AUSTRALIAN TAX TRANSPARENCY REPORT 2021

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CFO STATEMENT

We are proud to present Cromwell Property Group's (Group or Cromwell) second Australian Tax Transparency Report (Report). This Report demonstrates our continued commitment to transparently present the Group's tax affairs and Australian tax contributions.

The Group has always been headquartered in Brisbane, Queensland, Australia and has operations on three continents, in 14 countries and an employee base in excess of 450 staff. We are a global taxpayer that has continually remained focused on meeting its tax affairs and paying the correct amount of tax.

In FY21, the Group contributed towards both Australian and State governments through the collection and payment of tax in excess of $32 million[1]. This amount represents a variety of direct and indirect tax commitments which apply to Cromwell's transactional and business operations.

Importantly, in addition to the $32 million of tax paid, Cromwell's unitholders paid tax on income from the Group's $3 billion Australian property portfolio and foreign investments. These investments are held by the Cromwell Diversified Property Trust (DPT), with unitholders liable for Australian tax on the net (tax) income of DPT. DPT paid unitholders total cash distributions of $183.1 million during the year ended 30 June 2021 and deducted withholding tax of $3.1 million from certain taxpayers. However, the significant tax contribution of unitholders on this income cannot be precisely quantified, as investors are subject to tax on their proportionate share of such income of DPT at their relevant marginal tax rates in Australia and overseas.

The Report is intended to provide transparency over the way the Group manages its tax affairs and has been prepared based on the principles in the Australian Government's Board of Taxation's voluntary tax transparency code. The disclosures within this Report have been independently reviewed and should be read in conjunction with Cromwell's FY21 Annual Report which can be found in the Securityholder Centre on our website: *www.cromwellpropertygroup.com/securityholder-centre.*

Michael Wilde
Chief Financial Officer
Cromwell Property Group

[1]In this Report, a reference to a monetary amount is a reference to be in Australian currency unless specified otherwise.

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OVERVIEW OF CROMWELL PROPERTY GROUP

AU$ 12.1 BILLION
ASSETS UNDER MANAGEMENT

450+	28	14	223	2,650+	3.5M
PEOPLE	OFFICES	COUNTRIES	PROPERTIES	TENANTS	SQM

As at 31 December 2021

ABOUT CROMWELL

Cromwell (ASX:CMW) is a real estate investor and fund manager with operations on three continents and a global investor base. The Group is included in the S&P/ASX 200. As at 31 December 2021, Cromwell had a market capitalisation of $2.3 billion, a direct property investment portfolio in Australia valued at $3.1 billion and total assets under management of $12.1 billion across Australia, New Zealand and Europe.

As at 31 December 2021 the Group's property management platform comprised over 450 staff in 28 offices in 14 countries across Australia, New Zealand, Singapore and Europe. Total assets under management was $12.1 billion, diversely spread across a range of sectors including office (65.9%), retail (12.5%), industrial/logistics (6.2%), property securities (3.7%) and other investments (11.7%). The portfolio comprises over 220 assets leased to more than 2,650 tenants.

CROMWELL'S TAX PROFILE

Cromwell Property Group Stapled Structure

An investment in Cromwell consists of a Cromwell Property Group stapled security (ASX:CMW). Each stapled security is comprised of a share in Cromwell Corporation Limited (CCL) and a unit in the Cromwell Diversified Property Trust (DPT). Shares in CCL and units in DPT can only be transferred or traded together as Cromwell Property Group stapled securities on the Australian Securities Exchange. However, CCL and DPT remain separate entities for taxation purposes.

