



CROMWELL
PROPERTY GROUP

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Thursday 27 August 2020

ASX Market Announcements Office
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

Cromwell Property Group (ASX:CMW) **Target's Statement**

Enclosed, in accordance with section 633(1) item 14 of the *Corporations Act 2001* (Cth), is a copy of the Target's Statement issued by Cromwell Property Group (ASX:CMW) (Cromwell) in relation to the off-market proportional takeover bid by ARA Asset Management Holdings Pte. Ltd. through its wholly owned subsidiary ARA Real Estate Investors 28 Limited (ARA). The Target's Statement is being lodged today with the Australian Securities and Investments Commission and served on ARA.

Yours faithfully

CROMWELL PROPERTY GROUP

LUCY LAAKSO

COMPANY SECRETARY

Authorised for lodgement by Lucy Laakso (Company Secretary) and Paul Weightman (Chief Executive Officer).

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ABOUT CROMWELL PROPERTY GROUP

Cromwell Property Group (ASX:CMW) is a diversified real estate investor and manager with operations on three continents and a global investor base. As at 30 June 2020, Cromwell had a market capitalisation of \$2.4 billion, a direct property investment portfolio valued at \$3.0 billion and total assets under management of \$11.5 billion across Australia, New Zealand and Europe.



CROMWELL
PROPERTY GROUP

Cromwell Corporation Limited
ABN 44 001 056 980
Cromwell Property Securities Limited
ABN 11 079 147 809 in its capacity as responsible entity of
Cromwell Diversified Property Trust ARSN 102 982 598

TARGET'S STATEMENT

Cromwell Directors Unanimously Recommend You

REJECT

**the Hostile, Opportunistic Proportional Offer by ARA
Real Estate Investors 28 Limited**

(a subsidiary of ARA Asset Management Limited)
to acquire 29% of the stapled securities you hold
(rounded down to the nearest security) in
Cromwell Property Group

IGNORE ALL DOCUMENTS FROM ARA GROUP

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to how to deal with this document, please contact your legal, financial, taxation or other professional adviser.

CROMWELL SECURITYHOLDER INFORMATION LINE

If you have any questions about ARA's Proportional Offer, please call Cromwell's Investor Services Team on 1300 268 078 (within Australia) or +61 7 3225 7777 (outside Australia) or email invest@cromwell.com.au or visit www.cromwellpropertygroup.com for more information.

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FINANCIAL ADVISERS

**Goldman
Sachs**



LEGAL ADVISER

MinterEllison

Key dates

Event	Date
Announcement of ARA's Proportional Offer	23 June 2020
Original Bidder's Statement lodged with Cromwell, ASIC and ASX	21 July 2020
Replacement Bidder's Statement lodged with Cromwell, ASIC and ASX	17 August 2020
Date of ARA's Proportional Offer and commencement of Offer Period	21 August 2020
Date of this Target's Statement	27 August 2020
Extraordinary General Meeting called by ARA Group	18 September 2020
Close of ARA's Proportional Offer (unless extended or withdrawn)	7:00pm (Sydney time) on 21 September 2020

CROMWELL SECURITYHOLDER INFORMATION LINE

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Important notices

TARGET'S STATEMENT

This document is a Target's Statement dated 27 August 2020 and is issued by Cromwell Corporation Limited ABN 44 001 056 980 and Cromwell Property Securities Limited ABN 11 079 147 809 in its capacity as responsible entity of the Cromwell Diversified Property Trust ARSN 102 982 598, (together, Cromwell) under Part 6.5 of the Corporations Act. This Target's Statement sets out Cromwell's formal response to the proportional off-market takeover offer made by ARA Real Estate Investors 28 Limited (ARA BidCo) for 29% of the Cromwell Stapled Securities that are not already owned or controlled by ARA Group, as set out in ARA Group's Bidder's Statement.

This Target's Statement contains important information. You should read this document carefully and in its entirety.

PROPORTIONAL OFF-MARKET TAKEOVER BID

Cromwell Securityholders should note ARA Group, via ARA BidCo, is making a proportional off-market takeover bid. ARA Group is offering to acquire only 29 out of every 100 Cromwell Stapled Securities not already owned or controlled by ARA Group (ARA's Proportional Offer).

If ARA's Proportional Offer is successful, ARA Group would hold approximately 47.9%¹ of Cromwell Stapled Securities.

NO ACCOUNT OF PERSONAL CIRCUMSTANCES

This Target's Statement does not take into account your individual investment objectives, financial situation, taxation situation or particular needs. It does not contain personal advice. This Target's Statement should not be relied on as the sole basis for any investment decision in relation to Cromwell Stapled Securities or ARA's Proportional Offer generally. You should obtain independent legal, financial, taxation or other professional advice before deciding whether to reject or accept ARA's Proportional Offer.

ASIC AND ASX DISCLAIMER

A copy of this Target's Statement was lodged with ASIC and given to ASX on 27 August 2020. None of ASIC, ASX or any of their respective officers takes any responsibility for the contents of this Target's Statement.

DISCLAIMER AS TO FORWARD LOOKING STATEMENTS

Some statements in this Target's Statement are in the nature of forward looking statements. These statements are based on, among other things, information available to Cromwell at the date of this Target's Statement, and

Cromwell's current assumptions, expectations and estimates.

Forward looking statements are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to Cromwell, as well as general economic conditions and conditions in the financial markets, exchange rates, interest rates and the regulatory environment, many of which are outside the control of Cromwell and its Directors. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement.

None of Cromwell or any of its officers, or any person named in this Target's Statement with their consent, or any person involved in the preparation of this Target's Statement, makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement or any events or results expressed or implied in any forward looking statement, except to the extent required by law.

You are cautioned not to place undue reliance on any forward looking statements.

The forward looking statements in this Target's Statement reflect views held only as at the date of this Target's Statement. Except as required by applicable law or the ASX Listing Rules, Cromwell has no obligation to disseminate any updates or revisions to any statements to reflect any change in expectations in relation to those statements or any change in events, conditions or circumstances on which any of those statements are based, whether as a result of new information, future events or otherwise.

PRIVACY

Cromwell has collected your information from the Cromwell Stapled Securities Register for the purpose of providing you with this Target's Statement. The type of information Cromwell has collected about you includes your name, contact details and information in respect of your securityholdings in Cromwell. The Corporations Act requires the name and address of securityholders to be held in a public register. Your information may be disclosed on a confidential basis to Cromwell and its related bodies corporate and external service providers and may be required to be disclosed to regulators such as ASIC. If you would like details of information about you held by Cromwell, please contact Cromwell's Investor Services Team.

¹ This excludes the potential acquisition by ARA BidCo of less than Marketable Parcels of Cromwell Stapled Securities. Refer to Section 4.3 of this Target's Statement.

NOTICE TO FOREIGN CROMWELL SECURITYHOLDERS

The release, publication or distribution of this Target's Statement may, in some countries, be restricted by law or regulation. Accordingly, persons who come into possession of this Target's Statement should inform themselves of, and observe, those restrictions. This Target's Statement has been prepared in accordance with Australian law and the information contained in this Target's Statement may not be the same as that which would have been disclosed if this Target's Statement had been prepared in accordance with laws or regulations outside Australia.

INFORMATION ON CROMWELL

All information in this Target's Statement relating to ARA BidCo and ARA Group has been prepared by Cromwell using publicly available information including the Bidder's Statement. Cromwell and its Directors are unable to verify the accuracy or completeness of that information. The information on ARA BidCo and ARA Group in this Target's Statement should not be considered comprehensive. Accordingly, to the maximum extent permitted by law, Cromwell does not make any representation or warranty, express or implied, as to the accuracy or completeness of such information.

RISK FACTORS

Cromwell Securityholders should note there are a number of risk factors attached to their investment in Cromwell and other risks associated with accepting ARA's Proportional Offer. Section 7 of this Target's Statement sets out further information regarding those risks.

DEFINED TERMS

Certain terms used in this Target's Statement have defined meanings, as set out in Section 10 of this Target's Statement.

EFFECT OF ROUNDING

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Target's Statement are subject to the effect of rounding. Accordingly, their actual calculations may differ from the calculations set out in this Target's Statement.

DIAGRAMS, CHARTS AND MAPS

Any diagrams, charts, maps, graphs or tables appearing in this Target's Statement are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in diagrams, charts, maps, graphs and tables are based on

information available at the date immediately prior to the date of this Target's Statement.

NO INTERNET SITE IS PART OF THIS TARGET'S STATEMENT

References in this Target's Statement to Cromwell's website www.cromwellpropertygroup.com and ARA Group's website www.ara-group.com/ are for your reference only. Information contained in or otherwise accessible from these websites are not part of this Target's Statement.

CROMWELL'S INVESTOR SERVICES TEAM

If you have any questions about ARA's Proportional Offer, please call Cromwell's Investor Services Team on 1300 268 078 (within Australia) or +61 7 3225 7777 (outside Australia) or email invest@cromwell.com.au or visit www.cromwellpropertygroup.com for more information.

Chair's letter

27 August 2020

Dear Cromwell Securityholder

REJECT ARA Group's attempts to take control of Cromwell by stealth.

REJECT ARA Group's hostile, unsolicited and opportunistic Proportional Offer.

VOTE AGAINST ARA Group's board nominations.

IGNORE all documents from ARA Group.

You would have recently received a Bidder's Statement from ARA Group relating to a hostile, unsolicited takeover offer from ARA Group, a competitor of Cromwell, through its wholly owned subsidiary entity, ARA Real Estate Investors 28 Limited (ARA BidCo) to acquire only 29% of your Cromwell Stapled Securities² (ARA's Proportional Offer).

ARA's Proportional Offer is a blatant attempt to takeover Cromwell by stealth, without offering to acquire 100% of your Cromwell Stapled Securities or paying Cromwell Securityholders a fair premium for effective control. Cromwell considers that the ARA Group's Bidder's Statement does not contain all the information it should and there are material omissions and misleading statements. ARA Group's Bidder's Statement provides scant details of ARA Group's intentions and fails to adequately articulate a clear future strategy for Cromwell. Your Cromwell Board believes this is a deliberate omission of information that is material to Cromwell Securityholders.

Cromwell has consistently delivered value for its securityholders by outperforming its benchmark index and meeting, or exceeding, its own earnings guidance. **Cromwell's FY20 results demonstrate the strength of the business throughout the COVID-19 pandemic, with operating earnings per security up 3.5% on FY19, beating the original FY20 guidance, and distributions up 3.4% on FY19 in line with original FY20 guidance.** These results demonstrate the resilience of the business model and are a testament to the focus and dedication of the Cromwell Board and management team – despite continued agitation and disruption from ARA Group. Cromwell is also pleased to have today provided distribution guidance for FY21 of 7.50 cents per Cromwell Stapled Security.

Cromwell has been actively exploring opportunities to continue to improve its business, including investing in the European operating platform, migrating mandates to long term funds management structures, securing quality assets to seed new funds management portfolios and improving its remuneration framework, all in the face of the COVID-19 pandemic.

This Target's Statement sets out the formal response from the Board of Cromwell – your Board – to **REJECT** ARA's Proportional Offer and **IGNORE** all documents from ARA Group.

Your Cromwell Board has carefully considered ARA's Proportional Offer and has concluded that ARA's Proportional Offer is not in the best interests of Cromwell Securityholders. Your Cromwell Directors therefore unanimously recommend that you **REJECT** ARA's Proportional Offer. Each Cromwell Director intends to **REJECT** ARA's Proportional Offer in relation to the Cromwell Stapled Securities they own or hold.

In summary, the reasons to **REJECT** ARA's Proportional Offer are that:

1 The Proportional Offer from ARA Group, a competitor of Cromwell, is an attempt to grab effective control of Cromwell from Cromwell Securityholders without offering to acquire 100% of your Cromwell Stapled Securities at a price that the Cromwell Board believes is significantly below Cromwell's fundamental value

ARA Group's offer is a proportional offer under which ARA Group is only proposing to acquire 29% of Cromwell Stapled Securities³ held by each Cromwell Securityholder at a price that the Cromwell Board believes is significantly below Cromwell's fundamental value. The proportional offer structure is uncommon in Australia and unattractive because it is an offer to acquire only **SOME BUT NOT ALL** of your Cromwell Stapled Securities and if successful, can enable ARA Group to acquire effective control of Cromwell at a lower cost compared to a full takeover offer.

The unattractive Offer Price combined with the proportional offer structure is opportunistically designed to exploit the current volatility in markets due to COVID-19 and increase ARA Group's existing voting power. If successful, this would allow ARA Group to take effective control of Cromwell by acquiring as few Cromwell Stapled Securities as possible at a price that the Cromwell Board believes is significantly below Cromwell's fundamental value and without you receiving an appropriate control premium.

² Rounded down to the nearest security.

³ Rounded down to the nearest security.

If you accept ARA's Proportional Offer, your remaining 71% investment in Cromwell will be in a vehicle effectively controlled by ARA Group, a competitor of Cromwell with an extremely poor track record of managing listed REITs globally.

This is a blatant attempt to obtain effective control of Cromwell without making an offer for 100% of Cromwell Stapled Securities or paying an appropriate control premium to Cromwell Securityholders. The past two attempts to push for ARA Group's nominee Gary Weiss to be elected to the Board were rejected by Cromwell Securityholders.

Cromwell is concerned that ARA Group will utilise the Proportional Offer as a means to acquire additional Cromwell Securities and accumulate enough voting rights to pass ordinary resolutions at securityholder meetings, with very little or no other Cromwell Securityholder support. In conjunction with the Proportional Offer, ARA Group⁴ has called yet another extraordinary general meeting (EGM) in its third attempt to have ARA Group nominee directors elected to the Cromwell Board.

Your Cromwell Directors recommend you once again **VOTE AGAINST** ARA Group's attempt to have ARA Group nominees, Gary Weiss and Joseph Gersh, elected to the Cromwell Board. Official documentation from Cromwell in relation to the EGM was sent to Securityholders on 21 August 2020.

2 ARA's Proportional Offer for only 29% of your Cromwell Stapled Securities is highly opportunistic and significantly undervalues Cromwell

Cromwell Securityholders who accept ARA's Proportional Offer will receive \$0.92⁵ cash per Cromwell Stapled Security (Offer Price)⁶ for 29% of their Cromwell Stapled Securities⁷. The Offer Price represents a 7.1% discount to Cromwell's Net Tangible Assets (NTA) per stapled security of \$0.99 as at 30 June 2020. The Offer Price also attributes **NO VALUE** to Cromwell's substantial funds management business which had \$8.2 billion of funds under management as at 30 June 2020.

ARA's Proportional Offer is opportunistically timed to exploit the current dislocation and volatility in Australian and global markets. Cromwell Stapled Securities have traded at an average premium to NTA of 18.5% over the last five financial years (to 21 August 2020).

Cromwell Stapled Securities traded on the ASX at a significant premium to NTA until COVID-19 disrupted markets



Source: IRESS as at 21 August 2020, company filings.

3 The Proportional Offer from ARA Group does not provide any premium for effective control of Cromwell

The Offer Price of \$0.92⁸ cash per Cromwell Stapled Security represents a:

- **17.3% discount to the 12-month volume weighted average price (VWAP) on 22 June 2020 (the day prior to announcement of ARA's Proportional Offer);**
- 3.4% discount to the 6-month VWAP on 22 June 2020;
- 5.7% premium to Cromwell's last close price of \$0.87 on 22 June 2020; and
- 7.1% discount to Cromwell's NTA per stapled security as at 30 June 2020.

The Offer Price represents a significant discount to the 12-month VWAP of Cromwell Securities and is significantly less than the typical control premium range of between 14% - 25% above the undisturbed listed market price observed in successful public real estate change of control transactions⁹.

⁴ Through ARA Real Estate Investors XXI Pte. Ltd, a related body corporate.

⁵ The Offer Price will be reduced by the amount of any Rights (including distributions) which you (or any previous holder of your Cromwell Stapled Securities) become entitled to receive in respect of your Cromwell Stapled Securities on or after the date of the Bidder's Statement.

⁶ ARA Group has stated that, in the absence of a competing proposal emerging, it will not further increase the Offer Price.

⁷ Rounded down to the nearest security.

⁸ The Offer Price will be reduced by the amount of any Rights (including distributions) which you (or any previous holder of your Cromwell Stapled Securities) become entitled to receive in respect of your Cromwell Stapled Securities on or after the date of the Bidder's Statement.

⁹ Reflects the interquartile range of bid premia in successful public real estate merger and acquisition transactions since 2013.

4 ARA Group has an extremely poor track record of managing other listed REITs, has outlined no clear future strategy for Cromwell, and its intentions may have severe adverse implications for your remaining investment in Cromwell

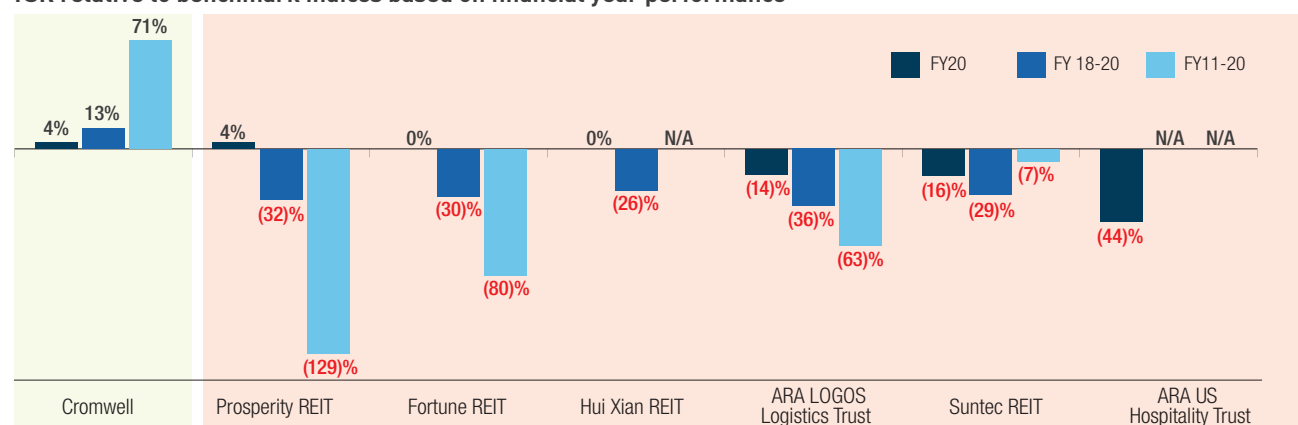
ARA Group is a competitor to Cromwell and **ALL** of ARA Group's listed managed REITs have materially underperformed their respective benchmark indices over an extended period of time¹⁰.

Your Cromwell Directors believe ARA Group has tried to redirect attention away from its own poor performance by criticising Cromwell. ARA Group has given scant details on how it intends to improve Cromwell's already strong performance, but simply provides vague statements of intent to support a "broad-based strategic and financial review". Cromwell recently completed a Strategic Review, overseen by independent directors with no conflict of interest, which validated the current strategy.

Cromwell has consistently delivered value for its securityholders by outperforming its benchmark index and meeting, or exceeding, its own earnings guidance¹¹. Cromwell's FY20 results demonstrate the strength of the business throughout the COVID-19 pandemic, with operating earnings per security up 3.5% on FY19, beating the original FY20 guidance, and distributions up 3.4% on FY19 in line with original FY20 guidance. Cromwell's Total Shareholder Return (TSR) of 24.0% per annum¹² over the last 20 years is the fifth highest TSR within the S&P / ASX 200 index.

Cromwell Securityholder value and future distributions may be at risk if Cromwell is effectively controlled by ARA Group.

TSR relative to benchmark indices based on financial year performance¹³



Source: Datastream as at 30 June 2020.

5 Your Cromwell Directors believe it is in Cromwell Securityholders' interests to support Cromwell's current strategy versus being forced into facing an ongoing minority investment in an entity effectively controlled by ARA Group, a competitor of Cromwell

Cromwell is a strong business with a resilient portfolio and growing funds management platform. The business is extremely well-positioned, with cost of debt at historic lows, no material upcoming debt expiries until FY23, and resilient cashflows underpinned by significant exposure to high credit quality tenants, including government entities. Having completed a Strategic Review, overseen by independent directors with no conflict of interest, your Cromwell Board is confident that the strategy remains robust and the business will continue to perform strongly, notwithstanding the headwinds resulting from COVID-19. Cromwell's FY20 results demonstrate the strength of the business with operating earnings per security up 3.5% on FY19 to 8.50 cents per Cromwell Stapled Security, beating the original FY20 guidance of 8.30 cents per Cromwell Stapled Security, and distributions up 3.4% on FY19 to 7.50 cents per Cromwell Stapled Security, in line with original FY20 guidance.

Cromwell's strategy, global footprint and proven long standing management team, who are significantly invested, have delivered long-term value to Cromwell Securityholders. Your Cromwell Board recommends that you retain ownership of **ALL** of your Cromwell Stapled Securities to benefit fully from the continued implementation of Cromwell's "Invest to Manage" strategy that based on performance to date has delivered on its objectives.

6 Your current Cromwell Board knows Cromwell's business, is best placed and has the appropriate skills and relevant experience to drive Cromwell's performance

Your current Cromwell Board comprises five independent non-executive Directors and the CEO, all of whom have extensive industry experience, expertise and leadership skills. All have substantial 'skin in the game'.

10 ARA Group-managed real estate vehicles have materially underperformed their respective benchmark indices over 3 and 10 year periods, refer to chart above. Source: Datastream as at 30 June 2020.

11 Refer to chart 'TSR relative to benchmark indices' and in Section 1.2 'Operating earnings per Security outperformance vs. guidance'.

12 Source: S&P Capital IQ as at 21 August 2020.

13 Cromwell performance relative to the S&P / ASX A-REIT 200 Index, Fortune REIT, Prosperity REIT and Hui Xian REIT price performance relative to the FTSE EPRA NAREIT Hong Kong Index. Suntec REIT, ARA Logos Logistics Trust and ARA US Hospitality REIT price performance relative to the FTSE EPRA NAREIT Singapore Index.

ARA Group has called an EGM seeking the election of two ARA Group nominees as directors to Cromwell's Board. Your Cromwell Board believes it is highly inappropriate for ARA Group, a competitor and hostile bidder, to be pursuing Board representation while seeking to acquire effective control of Cromwell via its Proportional Offer.

Permitting ARA Group's nominees on Cromwell's Board at this time when Cromwell's Board is responding to ARA Group's hostile Proportional Offer, presents material risks for Cromwell securityholders and would be disruptive to the efficient operation of Cromwell's Board.

7 Accepting ARA's Proportional Offer will have important implications for your Cromwell Securityholder rights and remaining investment in Cromwell during the Offer Period

If you accept ARA's Proportional Offer, you will give up your right to sell 29% of your Cromwell Stapled Securities¹⁴ or otherwise deal with them while ARA's Proportional Offer remains open, and ARA Group will be entitled to all Rights to which you become entitled on or after the date of the Bidder's Statement in respect of those Cromwell Stapled Securities accepted into the Offer.

As ARA BidCo has declared ARA's Proportional Offer unconditional, ARA BidCo will be able to exercise the voting rights attaching to your Cromwell Stapled Securities accepted into ARA's Proportional Offer. This means that once you accept ARA's Proportional Offer:

1. ARA BidCo and any nominee of ARA BidCo will be entitled to attend general meetings of Cromwell, including the EGM scheduled for 18 September 2020 called by ARA Group, and vote on your behalf in relation to the 29% of your Cromwell Stapled Securities accepted into ARA's Proportional Offer, and you will have agreed that in exercising those rights, ARA BidCo and each of its nominees may act in the interests of ARA BidCo.

These rights will be in addition to ARA Group's current voting power of 26.68% of Cromwell Stapled Securities, which ARA Group may seek to exercise at the EGM called by ARA Group to consider the election of two ARA Group nominees (Gary Weiss (again) and Joseph Gersh) as directors of Cromwell¹⁵. Depending on the level of acceptances, ARA Group may come to acquire a sufficient number of Cromwell Stapled Securities to pass ordinary resolutions with very little or no other Cromwell Securityholder support; and

2. you will retain your right to attend and vote at any general meeting of Cromwell but only in relation to the remaining 71% of your Cromwell Stapled Securities.

If you accept ARA's Proportional Offer, you will not be able to withdraw your acceptance in the event of a superior proposal and will therefore not be entitled to the benefit of any such superior proposal in relation to those Cromwell Stapled Securities accepted into ARA's Proportional Offer.

If you accept ARA's Proportional Offer and subsequently sell the remaining 71% of your Cromwell Stapled Securities during the Offer Period, those remaining Stapled Securities sold (none of which can be accepted into ARA's Proportional Offer) will trade on a deferred settlement basis, meaning you will not receive the proceeds from the sale until after the end of the Offer Period (which may be extended so as to remain open for up to 12 months).

Cromwell Directors therefore unanimously recommend that you REJECT ARA's Proportional Offer. IGNORE all documents from ARA Group.

Further details setting out your Cromwell Directors' unanimous recommendation are set out in Section 1 of this Target's Statement. I urge you to read this Target's Statement in its entirety.

Your Cromwell Board will continue to keep you updated on material developments relating to ARA's Proportional Offer as they occur.

Cromwell's Investor Services Team

If you have any questions about ARA's Proportional Offer, please call Cromwell's Investor Services Team on 1300 268 078 (within Australia) or +61 7 3225 7777 (outside Australia) or email invest@cromwell.com.au or visit www.cromwellpropertygroup.com for more information.

Yours sincerely



Leon Blitz
Independent Chair
Cromwell Property Group

¹⁴ Rounded down to the nearest security.

¹⁵ Refer to ARA's Notice of General Meeting and Explanatory Statement attached to Cromwell's announcement to the ASX on 20 August 2020.

What do your Directors recommend?

REJECT ARA Group's attempts to take control of Cromwell by stealth

REJECT ARA Group's hostile, unsolicited and opportunistic Proportional Offer

VOTE AGAINST ARA Group's board nominations

IGNORE all documents from ARA Group

1. The Proportional Offer from ARA Group, a competitor of Cromwell, is an attempt to grab effective control of Cromwell from Cromwell Securityholders, without offering to acquire 100% of your Cromwell Stapled Securities at a price that the Cromwell Board believes is significantly below Cromwell's fundamental value
2. ARA's Proportional Offer for only 29% of your Cromwell Stapled Securities¹⁶ is highly opportunistic and significantly undervalues Cromwell
3. The Proportional Offer from ARA Group does not provide any premium for effective control of Cromwell
4. ARA Group has an extremely poor track record of managing other listed REITs, has outlined no clear future strategy for Cromwell, and its intentions may have severe adverse implications for your remaining investment in Cromwell
5. Your Cromwell Directors believe it is in Cromwell Securityholders' interests to support Cromwell's current strategy versus being forced into facing an ongoing minority investment in an entity effectively controlled by ARA Group, a competitor of Cromwell
6. Your current Cromwell Board knows Cromwell's business, is best placed and has the appropriate skills and relevant experience to drive Cromwell's performance
7. Accepting ARA's Proportional Offer will have important implications for your Cromwell Securityholder rights and remaining investment in Cromwell during the Offer Period

Further details on each of these reasons are set out in Section 1 of this Target's Statement. You should read this entire Target's Statement before deciding whether to reject or accept ARA's Proportional Offer.

