, but not control, over the entity. This determination is pursuant to the assessment of control/significant influence and the consideration of key factors regarding the management of CEREIT as governed by Cromwell's Capital Markets Service Licence (as issued by the Monetary Authority of Singapore (MAS)) and the composition of the Board.

Cromwell's investment in CEREIT was assessed for indicators of impairment as at 31 December 2023. The CEREIT unit price (€1.42) on the Singapore Exchange (SGX) was 32.9% below the carrying value per unit, and the fair value of the investment using the quoted market price on the SGX per unit would be \$359.2 million, which is \$176.0 million below the carrying value. Given this position has been significant and prolonged, Cromwell has considered whether the value of the investment is impaired and assessed whether the recoverable amount (being the higher of value in use or fair value less costs of disposal) exceeds the carrying amount of the investment.

Cromwell's assessment of the value of the investment in CEREIT has been based on the fair value less costs of disposal methodology. The fair value of CEREIT has been measured by considering the value of the investment that Cromwell holds in CEREIT in its entirety which reflects the premium that an external buyer of CEREIT (as a whole) would pay for the significant influence that Cromwell has due to the combination of the scale of the holding and acting as manager of the vehicle. In addition, as at 31 December 2023, the balance sheet of CEREIT contains no goodwill or other intangible assets, and 108 of 111 investment properties were independently revalued at 31 December 2023.

Based on Cromwell's assessment of the fair value of CEREIT as at 31 December 2023, no impairment is required.

Ursynów

Cromwell and the Trust can only exercise joint control over the relevant decisions but not control over the entity. This determination is pursuant to the assessment of control and the consideration of key factors regarding the management of Ursynów, the composition of the Board and other relevant agreements and joint control over relevant decisions.

CIULF

Cromwell and the Trust can only exercise joint control over the relevant decisions but not control over CIULF. This determination is pursuant to the assessment of control and the consideration of key factors regarding the management of CIULF, the composition of the Board and other relevant agreements and joint control over relevant decisions.

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Notes to the Financial Statements

For the half-year ended 31 December 2023

e) Summarised financial information for joint ventures and equity accounted investments owned by Cromwell

	As at 31 December 2023					As at 30 June 2023			
	\$M					\$M			
	CEREIT ⁽¹⁾	Ursynów ⁽²⁾	CIULF ⁽³⁾	Other	Total	CEREIT ⁽¹⁾	Ursynów ⁽²⁾	Other	Total
<i>Summarised balance sheets:</i>									
Total assets	3,831.6	-	96.2	41.0	3,968.8	4,234.5	174.8	45.5	4,454.8
Total liabilities	1,905.8	-	48.8	10.2	1,964.8	2,112.7	71.8	15.8	2,200.3
Net assets	1,925.8	-	47.4	30.8	2,004.0	2,121.8	103.0	29.7	2,254.5
<i>Carrying amount of investment:</i>									
Cromwell's share of equity (%)	27.8	-	50.0	-	-	27.8	50.0	-	-
Cromwell's share of net assets	535.2	-	23.7	14.9	573.8	589.7	51.5	14.4	655.6
Goodwill	-	-	-	6.6	6.6	-	-	6.6	6.6
Carrying amount	535.2	-	23.7	21.5	580.4	589.7	51.5	21.0	662.2
<i>Movement in carrying amounts:</i>									
	Period ending 31 December 2023					Period ending 31 December 2022			
Opening balance at 1 July	589.7	51.5	-	21.0	662.2	600.0	50.8	19.9	670.7
Additional investment	-	-	21.5	-	21.5	-	3.8	-	3.8
Share of profit / (loss) from continuing operations	(27.2)	-	2.4	0.5	(24.3)	(6.6)	-	1.9	(4.7)
Share of loss from discontinued operations	-	(0.4)	-	-	(0.4)	-	(0.2)	-	(0.2)
Less: dividends / distributions received	(20.5)	-	-	-	(20.5)	(19.8)	-	-	(19.8)
Transferred to held for sale	-	(36.9)	-	-	(36.9)	-	-	-	-
Impairment	-	(13.9)	-	-	(13.9)	-	(1.9)	-	(1.9)
Foreign exchange difference	(6.8)	(0.3)	(0.2)	-	(7.3)	20.1	1.7	0.2	22.0
Carrying amount at 31 December	535.2	-	23.7	21.5	580.4	593.7	54.2	22.0	669.9

(1) At half-year end Cromwell owned 27.8% of CEREIT, the Trust owned 27.4% (June 2023: 27.8% and 27.4% respectively).

