

27 June 2023

Australian Securities Exchange Limited  
20 Bridge Street  
Sydney NSW 2000

By: e-lodgement

Attention: Company Announcements Office

## Exercise of Liverpool Option and Business Update

The Board of CVC Limited (ASX:CVC) (**CVC**) today provides an update on a significant transaction at Liverpool as well as an update on capital management activities.

### Liverpool Call Option Exercise

As previously disclosed, CVC holds a 66.7% interest in LAC JV Pty Ltd as trustee for the LAC Unit Trust (**LAC**) in partnership with Leamac Property Group. LAC holds an option to acquire approximately 16.7 hectares of land located at 1 Heathcote Road, Liverpool, New South Wales (**Property**).

The Property is considered part of the Liverpool CBD and has significant frontage to the Georges River and CVC and Leamac are progressing the rezoning of the Property to allow for mixed use development.

LAC has now exercised its call option to purchase the property.

A variation to the call option deed dated 1 February 2016 allowed for the following commercial terms:

- Strike Price - \$165 million
- Balance of deposit payable on exercise of call option - \$30.3 million
- Further instalment payments –
  - \$3 million payable 31 July 2024
  - \$3 million payable 31 July 2025
  - \$3 million payable 31 July 2026
- Balance of purchase price – \$124 million payable 15 March 2027
- CVC will provide a corporate guarantee for the payment of all money payable by LAC under the put and call option and contract, and the performance of all of LAC's obligations under the put and call option and contract
- Access entitlements for Vendor:
  - A lease of the Property will be granted to an entity associated with the Vendor for a period prior to settlement until 30 September 2028 (**Lease**)
  - Additional options for extensions to the Lease have been granted for two additional terms of 12 months each
  - During the term of the Lease (as may be extended) LAC will be granted a licence to access parts of the Property in order to allow development works to commence in areas of the Property where such works will not materially impact the tenant's use of the leased premises.

## Update on Planning for Liverpool Project

The Property is currently zoned IN2 Light Industrial and is the subject of a wider precinct rezoning application (**Planning Proposal**) which if approved, would see the site rezoned to enable mixed use development incorporating residential, commercial, retail, education and other associated uses.

The Planning Proposal is seeking approval of a Floor Space Ratio of 4.2:1 across the Property. On a high-level basis, assuming the Floor Space Ratio is approved, CVC expects that a rezoning outcome may deliver approval for the eventual development of approximately 5,000 apartments and 100,000sqm of non-residential floor-space. In April 2022, Liverpool City Council unanimously endorsed the Planning Proposal to proceed to the NSW Department of Planning and Environment for Gateway Determination.

The Department of Planning and Environment has now provided its Gateway Determination, allowing the Planning Proposal to proceed to a formal consultation process with NSW Government agencies and public exhibition. The proposed timetable issued by the Department outlines that an expected date for public exhibition of the proposed rezoning would fall in H1 FY2024.

## CVC Capital Management Update

The Board and Management of CVC have focused attention on ensuring the balance sheet of the company is strong and will allow the business to have sufficient capital to cover its current commitments as well as capacity to undertake investment opportunities which are forecast to emerge in FY2024.

In April 2023 CVC raised \$31.1 million in a new ASX listed corporate note (ASX: CVCHA) which has an approximately three year term. On 22 June 2023, the business completed the redemption of all remaining 310,984 CVC Convertible Notes (ASX: CVCG) which completed the CVCG instrument which originally provided \$60 million in capital at the time of issue in June 2018.

In April 2023, Donnybrook JV Pty Ltd (the SPV for the Donnybrook project 49% CVC and 51% Avid Property Group) secured a refinance of the project debt with a new non-recourse facility. This new loan has provided CVC capital inflows of \$38.5 million. The debt will be repaid via project settlements of sold land as well as the sale or development of the residual industrial parcel. The recourse of the loan made to Donnybrook JV Pty Ltd is limited to the property assets held by the JV entity.

In April 2023, CVC also realised the sale of its holding in Eildon Capital Group. The cash inflows of this divestment totalled \$16.3 million.

As a result of these initiatives and with the conclusion of other debt and equity investments the business is currently forecast to have approximately \$49.7 million in cash as at 30 June 2023.

- Ends -

Authorised by the Board for release