1. Your Cromwell Directors' evaluation of ARA's Proportional Offer in detail

1.1 RECOMMENDATIONS AND INTENTIONS

(a) Recommendation

Each of your Cromwell Directors recommends that you **REJECT** ARA's Proportional Offer.

IGNORE all documents from ARA Group.

In assessing ARA's Proportional Offer, your Cromwell Directors have had regard to a number of considerations, including the information set out in the Bidder's Statement.

Based on this assessment and for the reasons set out in Section 1.2 of this Target's Statement, the Cromwell Directors recommend you **REJECT** ARA's Proportional Offer because:

1. the Proportional Offer from ARA Group, a competitor of Cromwell, is an attempt to grab effective control of Cromwell from Cromwell Securityholders without offering to acquire 100% of your Cromwell Stapled Securities at a price that the Cromwell Board believes is significantly below Cromwell's fundamental value;
2. ARA's Proportional Offer for only 29% of your Cromwell Stapled Securities is highly opportunistic and significantly undervalues Cromwell;
3. the Proportional Offer from ARA Group does not provide any premium for effective control of Cromwell;
4. ARA Group has an extremely poor track record of managing other listed REITs, has outlined no clear future strategy for Cromwell, and its intentions may have severe adverse implications for your remaining investment in Cromwell;
5. your Cromwell Directors believe it is in Cromwell Securityholders' interests to support Cromwell's current strategy versus being forced into facing an ongoing minority investment in an entity effectively controlled by ARA Group, a competitor of Cromwell;
6. your current Cromwell Board knows Cromwell's business, and is best placed and has the appropriate skills and relevant experience to drive Cromwell's performance; and
7. accepting ARA's Proportional Offer will have important implications for your Cromwell Securityholder rights and remaining investment in Cromwell during the Offer Period.

In considering whether to accept ARA's Proportional Offer, your Cromwell Directors encourage you to:

- read the whole of this Target's Statement;
- have regard to your individual investment risk profile, portfolio strategy, tax position and financial circumstances;
- carefully consider the choices available to you as a Cromwell Securityholder and ensure you understand the consequences of those choices, as outlined in Section 3 of this Target's Statement;
- carefully consider Section 1.1(c) 'Reasons why you should **REJECT** ARA's Proportional Offer' and Section 4 'Information about ARA's Proportional Offer and other important matters'; and
- obtain independent financial, legal, taxation or other professional advice if you are in any doubt as to whether or not to accept ARA's Proportional Offer.

Your Cromwell Directors will keep you informed of any material developments relating to ARA's Proportional Offer.

(b) Personal intentions of Cromwell Directors

As at the date of this Target's Statement, the Cromwell Directors and their respective interests in Cromwell Stapled Securities are set out in the table below:

Director	Cromwell Stapled Securities	Number of Cromwell Performance Rights
Mr Leon Blitz	550,000	nil
Mr Paul Weightman	26,635,331	5,922,893 ¹⁷
Ms Tanya Cox	90,000	nil
Mr Andrew Fay	672,241	nil
Ms Lisa Scenna	55,000	nil
Ms Jane Tongs	379,907	nil

Each of the Cromwell Directors currently intends to **REJECT** ARA's Proportional Offer in respect of the Cromwell Stapled Securities held by the Director or in which the Director otherwise has a Relevant Interest.

(c) Reasons why you should REJECT ARA's Proportional Offer

1 The Proportional Offer from ARA Group, a competitor of Cromwell, is an attempt to grab effective control of Cromwell from Cromwell Securityholders without offering to acquire 100% of your Cromwell Stapled Securities and at a price that the Cromwell Board believes is significantly below Cromwell's fundamental value

The proportional offer structure is uncommon in Australia and is unattractive because it is an offer to acquire **SOME BUT NOT ALL** of your Cromwell Stapled Securities.

Under ARA's Proportional Offer, ARA Group is offering to acquire only 29% of your Cromwell Stapled Securities¹⁸.

Cromwell Securityholders who accept ARA's Proportional Offer will retain the remaining 71% of their Cromwell securityholding¹⁹ – ARA Group is not offering to acquire those Cromwell Stapled Securities regardless of whether it gains effective control of Cromwell.

If ARA's Proportional Offer is successful, Cromwell Securityholders will have a significant proportion of their investment retained in a vehicle effectively controlled by ARA Group.

The Offer Price and structure are opportunistically designed to exploit the current volatility in markets due to COVID-19 and take advantage of ARA Group's existing voting power.

ARA Group is seeking to change the Cromwell Board.

ARA Group has called yet another EGM to seek the election of two ARA Group nominees, Gary Weiss (again) and Joseph Gersh, as directors of Cromwell. This is the third meeting in the last 12 months at which ARA Group has sought to have a nominee elected as a director of Cromwell.

ARA Group is seeking to utilise the proportional offer structure to obtain effective control of Cromwell without making an offer for 100% of Cromwell Stapled Securities or paying an appropriate control premium to Cromwell Securityholders. This follows two unsuccessful attempts to have its nominee Gary Weiss elected onto the Cromwell Board. A majority of voting Cromwell Securityholders have twice rejected ARA Group's proposal to elect Gary Weiss to the Cromwell Board. Your Cromwell Board recommends you do so again at the EGM that ARA Group has called²⁰.

If ARA's Proportional Offer is successful, ARA Group would hold approximately 47.9%²¹ of Cromwell Stapled Securities, providing it with effective control and likely ability to change the Cromwell Board and influence Cromwell's strategy for its own benefit.

¹⁷ Paul Weightman holds 5,922,893 Cromwell Performance Rights under the Cromwell Property Group Performance Rights Plan. The Proportional Offer does not extend to Cromwell Stapled Securities which are issued as a result of the exercise of rights attached to the Cromwell Performance Rights.

¹⁸ Rounded down to the nearest security.

¹⁹ Except where accepting ARA's Proportional Offer will leave you holding less than a Marketable Parcel.

²⁰ Refer to ARA's Notice of General Meeting and Explanatory Statement attached to Cromwell's announcement to the ASX on 20 August 2020.

²¹ This excludes the potential acquisition by ARA BidCo of less than Marketable Parcels of Cromwell Stapled Securities. Refer to Section 4.3 of this Target's Statement.

Your current Cromwell Directors continue to believe Gary Weiss is not a suitable candidate to be appointed to the Cromwell Board given his existing position on the board of Straits Trading Company Limited (Straits Trading), a subsidiary of which is a major shareholder of ARA. Notwithstanding Gary Weiss' prior stated intention to resign from his position on the board of Straits Trading if he is appointed to the Cromwell Board, his association with a major shareholder of ARA Group would continue to raise significant independence concerns for the Cromwell Board.

As with Joseph Gersh's previous senior role and association with a professional advisor to ARA Group, the Cromwell Board would not consider Gary Weiss or Joseph Gersh to be independent so as to be able to exercise independent judgment and act in the best interests of Cromwell and Cromwell Securityholders generally.

Further, Cromwell Securityholders should take into consideration Gary Weiss' capacity to serve on Cromwell's Board given the significant crises he is presently dealing with in his role as Chair of at least two ASX listed companies, Estia Health Limited (aged care provider) and Ardent Leisure Group (owner of Dreamworld theme park), in addition to his many other public and private directorships.

ARA Group may gain significant influence and potential effective control even if ARA's Proportional Offer is only partially successful.

ARA Group may gain significant influence over Cromwell and potential effective control even if ARA's Proportional Offer is only partially successful. ARA Group may gain effective control of Cromwell at ownership levels below 50% without paying Cromwell Securityholders a control premium, or even offering to acquire 100% of your Cromwell Stapled Securities.

ARA Group has continued to acquire Cromwell Stapled Securities on-market prior to receipt of acceptances and will also be able to acquire additional Cromwell Stapled Securities after the end of the Offer Period to the extent permitted by law, including under the '3% creep' rule under the Corporations Act.

Through ARA's Proportional Offer, ARA Group may come to own sufficient Cromwell Stapled Securities to pass ordinary resolutions and enable it to control the composition of the Cromwell Board and change Cromwell's strategy, without the need to obtain the support of other Cromwell Securityholders. If ARA Group is successful in gaining effective control and having two ARA Group nominees elected to the Board, ARA Group has stated its intention to recommend that the new Cromwell Board undertake a thorough and broad-based strategic and financial review to refresh Cromwell's strategy. A change in Cromwell's strategy may not be in the interests of all Cromwell Securityholders.

If successful, ARA's Proportional Offer has the potential to cause ongoing uncertainty and instability for Cromwell's management, employees, tenants and clients and may put key contracts at risk.

A change in Cromwell's Board, its management or its strategic direction has the potential to cause significant ongoing disruption to the business and create further uncertainty and instability for key stakeholders.

This may have a potential effect on Cromwell's material contracts including its financing arrangements. Refer to Section 9.8 of this Target's Statement.

This also has the potential to negatively impact the value of Cromwell and its Stapled Securities, and ARA Group has not clearly detailed its intentions in relation to Cromwell's business, operations and future strategy.

Prospects of potential future superior offer are significantly reduced.

Acceptance of ARA's Proportional Offer will increase ARA Group's interests in Cromwell, which will reduce the prospects of another takeover offer or control transaction for Cromwell eventuating in the future. It is therefore unlikely that, if the Proportional Offer is successful, Cromwell Securityholders would have the potential to benefit from receiving a future control premium for their remaining Cromwell Stapled Securities.

Impact on trading of Cromwell Stapled Securities

Cromwell's free float, or the proportion of Cromwell Stapled Securities available to be freely traded on the ASX, will decrease as the number of acceptances of ARA's Proportional Offer increases. Additionally, depending on the level of acceptances under ARA's Proportional Offer, the marketability of Cromwell Stapled Securities may be substantially reduced, which may adversely affect the price at which you are able to dispose of your Cromwell Stapled Securities in the future. Assuming full acceptance of ARA's Proportional Offer, the two largest securityholders, ARA Group and the Tang family, will hold in aggregate up to 60.4% of all Cromwell Stapled Securities.

MIT Risk

If ARA's Proportional Offer is successful, ARA Group will hold approximately 47.9%²² of Cromwell Stapled Securities. ARA Group will also be able to acquire additional Cromwell Stapled Securities after the end of the Offer Period to the extent permitted by law, including under the '3% creep' rule. Depending on how ARA Group's ownership stake in Cromwell is structured, Cromwell may cease to qualify as a managed investment trust (or MIT), which would have adverse tax implications for non-resident investors²³.

2 | ARA's Proportional Offer for only 29% of your Cromwell Stapled Securities is highly opportunistic and significantly undervalues Cromwell

Your Cromwell Board believes that ARA's Proportional Offer significantly undervalues your Cromwell Stapled Securities and fails to reflect the current strength of Cromwell's business and its future prospects.

The Offer Price is a discount to Cromwell's Net Tangible Assets.

Under ARA's Proportional Offer, ARA Group would acquire 29% of Cromwell Stapled Securities not currently owned for \$0.92²⁴ per security, which represents a 7.1% discount to Cromwell's NTA per Cromwell Stapled Security of \$0.99 as at 30 June 2020.

In line with its valuation policy, Cromwell commissioned external independent valuations for its Australian property portfolio and the seven property assets warehoused within the Cromwell Polish Retail Fund (CPRF) as at 30 June 2020. These valuations showed minimal decreases in valuations of \$31.0 million (1.0%) in the Australian portfolio and €31.4 million (5.3%) in CPRF, demonstrating the resilience of Cromwell's property investments.

No value attributed to funds management business.

The Offer Price also attributes **NO VALUE** to Cromwell's substantial funds management business, which had \$8.2 billion of external funds under management as at 30 June 2020 and contributed \$40.8m to Operating Profit in FY20.

Opportunistically timed offer.

ARA's Proportional Offer seeks to exploit the current volatility and dislocation in Australian and global markets, and is opportunistically timed to seek to obtain effective control over Cromwell for minimal investment. Immediately prior to the announcement of ARA's Proportional Offer, Cromwell's security price was trading at depressed levels, reflecting:

- challenging market conditions and increased volatility from the outbreak of COVID-19;
- suppressed economic activity in Cromwell's key Australian and European markets as stay-at-home mandates and government restrictions on businesses took effect; and
- uncertainty regarding potential portfolio revaluations across the A-REIT sector.

Cromwell's Board therefore does not consider the Cromwell Stapled Security trading price immediately prior to the announcement of ARA's Proportional Offer appropriately represents the underlying value of Cromwell.

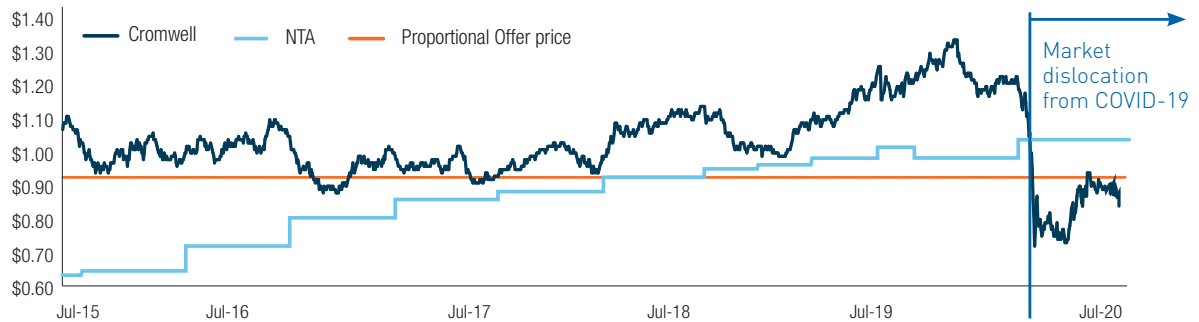
Cromwell has traded at an average premium to NTA of 18.5% over the last five financial years (to 21 August 2020).

22 This excludes the potential acquisition by ARA Group of less than Marketable Parcels of Cromwell Stapled Securities. Refer to Section 4.3 of this Target's Statement.

23 If Cromwell does not qualify as a managed investment trust (or MIT) in any given year in respect of an applicable trust, taxable distributions to non-resident investors for that income year will be subject to a non-final withholding tax, the rate of which will depend on the profile of that investor. One of the requirements of MIT status is that the trust is not "closely held" for the purposes of Division 275 of the Income Tax Assessment Act 1997 (Cth). A trust will be closely held for these purposes if a foreign tax resident individual has a direct or indirect interest in the trust of 10% or more

24 The Offer Price will be reduced by the amount of any Rights to which you (or any previous holder of your Cromwell Stapled Securities) become entitled to receive in respect of those securities on or after the date of the Bidder's Statement.

Cromwell Stapled Securities traded on the ASX at a significant premium to NTA until COVID-19 disrupted markets



Source: IRESS as at 21 August 2020, company filings.

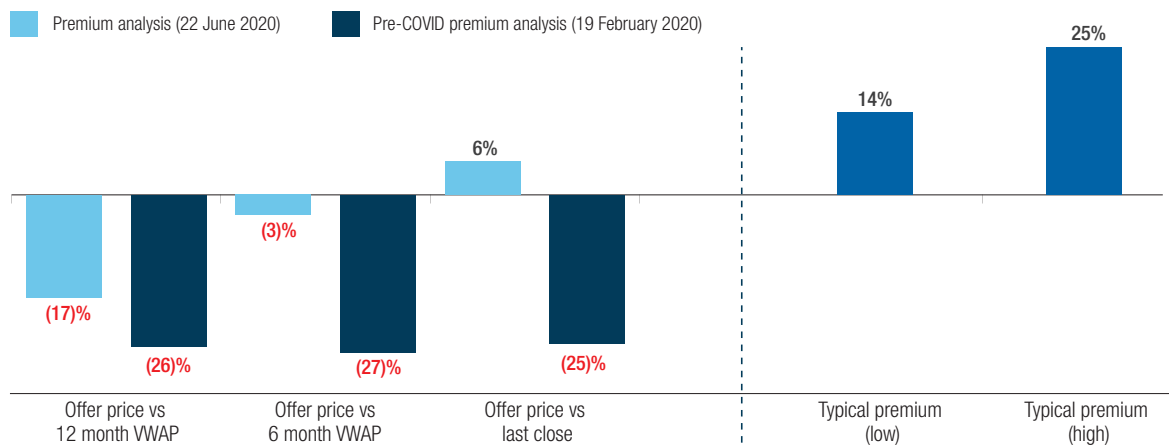
3 | The Proportional Offer from ARA Group does not provide any premium for control of Cromwell

Takeover offers for control of listed companies typically include a significant premium to the prices at which the securities of the target companies normally trade in the market. Your Cromwell Board considers that Cromwell’s security trading price immediately prior to the announcement of ARA’s Proportional Offer did not appropriately reflect the underlying value of Cromwell, given challenging market conditions and increased volatility arising from the outbreak of COVID-19 and, as such, is not an appropriate starting position to apply a takeover premium.

The Offer Price of \$0.92 per Cromwell Stapled Security represents a:

- 17.3% discount to the 12-month VWAP on 22 June 2020 (the day prior to announcement of ARA’s Proportional Offer);
- 3.4% discount to the 6-month VWAP on 22 June 2020;
- premium of 5.7% to Cromwell’s last close price of \$0.87 on 22 June 2020; and
- 7.1% discount to Cromwell’s NTA per stapled security of \$0.99 as at 30 June 2020.

Your Cromwell Board notes that control premia paid in successful public real estate merger and acquisition transactions (involving an ASX-listed target company) in Australia since 2013 typically ranged from 14% to 25% above the listed market price of the target company’s securities prior to the announcement of the bid²⁵.



Source: IRESS and company filings.

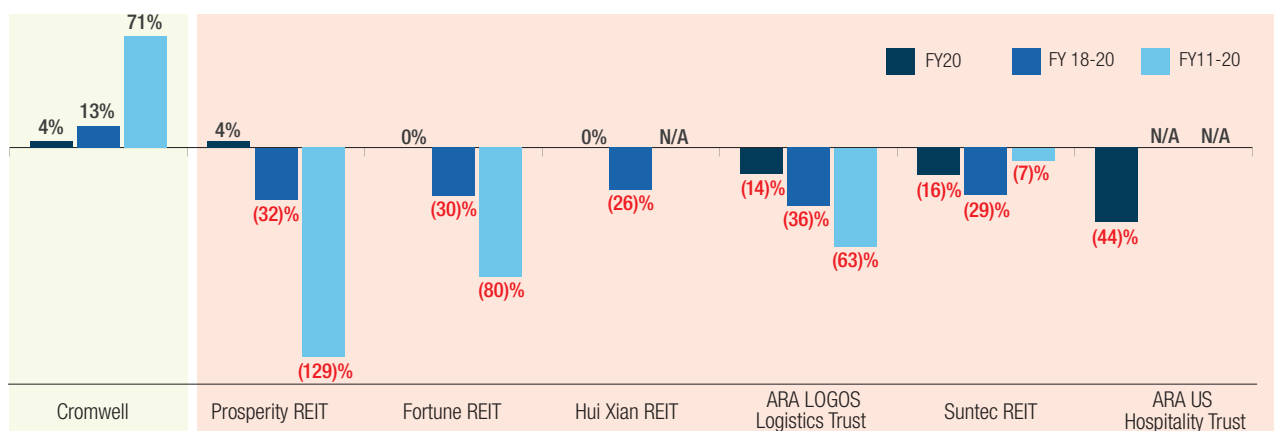
25 Reflects the interquartile range of bid premia in precedent successful public real estate merger and acquisition transactions since 2013.

4 ARA Group has an extremely poor track record of managing other listed REITs, has outlined absolutely no clear future strategy for Cromwell, and its intentions may have severe adverse implications for your remaining investment in Cromwell

ARA Group listed managed REITs have significantly underperformed over the long run and trade at material discounts to net asset values.

ARA Group listed managed REITs have materially underperformed their respective benchmark indices over an extended period of time²⁶. In contrast, Cromwell has consistently outperformed its benchmark index over the long run, delivering strong returns for Cromwell Securityholders (of which ARA Group is one).

TSR relative to benchmark indices based on financial year performance²⁷



Source: Datastream as at 30 June 2020.

Cromwell has also been able to deliver outsized returns relative to its peer group. Cromwell's TSR of 24.0% per annum²⁸ over the last 20 years is the fifth highest TSR within the S&P / ASX 200 index.

Top 5 companies S&P / ASX 200 TSR (last 20 years) (annualised)

Rank	Ticker	Company	TSR (annualised)
1	FMG	Fortescue Metals Group Limited	49.0 %
2	REA	REA Group Limited	38.5 %
3	RHC	Ramsay Healthcare Limited	25.9 %
4	BRG	Breville Group Limited	24.4 %
5	CMW	Cromwell Property Group	24.0 %

Source: S&P Capital IQ as at 21 August 2020.

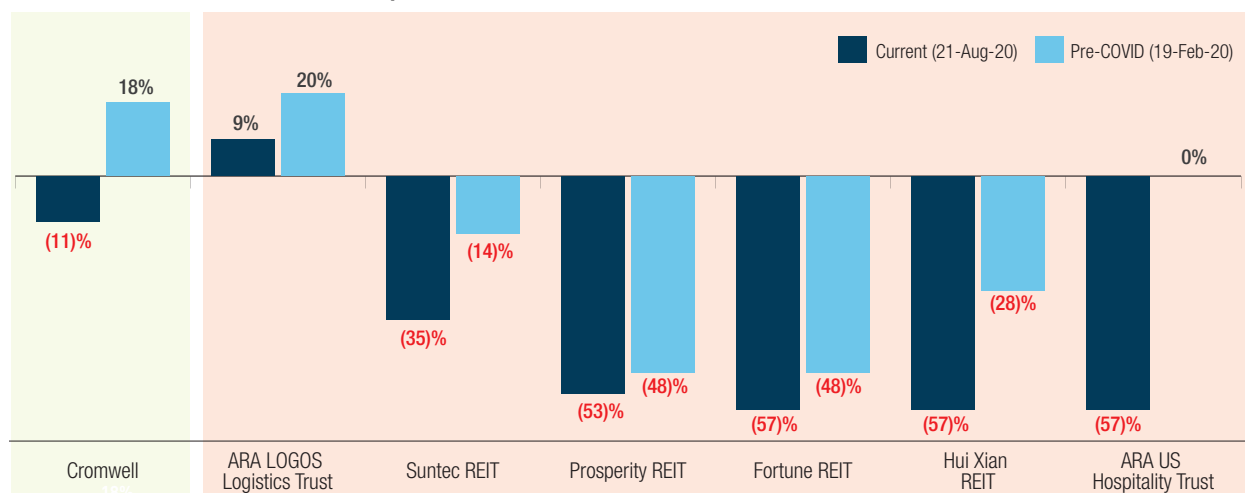
Even before the uncertainty associated with COVID-19 began to affect global markets from late February 2020, the majority of ARA Group listed managed REITs traded at material discounts to last reported Net Asset Values (NAV) per unit. This indicates the market's assessment that firstly, underlying asset values are significantly below current book values and secondly, there is a negative outlook for future operating and financial performance.

26 ARA Group-managed real estate vehicles have materially underperformed their respective benchmark indices over 3 and 10 year periods, refer to chart above. Source: Datastream as at 30 June 2020.

27 Cromwell performance relative to the S&P / ASX A-REIT 200 Index, Fortune REIT, Prosperity REIT and Hui Xian REIT price performance relative to the FTSE EPRA NAREIT Hong Kong Index. Suntec REIT, ARA Logos Logistics Trust and ARA US Hospitality REIT price performance relative to the FTSE EPRA NAREIT Singapore Index.

28 Source: S&P Capital IQ as at 21 August 2020.

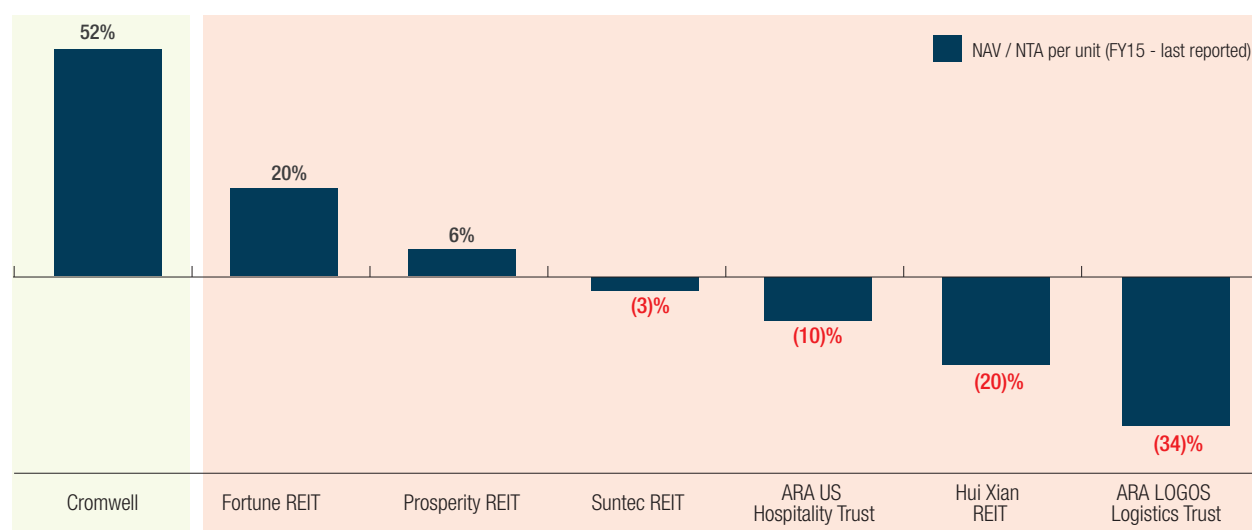
Premium / (discount) to NTA / NAV per unit²⁹



Source: S&P Capital IQ as at 21 August 2020 and company filings.

Several ARA Group listed managed REITs have failed to grow NAVs for securityholders over an extended period of time, in contrast to Cromwell which has successfully grown its business.

Growth in NTA/NAV per security³⁰



Source: Company filings.