(2) At half-year end Cromwell and the Trust owned 50.0% of Ursynów (June 2023: 50.0%), noting that the investment has been reclassified as held for sale at 31 December 2023.

(3) At half-year end Cromwell and the Trust owned 50.0% of CIULF (June 2023: N/A).

Notes to the Financial Statements

For the half-year ended 31 December 2023

9. Investments at fair value through profit or loss

This note provides an overview and detailed financial information of Cromwell's investments in Cromwell unlisted funds and investments in wholesale funds (including co-investments in European wholesale funds managed by Cromwell) that are classified as financial assets at fair value through profit or loss. Cromwell holds less than 20% of the issued capital in these investments. Such investments are classified as investments at fair value through profit or loss which are carried at fair value in the Balance sheet with adjustments to the fair value recorded in profit or loss.

	Cromwell		Trust	
	31 Dec 2023 \$M	30 Jun 2023 \$M	31 Dec 2023 \$M	30 Jun 2023 \$M
Investment in Cromwell unlisted fund	14.8	17.7	14.8	17.7
Investment in wholesale funds	3.0	2.9	-	-
Total investments at fair value through profit or loss	17.8	20.6	14.8	17.7

10. Receivables

a) Overview

This note provides further information about material financial assets that are incidental to Cromwell's and the Trust's trading activities, being current and non-current receivables.

b) Receivables

	Cromwell		Trust	
	31 Dec 2023 \$M	30 Jun 2023 \$M	31 Dec 2023 \$M	30 Jun 2023 \$M
<i>Current</i>				
Trade and other receivables at amortised cost	45.5	40.6	17.6	14.7
Loans at amortised cost - other	-	0.7	-	-
Total receivables – current	45.5	41.3	17.6	14.7
<i>Non-current</i>				
Loans at amortised cost – joint venture partners	-	30.5	-	30.5
Loans at amortised cost – inter-group	-	-	31.2	20.6
Loans at amortised cost – other	7.6	7.8	-	-
Total receivables – non-current	7.6	38.3	31.2	51.1

Loans - joint venture partners

Ursynów

In December 2021, Cromwell and the Trust contributed a loan of \$26.8 million (€17.0 million) to Ursynów, which the joint venture used to repay an external debt facility that fell due. This balance receivable at period end has been reclassified as held for sale. Refer to note 14 for further details.

Loans - inter-group

The Trust has provided a loan facility to the Company of €100.0 million. The balance receivable at period end was €11.2 million (\$18.2 million) (30 June 2023: €12.6 million (\$20.6 million)). The facility is unsecured and expires in February 2029.

The Trust has also provided a different loan facility to the Company of \$30.0 million in relation to the transfer of the development property at 19 National Circuit, ACT. The facility is unsecured and expires in September 2026. The balance receivable at period end was \$13.0 million (30 June 2023: \$nil).

c) Critical accounting estimates and judgements

As a result of current global economic impacts Cromwell has undertaken a comprehensive review of tenant receivables. All tenant receivables not considered to be recoverable have been fully provided for.

Notes to the Financial Statements

For the half-year ended 31 December 2023

FINANCE AND CAPITAL STRUCTURE

This section of the half-year financial report provides further information on Cromwell's and the Trust's interest bearing liabilities and associated costs and contributed equity.