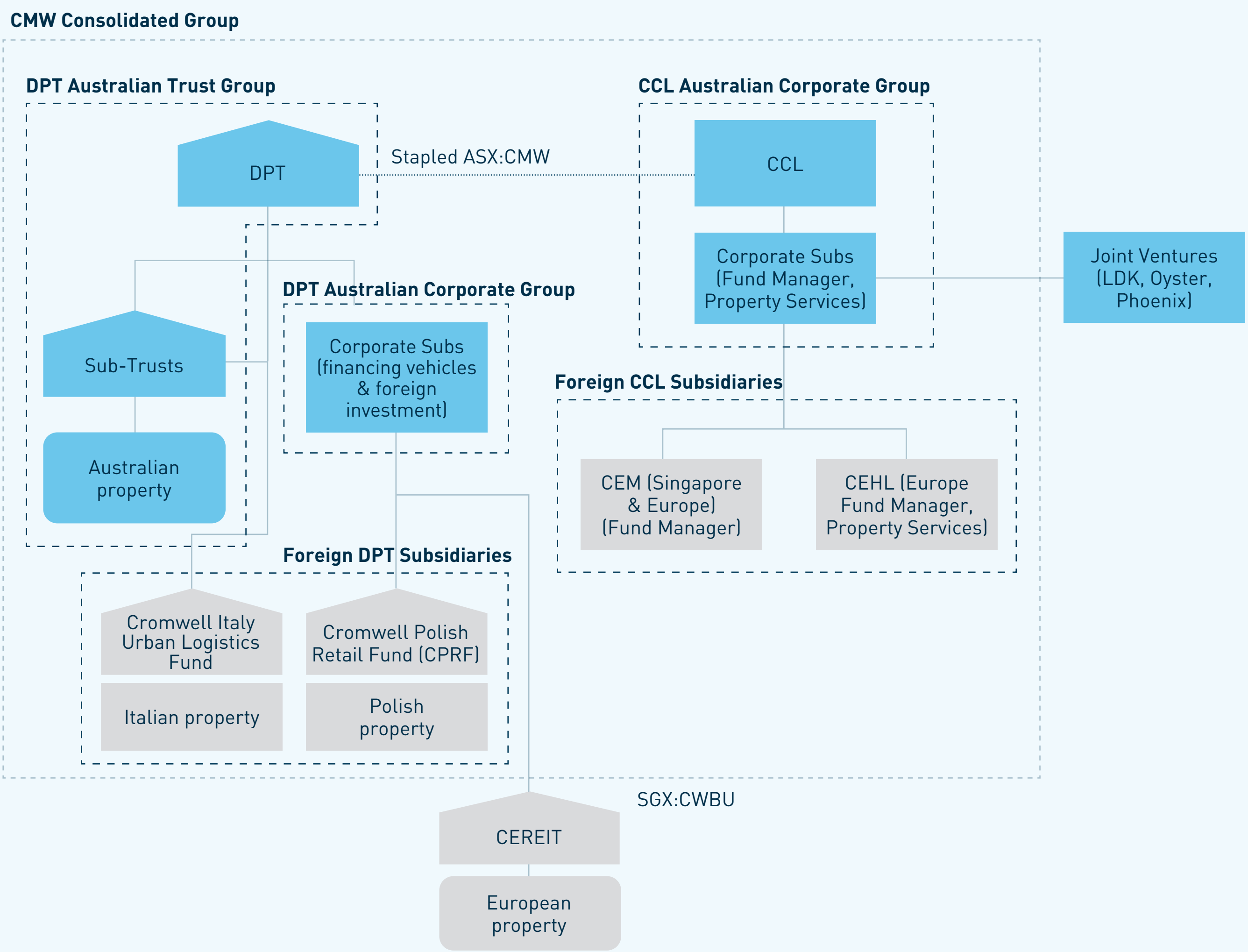
Cromwell Diversified Property Trust Structure

DPT was an Attribution Managed Investment Trust (AMIT)[2] for the year ended 30 June 2021. DPT predominantly holds investments in land in Australia and Europe. DPT and its controlled subsidiaries only carry-on activities within the ambit of an "eligible investment business" for the purposes of the Australian trading trust rules. This mainly includes investing in land primarily for the purpose of deriving rent. DPT and its Australian subsidiary trusts are not subject to corporate income tax on their taxable income (including assessable realised capital gains) provided that the unitholders are attributed all of the net (tax) income of DPT each year. The assessable and non-assessable components attributed to unitholders in DPT are disclosed in the Attribution Managed Investment Trust Member Annual Statement (AMMA Statement) provided to unitholders each year.