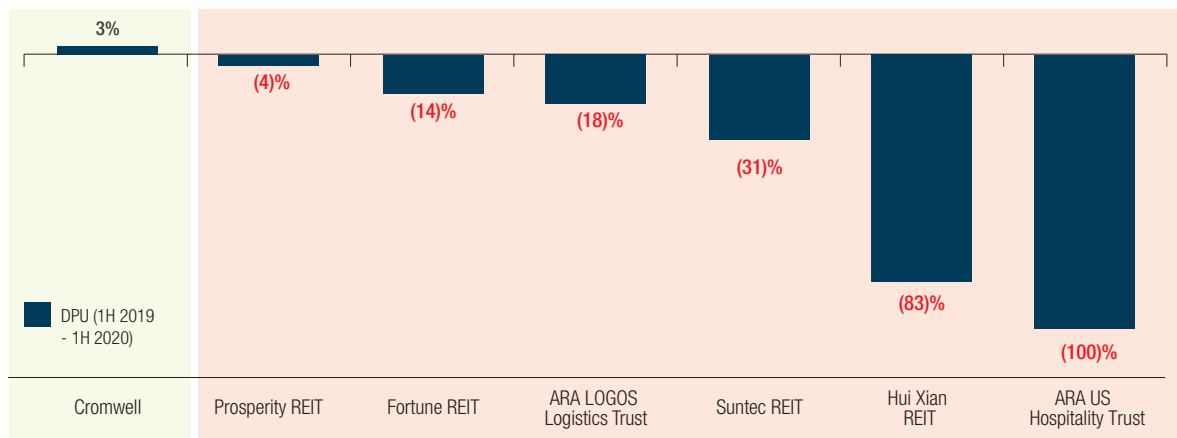
ARA Group listed managed REITs have come under further pressure during COVID-19

Results released in July 2020 and August 2020 by Hui Xian REIT, Suntec REIT and Fortune REIT, entities managed by ARA Group, show that distributions paid to unitholders for the period from 1 January 2020 to 30 June 2020 may have come under further pressure as a result of the impact of COVID-19 on their businesses.

²⁹ Current premium / (discount) to NTA / NAV per unit based on last reported NTA / NAV per unit. Pre-COVID premium / (discount) to NTA / NAV per unit as at 19 February 2020 based on NTA / NAV per unit as at 31 December 2019.

³⁰ ARA US Hospitality Trust NAV since listing in 2019.

DPU (1H 2019 – 1H 2020)



Source: Company filings.

In contrast, Cromwell was able to announce the distribution for the June 2020 quarter of 1.875 cents per Cromwell Stapled Security in full, in line with previous distribution guidance for FY20 of 7.50 cents per Cromwell Stapled Security.

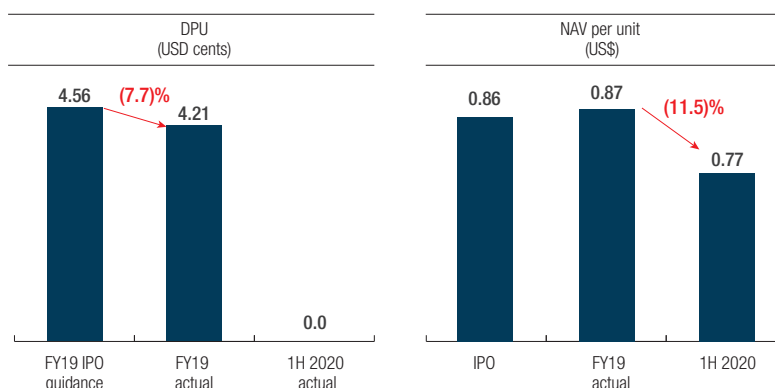
ARA US Hospitality Trust has performed extremely poorly since IPO and materially failed to meet its forecasts prior to COVID-19.

ARA Group- listed ARA US Hospitality Trust (ARA H-Trust) on the SGX in May 2019.

Under ARA Group management, ARA H-Trust failed to achieve its prospectus guidance for FY19 DPU with reported FY19 DPU 7.7% below guidance of 4.56 cents per unit only eight months later. This significant reduction occurred during a period before COVID-19 began impacting global markets from late February 2020.

On 5 August 2020, ARA H-Trust reported a fall in NAV to US\$0.77 per unit, no distributable income and a net property loss for 1H 2020.

ARA US Hospitality Trust performance



Source: ARA H-Trust IPO prospectus and company filings.

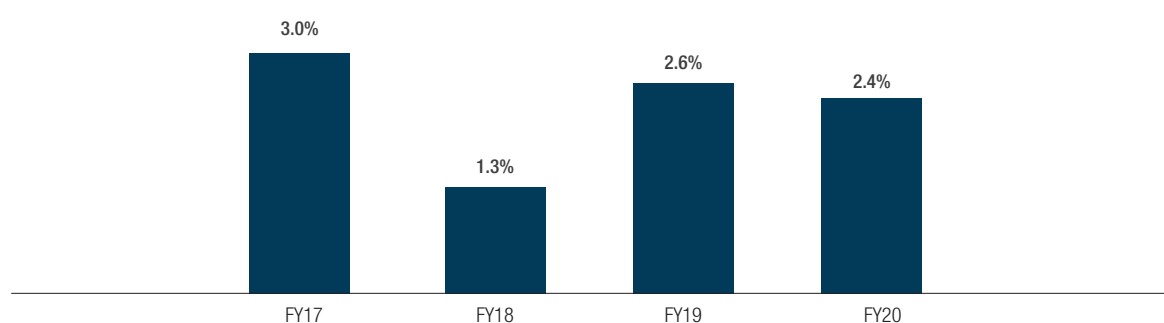
ARA H-Trust stated on 17 July 2020 it will not be undertaking any property valuations on its hotel portfolio for the 1H 2020 reporting period, citing uncertainty in the current operating environment, despite having a policy of conducting annual property valuations at each reporting period. ARA H-Trust also stated on 8 May 2020 it had been granted loan covenant waivers from its Singapore-based relationship banks.

In contrast, Cromwell undertook a valuation review encompassing external independent valuations of its Australian property portfolio and all seven assets being warehoused within CPRF as at 30 June 2020.

In contrast to ARA Group listed managed REITs, Cromwell has consistently outperformed its stated guidance over the past four financial years.

Unlike ARA Group, Cromwell has reliably delivered on stated earnings and distributions guidance, consistently exceeding previously stated earnings guidance provided to the market over the last four financial years, including in FY20 where operating earnings per security exceeded original FY20 guidance despite headwinds from COVID-19. These positive financial outcomes have been driven by the underlying strength and active management of Cromwell's property portfolio as well as the continued execution of the "Invest to Manage" strategy.

Operating earnings per Stapled Security outperformance vs. guidance



Source: Company filings.

ARA Group listed managed REITs have evidenced lower corporate governance and transparency outcomes compared to Cromwell-managed vehicles

The Singapore Governance and Transparency Index (SGTI) assesses companies on corporate governance disclosures and practices, as well as transparency of their financial results announcements, with higher scores corresponding with stronger governance principles and greater transparency.

The REITs and business trusts category of the SGTI 2020 evidences Cromwell's superior governance, as Cromwell-managed Cromwell European REIT (CEREIT) is ranked highly at number 7, compared with ARA Group listed managed REITs which are ranked between 22nd and 43rd.

Rank 2020	Trust Name	Overall SGTI 2020 Score
1	CapitaLand Commercial Trust	112.5
2	CapitaLand Mall Trust	110.5
3	Ascott Residence Trust	101.3
4	Far East Hospitality Trust	99.2
5	Netlink NBN Trust	98.9
6	CapitaLand Retail China Trust	98.2
7	Cromwell European REIT	95.4
...		
22	Suntec REIT	85.3
28	ARA LOGOS Logistics Trust	81.6
43	ARA US Hospitality Trust	66.2

Source: Singapore Governance and Transparency Index 2020.

ARA Group has failed to articulate a clear strategy for Cromwell.

ARA Group's Bidder's Statement does not clearly set out its intentions, other than to recommend the Cromwell Board conduct a thorough and broad-based strategy and financial review of Cromwell's corporate structure, assets, businesses, personnel and operations to drive a refresh of its strategy. This is despite the current Cromwell Board having recently announced findings from its Strategic Review of the business which validated the current strategy.

ARA Group provides scant details of its intentions for the Cromwell's business or how it would propose to change Cromwell's strategy. The Cromwell Board believes this will result in uncertainty and instability for Cromwell's securityholders, tenants, employees and management.

ARA Group has indicated a very broad range of potential strategies it would be inclined to support without providing any specific plan or details. Options referenced include vague comments such as "repositioning [of] the Cromwell portfolio" and "acquisitions, disposals and creation of new funds".

ARA Group has provided no clarity as to which assets may be transacted, or whether such assets might be sold to ARA Group-managed funds.

Changes ARA Group may propose could materially change the risk profile of Cromwell's business and impact your remaining Cromwell investment, including the ability to pay distributions and realise future value. A significant capital gains tax impost may arise for Cromwell Securityholders where ARA Group pursues material asset divestments of Cromwell's property portfolio

ARA Group is a competitor to Cromwell. ARA Group's interests may not align with the interests of other Cromwell Securityholders.

ARA Group is a direct competitor to Cromwell in Australia and in Europe. ARA Group and Cromwell have previously both bid to acquire the same assets, including the 400 George Street Brisbane property (which Cromwell acquired in August 2019) and European assets. Your Cromwell Board does not believe ARA Group gaining effective control over the strategic direction of Cromwell is in the interests of all Cromwell Securityholders.

5 | Your Cromwell Directors believe it is in Cromwell Securityholders' interests to support Cromwell's current strategy versus facing an ongoing minority investment in an entity effectively controlled by ARA Group, a competitor of Cromwell

Cromwell announced on 4 February 2020 that it was undertaking a Strategic Review, with findings announced to the market on 4 June 2020. The Strategic Review provided additional validation for Cromwell's "Invest to Manage" strategy. The findings included that:

- Cromwell's business model was robust and resilient; and
- Cromwell's strategy was appropriate to deliver returns for Cromwell Securityholders within the Cromwell Board's risk tolerance

Cromwell has responded resiliently to COVID-19, with the business continuing to be fully operational with minimal disruption to services, and is well positioned to not only withstand downside case scenarios but also to take advantage of any opportunities that emerge from market dislocation.

Cromwell's Invest to Manage strategy has continued to progress throughout this period, albeit at a more measured pace given the impact of COVID-19 on market activity, the ability of investors to inspect properties and the willingness of investors to deploy capital in uncertain times. Cromwell's recent initiatives have included:

- the acquisition of a portfolio of seven DHL logistics assets in conjunction with IGIS Asset Management to seed a new Cromwell European Logistics Fund, expected to launch in the December 2020 quarter;
 - the proposed launch of Status Cromwell Data Centre Fund (SCDC Fund), a new data centre property fund with Status Data Centres (SDC) targeting US\$1 billion of assets across Europe and Asia Pacific;
-

- the sale of a 50% stake in 475 Victoria Avenue, Chatswood for \$120 million to a BlackRock managed private fund, and Cromwell's entry into a joint venture relationship with BlackRock for the expansion of the asset;
- negotiations with capital partners for 400 George Street Brisbane, currently on hold while travel restrictions are still in place; and
- practical completion and handover of the first stage of Greenway Views to LDK, Cromwell's Seniors Living joint venture.

Cromwell owns a resilient Australian portfolio with 45% of gross passing income derived from government and government authorities and a long Weighted Average Lease Expiry (WALE) of 6.2 years, providing a high degree of certainty over rental income throughout the pandemic and beyond.

Cromwell's Indirect Investment segment has also benefitted from strong performance in CEREIT, in which Cromwell holds a 31% interest. CEREIT has outperformed two years of IPO forecasts and grown the portfolio from €1.4 billion at IPO to €2.1 billion as at 30 June 2020. The vehicle has remained resilient throughout the COVID-19 pandemic, achieving an average 12.1% positive rent reversion for new leases signed in the quarter to 30 March 2020, despite containment measures across Europe in response to COVID-19.

Your Cromwell Board recommends you **REJECT** ARA's Proportional Offer and retain ownership of all your Cromwell Stapled Securities to benefit fully from Cromwell's "Invest to Manage" strategy.

6 | Your current Cromwell Board knows Cromwell's business, is best placed and has the appropriate skills and relevant experience to drive Cromwell's performance

The current Cromwell Board comprises the CEO and five independent Non-executive Directors. Under the fourth edition of the ASX Corporate Governance Principles and Recommendations, a majority of the board of a listed entity should be independent directors to ensure that the board's decision making is not dominated by particular stakeholders and maximise the likelihood that decisions of the board will reflect the best interests of securityholders generally (rather than the interests of a particular securityholder).

Your Cromwell Board believes ARA Group may seek to replace some or all of Cromwell's existing independent Non-executive Directors with non-independent, conflicted ARA Group nominees if it gains effective control of Cromwell.

The experience, knowledge and expertise of Cromwell's independent Non-executive Directors, and their understanding of Cromwell's business, make them best positioned to oversee management in driving long term value, while guiding Cromwell through the current difficult trading conditions and market volatility.

Your Cromwell Board regularly reviews whether the Cromwell Directors individually, and the Board collectively, have the skills, knowledge and familiarity with the business and its operating environment that are required to fulfil their role on the Board and on Board Committees, and takes necessary action where gaps exist. The Cromwell Board comprises Directors with international business experience, including experience in Europe, which is a core target market for Cromwell.

Mr Leon Blitz – Independent Non-executive Chair

Leon Blitz joined the Cromwell Board in 2017 as an independent Non-executive Director, before being elected as independent Non-executive Deputy Chair in October 2019. Mr Blitz was elected as independent Non-executive Chair in February 2020.

Mr Blitz has extensive experience in European markets, and a deep understanding of property, banking and risk management, having worked at Investec Bank for over 20 years, including as Head of Principal Investments, Private Banking and Property Lending. Mr Blitz also managed acquisition and integration processes for the Investec Group in UK and European jurisdictions, and has a significant track record as a deal maker and fundraiser with extensive experience in working with high performance management teams to develop and execute corporate strategies and implementation plans.

He is the co-founder and CEO of Grovepoint, a London-based private equity and FCA regulated investment management firm which manages and invests principal, institutional and family office funds. He has acted as a Non-executive Director of a number of companies in the UK and Europe and is on the governance and advisory board of a London-based industrial investment holding company, as well as playing a leading role in governing a number of LLP investment and GP management partnerships.

Mr Blitz is the Chair of an international London-based chamber of commerce and plays a leadership role in a number of charitable and communal organisations. He is a Chartered Accountant and trained at Arthur Andersen.

Mr Paul Weightman – Managing Director/Chief Executive Officer

Paul Weightman, Cromwell's Managing Director/Chief Executive Officer, was a founding Director of Cromwell, acted as its Executive Chair from 1998 to 2008 and has acted in his current role since 2008, driving Cromwell's strategic development from a small retail syndicator to an ASX200 international real estate investor and funds manager.

Mr Weightman has extensive Australian and international experience in real estate investment and management and has legal, commercial and corporate experience in areas including mergers and acquisitions, revenue matters, property development, corporate and financial structuring, public listings, joint ventures and funds management.

Mr Weightman sits on the Boards of Cromwell Investment Services Limited and Cromwell EREIT Management Pte. Ltd., the latter of which is a licensed REIT manager with the Monetary Authority of Singapore.

He practised as a solicitor for more than 20 years, acted as Managing Partner of a national law firm and continues to hold a practising certificate as a solicitor of the Supreme Court of Queensland. Mr Weightman is also a Fellow of the Royal Institution of Chartered Surveyors and is an approved person registered with the Financial Conduct Authority (UK).

Further details of the other Cromwell Directors can be found in Section 5.6 of this Target's Statement.

The existing Cromwell Board is deeply familiar with the Cromwell business and its core markets, and has the commitment, sense of conviction, appropriate skills and relevant experience to continue to oversee management to deliver returns for all Cromwell Securityholders (of which ARA Group is one). ARA Group has called yet another EGM to attempt to push for ARA Group nominee directors, Gary Weiss (again) and Joseph Gersh, to be elected to the Cromwell Board. Your Cromwell Directors believe this attempt from ARA Group would not be in the best interests of all Cromwell Securityholders and recommend you reject this resolution at the EGM³¹.

7 Accepting ARA's Proportional Offer will have important implications for your Cromwell Securityholder rights and remaining investment in Cromwell during the Offer Period

If you choose to accept ARA's Proportional Offer, you will give up your right to sell 29% of your Cromwell Stapled Securities or otherwise deal with them while ARA's Proportional Offer remains open, and ARA Group will be entitled to all Rights to which you become entitled on or after the date of the Bidder's Statement in respect of those Cromwell Stapled Securities accepted into the Offer.

As ARA BidCo has declared ARA's Proportional Offer unconditional, ARA BidCo will be able to exercise the rights attaching to your Cromwell Stapled Securities accepted into ARA's Proportional Offer. This means that once you accept ARA's Proportional Offer:

1. ARA **BidCo** and any nominee of ARA **BidCo** will be entitled to attend general meetings of Cromwell (including the EGM scheduled for 18 September 2020 to consider the election of ARA's nominees to the Cromwell Board) and vote on your behalf in relation to your Cromwell Stapled Securities accepted into ARA's Proportional Offer, and you will have agreed that in exercising those rights, ARA BidCo and each of its nominees may act in the interests of ARA BidCo.

³¹ Scheduled for 18 September 2020. Refer to ARA's Notice of General Meeting and Explanatory Statement attached to Cromwell's announcement to the ASX on 20 August 2020.

These rights will be in addition to ARA Group's current voting power of 26.68% of Cromwell Stapled Securities, which ARA Group may seek to exercise at the EGM ARA Group have called to consider the election of two ARA Group nominee directors (Gary Weiss (again) and Joseph Gersh)³²; and

2. you will retain your right to attend and vote at any general meeting of Cromwell but only in relation to the remaining 71% of your Cromwell Stapled Securities.

If you accept ARA's Proportional Offer, you will not be able to withdraw your acceptance in the event of a superior proposal and will therefore not be entitled to the benefit of any such superior proposal in relation to those Cromwell Stapled Securities accepted into ARA's Proportional Offer.

If you accept ARA's Proportional Offer and subsequently sell the remaining 71% of your Cromwell Stapled Securities during the Offer Period, those remaining Securities sold (none of which can be accepted into ARA's Proportional Offer) will trade on a deferred settlement basis, meaning you will not receive the proceeds from the sale until after the end of the Offer Period (which may be extended by ARA Group up to 12 months from the date ARA's Proportional Offer opens).

32 Refer to ARA's Notice of General Meeting and Explanatory Statement attached to Cromwell's announcement to the ASX in response on 20 August 2020.

2. Frequently asked questions

This section answers some questions that Cromwell Securityholders may have in relation to ARA's Proportional Offer. It is not intended to address all relevant issues for Cromwell Securityholders. You should read the entire Target's Statement before deciding whether to accept ARA's Proportional Offer.

No	Question	Answer
1.	What is the Target's Statement?	This Target's Statement is Cromwell's formal response to ARA's Proportional Offer and includes important information to consider before deciding whether to accept ARA's Proportional Offer.
2.	What is the Bidder's Statement?	The Bidder's Statement is the document dated 17 August 2020 prepared by ARA Real Estate Investors 28 Limited, a wholly owned subsidiary of ARA Asset Management Holdings Pte. Ltd., which sets out the terms of ARA's Proportional Offer, a copy of which was lodged with ASIC and released to the ASX on 17 August 2020.
3.	Who is the bidder?	<p>The Bidder is ARA Real Estate Investors 28 Limited, a company incorporated in the Cayman Islands, and a wholly owned subsidiary entity of ARA Asset Management Holdings Pte. Ltd., a company incorporated in Singapore with company number 2016298330D.</p> <p>Information about the ARA Group is set out in Section 6 of this Target's Statement and Section 1 of the Bidder's Statement.</p>
4.	What is ARA's Proportional Offer?	<p>ARA Group, via ARA BidCo, is making an unsolicited proportional off-market takeover bid. ARA Group is offering to acquire 29% of your Cromwell Stapled Securities (rounded down to the nearest security) for \$0.92³³ cash per Cromwell Stapled Security.</p> <p>The Offer Price of \$0.92 per Cromwell Stapled Security will be reduced by the value of any Rights which you (or any previous holder of your Cromwell Stapled Securities) become entitled to receive on or after 17 August 2020 (the date of the Bidder's Statement) in respect of the proportion of your Cromwell Stapled Securities agreed to be sold under the Proportional Offer.</p> <p>As the Offer is a proportional offer, you may only accept ARA's Proportional Offer for 29% of your Cromwell Stapled Securities, unless accepting ARA's Proportional Offer would leave you holding less than a Marketable Parcel of Cromwell Stapled Securities, in which case ARA's Proportional Offer extends to all your Cromwell Stapled Securities, and accepting ARA's Proportional Offer will deem you to have accepted ARA's Proportional Offer for all your Cromwell Stapled Securities.³⁴</p> <p>Refer to Section 4 of this Target's Statement for further information.</p>
5.	If I accept ARA's Proportional Offer, will I be entitled to any future Cromwell distributions?	<p>If you accept ARA's Proportional Offer, you will not be entitled to receive any future Cromwell distributions, dividends or benefits attributable to those Cromwell Stapled Securities accepted into the Proportional Offer.</p> <p>If you become entitled to receive (or any previous holder of your Cromwell Stapled Securities became entitled to receive) on or after 17 August 2020 any distributions, dividends or benefits in relation to your Cromwell Stapled Securities accepted into the Offer, ARA BidCo is entitled to reduce the Offer Price by the amount or value of such distributions, dividends and benefits, provided ARA BidCo has not been paid or issued those distributions, dividends and benefits.</p>

³³ The Offer Price will be reduced by the amount of any Rights which you (or any previous holder of your Cromwell Stapled Securities) become entitled to receive in respect of your Cromwell Stapled Securities on or after the date of the Bidder's Statement.

³⁴ This is subject to sections 618(2) to (6D) of the Corporations Act, inserted by ASIC Class Order 13/521.

No	Question	Answer
6.	If I accept ARA's Proportional Offer, can I later change my mind?	Once you accept ARA's Proportional Offer, you will not be able to withdraw your acceptance.
7.	What is ARA Group's current Relevant Interest in Cromwell?	ARA Group is a substantial securityholder, with a Relevant Interest in 697,239,866 Cromwell Stapled Securities and voting power of 26.68% as at 7 August 2020. If ARA's Proportional Offer is successful, ARA Group would hold approximately 47.9% ³⁵ of Cromwell Stapled Securities.
8.	What do the Cromwell Directors recommend?	Your Cromwell Directors unanimously recommend that you REJECT ARA Group's attempts to take effective control of Cromwell by stealth. REJECT ARA Group's hostile, unsolicited and opportunistic Proportional Offer. VOTE AGAINST ARA Group's board nominations. IGNORE all documents from ARA Group.
9.	What are the reasons for the Cromwell Directors' unanimous recommendation to reject ARA's Proportional Offer?	Your Cromwell Directors recommend you REJECT ARA's Proportional Offer for the following reasons: <ol style="list-style-type: none"> 1. the Proportional Offer from ARA Group, a competitor of Cromwell, is an attempt to grab effective control of Cromwell from Cromwell Securityholders without offering to acquire 100% of your Cromwell Stapled Securities at a price that the Cromwell Board believes is significantly below Cromwell's fundamental value; 2. ARA's Proportional Offer for only 29% of your Cromwell Stapled Securities is highly opportunistic and significantly undervalues Cromwell; 3. the Proportional Offer from ARA Group does not provide any premium for effective control of Cromwell; 4. ARA Group has an extremely poor track record of managing other listed REITs, has outlined no clear future strategy for Cromwell, and its intentions may have severe adverse implications for your remaining investment in Cromwell; 5. your Cromwell Directors believe it is in Cromwell Securityholders' interests to support Cromwell's current strategy versus being forced into facing an ongoing minority investment in an entity effectively controlled by ARA Group, a competitor of Cromwell; 6. your current Cromwell Board knows Cromwell's business, and is best placed and has the appropriate skills and relevant experience to drive Cromwell's performance; and 7. accepting ARA's Proportional Offer will have important implications for your Cromwell Securityholder rights and remaining investment in Cromwell during the Offer Period. Refer to Section 1.1(c) of this Target's Statement for further information.
10.	What do the Cromwell Directors intend to do with their own Cromwell Stapled Securities?	Each Cromwell Director who holds or controls Cromwell Stapled Securities intends to REJECT ARA's Proportional Offer in relation to those Cromwell Stapled Securities.

35 This excludes the potential acquisition by ARA BidCo of less than Marketable Parcels of Cromwell Stapled Securities (as contemplated under section 7.1(d) of the Bidder's Statement). Refer to Section 4.3 of this Target's Statement.

