

5 May 2023

**LSL Property Services plc ("LSL" or "Group")**

**FRANCHISE UPDATE**

LSL confirms the execution of franchise agreements in respect of 23 LSLi branches. Details of these agreements were included in its announcement made on 4 May 2023 that its entire owned agency network would convert to franchises. Final completion had been slightly delayed pending confirmation that routine insurance arrangements had been put in place. As stated in the announcement, work continues to finalise agreements that are at an advanced stage in respect of the remaining 40 branches.

These branches were previously owned by LSL subsidiary companies (GFEA Ltd (Goodfellows), Hawes & Co Ltd, Lauristons Ltd and Davis Tate Ltd). As part of the steps taken to affect franchise agreements, these companies have been acquired by a new franchisee, Southern Moves Limited in return for a long-term royalties franchise agreement and de minimis consideration for assets transferred, the same as the smaller related parties transactions for Oliver Blake and David Vertannes previously announced on 4 May 2023.

The transaction constitutes a class 2 transaction for the purposes of the UK Financial Authority's Listing Rules. The gross assets of these subsidiaries at 31 December 2021 was £15.4m, net of intercompany Group balances, of which, LSL will retain the total carrying value of LSLi's goodwill and brand of £6.5m. Statutory profit before tax of these subsidiaries in 2021 was £3.8m.

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