

22 August 2022

Sale of Investment Property

Sale aligned with strategic direction and disciplined capital management

Joyce Corporation Ltd (**Joyce or the Company**) (ASX:JYC) is pleased to announce that KWB, a 51% subsidiary of Joyce, has agreed to the sale and leaseback of its corporate office and warehouse and factory facility in Lytton, Queensland (**Property**). The sale of the Property will realise approximately \$16 million in cash (before costs) for KWB. The Property was valued at \$9.6 million in Joyce's consolidated accounts for the financial year ended 30 June 2021.

Terms of the Transaction

The sale and leaseback agreement, with non-related party, Kambah Ventures Pty Ltd ACN 657 119 198 as trustee for Kambah Ventures Trust (**Purchaser**), is conditional on the Purchaser having 7 days to perform all of their due diligence and is otherwise on customary terms. The sale is not subject to the Purchaser obtaining finance.

The transaction is expected to be completed 30 days after completion of due diligence. On completion of the sale, the Purchaser will pay approximately \$16 million in cash to KWB.

In connection with the sale, KWB has also entered into a leaseback arrangement with the Purchaser for a 10 year lease (with two further ten-year options) for the continued use of the office space and the warehouse and factory space within the Property. Under an existing lease agreement, a long term supplier to KWB will lease approximately 60% of the Property from KWB, continuing as a tenant of the Property under a sub-lease with KWB on the same commercial terms as the current lease arrangement.

The lease and sub-lease will commence on completion of the sale of the Property.

Joyce's Chief Executive Officer, Dan Madden commented:

"The transaction realises significant value from the Lytton Property and we believe comes at an opportune time given market conditions and the macroeconomic backdrop. The sale and leaseback arrangement follows the sale and leaseback of Joyce's corporate office in December 2021 and is aligned with the strategic direction of the Company as we continue to apply disciplined capital management and build a solid platform from which to drive our growth ambitions further."

"Our business is in a strong position with operations performing well and at a consistently high level. We have a great value proposition to our customers, franchisees, suppliers and employees, and we are well placed to continue to grow sustainably whilst maintaining healthy dividends for our shareholders."

ENDS

For further information, please contact:

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This release has been authorised by the Board of Joyce Corporation Ltd