No	Question	Answer
11.	What choices do I have?	<p>As a Cromwell Securityholder, you have the following choices in relation to your Cromwell Stapled Securities:</p> <p>REJECT ARA's Proportional Offer by simply TAKING NO ACTION. IGNORE all documents sent to you by ARA Group. Your Cromwell Directors unanimously recommend this option;</p> <ul style="list-style-type: none"> • sell some or all of your Cromwell Stapled Securities on ASX (except to the extent you have previously accepted ARA's Proportional Offer), in which case the purchaser of those Cromwell Stapled Securities may accept ARA's Proportional Offer within the Offer Period in respect of 29% of the Cromwell Stapled Securities they acquire; or • accept ARA's Proportional Offer for 29% of your Cromwell Stapled Securities, receive cash consideration and either: <ul style="list-style-type: none"> • retain the remaining 71% of your Cromwell Stapled Securities; or • sell any or all of the remaining 71% of your Cromwell Stapled Securities on ASX – any purchaser of those Cromwell Stapled Securities will not be able to accept ARA's Proportional Offer in respect of any of those Cromwell Stapled Securities. Any sale of the remaining 71% of your Cromwell Stapled Securities during the Offer Period will trade on a deferred settlement basis, meaning settlement will only occur after the Offer Period has ended (which may be several months, if the Offer Period is extended by ARA Group). <p>However, if accepting ARA's Proportional Offer would leave you holding less than a Marketable Parcel of Cromwell Stapled Securities, ARA's Proportional Offer extends to all your Cromwell Stapled Securities and your acceptance of ARA's Proportional Offer will be deemed to be acceptance of ARA's Proportional Offer for all your Cromwell Stapled Securities.</p> <p>There are implications for you in relation to each of these choices. An outline of key implications is set out in Section 3.2 of this Target's Statement.</p>
12.	Can I accept ARA's Proportional Offer for all or some of my Cromwell Stapled Securities?	<p>ARA's Proportional Offer is a proportional takeover offer to acquire 29 out of every 100 Cromwell Stapled Securities³⁶ held by each Cromwell Securityholder other than by ARA Group. You may only accept ARA's Proportional Offer for 29% of your holding of Cromwell Stapled Securities.</p> <p>However, if accepting ARA's Proportional Offer would leave you holding less than a Marketable Parcel of Cromwell Stapled Securities, ARA's Proportional Offer will extend to all your Cromwell Stapled Securities and if you accept ARA's Proportional Offer you will be deemed to have accepted ARA's Proportional Offer for all your Cromwell Stapled Securities.</p> <p>If you accept ARA's Proportional Offer, you will be able to sell any or all of the remaining 71% of your Cromwell Stapled Securities on ASX. However, any purchaser of those Cromwell Stapled Securities will not be able to accept ARA's Proportional Offer in respect of any of those Cromwell Stapled Securities. Any sale of the remaining 71% of your Cromwell Stapled Securities during the Offer Period will trade on a deferred settlement basis, meaning settlement will only occur after the Offer Period has ended (which may be several months depending on any extension of the Offer Period by ARA Group).</p>

36 Rounded down to the nearest security.

No	Question	Answer
13.	How do I reject ARA's Proportional Offer?	To REJECT ARA's Proportional Offer, simply IGNORE all documents from ARA Group. This is your Cromwell Directors' unanimous recommendation.
14.	How do I accept ARA's Proportional Offer?	Details of how to accept ARA's Proportional Offer are set out in Section 7.3 of the Bidder's Statement.
15.	When do I have to make a decision?	<p>If you wish to follow your Cromwell Directors' unanimous recommendation to REJECT ARA's Proportional Offer, simply IGNORE all documents from ARA Group.</p> <p>If you wish to accept ARA's Proportional Offer, you must do so before its scheduled closing date. ARA Group has stated ARA's Proportional Offer remains open until 21 September 2020.</p> <p>It is possible that ARA Group may extend the Offer Period in accordance with the Corporations Act.</p>
16.	What are the conditions to ARA's Proportional Offer?	The Proportional Offer is unconditional as ARA BidCo declared its Proportional Offer free from all conditions on 24 August 2020.
17.	Can ARA Group vary ARA's Proportional Offer?	<p>ARA has stated that the Offer Price is final and, in the absence of a competing proposal emerging, will not be increased.</p> <p>ARA Group can extend the Offer Period.</p>
18.	Will ARA Group increase its Offer Price?	ARA Group has stated that the Offer Price of \$0.92 per Cromwell Stapled Security is final and, in the absence of a competing proposal emerging, will not be increased further.
19.	What happens if another offer emerges, or ARA Group increases its Offer Price following a competing proposal?	If another offer emerges, or ARA Group increases its Offer Price following a competing proposal, your Cromwell Directors will carefully consider the revised offer and advise Cromwell Securityholders accordingly.
20.	What happens if I accept ARA's Proportional Offer and a superior offer is made by a third party for my Cromwell Stapled Securities?	If you accept ARA's Proportional Offer, you will be unable to accept any other superior offer that may emerge. As at the date of this Target's Statement, your Cromwell Directors are not aware of any other competing expression of interest or proposal that may develop into a superior offer.
21.	Can ARA Group extend the closing date of its Proportional Offer?	<p>Yes. ARA Group has stated that ARA's Proportional Offer remains open until 21 September 2020. It is possible that ARA Group may choose to extend the Offer Period in accordance with the Corporations Act.</p> <p>In addition, the Offer Period may be extended automatically in certain circumstances. See Section 4 of this Target's Statement for details of the circumstances in which the Offer Period can be extended.</p>
22.	Can I sell my Cromwell Stapled Securities on-market?	<p>Yes, you can sell some or all your Cromwell Stapled Securities on ASX unless you have accepted ARA's Proportional Offer in respect of those Cromwell Stapled Securities.</p> <p>If you sell your Cromwell Stapled Securities on-market, however, you may incur brokerage costs.</p> <p>If you accept the Proportional Offer for 29% of your Cromwell Stapled Securities, you can sell the remaining 71% of your Cromwell Stapled Securities on-market. However, any transferee will not be able to accept the Proportional Offer in respect of any of those remaining Cromwell Stapled Securities and any such on-market sale during the Offer Period will trade on a deferred settlement basis.</p>

No	Question	Answer
23.	What happens if I do nothing?	If you do nothing, you will remain a Cromwell Securityholder and retain 100% of your Cromwell Stapled Securities.
24.	Can I be forced to sell a proportion of my Cromwell Stapled Securities?	You cannot be forced to sell your Cromwell Stapled Securities unless ARA Group is legally allowed to proceed to compulsory acquisition of your Cromwell Stapled Securities. As ARA Group is making a Proportional Offer for 29% of Cromwell Stapled Securities, it will not be entitled to proceed with compulsory acquisition of those Cromwell Stapled Securities it does not already own at the end of the Offer Period.
25.	Does ARA's Proportional Offer extend to Cromwell Performance Rights?	No. ARA's Proportional Offer will not extend to any Cromwell Stapled Securities that may be issued following the exercise, conversion or vesting of the Cromwell Performance Rights. Refer to Section 9.2 of this Target's Statement.
26.	What are the risks associated with continuing to hold Cromwell Stapled Securities?	Those risks are outlined in Section 7 of this Target's Statement.
27.	When will I be paid if I accept ARA's Proportional Offer?	ARA BidCo has announced on 24 August 2020 that it will pay Cromwell Securityholders who validly accept ARA's Proportional Offer no later than five business days after ARA BidCo's receipt of the valid acceptance.
28.	What happens to my remaining Cromwell Stapled Securities if I accept ARA's Proportional Offer?	You will continue to hold your remaining Cromwell Stapled Securities except where accepting ARA's Proportional Offer would leave you with less than a Marketable Parcel of Cromwell Stapled Securities and, in certain circumstances, ARA's Proportional Offer extends to all your Cromwell Stapled Securities. If you subsequently sell your remaining Cromwell Stapled Securities during the Offer Period, these remaining Stapled Securities cannot be accepted into ARA's Proportional Offer and will trade on a deferred settlement basis, meaning settlement will only occur after the Offer Period has ended (which may be several months, if the Offer Period is extended by ARA Group).
29.	What if accepting ARA's Proportional Offer leaves me with less than a Marketable Parcel?	If accepting ARA's Proportional Offer would leave you with less than a Marketable Parcel of Cromwell Stapled Securities, ARA's Proportional Offer will extend to all your Cromwell Stapled Securities, subject to certain limitations under section 618(2) of the Corporations Act (as modified by ASIC Class Order 13/521). Refer to Section 4.3 of this Target's Statement for further details.
30.	What are ARA's intentions?	If ARA's Proportional Offer is successful, ARA Group may come to hold up to 47.9% ³⁷ of Cromwell Stapled Securities if all Cromwell Securityholders accept ARA's Proportional Offer. ARA Group has also called an EGM to attempt to push for two ARA Group-nominee directors to be elected to the Cromwell Board, and has indicated an intention to recommend the Cromwell Board undertake a broad based strategic and financial review of the Cromwell business.

³⁷ This excludes the potential acquisition by ARA Group of less than Marketable Parcels of Cromwell Stapled Securities. Refer to Section 4.3 of this Target's Statement.

No	Question	Answer
31.	What is the purpose of the Extraordinary General Meeting?	<p>The EGM has been called by ARA Group, pursuant to section 249F of the Corporations Act, in order to consider the election of two ARA Group nominee directors to be elected to the Cromwell Board.</p> <p>The Cromwell Board recommends Cromwell Securityholders vote against the proposed election of ARA Group nominees to the Cromwell Board and ignore any documentation from ARA Group in relation to the EGM. Refer to Cromwell's letter in relation to the EGM sent to Cromwell Securityholders accompanied by official proxy forms, as lodged with ASX on 21 August 2020.</p>
32.	Do I pay brokerage or stamp duty if I accept ARA's Proportional Offer?	<p>No brokerage or stamp duty will be payable by you on acceptance of ARA's Proportional Offer.</p> <p>If your Cromwell Stapled Securities are registered in a CHESS Holding or you hold your Cromwell Stapled Securities through a bank, custodian or other nominee, you should ask your Controlling Participant (usually your broker), or the bank, custodian or other nominee whether it will charge any transaction fees or service charges in connection with your acceptance of ARA's Proportional Offer.</p>
33.	What are the tax implications of accepting ARA's Proportional Offer?	<p>A general outline of the tax implications for certain Australian resident Cromwell Securityholders of accepting ARA's Proportional Offer are set out in Section 8 of this Target's Statement. As that outline is general in nature and does not take into account your individual circumstances, you should not rely on that outline as advice for your particular circumstances.</p> <p>You should seek your own independent advice on the taxation implications applicable to your specific circumstances.</p>
34.	What if I would like further information?	<p>If you have any questions about ARA's Proportional Offer, please call Cromwell's Investor Services Team on 1300 268 078 (within Australia) or +61 7 3225 7777 (outside Australia) or email invest@cromwell.com.au or visit www.cromwellpropertygroup.com for more information.</p>

3. Your choices as a Cromwell Securityholder

3.1 CROMWELL DIRECTORS' UNANIMOUS RECOMMENDATION

Your Cromwell Directors unanimously recommend that you **REJECT** ARA's Proportional Offer by simply **TAKING NO ACTION**.

Each Director who holds or controls Cromwell Stapled Securities intends to **REJECT** the Proportional Offer in relation to those securities.

3.2 CHOICES AVAILABLE TO CROMWELL SECURITYHOLDERS

As a Cromwell Securityholder, you have the following choices available to you.

(a) REJECT ARA Group's attempts to take control of Cromwell by stealth.

REJECT ARA Group's hostile, unsolicited and opportunistic Proportional Offer.

IGNORE all documents from ARA Group.

You are not required to take any action to reject ARA's Proportional Offer. In particular, you should not complete or return the Acceptance Form that accompanied the Bidder's Statement nor should you respond to any documentation sent to you by ARA Group or any other communication from ARA Group (including email or telephone solicitation or canvassing by ARA Group or its representatives).

If you decide to do nothing, you will not receive the Offer Price for 29% of your Cromwell Stapled Securities and you will retain your entire Cromwell Securityholding subject to the risks associated with holding Cromwell Stapled Securities. You will remain exposed to those risks even if you accept ARA's Proportional Offer as you will retain 71% of your Cromwell Stapled Securities³⁸.

For further information on these risks, refer to Section 7 of this Target's Statement.

(b) Sell your Cromwell Stapled Securities on ASX

During the Offer Period, you may sell your Cromwell Stapled Securities on-market through ASX at the prevailing market price for cash (less any brokerage), provided you have not already accepted ARA's Proportional Offer for those Cromwell Stapled Securities.

If you do not accept the Proportional Offer in respect of 29% of your Cromwell Stapled Securities, you may sell your Cromwell Stapled Securities on-market and the transferee will then be entitled to accept the Proportional Offer during the Offer Period in respect of 29% of the Cromwell Stapled Securities.

The latest trading price for Cromwell Stapled Securities may be obtained from the ASX website at www.asx.com.au using the code 'CMW'.

If you sell your Cromwell Stapled Securities on-market, you:

- will receive certain consideration for those Cromwell Stapled Securities
- will lose the ability to accept ARA's Proportional Offer and receive the Offer Price (and any possible increase in the Offer Price³⁹) in relation to those Cromwell Stapled Securities;
- will lose the ability to accept any offer from a competing bidder, if one eventuates, in respect of those Cromwell Stapled Securities;
- may incur a brokerage charge;
- will lose the opportunity to receive future returns from Cromwell in respect of those Cromwell Stapled Securities; and
- may incur a tax liability on the sale.

³⁸ Other than in the case where accepting the Proportional Offer will leave you holding less than a Marketable Parcel, in which case the Proportional Offer extends to all your Cromwell Stapled Securities and if you accept, you will be deemed to have accepted the Proportional Offer for all your Cromwell Stapled Securities.

³⁹ ARA Group has stated that the Offer Price will not be increased further, in the absence of a competing proposal emerging.

You should contact your broker for information on how to sell your Cromwell Stapled Securities through ASX and your tax advisor to determine your tax implications from such a sale.

(c) Accept ARA's Proportional Offer

Your Cromwell Directors unanimously recommend that you REJECT ARA's Proportional Offer.

However, if you choose to accept ARA's Proportional Offer, you should follow the instructions in Section 7.3 of the Bidder's Statement and on the acceptance form accompanying the Bidder's Statement.

If you accept ARA's Proportional Offer:

- your acceptance is only in respect of 29% of your Cromwell Stapled Securities;
- you will retain the remaining 71% of your Cromwell Stapled Securities to which ARA's Proportional Offer does not extend, unless accepting the Proportional Offer leaves you with less than a Marketable Parcel (refer to Section 4.3 of this Target's Statement);
- if you become entitled to receive (or any previous holder of your Cromwell Stapled Securities became entitled to receive) on or after 17 August 2020 any distributions, dividends or benefits, ARA BidCo is entitled to reduce the Offer Price by the amount or value of such distributions, dividends and benefits⁴⁰;
- you will not be able to withdraw your acceptance and accept any competing offer for those Cromwell Stapled Securities accepted into the Proportional Offer, if one eventuates; and
- you may incur a tax liability on the disposal of your Cromwell Stapled Securities (refer to Section 8 of this Target's Statement and section 5 of the Bidder's Statement).

If you accept ARA's Proportional Offer, you may then choose to retain the remaining 71% of your Cromwell Stapled Securities or sell some or all of the remaining 71% of your Cromwell Stapled Securities on-market. If you sell your remaining Cromwell Stapled Securities on-market, any transferee will not be able to accept the Proportional Offer in relation to those Cromwell Stapled Securities and settlement of the trades will be deferred until after the end of the Offer Period.

If accepting ARA's Proportional Offer would leave you holding less than a Marketable Parcel of Cromwell Stapled Securities, ARA's Proportional Offer extends in certain circumstances to all your Cromwell Stapled Securities and if you accept ARA's Proportional Offer, you will then be deemed to have accepted ARA's Proportional Offer for all your Cromwell Stapled Securities.

If ARA Group improves the Offer Price under ARA's Proportional Offer⁴¹, all Cromwell Securityholders will be entitled to the benefit of that improved consideration, whether or not they have accepted ARA's Proportional Offer before that improvement in the Offer Price.

⁴⁰ Provided ARA BidCo has not been paid or issued those distributions, dividends and benefits.

⁴¹ ARA Group has stated that the Offer Price of \$0.92 per Cromwell Stapled Security will not be increased further, in the absence of a competing proposal emerging.

4. Information about ARA's Proportional Offer and other important matters

4.1 SUMMARY OF ARA'S PROPORTIONAL OFFER

ARA Group, through ARA BidCo, is offering to acquire 29% of the Cromwell Stapled Securities held by each Cromwell Securityholder (rounded down to nearest whole number of Cromwell Stapled Securities).

ARA's Proportional Offer is a proportional takeover offer entitling Cromwell Securityholders to accept for 29% of their Cromwell Stapled Securities and not more or less.⁴²

4.2 OFFER PRICE

ARA Group, through ARA BidCo, is offering \$0.92⁴³ cash for each Cromwell Stapled Security accepted into the Proportional Offer. ARA Group has stated that the Offer Price is final and, in the absence of a competing proposal emerging, will not be increased.

The Offer Price of \$0.92 per Cromwell Stapled Security will be reduced by the value of any Rights which you (or any previous holder of your Cromwell Stapled Securities) become entitled to receive on or after 17 August 2020 (the date of the Bidder's Statement) in respect of your Cromwell Stapled Securities agreed to be sold under the Proportional Offer.

4.3 ARA'S PROPORTIONAL OFFER

ARA's Proportional Offer is an offer to acquire only 29% of the Cromwell Stapled Securities (rounded down to nearest whole number of Cromwell Stapled Securities) held by a Cromwell Securityholder.

As ARA's Proportional Offer is a proportional takeover offer, it does not provide Cromwell Securityholders with the ability to sell their entire Cromwell Securityholding into ARA's Proportional Offer. However, if accepting ARA's Proportional Offer would leave you with less than a Marketable Parcel of Cromwell Stapled Securities, ARA's Proportional Offer will extend to all your Cromwell Stapled Securities⁴⁴, and if you accept ARA's Proportional Offer you will be deemed to have accepted ARA's Proportional Offer for all your Cromwell Stapled Securities.

If you accept ARA's Proportional Offer in respect of 29% of your Cromwell Stapled Securities:

- you will receive the Offer Price per Cromwell Stapled Security for 29% of your Cromwell Stapled Securities;
- you will retain the remaining 71% of Cromwell Stapled Securities, and will not be entitled to accept ARA's Proportional Offer for those remaining Cromwell Stapled Securities; and
- while you can sell your remaining Cromwell Stapled Securities, any transferee will not be able to accept ARA's Proportional Offer in relation to those Cromwell Stapled Securities.

If you accept ARA's Proportional Offer, your remaining Cromwell Stapled Securities can only be sold on-market on a deferred settlement basis so that the sale will not settle, and you will not receive the proceeds of sale, until after the end of the Offer Period.

Special ASX trading and settlement arrangements are expected to be put in place during the Offer Period in order to ensure that not more than 29% of each parcel of Cromwell Stapled Securities is accepted into ARA's Proportional Offer, irrespective of who holds those Cromwell Stapled Securities (except where acceptance of ARA's Proportional Offer results in the Cromwell Stapled Securities constituting a Unmarketable Parcel).

4.4 REGULATORY APPROVALS

In section 6.7 of the Bidder's Statement, ARA Group has stated that it has obtained all necessary regulatory approvals required in connection with ARA's Proportional Offer, including a notice of no objection from the Foreign Investment Review Board (FIRB) permitting it to acquire all Cromwell Securities which may be accepted under the Offer, subject only to common tax disclosure conditions and access conditions which will not adversely affect the Cromwell business. ARA Group also states that ARA's Proportional Offer is not subject to any regulatory conditions.

⁴² Subject to certain terms detailed in Section 7.1(b) to 7.1(f) of the Bidder's Statement.

⁴³ The Offer Price will be reduced by the amount of any Rights which you (or any previous holder of your Cromwell Stapled Securities) become entitled to receive in respect of your Cromwell Stapled Securities on or after the date of the Bidder's Statement.

⁴⁴ This does not apply to a parcel of Cromwell Stapled Securities (whether held beneficially or otherwise) that has come into existence or increased in size because of a transaction entered into (including the creation of one or more trusts) after the Announcement Date (in accordance with section 618(2) of the Corporations Act, inserted by ASIC Class Order 13/521).

4.5 OFFER PERIOD

ARA's Proportional Offer is open for acceptance until 7:00pm (Sydney time) on 21 September 2020, unless ARA's Proportional Offer is withdrawn or the Offer Period is extended in accordance with the Corporations Act.

ARA Group may extend the Offer Period at any time before the end of the Offer Period.

The Offer Period will be automatically extended if, within the last seven days of the Offer Period, ARA Group increases the Offer Price or its voting power in Cromwell increases to more than 50%. If either event occurs, the Offer Period is automatically extended for 14 days after the relevant event.

Before you accept ARA's Proportional Offer, ARA Group may withdraw ARA's Proportional Offer with the written consent of ASIC, subject to the conditions (if any) specified in the consent.

4.6 CONDITIONS OF ARA'S PROPORTIONAL OFFER

Following ARA BidCo having declared the Proportional Offer free from all conditions on 24 August 2020⁴⁵, the Proportional Offer is now unconditional.

4.7 ARA GROUP HAS DECLARED THE OFFER PRICE FINAL (IN THE ABSENCE OF A COMPETING PROPOSAL)

ARA Group has stated that the Offer Price is final and will not be increased further, in the absence of a competing proposal emerging.

If ARA increases the Offer Price in response to a competing proposal, all Cromwell Securityholders, whether or not they have already accepted ARA's Proportional Offer before then, will be entitled to receive that increased Offer Price.

4.8 ARA GROUP'S INTENTIONS

Section 3 of the Bidder's Statement sets out ARA Group's intentions in respect of Cromwell's business and operations in certain circumstances.

4.9 RISKS ASSOCIATED WITH ARA'S PROPORTIONAL OFFER

Cromwell Securityholders should be aware of the key risks associated with ARA's Proportional Offer.

Risks associated with accepting ARA's Proportional Offer

If you accept ARA's Proportional Offer, you are not able to withdraw your acceptance.

Refer to Section 7.2 of this Target's Statement for further details of the risks associated with accepting ARA's Proportional Offer.

Risks associated with rejecting ARA's Proportional Offer

If you choose to reject ARA's Proportional Offer, you will not receive the Offer Price for 29% of your Cromwell Stapled Securities.

Refer to Section 7.3 of this Target's Statement for further details of the risks associated with rejecting ARA's Proportional Offer.

4.10 CONSEQUENCES OF ARA GROUP ACQUIRING UP TO 47.9%

If ARA's Proportional Offer is successful, ARA Group may acquire up to 47.9%⁴⁶ of total issued Cromwell Stapled Securities.

If ARA Group acquires 47.9% of total issued Cromwell Stapled Securities, ARA Group may gain significant influence over Cromwell and effective control of Cromwell and the ability to change the Cromwell Board. ARA Group may gain effective control of Cromwell at ownership levels below 50% without paying Cromwell Securityholders a control premium, or even offering to acquire 100% of your securities.

⁴⁵ Refer to ARA Group's announcement to the ASX on 24 August 2020

⁴⁶ This excludes the potential acquisition by ARA Group of less than Marketable Parcels of Cromwell Stapled Securities. Refer to Section 4.3 of this Target's Statement.

ARA Group has called a third EGM to seek the election of two ARA Group nominees as directors to the Cromwell Board. In addition to ARA Group's current voting power of 26.68% of Cromwell Stapled Securities, ARA BidCo (and any nominee of ARA BidCo) will be entitled to vote on behalf of Cromwell Securityholders who accept ARA's Proportional Offer in respect of their Cromwell Stapled Securities accepted into ARA's Proportional Offer.

ARA Group will also be able to acquire additional Cromwell Stapled Securities after the end of the Offer Period to the extent permitted by law, including under the '3% creep' rule under the Corporations Act. If ARA Group comes to own a majority of the total issued Cromwell Stapled Securities, ARA Group will be in a position to cast the majority of votes at a general meeting of Cromwell Securityholders, therefore enabling it to control the composition of the Cromwell Board and senior management, and control the strategic direction of Cromwell and its businesses.

4.11 PROCEDURAL ASPECTS OF ARA'S PROPORTIONAL OFFER

Extension of the Offer Period

ARA Group may extend the Offer Period at any time before the end of the Offer Period.

In addition, there will be an automatic extension of the Offer Period if, within the last seven days of the Offer Period:

- ARA Group improves the consideration offered under ARA's Proportional Offer; or
- ARA Group's voting power in Cromwell increases to more than 50%.

If either of these events occur, the Offer Period is automatically extended so that it ends 14 days after the relevant event occurred.

Withdrawal of ARA's Proportional Offer

ARA Group may not withdraw ARA's Proportional Offer if you have already accepted it. Before you accept ARA's Proportional Offer, ARA Group may withdraw ARA's Proportional Offer with the written consent of ASIC and subject to the conditions (if any) specified in such consent.

Effect of acceptance

The effect of acceptance of ARA's Proportional Offer is set out in Section 3.2(c) of this Target's Statement and sections 7.1 and 7.5 of ARA Group's Bidder's Statement. Cromwell Securityholders should read these provisions in full to understand the effect that acceptance will have on their ability to exercise Rights attaching to their Cromwell Stapled Securities and the representations and warranties which they give by accepting ARA's Proportional Offer.

If you accept ARA's Proportional Offer for 29% of your Cromwell Stapled Securities, you will:

- relinquish control of 29% of your Cromwell Stapled Securities (to which ARA's Proportional Offer relates) to ARA Group;
- be unable to sell on ASX the 29% of your Cromwell Stapled Securities to which ARA's Proportional Offer relates; and
- be unable to accept any higher takeover bid that may be made by a third party or any alternative transaction that may be recommended by the Cromwell Board in respect of 29% of your Cromwell Stapled Securities to which ARA's Proportional Offer relates.

No right to withdraw your acceptance

If you accept ARA's Proportional Offer, you will not be entitled to withdraw your acceptance.

Timing for receipt of Offer Price if you accept

If you validly accept ARA's Proportional Offer, ARA BidCo has stated it will pay the Offer Price no later than five business days after ARA BidCo's receipt of the valid acceptance.

However, there are certain exceptions to the above timetable for payment of the Offer Price. Refer to section 7.15 of the Bidder's Statement for further details on the timing for payment of the consideration to Cromwell Securityholders who accept ARA's Proportional Offer.

Effect of an improvement in Offer Price for Cromwell Securityholders who have already accepted

ARA Group has stated that the Offer Price is final and will not be increased further, in the absence of a competing proposal emerging.

If ARA Group increases the Offer Price in response to a competing proposal during the last seven days of the Offer Period, the Offer Period will be automatically extended by a further 14 days.

If ARA Group increases the consideration offered under ARA's Proportional Offer, all Cromwell Securityholders, whether or not they have accepted ARA's Proportional Offer before then, will be entitled to the benefit of that increased consideration.

5. Profile of Cromwell

5.1 INTRODUCTION

Cromwell is an ASX-listed internally managed Australian real estate investment trust, specialising in the ownership and management of commercial property. Cromwell has \$11.5 billion of assets under management across Australia, New Zealand and Europe as at 30 June 2020. Cromwell is an active real estate manager and undertakes value-add projects and asset transformations, managed by its in-house property management team.

Cromwell is a stapled structure comprising CCL and CDPT, the responsible entity of which is CPSL. Each Cromwell Stapled Security comprises one share in CCL stapled to one unit in CDPT.

Cromwell was formed in 2006 by the merger of CDPT with five smaller unlisted property trusts and subsequent stapling to CCL.

5.2 BUSINESS OVERVIEW

As at 30 June 2020, Cromwell's global platform comprises over 462 employees across 29 offices in 14 countries, with its headquarters and registered office in Brisbane, Australia. Cromwell has a market capitalisation of \$2.3 billion as at the close of trading on the ASX on 21 August 2020.

A summary of Cromwell's key business segments is provided below.