DPT holds an interest in a small number of corporate entities resident in Australia that are subject to Australian corporate income tax on their taxable income at a rate of 30%. DPT's foreign domiciled investments are subject to foreign income tax and withholding taxes in their respective jurisdictions.

[2] For the purposes of *Income Tax Assessment Act 1997* (Cth).

Figure 1 - Tax Reporting Groups



Cromwell Corporation Limited Structure

CCL and its subsidiaries (the CCL Group) carry out businesses including the Group's funds management and property management activities in 14 countries. CCL's income is generally subject to corporate income tax in the jurisdiction in which it is earned. In Australia, CCL has formed a tax consolidated group with its eligible Australian resident subsidiaries and is taxed as a single entity. CCL's Australian corporate income tax rate is 30%, while the tax rates in the other operating jurisdictions are generally lower than in Australia (i.e. Poland (19%), UK (19%), and Singapore (17%)).

A full list of the Group's wholly owned subsidiaries is included in Note 18 of Cromwell's 2021 Annual Report.

Tax Reporting Groups

Disclosures in this report have been prepared referencing the following reporting groups:

- CMW Consolidated Group
- CCL Australian Corporate Group
- Foreign CCL Subsidiaries
- DPT Australian Trust Group
- DPT Australian Corporate Group
- Foreign DPT Subsidiaries

Please refer to Figure 1 for a depiction of these groups.

TAX RISK MANAGEMENT

Cromwell's Tax Risk Management and Governance

The Cromwell Board is committed to the Group meeting securityholders' and stakeholders' expectations of good corporate governance[3] and has a long-established approach of reviewing at least annually its tax risk management appetite and setting Cromwell's formal Tax Risk Management Policy (Policy).

The Cromwell Board's Audit and Risk Committee and senior management are responsible for maintaining, monitoring and implementing the Policy.

The Board believes managing tax risk is core to good corporate governance and the Policy ensures appropriate oversight, sound systems, clear accountabilities, strong controls, ethical behaviours and that highly skilled people are supported by robust processes and procedures.

Cromwell's Attitude to Tax Risk

The Cromwell Board has always adopted a conservative approach in relation to the acceptance and management of tax risk and aims to adopt positions that result in low residual tax risk. Cromwell always seeks to comply with tax laws and does not engage in tax evasion or aggressive tax planning. Optimal commercial and tax outcomes are pursued through tax positions that are supportable in law with low residual tax risk.

The Policy outlines the Group's approach to minimising tax risk, including appointing reputable independent tax advisors and applying for tax rulings when significant tax positions are uncertain. The Policy summarises Cromwell's tax governance processes, including that all significant income tax compliance work is reviewed by a reputable independent tax advisor before lodgement. Cromwell undertakes tax due diligence of all significant new transactions to assess the tax risks before committing to a transaction.

Cromwell is committed to engaging with tax authorities in a constructive and open manner in all countries and states in which it operates.

INTERNATIONAL RELATED PARTY DEALINGS

The Australian business provided services in FY21 to international related parties as follows:

- management services provided to subsidiaries in the UK and Singapore; and
- intergroup funding provided to related parties located in the UK, Singapore, Poland and New Zealand.

Fees were charged for management services consistent with arm's length benchmark studies prepared by our tax advisors.

All financial arrangements are consistent with ATO guidance and rulings, OECD's transfer pricing guidelines and advice received from our tax advisors.

RECONCILIATION TO ATO CORPORATE TAX TRANSPARENCY DISCLOSURES

The ATO did not publish the Group's taxable income information in its FY21 Report of Entity Tax Information as the Group did not have any companies with total income in excess of $100 million. The ATO has not reviewed Cromwell under its Justified Trust Program and as such the Group has not received an ATO assurance rating.

