

RESPONSE TO VARIATION OF ARA'S PROPORTIONAL OFFER – SECURITYHOLDERS SHOULD TAKE NO ACTION

- **TAKE NO ACTION**
- **ARA'S PROPORTIONAL OFFER IS A TAKEOVER BY STEALTH AND UNDERVALUES CROMWELL**
- **DON'T LET ARA SEIZE CONTROL WITHOUT PAYING A PREMIUM**
- **CROMWELL BOARD REITERATES ITS INTENTION TO RECOMMEND THAT SECURITYHOLDERS REJECT ARA'S PROPORTIONAL OFFER**

Cromwell Property Group (ASX:CMW) (Cromwell) refers to today's announcement by ARA Asset Management Holdings Pte. Ltd. (ARA) that ARA intends to rely on the creep exception under the *Corporations Act 2001* (Cth) to increase its securityholding to 26.69% (from 24.07% as at 21 July 2020) by acquiring Cromwell stapled securities at a price of up to \$0.92 per Cromwell stapled security.

Cromwell reiterates that ARA's Proportional Offer is an unsolicited opportunistic attempt to gain control of Cromwell at the lowest possible price without offering to acquire 100% of Cromwell securities or paying an appropriate control premium. ARA's Proportional Offer is designed to exploit the current volatility in markets due to COVID-19 by acquiring as few Cromwell securities as possible to secure effective control of Cromwell at the lowest possible price.

If successful under its Proportional Offer and assuming ARA increases its holding to 26.69% of Cromwell under the creep exception, ARA would acquire 48% of Cromwell providing it with effective control without securityholders receiving an offer for 71% of their remaining securities. ARA has stated its intentions to seek the election of Dr Weiss and Mr Gersh to the Cromwell Board and drive a process of Board renewal, supporting ARA's intention to achieve effective control at the lowest possible price.

Cromwell is concerned that ARA may utilise its proportional takeover bid as a means to acquire additional Cromwell securities to enable it to pass ordinary resolutions at securityholder meetings with very little other Cromwell securityholder support. This is consistent with ARA's intention to refresh the Board. While securityholders may or may not be prepared to support the Board changes proposed by ARA, securityholders can simply exercise their voting rights. Securityholders do not need to accept ARA's offer and sell any of the securities at the lowest possible price.

Cromwell notes that ARA's Original Bidder's Statement released on 21 July 2020 included misleading statements and material omissions that disadvantaged Cromwell securityholders and their capacity to make a properly informed decision about ARA's Proportional Offer. To address those information deficiencies, Cromwell proactively raised their concerns with ARA. Cromwell understands that ARA intends to provide Cromwell securityholders with further details regarding any price variation, if any, via a Supplementary Bidder's Statement, which will be despatched to securityholders in conjunction with the Original Bidder's Statement. Cromwell has concerns with this approach and expects that ARA will provide a Replacement Bidder's Statement that addresses the substantive matters that Cromwell has

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brought to ARA's attention so that securityholders receive a single document from ARA and avoid the inherent confusion that will inevitably arise from two separate documents that are intended to be read together. Cromwell has requested that ARA share a Replacement Bidder's Statement with Cromwell prior to its despatch to securityholders so that a careful assessment can take place as to whether or not the substantive matters raised by Cromwell have been adequately addressed.

Cromwell securityholders should 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 Cromwell Board will provide securityholders with a formal recommendation and further details of the reasons to reject the Proportional Offer in its Target's Statement. It continues to remain the intention of the Cromwell Board to recommend Cromwell securityholders **REJECT** the Proportional Offer.

The Cromwell Board is being advised by Goldman Sachs Australia Pty Ltd, UBS AG, Australia Branch and MinterEllison.

Further information

If you have any questions in relation to 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.

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.