

## HALF YEAR RESULTS FOR PERIOD ENDED 31 DECEMBER 2024

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Cromwell Property Group (ASX:CMW) (Cromwell or the Group) today announces its results for the half year ended 31 December 2024.

### Key highlights

- Sale of the European Platform is complete, positioning the Group as a well-capitalised Australian based investment manager with a strong balance sheet and cashflow.
- Gearing reduced to 29.1% (look-through and headline) from 38.9% at 30 June 2024 (look-through 46.3%), with liquidity refreshed at \$538.5 million.
- Operating profit of \$55.1 million (equivalent to 2.10 cents per security ('cps')), with adjusted funds from operations ('AFFO') of \$36.9 million (equivalent to 1.41 cps).
- Investment Portfolio income remains robust, supported by high building occupancy and stable rental income from a high-quality tenant mix.
- Leasing markets remain active, with 16,000 sqm of new or renegotiated leases committed over the last 6 months, representing 6.5% of total Investment Portfolio net lettable area ('NLA')
- Investment Portfolio valuations were down \$99.0 million (4.5%) over the six months to 31 December 2024.
- Statutory loss for the half year of \$28.6 million (equivalent to 1.09 cps) was driven by valuation impacts in the Investment Portfolio.

Dr Gary Weiss, Cromwell Chair, commented, "We are pleased to have completed the sale of the European Platform at the end of 2024, simplifying the business in line with the Group's strategy. Cromwell is now in a strong gearing and liquidity position, with low group net debt as the market starts to show signs of recovery. We are well positioned to drive growth for our securityholders through active asset management, and expansion of our investment management platform."

### HY25 performance

The Group reports a statutory loss of \$28.6 million (1.09 cps), driven by valuation decline of assets in the Investment Portfolio of \$99.0 million. Additional losses from derivatives were partially offset by profits from the sale of the European Platform.

Operating profit of \$55.1 million (2.10 cps), represents a 34.4% decline on the prior corresponding period ('pcp'), principally due to non-core asset sales. Net tangible asset value ('NTA') was similarly impacted, down 4 cps to \$0.57, due to Investment Portfolio revaluations. AFFO payout ratio was 106.4% for the six months to 31 December 2024, up from 62.6% on the pcp.

Headline and look-through gearing are both now 29.1% and Group liquidity stands at \$538.5 million after significant debt repayment on 10 January 2025. The Group continues to maintain an appropriate level of interest rate hedging.

## Investment Portfolio

Cromwell's Investment Portfolio, comprising eight assets valued at \$2.1 billion, is underpinned by ongoing strong fundamentals, including 95.8% occupancy and a weighted average lease expiry of 5.1 years. The portfolio weighted average capitalisation rate has expanded 40 bps to 7%, with the pace of expansion slowing and the market showing early signs of recovery. Net operating income over the period was \$78 million, consistent with the same period 12 months ago.

The tenant profile remains of high quality, spanning a diverse range of sectors. Stable rental income is generated from Qantas and Government tenants, which together account for more than 60% of the portfolio income. Leasing markets remain active, with 16,000 sqm (6.5% of net lettable area) of new or renegotiated leases signed during the six-month period. On a like-for-like basis, excluding non-recurring income, portfolio net operating income increased by 2.7%. This growth was largely driven by fixed rental increases and an increase in portfolio occupancy.

## Funds Management

Ongoing fees from Cromwell's Fund Management business, which manages \$2.2 billion across Australia and New Zealand, have remained steady, with operating profit up 2.6% on the pcp. Transaction activity has been muted over the period and valuations in the Cromwell Direct Property Fund are down 5% to \$470.0 million.

Unitholders in the Cromwell Riverpark Trust, which owns Energex House in Brisbane, voted in favour of extending the investment term of the Trust for an additional two year period.

## Outlook

Cromwell remains focused on active asset management to drive value from our Investment Portfolio. We will also seek to drive growth for securityholders through considered capital management, identifying new product opportunities for our investment management business, and exploring opportunities for platform acquisitions to increase scale and diversification.

Jonathan Callaghan, Cromwell CEO, commented, "Stable growth, through prudent capital management and deployment is key, as Cromwell enters this new phase of our business and markets begin to present investment opportunities."

Authorised for lodgement by Jonathan Callaghan (Managing Director/Chief Executive Officer) and Michael Foster (Company Secretary and Senior Legal Counsel).

Ends.

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## ABOUT CROMWELL PROPERTY GROUP

Cromwell Property Group (ASX:CMW) is a real estate investor and manager with \$4.5 billion of assets under management in Australia and New Zealand. Cromwell is a trusted capital partner and investment manager to a range of global and local investors, capital providers and banking partners and has a strong track record of creating value and delivering superior risk-adjusted returns throughout the real estate investment cycle.

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