



2023 AUSTRALIAN TAX TRANSPARENCY REPORT

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CFO Statement

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We are proud to present Cromwell Property Group's (the Group or Cromwell) Australian Tax Transparency Report (Report) for the year ended 30 June 2023 (FY23). This Report continues Cromwell's commitment to openly and transparently report on the Group's tax affairs and Australian tax contributions.

This Report is intended to provide transparency regarding the way the Group manages its tax affairs and has been prepared based on the principles outlined in the Australian Government's Board of Taxation's Voluntary Tax Transparency Code. The code is a voluntary set of disclosure principles and minimum standards developed to guide medium and large businesses on public disclosure of tax information. The disclosures within this Report have been independently reviewed and should be read in conjunction with Cromwell's FY23 Annual Report, which can be found in the Securityholder Centre on our website:

www.cromwellpropertygroup.com/securityholder-centre

The voluntary disclosure of our tax profile and contributions reflects Cromwell's commitment to our core values of accountability, progressiveness, and collaboration. Cromwell is dedicated to meeting our stakeholders' expectations of good corporate governance, fostering trust through transparency. We are committed to continuously improving our ongoing comprehensive financial and non-financial disclosures and enhancing our strong governance frameworks.

As a global taxpayer, we are committed to paying the correct amount of tax in each jurisdiction in which profits are earned. In Australia for FY23, the Group contributed to Australian Federal and State governments through the collection and payment of tax in excess of \$26.9 million¹. This amount is comprised of a variety of direct and indirect tax payments which arise from Cromwell's transactional, employment and business operations.

Importantly, in addition to the \$26.9 million of tax paid by the Group, Cromwell's unitholders pay tax on net income derived from the Group's \$2.5 billion Australian property portfolio and foreign investments. These investments are held by the Cromwell Diversified Property Trust (DPT), with unitholders individually liable for Australian income tax on DPT's net (tax) income. DPT paid total cash distributions to unitholders of \$144.04 million during FY23 and withholding tax of \$3.71 million was withheld from distributions paid to certain taxpayers. However, the total tax contribution of unitholders on this income cannot be precisely quantified, as investors are subject to tax on their proportionate share of the net income of DPT at their relevant marginal tax rates in Australia and overseas.

We trust that this report provides you with the information required to better understand Cromwell's operations, impact and contributions to the Australian tax authorities and wider Australian economy.

Michelle Dance

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.

Overview of Cromwell Property Group

About Cromwell

Cromwell (ASX:CMW) is a real estate investor, a fund manager with operations on three continents and a global investor base.

As at 30 June 2023, Cromwell had a market capitalisation of approximately \$1.4 billion, a direct property investment portfolio in Australia valued at \$2.5 billion, and total assets under management of \$11.5 billion across Australia, New Zealand and Europe. These assets are diversified across a range of sectors including office (61%), retail (9%), industrial/logistics (24%), property securities (3%) and other investments (3%). The portfolio comprises 217 assets leased to more than 2,100 tenants.

Cromwell's strength lies in its real estate expertise drawn from over 350 staff across 19 offices in 15 countries.

Broad fund management platform



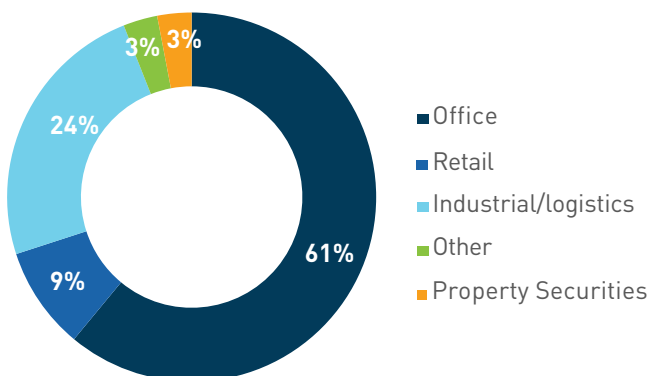
Geographically and culturally diverse team