Direct investment portfolio

- Balance sheet property portfolio**
- Sector leading Australian office portfolio across Core (\$2.4 billion), Core+ (\$0.6 billion) and Active (\$0.1 billion) as at 30 June 2020
 - Favourable lease expiry profile (6.2 year WALE⁴⁷) and portfolio is 45%⁴⁸ leased to government entities
 - Asset enhancement pipeline of over \$1.1 billion across several projects

Indirect investment portfolio

- CEREIT**
- Successfully transitioned short term European funds management mandates through listing of CEREIT on the SGX in November 2017
 - Total portfolio value of €2.1 billion with 94 properties across seven different European countries as at 30 June 2020
 - Cromwell holds a 31% interest in CEREIT and management rights to the entity
-
- CPRF**
- CPRF portfolio currently warehoused ahead of restructuring as Alternative Investment Fund (AIF) (currently on hold due to COVID-19 related market uncertainties)
-
- LDK**
- 50% interest in LDK Healthcare Pty Ltd (LDK) – a joint venture seniors living business
 - Comprises Greenway Views (Canberra, ACT) as well as The Landings (Turrumurra, NSW)

Funds and asset management platform

- European funds management platform**
- Scale and diversified European funds management platform focussed on Listed, Wholesale and Private Equity mandates
 - Over 228 employees and 18 regional offices across 11 countries providing on-the-ground local market knowledge and expertise
 - The platform currently has €3.5 billion of assets under management (AUM) as at 30 June 2020 with a medium term target of €8.0 billion
-
- A/NZ retail funds management platform**
- Diversified across unlisted Direct Property Funds and Property Securities Funds
 - 50% interest in NZ Fund Manager Oyster Property Group (Oyster) with NZ\$2.0 billion in AUM

47 As at 30 June 2020 based on Cromwell Property Group FY20 Results dated 27 August 2020 and released via ASX.

48 As at 30 June 2020 based on Cromwell Property Group FY20 Results dated 27 August 2020 and released via ASX.

5.3 DIRECT INVESTMENT PORTFOLIO

Cromwell owns a high quality property portfolio of Core, Core+ and Active properties predominantly located on Australia's eastern seaboard. Government-owned entities comprise 45%⁴⁹ of the portfolio's gross income and more than 40% of the portfolio is located in NSW, which benefits from strong occupier fundamentals. The portfolio features a favourable lease expiry profile (6.2 year WALE⁵⁰, with a substantial portion of fixed annual rental reviews providing a high degree of earnings visibility over future years.

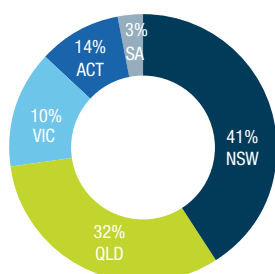
Proceeds from Cromwell's asset recycling strategy since 2010 have facilitated significant value add opportunities, with Cromwell's near term asset enhancement pipeline now over \$1.1 billion. Select near term asset enhancement projects include Victoria Avenue (Chatswood, NSW), 700 Collins Street (Melbourne, VIC) and Centenary House (Canberra, ACT).

A summary of Cromwell's key portfolio statistics is provided below.

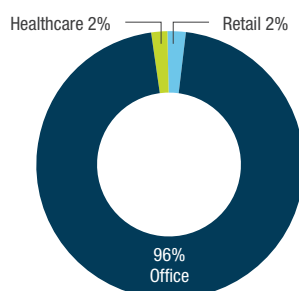
Key portfolio metrics				
(as at 30 June 2020)	Total	Core	Core+	Active
Value (\$ million)	3,005	2,347	596	62
% of portfolio	100 %	78%	20%	2 %
No. of assets	21	10	6	5
WALE (years)	6.2	7.5	3.0	0.3
Occupancy [%]	90.9%	99.2%	96.4%	38.0%

Source: Cromwell Property Group FY20 Results Presentation.

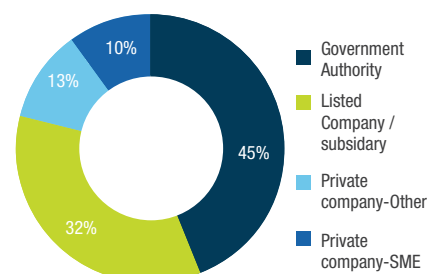
Geographic diversification^{51, 52}



Sector diversification^{53, 54}



Tenant classification^{55, 56, 57}



Source: Cromwell Property Group FY20 Results Presentation.

Top 4 tenants⁵⁸

Tenant	%	Credit Rating ⁵⁹
Federal Government	22.1 %	AAA
Qantas	15.1 %	Baa2
NSW State Government	12.1 %	AAA
QLD State Government	9.2 %	AA+
Total	58.5 %	

Source: Cromwell Property Group FY20 Results Presentation.

49 As at 30 June 2020 based on Cromwell Property Group FY20 Results dated 27 August 2020 and released via ASX.

50 As at 30 June 2020 based on Cromwell Property Group FY20 Results dated 27 August 2020 and released via ASX.

51 By gross passing income.

52 As at 30 June 2020 based on Cromwell Property Group FY20 Results dated 27 August 2020 and released via ASX.

53 As at 30 June 2020 based on Cromwell Property Group FY20 Results dated 27 August 2020 and released via ASX.

54 By gross passing income.

55 As at 30 June 2020 based on Cromwell Property Group FY20 Results dated 27 August 2020 and released via ASX.

56 By gross passing income.

57 Government authority includes Government owned and funded entities.

58 By gross passing income.

59 S&P Ratings as at 26 February 2020.

5.4 INDIRECT INVESTMENT OVERVIEW

CEREIT

Cromwell successfully listed CEREIT on the SGX in November 2017. CEREIT is an income focused S-REIT with a pan European commercial real estate mandate and is externally managed by Cromwell. The transaction enabled Cromwell to secure perpetual assets under management and associated fee revenue, consistent with Cromwell's strategy to increase its exposure to more permanent sources of capital. Initially, the CEREIT portfolio comprised 74 properties valued at €1.4 billion. Now, the CEREIT portfolio stands at €2.1 billion (51% increase since IPO) with 95⁶⁰ properties across seven different European countries. Cromwell holds a 31% interest in CEREIT.

CPRF

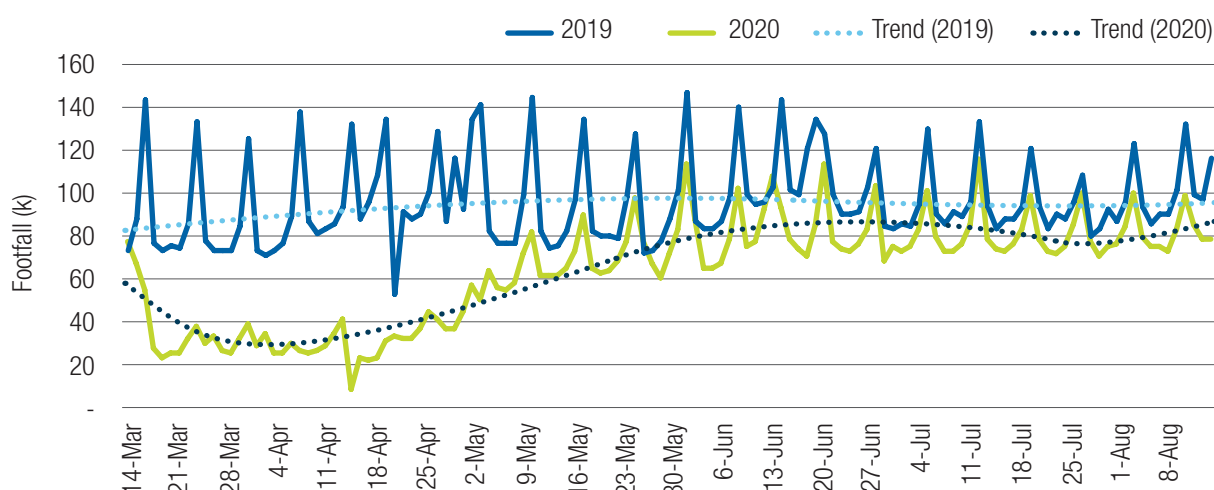
In November 2019, Cromwell acquired all third-party investor interests in CPRF. CPRF comprises six catchment-dominating shopping or convenience centres, plus a significant effective interest in a seventh (Ursynow) all anchored by significant hypermarket/grocery, DIY and non-discretionary retail, and was in the process of being restructured as a European AIF when the COVID-19 lockdown was announced in Poland in early calendar year 2020. Cromwell will recommence its strategy to sell-down of CPRF once the situation settles, targeting an eventual 20-30% stake. All seven assets were valued by external independent valuers as at 30 June 2020 which showed a minimal decrease of €31.4 million or 5.3%. As at 30 June 2020, the portfolio had a WALE of 4.7 years and was 95% occupied.

Whilst the performance of the CPRF portfolio was impacted by restrictions on retail trading spaces in response to COVID-19, they have rebounded strongly following the lifting of these restrictions.

FY20 COVID-19 position – CPRF

Month	Mar	Apr	May	Jun	Jul
Tenants permitted to opening (By headline rent)	34% ⁶¹	34%	93%	96%	100%
2020 Footfall as % of 2019 Footfall	48% ⁶²	40%	76%	81%	87%
Gross Collection by month	90%	60%	71%	62%	62%

CPRF footfall from Government Closure 2020 & Comparison to 2019



Source: Cromwell Property Group FY20 Results Presentation.

⁶⁰ Includes Sangerhausen property acquired after 30 June 2020.

⁶¹ March from COVID-19 Lockdown (i.e. excludes data from first half of March).

⁶² March from COVID-19 Lockdown (i.e. excludes data from first half of March).

LDK

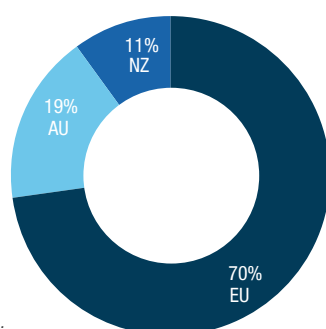
Cromwell has invested in the seniors living joint venture, LDK. LDK currently comprises the Greenway Views in Canberra as well as The Landings at Turramurra in North Sydney. Cromwell has provided funding to LDK in the form of loans.

5.5 FUNDS AND ASSET MANAGEMENT OVERVIEW

Overview

Cromwell's Funds and Asset Management business is comprised of a European funds management platform (\$5.8 billion of FUM) and A/NZ retail funds management platform (\$2.4 billion of FUM). The business is diversified by asset class and geography with exposure to Australia, New Zealand and Europe.

Geographic diversification (by FUM) (as at 30 June 2020)⁶³



Source: Cromwell Property Group FY20 Results Presentation.

European funds management platform

Cromwell operates a diversified European funds management platform with scale that is focused on Listed, Wholesale and Private Equity mandates and continues to broaden its focus towards longer term and more secure revenue sources.

The platform has over 228 employees and 18 regional offices across 11 countries providing on the ground local market knowledge and expertise. The business is uniquely positioned to enter a high growth phase following significant investment since Cromwell acquired the platform in 2015. The platform currently has €3.5 billion of AUM as at 30 June 2020 and has a medium term AUM target of €8.0 billion.

Following further acquisitions by CEREIF and the repositioning of CPRF during the December 2019 half-year, the European business now has 78% of its AUM in secure long-term mandates.

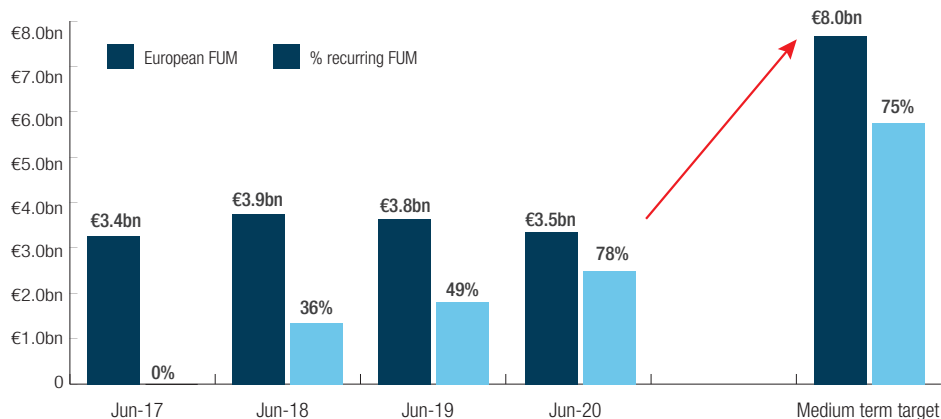
In July 2020 Cromwell announced that it had entered into Heads of Terms to form a strategic partnership with SDC (a member of the EXS Capital Group (EXS)), to invest in and manage the rollout of a data centre property platform across Europe and Asia Pacific through the new SCDC Fund. Cromwell intends to be a cornerstone investor in the SCDC Fund, which is targeting an eventual gross asset value of over US\$1 billion. CEREIF also entered into a Heads of Term with Cromwell and Stratus to co-invest directly in 50% stakes in two data centre projects in London and Frankfurt alongside the SCDC Fund which will own the remaining 50%, subject to various milestones.

The same month, Cromwell announced that it had also exchanged contracts to acquire a portfolio of seven DHL logistics assets in conjunction with Korean real estate investment manager, IGIS Asset Management, to seed a new Cromwell European Logistics Fund. The Cromwell European Logistics Fund will focus on core+ logistics assets throughout Benelux, France, Germany and Italy, with a target total gross asset value of €400 – 500 million, and is expected to launch in the December 2020 quarter.

These initiatives scale-up the European funds management platform towards its medium term target of €8.0 billion funds under management (FUM) and 75% of earnings underpinned by recurring income, continuing to deliver on Cromwell's "Invest to Manage" strategy.

⁶³ Europe AUM includes CPRF which is currently being warehoused on balance sheet.

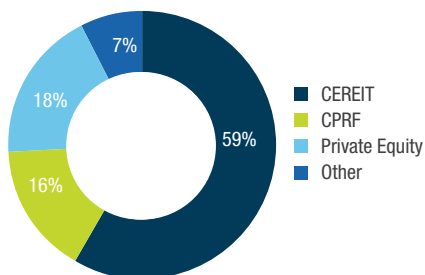
Path to securing European FUM



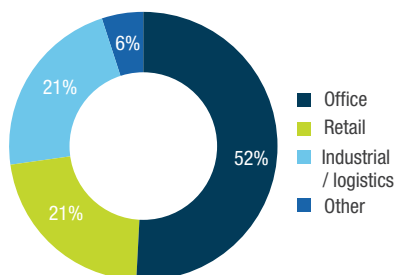
Source: Cromwell Property Group FY20 Results Presentation.

The table below summarises the platform's current AUM composition by fund, sector and geography.

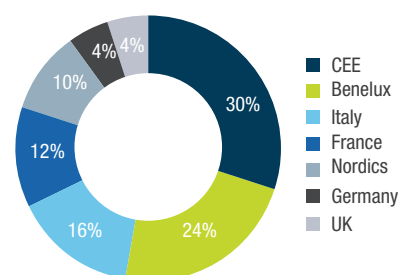
Composition of FUM (as at 30 June 2020)



Sector diversification (by AUM)



Geographic diversification (by AUM)



Source: Cromwell Property Group FY20 Results Presentation.

A/NZ retail funds management platform

Cromwell's retail funds management platform generates long term recurring revenue and offers investors quality products that are based on a disciplined approach to asset selection. The platform has over \$2.2 billion of AUM and comprises (i) Direct Property Funds, (ii) Property Securities Funds and (iii) a 50% interest in New Zealand based Oyster:

- (i) The Cromwell Direct Property Fund has a portfolio of seven investment properties valued at \$333 million and investments in other Cromwell unlisted registered managed investment schemes. The fund has gross assets in excess of \$375 million and Cromwell continues to work on identifying quality assets that meet the asset size and risk criteria for inclusion in the Cromwell Direct Property Fund portfolio.
- (ii) Cromwell also manages the Cromwell Phoenix Property Securities Fund (AUM of \$236 million); the Cromwell Phoenix Opportunities Fund (AUM of \$34 million); the Cromwell Riverpark Trust (AUM of \$293 million); the Cromwell Ipswich City Heart Trust (AUM of \$131 million); and the Cromwell Property Trust 12 (AUM of \$156 million).
- (iii) Oyster is a leading New Zealand based retail property fund syndicator with total AUM of over NZ\$2.0 billion. Oyster provides fund and property management services and is jointly owned by Cromwell and Oyster's original shareholders. Cromwell acquired its 50% interest in Oyster in June 2014.

5.6 CROMWELL DIRECTORS PROFILES

As at the date of this Target's Statement, the directors of CCL and CPSL as responsible entity for the Cromwell Diversified Property Trust are set out below, together with their profiles.

LEON BLITZ

Independent Chair	B.Com (Hons), C.A. (S.A.), 56
Independent Non-executive Director	Director since: 28 June 2017 Chair since: 26 February 2020 Board Committee membership: Member of the Investment Committee and Member of the Nomination and Remuneration Committee Independent: Yes

Skills and Experience

Mr Blitz is the co-founder and CEO of Grovepoint, a London-based private equity and FCA regulated investment management firm which manages and invests principal, institutional and family office funds.

Through his role at Investec Bank, which over 20 years included Head of Principal Investments, Private Banking and Property Lending, Mr Blitz developed a deep understanding of property, banking and risk management. He also managed acquisition and integration processes for the Investec Group in UK and European jurisdictions.

Mr Blitz has a significant track record as a deal maker and fundraiser and has extensive experience in working with high performance management teams to develop and execute corporate strategies and implementation plans. He has acted as a Non-executive Director of a number of companies in the UK and Europe and is on the governance and advisory board of a London-based industrial investment holding company, as well as playing a leading role in governing a number of LLP investment and GP management partnerships.

Mr Blitz is the Chair of an international London-based chamber of commerce and plays a leadership role in a number of charitable and communal organisations. He is a Chartered Accountant, and trained at Arthur Andersen.

MR PAUL WEIGHTMAN

Managing Director / Chief Executive Officer	B.Com, B.Law, 58 Director since: 6 August 1998 Board Committee membership: Member of the Investment Committee Independent: No
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Skills and Experience

Mr Weightman was a founding Director of Cromwell, acted as its Executive Chair from 1998 to 2008 and has acted in his current role since 2008, driving Cromwell's strategic development from a small retail syndicator to an ASX200 international real estate investor and funds manager. He practised as a solicitor for more than 20 years, acted as Managing Partner of a national law firm and continues to hold a practising certificate as a solicitor of the Supreme Court of Queensland. Mr Weightman is also a Fellow of the Royal Institution of Chartered Surveyors and is an approved person registered with the Financial Conduct Authority (UK).

Mr Weightman sits on the Boards of Cromwell Investment Services Limited and Cromwell EREIT Management Pte. Ltd., the latter of which is a licensed REIT manager with the Monetary Authority of Singapore.

He has extensive Australian and international experience in real estate investment and management and has legal, commercial and corporate experience in areas including mergers and acquisitions, revenue matters, property development, corporate and financial structuring, public listings, joint ventures and funds management.

MS TANYA COX**Independent Non-executive Director****MBA, Grad Dip Applied Corporate Governance, FAICD, FGIA, FCIS, 59**

Director since: 21 October 2019

Board Committee membership: Chair of the Nomination and Remuneration Committee and Member of the Audit and Risk Committee

Independent: Yes

Listed Company Directorships (held within the last three years):

Non-executive Director – OtherLevels Holdings Ltd (delisted 10 August 2020) (2015 – current)

Non-executive Director – BuildingIQ, Inc (2015 – 2019)

Skills and Experience

Ms Cox has over 15 years of board experience and extensive executive experience in sustainability, property, finance and funds management. Ms Cox began her career at the Bank of New Zealand and over an 11 year period succeeded to the role of General Manager of Finance, Operations and IT. Ms Cox led similar functions at the managed fund custodian Ausmaq Limited, before joining Rothschild & Co Australia Limited as Director and Chief Operating Officer for the Australian operations. During her tenure at Rothschild & Co Australia Limited, Ms Cox was a member of several Executive Committees, including Chair of the Risk Committee and a member of the Investment Committee.

In 2003, Ms Cox joined Dexus as Chief Operating Officer and Company Secretary, with her responsibilities expanding in 2012 to include the role of Executive General Manager – Property Services. During her tenure at Dexus, Ms Cox was a member of the Executive Committee and the Investment Committee, and her responsibilities included oversight of all operational aspects of the business including corporate responsibility and sustainability, marketing and communications, information technology, operational risk management, corporate governance and company secretarial practices.

Since retiring from her executive career in 2014, Ms Cox has gained board experience at listed companies through her former Non-executive Director role at BuildingIQ, Inc and current Non-executive Director role at OtherLevels Holdings Ltd (delisted 10 August 2020). Ms Cox is Chair of Equiem Holdings Pty Ltd, Chair of the World Green Building Council, Former Chair and current Director of the Green Building Council of Australia, Member of the NSW Climate Change Council and a Member of the CSIRO Property Strategy Advisory Committee. Ms Cox is a former Director of Low Carbon Australia.

Ms Cox holds a Master of Business Administration from the Australian Graduate School of Management at University of New South Wales and a Graduate Diploma in Applied Corporate Governance from the Governance Institute of Australia.

MR ANDREW FAY**Independent Deputy Chair
Independent Non-executive
Director****BAGec (Hons), A Fin, 54**

Director since: 15 October 2018

Deputy Chair since: 26 February 2020

Board Committee membership: Member of the Audit and Risk Committee, Member of the Investment Committee and Member of the Nomination and Remuneration Committee

Independent: Yes

Listed Company Directorships (held within the last three years):

Non-executive Director – Pandal Group Limited (2011 – current)

Non-executive Director – Spark Infrastructure Group (2010 – current)

Non-executive Director – Gateway Lifestyle Group (2015 – 2018)

Skills and Experience

Mr Fay has over 30 years' experience in the financial services industry, bringing extensive knowledge of investment and funds management, including the property asset classes. Whilst a large part of his executive career was as a professional investor, he has also been directly involved in advising and determining the strategic direction of businesses including being involved in a range of merger and acquisition activities. These businesses come from a diverse range of industries, including internet, medical devices, microbiology, renewable energy, financial services and property, and have given him considerable experience in operating in international markets. During his 14 years at Deutsche Asset Management (Australia) Ltd he held a number of senior positions including Chair, CEO Australia, Regional Chief Investment Officer (CIO) Asia-Pacific and CIO Australia. He was also Chair of Deutsche Managed Investments Ltd, Tasman Lifestyle Continuum Ltd and a Non-executive Director of Gateway Lifestyle Group. Mr Fay is a former Director of DB Real Estate Australia Ltd and South Australian Power Networks Pty Ltd. Earlier in his career, he held various investment roles at AMP Capital and was also a member of the Investment Board Committee of the Financial Services Council from 1998 to 2006. Mr Fay has substantial Board Committee experience having chaired both Remuneration and Nomination and Audit and Risk Committees for Top 100 ASX listed entities. He is currently a Non-executive Director of J O Hambro Capital Management Holdings Ltd, and is a consultant to Microbiogen Pty Ltd

LISA SCENNA

Independent Non-executive Director

B.Comm, Member of Chartered Accountants Australia and New Zealand, MAICD 52

Director since: 21 October 2019

Board Committee membership: Chair of the Investment Committee and Member of the Audit and Risk Committee

Independent: Yes

Listed Company Directorships (held within the last three years):

Non-executive Director - Harworth Group plc (effective 1 September 2020)

Non-executive Director - Polypipe Group plc (2019 – current)

Skills and Experience

Ms Scenna has over 25 years of executive experience in property and asset management and funds/investment management in both the United Kingdom and Australia. Ms Scenna joined Westfield Group in 1994 and progressed to the role of Head of Investor Relations. Ms Scenna moved to Stockland Group as General Manager – Finance and Business Development and rose through the group to the role of UK Joint Managing Director in 2007. In this role, Ms Scenna was responsible for establishing Stockland Group in the UK, had full responsibility for the regional operations and was involved in a number of acquisitions and integrations.

In 2009, Ms Scenna left Stockland Group to stay in the UK and accepted the role of Group Head of Explore at Laing O'Rourke, the country's largest privately-owned construction solutions provider. For just under three years, Ms Scenna led the Explore Investments and Explore Living businesses across Europe, Canada, the Middle East and Australasia. In this role, Ms Scenna led the infrastructure investing activities globally and worked with clients and investors to build Laing O'Rourke's direct infrastructure portfolio held in co-ownership with a number of institutional investors across the UK, Australia and Canada.

In 2013, Ms Scenna joined UK construction and regeneration company, Morgan Sindall Group plc, as the Managing Director of their Investments business. During her tenure, Ms Scenna was a Director of the Morgan Sindall Investments Board. Through her extensive executive experience in the UK, Ms Scenna has developed strong connections with local authorities, developers and investors and has a deep understanding of the drivers for competitors.

Ms Scenna is a Non-executive Director of Polypipe Group plc and, effective 1 September 2020, will be a Non-executive Director and Member of the Remuneration Committee of Harworth Group plc. Polypipe Group plc and Harworth Group plc are listed on the London Stock Exchange.

Ms Scenna is the former Deputy Chair of the Private Infrastructure Development Group's Supervisory Board and has played a leadership role in charitable organisations.

Ms Scenna holds a Bachelor of Commerce from the University of New South Wales and is a member of Chartered Accountants Australia and New Zealand and the Australian Institute of Company Directors

JANE TONGS**Independent Non-Executive Director****B.Bus, MBA, FCA, FCPA, MAICD, 60**

Director since: 26 November 2014

Board Committee membership: Chair of the Audit and Risk Committee

Independent: Yes

Listed Company Directorships (held within the last three years):

Chair – Netwealth Group Limited (2000 – current)

Skills and Experience

Ms Tongs has over 30 years of management expertise, serving on the boards of insurance, funds management, property and other financial services entities. She has extensive experience in profitably growing businesses and enhancing the profitability of established businesses. Current examples are Netwealth Group Limited, Warakirri Asset Management Ltd and Hollard Insurance Company Pty Ltd. Her previous property experience includes Non-executive Director positions at AIMS Fund Management Limited (formerly MacarthurCook Fund Management Limited), AIMS Investment Managers Ltd (formerly MacarthurCook Investment Managers Ltd), Little Real Estate Pty Ltd (formerly Run Ltd), the Heine Property Group and Warakirri Agricultural Trusts. She was a Non-executive Director of the Australian Energy Market Operator and of Catholic Church Insurance Limited and served as a Member and Company Director to the Advisory Board of the South Australian Financing Authority. She developed her leadership and management experience earlier in her career, specifically as Partner at PricewaterhouseCoopers, specialising in the financial services sector and litigation support.

Along with her deep expertise in finance, her board experience is vast with over 20 years' experience as a Chair, Chair of Audit and Risk Committees and Non-executive Director. She is currently Chair of Netwealth Group Limited and of the Lendlease Australian Prime Property Fund Investors Committee and a Non-executive Director of Warakirri Asset Management Ltd, Hollard Insurance Company Pty Ltd and Brighton Grammar School. Ms Tongs is a Fellow of Chartered Accountants Australia and New Zealand and of CPA Australia and a member of the Australian Institute of Company Directors.

Collectively, the Directors bring to the Cromwell Board extensive expertise and skills in the following areas:

- Leadership and Culture
- Property and Asset Management
- Funds/Investment Management
- Commercial Capability
- Financial Acumen
- Risk Oversight
- Debt Management
- People
- Public Policy, Government, Economics
- Sustainability

The Cromwell Board considers that its current members have an appropriate mix of skills, personal attributes and experience that allows the Directors individually, and the Cromwell Board collectively, to discharge their duties effectively and efficiently. The Cromwell Board comprises individuals who understand the business of the Group and the environment in which it operates and who can effectively assess management's performance in meeting agreed objectives and goals.

