

ASX: A2B

30 March 2023

A2B agrees sale of O’Riordan Street Alexandria property

A2B Australia Limited (ASX: A2B; the **Company** or **A2B**) is pleased to announce that it has exchanged contracts for the sale of its O’Riordan Street, Alexandria property to an entity affiliated with Double Space Pty Ltd (**Double Space**) for \$78 million. This marks another milestone in A2B’s ‘BETTER BEFORE BIGGER’ transformation strategy. The sale price is in line with the independent valuation for the property undertaken by Jones Lang LaSalle in May 2022.

The net proceeds from the sale of A2B’s properties in O’Riordan Street and Bourke Road, after costs and repayment of debt, are expected to be approximately \$73 million. The Board currently intends to return these net proceeds to shareholders as a fully franked dividend by the end of 2023, assuming settlement of the O’Riordan Street property occurs by this date, and there is no material deterioration in the operations of the business or market conditions.

Commenting on the property sale, A2B’s Executive Chairman Mark Bayliss said: “As part of our ‘BETTER BEFORE BIGGER’ strategy, the Board concluded after an external strategic review that owning or remaining in the current sites in the long term was not the right solution for the business. With this agreement to sell the O’Riordan Street property, A2B will have sold both its Sydney properties, optimising shareholder value and facilitating an attractive cash return to shareholders.”

Double Space is an Australian real estate developer in the Sydney region, and is a joint venture between Enice Technology Co. Ltd and Bestplace Corporate Limited. Double Space owns sites around Alexandria, including two large scale residential development projects.

The sales contract for O’Riordan Street provides for a 12% deposit to be held in escrow, with 5% received on signing and a further 7% contracted to be received on or before 30 June 2023. Settlement is expected to occur in December 2023, following satisfaction of conditions precedent. The Bourke Road sale is expected to settle in April 2023.

A2B has also entered into a 3-year lease back over the O’Riordan Street premises to enable the Company to properly consider its longer-term property requirements.

A2B expects the net negative impact to EBITDA as a result of the sale of O’Riordan Street and Bourke Road as well as the lease back of O’Riordan Street should be approximately \$2 million for FY24 and approximately \$4 million for FY25, taking into account the expected timing of the settlement of both properties.

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Authorised for lodgement by the Board of A2B Australia Limited.

For further information please contact:

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About us

Operating since 1976, over the past 40+ years A2B has grown to become the market leader in the personal transport sector.

For further information, please visit: <https://www.a2baustralia.com/>.