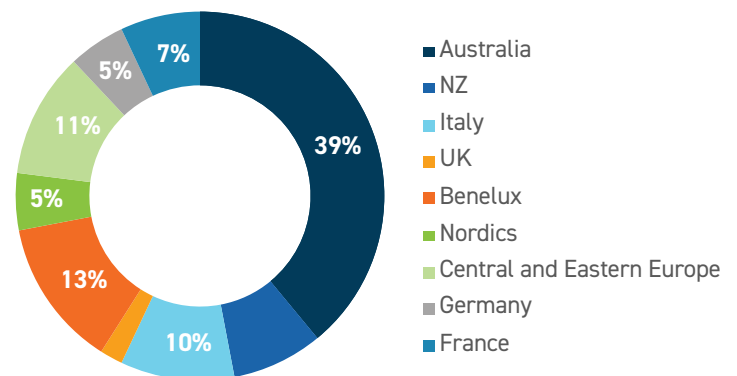
Global asset management expertise



Total AUM by Sector



Total AUM by Geography



*As at 30 June 2023

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 financial year ended 30 June 2023. DPT predominantly holds investments in property 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 property 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 DPT's unitholders 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.

Cromwell Corporation Limited Structure

CCL and its subsidiaries (the CCL Group) carry out businesses including the Group's fund management and asset management activities in 15 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 foreign operating jurisdictions are generally lower than in Australia (i.e. Poland (19%), UK (<25%), and Singapore (17%)).

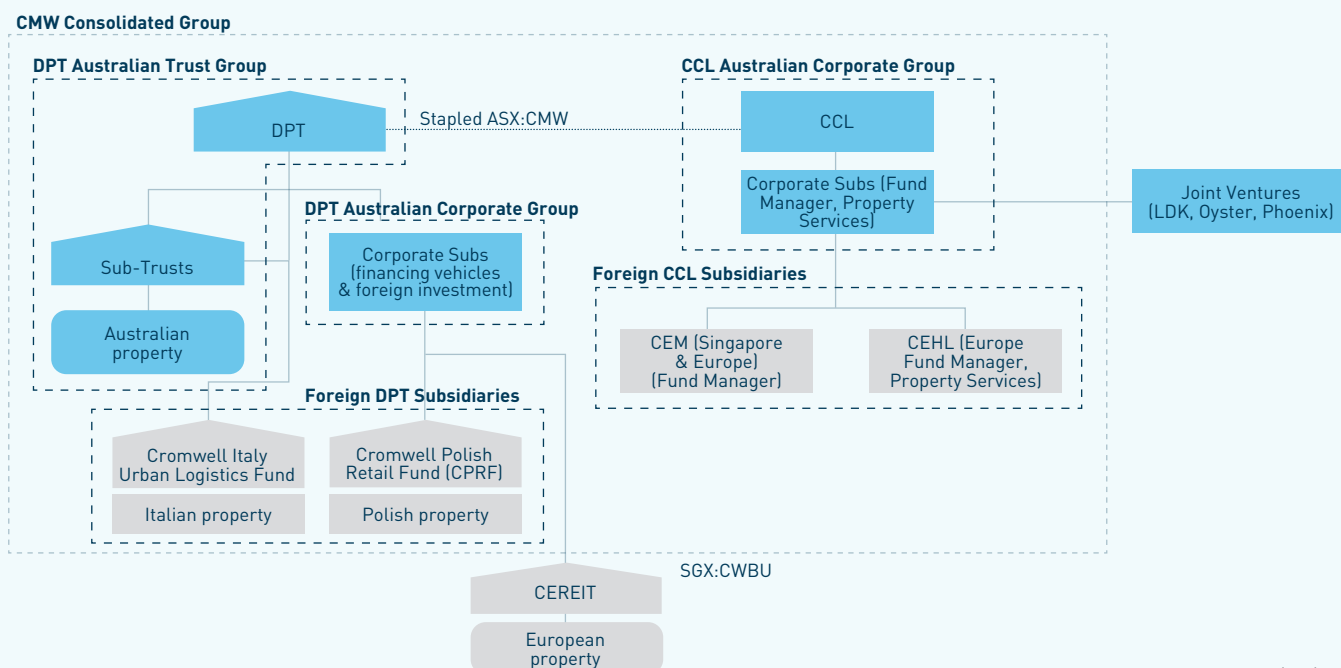
A full list of the Group's wholly owned subsidiaries is included in Note 18 of Cromwell's FY23 Annual Report.

Tax Reporting Groups

Disclosures in this report have been prepared referencing the following reporting groups as depicted at Figure 1:

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

Figure 1: Tax Reporting Groups



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

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 governance³ 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 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.