11. Interest bearing liabilities

a) Overview

Cromwell and the Trust borrow funds from financial institutions and formerly through convertible bonds to partly fund the acquisition of income producing assets. A significant proportion of these borrowings are generally fixed either directly or through the use of interest rate swaps/caps/collars and have a fixed term. Cromwell's borrowings include compliance obligations which Cromwell continues to actively monitor and manage. This note provides information about Cromwell's debt facilities, including maturity dates, security provided and facility limits.

	Cromwell				Trust			
	31 Dec 2023		30 Jun 2023		31 Dec 2023		30 Jun 2023	
	Limit \$M	Drawn \$M	Limit \$M	Drawn \$M	Limit \$M	Drawn \$M	Limit \$M	Drawn \$M
Current								
<i>Unsecured</i>								
Lease liabilities	-	4.3	-	5.2	-	-	-	0.4
<i>Secured</i>								
Euro facility	283.2	283.2	-	-	283.2	283.2	-	-
Polish Euro facilities ⁽¹⁾	-	-	137.6	137.6	-	-	137.6	137.6
Total current	283.2	287.5	137.6	142.8	283.2	283.2	137.6	138.0
Non-current								
<i>Unsecured</i>								
Euro facility	-	-	286.8	286.8	-	-	286.8	286.8
Lease liabilities	-	10.2	-	17.1	-	-	-	5.6
<i>Secured</i>								
Bilateral loan facilities ⁽²⁾	1,560.0	1,197.5	1,560.0	1,188.5	1,560.0	1,197.5	1,560.0	1,188.5
Development loan facility – AUD	95.9	87.0	95.9	87.0	95.9	87.0	95.9	87.0
Polish Euro facilities	-	-	108.1	108.1	-	-	108.1	108.1
Unamortised transaction costs	-	(4.2)	-	(6.2)	-	(4.2)	-	(6.2)
Total non-current	1,655.9	1,290.5	2,050.8	1,681.3	1,655.9	1,280.3	2,050.8	1,669.8
Total interest bearing liabilities	1,939.1	1,578.0	2,188.4	1,824.1	1,939.1	1,563.5	2,188.4	1,807.8

(1) The Polish Euro facilities have been reclassified as held for sale as at 31 December 2023. Refer to note 14 for further details.

(2) Under the financial undertakings of the Bilateral loan facilities \$36.9 million is currently available to be drawn upon.

b) Maturity profile

At balance date, the notional principal amounts and period of expiry of all of Cromwell's and the Trust's interest bearing liabilities, excluding lease liabilities, is as follows:

	Cromwell and Trust	
	31 Dec 2023 \$M	30 Jun 2023 \$M
1 Year ⁽¹⁾	415.7	137.6
2 Years	220.0	702.8
3 Years ⁽²⁾	391.8	128.8
4 Years ⁽³⁾	729.5	837.7
5 Years	50.0	50.0

(1) 1 Year category for December 2023 includes the Polish 'Helaba' facility debt balance of \$132.5m which aligns with the end of the current loan facility on 31 May 2024. This debt facility (along with the Polish 'Janki' facility) has been reclassified as held for sale at 31 December 2023 to align with the treatment of the Polish portfolio.

(2) 3 Years category for June 2023 includes the Italian Euro facilities debt balance of \$48.9m which aligned with the maturity date. The debt facilities were classified as held for sale at 30 June 2023 to align with the treatment of the Italy portfolio and the sale contract entered into on 30 June 2023.

(3) 4 Years category for December 2023 includes the Polish 'Janki' facility debt balance of \$106.8m which aligns with the end of the current loan facility on July 2026. This debt facility (along with the Polish 'Helaba' facility) has been reclassified as held for sale at 31 December 2023 to align with the treatment of the Polish portfolio.

Notes to the Financial Statements

For the half-year ended 31 December 2023

c) Details of facilities

i) Euro facility

This revolving facility is syndicated and is split into two tranches A & B (30 June 2023: A & B). Interest is payable on all tranches in arrears and is calculated as EURIBOR plus a margin. All principal amounts outstanding are due at the expiry of the facilities. Tranches A & B have an expiry date in September 2024 and as a result has been classified as current at 31 December 2023.

ii) Secured bilateral loan facilities

Secured Bilateral Loan Facilities (SBLF) can be held with multiple providers. All SBLFs are secured pari passu by first registered mortgages over all Australian investment properties, except for Tuggeranong Office Park, Tuggeranong ACT and 475 Victoria Avenue, Chatswood NSW. Interest is payable quarterly in arrears calculated as BBSY rate plus a loan margin except for one facility (see below). Each provider individually contracts its commitment amount, expiry date and fee structure and can be repaid individually.

