

ASX CODE

AXI

ISSUED CAPITAL

Ordinary Shares
432.7 M

CONTACT

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11 November 2020

ASX ANNOUNCEMENT

AXIOM AGREES SALE OF SOUTH AUSTRALIAN GOVERNMENT EMERGENCY SERVICES STATE COMMAND CENTRE

- Agreement reached with Charter Hall Social Infrastructure REIT (ASX:CQE)
- Total consideration of \$80 million
- CQE to fund all development costs to completion

Adelaide, Australia, Wednesday 11 November 2020: Axiom Properties Limited (ASX:AXI) is pleased to announce it has reached agreement with Charter Hall Social Infrastructure REIT (ASX:CQE) to sell its new purpose-built South Australian Emergency Services State Command Centre and adjacent multi-deck carpark currently under construction.

Under the terms of the deal, Charter Hall has agreed to acquire the assets by way of an upfront purchase of the land plus works completed to date for an initial sum of \$23 million and has committed to fund the balance of the works on a progressive basis for a total consideration of \$80 million, reflecting a passing yield of 4.8%. Axiom will continue to deliver the facility, with completion expected in October 2021. The settlement of land and works completed to date is expected to occur in the second half of November 2020 following completion of customary conditions under the agreements.

Axiom will use part of the initial sum of \$23 million to repay the existing NAB construction facility, which is estimated to be circa \$5 million dependent on final NAB interest calculation on repayment.

Additionally, Axiom has retained the development rights over the surplus land, equating to approximately 1,200 sq.m and capable of accommodating another facility of approximately 4,500 sq.m of net lettable area for a future ancillary use.

On completion, the Command Centre will bring together four Government emergency services agencies co-located in this bespoke facility, featuring backup power, water and wastewater storage and technology redundancies. The earthquake-resilient Centre is essential to post-disaster recovery and has been designated as Importance Level 4 under the National Construction Code. The South Australian Government have committed to lease 85% of the development on a 15-year lease with fixed annual increases.

Axiom General Manager, Paul Rouvray said, "we commenced construction of the facility in July this year, and we remain on track for an October 2021 completion. When finished, this facility will provide South Australia with a world-class Command Centre, providing the operational tools and workspaces for staff which are essential in continuing to keep South Australian communities safe."

Mr David Harrison, Charter Hall Group Managing Director and CEO commented "This transaction was negotiated off-market as a result of Charter Hall's long standing relationship with Axiom. Adelaide is a market Charter Hall knows well with a long history of developing in the city, most recently having completed the \$251 million development of the GPO Exchange. We continue to see good opportunities to partner with government and enterprise in South Australia, continuing our long involvement in the state."

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Axiom Managing Director Ben Laurance commented “We were extremely proud to be selected by the South Australian Government to develop this critical infrastructure asset for the State, and we are particularly pleased to be working again with Charter Hall to deliver this project and long term Government commitment for their Social Infrastructure Fund”.

The 1.6 hectare site has been owned by Axiom since 2009, and is located at 33 Richmond Rd, Keswick, approximately 2 kilometres from the Adelaide CBD. The transaction was negotiated off-market.

Authorised for release by the Board.

About Axiom Properties Ltd

Axiom Properties Ltd is a property development and investment business focused on developing and delivering quality property solutions. Axiom’s principal objective is to create long term value for shareholders by creating a well-respected property development and investment company that consistently delivers above industry returns on capital.

For more information please contact:

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