

Media/ASX and NZX Release

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DOWNER TO DIVEST 70% OF LAUNDRIES BUSINESS

Downer EDI Limited (Downer) announced today it had entered into an agreement to sell 70% of its Laundries business to an entity established by Australian private equity firm, Adamantem Capital (Adamantem).

Under the agreement, Downer will sell a 70% interest in Laundries and receive total proceeds of approximately \$155 million on a cash and debt free basis. Following the transaction, Downer will cease to consolidate the Laundries business and will recognise its residual 30% ownership interest as an Equity Accounted Investment.

The Chief Executive Officer of Downer, Grant Fenn, said the transaction represented a significant step in Downer's Urban Services strategy.

"The sale of 70% of Laundries achieves the objective of removing one of the most capital-intensive businesses from the Downer balance sheet," Mr Fenn said. "Laundries continues to perform well as it recovers from the COVID-19 lockdowns in New Zealand and Victoria and by retaining a 30% interest we will participate in this ongoing recovery.

"We look forward to working closely with Adamantem and its management team providing market-leading services for our customers and employment opportunities for our people."

Adamantem Capital Managing Director, Chris Adams, said: "Adamantem is proud to be investing in the leading commercial laundry business in Australia and New Zealand.

"We intend to invest to grow the business for the benefit of the 1,900 loyal employees and numerous longstanding customers. We look forward to partnering closely with Downer and the management team and to take advantage of the exciting opportunities that lie ahead."

The sale is subject to customary conditions precedent being met, including regulatory and some customer approvals, and is expected to complete by the end of March 2021.

Authorised for release by Downer's Chief Executive Officer, Grant Fenn.

About Downer

Downer is the leading provider of integrated services in Australia and New Zealand and customers are at the heart of everything it does. It exists to create and sustain the modern environment and its promise is to work closely with its customers to help them succeed, using world-leading insights and solutions to design, build and sustain assets, infrastructure and facilities. For more information visit www.downergroup.com

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