Details of individual SBLFs for Cromwell and the Trust are as follows:

	31 December 2023		30 June 2023	
	Limit \$M	Drawn \$M	Limit \$M	Drawn \$M
Facilities expiring Jun-25	325.0	133.0	575.0	329.0
Facilities expiring Feb-26	20.0	20.0	20.0	20.0
Facilities expiring Jun-26	60.0	60.0	60.0	60.0
Facilities expiring Nov-26	250.0	205.0	-	-
Facilities expiring Jun-27	825.0	729.5	825.0	729.5
Facilities expiring Feb-28	80.0	50.0	80.0	50.0
Total SBLF's ⁽¹⁾	1,560.0	1,197.5	1,560.0	1,188.5

(1) Under the financial undertakings of the Bilateral loan facilities \$36.9 million is currently available to be drawn upon.

iii) Development loan facility - AUD

This is two secured facilities in relation to the asset enhancement initiative at the property at 475 Victoria Avenue, Chatswood NSW. Interest is payable both quarterly (Facility A) and monthly (Facility B) in arrears and is calculated as BBSY rate plus a loan margin. The facility expires in April 2025.

iv) Polish Euro facilities

These facilities are secured by first registered mortgage over the six investment properties held directly by CPRF. Interest is payable quarterly in arrears calculated as the 3-month EURIBOR rate plus a margin. In January 2024 one of the existing facilities was extended with a new expiry date of May 2024. Both of the Polish Euro facilities have been reclassified as held for held for sale at 31 December 2023. Refer to note 14 for further details.

12. Contributed equity

a) Overview

Issued capital of Cromwell includes ordinary shares in Cromwell Corporation Limited and ordinary units of Cromwell Diversified Property Trust which are stapled to create Cromwell's stapled securities. The shares of the Company and units of the CDPT cannot be traded separately and can only be traded as stapled securities.

Cromwell's and the Trust's issued capital at balance date were as follows:

	Cromwell stapled securities		Company shares		CDPT units	
	31 Dec 2023 M	30 Jun 2023 M	31 Dec 2023 \$M	30 Jun 2023 \$M	31 Dec 2023 \$M	30 Jun 2023 \$M
Issued capital	2,618.9	2,618.9	207.3	207.3	2,072.8	2,072.8

b) Movements in contributed equity

There have been no movements in contributed equity in the current period or in the prior comparative period.

Notes to the Financial Statements

For the half-year ended 31 December 2023

OTHER ITEMS

This section of the half-year financial report provides fair value disclosure information in relation to financial instruments and information about assets held for sale, unrecognised items and subsequent events.

13. Fair value disclosures - financial instruments

a) Overview

Cromwell uses a number of methods to determine the fair value of its financial assets and financial liabilities. The methods comprise the following:

Level 1:	quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2:	inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
Level 3:	inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The table below presents Cromwell's and the Trust's financial assets and liabilities measured and carried at fair value at period end:

