

CROMWELL SELLS SHARE IN LDK JOINT VENTURE TO ANGLICARE

Real estate investor and fund manager, Cromwell Property Group (ASX:CMW) (Cromwell), has exchanged on the sale of its 50% interest in LDK Healthcare (LDK) to Anglican Community Services, trading as Anglicare Sydney (Anglicare).

Cromwell currently provides funding to LDK through a combination of its equity contribution to LDK and \$148 million (as at 30 June 2022) in secured interest-bearing loans, due to be repaid by June 2028.

The sale of Cromwell's interest is structured in two parts: initially, Cromwell will receive a payment of \$20 million for its 50% equity interest in LDK. The secured interest-bearing loans will remain in place until the end of February 2023, with an option for LDK to extend repayment until the end of June 2023. The sale proceeds represent a 67% premium to the book value of Cromwell's equity interest in LDK and, on repayment of Cromwell's loans to LDK, releases total capital of c. \$168 million.

Settlement of the sale is anticipated to be on Monday 10 October 2022. The proceeds from the sale and repayment of loans will be used initially to reduce Cromwell's gearing. The sale is consistent with commitments to simplify Cromwell's structure by selling non-core assets and positioning the company as a capital-light global real estate fund manager.

Cromwell is pleased to be transferring its interest in the LDK joint venture to Anglicare, a trusted aged care and retirement living operator, which will continue to ensure residents' needs remain at the forefront of all decisions.

Cromwell's Chief Investment Officer Rob Percy said: "Through the LDK joint venture, we have created significant value by repositioning a vacant, campus-style office complex comprising five freestanding buildings into a world-class seniors' living village with over 380 purpose-built apartments. Now is the right time for Anglicare – a natural joint venture partner for Aspire Aged Care – to enter into the LDK joint venture ahead of future developments."

"Anglicare is committed to LDK continuing to provide the highest level of service and care to the residents of Greenway Views and The Landings and Anglicare's interests align well with Aspire as a joint venture partner in this next stage of LDK's growth."

Anglicare CEO Simon Miller said: "For more than 160 years, including 70 in aged care and retirement living, Anglicare has sought to provide excellent service, with a focus on ensuring that all are cared for with dignity and respect. This opportunity to join in a partnership with Aspire is a good fit for Anglicare. LDK's values are highly complementary to Anglicare's and we look forward to partnering with them to deliver exceptional service for LDK's current and future residents."

Also commenting on the sale, **Aspire Managing Director and LDK Founder Paul Browne said:** "We are proud of what we have accomplished with Cromwell over the past four years and look forward to continuing to deliver villages where our LDK residents feel a true sense of belonging in this new chapter with Anglicare."

Cromwell's joint venture with Aspire Aged Care to form LDK began in 2018 with the adaptive reuse of the Cromwell-owned suite of office buildings in Tuggeranong, ACT, redeveloping the site into a world-class seniors' living village, Greenway Views.

The acquisition by LDK of The Landings at Turrumurra, one of Sydney's premier seniors' living villages, followed shortly after in early 2019.

The Greenway Views project garnered significant support from the Clean Energy Finance Corporation (CEFC), which provided \$60 million in finance to improve the sustainability outcomes at the seniors' living village, its first investment in a seniors' living project.

The adaptive use of the existing Tuggeranong building resulted in a saving of around 30,740 tonnes of carbon, representing a 20% reduction in upfront embodied carbon.

Greenway Views has since won multiple awards for sustainability, including being awarded top prize at the 2021 Property Council of Australia / Rider Levett Bucknall – Innovation and Excellence Awards – Best Sustainable Development – Existing Buildings.

Authorised for lodgement by Jonathan Callaghan (Managing Director/Chief Executive Officer) and Lucy Laakso (Company Secretary and Corporate Counsel).

Ends.

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ABOUT CROMWELL PROPERTY GROUP

Cromwell Property Group (ASX:CMW) is a real estate investor and fund manager with operations on three continents and a global investor base. Cromwell is included in the S&P/ASX200. As at 30 June 2022, Cromwell had a market capitalisation of \$2.0 billion, an Australian investment portfolio valued at \$3.0 billion and total assets under management of \$12.0 billion across Australia, New Zealand and Europe.