

RESPONSE TO ARA'S PROPORTIONAL BID

- **TAKE NO ACTION**
- **IGNORE ARA'S OPPORTUNISTIC PROPORTIONAL TAKEOVER OFFER AND MISLEADING STATEMENTS**
- **ARA'S BIDDER'S STATEMENT CONTAINS MATERIAL OMISSIONS AND FAILS TO DISCLOSE ARA'S TRUE INTENTIONS**
- **DON'T LET ARA SEIZE CONTROL WITHOUT PAYING A PREMIUM**

Cromwell Property Group (ASX:CMW) (Cromwell) refers to today's announcement by ARA Asset Management Holdings Pte. Ltd. (ARA) that it has, through a subsidiary entity ARA Real Estate Investors 28 Limited (ARA BidCo), lodged a Bidder's Statement in relation to its proportional off-market takeover bid to acquire 29% of all Cromwell stapled securities that ARA does not already hold a relevant interest in (Proportional Offer).

The Cromwell Board advises Cromwell securityholders to continue to **TAKE NO ACTION** in relation to ARA's Proportional Offer and ignore all documents sent to you from ARA or its associates.

The Board is evaluating the Proportional Offer and ARA BidCo's Bidder's Statement and will provide securityholders with a formal recommendation in its Target's Statement to be released in early to mid-August.

It continues to remain the intention of the Cromwell Board to recommend Cromwell securityholders **REJECT** the Proportional Offer.

The Cromwell Board considers ARA's unsolicited and conditional Proportional Offer as an opportunistic attempt by ARA to take control of Cromwell without paying securityholders a premium for control and is cleverly timed to exploit current market dislocation.

ARA's draft Bidder's Statement contains misleading statements and material omissions, particularly in relation to ARA's intentions for the future business of Cromwell. This information is critical to securityholders' consideration of the Proportional Offer given ARA will retain an ongoing holding in Cromwell post the close of the Proportional Offer.

ARA's Proportional Offer also substantially undervalues the current Cromwell business and its future prospects, represents a material discount to Cromwell's net tangible assets (NTA) and ignores the value associated with Cromwell's funds management business which had \$8.3 billion of funds under management as at 31 December 2019.

The offer price of \$0.88125 per security (lower than the previously announced \$0.90 per security as a result of Cromwell's June 2020 announced distribution of 1.875 cps) represents:

- a 15.3% discount to Cromwell's NTA of \$1.04 per stapled security as at 31 December 2019;

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- a discount of at least 10% to Cromwell's estimated pro forma NTA per stapled security as at 30 June 2020; and
- a negligible premium of 1.3% to Cromwell's last close price of \$0.87 on the day prior to ARA's announcement of the Proportional Offer (22 June 2020).

If the Proportional Offer is successful, ARA would hold approximately 46%¹ of Cromwell stapled securities, which will provide it with effective control, the likely ability to replace the Cromwell Board (as is its stated intention) and influence strategy. ARA will have paid no premium to Cromwell securityholders to secure the substantial benefits that will accrue to ARA through this control position.

Cromwell securityholders should take **NO ACTION** and **IGNORE** ARA's Bidder's Statement and any documents sent to them by ARA.

Cromwell will send securityholders its Target's Statement containing the Cromwell Directors' formal recommendation and detailed response to ARA's Proportional Offer as soon as practicable after release of ARA's Bidder's Statement.

Cromwell securityholders should wait until they receive and consider the Target's Statement before deciding whether to accept or reject the Proportional Offer.

If securityholders have any questions they should 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.

Cromwell's legal advisor is MinterEllison and its financial advisors are Goldman Sachs and UBS AG, Australia Branch.

This announcement has been authorised for lodgement by Lucy Laakso (Company Secretary) and Paul Weightman (Chief Executive Officer).

Ends.

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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 31 December 2019, Cromwell had a market capitalisation of \$3.1 billion, a direct property investment portfolio valued at \$3.2 billion and total assets under management of \$11.9 billion across Australia, New Zealand and Europe.

¹ ARA has a current relevant interest in approximately 24% of Cromwell stapled securities and is seeking to acquire 29% of the remaining Cromwell stapled securities not currently owned by ARA. ARA could hold up to 48% of Cromwell stapled securities if it acquires additional securities under the 'creep' exception prior to any acceptances being received.