Cromwell	31 December 2023			30 June 2023		
	Level 2 \$M	Level 3 \$M	Total \$M	Level 2 \$M	Level 3 \$M	Total \$M
Financial assets at fair value						
Investments at fair value through profit or loss						
Unlisted equity securities	14.8	3.0	17.8	17.7	2.9	20.6
Derivative financial instruments						
Interest rate derivatives	42.7	-	42.7	56.5	-	56.5
Assets held for sale						
Interest rate derivatives	0.4	-	0.4	-	-	-
Campbell Park - Rights	-	27.5	27.5	-	-	-
Total financial assets at fair value	57.9	30.5	88.4	74.2	2.9	77.1
Financial liabilities at fair value						
Derivative financial instruments						
Interest rate derivatives	12.7	-	12.7	-	-	-
Total financial liabilities at fair value	12.7	-	12.7	-	-	-
Trust						
	31 December 2023			30 June 2023		
	Level 2 \$M	Level 3 \$M	Total \$M	Level 2 \$M	Level 3 \$M	Total \$M
Financial assets at fair value						
Investments at fair value through profit or loss						
Unlisted equity securities	14.8	-	14.8	17.7	-	17.7
Derivative financial instruments						
Interest rate derivatives	42.7	-	42.7	56.5	-	56.5
Assets held for sale						
Interest rate derivatives	0.4	-	0.4	-	-	-
Total financial assets at fair value	57.9	-	57.9	74.2	-	74.2
Financial liabilities at fair value						
Derivative financial instruments						
Interest rate derivatives	12.7	-	12.7	-	-	-
Total financial liabilities at fair value	12.7	-	12.7	-	-	-

There were no transfers between the levels of fair value measurement during the current and prior period.

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Notes to the Financial Statements

For the half-year ended 31 December 2023

b) Disclosed fair values

i) Valuation techniques used to derive Level 1 fair values

At balance date, Cromwell held no Level 1 assets. The fair value of financial assets traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs.

ii) Valuation techniques used to derive Level 2 fair values

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximise the use of observable market data, assessed for the impact of global economic impacts where it is applicable and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Fair value of investments at fair value through profit or loss

Level 2 assets held by Cromwell include unlisted equity securities in Cromwell managed investment schemes. The fair value of these financial instruments is based upon the unit price as publicly reported by the underlying unlisted entity, adjusted for inherent risk where appropriate.

Fair value of interest rate derivatives

Level 2 financial assets and financial liabilities held by Cromwell include "Vanilla" fixed to floating interest rate swap, cap and collar derivatives (over-the-counter derivatives). The fair value of these derivatives has been determined using pricing models based on discounted cash flow analysis which incorporates assumptions supported by observable market data at balance date including market expectations of future interest rates and discount rates adjusted for any specific features of the derivatives and counterparty or own credit risk.

iii) Valuation techniques used to derive Level 3 fair values

If the fair value of financial instruments is determined using valuation techniques and if one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Reconciliation from the opening balances to the closing balances for fair value measurements in Level 3 of the fair value hierarchy:

	Cromwell	
	Half-year ended	
	31 Dec 2023 \$M	31 Dec 2022 \$M
Investments at fair value through profit or loss		
Opening balance as at 1 July	2.9	2.9
Additions	0.3	1.0
Fair value gain / (loss)	27.5	(0.2)
Foreign exchange difference	(0.2)	(0.1)
Reclassified to held for sale ⁽¹⁾	(27.5)	-
Balance at 31 December	3.0	3.6

(1) The financial asset at fair value through profit and loss in relation to the Campbell Park Rights was revalued during the period to the estimated sale proceeds and transferred to held for sale. Refer to note 14 for further details.

Fair value of investments at fair value through profit or loss

Level 3 assets held by Cromwell include co-investments in Cromwell Europe managed wholesale property funds. The fair value of these investments is determined based on the value of the underlying net assets held by the fund. The assets of the fund are subject to regular external valuations which are based on discounted net cash inflows from expected future income and/or comparable sales of similar assets. Appropriate discount rates determined by the independent valuer are used to determine the present value of the net cash inflows based on a market interest rate adjusted for the risk premium specific to each asset.

14. Assets held for sale and discontinued operations

a) Overview

Non-current assets, and liabilities directly related to them, are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as such within one year from the date of classification.