5.7 CROMWELL SENIOR MANAGEMENT PROFILES

As at the date of this Target's Statement, the senior management of Cromwell are set out below, together with their profiles.

Name / Position	Profile
<p>Paul Weightman Managing Director / Chief Executive Officer</p>	<p>Mr Weightman was a founding Director of Cromwell, acted as its Executive Chair from 1998 to 2008 and has acted in his current role since 2008, driving Cromwell's strategic development from a small retail syndicator to an ASX200 international real estate investor and funds manager. He practised as a solicitor for more than 20 years, acted as Managing Partner of a national law firm and continues to hold a practising certificate as a solicitor of the Supreme Court of Queensland. Mr Weightman is also a Fellow of the Royal Institution of Chartered Surveyors and is an approved person registered with the Financial Conduct Authority (UK).</p> <p>Mr Weightman sits on the Boards of Cromwell Investment Services Limited and Cromwell EREIT Management Pte. Ltd., the latter of which is a licensed REIT manager with the Monetary Authority of Singapore.</p> <p>He has extensive Australian and international experience in real estate investment and management and has legal, commercial and corporate experience in areas including mergers and acquisitions, revenue matters, property development, corporate and financial structuring, public listings, joint ventures and funds management.</p>
<p>Michael Wilde Chief Financial Officer</p>	<p>Mr Wilde was Cromwell's Group Financial Controller for over 9 years before being appointed the CFO in 2015. Prior to working at Cromwell, Michael worked in the audit divisions of PricewaterhouseCoopers and Johnston Rorke (now Pitcher Partners). Mr Wilde has a Bachelor of Commerce and a Bachelor of Science and is a member of the Chartered Accountants Australia and New Zealand and a member of the Governance Institute of Australia.</p>
<p>Rob Percy Chief Investment Officer</p>	<p>Mr Percy is responsible for Cromwell's investment, transactions, and merger and acquisition activities. He plays a central role in the development and capital raising of new products for both Cromwell's ASX listed business and its European and Australian funds management operations. Mr Percy is also integral in the operations of Cromwell's associated entities, LDK Healthcare and Oyster Property Group, is a Director on both Boards, and Chairs the Oyster Investment Committee. Prior to joining Cromwell in 2012, Mr Percy worked for some of the world's leading financial services firms, including NM Rothschild & Sons, PricewaterhouseCoopers, and Investec Bank.</p>
<p>Jodie Clark Chief Operating Officer</p>	<p>Ms Clark is Cromwell's Chief Operations Officer and is responsible for the Group's property platform and operational infrastructure. Her responsibilities cover all people, technology, marketing and operational matters in 15 countries throughout Europe, Asia and Australia. Ms Clark is also Director of Cromwell Property Services, the Group Corporate Real Estate Licensee, and Chairs the Cromwell Property Foundation Committee and the Cromwell Diversity & Inclusion Council. Ms Clark is a member of the Australian Institute of Company Directors.</p>

5.8 FY20 FINANCIAL INFORMATION AND RECENT ACTIVITY

On 27 August 2020, Cromwell released to ASX its financial results for the full year ending 30 June 2020.

The FY20 Appendix 4E and Full Year Financial Report can be obtained from Cromwell's website at www.cromwellpropertygroup.com or by calling Cromwell's Investor Services Team on 1300 268 078 (within Australia) or +61 7 3225 7777 (outside Australia) or emailing invest@cromwell.com.au.

Key financial metrics for FY20 include:

- Operating profit for FY20 of \$221 million, up 27% on the previous corresponding period;
- Distributions for FY20 of 7.50 cents per Cromwell Security, up 3% on the previous corresponding period;
- Growth in NTA of 2% to \$0.99⁶⁴ per Cromwell Stapled Security relative to NTA per Cromwell Stapled Security of \$0.97 as at 30 June 2019; and
- Balance sheet gearing of 41.6%⁶⁵.

Material announcements relating to Cromwell's financial information made by Cromwell since 30 June 2020 include:

- Entry into Heads of Terms to form a strategic partnership with SDC to invest in and manage the rollout of a data centre property platform across Europe and Asia Pacific through the new SCDC Fund; and
- Exchange of contracts to acquire a portfolio of seven DHL logistics assets in conjunction with Korean real estate investment manager, IGIS Asset Management, to seed a new Cromwell European Logistics Fund.

5.9 PUBLICLY AVAILABLE INFORMATION ABOUT CROMWELL

Cromwell is a listed 'disclosing entity' for the purposes of the Corporations Act and therefore is subject to regular reporting and disclosure obligations. Specifically, as a listed entity, Cromwell is subject to the ASX Listing Rules which require continuous disclosure of any information that a reasonable person would expect to have a material effect on the price or value of Cromwell Stapled Securities (subject to some exceptions).

ASX maintains files containing publicly disclosed information about all listed entities. Cromwell's files are available for inspection on the ASX website (www.asx.com.au). In addition, Cromwell is required to lodge various documents with ASIC. Copies of documents lodged with ASIC in respect of Cromwell may be obtained from, or inspected at, an ASIC office. A substantial amount of information about Cromwell is available in electronic form on its website www.cromwellpropertygroup.com.

A list of documents lodged with ASX since lodgement of Cromwell's 2019 Annual Report on 24 September 2019 is set out in Appendix 1.

⁶⁴ NTA per Cromwell Stapled Security excluding interest rate derivatives.

⁶⁵ Gearing calculated as (total borrowings less cash)/(total tangible assets less cash).

6. Information about ARA BidCo and ARA Group

6.1 DISCLAIMER

The information in this Section 6 of the Target's Statement in relation to ARA BidCo and ARA Group has been prepared based on a review of publicly available information, including information in the Bidder's Statement, and has not been independently verified by Cromwell. Cromwell does not make any representation or warranty, express or implied, as to the accuracy or completeness of this information.

The information on ARA BidCo and ARA Group in this Target's Statement should not be considered comprehensive.

Further information relating to ARA BidCo and ARA Group is set out in the Bidder's Statement and may also be obtained from ARA Group's website at www.ara-group.com. Information contained in or otherwise accessible from that website does not form part of this Target's Statement.

6.2 INTRODUCTION

ARA's Proportional Offer is being made by ARA Real Estate Investors 28 Limited (ARA BidCo), a company incorporated in the Cayman Islands on 7 August 2019 (ARA's Proportional Offer). ARA BidCo is a wholly owned subsidiary of ARA Group, established as a special purpose vehicle to acquire Cromwell Stapled Securities, including pursuant to ARA's Proportional Offer.

6.3 INFORMATION ABOUT ARA GROUP

ARA Group is a global real assets fund manager with headquarters in Singapore. ARA Group and its affiliates manage listed and unlisted real estate investment trusts, private real estate funds and infrastructure funds and have S\$88 billion of gross assets under management across 28 different countries as at 31 December 2019⁶⁶. Major shareholders of ARA are Mr John Lim⁶⁷, affiliates of The Straits Trading Company Limited, CK Asset Holdings and Warburg Pincus.

Information about ARA Group and its ownership and principal activities is set out in section 1 of the Bidder's Statement.

6.4 ARA DIRECTORS

The directors of ARA are set out below⁶⁸.

Name	Position
Dr Chiu Kwok Hung Justin	Chair and Director
Lim Hwee Chiang (John Lim)	Director and Chief Executive Officer
Ip Tak Chuen Edmond	Director
Ellen Hoi Ying Ng	Director
Li Wen	Director
Chew Gek Khim	Director
Joseph Raymond Gagnon	Director
Jeffrey David Perlman	Director
Suthinand Jirakulpattana	Director

6.5 ARA GROUP'S RELEVANT INTEREST IN CROMWELL

As at 7 August 2020, ARA Group (through its controlled entities) has a Relevant Interest in 697,239,866 Cromwell Stapled Securities representing 26.68% of total outstanding Cromwell Stapled Securities on issue. ARA Group first acquired an initial 19.5% interest in Cromwell from Redefine Properties Limited in March 2018.

Over the past 4 months, the ARA Group has acquired on-market a total of 79,847,457 Cromwell Stapled Securities between the prices of \$0.74 and \$0.915 per Cromwell Stapled Security. All acquisitions of Cromwell Stapled Securities by the ARA Group in the past 4 months are set out in the substantial holding notices provided by ARA Group to Cromwell and ASX on 21 July 2020 and 7 August 2020.

⁶⁶ This includes Cromwell's assets under management.

⁶⁷ Via JL Investment Group II Limited and JL Investment Group, both of which are wholly-owned by Mr Lim Hwee Chiang (John Lim).

⁶⁸ Based on records held by the Accounting and Corporate Regulatory Authority, Singapore as at 28 July 2020.

6.6 ARA GROUP'S INTENTIONS

ARA Group's intentions in relation to the continued operation of Cromwell and any major changes to be made to the operation of Cromwell are set out in section 3 of the Bidder's Statement.

7. Risk factors

7.1 OVERVIEW

There are various risks associated with either accepting ARA's Proportional Offer or rejecting ARA's Proportional Offer and continuing to hold Cromwell Stapled Securities. Cromwell's current and future business, assets and operations may be subject to risks which are specific to Cromwell, while other risks are of a more general nature. Those risks (and other risks) will continue to be relevant to Cromwell Securityholders whether they accept ARA's Proportional Offer or reject ARA's Proportional Offer. While some of these risks can be mitigated, many risks are outside the control of Cromwell and the Cromwell Directors and cannot be mitigated.

The risks summarised below are not exhaustive and do not take into account the personal circumstances of Cromwell Securityholders. Prior to deciding whether to do nothing, sell your Cromwell Stapled Securities on ASX or accept ARA's Proportional Offer, Cromwell Securityholders should read this entire Target's Statement, including the risks set out in this Section 7, and seek professional advice if they have any doubt about the risks associated with accepting or rejecting ARA's Proportional Offer, having regard to their investment objectives and financial circumstances.

7.2 RISKS ASSOCIATED WITH ACCEPTING ARA'S PROPORTIONAL OFFER

Cromwell Directors unanimously recommend that Cromwell Securityholders **REJECT** ARA's Proportional Offer.

Cromwell Securityholders may disagree with the Cromwell Directors' unanimous recommendation and instead choose to accept ARA's Proportional Offer for 29% of their Cromwell Stapled Securities. In that case, you will retain 71% of your Cromwell Stapled Securities and may choose to hold them or sell some or all of those remaining Cromwell Stapled Securities on-market, but any purchaser will not be able to accept ARA's Proportional Offer in respect of those Cromwell Stapled Securities.

If you accept ARA's Proportional Offer in respect of 29% of your Cromwell Stapled Securities:

- you will lose your rights to sell those Cromwell Stapled Securities on ASX;
- you will relinquish your right to participate in any superior proposal that may be made, and you will not be able to obtain any potential benefit associated with any such superior offer, in respect of those Cromwell Stapled Securities; and
- you will lose control of those Cromwell Stapled Securities and the Rights attaching to them (being Rights to which you become entitled on or after 17 August 2020⁶⁹) to ARA BidCo.

The effect of accepting ARA's Proportional Offer is set out in section 7.5 of the Bidder's Statement. Cromwell Securityholders should read those provisions in full to understand the effect that acceptance will have on their ability to exercise the Rights attaching to their Cromwell Stapled Securities and the representations and warranties which they give by accepting ARA's Proportional Offer.

ARA BidCo and any nominee of ARA BidCo will be entitled to attend general meetings of Cromwell and vote on behalf of Cromwell Securityholders who have accepted ARA's Proportional Offer in respect of their Cromwell Stapled Securities accepted into ARA's Proportional Offer, including to:

- vote at the EGM scheduled for 18 September 2020 called by ARA Group; and
- defeat resolutions relating to competing offers which may adversely affect the success of ARA's Proportional Offer.

If all Cromwell Securityholders accept ARA's Proportional Offer, ARA Group may obtain up to approximately 47.9%⁷⁰ of Cromwell Stapled Securities. Accordingly, ARA Group may hold a position of significant influence in relation to Cromwell with the ability to replace the Cromwell Board and influence Cromwell's strategy and operations. ARA Group has called a third EGM to seek the election of two ARA Group nominees as directors to the Cromwell Board. ARA Group has stated its intention to recommend that the Cromwell Board undertake a strategic and financial review of Cromwell's corporate structure, assets, businesses, personnel and operations to refresh its strategy.⁷¹ There is a risk that any alternative strategy pursued by ARA Group may be unsuccessful and / or have a detrimental effect on the value of your Cromwell Stapled Securities.

⁶⁹ Other than to the extent the Offer Price is reduced in accordance with the terms of the Offer. See Section 7.19 of the Bidder's Statement.

⁷⁰ This excludes the potential acquisition by ARA BidCo of less than Marketable Parcels of Cromwell Stapled Securities (as contemplated under Section 7.1(d) of the Bidder's Statement).

⁷¹ Refer to ARA Group's intentions set out in Section 3 of the Bidder's Statement.

Depending on the level of acceptances of ARA's Proportional Offer, ARA Group may be in a position to materially influence the appointment of Cromwell Directors and senior management of Cromwell, and consequently control the strategic direction of Cromwell.

Taxation consequences of accepting ARA's Proportional Offer

The taxation consequences of disposing of a proportion of your Cromwell Stapled Securities pursuant to ARA's Proportional Offer depend on a number of factors and your particular circumstances. A general outline of certain Australian tax considerations of such a disposal is set out in Section 8 of this Target's Statement.

You should seek your own specific professional tax advice as to the taxation implications applicable to your circumstances.

7.3 RISKS ASSOCIATED WITH REJECTING ARA'S PROPORTIONAL OFFER

If you choose to reject ARA's Proportional Offer, you will not receive the Offer Price for 29% of your Cromwell Stapled Securities. Instead, you will retain your entire Cromwell Securityholding and will continue to be subject to the risks associated with holding Cromwell Stapled Securities.

You will remain exposed to those risks even if you accept ARA's Proportional Offer as you will retain 71% of your Cromwell Stapled Securities.

Set out below is a summary of the key risks to which Cromwell Securityholders will continue to be exposed whether or not they accept ARA's Proportional Offer. The risks identified in Section 7.4 and Section 7.5 of this Target's Statement are not an exhaustive list of all the risks applicable to maintaining an investment in Cromwell. No assurances or guarantees are given as to Cromwell's future performance, profitability or distributions.

7.4 CROMWELL SPECIFIC RISKS

Security price

Any trading price of Cromwell Stapled Securities realised on market outside ARA's Proportional Offer will be subject to various economic, market and Cromwell specific factors and may or may not meet the expectations of Cromwell Securityholders.

Remaining ownership consequences

Depending on the number of Cromwell Securityholders which accept ARA's Proportional Offer, this may have a number of potential implications on the remaining Cromwell Securityholders who do not accept the Offer, including:

- ARA Group may be in a position to significantly influence the composition of Cromwell's Board and senior management, Cromwell's distribution policy and the strategic direction of Cromwell;
- ARA Group may be in a position to cast the majority of votes at any general meeting of Cromwell;
- the reduction in 'free float' which will occur if ARA Group substantially increases its majority securityholding in Cromwell is likely to lead to a reduction in the liquidity of Cromwell Stapled Securities;
- it may be less likely that another party will make an offer to acquire all the Cromwell Stapled Securities in the future; and
- if ARA Group acquires control of Cromwell, there may be consequences in respect of Cromwell's material contracts and financing arrangements (as outlined in Section 9.8 of this Target's Statement).

Economic risks relating to Cromwell owned or managed properties

Cromwell owns or manages properties located in Australia, New Zealand and Europe. A downturn in these economies, or economic recession could result in, among other things, reduced offer prices for properties or ability to lease assets in line with asset management plans and forecasts, adversely impacting Cromwell's future growth and ability to make regular distributions to Cromwell Securityholders, a negative impact on the ability for Cromwell tenants to pay their rents in a timely manner or continue their leases, thus reducing Cromwell cashflow, and a decline in the demand for leased premises and negotiated lease arrangements on less favourable terms.

Given the current economic state of the global economy, the potential for a slowdown in consumer demand, the impact of a global downturn and the impact of political uncertainty could contribute to an economic decline in jurisdictions where Cromwell has owned or managed properties and businesses and therefore adversely impact Cromwell's business, financial conditions, business operations, future growth and ability to deliver distributions to Cromwell Securityholders.

COVID-19

COVID-19, a respiratory illness, was declared a world-wide pandemic by the World Health Organisation in March 2020. Immediately following the global outbreak of COVID-19, Cromwell enacted its Business Continuity Plan (BCP) and transitioned almost all of its international workforce to remote work arrangements. Many of Cromwell's tenants, clients, suppliers and banking counterparties also enacted similar arrangements. These actions, coupled with Cromwell's prior investment in systems, processes and people has ensured there has been no interruption to the operation of any of Cromwell's business segments due to COVID-19, at this time.

Cromwell's robust risk management framework continues to be applied across operating segments and management continues to monitor the impact of COVID-19 on Cromwell's risk profile. Non-financial risks emerging from global movement restrictions, and remote working by our staff, counterparties, clients and suppliers, are being identified, assessed, managed.

Given the dynamic and evolving nature of the COVID-19 pandemic, limited recent experience of the economic and financial impacts of such a pandemic, its social and economic consequences will unfold. Economic uncertainties currently prevailing around the world make it challenging to forecast the future.

Change in value of rental income of investment properties

Returns from investment properties largely depend on rental income generated from the property and expenses incurred in its operation, including its management and maintenance, as well as changes in its market value. Rental income and/or market value of properties may be adversely affected by a number of factors including escalation of development costs, overall conditions in the global, national and local economy, including risk appetite and business and consumer confidence, local real estate conditions, including the volume of sales and the ability to procure tenants, tenant and customer perception regarding the attractiveness and convenience of property, and intensity of competition with other participants in the real estate industry, operating, maintenance and refurbishment expenses (including capital expenditure), the financial position, performance and condition of tenants and the availability and cost of debt funding to potential purchasers of various investment properties.

Regulatory issues, changes in Australian law and Australian Accounting Standards affecting rental income

Changes in laws or regulations impact rental income and operational expenditure of Cromwell, for example the ability to recover certain property expenses from tenants, changes to regulatory requirements or changes to operating practices as a result of COVID-19, the Royal Commission into the Financial Services Industry in Australia or changes to climate change legislation. In addition, Cromwell's ability to take advantage of future acquisition opportunities in Australia may be limited by regulatory intervention by the Australian Competition and Consumer Commission. Changes in Accounting Standards may also change the basis upon which Cromwell reports financial results in respect of its assets and properties deriving rental income, performance fees, rental revenue (non-lease components), funds management fees, development income and interest revenue. There can be no assurance that changes in laws, regulations or standards will not have a material adverse effect on Cromwell or Cromwell Securityholders, Cromwell's business, operational performance or financial results.

Responsible entity, trustee and manager adjustments and fund disruption or closure

Cromwell Group entities currently act as the responsible entity, trustee and/or manager for a number of registered managed investment schemes and wholesale and unlisted funds. Investors of the funds have the ability to remove the responsible entity, trustee or manager. Removal of a Cromwell Group entity may have an impact on the financial performance of Cromwell. In addition, fund closures reduce Cromwell Group's funds under management and may have a material adverse effect on Cromwell's business and financial performance.

Implementation of Cromwell investment strategies

Cromwell may not be able to successfully implement its investment strategy, expand its portfolio at any specified rate or to any specified size, or make acquisitions or investments on favourable terms or within a desired timeframe. Cromwell faces active competition in acquiring suitable and attractive properties from other property investors, including other real estate investment trusts, office property development companies and private investment funds. There is no assurance that Cromwell will be able to compete effectively against such entities and its ability to make acquisitions under its acquisition growth strategy or acquisitions that are accretive may be adversely affected. Even if Cromwell were able to successfully acquire properties or other investments, there is no assurance Cromwell will achieve its intended return on such acquisitions or investments. The real estate industry in which Cromwell operates is capital intensive. Investment strategies are likely to be largely dependent on Cromwell's ability to raise equity capital. This may result in a dilution of holdings for Cromwell Stapled Securities. Potential vendors may view negatively the prolonged timeframe and lack of certainty associated with the raising of equity capital to fund any purchase and may instead prefer other potential purchasers.

Cromwell's ability to raise future funds on favourable terms in the future for asset enhancements and acquisitions depends on a number of factors including general economic, geopolitical, credit and market conditions, which have the potential to increase the cost of funding, or reduce the availability of funding for acquisitions and asset enhancements in Cromwell's pipeline. These factors could potentially increase the refinancing risks associated with maturing debt facilities.

Cromwell may also suffer a loss of AUM and its investments may not perform in line with expectations. There is no assurance Cromwell will be able to meet market guidance and make regular distributions to Cromwell Securityholders.

Representations, warranties and indemnities in favour of Cromwell

Representations, warranties and indemnities in favour of Cromwell in relation to Cromwell property acquisitions are subject to limitations. While appropriate due diligence is performed, there can be no assurance Cromwell will not incur any losses or liabilities in connection with the Cromwell properties beyond the recourse available to it. If Cromwell suffers losses and liabilities in connection with the Cromwell properties, its financial conditions, business, results in operations and/or prospectus may be materially adversely impacted.

Reliance on AFSL and other licences

Cromwell is required to hold a number of Australian financial services licences (AFSL) issued by ASIC and other licences. Any failure to comply with general obligations of any such licence could result in its suspension or cancellation. A breach or loss of licence could have a material adverse effect on Cromwell's business and operational and financial performance.

Property market valuations

Cromwell will be subject to prevailing property market conditions in sectors in which it operates. Adverse changes in market sentiment, oversupply or overdevelopment in surrounding areas, property damage, building regulations or market conditions may impact Cromwell's ability to acquire, manage or develop assets, and impact the value of Cromwell's properties and other assets. These market impacts could lead to a reduction in overall earnings and the carrying value of assets into the future having an adverse impact on the value of Cromwell's portfolio and Cromwell Stapled Securities. There is also a risk that Cromwell properties will require unforeseen capital expenditure in order to maintain them in a condition appropriate for the purposes intended and which expenditure is not fully reflected in the financial forecasts.

Deterioration in financial performance and breach of debt covenants

Cromwell is subject to various financial covenants, including interest cover and loan to value ratio requirements. Factors such as falls in asset values or property income could lead to a breach of Cromwell's debt covenants. If this is the case, Cromwell lenders may require their loans to be repaid immediately or additional interest and any further borrowing costs may become due and payable. Additionally, if Cromwell's financial performance deteriorates, including due to a decline in rental income or the value of its portfolio, Cromwell may be unable to meet its debt obligations and may need to seek amendments to debt facilities, waivers in relation to debt covenants, or compliance or alternative borrowing arrangements to reduce debt or raise additional equity.

Breaches in debt obligations may also result in the enforcement of a security by a debt financier over a Cromwell asset which may result in the forced sale of a Cromwell property. If this occurs, there is a risk that the realised value for that property may be less than the optimal price for that asset.

If Cromwell is unable to repay or refinance a facility upon maturity, Cromwell may have to seek further equity, dispose of assets (possibly at less than current valuations) or enter into new debt arrangements on less favourable terms. These factors could materially adversely affect the financial performance of Cromwell, its operations and distributions to Cromwell Securityholders.

Tenant and vacancy risks

There is a risk that Cromwell may not be able to negotiate suitable lease extensions with existing tenants or replace outgoing tenants on the same terms. The ability to secure lease renewals or to obtain replacement tenants may be influenced by various leasing incentives and market conditions. If Cromwell is unable to secure a replacement tenant for a period of time or if a replacement tenant leases a property on less favourable terms, this will result in lower rental returns to Cromwell or lower fees from external funds which could materially adversely affect Cromwell's financial performance. Existing tenants may default on their rent or other contractual obligations, leading to a reduction in rental income from, or capital losses to the value of, Cromwell's assets. Tenants may decide not to or be unable to renew a lease at the end of the lease cycle or such tenant's lease may be terminated or defaulted on before the end of the lease cycle. Factors that affect the ability of tenants to meet their obligations under these leases which contribute to leasing and tenant defaults include a tenant's financial position, local economic conditions in which a tenant has business operations and the ability of tenants to compete with their competitors.

A force majeure event may also adversely impact Cromwell's ability to perform its obligations until it has the ability to remedy the force majeure event, which may have adverse financial impacts on Cromwell Securityholders. If such events result in a tenant defaulting under a particular lease, Cromwell's portfolio may be adversely impacted, which may subsequently materially impact Cromwell's business, operational performance and financial results.

Funds management

Certain Cromwell Group entities act as investment manager for a number of investment funds that are open to investment from third parties. Cromwell's financial performance may be adversely affected due to various risks including poor investment performance, inability to source adequate investment opportunities and financial risk.

Investment in funds and joint ventures

Cromwell holds an interest, or has joint arrangements, in (but not limited to) the Cromwell European Real Estate Investment Trust, LDK Healthcare Unit Trust and Oyster Property Group Limited. The net asset value of these investments and funds may decrease if the value of the assets in those funds were to decline. Cromwell also derives income from providing property and funds management services to its various managed funds. Those funds may be subject to many of the same types of risks as Cromwell and the fees payable to Cromwell may be reduced in certain circumstances as a result of application of those risks.

Development

Cromwell is involved in the development and refurbishment of property from time to time. Generally, these activities have a number of risks, including:

- the risk that planning and regulatory approvals are not obtained;
- unforeseen increases in project costs;
- funding not being available at prices originally forecast;
- unexpected project delays or various project milestones not being achieved;
- timing on sales and anticipated sales prices not being achieved;

- default on pre-sales on projects, prices which are not guaranteed;
- non-performance or breach of contract by a contractor or sub-contractor; and
- competing projects adversely affecting the overall investment return achieved on the applicable asset.

If the property market faces a sustained downturn caused by a deterioration in the economic climate this could result in reduced project profits through reduced selling prices or delays in achieving sales. If fluctuations occur in the supply and demand in any sectors of the property market, this could influence the acquisition of sites, the timing and value of sales and carrying on and completion of Cromwell's current and future projects.

Realisation, interest rates and financial instruments

Property assets are illiquid investments. This may make it difficult to realise assets in the short term in respect of changes in economic or other conditions, which may impact cashflow liquidity on Cromwell assets and property.

Fixed nature of significant costs

Significant expenditures associated with property investment and the operations of Cromwell, such as interest payments, maintenance costs, employee costs and statutory charges are generally not reduced significantly when circumstances cause a reduction in income from property. The value of an asset owned by Cromwell may be adversely affected if the income from the asset declines and other property related expenses remain unchanged.

