ASX Announcement

19 May 2025

Lendlease announces new Joint Venture with The Crown Estate

Lendlease today announces the sale of UK development assets into a 50/50 joint venture (JV) with The Crown Estate, an independent commercial business tasked with returning its profit to the UK government. The sale includes six of Lendlease's UK development projects, comprising land holdings and capital efficient land management agreements[1].

Through the transaction, Lendlease will accelerate the release of more than $300 million[2] of capital from its longer-dated international development book and will halve its future funding commitments to ~$125 million, while continuing to meet its existing obligations relating to master planning and site enablement.

The transaction is subject to conditions precedent, including public authority consents[3] with parties working to satisfy these conditions in FY26. The transaction is expected to release capital slightly above book value on completion and contribute positively to future earnings through lower funding costs and the receipt of development management fees.

The JV, which was initiated by Lendlease with The Crown Estate, will create an industry-leading alliance with deep sector experience in delivering sustainable, city-shaping projects and is anticipated to accelerate planning and project delivery to provide much needed housing supply for Greater London and its residents. The Crown Estate is an ideal partner, with more than $30 billion of core land and asset holdings across the UK and a commitment to deliver profitable, long-term national outcomes.

The delivery of JV projects, spanning a number of London boroughs and Birmingham, is expected to provide strong economic, social and environmental benefits, including approximately 26,000 new residential dwellings and more than 900,000 square metres of prime sustainable office and life sciences space.

Renewed momentum in planning and land entitlement anticipated from the JV will help to accelerate the release of land parcels, with the sale of entitled land expected to self-fund master planning costs across the portfolio.

Neither JV partner is obliged to undertake any future vertical development as it is anticipated that entitled land lots should be able to be sold to third parties, although each has the right to commit up to 50% of the capital per development. Lendlease retains asset management rights for any

[1] Includes Stratford Cross land holdings and land management agreements for Euston Station, Silvertown, Birmingham Smithfield, High Road West and Thamesmead Waterfront but excludes Elephant Park, The Turing Building at Stratford Cross, Deptford Landings and residual inventory. Refer to Appendix 3 for details
[2] Based on estimated capital values at 31 December 2025. Refer to Appendix 3
[3] Public authority consents are required for Euston Station, Silvertown, Smithfield, High Road West and Thamesmead

vertical developments where it maintains a co-investment interest, with the potential for up to $24 billion of new investment product to be created from the JV's development portfolio, spanning sustainable office, build-to-rent and life sciences assets.

Lendlease will be appointed by the JV as the development manager with development management fees payable on a cost-plus and performance basis in relation to services provided to the JV. For any vertical development in which Lendlease chooses to co-invest, Lendlease will also be appointed the development manager and will receive a fee calculated as a percentage of total development cost. Lendlease will assess any co-investment stake against its capital allocation framework and target ownership of c.10% for any co-investment made, as outlined at the 2024 strategy update.

The release of capital brings Lendlease's total of announced or completed capital recycling initiatives to $2.5 billion in FY25 out of a target of $2.8 billion (see Appendix 1) and provides additional progress towards launching a security buyback[4].

Investment management update

Lendlease also announces today the recent commencement of a $1.2 billion investment mandate in Australia on behalf of an existing investor, the National Pension Service ("NPS"). The mandate for the management of Aurora Place, Sydney, was secured as part of a competitive process and increases Lendlease's funds under management of Australian office assets to approximately $20 billion, with ~80% in Sydney and the majority being premium sustainable office assets.

This new mandate reflects Lendlease's strong domestic and international investment management capabilities and follows Lendlease's recent introduction of two new investment partners into 21 Moorfields in London.

Lendlease remains committed and focused on driving the performance of its funds and mandates across its Australian and international investment management platform.

Quotes attributable to Tony Lombardo, Group CEO, Lendlease

"This partnership will create an industry leading alliance that is expected to unlock value within our high-quality UK development portfolio, while accelerating the release of capital for the Group.

"With our expertise in delivering city shaping urban regeneration projects, the joint venture aims to deliver positive outcomes for our securityholders, communities and partners.

"Since announcing our refreshed strategy in May last year, we have made strong progress to simplify the Group, reduce our risk profile, and recycle capital to be a more focused organisation.

"While we have completed or announced $2.5 billion of capital recycling initiatives, achieved our cost out target and exited international construction, we have also grown our network of global capital partners. The Group is well positioned for future performance and growth for our securityholders."

[4] Subject to previously stated buyback conditions (refer to May 2024 strategy update)

Quotes attributable to Dan Labbad, CEO, The Crown Estate

"With strong support from local and national government, we look forward to working with Lendlease and others to realise the potential of these projects to create jobs, stimulate growth and positively impact lives, while also generating income for the UK.

"As a country, we face challenges to unlocking growth. To support this, we need to spark investment in sectors like science, technology, and housing, alongside deep collaboration across communities, government, and the private sector. This joint venture is an example of how The Crown Estate is harnessing its mandate to act in the UK's long-term national interest, supported by new investment powers, and stepping up its ambition to support inclusive growth for the nation."