Notes to the Financial Statements

For the half-year ended 31 December 2023

When non-current assets, and liabilities directly related to them, are classified as held for sale and they represent a significant component of the group or a significant geographical area of operations, their contribution to the group results is presented as discontinued operations. All revenue, expenses and the related tax expense/benefit associated with the assets and liabilities are reclassified to discontinued operations, with the comparative period restated to align with the current period presentation.

b) Assets held for sale and liabilities directly related to assets held for sale

At reporting date the following assets and liabilities have been classified as held for sale:

	Cromwell		Trust	
	31 Dec 2023 \$M	30 Jun 2023 \$M	31 Dec 2023 \$M	30 Jun 2023 \$M
Investment property				
2-6 Station Street, Penrith NSW	-	45.3	-	45.3
243 Northbourne Avenue, Lyneham ACT	27.2	-	27.2	-
Tuggeranong Office Park, Tuggeranong ACT	17.5	-	17.5	-
Total – investment property	44.7	45.3	44.7	45.3
Investments at fair value through profit and loss				
Campbell Park - Rights	27.5	-	-	-
Total – investments at fair value through profit and loss	27.5	-	-	-
Disposal assets - Poland				
Equity accounted investment – Ursynów Joint Venture	36.9	-	36.9	-
Loans at amortised cost - Ursynów Joint Venture	31.2	-	31.2	-
Investment properties	461.2	-	461.2	-
Right of use assets	5.9	-	5.9	-
Derivative financial instruments	0.4	-	0.4	-
Total – disposal assets - Poland	535.6	-	535.6	-
Disposal assets - CIULF				
Cash	-	1.5	-	1.5
Receivables	-	0.1	-	0.1
Investment properties	-	91.5	-	91.5
Total – disposal assets - CIULF	-	93.1	-	93.1
Total – assets held for sale	607.8	138.4	580.3	138.4
Liabilities directly related to assets held for sale - Poland				
Trade and other payables	10.2	-	10.2	-
Interest bearing liabilities	244.0	-	244.0	-
Total - liabilities directly related to assets held for sale - Poland	254.2	-	254.2	-
Liabilities directly related to assets held for sale - CIULF				
Trade and other payables	-	0.5	-	0.5
Interest bearing liabilities	-	48.9	-	48.9
Total - liabilities directly related to assets held for sale - CIULF	-	49.4	-	49.4
Total - liabilities directly related to assets held for sale	254.2	49.4	254.2	49.4

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Notes to the Financial Statements

For the half-year ended 31 December 2023

Investment property

The contract to sell 2-6 Station Street, Penrith NSW settled in September 2023 with no changes to the sale price of \$45.3 million recorded at 30 June 2023.

In December 2023, the Trust entered into a put and call option for the sale of Tuggeranong Office Park, Tuggeranong ACT for \$17.5 million and reclassified the land as held for sale. The contract contains a number of conditions precedent which will cause a long settlement period. All conditions are being satisfactorily progressed and settlement is expected to occur in March 2024 or April 2024.

In February 2024, the Trust, as a result of actively marketing 243 Northbourne Avenue, Lyneham ACT, has entered into advanced stages of negotiation for the investment property's sale for \$27.2 million, and reclassified the investment property as held for sale.

Investments at fair value through profit and loss

Cromwell's Rights, in a property trust that held an investment property in Campbell Park, Canberra ACT was sold back as a result of the underlying asset being sold to a third party. The Rights were revalued to the estimated sale proceeds of \$27.5 million at 31 December 2023. Subsequent to period end the sale of the underlying asset and the sale of Cromwell's Rights have both settled with Cromwell receiving proceeds of \$27.8 million.

Disposal group - Poland

At 30 June 2023 Cromwell valued its six Polish investment properties with reference to a non-binding offer price. Over the past six months Cromwell and the independent third party acquirer have significantly progressed the sale to the point where Management believe a sale is highly probable. During December 2023, a new non-binding arrangement was entered into with the same acquirer at a revised offer price of €285.0 million (\$461.2 million). As further progress has been made towards a sale, the six Polish investment properties, associated loan facilities (secured against the properties), the derivatives associated with the loan facilities, the right of use asset and lease liability linked to one of the investment properties have been reclassified at 31 December 2023 to held for sale.