Foreign funds

Cromwell operates and has interests in retail funds, direct property related funds, property securities funds, various wholesale fund management and various asset management businesses in Europe, Singapore and New Zealand. These operations are subject to many of the same property risks that Cromwell is exposed to in Australia. However, the impact and likelihood of risk factors varies between jurisdictions. Depending on the severity and location of where the risk eventuates, there may be an adverse effect on Cromwell's earnings from its foreign fund management operations here in Australia.

Foreign operations

As Cromwell currently conducts operations in Europe, Singapore and New Zealand, it is exposed to various levels of political, economic and other natural and other risks and uncertainties over which Cromwell has limited or no control. These risks and uncertainties may include, but are not limited to, economic, social or political instability, terrorism, labour unrest, war or other forms of civil unrest, expropriation and nationalisation; renegotiation, nullification or adoption of new laws or regulations concerning existing licences, permits and/or contracts; high rates of inflation; changes in taxation policies; restrictions on foreign exchange and repatriation; changing political conditions; currency controls; changes or adoption of new laws affecting foreign ownership; government participation or control of working conditions; changes to regulations associated with greenhouse gas emissions and the introduction of carbon pricing mechanisms; and other governmental regulations. Failure to comply strictly with applicable laws, regulations and local practices relating to the property market or funds or asset management operations could result in the loss, reduction or expropriation of entitlements. The occurrence of these various factors and uncertainties cannot be accurately predicted and, even whether covered in whole or in part by insurance, could have an adverse effect on the operations of Cromwell in Europe, Singapore or New Zealand or profitability of Cromwell.

MIT risk

If Cromwell does not qualify as a managed investment trust (or MIT) in any given year in respect of an applicable trust, taxable distributions to non-resident investors for that income year will be subject to a non-final withholding tax, the rate of which will depend on the profile of that investor.

One of the requirements of MIT status is that a trust is not "closely held" for the purposes of Division 275 of the Income Tax Assessment Act 1997 (Cth). A trust will be closely held for these purposes if a foreign tax resident individual has a direct or indirect interest in the trust of 10% or more.

If ARA's Proportional Offer is successful, ARA Group will hold approximately 48% of Cromwell Stapled Securities⁷². ARA Group will also be able to acquire additional Cromwell Stapled Securities after the end of the Offer Period to the extent permitted by law, including under the '3% creep' rule. Depending on how ARA Group's ownership stake in Cromwell is structured, Cromwell may cease to qualify as a managed investment trust (MIT), which would have adverse tax implications for non-resident investors⁷³.

Right of first refusal and other onerous lease agreement provisions

Lease agreements for certain Cromwell properties may contain rights of first refusal or pre-emptive rights exercisable by such tenants in the event of a sale of all or part of a Cromwell property. These pre-emptive rights may impact Cromwell's ability to obtain the best possible price (under the relevant market conditions) on a divestment or sale of such property or to capture potential market upside. Other onerous provisions including non-compete clauses or other clauses placing limitations on Cromwell may entitle the tenant to exercise termination provisions, negotiate rent reductions or rent abatement or cause the lease turnover to be reduced which may result in a material adverse impact on the relevant Cromwell vendor's financials and may result in adverse impacts to Cromwell's business and financial conditions.

Joint venture risks

Cromwell's joint ventures interests are subject to agreements which may contain pre-emptive rights or rights of first refusal and other provisions which may restrict Cromwell's dealings in its interests in jointly owned entities, trusts or assets. A change in control of Cromwell may trigger the applications of these types of provisions, which could have a material adverse impact on Cromwell's investments in jointly owned entities, trusts or assets.

Cromwell minority interests

Cromwell may, in the course of acquisitions, acquire minority interests in real estate-related investment entities. There is no assurance Cromwell will be able to exercise active control over such entities and management of such entities may make decisions which could adversely affect the operations of Cromwell and the ability of Cromwell to make regular distributions to Cromwell Securityholders.

Key personnel

Cromwell is reliant on recruiting and retaining qualified, high-performing senior executives and other key personnel, the loss of whom may have a material adverse impact on Cromwell's operational and financial performance.

Technology failure

Cromwell relies on information technology networks and systems to process, transmit and store electronic information and to manage or support a variety of its business processes, including financial transactions and maintenance of records, which may include personally identifiable information of tenants, lease data, unlisted investors in Cromwell managed funds and Cromwell Securityholders. Cromwell relies on commercially available systems, software, tools and monitoring to provide security for processing, transmitting and storing confidential tenant information, such as individually identifiable information relating to financial accounts. Although Cromwell takes steps to protect the security of the data maintained in its information systems, it is possible that such security measures will not be able to prevent the systems' improper functioning, or the improper disclosure of personally identifiable information such as in the event of cyber-attacks. It is also possible that such security measures will not be able to protect against loss of data or security breaches, including physical or electronic break-ins, computer viruses, attacks by hackers and similar breaches, which can create system disruptions, shutdowns or unauthorised disclosure of confidential information. Any failure to maintain proper function, security, business continuity or disaster recovery strategies in respect of Cromwell's information systems could interrupt its operations, damage its reputation, subject Cromwell to liability claims or regulatory penalties and could materially and adversely affect it.

Litigation and disputes

Litigation and other disputes (including industrial disputes) may arise from time to time in the ordinary course of operations. Any such dispute or litigation may impact earnings or affect the value of Cromwell assets and securities of Cromwell Securityholders.

⁷² Based on all Cromwell Securityholders accepting ARA's Proportional Offer and excluding the potential acquisition of less than Marketable Parcels of Cromwell Stapled Securities (as contemplated under Section 7.1(d) of the Bidder's Statement).

⁷³ If Cromwell does not qualify as a managed investment trust (or MIT) in any given year in respect of an applicable trust, taxable distributions to non-resident investors for that income year will be subject to a non-final withholding tax, the rate of which will depend on the profile of that investor. One of the requirements of MIT status is that the trust is not "closely held" for the purposes of Division 275 of the Income Tax Assessment Act 1997 (Cth). A trust will be closely held for these purposes if a foreign tax resident individual has a direct or indirect interest in the trust of 10% or more.

Health, safety, security and environment

Cromwell's operations are subject to extensive laws, regulations and standards governing health, safety, security and environmental matters as well as stakeholder expectations. These regulatory frameworks and expectations may change over time and may have a material adverse effect on Cromwell's operations and reputation. Failure to comply with applicable health, safety, security and environmental laws and regulations may result in, among other things, enforcement actions including fines, penalties, compensation claims, corrective measures requiring capital expenditure, or the cessation of operations. There are also risks associated with incidents relating to health and safety that do not result from any breach of health and safety laws and regulations including for example, a terrorist activity at a property owned or managed by Cromwell.

7.5 GENERAL RISKS

Changes in accounting policy

Cromwell must report and prepare financial statements in accordance with prevailing accounting standards and policies. Changes in these accounting standards and policies in the future may have an adverse impact on Cromwell's reported financial performance.

Disruption to general economic conditions

Cromwell's operating and financial performance relating to its direct and direct property investment and funds and asset management is influenced by a variety of general and economic business conditions, including the level of inflation, interest rates, ability to access funding, oversupply and demand conditions and governmental fiscal, monetary and regulatory policies. Changes in various economic conditions could potentially have a prolonged impact on Cromwell's operating and financial performance. Such economic impacts could include increases in interest rates or increases in the cost of capital, which could have a material adverse impact on Cromwell's operating and financial performance into the future.

Effects on debt, refinancing and future funding

Property investment is highly capital intensive. The ability of Cromwell to raise funds on favourable terms for future acquisitions and asset enhancements depends on a number of factors including general economic, geopolitical, capital and credit market conditions. These factors could potentially increase the cost of future funding or reduce the availability of funding for existing or new projects or increase refinancing risk of maturing debt facilities. The inability for Cromwell to raise funds on favourable terms for Cromwell Securityholders in respect of future funding could adversely affect Cromwell's ability to acquire or enhance new properties or refinance its debt.

Uncertainty in interest rates and financial instruments

Adverse fluctuations in interest rates, to the extent that they are not hedged, may impact Cromwell's earnings and Cromwell Securityholders. Where interest rates are hedged by way of financial instruments, the value of those instruments can vary substantially which can impact both earnings and net assets.

Regulatory issues, changes in the law and Australian law changes

The financial performance of Cromwell in respect of Australian assets may be materially affected by adverse change in laws and other governmental regulations. Changes in government policy including fiscal, monetary and regulatory policies at federal, state and local levels, may affect the amount of timing and distribution of Cromwell's future profits.

Governance and compliance

Cromwell is subject to various group governance and compliance obligations and has a legal duty to ensure continuous compliance with the various regulatory requirements in the jurisdictions which it operates. Non-compliance could impact Cromwell's legal and reputational standing and may have a materially adverse impact on Cromwell Securityholders.

Taxation changes

Future changes in Australian taxation law, including changes in interpretation or application of the law by Australian courts or Australian tax authorities, may affect the taxation treatment of Cromwell Securityholders and Cromwell Stapled Securities including the holding and disposing of those Stapled Securities. Further, changes in the law or changes in the way tax law is expected to be interpreted in the various jurisdictions in which Cromwell operates may impact the future tax liabilities of Cromwell and Cromwell Securityholders.

Environmental matters

Cromwell is exposed to a range of environmental risks which may result in additional expenditure on current properties or from project delays. Cromwell may be required to undertake remedial works and potentially will be exposed to third party facility claims, fines, penalties or other liabilities generally as a result of the various federal, state and local government environmental laws. For example, Cromwell may become liable for the cost of removal or remediation of hazardous or toxic substances on Cromwell properties. There is also a risk that federal, state and local environmental laws will change or become more stringent in the future. Changes in climate change legislation may also impact disclosure requirements, rental income and operational expenditure of Cromwell; for example, the ability to recover certain property expenses from tenants, increased electricity prices, environmental taxes, mandatory emission standards or energy targets.

Inflation

Higher than expected inflation rates could be expected to increase operating costs, interest and project costs and could potentially reduce the value of Cromwell's investment properties and other assets for Cromwell Securityholders. These inflation cost increases would need to be considered and offset by increased selling prices or rentals from Cromwell assets and properties.

Insurance

Cromwell generally enters into contracts of insurance that provide a degree of protection over assets, liabilities and people. While such policies typically cover against material damage to assets, contract works, business interruption, general and professional liability and workers compensation, there are certain risks that cannot be mitigated by insurance, either wholly or in part (such as nuclear, chemical or biological incidents) or where the insurance coverage is reduced (such as natural disasters). Unforeseen factors may result in that insurance cover being inadequate or the cost of the insurance premiums being in excess of that forecast. This may have a negative impact on Cromwell's net income and/or value of its assets for future valuations.

Market price

Cromwell Stapled Securities may trade on the ASX at, above or below the Offer Price of net tangible asset amount per security. The price at which Cromwell Stapled Securities trade on the ASX will fluctuate due to various factors including general movements in interest rates, and the Australian and international investment markets, economic conditions, global geopolitical events, the economic impact of COVID-19, regulatory changes, changes in stock market ratings and fluctuations in the supply and demand of listed property securities. There is also no guarantee that Cromwell distributions will be paid during each applicable period.

Counterparty credit or default risk, and material contract risk

Counterparty credit or default risk is the potential risk of loss being sustained by Cromwell as a result of payment default or non-performance by counterparties with whom Cromwell has contracted. This could subsequently affect the timing and amount of future earnings for Cromwell Securityholders. Further, the management of interest rate and currency risk management by Cromwell associated with borrowing by entering into interest rate or currency exchange hedging agreements could be adversely affected.

Health pandemics

The outbreak of an infectious disease such as COVID-19 globally, together with any resulting restrictions on travel and/or imposition of quarantine restrictions, could have a negative impact on the economy and business activities in the jurisdictions in which Cromwell operates, which may adversely impact Cromwell's revenues, financial condition and financial results.

8. Taxation considerations

8.1 INTRODUCTION

This Section 8 of the Target's Statement provides a general overview of the Australian income tax, goods and services tax (GST) and stamp duty implications for Cromwell Securityholders on disposal of 29% of their Cromwell Stapled Securities (through acceptance of ARA's Proportional Offer) in return for cash consideration.

Each Cromwell Stapled Security comprises of a fully paid ordinary share in Cromwell Corporation Limited and a fully paid ordinary unit in Cromwell Diversified Property Trust, which are stapled and only able to be dealt with as a single security for legal purposes. However, the shares and units will be treated as separate assets for capital gains tax (CGT) purposes. Accordingly, a Cromwell Securityholder who accepts ARA's Proportional Offer will be treated as having disposed of 29% of each of their shares and units for Australian tax purposes and a separate CGT calculation will need to be performed for each asset. References to "Cromwell Stapled Securities" in this section refer to the fully paid ordinary shares in Cromwell Corporation Limited and fully paid ordinary units in Cromwell Diversified Property Trust separately.

The Australian tax implications outlined in this Section 8 are only relevant for Australian resident and foreign resident Cromwell Securityholders who hold their Cromwell Stapled Securities on capital account. This information relates only to Cromwell Stapled Securities, and not to other rights held over Cromwell Stapled Securities or the Cromwell Performance Rights.

This Section 8 does not consider the Australian tax consequences for Cromwell Securityholders:

- who hold their Cromwell Stapled Securities as trading stock or as revenue assets;
- who hold their Cromwell Stapled Securities as assets used in carrying on a business or as part of a profit-making undertaking or scheme;
- who acquired their Cromwell Stapled Securities through an employee security scheme;
- who are Australian tax residents but who hold their Cromwell Stapled Securities as part of an enterprise carried on, at or through a permanent establishment in a foreign country;
- who are foreign tax residents who hold their Cromwell Stapled Securities as part of an enterprise carried on, at or through a permanent establishment in Australia;
- who are exempt from Australian income tax;
- who are under a legal disability;
- who are taken for capital gains tax purposes to have acquired their Cromwell Stapled Securities before 20 September 1985;
- that are financial institutions, insurance companies, partnerships, tax exempt organisations, trusts (except where expressly stated), superannuation funds (except where expressly stated) or temporary residents; or
- who are subject to the taxation of financial arrangements rules under Division 230 of the *Income Tax Assessment Act 1997* (Cth) or the investment manager regime in Subdivision 842-1 of the *Income Tax Assessment Act 1997* (Cth) in relation to gains and losses on their Cromwell Stapled Securities.

The information in this section is based on the Australian taxation law and practice in effect as at the date of this Target's Statement. It is not intended to be an authoritative or complete statement or analysis of the taxation laws applicable to the particular circumstances of every Cromwell Securityholder.

Cromwell Securityholders should seek independent professional advice regarding the taxation consequences of accepting ARA's Proportional Offer and disposing of a proportion of their Cromwell Stapled Securities.

8.2 TAXATION CONSEQUENCES OF DISPOSAL OF 29% OF CROMWELL STAPLED SECURITIES BY AUSTRALIAN RESIDENTS

A general overview of the income tax consequences relevant for Cromwell Securityholders who dispose of 29% of their Cromwell Stapled Securities by way of transfer to ARA Group and that are Australian residents for tax purposes is outlined below.

CGT event

Under ARA's Proportional Offer, the Cromwell Securityholders will dispose of a proportion of their Cromwell Stapled Securities to ARA Group in exchange for the Offer Price.

The disposal of Cromwell Stapled Securities to ARA Group under ARA's Proportional Offer will constitute a CGT event for the Cromwell Securityholders. The CGT event will happen in relation to a Cromwell Securityholder at the time the Cromwell Securityholder accepts ARA's Proportional Offer.

However, if a Cromwell Securityholder does not ultimately dispose of a proportion of their Cromwell Stapled Securities then no such CGT event will occur.

Cromwell Securityholders who accept ARA's Proportional Offer will:

- make a capital gain if the capital proceeds received on the disposal of a proportion of their Cromwell Stapled Securities are more than the cost base of those Cromwell Stapled Securities; or
- make a capital loss if the capital proceeds received on the disposal of a proportion of their Cromwell Stapled Securities are less than the reduced cost base of those Cromwell Stapled Securities.

Capital proceeds

The capital proceeds on the disposal of the Cromwell Stapled Securities will be the Offer Price.

The Offer Price will need to be apportioned by the Cromwell Securityholder based on the value split between Cromwell Corporation Limited and Cromwell Diversified Property Trust as at the time ARA's Proportional Offer is accepted. The value split information should be provided by Cromwell at the time ARA's Proportional Offer is accepted.

Cost base

The cost base (or reduced cost base) of Cromwell Stapled Securities in the hands of the Cromwell Securityholders for income tax purposes will be broadly:

- the sum of the original amount paid to acquire the Cromwell Stapled Securities and any non-deductible incidental costs associated with the acquisition of the Cromwell Stapled Securities and the disposal to ARA Group;
- minus any return of capital and tax deferred distributions received in connection with the Cromwell Stapled Securities during the ownership of the Cromwell Stapled Securities (if any).

The original amount paid to acquire the Cromwell Stapled Securities should have been appropriately apportioned between the fully paid ordinary shares in Cromwell Corporation Limited and the fully paid ordinary units in Cromwell Diversified Property Trust at the time of the acquisition. One reasonable basis of apportionment indicated by the ATO is to base the apportionment on the portion of the value the stapled entity represented at the time of the acquisition.

Cromwell Securityholders may be entitled to reduce any capital gain on the disposal of the Cromwell Stapled Securities by applying the CGT discount (discussed below).

CGT discount

The CGT discount should be available to Cromwell Securityholders who are Australian resident individuals, trusts or complying superannuation funds and have held their Cromwell Stapled Securities for at least 12 months before the time of the CGT event resulting in the disposal of the Cromwell Stapled Securities by accepting ARA's Proportional Offer. A CGT event will occur at the earlier of the entry into a contract for the sale of the Cromwell Stapled Securities or disposal of the Cromwell Stapled Securities.

Broadly, the CGT discount rules enable the Cromwell Securityholders to reduce their capital gain (after the application of any current year or prior year capital losses of the Cromwell Securityholders) by 50% for individuals and 33 1/3% for complying superannuation funds.

The application of the CGT discount rules to a Cromwell Securityholder that is a trustee of a trust is complex, particularly where distributions to beneficiaries of the trust are attributable to discounted capital gains. Cromwell Securityholders that are trustees of trusts should obtain specific tax advice.

The CGT discount is not available to Cromwell Securityholders that are companies.

Capital losses

A capital loss will arise where the capital proceeds received by the Cromwell Securityholders on the disposal of a proportion of their Cromwell Stapled Securities are less than the reduced cost base of those Cromwell Stapled Securities.

A capital loss may be used to offset any other capital gains made by the Cromwell Securityholders for the relevant year of income or may be carried forward to offset capital gains in future income years. Specific loss recoupment rules apply to companies to restrict their ability to utilise capital losses in future years in some circumstances. Cromwell Securityholders should obtain their own tax advice in relation to the operation of these rules. The tax loss recoupment rules do not apply to capital losses of trusts.

8.3 TAXATION CONSEQUENCES OF DISPOSAL OF 29% OF CROMWELL STAPLED SECURITIES BY FOREIGN RESIDENTS

A general overview of the Australian income tax consequences relevant for Cromwell Securityholders who dispose of 29% of their Cromwell Stapled Securities by accepting ARA's Proportional Offer and who are foreign residents for tax purposes is outlined below. Foreign resident Cromwell Securityholders should obtain their own independent professional advice as to the Australian tax consequences arising from the disposal of a proportion of their Cromwell Stapled Securities.

Generally, a Cromwell Securityholder who is a foreign resident for Australian income tax purposes and who does not carry on business in Australia at or through a permanent establishment should be exempt from CGT on the disposal of their Cromwell Stapled Securities, unless, broadly:

- the foreign resident Cromwell Securityholder (together with its Tax Associates) hold 10% or more of the issued securities in the relevant Cromwell entity (note that the shares in Cromwell Corporation Limited and units in Cromwell Diversified Property Trust will be treated separately for these purposes):
 - at the time of the CGT event resulting from the disposal of the Cromwell Stapled Securities; or
 - throughout a twelve month period that began no earlier than 24 months before the time of the CGT event resulting from the disposal of the Cromwell Stapled Securities; and
- the market value of the Cromwell assets that are 'taxable Australian real property' (generally, real property in Australia, or mining, quarrying or prospecting rights, where the minerals, petroleum or quarry materials are in Australia) is greater than the market value of Cromwell assets that are not taxable Australian real property.

Importantly, foreign resident Cromwell Securityholders must assess whether they are subject to CGT at the time of the CGT event resulting from the disposal of their Cromwell Stapled Securities, including confirming at that time whether the Cromwell Stapled Securities are taxable Australian property.

Cromwell Securityholders who are not resident in Australia for income tax purposes should note that the Australian tax consequences from the disposal of Cromwell Stapled Securities may be affected by any double tax agreement between Australia and their country of residence. Foreign resident Cromwell Securityholders should obtain specific tax advice.

8.4 FOREIGN RESIDENT CGT WITHHOLDING TAX RULES

Under the foreign resident CGT withholding tax rules, a bidder in an off-market takeover bid has an obligation, subject to certain exceptions, to pay an amount equal to 12.5% of the Offer Consideration to the ATO (unless this amount is varied by the ATO Commissioner) if the securities acquired from a target securityholder qualify as indirect Australian real property interests (ie. satisfies the two requirements outlined in Section 8.3) and the bidder either:

- knows or reasonably believes that the target securityholder is a foreign resident; or
- does not reasonably believe that the target securityholder is an Australian resident and either:
 - (i) the target securityholder has an address outside Australia; or
 - (ii) the bidder is authorised to make payment of the Offer Consideration to a place outside Australia (whether to the target securityholder or to anyone else).

If the bidder considers that it has an obligation to make the above payment to the ATO, it may withhold the applicable amount from the Offer Consideration paid to the relevant target securityholder. Where the bidder pays the withheld amount to the ATO, the bidder will be discharged of any liability to pay that amount of the Offer Consideration to the target securityholder.

Despite any other provision of this Section 8 of the Target's Statement or the provisions of section 5 of the Bidder's Statement, if ARA Group reasonably believes that there is, or is reasonably likely to be, a liability to withhold and pay an amount to the ATO in respect of the disposal of Cromwell Stapled Securities by a Cromwell Securityholder, ARA Group will withhold the applicable amount from the payment of Offer Price to the Cromwell Securityholder and pay the amount withheld to the ATO. The Cromwell Securityholder will then only receive the net proceeds after deduction of this withheld amount and the payment of the net proceeds will be taken to be full payment for the purposes of ARA's Proportional Offer.

If ARA Group considers that a withholding will be required, ARA Group will notify the relevant Cromwell Securityholder at their registered address.

A Cromwell Securityholder who believes the disposal of their Cromwell Stapled Securities may trigger a foreign resident CGT withholding tax liability should obtain their own independent advice and consider contacting ARA Group.

ARA Group may request the Cromwell Securityholder to complete, sign and return a Relevant Foreign Resident Declaration Form in order to ensure the Cromwell Stapled Securities held by the Cromwell Securityholder are not indirect Australian real property interests and therefore, the disposal of Cromwell Stapled Securities is not subject to foreign resident CGT withholding tax being deducted from the Offer Price.

The foreign resident CGT withholding tax amount deducted from the Offer Price is not considered to be a final withholding tax. As a result, the relevant Cromwell Securityholder who has had foreign resident CGT withholding tax amount deducted from the Offer Price should be able to claim a tax credit for any withholding tax amount deducted to reduce income tax liability arising for the relevant income year.

8.5 STAMP DUTY

In the Bidder's Statement, ARA Group has represented that no stamp duty will be payable by a Cromwell Securityholder on the disposal of Cromwell Stapled Securities under ARA's Proportional Offer.

8.6 GST

There should be no adverse GST consequences arising for Cromwell Securityholders, apart from the potential denial of input tax credits (ie. GST credits) for GST incurred by Cromwell Securityholders on transaction costs.

The disposal of Cromwell Stapled Securities to ARA Group under ARA's Proportional Offer should not be subject to GST on the basis that the disposal should be either:

- an input taxed financial supply (where the Cromwell Securityholder is registered, or required to be registered, for GST); or
- an out-of-scope supply (where the Cromwell Securityholder is not registered, or required to be registered, for GST).

Cromwell Securityholders may be charged GST on costs they incur (such as brokerage and advisor fees) that relate to their participation in ARA's Proportional Offer. In this respect:

- where Cromwell Securityholders are registered or required to be registered for GST, Cromwell Securityholders will not be entitled to claim full input tax credits (ie. GST credits) for the GST included in such costs. However, Cromwell Securityholders may be entitled to claim 'reduced input tax credits' (equal to 75% or 55% of the GST component) for qualifying 'reduced credit acquisitions' (if any); and
- where Cromwell Securityholders are not registered or required to be registered for GST, Cromwell Securityholders will not be entitled to claim input tax credits (reduced or in full) for GST incurred on costs relating to the disposal of Cromwell Stapled Securities.

Cromwell Securityholders should obtain independent advice in relation to the impact of GST in their individual circumstances.

9. Additional information

9.1 ISSUED CAPITAL

As at the date of this Target's Statement, Cromwell's issued capital comprises:

Securities	Number of Securities on issue
Cromwell Stapled Securities	2,612,871,600
Cromwell Performance Rights	13,818,156
Convertible bonds	2,300

9.2 CROMWELL PERFORMANCE RIGHTS

Cromwell operates a performance rights plan as part of its remuneration strategy for executives and employees, being the Cromwell Property Group Performance Rights Plan.

The object of the Cromwell Property Group Performance Rights Plan is to provide an incentive to employees to remain in their employment in the long term and recognise their ongoing ability and expected efforts and contribution in the long term to the performance and success of Cromwell Group.

Under the Cromwell Property Group Performance Rights Plan, senior executives and other employees may receive rights to acquire Cromwell Stapled Securities (Cromwell Performance Rights). Each Cromwell Performance Right entitles the holder to one Cromwell Stapled Security on vesting and exercise, subject to the satisfaction of any applicable exercise conditions and payment of any applicable exercise price. A Cromwell Performance Right carries no voting or distribution rights.

Under the terms of the Cromwell Property Group Performance Rights Plan, the Cromwell Performance Rights remain subject to any applicable vesting and exercise conditions such that vested Cromwell Performance Rights may entitle the holder, subject to any exercise conditions having been satisfied, to exercise them so as to acquire Cromwell Stapled Securities. All unvested Cromwell Performance Rights will remain subject to applicable vesting and exercise conditions.

The Proportional Offer does not extend to Cromwell Stapled Securities which are issued as a result of the exercise of rights attached to the Cromwell Performance Rights.

9.3 CROMWELL CONVERTIBLE BONDS 2025

In 2018, Cromwell issued 2,300 convertible bonds with a face value of 100,000 each, with a total gross face value of 230.0 million. The bonds bear an interest rate of 2.5% and must be redeemed by Cromwell on maturity.