Cromwell's Commitment to Compliance

In addition to accurately calculating, reporting and paying taxes, Cromwell also adheres to regulator initiatives to support the integrity of tax systems. We collect and supply investor data under the Foreign Account Tax Compliance Act (FATCA) and the OECD Common Reporting Standard for Automatic Exchange of Financial Account Information (CRS) regimes as required, which enable data sharing amongst foreign tax authorities, to support Australia's obligation of being a cooperative global tax citizen.

Reconciliation to ATO Corporate Tax Transparency Disclosures

The ATO did not publish the Group's taxable income information in its FY22 Report of Entity Tax Information as the Group did not have any companies with total income in excess of \$100 million. Likewise, we do not expect the ATO to publish the Group's taxable income for FY23. As such, Cromwell chooses to report under the Voluntary Tax Transparency Code as part of its continued commitment to open and transparent communication with stakeholders.

International Related Party Dealings

The Australian business provided services in FY23 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 and Poland.

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.

3. You can read more about Cromwell's corporate governance in our FY23 Corporate Governance Statement, which is available on the Corporate Governance page on our website: www.cromwellpropertygroup.com/about/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 FY23 Annual Report. This section elaborates on those disclosures as it relates 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.

Part A. Reconciliation of Accounting Profit to Income Tax Payable and Income Tax Paid								
	CCL Australian	Foreign	DPT Australian	DPT Australian	Foreign	Eliminations	Global	Global
	CCL Corporate Group \$M	CCL Subsidiaries \$M	Trust Group \$M	DPT Corporate Group \$M	DPT Subsidiaries \$M	Accounting Eliminations \$M	CMW Consolidated Group	Trust Group
Profit / (Loss) before Income Tax	(30.5)	(6.0)	(353.5)	(217.5)	(231.0)	385.4	(453.1)	(447.7)
Income Tax calculated at 30%	(9.2)	(1.7)	(106.0)	(65.3)	(69.3)	115.6	(135.9)	(134.3)
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:								
Non-taxable trust and other income	-	-	106.0	(5.3)	2.4	(35.7)	67.4	67.4
Fair value movement non-assessable	-	0.3	-	(10.6)	-	-	(10.3)	(10.6)
Non-deductible expenses / (non-taxable income)	1.2	0.7	-	(1.1)	3.3	(3.7)	0.4	(1.5)
Movement in tax losses recognised	(2.2)	0.2	-	-	7.8	-	5.8	7.8
Deferred tax assets derecognised / (recognised)	9.9	-	-	73.8	-	(76.2)	7.5	6.9
Movement in initial recognition exemption	-	-	-	-	33.0	-	33.0	33.0
Tax credits forgone on foreign earnings	-	-	-	-	-	-	-	-
Adjustment in relation to prior periods	-	(0.2)	-	(2.2)	-	-	(2.4)	(2.2)
Difference in overseas tax rates	-	0.7	-	-	24.5	-	25.2	24.5
Income Tax Expense / (Benefit)	(0.3)	-	-	(10.7)	1.7	(0.0)	(9.3)	(9.0)
Effective Tax Rate	0.98%			4.92%			2.05%	
Deferred Tax Expense / (Benefit) ⁽¹⁾	(0.3)	-	-	(9.3)	(1.8)	-	(11.4)	(11.1)
Tax Expense in Equity	-	-	-	-	-	-	-	-
Adjustment in relation to prior periods	-	(0.2)	-	(2.2)	-	-	(2.4)	(2.2)
Income Tax Payable for the tax year (Current Tax Expense)⁽²⁾	0	0.2	-	0.8	3.5	-	4.5	4.3
Part B. Income Taxes Paid								
	Australia	Foreign	Australia	Australia	Foreign	Eliminations	CMW Consolidated Group	Trust Group
	CCL Corporate Group \$M	CCL Subsidiaries \$M	DPT Trust Group \$M	DPT Corporate Group \$M	DPT Subsidiaries \$M	Accounting Eliminations \$M	CMW Consolidated Group	Trust Group
FY22 Income Tax Payable / (Receivable)	(1.9)	-	-	0.6	1.2		(0.1)	1.8
Income tax (paid) / refunded in FY23 ⁽³⁾	1.8	0.2	-	(0.5)	(4.8)		(3.3)	(5.3)
Foreign Withholding Tax Paid ⁽⁴⁾				(0.7)			(0.7)	(0.7)
Current tax expense / (benefit)	-	0.2	-	0.8	3.5		4.5	4.3
Other (PY true ups - current tax)	(0.2)	(0.3)	-	-	-		(0.5)	-
FY23 Income Tax Payable / (Receivable)	(0.3)	0.1	-	0.2	(0.1)		(0.1)	0.1