In addition, during the period, Cromwell updated its Joint Venture implementation agreement with Unibail (URW) in regard to selling its interest in the Ursynów Joint Venture to its partner Unibail. The updated agreement provides for the calculation of the sale price for the shares held in the Joint Venture along with the repayment of the financing loan made by Cromwell during the 2022 financial year. The sale is expected to settle in early March 2024.

Upon the successful completion of both sales, Cromwell will no longer have a presence in the Polish Retail market.

Disposal group - CIULF

On 30 June 2023, Cromwell entered into a binding agreement with Value Partners, a Hong Kong based asset manager to create a joint venture by selling 50% of the units in the Cromwell Italy Urban Logistics Fund. All of the assets and liabilities within the fund, most notably the 7 investment properties 100% leased to DHL and the Italian Euro facilities (secured by the investment properties) were classified as held for sale at 30 June 2023. Cromwell has retained a 50% share of the Fund which is equity accounted post settlement in July 2023.

In late July 2023, Cromwell received a payment of €13.2 million (\$21.5 million) upon successful completion of the conditions precedent in the unit sale agreement. In the Statement of cashflows the net inflow of cash from the disposal of 50% of CIULF is \$20.7 million, representing the cash received of \$21.5 million less \$0.8 million of cash held in CIULF. Since settlement Cromwell has accounted for the remaining 50% investment as an Equity accounted investment. Refer to note 8 for further details.

No impairment losses have been recognised in the current and prior periods in respect of assets held for sale, since their classification as held for sale.

c) Critical accounting estimates and judgements

All assets held for sale and liabilities directly related to assets held for sale have been recognised based on the values stipulated/calculated in the relevant agreements or based on the most up to date information available.

d) Discontinued operations

Upon the completion of the sale process for the Polish investment properties and the interest in the Ursynów Joint Venture, Cromwell will cease to hold any direct property interest in Poland. The disposals are planned to help achieve Cromwell's strategic objectives of becoming a capital light fund manager and to repatriate capital to Australia to reduce gearing. The results of the discontinued operations, which have been included in the loss for the period, were as follows:

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Notes to the Financial Statements

For the half-year ended 31 December 2023

	Cromwell		Trust	
	31 Dec 2023 \$M	31 Dec 2022 \$M	31 Dec 2023 \$M	31 Dec 2022 \$M
Revenue	40.8	35.7	40.8	35.7
Other income				
Fair value net gains from:				
Derivative financial instruments	-	1.6	-	1.6
Net foreign currency gains	0.3	-	0.3	-
Total revenue and other income	41.1	37.3	41.1	37.3
Expenses				
Property expenses and outgoings	17.1	16.6	19.2	18.6
Administrative and other expenses	0.8	1.0	2.1	2.2
Finance costs	7.6	4.7	7.6	4.7
Fair value net losses from:				
Investment properties	44.5	68.1	44.5	68.1
Derivative financial instruments	1.9	-	1.9	-
Share of loss of equity accounted investments	0.4	0.2	0.4	0.2
Net foreign currency losses	-	0.4	-	0.4
Impairment of equity accounted investments	13.9	1.9	13.9	1.9
Other transaction costs	10.3	-	10.3	-
Total expenses	96.5	92.9	99.9	96.1
Loss before income tax from discontinued operations	(55.4)	(55.6)	(58.8)	(58.8)
Income tax expense	7.1	2.0	7.1	2.0
Loss after tax from discontinued operations	(62.5)	(57.6)	(65.9)	(60.8)

The cashflows of the discontinued operations, which have been included in the statement of cashflows, were as follows:

	Cromwell	
	Half-year ended	
	31 Dec 2023 \$M	31 Dec 2022 \$M
Net cash provided by / (used in) operating activities	2.6	(5.4)
Net cash used by investing activities	(4.1)	(6.8)
Net cash (used in) / provided by financing activities	(2.0)	6.7
Net cash used by disposal group	(3.5)	(5.5)

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Notes to the Financial Statements

