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VELOCITY PROPERTY GROUP

VISION INTEGRITY LIFESTYLE

Annual General Meeting



VELOCITY

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Welcome

26 October 2020

Chairman's Address

Mr Tony Pitt
Chairman



Presentation of Company Results

Mr Philip Raff
Managing Director



Agenda

- ✓ FY2020 Financial Snapshot
- ✓ Capital Management
- ✓ Disposal of Development Sites
- ✓ Sales Update
- ✓ Proposal from 360 Capital Group



FY2020 Financial Snapshot

- ✓ Revenue Increased 28% to \$49.7M
- ✓ Loss attributable to Shareholders of \$9.7M
- ✓ Net Assets Decreased 42% to \$11.7M
 - ✓ \$9.7M after non-controlling interests
- ✓ NTA/Share of \$0.85, forecasted to reduce to...
 - ✓ ~\$0.64 at 31 December 2020
 - ✓ ~\$0.62 as at 31 March 2021
- ✓ Cash & Cash Equivalents of \$2.6M

Statement of comprehensive income

Financial Year Ended	30 June 2020	30 June 2019
Revenue	\$49,747,568	\$38,827,204
Expenses	(\$59,080,215)	(\$35,760,912)
Profit (Loss) before income tax expense	(\$9,332,647)	\$3,066,292
Income tax (expense) benefit	\$14,219	(\$763,070)
Profit (Loss) after income tax expense for the year	(9,318,428)	\$2,303,222
Profit (Loss) for the year is attributable to:		
Non-controlling interest	(\$409,063)	(\$1,698,324)
Shareholders of VPG	-\$9,727,491	\$604,898



Breakdown of Result

Line Item	Amount \$M
Operating Loss	3.0
Investment Property Revaluation	0.8
Development Site Write Down – Palm Beach	1.8
Development Site Write Down – Burleigh Headlands	1.6
Tax Losses Written Back ⁽¹⁾	2.5
Total	9.7

1. Unlikely to be recovered based on change in business activities



Capital Management

Working Capital

- ✓ We have sufficient working capital to meet our obligations as and when they fall due

Borrowings

- ✓ Total borrowings at 30 June 2020 of \$51.4M are expected to reduce to ~\$35M by 31 December 2020 and ~23M by 31 March 2021.
- ✓ Average cost of borrowings in FY2020 was 8%; down from 10% in FY2019 as a result of a partial refinance of the Group's debt portfolio from the \$10m note received in Dec 2019.
- ✓ This cost of borrowings is expected to reduce further from December 2020 as a result of refinancing our remaining non-bank facilities.

Dividends

- ✓ A dividend was not declared for the last financial year, but shareholders should note the anticipated distribution forecasts of 6% in the proposal received from 360 Capital Group to restructure and repurpose the company into a real estate debt business



Development Sites

✓ Palm Beach

- ✓ On 29 July 2020 we announced the sale of 488 The Esplanade, Palm Beach; it is due to settle on 15 December 2020.
- ✓ The ASX announcement can be found via the link below...

<https://www.asx.com.au/asxpdf/20200729/pdf/44kymtnnn6879j.pdf>

✓ Burleigh Heads

- ✓ Negotiations for the sale of our Burleigh Heads site are progressing well.



Sales Updates



The Hathaway



ONE Palm Beach



Ellerslie Residences



Gross Dev. Value	\$16M
Completed	FY2019
Sales to Date	100% Sold

Gross Dev. Value	\$38M
Completed	FY2019
Sales to Date	100% Sold

Gross Dev. Value	\$5.4M
Completed	FY2019
Sales to Date	100% Sold



Parque on Oxford

Gross Development Value	\$21M
Completed	March Quarter 2020 FY2020
Project Sales to Date ⁽¹⁾	67% Sold

⁽¹⁾ as at 23 October 2020



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ONE Bulimba Riverfront

Gross Development Value	\$60M
Completed	December Quarter 2019 FY2020
Project Sales to Date ⁽¹⁾	63% Sold

⁽¹⁾ as at 23 October 2020



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Moving Forward

- ✓ Proposal from 360 Capital Group
 - ✓ Currently in advanced stages of due diligence
 - ✓ Independent Experts engage to guide shareholders on the proposed transaction
 - ✓ The offer of \$0.85/share is expected to be adjusted in line with our projected NTA when the capital raising is proposed
 - ✓ Subject to obtaining regulatory, board & shareholder approvals.

Thank you



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