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

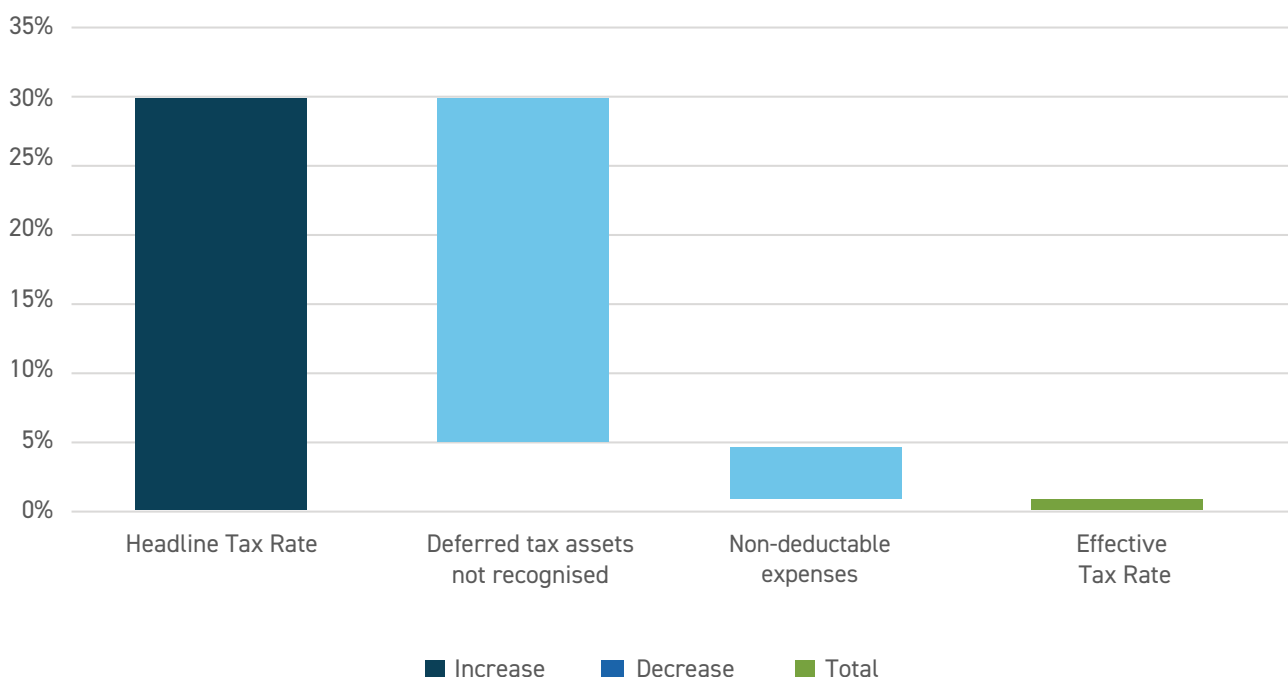
- As disclosed in Note 7b of Cromwell's 2023 Annual Report.
- As disclosed in Note 7b of Cromwell's 2023 Annual Report.
- Agrees to Statement of Cash Flows per Cromwell's 2023 Annual Report.
- Foreign Tax Withheld on interest income for which Cromwell is entitled to claim a Foreign Income Tax Offset.
- Tax payments are recorded on a cash paid and received basis.
- Tax payments are only included for entities that are controlled by the Group.
- Foreign tax payments have been converted to Australian dollars at the average rate used in preparation of the Group's FY23 Annual Report.

Effective Tax Rates

The below table outlines the Group's Australian Effective Tax Rates (ETRs). This is the rate recognised in our FY23 Annual Report and is calculated as total income tax expense divided by profit before income tax (on a continuing operations basis).

Australia		
	CCL Australian Corporate Group	DPT Australian Corporate Group
FY23	0.98%	4.92%
FY22	250.00%	18.99%