[3] You can read more about Cromwell's corporate governance in our 2021 Corporate Governance Statement, which is available on the Corporate Governance page on our website: *www.cromwellpropertygroup.com/securityholder-centre/corporate-governance*

RECONCILIATION OF ACCOUNTING PROFIT TO TAX EXPENSE AND TAX PAID

The below table is a reconciliation of accounting profit to the tax expense as disclosed in Cromwell's FY21 Annual Report. This section elaborates on those disclosures as they relate to the Group's Australian corporate taxpayers. As outlined previously, the income tax payable on DPT's trust income is not disclosed below as it is attributed to unitholders under the AMIT tax regime.

	CCL Australian Corporate Group $M	Foreign CCL Subsidiaries $M	DPT Australian Trust Group $M	DPT Australian Corporate Group $M	Foreign DPT Subsidiaries $M	CMW Consolidated Group $M
Part A. Reconciliation of Accounting Profit to Income Tax Payable and Income Tax Paid						
Profit / (Loss) before Income Tax	28.3	(14.0)	226.7	43.0	24.3	308.3
Income Tax calculated at 30%	8.5	(4.2)	68.0	12.9	7.3	92.5
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:						
Trust income	-	-	(68.0)	-	(0.9)	(68.9)
Fair values movement non-assessable	-	0.9		3.3	(1.5)	2.7
Non-deductible expenses / (Non-taxable income)	(4.5)	0.9		0.6	(6.4)	(9.4)
Movement in tax losses recognised	(4.8)	2.5		(15.9)	2.7	(15.5)
Movement in initial recognition exemption	-	-		-	(0.7)	(0.7)
Tax credits forgone on foreign earnings	-	-		-	-	-
Adjustment in relation to prior periods	-	0.3		-	(0.2)	0.1
Differences in overseas tax rates	-	0.4	-	-	(1.1)	(0.7)
Income Tax Expense / (Benefit)	**(0.8)**	**0.8**		**0.9**	**(0.8)**	**0.1**
Effective Tax Rate*	**-2.83%**			**2.09%**		
Timing differences charged to income statement	(3.6)	(0.4)		-	0.8	(3.2)
Tax Expense in Equity	(0.3)	-		-	-	(0.3)
Tax credits	-	-		-	-	-
Tax losses	4.8	-		-	-	4.8
Reverse PY true up	-	(0.3)		-	0.2	(0.1)
Income Tax Payable	**0.1**	**0.1**		**0.9**	**0.2**	**1.3**
Part B. Income Taxes Paid						
Income Taxes Paid - Statement of Cash Flows						
FY20 Income Tax Payable / (Receivable)	3.8	0.1		-	(0.8)	3.1
Income tax paid in FY21	**(5.6)**	**(1.5)**		-	**(0.2)**	(7.3)
Current tax expense / (benefit)	0.1	0.1		0.9	0.2	1.3
Other	-	1.7		-	(0.1)	1.6
FY21 Income Tax Payable / (Receivable)	**(1.7)**	**0.4**		**0.9**	**(0.9)**	(1.3)

*Effective Tax Rates as reflected in the Group Effective Tax Rates section of this report.

Notes:
1. The above breakdown is based on information contained in the Group's FY21 Annual Report.
2. Tax payments are recorded on a cash paid and received basis.
3. Tax payments are only included for entities that are controlled by the Group.
4. Foreign tax payments have been converted to Australian dollars at the average rate used in preparation of the Group's FY21 Annual Report.

EFFECTIVE TAX RATES

The below table outlines the Group's Australian Effective Tax Rates (ETRs).

