

CLS Holdings plc ("CLS", the "Company" or the "Group")
CLS announces the sale of the Student accommodation at Spring Mews ("Spring Mews Student")

CLS announces that it has unconditionally exchanged on the sale of Spring Mews Student in Vauxhall, London to Rosethorn Capital Partners and Barings for £101.1 million net cash consideration. The purchase price is in-line with the 31 December 2024 valuation and 8.1% ahead of the 2023 year-end valuation. The sale will be completed in May 2025 when the remaining consideration will be paid.

In 2014, CLS constructed its student accommodation asset as part of the mixed-use Spring Mews development, comprising student, hotel and, office properties. Since the early years, Spring Mews Student has always been fully occupied (apart from during the Covid pandemic) and in 2024, following a minor refurbishment, it achieved record profits.

The sale has also provided an opportunity to address upcoming loan maturities for New Printing House Square in Holborn and Artesian in Aldgate, which were due in June and December 2025, with the properties being substituted for Spring Mews Student into an existing portfolio loan with Aviva Investors. Consequently, on completion of the Spring Mews sale, the disposal proceeds will be used to repay £85.8 million of debt for the two properties being substituted into the Aviva Investors portfolio. The restructuring of the financing allows CLS to repay more expensive debt whilst retaining the Aviva Investors portfolio loan largely intact, which is fixed at 2.54% and expires in 2030 and 2032. The sale of Spring Mews Student will therefore be marginally earnings enhancing. This will also reduce CLS' year-end cost of debt by over 20 basis points and LTV from 50.7% to 47.9% on a pro forma basis.

Fredrik Widlund, Chief Executive of CLS, commented:

"Spring Mews Student has been a very successful development for CLS, and we are pleased that Rosethorn and Barings will become the owners as the scheme enters its next phase as an integral and continuous part of our Spring Mews estate in Vauxhall. The sale demonstrates CLS' ability to develop, operate and realise value through its structured, pro-active approach and, at the same time, deliver on several strategic priorities by addressing upcoming loan maturities and reducing LTV."

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