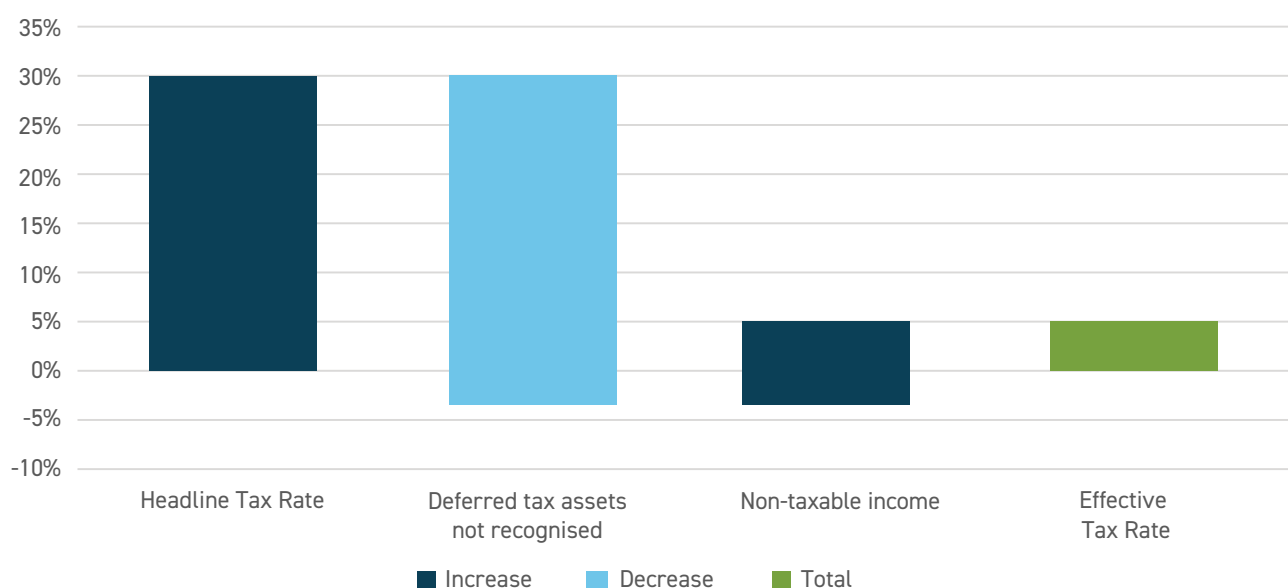
CCL Australian Corporate Tax ETR Drivers



The CCL Australian Corporate Group's ETR of 0.98% in FY23 was significantly lower than the Australian headline tax rate of 30%. The decrease in ETR was primarily driven by:

- The CCL group made an accounting loss for the year. This prima facie gave rise to an income tax benefit, however, CCL did not recognise a deferred tax asset under accounting standards for this benefit on the basis the relevant recognition criteria was not met.
- CCL recognised some previously unrecognised carried forward capital losses that were fully utilised to offset current year capital gains.
- Other smaller differences included:
 - a. Differences resulting from the revaluation of CCL's 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.
 - b. Non-assessable foreign exchange losses on loans used to generate non-assessable non-exempt (NANE) income.

DPT Australian Corporate Tax ETR Drivers



The ETR of DPT's corporate subsidiaries of 4.92% was significantly lower than the Australian headline tax rate of 30% in FY23. DPT's Australian corporate subsidiaries mainly hold non-portfolio interests in the Cromwell European Real Estate Investment Trust (CEREIT) and the Cromwell Polish Retail Fund (CPRF). The decrease in the ETR was primarily driven by:

- The DPT group made an accounting loss for the year. This prima facie gave rise to an income tax benefit, however, DPT did not recognise a deferred tax asset under accounting standards for this benefit on the basis the relevant recognition criteria was not met.
- The adjustment of future expected NANE dividend income from the CEREIT structure.
- DPT's holding in CPRF gave rise to a small amount of attributable income under the Australian controlled foreign company attribution regime.

DPT Australian Trust Group

As outlined previously, DPT was an AMIT for FY23. The assessable distribution components attributed to DPT's Australian resident unitholders in their FY23 AMMA Statements are outlined in the below table. During FY23, withholding tax of \$3.71 million (FY22: \$5.30 million) was withheld mainly from distributions to non-resident unitholders and remitted to the ATO. Cromwell publishes an annual AMMA Statement Guide to explain DPT's AMMA Statement and to advise Australian resident unitholders how distributions should be disclosed in their income tax return.