About The Crown Estate

The Crown Estate is an independent commercial business acting in the UK's long-term national interest. It manages a diverse £16bn UK portfolio of rural and urban land and property around England, Wales and Northern Ireland, and occupies a space between the public and private sectors.

Its key focus areas are:
- Responsibly generating financial returns for the UK Government
- Being a leader in supporting the UK towards a net zero carbon and energy secure future
- Taking a leading role in stewarding the UK's natural environment and biodiversity
- Helping create inclusive communities and supporting economic growth

Market Briefing

A market briefing will be given today by Tony Lombardo, Group Chief Executive Officer, Simon Dixon, Group Chief Financial Officer, and Tom Mackellar, CEO of Development.

The market briefing will be webcast at 8:30am (AEST) via https://www.lendlease.com and a recording will be made available online at Lendlease's Investor Centre.

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Authorised for lodgement by the Lendlease Group Disclosure Committee

Appendix 1: Capital recycling progress

Lendlease is committed to its FY25 target of $2.8b of capital recycling initiatives and is progressing opportunities to realise the remaining cash proceeds. Lendlease will update the market in relation to these opportunities as appropriate.

FY25 $2.8b target – capital recycling initiatives

Asset	***Sale price***	***Profit / (loss)[5]***	***Completion timing***
Communities	*$1,060m*	*~$95m[6]*	*29 November 2024*
Life Science interests[7]	*$170m*	*~$105m*	*1 August 2024*
Military Housing	*$516m*	*~$145m[8]*	*30 January 2025*
Capella Capital	*$235m[9]*	*~$70m*	*Targeting 2H FY25*
UK Development JV	*$300m+[10]*	*~$10-30m[11]*	*Targeting FY26*
Other[12]	*$240m*	*~$18m*	*1H/2H FY25*
Cumulative total announced	***$2,521m+***	***~$443-463m***	***N/A***

[5] Expressed as a gain or loss (post tax) versus carrying book value. Reflects project / asset level profit, before allocation of overheads. Does not reflect Group OPAT
[6] Includes profit of $35m that has been booked in FY24 and FY25 as a result of the delayed completion, which otherwise would have been part of the sale profit. Separately, an additional ~$10m of profit in 2H FY25 is anticipated from retained Communities projects
[7] Includes positive purchase price adjustments recognised in 1H FY25, relating to the acquisition of a ~S$1.6b portfolio of assets in Singapore
[8] Exchange rates and completion adjustments remain subject to finalisation
[9] Sale price represented on a 100% ownership basis. Lendlease has a 70% ownership interest
[10] Assumes the lower range of estimated capital balances at 31 December 2025
[11] Exchange rates and completion adjustments remain subject to finalisation
[12] Includes Elephant Park land and asset divestments and the sale of completed inventory

Appendix 2: Key transaction outcomes for Lendlease

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Key transaction outcomes for Lendlease

Orderly capital release from overseas development while maximising value and preserving key stakeholder relationships[1]

Partner
- The Crown Estate is an ideal partner to accelerate the UK development portfolio
- The 50/50 Joint Venture (JV) enables value to be realised from land management agreements

Capital
- Accelerates $300m+ of long dated capital, reduces funding costs and halves future funding commitments to ~$125m
- Option for Lendlease to selldown post 3 years of JV establishment
- Option to participate in vertical development

Lendlease fees
- Development Management fees as master planner on a cost-plus and performance basis
- Asset Management fees for all vertical development in which Lendlease maintains a co-investment
- Development Management fees as a percentage of total development costs for all vertical developments in which Lendlease maintains a minimum co-investment
- Potential future performance fees, subject to planning, valuation outcomes and project performance

Returns
- Returns in line with the capital allocation framework outlined at the May 2024 strategy update
- Potential generation of investment product across build-to-rent, life sciences, innovation and sustainable office assets

1. Per Slide 37 of the Lendlease Strategy Update (May 2024)

Appendix 3: UK development portfolio – project summary

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UK Development Joint Venture – Project and Capital Summary[1]

Project	End value (A$b)	Potential FUM (A$b)	Residential units	Commercial sqm (k)	Invested capital (A$m)	Counterparties & Structure
Euston Station	11.6	10.0	2,000	400	50	• DA with DfT and Network Rail • Staged draw down / variable land price
Silvertown	10.5	2.4	6,288	120	75	• DA with Greater London Authority • Staged draw down / fixed land price
Smithfield, Birmingham	5.6	3.4	3,389	187	68	• DA with Birmingham City Council • Staged draw down
High Road West	2.6	0.1	2,803	10	51	• DA with London Borough Haringey • Staged draw down
Stratford Cross	2.4	2.4	-	113	180	• Currently 50/50 JV with CPP Investments • Land held on balance sheet
Thamesmead Waterfront	16.0	5.6	11,500	82	7	• DA with Peabody • Staged draw down / land payments
Other LMA assets	-	-	-	-	63	
HY25 totals	48.7	23.9[2]	25,980	912	494	
			Estimated capex to 31 Dec 2025[3]		110-150	
			Est. total capital at 31 December 2025[3]		604-644	

1. All values presented on a 100% ownership basis. All data reflects anticipated planning and current intention 2. Based on whole-of-life of each project.
3. Illustrative completion date, subject to change. Target completion FY26.

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