

HALF YEAR RESULTS 2023

(TO BE READ IN CONJUNCTION WITH THE GROUP'S HALF YEAR FINANCIAL REPORT)

Sunland Group

GROUP STRATEGIC PLAN

PROGRAM FOR REALISING NET ASSET VALUE

FINANCIAL PERIOD SEES THE CONTINUATION OF THE STRATEGIC PLAN

The Strategy* implemented is to:

- Sell certain inventory not currently under development
- Complete development of certain other projects
- Convert assets to cash and repay all liabilities
- Return net assets to Shareholders by way of dividends and capital distributions
- Dividends to be fully franked to the extent franking credits are available

SUBJECT TO MARKET CONDITIONS, SATISFACTION OF FINANCIERS, REGULATORY AND LEGISLATIVE REQUIREMENTS.

** GROUP STRATEGIC PLAN*

GROUP RESULTS AND OPERATION HIGHLIGHTS

GROUP RESULTS AND OPERATIONAL HIGHLIGHTS

SETTLEMENTS OF COMPLETED PROJECTS COMBINED WITH THE SALE OF UNDEVELOPED PROJECTS CONTRIBUTED TO RESULTS

- Statutory Net Profit After Tax of \$20.6 million (1H22: \$35.9 million).
- Earnings per share of 15 cents (1H22: 26 cents)
- Fully franked dividends totaling 105cps paid this period relating to FY23 comprising:
 - 30cps paid July 2022
 - 15cps paid September 2022
 - 60cps paid December 2022
- Directors have now declared fully franked dividends totalling 40 cents, being an interim dividend of 20 cents and a special dividend of 20 cents, payable 16 March 2023.
- Group consolidated Net Tangible Assets per share of \$1.69 (2022: \$2.60) ^[1]

CAPITAL ALLOCATED TO COMPLETE PROJECTS AND REPAY EXTERNAL DEBT

- All external debt has now been repaid with FIIG Notes redeemed in October 2022
- 272 Hedges Avenue project completed and fully settled
- The Group's obligations associated with employee incentive plans and entitlements are being progressively realised
- An appropriate amount of capital is being retained to fund the delivery of remaining active projects
- Completion and settlements of Montaine Residences scheduled for March 2023 and Lanes Residences West Village through to April 2023.
- The remaining undeveloped lot at The Lakes (Lot 918) settled in early February 2023.

[1] BASED ON CONSOLIDATED ISSUED SHARES AS AT BALANCE DATE

KEY OPERATIONAL HIGHLIGHTS FOR HALF YEAR ENDING 31 DECEMBER 2022

	UNIT	1H23	1H22/Jun 22	% CHANGE
STATUTORY NPAT	\$M	20.6	35.9	-43
EARNINGS PER SHARE	CENTS	15	26	-42
ORDINARY DIVIDENDS PER SHARE	CENTS	20	12	
SPECIAL DIVIDENDS PER SHARE	CENTS	20		
INTEREST BEARING DEBT	\$M	0	49.0	
TOTAL ASSETS	\$M	254.3	451.1	
EQUITY	\$M	232.3	346.9	
NET TANGIBLE ASSETS PER SHARE ¹	\$	1.69	2.60	
GEARING [DEBT TO TOTAL ASSETS]	%	N/A	11	
GEARING [DEBT TO EQUITY]	%	N/A	14	
SALES				
REVENUE – SALE OF PROPERTY	\$M	113.3	240.0	-53
TOTAL REVENUE	\$M	123.9	243.3	-49

CAPITAL MANAGEMENT AND STRATEGY UPDATE

CAPITAL WILL BE MANAGED TO SATISFY GROUP'S REMAINING OBLIGATIONS

Remaining assets are to be realised and sufficient cash retained to meet the Group's remaining obligations which include:

- Delivery costs associated with remaining projects being completed
- Taxation and other statutory payments
- Maintenance and defect rectification required for certain projects
- Operating administrative costs including employee salaries and entitlements and costs associated with the Strategy
- Contingent liabilities that may crystallise in respect to completed projects

OUTLOOK

Sunland, in consultation with its advisors, continues to consider the most appropriate and efficient mechanism to fully return net assets in line with the Strategy. In the meantime:

- Directors intend to maintain quarterly distributions where possible to do so
- Sunland intends to maintain its listing on the ASX whilst directors continue to assess the most appropriate way to finalise the Strategy through consultation with its advisors and the ASX as required
- Material changes to distribution guidance or other matters will be announced to the market in accordance with the Company's continuous disclosure obligations

PORTFOLIO DETAILS

ACTIVE PROJECTS TO BE DELIVERED

ACTIVE AND NEW PROJECTS	YIELD		SETTLED LOTS		UNSETTLED LOTS		CONTRACTED LOTS ^[1]		UNSOLD LOTS	
	(#)	(\$M)	(#)	(\$M)	(#)	(\$M)	(#)	(\$M)	(#)	(\$M)
MULTI-STOREY										
THE LANES RESIDENCES – WEST VILLAGE, QLD - settlement scheduled for FY23	157	130	-	-	157	130	156	129	1	1
272 HEDGES AVENUE, QLD – settlements now completed	98	259	98	259	-	-	-	-	-	-
SUB-TOTAL	255	389	98	259	157	130	156	129	1	1
HOUSING										
MONTAINE RESIDENCES, NSW – staged settlements scheduled to be completed in FY23	139	93	117	78	22	15	21	14	1	1
SUB-TOTAL	139	93	117	78	22	15	21	14	1	1
TOTAL PROJECTS COMPLETED OR UNDER CONSTRUCTION	394	482	215	337	179	145	177	143	2	2

[1] CONTRACTED LOTS INCLUDES BOTH CONDITIONAL AND UNCONDITIONAL CONTRACTS

Sunland Group