

CROMWELL SELLS POLISH RETAIL FUND

Highlights

- Cromwell sells the Cromwell Polish Retail Fund (CPRF) for €285 million / \$465 million to Star Capital Finance (SCF), in line with asset valuations announced at HY24 results.
- The sale aligns with Cromwell's strategy to simplify the Group by divesting of non-core investments.
- The transaction contracted and settled concurrently in Europe on 15 May 2024.
- Sale proceeds will initially be used to repay debt, reducing headline gearing to approximately 35%¹ (look through 42%¹).

Cromwell Property Group (ASX:CMW) (Cromwell or the Group), today announces the sale of six retail centres across Poland, held by the Cromwell Polish Retail Fund for €285 million / \$465 million, which is in line with asset valuations announced at HY24 results. The purchaser, SCF, is a diverse real estate investor based in Prague, Czechia.

This follows the sale of Cromwell's 50% share of its joint venture retail asset in Ursynów, Poland, which completed on 29 February 2024, to our joint venture partner for €41.5 million / \$69 million.

These transactions are a crucial step in the Group's continued simplification through the sale of non-core assets to de-risk the business, reduce gearing and realign to Cromwell's core fund and asset management capabilities.

Upon completion of the sale of CPRF, Cromwell will have completed \$1.1 billion in asset sales since commencement of the Group's asset sale programme in late 2021, positioning the Group to explore value accretive opportunities and continue its transition to a capital-light funds management model.

Following completion, the Group's headline gearing reduces to approximately 35%¹ (look through 42%¹), well within the Groups target range of 30-40%. Cromwell estimates that the sale will have a proforma earnings impact of -3%² and there will be no impact to adjusted funds from operations (AFFO)².

CEO Jonathan Callaghan commented, "The completion of this sale, and subsequent debt repayment, significantly simplifies our business, bringing us closer to our goal of being a capital-light fund manager. The simplification of the Group's business model will allow us to focus on our core fund and asset management skills to drive long-term securityholder value from growth initiatives locally when market timing is conducive."

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

Ends.

¹ Proforma gearing after assets sold or currently contracted for sale.

² Based on FY24 proforma earnings / AFFO.

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ABOUT CROMWELL PROPERTY GROUP

Cromwell Property Group (ASX:CMW) is a real estate investor and fund manager with operations on three continents and a global investor base. As at 31 December 2023 Cromwell had a market capitalisation of approximately \$1.1 billion, an Australian investment portfolio valued at \$2.4 billion and total assets under management of \$11.4 billion across Australia, New Zealand and Europe.