For the half-year ended 31 December 2023

15. Unrecognised items

a) Overview

Items that have not been recognised on Cromwell's and the Trust's Balance sheets include contractual commitments for future expenditure and contingent assets and contingent liabilities which are not sufficiently certain to qualify for recognition as a liability on the Balance sheet. This note provides details of any such items.

b) Capital expenditure and co-investment commitments

Commitments in relation to capital expenditure and co-investments contracted for at reporting date but not recognised as a liability are as follows:

	Cromwell		Trust	
	31 Dec 2023 \$M	30 Jun 2023 \$M	31 Dec 2023 \$M	30 Jun 2023 \$M
Investment property capital expenditure	1.7	4.2	1.7	4.2
Property, plant and equipment expenditure	1.0	-	-	-
Co-investment capital contributions	39.7	39.8	-	-
Total capital expenditure and co-investment commitments	42.4	44.0	1.7	4.2

c) Contingent assets and contingent liabilities

The Directors are not aware of any material contingent assets or contingent liabilities of Cromwell or the Trust (June 2023: \$nil).

16. Subsequent events

Investments at fair value through profit and loss held for sale – Campbell Park Rights

In January 2024, the sale of Cromwell's Rights settled with Cromwell receiving proceeds of \$27.8 million.

Investment property held for sale – 243 Northbourne Avenue, Lyneham ACT

On 26 February 2024, Cromwell exchanged contracts for the sale of 243 Northbourne Avenue, Lyneham ACT. Net proceeds from the sale are expected to be approximately \$27.2 million.

Other than those disclosed above, no matters or circumstances have arisen since 31 December 2023 that has significantly affected or may significantly affect:

- Cromwell's and the Trust's operations in future financial years; or
- the results of those operations in future financial years; or
- Cromwell's and the Trust's state of affairs in future financial years.

The financial statements were approved by the Board of Directors and authorised for issue on 29 February 2024.

Directors' Declaration

In the opinion of the Directors of Cromwell Corporation Limited and Cromwell Property Securities Limited as Responsible Entity for the Cromwell Diversified Property Trust (collectively referred to as "the Directors"):

the attached financial statements and notes are in accordance with the *Corporations Act 2001* (Cth), including:

- i) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001*; and
- ii) giving a true and fair view of Cromwell's and the Trust's financial position as at 31 December 2023 and of their performance, for the half-year ended on that date; and

there are reasonable grounds to believe that Cromwell and the Trust will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001* (Cth).



Dr Gary Weiss AM
Chair
29 February 2024
Sydney



Jonathan Callaghan
Managing Director / Chief Executive Officer

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Independent Auditor's Review Report to the Stapled Security Holders of Cromwell Property Group and the Cromwell Diversified Property Trust

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of:

- a) Cromwell Property Group ("the Group") which comprises the consolidated balance sheet as at 31 December 2023, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' declaration as set out on pages 16 to 47 of the consolidated entity Cromwell Property Group, being the consolidated stapled entity. The consolidated stapled entity comprises Cromwell Corporation Limited ("the Company"), Cromwell Diversified Property Trust and the entities they controlled at the end of the half-year or from time to time during the half-year; and
- b) Cromwell Diversified Property Trust ("the Trust") which comprises the consolidated balance sheet as at 31 December 2023, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, and the Directors' declaration as set out on pages 16 to 47 of Cromwell Property Securities Limited, as Responsible Entity of the Trust. The consolidated entity comprises Cromwell Diversified Property Trust and the entities it controlled at the end of the half-year or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group and the Trust does not comply with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's and the Trust's financial position as at 31 December 2023 and of their performance for the half-year ended on that date; and
- Complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-year Financial Report* section of our report. We are independent of the Group and the Trust in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) ("the Code") that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company and the directors of the Responsible Entity of the Trust, would be in the same terms if given to the directors as at the time of this auditor's review report.

Directors' Responsibilities for the Half-year Financial Report

The directors of the Company and the directors of the Responsible Entity of the Trust (collectively referred to as "the directors") are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's and the Trust's financial position as at 31 December 2023 and their performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Nicholas Rozario
Partner
Chartered Accountants

Sydney, 29 February 2024