Assessable Tax Component	Percentage of Cash FY23	Percentage of Cash FY22
Unfranked Dividends	0.0846%	0.0004%
Franked Dividends	0.0000%	0.2043%
Interest income	0.9298%	4.8733%
Other assessable Australian income	18.3126%	27.8169%
Excluded from Non-Concessional MIT Income (NCMI) - Non-Primary Production (NPP)	0.0000%	0.2242%
Excluded from NCMI - NPP	0.0000%	0.1143%
Foreign Income	1.0213%	0.0000%
Clean Building MIT Income	1.5295%	3.6615%
Conduit Foreign Income	0.0000%	0.0000%
Total Assessable Tax Components	21.8778%	36.8949%
Non-assessable Component	78.1222%	63.1051%

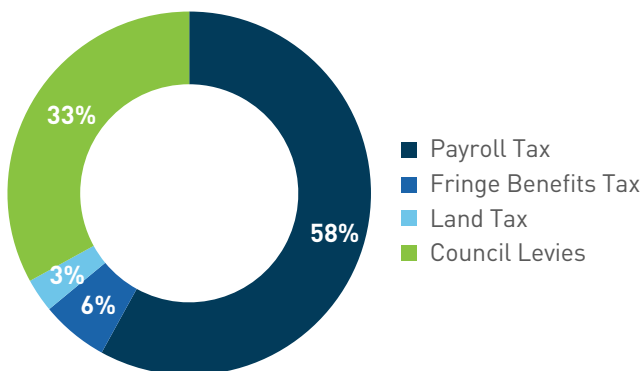
Australian Tax Contribution Statement

The Group is a landholder and employer and is therefore subject to a number of federal, state and local taxes. A summary of the Group's Australian tax contributions for FY23 is outlined below. This excludes tax payments to foreign tax authorities. The contribution statement covers taxes levied on the Group, as well as taxes remitted and collected by the Group on behalf of the ATO.

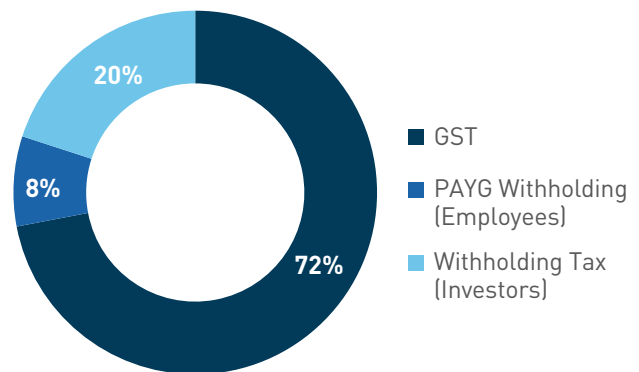
	Australian Taxes Paid (Refunded)				Australian Taxes Collected & Remitted				Total Australian Taxes Paid, Collected & Remitted
	\$M				\$M				\$M
	Corporate Income Tax Paid	Employment Taxes Paid	Transfer and Other Taxes Paid	Total Taxes Paid	Indirect Tax Collected (GST)	Employee Tax Collected (PAYGW)	Withholding Tax Remitted	Total Taxes Collected	
FY23	[1.3] ¹	1.7	0.9	1.3	13.1	8.8	3.7	25.5	26.9
FY22	1.9 ²	1.7	1.2	4.8	15.0	9.6	5.3	29.9	34.7

- Includes a (\$1.44) million refund for the 2022 income tax return, and \$0.2 million income tax instalments paid in relation to the 2023 income tax year.
- Includes a (\$1.0) million refund for the 2021 income tax return, and \$2.8 million income tax instalments paid in relation to the 2022 income tax year.

Australian Taxes Paid (2023)



Australian Taxes Collected & Remitted (2023)



Notes:

- The above table includes Australian taxes paid or collected during the period and does not include tax payments to foreign tax authorities.
- The Corporate Income Tax Paid represents the Australian income tax paid by the Group's corporate entities during FY23 and as outlined in the above Reconciliation of Accounting Profit to Tax and Tax Paid.
- The Employment Taxes Paid includes:
 - Fringe Benefits Tax (FBT), which was the Group's FBT liability per the return for the year ended 31 March 2023; and
 - Payroll tax remitted for the Group's employees based in Queensland, New South Wales, Victoria and the Australian Capital Territory.
- Transfer and Other Taxes Paid includes:
 - 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 FY23 or FY22;
 - Land taxes are 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
 - Various other levies are charged by each of the local councils within which the Group operates including car parking levies and emergency services levies.
- Indirect Tax Collected includes the net GST collected by the Group's GST registered entities and remitted to the ATO.
- Employee Tax Remitted was the total PAYG withheld and paid to the ATO on behalf of Cromwell's Australian employees.
- Withholding Tax Remitted was the total tax withheld from DPT trust distributions for FY23 and paid to the ATO on behalf of certain investors, predominantly non-resident investors.