Australia			
FY21		FY20	
CCL Australian Corporate Group	DPT Australian Corporate Group	CCL Australian Corporate Group	DPT Australian Corporate Group
(2.83%)	2.09%	17.35%	32.87%

EFFECTIVE TAX RATE DRIVERS

Figure 2 - CCL Australian Corporate Group ETR Drivers

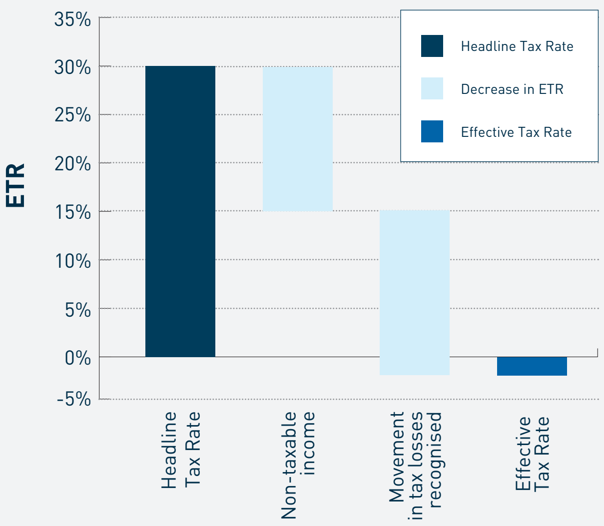
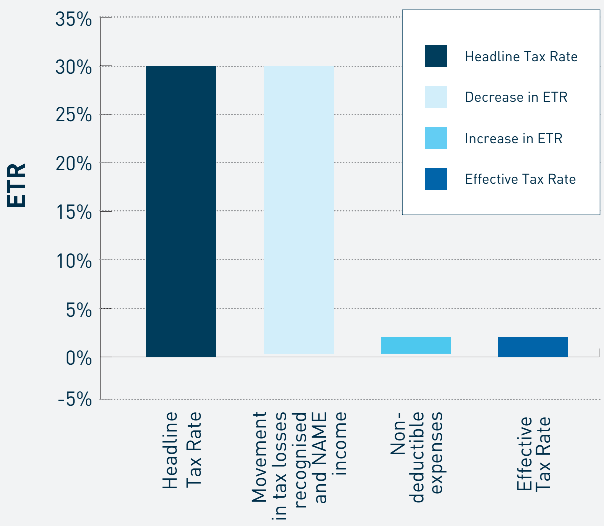


Figure 3 - DPT Australian Corporate Group ETR Drivers



CCL Australian Corporate Group ETR Drivers

The CCL Australian Corporate Group's ETR was lower than the Australian headline tax rate of 30% in FY21 primarily due to the following reasons:

- Non-taxable income representing:
  a. Non assessable non-exempt (NANE) distributions from foreign companies in which CCL held a non-portfolio interest of 10% or more.
  b. Differences that result from CCL's investments due to the revaluation of investments for accounting purposes that are either not assessable for tax purposes, or where deferred tax assets or liabilities are not recognised for these investments for tax accounting purposes under AASB 112.
  c. Other non-deductible expenses and non-assessable income.
- CCL recognises a deferred tax asset for tax losses and capital losses to the extent there is sufficient probability that these losses will be used in the foreseeable future against expected income or gains of the CCL Group. During the year, CCL recognised a deferred tax asset for tax losses and capital losses of $4.8 million. The majority of this movement represented the recognition of prior year capital losses expected to be offset against capital gains expected to be realised in the foreseeable future. The recognition of losses has significantly decreased Cromwell's headline ETR as the losses were not previously recognised.

DPT Australian Corporate Group ETR Drivers

DPT's ETR for its corporate subsidiaries was lower than the Australian headline tax rate of 30% in FY21. The main assets of DPT's corporate subsidiaries are significant (non-portfolio) interests in the Cromwell European Real Estate Investment Trust (CEREIT) and the Cromwell Poland Retail Fund (CPRF). A deferred tax liability was recognised for the unrealised capital gain position on Cromwell's investment in CEREIT. This gain (and the ETR) was decreased to the extent CEREIT distributes NANE dividends to Cromwell. Cromwell also recognised a deferred tax asset for a portion of expected capital losses from CPRF against its deferred tax liability for CEREIT on the basis it is probable that the capital losses when realised will reduce the deferred tax liability when it is crystallised. The recognition of the capital losses from CPRF significantly decreased Cromwell's headline ETR as the losses were not previously recognised.