Subject to below, the bonds are convertible into Cromwell Stapled Securities at the option of the bond holder from 40 days after the issue date up to seven business days prior to the final maturity date of 29 March 2025.

Any conversion of the bonds may be settled in cash, Cromwell Stapled Securities or a combination of cash and Cromwell Stapled Securities, at Cromwell's discretion.

ARA's Proportional Offer does not extend to any new Cromwell Stapled Securities that may be issued as a result of the conversion of any Convertible Bonds.

9.4 SUBSTANTIAL HOLDERS

As at the date of this Target's Statement, the following persons held an interest in Cromwell Stapled Securities of 5% or more. The following table shows the number of Cromwell Stapled Securities and voting power as disclosed in substantial holder notices provided to ASX:

Substantial holder	Number of Cromwell Stapled Securities	Voting power (%)	Date of notice
ARA Asset Management Holdings Pte. Ltd. and each of its controlled entities, Alexandrite Gem Holdings Limited, Warburg Pincus & Co and each of its controlled entities, Straits Equities Holdings (One) Pte. Ltd., The Straits Trading Company Limited, The Cairns Pte. Ltd., JL Investment Group Limited, JL Investment Group II Limited and Lim Hwee Chiang John	697,239,866	26.68%	7 August 2020
Haiyi Holdings Pte Ltd, Haiyi Group, SingHaiyiGroup Ltd, Mr Tang Gordon, Mrs Celine Tang, Ms Jialei Tangm Senz Holdings Limited, Madam Yang Chanzhen and Mr Tang Jialin	433,607,179	16.60%	19 June 2020
The Vanguard Group, Inc, and its controlled entities	210,756,179	8.09%	16 December 2019
BlackRock Inc. and subsidiaries	130,660,437	5.00%	28 July 2020

9.5 YOUR CROMWELL DIRECTORS' INTERESTS AND DEALINGS IN CROMWELL STAPLED SECURITIES

(a) Interests in Cromwell Stapled Securities

At the date of this Target's Statement, the Cromwell Directors have a Relevant Interest in the following Cromwell Stapled Securities:

Director	Number of Cromwell Stapled Securities	Number of Cromwell Performance Rights
Mr Leon Blitz	550,000	nil
Mr Paul Weightman	26,635,331	5,922,893 ⁷⁴
Ms Tanya Cox	90,000	nil
Mr Andrew Fay	672,241	nil
Ms Lisa Scenna	55,000	nil
Ms Jane Tongs	379,907	nil

(b) Dealings in Cromwell Stapled Securities

No Cromwell Director has acquired or disposed of a relevant interest in any Cromwell Stapled Securities in the four month period immediately preceding the date of this Target's Statement, except as follows:

- (i) on 5 June 2020, Mr Leon Blitz acquired 550,000 Cromwell Stapled Securities on-market;
- (ii) on 5 June 2020, Ms Jane Tongs acquired 56,500 Cromwell Stapled Securities on-market;
- (iii) on 11 June 2020, Ms Tanya Cox acquired 90,000 Cromwell Stapled Securities on-market; and
- (iv) on 16 June 2020, Ms Lisa Scenna acquired 55,000 Cromwell Stapled Securities on-market.

(c) Intentions in relation to ARA's Proportional Offer

Each of your Cromwell Directors intends to **REJECT** ARA's Proportional Offer in respect of the Cromwell Stapled Securities in which they or their Associates own or control or in which they otherwise have a Relevant Interest.

⁷⁴ Paul Weightman holds 5,922,893 Cromwell Performance Rights under the Cromwell Property Group Performance Rights Plan. The Proportional Offer does not extend to Cromwell Stapled Securities which are issued as a result of the exercise of rights attached to the Cromwell Performance Rights.

9.6 YOUR CROMWELL DIRECTORS' INTERESTS AND DEALINGS IN ARA GROUP SECURITIES

(a) Interests in ARA securities

As at the date of this Target's Statement, no Cromwell Director has a Relevant Interest in any securities of ARA Group.

(b) Dealings in ARA securities

No Cromwell Director has acquired or disposed of a relevant interest in any securities of ARA Group in the four months ending on the date immediately before the date of this Target's Statement.

9.7 BENEFITS AND AGREEMENTS

(a) Directorships

As at the date of this Target's Statement, no Cromwell Director is a director of ARA Group.

(b) Benefits in connection with retirement from office

As a result of ARA's Proportional Offer, no person has been or will be given any benefit (other than a benefit which can be given without member approval under the Corporations Act) in connection with the retirement of that person, or someone else, from the Board or a managerial office of Cromwell.

(c) Agreements connected with or conditional on ARA's Proportional Offer

There are no agreements made between any Cromwell Director and any other person in connection with, or conditional on, the outcome of the Offer other than in their capacity as a holder of Cromwell Stapled Securities.

(d) Benefits from ARA Group

No Cromwell Director has agreed to receive, or is entitled to receive, any benefit from ARA Group which is conditional on, or is related to, ARA's Proportional Offer, other than in their capacity as a holder of Cromwell Stapled Securities as outlined in Section 9.5(a) of this Target's Statement.

(e) Material interests of Directors in contracts with ARA Group

No Cromwell Director has any interest in any contract entered into by ARA Group.

9.8 POTENTIAL IMPACT OF PROPORTIONAL OFFER ON CROMWELL'S MATERIAL CONTRACTS

After the end of the Offer Period, ARA Group may gain significant influence over Cromwell and effective control of Cromwell at an ownership level below 50% if ARA Group is able to determine the outcome of decisions about Cromwell's financial and operating policies. Cromwell has identified contracts to which it is a party that contain change of control provisions which may be triggered as a result of the Proportional Offer.

(a) Financing arrangements

A change in control of Cromwell could have adverse consequences in relation to Cromwell's debt facilities including potential review and default events.

These include 11 bilateral facilities for the provision of \$1.46 billion facilities (Bilateral Facilities), a €225 syndicated facility with 10 lenders (Syndicated Facility), a €230 million convertible bond (Convertible Bond) and a \$113.1 million bilateral loan funding Cromwell's portion of the Chatswood Joint Venture (Bilateral Loan Facility).

Additional Cromwell facilities totalling €214.5 million also have change of control provisions in the facility documents that may also be triggered as a result of ARA's Proportional Offer or acceptances of ARA's Proportional Offer.

Such outcomes may have a material adverse effect on Cromwell.

(b) Joint venture arrangements

Cromwell has numerous material contracts in place in connection with its business, including a number of joint venture arrangements, property management and development management agreements.

A number of these contracts contain change of control provisions which may be triggered if ARA is successful in acquiring effective control of Cromwell. A change in control of Cromwell may trigger consent requirements or give rise to a breach or default under the contract. If any applicable consents are not obtained or a breach or default occurs, this may potentially give rise to a termination right or entitle another joint venture party to purchase Cromwell's interests.

9.9 MATERIAL LITIGATION

Cromwell does not believe that it is involved in any litigation or dispute which is material in the context of Cromwell and the Cromwell Group taken as a whole.

9.10 ASX ANNOUNCEMENTS

Cromwell is a listed disclosing entity under the Corporations Act and therefore has periodic and continuous disclosure obligations under that legislation and under the ASX Listing Rules. Cromwell is required to immediately disclose to the market through ASX on becoming aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of Cromwell Stapled Securities (subject to exceptions from disclosure for certain confidential information).

Cromwell is in compliance with its continuous disclosure obligations under the Corporations Act and the ASX Listing Rules. Cromwell's historical ASX announcements and copies of half-yearly and annual financial results and accompanying releases may be obtained from the ASX website at www.asx.com.au (ASX code: CMW).

Copies of these documents are also available free of charge:

- call Cromwell's Investor Services Team on 1300 268 078 (within Australia) or +61 7 3225 7777 (outside Australia) or email invest@cromwell.com.au; or
- visit Cromwell's website at www.cromwellpropertygroup.com.

9.11 TAKEOVER RESPONSE COSTS

ARA's Proportional Offer will result in Cromwell incurring expenses that would not otherwise have arisen in FY21. These include legal, financial and other expenses from advisors engaged by Cromwell to assist in responding to ARA's Proportional Offer. The total cost of the takeover response depends on the outcome of ARA's Proportional Offer, the duration of ARA's Proportional Offer and required response activities, as well as the complexity of the issues addressed in the response. It is therefore difficult to estimate the likely total cost to Cromwell. These costs will be reflected in Cromwell's financial results for the financial year ending 30 June 2021.

9.12 CONSENTS

The following parties have given, and have not withdrawn before lodgement of this Target's Statement with ASIC, their written consent to be named in this Target's Statement in the form and context in which they are named:

- (a) MinterEllison consents to be named in this Target's Statement as legal advisor to Cromwell;
- (b) Goldman Sachs Australia Pty Ltd consents to be named in this Target's Statement as financial advisor to Cromwell;
- (c) UBS AG, Australia Branch consents to be named in this Target's Statement as financial advisor to Cromwell; and
- (d) Link Market Services Limited consents to be named in this Target's Statement as Cromwell's Securities Registry.

Each person named in this section as having given its consent to the inclusion of a statement or to being named in this Target's Statement:

- (a) has not authorised or caused the issue of this Target's Statement;
- (b) does not make, or purport to make, any statement in this Target's Statement or any statement on which a statement

in this Target's Statement is based, other than a statement included in this Target's Statement with the consent of that party; and

- (c) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding and takes no responsibility for any part of this Target's Statement, other than a reference to its name and the statements (if any) included in this Target's Statement with the consent of that party.

9.13 RELIANCE ON ASIC CLASS ORDERS

As permitted by ASIC Class Order 13.521, this Target's Statement contains statements which are made, or based on statements made, in documents lodged with ASIC or given to the ASX. Pursuant to this ASIC Class Order, the consent of persons to whom such statements are attributed is not required for the inclusion of such statements in this Target's Statement. Any Cromwell Securityholder who would like to receive a copy of any of those documents may obtain a copy (free of charge) during the Offer Period by calling Cromwell's Investor Services Team on 1300 268 078 (within Australia) or +61 7 3225 7777 (outside Australia) or emailing invest@cromwell.com.au.

As permitted by ASIC Corporations (Consents to Statements) Instrument 2016/72, this Target's Statement may include or be accompanied by certain statements:

- fairly representing a statement by an official person; or
- from a public official document or published book, journal or comparable publication.

As permitted by ASIC Corporations (Consents to Statements) Instrument 2016/72, this Target's Statement contains trading data sourced from IRESS, S&P Capital IQ and Datastream without their consent.

9.14 NO OTHER MATERIAL INFORMATION

This Target's Statement is required to include all the information that Cromwell Securityholders and their professional advisors would reasonably require to make an informed assessment whether or not to accept the Offer but:

- only to the extent to which it is reasonable for investors and their professional advisors to expect to find this information in the Target's Statement; and
- only if the information is known to any of your Directors.

Your Directors are of the opinion that the only information that Cromwell Securityholders and their professional advisors would reasonably require to make an informed assessment whether to accept the Offer is:

- the information contained in the Bidder's Statement (to the extent that the information is not inconsistent or superseded by information in this Target's Statement);
- the information contained in releases by Cromwell to ASX before the date of this Target's Statement; and
- the information contained in this Target's Statement.

Your Directors have assumed, for the purposes of preparing this Target's Statement, that the information in the Bidder's Statement is accurate (unless expressly indicated otherwise in this Target's Statement). However, your Directors do not take any responsibility for the content of the Bidder's Statement and is not to be taken as endorsing, in any way, any or all statements contained in it.

In deciding what information should be included in this Target's Statement, your Directors have had regard to:

- the nature of the Cromwell Stapled Securities;
- the matters Cromwell Securityholders may reasonably be expected to know;
- the fact that certain matters may reasonably be expected to be known to the professional advisors to Cromwell Securityholders;
- the nature of ARA's Proportional Offer; and
- the time available to Cromwell to prepare this Target's Statement.

10. Definitions and interpretation

10.1 DEFINITIONS

The following definitions apply in this Target's Statement, unless the context requires otherwise.

Definitions	Meaning
1H	first half
AIF	Alternative Investment Fund
Announcement Date	the date of the announcement of ARA's Proportional Offer, being 23 June 2020.
ARA	ARA Asset Management Holdings Pte. Ltd., a company incorporated in Singapore with company number 2016298330D
ARA BidCo	ARA Real Estate Investors 28 Limited, a company incorporated in the Cayman Islands
ARA Group	has the meaning given in section 8.1 of the Bidder's Statement
ARA's Proportional Offer or Proportional Offer or Offer	the proportional offer by ARA Group, through ARA BidCo, to acquire 29% of the Cromwell Stapled Securities that it does not own or control, set out in section 7 of the Bidder's Statement
ASIC	the Australian Securities and Investments Commission
Associate	has the meaning given in Division 2 of Part 1.2 of the Corporations Act as if section 12(1) included a reference to this Target's Statement and Cromwell was the designated body
ASX	ASX Limited ABN 98 008 624 691 or, where the context requires, the financial market operated by it
ASX Listing Rules	the official listing rules of ASX, as amended or replaced from time to time
ATO	Australian Taxation Office
AUM	assets under management
Bidder's Statement	the replacement bidder's statement of ARA Group dated 17 August 2020
Board	the board of directors of CCL and CPSL (in its capacity as responsible entity of CDPT)
Business Day	a day that is not a Saturday, Sunday, bank holiday or public holiday in Brisbane, Australia
CCL	Cromwell Corporation Limited ABN 44 001 056 980
CDPT	Cromwell Diversified Property Trust ARSN 102 982 598
CEREIT	Cromwell European REIT
CGT	capital gains tax
Control	has the meaning given in section 50AA of the Corporations Act Controlled has the same meaning
Corporations Act	<i>Corporations Act 2001</i> (Cth)
CPRF	Cromwell Polish Retail Fund
CPSL	Cromwell Property Securities Limited ABN 11 079 147 809 AFSL 238 052

Definitions	Meaning
Cromwell	Cromwell Property Group, being a stapled group comprising: <ul style="list-style-type: none"> • CCL; and • CDPT (the responsible entity of which is CPSL) or, where applicable, CPSL acting in its capacity as responsible entity of CDPT
Cromwell Group	CCL and CDPT and their controlled entities, and CDPT and its controlled entities, and each of their Related Entities collectively, and Cromwell Group Member means any member of the Cromwell Group
Cromwell Performance Right	an unlisted performance right issued under the Cromwell Property Group Performance Rights Plan
Cromwell Property Group Performance Rights Plan	the Cromwell Property Group Performance Rights Plan, described in Section 9.2 of this Target's Statement
Cromwell Stapled Securities Register	register of Cromwell Securityholders maintained by or on behalf of Cromwell in accordance with the Corporations Act
Cromwell's Securities Registry	Link Market Services Limited ABN 54 083 214 537
Cromwell Securityholder	a person who is registered as a holder of Cromwell Stapled Securities
Cromwell Stapled Securities	in each case, one fully paid ordinary share in CCL stapled to one fully paid ordinary unit in CDPT
Directors or Cromwell Directors	the directors of CCL and CPSL (in its capacity as responsible entity of CDPT)
DPU	distributions per unit
EBITDA	earnings before interest, tax, depreciation and amortisation
EGM	extraordinary general meeting
Entity	has the meaning given in section 64A of the Corporations Act
EXS	EXS Capital Group
FIRB	the Foreign Investment Review Board
FUM	funds under management
GST	goods and services tax
LDK	LDK Healthcare Pty Ltd
Marketable Parcel	a holding of a parcel of Cromwell Stapled Securities of not less than \$500 in value based on the closing price of Cromwell Stapled Securities on ASX on the most recent trading day before the date of acceptance of the Offer
NAV	net asset value
NTA	net tangible assets
Offer Period	the period during which the Offer will remain open for acceptance in accordance with the terms and conditions of the Bidder's Statement
Offer Price or Offer Consideration	the consideration offered for Cromwell Stapled Securities under the Offer, being \$0.92 cash per Cromwell Stapled Security, as reduced by the amount of any Rights which you (or any previous holder of your Cromwell Stapled Securities accepted into the Offer) become entitled to receive in respect of those Cromwell Stapled Securities accepted into the Offer on or after the date of the Bidder's Statement, as set out in section 7.1 of the Bidder's Statement
Oyster	Oyster Property Group

Definitions	Meaning
Register Date	the date set by ARA Group under section 633(2) to (4) inclusive of the Corporations Act, being 7.00pm (Sydney time) on Wednesday 22 July 2020
REIT	real estate investment trust
Related Body Corporate	has the meaning given in section 50 of the Corporations Act
Related Entity	in relation to an entity, any entity that is related to that entity within the meaning of section 50 of the Corporations Act or which is an entity under the Control of that entity
Relevant Interest	has the meaning given by sections 608 and 609 of the Corporations Act
Rights	all accretions, rights or benefits of whatever kind attaching to or arising from or in respect of Cromwell Stapled Securities, directly or indirectly, including without limitation all rights to receive dividends (but expressly excluding any franking credits attaching to those dividends), to receive or subscribe for shares, units, notes, options or other securities and to receive all other distributions or other entitlements declared, paid, made or issued by Cromwell or any entity controlled by Cromwell
SDC	Stratus Data Centres
SCDC	Stratus Cromwell Data Centre Fund
SGTI	Singapore Governance and Transparency Index
Strategic Review	the strategic review initiated by the Cromwell Board, as announced to ASX on 4 February 2020, and undertaken by Cromwell with the assistance of its financial advisors Goldman Sachs Australia Pty Ltd, and UBS AG, Australia Branch and its legal advisor Corrs Chambers Westgarth, and from which some key findings were announced to ASX on 4 June 2020
Stratus	Stratus Data Centres
Takeover Bid	the proportional off-market takeover bid constituted by the despatch of the Offers in accordance with the Corporations Act
Target's Statement	this document, being the target's statement of Cromwell under Part 6.5 of the Corporations Act in relation to the Offer
Tax Associate	has the meaning given to 'associate' in section 318 of the <i>Income Tax Assessment Act 1936</i> (Cth)
TSR	Total Shareholder Return
voting power	has the meaning given in section 610 of the Corporations Act
VWAP	the volume weighted average price of Cromwell Stapled Securities sold on the ASX over the relevant period

10.2 INTERPRETATION

- (a) Unless otherwise defined, words and phrases which are defined by the Corporations Act have the same meaning in this Target's Statement and, if a special meaning is given for the purposes of Chapter 6 or 6A or a provision of Chapter 6 or 6A of the Corporations Act, have that special meaning.
- (b) Headings are for convenience only, and do not affect interpretation.
- (c) The following rules also apply in interpreting this Target's Statement, except where the context makes it clear that a rule is not intended to apply:
 - (i) a singular word includes the plural, and vice versa;
 - (ii) a word which suggests one gender includes the other genders;

- (iii) unless otherwise stated references in this Target's Statement to sections, paragraphs and sub-paragraphs are to sections, paragraphs and subparagraphs of this Target's Statement;
 - (iv) a reference to a person includes a body corporate, partnership, joint venture, associate or other entity;
 - (v) a reference to time is a reference to time in Brisbane, Australia, unless otherwise specifically indicated;
 - (vi) a reference to any legislation (including subordinate legislation) is to that legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;
 - (vii) a reference to a document or instrument includes the document or instrument as novated, altered, amended, supplemented or replaced from time to time; and
 - (viii) a reference to \$ is to Australian dollars.
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11. Approval of Target's Statement

This Target's Statement has been approved by resolutions passed by the directors of Cromwell.

Dated 27 August 2020

Signed for and on behalf of
Cromwell Corporation Limited
ABN 44 001 056 980

by:



Paul Weightman
Director

Signed for and on behalf of
Cromwell Property Securities Limited
ABN 11 079 147 809 in its capacity
as responsible entity of
Cromwell Diversified Property Trust
ARSN 102 982 598

by:



Paul Weightman
Director

Appendix 1– ASX announcements

	Date	Announcement Title
1.	24/08/2020	ARA Offer Unconditional with Payment Terms Accelerated
2.	21/08/2020	Completion of Despatch of Replacement Bidder's Statement
3.	21/08/2020	Cromwell Proxy Form and Letter To Securityholders
4.	21/08/2020	Letter To Securityholders
5.	20/08/2020	Cromwell's Response To ARA's Notice Of Meeting
6.	19/08/2020	June 2020 Quarter Distribution – Taxation Components
7.	17/08/2020	Stop ARA's Takeover By Stealth
8.	17/08/2020	Supplementary Bidder's Statement
9.	17/08/2020	Replacement Bidder's Statement
10.	07/08/2020	Change in substantial holding
11.	07/08/2020	Cromwell's Response To Variation Of ARA's Proportional Offer
12.	07/08/2020	Variation of Takeover Bid
13.	03/08/2020	Cromwell Commences Action For Preliminary Discovery
14.	03/08/2020	Funds Outcomes In Australia, Poland And The Netherlands
15.	29/07/2020	Acquisition Of Logistics Portfolio To Seed Logistics Fund
16.	28/07/2020	Becoming a substantial holder – BlackRock Group
17.	21/07/2020	Response To ARA's Proportional Bid
18.	21/07/2020	Change in substantial holding – ARA Asset Management Holdings Pte. Ltd.
19.	21/07/2020	Bidder's Statement
20.	13/07/2020	Response To Media Article
21.	03/07/2020	Ceasing to be a substantial holder – BlackRock Group
22.	24/06/2020	Cromwell Directors Intend To Reject ARA Bid
23.	23/06/2020	Cromwell Securityholders Should Take No Action On ARA Bid
24.	23/06/2020	Pause in Trading
25.	19/06/2020	Change in substantial holding – Tang family
26.	16/06/2020	Change Of Director's Interest Notice – L Scenna
27.	12/06/2020	Change Of Director's Interest Notice – TL Cox
28.	11/06/2020	Change Of Director's Interest Notice – JA Tong
29.	09/06/2020	Change Of Director's Interest Notice – LS Blitz
30.	04/06/2020	Suspension Of Distribution Reinvestment Plan
31.	04/06/2020	Dividend/Distribution – CMW
32.	04/06/2020	Cromwell Property Group Business Update
33.	27/05/2020	Ceasing to be a substantial holder – AVIC Capital Co., Ltd
34.	22/05/2020	Becoming a substantial holder – BlackRock Group
35.	21/05/2020	Cromwell Settles Sale Of 50% Of 475 Victoria Avenue
36.	20/05/2020	March 2020 Quarter Distribution – Taxation Components

	Date	Announcement Title
37.	19/05/2020	Becoming a substantial holder – JL Investment Group Limited et al
38.	03/04/2020	Mandatory Code Of Conduct And Cromwell FY20 Guidance Update
39.	02/04/2020	Appendix 3G
40.	30/03/2020	Results Of Meeting
41.	30/03/2020	General Meeting Presentation
42.	25/03/2020	Suspension Of Distribution Reinvestment Plan
43.	25/03/2020	Dividend/Distribution – CMW
44.	25/03/2020	Cromwell Securityholder Meeting Now A Hybrid Meeting
45.	20/03/2020	Cromwell Securityholder Meeting Update
46.	13/03/2020	Change Of Director's Interest Notice – PL Weightman
47.	05/03/2020	Letter To Securityholders
48.	02/03/2020	Letter To Securityholders
49.	02/03/2020	Copy Of Notice Received Under Section 249F
50.	27/02/2020	Final Director's Interest Notice – GH Levy
51.	27/02/2020	Cromwell Chair Succession
52.	27/02/2020	HY20 Results Presentation
53.	27/02/2020	HY20 Results Announcement
54.	27/02/2020	Appendix 4D And Half Year Financial Report
55.	21/02/2020	Appendix 2A
56.	19/02/2020	December 2019 Quarter Distribution – Taxation Components
57.	04/02/2020	Strategic Review And Retirement Of Cromwell Chair
58.	31/01/2020	Update – Dividend/Distribution – CMW
59.	17/01/2020	Cromwell Announces Extension Of On-market Buy-back
60.	03/01/2020	TOV: Cromwell Property Group – Panel Declines to Conduct Proceedings
61.	23/12/2019	Change in substantial holding – Tang family
62.	23/12/2019	Dividend/Distribution – CMW
63.	20/12/2019	Cleansing Notice
64.	20/12/2019	Change of Director's Interest Notice – PL Weightman
65.	20/12/2019	Appendix 2A
66.	17/12/2019	Change in substantial holding – Vanguard Group
67.	11/12/2019	TOV: CMW Panel Receives Application
68.	29/11/2019	Cleansing Notice
69.	29/11/2019	Appendix 3B
70.	28/11/2019	Retirement of Cromwell Director – MA McKellar
71.	28/11/2019	Results of Meeting
72.	28/11/2019	2019 AGM Presentation
73.	28/11/2019	Chair's Address And CEO's Address To Securityholders
74.	22/11/2019	Appendix 3B
75.	20/11/2019	September 2019 Quarter Distribution – Taxation Components

	Date	Announcement Title
76.	19/11/2019	Court Orders No Need To Disclose Proxy Information
77.	14/11/2019	Letter to Cromwell Property Group Securityholders
78.	14/11/2019	Judicial Advice Sought
79.	12/11/2019	Change in substantial holding - ARA Real Estate Investors XXI Pte. Ltd.
80.	07/11/2019	Change in substantial holding - ARA Real Estate Investors XXI Pte. Ltd.
81.	01/11/2019	Update - Dividend/Distribution - CMW
82.	01/11/2019	Cromwell Quarterly Business Update
83.	30/10/2019	Update On Substantial Holder
84.	28/10/2019	Cromwell Confirms Acquisition Of Investor Interests In CPRF
85.	25/10/2019	Change of Director's Interest Notice - PL Weightman
86.	21/10/2019	Initial Director's Interest Notice - TL Cox
87.	21/10/2019	Initial Director's Interest Notice - L Scenna
88.	21/10/2019	Notice of Annual General Meeting/Proxy Form
89.	21/10/2019	Cromwell Appoints Two New Independent Directors
90.	17/10/2019	Change in substantial holding - ARA Real Estate Investors XXI Pte. Ltd.
91.	14/10/2019	Change Of Date Of Cromwell Property Group AGM 2019
92.	04/10/2019	Appendix 3B
93.	24/09/2019	Cromwell Property Group AGM 2019 Details
94.	24/09/2019	Appendix 4G
95.	24/09/2019	Annual Report 2019
96.	24/09/2019	Dividend/Distribution - CMW

Corporate Directory

DIRECTORS

Leon Blitz
Paul Weightman
Tanya Cox
Andrew Fay
Lisa Scenna
Jane Tongs

COMPANY SECRETARY

Lucy Laakso

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CROMWELL
PROPERTY GROUP

Cromwell Corporation Limited
ABN 44 001 056 980

Cromwell Property Securities Limited

ABN 11 079 147 809 in its capacity as responsible entity of
Cromwell Diversified Property Trust ARSN 102 982 598