DPT Australian Trust Group - Assessable Tax Components

As outlined previously, DPT was an AMIT for FY21. The assessable distribution components attributed to DPT's Australian resident unitholders in their FY21 AMMA Statements are outlined in the below table. Compared to the prior financial year, the attribution of assessable tax components was lower mainly due to DOT not realising any capital gains during the year. Withholding tax of $3.1 million (FY20: $8.1 million) was withheld from distributions to non-resident unitholders and remitted to the ATO. Cromwell publishes an annual guide to DPT's AMMA Statement advising Australian resident unitholders how distributions should be disclosed in their income tax return.

Figure 4 - Assessable Tax Components

Assessable Tax Component	Percentage of Cash Distribution FY21	Percentage of Cash Distribution FY20
Unfranked Dividends	0.000%	0.003%
Franked Dividends	0.495%	0.129%
Domestic Interest	1.518%	0.003%
Capital Gains - Discount (TARP) (Grossed Up)	0.000%	68.764%
Other assessable Australian Income	29.201%	36.881%
Excluded from Non-Concessional MIT Income (NCMI) - Non-Primary Production (NPP)	0.000%	0.499%
Foreign Income	0.000%	0.003%
Clean Building MIT Income	4.212%	0.000%
Conduit Foreign Income	1.389%	0.000%
Total Assessable Tax Components*	**36.815%**	**106.28%**

*For FY20 the total assessable tax components of 106.28% was greater than 100% given the total assessable components exceeded the cash distribution for the year.

AUSTRALIAN TAX CONTRIBUTION STATEMENT

The Group is a landholder and employer and is, therefore, subject to many Federal and State taxes. A summary of the Group's tax contributions in Australia for FY21 is outlined below. The contribution statement covers taxes levied on the Group, as well as taxes remitted and collected by the Group on behalf of the ATO.

Figure 5 - Breakdown of Australian Tax Contributions

	Australian Taxes Paid (Refunded)				Australian Taxes Collected and Remitted			Total Australian Taxes Paid, Collected
	A$m				A$m			A$m
	Corporate Income Tax Paid	Employment Taxes Paid	Transfer and Other Taxes Paid	Total Taxes Paid	Indirect Tax Collected	Employee Tax Collected	Total Taxes Collected	
FY21	1.0	1.9	0.7	3.6	18.1	10.8	28.9	32.5
FY20	5.1	2.1	30.9	38.1	18.1	8.8	26.9	65.0

Notes:
1. The above table includes Australian taxes paid or collected during the period and does not include tax payments to foreign tax authorities.
2. The Corporate Income Tax Payable represents the Australian income tax paid by the Group as outlined in the above Reconciliation of Accounting Profit to Tax and Tax Paid.
3. The Employment Taxes Paid includes:
   i. Fringe Benefits Tax (FBT), which was the Group's FBT liability per the return for the year ended 31 March 2021; and
   ii. Payroll tax remitted to the States for the Group's employees based in Queensland, New South Wales, Victoria and the Australian Capital Territory.
4. Transfer and Other Taxes Paid includes:
   i. State stamp duty (or transfer duty) payable on the acquisition of land, or land rich entities. The Group did not make any dutiable acquisitions during FY21;
   ii. Land taxes calculated and assessed on landholders with property that is above the land tax threshold in each State. As a landholder, the Group pays land tax in each of the States and Territories in which it holds property. This cost is often passed on to tenants through lease agreements. The amount included in the above table is the net tax liability; and
   iii. Various other levies are charged by each of the local councils within which the Group operates including car parking levies and emergency services levies.
5. Indirect taxes Collected includes GST collected by Group's GST registered entities and remitted to the ATO.
6. Employee Taxes Collected was the total PAYG withheld and remitted to the ATO on behalf of Cromwell's Australian employees.

CROMWELL
PROPERTY GROUP